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PUKATOHU REITI 2023

RATES GUIDE 2023



Ngā kōrero katoa mō ngā reiti i Papaioea
All you need to know about rates in the city

Kia ora,

We acknowledge that the last financial years have been tough on our community and we have again looked at every service, programme and project on our books to find areas where spending can be reduced, or we can defer non-essential work.

We understand that you may have been impacted by increases in things like inflation, interest rate increases, and price rises for everyday products. Council has needed to cover many of these cost increases too. These pressures have been a major factor in the 7.7 per cent increase in total rates for this financial year, though this is still less than the 8.3 per cent rise signalled in our Long Term Plan.

During April we consulted with the community on our proposed budget and in May we held four sessions over two days of hearings listening to our community. Elected Members then spent a long day in the chamber attempting to find the right balance between keeping costs as low as possible, while maintaining the services you rely on. We've looked through every area of Council's operations and budgets, opting to put some work on the backburner for now but keeping the things we've seen as important to continue on with.

Throughout the day, Elected Members proposed a number of additional recommendations based on submissions and requests from community organisations resulting in some robust debate. Some additions to the proposed budget included \$500,000 to help plan for the growth of city

housing and the Te Utanganui Central New Zealand Distribution Hub , increased operating grants for Te Manawa and the Globe Theatre; a feasibility study for the Awapuni and Te Patikitiki Libraries in addition to more community space in Highbury, and a Pasifika hub; funding support for key major events, the NZ Rural Games and NZ Food Awards and the development of an Age Friendly strategy for the city.

Despite some challenging circumstances we've delivered some significant work over the last year, with more important projects planned. As one of our city's largest consumers of local services and supplies it's important that Council continues to invest in Palmy's development and our community's wellbeing. This helps support our diverse community as well as local businesses and our local employment market.

We know the economic challenges we're all facing will impact some more than others. With this in mind, we'll continue to support and partner with community organisations who are providing services and assistance to our people. We'll also continue to provide the everyday services and facilities Palmy people rely on more than ever in tough times.

Nga mihi nui,

Grant Smith ^{JP}
Mayor



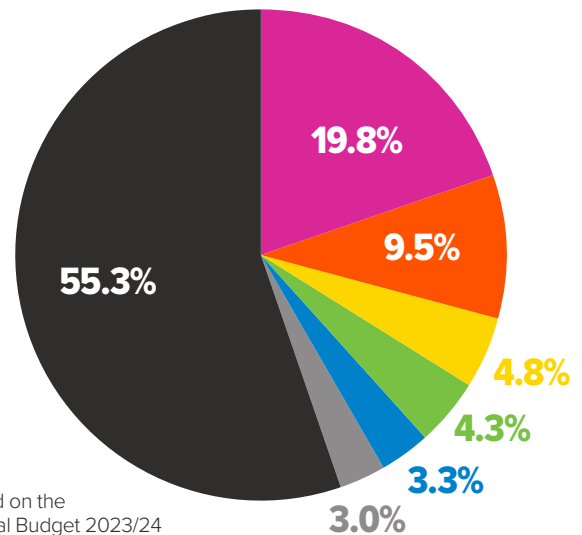
The budget sets how much we will spend on our services this year

Council's Annual Budget decides the work we'll do for the year ahead and the total amount of revenue needed to pay for it. Delivering services along with building and maintaining infrastructure for a whole city is a big job, charging rates is one way we fund it all. Other sources of revenue include user pays fees and charges, subsidies and grants and rent received from council owned properties.

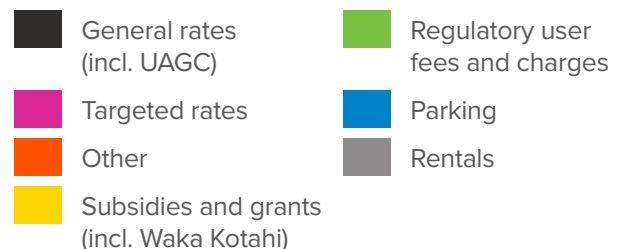
If you own property in the city, you'll pay rates on it. If you're renting, the cost of rates will be part of your rent. How much each property owner pays also depends on which services the property uses. For example, if you're connected to city drinking water and wastewater systems, you'll pay for those. If you live in the country and have your own water supply, you won't. Rates are partially calculated based on the land value of properties and whether they're used for residential, commercial/industrial or rural purposes.

Rates pay for around 75% of running Council

Rates are an important part of how we fund our city, but we don't rely on rates alone. We also get revenue from a range of other areas. The chart below shows the percentage they contribute to running our city's services and facilities.



based on the Annual Budget 2023/24



Deciding the budget is a careful process

A proposed Annual Budget for this financial year was set as year three of our Long Term Plan in 2021. Late last year Council officers began looking into that proposed amount, which would have meant a rise in total rates of 8.3 per cent, to see if it still made sense.

The results were shared with Elected Members in late February for their consideration. At a Council meeting in early March a wide range of programmes were looked through and debated on whether their budgets should be reduced, removed or increased. As a result, a range of changes were made.

The draft Annual Budget for the 2023/24 year was put out for public consultation in April so we could hear your thoughts on our proposals. Elected Members read through the 124 submissions received and listened to two days of hearings in May. After considering all of the public input the Annual Budget was then discussed in depth once more and further changes made. The Annual Budget was adopted on 14 June.

Economic factors

Interest rates

Just like the rising repayments you may be facing on your personal or mortgage loans, the interest rates for our debts are also increasing. In our last Long Term Plan our assumed interest rate for this year was 2.8 per cent. We've now adjusted that to 4.2 per cent.

Inflation

Inflation happens when the prices for many of goods and services increase at the same time. You'll have noticed a rise in prices and we too are currently having to pay more to get our work done. This is affecting the cost of services we provide, including things like fuel and building materials.

Power

Electricity prices are another area seeing significant increases. We do have some renewable energy at our water and wastewater plants though, which saves us around \$200,000 in power bills each year.

Workforce availability

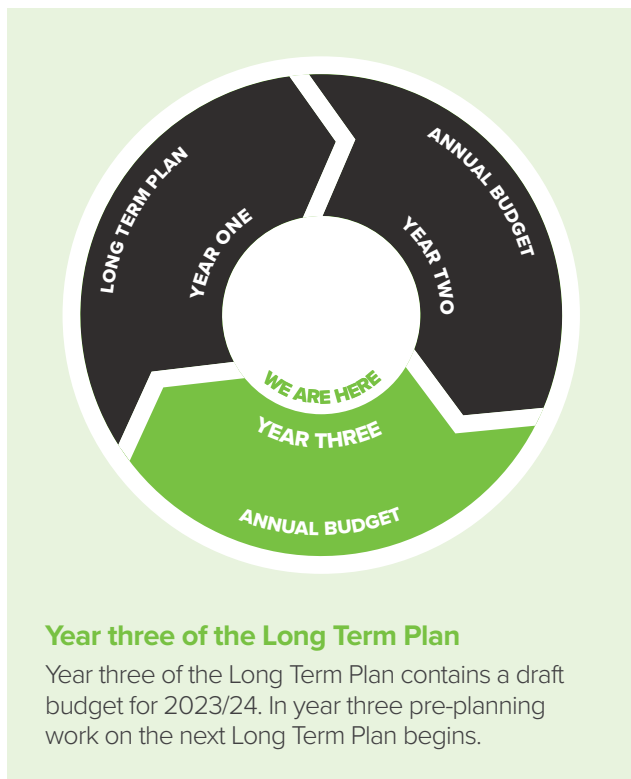
New Zealand's unemployment rate is at a record low. This means the cost of labour is rising at the same time our budgets are getting tighter. Some of our work, like road maintenance and construction, is done by contractors. With the number of skilled trades people around limited, at times we may have to wait longer or pay more for the things we need to be done.

Insurance

Having comprehensive insurance on Palmy's valuable infrastructure is critical, as recent cyclone damage in other regions and cities has made clear. This is another unavoidable cost that has risen significantly across the country.

We'll be asking you soon about our Long Term Plan

Key dates for your rates



Instalment	Invoice date	Due Date
One	1 August 2023	25 August 2023
Two	1 November 2023	24 November 2023
Three	1 February 2024	23 February 2024
Four	1 May 2024	31 May 2024

Make sure you pay on time

Rates that are not paid by the due date have a penalty charge of 10 per cent added. If you are having difficulty paying your rates please call us to discuss.

You can pay your rates in a range of ways

- Direct debit
- Automatic payment
- Internet or phone banking
- Credit/debit card
- In person

Get your rates by email instead!

Want to help the environment and cut the paper waste? Get your rates invoice sent straight to your email inbox by filling in the simple form at pncc.govt.nz/erates

We'll be developing our next Long Term Plan over the coming months. This is when we take a close look at the services, plans and projects for the next 10 years (2024-2034). In conjunction with this we'll be considering options for the future rating system including, for example, whether to base rates on land value or capital value or a combination of both.

We will be seeking your feedback.

You might be able to qualify for a rates rebate, remission or postponement

Residential ratepayers on low incomes may be eligible for a rates rebate of up to \$750 for the year. Homeowners who earned less than \$30,100 in the year ended 31 March 2023 may be able to qualify. There is also a wider range of criteria that you may qualify for. For example, you may be able to get a rebate on a higher income if you have dependants, or if your rates are very high. To learn more go to ratesrebates.govt.nz

Community organisations may qualify for a rates remission if they meet a series of policy criteria. Individuals facing severe financial hardship may qualify to have a portion of their rates postponed but this is a last resort approach and involves costs. We encourage you to discuss your position with our staff as soon as possible so we can investigate options with you.

You can look up the Rates section on our website or contact our call centre for more details.

Making it easy

Our Palmerston North City Council website is your one-stop shop to save time and get things done online. You can pay your rates, parking tickets, dog registration and for many other things by visiting pncc.govt.nz/onlinepayments

It's also where you can find out the rubbish and recycling days for your street, keep up with our latest news and use the 'My Area' tool to search parks, reserves and other great council facilities nearest you.

You can also report any issues or give us feedback at pncc.govt.nz/contact-us or use our Snap, Send, Solve app on your mobile phone.

If you'd like to talk to someone in person our Customer Contact Centre is open 24 hours, every day of the year. Call us anytime on **(06) 356 8199**.

Ministry of Health Water Notice



We have some of the cleanest drinking water in the country. Despite this, some plumbing fittings in New Zealand have the potential to allow minute traces of metal to accumulate in the water sitting in pipes overnight. The health risk is very low, but the Ministry of Health recommends all homes flush a cup of water from all drinking water taps each morning.

An important update when paying your rates

When you're paying your rates, we now need you to be using the assessment number on your rates notice, rather than your valuation number. This is the number we use to tell who has paid their rates. You can find this on your invoice.

- If you have a direct debit, you don't change anything – Council makes the change.
- If you have a direct credit or automatic payment, you'll be prompted to use the new number when changing the amount you pay in rates each year.
- If you pay via internet or phone banking, you'll need to now use the assessment number as your reference. Your bank app or website will likely prompt this.
- If you're paying at our Customer Service Centre, our team will be able to input the new number for you.

Date	1 August 2023
Instalment No.	1 of 4
Assessment No.	1099409

Still have questions? We're here to help

If you're not sure or are having trouble making this change, please give us a call and we can help.

Te Kaunihera o Papaioea
Palmerston North City Council

pncc.govt.nz / info@pncc.govt.nz / 06 356 8199