

# Rates and rate increases for the next 20 years

## Changing of timing for balancing the budget

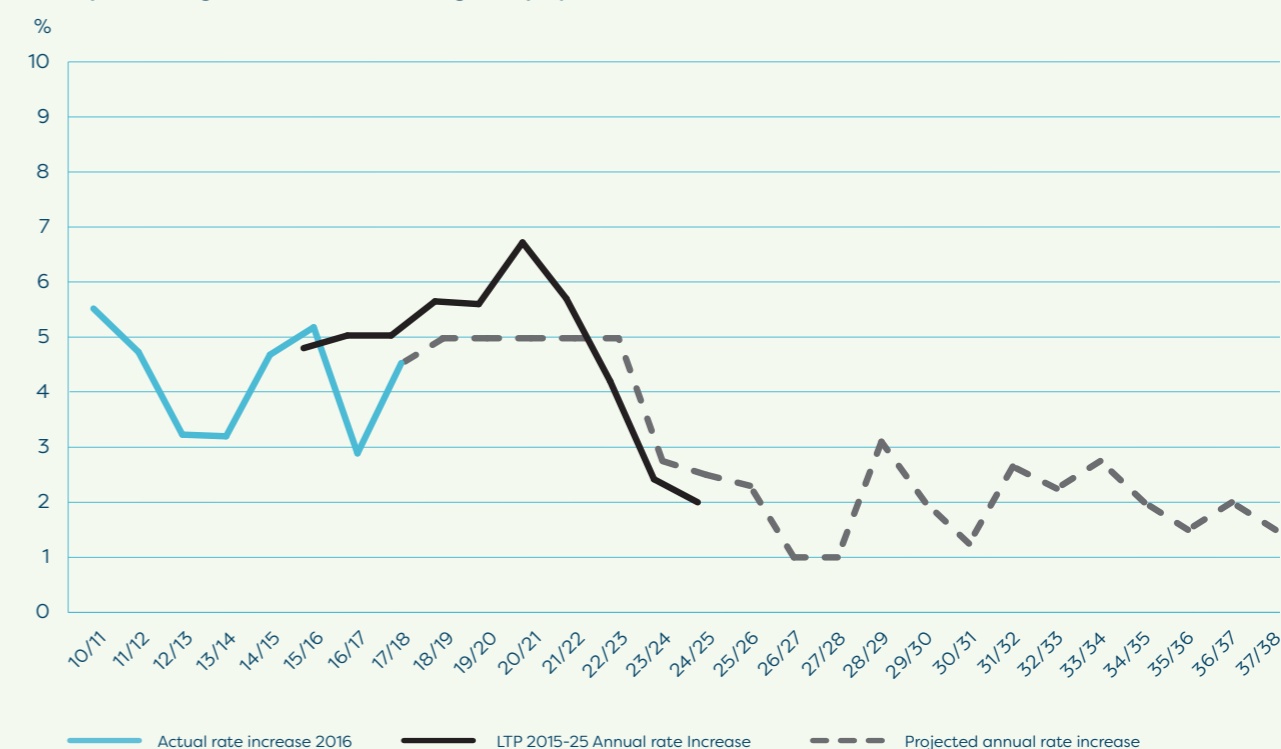
The Council agreed to push out the timeframe to achieve a balanced budget by an additional year, until 2022/23. By doing this, they have provided some rates relief over the next four years so there's a fairer balance between the need to invest in the city and to keep rates affordable. The rate increases for the next five years through to 2022/23 remain consistent at 4.98% with the overs and unders to be managed in our costs and revenue within this set amount:

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
<b>Consulted</b>	5.25%	5.25%	5.25%	5.25%	3.50%	2.40%
<b>New projection</b>	4.98%	4.98%	4.98%	4.98%	4.98%	2.75%

The decision to move the balanced budget out a year is not inconsistent with the approach previously taken but will reduce flexibility to absorb any future shocks or the impact of the results of the potential revocation of State Highway 1 and State Highway 58.

The following table shows the projected annual average rate increase for the life of the Long-term Plan 2018-38. Once the budget has been balanced in 2022/23 the rate increase will continue to drop and then peak again in 2028/29 once the revitalisation of Eastern Porirua is complete.

Rate percentage increase to existing ratepayers



For more information about the balanced budget and other key drivers take a look at our Financial Strategy on page 124.

## New ratepayers to Porirua City

The projected number of ratepayers (including new ratepayers) in Porirua City at the beginning of each new financial year is shown below:

Years 1-10		Years 11-20	
Year	Number of ratepayers	Year	Number of ratepayers
2018/19	19,012	2028/29	21,001
2019/20	19,202	2029/30	21,211
2020/21	19,394	2030/31	21,423
2021/22	19,588	2031/32	21,638
2022/23	19,784	2032/33	21,854
2023/24	19,982	2033/34	22,073
2024/25	20,182	2034/35	22,293
2025/26	20,384	2035/36	22,516
2026/27	20,588	2036/37	22,741
2027/28	20,793	2037/38	22,969

## Rate increases for 2018/19

The following table shows an estimate of what you may expect to pay based on your property value. The property rating categories (residential, rural, and business) are based on properties of different values as described in this section. All amounts expressed include GST calculated on the basis of the prevailing rates at the time of supply.

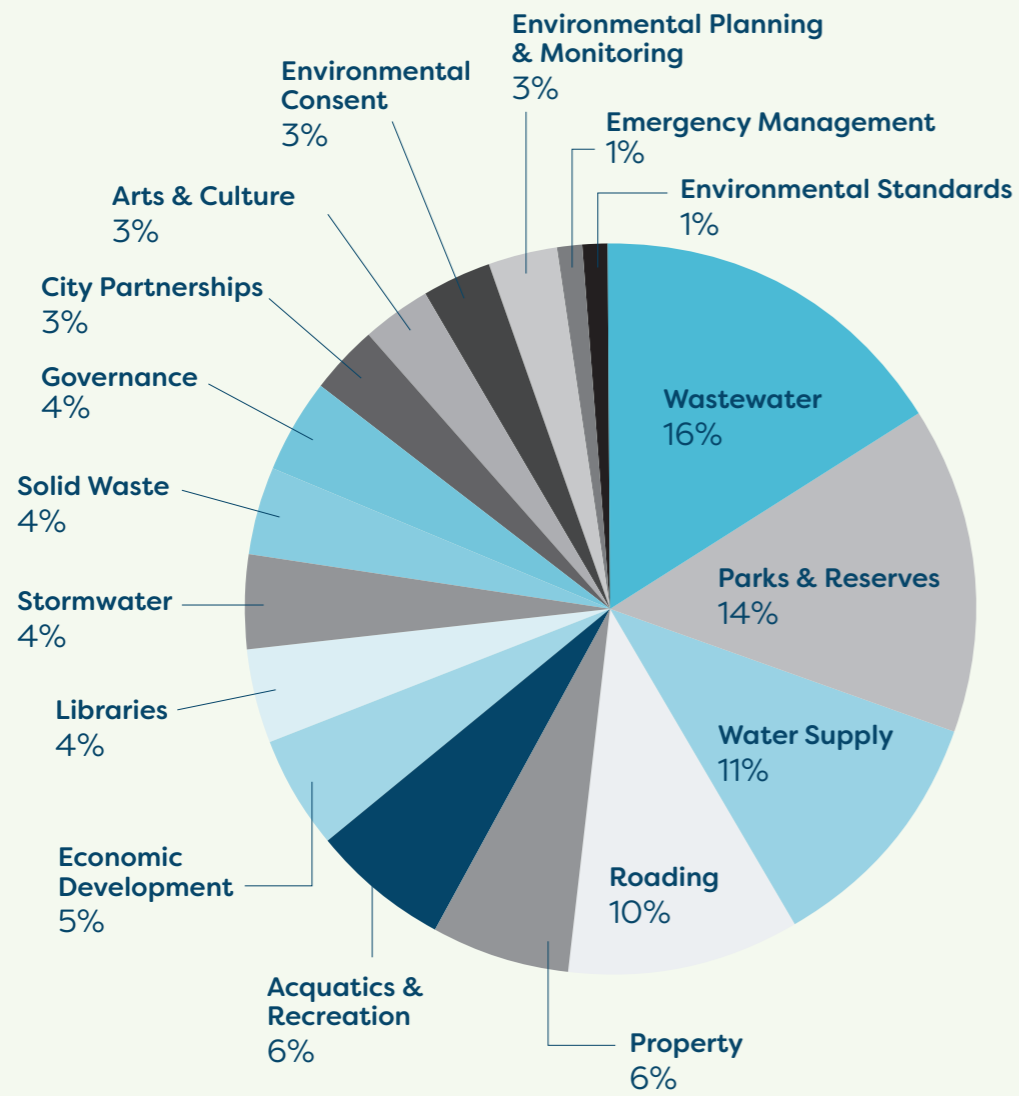
	Average Capital Value	2017/18 rates	2018/19 rates	Average rates increase	What your rates are made up of for 2018/19						
					Water	Waste-water	Recycling	UAGC	City Devl.	General	
<b>Residential</b>											
Lower Quartile	305,000	2,343.60	2,455.16	4.8%	393.06	403.64	73.66	419.65		1,165.15	2,455.16
Median	470,000	2,941.33	3,085.49	4.9%	393.06	403.64	73.66	419.65		1,795.48	3,085.49
Upper Quartile	590,000	3,376.04	3,543.92	4.97%	393.06	403.64	73.66	419.65		2,253.91	3,543.92
<b>Rural* Less Than 50 Ha</b>											
Lower Quartile	610,000	1,966.51	2,088.15	6.2%				419.65		1,668.50	2,088.15
Median	930,000	2,777.97	2,963.43	6.7%				419.65		2,543.78	2,963.43
Upper Quartile	1,210,000	3,488.00	3,729.30	6.9%				419.65		3,309.65	3,729.30
<b>50 Ha &amp; Greater*</b>											
Lower Quartile	840,000	2,549.75	2,665.92	4.6%				419.65		2,246.27	2,665.92
Median	1,870,000	5,161.65	5,420.27	5.0%				419.65		5,000.62	5,420.27
Upper Quartile	5,250,000	13,732.74	14,458.81	5.3%				419.65		14,039.16	14,458.81
<b>Hongoeka Community*</b>											
Lower Quartile	172,000	855.81	879.60	2.8%				419.65		459.95	879.60
Median	425,000	1,497.38	1,556.15	3.9%				419.65		1,136.50	1,556.15
Upper Quartile	540,000	1,789.00	1,863.68	4.2%				419.65		1,444.03	1,863.68
<b>Commercial</b>											
Lower Quartile	270,000	4,606.27	4,830.36	4.9%	393.06	403.64		419.65	96.77	3,517.24	4,830.36
Median	530,000	7,902.84	8,310.52	5.2%	393.06	403.64		419.65	189.96	6,904.21	8,310.52
Upper Quartile	1,140,000	15,637.11	16,475.50	5.4%	393.06	403.64		419.65	408.58	14,850.57	16,475.50
<b>City Centre Properties**</b>	1,300,000	23,727.69	21,517.25	-9.3%		2,018.21		2,098.25	465.93	16,934.86	21,517.25
<b>Industrial</b>											
Lower Quartile	281,250	4,748.91	4,980.95	4.9%	393.06	403.64		419.65	100.80	3,663.80	4,980.95
Median	510,000	7,649.26	8,042.81	5.1%	393.06	403.64		419.65	182.79	6,643.68	8,042.81
Upper Quartile	882,500	12,372.23	13,028.80	5.3%	393.06	403.64		419.65	316.30	11,496.16	13,028.80
<b>Motels</b>											
Lower Quartile	1,140,000	14,828.59	15,552.55	4.9%		7,669.21		419.65	408.58	7,055.11	15,552.55
Median	1,650,000	18,006.34	18,891.56	4.9%		7,669.21		419.65	591.36	10,211.34	18,891.56
Upper Quartile	4,350,000	40,597.42	42,623.35	5.0%		13,723.85		419.65	1,559.04	26,920.81	42,623.35
<b>Shopping Plaza</b>											
Lower Quartile	6,400,000	65,489.46	71,574.67	9.3%		403.64		419.65	2,293.76	68,457.62	71,574.67
Median	11,730,000	119,360.18	130,497.31	9.3%		403.64		419.65	4,204.04	125,469.98	130,497.31
Upper Quartile	75,500,000	817,560.70	890,077.95	8.9%		20,182.13		35,250.67	27,059.20	807,585.95	890,077.95

\*Properties charged for water by metre.

\*\*Previously there were only 56 commercial properties paying the City Centre Development Rate. The new City Development Rate now spreads across all commercial properties.

## How your rates will be spent in 2018/19

This pie chart shows you how the Council's rates income will be split between our groups of activities.



## Where else does Porirua City's income come from?

In addition to rates, we have four other sources of income:

- user charges
- grants and subsidies
- investment income
- development contributions.

Non-cash items, such as vested assets and asset revaluations, have been excluded.

