

# **Funding Impact Statement, including Rating Policy**



## Funding Impact Statement

This Funding Impact Statement sets out the sources of operating funding Council will use to fund its activities over the 2017/18 financial year. These funding sources were developed from an analysis of the Council activities and funding requirements which is set out in the

Revenue and Financing Policy in the Amended Long Term Plan.

Changes between the Amended LTP and the Draft 2017/18 Annual Plan are explained in the Financial Overview.

Detailed information about sources of operating and capital funding are contained in the Funding Impact Statement for the Amended Long Term Plan.

| Annual Plan 2016/17                      |  | Long Term Plan 2017/18 | Annual Plan 2017/18 | Variance to LTP  |
|--|--|------------------------|---------------------|------------------|
|  |  | \$000                  |                     |                  |
| <b>Sources of operating funding</b>      |  |                        |                     |                  |
| 294,968                                  | General rates, uniform annual general charges, rates penalties           | 310,634                | 307,140             | (3,494)          |
| 128,932                                  | Targeted rates   | 139,972                | 146,566             | 6,594            |
| 20,802                                   | Subsidies and grants for operating purposes                              | 20,939                 | 21,154              | 215              |
| 99,704                                   | Fees, charges  | 97,347                 | 108,131             | 10,784           |
| 185,138                                  | Interest and dividends from investments                                  | 280,848                | 236,667             | (44,181)         |
| 16,345                                   | Local authorities fuel tax, fines, infringement fees, and other receipts | 14,232                 | 13,028              | (1,204)          |
| <b>745,889</b>                           | <b>Total operating funding</b>   | <b>863,972</b>         | <b>832,686</b>      | <b>(31,286)</b>  |
| <b>Applications of operating funding</b> |  |                        |                     |                  |
| 401,996                                  | Payments to staff and suppliers  | 368,410                | 411,026             | 42,616           |
| 78,051                                   | Finance costs  | 82,547                 | 89,929              | 7,382            |
| 45,101                                   | Other operating funding applications                                     | 38,167                 | 37,448              | (719)            |
| <b>525,148</b>                           | <b>Total applications of operating funding</b>                           | <b>489,124</b>         | <b>538,403</b>      | <b>49,279</b>    |
| <b>220,741</b>                           | <b>Surplus (deficit) of operating funding</b>                            | <b>374,848</b>         | <b>294,283</b>      | <b>(80,565)</b>  |
| <b>Sources of capital funding</b>        |  |                        |                     |                  |
| 20,520                                   | Subsidies and grants for capital expenditure                             | 41,428                 | 44,709              | 3,281            |
| 13,115                                   | Development and financial contributions                                  | 18,113                 | 18,113              | -                |
| (15,827)                                 | Net increase (decrease) in debt  | 142,465                | 37,465              | (105,000)        |
| 8,003                                    | Gross proceeds from sale of assets                                       | 5,902                  | 2,523               | (3,379)          |
| -  | Lump sum contributions   | -                      | -                   | -                |
| 107,140                                  | Other dedicated capital funding  | 60,024                 | 22,715              | (37,309)         |
| <b>132,951</b>                           | <b>Total sources of capital funding</b>                                  | <b>267,932</b>         | <b>125,525</b>      | <b>(142,407)</b> |
| <b>Applications of capital funding</b>   |  |                        |                     |                  |
| 428,890                                  | Capital expenditure  |                        |                     |                  |
|  | - to replace existing assets   | 471,945                | 309,576             | (162,369)        |
| 45,893                                   | - to improve the level of service  | 100,214                | 94,880              | (5,334)          |
| 60,747                                   | - to meet additional demand  | 67,875                 | 83,436              | 15,561           |
| (167,353)                                | Net increase (decrease) in reserves                                      | 2,746                  | (68,084)            | (70,830)         |
| (14,485)                                 | Net increase (decrease) of investments                                   | -                      | -                   | -                |
| <b>353,692</b>                           | <b>Total applications of capital funding</b>                             | <b>642,780</b>         | <b>419,808</b>      | <b>(222,972)</b> |
| <b>(220,741)</b>                         | <b>Surplus (deficit) of capital funding</b>                              | <b>(374,848)</b>       | <b>(294,283)</b>    | <b>80,565</b>    |
| <b>-</b>                                 | <b>Funding balance</b>   | <b>-</b>               | <b>-</b>            | <b>-</b>         |

## Where our funding will come from

Rates are the main source of funding for the Council's activities. In the 2017/18 financial year, the Council is proposing to collect \$453.7 million in rates to help pay for essential services such as water supply, roading and wastewater treatment, as well as capital renewal and replacement projects and events and festivals. This income is supplemented with funding from fees and charges, Government subsidies, development

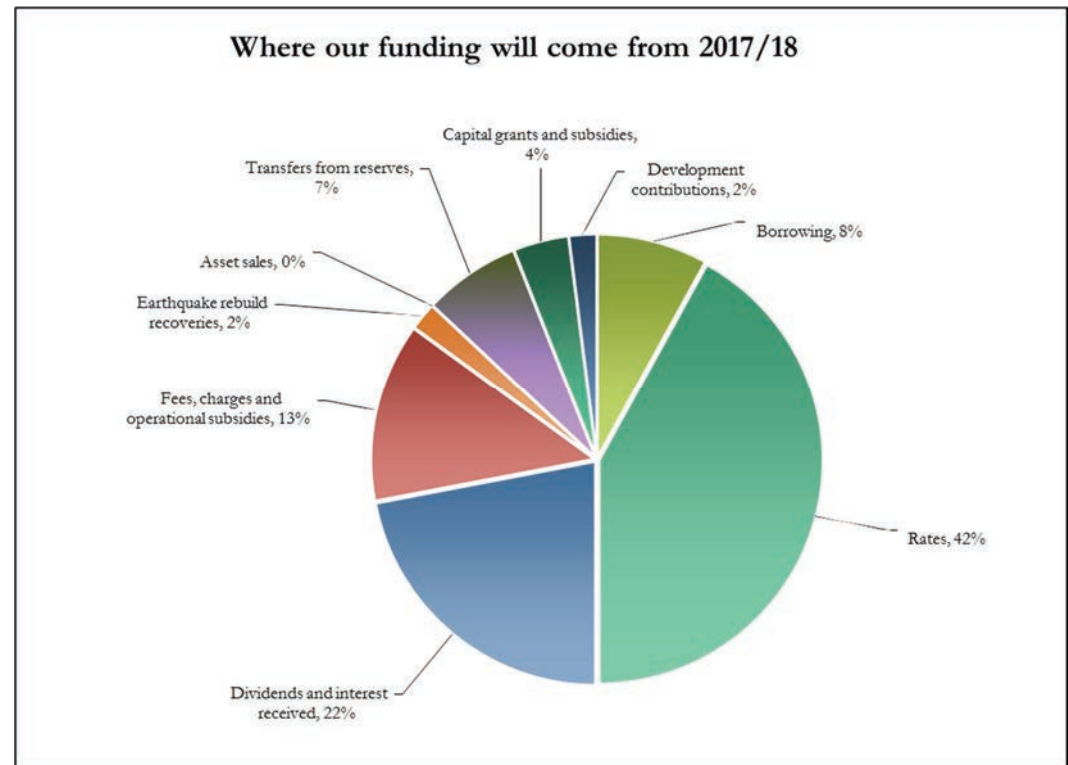
contributions, interest and dividends from subsidiaries.

Earthquake rebuild recoveries (NZ Government reimbursements, and NZ Transport Agency subsidies) have reduced now that the SCIRT work is complete.

The Council owns shares in major local companies through its wholly-owned subsidiary Christchurch City Holdings Limited (CCHL). These companies include Christchurch International Airport, City Care, Lyttelton Port Company, Orion, Eco Central, Enable Services and Red Bus. CCHL is forecasting to pay a normal dividend of \$55.3 million in 2017/18. This amount will decrease over the next few years as the capital release occurs.

## Where our funding will come from:

| <u>Funding Sources 2017/18</u>          | <u>%</u>    | <u>\$000</u>     |
|---|-------------|------------------|
| Borrowing                               | 8%          | 85,212           |
| Rates                                   | 42%         | 453,706          |
| Dividends and interest received         | 22%         | 236,667          |
| Fees, charges and operational subsidies | 13%         | 142,313          |
| Earthquake rebuild recoveries           | 2%          | 21,334           |
| Asset sales                             | 0%          | 2,523            |
| Transfers from reserves                 | 7%          | 72,645           |
| Capital grants and subsidies            | 4%          | 46,089           |
| Development contributions               | 2%          | 18,113           |
|   | <b>100%</b> | <b>1,078,602</b> |



## How capital expenditure is funded

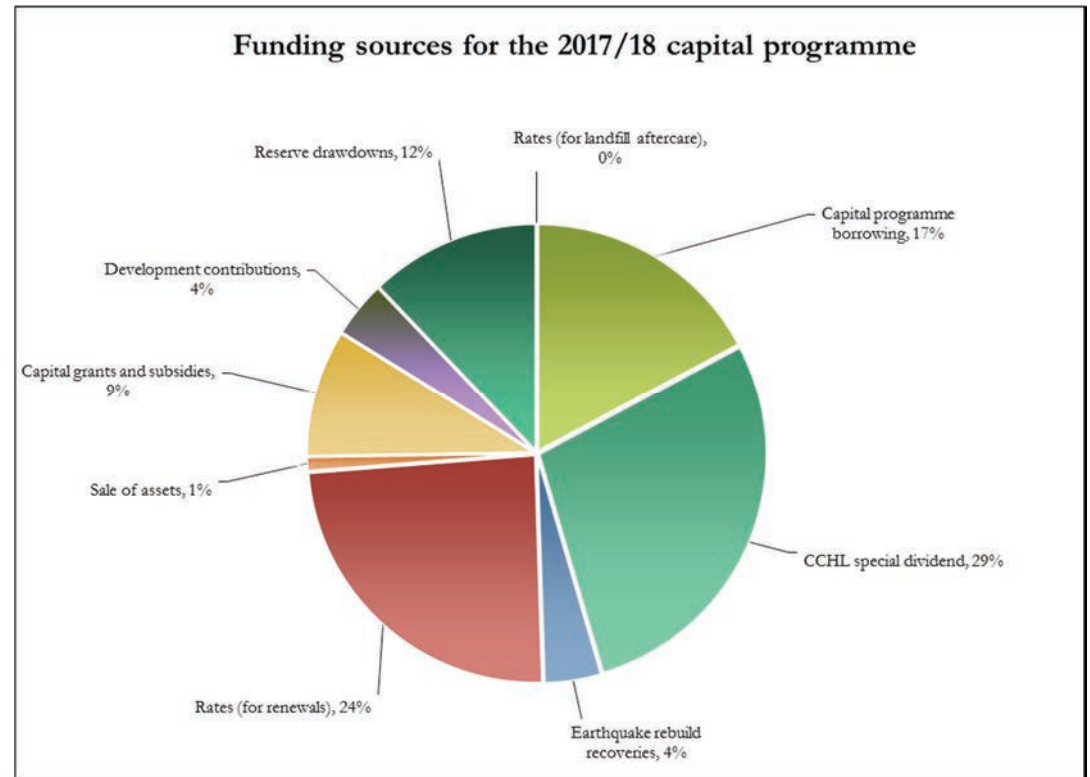
The Council will invest \$487.9 million in the city's infrastructure over the period of the 2017/18 Annual Plan.

Capital expenditure funding is a subset of the Council's total funding. The capital release by way of special dividend from CCHL makes a significant contribution in 2017/18 and in 2018/19.

A detailed analysis of the Council's policy for funding its capital programme is available in the Revenue and Financing Policy, and the funding of the rebuild is explained in the Financial Strategy. The table and graph below details funding for the Council's capital programme for 2017/18.

### How we fund our capital programme:

| <u>Funding Sources 2017/18</u> | <u>%</u>    | <u>\$000</u>   |
|--------------------------------|-------------|----------------|
| Capital programme borrowing    | 17%         | 82,745         |
| CCHL special dividend          | 29%         | 140,000        |
| Earthquake rebuild recoveries  | 4%          | 21,334         |
| Rates (for renewals)           | 24%         | 116,624        |
| Sale of assets                 | 1%          | 2,523          |
| Capital grants and subsidies   | 9%          | 46,089         |
| Development contributions      | 4%          | 18,113         |
| Reserve drawdowns              | 12%         | 60,107         |
| Rates (for landfill aftercare) | 0%          | 357            |
|                                | <b>100%</b> | <b>487,892</b> |



## Where your rates go

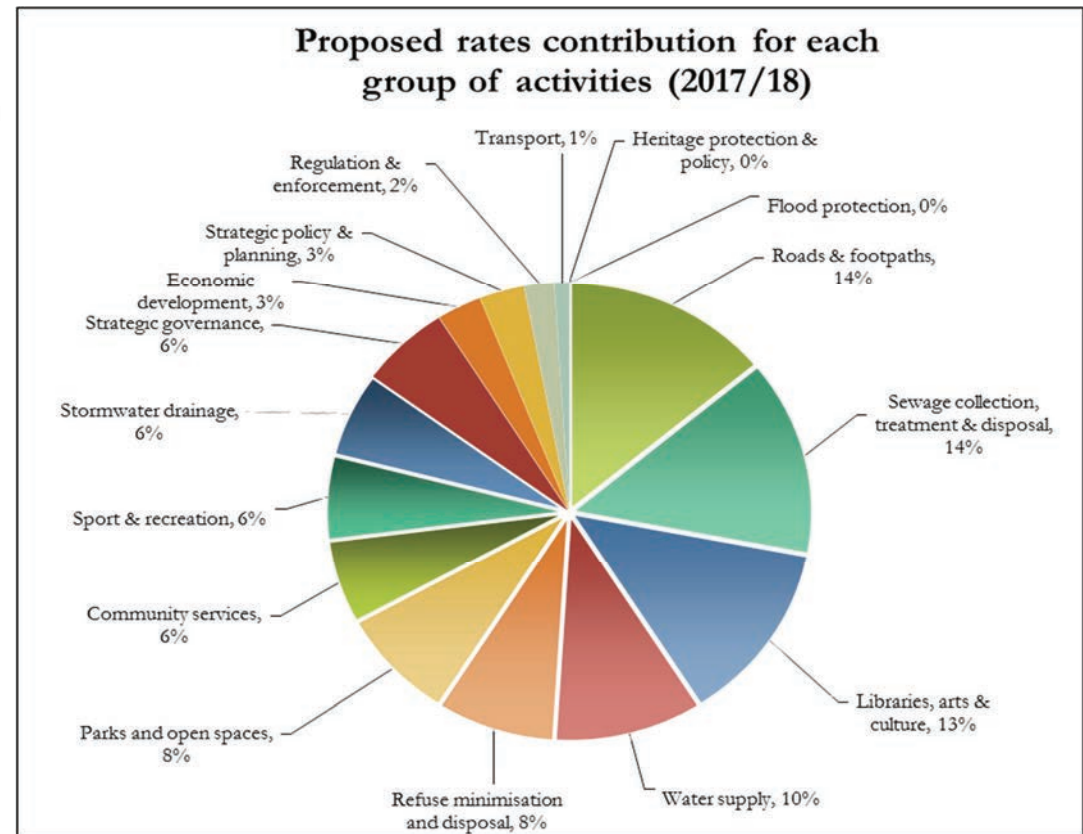
In 2017/18 the Council relies on rates for about 50 per cent of its income and is proposing to collect \$453.7 million (GST exclusive) in rates. This represents an average increase in rates of 5.5 per cent to existing ratepayers.

Much of the Council's spending goes toward providing essential services to keep the city running smoothly. This includes maintaining our roads, parks, sewerage systems and water supply.

The table and graph below show the activities the Council will provide during 2017/18 and how rates contribute to these activities:

### How your rates will be spent 2017/18:

| Group of Activities                     | Cents per dollar of Rates | Average Residential Rates / week |
|---|---------------------------|----------------------------------|
| Roads & footpaths                       | 13.9c                     | \$6.70                           |
| Sewage collection, treatment & disposal | 13.9c                     | \$6.70                           |
| Libraries, arts & culture               | 13.2c                     | \$6.37                           |
| Water supply                            | 8.8c                      | \$4.26                           |
| Refuse minimisation and disposal        | 7.9c                      | \$3.81                           |
| Parks and open spaces                   | 7.6c                      | \$3.66                           |
| Community services                      | 6.5c                      | \$3.13                           |
| Sport & recreation                      | 6.4c                      | \$3.09                           |
| Stormwater drainage                     | 6.0c                      | \$2.89                           |
| Strategic governance                    | 5.6c                      | \$2.70                           |
| Economic development                    | 3.1c                      | \$1.49                           |
| Strategic policy & planning             | 2.9c                      | \$1.40                           |
| Regulation & enforcement                | 2.2c                      | \$1.06                           |
| Transport                               | 1.1c                      | \$0.53                           |
| Heritage protection & policy            | 0.5c                      | \$0.24                           |
| Flood protection                        | 0.4c                      | \$0.19                           |
|   | <b>100c</b>               | <b>\$48.22</b>                   |



## Rating Information

The total rates required to be assessed on 1 July 2017 is \$446.160 million (excluding GST). Three items of rating income are excluded from this figure, and from the specific rates details provided on the following pages:

- Excess water rates – excluded because it is dependent on actual volumes consumed during the year. Excess water rates are budgeted to be \$3.2 million (excluding GST) in 2017/18.
- Late payment penalties & surcharges – excluded because they are dependent on

actual late rates payments occurring during the year. Late payment penalties and surcharges are budgeted to be \$3.0 million in 2017/18.

- Changes in capital values during the year – Under a 2012 earthquake-related Order in Council, rates charges for individual properties must be adjusted during the financial year to reflect any capital value change arising from subdivision, demolition, or substantial construction work; the impact of these adjustments on rates collected is

excluded from the table because it is dependent on the extent of subdivision, demolition, and construction activity during the year. The net impact on rates of these adjustments is budgeted to be revenue of \$1.4 million (excluding GST) in 2017/18.

The rates assessed on 1 July 2017 are based on the following (figures include non-rateable properties, as they are still liable for certain rates):

|   | As at 30 June 2017: |
|---|---------------------|
| Projected number of rating units              | 174,200             |
| Projected total capital value of rating units | \$96.8 billion      |
| Projected total land value of rating units    | \$45.7 billion      |



The resultant rates to be assessed are as follows:

**Table of Rates Collected (incl GST)**

|                               | <b>2017/18<br/>Annual Plan<br/>\$000</b> |
|-------------------------------|--|
| <b>Rates Collected</b>        |  |
| General Rate                  | 327,721                                  |
| Uniform Annual General Charge | 20,479                                   |
| <b>Targeted Rates</b>         |  |
| Water Supply                  |  |
| Full Charge                   | 38,145                                   |
| Half Charge                   | 686                                      |
| Restricted Supply             | 148                                      |
| Excess Water <sup>1</sup>     | -  |
| Fire Service Connection       | 108                                      |
| Land Drainage                 | 31,175                                   |
| Sewerage                      | 67,904                                   |
| Waste Minimisation            | 23,234                                   |
| Active Travel                 | 3,484                                    |
|                               | 513,084                                  |
| Including GST of              | 66,924                                   |
| <b>Total Excluding GST</b>    | <b>446,160</b>                           |

<sup>1</sup> *Excess Water depends on actual volume consumed*

# Funding Impact Statement

## Rating Information

Rates are used by Council to fund the balance of its costs once all other funding sources are taken into account.

Christchurch City Council sets rates under Section 23 of the Local Government (Rating) Act 2002.

### Valuation system used for rating

Some of Council's rates are in the form of fixed charges, but most are charged in proportion to each rating unit's rating valuation, where:

- A rating unit is the property which is liable for rates (usually a separate property with its own certificate of title), and
- Rating valuations are set by independent valuers, based on property market conditions as at a specified date (currently 1 August 2016) – their purpose is to enable Council to allocate rates equitably between properties across the District; they are *not* intended to be an indication of current market value or cost of construction.

The Council uses capital value for rating purposes (commonly thought of as the value of the land plus any improvements).

Where parts of a rating unit can be allocated to different categories (Standard, Business, and Remote Rural (Farming & Forestry)), the Council may apportion the rateable value of that rating unit among those parts in order to calculate the overall liability for the rating unit.

Legislation requires that rating valuations be updated at least every three years, so that the distribution of value-based rates reasonably reflects property market conditions. The 2016 valuations replace the previous 2013 valuations, and will be used as the basis of our rates calculations from 1 July 2017 until 30 June 2020.

### Re-assessing rates within the rating year

The Canterbury Earthquake (Rating) Order 2012 allows the Council to re-assess rates on properties as the value of that property changes throughout the year due to demolition, new building, or subdivision. This means that, as a property is demolished, improved, or subdivided, rates are reassessed on the new Capital Value from the first of the following month. This Order will expire on 1 July 2018.

### Inspection of rates information

The capital values, the District Valuation Roll, and the Rating Information Database information, along with liability for current-year rates for each rating unit are available for inspection on the Council's Internet site ([www.ccc.govt.nz](http://www.ccc.govt.nz), under the heading 'Rates & valuation search') or by enquiry at any Council Service Centre.

## Rates for 2017/18

All of the rates and amounts set out in this document are proposed to apply to the rating year commencing 1 July 2017 and ending 30 June 2018, and include GST of 15 percent.

### General rates

The general rate is set on capital values on a differential basis under the Local Government (Rating) Act 2002.

#### *Purpose of general rate:*

The general rates, including the Uniform Annual General Charge (UAGC), provide for the majority of the total rate requirement of the Council, being the net rate requirement after targeted rates are determined. The general rates (including the UAGC) therefore fund all activities of the Council except to the extent they are funded by targeted rates and by other sources of funding.

### General Rate Differentials

Differentials are applied to the value-based general rate. The objective of these differentials is to collect more from identified Business properties and less from identified Remote Rural properties than would be the case under an un-differentiated general rate, in accordance with Council's Revenue & Financing Policy.

The differential categories are defined as follows:

**Standard**

Any rating unit which is:

- (a) used for residential purposes (including home-ownership flats); or
- (b) a Council-operated utility network; or
- (c) land not otherwise classified as Business or Remote Rural (Farming & Forestry).

**Business**

Any rating unit which is:

- (a) used for a commercial or industrial purpose (including travellers and special purpose accommodation, offices and administrative and associated functions, commercially-owned and operated utility networks, and quarrying operations); or
- (b) land zoned Commercial or Industrial in the District Plan administered by the Council, situated anywhere in the district, except where the principal use is residential.

**Remote Rural (Farming & Forestry)**

- (a) Any rating unit which is zoned residential or rural in the City Plan administered by the Council and situated outside the sewered area, and where the rating unit is used solely or principally for agricultural, horticultural, pastoral, or forestry purposes or the keeping of bees or poultry; or
- (b) vacant land not otherwise used

For the purpose of clarity it should be noted that the Remote Rural (Farming and Forestry) category does not include any rating unit which is:

- i. used principally for industrial (including quarrying) or commercial purposes (as defined in Business above); or
- ii. used principally for residential purposes (including home-ownership flats).

For the purpose of these differential sector definitions, the District Plan means the operative District Plan of the Christchurch City Council and any parts of the proposed Replacement District Plan.

Liability for General Rates is calculated as a number of cents per dollar of capital value:

| Differential category | Indicative Rates (cents / \$) | Differential factor | Revenue (\$000) |
|-----------------------|-------------------------------|---------------------|-----------------|
| Standard              | 0.300587                      | 1.000               | 222,435         |
| Business              | 0.498974                      | 1.660               | 98,298          |
| Remote Rural          | 0.225440                      | 0.750               | 6,989           |

**Uniform Annual General Charge (UAGC)**

A portion of the general rate is assessed as a UAGC, which is set as a fixed amount per separately-used or inhabited part of a rating unit (as defined below). This is not based on a calculation of part of any activity costs but is assessed to be a reasonable amount to charge.

A separately used or inhabited part of a rating unit is defined as a part which can be separately let and permanently occupied. Where the occupancy is an accessory to, or is ancillary to, another property or part thereof, then no separately used part exists. For example:

- not separately used parts of a rating unit include:
  - a residential sleep-out or granny flat without independent kitchen facilities;
  - rooms in a hostel with a common kitchen;
  - a hotel room with or without kitchen facilities;
  - motel rooms with or without kitchen facilities;
  - individual storage garages/sheds/partitioned areas of a warehouse;
  - individual offices/premises of partners in a partnership.
- separately used parts of a rating unit include:
  - flats/apartments;
  - flats which share kitchen/bathroom facilities;
  - separately leased commercial areas even though they may share a reception.

The UAGC is set under section 15(1)(b) of the Local Government (Rating) Act 2002.

**Purpose of the UAGC:**

The uniform charge modifies the impact of rating on a city-wide basis ensuring all rating units are charged a fixed amount to recognize the costs, associated with each property, which are

uniformly consumed by the inhabitants of the community.

**Multiple Uniform Annual General Charge per rating unit**

The Council will charge multiple uniform charges against each separately-used or inhabited part of a rating unit provided such UAGC is not subject to a rate remission under the policy.

**Uniform Annual General Charge (UAGC) for common usage rating units**

Section 20 of the Act precludes the Council from charging UAGCs where contiguous land is in common usage and in the same ownership. In addition, Council has resolved on a remission policy that will allow it to remit the additional UAGCs on contiguous land in common usage where the rating units are not in the same ownership name.

Also, remission of the charge will be considered where Council has determined that a building consent will not be issued for the primary use of the land (under the City Plan).

Liability for the UAGC is calculated as uniform amount for each separately used or inhabited part of a rating unit (SUIP):

| Category | Indicative Rates (\$) | Revenue (\$000) |
|----------|-----------------------|-----------------|
| SUIP     | 117.56                | 20,479          |

**Targeted rates**

Targeted rates are set under sections 16, 18, and 19, and schedules 2 and 3 of the Local Government (Rating) Act 2002. The Council does not accept Lump Sum contributions (as defined by Section 117A of the Local Government (Rating) Act 2002) in respect of any targeted rate.

For all targeted rates except the Active Travel targeted rate, the rate is not uniformly imposed on all rating units, but only on those rating units that either receive the specified service or are located within the specified geographic area. The definition and objective of each of the Targeted rates is described below.

**Water Supply Targeted Rate – full charge and half charge:**

The purpose of this rate is to (in conjunction with the separate targeted rates for Restricted Water Supply, Fire Connection, and Excess Water Supply described below) recover the cash operating cost of water supply, plus a portion of the expected depreciation cost over the planning period. It is assessed on every rating unit to which water is supplied through the on-demand water reticulation system. The half charge is assessed on rating units which are serviceable, i.e. situated within 100 metres of any part of the on-demand water reticulation system, but which are not connected to that system.

Liability for the Water Supply Targeted Rate is calculated as a number of cents per dollar of capital value.

| Categories  | Indicative Rates (cents / \$) | Differential Factor | Revenue (\$000) |
|-------------|-------------------------------|---------------------|-----------------|
| Connected   | 0.040884                      | 1.00                | 38,145          |
| Serviceable | 0.020442                      | 0.50                | 686             |

**Restricted Water Supply Targeted Rate:**

The purpose of this rate is to contribute to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by charging a uniform amount to properties receiving a restricted water supply. It is assessed on every rating unit receiving the standard level of service (being 1,000 litres of water supplied per 24-hour period). Where a rating unit receives multiple levels of service, they will be assessed multiple Restricted Water Supply Targeted Rates.

Liability for the Restricted Water Supply Targeted Rate is calculated as a uniform amount for each standard level of service received by a rating unit.

| Categories | Indicative Rates (\$) | Revenue (\$000) |
|------------|-----------------------|-----------------|
| Connected  | 183.60                | 148             |

**Water Supply Fire Connection Rate**

The purpose of the Water Supply Fire Connection Rate is to contribute to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by charging a uniform amount to properties benefitting from a fire service connection. It is assessed on all rating

units connected to the service on a per-connection basis.

Liability for the Water Supply Fire Connection Rate is calculated as a uniform amount for each connection:

| Categories | Indicative Rates (\$) | Revenue (\$000) |
|------------|-----------------------|-----------------|
| Connected  | 111.75                | 108             |

### **Excess Water Supply Targeted Rate**

The purpose of the Excess Water Supply Targeted Rate is to contribute to the cost recovery of the activities described as being funded by the Water Supply Targeted Rate (above), by assessing additional charges on those properties placing an unusually high demand on the water supply system. It is assessed as the water meters are read on every liable rating unit (see below), and invoiced after each reading.

This targeted rate is set under section 19 of the Local Government (Rating) Act 2002.

Liability for the Excess Water Supply Targeted Rate is calculated as a number of cents per cubic metre of water consumed in excess of the water allowance for that rating unit:

| Categories | Rates (\$ per m <sup>3</sup> of excess water supplied) | Revenue (\$000) |
|------------|--|-----------------|
| Liable     | 0.75   | 3,667           |

Rating units having a residential supply as defined in the Water Supply, Wastewater and Stormwater Bylaw 2014 (i.e. non-commercial consumers being

principally residential single units on a rating unit) will not be charged an excess water supply targeted rate.

Consumers having a commercial water supply as defined in the Water Supply, Wastewater and Stormwater Bylaw 2014 are the liable rating units for this rate. Liable rating units also include water supplied to:

- (a) land under single ownership on a single certificate of title and used for three or more household residential units
- (b) boarding houses
- (c) motels
- (d) rest homes

Each liable rating unit has a water allowance. Water used in excess of this allowance will be charged at the stated rate per cubic meter.

The water allowance for each property is effectively the amount of water already paid for under the Water Supply Targeted Rate - i.e. the total Water Supply Targeted Rate payable, divided by the above cubic-meter cost, then divided by 365 to give a daily cubic meter allowance; the Excess Water Supply Targeted Rate will be charged if actual use exceeds this calculated daily allowance, **provided that** all properties will be entitled to a minimum allowance of 0.6986 cubic meters per day.

The annual rates assessment identifies those ratepayers who are potentially liable for excess water charges. It does not include the calculated liability as the water reading does not coincide with the assessment. Water meters are read progressively throughout the year. Following each reading, a water-excess charge invoice is issued for those rating units which are liable. The invoice will

refer to the assessment and will bill for the consumption for the period of the reading.

The latest water allowance will be used, calculated on a daily basis.

### **Land Drainage Targeted Rate:**

The purpose of this rate is to recover the cash operating cost of waterways and land drainage, plus a portion of the expected depreciation cost over the planning period. It is assessed on every rating unit which is within the serviced area. The serviced area is that of the current land drainage area extended to include all developed land within the city or where there is a land drainage service and also includes:

- the areas of Banks Peninsula zoned:
  - Akaroa Hillslopes
  - Boat Harbour
  - industrial
  - Lyttelton Port
  - Papakaiaanga
  - recreation reserve
  - residential
  - residential conservation
  - small settlement
  - town centre
- those Land Drainage areas in Okains Bay and Purau that have been charged Land Drainage Targeted Rates

Liability for the Land Drainage Targeted Rate is calculated as a number of cents per dollar of capital value.

| Categories           | Indicative Rates (cents / \$) | Revenue (\$000) |
|----------------------|-------------------------------|-----------------|
| Within serviced area | 0.033594                      | 31,175          |

**Sewerage Targeted Rate:**

The purpose of this rate is to recover the cash operating cost of wastewater collection, treatment and disposal, plus a portion of the expected depreciation cost over the planning period. It is assessed on every rating unit which is in the serviced area.

Liability for the Sewerage Targeted Rate is calculated as a number of cents per dollar of capital value.

| Categories           | Indicative Rates (cents / \$) | Revenue (\$000) |
|----------------------|-------------------------------|-----------------|
| Within serviced area | 0.069788                      | 67,904          |

**Waste Minimisation Targeted Rate:**

The purpose of this rate is to recover the cash operating cost of the collection and disposal of recycling and organic waste, plus a portion of the depreciation cost over the planning period.

The Full Charge is assessed on every separately used or inhabited part of a rating unit, as defined by the UAGC definition, in the serviced area.

The charge will be made to non-rateable rating units where the service is provided.

The charge will not be made to rating units in the serviced area which do not receive the service. These include:

- rating units (land) on which a UAGC is not made,
- land which does not have improvements recorded,
- land with a storage shed only and the capital value is less than \$30,000,
- CBD properties (as defined by the CBD refuse map).

Where ratepayers elect and Council agrees, additional levels of service may be provided. Each additional level of service will be rated at the Full Charge and will be invoiced separately (per the Fees & Charges Schedule).

For rating units outside the kerbside collection area, where a limited depot collection service is available, a uniform targeted rate of 75% of the full rate will be made (referred to as a “part charge”).

Liability for the Waste Minimisation Targeted Rate full charge and part charge is calculated as a uniform amount for each separately used or inhabited part of a rating unit receiving service.

| Categories  | Indicative Rates (\$) | Revenue (\$000) |
|-------------|-----------------------|-----------------|
| Full charge | 144.56                | 23,043          |
| Part charge | 108.42                | 192             |

**Active Travel Targeted Rate**

The purpose of this rate is to contribute to the operating cost of the Active Travel Programme (and particularly the cycleways projects).

The charge is assessed on every separately used or inhabited part of a rating unit, as defined by the UAGC definition, within the District.

Liability for the Active Travel Targeted Rate is calculated as a uniform amount for each separately used or inhabited part of a rating unit:

| Category | Indicative Rates (\$) | Revenue (\$000) |
|----------|-----------------------|-----------------|
| SUIP     | 20.00                 | 3,484           |



## Indicative rates

The following tables show Christchurch City Council rates in 2016/17 and 2017/18 for a range of property values.

### Notes:

- Rates in 2016/17 were based on 2013 Rating Valuations, but new 2016 valuations will be used in 2017/18.
- The average percentage change in rates charges is indicated for each sector. However, the actual rates change experienced by an individual property will also depend on the number of Targeted Rates being applied and how its own Rating Valuation has changed compared with other valuations across the District.
- Rates figures include GST at 15%, but do not include Environment Canterbury's Regional Council rates (which Christchurch City Council collects on their behalf), or any late payment penalties or excess water charges that might be incurred during the year.

### Standard General Rate (includes residential houses and sections)

- The average 2016 Rating Value in this sector is \$488,340 (or \$500,229 if vacant sections are excluded). This is 7.2% higher than the old 2013 valuations for this sector, compared with a 9.1% valuation increase for the District as a whole.
- The average annual rates charge in this sector is \$2,454.52 (\$2,507.40 if vacant sections are excluded). This is 4.2% higher than in 2016/17.
- The average rates increase is lower than the overall average increase, because this sector's Rating Valuations rose by less than the District-wide average – i.e. this sector makes up a slightly lower proportion of the District's total value than previously, so its share of total rates should be slightly lower.
- The table assumes that full Targeted Rates are charged for water supply, sewerage, land drainage, and waste minimisation

| Rates in 2017/18 |          |
|------------------|----------|
| CV               | Rates    |
| 200,000          | 1,171.83 |
| 400,000          | 2,061.53 |
| 500,000          | 2,506.39 |
| 600,000          | 2,951.24 |
| 700,000          | 3,396.09 |
| 800,000          | 3,840.94 |
| 900,000          | 4,285.80 |
| 1,000,000        | 4,730.65 |
| 2,000,000        | 9,179.18 |

### Business General Rate

- The average 2016 Rating Value in this sector is \$1,647,520. This is 10.6% higher than the old 2013 valuations for this sector, compared with a 9.1% valuation increase for the District as a whole.
- The average annual rates charge in this sector is \$10,879.63. This is 6.7% higher than in 2016/17.
- The average rates increase is higher than the overall average increase, because this sector's Rating Valuations rose by more than the District-wide average – i.e. this sector makes up a somewhat greater proportion of the District's total value than previously, so its share of total rates should be somewhat higher.
- The table assumes that full Targeted Rates are charged for water supply (other than excess water), sewerage, land drainage, and waste minimisation

| Rates in 2017/18 |           |
|------------------|-----------|
| CV               | Rates     |
| 200,000          | 1,568.60  |
| 400,000          | 2,855.08  |
| 600,000          | 4,141.56  |
| 700,000          | 4,784.80  |
| 800,000          | 5,428.04  |
| 900,000          | 6,071.28  |
| 1,000,000        | 6,714.52  |
| 2,000,000        | 13,146.92 |
| 5,000,000        | 32,444.12 |

### **Remote Rural General Rate**

- The average 2016 Rating Value in this sector is \$952,237. This is 3.4% higher than the old 2013 valuations for this sector, compared with a 9.1% valuation increase for the District as a whole.
- The average annual rates charge in this sector is \$2,392.70. This is 2.1% *lower* than in 2016/17.
- Average rates have fallen because this sector's Rating Valuations rose by less than the District-wide average – i.e. this sector makes up a lesser proportion of the District's total value than previously, so its share of total rates should be lower.
- The table assumes that full Targeted Rates are NOT charged for water supply, sewerage, or land drainage, and that the part-charge applies for waste minimisation

| <b>Rates in 2017/18</b> |              |
|-------------------------|--------------|
| <b>CV</b>               | <b>Rates</b> |
| 200,000                 | 696.86       |
| 400,000                 | 1,147.74     |
| 600,000                 | 1,598.62     |
| 700,000                 | 1,824.06     |
| 800,000                 | 2,049.50     |
| 900,000                 | 2,274.94     |
| 1,000,000               | 2,500.38     |
| 2,000,000               | 4,754.78     |
| 3,000,000               | 7,009.18     |