

CHANGES TO RATEPAYER SUBSIDISED SERVICES AND ACTIVITIES

As a result of this Annual Plan, there have been some changes to services and activities previously subsidised by ratepayer funding.

This includes the district's iSites, which will come under council management; a reduction in funding to Destination Great Lake Taupō; and a number of activities currently run by council at the AC Baths.

Chief executive Gareth Green said many i-SITES around the country were closing their doors completely, however, council didn't want to see this happen here.

"In the 2018/19 year, council subsidised the i-SITES by \$304,000 and with no international visitors for the foreseeable future and revenue continuing to decline, there was an opportunity to create better operational efficiencies by running the district's i-SITES as part of the council's customer service operations," he said.

With the borders remaining closed, council and DGLT have also agreed to a reduction in funding for the next financial year of \$500,000, with the council-controlled organisation focusing on the domestic tourism market, while maintaining base level connections to international markets.

"DGLT recognises the need to build on the domestic tourism market, which generates over 60 per cent of the Taupō District's tourism spend," Mr Green said.

"As part of this decision, DGLT will maintain the same level of marketing spend for the region, effectively boosting the domestic spend to entice more kiwis to visit the district."

Along with these changes, council has made the decision to dissolve the council-run group fitness classes at the Fitness Studio and the swim squads at the AC Baths.

"These are tough decisions, but necessary at a time when we need to be finding savings," Mr Green said.

"As part of next year's Long-term plan, we will again be able to look at where our priorities lie and what services and activities are needed for our community."



GREAT LAKE TAUPŌ
Taupō District Council

ANNUAL PLAN 2020/21

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MESSAGE FROM THE MAYOR

On June 30, we adopted the Annual Plan for the next financial year. This sees us not only achieving the zero per cent rates rise we promised our community during COVID-19, but actually exceeding that target. We have done that by real savings, not borrowings or impacting on our investment fund.

In real numbers it means that on average, Council will collect 0.43 per cent less total rates per property than the previous year.

The impact on individual rates bills will depend on movements during last year's property revaluations, required by law, as there has been some quite large property value increases in the residential sector, and reductions in others.

Both the governance and management teams have worked hard to achieve this reduction, completely rethinking the Annual Plan, which had originally signalled a general rates increase of 3.02 per cent for the 2020/21 year.

The need for savings has resulted in some hard decisions needing to be made, particularly around services and activities subsidised by ratepayer funding along with capital projects.

These are exceptional times, and while we know there is a long road ahead, I know our community will make it work. I am pleased to see that while we have had to make savings across the board, there is still significant investments in our district detailed in this Plan.

I am incredibly proud of how the community has rallied in the wake of COVID-19 and while it will be a lean 12 months for the council, I am pleased to have realised the council's commitment to ratepayers.

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INVESTMENT IN THE DISTRICT

While a number of capital projects programmed for the 2020/21 financial year have been put on hold, including the Civic Administration Building, Museum upgrade, the Kiddle Drive-Arrowsmith Avenue roundabout and CBD intersection upgrades, there continues to be strong investment across the district as part of a \$60 million capital expenditure programme.

This is made up of \$39 million new capital works and \$21 million uncompleted works in the 19/20 year, partly affected by COVID-19.

In Taupō, there will be the completion of the Great Lake Shared Pathway extension and the construction of the pipeline to connect Acacia Bay to the drinking water network.

In Turangi, there will be an upgrade of some of the open spaces, including the development of community changing facilities at Turangitukua Park. There will also be significant repairs to Turangi's kerb and channelling network.

Community changing facilities will also be developed in Mangakino, and in Kinloch there would be the planned upgrade of the drinking water supply along and improvements to the wastewater treatment plant.

Along with this, we have also received \$20 million of government funding for a significant upgrade to our CBD.



PROPERTY REVALUATIONS AND CHANGES TO RATES

LAST YEAR, THE COUNCIL COLLECTED \$44.82 MILLION IN GENERAL RATES.

IN THE 2020/21 YEAR, WE WILL COLLECT \$44.82 MILLION IN GENERAL RATES = A ZERO PERCENT INCREASE.

LAST YEAR, THE COUNCIL COLLECTED \$25.646 MILLION IN TARGETED RATES.

IN THE 2020/21 YEAR, WE WILL COLLECT \$ 26.006 MILLION IN TARGETED RATES. THIS IS BECAUSE THE NUMBER OF RATEABLE PROPERTIES HAS INCREASED FROM 22,986 TO 23,204, NOT DUE TO AN INCREASE IN TARGETED RATES.

THE AVERAGE TOTAL RATES PER PROPERTY IS LESS 0.43 PERCENT BUT ACTUAL RATES BILLS WILL VARY.

WHAT DOES IT MEAN FOR ME?

Last year, we were required to do a revaluation of all properties in the district and there were some significant increases in the residential sector.

If property values had stayed the same, the rates bills you receive this year would have been the same as last year.

However, some residential properties will be paying more because their value now makes up more of the rates 'pie' than before.

AT A VERY BASIC LEVEL, THERE ARE THREE STEPS:

1. Council works out how much income is needed from rates in order to run the district.
2. Some rates are for specific things such as water supply. These are called targeted rates and are charged only to the properties that use these services. Targeted rates are not calculated using the capital value method.
3. Money collected from the general rate is used to fund things that benefit the general good of the district like roads, park maintenance and community facilities. The general rate amount is then spread across the district in amounts proportional to each property's capital value compared to the total value of the district.

For example, if there were only two properties in the district each worth \$500,000, then each house would pay 50% of the general rates required to run the district. This is because each house makes up half of the total value of the district.



If, when they are revalued, house 1 is still worth \$500,000 but house 2 is now worth \$750,000, then they would no longer pay the same amount of rates. House 1 would pay less than 50%, and house 2 would pay more, because each pay a share of the rates in proportion to the value of their house compared to the value of the district as a whole. In this case 40% and 60%.

