Getting us through
Kia tae ki tua

An engagement document for the 2020-2021 Draft Annual Plan
Rourou is a Māori plate made from harakeke. The plates are put together to nourish the people.

This whakataukī is used to inspire unity.

It’s going to take both the council and our community to bring financial and environmental stability to our city.
This document provides a short summary of the approach to the 2020-2021 Draft Annual Plan.

We’ve had to make a number of big changes in light of Covid-19 so please have a read through to see our suggested approach for getting us through. We value your feedback and encourage you to have your say - see page 6 for other ways you can provide feedback.

Engagement on the 2020-2021 Draft Annual Plan opens on Friday 8 May and closes on Friday 22 May.

To view the full Draft Annual Plan visit haveyoursay.huttcity.govt.nz
Nau mai, rarau mai ki Te Mahere Pae Tawhiti Hukihuki a Te Kaunihera o Te Awakairangi 2020-2021.

As a Council one of our most important roles is to plan for the future and do everything we can to ensure our city thrives. We need to make sure that we are prioritising the things that are important to you, and to do that, we need to know what you think.

Every three years we ask you about your ideas for Lower Hutt. We then produce a Long Term Plan (LTP) which outlines our shared vision for the city and the projects that will help us get there. In the years between producing an LTP, we ask you for your thoughts on the projects we have planned in the next 12 months – and we produce an Annual Plan.

An Annual Plan is usually an update to the LTP that helps us to allocate the resources we need to achieve what we’ve set out for the next 10 years. But this year, it was going to be different. We were going to consult with you on major changes to our rubbish and recycling service, additional investments in key infrastructure like roads, cycleways, RiverLink, and changing our financial strategy to put us on a more secure financial footing going forward.

But, like the rest of the world, we need to change our plans given the unprecedented situation arising from Covid-19. Businesses and households will be under significant pressure in the months ahead, and it is simply not tenable for us to proceed with ‘business as usual’.

We’ve pushed pause, so to speak, and stepped back to consider and carefully evaluate our activity over the next year. We want to make sure our decisions support a recovering economy and don’t add additional financial stress to our people.

It’s meant that we’ve prepared a budget that is focused on getting us through.

We want to strike a balance between being able to manage our city while easing the financial burden on our community. This means prioritising investment in essential services and work that will help our community. We’ve prepared an emergency one-year budget based on an overall rates revenue increase of 3.8% (an average increase of $2.35 per week per household) for ratepayers and will be coming back to you to consult on other key priorities including rubbish and recycling.

The one-year budget and associated Draft Annual Plan will allow us to move forward on some key work, but on a reduced scale. This includes funding to monitor our water infrastructure and make our community facilities more resilient to earthquakes, and investing in technology so we can improve our services (which will save money over time).

We need to keep key projects moving. We are committed to finding a solution for Naenae Pool and fitness centre and reinvigorating the Naenae town centre. $1.5M has been put aside in the emergency one-year budget for preparatory work on Naenae Pool and some funding for activation in the town centre. This will mean that when future budgets are confirmed, we are ready to go. We’re also keeping a focus on the future to front foot important conversations on climate change as we seek to improve our city’s resilience.

There will be a number of challenges we’ll need to front up to in the future to realise all of our ambitions including growth.

Growth is one of the key challenges we’ll need to tackle. There may be a dip in the short term but forecasts show we may hit double-figures in the next few years.

On a financial level this includes higher levels of borrowing, and addressing the deficits council has been operating with. We also know we’ll need to increase investment borrowing in water infrastructure and other basic services. These are
important areas that we need to be able to invest in to support all of our communities and people to thrive.

For this coming year, we need to take into account the challenges arising from Covid-19. Locally we know it will have a significant economic impact, and it is therefore prudent for us to delay some of our plans in order to avoid adding to the financial pressures facing our people.

We encourage you to give us your feedback, and tell us what you think about the issues outlined in this document. Working with our community we can ensure that we build a city where everyone thrives.

Ngā mihi nui

Mayor Campbell Barry and Chief Executive Jo Miller
He karere nā Te Koromatua māua ko Te Kaiwhakahaere Matua

Ko tētahi mahi tino nui mā Te Kaunihera, ko te hanga mahere mō ngā wā e heke mai nei, kātahi ka whakapau kaha kia whakapuaʻvai mai tō mātou tāone. Me noho mātāmua ngā mea whakahirahira ki a koe, nā reira, me mātua whai mātou i ō tino whakaaro.

Ia tau tuatoru ka kimi mātou i ō hiahia mō Te Awakairangi. Kātahi ka whakarite mātou i tētahi Rautaki Whānui e whakamārama ana i tō tātou katoa whakakitenga mō te tāone, me ngā mahi e hiki ai i a tātou ki taua taumata. I ngā tau i waenga i te whakaputanga o ia Rautaki Whānui ki kimihia ō whakaaro mō ngā momo mahi kua whakaritea mō te tau e heke mai ana – kātahi mātou ka whakarite i te Mahere Pae Tawhiti.

E whakahou ana te Mahere Pae Tawhiti i te Rautaki Matua hei ārahi i a mātou ki te tohatoha i ngā rauemi e ea ai ngā kaupapa kua whakatakotia mō ngā tau tekau ki mua tonu. Heoi, i tēnei tau, kua rerekē. Ko tōna tikanga, kua akoako tahi tātou mō ngā panonitanga matua e pā ana ki ngā ratonga para, hangarua anō hoki, ngā haumitatanga anō ki ngā pou tarāwaho matua, pērā i ngā huarahi, i ngā ara paihikara, i te RiverLink, waihoki ko te panoni i tō tātou rautaki ahumoni e tika ai tā tātou kōkiri whakamua.

Otirā, pērā i te ao whānui, me huri tō tātou huarahi nā ngā āhuatanga motuhake kua tatū mai i te Mate Korona. Ka nui kē ngā pēhanga ahumoni ki ngā pakihi me ngā kāinga i ngā marama e heke mai nei, nā reira, kua aukati rawa te whakaaro ka haere whakamua ‘ko taua āhua tonu rā’.

Kua okioki mātou, kua hīkoīi whakamuri ki te āta ine i ngā mahi mō te tau e heke mai nei. Me hāpai ā mātou whakatau i te whakatipuranga ōhanga, me te korenga anō hoki ō mātou e hē kē atu i ngā pēhanga ahumoni o ā tātou kainoho.

Ko tana hua, kua whakarite mātou i tētahi tahua e puta ai tātou ki tua.

Ko tō mātou hiahia, kia rite te whakahaere i tō tātou tāone me te whakangāwari i ngā pēhanga ahumoni o tō mātou hāpori. Nā reira, ka noho mātāmua te haumitanga ki ngā ratonga whakahirahira me ngā mahi e hāpai ai i tō tātou hāpori. Kua whakaritea he tahua ohotata mō te tau kohai e hāngai ana ki te pikinga 3.8% o te rewenui rētī (koia te pikinga taurite $2.35 ia wiki mō ia kāinga) mō ngā kaiutu rētī, ā, ka hoki atu mātou ki a koutou ki te akoako tahi i ngā kaupapa matua, pērā i te tuku para me te hangarua.

Mā tēnei tahua mō te tau kohai me te Mahere Pae Tawhiti Hukihuki ka taea ētahi mahi matua te whakarite, ahakoa he iti. Ko tētahi mahi nui koe te whakapau pūtea - ki te ine i ngā pou tarāwaho wai; ki te whakaritea ngā rauemi hāpori e karohai i ngā rau e rū te rūwhenua; ki te haumi i ngā hangarau hei whakapakari i ā mātou ratonga (hei penapena pūtea mā te wā roa ake).

Me kōkiri tonu ngā kaupapa matua. Kua ū tonu mātou ki te kimi whakatikatika mō te whare pakari tinana me te puna kaukao Naenae, hei whakaora anō i taua tāone. Kua penapenatia kohai mō te puna kaukau ki whakahihiko i te tāone rā. Mā tēnei ka rite rawa hei te putanga mai o ngā tahua ō-muri. Kei te aro tonu hoki mātou ki anamata kia rite rā anō mō ngā kōrero whakahirahira rawa mō te panonitanga āhurangi, i a tātou e kimi tonu ana ki te whakapakari i te kaha o tō tātou tāone.

Koa wha ngā wero e rere mai i te wāheke, me mātua ea e mātou hei whakakikokiko i ō mātou moemoeā, inā ko te whakatipu.
Ko te whakatipu tētahi tino wero mā mātou. Tērā pea ka heke inatata nei, engari, ko tā ngā matapae roa ka piki anō pea i ngā tau tata e heke mai nei.

E pā ana ki te ahumoni ko tētahi huarahi pea, ko te hiki i ngā nama, me te titiro iho a te kaunihera ki āna ake tarepa. Kua mārama hoki me piki te mino kia haumi rā anō i te pou tarāwaho wai me ētahi atu ratonga matua. He kaupapa nui ēnei, me taea te haumi hei hāpai i ō tātou hapori e ora ai ngā iwi.

Mō tēnei tau e heke mai nei, me aro ki ngā wero kua ara mai i te Mate Korona. E mārake ana te kītea ka kaha ngā aupēhi ahumoni i tēnei rohe, nā reira kua mate mātou ki te takaroa i ētahi mahere, hei karo atu i ētahi atu aupēhi ahumoni nui atu e ngaukino ana i a ngāi tātou.

Ko tā mātou ki a koe, kia kaha te whakahoki kōrero mai, whakapuaki mai i ō whakaaro ki ngā take kua whakatakotoria i tēnei tuhinga. Mā te mahi tahi tātou i a tātou e whakatūturu te hanga tāone e ora ai tātou katoa.

Ka nui te mihi atu nei

Koromatua Campbell Barry, māua ko Te Kaiwhakahaere Matua Jo Miller
How you can have your say

Me pēwhea ōu whakaaro e whai mana ai

We want to hear from you.

Engagement opens on Friday 8 May and closes on Friday 22 May.

Go online to haveyoursay.huttcity.govt.nz – for online feedback including an online feedback form and places to leave your ideas.

OR Fill out the feedback form and return it to us by 22 May 2020.

We can also speak with your club, group or association. Call us on 04 570 6666 to arrange a time for a virtual discussion.

Your feedback will help guide our decision-making in finalising the 2020-2021 Annual Plan which will be adopted in June.

OR Korero with your councillors. Your elected representatives will be available online. Send them a message!

If you prefer, you can write to us at: Annual Plan, Freepost 100039, Private Bag 31912, Lower Hutt 5040.

This will depend on whether postal services will be available.

We want to hear from you.

Annual Plan, Freepost 100039, Private Bag 31912, Lower Hutt 5040.
We need your feedback by 22 May 2020.

If you also want to present your feedback directly to the Mayor and Councillors, you can through our virtual hearing planned for Friday 29 May 2020.

Further information on how you will be able to access this service will be provided and will depend on our alert level. After hearing from you, we will make final decisions on 30 June 2020.
Emergency one-year budget – our proposed work programme and rates revenue changes

Background
In light of the unprecedented situation we are all in as a result of Covid-19, we have taken stock of the key projects planned in the 2018-2028 Long Term Plan (LTP). The focus now is on ensuring that investment in essential services can continue. This includes additional expenditure on Three Waters to do the basics like fixing water leaks, renewing some pipes in poor condition and to upgrade the Seaview Wastewater plant to address seismic issues.

The emergency one-year budget is limited to getting us through this period of uncertainty. It does not address the need to invest in our city’s infrastructure at a sufficient level to have services and amenities that would be expected of a modern thriving city. We have made some tough choices which include $3 million of operational savings to help us “get through” this one year emergency budget.

We were progressing plans to consult on significant proposed changes to the LTP including funding major capital projects. This included long term investment choices for Three Waters, Naenae Pool and fitness centre development, Cycleways and Cross Valley Connections; together with proposed changes to funding solutions. These plans have been put on hold as a result of Covid-19, and will be progressed further when we develop our Long Term Plan 2021-2031 next year.

The financial challenges remain and work will be required to review our financial strategy in the next LTP; this is likely to require increased revenue and borrowings to fund our priorities for the city. We will need to work towards finding a financially sustainable solution in the long-term where there is sufficient revenue to match the costs of delivering services for our growing city. A planned way forward on this will be further developed along with a redeveloped infrastructure strategy and other plans to provide financial stability to our operations and services.

Proposed rates increase
Given these difficult times and what is to come, we are proposing an emergency one-year budget for 2020-21 with an overall 3.8% increase in rates charges for ratepayers. This equates to an average increase of $2.35 per week per household or an average increase of $122 per annum. Investment in our three waters infrastructure makes up $84 of the average $122 per annum rise. The remaining $38 covers cost increases for all the other services provided by council.

The proposed rates revenue increase is now much lower than previously contemplated. An additional 1% is allowed for growth in rating base but this will not be able to be confirmed until June.*

*For more information go to page 72 - Economic Growth, of the Draft Annual Plan 2020-2021
Impact on finances

The lower rates rise means less revenue at a time when operating expenditure has increased by $16 million compared to what was projected for 2020-21 in our LTP. This is largely due to unbudgeted or higher than anticipated costs for three waters repairs and renewals, depreciation and insurance, the review of the District Plan, preparatory work for Naenae Pool, our homelessness strategy, sports initiatives for tennis and gymnastics and the development stimulus package.

Crucially, the proposed rates revenue increase means that we will stay within the borrowing limits set in our Financial Strategy for 2020-21. However on the down side there is a $9 million projected deficit for 2020-21 rather than the $4.4 million surplus projected in the LTP. The gaps in Council revenue to meet ongoing operational costs will be funded through additional debt as a one-off solution alongside the cost savings that we’ve achieved.

Our future approach

Decisions on funding for projects from 2021-22 and beyond will be made during the LTP 2021-31 process which concludes in June 2021. Modernising the city’s rubbish and recycling service was planned for implementation in July 2021. Consultation on this has now been deferred and this new timetable still enables us to make the necessary changes to have a system that works for everyone.

In the coming year we will continue to progress the work on the rates split to ensure that the balance between residential ratepayers and commercial and other ratepayers remains relatively equitable while we progress the full review of the Revenue and Financing Policy.

We’re also ensuring that those who are using our services are meeting, within reason, the costs associated with providing that service. We have reviewed our fees and charges and are proposing changes that are detailed in the draft Annual Plan.

The following sections detail where our revenue comes from, where we are planning to spend money this coming year and lists where savings have been made to achieve the proposed changes to rates revenue.
Some major projects are:

- Naenae Pool preparatory work: $1.5M
- Seaview Wastewater Treatment Plant Seismic Upgrade: $1.2M
- Network Development – Barber Grove to Wastewater Treatment Plant: $6.7M
- Wainuiomata Wastewater Renewal Stage 2: $1M
- Port Road Water Main Renewal: $1.7M
- Homelessness Strategy: $520k
- Facilities seismic strengthening of our community facilities: $1.25M
- Climate Change Community Engagement: $200k
- RiverLink Contract Documentation and Procurement: $5.4M
So where have some of the savings come from?

- We removed the Regional Amenities Fund: $200k
- We reduced accommodation costs: $263k
- We reduced minor work on Roads: $200k
- We reduced the International Co-operating Cities funding: $40k
- We reduced operational costs of Pools: $100k
- We reduced operational costs of Libraries: $100k
- We reduced community engagement: $250k
- We reduced minor work on Roads: $200k
- We reduced operational costs of Parks: $100k
- We reduced staff costs: $1.2M
What are my rates spent on now?

For every $100 you pay in rates, we spend:

- **$10.80** Libraries and community hubs
- **$3.60** Museums
- **$2.30** Pools
- **$2.30** Leisure and recreation programmes
- **$2.30** Halls and venues
- **$2.60** Community funding
- **$9.90** Parks and reserves
- **$2.90** District planning and urban development
- **$5.10** Economic development and growth
- **$1.30** Environmental sustainability, resilience and emergency management
- **$2.40** Events and promotion
- **$2.70** Consents and regulatory services
- **$12.00** Roads, bridges and footpaths
- **$1.10** Traffic management and parking
- **$4.30** Roading maintenance and street cleaning
- **$13.10** Drinking water
- **$15.10** Wastewater
- **$7.50** Stormwater
- **$1.50** Waste and recycling collection
- **$2.10** Running our city

We receive $4.90 of credit from the landfill. This helps to offset the total cost and is reflected in the figures above.
This section deals with the split of rates between different property groups like commercial property owners, residents and utilities.

**Background**

Residents and commercial property owners pay a different proportion of our city’s rates.

Over the years we have been working towards making sure the share of rates paid by residents, commercial property owners, utilities and people living in rural areas is spread more equitably.

Rates are levied on how much a property is worth, as determined by Quotable Value Limited (QV) every three years.

In 2019, Quotable Value figures showed that on average, between 2016-2019 Lower Hutt:

- residential property increased in value by 31.8%
- commercial property increased in value by 16.9%, and
- utilities property increased in value by 12.8%.

In other words, over the last three years Lower Hutt residential property values increased substantially more than commercial and utility values – triggering a larger proportional increase in residential property rates than for commercial properties and utilities.

**How does the capital value rating system work?**

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 city.

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. The cost of the service is shared among those properties.

3. The ‘general rate’ rate money is collected to fund things that benefit the general good of the city, like roads and sports grounds maintenance. The general rate amount is then spread across the city in amounts proportional to each property’s capital value compared to the total value of the city.

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

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 city as a whole. In this case 40% and 60%.
Business rates compared to residential rates – the rates differential

Back in 2012, general business rates were almost four times the amount of residential properties of the same value.

That’s when we began adjusting the share of general rates paid by commercial, residential and rural ratepayers. This adjustment is called the rates differential, and our approach was to progress changes over a ten year period.

When the policy was set there was uncertainty about how the city would grow, and our modelling shows a target of about 60% residential share of the general rate was planned.

Over time, there’s been a significant transfer of rates from the business sector to residents:

• residential property values have moved from 51% of general rates in 2010-11 to a 63% share in 2019-20
• commercial property has moved from 44% of general rates in 2010-11 to 31% in 2019-20.

While this shift couldn’t have been anticipated back in 2011-12, the end result remains the same: the three yearly general revaluations have changed property values across different categories resulting in residents potentially picking up 65% of the overall rates bill in 2020-21, which goes far beyond the intent of the original policy.

After the 2019 property revaluations, we want to ensure the amount of rates paid by our various ratepayer groups reflects an equitable share.
Full Review of Revenue and Financing Policy

A full review of our Revenue and Financing Policy is planned for the 2021-2031 LTP which will include a review of the rating differentials.

As an interim solution for 2020-21 there are three options to discuss.

**Option 1**

(Council’s preferred option)

Hold 2019-20 position based on percentage splits

Keep the allocation of general rates at the same percentage levels between all property rating groups as in 2019-20.

New rating differentials would need to be set for the 2020-2021 year.

This would keep the percentage amounts paid towards general rates at the same level as the 2019-20 rating year, that is, not continuing with the direction of reducing the proportion of rates paid by businesses.

While individual properties may still see an increase in the rates payable, this approach will generally see most property groups having an increase of a similar percentage.

This is holding the existing allocations until a full review can be completed as part of the 2021-2031 LTP.

The impact on the average residential property would be around $28 per annum lower rates when compared to option 3.

**Option 2**

Freeze the differentials to be the same as 2019-20

Freeze the differential transition for a year, that is, use the 2019-20 differentials rather than those planned for 2020-21.

The current situation is directly comparable to 2017-18 when the decision was made to freeze the differential transition for a year.

The rates differential adjustment would mean the share of general rates paid by different rating groups would change but less significantly than provided for in the current policy (option 3).

This is holding the existing differential transitions until a full review can be completed as part of the 2021-31 LTP.

The impact on homeowners would be around $21 per annum lower rates when compared to option 3.

**Option 3**

Status quo – Continue with differential adjustment

Continue with the differential transition adjustment to the share of general rates paid by commercial, residential and rural ratepayers.

Homeowners would pay an increased percentage of the general rates.

When this policy of adjustment was adopted, it was not intended to have the impact it is having now, that is, the residential share of the general rates is over 60%.

Note: The total income from rates would be the same regardless of which of these three options was chosen.
### How each option could affect average residential property rates

<table>
<thead>
<tr>
<th>Option</th>
<th>Rates 2019/20</th>
<th>Expected future rates 2020/21</th>
<th>Change in amount per annum</th>
<th>Change in amount per week</th>
<th>Impact on rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1: Holding position based on percentage splits</strong></td>
<td>$2,477</td>
<td>$2,599</td>
<td>$122 higher</td>
<td>$2.35</td>
<td>$28 per annum lower than option 3</td>
</tr>
<tr>
<td><strong>Option 2: Freeze the differential</strong></td>
<td>$2,477</td>
<td>$2,606</td>
<td>$129 higher</td>
<td>$2.48</td>
<td>$21 per annum lower than option 3</td>
</tr>
<tr>
<td><strong>Option 3: Status quo</strong></td>
<td>$2,477</td>
<td>$2,627</td>
<td>$150 higher</td>
<td>$2.89</td>
<td>$150 per annum higher than 2019/20</td>
</tr>
</tbody>
</table>

### How each option could affect average central business rates

<table>
<thead>
<tr>
<th>Option</th>
<th>Rates 2019/20</th>
<th>Expected Future Rates 2020/21</th>
<th>Change in amount per annum</th>
<th>Change in amount per week</th>
<th>Impact on rates</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1: Holding position based on percentage splits</strong></td>
<td>$13,074</td>
<td>$13,724</td>
<td>$650</td>
<td>$12.50</td>
<td>$1,484 per annum higher than option 3</td>
</tr>
<tr>
<td><strong>Option 2: Freeze the differential</strong></td>
<td>$13,074</td>
<td>$12,679</td>
<td>($395)</td>
<td>($7.59)</td>
<td>$439 per annum higher than option 3</td>
</tr>
<tr>
<td><strong>Option 3: Status quo</strong></td>
<td>$13,074</td>
<td>$12,240</td>
<td>($834)</td>
<td>($16.05)</td>
<td>($834) per annum less than 2019-20</td>
</tr>
</tbody>
</table>

Go to [haveyoursay.huttcity.govt.nz](http://haveyoursay.huttcity.govt.nz) for more information on our proposals and to give us your feedback.
Feedback form

Privacy Statement
We collect, use and disclose your personal information in accordance with the Privacy Act 1993 and our privacy statement. The contact details you provide will only be used and disclosed for the purpose of contacting you about your feedback or if you request a copy of your feedback. All other responses will be grouped for reporting purposes so that no individual is identifiable. For details about Council’s management of personal information please see our privacy statement which is available at huttcity.govt.nz/Privacy

Contact Details

Name: ____________________________
Email (or address): ____________________________

Would you like to present your feedback to Council?  [ ] Yes  [ ] No
If yes please provide a daytime telephone number: ____________________________
Would you like to subscribe to Hutt City Council news and information in the future?  [ ] Yes  [ ] No

About You

Suburb you live in: ____________________________
Do you own a property in Lower Hutt?  [ ] Yes  [ ] No
If you own a property in Lower Hutt which category of ratepayer are you? (if you pay more than one type of rate please select all that apply)

[ ] Commercial  [ ] Residential  [ ] Rural  [ ] Network utility

Getting us through
Kia tae ki tua

1. Please rate your level of agreement or disagreement with the overall approach we’re outlining in this one-year emergency budget and draft Annual Plan 2020-2021 to get us through?
[ ] Strongly disagree  [ ] Disagree  [ ] Neutral  [ ] Agree  [ ] Strongly Agree

Please provide a comment on the reasons for your response.

2. The one year budget as outlined in this document is based on an overall rates revenue increase for ratepayers of 3.8% (this equates to an average increase of $2.35 per week per household or an average increase of $122 per annum based on an average property value of $627,000). This will allow us to move forward on some key work while limiting the financial burden on our community. Do you agree that a 3.8% increase strikes the right balance?
[ ] Yes, I agree  [ ] No, I think the rates increase should be higher  [ ] No, I think the rates increase should be lower

3. The rates increase will allow us to move forward on some key work but on a reduced scale. This includes: monitoring our water infrastructure and earthquake strengthening some of our community facilities. It also includes additional expenditure on Three Waters. If there are other priorities or projects you would like to see progressed in 2020-21 please tell us which ones and why.

4. In order to achieve an overall rates revenue increase of 3.8%, savings have to be made. Page 11 outlines where some of the savings have come from. If you disagree with any of these savings please tell us which ones and why.

5. As a result of Covid-19 we have had to make some choices and put some projects on hold (see pages 8-9 for more details). If you disagree with putting any of these on hold please tell us which ones and why.
Option 1 (Council’s preferred option): Hold 2019-20 position based on percentage splits

- Keep the allocation of general rates at the same percentage levels between all property rating groups as in 2019-20.
- New rating differentials would need to be set for the 2020-21 year.

This would keep the percentage amounts paid towards general rates at the same level as the 2019-20 rating year, that is, not continuing with the direction of reducing the proportion of rates paid by businesses. While individual properties may still see an increase in the rates payable, this approach will generally see most property groups having an increase of a similar percentage.

This is holding the existing allocations until a full review can be completed as part of the 2021-31 LTP.

The impact on the average residential property would be around $28 per annum lower rates when compared to option 3.

Option 2: Freeze the differentials to be the same as 2019-20

- Freeze the differential transition for a year, that is, use the 2019-20 differentials rather than those planned for 2020-21.

The current situation is directly comparable to 2017-18 when the decision was made to freeze the differential transition for a year.

The rates differential adjustment would mean the share of general rates paid by different rating groups would change but less significantly than provided for in the current policy (option 3).

This is holding the existing differential transitions until a full review can be completed as part of the 2021-31 LTP.

The impact on homeowners would be around $21 per annum lower rates when compared to option 3.

Option 3: Status quo – Continue with differential adjustment

- Continue with the differential transition adjustment to the share of general rates paid by commercial, residential and rural ratepayers.

Homeowners would pay an increased percentage of the general rates.

When this policy of adjustment was adopted, it was not intended to have the impact it is having now, that is, the residential share of the general rates is over 60%.

6. Having read the three options above, which is your preferred option?

☐ Option 1  ☐ Option 2  ☐ Option 3

Go to haveyoursay.huttcity.govt.nz for more information and a rates tool to calculate the impact on your property.