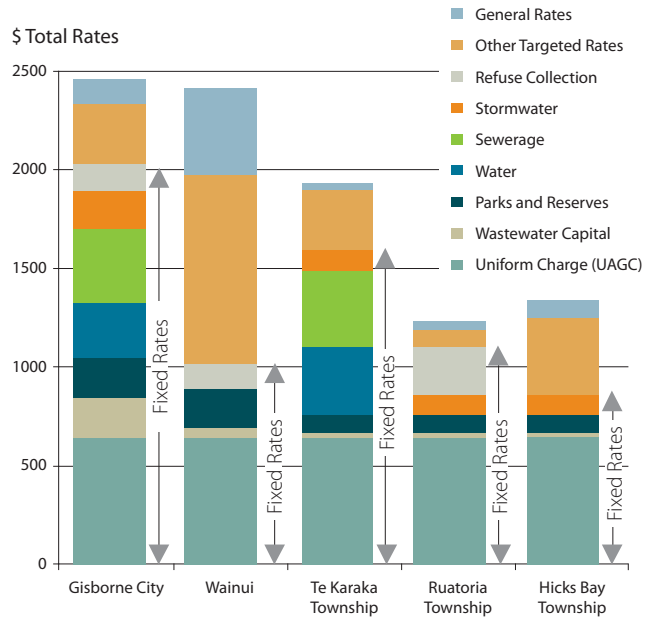


Who pays for what?



Why are rates for Gisborne city residents increasing more than rates for Wainui residents or some hill country farmers?

The actual amount you pay in rates is affected by:

- Changes in your property's value.** The last district revaluation occurred in September 2008 and many city properties increased in value compared to rural properties and Wainui neighbours.
- Changes to how Council applies the rates across the district.** For Gisborne city residents who receive the most services from council (e.g., water supply, sewerage), 80% of their rates are fixed. The remaining proportion of their rates is affected by property value. For Wainui ratepayers only about 40% of their rates are fixed. The other 60% are influenced by property values. See chart above.

Disclaimer: The estimated 2009-2010 rates are based on rating information as at 16 February 2009. These estimates are subject to change and may differ from your actual 2009-2010 rates invoice due to changes resulting from community submissions, changes to the 10 Year Plan, changes to rates and remission policies, subdivision, new development, settlement of rating valuation objections and any other factors affecting rating information prior to 1 July 2009.

MWM 50479



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Rates newsletter.

April 2009



Council recently approved the Draft Ten Year Plan. As part of this process we have provided the answers to some Frequently Asked Questions about how the Ten Year Plan will affect rates.

What is the Draft Ten Year Plan?

The Draft Ten Year Plan is Council's draft Long Term Council Community Plan (LTCCP). Every three years all councils in New Zealand must produce a Long Term Council Community Plan. The Ten Year Plan provides information on all of Council's activities and services, and sets priorities for the decade ahead and how they will be paid for. Council calculates the level of the rates by first determining the services and infrastructure Council and the community requires. The Draft Ten Year Plan sets out this information and then this is consulted on with the community.

Why are my rates increasing?

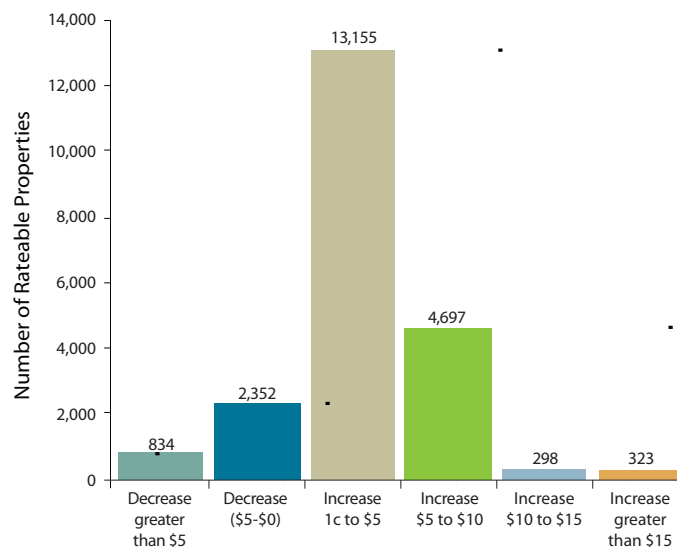
- Gisborne District Council has more assets per person than other districts. It is Council's statutory duty to maintain them, and that cost is increasing. Depreciation will increase by \$1.6M in 2010. This represents 4% of the overall 7% increased rates revenue for 2010. Depreciation is the cost of the wearing out of our assets. It is based on the life of the asset. Council can then use this money towards paying for replacement assets.
- Increased interest costs represent \$0.5M or 1% of the 2010 rates rise.
- In the Draft Ten Year Plan Council applies inflation for every year of the plan to ensure its financial planning has a sound basis.
- Changes to how Council is funding some activities; e.g. some farming properties will have a rates increase as there have been changes to pests and plant rate funding.

How much will my rates increase?

Rate increases vary greatly over the district. You can go to www.gdc.govt.nz 'Check out your rates', type in your street address and find out what you are paying now and what you will pay if the Draft Ten Year Plan is adopted unchanged.

The following table gives you an idea of how many people in the district will pay and how much extra per week.

Increase/decrease in 2009/10 weekly rates



When will September 2008's rating revaluation be used for calculating part of my rates?

The 2009-2010 rates will be calculated at 1 July 2009 using the new rating valuations dated 1 September 2008.

I am having trouble paying my rates now. What can I do?

- You can contact Council's Credit Control Section on 06 867 2049 to discuss a variety of solutions.
- You can apply for a Rates Rebate from Council's offices in Fitzherbert Street or at the Te Puia Springs Service Centre.

This Government scheme gives low income ratepayers a reduction off their annual rates of up to \$530. Rates rebates for this rating year close on 30 June 2009.

- You can pay using Council's easy direct debit payment options. Monthly direct debits are deducted on the 20th of each month. Quarterly direct debits are deducted on the last date for payment of each instalment. A direct debit form is enclosed for those ratepayers not already using this payment with the rates notice.

How can the Gisborne district afford a \$45million wastewater treatment plant?

Council has been aware for a long time that it needs to construct a new wastewater treatment plant. For the last six years ratepayers have paid a wastewater capital rate. This makes up about 5% of the rates collected. In 2010 this capital rate will increase by \$29 for each rateable property in Gisborne city.

Is it too late to change what is in the plan?

No, the plan is still a draft and councillors welcome feedback on the projects, the rates and any other aspects of it.

A summary of the plan has been distributed to all homes in the Gisborne district and is available at www.gdc.govt.nz.

How can I make a submission on the draft Ten Year Plan?

Submissions close at 4pm on Friday 1 May 2009.

You Can:

- Fill out the submission form in the Draft Ten Year Plan summary
- Fill out a form online at www.gdc.govt.nz
- Speak with the Mayor or a councillor
- Telephone or visit Customer Service at Fitzherbert Street or Te Puia Springs

When will the plan become final?

Gisborne District Council must have a new Ten Year Plan in place by 1 July 2009.