COVID-19 is causing financial hardship and uncertainty for the people of Tauranga, and we’ve revised our draft Annual Plan to take this into account.

We were already facing challenges with our finances before COVID-19 arrived. Our debt had been increasing as we invested in new infrastructure to cope with population growth. Our revenue had not been keeping pace with this.

Because of COVID-19, we now expect our revenue to drop by $14 million in the coming year as building activities slow down and people make less use of facilities.

To compensate, we’re proposing to cut $11 million from our operational budget and have reprioritised our capital expenditure plans.

We’ve considered many ways to limit rates rises, while acknowledging we have a crucial role to play in our city’s recovery.

In practice, this means we must continue to provide essential services for our community while investing in infrastructure to address our city’s problems and provide for the future.

Much of this infrastructure relates to transport, water supply and wastewater treatment, to ensure our city can handle continuing population growth.

Investment will also help to stimulate our city’s economy, supporting businesses and providing jobs – an essential role for local government during an economic recession.

In future years, our drop in revenue will create pressure for increasing rates and user fees. We’ll consult with you about this for our upcoming Long-term Plan 2021-31. In the meantime, we are working with our partners and central government to find ways to fund our investments.

Please take this chance to have your say on our draft annual plan. Your feedback will help us navigate a difficult year together.

We received 291 submissions on our earlier draft annual plan. Consultation finished on May 3. People who submitted on this earlier plan can retain, revise or retract their submissions.

Have your say and be in the draw to win a shopping voucher!
Our first round of annual plan consultation proposed an overall rates increase of 7.6%. We are now proposing an increase of 4.7%.

**Overall rates rise**

**Uniform Annual General Charge (UAGC)**

This is a fixed charge for every property. We want to reduce it from $475 as proposed in our LTP to $296. This will make rates more affordable for people with lower-value properties. People with higher-value properties will pay relatively more because the rest of the rates charges are based on capital value.

**Commercial differential**

We’re proposing that businesses pay $1.20 in general rates for every $1 paid by homeowners for properties of the same value. This recognises that commercial properties benefit more from council infrastructure than residential properties. This is lower than in New Zealand’s other major cities.

**Staying under our debt cap**

Increasing our debt will allow us to invest in vital infrastructure such as roads, wastewater facilities and water pipes for our growing population. This spending will also help our city’s economic recovery, supporting businesses and providing jobs.

**Operational budget savings**

We have looked at ways to further reduce expenditure on services we provide to the community, and we are seeking feedback on these measures.

We are looking to reduce spending on large events during the next year. However, we propose to continue with New Year’s Eve family and community events across the city.


**Capital projects**

A full list of our proposed $244 million capital expenditure budget can be found with the supporting financial information at [www.tauranga.govt.nz/annualplan2020](http://www.tauranga.govt.nz/annualplan2020)
Online rates calculator

Find out how much you’re likely to pay at [www.tauranga.govt.nz/property-search](http://www.tauranga.govt.nz/property-search)

See our policies for rates rebates, remissions and postponement at [www.tauranga.govt.nz/rates](http://www.tauranga.govt.nz/rates)

### Residential ratepayers

For the median\(^1\) residential ratepayer:

- **$0.44** weekly rates rise
- **$2345** annual rates bill

For some lower- and higher-value properties:

<table>
<thead>
<tr>
<th>Residential</th>
<th>Capital Value</th>
<th>2020/21 proposed</th>
<th>2019/20 rates</th>
<th>Change in total rates</th>
<th>Weekly change excluding water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lowest 1%</td>
<td>$320,000</td>
<td>$1581</td>
<td>$1703</td>
<td>-7.2%</td>
<td>-$2.36</td>
</tr>
<tr>
<td>Lower quartile(^2)</td>
<td>$525,000</td>
<td>$2055</td>
<td>$2088</td>
<td>-1.5%</td>
<td>-$0.62</td>
</tr>
<tr>
<td>Median(^1)</td>
<td>$650,000</td>
<td>$2345</td>
<td>$2322</td>
<td>1.0%</td>
<td>$0.44</td>
</tr>
<tr>
<td>Upper quartile(^2)</td>
<td>$810,000</td>
<td>$2716</td>
<td>$2622</td>
<td>3.6%</td>
<td>$1.79</td>
</tr>
<tr>
<td>Highest 1%</td>
<td>$2,400,000</td>
<td>$6399</td>
<td>$5605</td>
<td>14.2%</td>
<td>$15.27</td>
</tr>
</tbody>
</table>

### Commercial ratepayers

For the median\(^1\) commercial ratepayer:

- **$9.32** weekly rates rise
- **$4843** annual rates bill

18% percentage of general rates paid by commercial ratepayers in Tauranga

32%+ percentage paid by commercial ratepayers in other major cities

For some lower- and higher-value properties:

<table>
<thead>
<tr>
<th>Commercial</th>
<th>Capital value</th>
<th>2020/21 proposed</th>
<th>2019/20 rates</th>
<th>Increase in total rates</th>
<th>Weekly increase excluding water</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lower quartile(^2)</td>
<td>$550,000</td>
<td>$3125</td>
<td>2986</td>
<td>5%</td>
<td>$2.68</td>
</tr>
<tr>
<td>Median(^1)</td>
<td>$1,070,000</td>
<td>$4843</td>
<td>$4358</td>
<td>11%</td>
<td>$9.32</td>
</tr>
<tr>
<td>Upper quartile(^2)</td>
<td>$2,010,000</td>
<td>$7948</td>
<td>$6839</td>
<td>16%</td>
<td>$21.34</td>
</tr>
<tr>
<td>Highest 1%</td>
<td>$25,626,000</td>
<td>$85,970</td>
<td>$69,164</td>
<td>24%</td>
<td>$323.19</td>
</tr>
</tbody>
</table>

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\(^1\) The median is the mid-point (there are an equal number of higher-valued properties and lower-valued properties).

\(^2\) For a lower-quartile property, 75% of properties are higher-valued and 25% of properties are lower-valued.

For the upper-quartile property, the numbers are 25% and 75% respectively.
**Key dates**

**Public consultation:** 17 June – 1 July
**Submission hearings:** 2 – 7 July
**Council deliberations:** 15 – 17 July
**Adoption of annual plan:** 30 July

**LET US KNOW what you think**

People who submitted on the earlier draft Annual Plan 2020/21 can retain, revise or retract their submissions. If we don’t hear from you, we’ll retain your submission.

**Online:**

**In person:**
Submission forms are available from our 91 Willow St service centre and local libraries. They can also be dropped off at these locations.

**Email:**
[submissions@tauranga.govt.nz](mailto:submissions@tauranga.govt.nz)
You can also email us directly with your feedback, without needing to complete a submission form.

**Post:**
Send to (no stamp required):
Freepost Authority Number 370
Annual Plan 2020/21
Tauranga City Council
Private Bag 12022
Tauranga 3143

If you wish to speak in support of your submission, please let us know on your submission form and indicate whether a day or evening hearing suits you best.