



16 October 2018

File Ref: W450-001-002-23  
W450-001-002-21

PN No:  
Ask For: Stephen Rooney

Dear Sir/Madam

## Loan Rate and Notifications

### Loan Rate

I've recently received questions regarding when the Southern Valleys Irrigation Loan Rate will finish. I have considered until the last few weeks it would be "paid off" in 2023, however I now find this is incorrect. As a result I thought it appropriate to advise as best as I can the rating history of the Scheme. The rates applicable for each year are shown in the table below. This water loan repayment is levied as a loan rate in accordance with the Rating Powers Act 2002. As such the charge is tax deductible for property owners.

The Scheme was first rated in the year ended 30 June 2004 and was originally due to finish in the year ended June 2023.

However, this term was reset to finish in 2027 by Council's Finance Team when the final Scheme costs were known and the Lump Sum Offer was made. The lump sum offer required a recalculation of the balance outstanding. From what I can ascertain a new loan was established at that time and I imagine the Finance Team set it up with the standard 20 years instead of reducing the term to recognise the previous years. On a positive note, it did result in a reduction of the Rate in year ended 30 June 2008.

Since that time, the Finance Team have further restructured the means of repayment to a table mortgage basis as compared to the traditional sinking fund basis that was previously common in Local Government. They have also applied the increased GST % and the reduction in Council interest rates.

In summary, the result is that while the loan will now cease in the year ended June 2027, the rate has decreased from \$440.11 to \$302.64, a 31% reduction.

Year ending 30 June	\$ Rate per Hectare(GST Incl)	Comment
2004	440.11	Rate first established
2005	440.11	
2006	440.11	
2007	440.11	
2008	415.56	Loan re-established as a 20 year loan at the same time the "Lump Sum Offer" was made. Lump Sum offers can only be made when all costs are finalised.
2009	400.00	Reduction in interest rate
2010	400.00	
2011	322.98	Conversion to Table Mortgage to repay loan as compared to the traditional Sinking Fund and part year increase in

Year ending 30 June	\$ Rate (GST Inclusive)	Comment
		the rate of GST.
2012	324.75	Full year increase in GST
2013	324.75	
2014	324.75	
2015	324.75	
2016	324.75	
2017	308.29	Reduction in interest rate
2018	309.45	
2019	302.64	Reduction in interest rate

If you have questions relating to the loan term please send me an email.

### **Notification of Shutdowns, Maintenance and Repairs**

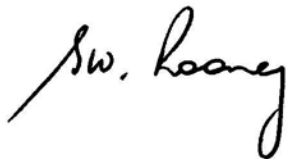
Council has discontinued sending out individual text messages as has been the practice in previous years. The previous process has been replaced with a smart phone and tablet app called Antenno.

The link below is to the information for Antenno on Council's website and detail on how to set it up.

Please download the app so you can continue to receive messages regarding SVIS, and any other Council notification for locations you have an interest in.

[www.marlborough.govt.nz/services/irrigation/southern-valleys-irrigation/svis-messages-via-antenno-app](http://www.marlborough.govt.nz/services/irrigation/southern-valleys-irrigation/svis-messages-via-antenno-app)

Yours sincerely



STEPHEN ROONEY  
OPERATIONS AND MAINTENANCE ENGINEER