

## ACTIVITY EXAMPLE



Matamata  
College

## KEY WORDS

Number | Rates | Finance | Taxes | fees | costs | GST | decimals | percentages | calculations  
| costs

## ALSO USEFUL FOR

Business studies | Accounting | Social Studies

## PROGRAMME OUTLINE

This resource was created to support online learning during Covid-19 lockdowns as a follow up to a classroom session and workplace visit by Council Finance staff prior to lockdown. It can be used as a stand-alone video and worksheet for distance learning or be incorporated into classroom sessions.

1. **Student activity:** watch the **Matamata-Piako District Council Rates video** in the SSEP Resource Centre Video Library. Read through the worksheet first and pause the video when needed to **take notes, including formulas you will need for calculations in the worksheet.**
2. Students use their notes from the video to complete the worksheet below.



**DISCLAIMER:** SSEP Activity examples have been created by the school and employer accredited to fit the curriculum and student body of a particular cohort. The purpose of the SSEP activity example is not to be prescriptive, but to provide and share ideas between SSEP schools and employer partners. Any SSEP activities should be designed or adapted according to the individual requirements and capabilities of the teacher, employer and student participants. Smart Waikato Trust has made every effort to ensure information in this document is correct at time of publishing. Neither Smart Waikato Trust nor the creators of this example assume liability and hereby disclaim any liability to any party for any disruption, loss or injury caused by errors or omissions. © Smart Waikato Trust

For more on SSEP see:  
[www.smartnz.nz](http://www.smartnz.nz)

## ACTIVITY EXAMPLE

### STUDENT ACTIVITY: WORKSHEET ONE



#### RATES

There are 3 different types of rates Council charges to pay for public facilities . Draw an arrow between each type and it's correct description:

Targeted Rates	a small cost charged to use or access the service
General Rates	only those that use the service pay a small share towards the costs
Fees and Charges	everyone pays a share based on the value of their property

Write down the formulas in the video that Council uses to calculate rates charges here:

Targeted Rates =

General Rates =

#### WATER

Wastewater costs council around \$6.5 million per year to pipe all the sewerage to the plant, maintain those pipes and pumps, treat the waste to a standard that it is safe go back into the waterway so people don't get sick. Council has around 9,000 users connected to our wastewater supply.

1. Choose the correct formula above to calculate how much each user needs to pay for this service.
2. Goods and Services Tax (GST) is added to this amount; the standard GST rate is 15%. Calculate how much how much each user actually pays.

## ACTIVITY EXAMPLE

Water costs council around \$4.8 million per year to maintain. Big factories that use a lot of water have water meters to calculate their usage. Council collects around \$2 million per year from these companies.

3. Calculate the balance (the remainder) of the cost that Council must collect through Targeted Rates.
4. Council has around 10,100 users connected to our water supply. Calculate how much each user pays needs to pay for this service, through Targeted Rates.
5. Goods and Services Tax (GST) is added to this amount; the standard GST rate is 15%. Calculate how much how much each user actually pays.



## ROADS

The Te Aroha to Matamata cycle way costs \$200,000 per year to maintain. Assume your property's capital value is \$540,000.

6. Calculate how much in General Rates you will pay towards this project. Don't forget to include GST.

It costs \$13.2 million to maintain all the roads in the Matamata-Piako district each year. Government subsidises 51% of this cost.

7. Calculate how much Government pays towards road maintenance costs each year.
8. Using your answer from above, state how much Council needs to collect in General Rates to cover the balance of the cost.
9. Assume your property's capital value is \$500,000. How much in General Rates would you pay (including GST) for roading?

## ACTIVITY EXAMPLE

### SWIMMING POOLS

The total cost for running the local swimming pool is \$470, 000. Council currently charges \$4 entry for kids and \$6 entry for adults, bringing in fees of \$52,000.

- 1) How much does Council need to collect through General Rates to cover the balance of the cost?
- 2) Assume your property's capital value is \$650,000. Calculate how much in General Rates you would pay each year towards the cost of running the local swimming pool (remember to add GST).

## ACTIVITY EXAMPLE

### ANSWERS

Match each of the following to its description:

**Targeted Rates = only those that use the service pay a small share towards the costs**

**General Rates = everyone pays a share based on the value of their property**

**Fees and Charges = a small cost charged to use or access the service**

Write down the formulas in the video that Council uses to calculate rates charges here:

**Targeted Rates = cost of service ÷ number of people using it**

**General Rates = (cost of activity/\$15 billion) x value of your property**

### WATER

1. Wastewater cost ÷ number of users  $\$6.5m/9,000 = \$722$
2. (Wastewater cost ÷ number of users) + GST  $\$722 + 15\% = \$830$
3.  $\$4.8million - \$2million = \$2.8million$
4. (Water cost ÷ number of users)  $\$2.8million/10,100 = \$277.23$
5. (Water cost ÷ number of users) + GST  $\$277.23 + 15\% = \$318.81$

### ROADS

6.  $\$200,000/\$15 billion \times \$540,000 = \$7.20 + GST = \$8.28$
7.  $51\% \text{ of } \$13.2m = \$6,732,000$
8.  $49\% \text{ of } \$13.2m = \$6,468,000$   $13,200,000 - 6,732,000$
9.  $\$6,468,000/\$15 billion \times \$500,000 = \$215.60 + GST = \$247.94$

### SWIMMING POOLS

10.  $\$470,000 - \$52,000 = \$418,000$
11.  $\$418,000/\$15 billion \times \$650,000 = \$18.11 + GST$   $\$18.11 + 15\% = \$20.83$