

Report to: Council

Meeting Date: 23 June 2021

Subject: Adoption Report: Rates Resolution 2021/22



Purpose of Report

- 1.1 The purpose of this report is for Council to set the rates, due dates for the payment of rates and penalties regime for the 2021/22 financial year.

Significance and Engagement, Social Impact

- 2.1 **Significance**
This report does not trigger the Significance and Engagement Policy.
- 2.2 **Social Impact**
This report does not trigger the Social Policy.

Discussion

- 3.1 The rate requirement for 2021/22 is \$29.4m (GST inclusive). This is an increase of 4.92% on 2020/21.

Suggested Resolution(s)

- 1 That the Adoption Report: Rates Resolution Report 2021/22 be received.
- 2 That pursuant to section 23 of the Local Government (Rating) Act 2002, Council sets the rates as set out below, for the year commencing 1 July 2021 and ending 30 June 2022. The amount of the rate is set out in the fourth column of the Schedule of Rates for 2021/22 below:

General Rates

General Rate

A General Rate set on the basis of Capital Value (CV) to fund general activities. This rate is set on a differential basis as described below and assessed on all rateable land.

The General Rate differentials are based on the CV and land use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are as set out in the following table.

(Refer Local Government (Rating) Act 2002, S13(2)(b) & S14, and Schedules 2(1&8) & 3(2))

General Rate Differentials	
Basis	Differential
All rating units other than hydro-electric properties with a CV in excess of \$50 million	100%
Hydro-electric properties with a CV in excess of \$50 million	61%

General Rate – Defence Land

Defence Land is rated on Capital Value but, in accordance with Section 22 LGRA, the assessed rate will not exceed the amount that would have been charged if the District's rate was calculated on the Land Value only.

(Refer Local Government (Rating) Act 2002, S22)

Uniform Annual General Charge (UAGC)

A UAGC set on the basis of one charge assessed on every separately used or inhabited part (SUIP) of a rating unit. This rate has been set at a level designed to ensure that the total of the UAGC and uniform targeted rates, exclusive of those set for water supply or sewerage disposal do not exceed the allowable maximum of 30%.

(Refer Local Government (Rating) Act 2002, S15 & 21 and Schedule 3(7))

Targeted Rates

Land Transport

Land Transport Differential Rate

A targeted rate set on the basis of Capital Value (CV) on all rating units in the District to fund land transport activity. This rate is set on a differential basis as described below.

The Land Transport Rate differentials are based on the CV and use as defined by Council's Valuation Service Provider and included in the Rating Information Database. The differentials are set out in the following table.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(b) and Schedules 2(1&8) and Schedule 3(2))

Land Transport Rate Differentials		
Differential	Basis	Basis
General	All rating units other than the following:	100%
Hydro-electric	Rating Units used for Hydro-electric purposes with a Capital Value in excess of \$50 million	61%
Forestry	Rating Units used for exotic forestry with a Quotable Value Property Use Code of FE	300%

Urban Periphery Roads

Kaha and Tau Street Resealing

A targeted rate set on the basis of a fixed amount assessed on every rating unit within the defined rating area to fund the resealing of Kaha and Tau Streets.

The defined Rating Area is as follows - All rating units with frontage on Kaha or Tau Streets, Rangataua (excluding the three rating units with frontage on a short section of Tau Street already sealed: valuation numbers 12765 198 00; 12765 222 00; 12765 223 00.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a))

Economic Development Rates

Economic Development Targeted Rate

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(a) and (4)(a) and Schedule 3(7))

Economic Development Commercial Targeted Rate

A targeted rate set on the basis of Capital Value (CV) assessed on every rating unit with Council's Valuation Service Provider's Category Codes C (Commercial) and I (Industrial) to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a), and Schedule 3(2))

Non Commercial Visitor Accommodation Targeted Rate

A Non Commercial Visitor Accommodation Rate set on the basis of a fixed amount per rating unit to fund services provided to the tourism sector. This rate will be assessed on any property that is advertised in any form as providing short term accommodation to the tourism sector. For clarity, this rate will be payable by any property (rating unit) that is advertised and used for short-term accommodation purposes, for example Bed & Breakfast (B&B), Book-a-Bach, Air B&Bs etc. This rate will not, however, be payable by any rating unit that is currently assessed as Economic Development – Commercial Targeted Rate.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) and schedule 3(7))

Solid Waste Rates

Solid Waste – Waste Minimisation Management and Facilities

A targeted rate set on the basis of a fixed amount assessed on every SUIP in the District to fund the cost of landfills, transfer stations and general recycling costs, plus all other refuse costs not included in the service charge for kerbside collection charged to individual households.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(a) and (4)(a) & Schedule 3(7))

Solid Waste - Kerbside Collection

A targeted rate set on the basis of a fixed amount assessed differentially on every SUIP to which Council provides the service, to fund the cost of kerbside (refuse and recycling) collection services. Note: Vacant land and land with minor improvements are deemed not to receive the service therefore are not subject to this rate.

Note: Refuse is collected for all SUIPS, whereas recycling is only collected from residential units.

Solid Waste - Kerbside Collection Rate Differentials

Basis		Differential
General Differential	All rating units within the rateable areas defined and used for “Residential” ^[1] purposes. Note: vacant land and land with minor improvements will not be liable for this rate	100%
Commercial Differential	All rating units within the rateable areas defined and used for any purpose other than residential. Note: vacant land and land with minor improvements will not be liable for this rate	50%

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(b), Schedules 2 (1&5) & 3(7))

Stormwater & Flood Protection Rates

A targeted rate set on the basis of a fixed amount assessed on every SUIP within the following urban communities to which stormwater and flood protection services are provided to fund these services. In this context, “are provided” means that the rating unit is within a water or sewerage supply area and is liable for any of those rates.

(Refer Local Government (Rating) Act 2002, Sections 16(3)(b) and (4)(a) & Schedule 3 Cl 7)

Stormwater Rating Areas

Taumarunui, Piriaka, Ohakune, Raetihi, Owango, National Park, Rangataua, Waiouru, Kakahi

Sewerage

Sewerage Service Rate

Council has set a targeted rate assessed on a differential basis for any land which is connected or capable of connection¹, either directly or indirectly, to any of the District's public sewerage systems as follows.

Sewerage Differential Rate		
Differential	Description	Basis
General Use	Land other than land used for Primary and Secondary Schools	100%
School Use	Land used for Primary and Secondary Schools	30%

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1), 2(5), 3(7) & 3(12))

The rate is assessed per SUIP of a rating unit for general use land and per pan for schools.

Pan Rate (Water Closet or Urinal)

Council has set a targeted rate assessed on any rating unit in the general use category as defined above that has more than two pans per SUIP and which is connected, either directly or indirectly, to any of the District's public sewerage systems.² The rate is assessed per pan.

(Refer Local Government (Rating) Act 2002, Section 16(3)(b) and 16(4)(a) and Schedule 2(1), 2(5) & Schedule 3(12))

Water

Water Rate

A targeted rate on the basis of an amount assessed on every SUIP that is connected or capable of connection³, either directly or indirectly, to any of the District's Public Water Supply Systems, set on a differential basis.

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedule 3(7))

Water Rates		
Differential	Description	Basis
General Use	All Rating Units other than those defined as Extraordinary Use	100%
Extraordinary Use	Rating Units are deemed extraordinary by land use, Councils Water Bylaw, or agreement with Council.	120%

(Local Government (Rating) Act 2002, Section 16(3)(b) and (4)(b) and Schedules 2(1) & (5) & 3(7))

Water by Meter Charges (N.B. water by meter charges are not rates pursuant to the LGRA)

Users connected to any Council water supply where the supply is recorded through a water meter will be assessed the Water Differential Rate, as outlined above. In addition, they will be charged for any water consumed according to the prevailing Schedule of Fees and Charges.

Lump Sum Contributions

Council is not seeking any lump sum contributions in respect of any targeted rates.

(Local Government Act 2002, Schedule 10 Clause 15(4)(e)).

¹ Capable of connection - The rating unit is within 30m of sewer main and practicably serviceable in the opinion of Council.

² In terms of the Local Government (Rating) Act 2002 Schedule 3(4) a rating unit used primarily as a residence for one household will be treated as having only one water closet or urinal.

³ Capable of connection - The rating unit is within 100m of water main and practicably serviceable in the opinion of Council.

Due Dates for Payment of Rates

Council resolved that the rates for 2021/22 are payable in four equal instalments, on the dates set out below.

Discount

A discount of 3% on all current year's rates will be granted for prompt payment if the rates for the year ending 30 June 2022 are paid in full by 20 August 2021, on condition that no rates remain unpaid from previous years.

Penalties

A penalty of 10% will be added to any amount of an instalment of rates remaining unpaid after the relevant due date and will be added on the dates set out in the table below:

Instalment	Due Date	Penalty Date
1	20 August 2021	25 August 2021
2	22 November 2021	25 November 2021
3	21 February 2022	24 February 2022
4	20 May 2022	25 May 2022

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2021. The penalty will be applied on 12 July 2021.

A further penalty of 10% will be added to any amount of rates to which a penalty has been added under the above paragraph that remain unpaid on 13 January 2022. The penalty will be added on 14 January 2022.

Council delegates authority to the Executive Manager Finance and Strategy, to apply penalties on unpaid rates. Remission of penalties will be considered according to Council's Remission of Penalties Policy, which can be found on Council's website: www.ruapehudc.govt.nz.

Other Rating Policy Statements

Projected number of rating units

Local Government Act 2002 Schedule 10 Clause 15A requires Council to state for each year covered by the Plan, the projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

For the purposes of the 2021 – 2031 Long Term Plan Council has assumed that there will be some growth in the number of rating units

The following table shows the growth assumptions for each of the years covered by the plan.

Year	Rating Units
2021/22	8984
2022/23	8995
2023/24	9005
2024/25	9016
2025/26	9027
2026/27	9038
2027/28	9049
2028/29	9060
2029/30	9070
2030/31	9081

Schedule of Rates for 2021/22

Please note all rates include GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2	Rate GST incl.	Rates 2021/22 Total Rate GST incl.
GENERAL RATES				
Uniform Annual General Charge	Per SUIP4	-	\$658.45	\$5,796,360
General Rate – General Differential	Capital Value	1 & 8	\$0.00175804	\$8,858,849
General Rate – Hydro Electrical Differential	Capital Value	1 & 8	\$0.00106799	\$341,745
General Rate – Defence Land	Land Value	1	\$0.00075807	\$155,450
TARGETED RATES				
Land Transport				
General	Capital Value	1	\$0.00075872	\$3,725,320
Hydro Electrical	Capital Value	1 & 8	\$0.00046100	\$147,516
Forestry	Capital Value	1	\$0.00226722	\$295,960
Kaha and Tau Street Resealing	Per rating unit		\$124.00	\$3,968
Solid Waste				
Solid Waste - Kerbside Collection				
Residential	Per SUIP	1&5	\$65.16	\$274,333
Commercial	Per SUIP	1& 5	\$33.00	\$17,920
Solid Waste Charge	Per SUIP	-	\$72.99	\$642,601
Stormwater - Flood Protection				
Stormwater/Flood Protection Urban	Per SUIP		\$96.29	\$559,383
Wastewater				
District Wide Sewerage Rate				
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$532.30	\$2,516,166
School Use	Per Pan	1 & 5	\$159.69	\$38,166
District Wide Additional Pan Rate				
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$266.15	\$383,520
Water				
District Wide Water Rate				
Connected or capable of connection	Per SUIP	1 & 5	\$780.34	\$4,536,139
Extra-Ordinary	Per SUIP	1 & 5	\$936.41	\$34,647
Economic Development Rates				
Economic Development Rate	Per SUIP	-	\$52.18	\$459,366
Economic Development Commercial Rate	Capital Value	-	\$0.00124967	\$410,644
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$300.00	\$156,600



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TEAM LEADER POLICY PLANNING

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⁴ Separately Used or Inhabited Part of a rating unit