

Report to: Council

Meeting Date: 22 June 2022

Subject: Adoption Report: Rates Resolution 2022/23



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 2022/23 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 2022/23 is \$30.6m (GST inclusive). This is an increase of 4.12% on 2021/22.

Suggested Resolution(s)

- 1 That the Adoption Report: **Rates Resolution Report 2022/23** be received; and
- 2 That pursuant to section 23(1) of the Local Government (Rating) Act 2002, Ruapehu District Council resolves to set the rates, due dates and penalties regime as set out below, for the year commencing 1 July 2022 and ending 30 June 2023.

General Rates

The General Rate differentials are based on the CV and land use as defined by Council's Valuation Service Provider and included in the Funding Impact Statement 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

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 Property Codes C (Commercial) and I (Industrial) to fund Economic Development.

(Refer Local Government (Rating) Act 2002, S16(3)(b) and (4)(a), and Schedules 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, Owhango, National Park, Rangataua, Waiouru, Kakahi

Sewerage

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))

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.

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)*).

Due Dates for Payment of Rates

Council resolved that the rates for 2022/23 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 2023 are paid in full by 22 August 2022, 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	22 August 2022	25 August 2022
2	21 November 2022	24 November 2022
3	20 February 2023	23 February 2023
4	22 May 2023	25 May 2023

A further penalty of 10% will be added to any rates from previous years that remain unpaid on 1 July 2022. The penalty will be applied on 12 July 2022.

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 2023. The penalty will be added on 16 January 2023.

Council delegates authority to the Executive Manager Finance, Strategy, and Governance 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 2022-23 Annual Plan, Council has used the current rating units as at 22 March 2022 of 10,039 (gross).

Schedule of Rates for 2022/23

Please note all rates include GST.

Rate	Basis of Assessment	Differential (as per LG(R)A schedule 2)	Rates 2022/23 Rate GST incl.
GENERAL RATES			
Uniform Annual General Charge	Per SUIP ⁴	-	\$677.69
General Rate: General Differential	Capital Value	1 & 8	\$0.00189627
General Rate: Hydro Electrical Differential	Capital Value	1 & 8	\$0.00115261
General Rate: Defence Land	Land Value	1	\$0.00078759
TARGETED RATES			
Land Transport			
General	Capital Value	1	\$0.00071680
Hydro Electrical	Capital Value	1 & 8	\$0.00043566
Forestry	Capital Value	1	\$0.00214255
Kaha and Tau Street Resealing	Per rating unit		\$124
Solid Waste			
Solid Waste - Kerbside Collection			
Residential	Per SUIP	1	\$68.26
Commercial	Per SUIP	1	\$34.56
Solid Waste Charge	Per SUIP	-	\$81.19
Stormwater - Flood Protection			
Stormwater/Flood Protection Urban	Per SUIP		\$102.04
Wastewater			
District Wide Sewerage Rate			
General use (Inclusive of 2 pans)	Per SUIP	1 & 5	\$536.95
School use	Per Pan	1 & 5	\$161.08
District Wide Additional Pan Rate			
General Use Per pan in excess of 2 pans per SUIP	Per Pan	-	\$268.47
Water			
District Wide Water Rate			
Connected or capable of connection	Per SUIP	1 & 5	\$819.32

⁴ Separately Used or Inhabited Part of a rating unit

Extra-Ordinary	Per SUIP	1 & 5	\$983.18
Economic Development Rates			
Economic Development Rate	Per SUIP	-	\$52.64
Economic Development Commercial Rate	Capital Value	-	\$0.00124956
Non-Commercial Visitor Accommodation Targeted Rate	Per rating unit	-	\$312.40

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