

Council Briefing Agenda

Date: Wednesday, 25 October, 2017

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)
Cr Stu Bell
Cr Crichton Christie
Cr Vince Cocurullo
Cr Tricia Cutforth
Cr Shelley Deeming
Cr Sue Glen
Cr Phil Halse
Cr Cherry Hermon
Cr Greg Innes
Cr Greg Martin
Cr Sharon Morgan
Cr Anna Murphy

For any queries regarding this meeting please contact
the Whangarei District Council on (09) 430-4200.

1. Apologies

2. Reports

2.1 Rating Policy Review (including Rates Remission and Postponement Policies)

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3. Closure of Meeting

2.1 Rating Policy Review (including Rates Remission and Postponement Policies)

Meeting: Whangarei District Council Briefing
Date of meeting: 25 October 2017
Reporting officer: Alan Adcock (General Manager – Corporate/CFO)

1 Purpose

To review and update Council's rating policies

2 Background

This briefing is a continuation of a series related to a review of our rating policies, systems and processes.

Modelling to progress issues raised at the last session is still being prepared and will be presented at the briefing.

Some of the main issues being worked on are:

- Detailed modelling on preferred options (including 'improved' status quo)
- Impacts of moving from SUIPs to rating Units
- Improved SUIP definitions
- Potential targeted rate based on Capital Value
- Understanding impacts of any changes, including treatment needed for outliers with significant movement
- Impact on Utilities if Capital Value is used
- Anomalies in the Miscellaneous category e.g. Motels, Hotels, Retirement Villages

In the meantime, working drafts of amendments and improvements to the associated Remission and Postponement Policies have been completed. These are subject to further refinement and, in some cases, significant further revision, pending further decisions on the underlying rating policies.

3 Attachments

1. Briefing Paper - Rates Remission and Postponement Policies
2. Rates Remission and Postponement Policies – Working Draft of Proposed changes
3. Rates Remission and Postponement Policies – Current policies

Rates Review – Rate Remission and Postponement Policies

Reporting officer: Alison Puchaux (Manager – Revenue)

1 Purpose

To review and update Council's rates remission and postponement policies, while recognising that they should:

- be open, transparent, and democratically accountable,
- recognise the diversity of the community, and the community's interests
- ensure the cultural interests of people and communities the economic development of the district is encouraged while a fair balance is maintained between user pays principle, fairness and equity; and
- encourage environmental protection

2 Background

Council's rating structure is currently under review. If Council decides to change the rating to be based on capital value rather than land value, or rating units rather than separately used or inhabited parts, Council's rates remission and postponement policy will likely need to be amended.

Rates remission and postponement policy is governed by the following statute:

- Section 102 (3) of the Local Government Act 2002 (LGA) provides that Council adopts rates remission policy and (or) a rates postponement policy.
- Section 102 (2) of the Local Government Act 2002 (LGA) provides that Council adopts rates remission policy postponement policy on Māori freehold land.
- Sections 55 and 56 of the Local Government (Rating) Act 2002 (LGRA) provides that Council adopts policy for the early payment of rates in the current year and for subsequent years.
- Sections 108 and 109 of the LGA requires that Council reviews rates remission and postponement policy at least once every 6 years using a consultation process that gives effect to section 82 of the LGA.

The objective of rating policy is to ensure the fair and equitable collection of rates from all sectors of the community by:

- providing financial assistance and support to ratepayers
- addressing any rating anomalies and enabling economic development
- ensuring the environment is protected
- recognising the particularities of ownership. Inaccessibility and other factors specific to Māori freehold land.

Current Council Policy 0080 regroups 14 policies and these can be classified as follows:

Financial Assistance and Support

- Remission of Penalties (Policy 12/205)
- Postponement of Rates – Extreme Financial Hardship (Policy 09/410)
- Postponement and/or Remission of Rates and Charges on Properties Affected by Fire or Natural Calamity (Policy 09/413)
- Discount for Early Repayment of Rates in Current Financial Year (Policy 09/204)
- Remission of Excess Water Rates (Policy 12/306)
- Remission of School Water Charges (Policy 09/308)

Addressing Anomalies and Enabling Economic Development

- Remission of Some Uniform Annual General Charges and/or Targeted Rates on Separately Used or Inhabited Parts of Rating Units – home and business, dependant family (Policy 12/101)
- Remission of Some Uniform Annual General Charges and/or Targeted Rates on Rating Units which are in Common Ownership but do not Meet the Criteria of a Contiguous Property – subdivision (Policy 12/102)
- Remission of Some Uniform Annual General Charges and Targeted Rates on Separately Used or Inhabited Parts of Rating Units – jointly used by not contiguous (Policy 09/103)
- Remission of Rates for Community, Sports and Other Organisations (Policy 09/309)
- Postponement and Remission on Specific Farmland Properties (Policy 12/412)

Environmental Enhancement

- Remission of Rates on Voluntarily Protected Land (Policy 16/414)

Māori Freehold Land

- Remission of Rates on Māori Freehold Land (Policy 09/611)
- Postponement of Rates on Māori Freehold Land (Policy 09/614)

The proposed changes in Attachment 2 are working drafts, and are subject to further revision once the overall direction for rating policy has been determined and initial feedback on the draft changes from Elected members is incorporated.

For 2017/2018 the number and value of remissions and postponement for Council is:

Policy	Number of Properties	Value
Financial Assistance and Support		
12/205 Penalties (2016/2017)	1,773	188,425
09/410 Postponement Extreme Financial Hardship	-	-
09/413 Natural Calamity	1	665
09/204 Discount for Early Repayment of Rates	10,480	599,629
12/306 Excess Water Charges (2016/2017)	346	253,903
09/308 School Sewerage	32	151,214
Subtotal	12,600	1,042,623
Addressing Anomalies and Enabling Economic Development		
12/101 Occupier home and business	77	49,336
12/101 Rent-free dependant accomodation	71	63,729
12/102 Subdivision	252	168,602
09/103 Single purpose unit	105	64,682
09/309 Community Organisations	157	198,476
12/412 Postponement - Farmland	16	105,570
Subtotal	505	346,348
Environmental Enhancement		
16/414 Voluntarily Protected Land	320	244,190
Māori Freehold Land		
09/611 Māori Land - Multiply owned	261	295,556
09/614 Māori Land - Postponements	74	107,959
Subtotal	335	403,515
Total	13,760	2,036,677

Note: Penalty and excess water remissions are the total for the prior year (2016/2017)

3 Discussion

The policies, on the whole, meet Council's and the community's current needs but could be reviewed to be more understandable and easier to administer. This includes separating the criteria, conditions and delegated authority. In addition, there have been some issues that have been raised that Council may wish to consider.

Policy	Objective and Items to Consider	Suggested Changes
Remission of Penalties (Policy 12/205)	To assist and incentivise ratepayers who wish to address arrears and to assist ratepayers who normally pay on time	Clarify the wording
Postponement of Rates – Extreme Financial Hardship (Policy 09/410)	To assist ratepayers in financial distress. Rarely used.	Clarify the wording
Postponement and/or Remission of Rates and Charges on Properties	To assist ratepayers when their property is catastrophically damaged. Rarely used.	Clarify the wording

Policy	Objective and Items to Consider	Suggested Changes
Affected by Fire or Natural Calamity (Policy 09/413)		
Discount for Early Repayment of Rates in Current Financial Year (Policy 09/204)	To improve cash flow. In 2017/2018 the \$600,000 discount given at 3%, net cost an estimated \$200,000.	Consider reducing the discount from 3% to 2% or 0%. This should be cost-neutral to Council
Remission of Excess Water Rates (Policy 12/306)	To assist ratepayers how are unaware of a water leak. Currently limited to one per property, not noted on LIMs if used so may wish to extend to one per owner (properties change owners on an average each 10 years)	Clarify the wording and permit new owners to apply once also.
Remission of School Water Charges (Policy 09/308)	To ensure schools are fairly rated in line with rolls. The current calculation is complex.	Clarify the wording, including partnership schools and simplify the calculation. Suggest full charge for first 4 and 50% for remainder (currently 75% for 5-10 and 50% thereafter).
Remission of Some Uniform Annual General Charges and/or Targeted Rates on Separately Used or Inhabited Parts of Rating Units – home and business, dependant family (Policy12/101)	To provide relief for ratepayers operating a business from home or providing accommodation to a dependant family member.	If rating units are used these policies may need to be adapted. Combine these policies into one and clarify the wording.
Remission of Some Uniform Annual General Charges and/or Targeted Rates on Rating Units which are in Common Ownership but do not Meet the Criteria of a Contiguous Property – subdivision (Policy 12/102)	To provide relief during the first five years of a development. There remain 4 properties receiving 20% remission on value-based general rates for commercial properties.	Allow rates relief for low-impact commercial Separately Used or Inhabited Parts of Rating Units where it is equitable to do so, e.g. separately rented desk spaces in offices.
Separately Used or Inhabited Parts of Remission of Some Uniform Annual General Charges and Targeted Rates on Rating Units – jointly used by not contiguous (Policy 09/103)	To provide relief for farming operations with non-contiguous blocks that are jointly used	
Remission of Rates for Community, Sports and Other Organisations (Policy 09/309)	To enable community organisation to support the community. There are some apparent anomalies including: non-profit health institutions in some cases	Clarify the wording Suggest adding halls and non-profit halls, museums, health institutions e.g. mental

Policy	Objective and Items to Consider	Suggested Changes
	are rateable; halls, museums, and libraries not on Council land are rateable	health half-way housing, papakainga
Postponement and Remission on Specific Farmland Properties (Policy 12/412)	There are 29 properties using this remission. Next year, if there are no new applicants there will remain 15. The cost to Council includes the financing cost (\$607,000 postponed at 1 July 2017) and the administration and legal cost of registering and releasing the statutory land charge. The legal costs are estimated at \$1,000 per property	Clarify the wording and add a fee to cover the costs
Remission of Rates on Voluntarily Protected Land (Policy 16/414)	To assist the protection of the environment	Clarify the wording
Remission of Rates on Māori Freehold Land (Policy 09/611)	To assist where the property is unoccupied or unused and to enable economic development. Issues arise when succession has not been formalised and the property is now multiply owned although records do not reflect this.	Revisions of these policies will be considered later to take account of: <ul style="list-style-type: none"> • Potential to align across the Northland region • Discussion on S11 of the LGA • Progress on the Te Ture Whenua Bill, which has been championed by the Maori Party up until the election
Postponement of Rates on Māori Freehold Land (Policy 09/611)	To assist where the property owners change and the new owners agree to pay current rates.	

Feedback from ratepayers and Council officers has resulted in the suggestion of adding four further policies:

Policy	Explanation
Miscellaneous	Introduce new policy to permit the remission of rates for in cases that are not covered by existing policy and it is inequitable not to do so.
Stepped Rates	Council has received conflicting legal advice on stepped rating differentials. It has been suggested to introduce a new policy to remit the rates equivalent to the current stepped rate differentials
Early Payment of Rates for Subsequent Years	Council does not have a policy for payment of future year's rates and S56 of LGRA allows Council to adopt a policy.
Rating for Sewerage -Non-residential	Non-residential properties are rated for sewerage based on the number of pans installed. This may result in inequitable rating when a large number of pans have been installed.

4 Other Matters to be Addressed

4.1 Lifestyle Category

The lifestyle category is defined as “generally” less than 20 hectares. It is proposed the change the definition to property less than 20 hectares.

4.2 Consultation and Feedback

Feedback from ratepayers has mainly centred on the fairness of Separately Used or Inhabited Parts when the additional units are unused and unlikely to be used.

4.3 Māori Freehold Land

The rating of Māori Freehold Land is currently being reviewed by Parliament. The Te Ture Whenua Māori reforms (in as much that they relate to rating) include:

- Review of the valuation of the land to take into account the multiple ownership and other factors
- Non-rateability of papakainga housing
- Increasing the marae land from 2 hectares
- Expanded definition of Whenua Rahui land (reserve land - land set aside for a special purpose), Whenua Tapu (sacred land) and Kawenata Tiaka Whenua (cultural, historic or natural heritage land).
- Non-rateability of land only occasionally used.

Whangarei District Council Policy

Rates Remission and Postponement Policies Proposed Changes

Policy 0080

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

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Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/101

Remission of Uniform Annual General Charges and/or Targeted Rates on Separately Used or Inhabited Parts of Rating Units

Background

This Council sets rates on Separately Used or Inhabited Parts of a rating unit. In some cases, the application of this may result in inequity, specifically:

- where the property is used for both business and residential purposes,
- where the residential property has a separate used and inhabited part which is used by family members, or
- where the farming properties are jointly used but not contiguous, or
- where the property has been sub-divided and has remained unsold within a period of five years, or
- where the commercial property is used for low-impact office space and like use.

Objectives of the Policy

To enable Council to act fairly and equitably with the respect to the imposition of Uniform Annual General Charges and relevant Targeted Rates set as a fixed amount per Separately Used or Inhabited Parts of a rating unit that are jointly used for a single residential or farming use but do not currently meet section 20 of the Local Government (Rating) Act 2002. In addition to encourage development in the district by providing short-term rates relief to property developers.

Criteria

Council may remit multiple sets of Uniform Annual General Charges and relevant Targeted Rates set as a fixed amount per Separately Used or Inhabited Parts of a rating unit in the following circumstances:

- The rating units in all cases above ((a), (b), (c) and (d)) must be owned (either as owner or lessee) by the same person(s).
- The rating units in (b) above must be used as the owner's principal residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family on a rent-free basis. The family member must be a first degree relative to the owner for example, grandparent, parent, adult child, or sibling. Other dependants may be considered on a case-by-case basis.
- The rating units in (c) above must be jointly used and may cross district boundaries.
- The rating units in (d) above must be vacant land, in the ownership of the ratepayer who subdivided the land and the remission will only apply five years.
- The rating units is (e) above is for low-impact office use. Low-impact office use is defined as being commercial space been divided into leased office units of less than 20 square metres.. In this case, the rating units will be calculated lesser of the actual Separately Used or Inhabited Parts or the notional Separately Used or Inhabited Parts being the calculated by total floor space divided by 20 square meters.

Council may remit 20% of the value based general rates of a rating unit in the following circumstances:

- The rating units in (d) above are categorised as commercial, must be vacant land, in the ownership of the ratepayer who subdivided the land and the remission will only apply five years.

Conditions

- Applications must be received in writing by Council from the ratepayer and are a statutory declaration.
- The ratepayer may be required to supply evidence to verify that the remission should be granted.
- In case (c) above the ratepayer will be required to provide evidence that the properties are jointly used.
- In any case, if circumstances change the ratepayer must inform Council within 30 days.
- Applications must be renewed each three years in cases (a), (b) and (c).

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Delegations

1. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Combine 3 policies into one and enlarge definition of family. Add relief for low-impact office use. The definition of low impact office use is to be refined.

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Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/102

Discount for Early Payment of Rates in Current Financial Year

Background

In accordance with section 55 of the Local Government (Rating) Act 2002, which empowers councils to accept early payment of rates in the current financial year, a discount is granted where the full annual rates are paid on the due date of the first instalment.

Objectives of the Policy

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

Criteria

A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.

Conditions

That the amount of the discount be set each year in accordance with that provided in Council's Annual Plan or Long Term Plan.

Delegations

Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Policy 17/103

Early Payment of Rates for Subsequent Financial Years

Background

In accordance with section 56 of the Local Government (Rating) Act 2002, which empowers councils to accept early payment of rates for subsequent financial years, Council will accept payment of rates for subsequent years. Early payment of rates will attract neither a discount, nor interest on the sum paid.

Objectives of the Policy

The objective of the early payment policy for subsequent financial years is to neither encourage or discourage the practice.

Delegations

Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/104 Remission of Penalties

Background

Penalties are added where rates have not been received by the due date. Further penalties are added where previous years' arrears remain unpaid three months after the end of the rating year.

Objectives of the Policy

The objective of this policy is to enable Council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

Criteria

1. Where the ratepayer meets the payment conditions agreed with Council to resolve rates arrears.
 - a. Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears and savings in debt collection costs.
 - b. Where a ratepayer enters into an agreed payment arrangement to pay off arrears in a specified timeframe, penalty suppression may be granted for future penalties that fall due within that period.
2. Where the ratepayer has a good payment history and has not received a penalty remission with the past year.
 - a. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the past or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
 - b. In considering the remission of any penalty a good payment record or otherwise may be taken into account
3. Where there are extenuating circumstances. Remission of penalties will be considered in any rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.
4. Where the ratepayer pays rates by direct debit and future rates and rates arrears are addressed in an agreed timeframe. Where it facilitates the future payment of rates by direct debit within a specified timeframe.
5. Council may remit small balances due to cash rounding or where the balance outstanding is considered uneconomical to pursue.

Conditions

1. If the ratepayer stops adhering to the agreed payment conditions than Council is able to reinstate penalties.
2. The remission will apply to the period in which the application is approved and may not necessarily be backdated to previous years

Delegations

Decisions on remission of penalties under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/105

Remission of Excess Water Rates

Background

Consumers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However, they may experience a leak or damage to the supply of which they are unaware. Council considers it is reasonable to allow a reduction in charges in these circumstances.

Objectives of the Policy

To provide relief to ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit where it is Council's interests to do so.

Criteria

Council may remit the excess water rates where the application meets the following criteria:

1. A remission will only be considered where immediate action to repair or minimise water loss is taken on notification. Any remission will only apply up to the date the ratepayer became aware of or was notified of the leak.
2. A remission will not normally be granted where the leak is the result of poor workmanship or incorrect installation. The fault must be in the internal reticulation. This does not include leaking toilets, ajax valves, water troughs and the like where the ratepayer should be aware of the problem and able to take remedial action.
3. That residential ratepayers and small businesses with residential like usages be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption over and above that charged is considered for remission.
4. That commercial ratepayers be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption above that is charged at a marginal rate (as determined by the Water Services Manager) at the time of the leak.
5. In some circumstances, Council may agree payment conditions with the ratepayer to assist if the ratepayer has financial hardship. ~~That the ratepayer be offered the opportunity to pay the account off by instalments where the excess amount is considered excessive and demand for payment in full may cause financial hardship.~~

Conditions

1. Applications must be received in writing by Council from the ratepayer **and are a statutory declaration.**
2. The application is to include at details of the location and the repairs to the reticulation (e.g. plumbers repair account) and any other information as requested by Council. Council may wish to inspect the repairs.
3. Any remission under this policy is a limited to one per the current owner. **Any remission under this policy is a "one-off" and any** Any further remissions for subsequent leaks on the same reticulation supply line may only be granted if the full reticulation system is replaced. Where there are special circumstances, any remission will only be given at the discretion of the Water Services Manager.

Delegations

Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/106

Remission of School Sewerage Charges

Background

Educational establishments are required to provide a larger number of toilet facilities than would normally be required. The increase in number of available pans, does not necessarily reflect in an increase in use or impact on the sewerage network. Council believes it is more equitable to allow a reduction based on the number of students actually using the facilities.

Objectives of the Policy

To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying sewerage charges.

Conditions and Criteria

1. The policy will apply to the following educational establishments:
 - (a) established as a special school under section 98(1) of the Education Act 1964: or defined as -
 - (b) a state school under section 2 (1) of the Education Act 1989; or
 - (c) An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
 - (d) A special institution under section 92 (1) of the Education Act 1989; or
 - (e) An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.
 - (f) a school under section 35A of the Education Act 1989, but excluding any registered schools that operate for profit; or
 - (g) a partnership school kura haurou (within the meaning of section 2 (1) of the Education Act 1989), but excluding any partnership schools kura haurou that operate for profit.
2. The policy does not apply to school houses occupied by a caretaker, principal or staff.
3. The calculated number of pans of any educational establishment in any one year subject to the relevant sewage disposal targeted rate will be the lesser of:
 - a) The **actual** number of toilet pans in the establishment, or
 - b) The **notional** number of toilet pans in the establishment. The notional number is calculated as one pan per 20 pupils/staff.
4. The sewage disposal rate is the rate that -
 - the full charge for each of the first 4 toilets or part thereof;
 - 50% of the full charge for each toilet after the first 4 toilets or part thereof.
- ~~5. The sewage disposal rate in any one year may not exceed the amount calculated under clause 4.~~
- ~~6. The sewage disposal rate is the rate that -~~
 - ~~(a) would be levied using the same mechanism as are applied to other separately rateable rating units within the district divided by the number of toilets as determined in accordance with condition 5 below (the full charge); and~~
 - ~~(b) reduced in accordance with the following graduated formula:~~
 - ~~• the full charge for each of the first 4 toilets or part thereof;~~
 - ~~• 75% of the full charge for each of the next 6 toilets or part thereof;~~
 - ~~• 50% of the full charge for each toilet after the first 10.~~
 - ~~(c) For the purpose of clause 4 (a) above the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof.~~
7. The number of students in an educational establishment is the number of students on its roll ~~on~~ at 1 March in the year immediately before the year to which the charge relates.

Policy title			
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8. The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.

Delegations

Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

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Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/107

Remission of Rates for Community, Sports and Other Organisations

Background

Community and voluntary organisations provide facilities for residents which enhance and contribute to the district's wellbeing. Council wishes to encourage such groups by providing rates relief ~~a reduction in rates levied.~~

Objectives of the Policy

To enable Council to act fairly and equitably with respect to the imposition of rates on land used or occupied by societies or association of persons for organisations that have a strong community focus but do not currently meet the 100% or 50% non-rateable criteria under Schedule 1 of the Local Government (Rating) Act 2002. To facilitate the ongoing provision of non-commercial (non-business) community services and/or recreational opportunities that meets the needs of Whangarei residents. To assist the organisation's survival; and to make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Criteria

Council may remit all or part of rates to land that is being used or occupied under the following circumstances:

1. Land owned or used by a societies or association of persons, for community purposes, games or sports other than galloping races, harness races and greyhound races, and does not meet the 50% non-rateable definition as a club license under the Sale and Supply of Alcohol Act 2012 is for the time being in force. The policy will apply to land owned by the council or owned and occupied by a charitable or non-profit organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. Land owned or used by a societies or association of persons, the object or principle object of which is to conserve the health or well-being of the community or to tend the sick or injured.
3. Land owned or used by a societies or association of persons, for the purposes of a public hall, library, museum or similar institution.
4. The policy will not apply to organisations operating for private pecuniary profit, or which charge tuition fees.
5. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Conditions

1. Applications must be received in writing by Council from the organisation and include: incorporation documents (or like), financial statements, information on objectives, activities and programmes, details of membership and/or clients or customers.
2. The organisation may be required to supply additional information to verify that the remission should be granted.
3. The rates remission for the following uses is:

Land Use	Remission%	Rates Excluded
Community, games or sports	50%	Excludes water supply
Health, libraries or museum	100%	Excludes water supply and wastewater services
Public halls	100%	Excludes water supply.

Delegations

Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/108

Postponement of Rates – Extreme Financial Hardship

Background

From time to time Council is approached by ratepayers who are experiencing financial hardship. Staff will work with applicants to help meet their commitments with payment options, payment arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

Objectives of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. **As a general rule** The ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within Whangarei District for not less than 2 years.
3. The rating unit must be used solely by the ratepayer **as his/her residence for residential purposes.**
4. Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
5. The ratepayer must not own any other rating units or investment properties or other investment realisable assets **(whether in the district, in New Zealand or overseas) or have significant interests or ownership of a business(s) or shares.**

Conditions

1. Applications must be received in writing by Council from the ratepayer **(or authorised agent) and are a statutory declaration. The ratepayer must make application to the council on the prescribed form**
2. Even if rates are postponed, **as a general rule** the ratepayer will be required to pay the first \$500 of the rate account.
3. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
4. The council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the council's administration and financial costs.
5. The policy will apply from the beginning of the rating year in which the application is made although the council may consider backdating past the rating year in which the application is made depending on the circumstances.
6. Any postponed rates will be postponed until:
 - a. the death of the ratepayer(s); or
 - b. until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - c. until the ratepayer(s) ceases to use the property as his/her residence; or
 - d. until a date specified by the council as determined by the council in any particular case.
7. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
8. Postponed rates will be registered as a statutory land charge on the rating unit title.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Delegations

Decisions on **remission postponement of rates** under this policy will be delegated to officers as set out in Council's delegation manual.

DRAFT

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/109 Postponement and Remission on Specific Farmland Properties

Background

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates ~~levied would set are~~ be a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

Objective of the Policy

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

Conditions and Criteria

1. The properties will be identified and the rates postponement values will be determined by Council's Valuation Service Provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
 - (a) So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
 - (b) So as to preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
 - (c) May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in Council's differential rating system.
4. The farming operation should provide the majority of revenue for the owner of the land who should be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Effect of Rates Postponement Values

1. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.
2. The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
3. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Rates **Set Levied** before Postponement Values **Set Determined**

Where Council has **levied set** rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

Additional Charges

No additional charges will apply on any rates postponed under the rates postponement values system. The administration and charging order fees for postponing rates will be payable when the charging order is released.

When Postponed Rates Become Payable

All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:

- (a) The land ceasing to be farmland;
- (b) The interest of the owner of any part of the land is passed over to or becomes invested in some person or other party other than;
- (c) the owners spouse; or
- (d) the executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

Transitional arrangements

Where a property received a postponement under this policy prior to its review as at 1 July 2012, but it no longer meets the amended criteria after the revaluation as at 1 September 2012, rates previously postponed will become payable in accordance with this policy or will be remitted at the expiry of five years after the end of the rating year (30 June) to which the postponement applies.

Postponed Rates to be a charge on the Rating Unit

Where Council has postponed the requirement to pay rates in respect of a rating unit, a charge will be registered on the rating unit

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/110

Postponement and/or Remission of Rates and Charges on Properties Affected by Fire or Natural Calamity

Background

This policy recognises that where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged, where it cannot be used, then the application of full rates could cause financial hardship.

Objective of the Policy

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

Criteria

1. Council may remit **and/or** postpone rates wholly, or in part, **under this policy any rate or charge made and levied** in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.
2. The **criteria for** repayment of **any** postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
3. Any application for rates relief due to fire will not be accepted if council has any reason to suspect that the fire was deliberately caused by owner, occupier or a related party.

Conditions

1. Applications must be received in writing by Council from the ratepayer **and are a statutory declaration** ~~All applications must be in writing~~ and must be supported by documentary evidence as to the extent of the damage.
2. If an application is approved, ~~the~~ Council may direct its valuation service provider **(if considered appropriate to do so)** to inspect the rating unit and prepare a valuation that will take into account any factors **s** that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature then the valuation service provider's decision will be final.

Delegations

Decisions on remission and/or postponement of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 12/611

Remission of Rates on Unoccupied Maori Freehold Land

Background

Some Maori freehold land in the Whangarei District is unoccupied and unimproved. This land creates a significant rating burden on the Maori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

Policy

A remission of all or part of rates may be granted in respect of multiple-owned Maori freehold land which is unoccupied or unproductive.

Objectives of the Policy

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

Conditions or Criteria

1. The land must be multiple-owned and unoccupied Maori freehold land which does not produce any income. (Multiple owned is defined as more than two registered owners. This includes beneficial owners where the registered owner is deceased, but the succession order has not yet been approved by the Maori Land Court)
2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non- useable land.
4. A request for rates remission by the owners must include:
 - a) Details of the land
 - b) Documentation that shows the ownership of the land
 - c) Reasons why remission is sought.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

No changes as under Regional review and harmonisation

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 12/614 Postponement of Rates on Maori Freehold Land

Background

The difficulty in establishing and contacting owners or occupiers of Maori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

Objectives of the Policy

To encourage the development and use of Maori freehold land where Council considers the full payment of the rate arrears would be a disincentive.

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Maori freehold land.
2. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
3. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be remitted.
4. Council reserves the right to reapply the rates postponed should the agreement not be met.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

No changes as under Regional review and harmonisation

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/111

Remission of Rates on Voluntarily Protected Land

Background

In the past legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II (QEII) National Trust however, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand protect special natural and cultural features on their land with open space covenants.

Objectives of the Policy

~~This policy is~~ To encourage and promote the conservation and protection of significant natural resources in the district. This will enable council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

Conditions and Criteria

Council may remit the rates where the application meets the following criteria:

1. Council is satisfied that the land is subject to permanent protection under subject to QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s)
2. No person(s) are ~~actually~~ using the land and no building structures are within the boundaries of the covenanted area.

Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/112

Remission of Value-Based General Rates for High Value Residential Properties

Background

This policy recognises that high value residential properties are bearing a disproportionate share of general rates.

Objective of the Policy

To enable rate relief to ratepayers with high-value residential properties.

Criteria

1. The residential property has value of 3.5 times or more the average value of residential properties across the district.

Conditions

1. The remission will be defined in the funding impact statement of Council's annual plan for that rating year.

Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

DRAFT

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/113

Remission or Postponement of Rates for Miscellaneous Purposes

Background

This policy recognises that high value residential properties are bearing a disproportionate share of general rates.

Objective of the Policy

To enable Council to postpone or remit rates and/or penalties on rates in circumstances that are not specifically covered by other schemes in the Rates Postponement and Remission Policy, but where the Council considers it appropriate to do so.

Criteria

Council may postpone or remit rates and/or penalties on rates on a rating unit where it considers it just and equitable to do so because:

- (a) There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units;
- (b) The circumstances of the rating unit or the ratepayer are comparable to those where a postponement or remission may be granted under the Council's other rates postponement or remission schemes, but are not actually covered by any of those schemes;
- (c) There are exceptional circumstances that the Council believes that it is equitable to postpone or remit the rates and/or penalties on rates

Conditions

1. Where Council and the ratepayer have agreed to postpone rates and/or penalties on rates:
 - (a) Applications must be received in writing by Council from the ratepayer.
 - (b) Applicants may elect to postpone a lesser amount than the maximum they would be entitled to under the scheme.
 - (c) Postponed rates will be registered as a Statutory Land Charge on the Certificate of Title.
 - (d) Council will add a postponement fee to the postponed rates for the period between the due date and the date the rates are paid. This fee is to cover Council's administrative and financial costs and may vary from year to year.
 - (e) Any postponement is valid for the year in which the application was made.
 - (f) Ratepayers will be encouraged to obtain financial and/or legal advice about the rates postponement from an appropriate independent person.
2. Council has the final discretion to decide whether to grant a rates postponement or rates and/or penalties on rates remission under this scheme.

Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Corporate Services
Policy Author		Review date	June 2017

Policy 17/114

Remission of Sewerage Pan Charges for Commercial and Industrial Properties

Background

This policy recognises that some commercial and industrial rating units have installed toilet pans reasons that are not used or rarely used as a result of building regulations or other reasons.

Objective of the Policy

To enable rate relief to non-residential properties with toilet pans in excess of their requirements.

Conditions and Criteria

1. The remission applies those properties categorised as commercial and industrial but excludes accommodation.
2. The calculated number of pans non-residential properties with toilet pans in excess of their requirements any one year subject to the relevant sewage disposal targeted rate will be the lesser of:
 - a. The **actual** number of toilet pans in the property, or
 - b. The **notional** number of toilet pans in the property. The notional number is calculated as one pan per 20 staff and customers - in the case of restaurants, bars and other food outlets. For restaurants, bars and other food outlets, the number of customers is 50% of the seating available or licensed capacity. If the notional number is less than two toilet pans, two toilet pans will be charged.
3. The sewage disposal rate is the rate defined in the funding impact statement of Council's annual plan for that rating year.
4. Applications must be received in writing by Council from the ratepayer and are a statutory declaration.
5. The number of staff and customers is the number of staff and customers at 1 March in the year immediately before the year to which the charge relates. The applicant will be obligated to provide this information annually and failure to do so with 30 days of 1 March will negate any remission.

Delegations

Decisions on remission of rates under this policy will be delegated to officers as set out in Council's delegation manual.

Whangarei District Council Policy

Rates Remission and Postponement Policies

Policy 0080

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

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Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/101

Remission of Some Uniform Annual General Charges and/or Targeted Rates on Separately Used or Inhabited Parts of Rating Units

Background

This Council levies rates on separately used or inhabited parts of a rating unit (including separate areas capable of separate occupation). In some cases, the application of this may result in inequity, and where the property is used for both business and residential purposes, or where the residential property has a separate dwelling, unit, flat or apartment which is used by family members a remission may apply.

Objectives of the Policy

The policy provides the ability for rates relief where the rating unit has more than one separately used or inhabited part and the rates assessed include more than one uniform annual general charge and/or targeted rate and where the rating unit is:

- (a) Separately used by one occupier for both business and residential purposes; or
- (b) Used for residential purposes and the separately inhabited part is occupied by a member of the family (first degree relative) of the owner of the rating unit on a rent free basis.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. The rating units in (a) above must be occupied (either as owner or lessee) by the same person(s) and separately used by that/those person(s) for his/her or their business and residence; or -
2. The rating units in (b) above must be used as the owner's principal residence but also contain a minor flat or other residential accommodation unit which is inhabited by a member of the owner's family on a rent-free basis. The family member must be a first degree relative to the owner for example, grandparent, parent, adult child, or sibling.
3. The owner(s) of the rating unit must complete and provide to the council a statutory declaration stating that the conditions in either (1) or (2) above apply. Such a declaration will be effective from 1 July following the date of application for one to three years or until the conditions cease to be met, whichever is earlier. A fresh declaration must be completed and provided in order to qualify for consideration for remission beyond the first 3 year period.
4. The rates which may be remitted are as follows:
 - (a) for rating units in both (a) and (b) above, any uniform annual general charge and/or uniform targeted rate for district wide refuse management assessed in respect of the rating unit, apart from the first of each; and
 - (b) in addition, for rating units in (b) above, any uniform targeted rate for sewerage services assessed in respect of the rating unit, apart from the first.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/102

Remission of Some General Rates, Uniform Annual General Charges and Targeted Rates on Rating Units which are in Common Ownership but do not Meet the Criteria of a Contiguous Property

Background

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

Objectives of the Policy

To allow Council to remit any uniform annual general charge or any targeted rate on any rating unit created as a result of subdivision that falls outside the automatic exemption provisions of section 20 of the Local Government Rating Act 2002. To encourage development in the district, if it is in Council's interests to do so, by allowing short term relief from full rates to property developers.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. The rating units must have been created in accordance with Council's subdivision development requirements.
2. The rating units must be vacant land.
3. The rating units must be in the name of the ratepayer actually subdividing the land.
4. The rates which may be remitted for all properties are any uniform annual general charge and/or targeted rate. In addition, all properties rated as commercial will receive a remission of 20% (twenty per cent) of the value based general rates.
5. The remissions will apply to only the second or subsequent rating units of any new deposited plan..
6. Remissions will only apply for a period of five years.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/103

Remission of Some Uniform Annual General Charges and Targeted Rates on Separately Used or Inhabited Parts of a Rating Unit

Background

There are some instances where properties are used in conjunction with each other, but they may be separated by district boundaries or may not be contiguous or adjacent. This particularly applies in farming situations where properties may be physically separated or separated by district boundaries, but they are used in one farm operation. Strict compliance with the legislation results in an inequitable result, and this policy allows for remissions in these rare circumstances.

Objectives of the Policy

To allow Council to remit any Uniform Annual General Charges and/or targeted rates for district wide refuse management on any separately used or inhabited part of a rating unit where common or like occupancies occur or where the separately occupied portions are deemed to be operating as a single purpose unit.

To allow Council to remit any Uniform Annual General Charges and/or targeted rates for district wide refuse management on any separately used or inhabited part of a rating unit where special circumstances apply and it is considered fair and reasonable to do so.

Conditions and Criteria

Council may remit the specified rates where the application meets the following conditions and criteria:

1. Council is satisfied that the separately used or inhabited parts of a rating unit are considered to be a single purpose function including properties across district boundaries.
2. Evidence to support the application for remission will be provided to Council by the ratepayer if requested by Council.
3. In the case of (1) above remission will apply to all separately used or inhabited parts of the rating unit, apart from the first.
4. Reasons for granting the remission are fully documented in council records.
5. Council may undertake triennial reviews to ensure that the properties still meet the conditions of this policy. If there are any ownership changes and/or, improvements are added and/or affected properties are subdivided a review may be carried out prior to the next financial year after Council becomes aware of these circumstances.
6. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/204

Discount for Early Payment of Rates in Current Financial Year

Background

A discount is granted where the full annual rates are paid on the due date of the first instalment.

Objectives of the Policy

The objective of the early payment policy is to encourage ratepayers to pay their rates early and in one sum so as to minimise processing costs and improve cash flow.

Conditions and Criteria

1. A discount will be allowed if the total rates assessed for the current year and all arrears are paid in full on or before the due date for the first instalment. In exceptional circumstances where an extended date for payment has been granted, on or before the extended date.
2. That the amount of the discount be set each year in accordance with that provided in Council's Annual Plan or Long Term Plan.
3. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/205 Remission of Penalties

Background

Penalties are charged where instalments are not paid on due dates. In addition, where previous years arrears remain unpaid three months after the end of each rating year a further penalty is applied.

Objectives of the Policy

The objective of the remission policy is to provide remission of penalties charged where it is fair and equitable to do so. To provide the ability to remit penalties on rates where reasonable grounds exist or to encourage payment of arrears and/or payment by Council's preferred direct debit option.

Conditions and Criteria

Council may remit the penalty rates where the application meets the following criteria:

1. Remission of penalties will be considered in any rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.
2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.
3. In considering the remission of any penalty a good payment record or otherwise may be taken into account.
4. Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears and savings in debt collection costs.
5. Where it facilitates the future payment of rates by direct debit within a specified timeframe.
6. Council may remit small balances due to cash rounding or where the balance outstanding is considered uneconomical to pursue.
7. Where a ratepayer enters into an agreed payment arrangement to pay off arrears in a specified timeframe, penalty suppression may be granted for future penalties that fall due within that period.
8. Decisions on remission of penalties under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/306

Remission of Excess Water Rates

Background

Consumers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it is reasonable to allow a reduction in charges in these circumstances.

Objectives of the Policy

To provide relief to ratepayers who have excessive water rates due to a fault (leak) in the internal reticulation serving their rating unit where it is Council's interests to do so.

Conditions and Criteria

Council may remit the excess water rates where the application meets the following criteria:

1. A remission will only be considered where immediate action to repair or minimise water loss is taken on notification. Any remission will only apply up to the date the ratepayer became aware of or was notified of the leak.
2. A remission will not normally be granted where the leak is the result of poor workmanship or incorrect installation. The fault must be in the internal reticulation. This does not include leaking toilets, ajax valves, water troughs and the like where the ratepayer should be aware of the problem and able to take remedial action.
3. That all applicants are requested to submit their application in writing.
4. That details of the location and the repairs to the reticulation be submitted for verification (e.g. plumbers repair account) and information supplied showing due diligence in the repair of the leak.
5. That residential ratepayers and small businesses with residential like usages be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption over and above that charged is considered for remission.
6. That commercial ratepayers be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. Excess consumption above that is charged at a marginal rate (as determined by the Water Services Manager) at the time of the leak.
7. That the ratepayer be offered the opportunity to pay the account off by instalments where the excess amount is considered excessive and demand for payment in full may cause financial hardship.
8. Any remission under this policy is a "one-off" and any further remissions for subsequent leaks on the same reticulation supply line may only be granted if the full reticulation system is replaced. Where there are special circumstances which prevent this, any remission will only be given at the discretion of the Water Services Manager.
9. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/308 Remission of School Sewerage Charges

Background

Educational establishments are required to provide a larger number of toilet facilities than would normally be required. The increase in number of available pans, does not necessarily reflect in an increase in use or impact on the sewerage network. Council believes it is more equitable to allow a reduction based on the number of students actually using the facilities.

Objectives of the Policy

To provide relief and assistance to education establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendments Act 2001 in paying sewerage charges.

Conditions and Criteria

1. The policy will apply to the following educational establishments:
 - (a) established as a special school under section 98(1) of the Education Act 1964: or defined as -
 - (b) a state school under section 2 (1) of the Education Act 1989; or
 - (c) An integrated school under section 2 (1) of the Private Schools Conditional Integrated Act 1975; or
 - (d) A special institution under section 92 (1) of the Education Act 1989; or
 - (e) An early childhood centre under section 308 (1) of the Education Act 1989, but excluding any early childhood centre operated for profit.
2. The policy does not apply to school houses occupied by a caretaker, principal or staff.
3. The sewage disposal rate in any one year may not exceed the amount calculated under clause 4.
4. The sewage disposal rate is the rate that -
 - (a) would be levied using the same mechanism as are applied to other separately rateable rating units within the district divided by the number of toilets as determined in accordance with condition 5 below (the full charge); and
 - (b) reduced in accordance with the following graduated formula:
 - the full charge for each of the first 4 toilets or part thereof;
 - 75% of the full charge for each of the next 6 toilets or part thereof;
 - 50% of the full charge for each toilet after the first 10.
5. For the purpose of clause 4 (a) above the number of toilets for separately rateable units occupied for the purposes of an educational establishment is 1 toilet for every 20 students and staff or part thereof.
6. The number of students in an educational establishment is the number of students on its roll on 1 March in the year immediately before the year to which the charge relates.
7. The number of staff in an educational establishment is the number of teaching staff and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.
8. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/309

Remission of Rates for Community, Sports and Other Organisations

Background

Community and voluntary groups provide facilities for residents which enhance and contribute to their wellbeing. Council wishes to encourage such groups by providing a reduction in rates levied.

Objectives of the Policy

- To facilitate the ongoing provision of non-commercial (non-business) community services and/or recreational opportunities that meets the needs of Whangarei residents.
- To assist the organisation's survival; and
- to make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and Criteria

Council may remit rates where the application meets the following criteria:

1. The policy will apply to land owned by the council or owned and occupied by a charitable or non-profit organisation, which is used exclusively or principally for sporting, recreation, or community purposes.
2. The policy will not apply to organisations operating for private pecuniary profit, or which charge tuition fees.
3. The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.
4. The application for rate remission must be made to the council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
5. Organisations making application should include the following documents in support of their application:
 - Statement of objectives;
 - Full financial accounts;
 - Information on activities and programmes;
 - Details of membership or clients.
6. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.
7. The rates to be remitted will be 50% of all property rates applied, including targeted rates for sewerage connection (but not including metered water) with the exception of community halls which will receive 100% remission.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/410

Postponement of Rates – Extreme Financial Hardship

Background

From time to time Council is approached by ratepayers who are experiencing financial hardship. Staff will work with applicants to help meet their commitments with payment options, payment arrangements and penalty relief. This policy covers the circumstances where these options will not provide the desired outcome.

Objectives of the Policy

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay their rates.

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
2. As a general rule the ratepayer must be the current owner of the rating unit and have owned or resided on the property or another property within Whangarei District for not less than 2 years.
3. The rating unit must be used solely for residential purposes.
4. Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
5. The ratepayer must not own any other rating units or investment properties or other investment realisable assets.
6. The ratepayer must make application to the council on the prescribed form.
7. Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
8. The ratepayer must make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.
9. The council may add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the council's administration and financial costs.
10. The policy will apply from the beginning of the rating year in which the application is made although the council may consider backdating past the rating year in which the application is made depending on the circumstances.
11. Any postponed rates will be postponed until:
 - (a) the death of the ratepayer(s); or
 - (b) until the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
 - (c) until the ratepayer(s) ceases to use the property as his/her residence; or
 - (d) until a date specified by the council as determined by the council in any particular case.
12. The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
13. Postponed rates will be registered as a statutory land charge on the rating unit title.
14. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/412

Postponement and Remission on Specific Farmland Properties

Background

Land may continue to be farmed, but in some situations, such as proximity to the coast, means the land value has increased significantly, and the rates levied would be a disincentive to the continued use of the land in its current form. Council recognises that forced development in these situations is not necessarily desirable and there are advantages in the land remaining as farmland.

Objective of the Policy

The objective of the policy is to afford relief to farmers whose farmland has increased in value by the factor of potential residential, commercial or other non-farming use, carrying with it rates disproportionate to a farming use when compared to other farming properties within the district.

Conditions and Criteria

1. The properties will be identified and the rates postponement values will be determined by Council's Valuation Service Provider in conjunction with a general revaluation. Council may at any time, on the written application of the owner of any farmland requesting that the property be considered for postponement values, forward that application to Council's Valuation Service Provider for their determination. If so determined, the postponement values will take effect from the commencement of the financial year following the date of the application.
2. The rates postponement value of any land is to be determined:
 - (a) So as to exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial, industrial, or other non-farming use; and
 - (b) So as to preserve uniformity and equitable relativity with comparable parcels of farmland that the valuations of which do not contain any such potential value.
 - (c) May apply to one or more rating units in the same ownership and is therefore conditional upon all rating units remaining in the same ownership.
3. In this policy, "farmland" means a property rated under the category of "rural" in Council's differential rating system.
4. The farming operation should provide the majority of revenue for the owner of the land who should be the actual operator of the farm.
5. The area of land that is the subject of the application is not less than 30 hectares. Discretion will be allowed to extend the relief to owner-operators of smaller intensive farming operations where there is clear evidence that it is an economic unit in its own right.
6. No objection to the amount of any rates postponement value determined under this policy may be upheld except to the extent that the objector proves that the rates postponement value does not preserve uniformity with existing roll values of comparable parcels of land having no potential value for residential purposes, or for commercial, industrial or other non-farming development.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Effect of Rates Postponement Values

1. The postponed portion of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates postponement value of the property were its rateable value.
2. The amount of the rates for any rating period so postponed shall be entered in the rate records and will be included in or with the rates assessment issued by the council in respect of the rateable property.
3. Any rates so postponed, and, as long as the property still qualifies for rates postponement, will be written off after the expiration of five years.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Rates Levied before Postponement Values Set

Where Council has levied rates in respect of any property for any year before the rates postponement value has been determined, the council may make and deliver to the owner an amended rate assessment for that year.

Additional Charges

No additional charges will apply on any rates postponed under the rates postponement values system.

When Postponed Rates Become Payable

All rates that have been postponed under this policy and have not been written off under this policy become due and payable immediately on:

- (a) The land ceasing to be farmland;
- (b) The interest of the owner of any part of the land is passed over to or becomes invested in some person or other party other than;
- (c) the owners spouse; or
- (d) the executor or administrator of the owner's estate.

For avoidance of doubt, where rates have been postponed and not written off in respect of land comprising one or more rating units in the same or common ownership, and one or more of the rating units meets the criteria for payment above, all postponed rates on all rating units will become payable.

Transitional arrangements

Where a property received a postponement under this policy prior to its review as at 1 July 2012, but it no longer meets the amended criteria after the revaluation as at 1 September 2012, rates previously postponed will become payable in accordance with this policy or will be remitted at the expiry of five years after the end of the rating year (30 June) to which the postponement applies.

Postponed Rates to be a charge on the Rating Unit

Where Council has postponed the requirement to pay rates in respect of a rating unit, a charge will be registered on the rating unit

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/413

Postponement and/or Remission of Rates and Charges on Properties Affected by Fire or Natural Calamity

Background

This policy recognises that where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged, where it cannot be used, then the application of full rates could cause financial hardship.

Objective of the Policy

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

Conditions and Criteria

1. All applications must be in writing and must be supported by documentary evidence as to the extent of the damage.
2. Any application for rates relief due to fire will not be accepted if council has any reason to suspect that the fire was deliberately caused by owner, occupier or a related party.
3. Council may remit or postpone rates wholly, or in part, under this policy any rate or charge made and levied in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.
4. The criteria for repayment of postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.
6. If an application is approved, the Council may direct its valuation service provider (if considered appropriate to do so) to inspect the rating unit and prepare a valuation that will take into account any factor that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature then the valuation service provider's decision will be final.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 09/611

Remission of Rates on Unoccupied Maori Freehold Land

Background

Some Maori freehold land in the Whangarei District is unoccupied and unimproved. This land creates a significant rating burden on the Maori owners who often do not have the ability or desire to make economic use of the land. Often this is due to the nature of the ownership or it is isolated and marginal in quality.

Policy

A remission of all or part of rates may be granted in respect of multiple-owned Maori freehold land which is unoccupied or unproductive.

Objectives of the Policy

- To recognise situations where there is no occupier or no economic or financial benefit is derived from the land.
- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To encourage owners or trustees to use or develop the land.
- Where the owners cannot be found, to take into account the statutory limitation of time for the recovery of unpaid rates.
- Any other matter in accordance with schedule 11 of the Local Government Act 2002.

Conditions or Criteria

1. The land must be multiple-owned and unoccupied Maori freehold land which does not produce any income. (Multiple owned is defined as more than two registered owners. This includes beneficial owners where the registered owner is deceased, but the succession order has not yet been approved by the Maori Land Court)
2. The land or portion of the land must not be "used". This includes leasing the land, residing on the land, maintaining livestock on the land, using the land for storage or in any other way.
3. In order to encourage the development of the land, the rating unit may be apportioned into useable and non- useable portions and the remission applied based on the percentage of non- useable land.
4. A request for rates remission by the owners must include:
 - a) Details of the land
 - b) Documentation that shows the ownership of the land
 - c) Reasons why remission is sought.
5. Where after due enquiry the owners of an unoccupied block cannot be found, the Council may apply a remission without the need for a request.
6. If circumstances changes in respect of the land, the council will review whether this remission policy is still applicable to the land. All land identified under this policy for remission, will be reviewed triennially.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 12/614

Postponement of Rates on Maori Freehold Land

Background

The difficulty in establishing and contacting owners or occupiers of Maori land means that there are often rate arrears when ownership or use is finally established. Also new occupiers or owners may wish to use the land, but are reluctant to take on the outstanding rate arrears. In order to facilitate and encourage the use of the land, the arrears may be postponed if the current rates are met.

Objectives of the Policy

To encourage the development and use of Maori freehold land where Council considers the full payment of the rate arrears would be a disincentive.

Conditions and Criteria

Council will postpone rates in accordance with the policy where the application meets the following criteria:

1. The land must be Maori freehold land.
2. The owners or occupiers of the land (or portion of the land) must agree in writing to meet all future rates commitments whilst they are using the land.
3. The rates will remain as a statutory charge against the property until six years from the date they were assessed and will then be remitted.
4. Council reserves the right to reapply the rates postponed should the agreement not be met.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy title			
Audience (Primary)	External	Business Owner (Dept)	Financial Services
Policy Author		Review date	June 2016

Policy 16/414

Remission of Rates on Voluntarily Protected Land

Background

In the past legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II (QEII) National Trust however, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand protect special natural and cultural features on their land with open space covenants.

Objectives of the Policy

This policy is to encourage and promote the conservation and protection of significant natural resources in the district. This will enable council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

Conditions and Criteria

Council may remit the rates where the application meets the following criteria:

1. Council is satisfied that the land is subject to permanent protection under subject to QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s)
2. No person(s) are actually using the land and no building structures are within the boundaries of the covenanted area.
3. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.