

# RATING POLICY

The overall purpose of this document is to set out rating policies applied by Council in order to determine the rates liability of a property.

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## Authorisation and Status

<b>Policy Owner</b>	Finance & Corporate Development Group	<b>Version</b>	Draft
<b>Policy Contact</b>	Finance & Corporate Development Group Manager	<b>Last Reviewed By</b>	Policy unit
<b>Approved By</b>	Council	<b>Last Reviewed Date</b>	2021
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<b>Notes</b>			

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## INTRODUCTION

The setting of rates is a complex process.

Council must comply with the requirements of the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LGRA).

In doing so, Council must produce the following in order to set a lawful rate.

- Have completed a s.101(3) analysis (see Funding Needs Analysis)
- Adopted a Revenue and Financing Policy (see the Long-term Plan)
- Adopted a Funding Impact Statement (see either an Annual or Long-term Plan)
- Adopt an Annual or Long-term Plan.
- Adopt a rates resolution, consistent with everything above.

In order to assist with this process Council has developed a number of policies that contribute to the rates system being clear and understandable. These are included in this Rating Policy.

## ALLOCATION OF ACTIVITIES TO RATES

Council has, in the Funding Needs Analysis, determined the funding sources for each activity. In doing so it has determined whether an activity is to be funded from a general rate, a targeted rate, or combination thereof.

In order to accurately calculate the rates, Council has developed a precise formula to allocate the rate requirement for an activity to the rate or rates council consider it appropriate to use.

Appendix One shows the allocation of the rate requirement to each rate.

This allocation is prior to the section 101(3)(b) LGA overall considerations adjustments (see Revenue and Financing Policy)

### *Allocations of activities by the extent of service*

The following activities have costs allocated to different wards based on the extent of service provided to each ward. Council has applied this to recognise the distance that some services are from residents.

The allocation of costs is based on ratios determined by Council. These ratios can be translated, for example, every \$1 a resident of Ahuriri pays, a resident of Oamaru will pay \$4 toward the North Otago museum.

Activity	Ward Services Charge			
	Oamaru	Corriedale	Waihemo	Ahuriri
Waitaki district libraries, North Otago museum, Forester gallery, Oamaru opera house, Waitaki aquatic centre, Parking Enforcement	5	3	1	1
Oamaru public gardens	4	3	2	2

## DESCRIPTION OF DIFFERENTIALS

The following rates are rated differentially based on the use to which the land is put.

- Roothing rate

- Oamaru business rate

The LGRA Schedule 2 allows councils to rate based on the use to which the land is put. Each Council is able to define that use and rate based on that use. A property may be described under different rates as having different uses.

Rate	Differential Name	Differential Description
<b>Roading rate</b>	Hydroelectric power generation installations	All rating units used primarily or predominantly for the generation of hydroelectric power from Lakes Aviemore, Benmore, Ohau or Waitaki. The basis is a fixed percentage contribution.
	Mining and mineral extraction	All rating units with an area greater than 30 hectares used primarily or predominantly for the purposes of mining or mineral extraction. The basis is a fixed percentage contribution.
	Forestry	All rating units used exclusively or predominantly for commercial forestry purposes. The basis is a multiple of the "other uses" base rate.
	Other uses	All other rating units not described above.
<b>Oamaru business rate</b>	Residential	Any rating unit used exclusively as place where people live and would commonly call a home. It does not include temporary and commercial accommodation.
	Area A	See maps
	Area B	See maps

## RATES BASED ON LOCATION

Council's Revenue and Financing Policy has determined that rating policies are based on area of benefit. As such Council has established a number of rates based on the location of a rating unit. Rating boundaries have been drawn with the intention of including whole rating units. Should a rating unit be split, Council will rate the property based on the predominate use of the property.

The following areas have been determined and maps showing these areas are available:

- Wards
- Oamaru business areas A & B
- Oamaru urban area
- Local Amenity areas (14 townships)
- Public Hall areas (27 halls)
- Sewerage serviceable properties (9 sewerage schemes)

## SEPERATELY USED AND INHABITED PARTS

Council has elected to rate all uniform charges on the basis of separately used or inhabited parts of a rating unit.

Council must define the term in its Rating Funding Impact Statement in each Annual Plan or Long-Term Plan.

## DIVISIONS

Council has elected not to undertake the division of rating units, except in exceptional cases. Rates based on use or location shall be calculated on a property's predominant use.

## **EARLY PAYMENT OF LOAN RATES FOR SUBSEQUENT FINANCIAL YEARS**

Council will allow early payment of loan rates by lump sum for subsequent financial years and will also accept early payment of construction charge rates by lump sum at any time.

Council will specify in the Annual Plan the amount of the lump sum required to fully discharge each loan construction charge rate set and assessed by Council. This charge will apply for each period from 1 July to 30 June of the following year.

The amount of the lump sum required to fully discharge each construction charge rate set and assessed by Council, will be recalculated annually.

The annual calculation will take account of the prevailing interest rate and the estimated number of remaining ratepayers paying the loan.

## **PAYMENT METHODS AND PLACES**

Rates will be collected by quarterly instalments due on the following due dates of each year or the first working day thereafter:

- 25 August
- 25 November
- 25 February
- 25 May

Rates may be paid by any of the following methods:

- Direct debit
- EFTPOS
- Automatic payment
- Internet Banking
- Credit Card
- Cash

Rates may be paid at Customer Service Centres:

- Waitaki District Council Headquarters, 20 Thames Street, Oamaru between the hours of 8.00am to 5.00pm Monday to Friday except Thursday 8.00am to 4.00pm.
- Waihemo Service Centre, 54 Tiverton Street, Palmerston between the hours of 8.30am to 5.00pm Monday to Friday except Thursday 8.30am to 4.00pm.

Any payments received for rates are applied to the oldest debt first.

## **MINIMUM ECONOMIC RATE**

Council will not collect the rates payable on a rating unit if the sum of those rates is so small as to be uneconomic to collect. Council has determined that it is uneconomic to collect rates owing on any rating unit of less than \$10.00 (including GST) per annum.

## **RATES PENALTIES**

Council must set its rates penalties as part of its rates resolution.

Generally Council will resolve the following penalties:

1. A 10% penalty is added on the next business day to so much of any instalment not paid by instalments due date.

2. A 10% penalty will be added to rates that remain unpaid from previous years. This will be added on 1 July of each year, or 5 working days after Council has passed the rates resolution (whichever is the later).
3. A further 10% penalty will be added to rates that remain unpaid from previous years. This will be added 6 months after the penalty made in 2 above.

Council notes that the penalties imposed under 2 and 3 above amount to the equivalent of 21% per annum as each subsequent penalty is on the full amount outstanding, including previous penalties.

Any payments received for rates are applied to the oldest debt first.

Penalties will be remitted on any account where a current direct debit is in place and an outstanding balance is created by the timing of the processing of the direct debit.

## **PUBLIC AVAILABILITY OF INFORMATION**

Council will charge a fee for supplying any person with a copy of information from the rating information database, except when requested in person at Council's Customer Service Centres in Oamaru and Palmerston.

The fee for this is shown in Council's Fees and Charges.

## **DISPUTES**

Any dispute over the officers' application of any of these rating policies must be in writing to the Chief Executive. Should the Chief Executive be unable to reach agreement with the ratepayer the matter shall be decided by Council or any such committee or sub-committee it so delegates.

## APPENDIX 1: ALLOCATION BY ACTIVITY TO RATES

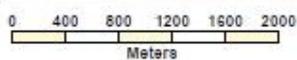
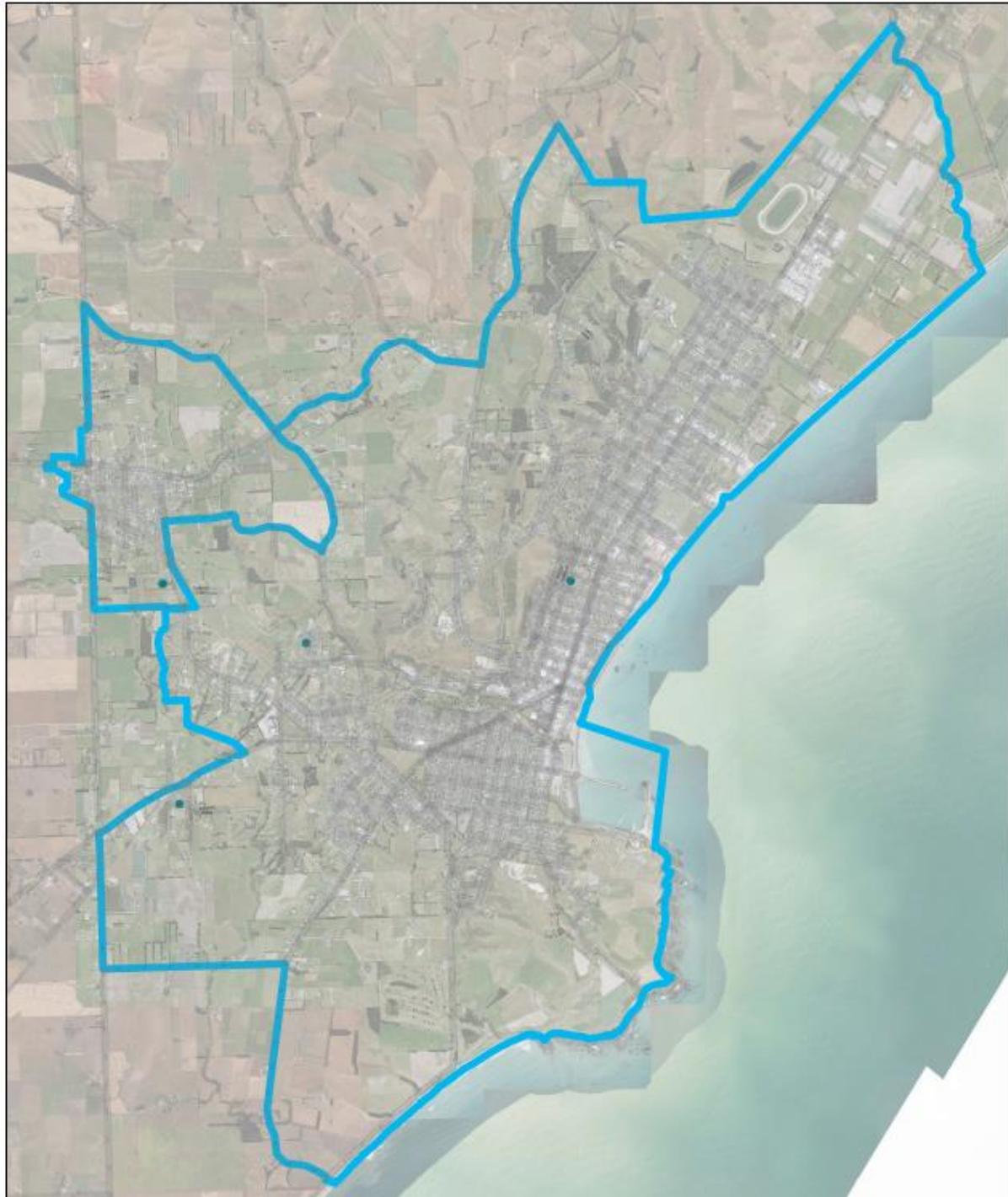
This allocation is prior to the section 101(3)(b) LGA overall considerations adjustments (see Revenue and Financing Policy). For further details see the Council website.

	General Rates			Targeted Rates										
	No Rate Requirement	General Rate	UAGC	District services rate	Ward services rate	Ward services charge	Community board rate	Oamaru business area rate	Oamaru urban area rate	Roading Rate	Local amenity rate	Public hall rates	Sewerage rates	Water rates
Oamaru harbour - coastal protection				20%					80%					
Oamaru harbour -port operations		30%							70%					
Roads and bridges										100%				
Noxious plants		100%												
Residual waste disposal, closed landfills and waste minimisation			100%											
Waste water													100%	
Stormwater										100%				
Water supplies														100%
Economic development				100%										
Tourism development and visitor services			92.5%					7.5%						
Commercial property				100%										
Forestry		100%												
Operational property	X													
Oamaru airport	X													
Treasury	X													
North Otago museum and Forrester gallery						92.5%		7.5%						
Waitaki district libraries						92.5%		7.5%						
Oamaru opera house						92.5%		7.5%						
Community safety, development and grants			100%											
Otago museum grant			100%											
Waitaki aquatic centre						92.5%		7.5%						
Oamaru public gardens						92.5%		7.5%						

Reserves and open spaces			100%	
Sports grounds	25%	75%		
Cemeteries		100%		
Public halls and community centres				100%
Waitaki lakes camping			100%	
Waitaki community recreation centre	30%	70%		
Community housing			100%	
Public toilets		100%		
Town centre services township works			100%	
Christmas decorations			50%	50%
Animal control	X			
Building control		100%		
Environmental health		100%		
Environmental monitoring and enforcement		100%		
Liquor licensing		100%		
Parking enforcement			25%	75%
Civil defence		100%		
Resource consent processing and district planning	100%			
Council	60%	40%		
Community boards	60%	40%		
Community planning and accountability	60%	40%		
Waihemo service centre			40%	60%

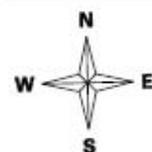
## APPENDIX 2: RATING MAPS

The Oamaru and Weston Rating Map is attached below showing the boundary for the amenity rate.



### LEGEND

 Amenity Boundary



June 2021

The Omarama Rating Map is attached below showing the boundary for the amenity rate.



June 2021

Other Rating maps are available on request.

Waitaki District Council Rating Policy