



## REPORT

Date : 9 May 2017

To : Extra-Ordinary Council Meeting, 30 June 2017

From : Finance and Corporate Services Manager, Bevan Gray

Subject : **SETTING OF 2017-18 RATES, DUE DATES FOR PAYMENT, AND THE PENALTIES REGIME**

File ID : A116407

---

### EXECUTIVE SUMMARY

**With Council having adopted the 2017-18 Annual Plan, Council has to set the rates, due dates for payment and penalties regime for the financial year from 1 July 2017 to 30 June 2018.**

### PURPOSE

The purpose of this report is to present the rates for the 2017-18 year for Council to set. Under the Local Government (Rating) Act 2002 it is necessary to set the rates, due dates for payment, and penalties regime by Council resolution.

### BACKGROUND

The various rates are set out in the Funding Impact Statement included in the 2017-18 Annual Plan. The total rate requirement as forecast by the 2017-18 Annual Plan has increased by 3.62% when compared to the current financial year. This comes in below the 2015-25 LTP rate increase for 2017-18 of 6.30%.

The rates and charges are detailed exclusive of GST.

### SIGNIFICANCE ASSESSMENT

Rate income represents the majority of Council's revenue and is therefore considered significant. The rate requirement for the 2017-18 financial year was established through the 2017-18 Annual Plan and Revenue and Financing Policy process set in 2015-25 LTP which was subject to special consultative procedure under the Local Government Act.

**OPTIONS**

There are no realistic alternative options. Council must set the rates for the 2017-2018 rating year based on the adopted 2017-2018 Annual Plan. Rates should be set now to allow them to be assessed and invoiced in time according to the Council’s usual timeframes which are recommended to be continued in the 2017-18 year.

**CONSULTATION**

The rate requirement for the 2017-18 financial year was established through the 2017-18 Annual Plan and Revenue and Financing Policy process set in 2015-25 LTP which was subject to special consultative procedure under the Local Government Act.

**RECOMMENDATIONS:**

- 1. That the report titled “Setting of 2017/18 Rates, Due Dates for Payment, and the Penalties Regime” be received.
- 2. That the Opotiki District Council, pursuant to the provisions of the Local Government (Rating) Act 2002, set the following rates for the period 1 July 2017 to 30 June 2018:

**1 GENERAL RATES**

**(a) General Rate**

Pursuant to Section 13 of the Local Government (Rating) Act 2002, a general rate of 0.3275 cents in the Dollar of Capital Value on all rateable rating units in the Opotiki District.

*Revenue Sought* *\$6,318,855*

**(b) Uniform Annual General Charge**

Pursuant to Section 15 of the Local Government (Rating) Act 2002, a uniform annual general charge of \$470.50 on every rateable rating unit in the district.

*Revenue Sought* *\$2,307,319*

**2 TARGETED RATES**

**(a) Communities of interest**

Pursuant to Section 16 of the Local Government (Rating) Act 2002, a Communities of interest targeted rate set as an amount per rating unit as follows:

**(i) Residential communities of interest**

**\$24.83 per rateable rating unit within the defined rating areas.**

*Revenue Sought* *\$52,261*

- (ii) Rural communities of interest  
\$22.12 per rateable rating unit within the defined rating areas.

*Revenue Sought* *\$57,003*

- (iii) Commercial/industrial communities of interest  
\$671.42 per rateable rating unit in the District where land use is commercial or industrial.

*Revenue Sought* *\$145,026*

**(b) Sewerage Drainage Charges**

Pursuant to Sections 16 of the Local Government (Rating) Act 2002, a targeted rate shall be set in each urban drainage area as follows:

	Scheme Name	2017/18
(i) One full charge in respect of every separately used or inhabited part of a rating unit connected to a public sewerage drain.	Opotiki	370.32
	Waihau Bay	453.57
(ii) Half of the full charge in respect of each rating unit to which sewer drainage can be, but is not connected, situated within 30m from any part of the public sewerage drain.	Opotiki	185.16
	Waihau Bay	226.79
(iii) 80% of the full charge in respect of every separate toilet pan, water closet, or urinal where there are multiple connections on one rating unit.	Opotiki	296.26

**Note:**

A residence of not more than one household shall be deemed to have not more than one water closet, toilet pan, or urinal.

Revenue Sought	Opotiki	\$624,659
	Waihau Bay	\$11,566

(c) **Waioeka Wastewater Extension**

Pursuant to Sections 16 of the Local Government (Rating) Act 2002, a targeted rate shall be set as a fixed amount per rating unit connected to the Waioeka wastewater extension of \$19,383.50.

<i>Revenue Sought:</i>	<i>Waioeka Extension</i>	<i>\$38,767</i>
------------------------	--------------------------	-----------------

(d) **Water Supply Charges**

Pursuant to Section 16 of the Local Government (Rating) Act 2002, a targeted rate for water supply shall be set within the following water supply areas as follows:

	Supply Name	
(i) A full charge for the ordinary supply of water in respect of each separately used or inhabited part of a rating unit to which water is supplied.	Opotiki/ Hikutaia Te Kaha Ohiwa	254.97  397.06 826.68
(ii) A half charge in respect of every rating unit to which water can be, but is not supplied, situated within 100m of any part of the waterworks.	Opotiki/ Hikutaia Te Kaha Ohiwa	127.49  198.53 413.34
<i>Revenue Sought:</i>	<i>Opotiki/ Hikutaia Te Kaha Ohiwa</i>	<i>\$579,667  \$129,841 \$16,947</i>

Pursuant to section 19 of the Local Government (Rating) Act 2002, a targeted rate for water supplied by meter is applied as well as the connection charge outlined above as follows

Any property that is connected to	Opotiki	57 c/m <sup>3</sup>
one of the above water supplies	Te Kaha	\$1.00 m <sup>3</sup>
where there is a water meter, the	Ohiwa	\$1.00 m <sup>3</sup>

metered volumes of water used shall be charged at the following rates per cubic meter:

<i>Revenue Sought:</i>	<i>Opotiki</i>	<i>\$240,000</i>
	<i>Te Kaha</i>	<i>\$46,000</i>
	<i>Ohiwa</i>	<i>\$4,200</i>

**(e) Kerbside Refuse Collection Charge**

Pursuant to Section 16 of the Local Government (Rating) Act 2002, a targeted rate for kerbside refuse collection within the defined Ōpōtiki Ward and Waiotahi/Waioeka Ward collection areas set as follows:

- (i) A full charge of \$129.40 per separately used or inhabited part of a rating unit (except those not used or inhabited) within the defined Ward collection areas
- (ii) A half charge of \$64.70 per rating unit that is not used or inhabited within the defined Ward collection areas.

<i>Revenue Sought</i>	<i>\$281,435</i>
-----------------------	------------------

**3 INSTALMENT DATES**

That the Opotiki District Council resolve that all rates are payable in four equal instalments, due on or before:

- Instalment One : 25 August, 2017
- Instalment Two : 24 November, 2017
- Instalment Three: 23 February, 2018
- Instalment Four : 25 May, 2018

That the Ōpōtiki District Council resolve that all metered water charges are payable in six monthly instalments based on usage, due on or before:

- Instalment One : 20 December, 2017
- Instalment Two : 20 June, 2018

**4 ADDITIONAL CHARGES ON UNPAID RATES**

That the Opotiki District Council authorise the addition of penalties to unpaid rates in accordance with the following regime:

Under the provisions of Sections 57 and 58 of the Local Government (Rating) Act 2002, a penalty of 10% will be added to the amount of the first instalment of rates remaining unpaid after the due date, on 31 August, 2017; of the second instalment of rates remaining unpaid after the due date, on 30 November, 2017; of the third instalment of rates remaining unpaid after the due date, on 28 February, 2018; and of the fourth instalment of rates remaining unpaid after the due date, on 31 May, 2018.

**5 GOODS AND SERVICES TAX**

The rates stated above are exclusive of goods and services tax payable. GST will apply at the current rate of 15% to rates payable on invoices and to any voluntary prepayments made.

Bevan Gray

**FINANCE AND CORPORATE SERVICES GROUP MANAGER**