Ōpōtiki District Council
STRONG COMMUNITY STRONG FUTURE

COUNCIL REPORT

Date : 23 June 2026

To : Extra Ordinary Council Meeting, 29 June 2025

From : Finance Manager, Billy Kingi

Subject : **SETTING OF 2026/27 RATES, DUE DATES FOR PAYMENT, AND THE PENALTIES REGIME**

File ID : A1399022

EXECUTIVE SUMMARY

- With Council having adopted the 2026/27 Annual Plan, Council must also set the rates, due dates for payment and penalties regime for the financial year from 1 July 2026 to 30 June 2027.

RECOMMENDATIONS

1. **That the report titled "Setting of 2026/27 Rates, Due Dates for Payment, and the Penalties Regime" be received.**
2. **That the Ōpōtiki District Council, pursuant to the provisions of the Local Government (Rating) Act 2002, sets the following rates (including GST) for the period 1 July 2026 to 30 June 2027:**

1 GENERAL RATES

(a) General Rate

Pursuant to Section 13 of the Local Government (Rating) Act 2002, a general rate of 0.3137 cents in the Dollar of Capital Value on all rateable rating units in the Ōpōtiki District.

Revenue Sought ***$13,392,174***

(b) Uniform Annual General Charge

Pursuant to Section 15 of the Local Government (Rating) Act 2002, a uniform annual general charge of $719.57 per rating unit on every rateable rating unit in the district.

Revenue Sought ***$3,556,582***

2 TARGETED RATES

(a) Water Supply Charges

Pursuant to Section 16 of the Local Government (Rating) Act 2002, a targeted rate for water supply 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.	**Ōpōtiki/ Hukutaia**	**$664.79**
	Te Kaha	**$346.85**
	Ōhiwa	**$1,629.36**
(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.	**Ōpōtiki/ Hukutaia**	**$322.40**
	Te Kaha	**$173.42**
	Ōhiwa	**$814.68**
Revenue Sought:	***Ōpōtiki/ Hukutaia***	***$1,606,480***
	Te Kaha	***$126,203***
	Ōhiwa	***$35,031***

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 one of the above water supplies where there is a water meter, the metered volumes of water used shall be charged at the following marginal rates per cubic meter up to each daily use threshold.	Ōpōtiki/ Hukutaia	$0m^3$	$1.62
		$2m^3$	$2.45
		$3.5m^3$	$3.26
		$4.5m^3$	$4.07
		$10m+^3$	$4.88
	Te Kaha	$0m^3$	$2.87
		$2m^3$	$4.30
		$3.5m^3$	$5.71
		$4.5m^3$	$7.17
		$10m+^3$	$8.63
	Ōhiwa	$0m^3$	$2.87
		$2m^3$	$4.30
		$3.5m^3$	$5.71
		$4.5m^3$	$7.17
		$10m+^3$	$8.63

(b) Sewerage rates

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

	Scheme Name	2026/27
(i) One full charge in respect of every separately used or inhabited part of a rating unit connected to a public sewerage drain.	Ōpōtiki	$658.54
	Waihau Bay	$1,084.38
(ii) Half of the full charge in respect of each rating unit to which sewer drainage can be, but is not connected, situated	Ōpōtiki	$329.27
	Waihau Bay	$542.19

within 30m from any part of the public sewerage drain.		
(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.	Ōpōtiki	$526.83

<u>Note:</u>

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

Charge (i) does not apply when charge (iii) does.

Revenue Sought	***Ōpōtiki***	***$1,249,974***
	Waihau Bay	***$27,652***

(c) Waiotahe 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 Waiotahe Wastewater Extension of $0.00.

Revenue Sought:	***Waiotahe Extension***	***$0.00***

(d) 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 Waiotahe/Waioweka Ward collection areas set as follows:

(i) A full charge of $277.90 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 $138.95 per rating unit that is not used or inhabited within the defined Ward collection areas.

Revenue Sought	***$667,245***

(e) 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

$128.25 per rateable rating unit within the defined rating areas where land use is residential.

Revenue Sought ***$295,415***

(ii) Rural communities of interest

$58.26 per rateable rating unit within the defined rating areas where land use is rural.

Revenue Sought ***$142,155***

(iii) Commercial/industrial communities of interest

$2,064.79 per rateable rating unit in the district where land use is commercial or industrial.

Revenue Sought ***$413,990***

3 INSTALMENT DATES

That the Ōpōtiki District Council resolves that all rates are payable in two equal instalments, due on or before:

- **Instalment One: 21 September 2026**
- **Instalment Two: 22 March 2027**

4 ADDITIONAL CHARGES ON UNPAID RATES

That the Ōpōtiki 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 21 September 2026; and of the second instalment of rates remaining unpaid after the due date, on 22 March 2027.

PURPOSE

1. The purpose of this report is to present the rates for the 2026-2027 year for Council to set.
2. Under section 23 of the Local Government (Rating) Act 2002 it is necessary to set the rates, due dates for payment, and penalties regime by Council resolution.

STRATEGIC ALIGNMENT

3. The matters detailed in this report relate to the following priorities from Ōpōtiki District Council's 2026-27 Annual Plan:

   ☒ Community Priority One: Strong relationships and partners

   ☒ Community Priority Two: Investment in our district

   ☒ Community Priority Three: Wellbeing is valued

   ☒ Community Priority Four: Our communities are resilient

   ☒ Community Priority Five: Growth is sustained over time

BACKGROUND

4. The 2026/27 Annual Plan information document was approved by Council on 28 April 2026 for public release and provide a summary of Council's proposed activities.
5. Council's guidance was that there is to be no significant changes to Year 3 of the LTP and that an annual plan be prepared accordingly. With no significant changes, Council decided to use an 'inform' and 'feedback' approach to engagement and released 'Our Plan in Action' to give the community a chance to provide feedback.
6. As there are no significant changes there was no requirement to undertake a special consultative procedure.
7. The Rates Resolution is the legal document for setting rates and must be consistent with the 2026/27 Annual Plan to be effective. It must be adopted after the final 2026/27 Annual Plan has been adopted. Additionally, all rates set in the Rates Resolution must be provided for as sources of funding in Council's Revenue and Financing Policy.
8. The Rates Resolution sets the dates for rates payments and also provides authorisation for penalties to be charged on non-payment by the due date.

OPTIONS

9. There are no realistic alternative options. Council must set the rates for the 2026/27 rating year based on the adopted 2026/27 Annual Plan. Rates should be set now to allow them to be assessed and invoiced in time according to the Council's timeframes as per the instalments schedule listed in the above recommendations.

DISCUSSION

10. The various rates are set out in the Funding Impact Statement included in the 2026/27 Annual Plan.
11. The total rate requirement as forecast by the 2026/27 Annual Plan is $18,946,871 (excluding GST) which is an 8.7% increase on last year.

Financial/budget considerations

12. The revenue associated with this rates resolution is integral to the funding of the 2026/27 Annual Plan operating and expenditure budgets and associated outcome, without which significant further change to the funding or levels of expenditure would be required.

Policy and planning implications

13. The decisions within this report align with the adopted 2026/27 Annual Plan, which supports and is consistent with the 2024/2034 Long Term Plan. No inconsistencies with any of the Council's policies or plans have been identified in relation to this report.

Impact on mana whenua

14. The Rates Resolution itself does not require consultation as it is effectively an output of the 2026/27 Annual Plan, of which, there are no significant material changes to what was adopted in the 2024/34 LTP and therefore did not require a full Special Consultative Procedure.

Climate impact considerations

15. The decisions and matters of this report are assessed to have low climate change implications and considerations.

Risks

16. Key risks associated with this resolution have been raised with the Council during development of the 2026/27 Annual Plan.

Community wellbeing considerations

17. The process of preparing, reviewing and adopting the 2026/27 Annual Plan requires Council officers and elected members to acknowledge how best it can deliver on the four wellbeings (Economic, Cultural, Social, and Environmental) in a way that is cost-effective for businesses and households. The Rates Resolution supports and is consistent with the 2026/27 Annual Plan.

SIGNIFICANCE AND ENGAGEMENT ASSESSMENT

Assessment of significance

18. On every issue requiring a decision, Council is required to determine how significant a decision is to the community, and what the corresponding level of engagement should be. Council uses the

Significance Flowchart in the Significance and Engagement Policy to determine the level of significance.

19. The level of significance related to the decision in this report is considered to be **low**. Because the decision is determined to have **low** significance in accordance with the policy, the corresponding level of engagement required is **Inform**.

Assessment of engagement

20. As the level of significance has been determined to be **low**, the level of engagement required is **Inform** according to the Engagement Framework of the Significance and Engagement Policy:

INFORM	To provide balanced and objective information to assist understanding about something that is going to happen.

21. The rate requirement for the 2026/27 financial year was established through the 2026/27 Annual Plan which was not required to be subject to special consultative procedure, in this instance, under the Local Government Act 2002.

CONCLUSION

22. Following the adoption of the Annual Plan, Council is now required to set the rates, due dates for payment and penalties regime for the financial year from 1 July 2026 to 30 June 2027.

Billy Kingi

FINANCE MANAGER