

REPORT

Date : 17 June 2020

To : Extra Ordinary Council Meeting, 30 June 2020

From : Finance and Corporate Services Group Manager, Bevan Gray

Subject : **SETTING OF 2020/21 RATES, DUE DATES FOR PAYMENT, AND THE PENALTIES REGIME**

File ID : A202570

EXECUTIVE SUMMARY

With Council having adopted the 2020/21 Annual Plan, Council has to set the rates, due dates for payment and penalties regime for the financial year from 1 July 2020 to 30 June 2021.

PURPOSE

The purpose of this report is to present the rates for the 2020/21 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 2020/21 Annual Plan. The total rate requirement as forecast by the 2020/21 Annual Plan has increased by 2.92% when compared to the current financial year. This comes in below the 2018-28 Long Term Plan rate increase for 2020/21 year of 5.09%.

The rates and charges are detailed inclusive of GST.

SIGNIFICANCE ASSESSMENT

Rate income represents the majority of Council's revenue and is therefore considered significant. The rate requirement for the 2020/21 financial year was established through the 2020/21 Annual Plan and

Revenue and Financing Policy process set in 2018-28 Long Term Plan 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 2020/21 rating year based on the adopted 2020/21 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 2020/21 year.

COMMUNITY INPUT AND PUBLICITY

The rate requirement for the 2020/21 financial year was established through the 2020/21 Annual Plan and Revenue and Financing Policy process set in 2018-28 Long Term Plan which was subject to special consultative procedure under the Local Government Act. The minimum requirement is consultation in accordance with the principles of section 82 of the Local Government Act 2002. We have complied with those principles through the use of a special consultative procedure.

RECOMMENDATIONS:

- 1. That the report titled "Setting of 2020/21 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, set the following rates for the period 1 July 2020 to 30 June 2021:**

1 GENERAL RATES

(a) General Rate

Pursuant to Section 13 of the Local Government (Rating) Act 2002, a general rate of 0.3080 cents in the Dollar of Capital Value on all rateable rating units in the Ōpōtiki District.

Revenue Sought* *\$8,263,465

(b) Uniform Annual General Charge

Pursuant to Section 15 of the Local Government (Rating) Act 2002, a uniform annual general charge of \$476.65 on every rateable rating unit in the district.

Revenue Sought* *\$2,256,470

2 TARGETED RATES

(a) 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.	Ōpōtiki/	279.15
	Hikutaia	
	Te Kaha	324.53
	Ohiwa	785.37
(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/	139.58
	Hikutaia	
	Te Kaha	162.27
	Ohiwa	392.68
Revenue Sought:	Ōpōtiki/	\$640,375
	Hikutaia	
	Te Kaha	\$115,173
	Ohiwa	\$16,885

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 rates per cubic meter:	Ōpōtiki	66 c/m ³
	Te Kaha	\$1.15 m ³
	Ohiwa	\$1.015 m ³
Revenue Sought:	Ōpōtiki	\$327,750
	Te Kaha	\$71,875
	Ohiwa	\$5,750

(b) Sewerage Drainage Charges

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

	Scheme Name	2020/21
(i) One full charge in respect of every separately used or inhabited part of a rating unit connected to a public sewerage drain.	Ōpōtiki	576.31
	Waihau Bay	498.20
(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.	Ōpōtiki	288.16
	Waihau Bay	249.10
(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	461.05

Note:

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	\$983,870
	Waihau Bay	\$12,704

(c) Waioeka Wastewater Extension

Pursuant to Section 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 \$23,285.78.

<i>Revenue Sought:</i>	<i>Waioeka</i>	<i>\$46,572</i>
	<i>Extension</i>	

(d) 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 Waitohi/Waioeka Ward collection areas set as follows:

- (i) A full charge of \$233.52 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 \$116.76 per rating unit that is not used or inhabited within the defined Ward collection areas.

<i>Revenue Sought</i>	<i>\$513,281</i>
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(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
\$41.96 per rateable rating unit within the defined rating areas where land use is residential.

<i>Revenue Sought</i>	<i>\$88,552</i>
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- (i) Rural communities of interest
\$24.78 per rateable rating unit within the defined rating areas where land use is rural.

<i>Revenue Sought</i>	<i>\$59,594</i>
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- (ii) Commercial/industrial communities of interest

\$826.95 per rateable rating unit in the district where land use is commercial or industrial.

Revenue Sought

\$177,796

3 INSTALMENT DATES

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

- Instalment One : 21 August, 2020**
- Instalment Two : 20 November, 2020**
- Instalment Three : 26 February, 2021**
- Instalment Four : 21 May, 2021**

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 : 18 December, 2020**
- Instalment Two : 17 June, 2021**

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 26 August, 2020; of the second instalment of rates remaining unpaid after the due date, on 25 November, 2020; of the third instalment of rates remaining unpaid after the due date, on 3 March, 2021; and of the fourth instalment of rates remaining unpaid after the due date, on 26 May, 2021.

Bevan Gray

FINANCE AND CORPORATE SERVICES GROUP MANAGER