



# Draft Rates Remission and Postponement Policies - All Land

*Te tuhinga hukihuki o ngā Kaupapa here o te Whakaiti me te whakatārewa Tāke Kaunihera - Whenua whānui*

# Review of Rates Remission and Postponement Policies (All Land)

## *Policy overview*

This is a review of the Council's existing Rates Remission and Postponement Policies adopted in 2021. These policies define the circumstances in which the Council may remit or postpone rates. Remission of rates involves reducing the amount owing or waiving collection of rates altogether. Postponement of rates means that the payment of rates is not waived in the first instance, but delayed for a certain time, or until certain events occur.

A policy on the remission and postponement of rates on Māori Freehold Land is required under the Local Government Act 2002 (LGA). Other rates remission and postponement policies are optional but are guided by provisions under the Act where councils choose to develop them. Any rates remission and postponement policies must be reviewed at least every six years. The LGA requires consultation on reviews of these policies.

## *Overview of changes proposed to the Policy*

- Introduction added (including policy and legislative context)
- Change to wording for Part 1: Rates Remission and Postponement for Financial Hardship to remove the five-year requirement. Changed to 'Council may take into consideration the length of time of ownership'.
- Change to wording for Part 2: Rates Remission and Postponement for Financial Hardship to remove the seven-year requirement. Changed to 'Council may take into consideration the length of time of ownership'.
- Remove section - **Rates Remission for Outstanding Rates and Penalties on Undeveloped Sections**
  - No applications received for this (no properties are currently covered by this remission)
  - Contiguous remission already covers the first part
  - This isn't consistent with other councils
  - We have a section for undeveloped MFL in its own policy (where this is required)
- Policy on the **Remission and Postponement of Rates on Māori Freehold Land** moved to a separate policy document
  - These policy sections only apply to MFL – saves confusion
  - This is consistent with some other councils' approaches
- Minor change proposed to wording **Rates Remission for Penalties on Unpaid Rates** from 'Penalties will be remitted' to 'Council will consider remitting penalties'
- Minor change proposed to wording in **Rates Remission for Water Leakage** to include that it applies to excess water usage (as it does)
- Minor changes are proposed to the criteria for applicants in the **Rates Remission and Postponement for a Rating Unit Affected by a Natural Hazard** to include 'Evidence is provided supporting the claim and a there is a process to return'
- **Rates Remission for Community, Sporting and Other Organisations** - Minor changes are proposed to the wording of the objectives to remove the word 'business' and change the phrase 'aged people' to 'elderly' and add objectives:
  - Recognise the social and health benefits to the community of access to sports and recreation facilities.
  - Support the efforts of volunteers.
- **Rates Remission for Community, Sporting and Other Organisations** – We will change it to triennial review (from biannual) and it will also include new condition/criteria:
  - If the remission is accepted by Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform the Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

- The addition of a new policy section **Miscellaneous circumstance remission** – in order to cover exceptional circumstances where the Council believes that it is equitable to remit the rates but is not specified in existing policy.
- The Delegations section is removed from all policy sections – this is included in the final newly added Decision-making and administrative matters area at the end of the document.



## Kōrero mai – Let's talk

### *What do you think about our proposed changes to the Rates Remission and Postponement Policies?*

Making a submission is easy!

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*You can make a submission online:*

<https://whakatane.govt.nz/ltp>

*Email your thoughts or submissions to:*

[koreromai@whakatane.govt.nz](mailto:koreromai@whakatane.govt.nz)

*Pick up a submission form and view supporting documents from any of libraries and Customer Service Centre's:*

Customer Services, Whakatāne District Council, 4 Commerce Street, Whakatāne  
Te Kōputu a te Whanga a Toi - Whakatāne Library, 49 Kākaharoa Drive, Whakatāne  
Ōhope Library, 4 Harbour Road, Ōhope  
Edgecumbe Library, 38 College Road, Edgecumbe  
Murupara Library & Service Centre, 48 Pine Drive, Murupara

*Post your feedback to:*

Whakatāne District Council, Private Bag 1002, Whakatāne.

*Hand deliver it to:*

Whakatāne District Council, Civic Centre, Commerce Street,  
Whakatāne or Murupara Service Centre, Pine Drive, Murupara

### Key Dates

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**Submissions close:**

12 April 2024

**Hearings:**

18 & 19 April 2024 (for those who would like to present their submission to the Council)

**Deliberations:**

8 – 10 May 2024 (Council meets to discuss any changes to the policy based on submissions)

**Adoption:**

20 June 2024

### Need more information?

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If you have any questions about this policy, or about the process of making a submission, our website is a great place to start. You can also feel free to get in touch with one of your elected Council members or staff here at the Council.

*Website:* [www.whakatane.govt.nz](http://www.whakatane.govt.nz)

*Email:* [info@whakatane.govt.nz](mailto:info@whakatane.govt.nz)

*Phone:* (07) 306 0500

# Rates Remission and Postponement Policies

*Ngā Kaupapa here o te  
Whakaiti me to whakatārewa  
o ngā Tāke Kaunihera*

Expected adoption date: 27 June 2024  
Commences: 1 July 2024

# Rates Remission and Postponement Policies

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## 1. Introduction

The Whakatāne District Council uses rates remissions to help provide for increased affordability and equity in the rating system. Council's Revenue and Financing Policy outlines the funding sources for each activity which includes general and targeted rates.

Rates remissions are designed to allow for specific circumstances at an individual level that cannot be effectively or efficiently incorporated into the rating system based on the data that is used to set rates.

## 2. Policy context

Council has two policies covering rates remissions and postponements. One sets out the rates relief available to all types of land (this policy) and the other deals with provisions specifically for Māori Freehold Land and land with similar characteristics.

Māori Freehold Land is eligible for rates remissions under both policies, subject to meeting the criteria in each.

## 3. Legislative context

### Non-rateable properties

The Local Government (Rating) Act 2002 identifies categories of land that are wholly or partly non-rateable in Schedule 1. Properties that are wholly non-rateable under the Local Government Rating Act should be recorded as such in the Rating Information Database so that rates are not assessed on that property. Properties that are partly non-rateable will be recorded in the Rating Information Database as such and may receive further rates relief through remissions provided for in this policy.

# Remission of Uniform Annual General Charge and Targeted Rates for Contiguous Properties

## 1.0 OBJECTIVE OF THE POLICY

The objective of this remission policy is to apply the Uniform Annual General Charge and Fixed Charges on a fair and equitable basis to ratepayers. Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

- a) In the same ownership, and
- b) Used jointly as a single unit, and
- c) Contiguous or separated by a road, railway, drain, water race, river or stream.

This policy provides for the possibility of a rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate. In addition, it provides for remission of uniform annual general charges (UAGCs) and/or targeted fixed charge rates where a rating unit is liable for multiple charges but it is considered inequitable or excessive to assess full charges. This policy may also be applied to individual lots for subdivisions, before the titles are sold.

## **2.0 CONDITIONS AND CRITERIA**

- 2.1 The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit, so long as the contiguous rating unit does not contain any habitable dwellings; or
- 2.2 The remission will be the uniform annual general charge plus targeted fixed charge rates, on all but one rating unit where all of these rating units are:
- d) Subdivided into five or more lots where the titles have been issued; and
  - e) Owned by the original developer who is holding the individual titles pending their sale to subsequent purchasers; and
  - f) Originally contiguous or separated only by road, railway, drain, water race, river or stream.

## **3.0 RATES TO BE REMITTED**

- 3.1 Rating units that meet the criteria under this policy may qualify for a remission of the uniform annual general charges (UAGC's) and any targeted rates set on the basis of a fixed dollar charge per rating unit. The ratepayer will remain liable for at least one set of each type of uniform annual general charge or fixed charge.

# Rates Remission for Educational Institutions Sewage (Pan) Charges

## **1.0 OBJECTIVE OF THE POLICY**

The objective of this remission policy is to enable the Council to reasonably rate educational institutions for sewerage disposal, having regard to the number of water closets and urinals needed for the number of staff and students rather than for the actual number of water closets and urinals available.

## **2.0 CONDITIONS AND CRITERIA**

- 2.1 This policy will apply to the following educational establishments:
- g) A state school under section (2)(1) of the Education Act 1989;
  - h) An integrated school under section (2)(1) of the Private School Conditional Integration Act 1975;
  - i) A special institution under section 92(1) of the Education Act 1989; or
  - j) An early childhood centre under section 308(1) of the Education Act 1989, but excluding any early childhood centre operating for a profit.
- 2.2 This policy does not apply to schoolhouses.
- 2.3 Upon receipt of an annual written application from the educational establishment, including an annual return of staff and student numbers, the Council may remit the number of pan charges in



excess of the deemed number of pans. The excess number of pans will be the number of water closets and urinals available, less the deemed number of pans. The deemed number of pans will be calculated as follows:

a)  $(\text{Number of Staff} + \text{Number of Students})/20 = \text{Deemed number of pans}$ .

2.4 The number of staff in an educational establishment is the number of teaching staff and administration staff employed by the educational establishment on 1 March, immediately before the year to which the charge relates. 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. If the actual number of water closets and urinals for the educational establishment exceeds the deemed number of pans, Council will remit the difference.

### **3.0 RATES TO BE REMITTED**

3.1 The number of pan charges for rates remission shall be “the number of water closets and urinals available less the number of deemed water closet and urinals”.

## **Rates Remission and Postponement for Financial Hardship**

### *Part 1 - Postponements in cases of financial hardship*

#### **1.0 OBJECTIVE OF THE POLICY**

The objective of this remission policy is to enable Council to provide reasonable assistance to ratepayers whose financial circumstances affect their ability to pay their rates.

#### **2.0 CONDITIONS AND CRITERIA**

2.1 When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust, the ratepayer's age, physical or mental disability, injury, illness and family circumstances.

2.2 If after due enquiry the Council is satisfied that financial hardship exists or would exist if the rates or a portion of the rates were not postponed, the Council may postpone part or all of the rates.

2.3 An application will only be considered where the following criteria are met:

- a) The ratepayer must be the current owner of the rating unit which is the subject of the application (Council may take into consideration the length of time of ownership).
- b) The rating unit must be the ratepayer's normal place of residence.
- c) The ratepayer must not own any other rating units, investment properties or other realisable assets.

- d) The ratepayer must make application to the Council on the prescribed form.
- 2.4 Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- 2.5 The ratepayer must make acceptable arrangements for payment of future rates, for example setting up a system for regular payments.
- 2.6 The Council will 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.
- 2.7 Any postponement will apply from the beginning of the rating year in which the application made.
- 2.8 Where an application is granted, the rates will be postponed until the earlier of:
- a) The death of the ratepayer(s); or
  - b) Until the ratepayer(s) ceases to be the owner of the rating unit; or
  - c) Until the ratepayer(s) ceases to use the property as his/her residence; or
  - d) Until a date as determined by the Council in any particular case.
- 2.9 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 of which they would be entitled to have postponed pursuant to this policy.
- 2.10 Postponed rates will be registered as a statutory land charge on the title of the rating unit.
- 2.11 The financial consideration of the postponement fee to be added under clause 2.6 will be an annual interest rate to be set by the Council by ordinary resolution at the time of setting the rates for any rating year.
- 2.12 The interest rate to be set under clause 2.11 will be set to be neutral (or as close to neutral as is reasonably possible) on Council's cash flows.

# Rates Remission and Postponement for Financial Hardship

## *Part 2 - Remission in cases of extreme financial hardship*

### **1.0 CONDITIONS AND CRITERIA**

- 1.1 When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant including but not limited to the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayers age, physical or mental disability, injury, illness and family circumstances.
- 1.2 If after full enquiry, the Council is satisfied that extreme financial hardship exists or would be caused to the ratepayer, by requiring payment of the whole of the rates, it may remit part or all of the rates.
- 1.3 If under Clause 3.2 the Council remits part of the rates, it may postpone the balance or any part of the balance under Part 1 of this policy.
- 1.4 Any remission granted under this part of this policy will not apply to future years.
- 1.5 Applications must be in writing by or on behalf of the ratepayer and will consider the following criteria:
  - a) The ratepayer must be a natural person
  - b) The ratepayer must have continuously owned an occupied the rating unit which is the subject of the application, as their normal place of residence. (Council may take into consideration the length of time of ownership).
  - c) The ratepayer must not own any other rating units, investment properties or other realisable assets.

# Rates Remission for Penalties on Unpaid Rates

## 1.0 OBJECTIVE OF THE POLICY

The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the due date.

## 2.0 CONDITIONS AND CRITERIA

2.1 In this part of this policy, the term “Individuals” means ratepayers who are natural persons. Council will consider remitting penalties where an applicant meets any of the following criteria:

- a) Individuals on benefits or other low-incomes or who have been made redundant/unemployed, without substantial other means and who have exhausted all other avenues of relief;
- b) Individuals suffering significant family disruption, e.g. serious illness or accident of self or a close family member, death of a close family member, marriage or separation/divorce;
- c) Individuals in cases of extenuating circumstances, e.g. loss of records by fire or theft;
- d) Individuals who are no longer able to manage their own affairs because of age and/or health and another person has assumed responsibility for the payment of accounts, etc. (Limited to one application per ratepayer);
- e) Individuals who contact Council prior to a penalty date to advise that they will not have funds available to pay the instalment charge until after the due date, and payment is made within fourteen (14) days of the due date. (Limited to one penalty within any two (2) year period for any particular ratepayer);
- f) Ratepayers who have paid within seven days after the due date. (Limited to one penalty with any two (2) year period for any particular ratepayer).

2.2 Ratepayers where:

- a) There is a proven problem with the delivery of instalment notices to a particular area, i.e. letter of confirmation from New Zealand Post.
- b) There is a delay with overseas postage.
- c) Penalties may be remitted in other situations where, in the opinion of the Council, it would be just and equitable to do so.
- d) Applications for remission of penalties must be in writing.
- e) Rates (excluding the penalty) should be paid in full before remission is considered, except where provision is made for the remission of penalties prior to full repayment where regular payment plans, extending beyond 12 months, are in place and performing satisfactorily.

# Rates Remission for Water Leakage

## 1.0 OBJECTIVE OF THE POLICY

The objective of the remission policy is to enable the Council to act fairly and reasonably to reduce accounts that are unusually high due to water leakage where there is clear evidence of timely repairs.

## 2.0 CONDITIONS AND CRITERIA

- 2.1 This policy applies only to targeted rates for water consumption and excess water charges.
- 2.2 Up to 100% of water leakage will be remitted unless negligence is shown in regard to timeliness of repair or maintenance of system (i.e. multiple leaks).
- 2.3 Applications under this policy must be in writing and must be made by the ratepayer of the rating unit concerned.
- 2.4 Application must include evidence the leak has existed, and that the leak has since been repaired.

## 3.0 DEFINITIONS

**“Water Leakage:”** The difference between the average consumption of the property and the consumption over and above that average.

**“Average consumption:”** The average of the previous four billing periods charged to the customer. Provided that when, by reason of a large variation of consumption due to seasonal or other causes, the average of the previous four billing periods would be an unreasonable estimate of the consumption, Whakatāne District Council may take into consideration other evidence to arrive at a reasonable estimate.

**“Timely repairs:”** A repair completed within 90 days of the invoice to which the application refers.

# Rates Remission and Postponement for a Rating Unit Affected by a Natural Hazard

## 1.0 OBJECTIVE OF THE POLICY

The objective of this policy is to provide short term financial assistance to residential properties through providing postponement of rates in the first instance and remission of rates once an application has been received, to those ratepayers that have been detrimentally affected by erosion, subsidence, submersion or another natural hazard event.

Rates remission aims to alleviate some of the financial pressure faced by residents that have had to move out of their homes. In these circumstances, property owners often end up incurring unexpected costs while their homes are not suitable for habitation. For some, this can affect their ability to pay their rates.

## 2.0 CONDITIONS AND CRITERIA

The following conditions and criteria apply:

- 2.1 The Council may postpone and remit rates charged on a rating unit if a dwelling is detrimentally affected by erosion, subsidence, submersion or other natural hazard event to such an extent that the resident ratepayers are no longer able to reside there.
- 2.2 Applications for rates remission must be made in writing and be received by Council within a period of 12 months from the date on which the natural hazard event occurred.
- 2.3 An application will only be considered where the following criteria are met:
  - a) The ratepayer must be the current owner of the rating unit which is the subject of application.
  - b) The rating unit must be a residential property.
  - c) Rates remitted may exclude the following service charges: water, sewerage disposal and mobile rubbish bins.
  - d) Evidence is provided supporting the claim and there is a process to return.
- 2.4 The Council may remit rates for the duration of the period that the residents are unable to reside in the dwelling for a period of up to 90 days commencing seven days after the natural hazard event.
- 2.5 At the end of the 90 day period, the Council may extend the remission of rates to a fixed date if applicants can demonstrate adequate reasons for not being able to inhabit the dwelling within the 90 day period e.g. section 124 notice (dangerous or insanitary building) under the Building Act 2004.



# Rates Remission for Community, Sporting and Other Organisations

## 1.0 OBJECTIVE OF THE POLICY

The objectives of this policy are:

- a) To facilitate the ongoing provision of non-commercial, non-profit, voluntary community and sporting services to the general public.
- b) To assist the organisation's financial viability.
- c) To make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, elderly and economically disadvantaged people.
- d) Recognise the social and health benefits to the community of access to sports and recreation facilities.
- e) Support the efforts of volunteers.

## 2.0 CONDITIONS AND CRITERIA

The following conditions and criteria apply:

- 2.1 Remission may be available to land occupied or used by a non-profit organisation which provides voluntary community or sporting services to the general public.
- 2.2 The organisation's purpose aligns with the Policy objectives.
- 2.3 50 per cent remission of rates and charges, excluding those for water, sewerage and refuse disposal, will apply for organisations, including those with a permanent club liquor licence.
- 2.4 Applications for remission must be made on an approved declaration form.
- 2.5 An application must include:
  - a) A signed statement from the organisation's treasurer to prove no profit is derived from its activity
  - b) A statement of objectives, information on activities and programmes and details of membership of clients.

If the remission is accepted by Council, the ratepayer does not need to re-apply annually, however the ratepayer has the responsibility to inform Council if a change of circumstances has occurred that may result in the remission no longer being appropriate.

- 2.6 Applications for remission will be reviewed triennially.
- 2.7 Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remission in any future year.

# Miscellaneous circumstance remission

## 1.0 OBJECTIVE OF THE POLICY

It is recognised that not all situations in which the Council may wish to remit rates will necessarily be known about in advance and provided for in Council's specific policies, or there may be other circumstances in which it is appropriate to apply a remission, but it is not provided for in a policy.

The purpose of this part of the policy is to provide for the possibility of rates remission in circumstances which have not been specifically addressed but in which Council considers it appropriate to remit rates.

## 2.0 CONDITIONS AND CRITERIA

Council may remit rates on a rating unit where it considers it just and equitable to do so because of:

- a) Extraordinary circumstances arising from a change to Council's Rating or Rates Remission policies have resulted in unintended consequences for a rating unit;
- b) Exceptional circumstances where Council believes that it is equitable to remit the rates.

The amount and duration of any such relief will be determined by Council on a case-by-case basis.

# Decision-making and administrative matters

- Decisions on rate remissions under this policy will be delegated to officers as set out in Council's delegation register.
- Relief, and the extent thereof, is at the sole discretion of Whakatāne District Council and may be cancelled or reduced at any time if new relevant information is discovered and confirmed.
- Application for a remission must be made in writing and should, where practicable, be made prior to the commencement of the rating year, unless stated below that the Council applies the remission automatically.
- Council may approve a multi-year remission if the ratepayer(s) provides an undertaking to notify Council of any changes in circumstance that may affect the remission.
- Where Council refers to "land" and "rating unit(s)" in the conditions and criteria of this policy, it will also consider remitting rates on a part or parts of a rating unit where only part of the rating unit qualifies for remission.

### **Policy review**

This policy will be reviewed every six years, or earlier if required.

# Kōrero mai Let's talk

Tell us what you think by  
5pm, Friday 12 April

## WHAKATĀNE DISTRICT COUNCIL

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