

Mayor and Councillors
COUNCIL

25 JUNE 2015

Meeting Status: **Public**

Purpose of Report: For Decision

SETTING OF RATES FOR 2015-16 YEAR

PURPOSE OF REPORT

- 1 This report requests that Council set the rates for the 2015/16 financial year.

DELEGATION

- 2 Only Council can set the rates for the 2015/16 financial year.

BACKGROUND

- 3 The Council is legally required to set the rates for the 2015/16 financial year in accordance with the adopted 2015-35 Long Term Plan which includes the Funding Impact Statement Rating Policies for the 2015/16 year.

Financial Considerations

- 4 The total rates revenue requirement for the 2015/16 financial year is \$63.34 million (inclusive of GST). This represents an average rates increase of 4.2% compared to the 2014/15 financial year. This excludes the water conservation device loan rate.
- 5 Council has contested that the water conservation device loan rate is a taxable supply on the basis that GST for the water conservation device is paid twice to the Inland Revenue Department by both the Vendor and the Council.
- 6 A non-binding ruling is expected from the Inland Revenue Department on the 19 June 2015. If Council is successful, the water conservation device loan rate may be deemed to be zero rated for GST purposes and Council will need to clarify the effective date of the non-binding ruling.

Legal Considerations

- 7 The Council adopted its Revenue and Financing Policy and the changes to the Rating System on the 4 June 2015. The draft Revenue and Financing Policy (version for consultation), the Funding Impact Statement - Rating Policies and Setting of the Rates for the 2015/16 Financial Year (Corp-15-1602) have been subject to a full and detailed legal review from Simpson Grierson. No significant issues were identified and all recommendations were implemented.

Policy Implications

- 8 The Revenue and Financing Policy encompasses the legal process prescribed by the Local Government Act 2002 in determining how the Council funds its activities, including the public/private funding split for Council Activities. The Funding Impact Statement – Rating Policies, is consistent with the amended Revenue and Financing Policy and sets out Council's new Rating System which is used to apportion the total rates revenue requirement for each financial year of the 2015-15 Long Term Plan.

Tāngata Whenua Considerations

- 9 Setting of the rates for the 2015/16 financial year does not include any new considerations for Tāngata Whenua.

SIGNIFICANCE AND ENGAGEMENT

- 10 Council has followed the decision making requirements of the Local Government Act 2002 to adopt the 2015-35 Long Term Plan. Setting of rates for the 2015/16 financial year follows after adoption of the 2015-35 Long Term Plan and is not in itself a matter that triggers the Council's significance and engagement policy.

RECOMMENDATIONS

- 11 That Council set the following rates under Section 23 of the Local Government (Rating) Act 2002, on rating units in the Kāpiti Coast District (District) for the financial year commencing on 1 July 2015 and ending 30 June 2016.

(1) Districtwide General Rate

A Districtwide general rate set under section 13(2)(b) of the Local Government (Rating) Act 2002 on all rateable rating units, assessed on a differential basis as described below:

- A rate of 0.49393 cents in the dollar (GST inclusive) of land value on every rating unit in the urban rating areas of the District as per the Council's rating area maps.
- A rate of 0.18769 cents in the dollar (GST inclusive) of land value on every rating unit in the rural rating areas of the District as per the Council's rating area maps with an area less than 50 hectares, excluding those properties in the Rural Village Differential rating areas.
- A rate of 0.10867 cents in the dollar (GST inclusive) of land value on every rating unit in the rural rating areas of the District as per the Council's rating area maps with an area equal to or greater than 50 hectares or where a combination of two or more rating units have a total area of 50 hectares or greater and form part of one farming operation owned by the same ratepayer.
- A rate of 0.34575 cents in the dollar (GST inclusive) of land value on every rating unit in the rural rating areas of the District which is located in the Rural Village Differential Rating Areas as per the Council's rating area maps.

(2) Community Facilities Rate

A Districtwide targeted rate for community facilities, set under section 16(3)(a) and 16(4)(b) of the Local Government (Rating) Act 2002, assessed on a differential basis on all rateable rating units in the District as follows:

- All rating units (excluding motels, camping grounds, hotels, hostels and lodges, licensed hotels and taverns) - \$504.50 (GST inclusive) per separately used or inhabited part of a rating unit.
- Motels/Camping Grounds - \$151.35 (GST inclusive) per separately used or inhabited part of a rating unit.

- Hotels/Hostels and Lodges, Licensed Hotels and Taverns - \$1,009 (GST inclusive) per separately used or inhabited part of a rating unit.

(3) Districtwide Roading Rate

A Districtwide targeted rate for roading, set under section 16(3)(a) and 16(4)(b) of the Local Government (Rating) Act 2002, assessed on a differential basis on all rateable rating units in the District as follows:

- All rating units (excluding Motels, Camping grounds, Hotels, Hostels and Lodges, Licensed Hotels and Taverns) - \$190 (GST inclusive) per separately used or inhabited part of a rating unit.
- Motels/Camping Grounds - \$57 (GST inclusive) per separately used or inhabited part of a rating unit.
- Hotels/Hostels and Lodges, Licensed Hotels and Taverns - \$380 (GST inclusive) per separately used or inhabited part of a rating unit.

(4) Districtwide Roading Land Value Rate

A Districtwide targeted rate for roading, set under section 16(3)(a) and 16(4)(a) of the Local Government (Rating) Act 2002, of:

- A rate of 0.01753 cents in the dollar (GST inclusive) of land value on all rateable rating units situated in the District.

(5) Districtwide Stormwater Rate

A targeted rate for stormwater, set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, on all rateable rating units as follows:

- A rate of 0.03462 cents in the dollar (GST inclusive) of capital value on all rating units in the District's drainage areas as per the Council's drainage rating area maps.

(6) Districtwide Water Supply Fixed Rate

A differential targeted rate set under section 16 of the Local Government (Rating) Act 2002 for each rating unit connected to or capable of being connected to the District's water supply. The annual fixed rate will be charged at a daily rate.

- General means per separately used or inhabited part of a rating unit connected to the District's water supply (excluding large and medium scale rating units, Motels/Hotels/Hostels/Lodges/Camping Grounds/Licensed Hotels and Taverns) - \$190 (GST inclusive) per SUIP;
- Large Scale means per rating unit or separately used or inhabited part of a rating unit connected to the District's water supply where there are 20 or more units whose water is collectively supplied through one or more water meters and individual check meters have not been installed - \$152 (GST inclusive) per SUIP;
- Medium Scale means per rating unit or separately used or inhabited part of a rating unit connected to the District's water supply where there are 10

or more, but less than 20 units, whose water is collectively supplied through one or more water meters and individual check meters have not been installed - \$171 (GST inclusive) per SUIP;

- Motels/Hotels/Hostels/Lodges/Camping Grounds/Licensed Hotels and Taverns means per separately used or inhabited part of a rating unit connected to the District's water supply and used principally or exclusively as motels, hotels, hostels, lodges, camping grounds, licensed hotels or taverns - \$380 (GST inclusive) per SUIP;
- Serviceable means per rating unit not connected to the District's water supply, but within 100 metres of a water main and capable of being connected \$190 (GST inclusive) per rating unit.

(7) Districtwide Water Supply Volumetric Rate

A targeted rate set under Section 19(2)(a) of the Local Government (Rating) Act 2002 on each rating unit which is provided with a metered water supply service.

- Volumetric rate of water consumed - \$0.99 (GST inclusive) per cubic metre.

(8) Hautere/Te Horo Water Supply Rate

A targeted rate for water supply set under section 19(2)(a) of the Local Government (Rating) Act 2002 per unit of water supplied by the Hautere/Te Horo water supply.

- A fixed charge of \$336 (GST inclusive) per unit of water supplied to all rating units connected to Hautere/Te Horo Water Supply (annual provision of 1 unit = 1 cubic metre per day).

(9) Districtwide Wastewater Disposal Rate

A differential targeted rate for wastewater disposal, set under section 16(3)(b) and 16(4)(b) on rating units in the Waikanae, Paraparaumu, Paekākāriki/Raumati (excluding the Paekākāriki Community) and Ōtaki Wards.

Connected – A rating unit used primarily as a residence for one household shall not be treated as having more than one water closet or urinal.

- General means all rating units connected to the Paraparaumu/Raumati/Waikanae or Ōtaki Wastewater Treatment Plants characterised by one water closet or urinal other than rating units in the "Community" or "Educational" or "Recreational" or "Large Scale Commercial/ Residential" categories - \$366 (GST inclusive) for each rating unit connected to the sewerage system
- Community means rating units connected to the sewerage system used principally or exclusively as places of religious worship and instruction, marae, hospital and welfare homes, community health services and charitable institutions that provide maintenance or relief - \$183 (GST inclusive) for each water closet or urinal connected to the sewerage system

- Educational means rating units connected to the sewerage system used principally by schools (with the exception of school houses), colleges, polytechnics, children's health camps and early childhood centres - \$164.70 (GST inclusive) for each water closet or urinal connected to the sewerage system
- Recreational means rating units connected to the sewerage system used principally or exclusively by recreational, sporting, other community organisations and Council community properties - \$91.50 (GST inclusive) for each water closet or urinal connected to the sewerage system
- Large Scale Commercial/Residential means rating units connected to the sewerage system used for large scale commercial or residential purposes as characterised by more than one water closet or urinal and residential rating units connected to the sewerage system with more than one separately used or inhabited part - \$183 (GST inclusive) for each water closet or urinal connected to the sewerage system
- Serviceable means rating units not connected to the sewerage system but within 30 metres of a sewer main and capable of being connected - \$183 (GST inclusive) per rating unit not connected to the sewerage system but within 30 metres of a sewer main and capable of being connected

(10) Paraparaumu/Raumati Community Rate

A targeted rate set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as follows:

- A rate of 0.00193 cents in the dollar (GST inclusive) of capital value on all rating units in the Paraparaumu and Paekākāriki/Raumati urban and rural rating areas as per the Council's rating area maps.

(11) Waikanae Community Rate

A targeted rate set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as follows:

- A rate of 0.00439 cents in the dollar (GST inclusive) of capital value on all rating units in the Waikanae urban and rural rating areas as per the Council's rating area maps.

(12) Ōtaki Community Rate

A targeted rate set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as follows:

- A rate of 0.01698 cents in the dollar (GST inclusive) of capital value on all rating units in the Ōtaki urban and rural rating areas as per the Council's rating area maps.

(13) Paekākāriki Community Rate

A targeted rate set under section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 as follows:

- A rate of 0.02038 cents in the dollar (GST inclusive) of capital value on all rating units in the Paekākāriki urban and rural rating areas as per the Council's rating area maps.

(14) Water Conservation Device Loan Rate

A targeted rate on those rating units that have received an interest free loan for approved water conservation devices from the Council that has not yet been fully repaid, set at 10% of the amount of the original loan plus GST.

- 12 That all property rates (including Hautere/Te Horo Water Supply Rate) be payable in four instalments due on:

Instalment	Due Dates	Penalty Dates
Instalment One	4 September 2015	5 September 2015
Instalment Two	4 December 2015	5 December 2015
Instalment Three	4 March 2016	5 March 2016
Instalment Four	7 June 2016	8 June 2016

All payments made will be receipted against the earliest outstanding rate amounts in accordance with authorised accounting procedures.

- 13 That water rates (excluding Hautere/Te Horo Water Supply Rate) be invoiced separately on a quarterly basis dependent on when the water meters are read. An indicative schedule of water meter reading dates for the 2015/16 financial year will be available on the Council's website from 1 July 2015 and is subject to change. The payment due date and the date on which a penalty will be applied to any portion of outstanding current charges will be specified on the invoice.
- 14 That Council apply the following penalties on unpaid rates in accordance with sections 57 and 58 of the Local Government (Rating) Act 2002:
- A charge of ten per cent (10%) on so much of any property rate instalment that has been assessed after 1 July 2015 and which remains unpaid after the due dates above, to be added on the penalty dates above.
 - A charge of ten per cent (10%) on so much of any property rates assessed before 1 July 2015 which remain unpaid on 8 July 2015.
 - A charge of ten per cent (10%) on any current portion of a water rates invoice assessed after 1 July 2015 which remain unpaid after the due date specified on the invoice, to be added 20 working days after the due date.

15 That property and water rates be payable by cash, cheque and eftpos at any of the following places:

- Paraparaumu, Civic Building, 175 Rimu Road, Paraparaumu
- Waikanae Service Centre, Waikanae Library, Mahara Place, Waikanae
- Ōtaki Service Centre, Ōtaki Library, Main Street, Ōtaki
- New Zealand Post, countrywide
- Westpac Bank, countrywide (*excluding water supply rates*)
- Paekākāriki Agency, Paekākāriki Fruit & Vegetable Shop, Beach Road, Paekākāriki
- Greater Wellington Regional Council, 2 Fryatt Quay, Pipitea, Wellington
- Greater Wellington Regional Council, 34 Chapel Street, Masterton

Alternatively payment of the due rates can be made to the Council by direct debit, internet banking, direct credit, telephone banking and credit card (subject to a convenience fee) through the Council's website.

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