

New Rates Postponement and Remission Policies to Adopt for Consultation

Meeting: Kaipara District Council
Date of meeting: 25 October 2023
Reporting officer: Christine Toms – Revenue Manager

Purpose | Ngā whāinga

To approve new rates remission policies be adopted for consultation alongside the 2024-2034 Long Term Plan.

Executive summary | Whakarāpopototanga

Council have provided feedback around Rates Postponement and Remission Policies at Briefings that were held in March and September 2023. The feedback was that the existing suite of Rates Postponement and Remission Policies doesn't require full review because they were reviewed in 2020 and adopted alongside the 2021-2031 LTP. References to water supply and wastewater will be removed from the existing policies as these services will fall to the new Water Services Entity from 1 July 2024 and legislation provides that Council cannot include these services in the upcoming LTP. Consultation is not being sought for this administrative step.

For information only the updated existing Rates Postponement and Remission Policy with the references to water removed is at **Attachment A**.

Through the course of the Council briefings, Elected Members requested that some additional policies be explored to be considered for adoption alongside the 2024-34 LTP. Before finalising the new Policies, Council must consider the relevant statutory matters and consult with the community.

This report and the attachments address these necessary statutory matters. The LTP Consultation Document that will come to Council for approval will include the new Policies and the document will meet the requirements of sections 82 and 82A of the Local Government Act 2002.

Recommendation | Ngā tūtohunga

That Kaipara District Council:

- a) Approves the draft Rates Postponement for homeowners aged over 65 years policy for consultation (Attachment B).
- b) Approves the draft Rates Remission to Boost Economic Development policy for consultation (Attachment C).
- c) Approves the draft Rates Remission for Māori Freehold Land under Development policy for consultation (Attachment D)
- e) Approves the draft Rates Remission for Social Housing and Papakāinga/Kaumātua Housing policy for consultation (Attachment E)
- d) Authorises the Chief Executive to make minor edits or changes to the policies to correct any spelling errors or to make typographical edits, and/or to reflect decisions made by Council at this meeting.

Context | Horopaki

The Local Government Act 2002 (LGA) provides that a Council must adopt a policy on the postponement and remission of rates on Māori freehold land, and that a Council may adopt a rates remission policy and/or a rates postponement policy for other purposes.

Rates postponement delays or defers rates payment until either a specified time or event occurs. A rates postponement policy must set out conditions and criteria and may allow for all or part of a rate to be postponed.

Rates remission permanently foregoes payment of a rate. Rates remission shifts the burden of rates between rating units.

Adopted policies must be reviewed at least once every 6 years, using a consultation process that gives effect to the requirements of section 82 LGA.

Kaipara District Council policies were last reviewed in December 2020 and these were adopted alongside the Long Term Plan in 2021. The Māori Freehold Land Rates Postponement and Remission Policy was reviewed more recently in April 2022 and adopted alongside the 2023/24 Annual Plan.

Discussion | Ngā kōrerorero

At previous Council briefings in March and September 2023 Councillors gave staff direction regarding additional rates postponement and remission policies that they would consider introducing in the Kaipara District. Staff are enabling this through this report.

Rates postponement and remission policies must be adopted under the provisions of section 109 and 110 of the Local Government Act 2002 (Act). These sections provide that objectives, conditions and criteria must be clearly stated within the policies, that the local authority may consider the matters set out in Schedule 11 of the Act and that the policies must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82. Policies may also be revoked following the review.

Additional policies have been discussed at previous briefings and these are presented here for approval for consultation. The additional policies are:

- Rates Postponement for homeowners aged over 65 years
- Rates Remission to Boost Economic Development
- Rates Remission for Māori Freehold Land under Development
- Rates Remission for Social Housing and Papakāinga/Kaumatua Housing

Options

Policies have been prepared based on guidance received from Council briefings in March and September 2023. The policies are attached (attachments B to E).

Option	Description	Advantages	Disadvantages
Option A – propose the policies be adopted for consultation as presented at this meeting	Propose the Policies for consultation and amend the Policies incorporating any further changes considered by Council as a result of consultation	The proposed Policies are considered to provide the community with options for rates relief to support the community outcomes	Rates remission shifts the burden between rating units

Option B – propose amendments to the Policies in accordance with any direction received at this meeting	Propose the Policies for consultation making amendments prior to adopting for consultation. Incorporating any further changes considered by Council as a result of consultation	Council can provide further direction on the policies prior to the policies being consulted on. The proposed Policies are considered to provide the community with options for rates relief to support the community outcomes	
Option C – disregard the Policies, do not consult and do not adopt	Council can disregard the Policies and decide not to implement		There are less policies to support community outcomes

Policy and planning implications

These policies are required to be reviewed and consulted on in accordance with the Local Government Act 2002.

Financial implications

The Rates Postponement and Remission Policies provide financial assistance and support to ratepayers. The cost of these remissions is estimated to be minor and has been discussed with Council.

- Rates Postponement for homeowners aged over 65 years – the costs of this are borne by the ratepayer with postponement, so no financial impact to the broader ratepayers
- Rates Remission to Boost Economic Development – estimate of cost to council, assuming 1 new commercial building per annum, \$4,100.
- Rates Remission for Māori Freehold Land under Development – expectation being that rating units would currently have rates remission or be non-rateable prior to development and therefore the cost to council would be minimal as the rates are currently not being assessed.
- Rates Remission for Social Housing and Papakāinga/Kaumatua Housing – estimated costs of social housing remission unknown until Council determines the ownership structure / type of property that would qualify for remission. Estimated costs of 50% rates remission for Papakāinga/Kaumatua Housing would be less than \$5,000.

Risks and mitigations

There are no identified risks assessed with these policies.

Significance and engagement | Hirahira me ngā whakapāpā

The decisions or matters of this report do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via agenda on the website.

Consultation will occur as part of the Long Term Plan consultation.

Next steps | E whaiake nei

The Rates Postponement and Remission Policies will be included in the Long Term Plan.

Attachments | Ngā tapiritanga

	Title
A	Updated Existing Rates Postponement and Remission Policies
B	Rates Postponement for homeowners aged over 65 years
C	Rates Remission to Boost Economic Development
D	Rates Remission for Māori Freehold Land under development
E	Rates Remission for Social Housing and Papakāinga/Kaumatua Housing