

## **Rates Postponement and Remission Policy Review**

**Meeting:** Council Briefing  
**Date of meeting:** 2 December 2020  
**Reporting officer:** Christine Toms, Revenue Manager

### **Purpose/Ngā whāinga**

This report addresses questions that were raised at the Council briefing on 14 October 2020 and provides Elected members with the amended rates remission policies to be considered before being adopted for consultation. A proposed new policy to support economic development is also presented here for feedback.

### **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.

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. The existing Policies are attached.

Kaipara District Council policies were last reviewed in November 2017 and these were adopted alongside the Long Term Plan in 2018.

### **Discussion/Ngā kōrerorero**

#### **Māori Freehold Land Rates Postponement and Remission Policy**

Council indicated at the October briefing that it is appropriate to review this policy after Parliament complete their review of the amended Rating of Whenua Māori Amendment Bill.

With the recent changes to the organisational structure it is timely to amend any reference to the General Manager Finance to that of General Manager Sustainable Growth and Investment.

#### **Existing Rates Postponement and Remission Policy**

This Policy received minor changes during the last review in 2017. With the recent changes to the organisational structure it is timely to amend any reference to the General Manager Finance to that of General Manager Sustainable Growth and Investment.

Given that the policies are generally working well, Council indicated at the October briefing that only a minor review of the existing policies is appropriate. To that end a few wording changes that don't impact the fundamental principles of the policies, but that assist with clarity and administration have been made. These changes can be seen in the document in Appendix A.

#### **Possible Additional Rates Postponement and Remission Policies**

Council requested further investigation into two possible additional policies:

##### Significant Natural Areas (SNAs)

Research has determined that 19% of the Kaipara district is covered by SNAs. Council understands that rates remission shifts the burden of rates from one category of rating unit to another. If a policy to remit rates on SNAs were to be implemented 19% of general rates would be re-distributed across the remainder of the district.

Additional internal administration costs and increased costs from Council's Valuation Service Provider (QV) would be incurred if a postponement or remission policy were to be introduced. The increased costs are because each rating unit with partial SNA coverage would be

separately valued and assessed as a separate part of the rating unit – in accordance with Section 45 (3) of the Local Government (Rating) Act 2002. This would enable any rates postponement or remission to apply only to the protected portion of the rating unit. These values are required to be manually maintained when our district is revalued, which will result in additional charges to Council on an ongoing basis. Initially, additional internal resource would be required to enable a full analysis to determine the effect that a policy would have on both the individual rating unit and the district as a whole. Following this analysis, a policy could be drafted, which would be consulted on using a consultation process that gives effect to the requirements of section 82 LGA. This could pave the way for possible implementation in year two or three of the LTP?

Examples of the possible rates relief for individual properties will be presented at the Council Briefing so that Elected Members can provide guidance as to whether staff should take the further steps required to proceed with the implementation of this policy.

#### Remission Policy to Encourage Economic Development

Community Outcome: 'Vibrant Communities'. Council requested further information around a possible rates remission policy that would provide relief to encourage economic development in areas of the district that currently see little or no growth.

Rates remission or postponement policies that promote Economic Development are rare. Stratford District Council has a rates remission policy to encourage economic development and this has been used to inform a policy for Kaipara District Council.

Appendix B contains a draft of a possible policy for discussion and feedback.

### **Next steps/E whaiake nei**

After discussion any further amendments will be made and the Rates Postponement and Remission Policies are to be adopted for consultation at the next Council meeting.

### **Attachments/Ngā tapiritanga**

	Title
A	Amended Rates Postponement and Remission Policy
B	Rates Postponement and Remission Policy