

Setting of Rates, Due Dates and Penalties Regime 2023/2024

Meeting: Kaipara District Council
Date of meeting: 28 June 2023
Reporting officer: Christine Toms, Revenue Manager

Purpose/Ngā whāinga

To set rates, due dates and penalty dates for the 2023/2024 year.

Executive summary/Whakarāpopototanga

The Local Government (Rating) Act 2002 (the Act) requires Council to adopt, by Council resolution, the rates it intends to set for the financial year. The rates for 2023/2024 can only be set once Council has adopted its Annual Plan 2023/2024 (AP), which includes the Funding Impact Statement for 2023/2024.

The resolution must also include (instalment) due dates for payment. The Act permits Council to apply penalties of up to 10% for payments not received by the due dates and for any arrears of previous year's rates. The penalty amount and dates must also be set by Council resolution.

The Act also requires that within 20 working days after making a resolution, the resolution must be made publicly available on the council's internet site.

Recommendation/Ngā tūtohunga

That the Kaipara District Council:

- Receives the report from the Revenue Manager, "Setting of Rates, Due Dates and Penalties Regime 2023/2024", meeting date 28 June 2023.
- Notes that it is required to make the resolution publicly available on the Council's internet site.
- Notes that the Setting of Rates Due Dates and Penalties Regime 2023/2024 report has been reviewed by Council's lawyers.
- Sets the rates, due dates for payment and penalties regime for the 2023/2024 financial year, as follows:

Rates resolution for the 2023/2024 financial year

The following rates are set for the period commencing on the first day of July 2023 and ending on the last day of June 2024. All rates and amounts are GST inclusive unless otherwise stated.

A. General rate

Under Section 13 of the Local Government (Rating) Act 2002 (the Act), a General Rate set for all rateable land within the district based on the land value of the land and at different rates in the dollar for different categories of land as set out in the table below.

Differential category*	Rate in the Dollar (including GST)
Residential and small sized lifestyle properties	0.0028536
Other	0.0044230

* The definitions of these differential categories can be found in the Funding Impact Statement - Rating Tools section of Council's Annual Plan 2023/2024.

B. Uniform Annual General Charge

Under Section 15 of the Act, a uniform annual general charge on all rateable land within the district of \$800.00 (including GST) per Rating Unit.

C. Targeted rates for Wastewater networks

Under Section 16 of the Act, targeted rates for Wastewater in the networks referred to in the table below, for operating and maintaining Wastewater treatment plants and pump stations and reticulation repairs and minor upgrades, including renewals and extensions of the respective systems.

The rates are set on a differential basis based on the use to which the land is put and the provision or availability to the land of the Wastewater service provided by, or on behalf of, Council.

Each targeted rate is calculated as:

1. Properties not connected to the Wastewater network as at 30 June 2023, but capable of being connected (being situated within 30 metres of a public sewerage drain to which it is capable of being effectively connected, either directly, or through a private drain) "serviceable":
 - a. A fixed amount per Separately Used or Inhabited Part of a Rating Unit (SUIP) for all units used primarily as a residence; and
 - b. A fixed amount per Rating Unit for all other units.
2. Properties that are connected to the Wastewater network as at 30 June 2023 "connected":
 - a. A fixed amount per SUIP for all units used primarily as a residence; and
 - b. For all other units:
 - i. A fixed amount per Rating Unit; and
 - ii. A charge per pan (urinal or water closet) for each pan after the second.

Wastewater Network*	Differential Category*	Charge per Rating Unit (including GST)	Charge per SUIP (including GST)	Charge per pan (after the second) (including GST)
Dargaville	Residence and connected	-	\$1,283.53	-
Glinks Gully	Residence and connected	-	\$962.65	-
Kaiwaka	Residence and serviceable	-	\$962.65	-
Mangawhai	Other and connected	\$1,283.53	-	\$641.76
Maungaturoto (Station Village)	Other and connected	\$1,283.53	-	\$641.76
Maungaturoto (Township)	Other and serviceable	\$962.65	-	-
Te Kopuru	Other and serviceable	\$962.65	-	-

* The definition of a SUIP, the networks and differential categories can be found in the Funding Impact Statement - Rating Tools section of Council's Annual Plan 2023/2024.

D. Targeted rates for Wastewater – capital contributions

Under Section 16 of the Act, targeted rates for all rateable land connected or capable of connection to the Mangawhai wastewater network as at 30 June 2013, based on where the land is situated, as defined on maps in the Appendix of the Annual Plan 2023/2024. The targeted rates for each of the four defined areas (A, D, E and F) are as follows:

Targeted rate*	Fixed amount per Rating Unit (including GST)
Mangawhai Wastewater Capital Contribution A	\$676.00
Mangawhai Wastewater Capital Contribution D	\$569.95
Mangawhai Wastewater Capital Contribution E	\$606.31
Mangawhai Wastewater Capital Contribution F	\$643.26

** The definitions of the land subject to each targeted rate can be found in the Funding Impact Statement – Rating Tools section of Council's Annual Plan 2023/2024.*

E. Targeted rates for Stormwater – networks

Under Section 16 of the Act, targeted rates for Stormwater in each of the following networks, for the purpose of running and maintaining each Stormwater network. The rate is the amount per dollar of the land value for all land situated in the respective Stormwater network.

Stormwater Network*	Rate in the Dollar (Land Value) (including GST)
Baylys	0.0018660
Dargaville	0.0018440
Kaiwaka	0.0008954
Mangawhai	0.0011292
Te Kopuru	0.0008944

**The definitions of the land subject to each targeted rate can be found in the Funding Impact Statement – Rating Tools section of Council's Annual Plan 2023/2024.*

F. Targeted rate Land Drainage – Raupo

Under Section 16 of the Act, a targeted rate for all rateable land within the Raupo Land Drainage scheme, at different rates in the dollar for different categories of land based on where the land is situated. The rate is an amount per dollar of the land value of the land.

This rate is to fund work undertaken to maintain and improve the current capacity of the land drainage network and stop banks.

Differential Category*	Rate in the Dollar (Land Value) (including GST)
Raupo District A	0.0040004
Raupo District B	0.0003374
Raupo Township	0.0048197

** The definitions of the land subject to each targeted rate can be found in the Funding Impact Statement – Rating Tools section of Council's Annual Plan 2023/2024.*

G. Targeted rates for Land Drainage – other schemes

Under Section 16 of the Act, targeted rates for Land Drainage in each of the following schemes, for the purpose of maintaining and improving the capacity of the land drainage network and stop banks. The rate is an amount per dollar of the land value for all land situated in the respective Land Drainage scheme.

Land Drainage Scheme*	Rate in the Dollar (Land Value) (including GST)
Aoroa	0.0016193
Arapohue No1	0.0007147
Arapohue No2	0.0003551
Aratapu Swamp	0.0007217
Aratapu Village	0.0006257
Awakino Point	0.0006423
Awakino Valley	0.0006817
Greenhill	0.0007930
Hoanga	0.0021715
Horehore	0.0007006
Kaihu	0.0006541
Kopuru Swamp	0.0008313

Koremoa	0.0005326
Mangatara	0.0006497
Manganui	0.0001168
Mititai	0.0007892
Notorious	0.0004195
Oruariki	0.0012022
Otiria	0.0009776
Owairangi	0.0004971
Tangowahine No1	0.0005935
Tangowahine No2	0.0010838
Tangowahine Valley	0.0002398
Tatarariki 1	0.0004149
Tatarariki 2	0.0013216
Tatarariki 3	0.0008085
Te Hapai	0.0028400
Tikinui	0.0011770
Whakahara	0.0007795

* The definitions of each land drainage scheme can be found in the Funding Impact Statement – Rating Tools section of Council's Annual Plan 2023/2024.

H. Targeted rates for Water Supply

Under Sections 16 and 19 of the Act, targeted rates for Water Supply in each of the networks referred to in the table below, for operating and maintaining the Water Supply network. In particular, the costs associated in treating the water for domestic consumption.

The rates are set on a differential basis based on the provision or availability to the land of the water supply service provided by, or on behalf of, Council. Each targeted rate is calculated as:

Metered properties as at 30 June 2023:

1. A scale of charges based on the per cubic metre amount of water consumed.

Other properties (except in the Mangawhai water supply network, where there is no rate set for "other properties"):

2. A fixed amount per rating unit.

Networks	Metered properties*		Other properties*
	Volumetric charge (up to and including the first cubic metre) (including GST)	Volumetric charge (per cubic metre beyond the first cubic metre) (including GST)	Fixed amount per Rating Unit (including GST)
Dargaville Glinks Gully Mangawhai Maungaturoto (Station Village) Maungaturoto (Township) Ruawai	\$210.76	\$4.51	\$158.07

* The definitions of the network can be found in the Funding Impact Statement - Rating Tools section of Council's Annual Plan 2023/2024.

I. Targeted rate for Mangawhai Harbour Restoration

Under Section 16 of the Act, a targeted rate for all rateable land within the Mangawhai Harbour Restoration area of \$80.00 (including GST) per Rating Unit. An indicative map of the Mangawhai Harbour Restoration area can be found in the Appendix of Council's Annual Plan 2023/2024.

J. Targeted rate for Closed Circuit Television (CCTV)

Under Section 16 of the Act, a targeted rate for all rateable land within the Dargaville, Central, West Coast and North areas, and land located within the Ruawai Tokatoka Hall Targeted Rate area of \$10.35 (including GST) per Rating Unit. Indicative maps of the areas can be found in the Appendix of Council's Annual Plan 2023/2024.

K. Targeted rate for Ruawai Tokatoka Hall

Under Section 16 of the Act, a targeted rate for all rateable land within the Ruawai Tokatoka Hall targeted rate area of \$36.86 (including GST) per Rating Unit. An indicative map of the Ruawai Tokatoka Hall targeted rate area can be found in the Appendix of Council's Annual Plan 2023/2024.

L. Targeted rate for Forestry Roding

Under Section 16 of the Act, a targeted rate for all rateable land within the Forestry Roding targeted rate area of 0.0081135 (including GST) per dollar of the land value for all land situated in the area. An indicative map of the Forestry Roding targeted rate area can be found in the Appendix of Council's Annual Plan 2023/2024.

M. Due dates

Under Section 24 of the Act, the rates, except targeted rates for metered water supply, will be payable in four equal instalments with the following due dates:

Instalment 1	20 August 2023
Instalment 2	20 November 2023
Instalment 3	20 February 2024
Instalment 4	20 May 2024

Metered water rates will be billed twice during the year. The due date for each billing is the 20th of the month following the delivery of the invoice. The billing and due dates for each area are:

Billing month	Area	Payment due date
July 2023 January 2024	Dargaville (Hokianga Road and side streets) and Glinks Gully	20 August 2023 20 February 2024
August 2023 February 2024	Dargaville (Station and Beach Roads) and Mangawhare	20 September 2023 20 March 2024
September 2023 March 2024	Dargaville (Township East)	20 October 2023 20 April 2024
October 2023 April 2024	Dargaville (Awakino Road and Main Street) and Ruawai	20 November 2023 20 May 2024
November 2023 May 2024	Dargaville (Ranfurly, Plunket and Tirarau Streets); Maungaturoto Railway; Maungaturoto Township and Mangawhai	20 December 2023 20 June 2024
December 2023 June 2024	North Dargaville to Kaihu, Awakino Point and Baylys	20 January 2024 20 July 2024

N. Penalties

Under Sections 57 and 58 of the Act:

- a) A penalty of 10% of the rates (other than water-by-meter rates) assessed in the 2023/2024 financial year that are unpaid after the due date for each instalment will be added on the relevant penalty date for each instalment stated below, except where a ratepayer has entered into an arrangement by way of direct debit authority, and honours that arrangement. For each instalment the date the penalty will be added is as follows:

Instalment 1	21 August 2023
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Instalment 2 21 November 2023
 Instalment 3 21 February 2024
 Instalment 4 21 May 2024; and

- b) A penalty of 10% of the amount of all rates (including any penalties) other than water-by-meter rates from any previous financial years that are unpaid on 05 July 2023 will be added on 06 July 2023; and
- c) A penalty of 10% of the amount of all rates to which a penalty has been added under b) and which remain unpaid on 08 January 2024 will be added on 09 January 2024; and
- d) A penalty of 10% of the amount outstanding for water by meter rates charged per invoice will be added on the relevant penalty date for each billing month and area stated below, except where a ratepayer has entered into an arrangement by way of direct debit authority, and honours that arrangement. For each billing month and area, the date the penalty will be added is as follows:

Billing month	Area	Penalty date
July 2023 January 2024	Dargaville (Hokianga Road and side streets) and Glinks Gully	21 August 2023 21 February 2024
August 2023 February 2024	Dargaville (Station and Beach Roads) and Mangawhare	21 September 2023 21 March 2024
September 2023 March 2024	Dargaville (Township East)	21 October 2023 21 April 2024
October 2023 April 2024	Dargaville (Awakino Road and Main Street) and Ruawai	21 November 2023 21 May 2024
November 2023 May 2024	Dargaville (Ranfurly, Plunket and Tirarau Streets); Maungaturoto Railway; Maungaturoto Township and Mangawhai	21 December 2023 21 June 2024
December 2023 June 2024	North Dargaville to Kaihu, Awakino Point and Baylys	21 January 2024 21 July 2024

- e) Delegates authority to the Revenue Manager and the Revenue Officer - Property to apply penalties to unpaid rates according to the resolutions above.

Context/Horopaki

This report is required to set the rates, due dates and penalties regime for the 2023/2024 year.

Discussion/Ngā kōrerorero

Council is required to comply with the decision-making provisions outlined in Part 6 of the Local Government Act 2002.

Community views

Members of the community have been provided with the opportunity to express their views in relation to Council's proposals for the 2023/2024 financial year via the 2021/2031 LTP consultative procedure. It was decided not to consult with the public on the Annual Plan 2023/2024 as there were no significant or material differences from the LTP 2021/2031.

Policy impacts

The proposed rates as set out in the resolutions above are in accordance with the Funding Impact Statement included in the Annual Plan 2023/2024.

Financial considerations

The rates proposed to be set through the recommendations in this report are consistent with the financial forecasts included in the final Annual Plan 2023/2024 to be considered for adoption by Council prior to its consideration of this report.

Legal considerations/delegation

The statutory procedure for setting rates is contained in the Local Government (Rating) Act 2002 Section 23(1) and (2) which states as follows:

'23 Procedure for setting rates

- (1) Rates must be set by a resolution of the local authority.*
- (2) Rates set by a local authority must—*
 - (a) relate to a financial year or part of a financial year; and*
 - (b) be set in accordance with the relevant provisions of the local authority's long term plan and funding impact statement for that financial year'*

The requirement to have an LTP is outlined in Section 93 of the Local Government Act 2002. The content of the LTP is then determined by Part 1 of Schedule 10 of the Local Government Act 2002. The Funding Impact Statement for 2023/2024 is the Funding Impact Statement in the Annual Plan 2023/2024. Clause 20 of Schedule 10 details the requirements for that Funding Impact Statement.

Options

There are two options to consider:

Option 1: Set the rates as recommended in line with the Annual Plan adopted in the previous agenda item.

Option 2: Not set rates in line with the Annual Plan.

If Option 1 is taken, the rates proposed to be set through the recommendations in this report are consistent with the financial forecasts included in the adopted Annual Plan 2023/2024. Option 1 allows the Council to move forward with a clear plan for capital expenditure and operational work. The rates resolution achieves this.

If Option 2 is taken, Council may not be able to fund the activities set out in the Annual Plan. As a last resort, Council may approve the same rates as the previous year but this will not fund the activities forecast in the adopted Annual Plan 2023/2024. This would not give clear direction to staff or the community around what services will be provided for the coming year. It would mean that new projects couldn't be commenced as debt wouldn't be able to be raised for them. This will cause duplication of work for staff. If capital expenditure is delayed, then this is likely to affect costs of capital projects because of the high inflationary environment and this could have an impact on the eventual rates that are adopted.

The recommended option is **Option 1**.

Significance and engagement/Hirahira me ngā whakapāpā

Council is required to comply with the decision-making provisions outlined in Part 6 of the Local Government Act 2002. Under Council's Significance and Engagement Policy, a decision in accordance with the recommendation is considered to have a high degree of significance.

Next steps/E whaiake nei

Rates will be set for the 2023/2024 year with due dates and penalties set in accordance with this rates resolution.