

Title: Rate Setting Report for 2019/20
Section: Finance & Affordability
Prepared by: Fiona Scragg - Revenue Team Leader
Meeting Date: 27 June 2019

Legal: Yes

Financial: Yes

Significance: **Medium**

Report to COUNCIL for decision

PURPOSE

The purpose of this report is to set the rates for the 2019/20 financial year. The 2019/20 Annual Plan (AP) must be approved before 30 June 2019.

SUMMARY

The report 19–229 being the Annual Plan 2019/20 Adopting Report asks Council to adopt the 2019/20 Annual Plan (AP). After the AP is approved, Council must then set the rates under section 23 of the Local Government (Rating) Act 2002.

The rates requirement for 2019/20 is \$59.8m plus GST or \$68.8m including GST. There is an overall average 4.8% increase in the rating requirement for 2019/20 when compared to 2018/19.

This report includes the Schedule of Rates excluding GST to be set for the 2019/20 financial year.

The decisions or matters in this report are considered to be of **Medium** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS

That the Council:

1. **Notes the contents of this report.**
2. **Resolves to set and assess the rates on rating units in the Gisborne District for the financial year commencing 1 July 2019 and ending 30 June 2020 and set the due dates for the payment of rates and penalties regime for unpaid rates in accordance with the Council's Funding Impact Statement and as set out in the schedule of rates.**

Authorised by:

Pauline Foreman - Chief Financial Officer

Keywords: Rate setting 2019/20

BACKGROUND

1. The 2019/20 Annual Plan (AP) must be approved before 30 June 2019. After the AP is approved and under section 23 of the Local Government (Rating) Act 2002, Council must set the rates by Council resolution in accordance with Councils' LTP 2018-2028 and the provisions of the funding Impact Statement in the 2019/20 Annual Plan. A full schedule of rates definitions, rates charges, due dates and penalty dates for rates and water rates are provided in paragraphs 16 to paragraph 21 as required by legislation.
2. The Financial Strategy for the 2018–2028 Long Term Plan (LTP) proposed a limit of overall rate increases of 5% for the duration of the ten years. The budget for the AP 2019/20 is within the financial parameters.
3. Models of rates impact to 2019/20 Annual Plan have been run and are consistent with the LTP 2018–2028 Year 2 forecast.

DISCUSSION

4. The overall average rates increase from last year to the Annual Plan 2019/20 is 4.8%. 98% of properties will have an increase of less than 5%. Those properties with increases over 5% are mostly the result of self-generating improvements to property.

Common Trend drivers compared to 2018/19

Residential

- The average dollar movement is an increase of \$91 (4.2%).
- The Parks and Reserves rate increased \$21.
- Wastewater increased by \$32.
- Passenger Transport increased \$6.
- Overall Roding rates had a minimal increase of 2.2%.

Rural Towns

- Average dollar movement is increase \$40. (4.6%).
- Parks and Reserves increase of \$9 (6%).
- Te Karaka Wastewater increase \$13 (2.4%).
- Overall Roding rates had a minimal increase of 1%.

Horticulture

- The average dollar movement is an increase of \$145 (4%).
- Planning increased \$159 (4.6%).
- Waipaoa River Flood Control Scheme increased 6.9%.
- Overall Roding rates had a minimal increase of 1.7%.

Pastoral

- The average dollar movement is increase \$157 (4%).
- Planning increase 4.7% based on capital value eg \$418 on a \$44.7m property.
- Overall Roding rates had a minimal increase of 1%.

Industrial

- The average dollar movement is increase \$126 (3.2%).
- Waste water increased by \$32 (10%).
- Community Services- two rates with one increasing 5.4% and the other by 8.8% (highest CV property increased \$217 and 225, respectively).
- Overall Roding rates had a minimal increase of 1.4%.

Commercial

- Average dollar movement is increase \$147 (3%).
- Waste water increased by \$32 (10%).
- Community Services- two rates with one increasing 5.4% and the other by 8.7% (highest CV property increased \$217 and \$225, respectively).
- Overall Rooding rates had a minimal increase of 2.2%.

Forestry

- Average dollar movement is increase \$108 (2.1%).
- Planning increased 4.6% based on capital value.
- Overall Rooding rates had a minimal increase of 0.7%.

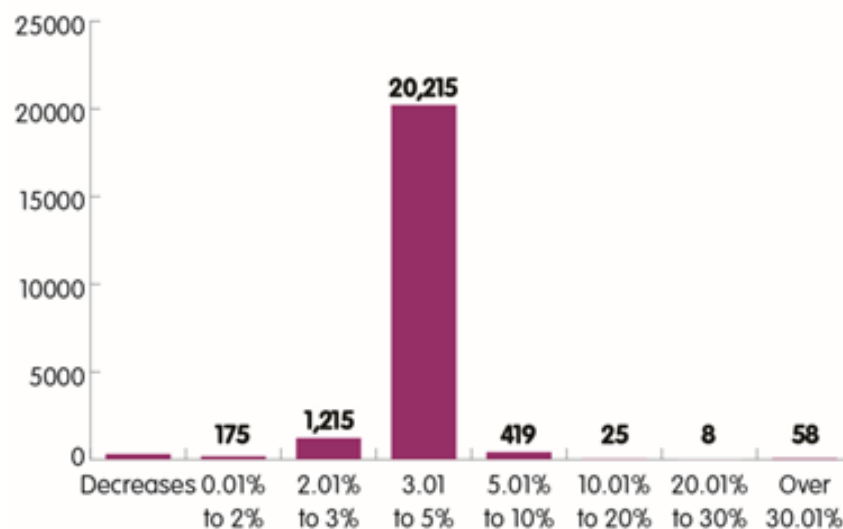
Top 50 changes

5. When looking at the top 50 increases, there are two significant drivers:
 - General rate increases on high capital value properties
 - Self-generated improvements, e.g. new buildings, services, changes to lease arrangements as well as a few increases related to multiple Separately Used or Inhabited Parts (SUIPs).
6. The large multi-million dollar utilities are the five highest rates increases and were between \$4,300 and \$8,800. This includes Council's own utilities.
7. A retirement complex rating unit also increases significantly due to a high number of UAGCs and the general rate on an increased capital value.

Bottom 50 changes

8. These changes are due to changes in lease arrangements and rate remissions.

Rates Movement for the 2019/20 year

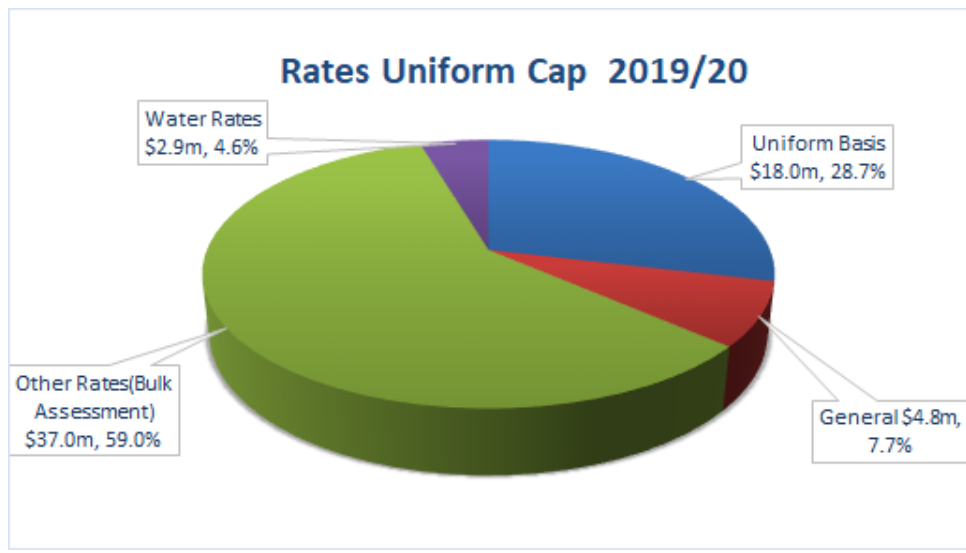


UAGC and Fixed Charges

- 9. The Local Government (Rating) Act 2002 (LGRA) section 21 has a 30% cap on the revenue sought by Council from targeted rates set on a uniform basis and the Uniform Annual General Charge (UAGC).
- 10. The LGRA section 21 cap for 2019/20 is 28.7%. This is made up of UAGC of \$15.4m (85%) and other fixed targeted rates of \$2.6m (15%). This is shown below in Table 1 and Table 2.

Rates Uniform Cap including Water Rates 2019/20	\$000's
UAGC	15,440
Noise Control	60
Dog Control	349
Passenger Transport	344
Rural Transfer Stations	327
Uniform Waste management	1,503
Commercial Recycling	1
Uniform Basis	18,026
General	4,777
Other Rates(Bulk Assessment)	37,038
Water Rates	2,912
Total Rates Revenue	62,754

Table 1



The Uniform Annual General Charge (UAGC)

11. The UAGC for 2019/20 is \$688.53 plus GST. The UAGC is a fixed charge on all properties in the district unless a specific remission applies. The UAGC is made up of the following rates as set out in Councils Revenue and Financing Policy and 2019/20 AP funding Impact Statement.

UAGC Activity	2020
District Civil & Corporate expenses	20.51
Roading	102.21
Civil Defence	28.28
Environmental and Public Health Protection	76.07
Public Toilets	65.78
Strategic Planning and Engagement (Community Services)	54.74
Mayor and Councillor representation costs (Governance)	109.21
Economic Development & Tourism	2.80
Managing Solid Waste and Transfer Stations (Includes cleaning public areas litter bins)	96.10
Cemeteries	12.77
Tairāwhiti Museum	34.35
Libraries	85.71
	\$688.53

Table 2: Uniform Annual General Charge

Rates Definitions and Schedule of Rates Charges for 2019/20

12. As part of the rate setting process, the rating differential areas and a full schedule of the rates charges need to be stated in full and are shown below.
13. In the following rating definitions, Differential Rating Areas (DRA's) such as DRA1, DRA2 etc and Inner and Outer Zones are defined in accordance with the system of Differential Rating established by Special Order on 27 June 1991, the district was split into six (6) differential areas. Except for DRA5 these areas were established on 27 June 1991 and maps detailing the boundaries are available at Council's Administrative Offices, Fitzherbert Street, Gisborne. DRA4 was split into two areas, a new DRA5 and residual DRA4 by way of a Special Order on 16 May 2001. They are as follows:

Short Title	Area Covered	Sub Types
DRA1	Former Gisborne City Council boundaries excluding Rural Farm Land – DRA1.	- Residential & Other - Commercial & Industrial
DRA1A	All Rural Farm Land within previous Gisborne City boundaries and the area surrounding the City including Wainui and Makaraka – DRA1A.	- Residential & Other - Commercial & Industrial
DRA2	Poverty Bay Flats including fringe hill properties including Makorori and Tatapouri.	-Residential, Rural & Other
DRA3	That area which is within reasonable and currently exercised commuting distance to Gisborne, including the localities of Whangara, part Waerenga-o-kuri; and Ngatapa, Whatatutu & Te Karaka.	- All Other Properties - Rural Townships

Short Title	Area Covered	Sub Types
DRA4	The inland rural area beyond DRA3, up to boundary of DRA5. Tolaga Bay and Matawai.	- All Other Properties - Rural Townships
DRA5	The whole of the East Cape area from a line running inland from a point in the vicinity of Mangatuna north of Tolaga Bay Township, to the tip of East Cape; and Hicks Bay, Te Araroa, Tikitiki, Ruatoria, Waipiro Bay.	- All Other Properties - Rural Townships
Inner Zone is defined as the total land area of DRA1 + DRA1A + DRA2. Outer Zone is defined as the total land area of DRA3 + DRA4 + DRA5.		- Urban & Rural - Rural & Rural Townships

14. Council uses land use classifications as defined by Council's rating valuer to determine Differential Rating Groups. Land use classification is based on a "highest and best use" assessment. However, where a rating unit assessed as "residential" is actually used for commercial or industrial purposes, its land use classification shall be deemed consistent with its actual use for rates assessment purposes. In such cases any relevant targeted rates shall apply.

Schedule of Rates

15. Schedule of Rates for 2019/20. All rates and amounts are GST exclusive.

Rate	Rating Group	Description	Dollar value excluding GST	Basis
General Rate	All Rateable land	Under Sections 13 of the Local Government (Rating) Act 2002 a General Rate on the rateable capital value of all land for Economic Development & Tourism, Animal & Plant Pests, Planning, Rivers Control, Stormwater, and Treasury.	\$0.00045891	per dollar of Capital Value
General Rate - Uniform Annual General Charge	All Rateable land	Under Section 15 of the Local Government (Rating) Act 2002.	\$688.53	per Separately Used or Inhabited Part of a Rating Unit (SUIP) in accordance with Council Policy
Targeted Rates		Under sections 16, 17, 18 (and Schedule 3) of the Local Government (Rating) Act 2002.		
Stock Control	Inner Zone and Rural Towns 30%	A differential targeted rate on the rateable Capital Value of the Inner Zone and Rural towns.	\$0.00000032	per dollar of Capital Value
	Outer Zone (excluding Rural Towns) 70%	A targeted rate on the area of all rating units in the Outer Zone excluding rural Towns.	\$0.00777109	per hectare
Aquatic and Recreational Facilities	Inner Zone 1.0	A differential targeted rate on the rateable Capital Value of rateable properties in the Inner Zone and the Outer Zone.	\$0.00016922	per dollar of Capital value
	Outer Zone 0.3		\$0.00005077	per dollar of Capital value
Theatres	Inner Zone 1.0	A differential targeted rate on the rateable Capital Value of rateable properties in the Inner Zone and the Outer Zone	\$0.00011187	per dollar of Capital value
	Outer Zone 0.3		\$0.00003356	per dollar of Capital value

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Building Services	Inner Zone 85%	A differential targeted rate on the rateable capital value of the inner zone and the outer zone	0.00009019	per dollar of Capital value
	Outer Zone 15%		\$0.00003025	per dollar of Capital value
Non Subsidised Local Roads	Inner Zone 85%	A differential targeted rate on the rateable capital value of the inner zone and the outer zone.	\$0.00002997	per dollar of Capital value
	Outer Zone 15%		\$0.00001005	per dollar of Capital value
Resource Consents	All Rateable land	A uniform targeted rate on the land value of all land	\$0.00024244	per dollar of Land value
Environmental Health -Noise Control	DRA1, 1A Residential and DRA2	A Uniform Targeted Rate per separately used or inhabited part of a rating unit within the Inner Zone (DRA1, DRA1A and DRA2) Residential Differential Rating Group.	\$4.04	per Separately Used or Inhabited Part of a Rating Unit
Dog Control	Residential DRA1,DRA1A and DRA3, DRA4 & DRA5 (Residential Rural Townships)	A Uniform Targeted Rate per separately used or inhabited part of a rating unit within the DRA1, DRA1A Residential and DRA 3, DRA4, DRA5 Rural Townships Residential Differential Rating Groups.	\$23.34	per Separately Used or Inhabited Part of a Rating Unit
Passenger Transport	DRA1 Residential	A Uniform Targeted Rate per separately used or inhabited part of a rating unit within the DRA1 Residential Differential Rating Group.	\$28.60	per Separately Used or Inhabited Part of a Rating Unit
Animal & Plant Pests	DRA1, DRA1A, DRA2 (20% Inner Zone)	A Differential Targeted Rate on the rateable land value of all land in the respective Differential Rating Areas.	\$0.00003564	per dollar of Land value
	DRA3, DRA4, DRA5 (80% Outer Zone)		\$0.00015794	per dollar of Land value
Soil Conservation – Advocacy	DRA1, DRA1A & DRA2	A Differential Targeted Rate on the rateable land value of all land in the respective Differential Rating Areas.	\$0.00004992	per dollar of Land value
	DRA3 & DRA44		\$0.00010640	per dollar of Land value
	DRA5		\$0.00062896	per dollar of Land value
Soil Conservation –Land Use	DRA1, DRA1A & DRA2	A Differential Targeted Rate on the rateable land value of all land in the respective Differential Rating Areas.	\$0.00002349	per dollar of Land value
	DRA'3 & DRA4		\$0.00005005	per dollar of Land value
	DRA5		\$0.00029588	per dollar of Land value
Water Conservation	Inner Zone 70%	A Differential Targeted Rate on the rateable land value of all land in the respective Differential Rating Areas. Inner Zone (DRA1, DRA1A, DRA2) and the Outer Zone (DRA3, DRA4, DRA5).	\$0.00035039	per dollar of Land value
	Outer Zone 30%	Inner Zone (DRA1, DRA1A, DRA2) and the Outer Zone (DRA3, DRA4, DRA5).	\$0.00016637	per dollar of Land value
Parks & Reserves	Inner Zone 85%	A Differential Targeted Rate per rating unit in a defined area of the District to cover the costs of maintaining Parks & Reserves within these areas.	\$310.38	per rating unit
	Outer Zone 15%		\$157.13	per rating unit
Rural Transfer Stations	Within scheme areas. Maps are available at Customer Services and on Council's website.	A Uniform Targeted Rate to properties per Separately Used or Inhabited Part of a rating unit within 15km of a Rural transfer Station.	\$139.04	per Separately Used or Inhabited Part of a Rating unit

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Uniform Waste Management Charge – Gisborne District Refuse Collection	Within scheme refuse collection areas - currently Gisborne City and environs and Ruatoria. Maps are available at Customer Services and on Council's website.	A Uniform Targeted Rate per separately used or inhabited part of a rating unit on properties for refuse collection for which Council is prepared to provide that service <ul style="list-style-type: none"> Gisborne City (Residential and Non-Commercial) Areas of the Poverty Bay Flats from Gisborne City in the South to Ormond in the North and bounded by the Waipaoa River in the West and the foothills in the East. Wheatstone Road, Sponge Bay, Wainui, Okitu, Makorori, Turihaua, Makaraka, Papatu Road, SH2, Manutuke, Waihirere, Ormond, Waituhi, Patutahi, and Muriwai. Ruatoria Township 	\$105.15	per Separately Used or Inhabited Part of a Rating unit
Commercial Recycling Charge	Non-residential properties in the central business district which elect to receive the service.	A Uniform Targeted Rate per separately used or inhabited part of a rating unit on non-residential properties in the central business district which elect to receive the recycling collection service for which Council is prepared to provide that service.	\$52.50	per Separately Used or Inhabited Part of a rating unit
Business Area Patrols	Commercial Properties within the CBD Area: Non-residential properties on both sides of the roads bounded by Carnarvon Street, Childers Road, Reads Quay and Palmerston Road and all roads inside this area and also that part of Grey Street as far as the skateboard park and Customhouse Street as far as the Waikanae Cut.	A Targeted Rate on the rateable capital value of all commercial rating units within the Central Business District (CBD) Area for the cost of patrolling the CBD Area. The defined areas to be rated were confirmed by Council on 1 June 2000.	\$0.00030301	per dollar of Capital value

Rate		Description	Dollar value excluding GST	Basis
City Centre Management and Promotion	Commercial Properties within CBD area: Non-Residential properties on both sides of the roads bounded by Cobden Street, Childers Road, Reads Quay and Palmerston Road and all roads inside this area and also that part of Grey Street as far as the skateboard Park and Customhouse Street as far as the Waikanae Cut and also all non-residential properties within the blocks bounded by Carnarvon Street, Childers Road, Palmerston Road and Cobden Street.	A Targeted Rate on the rateable capital value of all non-residential properties within the defined Central Business District (CBD) Area for City Centre Management and Promotion. The areas to be rated were confirmed by Council on 17 April 2003.	\$0.00073636	per dollar of Capital value
Economic Development and Tourism	All Industrial, Commercial retail and Accommodation Properties.	A Targeted Rate on the rateable capital value of all rating units as classified in the District Valuation Roll of Industrial, Commercial, Retail and Accommodation categories, to contribute to the cost of economic development.	\$0.00037268	per dollar of Capital value
Subsidised Local Roads	Residential and Lifestyle blocks 1.0	A differential targeted rate on the rateable capital value of all land in the respective differential rating groups. For the purposes of the differential roading rate, horticulture and pastoral farming rating units with land area less than 5 hectares will be assessed as lifestyle blocks.	\$0.00056187	per dollar of Capital value
	Industrial and Commercial 2.0		\$0.00112373	per dollar of Capital value
	Horticulture and Pastoral farming 1.5		\$0.00084280	per dollar of Capital value
	Forestry 7.5		\$0.00421402	per dollar of Capital value
Flood Damage & Emergency Reinstatement	Residential and Lifestyle blocks 1.0	A differential targeted rate on the rateable capital value of all land in the respective differential rating groups. For the purposes of the differential roading rate, horticulture and pastoral farming rating units with land area less than 5 hectares will be assessed as lifestyle blocks	\$0.00003255	per dollar of Capital value
	Industrial and Commercial 2.0		\$0.00006510	per dollar of Capital value
	Horticulture and Pastoral farming 1.5		\$0.00004882	per dollar of Capital value
	Forestry 7.5		\$0.00024412	per dollar of Capital value
Stormwater	DRA1 and DRA1A Residential properties includes Sponge Bay, Wainui and Okitu.	A Differential Targeted Rate per rating unit in the defined areas to cover the costs of maintaining stormwater within these areas.	\$161.42	per rating unit
	All Rural Townships including Manutuke and Patutahi		\$92.65	per rating unit
	DRA1 and DRA1A all Commercial and Industrial properties		\$0.00049319	per dollar of Capital value

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Wastewater Sewerage and the treatment and disposal of sewage				
	Within scheme areas connected. Maps are available at Customer Services and on Council's website	The targeted rates will be applied to every serviced property within the Gisborne scheme area a) A Uniform Targeted Rate per rating unit.	\$349.15	per rating unit
	Within scheme areas not connected. Maps are available at Customer Services and on Council's website	b) A Uniform Targeted Rate per rating unit within Gisborne City and Sponge Bay which is 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, but which is not connected	\$174.57	per rating unit
	Pan charges in addition to the above charges for connections	c) A Uniform Targeted Rate per water closet or urinal connected either directly or through a private drain to a public sewerage drain. Every separately used or inhabited part of a rating unit used exclusively or principally as the residence of not more than one household shall be deemed to have not more than one water closet or urinal (Schedule 3 of the Local Government (Rating) Act 2002).	\$192.74	per water closet or urinal connected
Te Karaka Wastewater	Within scheme areas connected (a)	a) A Uniform Targeted Rate for the purpose of providing sewerage drainage. b) Per rating unit within the defined Te Karaka Urban Drainage Area connected to the sewerage systems either directly or indirectly through a private drain to a public drain.	\$554.14	per rating unit
	Within scheme areas not connected (b)	c) Per rating unit within the defined Te Karaka Urban Drainage Area situated within 30 metres of a public sewerage which is capable of being effectively connected either directly or through a private drain, but which is not connected. d) Maps are available at Customer Services and on Council's website.	\$277.06	per rating unit

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Water				
Uniform Water Charge	Within scheme areas connected. Maps are available at Customer Services and on Council's website.	a) A Uniform Targeted Rate for the ordinary supply of water per separately used or inhabited part of a rating unit within Gisborne scheme area, being the City, Sponge Bay, Manutuke, Papatu Road, Te Arai Valley, Matawhero, Makaraka and Bushmere, Te Karaka and Whatatutu Supply areas.	\$252.86	per Separately Used or Inhabited Part of a Rating unit
	Within scheme areas not connected. Maps are available at Customer Services and on Council's website.	b) A Uniform Targeted Rate per separately used or inhabited part of a rating unit to which water can be supplied but is not supplied (being a rating unit situated within 100 metres from any part of the waterworks).	\$126.43	per Separately Used or Inhabited Part of a rating unit
Flood Protection And Control Works				
Coastal Property Protection Scheme	Rateable Properties within the defined area band A within the Hazard Area. Map of scheme area is available at Customer Services and on Council's Website	A Differential Targeted Rate in the following defined areas to cover the costs of maintaining coastal protection works within these areas.	\$0.00104893	per \$ of Capital value
	Rateable Properties within the defined area - band B within the Hazard Area. Map of scheme area is available at Customer Services and on Council's Website		\$0.00104890	per \$ of Capital value
	Rateable Land within the defined area band C within the Hazard Area. Map of scheme area is available at Customer Services and on Council's Website		\$0.00104877	per \$ of Land value
Wainui Fore dune Capital Works	Rateable Land within the Hazard Area	A Targeted Rate on the land area of rating units within the hazard area for the cost of rock protection capital works. Map of scheme area is available at Customer Services and on Council's website.	\$20,978.77	per hectare

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Te Karaka Flood Control	Non- Residential Map of scheme area is available at Customer Services and on Council's website.	A Differential Targeted Rate on the rateable capital value of all rating units within the defined Te Karaka Land Drainage Area for the purpose of contributing to the cost of land drainage in the respective Residential and Non- Residential Areas.	\$0.00073088	per dollar of Capital value
	Residential Map of scheme area is available at Customer Services and on Council's website.		\$0.00117491	per dollar of Capital value
Waipau River Erosion Protection Scheme	Direct Beneficiaries within the defined area. Map of scheme area is available at Customer Services and on Council's website.	A Differential Targeted Rate in the defined areas to cover the operating costs of the scheme:	\$0.00052771	per dollar of Capital value
	Indirect Beneficiaries within the defined area. Map of scheme area is available at Customer Services and on Council's website.		\$0.00001747	per dollar of Capital value
	Contributors within the defined area. Map of scheme area is available at Customer Services and on Council's website.		\$0.06123674	per hectare
Waipaoa River Flood Control Scheme	Waipaoa River Flood Control Scheme classes A-F Map of scheme area is available at Customer Services and on Council's website.	A Targeted Rate on the rateable capital value of all land within the Waipaoa River Flood Control Scheme District in accordance with the classification list for the purpose of payment of loan charges and maintenance costs.	\$0.00004498	per dollar Capital value
Drainage Rates – Direct Beneficiaries	Drainage Scheme maps available on Council website or at Council offices. 1. Ormond 2. Eastern Taruheru 3. Western Taruheru 4. Willows 5. Waikanae Creek 6. City/Wainui 7. Taruheru Classes A-D 8. Waipaoa 9. Patutahi 10. Ngatapa 11. Manutuke 12. Muriwai	A Targeted Rate per hectare on the defined area of all rating units within the Drainage Differential Rating Areas to fund drainage work.	\$28.3932479	per hectare

Rate	Rating Group	Description	Dollar value excluding GST	Basis
Drainage Rates - Contributors	Eastern Hill Catchment 8 and Western Hill Catchment F. see maps of scheme areas on Gisborne District Council website www.gdc.govt or at Council offices	A Targeted Rate per hectare on the defined area of all rating units within the Drainage Differential Rating Areas to fund drainage work.	\$0.55019040	per hectare
Water Metering	Water by meter	Under Section 19 of the Local Government (Rating) Act 2002 a fixed charge per unit of water consumed or supplied per cubic metre will apply for the supply of water to extraordinary users and ordinary rural domestic users. Water by meter has 300 cubic metre no charge domestic allowance for ordinary rural domestic users per rating unit.	\$1.39	per cubic metre

Due Dates and Penalty dates for Rates

- All due dates, penalty dates and when penalty dates are applied, are required by law to be published and details of these are set out below.
- Under section 24 of the Local Government (Rating) Act 2002 the Council's rates for the 2019/20 year will become due and payable at the Administrative Centre, 15 Fitzherbert Street, Gisborne by four instalments on the dates below.
- Under sections 57 and 58 of the Local Government (Rating) Act 2002, Council will charge a penalty of 10% on any part of each respective instalment that remains unpaid after the due date. The dates the penalty will be applied is set out below.

Rates Instalment Dates	Rates Due Date	Rates Penalty Date	Rates Penalty Debiting date
Instalment 1	20 August 2019	21 August 2019 - Penalty 10%	23 August 2019
Instalment 2	20 November 2019	21 November 2019 - Penalty 10%	25 November 2019
Instalment 3	20 February 2020	21 February 2020 - Penalty 10%	25 February 2020
Instalment 4	20 May 2020	21 May 2020 - Penalty 10%	25 May 2020

Current Financial Year (P2 Penalty)

- Under sections 57 and 58 of the local Government (Rating) Act 2002, Council will charge a penalty of 10% on any rates that were assessed in any previous financial years (including previously added penalties) and which remain unpaid on 7 July 2019.

Due dates for Water Rates Charges

20. Water meters are read on a monthly, quarterly, six-monthly or annual cycle and are payable in the month following the issue of the invoice as set out below.
21. Under sections 57 and 58 of the Local Government (Rating) Act 2002, Council will charge a penalty of 10% on any portion of the water rate invoices not paid by the due date and will incur a 10% penalty on the following dates, whichever is the next consecutive date following the due date of the invoice to which the penalty applies.

Invoiced Annually			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
Jun-19	22-Jul-19	23-Jul-19	10%
Invoiced 6-monthly			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
Jun-19	22-Jul-19	23-Jul-19	10%
Dec-19	20-Jan-20	21-Jan-20	10%
Invoiced Quarterly			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
Jun-19	22-Jul-19	23-Jul-19	10%
Sep-19	21-Oct-19	22-Oct-19	10%
Dec-19	20-Jan-20	21-Jan-20	10%
Mar-20	20-Apr-20	21-Apr-20	10%
Invoiced Monthly			
Month of Invoice	Due Date	Date Penalty Added	Penalty Amount
Jun-19	22-Jul-19	23-Jul-19	10%
Jul-19	20-Aug-19	21-Aug-19	10%
Aug-19	20-Sep-19	23-Sep-19	10%
Sep-19	21-Oct-19	22-Oct-19	10%
Oct-19	20-Nov-19	21-Nov-19	10%
Nov-19	20-Dec-19	21-Dec-19	10%
Dec-19	20-Jan-20	23-Jan-20	10%
Jan-20	20-Feb-20	21-Feb-20	10%
Feb-20	20-Mar-20	23-Mar-20	10%
Mar-20	20-Apr-20	21-Apr-20	10%
Apr-20	20-May-20	21-May-20	10%
May-20	22-Jun-20	22-Jun-20	10%

ASSESSMENT of SIGNIFICANCE

Impacts on Council's delivery of its Financial Strategy and Long Term Plan

Overall Process: Low Significance

Inconsistency with Council's current strategy and policy

This Report: Low Significance

The effects on all or a large part of the Gisborne district

Overall Process: Medium Significance

This Report: Low Significance

The effects on individuals or specific communities

Overall Process: Medium Significance

This Report: Low Significance

The level or history of public interest in the matter or issue

Overall Process: Medium Significance

This Report: Low Significance

22. The decisions or matters in this report are considered to be of **Medium** significance in accordance with Council's Significance and Engagement Policy.
23. The rate setting process is an important component in Council's ability to deliver on the Annual Plan 2019/20 which is year two of the Long Term Plan 2018-2028.

COMMUNITY ENGAGEMENT

24. Community meetings were held through the district. Altogether sixteen meetings were attended by the Mayor, councilors and staff during April/May 2019 to raise awareness of Council's plans for 2019/20.

CONSIDERATIONS

Financial/Budget

25. There was a change to the capital spend in the budget for 2020 mostly due to the pre-funding of the Wastewater treatment disinfection project. The Financial Strategy for the 2018–2028 Long Term Plan proposed a limit of overall rate increases of 5% for the duration of the ten years. The revised budget for the AP 2019/20 is within the financial parameters.
26. The decision will enable Council to collect rates revenue to fund its operations effectively as set out in the Funding Impact Statement in the Annual Plan for 2019/20.

Legal

27. This rates resolution is made under the Local Government Act 2002 and the Local Government (Rating) Act 2002. Section 23 of the Local Government Rating Act 2002 requires Council to set the rates by Council resolution.

POLICY and PLANNING IMPLICATIONS

28. The recommendation proposed is detailed in the Funding Impact Statement for 2019/20 in the Annual Plan.
29. The decision is not expected to directly affect any of the community outcomes or strategic challenges.

RISKS

30. The risks associated with the setting of the rates for 2018/19 are financial (which are covered in paragraph 25 and 26 above) and legal (which are covered in paragraph 27 above).

NEXT STEPS

Date	Action/Milestone	Comments
27 June 2019	Council sets rates for 2019/20	
July 2019	Send ratepayers rate assessments and rates invoices for instalment one	Due date for payment 20 August 2019
October 2019	Send ratepayers rates invoices for instalment two	Due date for payment 20 November 2019
January 2020	Send ratepayers rates invoices for instalment three	Due date for payment 20 February 2020
April 2020	Send ratepayers rate invoices for instalment four	Due date for payment 20 May 2020