



## RECOMMENDATIONS

**That the Sustainable Tairāwhiti Committee:**

- 1. Approves the proposed Rate Remission and Postponement Policies for inclusion in the draft 2021–2031 Long Tern Plan for consultation.**

*Authorised by:*

**Pauline Foreman - Chief Financial Officer**

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**Keywords:** rate remission, rate remission and postponement policy, draft 2021-2031 long term plan, ltp, significance & engagement policy, maori freehold land policies

## BACKGROUND

1. Council reviews its Remissions and Postponement Policies as part of each Long Term Plan (LTP) process.
2. Rate remissions and postponement policies allow Council to fine-tune the somewhat blunt rating system and can address any unintended consequences. They allow for specific, targeted adjustment of rates for individual or small groups of ratepayers.
3. An earlier report to Sustainable Tairāwhiti in December 2020 [20-379], identified that there needed to be a full review of the Remissions Policy alongside the remissions for Maori Freehold Land policies, aligning it to the principles of the Revenue and Financing Policy and the outcomes of Tairāwhiti 2025 Plan.
4. It was noted within this report, that the Remissions and Postponement Policies for Maori freehold land would remain unchanged. However, the process to review would coincide with the enactment of the Local Government (Rating of Whenua Maori) Amendment Bill.
5. It was also noted within [20-379], that changes or expansion of the use of UAGC remissions was not easily quantifiable and as such could result in unintended financial consequences. Within the report it was noted that there was inconsistency in the principles being applied: with some being applied on a per household basis and some on a per property basis.
6. The full review of remissions will occur post July 2021, as this will allow legislative changes to inform policies but also allow more time to assess wider impacts from expansion of the use of UAGC.
7. Any future decisions, can allow remissions to be applied from the start of the financial year, such as from 1 July 2021 aligning to Year 1 of the 2021-2031 LTP.
8. There have been some other changes that have occurred since the 2018 Remissions and Postponement Policies were adopted and include:
  - a. The adoption Tairāwhiti 2050 Plan.
  - b. COVID-19 affecting rate-payers ability to pay in the short term, especially businesses with no ability to earn income in lockdown situations.
  - c. Horticultural permanent crop remissions as a result of the increased district revaluation as at 1 September 2020.

### Permanent Crop Remission

9. The permanent crop remission was first set up in 2003. At that time, Council changed its rating system from being set on land value (LV) to capital value (CV). By and large, rates calculated on CV were similar to how rates were set based on the previous LV. Nearly 90% of properties were within reasonable rates increases (ie less than 10% increase).
10. However, there was small pockets of the district where there were significant increases in rates. Horticulture was one of these, but even within the sector some areas were more heavily impacted than others.
11. A 30 hectare annual crop farm (such as growing lettuces) paid rates much the same as it did before, but permanent crops (grapes, citrus or kiwifruit) rates were nearly double.

12. The permanent crop remission was set up and came into effect 2004. The remission was calculated where the capital value relating to the permanent crops and supporting structures were remitted off the overall rate bill. It did not (nor does it now) include other items, such as irrigation systems, packing sheds, or the like.
13. The remission meant that the rates impact to permanent crop owners was similar to how their rates had been set under the LV.

## **DISCUSSION**

14. There have been a number of changes to the Remissions and Postponement Policies. The more significant changes are noted for discussion below.

### **Simplification, Consistency and Understandability**

15. The proposed Rate Remission & Postponement Policy consists of 17 policies (a reduction from the 23 policies in the 2018 policy). These 17 policies include combining policies with similar objectives and criteria into one policy.
16. An overall policy conditions and criteria section has been added to address matters common to most applications, reducing repetition:
17. A 'Making an Application' section has been added to assist applicants.
18. Formats and language have been made consistent and readable.

### **Permanent Crop Remission**

#### **2018 Policy – Annual Plan 2020/21**

19. There are currently 600 properties receiving the rate remission
  - Total remission value is \$159k (and ranges from \$1 to the \$7.4k in remissions per rating unit).
  - Less than \$100 remissions: 276 properties.

#### **Draft 2021-2031 Long Term Plan – forecast 2021/2022 rates**

20. The Gisborne District rating valuations set at 1 September 2020, has seen significant increases in horticulture property values, including permanent crops. Some of the greatest increases in values are within kiwifruit properties.
21. The Valuer-General has regulatory oversight of the rating valuations system under the Rating Valuations Act 1998 (RVA). They have updated the rating valuation methodology for licenced kiwifruit properties to include the licence to grow certain licenced kiwifruit varieties (such as Gold3 and Zespri Red).
22. For rating valuation purposes, the added-value of the overall canopy is determined from recent sales evidence, in line with the capital value and value of improvement definition under the RVA. Together the licence, structures, infrastructure, and the planted vines generate added value, which is recognised in market value.
23. This updated methodology resulted in valuation increases for kiwifruit orchards of between 200-300% in comparison to the average increase for the horticultural sector of 56%.

- 24. Based on 2018 Policy, permanent crop remissions total would increase to \$394k (rising from the existing level of \$159k). If the full remissions were to be applied based on 2018 Policy, there becomes distortions across other sectors – such as pastoral. The intention of the original remissions was to balance between the horticulture sector, between annual cropping and permanent cropping.
- 25. The significant increase in remissions and the fact that the original intention goes beyond maintaining consistency within the horticulture sector, the draft 2021 Horticulture Permanent Crop Remissions has the following changes:
  - a. The remission must be applied for each year (it is no longer automatically applied)
  - b. If the calculated capitalised value of the permanent crop is below \$100, no remission will be available
  - c. There will be a maximum threshold of \$7,000.
  - d. That the remission will be in the first instance only applied to the subsidised targeted road rate set on a capital value. However, if in some cases (such as financial hardship) it may also be applied on general rates that are set on capital rates.
  - e. Years 2 and Years 3 of the LTP (ie 2023 & 2024), the policy reduces the maximum limit by 30% over the previous year; aligning with the Revenue and Financing Policy next review period.
- 26. The table below shows the impacts of the remission being applied :
  - a. Status quo ie both targeted road rate and general rate with no cap on the remission.
  - b. Capped rate (ie between \$100 and \$7,000) for both the targeted road rate and the general rate.
  - c. Capped rate (ie between \$100 and 7,000) for targeted road rate (ie draft 2021 policy).

**TABLE 1**

	2021	No change "a"	Limits but both General and Raoding "b"	Limits but Raoding rate "c"
		2022		
<b>Horticulture</b>	159,200	394,438	325,438	196,276

**Other minor Proposed Policy Changes**

- 27. The following minor policy changes have been made:
  - Removal of statutory declaration and delegation from the content of the policies and creation of a delegation register.
  - **Payment Arrangement and Rate Arrears** - This policy allows for the remission of rates and water rates allowing the ratepayers to catch up on rates arrears.

- **Penalties** - This policy allows for the remission of penalties when payments are not received by the date set for penalty imposition due to circumstances outside of the ratepayer's control.
- **Rates Transition Policy** - The limits for application have been increased from \$100 to \$1,000 and the restriction relating to 'only being applied for unintended consequences' has been removed. A new condition has been added and that is demonstration of financial hardship. The unintended consequences was removed because it is difficult to define what is an intentional and what is not (eg such as applying the new wastewater targeted rate to schools). The changes to rates with any new revenue and financing policy was intentional but possible financial hardship issues was not intended.
- **Postponement Rates – Non-residential rating units** – This has been added to the existing policy, extending it from just residential property. COVID-19 showed that our existing policy did not cater for businesses who were impacted from lockdown and had no ability to create income.

## OPTIONS

28. Staff have considered three options:

### A. Council cannot adopt the policy for consultation

- i. By Council not adopting the policy for consultation it would mean that the existing policy would continue until it was amended. A policy does not have to be reviewed for six years although it is good practice to review these after a valuation change and during an LTP process.
- ii. This would have small impact on people.

### B. Council can amend the policy and consult

- iii. Minor amendments improving the reasons for the choices of Council may be appropriate. Some substantive policy changes would not be implemented and affect a small number of people.
- iv. Staff would want to be very clear on the change so that advice can be given as to the administrative implications of a change.

### C. Council can adopt the policy for consultation

- v. Adopting the policy for consultation is consistent with the flow of work being undertaken from last year.

29. Option C is the preferred option.

## ASSESSMENT of SIGNIFICANCE

Consideration of consistency with and impact on the Regional Land Transport Plan and its implementation

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low Significance

**This Report:** Low Significance

Inconsistency with Council's current strategy and policy

**Overall Process:** Low Significance

**This Report:** Low Significance

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

**Overall Process:** Low 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

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

## **TANGATA WHENUA/MĀORI ENGAGEMENT**

31. General policies impact Māori land in addition to the specific Māori freehold land policies.
32. Māori will be aware of the pending changes to remissions policies in the Local Government (Rating of Whenua Māori) Amendment Bill.
33. This report is advising a detailed review to be undertaken in 2021.
34. Māori have been informed of the proposed process for developing more appropriate remissions and postponement policies and full consultation with iwi will be carried out as part of the review.

## **COMMUNITY ENGAGEMENT**

35. As set down in the LGA section 102(4)(b) Council may amend the policies at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82.
36. As remissions modify the incidence of rates it would be appropriate that the policies are consulted on alongside the Revenue & Financing Policy in 2021.

### **Permanent Crop Remission**

37. There will be direct consultation with the 600 horticultural sector ratepayers currently receiving the permanent crop rate remission. Letters would be sent outlining the proposed change and the fiscal effect to their rates.

## **CLIMATE CHANGE – Impacts / Implications**

38. The matters discussed in this report are not directly impacted by climate change. This report considers the proportion of rates paid by different ratepayers, not the amount of rates collected.

## CONSIDERATIONS

### Financial/Budget

39. Remissions and postponements reduce the amount of rates collected. Accounting requirements are to budget for the full amount of rates and to budget for the Remissions and Postponements separately as an expense.
40. The 2021/22 remissions budget is \$600k. Remissions are a cost to the ratepayer and are funded from the general rate.
41. Changing the remission policy for permanent crops means Council still could continue to provide partial remission, and be within overall budgeted provisions made within the draft 2021-2031 LTP estimates.

### Legal

42. Council is required to adopt a Remissions & Postponement Policy on Māori freehold land and may adopt general remissions and postponement policies under section 102 of the Local Government Act 2002 (the Act). The Act sets out what must be addressed in these policies in sections 108,109 and 110.
43. These sections are general in their requirements and provide considerable latitude for developing remissions and postponement policies.

## POLICY and PLANNING IMPLICATIONS

44. The Remissions & Postponement Policies are part of the set of financial policies that inform how Council is funded. These policies align with the principles used to guide the Revenue & Financing Policy review and are consistent with the Tairāwhiti 2050 outcomes, which Council has incorporated in its strategic framework for development of the 2021–2031 Long Term Plan [refer [report 20-153](#)].
45. The final Rates Remissions and Postponement Policy when adopted is applied to rates within the 2021/22 financial year and take effect from 1 July 2021.
46. Rates remissions are normally provided as temporary change to address unintended consequences of a Revenue and Financing Policy rate or rates. The remissions are not expected to be permanent solutions. The Horticultural Permanent Crop Rates Remission is being phased out over three years. During this period, the Revenue and Financing Policy will review the rates and how they are applied, with specific reference to the horticulture sector.

## RISKS

47. The key issues associated with the matters discussed in this report are:
  - a. Timeframes – The policy development is aligned with the LTP processes and should be completed before the 2021/22 rates are set. No timeframes have been developed for the 2021 review of remissions and postponement policies for Māori freehold land and the timing and date of becoming law is unknown for the Local Government (Rating of Whenua Māori) Amendment Bill 2020.

- b. Potential changes to the Remissions & Postponements Policies may affect some groups of ratepayers. An increase in remissions would be a cost impacting ratepayers across the rest of the district.
- c. There is likely to be a heightened sense of public interest arising from the Horticulture Permanent Cropping sector. While the remission continue to provide some relief, it will be less than what was applied before and may not adequately address any financial issues arising from the change in limits. However, the policy does have the ability to apply the remission for general rates in the case of financial hardship.

## NEXT STEPS

Date	Action/Milestone	Comments
March 2021	Consultation of rate remission policies.	Consultation as part of the Long Term Plan 2021–2031. This includes direct consultation with 600 horticultural ratepayers affected by changes to the Permanent Crop Remission policy.
30 June 2021	Adoption of the 2021–2031 Long Term Plan.	This includes adoption of rate remission policies.
July 2021	Set rates for 2021/22	This includes applying rate remissions to individual properties.
Post July 2021	Review Māori Land Remission policies.	Review is in collaboration with Iwi and in conjunction with the changing legislation specifically the Local Government (Rating of Whenua Māori) Amendment Bill 2020.
2021-2023	Review Revenue & Financing Policy	Review policies to see if they are still fit for purpose

## ATTACHMENTS

1. Attachment 1 - Final Draft Rate Remission and Postponement Policies [21-38.1 - 28 pages]



## Rate Remission and Postponement Policy

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## Introduction

Section 102(3) of the Local Government Act (LGA 02) provides that a council may adopt a rates remission policy and a rates postponement policy. This policy addresses both remission and postponement of rates.

Sections 102(1) and 102(2) and 108 of the LGA 02 require councils to adopt rates remission and postponement policies on Māori freehold land. Council has considered the matters listed in Schedule 11 clause 1 of the LGA 02 and recognises that the nature of Māori land is different to general title land.

## Policy Objectives

To have a rating system which ensures that:

- a. All funding options consider affordability.
- b. Funding choices support the outcomes of Tairāwhiti 2050.
- c. In collaboration with Māori, funding choices assist to enable the development of Māori Land.
- d. Revenue collection is obvious, transparent, efficient and simple.

Remission and postponement policies allow for the fine tuning of the rating system and an opportunity to support community outcomes by offering financial relief for some ratepayers.

## Principles

In order to make informed and consistent funding choices, the following funding principles have been developed and applied:

- a. All funding options will consider affordability.
- b. Funding choices will support the outcomes of Tairāwhiti 2050.
- c. Council will explore funding options from all other sources before choosing rates to fund activities.
- d. In collaboration with Maori, funding choices will contribute to enabling the development of Maori land.
- e. Each generation should pay for the services they receive.
- f. Revenue collection will be obvious, transparent, efficient and simple.
- g. Actions and inactions that adversely affect the community, environment or Council assets can expect to pay more.
- h. Users of services can expect to contribute to the cost of operating the service.
- i. Borrowing will be used when it is financially efficient to do so and in the best interest of the community.

Complying with these principles can be challenging and compromise between principles is often required.

Remissions assist to support the funding principles by modifying the incidence of rates. In developing of remissions and postponement policies Council has considered how modifying the rates through remissions supports achieving the outcomes of Tairāwhiti 2050. These Policies will reduce the rates paid by some ratepayers and in doing so will contribute to:

- a. Addressing any unintended consequences arising from the application of rating policy.
- b. Addressing financial affordability.
- c. Removing financial barriers to use and development of land.

Remission and postponement policies work well when addressing individual needs or the needs of a small group. For a large group, it is likely that changes to the rating system are more cost effective and efficient way to implement the principles.

## Overall Remission Policy Conditions and Criteria

1. Where a property or part of that property is sold or transferred within the period of remission or postponement, Council may recover the rates remitted or postponed for the applicable period. This may apply to the whole property or the portion that has been sold or transferred.
2. The Council can impose conditions concerning future actions that must be taken before the remission is granted.
3. Ratepayers need to advise Council of any changes that may impact the eligibility for a remission.
4. All Māori freehold land policies apply only to Māori freehold land. General policies may apply to both general land and Māori freehold land.

### Making an Application? This is what you need to know:

1. An application is required for each remission applied for, unless stated otherwise.
2. Where applications are required, all applications must be made in writing, using the prescribed form unless expressly declared otherwise in this policy. Copies of the prescribed forms can be downloaded from the Council's website or obtained from the Council's office.
3. All applications must be:
  - a. Made by the ratepayer or their authorised agent.
  - b. Accompanied by any required additional information.
4. Applications will be considered on their individual merits and on a case-by-case basis. The applicant will be notified of the outcome of their application.
5. Council may:
  - a. Request additional information from applicants to enable the assessment.
  - b. Inspect the property in order to assess the application and to confirm compliance with policy criteria from time to time. Inspection will be with the owner's or ratepayers consent and may include taking of photos or video in person or remotely.
6. The applicant of the property, must provide proof of eligibility (including required additional information, listed under each policy) which will be confirmed using relevant Council records.

7. To be considered for a rate remission under each policy, make sure that conditions and criteria (both general and specific, if stated) are met before applying.
8. All personal information provided to Council will be treated as confidential.
9. Incomplete information or if an inspection is not granted for Council officers to make an assessment may mean that the application cannot be processed.
10. Rate remissions result in the relevant rates account for a rating unit recording the rates or portion off the rates remitted as paid.
11. Remissions are not paid in cash to the ratepayer. Multi-year rate remissions are applied in the relevant rates account for a rating unit recording the rates or portion of rates remitted as paid when the rates are assessed.
12. Any decision made by Council under this policy is final.
13. If a ratepayer contests a decision made under delegation to staff, the applicant may request the matter be referred to Council or a committee delegated to undertake such a review.

## GENERAL POLICIES

### 1. Community, Recreation and Not-for-Profit Organisations

#### 1.1. Objectives

To assist in the ongoing provision of not-for-profit community services and recreational opportunities that benefit the community.

To assist an organisation's survival by making membership of the organisation more accessible to the community, particularly disadvantaged groups such as children, youth, young families, aged and economically disadvantaged people.

These objectives support the principle of removing financial barriers to enable the land to be used for community and / or recreational purposes in support of Tairāwhiti 2050 outcomes.

#### 1.2. Remission Period

Up to 3 years – subject to the conditions and criteria still being met.

#### 1.3. Remission Value

Up to 100% of rates, except for targeted rates for the following services supplied to the rating unit: wastewater (sewerage), waste management (rubbish collection and recycling), and water supply.

#### 1.4. Conditions and Criteria

The application must support the objectives of this policy.

The rating unit must be used exclusively or principally for sporting, recreation or community purposes.

The remission will be calculated on Council's assessment of the degree to which community benefit is derived from the activities or assets of the organisation relative to other organisations.

This remission does not apply to organisations/groups whose primary purpose is to address the need of adult members (over 18 years) for entertainment or social interaction or engage in a recreational, sporting or community services as a secondary purpose.

#### 1.5. Additional Information for Application

The following information must accompany the application form:

- a. Statement of organisation's objectives.
- b. Financial accounts.
- c. Information on activities and programmes.
- d. Details of membership or clients.
- e. Any other information to support the conditions and criteria.

## **2. Economic Development**

### **2.1. Objective**

To promote employment and economic development by offering rates remissions to encourage existing businesses to expand and grow, and new businesses to set up.

This objective supports the principle of removing financial barriers to development of land.

### **2.2. Remission Period**

Up to 3 years – subject to the conditions and criteria still being met.

### **2.3. Remission Value**

Up to 100% of rates.

### **2.4. General Conditions and Criteria**

The application must support the objectives of this policy. The application must support the objective of this policy and the matters that Council will consider in forming a view on any remission granted.

In Council's view the development:

- a. Is strategically important to the economic development of the district.
- b. Creates significant and lasting new employment opportunities within the district.
- c. Bring significant amount of new capital investment to the district and will add value to the local resources.
- d. Has strong financial viability and would provide long-term benefits.
- e. Does not adversely impact on existing businesses.

### **2.5. Additional Information for Application**

The following information must accompany the application:

- a. Description and plan of the development.
- b. An estimate of the costs of development and capital investment involved.
- c. An estimate of the likely number and type of jobs created by the development.
- d. Evidence that the jobs created will be new to the district.
- e. Any other relevant information requested in order to establish that the development meets the conditions and criteria of this policy.

### **3. Excess Water**

#### **3.1. Objective**

To provide a rate relief to ratepayers in situations where water usage is high due to a water leak or damage to the property's internal water reticulation system of which the ratepayer was unaware.

This objective supports the principle of financial affordability and encourages timely repair of the leak.

#### **3.2. Remission Period**

On a case-by-case basis – subject to the conditions and criteria still being met.

#### **3.3. Remission Value**

Up to the full amount of the difference between normal consumption and the actual water consumption for the billing period. By exception, a remission may be backdated to earlier billing periods.

#### **3.4. Conditions and Criteria**

The application must support the objectives of this policy.

The excess water charges must be for an amount which is considerably in excess of the average water used in the previous four billing periods and take any seasonal variations into account.

The plumber's report and repairs are to Council's satisfaction.

A remission will not be provided if negligence is shown regarding timeliness of repair or maintenance of the system (for example, multiple leaks).

A remission under this policy will only be granted once in any given rating year.

#### **3.5. Additional Information for Application**

The following information must accompany the application:

- a. A report from a registered plumber stating the cause of water loss is a result of a leak or damage to the ratepayer's internal water reticulation system.
- b. Proof of repairs to the internal reticulation system for verification.

## **4. Financial Hardship and Exceptional Circumstances**

### **4.1. Objective**

To assist ratepayers experiencing financial hardship and/or adversely impacted by a natural disaster or other calamity which directly affects their ability to pay rates.

This objective supports the principle of financial affordability by providing relief from paying rates in exceptional circumstances. Exceptional circumstances could include community organisations ceasing operation and unpredictable event including natural disasters, pandemic, epidemic or other calamity that affect the ratepayer's ability to pay rates.

### **4.2. Remission Period**

Current years rates only. See postponement policy for multi-year relief options.

### **4.3. Remission Value**

Up to 100% of rates and current penalties.

### **4.4. General Conditions and Criteria**

The application must support the objectives of this policy.

Council must be satisfied that:

- a. the ratepayer does not have financial capacity to pay their rates instalment when due; or
- b. the payment of the rates instalment would create financial hardship for the ratepayer.

### **4.5. Specific Criteria for Financial Hardship**

To determine whether financial hardship exists, the ratepayer's personal circumstances will be considered including age, physical or mental disability, injury, illness and family circumstances.

All residential applicants must receive advice from an approved budget advisory service.

All business and commercial applicants must receive advice from an Accountant, Lawyer or other independent and suitably qualified professional.

If the ratepayer owns other property or has a significant financial interest in a business, information on the financial circumstances of the business may be required to assist in assessing financial hardship.

### **4.6. Specific Criteria for Exceptional Circumstances**

The land has become unusable or uneconomic because of exceptional circumstances such as severe erosion, land formation changes such as slips, any natural disaster or calamity.

The ownership of the land has become indeterminate or uneconomic (such as a club becoming defunct).

#### 4.7. Additional Information for application.

The following information must accompany the application:

**For Individuals:**

- a. Budget Sheet completed by an approved Budget or Financial Advisor.

**For Businesses:**

- a. Statement of Assets & Liabilities.
- b. Current Balance Sheet.
- c. Forecast Cash Flow Statement for the following 12 months.

## 5. Fragmented & Uneconomic Coastal Rural Land

### 5.1. Background

Some coastal rural land used for pastoral farming has a valuation in excess of its economic use, based on the potential for housing development which is in excess of its current use; such development has not started or cannot occur.

### 5.2. Objective

To recognise special circumstances pertaining to coastal rural land used for pastoral farming and situations where multiple coastal rural properties are effectively used as one farm property.

This objective supports the principles by removing the impact of unintended consequences and making rates more affordable for pastoral farms on coastal land removing financial barriers to the use of the land.

### 5.3. Remission Period

Indefinitely – subject to the conditions and criteria still being met.

### 5.4. Remission Value

Up to full amount of the rates.

Council may give a remission of general and/or targeted rates based on the difference in land value and/or capital value between the best potential value of the land arising from its coastal location, and the economic value arising from its actual use.

Where a farm is made up of several individual titles which may or may not be adjacent, Council may remit general and/or targeted rates based on the difference in land value and/or capital value between the actual accumulated value of the individual land blocks and the value of a single block of land in the same locality with the same land area.

### 5.5. Conditions and Criteria

The application must support the objectives of this policy.

The land must be rural land that has a valuation significantly more than the rating value (uneconomic land) of its current use as its rating value is based on its potential for housing development in a coastal area.

Where coastal land is used for pastoral farming and contains multiple rating units (fragmented land) valued at a higher amount due to their potential for housing a remission may be made to give the effect as if the land were valued as pastoral land.

Where coastal rural rating units are used as one pastoral farm, and each have a housing site as part of the rating valuation, an application can be made to have all properties valued as if they were one contiguous farm property. For example, a farm of five 20-hectare properties will be treated for rating purposes as if it is a single 100-hectare pastoral block. The value of the primary block would not be changed, because it can support a housing site; however, the remaining four blocks will receive a remission of that part of their value which relates to potential housing sites.

The Council have the discretion whether to extend, reduce or cancel this remission at any time for any reason.

### **5.6. Additional Information for Application**

A signed statement by the applicant that land is used for pastoral purposes only and including the following:

- a. Details of the rating units involved.
- b. Details of the tenure.
- c. Proof of ownership.
- d. Evidence of whether the land is formally or informally leased.

## **6. Land Affected by Plan Changes**

### **6.1. Objective**

To recognise the existing use of land affected by zoning changes, when there is a plan change which rezones land to enable a higher value land use.

This objective supports the principle of financial affordability by providing relief from paying rates on a higher land value as a consequence of a plan change.

### **6.2. Remission Period**

Up to 6 years.

### **6.3. Remission Value**

Up to the value of additional rates as a result of the plan change.

### **6.4. Conditions and Criteria**

The application must support the objectives of this policy.

The land has been used in accordance with the applicable rules in the Tairāwhiti Resource Management Plan and resource consents prior to the plan change.

The land must be subject to a plan change, other than by the owner, resulting in a different zoning.

The remission ceases to apply if:

- a. The land is sold or transferred.
- b. The use of land changes.

## **7. Natural Heritage and Cultural Heritage**

### **7.1. Objectives**

To acknowledge the wider community benefit of protecting natural and cultural heritage areas which are on privately owned land, including whenua Māori.

To recognise the extent of voluntary protection given to natural and cultural heritage areas on private land, including whenua Māori, with or without public access.

These objectives support our principle to remove financial barriers to protecting land.

### **7.2. Remission Period**

Indefinitely – as long as the natural or cultural heritage remains protected and in existence.

### **7.3. Remission Value**

Up to 100% of rates, excluding rates for services to the property. Land not subject to an encumbrance recorded on the certificate of title shall have the remission level set in accordance with the merit of the application.

### **7.4. Conditions and Criteria**

The application must support the objectives of this policy.

Natural, historic and cultural heritage areas will be independently assessed by a certified professional.

The area shall have no or minimal economic activity associated with it.

An encumbrance (or similar mechanism) shall be in place over the land or part of the land for the purpose of providing protection to the natural or cultural heritage, which Council considers is satisfactory to provide long-lasting protection.

This policy does not apply to land with a covenant under the Reserves Act 1977, the Conservation Act 1987 or Heritage New Zealand Pouhere Taonga Act 2014 which are non-rateable under the Local Government Rating Act 2002.

### **7.5. Additional information for Application**

In addition to the standard application form, the following information must be provided:

- a. Contact Council to discuss your proposal.
- b. An independent assessment of the natural and cultural values.
- c. A copy of the certificate of title and the encumbrance or other protection.
  - d. Other information to support the application.

## **8. Payment Arrangement and Rate Arrears**

### **8.1. Objective**

To allow for the remission of rates and water rates to allow the ratepayer to catch up on rates arrears.

This objective supports the principle is to remove financial barriers to the recovery of rates arrears.

### **8.2. Remission Period**

Determined on a case-by-case basis.

### **8.3. Remission Value**

Up to \$500 plus any penalties.

### **8.4. Conditions and Criteria**

The application must support the objectives of this policy.

The ratepayer must enter into a genuine arrangement with Council to pay overdue rates within an agreed timeframe.

Council may remit rates and water rates arrears of up to \$500 and can apply a penalty suppression on the property to avoid further penalties within the arrangement period.

The ratepayer may be offered a remission of a fixed amount if overdue rates are repaid in accordance with the entering into genuine payment arrangement as outlined under condition 1. This may be any amount up to the full sum of past penalties still owing.

## **9. Penalties**

### **9.1. Objective**

To allow for the remission of penalties when payments are not received by the date set for penalty imposition due to circumstances outside of the ratepayer's control.

This objective supports the principle to remove financial barriers to the recovery of rates.

### **9.2. Remission Period**

One off.

### **9.3. Remission Value**

Up to 100% of the penalty.

#### 9.4. Conditions and Criteria

The application must support the objectives of this policy and:

- a. The ratepayer suffered due to a significant family disruption such as death, illness, accident of a family member or other 'one-off' event; or
- b. The property was recently purchased, and the settlement date coincided with or was near the penalty dates; or
- c. Rateable Māori freehold land vested in trustees, which has derived insufficient income from the land to pay the rates (where section 93 of the Local Government Rating Act 2002 applies).

The applicant has a good record of on-time payments for previous rate instalments.

The ratepayer enters a genuine arrangement to pay overdue rates within a specified timeframe or has paid the relevant rates in respect of rates to which the penalty was added.

### 10. Permanent Crops

#### 10.1. Background

Under capital value rating schemes, permanent crops are regarded as part of the capital value. This means that under capital rating, two identical farms, one of which grows a permanent crop such as citrus, and the other grows an annual crop such as squash, could pay completely different rates, even though their utilisation of Council's infrastructure services (eg roads) maybe the same.

#### 10.2. Objective

To maintain relativities in the rates paid between horticulturalists who grow permanent crops and those who grow annual crops, for subsidised targeted road rates set on capital value. In some circumstances (such as financial hardship) and due to the transitioning to a new change in policy over years 2022-2023, it may also be applied on general rates set on capital value.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy (see 1.11.1).

#### 10.3. Remission Period

The remission will apply for a period of one financial year.

#### 10.4. Remission Value

Based on valuation information calculated by Council's rating valuer where the portion of the rate set on capital value is due to capitalised crop value

1. 2021/2022 The remission in rates (based on the rating valuers calculation) must be greater than \$100 but no more than \$7,000
2. Each successive year, the maximum remission will decrease by 30% over the previous year.

### 10.5. Conditions and Criteria

Application must support the objectives of this policy.

The land must be a horticultural block on which permanent crops comprise part of the property's capital value.

The rates remitted under this policy will be on application from the ratepayer and for the targeted subsidised roading rates, on the portion of their capital value which is due to capitalised crop value. In some cases, such as financial hardship, the rates remitted may also include general rates set on capital value.

**Note:** *The Council's valuers will provide additional valuation data on all properties with a land use classification of "Horticultural".*

*This additional data will be the Capital Value of the permanent crops plus the capital value of any supporting structures for those crops. It will not include other items, such as irrigation systems, packing sheds or the like.*

## 11. Rates Transition Policy

### 11.1. Objective

To provide rates relief for the unintended and significant impact on specific rates caused by changes to the Revenue and Financing Policy.

This objective supports the principle of making a modification to the rates any unintended consequences arising from the application of rating policy.

### 11.2. Remission Period

One year but up to three years on a case by case basis.

### 11.3. Remission Value

See below.

### 11.4. Conditions and Criteria

The application must support the objectives of this policy.

This policy only applies if:

- a. There is an increase to the rates applied to a rating unit as a result of changes made to the Revenue and Financing Policy; and
- b. The rates increase for a rating unit is 10% or more as a result of changes made to the Revenue and Financing Policy when compared to the total rates payable for the previous year and after other remissions have been applied.
- c. There was financial hardship arising from the increase in rates

A property may be eligible for a remission if:

- a. A rate has increased by at least:
  - \$1,000; and
  - 30% of the total for that rate compared to the previous rating year.

The amount remitted will be up to amount of the increase above the \$1,000 and 30% threshold (whichever is higher).

If the remission is applied to more than one year, then the rate of remission in the years following will decrease 30% from the previous year; up to a maximum of three years.

The remission will be applied as a lump sum to the rates assessed against each rating unit in that year of application.

No remission will be granted if the total remission for all the relevant rates subject to the specific changes does not exceed \$500 (GST inclusive).

**Note:** *A remission may be offered to smooth rate peaks due to changes to the Revenue and Financing Policy for certain activities which lead to financial hardship as a result of significant increases in the amount of rates assessed for a rating unit.*

## 12. Uniform Annual General Charge (UAGC) and certain Targeted Rates

### 12.1. Objectives

To provide for the remission of the UAGC and certain targeted rates on properties where it would be when circumstances are inappropriate and/or impractical to charge them; when Council may wish to encourage sub-division development in urban areas. It includes:

- a. Multiple dwellings.
- b. Dwellings on rural and commercial property essential to the business.
- c. Uninhabitable dwellings or land.
- d. Land which cannot be built on.
- e. Land which is contiguous.
- f. Land that has been recently subdivided.
- g. Low value properties.
- h. Other examples of unintended consequences.

This objective supports the principle of making a modification to the rates to address unintended consequences arising from the application of rating policy.

**Note:** *Certain targeted rates are charged per SUIP (separately used or inhabited part of a rating unit) for services above what would be supplied to a single household or in the case of uninhabitable buildings / properties as a part charge.*

### 12.2. Remission Period

Typically for 3 years but up to indefinitely – subject to change of circumstances.

### 12.3. Remission Value

Up to 100% of the UAGC and selected targeted rates.

Discretionary Targeted rates include

- a. Water Supply connection charge
- b. Toilet Pan charges
- c. Refuse and recycling collection
- d. Transfer Station refuse sticker charges

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#### 12.4. General Conditions and Criteria

The application must support the objectives of this policy.

This policy applies where there are:

- a. Multiple dwellings recorded on the valuation records, but one or more dwellings are not being used as dwellings, are derelict or uninhabitable.
- b. Multiple dwellings on a property, but they are being used by members of the direct family of the ratepayer (such as granny flats, teenagers).
- c. Multiple dwellings on a property, but one or more is used by live-in caregivers, or to provide humanitarian assistance (in other words, used by persons who would normally "live in" if the ratepayer's primary accommodation had been large enough in the first instance).
- d. Businesses with separately accessible accommodation on the rating unit, which is a prerequisite for the efficient operation of that business.
- e. Dwellings on rural land that are vacant for more than three months of the current rating year and no income is derived from the use of the dwelling.
- f. Uninhabitable land in residential or lifestyle rating categories.
- g. Near contiguous rural properties up to 5 km apart operating as a single farming unit.
- h. Near contiguous subdivision properties in common ownership.
- i. Properties valued below \$6,001.
- j. Other circumstances where a remission of a UAGC or certain targeted rates is just and equitable.

#### 12.5. Specific Condition and Criteria - multiple dwellings (1.12.4(1) (a) (b) &(c))

An assessment will be made as to whether there is:

- a. physical conditions which would make it inappropriate or impractical for the additional dwelling or flats to be separately inhabited, or
- b. a dwelling in very poor and uninhabitable condition, or
- c. a dependency relationship between the primary ratepayer and the occupiers of the flat/dwelling.

Reviewed 3 yearly.

#### 12.6. Specific Condition and Criteria – commercial and rural dwellings (1.12.4(1) (d) & (e))

An assessment will be made as to whether there is:

- a. a dwelling in very poor and uninhabitable condition, or
- b. a dependency relationship between the primary ratepayer and the occupiers of the flat/dwelling, or
- c. a dwelling that is vacant for more than three months of the current rating year and no income has been derived from the use of the dwelling, or
- d. a dwelling on rural and commercial property essential to the ongoing operation of the business.

Reviewed 3 yearly.

### 12.7. Specific Condition and Criteria – uninhabitable land (1.12.4(1) (f))

An assessment will be made as to whether a building consent has been refused or it is likely that a building consent would be refused on every part of the property because of flooding or land instability.

Reviewed 5 yearly.

### 12.8. Specific Condition and Criteria – contiguous properties (1.12.4(1) (g) & (h))

To provide relief to ratepayers who occupy several near adjacent rating units, but which do not meet the criteria of Section 20 of the Local Government (Rating) Act 2002

#### **Pastoral**

This remission is only applicable to land categorised by the Rating Valuer as a pastoral block.

The remission encourages the use of small pastoral blocks which would otherwise be uneconomic to use without remission of the Uniform Annual General Charge.

An assessment will be made as to whether there is:

- a. Rural properties within 5 km of the parent block and operating as one farming operation.
- b. The remittance of rates is based on the following guide, but can be overridden if it assists in certain circumstances (eg financial hardship):
  - Up to 500 metres = 80%
  - 501 metres to 3,000 metres = 50%
  - 3,001 metres to 5,000 metres = 20%

#### **Urban sub-divisions**

In urban areas, when a developer splits a block of land into two or more titles for the purpose of selling them for separate occupation, the implication of charging full UAGCs as soon as a Deposited Plan is registered could be a financial disincentive to the sub-divider. Council wishes to encourage development, not discourage it.

An assessment will be made as to whether there is:

Urban subdivisions creating more than two near contiguous bare block titles. A remission may be applied for up to 3 years from first assessment or until sold (whichever is earlier).

### 12.9. Specific Condition and Criteria – low value properties (1.12.4(1) (i))

The capital value of the property is less than \$6,001.

The property is not used for any form of residential occupation (other than, for example, camping for a few weeks every year).

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## REMISSION OF RATES: MAORI FREEHOLD LAND

### Introduction

Tairāwhiti has a significant amount of whenua Maori - Māori freehold land. This policy explains the criteria and conditions used to determine whether the rates should be remitted on this land.

These policies are in addition to the general policies and only apply to Māori freehold land.

Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectible.

### Objectives

All the objectives listed in Schedule 11 of the Local Government Act 2002 are important and relevant to whenua Māori in Tairāwhiti (Please click on this link to view):

[Local Government Act 2002 No 84 \(as at 12 November 2018\), Public Act Schedule 11  
Matters relating to rates relief on Māori freehold land – New Zealand Legislation](#)

### General provisions for Māori freehold land

Where land is in multiple ownership, a written statement authorising an individual to act for one more owner must be submitted with all applications.

## 13. Māori freehold land - General

### 13.1. Background

Council recognises that significant rate arrears can act as a disincentive to anyone who wishes to take responsibility for, use, or lease Māori freehold land when a new user becomes responsible for the payment of any existing rate arrears and penalties on the land.

Schedule II procedures of the Local Government Act 2002, have been attempted but are not able to be progressed for a range of technical or economic reasons. Therefore, the rates on the land accumulates and cannot be collected in any real sense and accumulate to the point where they are irrecoverable in a court of law. This is after a period of six years in accordance with the Limitation Act and the Local Government (Rating) Act 2002 Section 65.

### 13.2. Objectives

To provide remission of rates on Māori land where the procedures of Schedule 11 (Rates Relief on Māori Freehold Land) of the Local Government Act 2002 become too impractical or uneconomic to pursue.

To enable rates and/or penalties to be practically or fully written off when there is virtually no practical way of recovering past outstanding debt.

This remission applies to Māori freehold land which is not eligible for the Whenua Rahui Policy.

### 13.3. Remission Period

Case by case basis

#### 13.4. Remission Value

Partial or fully written off rates and arrears of the irrecoverable debt

#### 13.5. Conditions and Criteria

Schedule II procedures (of the LGA 2002) have been attempted but are not able to be progressed.

Rates on the land cannot be collected in any real sense

### 14. Development of Māori freehold land

#### 14.1. Background

Enabling and incentivising Māori economic development through the remission of rates may see direct economic and social benefits to landowners by generating a return on the land, as well as to Council from future rates contributions.

Council recognises that significant rate arrears can act as a disincentive to anyone who wishes to take responsibility for, use, or lease Māori freehold land when a new user becomes responsible for the payment of any existing rate arrears and penalties on the land.

#### 14.2. Objectives

To support Māori landowners and those responsible for whenua Māori who wish to develop previously unused or unoccupied land for economic use which could lead to future financial returns for Māori freehold landowners, economic development of the Tairāwhiti district, and payment of rates to Council.

This objectives support minimising the alienation of the land and facilitating development of whenua Maori for economic use.

#### 14.3. Remission Period

Up to 5 years – or until the conditions and criteria are no longer met.

#### 14.4. Remission Value

Council may remit general rates and the UAGC due for that rating unit or relevant apportionments of that rating unit on a sliding scale as follows:

- a. Year 1 – 20% payable and 80% remitted
- b. Year 2 – 40% payable and 60% remitted
- c. Year 3 – 60% payable and 40% remitted
- d. Year 4 – 80% payable and 20% remitted
- e. Year 5 – 100% payable.

Remissions will not be applied to targeted rates.

The full amount of all arrears and current penalties may be remitted.

#### 14.5. Conditions and Criteria

The application must support the objectives of this policy.

The land must be used or occupied whether by the owner or a third party.

Carbon farming, carbon sequestration and apiculture activities are considered as using the land under this policy.

The rating unit or apportionments of the rating units must have been unused or unoccupied for the two financial years prior to the year 1 remission.

Rates and/or penalties may only be fully or partially remitted if:

- a. The rates on the land cannot be collected in any real sense and would otherwise accumulate until the rates become legally unrecoverable.
- b. An arrangement is made to bring land which was previously unused into production or other economic use.

## **15. Landlocked, Marginal Land and Fragmented Ownership**

### **15.1. Objective**

To assist owners and ratepayers of unproductive and unoccupied land where the use of land is limited due to the physical accessibility of the land or fragmented ownership.

To avoid further alienation of Māori Freehold Land because of financial pressures that may be brought by the imposition of rates on lands not used or owners are non-contactable.

### **15.2. Remission Period**

Up to 3 years – subject to continue until the conditions and criteria are no longer met.

### **15.3. Remission Value**

Up to the full amount of rates.

### **15.4. Conditions and Criteria**

The application must support the objectives of this policy.

To be eligible under this policy, the land

- a. Must have no land administration, management or operating structures to administer the land.
- b. Must not be used by any person or entity.
- c. Must be unoccupied with no place of residence built on the land; and

If any portion of the land is being sold or transferred within the remission period, this remission will no longer apply, and normal rates and penalties will be applied from the date of sale or transfer.

If there are any arrears on the land, the Council can remit part or all of those arrears.

Council may remit rates and penalties if the owners cannot be located after reasonable efforts were made.

Council officers are permitted to undertake periodic inspection of land to confirm unoccupied status.

## **16. Partial Use and Partial Occupation of Māori freehold land**

### **16.1. Objective**

To provide rates relief to ratepayers who wish to use or occupy portions of Māori freehold rating unit previously unused and unoccupied.

To avoid further alienation of Māori Freehold Land as a result of financial pressures that may be brought by the imposition of rates on lands not used.

### **16.2. Remission Period**

Up to 3 years – subject to continue until the conditions and criteria are no longer met.

### **16.3. Remission Value**

Up to 100% of the general rate and UAGC on Apportionment B (unused/unoccupied portion of land).

### **16.4. Conditions and Criteria**

The application must support the objectives of this policy.

The portion of unused or unoccupied land is greater than 2 hectares of the rating unit.

The use and/or occupation may be undertaken by the landowner or a third party.

Upon approval of the remission application, the Council's rating valuer will create a division of the underlying valuation record creating two rating units:

- a. Apportionment A: The portion of the rating unit that is used/occupied; and
- b. Apportionment B: The portion of the rating unit that is unused/unoccupied.

The Council will determine rates to be paid by Apportionment A and Apportionment B on the following basis:

- a. General Rates: apportioned between Apportionment A and Apportionment B based on the capital value.
- b. UAGC: apportioned between Apportionment A and Apportionment B based on the land area.
- c. Targeted Rates: apportioned between Apportionment A and Apportionment B based on the basis used as the factor of liability for the targeted rate.

If Apportionment A includes a dwelling, a UAGC will be charged as per Council's definition of a SUIP in the Funding Impact Statement (i.e., the UAGC is not apportioned)

The Council will set and assess rates both the apportionments created by the division that created Apportionment A and Apportionment B.

If any area of land on Apportionment B becomes used or occupied, a new application is required under this policy.

The status of the land will be continually monitored.

## POSTPONEMENT OF RATES

### 17. Financial Hardship

#### 17.1. Objective

To assist ratepayers experiencing financial hardship which directly affects their ability to pay rates. These objectives support our principle of financial affordability.

#### 17.2. General Conditions and Criteria

The application must support the objectives of this policy.

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer.

Any postponed rates will be postponed until:

- a. A date specified by the Council; or
- b. The death of the ratepayer (s); or
- c. The ratepayer (s) cease(s) to be the owner of the rating unit through sale or transfer.

Postponed rates may be registered as a charge, by registering a Notice of Charge on the Record of Title.

An annual postponement fee may be required. This fee will be calculated as a percentage interest rate and will be used to cover Council's administrative and financial costs.

Before making written application, the applicant must have received budget advice from the Budget Advisory Service, accountant or lawyer and must make the budget adviser's findings available to Council staff.

Applicants may also elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

#### Residential

The rating unit must be the primary residence of the ratepayer.

When considering whether financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors:

- Age
- Physical or mental disability
- Injury
- Illness
- Family circumstances
- All property and other assets (including financial assets)

The Council must be satisfied that the ratepayer does not have the financial capacity to pay their rates instalment when demanded, or the payment of rates instalment would create financial hardship to the ratepayer.

In addition to the General conditions outlined under 17.2, any postponed rates will be postponed until:

- d. The ratepayer (s) cease(s) to use the property as their residence.

### **Non-residential Rating units**

The postponement of rates is a last resort to assist commercial, industrial, business or farming ratepayers after all other avenues to meet commitments have been exhausted. The financial hardship must be caused by circumstances outside the business's control.

Criteria for postponement of rates for non-residential rating units, in cases of hardship are as follows:

- The applicant must be unable to pay their rates because of business circumstances
- The applicant must have tried all other avenues (including a loan from their bank) to fund their rates
- The net value of an applicant's property (after the value of all the mortgages on the property and the total value of the rates postponed) must exceed 10% of the market value of the property.

## **18. Postponement of Rates for Māori freehold land**

Council's policy is that rates for Māori freehold land will not be postponed but instead will be dealt with under the rate remission policies for Māori land.

## Definition

*For the purpose of these policies, words used in the singular include the plural, and words used in the plural include the singular.*

**APICULTURE** refers to any commercial bee keeping activities from the sitting of beehives on a rating unit.

**ARREARS** means unpaid rates as at 30 June of the rating year prior to application.

**CARBON FARMING** refers to any land use in which landowners capture economic benefit from carbon sequestration.

**COUNCIL** means the Gisborne District Council or the Te Kaunihera o Te Tairāwhiti and includes any person or agent authorised by the Gisborne District Council.

**CONTIGUOUS** means next to each other or separated only by a road, railway, drain, water race, river, or stream.

**CULTURAL HERITAGE** means historical, archaeological, tradition or other special cultural significance associated with human activity.

**ENCUMBRANCE** means protection by way of an item registered on the land title such as a covenant or encroachment, in the case of private land.

**FINANCIAL HARDSHIP** means that the ratepayer is unlikely to have sufficient funds after the payment of rates for the care of any dependents, reasonable living expenses, health care and provision for the maintenance of their homes and chattels.

**HORTICULTURAL BLOCK** is determined by Council's valuer based on the Rating Valuation Rules.

**LANDLOCKED LAND** means a piece of land to which there is no legal or reasonable access.

**LAND USE** is used in this policy in the context of rating definitions as documented in the Rates Setting Policy.

**LGRA 02** refer to Local Government (Rating) Act 2002.

**MĀORI FREEHOLD LAND** is the land whose beneficial ownership has been determined by the Māori Land Court by freehold order (Section 5 LGRA 02)

**NATURAL DISASTER** has the same meaning as in Earthquake Commission Act 1993 Section 2 (1).

**NATURAL HERITAGE AREA** means Protection Management Areas and areas of significant indigenous vegetation and significant habitats of indigenous fauna within the District which are voluntarily protected in a manner ensuring the long-term protection of natural heritage values contain within them.

**OCCUPIED** means a formal right by occupation order or informal right by license to occupy Maori Freehold land, or other arrangements are in place are exercised.

**OCCUPIER** means a person, persons, organisation or business entity that is using a rating unit or portion of a rating unit under a lease, license or other formal agreement for a specified period of time.

**POSTPONEMENT** means an agreed delay in the payment of rates for a certain time, or until certain defined events occur.

**RATES** as defined in the Local Government Rating Act 2002.

**RATING UNIT** means a rating unit for the purposes of the Rating Valuation Act 1998.

**RATEPAYER** As defined by the LGRA 02, section 11.

**REASONABLE ACCESS** has the same meaning as in Property Law Act 2007 Part 6 Section 326.

**REMISSION** means that rate is not paid by the ratepayer but is recorded as being paid by Council on behalf of the ratepayer.

**SUBDIVISION** is deemed to have the same meaning as 'subdivision' under Resource Management Act 1991.

**TARGETED RATE** as defined in the LGRA 02.

**UNIFORM ANNUAL GENERAL CHARGE (UAGC)** is a general rate set and assessed by Council. It's a fixed amount charged to each separately used or inhabited part of a rating unit. (SUIP).

**LAND USE** is whereby a person: leases the land; resides on the land; de-pastures or maintains livestock on the land; stores anything on the land; and/or uses the land in any other way.

**UNOCCUPIED** means no one resides, de-pastures or maintains livestock, store anything on/ or uses the land in any other way according to Section 96 of LGRA 02.

**WHENUA RAHUI** means reserve or reserve land set aside for a special purpose.