

Setting of Rates 2018/2019

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| TO | Thames-Coromandel District Council |
| FROM | Richard Elgie - Rates Manager |
| DATE | 15 June 2018 |
| SUBJECT | Setting of Rates 2018/2019 |

1 Purpose of Report

To set the rates for the year commencing 1 July 2018 in accordance with the Local Government (Rating) Act 2002 (LG(R)A) and year 1 of Council's 2018-2028 Long Term Plan.

2 Background

The authority for Council to set rates is provided for in section 23 of the LG(R)A. Each year Council adopts a resolution for the setting of rates. The rates must be set by resolution and in accordance with the Long-term plan and funding impact statement for that financial year.

Council will adopt its Long Term Plan for the period 2018-2028 at an ordinary meeting scheduled for 26 June 2018, after which this report and its recommendations will be considered.

3 Issue

Council is required to set rates in line with its Long Term Plan to enable assessments and rates invoices to be issued for the 2018/2019 financial year.

4 Discussion

The setting of rates impacts on the current and future social, economic and environmental viability of the District. If rates revenue could not be collected Council's services could not be maintained.

The Council is required to comply with the decision making provisions outlined in Part 6 of the Local Government Act 2002 (LGA). Council's Policy on significance details thresholds and criteria that Council has determined it should consider in deciding whether a decision is significant.

We are also recommending a change to the instalment due dates as below.

| Current | Proposed |
|----------------|-----------------|
| 8 September | 15 October |
| 8 December | 15 February |
| 8 April | 15 May |

By moving the due dates we would not only be helping the financial burden of ratepayers for the Christmas/holiday period, it would also help alleviate the issue we have for a number of our normally non-resident ratepayers, who are actually in the district at this time of year and therefore do not receive the rates invoice or reminders until they return home after the holiday period. We recommend moving the due dates for instalments 1 & 3 to create a more even split over the year to assist with the change we wish to make to instalment 2.

Simpson Grierson are currently doing a legal check of this resolution and any changes as a result will be tabled at the 26 June 2018 Council meeting.

5 Suggested Resolution(s)

That the Thames-Coromandel District Council:

1. Receives the report.
2. Sets the following rates under the LG(R)A, on rating units in the District for the financial year commencing 1 July 2018 and ending on 30 June 2019.

Note: 1) All statutory references are to the LG(R)A.
2) All amounts are GST inclusive.

1. General Rate

A general rate on the land value of all rateable land in the District, on a differential basis as follows;

Sections 13(2)(b)

| Differential Rating Classification | Rate |
|------------------------------------|-------------------------------------|
| Farming and Horticultural | \$0.000603 per dollar of land value |
| Rural Other | \$0.001004 per dollar of land value |
| Industrial and Commercial | \$0.001004 per dollar of land value |
| Commercial Forestry | \$0.001004 per dollar of land value |
| Residential | \$0.001004 per dollar of land value |
| Off Shore Islands – Used | \$0.000502 per dollar of land value |
| Off Shore Islands – Unused | \$0.000100 per dollar of land value |

2. Uniform Annual General Charge

A uniform annual general charge as a fixed amount of \$472.32 per separately used or inhabited part (SUIP) of every rateable rating unit in the District.

Section 15(1)(b)

3. Targeted Rate for Solid Waste Collection and Recycling

A differential targeted rate for solid waste collection and recycling, per separately used or inhabited part (SUIP) of a rating unit in the District, to which there is provision, or availability to the land, of a collection service as follows:

Section 16(3)(b) and (4)(b)

| Location | Targeted Rates |
|-------------------------------|-------------------|
| Thames Community | \$100.10 per SUIP |
| Coromandel/Colville Community | \$100.10 per SUIP |
| Mercury Bay Community | \$109.73 per SUIP |
| Tairua/Pauanui Community | \$117.42 per SUIP |
| Whangamata Community | \$117.42 per SUIP |

4. Targeted Rates for Moanataiari Flood Protection Loan

Targeted rates for the Moanataiari flood protection loan as a fixed amount on every rating unit in the area of benefit for which no election has been made to pay a payment in advance, and for which an election has been made to pay a 50% payment in advance.

Section 16(3)(b) and (4)(a); section 145

| Area of Benefit | Targeted Rate |
|---|--------------------------|
| Where no election has been made: Moanataiari Flood Protection Loan | \$217.93 per rating unit |
| Where a 50% election has been made: Moanataiari Flood Protection Loan | \$108.97 per rating unit |

5. Targeted Rates for Land Drainage

Targeted rates for land drainage on every rateable rating unit in the following designated land drainage areas, as a rate in the dollar on land value:

Section 16(3)(b) and (4)(a)

| Rates | Targeted Rates |
|-------------------|-------------------------------------|
| Matatoki | \$0.000095 per dollar of land value |
| Hikutaia/Wharepoa | \$0.000136 per dollar of land value |

6. Targeted Rates for Local Works and Services

Two targeted rates in each community board area of the District for the purposes of funding local works and services. The first as a fixed amount and the second as a rate in the dollar of land value.

Targeted rates of a fixed amount:

- (a) per separately used or inhabited part (SUIP) of every rateable rating unit in each community board area, except for rating units designated industrial and commercial, and, commercial forestry, in Council's rating information database; and
- (b) per rating unit for rating units designated industrial and commercial, and, commercial forestry, in Council's rating information database, as follows:

Section 16(3)(b) and (4)(b)

| Location | Targeted Rates | Farming & Horticultural, Rural Other, Residential & Off Shore Islands - Used & Off Shore Islands - Unused | Industrial Commercial & Commercial Forestry |
|-------------------------------|----------------|---|---|
| Thames Community | \$347.37 | Per SUIP | Per rating unit |
| Coromandel/Colville Community | \$224.29 | Per SUIP | Per rating unit |
| Mercury Bay Community | \$205.45 | Per SUIP | Per rating unit |
| Tairua/Pauanui Community | \$254.06 | Per SUIP | Per rating unit |
| Whangamata Community | \$144.37 | Per SUIP | Per rating unit |

Differential targeted rates as a rate in the dollar on land value on every rateable rating unit in each community board area as follows:

Section 16(3)(b) and (4)(b)

a) Thames Community

| Differential Rating Classification | Rate |
|------------------------------------|-------------------------------------|
| Farming and Horticultural | \$0.000868 per dollar of land value |
| Rural Other | \$0.000868 per dollar of land value |
| Commercial Forestry | \$0.000868 per dollar of land value |

| | |
|---------------------------|-------------------------------------|
| Industrial and Commercial | \$0.000868 per dollar of land value |
| Residential | \$0.000868 per dollar of land value |

b) Coromandel/Colville Community

| Differential Rating Classification | Rate |
|---|-------------------------------------|
| Farming and Horticultural | \$0.000445 per dollar of land value |
| Rural Other | \$0.000445 per dollar of land value |
| Commercial Forestry | \$0.000445 per dollar of land value |
| Industrial and Commercial | \$0.000445 per dollar of land value |
| Residential | \$0.000445 per dollar of land value |
| Off Shore Islands – Used | \$0.000222 per dollar of land value |
| Off Shore Islands – Unused | \$0.000044 per dollar of land value |

c) Mercury Bay Community

| Differential Rating Classification | Rate |
|---|-------------------------------------|
| Farming and Horticultural | \$0.000612 per dollar of land value |
| Rural Other | \$0.000612 per dollar of land value |
| Commercial Forestry | \$0.000612 per dollar of land value |
| Industrial and Commercial | \$0.000612 per dollar of land value |
| Residential | \$0.000612 per dollar of land value |
| Off Shore Islands – Used | \$0.000306 per dollar of land value |

d) **Tairua/Pauanui Community**

| Differential Rating Classification | Rate |
|------------------------------------|-------------------------------------|
| Farming and Horticultural | \$0.000453 per dollar of land value |
| Rural Other | \$0.000453 per dollar of land value |
| Commercial Forestry | \$0.000453 per dollar of land value |
| Industrial and Commercial | \$0.000453 per dollar of land value |
| Residential | \$0.000453 per dollar of land value |
| Off Shore Islands – Used | \$0.000227 per dollar of land value |
| Off Shore Islands – Unused | \$0.000045 per dollar of land value |

e) **Whangamata Community**

| Differential Rating Classification | Rate |
|------------------------------------|-------------------------------------|
| Farming and Horticultural | \$0.000229 per dollar of land value |
| Rural Other | \$0.000229 per dollar of land value |
| Commercial Forestry | \$0.000229 per dollar of land value |
| Industrial and Commercial | \$0.000229 per dollar of land value |
| Residential | \$0.000229 per dollar of land value |

7. **Targeted Rates for Wastewater Disposal**

Targeted rates for wastewater disposal of fixed amounts set per separately used or inhabited part (SUIP) of a rating unit for residential rating units, and based on the number of water closets and urinals in each part for all differential categories other than residential, which are connected, and per rating unit where rating units are capable of being connected to a council wastewater scheme but not connected.

Section 16(3)(b) and (4)(b)

| Differential Rating Classification | Rate |
|---|----------------------------------|
| Residential | \$832.52 per SUIP |
| Non-residential uses – 1 water closet/urinal | \$832.52 per water closet/urinal |
| Non-residential uses - > 1 water closet/urinal, including the first | \$416.26 per water closet/urinal |
| Service available but not connected | \$624.39 per rating unit |

8. **Targeted Rates for Wastewater Loan Charges Whangapoua Road**

Targeted rates of a fixed amount for wastewater loans on every rating unit in the area of benefit for which no election has been made to make a payment in advance, as follows:

Section 16(3)(b) and (4)(a); section 145

| Area of Benefit | Targeted Rates |
|-----------------|--------------------------|
| Whangapoua Road | \$381.93 per rating unit |

9. Targeted Rates for Wastewater Loan Charges Cooks Beach Existing Users

A targeted rate for the Cooks Beach wastewater existing users loan as a fixed amount per separately used or inhabited part (SUIP) of a rating unit for residential rating units, and based on the number of water closets or urinals in each part for all differential categories other than residential, which are connected, and per rating unit where rating units are capable of being connected to a council wastewater scheme but not connected, in the area of benefit, for which no election has been made to make a payment in advance or for which an election has been made to pay a 50% payment in advance and the rest of the rating unit's liability by targeted rate.

Section 16(3)(b) and (4)(b)

| Differential Rating Classification | Rate |
|---|----------------------------------|
| Where no election has been made: | |
| Residential | \$698.27 per SUIP |
| Non-residential uses – 1 water closet/urinal | \$698.27 per water closet/urinal |
| Non-residential uses - > 1 water closet/urinal, including the first | \$349.13 per water closet/urinal |
| Service available but not connected | \$698.27 per rating unit |
| Where a 50% election has been made: | |
| Residential per SUIP | \$349.13 per SUIP |
| Non-residential uses – 1 water closet/urinal | \$349.13 per water closet/urinal |
| Non-residential uses - > 1 water closet/urinal, including the first | \$174.57 per water closet/urinal |
| Service available but not connected | \$349.13 per rating unit |

10. Targeted Rates for Stormwater

Two targeted rates on rating units designated residential or industrial and commercial in Council's rating information database, in each community as defined by Council, are to be set for the purposes of funding stormwater dispersal.

The first targeted rate is to be set as a fixed amount per separately used or inhabited part (SUIP) of a rateable rating unit, differentiated depending on location; and the second as a rate in the dollar on improvement value, differentiated depending on the location, as defined by Council.

- (a) Targeted rates of a fixed amount per separately used or inhabited part (SUIP) of every rateable rating unit designated residential or industrial and commercial in each area and differentiated by location, as defined by Council for stormwater as follows:

Section 16(3)(b) and (4)(b)

| Areas (as defined by Council) | Targeted Rates |
|--|------------------|
| Thames Community Board Area | |
| Thames and Kopu (excluding Kauaeranga Valley, Matatoki, Puriri and Whakatete Bay) | \$63.66 per SUIP |
| Hikutaia | \$38.20 per SUIP |
| Coromandel/Colville Community Board Area | |
| Coromandel | \$63.66 per SUIP |
| Kennedy Bay, Tuatēawa and Te Kouma (excludes 399, 401, 403, 405 and 407 Te Kouma Road) | \$38.20 per SUIP |

| | |
|---|------------------|
| Mercury Bay Community Board Area | |
| Mercury Bay (excluding Otama and Rings Beach) | \$63.66 per SUIP |
| Kuaotunu west and Wharekaho | \$38.20 per SUIP |
| Tairua/Pauanui Community Board Area | |
| Tairua and Pauanui | \$63.66 per SUIP |
| Whangamata Community Board Area | |
| Whangamata | \$63.66 per SUIP |
| Opoutere | \$38.20 per SUIP |

- (b) Targeted rates as a rate in the dollar on value of improvements on every rateable rating unit designated residential or industrial and commercial in each community area and differentiated by location, as defined by Council for stormwater as follows:

Section 16(3)(b) and (4)(b)

| Areas (as defined by Council) | Targeted Rates |
|--|-----------------------|
| Thames Community Board Area | |
| Thames and Kopu (excluding Kauaeranga Valley, Matatoki, Puriri and Whakatete Bay) | \$0.000089 |
| Hikutaia | \$0.000053 |
| Coromandel/Colville Community Board Area | |
| Coromandel | \$0.000089 |
| Kennedy Bay, Tuatēawa and Te Kouma (excludes 399, 401, 403, 405 and 407 Te Kouma Road) | \$0.000053 |
| Mercury Bay Community Board Area | |
| Mercury Bay (excluding Otama and Rings Beach) | \$0.000089 |
| Kuaotunu west and Wharekaho | \$0.000053 |
| Tairua/Pauanui Community Board Area | |
| Tairua and Pauanui | \$0.000089 |
| Whangamata Community Board Area | |
| Whangamata | \$0.000089 |
| Opoutere | \$0.000053 |

11. Targeted Rates for Water Supply

A differential targeted rate on all rating units in the District that are connected or capable of being connected to a council water scheme of a fixed amount calculated as follows:

- a) per SUIP for all rating units that are connected and un-metered; or
- b) per SUIP for all rating units that are connected and metered; and
- c) and a fixed amount per cubic metre; or
- d) a fixed amount per rating unit for all rating units that are not connected but are capable of being connected.

The targeted rates are as follows:

Section 16(3)(b) and (4)(b); section 19(2)(a)

| Differential Rating Classification | Rate |
|-------------------------------------|--------------------------|
| Connected and un-metered | \$510.81 per SUIP |
| Connected and metered | \$285.75 per SUIP |
| Service available but not connected | \$383.11 per rating unit |
| By volume | \$ 1.27 per cubic metre |

12. Targeted Rates for Water Supply Loan (Coromandel)

A targeted rate of a fixed amount for water supply loans on every rating unit in the area of benefit, for which no election has been made to make a payment in advance, and for which an election has been made to pay a 50% contribution as a payment in advance and the rest of the rating unit's liability discharged by targeted rates.

Section 16(3)(b) and (4)(a)

| Area of Benefit | Targeted Rate |
|--|--------------------------|
| Where no election has been made: Coromandel Water | \$323.03 per rating unit |
| Where a 50% election has been made: Coromandel Water | \$161.51 per rating unit |

13. Targeted Rates for Water Supply Loan (Ohuka Park)

A targeted rate of a fixed amount for water supply loans on every rating unit in the area of benefit, for which no election has been made to make a payment in advance.

Section 16(3)(b) and (4)(a)

| Area of Benefit | Targeted Rate |
|---|--------------------------|
| Where no election has been made: Ohuka Park Water | \$289.70 per rating unit |

14. Targeted Rate for Economic Development

A targeted rate for economic development as a rate in the dollar of \$0.000789 on the value of improvements, on every rating unit in the district, which is, designated industrial and commercial, in Council's rating information database.

Section 16(3)(b) and (4)(a)

15. Targeted Rate for District Transportation and Building Control

A targeted rate for district transportation and building control as a rate in the dollar of \$0.000135 on capital value, on every rateable rating unit in the District.

Section 16(3)(a) and (4)(a)

16. Targeted Rates for Ohuka Park Development Contributions Payment Plan

A targeted rate of a fixed amount for water supply loans on every rating unit in the area of benefit, for which the ratepayer has opted to pay contributions over a five year period.

Section 16(3)(b) and (4)(a)

| Area of Benefit | Targeted Rate |
|--|--------------------------|
| Where an election has been made: Ohuka Park Development Contributions Payment Plan | \$611.57 per rating unit |

Postponement Fees

Council will charge a postponement fee under section 88 on all rates that are postponed under any of its postponement policies. The postponement fees will be as follows:

Register statutory land charge \$180.00

Management Fee on the Postponement Policy: 1% pa on the outstanding balance

Financing Fee on all postponements: 5.99% pa on the outstanding balance

Due Dates for Payment of Rates

That all rates (except water by volume) will be payable in three equal instalments due on:

- a) instalment one 15 October 2018
- b) instalment two 15 February 2019
- c) instalment three 15 May 2019

That rates for water by volume will be payable in two instalments due on the following dates:

| | | | |
|--------------|----|----------------|------------------|
| Pauanui | a) | instalment one | 10 December 2018 |
| | b) | instalment two | 20 May 2019 |
| Thames Urban | a) | instalment one | 20 January 2019 |
| | b) | instalment two | 30 May 2019 |
| Thames Rural | a) | instalment one | 20 January 2019 |
| | b) | instalment two | 30 May 2019 |
| Coromandel | a) | instalment one | 30 January 2019 |
| | b) | instalment two | 10 June 2019 |
| Whitianga | a) | instalment one | 30 January 2019 |
| | b) | instalment two | 10 June 2019 |

Penalties

That in accordance with sections 57(1), 58(1)(a), and 58(1)(b) of the LG(R)A, the following penalties on unpaid rates be applied as follows:

- a) instalments – a 10% penalty will be added on the fifth business day following the due date to so much of that instalment which is not paid; except where a ratepayer has entered into an arrangement by way of a direct debit authority, or an automatic payment authority, and honours that arrangement so that all current year's rates will be paid in full by 30 June in any year, then no penalty will be applied;

Penalty Dates

Penalty (excluding water by volume) will be added on:

- a) instalment one 23 October 2018
 b) instalment two 22 February 2019
 c) instalment three 22 May 2019

Water by volume penalty dates:

- Pauanui a) instalment one 17 December 2018
 b) instalment two 27 May 2019

- Thames Urban a) instalment one 29 January 2019
 b) instalment two 07 June 2019

- Thames Rural a) instalment one 29 January 2019
 b) instalment two 07 June 2019

- Coromandel a) instalment one 07 February 2019
 b) instalment two 17 June 2019

- Whitianga a) instalment one 07 February 2019
 b) instalment two 17 June 2019

and

- b) a further penalty of 10% will be added to rates that remain unpaid from previous years on 2 July 2018.