

Northland Regional Council
Extraordinary council meeting
Meeting Agenda

Monday 27 June 2016 at 1 pm

NORTHLAND REGIONAL COUNCIL

Agenda

For extraordinary meeting to be held in the Council Chamber,
36 Water Street, Whangārei, on Monday 27 June 2016,
commencing at 1 pm

**Recommendations contained in the council agenda are NOT council decisions.
Please refer to council minutes for resolutions.**

OPEN MEETING

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ISSUE: Rates Remission and Postponement Policies relating to the Whangarei District

ID: A852792

To: Extraordinary Council Meeting, 27 June 2016

From: Kyla Carlier, Strategy Specialist

Date: 20 June 2016

Report Type:	<input type="checkbox"/> Normal operations	<input checked="" type="checkbox"/> Information	<input checked="" type="checkbox"/> Decision
Purpose:	<input type="checkbox"/> Infrastructure	<input type="checkbox"/> Public service	<input type="checkbox"/> Regulatory function
	<input type="checkbox"/> Legislative function	<input checked="" type="checkbox"/> Annual\Long Term Plan	<input type="checkbox"/> Other
Significance:	<input type="checkbox"/> Triggered	<input checked="" type="checkbox"/> Not Triggered	

Executive Summary:

This purpose of this report is to present the process of consultation undertaken on amendments to certain elements of the council's Rates Remission and Postponement Policies and proposed adoption of a new Rates Remission Policy, applicable in the Whangarei District, and to present the amendments and new policy for adoption by council.

Legal compliance and significance assessment/ Compliance with decision-making processes:

The process for adopting and amending a rates remission policy and a rates postponement policy is set out in section 102(4) of the Local Government Act 2002. Section 102(4) requires a local authority to consult on a draft policy, or amendments to a policy. The consultation is to be in a manner that gives effect to the requirements of section 82 of the Local Government Act 2002. The proposals included in this item are considered to be of low significance when assessed against council's Significance and Engagement Policy.

Recommendation:

1. That the report 'Rates Remission and Postponement Policies relating to the Whangarei District', by Kyla Carlier, Strategy Specialist, and dated 20 June 2016, be received.
2. That in accordance with sections 109 and 110, 102(3)(a), (b) and (4) of the Local Government Act 2002, the council adopts the amendments to the following policies as consulted on, and as set out in Attachment 2:
 - Rates Remission Policy 09/103
 - Rates Remission Policy 12/102
 - Rates Postponement Policy 09/413

ITEM: 3.1

3. That in accordance with sections 109 and 110, 102(3)(a) and (4) of the Local Government Act 2002, the council adopts the following policy as consulted on, and as set out in Attachment 2:
 - Rates Remission Policy 16/414
-

Background:

The Whangarei District Council (WDC) collects regional rates in the Whangarei District constituency on behalf of the council, under a Northland Region Rating Services Agreement. Historically, the council has adopted rates remission and postponement policies applicable in each district of the region which match the policies of the region's three district councils, in reflection of the Rating Services Agreement.

The Long Term Plan 2015 – 2025 sets out the relevant policies for each district, and these apply to the regional rates set and assessed in those districts.

WDC is proposing to adopt minor changes to some of their Rates Remission and Postponement Policies to address minor anomalies. WDC also intends to introduce a new policy on the Remission of Rates on Voluntarily Protected Land (Policy 16/414). It is understood that WDC will be considering these policies as part of its adoption of the Annual Plan 2016/17 on 28 June 2016 (WDC has already held deliberations following its consultation). The changes are outlined in the information document for consultation, included as **Attachment One**.

Consultation:

The timing of changes proposed by WDC was such that council did not have the opportunity to consult on the changes and the new policy as part of the annual plan process. In order to ensure that WDC can collect rates on behalf of council on the basis of rating policies that align with each other, both WDC and council have in the past had the same policies in place. In consideration of this, consultation has been undertaken that gives effect to the requirements of section 82 of the Local Government Act 2002. This satisfies the process requirements to allow council to make changes to its policies, and adopt a new policy, to reflect the changes and updates made to WDC's policies by WDC.

The consultation period ran from 7th – 17th June 2016. A short consultation period was considered appropriate given the low significance of the issue, and there was an understanding of current views and preferences of people as a result of WDC's consultation process.

An information document was produced that:

- outlined the proposed changes relating to the Whangarei District
- explained why consultation was being undertaken
- advised where the original policies could be found
- advised how feedback could be made on the proposal

This document was made available at council's regional offices and online.

A public notice was published in the Northern Advocate on Wednesday 8th and Saturday 11th June, and was also published on council's website. This contained a brief description of the proposal, invited feedback, and provided direction to further information. A feedback page was set up on councils website under 'Have Your Say' that provided a forum for feedback to be submitted and collated.

ITEM: 3.1

An agenda item advising of the proposal, along with the information document, were presented to the Te Taitokerau Maori Advisory Committee on June 9.

Feedback received:

No feedback was received on the proposal during the consultation period, from any of the avenues provided, which is consistent with the low level of significance of the proposal and the low level of interest received by WDC on the same proposal. During its annual plan process, WDC received only three submissions on the proposal, two of which were minor wording suggestions, and one which suggested deletion of a condition relating to buildings in the new proposed policy, and requested expansion to cover informal protection measures. We understand that none of these suggestions were incorporated into the policies as a result of WDC's deliberations on the consultation.

The amended policies and the new policy are included as **Attachment Two**.

Options:

Option 1

Council could adopt the policies as notified so that its policies remain consistent with WDC's Rate Remissions and Postponement policies.

Advantages: Having consistent policies between councils is administratively efficient and provides a clear and consistent approach for ratepayers.

Disadvantages: None

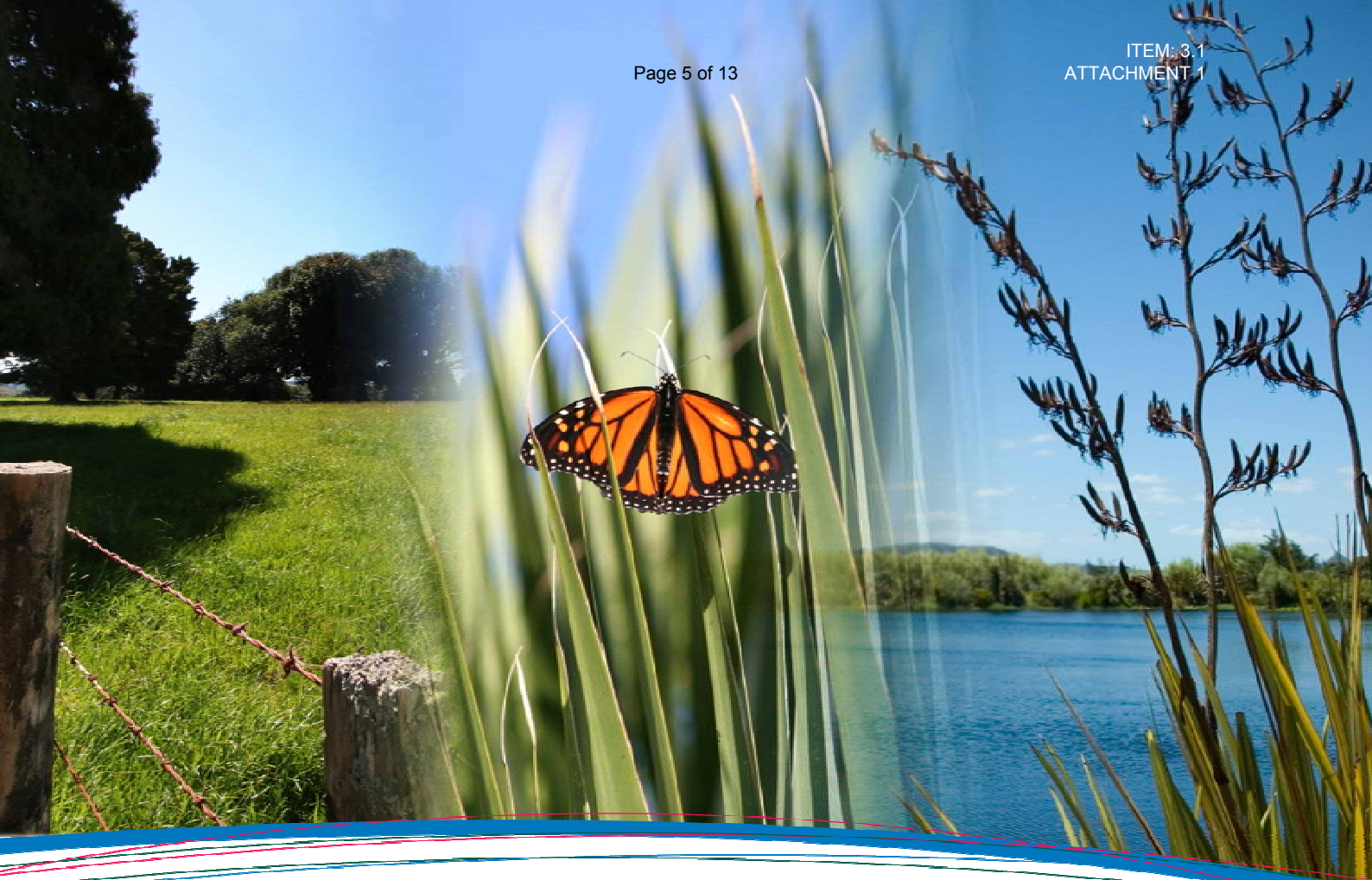
Option 2

Council could choose not to update the Rates Remissions and Postponement policies to address the anomalies as proposed (or adopt the policies with changes).

Advantages: None

Disadvantages: Inconsistent policies leading to ratepayer confusion. No clear justification for different policies between regional and district councils applying to the same ratepayers.

Should the new policy/changes to policies be adopted by council an updated document of all policies will be produced to sit alongside council's Long Term Plan 2015-2025, and will be posted on council's website and referenced in the Annual Plan 2016/17.



Rates Remission and Postponement Policies *Information Document*

Feedback closes 4pm Friday, 17 June 2016

Find out more: www.nrc.govt.nz/ratespolicies

Rates Remission and Postponement Policies

The rates of the Northland Regional Council are collected by the three district councils. Because of this, the Northland Regional Council's policies on the remission and postponement of rates are currently the same as the policies of the three district councils, for each district.

The Whāngārei District Council proposed some minor amendments to their policies as part of their Annual Plan 2016/17 process, and the council is now proposing to adopt these changes in our own rates remission and postponement policies. These changes will apply to the Whāngārei district only.

Changes are being made to existing policies to address minor anomalies and streamline administration, and a new policy is proposed which modifies the way rates relief is provided for land set aside under QEII National Trust covenant. They will affect a small number of ratepayers.

If you would like to provide feedback about any of the proposed changes to these policies you can do so by emailing mailroom@nrc.govt.nz. If you would like to talk to a councillor about your feedback please contact us on 0800 002 004 to book a time

The proposed rates remission and postponement policies are outlined on the following pages.

The original rates remission and postponement policies that apply to the Whāngārei District can be found on page 229 of our Long Term Plan 2015 – 2025 (www.nrc.govt.nz/ltp2015). Any changes made to these policies as a result of this proposal will be included in our Annual Plan 2016/17.

Policy 09/103

Policy Changes

This policy change will only affect a small number of ratepayers in the Whāngārei district where their properties cross district boundaries. Legislation provides that the Uniform Annual General Charge (UAGC) must be applied by both districts. While the Northland Regional Council does not set a uniform annual general charge, the policy applies to both annual general charges and targeted rates. These minor wording changes will clearly define rating relief provided for these properties which will align them with other contiguous properties within the Whāngārei district.

REMISSION OF SOME UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES ON SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

Background

There are some instances where properties are used in conjunction with each other, but they may be separated by district boundaries or may not be contiguous or adjacent. This particularly applies in farming situations where properties may be physically separated or separated by district boundaries but they are used as one farm operation. Strict compliance with the legislation results in an inequitable result, and this policy allows for remissions in these rare circumstances.

Objectives of the Policy

To allow Council to remit any Uniform Annual General Charges and/or targeted rates on any separately used or inhabited part of a rating unit where common or like occupancies occur or where the separately occupied portions are deemed to be operating as a single purpose unit. To allow Council to remit any Uniform Annual General Charges and/or targeted rates on any separately used or inhabited part of a rating unit where special circumstances apply and it is considered fair and reasonable to do so.

Conditions and Criteria

Council may remit the specified rates where the application meets the following conditions and criteria:

1. Council is satisfied that the separately used or inhabited part of a rating unit is considered to be a single purpose function including properties across district boundaries.
2. Evidence to support the application for remission will be provided to Council by the ratepayer if requested by Council.
3. In the case of (1), above, remission will apply to all separately used or inhabited parts of the rating unit, apart from the first.
4. Reasons for granting the remission are fully documented in Council records.
5. Council may undertake triennial reviews to ensure that the properties still meet the conditions of this policy. If there are any ownership changes and/or, improvements are added and/or affected properties are subdivided a review may be carried out prior to the next financial year after Council becomes aware of these circumstances.
6. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Policy 12/102

Policy Changes

These minor wording changes will align policy wording with the current practice of adding standard charges to one property for each stage of a development. This will clarify the interpretation for developers on staged developments within the Whāngārei district.

REMISSION OF SOME GENERAL RATES, UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES ON RATING UNITS WHICH ARE IN COMMON OWNERSHIP BUT DO NOT MEET THE CRITERIA OF A CONTIGUOUS PROPERTY

Background

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

Objectives of the Policy

To allow Council to remit any uniform annual general charge or any targeted rate on any rating unit created as a result of subdivision that falls outside the automatic exemption provisions of Section 20 of the Local Government Rating Act 2002. To encourage development in the District, if it is in Council's interests to do so, by allowing short term relief from full rates to property developers.

Conditions and Criteria

Council may remit the specified rates where the application meets the following criteria:

1. The rating units must have been created in accordance with Council's subdivision development requirements.
2. The rating units must be vacant land.
3. The rating units must be in the name of the ratepayer actually subdividing the land.
4. The rates which may be remitted for all properties are any uniform annual general charge and/or targeted rate. In addition, all properties rated as commercial will receive a remission of 20% (twenty per cent) of the value based general rates.
5. The remissions will apply to only the second or subsequent rating units of any subdivision new deposited plan.
6. Remissions will only apply for a period of five years.
7. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.

Policy 09/413

Policy Changes

This policy provides rating relief for properties affected by Natural Calamity. These minor wording changes will clarify where some rating relief is given for properties that have suffered total loss of buildings by fire.

POSTPONEMENT AND/OR REMISSION OF RATES AND CHARGES ON PROPERTIES AFFECTED BY FIRE OR NATURAL CALAMITY

Background

This policy recognises that, where a rating unit has been affected to the extent that the land or buildings are irretrievably damaged or where it cannot be used, then the application of full rates could cause financial hardship.

Objective of the Policy

The objective of the policy is to enable appropriate rate relief to be provided where the use that may be made of any land or buildings have been detrimentally affected by fire or natural calamity.

Conditions and Criteria

1. All applications must be in writing and must be supported by documentary evidence as to the extent of the damage.
2. Any application for rates relief due to fire will not be accepted if Council has any reason to suspect that the fire was deliberately caused by owner, occupier or a related party.
3. Council may remit or postpone rates wholly, or in part, under this policy any rate or charge made and levied in respect of any land or buildings affected by fire or natural calamity, where it considers it fair and reasonable to do so.
4. The criteria for repayment of postponed rates will be determined at the time the application is approved, and will depend on the circumstances of the fire or natural calamity.
5. Decisions on remission under this policy will be delegated to officers as set out in Council's delegation manual.
6. If an application is approved, Council may direct its valuation service provider (if considered appropriate to do so) to inspect the rating unit and prepare a valuation that will take into account any factor that could affect the use of the land or buildings as a result of the fire or natural calamity. As there are no statutory rights of objection or appeal for valuations of this nature, then the valuation service provider's decision will be final.

Policy 16/414

This is a new policy which is being added to ensure that Council continues to treat land set aside under QEII National Trust Covenants in line with other reserves.

REMISSION OF RATES ON VOLUNTARILY PROTECTED LAND

Background

In the past, legislation provided for non-rateable status on the portions of land set aside under the Queen Elizabeth II National Trust. However, the Local Government (Rating) Act 2002 does not provide this relief. QEII National Trust helps private landowners in New Zealand to protect special natural and cultural features on their land with open space covenants.

Objectives of the Policy

This policy is to encourage and promote the conservation and protection of significant natural resources in the district. This will enable Council to act fairly and equitably in the assessment of rates, in line with land forming part of a reserve under the Reserves Act 1977.

Conditions and Criteria

Council may remit the rates where the rating unit meets the following criteria:

1. Council is satisfied that the land is subject to permanent protection under a QEII Open Space Covenant or similar permanent conservation covenant. That the covenant must be registered on certificate of title(s) for the rating unit.
2. No person(s) are actually using the land and no building structures are within the boundaries of the covenanted area.
3. Decisions on remissions under this policy will be delegated to officers as set out in Council's delegation manual.

Rates Remission and Postponement Policies relating to the Whāngārei District 2016/17

Policy 09/103

REMISSION OF SOME UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES ON SEPARATELY USED OR INHABITED PARTS OF A RATING UNIT

Background

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