

**POLICY**

**DRAFT REMISSION AND  
POSTPONEMENT OF  
RATES AND WATER  
CHARGES**

**JULY / 2019**

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**This policy is prepared pursuant to  
Sections 109 and 110 of the Local Government Act 2002.**

Issue	Reason for Issue	Author	Reviewer	Date
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## PART 1 - REMISSION OF RATES

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### 1.1 REMISSION FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

#### 1.1.1 *Objective*

This policy is intended to facilitate the ongoing provision of non-commercial community services and recreational opportunities for the residents of Waipa District. The purpose of granting rates remission to an organisation is to:

- (a) assist the organisation's survival; and
- (b) make membership of the organisation more accessible and affordable to Waipa residents and ratepayers

#### 1.1.2 *Conditions and Criteria*

This part of the policy will apply to land owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy does not apply to organisations operated for private pecuniary profit. Nor will it apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.

Remission will be applied as follows to all rates with the exception of targeted rates for water supply, sewage disposal or waste collection including recycling:

- (a) A remission of the 50% residual rates will be given to those societies and associations who qualify for the 50% non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002.
- (b) All other community and sporting organisations fitting the criteria stated in this policy will receive a full remission of rates.

Due to the funding arrangements put in place with the Home of Cycling Charitable Trust this policy does not apply to the New Zealand Cycling Centre of Excellence building located adjacent to the St Peters School in Cambridge.

No remission will be granted on targeted rates for water supply, sewage disposal or waste collection including recycling.

## 1.2 REMISSION OF UNIFORM ANNUAL GENERAL CHARGE

### 1.2.1 *Objective*

The Local Government (Rating) Act 2002 Section 20 states that 2 or more rating units must be treated as 1 unit for setting a rate that is applied per rating unit.

The objective of this part of the remission policy is to provide relief for land that is in common ownership but no longer eligible for application of Section 20 as the Uniform Annual General Charge will be applied on a separately used or inhabited part of a rating unit (SUIP) basis.

### 1.2.2 *Conditions and criteria*

The remission applied will be 100 percent of the Uniform Annual General Charge where the following criteria is met:

- (a) The land must be owned by the same person or persons; and
- (b) Used jointly as a single unit; and
- (c) Contiguous or separated only by a road, railway, drain, water race, river or stream; and
- (d) Not have a dwelling, flat or unit recorded as improvements.

## 1.3 REMISSION RELATING TO COVENANTED LAND

### 1.3.1 *Objective*

To provide for relief for land where an open-space covenant under Section 22 of the Queen Elizabeth the Second National Trust Act 1977 has been registered against the title of a property.

To provide relief for land where a covenant or consent notice is registered on the title to the land to secure an appropriate interest in perpetuity for conservation, heritage and cultural purposes under either the Resource Management Act 1991 or Reserves Act 1977.

### 1.3.2 *Conditions and criteria*

The Local Government (Rating) Act 2002 provides for land owned or used by the QE2 National Trust to be non-rateable. Where the land to which the covenant relates remains in the ownership of the ratepayer, the covenanted land will be eligible for a remission of rate. Where a covenant or consent notice under the Resource

Management Act 1991 as described in the objective above is registered, the covenanted land will be eligible for a remission of rates.

The remission applied will be 100% of all rates other than targeted rates for water supply, sewerage disposal or waste collection including recycling.

## PART 2 - POSTPONEMENT OF RATES

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### 2.1 POSTPONEMENT POLICY

#### 2.1.1 *Objective*

The Objective of this part of the policy is to assist ratepayers experiencing extreme financial circumstances that affect their ability to pay rates.

#### 2.1.2 *Conditions and criteria*

Only rating units used solely for residential purposes will be eligible for consideration for rates postponement due to extreme financial circumstances.

Only the person entered on Council's rating information database as the ratepayer, or their authorised agent, may make an application for rates postponement due to extreme financial circumstances. The ratepayer must be the current owner of, and have owned for a minimum of five years, the rating unit which is the subject of the application. The ratepayer must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council for consideration. Council will consider on a case by case basis all applications received that meet the criteria above. When considering an application all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- (a) The death of the ratepayer; or
- (b) Until the ratepayer ceases to be the owner of the rating unit; or
- (c) Until the ratepayer ceases to use the property as his/her residence ;or
- (d) Until a date specified by Council-five yearly intervals as a minimum.

In accordance with Section 88 of the Local Government (Rating ) Act 2002 Council will charge an additional fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover the Council's administrative and financial costs, and will be based on the average bank borrowing rate in any one year. This fee would replace the six month penalty regime, and would require any six month penalties already charged to be remitted.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## **PART 3 - REMISSION OF PENALTIES**

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### **3.1 PENALTY REMISSION POLICY**

#### **3.1.1 *Objective***

The objective of this part of the remission policy is to enable Council to act fairly and reasonably in its consideration of overdue rates and water invoices, due to circumstances outside the ratepayer's control.

#### **3.1.2 *Conditions and criteria***

Remission of Penalty will be granted where payment is made within 7 days of the penalty date provided the ratepayer has made no late payments for rates or water invoices within the preceding three years.

Remission of penalty may be granted at Council's discretion where regular payments are being made in accordance with an agreement which is set up to clear all outstanding rates by the end of the rating year.

In addition, remission of penalty will be considered where payment has been late due to significant family disruption or as a result of matters beyond the control of the ratepayer. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

Decisions on remission of penalties will be delegated to officers as set out in Council's delegations resolution.



## **PART 4 - REMISSION OF SEWERAGE CHARGES**

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### **4.1 SEWERAGE CHARGES REMISSION**

#### **4.1.1 *Objective***

The sewerage charges levied by Council against separate rating units make provision to charge rates based on the number of toilets. The legislation to provide some relief to schools in their liability for sewerage charges has been repealed and in the absence of new legislation Council wishes to provide a partial remission to schools in line with the previous legislation.

In some cases Council may wish to provide relief to not-for-profit organisations that choose to install more toilets than required by the building code.

#### **4.1.2 *Conditions and criteria***

Sewerage charges for schools will be based on the required number of toilets based on staff/student numbers supplied by each school. The student numbers will be taken as those at the March roll. The difference between the required rate and the school calculation rate will be treated as a remission.

Council may partially remit the sewerage charge for not-for-profit organisations where the number of toilets installed exceeds the number of toilets required under the building code.

## **PART 5 - REMISSION OF WATER CHARGES**

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### **5.1 WATER CHARGES REMISSION**

#### **5.1.1 Objective**

The Objective of this part of the policy is to assist people in situations where water usage is high and attributed to a water leak

#### **5.1.2 Conditions and criteria**

The ratepayer (or authorised agent) must make an application to Council for consideration.

Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter. The leak has been repaired within one month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period). Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property prior to the leak, as deemed reasonable by Council, and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. Where a remission for a water leak has been granted to a property within the last year, the remission is to be made by the Finance Manager.

### **5.2 WATER REMISSION FOR COMPLEX PROPERTIES**

#### **5.2.1 Objective**

The objective of this part of the policy is to provide a mechanism for adjusting the impact of metered water rates on complex water metered properties.

#### **5.2.2 Conditions and criteria**

Definition: Threshold Daily Usage means the use of 0.488 cubic metres per day

1. Any ratepayer of a residential rating unit connected to a complex water meter may apply for a remission, except where the ratepayer owns all the rating units connected to a complex meter.

2. When a ratepayer applies for a remission, the average daily usage for their rating unit (as recorded on their water invoice) is compared to the Threshold Daily Usage.
3. If the daily usage invoiced is greater than 0.877 cubic metres, the resident or ratepayer must provide evidence that there are no leaks or extraordinary use, such as where there is a swimming pool, fixed garden irrigation or any type of commercial undertaking within the rating unit prior to the remission being processed.
4. A ratepayer will be eligible for a remission where the invoiced daily usage for the rating unit is higher than the Threshold Daily Usage and the ratepayer is eligible to have their remission processed under 3 above.
5. A remission will be granted for the difference between invoiced daily usage and the Threshold Daily Usage.
6. At Council's absolute discretion, and on a case-by-case basis, Council staff can work with owners of complex properties with a water meter to get an equitable distribution of costs. This could include making reasonable inquiries about water usage as a basis for adjusting the allocations that would otherwise result from the application of this policy.

If a remission is given to one of the rating units on the complex meter, Council is unable to increase the amount invoiced to the other ratepayers on the same meter to recover the reduced revenue received.

Applicants may apply for this remission from 1 July 2018 and the remission will be effective from that date or the first day of the billing quarter in which application is made, whichever is the later. The remission will be calculated as part of the normal water billing cycle.

All remissions will be processed via the metered water account.

## **PART 6 - POLICY ON THE REMISSION AND POSTPONEMENT OF RATES ON MĀORI FREEHOLD LAND**

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### **6.1 REMISSION OF RATES**

This policy is prepared pursuant to Sections 102 and 108 of the Local Government Act 2002 and Section 114 of the Local Government (Rating) Act 2002. In preparing this policy Council has considered the matters set out in Schedule 11 of the Local Government Act 2002.

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Maori Land Court by freehold order. Only land that is the subject of such an order may qualify for the remission or postponement of rates under this policy.

This Policy aims to:

- (a) contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Maori lands have particular conditions, features, ownership, structures or other circumstances that make it appropriate to provide relief from rates; and
- (b) put in place a means of providing relief on rating for Maori land pursuant to Section 108 of the Local Government Act 2002 by way of remission or postponement of rates.

### **6.2 Objectives**

The objectives of this policy are:

- (a) to recognise situations where there is no person or owner gaining an economic or financial benefit from the land;
- (b) to set aside land that is better set aside for non-use because of its natural features;
- (c) to recognise matters related to the physical accessibility of the land;
- (d) to recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes;
- (e) where part only of a block is occupied, to grant remission for the portion of the land not occupied; and
- (f) to facilitate development or use of the land where Council considers rates based on actual capital value make the actual use of the land uneconomic

### 6.3 Principles

The principles used in establishing this Policy are:

- (a) that, as defined in section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land;
- (b) that Council is required to consider whether it should have a policy which provides for remission of rates on Maori freehold land;
- (c) that 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-collectable;
- (d) that applications for relief meet the criteria set by Council; and
- (e) that the policy does not provide for the permanent remission or postponement of rates on the property concerned.

### 6.4 Conditions and criteria

Council will maintain a register called the Maori freehold land rates relief register (the register), for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy.

Applications for remission should include the following information:

- (a) Details of the property.
- (b) The objectives that will be achieved by providing a remission.
- (c) Documentation proving that the subject land is Maori freehold land.

Applications made after commencement of the rating year may be accepted at the discretion of Council

Any relief granted and the extent thereof is at the sole discretion of Council.

The register will be reviewed annually (or on a more regular basis at the discretion of Council). It may at its discretion add properties to the register. It may also determine that properties no longer comply either fully or in part, and either remove them from the register or reduce the extent of the relief.

Council will consider granting a remission of rates on property where any one or more of its objectives a) through to e) as set out above will be met. Where a remission is granted this will, to the extent that the objective relates to the entire property, be a 100% remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling. Where the objective relates to only part of the

property, there will be a proportional remission of all rates, except targeted rates for water supply, sewage disposal or waste collection including recycling.

Council will also consider granting a remission of rates on property where objective f) will be met.

This will follow the principle that the property carries a best potential use value that is significantly in excess of the economic value arising from the actual use. The remission will be to a maximum of 50% of all rates except targeted rates for water supply, sewage disposal or waste collection including recycling and will reflect a measure of the difference between rates as assessed and the rates that would be assessed based on actual use.

For the purposes of this Policy, rates are deemed to include penalties.

## 6.5 Postponement of rates

This policy aims to:

- (a) contribute to the fair and equitable collection of rates from all sectors of the community recognising that certain Maori lands have particular conditions, features, ownership structures or other circumstances that make it appropriate to provide relief from rates; and
- (b) put in place a means of providing relief on rating for Maori land pursuant to Section 108 of the Local Government Act 2002 by way of postponement of rates.

### 6.5.1 Objectives

The objectives of this policy are:

- (a) to encourage the economic development of the land by a new occupier, where there are rate arrears; and
- (b) to facilitate the development and economic use of land where it is considered that utilisation would be uneconomic if full rates are required to be paid during the period of development and establishment.

### 6.5.2 Principles

The principles used in establishing this Policy are:

- (a) that, as defined in Section 91 of the Local Government (Rating) Act 2002, Maori freehold land is liable for rates in the same manner as if it were general land:
- (b) that Council is required to consider whether it should have a policy which provides for the postponement of rates or rates relief on Maori freehold land:

- (c) that applications for postponement or remission meet the criteria set by Council; and
- (d) that the policy does not provide for the permanent remission or postponement of rates on the property concerned.

### 6.5.3 *Conditions and criteria*

Application for postponement of rates should be made in writing prior to commencement of the next rating year.

Applications made after commencement of the rating year may be accepted at the discretion of Council.

Owners or trustees making application should include the following information in their applications:

- (a) Details of the property.
- (b) The objectives that will be achieved by providing a remission.
- (c) Documentation proving that the subject land is Maori freehold land.

Any postponement granted and the extent thereof is at the sole discretion of Council.

No postponement will be granted on targeted rates for water supply, sewage disposal or waste collection including recycling.



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