



te kaunihera ā-rohe o  
**matamata-piako**  
district council



# Statement of Proposal

## Policies on the Remission and Postponement of Rates

**FOR CONSULTATION**



## **Background**

This is a proposal to make changes to Council's Policies on the Remissions and Postponement of Rates (Policies) formed under sections 102 and 109 of the Local Government Act 2002 (LGA) and section 85 of the Local Government (Rating) Act 2002.

The main proposed changes are required to align the Policies with Council's kerbside collection service that is due to commence under a new contract during the first quarter of the 2023/2024 financial year (September 2023). This new service has implications for properties charged the targeted rate for the service for the 2023/2024 financial year. Therefore, an amendment to the rates remission policies is proposed.

The updates to the Policies support Council's new kerbside collection contract and will ensure that affected properties will be charged the correct rates as some properties will no longer receive the service whilst others will start to receive the service.

In addition to these main changes, some further minor amendments are proposed to align the Policies with other Council documents in respect of deemed average household water consumption, and some further changes of a housekeeping nature.

Council is consulting on the Policies using section 82 (Principles of Consultation) of the LGA. Council invite submissions on the proposed Policies to assess support/objections so any feedback can be considered before Council adopt the Policies. Once adopted, the Policies will come into effect on 1 July 2023.

## **Purpose**

The purpose of the consultation is to invite views of those affected by the proposal, and for those views to be presented to Council for consideration before Council adopt the amended Policies.

## **What are the Policies?**

The Policies provide Council with the legislative authority to consistently and fairly remit rates or penalties on rates, or to allow for the postponement on payment of rates in situations it has deemed appropriate. Remissions and postponement of rates provide rates relief in situations to support both the fairness and equity of the rating system and the overall wellbeing of the community.

## **Reason we propose to amend our Policies**

Changes to the kerbside collection contract require Council to review its existing policies on the remission and postponement of rates. The purpose of the review is to provide for Council to remit rates for properties so that properties are only charged for the kerbside collection service as it is available to them.

## **What are the key changes to the Policies?**

### Proposed changes

#### **Proposed Remissions related to Kerbside Collection**

It is intended that the kerbside collection service will no longer be available to rating units within the central business district, commercial and industrial areas from September 2023. Additionally, properties in some private roads, private lanes and right-of-ways that do not currently receive a kerbside collection, will receive the service from September 2023.

To ensure that properties are only charged for the service as it is available to them, it is proposed to add two new remissions to Council Rates Remission Policy as follows:

1. For CBD/commercial/industrial properties that will no longer be collected from September 2023, the Policies have been amended to allow Council to charge the relevant properties the standard targeted rate at 1 July 2023, and remit the portion from September 2023 to 30 June 2024, so they effectively only pay for the two months that they receive the service.
2. For the private roads, lanes and right-of-ways that do not currently receive the kerbside collection service but will from September 2023, the Policies have been amended to allow Council to charge the relevant properties the standard targeted rate at 1 July 2023, and remit the portion from 1 July 2023 to September 2023, so they effectively only pay for the 10 months that they receive the service.

### **Other proposed amendments to the Policies**

In addition to the amendments in respect of the kerbside collection contract, there are two further amendments proposed:

1. **Policy on the remission of rates on Maori freehold land, and Policy on the postponement of rates on Maori freehold land**

In the conditions and criteria sections of both of these policies, Council propose to remove the specific conditions relating to the timing of making applications for remission for the 2022/2023 rating year (which were inserted last year to accommodate for the late adoption of the policy). This change is of a housekeeping nature only.

2. **Policy on remission of pan charge targeted rates based on water use, and Policy on remission of pan charge targeted rates for educational establishments**

Council charges non-residential properties connected to the wastewater network based on the number of pans they have. Council then has an existing remission policy that effectively reduces that number of pan charges by considering the volume of water being used by the property. In effect, the volume of water going into a property is considered to be a more relevant indicator of the volume of waste going out of a property, than the number of pans a property may have.

In the Principles section of this policy, it currently states that the deemed average water consumption per single residential rateable property is 328 cubic metres of water per annum. This is referred to as the Household Equivalent Unit (HEU). The policy states that the HEU may be periodically reviewed. The deemed HEU for water was reduced to 252 cubic metres in 2021 (for the purpose of calculating metered water rate charges), therefore it is proposed to update this within the remissions policy accordingly.

The effect of this amendment will be that the total value of remissions applied will reduce, which will mean non-residential users will be charged a slightly larger share of the total wastewater rate than they do currently.

### **Analysis of reasonably practicable options**

Council has considered three possible options in reviewing the Policies and we would like your thoughts on what we should do.

### Option 1 – Adopt the Policies

Council would adopt the Policies as they have been proposed.

Advantages	Disadvantages
Updating of existing Policies would occur to reflect current circumstances.	Rates remissions entitlements may change for some property owners.

### Option 2 - Status quo

The Policies would remain the same as present.

Advantages	Disadvantages
The public are more likely to be familiar with the current Policies.	Updating/additional Policies to reflect current circumstances would not occur.
	Redundant policy wording would be retained.
	Policies would not be consistent with Council's new kerbside collection contract.

### Option 3 – Revoke the Policies

Council would revoke all or some of the Policies.

Advantages	Disadvantages
No one would be eligible for a rates remission, and Council may collect more in rates and penalties on late payments.	No one would be eligible for a rates remission, removing the ability to remit rates in certain circumstances where it would otherwise be reasonable to do so.

### Statutory requirements

Under section 102 of the LGA, Council may adopt a policy on the remission of rates. In reviewing and amending these Policies, we must do so giving effect to section 82 (principals of consultation).

#### 102 Funding and financial policies

- (1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
- (2) The policies are—
  - (a) a revenue and financing policy; and
  - (b) a liability management policy; and
  - (c) an investment policy; and
  - (d) a policy on development contributions or financial contributions; and
  - (e) a policy on the remission and postponement of rates on Māori freehold land; and
  - (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.
- (3) A local authority may adopt either or both of the following policies:
  - (a) a rates remission policy;
  - (b) a rates postponement policy.
- (4) A local authority—
  - (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section:

## Proposed Policies – from draft to adoption

The views of the community are vital to our success. Therefore, we would like to invite the community to provide submissions on the proposed additions and amendments to the Policies to assist us in the decision making process.

### The submission process

Process	Timeframe
Council to approve statement of proposal and Draft amendments to Rates Remission Policies	8 March 2023
Consult the community	14 March – 14 April 2023
Hearing to be held	3 May 2023 (Back up date of 10 May scheduled if required)
Council to deliberate and consider any changes	24 May 2023
Council to adopt new Rates Remission Policies Adopt Annual Plan/strike rates for 2023/2024	28 June 2023
Amended Rates Remission Policies applies from	1 July 2023

### Where can I find more information?

You can download the Policies on the Remission and Postponement of Rates at [www.mpdc.govt.nz](http://www.mpdc.govt.nz) and you can view a copy of these documents at Council offices or libraries.

### How can I have my say?

We actively encourage the community to contribute to the formation of these important Policies and it is easy to have your say. Council is also consulting on a number of other topics and we invite you to view and contribute to these also.

Simply make a submission on our website or write to us by 14 April 2023. You can make a submission:

Online - through our website at [www.mpdc.govt.nz](http://www.mpdc.govt.nz)

Email - [submissions@mpdc.govt.nz](mailto:submissions@mpdc.govt.nz)

Written- you can simply write your submission as a letter and either drop it off at one of our offices or post it to:  
Submissions  
PO Box 266  
Te Aroha 3342

Please be aware that submissions made to Council are public information. Your submission will be used and reproduced for purposes such as reports to Councillors, which are made available to the public and media.

If you advise in your submission that you wish to speak to your submission, you can do so at the Council hearing on 3 May 2023. A second date has been scheduled for 10 May 2023 and may be required depending on the number of submissions received.

If you advise on your submission that assistance is required Council is able to offer assistance with special requirements such as New Zealand sign language and audio-visual mechanisms.

**Office and library locations**

- Te Aroha Council Office: Kenrick Street Te Aroha
- Te Aroha Library: Rewi Street, Te Aroha
- Morrinsville Area Office and Library: Canada Street, Morrinsville
- Matamata Area Office and Library: Tainui Street, Matamata

**Any questions?**

We are here to help - so if you have any questions about the Policies or the submission process please let us know. Call us on (07) 884 0060 and let our friendly Customer Services staff know you have a question about the Policies on the Remissions and Postponement of Rates or contact us via email at [info@mpdc.govt.nz](mailto:info@mpdc.govt.nz)

**You must have your submission back to Council by 5pm, Friday 14 April 2023.**