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Waitomo District Council

Rates Remission Policy (Including Remissions and Postponements of Rates on Māori Freehold Land)

2021

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INTRODUCTION | KUPU ARATAKI

In accordance with section 85 of the Local Government (Rating) Act 2002 (LGRA).

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - a) The local authority has adopted a remissions policy under section 102 of the Local Government Act (LGA), and
 - b) The local authority is satisfied that the conditions and criteria in the policy are met.

The local authority must give notice to the ratepayer identifying the remitted rates. In preparing this policy Council has also considered the purpose and core principles of the Te Ture Whenua Maori Act 1993.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

The purpose of the Rates Remission Policy (RRP) is to allow for rates remissions on eligible properties, including Maori freehold land.

The RRP provides for the remission of rates for the following remission categories:

- Remission of Rates for Properties used jointly as a single unit.
- Remissions for Community Organisations and Clubs and Societies
- Remission for Organisations providing Care for the Elderly.
- Remission of Rates on Māori Freehold land.
- Remission of Penalties.
- Remission of Rates and/or penalties following a rating sale or an abandoned land sale.
- Remission of Rates for New Residential Subdivisions.
- Remission of Rates in Cases of Genuine Financial Hardship.
- Remission of Rates in Cases of Land Affected by Natural Calamity.
- Remission of Rates for New Businesses.

DELEGATION TO OPERATE, APPLICATION PROCESS AND REVIEW OF DECISIONS

The Chief Executive is delegated the authority to apply the Rates Remission Policy. Access to the rate remission arrangements is by way of application to the Council by the owner or occupier of the rating unit(s) or by staff who may process applications on behalf of owners of unoccupied and unproductive Māori freehold land.

In the event that any applicant for remission of rates, seeks a review of any decision taken under delegation, the following process shall be followed:

- a) Any application for review shall be made in writing, on the prescribed form, outlining the reasons for seeking a review and including appropriate documentation in support.

Note: Additional information may be requested to allow a better understanding of the merits and background of the application.

- b) The application will be investigated and the application together with a report and recommendation thereon will be submitted to a meeting of the Council for its consideration and decision.
- c) The decision of the Council will be final, and the applicant will be notified of the decision within 10 working days of the decision being made.
- d) A schedule of all remissions processed will be maintained and advised annually to the Audit Risk and Finance Committee.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Hapu	Whanau groups descended from their own hereditary ancestor.
Indigenous flora and fauna	Plants and animals originating from New Zealand.
Land used for farming purposes	Land used for 'pasturage'; being, the business of feeding or grazing livestock.
Māori customary land	Land held under the customs and usages of the Māori people, the title to which has not been investigated by the Māori Land Court.
Māori freehold land	Māori freehold land is defined in Section 5 of the LGRA as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Maori freehold land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
Ratepayer	Is the person or persons identified in our rating information database as the person liable for rates – generally that person is the owner of the rating unit.
Remission	Means the requirement to pay the rate for a particular financial year is forgiven in whole or in part in accordance with this policy.
Tangata Whenua	Māori people of a particular area or as a whole as the original inhabitants of New Zealand. Māori people of the land in their tribal area.
Taonga tuku iho	Legacy, treasure.
Unoccupied or unproductive Land	Land will be defined as unoccupied or unproductive unless there is a person, whether with a beneficial interest in the land or not, who, alone or with others, carries out any of the following activities on the land: (a) leases the land; and/or (b) does any of the following things on the land, with the intention of making a profit or for any other benefit: <ol style="list-style-type: none"> 1. resides on the land; 2. de-pastures or maintains livestock on the land; 3. stores anything on the land; 4. beehives are located on the land; or 5. uses the land in any other way.
Waahi tapu	Means land set apart under Section 338(1) (b) of the Te Ture Whenua Māori Act 1993 (a place of special significance according to tikanga Māori).
Whanau	Extended family in which a person is born and socialised.

POLICY | KAUPAPA HERE

Council may provide rates remission on eligible properties that meet the conditions and criteria specified under each remission category.

REMISSION CATEGORIES

1. Remission of Rates for Properties Used Jointly as a Single Unit

1.1. Objectives

1.1.1. This remission category addresses land ownership and land use situations that fall outside the limitation defined by Section 20 of the LGRA.

1.1.2. Objectives of this policy are:

- a) To extend the definitions of ownership and contiguous land as contained in Section 20 (a) and (c) of the LGRA.
- b) To assist the use of rateable land as part of a farming operation where not all the rateable land is contiguous with land owned, or occupied under long term lease, by the same person or persons but is nevertheless used jointly as a single farming unit. The intention being to ensure that the use of such rateable land for farming purposes is not disadvantaged by the obligation to pay multiple UAGCs and other Targeted uniform annual charges – (i.e. all rates other than those charged on the basis of capital value).
- c) To assist ongoing rural economic development by removing a UAGC and Targeted uniform annual charge liability that might create a cost barrier to the efficient integration of non-contiguous land into one farming operation.
- d) To assist in the utilisation of unoccupied, undeveloped land in township areas to achieve:
 - i. good land management,
 - ii. an improvement to visual amenity values,
 - iii. better environmental outcomes through assisting in weed and pest management,
 - iv. reduction of risk of fire hazard and to public health.

1.1.3. By enabling contiguous or non-contiguous vacant sections that are owned or occupied under long term lease by the same person or persons and used jointly as a single unit that might otherwise be unfairly disadvantaged by way of the obligation to pay multiple UAGCs and other Targeted uniform annual charges.

1.2. Conditions and criteria

1.2.1 Rateable Land used for Farming Purposes

Eligible farming properties are those where:

- a) The applicant is the owner or can demonstrate a long term interest in two or more separately rateable rural farm properties and that two or more of those properties are used for farming purposes; and

- b) The properties are used jointly as a single farm property for the purpose of carrying out a farming operation; and
- c) The property for which the remission is sought does not carry sufficient improvements to allow it to be operated as a separate farming unit; and
- d) The land for which the remission is sought is not occupied by a habitable dwelling.

1.2.2 Rateable land located within Waitomo District townships

Eligible properties within townships are those where:

- a) The applicant is the owner or holds a written long term interest in two or more separately rateable properties that may or may not be contiguous; and
- b) The properties are used jointly as a single property; and
- c) The property for which the remission is sought does not carry improvements exceeding \$1,000 in value, and is not occupied by a dwelling.
- d) The property for which the remission is sought must be maintained in good order and repair as ascertained by the Council.

- 1.2.3. Application for remission of rates on properties used jointly as a single unit must be made on a 3 yearly basis to ensure continued eligibility for remission. Applicants are required to apply prior to the commencement of the rating year and no later than 30 April. It is the responsibility of the owner or person holding a long term interest in the property to notify Council of any change in circumstance in the interim period.

1.3. Extent of remission

- 1.2.4. For eligible properties that may be treated as a single rating unit by meeting the conditions and criteria in this category, Council may remit the UAGC(s) and other targeted uniform annual charges. For the avoidance of any doubt, the number of rates charged on the basis of SUIP will equal the number of SUIPs; and there will be one charge for each targeted fixed annual rate based on rating unit.

2. Remissions for Community Organisations and Clubs and Societies

2.1. Objectives

- 2.1.1. This remission category provides rates remission to eligible 'not for profit' community organisations and recreational clubs and societies in the Waitomo District that meet the conditions and criteria of this category.

- 2.1.2. Objectives of this policy are:

- a) To recognise the value of encouraging participation in active and passive recreation.
- b) To extend the arrangement provided for in the LGRA (for arts and heritage groups on Council land), to similar arts and heritage groups on private land.
- c) To recognise the value of community organisations in the District by providing rates remission including but not limited to those 'not for profit' organisations which exist primarily for the provision of emergency services, community halls, museums, art galleries, marae, churches and pre-schools.
- d) To support the development of arts and culture in the Waitomo District.

- e) To support the development of sport and physical recreation in the Waitomo District by providing rates remission for private clubs at the same level as those clubs located on and having long term tenure over Council owned land which is non-rateable under Schedule 1, Part 1 (4) of the LGRA.

2.2. Conditions and criteria

2.1.3. To be eligible for this remission the following criteria must be satisfied:

- a) The land must be used exclusively or principally for sporting, recreation, or community purposes,
- b) Organisations must be 'not for profit' and/or for charitable purposes.

2.1.4. Organisations who exist for private pecuniary profit or engage in recreational, sporting or community services as a secondary purpose are not eligible.

2.1.5. Council retains discretion as to whether to grant a remission in any particular case.

2.3. Extent of remissions

2.3.1. Eligible organisations will receive a rates remission of 100% of the assessed Rates INCLUDING service charges EXCEPT for a maximum of one Targeted Rate charge, set for each of water, sewerage and solid waste collection services.

2.3.2. For avoidance of doubt - any rating unit with sewerage pan charges over and above the sewerage base charge will receive 100% remission of the pan charges.

2.3.3. Any eligible rating unit that is within 30 metres of the sewerage network and/or 100 metres from the water network, but is not connected, will have the serviceability rate/s remitted.

2.3.4. Any organisation opting for a private solid waste collection arrangement will not pay the solid waste collection rate, and would not receive a collection service.

2.4. Applications

2.4.3. Organisations that have not previously received a remission must complete an application form for rates remission. Applications must be received by Council by 30 April.

2.4.4. For organisations that have previously received rates remission, an application form needs to be completed by the organisation every 3 years to confirm that the land-use remains eligible for remissions for the subsequent 3 years. Applications must be received by Council by 30 April, prior to the commencement of the rating year.

2.4.5. A completed application MUST be received before a rates remission can be considered. It is the responsibility of the applicant to notify Council of any change in circumstance in the interim period between applications.

2.4.6. Organisations making application should include the following in support of their application:

- a) Statement of objectives
- b) Full financial accounts
- c) Information of activities and programmes
- d) Details of membership

- 2.4.7. Organisations making application should ensure that the application provides sufficient information to demonstrate that:
- a) their activities benefit or are available to the entire community
 - b) they are currently operative
 - c) they are 'not for profit' and/or for charitable purposes
 - d) the land for which they are seeking remission is exclusively or principally for sporting, recreation, or community purposes.

3. Remission for Organisations Providing Care for the Elderly

3.1. Objectives

3.1.1. This remission category provides remission for eligible community based organisations that provide care for the Elderly when they meet the specified conditions and criteria for this category.

3.1.2. Council wishes to support community-based organisations that provide much needed facilities and services for the Elderly within the Waitomo District. The intent is to recognise and assist those organisations that provide specialised care for the Elderly who, in the absence of such services, may need to relocate outside of the Waitomo District, away from family and friends.

3.1.3. Objectives of this policy are:

- a) To support those organisations that provide facilities and services that care for and enable the Elderly to reside in the Waitomo District.
- b) To support Council's commitment for Waitomo to be a district which values its older people, promotes their meaningful contribution to the community, and facilitates a positive ageing experience for all.
- c) To recognise the ageing population of New Zealand and this District, Council aims to facilitate and support the provision of a range of accessible, safe and affordable housing for the elderly.

3.2. Conditions and criteria

3.2.1. This remission arrangement is available on application on a 3 yearly basis by qualifying organisations which:

- a) Are charitable organisation(s). Charitable organisations are organisations (incorporated or not) that carry out charitable activities or exist exclusively for charitable purposes. For an organisation's purposes to be charitable its activities or aims must be for public purposes - the benefit must be available to a large part of the community. In addition, it must not be carried on for the benefit or profit of any individual or group; and
- b) Provide Rest Home level of care to the Elderly. Rest Home level of care is defined as the provision of 'everyday living assistance' to the Elderly who are fully dependent on other people to assist them with everyday life (e.g. to cook, clean, shower, etc); and/or
- c) Provide Hospital Level Care for the Elderly. Hospital level care is defined as provision of palliative care type facilities, the ability to prescribe medicines as per national health standards and have the requisite number of trained nurses as per national and DHB health standards.

3.2.2. It is the responsibility of the Organisation to notify Council of any change in circumstance in the interim period between applications.

3.2.3. Extent of remission

3.2.4. Organisations that demonstrate compliance with the criteria will receive a rates remission of 100% of assessed rates EXCLUDING service charges set for Water, Sewerage and Solid Waste Collection. Any organisation opting for a private Solid Waste Collection arrangement will not pay the Solid Waste Collection Rate and would not receive a Collection Service.

3.3. Piopio Retirement Trust Board

- a) In recognition of the unique situation that exists with the Piopio Retirement Village and of the invaluable role it plays within the Piopio community, both now and for in the future, an annual rate remission is available as detailed below.
- b) A single pumped tank is located at the low point near the entrance to the Village, including connection to the main sewer.
- c) The Piopio Retirement Village will receive an annual rates remission of nine service charges for Sewerage and 50% of nine service charges for Solid Waste Collection, Solid Waste Management and Water.
- d) Every three years a declaration is required from the Piopio Retirement Village confirming that the status of the Trust has not changed. It is the responsibility of the Trust to advise Council of any change in circumstance in the interim period between declarations.
- e) Council retains the right to review and/or withdraw its support to the Piopio Retirement Village at any time should circumstances change.
- f) The annual remission for the Piopio Retirement Village will form part of Council's total annual rates remission budget and it will be separately funded by way of a Targeted Uniform Annual Charge (TUAC) levied on all rateable units situated within the Piopio Township and the Piopio Wider Benefit Rating Areas.

4. Remission of Rates on Māori Freehold Land

4.1. Objectives

- 4.1.1. This policy is prepared pursuant to Sections 102 and 108 of the LGA and Section 114 of the LGRA. In preparing this policy Council has considered the matters set out in Schedule 11 of the LGA as well as the purpose and core principles of the Te Ture Whenua Maori Act 1993.
- 4.1.2. Māori freehold land is defined in the LGRA (Section 5) as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Maori Freehold Land is liable for rates in the same manner as if it were general land, subject to the provisions of Part 4 of the LGRA.
- 4.1.3. Other than Māori freehold land that may from time to time be exempted by an Order in Council (as provided for in Section 116 LGRA), this policy does not provide for permanent remission or postponement of rates on all other Māori freehold land recognising the potential for changes in circumstance and land use.
- 4.1.4. The objectives of this policy are to:
 - a) Support the use of the land by the owners for traditional purposes

- b) Recognise and support the relationship of Māori and their culture and traditions with their ancestral land
- c) Avoid further alienation of Māori freehold land
- d) Support the owners to develop or convert unproductive and unoccupied land for economic use
- e) Ensure the fair and equitable collection of rates from all sectors of the community, recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.

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

4.2. Land changed under the Māori Affairs Amendment Act 1967

4.2.1. The Māori Affairs Amendment Act 1967 introduced compulsory conversion of Māori freehold land with four or fewer owners into general land. There was strong opposition to this Act, which resulted in the legislation being repealed in 1974. Since that time many of the properties have remained general land on the title, however the substance of the land is Māori freehold land and in every practical sense the land changed under the repealed Act should be treated as such.

4.2.2. Accordingly, all land that was changed to general land as part of the Māori Affairs Amendment Act 1967 is considered to be Māori freehold land for the purposes of this remission policy and owners of such land may apply for all 3 categories of remission.

4.3. Remission categories

4.3.1. This policy provides three categories of remission:

Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

Category B: Māori Freehold Land – Occupied and productive land

Category C: Māori Freehold Land – Economic Use and Development

4.4. Māori freehold land register

4.4.1. Council will maintain a register titled the Māori Freehold Land Rates Remission Register for the purpose of recording the rating units for which rates are remitted pursuant to this Policy. The Register will comprise of three category lists, these being:

Category A: The 'Māori Freehold Land Unoccupied and Unproductive Remissions List', used to achieve objectives detailed in schedule 1

Category B: The 'Māori Freehold Land Occupied and Productive Remissions List, used to achieve objectives detailed in schedule 2

Category C: The 'Māori Freehold Land Economic Use and Development Remissions List' used to achieve objectives detailed in schedule 3

4.5. Applications

4.5.1. Applications for all categories must be made on the prescribed form and must be received by Council prior to the commencement of the rating year and no later than 30 April.

4.5.2. The application must be supported by sufficient supporting information to allow an informed decision to be made in respect of the application, including but not limited to the following:

- a) Evidence that the identified owner, agent of owner or occupier has full control over the property.
- b) A copy of any agreements or licenses to operate on the land.
- c) A description of the intended use of the land, and a statement as to how the objectives defined under this policy will be achieved by the granting of rates remission.
- d) Other documentation that Council may require to make a decision, such as historical, ancestral, cultural, archaeological, geographical or topographical information.

4.6. Duration

- 4.6.1. Remission applications approved under Category A (Māori Freehold Land Unoccupied and Unproductive Land Blocks) will receive remission for three years. A reapplication will be required triennially.
- 4.6.2. Remissions granted under Category B (Occupied and Productive Land) are a one off remission to provide assistance in situations where the arrears are not recoverable based on previous use.
- 4.6.3. The duration of remission applications approved under Category C (Economic Use and Development) are detailed in Schedule 3 of this policy.
- 4.6.4. Where a remission of rates is made, the obligation is on the applicant to advise any change of use that might affect the eligibility of the land for any remission.
- 4.6.5. Council will monitor on an ongoing basis the use of any Māori freehold land receiving rate remission under this policy. If the status of the land changes, in that it no longer complies with the criteria, rates will be payable from the following rating year.

Note – Council will require that any rates remissions be repaid where the failure to notify Council of a change in circumstance impacts on the eligibility of the land for a rate remission.

4.7. Appeals

- 4.7.1. Appeals relating to decisions taken on the eligibility of Māori freehold land for rates remissions will follow the process outlined at the start of this Policy - Delegation to Operate, Application Process and Review of Decisions.

4.8. Payment arrangement

- 4.8.1. Where Māori Freehold land is not otherwise eligible for a remission under any section of this policy, Council may negotiate with the land owner to write off all arrears and penalties if current rates are met over a period of 2 years.

5. Remission of Penalties

5.1. Objectives

- 5.1.1. This remission category outlines the remission of penalties incurred by way of late or non-payment of rates, in accordance with Section 85 of the LGRA. Penalties are incurred for late or non-payment of rates in accordance with the amount set annually in Council's Funding Impact Statement.
- 5.1.2. The objective is to enable Council to act fairly and reasonably in its consideration of overdue rates in certain circumstances.

5.2. Conditions and criteria

5.2.1. Remissions for late or non-payment of rates will be considered on the following grounds:

Circumstance	Policy and Criteria	Delegation										
Extenuating circumstances	<p>Remission of a penalty incurred on an instalment will be considered in the following circumstances:</p> <ul style="list-style-type: none"> The ratepayer has a good payment history. Extenuating personal circumstances such as family illness, death or other tragedy. In circumstances considered just and equitable. 	<p>Manager - Customer Services or General Manager – Community services</p>										
Approved Payment Arrangement (Includes time to pay arrangements and lump sum arrangements)	<p>Penalties will not be levied where an Approved Payment Arrangement of a minimum amount has been made based on the arrears total as follows:</p> <table border="1"> <thead> <tr> <th>Arrears total</th> <th>Minimum amount</th> </tr> </thead> <tbody> <tr> <td>0 - \$5,000</td> <td>Payment Arrangement of 1.25 times the Annual Rates</td> </tr> <tr> <td>\$5,001 - \$10,000</td> <td>Payment Arrangement of 1.5 times the Annual Rates</td> </tr> <tr> <td>\$10,001 - \$20,000</td> <td>Payment Arrangement of 2 times the Annual Rates</td> </tr> <tr> <td>Over \$20,000</td> <td>A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates</td> </tr> </tbody> </table>	Arrears total	Minimum amount	0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates	\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates	\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates	Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates	<p>Sub-Committee (CEO and General Manager -Business Support)</p>
Arrears total	Minimum amount											
0 - \$5,000	Payment Arrangement of 1.25 times the Annual Rates											
\$5,001 - \$10,000	Payment Arrangement of 1.5 times the Annual Rates											
\$10,001 - \$20,000	Payment Arrangement of 2 times the Annual Rates											
Over \$20,000	A Lump Sum payment is required to bring the balance to less than \$20,000 and then a payment arrangement of 2 times the Annual Rates											
	<p>Current and historic penalties will be remitted where all rates have been paid in full under an approved payment arrangement.</p> <p>Council will consider remitting penalties that are already levied or yet to be incurred for remissions on a case by case basis.</p>	<p>Sub-Committee (CEO and General Manager - Business Support)</p>										
Penalties associated with remissions	<p>Penalties will not be levied where all or a portion of the rates assessed have been remitted under another part of the policy.</p>	<p>Sub-Committee (CEO and General Manager - Business Support)</p>										

5.2.2. Penalties will only be remitted on written application of the ratepayer and provided that no previous penalties have been remitted within the past two rating years. In the case of penalties as a result of Council error, these are considered a correction rather than a remission and therefore fall outside of the remission policy.

5.2.3. To be eligible for these remissions, ratepayers must use direct debit payment, unless there are exceptional circumstances preventing this.

5.2.4. All penalties remitted shall be recorded in the Penalty Remission Register, where the amount remitted is over \$10 for any individual ratepayer.

6. Remission of Rates and/or Penalties Following a Rating Sale or Abandoned Land Sale

6.1. Objectives

6.1.1. This remission category provides for rates remission of rates arrears and penalties where a rating unit comes under new ownership as the consequence of either a rating sale or lease

under sections 67 through to section 76 or sale of abandoned land as per sections 77 through to 83 of the LGRA.

- 6.1.2. The objective of this remission category is to allow for any remaining arrears or penalties following sale of abandoned land, or rating sale or lease, to be remitted so that the new owner begins with a nil balance.

6.2. Conditions and criteria

- 6.2.1. Any debt outstanding on a rating unit after application of proceeds from a rating sale or lease may be remitted following application by Council Staff.
- 6.2.2. Any debt outstanding on a rating unit after application of proceeds from the sale of abandoned land may be remitted following application by Council Staff.
- 6.2.3. Where any rating unit meets the definition of abandoned land as prescribed in section 77(1) of the LGRA and that land is unable to be sold using the authority provided to Council in sections 77-83 of the LGRA, then all rates may be remitted on an annual basis by application of Council staff.

7. Remission of Rates for New Residential Subdivisions

7.1. Objectives

- 7.1.1. This remission category provides for remission of rates to assist the establishment of new residential subdivisions by providing temporary rates relief from UAGCs assessed against individual vacant lots prior to sale. This remission category provides for the remission of UAGCs for the first full year following subdivision for residential use of 3 vacant lots or more. In that situation multiple lots will be treated as one rating unit. Application of remissions for one full rating year following subdivision provides incentive to sell as intended, but recognises that a full year may be required to achieve the developer's aim.
- 7.1.2. Objectives of this policy are:
 - a) To provide a one-off remission of rates assessed against land held in separate title and forming part of a new residential subdivision so as to limit the impact of multiple UAGCs in the first year.

- b) To encourage development within Waitomo District by providing a one off remission to the subdivider or developer of any UAGC assessed against the newly created lot(s).

7.2. Conditions and criteria

- 7.2.1. The remission will be available for land that:

- a) Has been subdivided into 3 or more vacant residential lots where the Titles have been issued; and
 - b) The unsold lots remain in the ownership of the original subdivider/developer and the land has yet to be sold on to subsequent purchasers.

7.2.2. Extent of Remission

- 7.2.3. A remission will be made for 100% of the UAGC for each unsold vacant residential lot, except one.
- 7.2.4. The remission will only be made for the first full rating year following the creation of the new residential lots following subdivision.

8. Remission of Rates for Cases of Financial Hardship

8.1. Objectives

8.1.1. The objective of this policy is to provide relief for residential ratepayers and 'not for profit' community organisations experiencing extreme financial hardship.

8.2. Applications

8.2.1. Where an application for rates relief due to financial hardship is received, Council may remit all or part of rates relating to a rating unit.

8.2.2. Applications on the grounds of financial hardship are considered only when exceptional financial circumstances exist. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.

8.2.3. An application for remission on the grounds of financial hardship can be lodged in any year that such hardship exists.

8.2.4. Council will consider, on a case by case basis, applications received that meet the criteria detailed in section 8.3 and 8.4 of this policy.

8.2.5. The Chief Executive is delegated authority to decline an application or remit rates, including arrears, of up to \$2,000 in any one case.

8.2.6. The Chief Executive will provide Council with a regular monitoring report on all applications received for a hardship rates remission, and the decisions made.

8.3. Residential rating units

8.3.1 Conditions and criteria

8.3.1.1 Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) Preference will be given to rating units used solely for residential purposes (as defined by Council) when consideration is made for rates remission in cases of financial hardship.
- b) A ratepayer making an application must be the registered owner and occupier.
- c) A ratepayer making an application must not own any other rating units or investment properties (whether in the district or in another district).
- d) The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- e) When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- f) Before approving an application, Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after making the payment of rates, for normal health care, proper provision for maintenance of his or her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.
- g) The applicant must provide sufficient evidence on how they plan to meet their rating commitment going forward.

- h) It is expected that the ratepayer will pay a minimum of the value of the Uniform Annual General Charge per annum towards his/her rates account. However, each case will be considered on its merits.
- i) If the applicant is eligible for a Rates Rebate then such application must be made at the time of applying for rates relief due to financial hardship.

8.4. Not for profit community organisations

8.4.1 Conditions and criteria

8.4.1.1. Council will consider, on a case by case basis, applications received that meet the following criteria:

- a) The organisation must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- b) The organisation must provide sufficient evidence on how it plans to meet their rating commitment going forward.
- c) An application for remission on the grounds of financial hardship must be lodged annually. The remission is only available for a maximum of two years.
- d) Remission is not available for service charges relating to water, sewerage and solid waste collection.

9. Remission of Rates in Cases of Land Affected by Natural Calamity

9.1. Objectives

9.1.1. The objective of this policy is to assist ratepayers affected by events outside of their control which effects their ability to use any rating unit owned by them that is the consequence of a natural calamity.

9.2. Conditions and criteria

- a) Rates remission is available for properties that have been detrimentally affected by erosion, subsidence, submersion, earthquake or other calamity are considered. Approved remissions are therefore a result of an extraordinary situation and should be recognised as an exception from the ratepayer's legal obligation to pay rates.
- b) Where an application for rates due to land effected by natural calamity is received Council may remit all or part of the rates relating to a rating unit.
- c) The rating unit is unusable or uninhabitable as a result of a natural calamity.
- d) First application must be made by the ratepayer within 3 months of the event. Any remissions granted will apply to the current rating year.
- e) For properties that are unusable or uninhabitable as a result of a calamity, and are able to be restored (but have not yet been restored), remission applications for future years are required annually by 30 April prior to the commencement of the rating year for which remission is sought.
- f) For properties that are unable to be used now or in the future, or where access has been prohibited by WDC, rates remission will be granted for 3 years or until the restriction imposed by WDC has been removed.

- g) All applications must be in writing and supported by documentary evidence as to the extent of the damage.
- h) The amount of the remission is at the discretion of the CEO and will be considered on a case by case basis.
- i) In the event of the rating unit being permanently eroded and where the rating unit now forms part of the coastal marine area, the Council may grant permanent remission of all rates and penalties charged in the financial year in which the event occurred and the years following the event.
- j) In the ratepayers absence, Council staff may apply remissions in their absence on a permanent basis.

10. Remission of Rates for New Businesses

10.1. Objectives

- 10.1.1. To promote employment and economic development within the District by assisting new businesses.

10.2. Conditions and criteria

- a) Rates remission may be granted to a new business where that business supports community development and productivity and provides goods and services within the community.
- b) Remission of rates is available to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes.
- c) Residential developments will not qualify for remission.
- d) Remission of rates is available to new businesses or new development established within the past 12 months.
- e) Applications must be made in writing and supported by:
 - i. A description of the development
 - ii. A plan of the development (where possible)
 - iii. An estimate of costs
 - iv. An estimate of the likely number of jobs to be created
- f) In considering applications for the remission under this part of the policy the Council will have regard to the following:
 - i. The development is of importance for the future economic development of the District as demonstrated by the scale, type or nature of the development.
 - ii. The number of new employment opportunities the business/development will create. Generally, development would be expected to create a minimum of one new full time equivalent job.
 - iii. The amount of new capital investment the development/business will bring into the District.

- iv. For avoidance of doubt a small new business with at least one employee would also be considered eligible.
 - v. The business demonstrates a long-term commitment to remain and operate in the District. Property ownership or a long-term lease of the property may be accepted as proof of commitment.
 - vi. The development protects or retains cultural aspects of the district e.g. maintains and protects a heritage building. The development adds improved, new and/or visibly attractive infrastructure or buildings to the District where it would be commercially otherwise unviable to do so.
- g) All applications will be assessed on a case by case basis under the authority of the Chief Executive and are subject to a threshold remission of 50% of rates assessed for a maximum duration of one year. The remission excludes services charges for water, sewerage and solid waste collection services.

Draft for Audit Review

SCHEDULE 1 | WAHANGA 1

1. Category A: Māori Freehold Land – Unoccupied and Unproductive Land Blocks

1.1. Objectives

1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori Act, recognises that:

- a) There are situations where there is no occupier or person gaining economic or financial benefit from the use of, or habitation on the land.
- b) Some freehold Māori land might be better set-apart from development because of its natural features, significant vegetation and/or habitat, and cultural significance.
- c) Physical access to some Māori freehold land is not available or is not practicable.
- d) Takes into account the presence of waahi tapu that may limit the use of the land for other purposes.
- e) A remission of rates should apply to portions of land not occupied, where part of a block of land is occupied.
- f) Assessing rates against certain Māori freehold land might limit or restrict the development of an economic use of the land.
- g) Council should support the use of the land by owners for traditional purposes and the relationship of Māori and their culture and traditions with their ancestral lands.
- h) 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.

1.2. Conditions and criteria

In order for a property, or part of a property to qualify for a rates remission under this remission category, it must meet all of the required criteria and at least one of the optional criteria:

1.2.1. Required Criteria

A property must be:

- a) Māori freehold land as defined in the LGRA or land changed to general land under the Māori Affairs Amendment Act 1967; and
- b) Unoccupied and unproductive as defined in the 'Definitions'.

1.2.2. Optional Criteria

1.2.2.1. A property must be/have at least one of the following:

- a) The presence of waahi tapu that may affect the use of the land or other purposes;
- b) Better set aside and protected from use because of its special cultural significance and unique natural features;
- c) Better set aside and protected from use to protect the indigenous flora and fauna located on the land;

- d) A traditional and important food source for Tangata Whenua;
- e) A traditional and important source for cultural, medicinal, symbolic and spiritual needs of Tangata Whenua;
- f) Important tribal landmarks significant to Tangata Whenua;
- g) Important water catchment system to Tangata Whenua for sustaining physical and spiritual values;

1.2.2.2. Accessibility issues due to:

- i. the property being landlocked;
- ii. access is legally available by paper road or easement but the road does not exist;
- iii. a road ends or passes the property but a river, ravine, cliff or other impediment prevents practical access;
- iv. In a natural and undeveloped state, and will continue to remain in such state;
- v. Prevented from being productive or used due to the size, location, lack of fencing or some other feature.

1.3. Dwellings on Māori freehold land

1.3.1. Where there is one or more dwelling/s on the land, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area occupied, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.3.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.4. Beehives on Māori freehold land

1.4.1. Where there are beehives located on the land for the purposes of harvesting honey, Council may establish and identify separately used or inhabited parts of the rating unit. The separately used or inhabited portion of the rating unit will be defined based on the area in use for the purposes of harvesting honey, and/or the area unproductive and unoccupied as identified by the owner/s and confirmed by Council.

1.4.2. Rates charged on the separately used or inhabited portion of the property will remain payable.

1.5. Extent of remissions

1.5.1. Eligible Māori Freehold Land under Category A will receive 100% of all rates charged except targeted rates set for water supply, sewage disposal and solid waste collection services.

1.5.2. Where a separately used part of the property has been identified (as per section 1.3.1 and 1.3.2 above) the remission will relate to the unoccupied and unproductive portion of the property only. Council's Valuation Service Provider will assess the capital value of the unoccupied and unproductive portion and on this basis, a remission will be processed on any rates charged on the basis of capital value.

1.6. Applications on behalf of owners

- 1.6.1. Council staff may process applications on behalf of owners of unoccupied and unproductive Māori Freehold Land that satisfies the criteria set out in section 1.2. where after due enquiry the owners of an unoccupied block cannot be found.
- 1.6.2. Decisions on these remissions are to be made directly by the Chief Executive on the recommendation of officers and may include rate remissions for 3 years on qualifying Māori freehold land for current year rates and rates arrears, including penalties.

SCHEDULE 2 | WAHANGA 2

1. Category B: Māori Freehold Land – Occupied and Productive

1.1. Objectives

- 1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori Act, recognises that there are situations where it might be uneconomic to recover existing rates arrears or to fully recover rates relating to land which is occupied and/or productive.
- 1.1.2. The objective for remission under this category is to encourage the use of productive Māori freehold land without the burden of rates arrears from previous occupiers.

1.2. New lessee

- 1.2.1. Where a new lessee takes over land with existing rates arrears that would not be recoverable based on previous use, the rates arrears may be remitted where the new lessee assumes payment of current and future rates from the commencement of the use or occupation.

1.3. Conditions and criteria

- a) A copy of the lease or proposed lease is provided with the application for remission.
- b) There is a commitment to pay the current and future rates for a minimum period of two years detailed in the lease document.

SCHEDULE 3 | WAHANGA 3

Category C: Māori Freehold Land – Economic Use and Development

1.1. Objectives

- 1.1.1. The remission of rates on Māori freehold land pursuant to Section 108 and Schedule 11, LGA 2002, and in recognition of the objectives of the Te Ture Whenua Māori Act 1993, recognises that assessing rates against certain Māori Freehold Land might limit or restrict the development of an economic use of the land.
- 1.1.2. The objective for remission under this category is to provide an incentive to assist the conversion of otherwise unoccupied or unproductive Māori freehold land, to an economic use through a progressive stepped application of a full liability for the payment of rates, over a five year period.

1.2. Conditions and criteria

1.2.1. Where there is an intention to make economic use of the land, or a clear intent to progressively develop the economic use of the land over time, Council will enter into a remission of rates arrangement with the Trustees/Owner(s) or Occupier(s) where the Council is satisfied such an arrangement will encourage economic use through development over time.

1.2.2. In addition to the information required under section 4.5 of this policy, applicants must also provide:

- a) A written plan setting out the planned economic use of the land or the planned economic development against a five year timeline prepared by a suitable person holding authority over the land and responsible for the planned use.
- b) Any other documentation that the Council may require to make an assessment.

1.3. Extent of remissions

At Council's discretion during the annual review and/or with negotiations with the land owner/s or trustees, a staged rates requirement will be implemented according to the following schedule:

Year 1	Not less than 20% payable for that year
Year 2	Not less than 40% payable for that year
Year 3	Not less than 60% payable for that year
Year 4	Not less than 80% payable for that year
Year 5	100% payable for that year.

No remission will be granted on Targeted Rates for water supply, sewage disposal, and solid waste collection services.

Where an approved remission under Category C is in place, any arrears may be remitted if current and future rates are met over a period of 2 years.