Rates Remission and Postponement Policy Review

Current policy reference, proposed direction and ratepayer impact

PURPOSE OF THIS SUMMARY	Council is required to maintain rates remission and postponement policies. This summary identifies the current policy provision, the proposed review direction, the reason for change and the likely impact on ratepayers. Page references are to the adopted LTP 2024–2034 policy (Attachment B).

Current policy reference (LTP 2024–2034)	Current position	Proposed direction	Reason for change	Potential impact on ratepayers
Community, Sporting and Other Organisations *Page 341*	100% remission for qualifying community, sporting and other organisations, excluding specified service charges and bar areas. Approval is currently joint.	**AMEND** Retain the remission; clarify “non-commercial” eligibility; remove water references; require reapplication every three years; delegate approval to officers.	Improve clarity and ensure eligibility remains current. Align the provision with the transfer of water services and simplify administration.	Existing qualifying organisations should continue to receive relief, but will need to reapply periodically and demonstrate ongoing eligibility.
Land Protected for Natural, Historic or Cultural Conservation Purposes *Pages 341–342*	Relief is delivered by requesting a special valuation that reflects restrictions on use. The extent of remission is determined case by case.	**AMEND** Replace the revised-valuation mechanism with a specified reduction in rates, excluding service charges; delegate approval to officers.	A direct remission is more transparent and avoids reliance on a valuation mechanism that is not the remission itself.	Eligible landowners should retain access to relief through a clearer and more predictable process. The level of relief will need to be specified.
Land Affected by Natural Calamity *Page 342*	Council may remit rates wholly or partly. Current wording relies on a valuation reflecting restricted use and committee approval.	**AMEND** Define natural calamity, eligibility, evidence and application requirements; use a specified remission determined by Council; retain full Council approval.	Provide a legally and operationally clear framework that can be applied consistently following a qualifying event.	Affected ratepayers will have clearer eligibility and application requirements. Relief remains discretionary and event-specific.
Uniform Annual Charges and Targeted Rates on Contiguous Rating Units in Separate Ownership, Used Jointly as a Single Entity *Pages 342–343*	Allows relief from multiple fixed charges where separately owned contiguous units are operated as one entity and meet lease and declaration requirements.	**REVIEW** Determine whether the provision should be retained or removed.	The provision is not currently used and may provide a financial benefit to a commercially profitable entity at the cost of the wider rating base. Statutory provisions may already address same ownership or registered leases.	If removed, future applicants with separately owned units may pay all applicable fixed charges. No current recipients have been identified.
Rate Penalties *Page 343*	Allows remission of penalties where late payment arose from specified circumstances or remission is equitable.	**RETAIN** Retain the policy and confirm officer delegation.	The provision remains necessary for fair treatment of exceptional or administrative circumstances. Officer approval supports timely administration.	No material change for ratepayers; eligible applications continue to be considered on their merits.
Sundry Remissions *Page 343*	Allows rates or charges to be remitted for errors, uneconomic balances, irrecoverable amounts or impractical recovery.	**RETAIN** Retain the policy and confirm officer delegation.	The provision supports correction of errors and proportionate debt administration.	No material change. Ratepayers retain access to correction or remission where the stated circumstances apply.
Policy for Remission and Postponement of Rates on Māori Freehold Land *Pages 343–344*	Provides remission for qualifying Māori freehold land, including unoccupied, non-income-producing, inaccessible land or whenua rāhui.	**REVIEW** Undertake a full review of objectives, criteria, terminology, remission and postponement settings, and decision-making.	Ensure the policy fully addresses statutory requirements and relevant considerations for Māori freehold land.	Potentially clearer and more appropriate access to relief. Detailed impacts will depend on the revised policy wording.
Remission of Postponed Rates *Page 344*	Allows postponed rates to be remitted where the underlying postponement policy provides for write-off after a specified period.	**REVIEW** Review whether this provision remains appropriate alongside the redesigned postponement policies.	A postponement ordinarily delays payment rather than extinguishing liability. Any conversion to remission should be an explicit policy choice.	Some future postponed amounts may remain repayable rather than being written off. Existing commitments and transition arrangements will require consideration.

Current policy reference (LTP 2024–2034)	Current position	Proposed direction	Reason for change	Potential impact on ratepayers
Remission of Rates on Land that has Made Lump Sum Contributions *Page 344*	Protects ratepayers who previously paid lump sums in place of annual water or sewerage loan rates.	**REMOVE** Remove the provision when the relevant water and wastewater rating responsibilities transfer.	The provision relates to historic water and sewerage loan arrangements that will sit outside Council's future responsibilities.	No Council remission would be available under this policy after transfer. Treatment of any remaining affected properties will need to be confirmed through transition arrangements.
Rating of Separately Used or Inhabited Parts of a Rating Unit *Page 345*	Defines separately used or inhabited parts (SUIPs) and when multiple fixed charges apply. It is currently located in the remission policy.	**RECLASSIFY** Remove the provision from the remission policy and retain the applicable SUIP definition and rating treatment in the Funding Impact Statement.	The provision describes the basis for rating rather than granting a remission. Its location should reflect its legal and operational function.	No intended change to who is charged. The change should improve transparency by placing the definition with the rating mechanism.
Residential Land Subject to Zone Changes *Pages 345–346*	Allows postponement of the increase attributable to zoning-related land value changes, with repayment triggers and a statutory land charge.	**RECLASSIFY** Replace postponement with a remission targeted to residential properties affected by Council-initiated zone changes; exclude private plan changes.	A remission better reflects the intended relief where Council action caused the zoning change, and avoids postponement followed by later write-off.	Qualifying owner-occupiers may receive direct relief rather than accumulating debt. Eligibility will be narrower and focused on Council-initiated changes.
Postponement Policy – Extreme Financial Hardship *Pages 346–347*	Allows residential ratepayers in extreme hardship to defer rates, generally secured by a statutory land charge.	**AMEND** Confirm the policy applies to residential rating units; add annual review; reassess its future role if a national Rates Assistance Scheme commences.	Improve clarity, ensure ongoing eligibility and avoid duplication with any future national assistance mechanism.	Applicants may need to confirm eligibility annually. Future access could change if an alternative assistance scheme is introduced.
Policy for Rate Postponement for Farmland *Pages 347–348*	Allows rates to be calculated using a special postponement value that excludes development potential for qualifying farmland.	**REMOVE** Remove the policy.	The policy is not utilised, originated under an earlier legislative setting, and relies on a mechanism inconsistent with current valuation requirements to assess highest and best use.	The unused relief mechanism would no longer be available. Rural rating treatment would continue through the adopted rating system.
Policy for Rate Postponement for Elderly *Pages 348–349*	Allows eligible ratepayers aged 65 or over to postpone rates, with costs added and repayment secured against the property.	**REWRITE** Rewrite the policy to reflect current operational practice, costs, security arrangements and statutory land-charge requirements; reassess if a national Rates Assistance Scheme commences.	The current wording is dated and does not clearly reflect present administration. A rewrite is needed for transparency, consistency and risk management.	Existing and prospective applicants should receive clearer information about eligibility, costs, security and repayment. Future settings may change if a national scheme is introduced.

Source: Current policy references are to the adopted LTP 2024–2034 Rates Remission and Postponement Policy (Attachment B). Proposed directions are drawn from the LTP 2027–2037 review considerations (Attachment A).