

## SETTING OF RATES FOR 2014/15

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### 1. Purpose of Report

To set the rates for Wellington City for the year commencing on 1 July 2014 and ending on 30 June 2015, under the Local Government (Rating) Act 2002 (LGRA).

### 2. Recommendations

Officers recommended that Council:

1. *Receive the information.*
2. *Note that Council adopted the 2014/15 Annual Plan (including the 2014/15 Funding Impact Statement) on 7 May 2014.*
3. *Agree under section 23 of the Local Government (Rating) Act 2002 (LGRA) to set the following rates for the year commencing on 1 July 2014 and concluding on 30 June 2015:*

#### a. General Rate

A differential general rate under section 13 of the LGRA as an amount per dollar of capital value on each rating unit as follows:

- A rate of 0.200769 cents per dollar of capital value on every rating unit in the 'Base' differential rating category.
- A rate of 0.560350 cents per dollar of capital value on every rating unit in the 'Commercial, industrial and business' differential rating category.

#### b. Targeted rate for water supply

A targeted rate for water supply under section 16 and section 19 of the LGRA as follows:

- For rating units incorporated in the Base differential, either:
  - i) For rating units connected to the public water supply with a water meter installed, a consumption unit rate of \$1.870 per cubic metre of water used, and a fixed amount per rating unit of \$111.90, or

- ii) For rating units connected to the public water supply without a water meter installed, a fixed amount of \$137.70 per rating unit, and a rate of 0.047383 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential, either:
  - i) For rating units connected to the public water supply with a water meter installed, a consumption unit rate of \$1.870 per cubic metre of water used, and a fixed amount per rating unit of \$111.90, or
  - ii) For rating units connected to the public water supply without a water meter installed, a rate of 0.387439 cents per dollar of capital value.

**c. Targeted rate for sewerage**

A targeted rate for sewerage under section 16 of the LGRA on each rating unit connected to the Council sewerage system as follows:

- For rating units incorporated in the Base differential:
  - i) A fixed amount of \$106.60 per rating unit, and a rate of 0.038853 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential:
  - i) A rate of 0.153228 cents per dollar of capital value.

**d. Targeted rate for storm water**

A targeted rate for stormwater under section 16 of the LGRA as follows:

- For rating units incorporated in the Base differential but excluding those rating units classified as 'rural' under the Council's operative District Plan:
  - i) A rate of 0.040252 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential but excluding those rating units classified as 'rural' under the Council's operative District Plan:
  - i) A rate of 0.043610 cents per dollar of capital value.

**e. Targeted rate for the commercial, industrial and business sector**

A targeted rate under section 16 of the LGRA as follows for rating units incorporated in the Commercial, Industrial and Business differential:

- i) A rate of 0.046406 cents per dollar of capital value.

**f. Targeted rate for the base sector**

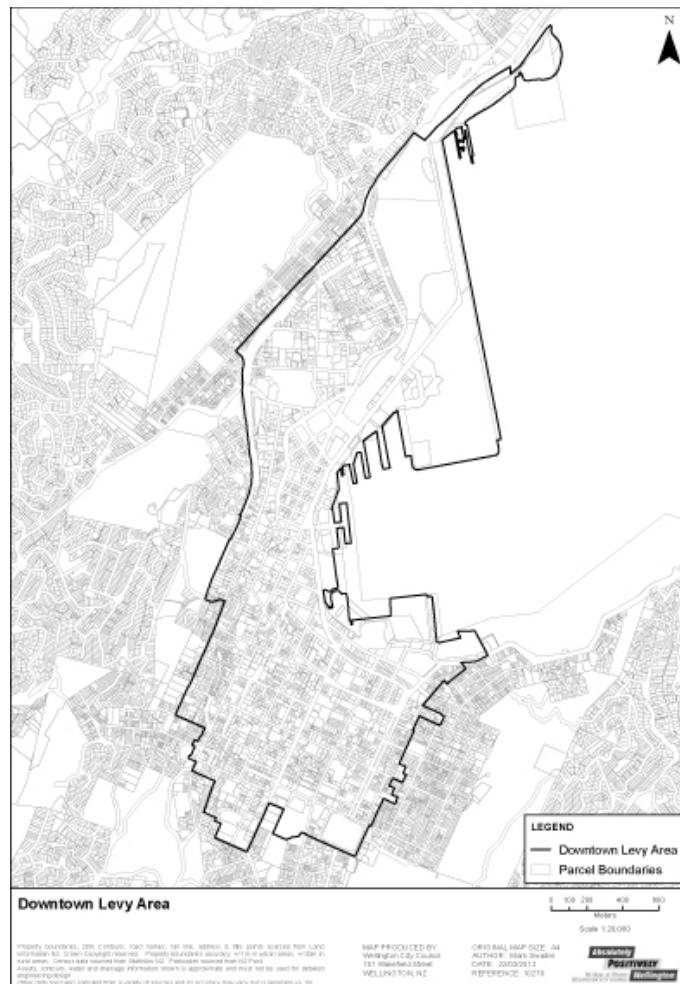
A targeted rate under section 16 of the LGRA as follows for rating units incorporated in the Base differential:

- i) A rate of 0.018998 cents per dollar of capital value.

**g. Targeted rate for Downtown Area**

A targeted rate for the Downtown Area under section 16 of the LGRA on each rating unit incorporated in the Commercial, industrial and business differential rating category and located within the area designated as downtown, as described by the “Downtown Levy Area” map as approved on 27/06/2012 as part of the 2012/13 to 2021/22 Long Term Plan.

- i) A rate of 0.191768 cents per dollar of capital value.



**h. Targeted rate for Tawa Driveways**

A targeted rate for Tawa Driveways under section 16 of the LGRA on each rating unit identified as being one of a specific group of rating units with shared residential access driveways in the suburb of Tawa, that are maintained by the Council as follows:

- i) A fixed amount of \$133.33 per rating unit.

**i. Targeted rate for Marsden Village**

A targeted rate under section 16 of the LGRA on all rating units incorporated in the Commercial, industrial and business differential rating category that are located in the Marsden Village area (refer map) as follows:

- i) A rate of 0.121538 cents per dollar of rateable capital value.

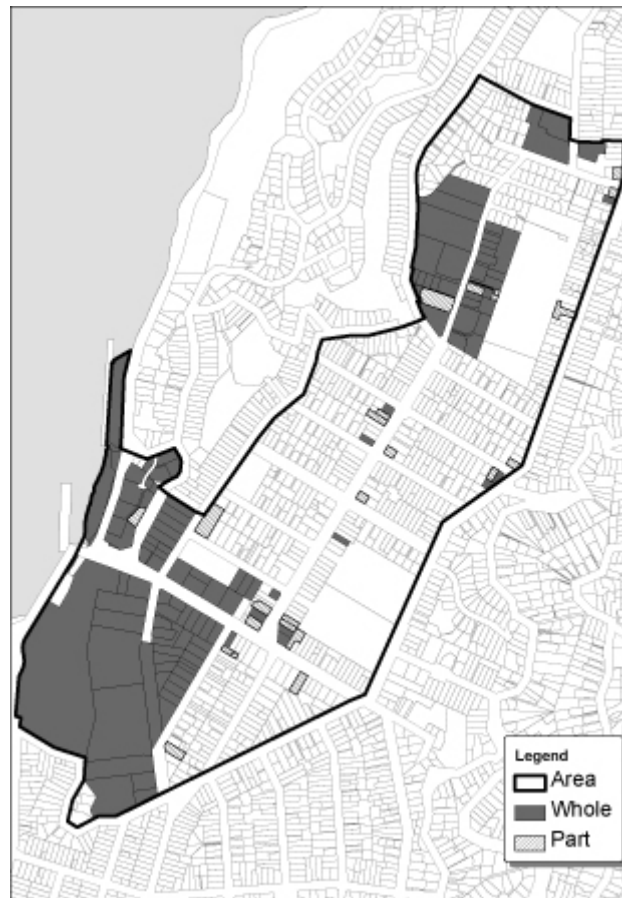


**j. Targeted rate for Miramar Business Improvement District Area**

A targeted rate under section 16 of the LGRA to fund the Business Improvement District activities of Enterprise Miramar Peninsula Incorporated on all rating units within the Miramar Business Improvement District (refer map) which are subject to the “commercial, industrial and business” differential, but excluding any rating unit that is a substation or used by local or central government for a non-business purpose as follows:

- i) A fixed amount of \$365.00 per rating unit, and

- ii) A rate of 0.036174 cents per dollar of capital value for any capital value over \$1 million per rating unit.



4. *Agree under section 24 of the Local Government (Rating) Act 2002 (LGRA) to set the following due dates for the payment of rates for the 2014/15 year:*

With the exception of targeted water rates where charged via a water meter, all rates will be payable in four equal instalments as follows, with due dates for payment being:

<b>Instalment Number</b>	<b>Due date</b>
Instalment One	1 September 2014
Instalment Two	1 December 2014
Instalment Three	1 March 2015
Instalment Four	1 June 2015

Targeted water rates that are charged via a water meter on rating units incorporated under the Commercial, industrial and business differential will be invoiced on a one or two-month cycle, and are due on the date one month after the invoice date, as specified on the invoice.

Targeted water rates that are charged via a water meter on rating units incorporated under the Base differential will be invoiced on a three-month cycle, and are due on the date one month after the invoice date, as specified on the invoice.

Provided that, where the due date falls on a weekend or public holiday, the due date is the next working day.

5. *Agree under sections 57 and 58 of the Local Government (Rating) Act 2002 (LGRA) to apply penalties to unpaid rates as follows:*
  - a) *A penalty of 10 percent on the amount of any part of an instalment remaining unpaid after a due date in recommendation (4) above, to be added from the day following the due date.*
  - b) *An additional penalty of 10 percent on any amount of rates assessed in previous years and remaining unpaid at 1 July 2014.*
  - c) *A further additional penalty of 10% on rates to which a penalty has already been added under recommendation 5(b) if the rates remain unpaid on 1 January 2015.*
  - d) *A penalty of 10 percent on the amount of any part of water meter charges remaining unpaid after a due date in recommendation (4) above, to be added from the day following the due date.*
  - e) *An additional penalty of 10 percent on any amount of water charges from previous years that remain unpaid at 1 July 2014.*
  - f) *A further additional penalty of 10% on water meter charges to which a penalty has already been added under recommendation 5(e) if the charges remain unpaid on 1 January 2015.*
  - g) *A penalty is calculated on the GST inclusive portion of any instalments unpaid after the due date. GST is not charged on the actual penalty itself.*
6. *Note that the Council's policy on remission on penalty rates is included in the Council's Rates Remission Policy and that the authority to remit penalties is delegated to the Chief Executive, Chief Financial Officer, and the Manager Financial Accounting.*
7. *Note that the rates for the year commencing 1 July 2014 and concluding on 30 June 2015 are set excluding GST. GST will be applied when rates are assessed for 2014/15.*
8. *Note that rates shall be payable:*
  - *By cash, cheque or eftpos at the City Service Centre, 101 Wakefield Street, 9am to 5pm Monday to Friday.*

- *By cash or cheque any PostShop or selected New Zealand Post outlets using a bar coded rates invoice, 9am to 5pm Monday to Friday.*
- *By posting a cheque through our processing centre to PO Box 40345 Upper Hutt.*
- *Using our “rates easipay” direct debit system. Quarterly, monthly, fortnightly and weekly options are available by phoning 04 499 4444 for a set-up form or download from the Council website.*
- *Through internet banking and telephone banking options.*

### **3. Background**

Council adopted the 2014/15 Annual Plan and the 2014/15 Funding Impact Statement at its meeting on 7 May 2014. This paper provides for the Council to set rates for the year commencing on 1 July 2014 and ending on 30 June 2015.

Under section 23 of the LGRA the Council is required to set its rates by resolution.

Section 57 of the LGRA states that a local authority may, by resolution, authorise penalties to be added to rates that are not paid by the due date. The resolution must state how the penalty is calculated and the date the penalty is to be added to the amount of unpaid rates. Section 58 of the LGRA sets out the penalties that may be imposed.

Section 24 of the LGRA requires that the Council state the due date for payment of the rates in its resolution setting rates.

Rates for the 2014/15 year are set out on a GST exclusive basis. Note that GST will be added when rates are assessed for 2014/15 to provide the total instalment amount.

Pursuant to section 23 (5) of the LGRA a copy of this rates resolution will be sent to the Secretary of Local Government within 20 working days.

Contact Officers:     Martin Read – Manager Financial Strategy & Planning and  
                               Su Mon – Funding Analyst.