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ORDINARY MEETING  
OF  
WELLINGTON CITY COUNCIL  
SUPPLEMENTARY AGENDA

Time: 9:30am  
Date: Thursday, 30 June 2022  
Venue: Ngake (16.09)  
Level 16, Tahiwī  
113 The Terrace  
Wellington

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## 2. General Business

### 2022/23 RATES SETTING

#### Kōrero taunaki | Summary of considerations

##### Purpose

1. This report to Te Kaunihera o Pōneke | Council is to set the rates for Wellington City for the year commencing on 1 July 2022 and ending on 30 June 2023 under the Local Government (Rating) Act 2002 (LGRA).

##### Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- |                                                                                        |                                                                                             |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------|
| <b>Strategic alignment with priority objective areas from Long-term Plan 2021–2031</b> | <input type="checkbox"/> Sustainable, natural eco city                                      |
|                                                                                        | <input type="checkbox"/> People friendly, compact, safe and accessible capital city         |
|                                                                                        | <input type="checkbox"/> Innovative, inclusive and creative city                            |
|                                                                                        | <input type="checkbox"/> Dynamic and sustainable economy                                    |
|                                                                                        | <input type="checkbox"/> Functioning, resilient and reliable three waters infrastructure    |
|                                                                                        | <input type="checkbox"/> Affordable, resilient and safe place to live                       |
|                                                                                        | <input type="checkbox"/> Safe, resilient and reliable core transport infrastructure network |
|                                                                                        | <input type="checkbox"/> Fit-for-purpose community, creative and cultural spaces            |
|                                                                                        | <input type="checkbox"/> Accelerating zero-carbon and waste-free transition                 |
|                                                                                        | <input type="checkbox"/> Strong partnerships with mana whenua                               |

##### Relevant Previous decisions

With the adoption of the 2022/23 Annual Plan, the setting of the rates enables the collection of rates to fund the activities Council has outlined in the Annual Plan that it will deliver on during the next financial year.

##### Significance

The decision is **rated high significance** in accordance with schedule 1 of the Council's Significance and Engagement Policy.

##### Financial considerations

- |                              |                                                                                         |                                         |
|------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------|
| <input type="checkbox"/> Nil | <input checked="" type="checkbox"/> Budgetary provision in Annual Plan / Long-term Plan | <input type="checkbox"/> Unbudgeted \$X |
|------------------------------|-----------------------------------------------------------------------------------------|-----------------------------------------|

2. This paper set the rates in the dollar requirement for the 2022/23 rating year which will enable Council to fund the activities it has outlined in the 2022/23 Annual Plan.

##### Risk

- |                              |                                 |                               |                                             |
|------------------------------|---------------------------------|-------------------------------|---------------------------------------------|
| <input type="checkbox"/> Low | <input type="checkbox"/> Medium | <input type="checkbox"/> High | <input checked="" type="checkbox"/> Extreme |
|------------------------------|---------------------------------|-------------------------------|---------------------------------------------|

3. Failure to adopt this paper means Council will be unable to collect rates to pay for the goods and services it will provide to residents for the next financial / rating year.

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Authors	Richard Marshall, Manager Financial Planning and Policy Vincent Kleinbrod, Principal Advisor
Authoriser	Deirdre Reidy, Acting Chief Financial Officer

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## Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That Te Kaunihera o Pōneke | Council:

1. Note the rates stated in the following recommendations for the year commencing 1 July 2022 and concluding on 30 June 2023 are set excluding GST. GST will be applied when rates are assessed for 2022/23.
2. Having adopted the 2022/23 Annual Plan (including the 2022/23 Funding Impact Statements), agree under section 23 of the Local Government (Rating) Act 2002 (LGRA) to set the following rates for the year commencing on 1 July 2022 and concluding on 30 June 2023:

- 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 0.159985 cents per dollar of capital value on every rating unit in the Base differential rating category.
- A rate of 0.591726 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 rating category, either:
  - i. For rating units connected to the public water supply with a water meter installed, a consumption unit rate of \$3.045 per cubic metre of water used, and a fixed amount per rating unit of \$145.19, or
  - ii. For rating units connected to the public water supply without a water meter installed a fixed amount of \$178.65 per rating unit, and a rate of 0.021758 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential rating category, either:
  - i. For rating units connected to the public water supply with a water meter installed, a consumption unit rate of \$3.045 per cubic metre of water used, and a fixed amount per rating unit of \$145.19, or
  - ii. For rating units connected to the public water supply without a water meter installed a rate of 0.270096 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 rating category:
  - i. A fixed amount of \$116.36 per rating unit, and a rate of 0.020597 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential rating category:

ii. A rate of 0.108295 cents per dollar of capital value.

d. Targeted rate for stormwater

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

- For rating units incorporated in the Base differential rating category but excluding those rating units classified in the rural area under the Council's operative District Plan:
  - i. A rate of 0.023914 cents per dollar of capital value.
- For rating units incorporated in the Commercial, Industrial and Business differential rating category but excluding those rating units classified in the rural area under the Council's operative District Plan:
  - ii. A rate of 0.036925 cents per dollar of capital value.

e. Targeted rate for the Commercial sector

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

- i. A rate of 0.027478 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 rating category:

- i. A rate of 0.010676 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 Targeted Rate Area map.

- i. A rate of 0.109718 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 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 rating category as follows:

- i. A fixed amount of \$365.00 per rating unit, and
- ii. A rate of 0.010372 cents per dollar of rateable capital value.

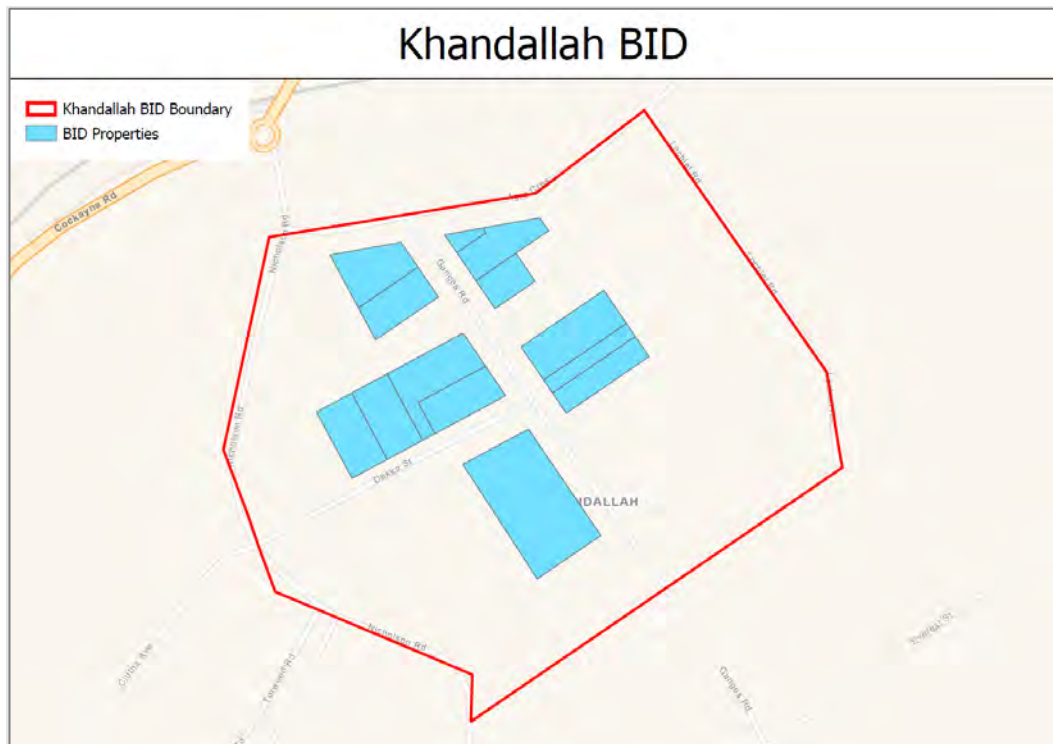


j. Targeted rate for Khandallah Business Improvement District Area

A targeted rate under section 16 of the LGRA to fund the Business Improvement District activities of the Khandallah Village Business Association on all rating units within the Khandallah Business Improvement District (refer map) which are subject to the Commercial, Industrial and Business differential rating category as follows:

- i. A rate of 0.073298 cents per dollar of rateable capital value.





k. Targeted rate for Kilbirnie Business Improvement District Area

A targeted rate under section 16 of the LGRA to fund the Business Improvement District activities of Kilbirnie Business Network on all rating units within the Kilbirnie Business Improvement District (refer map) which are subject to the Commercial, Industrial and Business differential rating category as follows:

- i. A fixed amount of \$500.00 per rating unit, and
- ii. A rate of 0.007824 cents per dollar of rateable capital value.

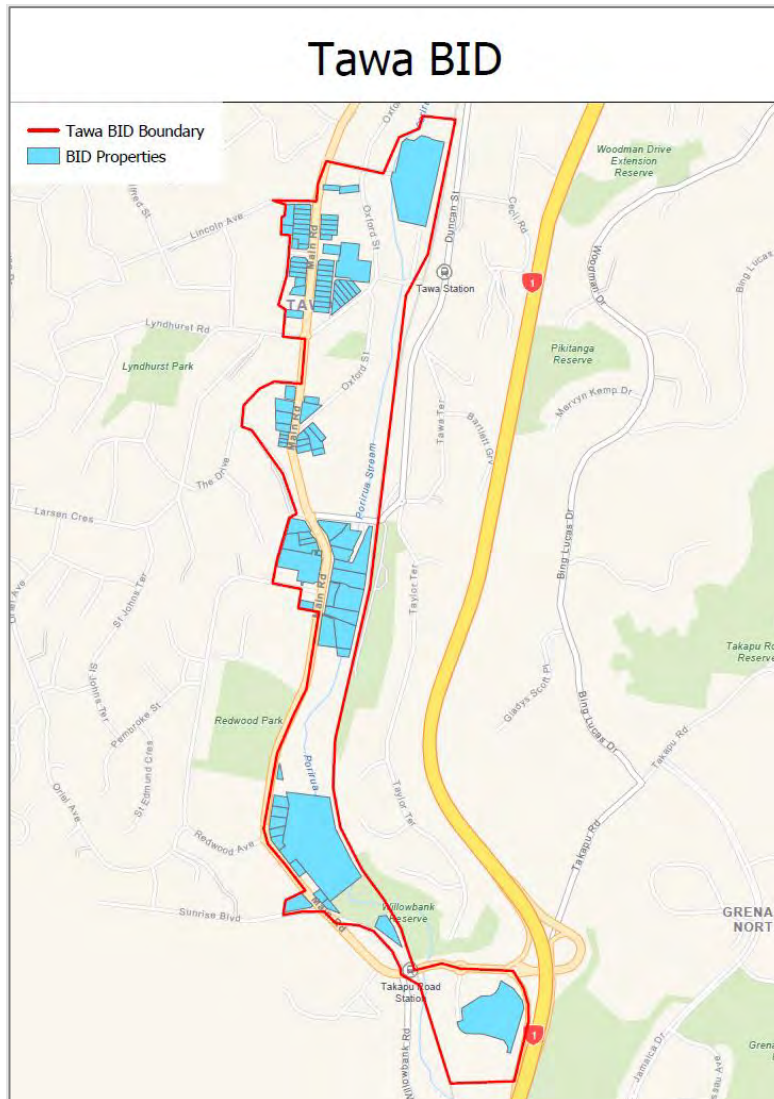
### Kilbirnie BID Expansion



- I. Targeted rate for Tawa Business Improvement District Area

A targeted rate under section 16 of the LGRA to fund the Business Improvement District activities of Tawa Business Group on all rating units within the Tawa Business Improvement District (refer map) which are subject to the Commercial, Industrial and Business differential rating category as follows:

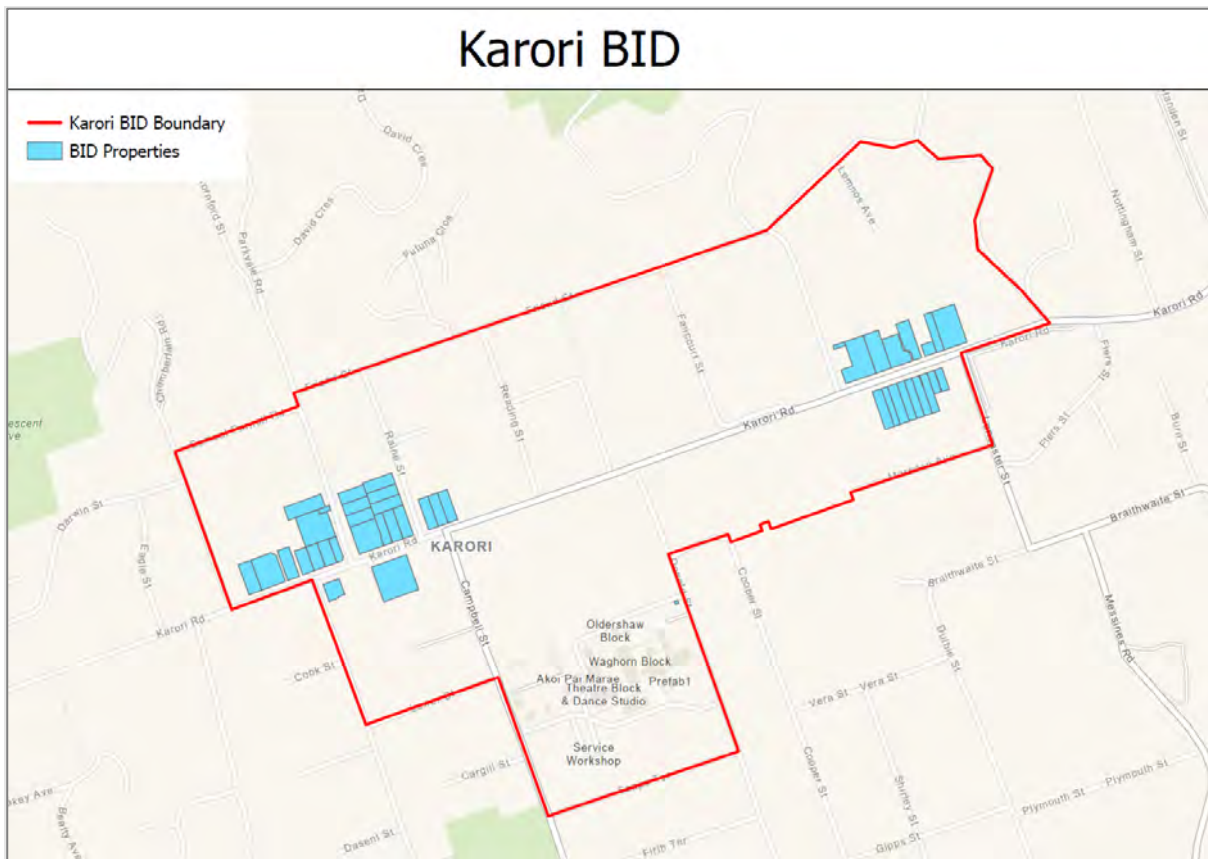
- i. A fixed amount of \$520.00 per rating unit, and
- ii. A rate of 0.029178 cents per dollar of rateable capital value.



m. Targeted rate for Karori Business Improvement District Area

A targeted rate under section 16 of the LGRA to fund the Business Improvement District activities of the Karori Business Association on all rating units within the Karori Business Improvement District (refer map) which are subject to the Commercial, Industrial and Business differential rating category as follows:

- i. A rate of 0.080500 cents per dollar of rateable capital value.



3. Agree under section 24 of the Local Government (Rating) Act 2002 to set the following due dates for the payment of rates for the 2022/23 year:

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

Instalment Number:	Due Date:
Instalment One	1 September 2022
Instalment Two	1 December 2022
Instalment Three	1 March 2023
Instalment Four	1 June 2023

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 at 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 at 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.

4. 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 (3) above, to be added from the day outlined as the relevant penalty date shown below,

Instalment Number:	Due Date:	Penalty Date:
Instalment One	1 September 2022	8 September 2022
Instalment Two	1 December 2022	8 December 2022
Instalment Three	1 March 2023	8 March 2023
Instalment Four	1 June 2023	8 June 2023

- b. An additional penalty of 10 percent on any amount of rates assessed in previous years and remaining unpaid at 7 July 2022. The penalty will be applied on 7 July 2022.
  - c. A further additional penalty of 10 percent on rates to which a penalty has already been added under recommendation 4(b) if the rates remain unpaid on 10 January 2023. The penalty will be applied on 10 January 2023.
  - d. A penalty of 10 percent on the amount of any part of water meter charges remaining unpaid after a due date in recommendation (3) 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 7 July 2022.
  - f. A further additional penalty of 10% on water meter charges to which a penalty has already been added under recommendation 4(e) if the charges remain unpaid on 10 January 2023.
  - g. That 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.
5. Note that the Council's policy on remission of rates penalties 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, Manager Financial Operations, and the Rates Team Leader.
6. Note that rates shall be payable by:
- Cash or eftpos at the City Service Centre, 12 Manners Street, 8am to 5pm Monday to Friday.
  - Cash or eftpos at selected New Zealand Post outlets using a bar coded rates invoice, 9am to 5pm Monday to Friday.
  - Using our "rates easipay" direct debit system.
  - Internet banking and telephone banking options.
  - Credit card on the Council website.

### **Whakarāpopoto | Executive Summary**

4. Under section 23 of the LGRA, the Council is required to set its rates by resolution.
5. This paper provides for the Council to set rates for the year commencing on 1 July 2022 and ending on 30 June 2023.

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## **Takenga mai | Background**

6. The Long-term and Annual Plan Committee agreed to recommend to Council the adoption of the 2022/23 Annual Plan (including the 2022/23 Funding Impact Statements) at its meeting of 30 June 2022.
7. Under section 23 of the LGRA the Council is required to set its rates by resolution. This paper provides for the Council to set rates for the year commencing on 1 July 2022 and ending on 30 June 2023.
8. 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.
9. Section 24 of the LGRA requires that the Council state the due date for payment of the rates in its resolution setting rates.
10. Rates for the 2022/23 year are set out on a GST exclusive basis. GST will be added when rates are assessed for 2022/23 to provide the total instalment amount.
11. Pursuant to section 23 (5) of the LGRA, within 20 working days of the making of this resolution, a copy will be made publicly available on the Council's website.

## **Kōrerorero | Discussion**

12. Not applicable.

## **Kōwhiringa | Options**

13. Not applicable.

## **Whai whakaaro ki ngā whakataunga | Considerations for decision-making**

### **Alignment with Council's strategies and policies**

14. With the adoption of the 2022/23 Annual Plan, the setting of the rates enables the collection of rates to fund the activities Council has outlined in the Annual Plan that it will deliver on during the next financial year

### **Engagement and Consultation**

15. The impact of the 2022/23 Annual Plan budget on Council's rates has been consulted on through the 2022/23 Annual Plan special consultative procedure as required by the Local Government Act 2002.

### **Implications for Māori**

16. Targeted engagement was undertaken with Mana Whenua as part of the 2022/23 Annual Plan engagement process using existing relationship channels.

### **Financial implications**

17. Recommendations in this report are significant as it determines Council's ability to collect rates and reach its revenue requirements.

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### **Legal considerations**

18. This report meets all statutory requirements under the Local Government (Rating) Act 2002.

### **Risks and mitigations**

19. The major risk is that the rate in the dollar for each rating category has an error that causes an incorrect rate revenue to be generated. At key steps of the process, there have been peer reviews of the calculations and workings. The rate in the dollar has been modelled in the Pathway Rating System to ensure that the rates specified in this paper will generate the correct level of revenue required to fund the activities of Council as outlined in the 2022/23 Annual Plan.

### **Disability and accessibility impact**

20. There are no disability and accessibility implications arising from this paper.

### **Climate Change impact and considerations**

21. Implications of climate change have been considered through the 2022/23 Annual Plan, and therefore funding implications as related to the financial strategy, policies, and rates.

### **Communications Plan**

22. Pursuant to section 23 (5) of the Local Government (Rating) Act, a copy of the rates resolution will be made publicly available on the Council's website within 20 working days of Council making this resolution.

### **Health and Safety Impact considered**

23. There are no Health and Safety implications arising from this paper.

### **Ngā mahinga e whai ake nei | Next actions**

24. Rate assessment notices and rate invoices will be issued in July 2022.

### **Attachments**

Nil