



Otorohanga District Council

# AGENDA

19 DECEMBER 2017

10.00am

**STANDING APPOINTMENT**

11AM - A Presentation by the Otorohanga District Development Board will be made to Council.

**Members of the Otorohanga District Council**

Mr M Baxter (Mayor)  
Mrs K Christison  
Mr R Johnson  
Mrs RA Klos  
Mr P McConnell  
Mr K Phillips  
Mrs D Pilkington (Deputy Mayor)  
Mrs A Williams

Meeting Secretary: Mr CA Tutty (Governance Supervisor)

# OTOROHANGA DISTRICT COUNCIL

19 December 2017

Notice is hereby given that an Ordinary meeting of the Otorohanga District Council will be held in the Council Chambers, 17 Maniapoto Street, Otorohanga on Tuesday 19 December 2017 commencing at 10am.

11 December 2017

**DC Clibbery**  
**CHIEF EXECUTIVE**

## AGENDA

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## REPORTS

### ITEM 224            **AUDIT AND RISK COMMITTEE**

**To:**                    **Mayor and Councillors  
Otorohanga District Council**

**From:**                **Chief Executive**

**Date:**                **19 December 2017**

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#### **Relevant Community Outcomes**

- The Otorohanga District is a safe place to live
  - Ensure services and facilities meet the needs of the Community
  - Provide for the unique history and culture of the District
  - Promote the local economy and opportunities for sustainable economic development
  - Manage the natural and physical environment in a sustainable manner
  - Foster an involved and engaged Community
  - Protect the special character of our harbours and their catchments
  - Recognise the importance of the Districts rural character
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#### **Executive Summary**

The establishment of an Audit and Risk Committee for Council is proposed.

#### **Staff Recommendation**

1. That Council establishes an Audit and Risk Committee in accordance with the attached proposed terms of reference.
2. Two Councillors are appointed as members of the Committee and the referenced person is invited to be the third independent member and Chair of the Committee.

#### **Report Discussion**

There has over the last 8 or so years been an increased focus on audit and risk management processes for local government, in a large part motivated by decisions made by the Kaipara District Council (in respect of its Mangawhai wastewater scheme) and Hamilton City Council (in respect of the Hamilton V8s event) that in each case involved expenditures of over \$30 million that resulted in significant unfavourable outcomes for the ratepayers of those Councils.

This increased focus has translated into widespread suggestions that local authorities should establish 'Audit and Risk Committees' to provide additional oversight of the organisation's financial performance, management of opportunities and risks, and the quality of associated reporting.

The potential establishment of such a committee had been informally discussed with ODC councillors a number of times between 2011 and 2014, including in the comprehensive Organisational Risk Assessment document that I first prepared for Council in 2014 in response to the continuing messages to the local government sector from the Office of the Auditor General (OAG) that councils should improve their management of risk.

The view that I presented in the Organisational Risk Assessment on the establishment of an Audit and Risk Committee was that it was only likely to have significant value if done well, with substantial independent input and a corresponding substantial cost that appeared difficult to justify for a Council that was operating in a relatively stable mode and not undertaking the type of major projects that had resulted in adverse outcomes for councils such as Kaipara and Hamilton.

Investigation of the functioning of A&R Committees at some other Councils also suggested that some such bodies were relatively ineffective, and were perhaps only in place to serve a 'box ticking' function.

At the Council meeting of 20 January 2015 it was agreed that ODC would not establish an A&R Committee, but that the Organisational Risk Assessment that had been prepared should be periodically reviewed and discussed with Council to ensure a continuing focus on risk management. Such a review and discussion was undertaken in October 2016.

Most recently it has however become apparent that regardless of their merits or the objective case for their existence, the presence of an A&R Committees has become seen as a compliance component, and almost all local authorities have put one in place, and ODC is now one of just two Councils in NZ that has not.

This lack of conformity puts ODC in an uncomfortable place in respect of public perception, and heightens the risk of criticism being directed at Council if a significant adverse event was to occur.

On this basis of perception alone it is considered prudent to institute an A&R Committee.

It is believed that if this is to be done, it has to be done in a way that is worthwhile, that will bring new perspectives and challenge the status quo. On this basis it is considered essential that the committee is more than just a group of councillors, and contains at least one suitably qualified external party to bring an expert independent viewpoint.

A person who is both willing and extremely well qualified to assume such an independent role on an ODC A&R Committee has approached Council, and has indicated very modest expectations in respect of remuneration for such duties. Details of this person have been provided to councillors separately for their consideration. It is believed that Council would be extremely fortunate to have a person of this calibre take this key role.

Discussion with this independent party has suggested that for Otorohanga a suitable composition of an A&R committee would be himself and two to three councillors, with the Mayor not being part of the committee.

A draft of the proposed Terms of Reference for the A&R Committee is attached.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

## Proposed Terms of Reference

### **Audit and Risk Committee**

Reporting to:	Council
Membership:	Two Councillors and one independent member
Leadership:	The independent member shall chair the Committee and be the link between the Committee and council staff
Quorum:	Two (2)
Meeting Frequency:	Six monthly or as required
Administrative Support:	Finance and Administration Manager

#### **Objective**

To ensure that Council has appropriate financial, risk management and internal control systems in place that provide:

- 1 an effective overview of the financial performance of the organisation;
- 2 effective management of potential opportunities and adverse effects; and
- 3 reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting.

#### **Responsibilities**

The Audit and Risk Committee shall have the following responsibilities

<b>Function</b>	<b>Responsibility</b>
Risk Management	1 Satisfying itself about the existence and quality of cost-effective internal control and risk management systems, and the proper application of processes.
	2 Approving and reviewing risk management programmes.
	3 Reviewing risk treatment plans for significant risks, including Council's annual insurance programme.
	4 Identifying any internal audit requirements
	5 Liaising with Council's risk advisors and internal auditors.
External Audit	6 Approving and reviewing: a arrangements for external audits, including discussion on the use of work done by any internal auditor; b the external audit engagement letter and letter of undertaking; c additional services to be provided by the external auditor.
	7 Discussing, with the external auditor, matters affecting the annual financial and non-financial statements and the annual audit.
	8 Liaising with Council's external auditor.
Financial Accounting and Policy	9 Reviewing: a the timetable for preparing the annual financial and non-financial statements.
	10 Reviewing and recommending to Council:

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		<ul style="list-style-type: none"> <li>a the completed financial and non-financial statements and their adoption or non-adoption;</li> <li>b governance policies associated with Council's financial, accounting, risk management and internal control functions;</li> <li>c accounting treatments, changes in generally accepted accounting practice (GAAP), and new accounting and reporting requirements.</li> </ul>
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Compliance and Ethics	11	Promoting, monitoring and reviewing: <ul style="list-style-type: none"> <li>a compliance with legal and regulatory requirements;</li> <li>b compliance with Council's policies, plans and processes;</li> <li>c adherence to Council's ethics policies and programmes;</li> <li>d Council's Code of Conduct.</li> </ul>
	12	Reviewing and recommending to Council governance policies associated with Council's compliance and ethics programmes.
	13	Conducting and monitoring special investigations, in accordance with Council policy, and reporting the findings and recommendations to Council.

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Work Programmes	14	Preparing and implementing programmes of work, relevant to the purposes of the Committee, which are consistent with the Annual and Long Term Planning processes of Council. Such programmes are to include budgetary provision for all costs associated with the work of the Committee.
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**Delegations**

The Audit and Risk Committee shall have delegated authority to:

- 1 Approve:
  - a the appointment of any internal auditor;
  - b risk management and internal audit programmes;
  - c audit engagement letters and letters of undertaking for audit functions;
  - d additional services provided by the external auditor.
  
- 2 Recommend to Council:
  - a adoption, or non-adoption of completed financial and non-financial performance statements; and
  - b governance policies associated with Council's financial, accounting, risk management, compliance and ethics programmes and internal control functions;
  - c accounting treatments, changes in generally accepted accounting practice, and new accounting and reporting requirements.
  
- 3 Conduct and monitor special investigations in accordance with Council policy, including engaging expert assistance, legal advisors or external auditors, and, where appropriate, recommend action(s) to Council.

The Committee shall be accountable to Council for the exercising of these delegated authorities within:

- policies, plans, standards or guidelines that have been established and approved by Council;
- the overall priorities of Council;
- the needs of the local communities; and
- the approved budgets for the activity.

**ITEM 225                    PROPOSED NEW PLAYGROUND**

**To:                            Mayor and Councillors  
                                  Otorohanga District Council**

**From:                        Chief Executive**

**Date:                        19 December 2017**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
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**Executive Summary**

Approval is sought for the construction of a Kiwiana playground in the Reg Brett Reserve.

**Staff Recommendation**

It is recommended that:

1. Council approves the construction of a children's playground at the Reg Brett reserve in accordance with the plans accompanying the associated report to the OCB of 30 November 2017.
2. Council will provide no further funding towards the construction of the playground other than the cost of forming the car park and undertaking any other work on the site that is directly necessitated by the lowering of the section of Huiputea Drive.
3. Provided that the constructed playground meets appropriate standards to the satisfaction of relevant Council staff, the facility will vest in Council, on the basis that Council will take responsibility for routine maintenance, minor repairs and insurance (on normal Council terms).
4. Council will fund depreciation for the playground at a rate equivalent to 4% of the overall playground value per year, and will undertake such future renewals of playground assets as are reasonably affordable based upon the depreciation that has been collected for this facility.

**Report Discussion**

At its meeting on 30 November 2017 the Otorohanga Community Board received a report that outlined a request from Project Kiwiana for permission to construct a children's playground in the Reg Brett reserve in Otorohanga. The proposed playground is a significant project, with an estimated cost in the order of \$800,000.

The playground is proposed to primarily be funded by a substantial donation from a private benefactor, with Council's contribution being limited to its previous allocation of Waipa Networks' \$100,000 + GST grant to the Otorohanga Community, and the formation of a new car park, which is primarily motivated not by the playground development, but by the lowering of the adjacent section of Huiputea Drive to increase clearance under the rain bridge.

There is clear potential benefit associated with the proposed playground and the OCB resolved 'That the Board recommends to Council that the construction of the playground in accordance with the presented report and plans is approved'.

The vesting of the playground in Council would appear to be an essential accompaniment to such an approval. It does not seem realistic that any other party could take responsibility for the operation of such a facility on Council land.

Consideration does however need to be given to the conditions of this vesting, and the associated costs.

Discussion with staff of some other Waikato Councils that have playgrounds of similar scale and standard to that being proposed had initially suggested that the likely cost of routine maintenance might be in the order of \$10,000 per year.

Council's Community Facilities Officer has however recently made a more detailed itemised estimate of the operation and maintenance costs for the proposed facility, which has suggested that a more realistic figure would be upwards of \$20,000. Furthermore the officer has identified a number of desirable enhancements to aid management of the facility, such as the installation of CCTV monitoring, installation of additional lighting and modifications of the toilets to provide extra capacity, all of which would be potential further costs to Council.

Taken together it is believed that the likely cost to Council of operating the new playground will be somewhere in the \$20,000 to \$25,000 per year range.

Substantial depreciation costs would also potentially be applicable since it is understood – once again based on information from other local councils – that modern playground assets are typically depreciated over 10 years. If treated in this way the depreciation for the proposed Reg Brett facility would be expected to be at least \$50,000 per year, even if it was assumed that a significant component of the \$800,000 overall cost was landscaping items with significantly longer lives than 10 years. This is a very substantial amount and it is believed that such rapid depreciation may over-estimate real renewal costs.

Council has the discretion to depreciate assets in such a manner as it sees fit, including not fully funding the depreciation that is calculated, on the basis that the existing assets may not be replaced fully or to the same standard.

It is suggested that an approach that may be appropriate in this case would be to fund depreciation at 4% of capital value per year, which assumes an average (value weighted) asset life of 25 years. Whilst it is possible that this might not fully fund renewal costs there would always be the option of not replacing some items, replacing with items of a lesser standard, or seeking charitable funding.

Depreciation at 4%, together with the previously indicated maintenance cost would probably result in the total cost of the playground to Council being between \$50,000 and \$55,000 per annum.

Such expenditure has not previously been signalled in Council planning documents, and would potentially be one of a number of additional operating costs to the parks and reserves account, which in total might amount to around \$80,000 per year. In the short term this additional expenditure may however be significantly offset by lower than expected mowing costs, but it is questionable whether this mowing cost saving will be sustainable in the longer term.

Whilst the full impact of such expenditure will only become clear once Council's Long Term Plan Process is further advanced, the organisers of the playground are seeking urgent approval, which if granted would represent a financial commitment by Council.

**Dave Clibbery**  
**CHIEF EXECUTIVE**

**ITEM 226                      PROPOSED VESTING OF POU**

**To:                                Mayor and Councillors  
                                      Otorohanga District Council**

**From:                            Chief Executive**

**Date:                             19 December 2017**

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**Relevant Community Outcomes**

- Provide for the unique history and culture of the District
- 

**Executive Summary**

A request has been received for vesting in Council of the new large 'Hau Whakareia' Pou in the Omimiti Reserve at Kawhia.

**Staff Recommendation**

It is recommended that:

Council accepts the vesting in it of the 'Hau Whakareia' Pou in Kawhia, on the basis that Council will take responsibility for routine maintenance, minor repairs and insurance (at normal Council terms) of the pou, but will not fund its depreciation or otherwise meet the cost of major renewal.

**Report Discussion**

The Kawhia Community Board at its meeting of 17 June 2017 resolved:

*'That the Board requests that the Otorohanga District Council accepts the request for vesting in Council of the recently completed large Pou in the Omimiti Reserve, with Council to be responsible for routine maintenance of the Pou after 12 months, but not its eventual replacement.'*

The Board is seeking a response to this request, which has not yet been considered by Council.

The installation of the Pou by the Kawhia Community Projects Trust on reserve land was approved by Council, and it is considered a natural next step that the Pou is now vested in Council, subject to appropriate conditions.

The Pou is a significant asset, which cost in excess of \$100,000 to create and install, and has already been insured by Council for such a value. The associated increase to Council's insurance premium will be relatively minor, a few hundred dollars per year.

A more substantial cost that might be met by Council is the routine maintenance of the pou and repair of minor damage which would include:

- Paua shell and bone teeth replacements (when required);
- Paint touch-ups (when required);
- 'Everdure' timber protection replenishing (5 yearly);
- Replacement of cracked/broken Hinuera stone tiles (when required);
- Maintenance of internal and external floodlighting (when required).

It is suspected that the average annual cost of such routine maintenance and minor repair might be in the order of \$2,000, which would be expected to be funded from the Parks and Reserves account.

The item is unique, and as such there would be significant uncertainty regarding the degree to which it might be replicated at some time in the distant future, and the associated cost of such a replacement. For these reasons it is considered appropriate that no commitment is made to depreciate it, or to otherwise undertake a major renewal.

**Dave Clibbery**  
**CHIEF EXECUTIVE**



**ITEM 227                    DRAFT POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND**

**To:                            His Worship the Mayor & Councillors  
                                  Otorohanga District Council**

**From:                        Finance and Administration Manager**

**Date:                        19<sup>th</sup> December 2017**

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**Relevant Community Outcomes**

- Ensure services and facilities meet the needs of the Community
  - Promote the local economy and opportunities for sustainable economic development
  - Foster an involved and engaged Community
- 

**Executive Summary**

Council considered the Rates Remission policies as part of the previous Long-Term Plan process in 2014.

**Staff Recommendation**

It is recommended:

That the Draft Rates Remission Policy and Draft Policy for Remission and Postponement of Rates on Maori Freehold Land be adopted and subject to amendment be included in the Long Term Plan 2018-2028 and consulted on as required by Section 82 of the Local Government Act.

**Report Discussion**

Council considered a Draft Rates Remission Policy and Policy for Remission and Postponement of Rates on Maori Freehold Land during workshops as part of the 2015-25 Long Term Plan process. Council also considered a policy on Remission of Rates for Economic Development.

Council is required to adopt and consult on these policies every three years as part of the Long Term Plan process.

The attached policies have not be altered from those adopted at the previous Long-Term Plan and now require adoption by Council subject to amendment before they can be included in the Long-Term Plan 2018-2028. They are also subject to consultation under Section 82 of the Local Government Act. This will be for a two week period in February/March.

**G.D Bunn**

**FINANCE AND ADMINISTRATION MANAGER**

**Attachments**

- a. Rates Remission Policy
- b. Policy for Remission and Postponement of Rates on Maori Freehold Land

## **Rates Remission Policy**

### **General**

This Policy is prepared pursuant to Section 109 of the Local Government Act 2002.

Section 85 of the Local Government (Rating) Act 2002 states a Council can remit all or part of the rates if a Remission policy has been adopted and notice to the ratepayers is given.

This policy includes :

- The objectives sought to be achieved by remission of rates ; and
- Conditions and criteria to be met in order for rates to be remitted.
- The policy may be amended or revoked using the consultation process defined under Section 82 of the Local Government Act 2002.
- For the purpose of Rates Remissions Rates includes penalties payable on unpaid rates.

### **1 Remission of Instalment Penalties**

A remission of 100% instalment penalties will be granted in the following circumstances, where:

- The ratepayer elects to pay the annual rates by way of a regular payment arrangement to have rates cleared by 31/5.
- The ratepayer has omitted to pay a rates instalment in time due to extraordinary circumstances.
- The ratepayer has missed a penalty date but has otherwise a record of paying rates on time.

#### **1.1 Objectives**

- To facilitate the payment of rates allowing ratepayers to pay their rates by way of an agreed regular payment arrangement over a specified time period.
- To recognise the occurrence of late rates instalment payments in certain circumstances

#### **1.2 Conditions and Criteria**

- Ratepayers paying their rates by way of payment arrangements must make regular payments of specified amounts, as agreed by the Council.
- The ratepayer has made a late payment, but has made all rates payments on time during the previous three years; or if the ratepayer has owned the property for less than three years, from the time they purchased the property.
- The ratepayer can demonstrate that late payment has been made because of extraordinary circumstances.
- The Finance and Administration Manager has delegated authority to determine whether a request for remission should be granted or refused.

## **2 Six-Monthly Penalties where a payment arrangement is in place**

A remission of 100% of six-monthly penalties may be applied to rates accounts in respect of which a payment arrangement is in place and is being honoured, i.e. regular payments of specified amounts are made as agreed between the ratepayer and Council which will allow outstanding rates to be repaid in full .

### **2.1 Objective**

- To facilitate the payment of rates by allowing ratepayers to pay their rates by way of an agreed payment arrangement.

### **2.2 Conditions and Criteria**

- The payment arrangement is being honoured, i.e. ratepayers must pay certain amounts at regular intervals as agreed between the ratepayer and Council.
- If current rates and rate arrears are paid through a payment arrangement, the payments must have the effect of reducing rate arrears, before a remission of six-monthly penalties is considered.
- In considering whether a remission is granted in respect of rates accounts with outstanding balances, the Council may take into account the reasons for the arrears.

- The Finance and Administration Manager has delegated authority to grant or refuse remission in respect of accounts with outstanding balances.

### **3 Remission of Rates for Community, Sporting and other Organisations**

#### **3.1 Objectives**

This policy is intended to facilitate the ongoing provision of non-commercial community services and recreational opportunities for the residents of the Otorohanga District. The purpose of granting rates remission to an organisation is to:

- 1) Assist the organisation's survival; and
- 2) Make membership of the organisation more accessible and affordable to Otorohanga District residents and ratepayers

#### **3.2 Conditions and Criteria**

This part of the policy will apply to land owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

This policy does not apply to organisations operated for private pecuniary profit. Nor will it apply to groups or organisations who engage in recreational, sporting or community services as a secondary purpose only.

Remission will be applied as follows to all rates with the exception of targeted rates for water supply, sewage disposal or refuse collection:

- A remission of the 50 percent residual rates will be given to those societies and associations who qualify for the 50 percent non-rateable category under Schedule 1, Part 2 of the Local Government (Rating) Act 2002, including those who have a club licence under the Sale of Liquor act 1989.
- All other community and sporting organisations fitting the criteria stated in this policy will receive a full remission of rates.

### **4 Remission of Wastewater charges to Schools**

#### **4.1 Objectives**

- To provide relief and assistance to educational establishments in paying wastewater charges.

#### **4.2 Conditions and Criteria**

The policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (a-b) of the Local Government (Rating) Act 2002.

The policy does not apply to school houses or any part of a school used for residential purposes.

Wastewater charges for schools will be calculated based upon a notional number of pans as follows:

*Staff plus pupils/ 20 = number of pans*

The wastewater charge for the educational establishment will be charged at:

- 100% for the first four pans then
- The fifth to tenth pan charges will be discounted to 75% and
- All pan charges exceeding ten will be discounted to 50%

The student numbers is the number of students on the roll on March 1 in the year immediately before the year in which the charge relates.

The number of staff is the number of full time equivalent and administration staff employed on 1 March immediately before the year in which the charge relates.

The policy applies to all Wastewater charges including Uniform Targeted Rates and Targeted Rates for debt servicing.

## **5 Rates Remission for Land held for Conservation or Preservation purposes.**

### **5.1 Objectives**

- To enable the Council to assist in the preservation and conservation of land and its native fauna and flora for the benefits of, and visitors to, the Otorohanga District.

### **5.2 Conditions and Criteria**

On application of a ratepayer and provided that:

- A portion of a rating unit has been set aside as a conservation area, covered by a Queen Elizabeth 2 Trust covenant; and
- Documented evidence of the covenant is provided; then,

The Council may remit that portion of the rates calculated on the area so covenanted. Upon receipt of the application the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation for that part of the rating unit, which has been covenanted. (Note: The valuation service provider's decision is final as there is no statutory right of objection, or appeal, for valuations completed this way).

Decisions for remission of rates on land set aside for conservation purposes will be delegated to the Finance and Administration Manager as set out in Council's delegation manual.

## **6 Rates Remission for a Rating Unit affected by Calamity**

### **6.1 Objectives**

- The objective of this remission policy is to permit the Council to remit part or whole of the rates charged in any financial year on any land that has been detrimentally affected by erosion, subsidence, submersion, or other calamity.

### **6.2 Conditions and Criteria**

The Council may remit the rates charged on a rating unit if:

- The property is detrimentally affected by erosion, subsidence, submersion, or other natural calamity or
- The property is unable to support the activity which it was used prior to the calamity. For example a residence or commercial building that is unable to be occupied as a result of a calamity.

Rates remissions will only be considered and made following the receipt of an application by a qualifying property in respect of the financial year in which the application was received. There will be no backdating of rates remissions. Rates remissions (for part or all) may be applied to all rates charged on qualifying properties.

## **7 Rates Remission for new subdivisions**

A remission of all Uniform Charges with the exception of targeted rates for Refuse, Water and Sewerage may be remitted for the second and subsequent lots of a new subdivision as long as the lots remain unsold and unoccupied.

### **7.1 Objectives**

- To facilitate subdivision development in the Otorohanga District.

### **7.2 Conditions and Criteria**

- The subdivided new lots must be unsold and unoccupied
- Rates remission will apply to the second and subsequent lots of the subdivision

## **8 Remission of Uniform Charges on contiguous properties**

### Definition of Contiguous:

Sharing an edge or boundary; touching; or separated only by a road, railway, drain, water race, river or stream. All ratepayers will pay at least one set of uniform targeted rates. A set of uniform targeted rates refers to the Uniform Annual General Charge and all Uniform Targeted rates with the exception of targeted rates for Refuse, Water and Sewerage

### **8.1 Objectives**

This policy provides for the remission of rates where two or more sets of uniform targeted rates are set on rating units that are:

- Contiguous and
- Owned and/or occupied by the same person or persons and
- Used jointly for a single residential or farming use

### **8.2 Conditions and Criteria**

The rating unit must be contiguous

The policy applies to ratepayers who are recorded as ratepayers of two or more separate rating units. Each rating unit will attract a set of uniform targeted rates.

The rating unit must:

- In the case of an urban property, be owned by the same ratepayer/s who use the rating units jointly as a single residential property, or
- In the case of a rural property, be separately occupied by the same ratepayer/s who uses the rating units jointly as a single purpose.
- The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

## **9 Remission of Rates on Rating units with a capital value of \$1,000 or less**

### **9.1 Objectives**

To allow Council to act fairly, reasonably and efficiently where rating units have capital valuations of \$1,000 or less

### **9.2 Conditions and Criteria**

Rating units that have a registered capital value of \$1,000 or less held in the District Valuation Roll as at 30 June for the current rating year are eligible for remission of rates.

The remission applied will be 100 per cent of all Otorohanga District Council rates that have been assessed for the rating unit. The Finance and Administration Manager under delegated authority may apply this remission on the ratepayers behalf.

## **10 Remission of Rates for Excess Water Consumption**

### **10.1.1 Objectives**

To enable the Council to provide relief to ratepayers who have metered properties and have suffered excessive water consumption due to a leak or other similar circumstances.

### **10.2 Conditions and Criteria**

On written application of the ratepayer, and provided that:

- Excess water consumption has occurred through a broken or leaking pipe that realistically was not observable or otherwise noticeable or some other exceptional circumstances; and
- Evidence is provided that the fault has been remedied; and
- No other application for remission for excess water use on the particular meter had been granted in the previous two years; then,

The Council may remit 100% of excess water use for the first affected billing period, and 50% for the second affected billing period. After two consecutive periods, no remission will apply.

Decisions for remission of water-by-volume rates for rating units will be delegated to the Finance and Administration Manager.

## **11 Rating Units containing two separately habitable units**

### **11.1 Objectives**

To enable the Council to provide relief for ratepayers who own a rating unit containing two habitable units but who use the second unit only to accommodate non-paying guests and family.

### **11.2 Conditions and Criteria**

On written application of a ratepayer annually, and provided that:

- Their rating unit contains two habitable units; and
- The second unit is used only for family or friends of the occupants of the first unit on a non-paying basis; and
- The application is accompanied by a Statutory Declaration made by the ratepayer that declares that the previous bullet point has been complied with for the current rating year and will continue to be complied with in the ensuing year; then,

The Council may remit second targeted rates for Water, Wastewater and Refuse Collection. If a rating unit contains more than two habitable units used by non-paying guests and family, only one is entitled to remission.

The application for remission must be made to the Council prior to commencement of the rating year (1 July). Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

## **12 Extreme Financial Hardship**

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

### **12.1 Objectives**

To assist ratepayers who experience extreme financial hardship which affects their ability to pay rates.

### **12.2 Conditions and Criteria**

- The policy does not apply to vacant land
- A ratepayer making an application must be the registered owner and occupier of the property in respect of which rates relief is sought.
- The ratepayer must not own any other property in the Otorohanga District or any district.
- The ratepayer must supply sufficient evidence, including financial statements, to satisfy the Council that extreme financial hardship exists.
- When considering an application, the ratepayer's personal circumstances will be relevant such as age, physical or mental ability, injury, illness and family circumstances.
- It is expected that the ratepayer pays a minimum of \$520.00 per annum towards their rates account, i.e. \$10.00 per week. However, each case will be considered on its merits.
- The Chief Executive has delegated authority to decline an application or remit rates, including rates arrears, of up to \$2,000.
- Any appeals against a decision of the Chief Executive will be referred to Council for final determination.
- A six-monthly summary of all approved hardship applications must be submitted to Council.
- The term rates includes penalties payable on unpaid rates.
- Remissions for Extreme Financial Hardship will be of limited duration, and not ongoing.

## **13 Care for the Elderly and Disadvantaged Persons**

A 100% remission of all rates excluding targeted rates for Water, Wastewater and Refuse Collection may be applied to land owned or used by charitable institutions and groups which provide care of the aged and disadvantaged persons.

### **13.1 Objectives**

- To facilitate the operation of charitable groups and institutions.
- To support the services provided by such groups and institutions

### **13.2 Conditions and Criteria**

- Charitable organisations must provide care on a non-profit basis
- An application for rates remission must be made to the Council prior to the commencement of the rating year; rates remissions will not be applied during the rating year or retrospectively.
- The application must include the following information in support of the application:
  - a) Objectives of the organisation.
  - b) Funding and financial information
  - c) Information on activities and programmes
- The Finance and Administration Manager has delegated authority to determine whether the organisation qualifies for rates remission.
- No rates remission will be granted in respect of Targeted rates for Water, Wastewater or Refuse Collection.
- The term rates includes penalties payable on unpaid rates.

## Remission and Postponement of Rates on Maori Freehold Land Policy

### Introduction

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission under this policy. Whether rates are remitted in any individual case will depend on the individual circumstances of each application. The policy has been formulated for the purposes of:

Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Maori owned lands have particular conditions features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.

Meeting the requirements of Section 102 and 108 and the matters in Schedule 11 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

### Objective

The objectives of this policy are:

-  To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land.
-  To set aside land that is better set aside for non-use because of its natural features (whenua rahui)
-  To recognise matters related to the physical accessibility of the land.
-  To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

### Conditions and Criteria

Application for this remission should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.

Owners or trustees making application should include the following information in their applications:

-  details of the rating units involved
-  the objectives that will be achieved by providing a remission
-  documentation that shows the land which is the subject of the application is Maori freehold land

Council may of its own volition investigate and grant remission of rates on any Maori freehold land in the District.

Relief, and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time.

Council may give a remission of up to 100% of all rates, except targeted rates set for water supply or waste disposal based on the following criteria:

-  The land is unoccupied and no income is derived from the use or occupation of that land, or
-  The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land
-  The land is inaccessible and is unoccupied.
-  The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.
-  The property is not used for residential purposes, and its value is significantly less than the value assessed by Quotable Value.

**ITEM 228        MATTERS REFERRED FROM 21 NOVEMBER 2017**

**To:                MAYOR & COUNCILLORS**

**From:             Governance Supervisor**

**Date:              19 December 2017**

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**COUNCIL**

**21 MARCH 2017**

To consider options for Council representation on the WDHB Consumer Council Group, at the appropriate time.

**CHIEF EXECUTIVE**

**18 JULY 2017**

To report to the next meeting of Council on the new service agreement with the Otorohanga District Development Board.

**ENGINEERING MANAGER**

**21 NOVEMBER 2017**

To investigate the issue of trucks parking outside McDonalds Restaurant blocking visibility at the intersection of SH3/ Te Kanawa Street

**CA Tutty**

**GOVERNANCE SUPERVISOR**

**GENERAL**

