

7.2 Resolution to Set Rates 2023/24

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Recommendation

That as the Annual Plan 2023/24 has been adopted and in accordance with the Funding Impact Statement (FIS) and relevant provisions of the Long Term Plan 2021 – 31 Council resolves:

1 To set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing 1 July 2023 and ending on 30 June 2024. Such rates shall become due and payable by instalments on the dates prescribed in clause 11 of this resolution.

2 All rates and charges are inclusive of Goods and Services Tax (GST).

3 General Rate

That pursuant to Section 13(2)(b) and Section 14 of the Local Government (Rating) Act 2002 a general rate set as a rate in the dollar on the land value of all rating units within the Timaru District, assessed on a differential basis as described in the Funding Impact Statement (FIS) are as follows:

Timaru District - Accommodation	\$0.01346
Timaru District - Commercial Central	\$0.01346
Timaru District - Commercial Other	\$0.01346
Timaru District - Community Services	\$0.00310
Timaru District - Industrial	\$0.01346
Timaru District - Primary	\$0.00208
Timaru District - Recreational	\$0.00310
Timaru District - Residential General	\$0.00310
Timaru District - Residential Multi Unit	\$0.00597

The differential categories are defined in the FIS 2023/24.

4 Uniform Annual General Charge

That pursuant to Section 15(1)(a) of the Local Government (Rating) Act 2002 a uniform annual general charge of \$996.00 per rating unit is set and assessed on every rating unit within the Timaru District.

5 Community Works and Services

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 a targeted community works and services rate set and assessed as a rate in the dollar on the land value of all rating units within each of the following community areas:

Geraldine	\$0.00138
Rural	\$0.00005
Temuka	\$0.00158

Timaru \$0.00137
 Community areas are defined in the FIS 2023/24.

6 Community Board

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 targeted uniform annual Community Board rates set and assessed per rating unit within each of the Temuka, Geraldine and Pleasant Point communities, as follows:

Geraldine	\$6.00
Pleasant Point	\$5.00
Temuka	\$5.00

7 Sewer

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 a targeted uniform rate for sewage disposal set per water closet or urinal connected either directly or through a private drain to a public sewerage drain subject to the proviso that every rating unit used primarily as a residence of not more than one household shall be treated as having not more than one water closet or urinal, as follows:

Sewer	\$346.27
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8 Waste Management

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002 a targeted rate set and assessed on all rateable and non-rateable rating units based on the extent of the waste collection, which is actually provided, as follows:

- (a) A targeted annual waste management charge of a fixed amount per set of 4 bins for all rateable and non-rateable land (see description of waste categories in FIS):
 - (i) \$238.00 per "Standard" 4 bins provided to each rating unit; and
 - (ii) \$310.00 per "Large" 4 bins provided to each rating unit;

Additional bins are charged for as a targeted annual waste management bin charge of a fixed amount per additional bin:

- (i) \$60.00 per additional small (140 litres) recycling bin provided to each rating unit;
- (ii) \$67.00 per additional large (240 litres) recycling bin provided to each rating unit;
- (iii) \$93.00 per additional small (140 litres) compost bin provided to each rating unit;
- (iv) \$108.00 per additional large (240 litres) compost bin provided to each rating unit;
- (v) \$115.00 per additional small (140 litres) rubbish bin provided to each rating unit;
- (vi) \$162.00 per additional large (240 litres) rubbish bin provided to each rating unit;
- (vii) \$60.00 per additional small (80 litres) glass bin provided to each rating unit; and
- (viii) \$67.00 per additional large (240 litres) glass bin provided to each rating unit

9 Water

That pursuant to Section 16(3)(b), 16(4)(b), and section 19 of the Local Government (Rating) Act 2002 targeted rates for the supply of water in the following areas are as follows:

(a) Urban Water

A differential annual rate of \$548.00 set and assessed per separately used or inhabited part of a rating unit for all connected rating units (excluding those supplied through a meter) and \$273.90 set and assessed per rating unit for all serviceable rating units within the Geraldine, Pleasant Point, Peel Forest, Temuka, Timaru and Winchester urban supply areas.

Definitions of "connected", "serviceable", "unit", and of the differential categories are contained in the FIS 2023/24.

(b) Rural Water**(i) The Rangitata-Orari Water Supply District**

A targeted rate of \$18.70 set and assessed per hectare within the rating unit.

(ii) The Te Moana Downs Water Supply District

a) A targeted rate of \$396.00 set and assessed for each unit of water supplied;

b) A targeted rate of \$826.00 set and assessed for each tank except where there is more than one tank to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.

(iii) The Orari Water Supply District

A targeted rate of \$487.70 set and assessed for each unit of water supplied.

(iv) The Seadown Water Supply District

a) A targeted rate of \$35.50 set and assessed per hectare within the rating unit;

b) A targeted rate of \$887.00 set and assessed per separately used or inhabited part of a rating unit for each domestic supply;

(v) Beautiful Valley Water Supply District

A targeted rate of \$22.40 set and assessed per hectare within the rating unit.

(vi) Downlands Water Supply District

On so much of the rating unit appearing on District Valuation Rolls number 24640, 24660, 24670, 24680, 24690, 24700, 24710, 24820, 24840, 24850, 24860, and part 25033, as is situated within the Downlands Water Supply District:

a) A targeted rate of \$958.00 set and assessed for each separately used or inhabited part of a rating unit within the Pareora Township and for rating units used as halls within the scheme.

b) A targeted rate of \$1,641.00 set and assessed per rating unit for rating units used as schools within the Pareora Township.

- c) In addition a targeted rate of \$684.00 set and assessed for each separate connection (excluding Pareora Township) to the water supply except where there is more than one connection to any rating unit as a technical requirement of the scheme, in which case only one charge will apply.
- d) In addition to the charge assessed in (c) above, a targeted rate of \$274.00 set and assessed per unit of water or where water supplied in one half units a charge of \$137.00 set and assessed per half unit supplied.

The differential categories are defined in the FIS 2023/24.

(c) Water by Meter

Targeted rates for water supply, set under Section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed to any rating unit situated in the following areas which has been fitted with a water meter:

Seadown	\$1.08
Urban	\$0.83

10 Community Centre

That pursuant to Section 16(3)(b) and 16(4)(a) of the Local Government (Rating) Act 2002, the following uniform targeted rates are set and assessed in respect of each separately used or inhabited part of a rating unit situated in the following Community Centre Areas:

Claremont Community Centre	\$19.00
Fairview Community Centre	\$29.00
Kingsdown Community Centre	\$35.00
Otipua Community Centre	\$18.00
Seadown Community Centre	\$33.00

11 Instalment Dates

The above rates and charges (except for metered water) are due and payable in four equal instalments on the following dates:

All Ratepayers

Instalment	Due Date
1	20 September 2023
2	20 December 2023
3	20 March 2024
4	20 June 2024

The due dates for metered water charges are as follows:

Month invoice raised	Due Date
July 2023	21 August 2023
August 2023	20 September 2023
September 2023	20 October 2023
October 2023	20 November 2023
November 2023	20 December 2023

December 2023	22 January 2024
January 2024	20 February 2024
February 2024	20 March 2024
March 2024	22 April 2024
April 2024	20 May 2024
May 2024	20 June 2024
June 2024	22 July 2024

12 Penalties

That pursuant to Section 57 of the Local Government (Rating) Act 2002 the Timaru District Council prescribes the following penalties to be added to unpaid rates:-

(a) A Penalty

A penalty under section 58(1)(a) of 10% of the amount of the instalment that remains unpaid after the due date of that instalment will be added on or after the following dates:

Instalment	Penalty Date
1	22 September 2023
2	22 December 2023
3	22 March 2024
4	22 June 2024

(b) Further Penalties

A further penalty under section 58(1)(b) and 58(1)(c) of 10% of the amount of any rates from previous financial years remaining unpaid on 7 July 2023 will be added on 20 July 2023.

Under section 58(1)(c), an additional penalty of 10% will be added to any unpaid rates from previous financial years that remain unpaid on 22 January 2024. This penalty will be added on 22 January 2024.

Penalties will not be applied to the metered water targeted rates.

Purpose of Report

- 1 To set the rates, due dates and penalties regime for the 2023/24 financial year.

Legal Compliance

- 2 Rates are set and assessed in accordance with requirements of the Local Government (Rating) Act 2002 and the Local Government Act 2002.
- 3 Rates are a tax and a very high standard of administration is expected in the tax setting process.
- 4 The rates resolution must be made after the Annual Plan has been adopted.
- 5 Due to the significance of rates revenue and the complex requirements of rates resolutions, staff have obtained legal advice to ensure that all parts of the Funding Impact Statement (FIS) and rates resolutions are compliant with legal requirements.

Risks

- 6 If the information in the resolution is not accurate the rates could be invalid. The wording and calculations have been prepared and checked by members of the Finance Team to ensure the information is correct. It has also had an external legal review as we do each year to provide assurance regarding the correctness of the rates setting resolution.
- 7 The rating model has been used for a number of years and the output from the rates resolution has been run through the rating system to ensure that the revenue generated is correct.
- 8 Should the Annual Plan not be adopted at the meeting, the rates cannot be set.
- 9 Officers recommend that Council adopts the Timaru District Council Rates Resolution 2023/24 and that Council resolves (set out below is the proposed resolution and its numbering as recommended):

1 To set the following rates under the Local Government (Rating) Act 2002, on rating units in the district for the financial year commencing 1 July 2023 and ending on 30 June 2024. Such rates shall become due and payable by instalments on the dates prescribed in clause 11 of this resolution.

2 All rates and charges are inclusive of Goods and Services Tax (GST).

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Penalties will not be applied to the metered water targeted rates.

Attachments

- 1. FIS 2023-2024 - Rating Information June 2023**