

RATING POLICY

This Rating Policy should be read in conjunction with the Revenue and Financing Policy and the funding principles included in the Long-term Plan. Figures in this Policy are GST inclusive.

The following rates will be set by Council for the financial year commencing 1 July 2018 and ending 30 June 2019.

The following are the details for each of the rates to be set for each financial year. All rates set by way of a rate in the dollar are based on capital value. All rates are charged on the basis of Rating Unit, except for the Residential Multi Unit category where it is stated in the policy following as charged on the basis of separately used or inhabited part of the rating unit (SUIP).

SUIP is defined as any part of a rating unit separately occupied by the owner or any other person who has the right to occupy that part by virtue of a tenancy, lease, licence or other agreement.

DIFFERENTIALS APPLIED IN SETTING GENERAL AND TARGETED RATES

In order to maintain an equitable rating impact and preserve the relationship which exists between residential, rural, commercial, utilities and industrial rating units, differentials have been applied to the residential rating unit base rate, as follows:

Differentials applied in setting rates		%
Residential	Base Rate	100.00
Residential – Multi Units		
• For the first unit	Base Rate	100.00
• For each additional unit	Base Rate	-25.00
Commercial	Base Rate	100.00
Industrial	Base Rate	100.00
Rural-Farming	Base Rate	-25.00

GENERAL RATE

The general rate is to fund the activities of Emergency Management, Grants, Total Mobility, Civic Theatre, Democratic Process, Destination Marketing, Enterprise, Community Development and 15% of both street lighting and footpaths. It is based on the capital value of that rating unit. This is the base rate.

Differentials will be applied to the general rate as outlined above. No uniform annual general charge is applied.

	2017/18 \$	2018/19 \$
General Base Rate	0.00101215*	0.00062416

* In 2017 included Building Services, Environmental Health, Animal Services and Compliance that are now part of Regulatory Services Rate.

TARGETED UNIFORM CHARGE AND TARGETED RATE

A targeted uniform charge on all ratepayers will be levied for both the Parks and Reserves Activity and for the Pools Activity. The remaining revenue required from rates will be gathered from a targeted rate, based on capital value, on residential and lifestyle properties only.

- *Parks and Reserves Rate* is to fund provision of Parks and Reserves in the District.
- *Pools Rate* is to fund provision of aquatic facilities in the District.

	2017/18 \$	2018/19 \$
Parks and Reserves Targeted Uniform Charge	57.50	57.50
Parks and Reserves Base Rate	0.00106817	0.00093500
Pools Targeted Uniform Charge	28.75	28.75
Pools Base Rate	0.00035944	0.00035225

TARGETED RATES

- **Targeted Rates Payable on All Rating Units**

The following rates are payable on all rateable land by applying a rate in the dollar based on the capital value of the rating unit and are subject to the differentials as outlined.

Regulatory Services Rate is to fund the functions of Resource Management, Environmental Health, Animal Services, Compliance and Building Services.

Roading Rate is to fund the provision of roading services.

Cemeteries Rate is to fund the operation of Council's cemeteries.

	2017/18 \$	2018/19 \$
Resource Management Base Rate	0.00021095	-
Regulatory Services Base Rate	-	0.00049898
Roading Base Rate	0.00088018	0.00075984
Cemeteries Base Rate	0.00004807	0.00004284

The following rates are set on all rating units by applying a fixed charge with differentials applied as outlined.

- *Residential* – Multi units are charged on the basis of SUIP.
- *Libraries Rate* is to fund provision of library services in the District.
- *Regional Heritage Rate* is to fund Council's contribution to the operation of Southland museums and heritage.
- *Regional Facilities Fund* is to fund Council's contribution to the operation of Southland regional facilities.

	2017/18 \$	2018/19 \$
Libraries Base Rate	188.04	193.44

Regional Heritage Base Rate	40.36	41.13
Regional Facilities Base Rate	0	0

The following rate applies to those rating units which have a land use as shown in the Rating Information Database of commercial only. This differential has the objective of applying a nil rate to all other categories of land use. The rate is detailed below:

- *Business Development Rate* is to fund all costs associated with the redevelopment of commercial areas.

	2017/18 \$	2018/19 \$
Business Development Base Rate	0.00060448	0.00046729

The following rate applies to those rating units which have a land use as shown in the Rating Information Database of commercial or industrial only. This differential has the objective of applying a nil rate to all other categories of land use. The rate is detailed below:

- *Economic Development Rate* is to fund economic, sporting and cultural development initiatives.
- *City Centre Co-ordinator Rate (Map H) (previously City Centre Rejuvenation Rate)*

	2017/18 \$	2018/19 \$
Economic Development Base Rate	0.00018415	0.00016647
City Centre Co-ordinator Base Rate	0.00031042	0.00029298

- **Targeted Rates Payable by Groups of Ratepayers**

Payable by Ratepayers within a specified location

The following rates are payable on all rateable land within a specified location. A general description of the area is given in each case. Maps defining the areas are attached as Maps A – G and I.

1. *Rateable Land within the Invercargill and Bluff Urban Areas (Map A)*. These targeted rates will be set for each rating unit by applying a rate in the dollar based on the capital value of the rating unit. Differentials will be applied to these targeted rates as outlined earlier. 85% of the rates for footpaths and street lighting will be targeted and 15% general rate.

Footpaths Rate to fund provision of footpaths in the Invercargill City and Bluff areas.

Street Lighting Rate to fund provision of street lighting in Invercargill City and Bluff.

	2017/18 \$	2018/19 \$
Footpaths Base Rate	0.00038129	0.00031001

Street Lighting Base Rate	0.00010847	0.00008094
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2. *Rateable Land within the Invercargill City Area only (Map B)*. This targeted rate will be set for each rating unit by applying a rate in the dollar based on the capital value of the rating unit. Differentials will be applied to these targeted rates as outlined.

Transport Rate to fund the cost of subsidised passenger transport in the Invercargill City area.

	2017/18 \$	2018/19 \$
Transport Base Rate	0.00011052	0.00015272

3. *Rateable Land within the Makarewa Drainage Area (Map C)*. The Makarewa targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

Drainage – Makarewa Rate to fund costs in the Makarewa Drainage area.

	2017/18 \$	2018/19 \$
Drainage Makarewa Base Rate	79.93	81.93

4. *Rateable Land within the Myross Bush Drainage Area (Map D)*. The Myross Bush targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

Drainage – Myross Bush Rate to fund costs in the Myross Bush Drainage area.

	2017/18 \$	2018/19 \$
Drainage Myross Bush Base Rate	79.49	82.13

5. *Rateable Land within Specified Locations for Community Centres (Map E)*. These targeted rates will be set for each rating unit on a fixed charge per rating unit basis to fund the cost of operating a Community Centre in each location.

- *Community Centre – Myross Bush Rate*
- *Community Centre – Otatara Rate*
- *Community Centre – Awarua Rate*
- *Town Hall – Bluff Rate*

	2017/18 \$	2018/19 \$
Community Centre – Myross Bush Rate	30.00	30.00
Community Centre – Awarua Rate	30.00	30.00
Community Centre – Otatara Rate	15.00	15.00
Town Hall – Bluff Rate	16.50	16.50

6. *Rateable Land within the Bluff Ward (Map F)*. These targeted rates will be set for all rateable land by applying a rate in the dollar based on the capital value of the rating unit. Differentials will be applied to this rate as outlined.

- *Community Board – Bluff Rate* to fund costs within the Bluff Community Board.

	2017/18 \$	2018/19 \$
Bluff Community Board Base Rate	0.00035754	0.00031110

7. *Rateable Land within the Redmayne Road Drainage District (Map G)*. The Redmayne Road targeted drainage rate will be set for each rating unit on a fixed charge per rating unit basis.

Drainage – Redmayne Road Rate to fund costs in the Redmayne Road Drainage area.

	2017/18 \$	2018/19 \$
Drainage Redmayne Road Base Rate	80.30	78.86

8. *Land within the Inverurie Rating Area (Map I)*.

Inverurie Maintenance Rate – Requested by the developer of Inverurie subdivision.

	2017/18 \$	2018/19 \$
Inverurie Maintenance Rate	0	0

- **Targeted Rates Payable where a service is provided or available for provision by Council.**

The following rates are payable on all rateable land where the service is provided or available to be provided. In the provision of water, sewerage and refuse disposal services, these rates also apply to those non-rateable rating units as specified in Section 9 and Parts 1 and 2 of Schedule 1, Local Government (Rating) Act 2002.

There are two categories for each rate – Residential and Non-Residential.

Non-Residential means rateable land included in the Rating Information Database as rating units being used for Commercial, Industrial or Other purposes. Rest Homes, Hospitals, Schools, Kindergartens and Play centres, Halls, Services and Sports Facilities are included in the Non-Residential category. Residential multi-units are charged on the basis of SUIP.

	2017/18 \$	2018/19 \$
Water Base Rate	370.19	373.24
Sewerage Base Rate	232.46	241.80
Drainage Base Rate	146.05	168.77

The following differentials will be applied to these targeted rates:

- *Water* – those rating units designated residential will meet 84% of the total water rate. Non-Residential rating units will meet 16% (Base rate: \$495.62)
- *Sewerage* – those rating units designated residential will meet 75% of the total water rate. Non-Residential rating units will meet 25% (Base rate: \$586.30)
- *Drainage* – those rating units designated residential will meet 75% of the total water rate. Non-Residential rating units will meet 25% (Base rate: \$437.84)
- *All rateable land designated residential* will be set a fixed charge for each of the water, sewerage and drainage rates.
- *Vacant rating units* which are able to be connected to a water, sewerage or drainage system but have not been connected will be charged half the amount of the above charge.
- *All rateable land designated as Non-Residential* will be set a fixed charge for each of the water, sewerage and drainage rates based on a range of capital values as follows:

		%
Less than \$50,000	=Base Fixed Charge	-20
From \$50,001 - \$100,000 *	=Base Fixed Charge	100
\$100,001 - \$200,000	=Base Fixed Charge	+20
\$200,001 - \$400,000	=Base Fixed Charge	+40
\$400,001 - \$1,000,000	=Base Fixed Charge	+100
\$1,000,001 - \$3,000,000	=Base Fixed Charge	+200
\$3,000,001 - \$5,000,000	=Base Fixed Charge	+300
\$5,000,001 +	=Base Fixed Charge	+400

* Base rate

Refuse Collection Rate is to fund the provision of refuse removal and kerbside recycling services in the serviced area. This targeted rate will be set by applying a fixed charge for each rate on all rateable land within the serviced area which receives or is able to receive the service.

The General Waste Management Rate is 17% of the total solid waste service cost and is to fund the education and administration service provided to all ratepayers, with the exclusion of those within the Rural – Farming rating category.

Each additional wheelie bin provided for refuse or recycling costs \$191.00 per annum.

	2017/18 \$	2018/19 \$
Refuse Collection Base Rate	191.67	191.00
Additional Wheelie Bin	191.67	191.00
General Waste Management Rate	34.90 Uniform Charge	0.00011343 Capital value

ADDITIONAL RATING POLICIES

In addition to the Policy and method of collecting rates as outlined above the following additional policies will also be applied.

Rating of Utilities

Utilities as specified in the Rating Information Database will be charged only the following rates:

- General Rate
- Regulatory Services Rate
- Roothing Rate
- Parks and Reserves Rate
- Cemeteries Rate
- Libraries Rate
- Pools Rate
- Regional Heritage Rate

All utilities are rated as industrial properties as their full capital value.

Rating of Non-Rateable Land

Rating units which are deemed to be non-rateable under the Local Government (Rating) Act 2002 will be rateable for water, sewerage, and refuse collection where these services are provided (Section 9 of the Act).

These rating units will be assessed in the same manner as other ratepayer and according to their residential or non-residential status. Churches, community groups, residential homes and pensioner housing will be classified as residential for this purpose. All other non-rateable rating units will be classified as non-residential.

Water Charges

Water user charges based on metered consumption may also be made for water consumed by rating units, other than private residential rating units. This targeted rate will be charged by invoice, on a three monthly basis.

Industrial

The maximum value on which an Industrial property is rated in \$25,000,000.