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## **NOTICE OF MEETING**

**Notice is hereby given of the Meeting of the  
Committee of Council  
to be held in the Victoria Room, Civic Theatre on  
Wednesday 3 June 2020 at 3.00 pm**

Sir T R Shadbolt, KNZM JP  
Cr T M Biddle (Deputy Mayor)  
Cr R R Amundsen  
Cr R L Abbott  
Cr A J Arnold  
Cr W S Clark  
Cr A H Crackett  
Cr P W Kett  
Cr G D Lewis  
Cr D J Ludlow  
Cr I R Pottinger  
Cr N D Skelt  
Cr L F Soper

CLARE HADLEY  
CHIEF EXECUTIVE

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A2279220
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**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>ELECTED MEMBERS</b>			
<b>NAME</b>	<b>ENTITY</b>	<b>INTERESTS</b>	<b>PROPERTY</b>
<b>RONALD LINDSAY ABBOTT</b>	Invercargill City Council Kiwi-Pie Radio 88FM Invercargill	Councillor Director / Broadcaster	
<b>REBECCA RAE AMUNDSEN</b>	Invercargill City Council Arch Draught Ltd BP Orr Ltd Task Ltd Arts Murihiku Dan Davin Literary Foundation Heritage South Glengarry Community Action Group SMAG Board	Councillor Director Director Director Trustee Trustee/Chair Contractor Events Co-ordinator (Volunteer)  Council Representative	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>ALLAN JAMES ARNOLD</b>	Invercargill City Council Ziff's Café Bar Ltd Buster Crabb Ltd Ziff's HR Ltd Ziff's Trust Southland Aero Club Invercargill Club Invercargill East Rotary	Councillor Executive Director Executive Director Executive Director Trustee Administrator Member Member Member	
<b>TONI MARIE BIDDLE</b>	Invercargill City Council Southland Museum and Art Gallery Trust Board McIntyre and Dick	Councillor Trustee  Husband (Kris MacLellan) – Chief Executive Officer	
<b>WILLIAM STUART CLARK</b>	Invercargill City Council Invercargill Ratepayers Advocacy Group	Councillor Member	

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>ALEX HOLLY CRACKETT</b>	Invercargill City Council Ride Southland Southland Youth Futures Advisory Board Sport Southland McIntyre Dick	Councillor Chair Chair Trustee Marketing Manager	High Street Invercargill
<b>PETER WARREN KETT</b>	Invercargill City Council Age Concern Southland Kite Investments Limited Invercargill Harness Racing Club Board Member Ascot Consortium	Councillor Board Member Director Vice President and Life Member Member	
<b>GRAHAM DAVID LEWIS</b>	Invercargill City Council Bluff 2024 Rejuvenation Hospice Southland City Centre Heritage Steering Group	Councillor Officer Trustee Member	
<b>DARREN JAMES LUDLOW</b>	Invercargill City Council Radio Southland Healthy Families Invercargill Murihiku Maori Wardens Southland Community Law Centre Thrive Community Trust Environment Southland	Councillor Manager Board Member Board Member Board Member Trustee Lyndal Ludlow (wife) – Councillor	770 Queens Drive Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>IAN REAY POTTINGER</b>	Invercargill City Council Southland Electronics Limited Santa Parade Organiser	Councillor Director Alice Pottinger (Wife)	171 Terrace Street Invercargill 9810
<b>TIMOTHY RICHARD SHADBOLT</b>	Invercargill City Council Kiwi Speakers Limited SIT Ambassador	Mayor Director Member	
<b>NIGEL DEAN SKELT</b>	Invercargill City Council Badminton New Zealand Badminton Oceania Badminton World Federation  ILT Stadium Southland	Councillor Board Member Vice President Council Member (Chair of Communications and Media) General Manager	
<b>LESLEY FRANCES SOPER</b>	Invercargill City Council Breathing Space Southland Trust (Emergency Housing) Omaui Tracks Trust National Council of Women (NCW) Citizens Advice Bureau Southland ACC Advocacy Trust Southern District Health Board Southland Warm Homes Trust	Councillor Chair Director Secretary / Treasurer Member Board Member Employee Member Member	137 Morton Street Strathern Invercargill 24 Margaret Street Glengarry Invercargill

**INVERCARGILL CITY COUNCIL ELECTED MEMBERS  
INTEREST REGISTER**

A2279220

<b>EXECUTIVE STAFF</b>			
<b>NAME</b>	<b>ENTITY</b>	<b>INTERESTS</b>	<b>PROPERTY</b>
<b>CLARE HADLEY</b>	Invercargill City Council Hadley Family Trust	Chief Executive Trustee	
<b>CAMERON MCINTOSH</b>	Invercargill City Council	Group Manager - Works and Services	
<b>DAVID FOSTER</b>	Invercargill City Council	Acting Group Manager - Finance and Corporate Services Executive Director Foster and Associates Ltd	
<b>DARREN EDWARDS</b>	Invercargill City Council	Group Manager - Environmental and Planning Services	
<b>JANE PARFITT</b>	Invercargill City Council Dementia Canterbury Charitable Trust	Interim Group Manager – Infrastructure Board Member	

**MINUTES OF THE MEETING OF THE COMMITTEE OF COUNCIL  
THE MEETING WAS CONDUCTED BY  
AUDIO / VISUAL LINK VIA THE PLATFORM OF ZOOM  
ON MONDAY 25 MAY 2020 AT 3.00 PM**

**PRESENT:** Sir T R Shadbolt, KNZM JP  
Cr T M Biddle (Chair)  
Cr R L Abbott  
Cr R R Amundsen  
Cr A J Arnold  
Cr W S Clark  
Cr A H Crackett  
Cr P W Kett  
Cr G D Lewis  
Cr D J Ludlow  
Cr I R Pottinger  
Cr N D Skelt  
Cr L F Soper

**IN ATTENDANCE:** Mrs C Hadley – Chief Executive  
Mrs J Parfitt – Interim Group Manager - Infrastructure  
Mr D Foster – Interim Group Manager – Finance  
Mr P Thompson – Executive Manager – Operations  
Ms R Suter - Manager – Strategy and Policy  
Ms J Conway – Manager Governance and Administration  
Ms H McLeod – Interim Team Leader, Communications  
Ms Dickson – Compliance Team Leader  
Ms M Sievwright – Governance Officer

Note: The meeting was adjourned at 3.07 pm due to technical difficulties.

Note: The meeting resumed at 3.10 pm.

2. **APOLOGIES**

Nil.

3. **INTEREST REGISTER**

Nil.

4. **MINUTES OF THE MEETING OF THE COMMITTEE OF COUNCIL HELD ON  
18 MAY 2020**

Moved Cr Soper, seconded Cr Abbott and **RESOLVED** that the minutes be confirmed as a true and correct record.



5. **PARKING EXEMPTIONS POLICY REVIEW FOR ELECTED REPRESENTATIVES, FORMER ELECTED REPRESENTATIVES AND SPECIAL CIRCUMSTANCES**

Moved Cr Pottinger, seconded Cr Arnold that

1. the report, "*Parking Exemptions Policy Review for Elected Representatives, Former Elected Representatives and Special Circumstances*" be received; and
2. That Option B is adopted and updated in the Parking Exemptions Policy.

Cr Clark asked if the parking exemption affected the remuneration which should be recognised. Mrs Hadley said this had been looked at previously and the amount did not meet the threshold for the remuneration authority.

After discussion it was agreed that elected members preferred Option B and the exemption should be extended to Gore and Southland District councils. It was discussed that staff should investigate the registration technology which would stop the need for laminated cards.

Cr Crackett requested a report for streetscape infrastructure and parking.

Cr Kett said the two card system had worked in the past and recommended keeping the status quo.

Cr Biddle asked how much money this cost for elected members to park in the city, and Ms Dickson said it would be hard to know because the parking meters were cash and not electronic but it should be relatively low.

The motion now put, was resolved in the **affirmative**.

**Note:** His Worship the Mayor and Cr Kett voted against this motion.

6. **PROPOSED ROAD NAME CHANGE IN RELATION TO THE SUBDIVISION OF 162 PATERSON**

Moved Cr Soper, seconded Cr Ludlow and **RESOLVED** that the report, "*Proposed Road Name Change in Relation to the Subdivision of 162 Paterson*" be received; and

That Council adopt the following proposed road name:

The proposed road Lot 100 be named Rutledge Place as it is the developer's preferred name and meets Council's naming convention.

7. **POSSIBLE GOVERNANCE STRUCTURE**

It was agreed that this issue should be discussed at a full council meeting.

Moved Cr Soper, seconded Cr Lewis and **RESOLVED** that an Extraordinary Council meeting be held on Thursday 28 May at 3.00 pm in the Civic Theatre to discuss this item.

8. **NEXT STEPS – SMAG**

Mrs Hadley took the meeting through the report. The SMAG Trust Board had endorsed the transfer to Invercargill City Council, as had Southland and Gore District councils. Advice had been given that consultation was not required but would be included in the Annual Plan, however the Annual Plan would not be consulted on.

Elected members agreed that consultation on governance was not required as there had already been opportunities for this to happen. However discussion would need to be held around the collection and the skills based board.

Cr Amundsen asked for the recommendation to include the Regional Heritage Committee as they had a role to play in this.

Moved Cr Soper, seconded Cr Amundsen and **RESOLVED** that:

1. That the report 'Next Steps – SMAG' be received; and
2. That Council note and thank the SMAG Trust Board for their endorsement of the proposal to transfer governance and management of the activity of the museum for Invercargill to a core department of Invercargill City Council; and
3. That Council determines no further consultation or engagement is necessary; and
4. That Council work with its partner local authorities, and the Southland Regional Heritage Committee and request the SMAG Trust Board to modify the SMAG Trust Deed to introduce a skills based board for the guardianship/ownership of the collection; and
5. That Council request iwi are recognised as partners in the modified Trust Deed; and
6. That Council revoke the resolution from 24 September 2019 relating to the disestablishment of the SMAG Trust.
7. That a further report be brought back to Council for the forward steps for the development of SMAG.

9. **COUNCIL IN PUBLIC EXCLUDED SESSION**

Moved Cr Biddle, seconded Cr Abbott and **RESOLVED** that the public be excluded from the following parts of the proceedings of this meeting, namely:

- (a) *Confirming of Minutes of the Public Excluded Session of the Committee of Council held on 18 May 2020.*

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1)(d) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under Section 48(1) for the passing of this resolution</b>
(a) Confirming of Minutes – Committee of Council 18 May 2020	<b>Section 7(2)(i)</b> To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	<b>Section 48(1)(a)</b> That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7

There being no further business, the meeting finished at 4.05 pm.

**TO: COMMITTEE OF COUNCIL**

**FROM: RHIANNON SUTER, STRATEGY AND POLICY MANAGER**

**MEETING DATE: 4 JUNE 2020**

<b>RATES POSTPONEMENT AND REMISSIONS POLICY</b>
-------------------------------------------------

**SUMMARY**

<p>This report details the results of the consultation into the proposed Rates postponement and remissions policy, including the new scheme for rates postponement for people experiencing financial hardship as a result of epidemic, pandemic or natural disaster and recommends adoption of the new policy.</p>
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**RECOMMENDATIONS**

**That Council**

- 1. Receive the report “Rates Postponement and Remissions Policy”;**
- 2. Hear from those submitters who wish to speak to their submissions; and**
- 3. Adopt the Rates Postponement and Remissions Policy with the recommended change to reduce the interest rate applied as part of the rates postponement for pandemic, epidemic or natural disaster from 3.5% to 2.5%.**

**IMPLICATIONS**

1.	<i>Has this been provided for in the Long Term Plan/Annual Plan?</i> Yes
2.	<i>Is a budget amendment required?</i> No
3.	<i>Is this matter significant in terms of Council’s Policy on Significance?</i> No
4.	<i>Implications in terms of other Council Strategic Documents or Council Policy?</i> Provision for debt funding increased rates postponement has been allowed for Annual Plan 2020/2021
5.	<i>Have the views of affected or interested persons been obtained and is any further public consultation required?</i> Yes – the results of consultation are presented here. No further consultation is recommended.

## **FINANCIAL IMPLICATIONS**

The proposed changes to the rates postponement provisions in this policy would have an effect on cashflow but not on the ability of Council to balance the budget. While the quantum of required postponements is not possible to forecast, provision has been made to allow for \$10m in postponed rates to be funded by debt for the period required (between one and four years, depending on the options chosen by individual ratepayers).

## **BACKGROUND**

Section 102(3)(b) of the Local Government Act 2002 states that the Council may adopt a Rates Postponement Policy and Section 110 of the Local Government Act 2002 states what the policy must contain.

Section 115 of the Local Government (Rating) Act 2002 allows the Council to postpone all or part of the rates on a rating unit if it has adopted a postponement policy, the ratepayer has applied in writing for a postponement and Council is satisfied that the conditions and criteria in the policy are met.

Section 110(2A) of the Local Government Act 2002 states that any rates postponement policy must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82 of the Local Government Act 2002.

Invercargill City Council has a Rates Postponement Policy and a Rates Remittance Policy. Both were last reviewed in 2015 and are required to be updated this year.

A revised Rates Postponement and Remissions Policy, including a new scheme for people effected by financial adversity caused by pandemic, epidemic and natural disaster, was approved for consultation on 28 April 2020.

Consultation was undertaken between 4 and 29 May.

During May, while the consultation was ongoing, the rates officer has received approximately 25 enquiries about rates postponement, and arranged reduced direct debits with no penalty for a number of customers, in line with Council's existing policy.

A number of landlords of commercial premises are experiencing challenges as a result of tenants not paying.

## **CONSULTATION**

The consultation opportunity was promoted to the public via a range of means, including traditional and social media and via a new stakeholder email update.

The Inner City Coordinator promoted the opportunity to submit to retailers. In addition the Rates Officer made all those enquiring about rates payments who were experiencing financial difficulties aware of the consultation and encouraged them to submit.

At the time of writing this report 23 people had responded to the consultation. Any submissions received on the last afternoon of consultation will be tabled on the day.

The following comments were received.

- Half of respondents were in support of the policy with no changes

- Five respondents were in support but suggested that either the interest level set was too high or should be removed
- Four submissions suggested rates should be remitted rather than postponed, with three of these submissions focused on landlords of commercial properties
- Two submitters felt the rates should be postponed for everyone
- Two people were opposed to the policy, one on the grounds that banks were better placed to assess the financial ability of people to pay and that homeowners should seek to cover their rates via their mortgage lenders
- A further two submitters were opposed to the rates rise, rather than directly submitting on the policy.

The full submissions are appended.

### **HEARINGS**

Submitters were made aware that due to Covid-19, formal hearings were not planned but that for those who wanted to speak to Councillors, this would be enabled if possible. Three people requested to speak and have been offered the opportunity to speak at this meeting.

### **RECOMMENDATIONS**

One change to the policy is recommended as a result of the submissions received.

It is proposed that the interest rate be reduced from 3.5% to 2.5%. Since the time of writing the policy it has become clearer what the impact of Covid-19 is likely to be on interest rates. An interest rate of 2.5% is in line with some mortgage rates. It would cover the cost to Council of providing the postponement. It is not recommended to remove the interest rate entirely.

In addition it is recommended that staff continue to engage with landlords of commercial property affected by Covid-19. As the situation becomes clearer, a workshop or other similar mechanism could explore whether there are other ways in which Council can work together with landlords and commercial operations to support commercial activity in the City.

### **CONCLUSION**

The Rates Postponement and Remissions Policy is presented for Council for adoption.

**Rates Postponement and Remissions Policy Consultation**

Submission number: 1

Nicole Patino

Trojan Holdings

**Submission:**

grateful for the flexibility in payment.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 2

Helen Herring

229 Herbert St Windsor

Invercargill

9810

**Submission:**

I would like the Council to approve the waiving of penalties for late rates payment instead of allowing 1 year for payment, arrange a shorter term payment option

**Do you wish to be heard?**

No



**Rates Postponement and Remissions Policy Consultation**

Submission number: 3

Douglas erle Lindsay

129 Windsor Street Windsor

Invercargill

9810

**Submission:**

I agree with the proposed rates and remission policy

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 4

Jen Mason

5 Lowe Street

Invercargill

9810

**Submission:**

I think this is disgusting at this point in time. Other councils are offering a reduction in rates and/or delayed payment at NO extra expense (along with no increase in rates for the next financial year - refer to Christchurch CC who are severely in debt after the EQ's but still manage to treat their residents in a fairer manner). How many councillors have been affected by Covid19? Loss of income? Loss of everything? I'm taking a guess the answer is zero. The effects of Covid19 in Southland have yet to be felt. Invercargill WILL feel the impact on tourism. More jobs WILL be lost. The postponement of payment with a 3.5% interest fee added is insulting. I think the councillors should remember who voted them in. If this is the best they can do now, good luck at the next elections.

**Do you wish to be heard?**

Yes

**Rates Postponement and Remissions Policy Consultation**

Submission number: 5

Amanda

19 Carnarvon Street

Invercargill

9810

**Submission:**

Offering this option to rate payers will hugely benefit families and allow them to keep their 'heads above water' by reducing some financial stress in situations out of their control.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 6

Maitland Booth

Tay Holdings Ltd

69 Tarbert Street

Alexandra

**Submission:**

The Commercial properties will need some rates relief by way of write off/deferment, to allow tenants to re-establish and rebuild their businesses. Also, particularly the inner city revival is vital to the Invercargill economy. We have been working with the Council to restore several buildings in the inner city based upon the redevelopment occurring. These include 65-67 Tay Street, All of which are at various stages of development that require some assistance to complete. We are applying for Rates write off rather than deferral as the tenants are struggling to pay the rents let alone outgoings, the benefit to the City and the council is getting and keeping the shops full and regaining the rates as tenants recover. 65-67 Tay Street has been repainted in Heritage colours and we have been working with Shannon Baxter who has been very helpful and recognises the importance of the inner city buildings being revitalised to rejuvenate the inner city.

**Do you wish to be heard?**

Yes

**Rates Postponement and Remissions Policy Consultation**

Submission number: 7

Maitland Booth

Esk Lane Ltd

69 Tarbert Street

Alexandra

**Submission:**

The commercial properties will need some rates relief by way of write off/deferral, to allow tenants to re-establish and rebuild their businesses. Also, particularly the inner city revival is vital to the Invercargill economy. We have been working with the Council to restore several buildings in the inner city based upon the redevelopment occurring. These include 55 Dee Street and 28 Esk Street. All of which are at various stages of development that require some assistance to complete. We are applying for Rates write off rather than deferral as the tenants are struggling to pay the rents let alone out goings, the benefit to the City and the Council is getting and keeping the shops full and regaining the rates as tenants recover. 55 Dee Street and 28 Esk Street are going to be repainted in Heritage Colours and we have been working with Shannon Baxter who has been very helpful and recognises the importance of the inner city buildings being revitalised to rejuvenate the inner city.

**Do you wish to be heard?**

Yes

**Rates Postponement and Remissions Policy Consultation**

Submission number: 8

Luke

**Submission:**

Don't charge people interest. I support the policy.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 9

Alistair Calvert

57 McQuarrie Street Kingswell

Invercargill

9812

**Submission:**

I would support the policy generally. However, I believe the Interest rate on rates in remission should be lowered to 2.5% similar to where current mortgage rates are headed given the Council's ability to borrow at a lower rate than this at present.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 10

Jude Anton Sands

32 Avon Place Clifton

Invercargill

9012

**Submission:**

I think it's a good idea , I wonder the need for interest added to arrears tho ,

**Do you wish to be heard?**

Yes



**Rates Postponement and Remissions Policy Consultation**

Submission number: 11

Bridget Forysth

16 Lockerbie Street

Invercargill

9810

**Submission:**

I think it's a great idea but the interest should be lower, ideally 1.5%.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 12

Blair Hamilton

48 Margaret st, Glengarry

Invercargill

9810

**Submission:**

rate relief is better than postponment, it is the ability to pay any increase in the future

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 13

Leanne Himpfrey

211 Centre st

Invercargill

9812

**Submission:**

We Support proposed remission. We have been hit hard financially, its time when the whole community including the icc do a bit to help the community ease just a little bit of this financial burdon

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 14

Patrick

Invers

9810

**Submission:**

What is hardship. ??Hardship from this event is not just felt now it will be felt for years to come. Those in work now who are lucky could be out of work in 3 months. It's either everyone or no one.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 15

Natalie Carson

122 Stirrat Street Kingswell

Invercargill

9812

**Submission:**

I feel that this proposal should be approved because of the serious implications Covid has caused on many who are now in serious hardship struggling to pay their rates and other bills because of the current economic situation that's causing many families and individuals to suffer enormous losses and this would be one less stress that people have to bear when many can no longer afford to pay, I feel the rates fees should be stopped for a minimum of three years to give real relief to current ratepayers, thank you for your time!

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 16

Pauline McIntosh

11 Vernon St Kingswell

Invercargill

9812

**Submission:**

Instead of a postponement in rates owing , which is simply putting of the pain until another day. I prefer that the ICC council show some responsibility and agree to a zero rate increase. I also believe if you can take 20% of some council employees income, then the Council from the Mayor down should also take a 20% decrease in their honorium payments they claim from the ratepayers.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 17

Albie Ford

20 Trent Street

Invercargill

9810

**Submission:**

I support the policy

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 18

Grace Zyskowski

38 Melbourne Street Windsor

Invercargill

**Submission:**

I believe you can do better. I believe you owe better. The ratepayers afford you your job and elect you to your position, it is your privilege to serve the people not your right. Almost everyone nationwide has had income affected for at least 6 weeks, at the same time the cost of living went higher, groceries, electricity, gas bills all got bigger. We've all made budget decisions that for many have affected our ability to pay our rates. I have no issues with the amount I need to pay - that's not the issue - the issue is time to pay it. It makes sense to defer payment to perhaps June or July for everyone. With children home from school many don't have the time to complete which is not doubt a ream of paper to apply for a rates deferral. Why do we have to prove what is front page news? The entire country was locked down for 4 weeks and then many are unable to return for work for at least another 2 with the final date of level 3 yet to be decided. Councillors should be aware of this given the fact that you cannot continue to pay all your staff at the same rate is front page news. Homeowners are struggling Landlords are struggling Everyone is struggling. I find the fact that your consultation on rates relief ends on the due date for the next instalment to be offensive. If you cannot legally implement a policy without public consultation and get an amendment through before the due date then it is no less than your duty to issue an instant deferral for everyone.

**Do you wish to be heard?**

No



**Rates Postponement and Remissions Policy Consultation**

Submission number: 19

**Submission:**

Agree

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 20

**Submission:**

I am happy for a postponement process to be used. Assessment of the business as to 20% reduction in revenue needs to be rigorous. I would be frustrated if the system was gamed. Overall it is important to support those businesses that need help.

**Do you wish to be heard?**

No

**Rates Postponement and Remissions Policy Consultation**

Submission number: 21

Nikola Luscombe

80 Taiepa RdRD 9 Otatara

Invercargill

9879

**Submission:**

While I support assistance for those who need it, I do not support this assistance being facilitated by the Council. I am against the proposal due to the risk of the ratepayer ending up in a worse financial position and also the risk of the rates not being repaid. The proposal seems to allow ratepayers to borrow without any sort of assessment of their ability or willingness to repay the debt. As ratepayers are homeowners, I feel it is more appropriate for them to approach their own banks to borrow funds. LVR restrictions have been relaxed and banks are in a better position to assess affordability. Banks will also hold information on the ratepayers previous payment history and only lend where there is a likelihood that the borrowed funds will be repaid. I don't feel that the Council is in a position to make informed decisions on the credit worthiness of ratepayers.

**Do you wish to be heard?**

No





# RATES POSTPONEMENT AND REMISSION POLICY

Effective from ....2020

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## Purpose and Overview

The objective of this policy is to:

- Provide ratepayers with some financial or other assistance where they might otherwise have difficulty meeting their obligations
- Address circumstances where the rating system results in anomalies in the incidence of rates
- Support the achievement of broader council policy objectives.

The council's postponement and remission policy is set out in two parts each containing a number of schemes.

## Financial assistance and support

- 1.1 Postponement of rates for residential properties
- 1.2 Postponement of rates in the event of pandemic, epidemic or natural disaster
- 1.3 Remission of penalties
- 1.4 Remission of rates for community, sporting and other organisations
- 1.5 Remission of rates for economic development
- 1.6 Remission of rates on land protected for natural, cultural or historic conservation purposes

## Policy Background

Section 102(5) of the Local Government Act 2002 provides that a council may have a rates remission policy and a postponement policy. This policy pulls together Council policies on remission and postponement.

For clarity:

Rates postponement is a mechanism which allows the ratepayer to defer the date on which the rates will be paid, but the rates still remain and continue to be a priority charge against the property.

Remission means that the rate is not paid by the ratepayer, but is paid by council, on behalf of the ratepayer. The ratepayer's debt is written off.

## Applications

The ratepayer or ratepayer's agent must apply to the council on the prescribed remission or postponement form. The application should show how the remission or postponement will support the objectives of the scheme and how the property fits within the objectives. For the rates to be remitted or postponed, the council may require evidence each year, by way of declaration or statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the scheme. The council can apply for the remission or postponement on behalf of the ratepayer, provided the council is certain that the property meets all the criteria of the scheme. The council reserves the right to seek further information if it deems it necessary.

The postponement will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior periods, unless otherwise stated in the scheme.

## Delegation of Decision-Making

Decisions relating to the remission or postponement of rates payments will be made by council officers.

## Full details and criteria for the remission and postponement schemes

This section has the full details of each remission and postponement scheme, as well as outlining the objectives and criteria for each scheme.

### 1.1 Postponement of rates for extreme financial hardship

#### Objectives

The objective of this scheme is to assist ratepayers experiencing extreme financial circumstances which effect their ability to pay rates.

#### Conditions and Criteria

1. Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.
2. Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The ratepayer must not own any other rating units or investment properties (whether in the district or in another district).

The ratepayer (or authorised agent) must make an application to Council on the prescribed form (copies can be obtained from Council offices, or from the Bluff Service Centre).

Council will consider, on a case by case basis, all applications received that meet the criteria described in the first two paragraphs under this section. Council will delegate authority to approve applications for rates postponement to particular officers.

When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.

Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care, proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day to day living expenses.

Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example by setting up a system for regular payments.

Any postponed rates will be postponed until:

- The death of the ratepayer(s); or
- Until the ratepayer(s) ceases to be the owner of the rating unit; or
- Until the ratepayer(s) ceases to use the property as his/her residence; or
- Until a date specified by Council.

Each ratepayer who has successfully applied for postponement will be the subject of review every three years.

Council will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative costs.

Council will charge interest on the total amount postponed. The interest will be assessed annually and calculated using the average interest rate incurred by Council on its overdraft.

The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on the circumstances.

The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.

Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

## **1.2 Postponement of rates where financial hardship is caused by pandemic, epidemic or natural disaster**

### **Objectives**

The objective of this scheme is to assist ratepayers who are financially disadvantaged by an epidemic or natural disaster (hereafter referred to as the event). Such events have a sudden and potentially long term impact on property owners who may lose income for a period of time.

### **Criteria**

The ratepayer must meet the following criteria to be considered for rates postponement:

1. The ratepayer must be the current owner of the rating unit.
2. The ratepayer must have suffered a 20% loss of income as a result of the event
3. The ratepayer or the ratepayer's authorised agent must apply to the council on the prescribed form.



## Conditions

1. The postponement may apply from the first rates instalment following the start of the event and extend for the following three instalments (one twelve month period in total), at the ratepayers request.
2. All or part of the postponed rates may be paid at any time.
3. The applicant can choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy.
4. The rates postponed will be charged an interest rate of 3.5% per annum calculated on a daily basis for the period of the postponement.
5. A ratepayer may elect to have the postponed rate converted to a targeted rate for the repayment of the postponed rates to assist in paying postponed rates at the end of the postponement period.
6. If a ratepayer elects to have the postponed rate converted to a targeted rate the targeted rate will be set on the basis of the amount of the rates postponed plus accrued interest at the time of the election. The targeted rate will be in place for three years, or until the property is sold. The targeted rate will be applied to reduce the postponed rates.
7. If the ratepayer chooses not to convert to a targeted rate at the end of the postponement period the postponed rates and interest must be paid in full to Council.
8. The ratepayer may choose to pay off the postponed rate at an earlier time than the full postponement period.
9. Any postponed rates will be postponed until:
  - The death of the ratepayer(s); or
  - Until the ratepayer(s) ceases to be the owner of the rating unit; or
  - Until the ratepayer(s) ceases to use the property as his/her residence; or
  - Until a date specified by Council;At which point the postponed rates and interest must be paid in full to Council.

### 1.3 Remission of Penalties

#### Objective

The objective of this scheme is to enable Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty date due to circumstances outside the ratepayer's control.

#### Conditions and Criteria

Automatic remission of the penalties incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the penalty date of the second instalment.

Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will also be considered in the case of death, illness, or accident of a family member.

Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

The Director of Finance and Corporate Services shall have the authority to remit penalties under this section.

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

### **Objective**

The objective of this scheme is to facilitate the ongoing provision of not for profit community services, sporting and recreational opportunities for the residents of the district.

The purpose of granting rates remission to an organisation is to:

- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, those with disabilities and economically disadvantaged people.

### **Conditions and Criteria**

This scheme applies to land owned and occupied by a community, sporting or charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

The policy will not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction.

The remission is set at 50% of all rates with the exception of targeted rates for water supply, sewage disposal or refuse collection. Properties used for community residential purposes will be set at 100% except for targeted rates for water supply, sewage disposal or refuse collection. Council will, however, decide the amount of rates to be remitted on a case by case basis.

Applications for remission must be made on the prescribed form (available from Council offices or from the Bluff Service Centre).

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

Organisations making application should include the following documents in support of their applications:

- Statement of objectives; and
- Financial accounts; and
- Information on activities and programmes; and
- Details of membership or clients.

The policy shall apply to such organisations as approved by Council as meeting the relevant criteria. Council may delegate the authority to make such approvals to particular Council officers as specified by a resolution of Council.

In granting remissions under this part of the policy Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## 1.5 Remission of Rates for Economic Development

### Objective

The objective of this scheme is intended to support economic development. Rates relief is tangible evidence of this commitment.

### Conditions and Criteria

Council favours developments that directly or indirectly have the potential to boost employment opportunities in the district in the long term. This can be new building developments or the alteration of existing buildings. Residential development is not included in this policy.

### Specifics

- (i) The development cost should be at least \$100,000 for the following industries:
  - (a) Downstream industries (eg forest products, aluminium, fishing).
  - (b) Industries unaffected (largely) by freight costs (eg high tech, information collection and distribution and education).
  - (c) Tourism related activities.Council also has discretion to consider applications under \$100,000 in special circumstances.
- (ii) The development cost for all other activities must be at least \$250,000.

- (iii) Rates may be remitted for up to three years and Council may impose conditions as to the completion of the development.
- (iv) Developments which in Council's opinion are in direct competition with other operational businesses will not be eligible, however relief may be granted during the construction period.

## Consideration of Other Matters

Each application will be treated on its merits and Council will have regard to:

- (i) The financial advantage to the district, including job creation.
- (ii) The extent to which the viability of the development is reliant on rates relief and whether such relief would expedite the development.
- (iii) The provision of any free public amenities or public facilities (other than those required by another Act), such as public viewing areas and restrooms, landscaping and environmental improvement, fountains and outdoor sculptures.
- (iv) Other issues specific to the application including:
  - The ability of the applicant to pursue sound business practices.
  - The better utilisation of the city's infrastructural assets.
  - Promotional factors of benefit to the city.

Applications for the remission for economic development should be made at the planning stage and will be considered by the Finance and Policy Committee of Council. In considering applications Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case by case basis. For the purposes of this part of the policy, a project will be viewed as having commenced when a building consent is issued.

In granting remissions under this part of the policy Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

## 1.6 Remission of Rates on Land Protected for Natural, Cultural or Historic Conservation Purposes

### Objective

The objective of this scheme is to preserve and promote natural resources and heritage to encourage the protection of land for natural, cultural or historic purposes.

### Conditions and Criteria

Ratepayers who own rating units which have some feature of natural, cultural or historic heritage which is voluntarily protected may qualify for remission of rates under this part of the policy.

This policy applies only to property over which a protection order or covenant has been issued under the following Acts:

Section 6	Historic Places Act 1993
Section 39	Heritage New Zealand Pouhere Taonga Act 2014
Section 22	Queen Elizabeth the Second National Trust Act 1977
Sections 76 and 77	Reserves Act 1977
Section 27	Conservation Act 1987

Land that is non-rateable under Section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, sewage disposal or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit (eg a copy of the covenant or other legal mechanism).

The Director of Finance and Corporate Services shall have the authority to remit rates under this section. Remissions may be granted subject to conditions. Applicants will be required to agree in writing to any conditions and to pay any remitted rates if the conditions are violated.

<b>Monitoring and Auditing:</b>	The Risk and Assurance Committee will monitor the application of this Policy via reports from Executive Staff.
<b>Revision History:</b>	Replaces the 2014 Rates Postponement Policy and 2014 Rates Remission Policy
<b>Reference Number:</b>	A2987167
<b>Effective Date:</b>	4 June 2020
<b>Review Period:</b>	This Policy will be reviewed every six (6) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.
<b>Supersedes:</b>	Rates Postponement Policy and Rates Remission Policy
<b>New Review Date:</b>	June 2026
<b>Associated Documents/References:</b>	Rates Postponement and Remission Application
<b>Policy Owner:</b>	Invercargill City Council