

RATING POLICY

Effective from 9 June 2021

Rates

Invercargill City Council sets rates using the following methods:

- a rate in the dollar on capital value.
- a uniform annual general charge (UAGC) fixed charge per separately used or inhabited part of a rating unit (SUIP)
- a fixed charge per provision of service
- a fixed charge per rating unit
- a fixed charge per connection to a council service

Differentials

In addition to these charges some differentials are applied to recognise different levels of benefit received by some ratepayers and different levels of burden placed on Council's activities. Examples of differentials are shown below.

- | | |
|------------------------|--|
| • Differential of 0 | The rate is not applied to the property |
| • Differential of 0.54 | 54% of the rate is applied to the property |
| • Differential of 0.97 | 97% of the rate is applied to the property |
| • Differential of 1 | The standard rate is applied to the property |
| • Differential of 2 | Double the rate is applied to the property |

Separately Used or Inhabited Part of a Rating Unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

Council charges a Uniform Annual General Charge (UAGC) per SUIP

Examples of properties with multiple SUIPs include, but are not limited to, the following situations:

- Single dwelling with flat attached
- Two or more houses, flats or apartments on one record of Title
- Business premise with flat above
- Separate business premise and dwelling on same record of title
- Commercial building leased, or sub-leased, to multiple tenants
- Farm or horticultural property with more than one dwelling
- Council property with more than one lessee

- Individually surveyed lots of vacant land on one record of title offered for sale separately or in groups
- Where part of a rating unit that has the right of exclusive occupation when more than one ratepayer/owner
- Retirement village with self-contained flats or dwellings

General Rates

The general rate is set as a rate in the dollar on capital value and a uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit.

The following differentials apply:

Land Use	Basis for rate	Differential
Residential	Rate in dollar on capital value	1
Lifestyle	Rate in dollar on capital value	0.97
Commercial	Rate in dollar on capital value	1
Industrial	Rate in dollar on capital value	1
Farms	Rate in dollar on capital value	0.54
Utilities	Rate in dollar on capital value	1
1530 Tiwai Road	Rate in dollar on capital value	0.20

Regional Heritage

Regional Heritage is funded as a fixed charge per SUIP across Invercargill City Council, Southland District Council and Gore District Council. This is part of the UAGC.

Community Board

Council sets a targeted rate to fund the costs of the Bluff Community Board. This is set as a rate in the dollar on capital value of properties identified in Map A with property type differentials applied.

City Centre Co-ordinator

Council sets a targeted rate to fund the costs of City Centre Co-ordination. This is set as rate in the dollar on capital value of all commercial and industrial land identified in Map B.

Transportation

Council sets a targeted rate for provision of the direct access to the Transportation Service. This rate is set as a rate in the dollar on capital value of all identified properties in Map C with property type differentials applied. The balance of this service is included in the General rates and distributed across the entire city.

Activity	Targeted Portion	General Portion
Transportation	50%	50%

Stormwater Drainage

Council sets a targeted rate for provision of the direct access to the Stormwater Drainage Service. This rate is set as a rate in the dollar on capital value of all properties identified as having access to a Stormwater drainage network with property type differentials applied. The balance of this service is included in the General rates and distributed across the entire city.

Activity	Targeted Portion	General Portion
Drainage	75%	25%

Water

Council sets targeted rates to fund the provision of reticulated water supply. These are set as fixed charges per SUIP for residential properties and fixed charges per rating unit with differentials based on capital value (CV) for other land as shown in the table below. Vacant properties that are able to connect to Council water supply (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 84% of the total water rates from residential properties with 16% of the total water rates collected coming from non-residential land.

Rate Type	Differential
Water - Residential	1

Rate Type	Differential
Water – Non-Residential with CV <\$50,001	0.8
Water – Non-Residential with CV \$50,001-\$100,000	1
Water – Non-Residential with CV \$100,001-\$200,000	1.2
Water – Non-Residential with CV \$200,001-\$400,000	1.4
Water – Non-Residential with CV \$400,001-\$1,000,000	2
Water – Non-Residential with CV \$1,000,001-\$3,000,000	3
Water – Non-Residential with CV \$3,000,001-\$5,000,000	4
Water – Non-Residential with CV >\$5,000,000	5

Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 100 metres from a water access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 100 metres from water supply and it is not impracticable to connect to the service.

Council charges high usage non-residential properties for metered water supply on a per cubic metre basis. The following rate is charged per cubic metre of water consumed.

Rate Type	Rate per cubic metre
Metered Water Supply	\$0.72

Sewerage

Council sets targeted rates to fund the provision of reticulated sewerage services. These are set as fixed charges per SUIP for residential properties and fixed charges per rating unit with differentials based on capital value (CV) for other land as shown in the table below. Vacant properties that are able to connect to Council's sewerage network (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 75% of the total sewerage rates from residential properties with 25% of the total rates collected coming from non-residential land.

Rate Type	Differential
Sewerage - Residential	1

Rate Type	Differential
Sewerage – Non-Residential with CV <\$50,001	0.8
Sewerage – Non-Residential with CV \$50,001-\$100,000	1
Sewerage – Non-Residential with CV \$100,001-\$200,000	1.2
Sewerage – Non-Residential with CV \$200,001-\$400,000	1.4
Sewerage – Non-Residential with CV \$400,001-\$1,000,000	2
Sewerage – Non-Residential with CV \$1,000,001-\$3,000,000	3
Sewerage – Non-Residential with CV \$3,000,001-\$5,000,000	4
Sewerage – Non-Residential with CV >\$5,000,000	5

Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 60 metres from a sewerage access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 60 metres from sewerage network and it is not impracticable to connect to the service.

Refuse Collection

Council sets a targeted rate to fund the provision of kerbside removal of refuse and recycling within the service area. This is set as a fixed charge per provision of the service for residential, commercial and industrial properties within the service area. An additional set of bins can be provided at full cost.

Rates to be collected

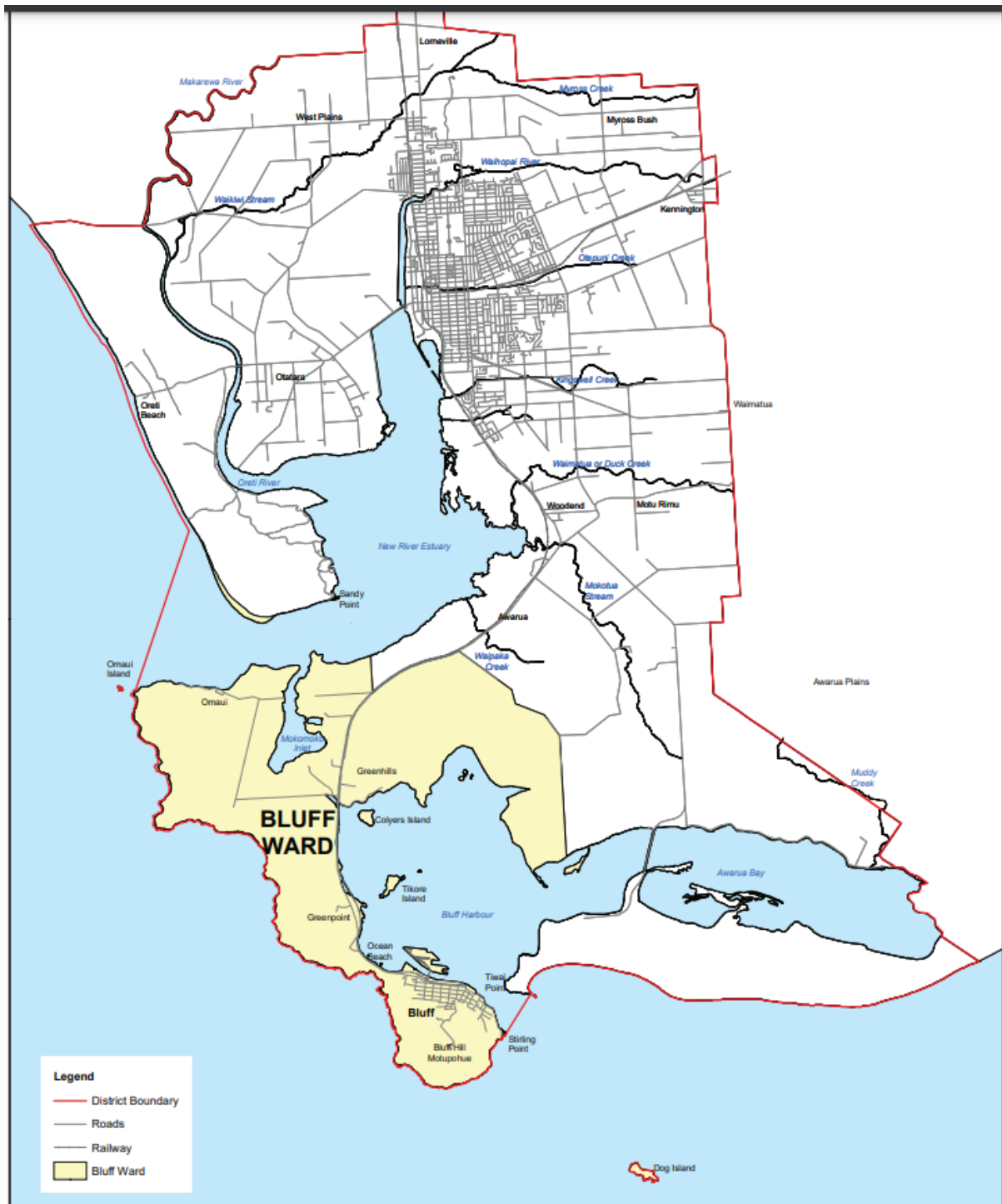
Rate Name	Rate	Basis	Differential	Total
General Rate	\$0.00332256	Per \$ capital value	1	\$31,485,546
General Rate Lifestyle	\$0.00322288	Per \$ capital value	0.97	\$3,836,875
General Rate Farming	\$0.00179418	Per \$ capital value	0.54	\$627,979
General Rate 1530 Tiwai Road	\$0.00066451	Per \$ capital value	0.2	\$129,580
(UAGC)	\$180.00	Per SUIP	1	\$4,726,620
Water Supply Residential	\$409.18	Per connected residential SUIP	1	\$8,318,220
Water Supply Non-Residential	\$518.48	Per connected rating unit	1	\$1,584,424
Sewerage Residential	\$265.59	Per connected SUIP	1	\$5,707,929
Sewerage Non-Residential	\$615.59	Per connected rating unit	1	\$1,902,675
Solid Waste Kerbside Collection	\$209.58	Per set of bins provided	1	\$4,595,356
Bluff Community Board	\$0.00027860	Per \$ capital value	1	\$83,373
Bluff Community Board Rate Lifestyle	\$0.00027024	Per \$ capital value	0.97	\$8,057
Bluff Community Board Rate Farming	\$0.00015044	Per \$ capital value	0.54	\$4,020
City Centre Co-ordinator	\$0.00028339	Per \$ capital value	1	\$158,698
Transportation Rate	\$0.00006158	Per \$ capital value	1	\$499,370
Transportation Rate Lifestyle	\$0.00005974	Per \$ capital value	0.97	\$1,883
Transportation Rate Farming	\$0.00003326	Per \$ capital value	0.54	\$310
Stormwater Drainage Rate	\$0.00048136	Per \$ capital value	1	\$4,309,869
Stormwater Drainage Rate Lifestyle	\$0.00046692	Per \$ capital value	0.97	\$134,718
Stormwater Drainage Rate Farming	\$0.00025994	Per \$ capital value	0.54	\$2,425
			TOTAL	\$68,117,927

All rates contain GST @ 15%

Non Rateable Properties

Land that is fully non-rateable is set out in Schedule 1 of the Local Government (Rating) Act 2002.

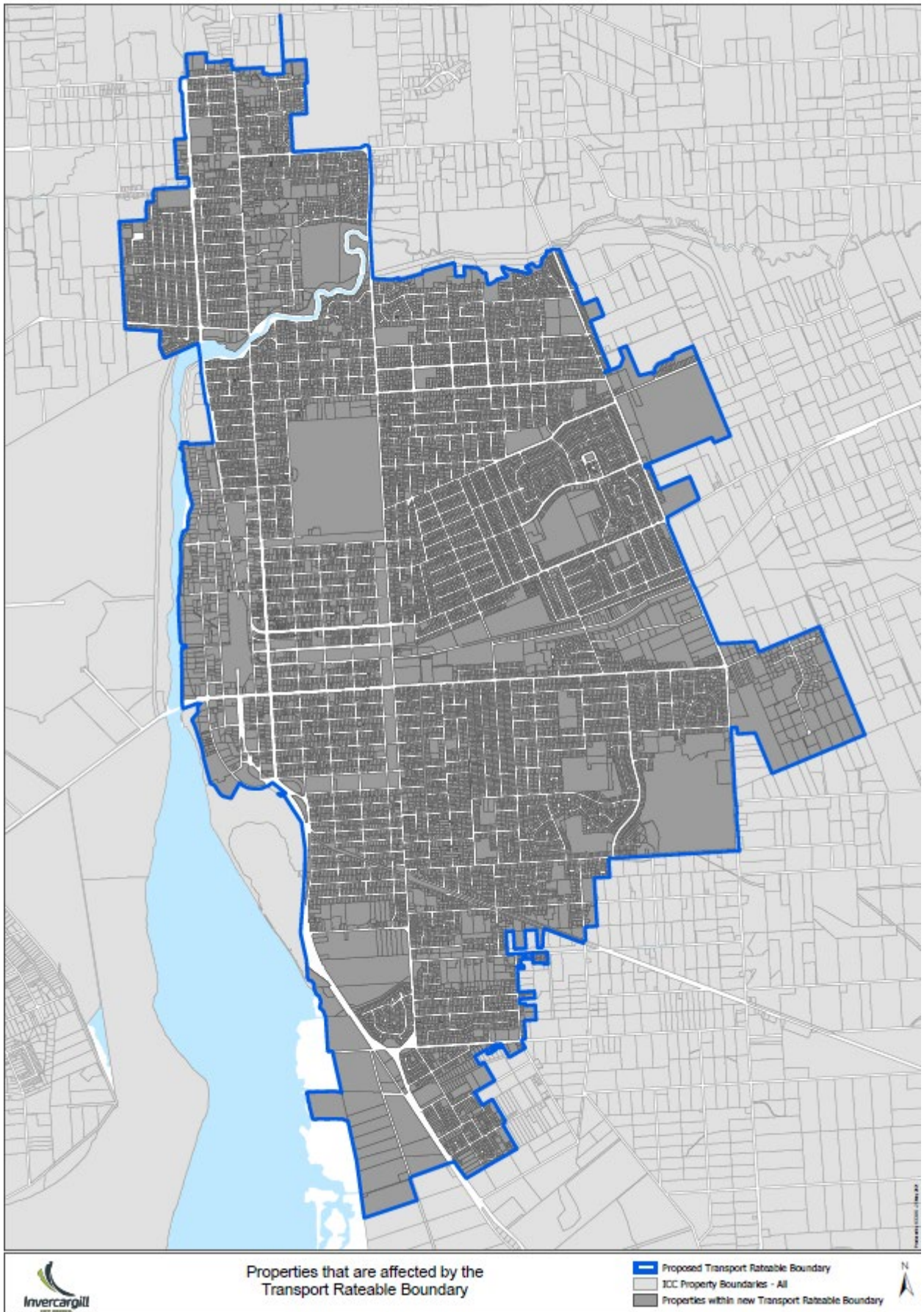
Map A – Bluff Community Board Rating Boundary



Map B – City Centre Coordinator Rating Boundary



Map C – Transportation Boundary



Reference Number: A3427787

Effective Date: 9 June 2021

Review Period: This Policy will be reviewed every three (3) years, unless earlier review is required due to legislative changes, or is warranted by another reason requested by Council.

Supersedes: Rating Policy 2018-19 (A2110028)

New Review Date: June 2024

Associated Documents/References: Nil.

Policy Owner: GM - Finance and Assurance, Invercargill City Council