

## Item Rates Setting – Levies 2020/21

MORF ID: A590269	Strategic Direction: Rates Setting
Report by: Malcolm Brown, Rates Officer	Approved by: Tanea Hawkins, Finance Manager
Executive Approval: Neil Selman, General Manager, Corporate Services	

### Purpose

For Council to set and assess the 2020/21 rates, and set due dates and the penalty regime.

### Summary

The Local Government (Rating) Act 2002 (Section 23) outlines the procedure to be followed when a Council sets its rates. Rates must be set by a resolution of Council and relate to a financial year and be set in accordance with the relevant provisions of the Council's Long-term Plan and Funding Impact Statement for that financial year, in this instance 1 July 2020 to 30 June 2021. The Funding Impact Statement is documented in the Council's 2020/21 Annual Plan.

This report sets out the information and recommendations required for Council to properly set the 2020/21 rates.

### Recommendation

It is recommended that Council resolve to set and assess the 2020/21 rates, as calculated in the following schedule and according to the following conditions:

#### General rates

Type of rate categories of rateable land	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
<b>General rate</b>			
The general rate is set differentially on the capital value of all rateable land in the region. The differential categories are defined by the boundaries of each territorial authority and are set differentially for the purpose of equalising the rates.			
Southland District	20.78	per \$100,000 capital value	4,405,653
Gore District	21.10	per \$100,000 capital value	816,551
Invercargill City	25.70	per \$100,000 capital value	2,181,408
			<b>7,403,612</b>
<b>Uniform annual general charge</b>			
The uniform annual general charge is a fixed charge per rating unit. It is part of the total general rate and set at a level that Council considers appropriate.			
All rating areas	106.50	Fixed amount per rating unit	<b>4,884,410</b>

### Targeted rates

Type of rate categories of rateable land	Matters to defineCategories	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
--	-----------------------------	------------------	-------------------	-----------------------------

#### Biosecurity rate

The biosecurity targeted rate is set differentially on the land value of all rateable land in the region. The differential categories are defined by the boundaries of each territorial authority and are set differentially for the purpose of equalising the rates. The rate contributes funding to the biosecurity activity.

Southland District	where the land is situated	12.89	per \$100,000 land value	1,880,743
Gore District	where the land is situated	13.34	per \$100,000 land value	296,321
Invercargill City	where the land is situated	16.40	per \$100,000 land value	472,851
				<b>2,649,915</b>

#### Land sustainability rate

The land sustainability targeted rate is set differentially on the land value of all rateable land in the region. The differential categories are defined by the boundaries of each territorial authority and are set differentially for the purpose of equalising the rates. The rate contributes funding to the land sustainability activity.

Southland District	where the land is situated	11.52	per \$100,000 land value	1,680,637
Gore District	where the land is situated	11.92	per \$100,000 land value	264,794
Invercargill City	where the land is situated	14.65	per \$100,000 land value	422,541
				<b>2,367,972</b>

#### Southern Pest Eradication Society (SPES) Rate

The SPES targeted rate is set differentially on the land value of all rateable land in the region. The rate is set and assessed on all rating units greater than or equal to 4 hectares contained in the Southland region, south of the Mimihau Stream and east of the Mataura River. The rate contributes funding to the biosecurity activity.

Southland District	where the land is situated and the area of the land	2.70	per hectare	264,749
Gore District	where the land is situated and the area of the land	2.70	per hectare	903
				<b>265,652</b>

#### District rated by annual maintenance charge

##### Scheme 653 - Lower Waikawa River

As authorised by Section 11 Soil Conservation and Rivers Control Amendment Act 1948 to raise \$2,608 for willow control maintenance.

All serviced land	where the land is situated and the provision of a service to the land	2.61	Per hectare	2,608
				<b>2,608</b>

### Catchment rates

There are 17 catchment targeted rates. Each rate has its own differential categories and calculation basis. The differential categories are determined according to agreed benefit having considered soil type, land contour, location, type of work undertaken and other appropriate matters. For catchments that are in more than one territorial authority land values are equalised. Catchment rates contribute funding to the Catchment Planning, River Works and Land Drainage activities.

Categories of rateable land (Class)	Matters to define categories	Ratio	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
<b>Scheme 424 - Duck Creek</b>					
A	where the land is situated	24	42.12	per hectare	20,835
B	where the land is situated	20	35.10	per hectare	28,354
C	where the land is situated	8	14.04	per hectare	10,105
D	where the land is situated	4	7.02	per hectare	4,063
E	where the land is situated	2	3.51	per hectare	5,811
F	where the land is situated	1	1.75	per hectare	4,406
					<b>73,574</b>
<b>Scheme 436 - Otepunui Creek</b>					
A	where the land is situated	6	12.85	per hectare	4,847
B	where the land is situated	5	10.71	per hectare	5,517
C	where the land is situated	4	8.57	per hectare	4,086
D	where the land is situated	3	6.43	per hectare	2,861
E	where the land is situated	2	4.28	per hectare	2,443
F	where the land is situated	1	2.14	per hectare	882
					<b>20,636</b>
<b>Scheme 441 - Upper Waihopai River</b>					
A	where the land is situated	6	14.25	per hectare	1,258
B	where the land is situated	5	11.87	per hectare	1,662
C	where the land is situated	4	9.50	per hectare	7,274
D	where the land is situated	3	7.12	per hectare	13,555
E	where the land is situated	2	4.75	per hectare	2,278
F	where the land is situated	1	2.37	per hectare	591
					<b>26,618</b>
<b>Scheme 442 - Upper Waikawa River</b>					
A	where the land is situated	15	10.71	per hectare	3,188
B	where the land is situated	10	7.14	per hectare	357
C	where the land is situated	9	6.42	per hectare	2,644
D	where the land is situated	6	4.28	per hectare	1,508
F	where the land is situated	3	2.14	per hectare	1,620
					<b>9,317</b>
<b>Scheme 443 - Upper Waikiwi River</b>					
A	where the land is situated	22	26.32	per hectare	2,131
B	where the land is situated	12	14.36	per hectare	7,298
C	where the land is situated	8	9.57	per hectare	4,299
D	where the land is situated	6	7.18	per hectare	3,070
E	where the land is situated	2	2.39	per hectare	612
F	where the land is situated	1	1.20	per hectare	153
U1	where the land is situated	20	23.93	per hectare	3,562
U2	where the land is situated	10	11.96	per hectare	620
					<b>21,745</b>

Categories of rateable land (Class)	Matters to define categories	Ratio	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
<b>Scheme 448 - Waituna Creek</b>					
A	where the land is situated	8	9.76	per hectare	4,707
B	where the land is situated	7	8.54	per hectare	4,587
C	where the land is situated	6	7.32	per hectare	26,159
D	where the land is situated	5	6.10	per hectare	13,194
E	where the land is situated	3	3.66	per hectare	3,291
F	where the land is situated	1	1.22	per hectare	2,508
BCL	where the land is situated	1	0.00	per hectare	-
BCM	where the land is situated	1	0.00	per hectare	-
					<b>54,446</b>
<b>Scheme 978 - Clifton Drainage</b>					
A	where the land is situated	20	23.52	per hectare	4,858
B	where the land is situated	15	17.64	per hectare	1,066
					<b>5,924</b>
<b>Scheme 428 - Invercargill Flood Control</b>					
M1	where the land is situated	16%	49.38	per \$100,000 land value	90,942
M2	where the land is situated	8%	72.51	per \$100,000 land value	45,471
M3	where the land is situated	1%	158.95	per \$100,000 land value	5,684
M4	where the land is situated	75%	23.91	per \$100,000 land value	426,293
					<b>568,390</b>
<b>Scheme 434 – Waiau Rating District</b>					
C4	where the land is situated	1	171.75	per \$100,000 land value	4,517
D1	where the land is situated	600	836.56	per \$100,000 land value	26,644
D2	where the land is situated	110	153.37	per \$100,000 land value	17,900
E1	where the land is situated	10	3.96	per \$100,000 land value	684
E2	where the land is situated	60	23.74	per \$100,000 land value	2,642
E3	where the land is situated	700	276.93	per \$100,000 land value	11,886
F1	where the land is situated	1	0.08	per \$100,000 land value	506
F2	where the land is situated	4	0.34	per \$100,000 land value	106
F3	where the land is situated	35	2.93	per \$100,000 land value	10,730
					<b>75,615</b>
<b>Scheme 435 - Lake Hawkins</b>					
A	where the land is situated	5	417.65	per \$100,000 land value	114,631
B	where the land is situated	4	334.12	per \$100,000 land value	6,388
C	where the land is situated	1	83.53	per \$100,000 land value	10,390
					<b>131,409</b>
<b>Scheme 440 - Oreti Rating District</b>					
Land within Southland District Council					
A1	where the land is situated	3	113.83	per \$100,000 land value	43,891
A2	where the land is situated	2	75.89	per \$100,000 land value	51,341
A3	where the land is situated	2	75.89	per \$100,000 land value	4,939
A4	where the land is situated	1.50	56.92	per \$100,000 land value	72,347
A6	where the land is situated	1	37.94	per \$100,000 land value	3,364
B1	where the land is situated	7	83.87	per \$100,000 land value	4,263
B2	where the land is situated	7	83.87	per \$100,000 land value	276,989
B3	where the land is situated	7	83.87	per \$100,000 land value	56,164
B4	where the land is situated	3	35.94	per \$100,000 land value	1,909
B6	where the land is situated	1	11.98	per \$100,000 land value	58

Categories of rateable land (Class)	Matters to define categories	Ratio	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
C1	where the land is situated	3	94.61	per \$100,000 land value	24,053
C2	where the land is situated	2	63.07	per \$100,000 land value	6,814
C3	where the land is situated	1	31.54	per \$100,000 land value	8,866
C4	where the land is situated	0.80	25.23	per \$100,000 land value	16,001
C5	where the land is situated	0.75	23.65	per \$100,000 land value	1,748
E2	where the land is situated	1	56.61	per \$100,000 land value	22,794
F1	where the land is situated	8	59.84	per \$100,000 land value	4,149
F2	where the land is situated	2	14.96	per \$100,000 land value	281,046
F3	where the land is situated	2	15.71	per \$100,000 land value	19,188
Land within Invercargill City Council					
A2	where the land is situated	2	96.55	per \$100,000 land value	2,269
A7	where the land is situated	2	96.55	per \$100,000 land value	2,110
B2	where the land is situated	7	106.70	per \$100,000 land value	2,017
B5	where the land is situated	3	45.73	per \$100,000 land value	777
B7	where the land is situated	0.75	11.43	per \$100,000 land value	4,525
C1	where the land is situated	3	120.37	per \$100,000 land value	2,072
C2	where the land is situated	2	80.25	per \$100,000 land value	6,908
E2	where the land is situated	1	72.03	per \$100,000 land value	1,325
F2	where the land is situated	2	19.03	per \$100,000 land value	54,265
F4	where the land is situated	0.28	2.67	per \$100,000 land value	53,047
					<b>1,029,243</b>

#### Scheme 445 - Waihopai River

Land within Southland District Council

A	where the land is situated	9	96.98	per \$100,000 land value	3,912
B	where the land is situated	6	64.66	per \$100,000 land value	1,703
C	where the land is situated	4	43.10	per \$100,000 land value	6,129
D	where the land is situated	3	32.33	per \$100,000 land value	5,608
E	where the land is situated	2	21.55	per \$100,000 land value	5,727
F	where the land is situated	1	10.78	per \$100,000 land value	1,466

Land within Invercargill City Council

A	where the land is situated	9	123.39	per \$100,000 land value	2,924
B	where the land is situated	6	82.26	per \$100,000 land value	6,174
C	where the land is situated	4	54.84	per \$100,000 land value	3,652
D	where the land is situated	3	41.13	per \$100,000 land value	1,568
E	where the land is situated	2	27.42	per \$100,000 land value	1,223
F	where the land is situated	1	13.71	per \$100,000 land value	139

**40,225**

#### Scheme 1080 - Makarewa Rating District

Land within Southland District Council

A2	where the land is situated	3	90.01	per \$100,000 land value	52,656
A3	where the land is situated	2	60.01	per \$100,000 land value	6,523
A4	where the land is situated	1	30.01	per \$100,000 land value	1,913
B1	where the land is situated	6	50.38	per \$100,000 land value	39,650
B2	where the land is situated	5	41.98	per \$100,000 land value	4,555
B3	where the land is situated	5	41.98	per \$100,000 land value	12,910
B4	where the land is situated	6	50.38	per \$100,000 land value	575
B5	where the land is situated	5	41.98	per \$100,000 land value	11,589
B6	where the land is situated	5	41.98	per \$100,000 land value	12,049
B7	where the land is situated	6	50.38	per \$100,000 land value	1,139
B8	where the land is situated	35	293.88	per \$100,000 land value	1,969
C2	where the land is situated	3	102.71	per \$100,000 land value	246
C3	where the land is situated	2	68.47	per \$100,000 land value	431

Categories of rateable land (Class)	Matters to define categories	Ratio	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
C4	where the land is situated	1	34.24	per \$100,000 land value	1,049
F1	where the land is situated	1	7.09	per \$100,000 land value	93,425
Land within Gore District Council					
A4	where the land is situated	1	31.06	per \$100,000 land value	160
B3	where the land is situated	5	43.46	per \$100,000 land value	2,571
F1	where the land is situated	1	7.33	per \$100,000 land value	6,496
Land within Invercargill City Council					
F1	where the land is situated	1	9.01	per \$100,000 land value	69
					<b>249,976</b>

### Scheme 1101 - Maitara Rating District

#### Land within Southland District Council

A1	where the land is situated	1	111.92	per \$100,000 land value	4,790
A2	where the land is situated	1	111.92	per \$100,000 land value	7,443
B1	where the land is situated	25	138.62	per \$100,000 land value	17,546
B5	where the land is situated	15	83.17	per \$100,000 land value	12,581
B6	where the land is situated	5	27.72	per \$100,000 land value	5,639
B7	where the land is situated	5	27.72	per \$100,000 land value	6,424
B8	where the land is situated	5	27.72	per \$100,000 land value	2,721
C1	where the land is situated	5	112.50	per \$100,000 land value	40,108
C2	where the land is situated	3	67.50	per \$100,000 land value	31,026
C3	where the land is situated	2	45.00	per \$100,000 land value	50,690
C4	where the land is situated	1	22.50	per \$100,000 land value	17,274
C5	where the land is situated	5	112.50	per \$100,000 land value	21,244
D1	where the land is situated	1	117.78	per \$100,000 land value	4,842
D2	where the land is situated	1	117.78	per \$100,000 land value	7,644
E1	where the land is situated	3	69.31	per \$100,000 land value	237,939
E2	where the land is situated	2	46.21	per \$100,000 land value	54,101
E5	where the land is situated	1	23.10	per \$100,000 land value	795
E6	where the land is situated	1	23.10	per \$100,000 land value	180
E7	where the land is situated	1	23.10	per \$100,000 land value	206
F1	where the land is situated	1	10.27	per \$100,000 land value	239,943
F5	where the land is situated	0.25	2.57	per \$100,000 land value	5,947

#### Land within Gore District Council

A3	where the land is situated	2	231.71	per \$100,000 land value	28,450
B2	where the land is situated	25	143.50	per \$100,000 land value	24,951
B3	where the land is situated	10	57.40	per \$100,000 land value	85,400
C1	where the land is situated	5	116.46	per \$100,000 land value	12,314
C2	where the land is situated	3	69.88	per \$100,000 land value	7,868
C3	where the land is situated	2	46.59	per \$100,000 land value	2,698
C4	where the land is situated	1	23.29	per \$100,000 land value	967
E1	where the land is situated	3	71.75	per \$100,000 land value	90,461
E2	where the land is situated	2	47.83	per \$100,000 land value	48,564
E4	where the land is situated	3	71.75	per \$100,000 land value	27,160
F1	where the land is situated	1	10.63	per \$100,000 land value	137,282
F2	where the land is situated	3	31.88	per \$100,000 land value	1,805
F3	where the land is situated	3	31.88	per \$100,000 land value	43,605
F4	where the land is situated	3	31.88	per \$100,000 land value	30,198

**1,310,803**

Categories of rateable land (Class)	Matters to define categories	Ratio	Rate \$ GST incl	Calculation basis	2020/21 revenue \$ GST incl
-------------------------------------	------------------------------	-------	------------------	-------------------	-----------------------------

#### Scheme 1140 - Aparima Rating District

A1	where the land is situated	4	52.56	per \$100,000 land value	4,130
A2	where the land is situated	3	39.42	per \$100,000 land value	14,718
A3	where the land is situated	20	262.82	per \$100,000 land value	27,179
B2	where the land is situated	5	116.67	per \$100,000 land value	37,958
B3	where the land is situated	4	93.34	per \$100,000 land value	107,230
B4	where the land is situated	2	46.67	per \$100,000 land value	485
C2	where the land is situated	2	58.84	per \$100,000 land value	19,108
C3	where the land is situated	1	29.42	per \$100,000 land value	9,713
E2	where the land is situated	1	44.29	per \$100,000 land value	41,535
F1	where the land is situated	5	35.60	per \$100,000 land value	1,276
F2	where the land is situated	1	7.12	per \$100,000 land value	91,658
F3	where the land is situated	0.75	5.34	per \$100,000 land value	10,777
F4	where the land is situated	2	14.24	per \$100,000 land value	27,298
					<b>393,064</b>

#### Scheme 584 - Waimatuku Rating District

C1	where the land is situated	3	42.77	per \$100,000 land value	6,823
C2	where the land is situated	2	28.51	per \$100,000 land value	2,247
C4	where the land is situated	1	17.82	per \$100,000 land value	33,830
F1	where the land is situated	1	4.65	per \$100,000 land value	6,811
F2	where the land is situated	1	5.57	per \$100,000 land value	4,903
F3	where the land is situated	1	5.11	per \$100,000 land value	9,733
					<b>64,347</b>

#### Scheme 450 – Te Anau Basin Rating District

B1	where the land is situated	200	48.30	per \$100,000 land value	12,224
D1	where the land is situated	15	24.95	per \$100,000 land value	54,509
D3	where the land is situated	16	26.61	per \$100,000 land value	18,832
E1	where the land is situated	150	218.06	per \$100,000 land value	12,739
E3	where the land is situated	750	1,090.31	per \$100,000 land value	22,569
E4	where the land is situated	300	436.13	per \$100,000 land value	11,732
E5	where the land is situated	750	1,090.31	per \$100,000 land value	1,854
F1	where the land is situated	5	6.26	per \$100,000 land value	46,016
F2	where the land is situated	10	12.51	per \$100,000 land value	44,962
F3	where the land is situated	10	12.51	per \$100,000 land value	6,809
C4	where the land is situated	10	1.67	per hectare	12,224
					<b>244,470</b>

All figures include Goods and Services Tax at 15.0%, as required by the Goods and Services Tax Act 1985.

#### Payment Dates

As authorised by Section 24 Local Government (Rating) Act 2002 all rates for the year 1 July 2020 to 30 June 2021 shall be payable at the Southland Regional Council in one instalment due on 27 November 2020.

## **Penalties**

As authorised by Section 57 and 58 of the Local Government (Rating) Act 2002 the following penalties for the late payment of rates will apply:

(a) ***Current Rates***

A penalty of 10% will be added to all rates assessed in respect of the 2020/21 year remaining unpaid after 27 November 2020.

(b) ***Rates in Arrears as at 1 January 2021***

A penalty of 10% will be applied to all rates (including penalties) from previous financial years remaining unpaid on 1 January 2021 (this penalty excludes current 2020/21 rates).

(c) ***Rates in Arrears as at 1 July 2021***

A penalty of 10% will be applied to all rates (including penalties) from previous financial years remaining unpaid on 1 July 2021 (this penalty includes 2020/21 rates unpaid at 1 July 2021).

## **Report**

### **Background**

This report is prepared for Council in order to set the rates on properties for the year 1 July 2020 to 30 June 2021.

Section 23 of the Local Government (Rating) Act 2002 states how rates are set. It states:

*"23 Procedure for setting rates*

*(1) Rates must be set by a resolution of the local authority.*

*(2) Rates set by a local authority must –*

*(a) relate to a financial year, or part of a financial year; and*

*(b) be set in accordance with the relevant provisions of the local authority's long-term community plan for that financial year."*

The section goes on to set out terms and conditions of the ability to set a rate not provided for in the Long-term Plan and to require that Council must, within 20 working days after making this resolution, make the resolution publicly available on our website.

Section 24 requires the resolution to state the financial year to which the rate applies and the date on which the rate must be paid.

### **Views of Affected Parties**

Council considered the views of affected parties during the 2018/28 Long-term Plan and 2020/21 Annual Plan process.

### **Compliance with Significance and Engagement Policy**

This decision is significant but is consistent with the 2018/28 Long-term Plan and 2020/21 Annual Plan and requires no further consultation.



## Consistency with Council's LTP/Annual Plan/Policy/Strategy

This report is consistent with setting Council's rates in accordance with the third year of the 2018-2028 Long-term Plan.

## Considerations

### **Rates Equalisation**

Land and capital value rates are calculated on equalised values. The three councils within Southland revalue their properties at different times, one per year on a rotating basis. Each year Quotable Value provides information to allow Council to determine what the values would be if there were a common valuation date across all the Councils. Council uses this information to adjust the rate so that each rating unit would be paying a similar amount of rates, as if all properties were valued on the same date.

### **Financial Implications**

Property rates account for \$21.9 million, or 59% of Council's revenue for 2020/21.

Rates are a property tax and have to be set and assessed using the specific requirements of the Local Government (Rating) Act 2002.

Council has one instalment for rates with the last day of payment being 27 November 2020. A seasonal overdraft is used prior to this to fund operating expenditure until rates are received.

### **Legal Implications**

This report is prepared according to the requirements of Local Government (Rating) Act 2002. Individual rates are set and assessed with reference to the following sections of the Act:

- **General rates**  
For providing revenue for the general purposes of the Council in the year commencing 1 July 2020 and ending on 30 June 2021 as authorised by Section 13 of the Local Government (Rating) Act 2002.
- **Uniform Annual General Charge**  
For providing revenue for the general purposes of the Council in the year commencing 1 July 2020 and ending on 30 June 2021, as authorised by Section 15 of the Local Government (Rating) Act 2002.
- **Biosecurity**  
For providing revenue for the general purpose of pest plant and animal control surveillance and administration within the Council's region in the year commencing 1 July 2020 and ending 30 June 2021, as authorised by Section 16 of the Local Government (Rating) Act 2002.
- **Land Sustainability**  
For providing revenue for the general purpose of encouraging wise land use by promoting best management practices by example and education within the Council's region in the year commencing 1 July 2020 and ending 30 June 2021, as authorised by Section 16 of the Local Government (Rating) Act 2002.
- **Catchment Rating**  
For the purpose of providing revenue for activities, maintenance, works and services in the various rating districts in the year commencing 1 July 2020 and ending 30 June 2021, as authorised by s16-18 Local Government (Rating) Act 2002;

to set and assess rates using a classification scheme established under s40-41 or s92(1) Rating Powers Act 1988, that is provided for and saved under s146 Local Government (Rating) Act 2002.