

Tō mātou mahere ngahuru tau

Our 10-year Plan



Draft Rates Remission and Rates Postponement Policies

Rates remission policy

Introduction

In accordance with section 85 of the Local Government (Rating) Act, 2002:

- i. A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if –
 - a. the local authority has adopted a remissions policy under section 109 of the Local Government Act 2002, and
 - b. the local authority is satisfied that the conditions and criteria in the policy are met.
- ii. The local authority must give notice to the ratepayer identifying the remitted rates.

Circumstances where a remission may apply

Rural open space remission

Objective

The council recognises that some rural land used for farming and/or conservation purposes has a valuation in excess of its economic use, and the rates set are a disincentive to the continued use of the land in its current form. The purpose of this remission is to alleviate financial barriers to the continued use of rural properties for farming and conservation purposes.

Conditions and criteria

The council may grant a 50 percent remission of the base general rate on land classified as rural under the Councils District Plan, where the rating unit is principally used for farming and conservations purposes.

Principally used for farming and conservation purposes means that more than 50% of the rating unit is used for conservation, agriculture, horticulture, pastoral or silviculture purposes, or for the keeping of bees, poultry or other livestock excluding commercial dog kennels or catteries.

Note that this definition does not include commercial dog kennels or catteries. Furthermore, the remission only applies where the rating unit (or property) exceeds 30 hectares in area.

Remissions on land used principally for games or sport

Objective

The objective of this remission is to reduce the financial impact of rates on land used principally for games or sports, that is occupied by clubs that hold a club licence, and which no longer qualifies as 50 percent non-rateable.

Conditions and criteria

The council may grant a 50 percent remission of the base general rate under this policy where the rating unit is owned or used by a society or club:

- i. has a club licence under the Sale and Supply of Alcohol Act 2012; and

- ii. would otherwise qualify as 50 percent non-rateable under Part 2, Schedule 1, of the Local Government (Rating) Act 2002; and
- iii. the property is rated at the Base differential.

Remission of metered water rates

Objective

The objective of this remission is to provide rates relief where a water leak has been detected on the ratepayer's property with a water meter, and prompt remedial action to repair the leak has been undertaken. The ratepayer remains responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Services Bylaw.

Conditions and criteria

A remission of the water targeted rate (for properties with a meter) may be granted for excess water consumption where the leak is the rate payer's responsibility (beyond the point of supply). Excess water consumption will be calculated as the difference between actual metered usage on the latest reading and the average daily metered usage over the last four readings prior to the leak. The full water rate will be charged on the average daily usage over the last four readings and the excess water consumption (as calculated above) will be charged at the current Greater Wellington Regional Council bulk water rate. Where sufficient information is not available on historic readings, excess water consumption will be calculated as the difference between the latest reading prior to the fault being remedied, and the average daily metered usage over the last three-monthly readings after the fault is remedied. This remission should only be applied for if:

- i. the leak occurred on a metered water property; and
- ii. excess water consumption has occurred through a broken or leaking pipe; and
- iii. evidence is provided that the fault has been remedied within a reasonable time period and prior to the application for a remission.

In the event of a recurrence of a water leak, Council would require the ratepayer to get a condition assessment of the pipes on the property prior to any decisions to remit a subsequent remission.

Remission of targeted rates on property under development or earthquake strengthening

Objective

The objective of this remission is to provide rates relief to properties undergoing development or earthquake strengthening while those properties are temporarily not fit for purpose and therefore not receiving the benefits derived by contributing to the sector or downtown targeted rates.

Conditions and criteria

The Council may remit part or all of the commercial sector targeted rate, Business Improvement District targeted rate and downtown targeted rate on land classified under the Council's commercial, industrial and business differential as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

The Council may remit part or all of the Base sector targeted rate on land classified under the Council's *Base differential* (including residential) as defined within our Funding Impact Statement Rating Mechanisms, where the property is deemed to be 'not fit for purpose' due to the property being under development or due to the existing building being earthquake strengthened.

'Not fit for purpose' is defined in this policy as where:

- i. the property (rating unit), or an identifiable part of the property, will not hold sufficient consents to permit occupation; and
- ii. the property (rating unit), or an identifiable part of the property, will not be used for any purpose, apart from the construction of buildings, premises or associated works, or earthquake strengthening works; and
- iii. the property (rating unit), or an identifiable part of the property, will not generate any revenue stream.
- iv. the remission will be granted on a pro-rata basis for the identifiable part of the property to which the above criteria (i – iii) apply, for the purpose of the remission this will be calculated based on the portion of the total floor area of the rating unit which is deemed 'not fit for purpose'.

The above criteria apply to, and must be met by, an entire rating unit as identified in the Council's rating information database (RID), or a clearly identifiable portion of the rating unit, and apply only for the period the building is not 'fit for purpose'.

Remission of general rates on property under earthquake strengthening

Objective

The objective of this remission is to provide upfront rates relief for ratepayers that take positive action to address the structural safety of their earthquake-prone buildings.

Conditions and criteria

The Council may postpone and subsequently remit rates after development, for earthquake-prone buildings falling under either of the following 2 categories:

- i. Residential buildings that have body corporates; or
- ii. One- or two-story commercial/ mixed use buildings

This policy does not apply to any demolition, strengthening or rebuilding for which building consents were issued prior to this policy being adopted.

A full postponement of general rates will be granted for up to three years prior to the period in which the seismic strengthening is undertaken. The application must include documentation which gives evidence of a) either the proposed strengthening work and the time envisaged for that work to be done, including milestones to be achieved, b) or the proposed demolition and rebuilding and the time envisaged for that work to be done. Application for this remission must be made no later than three months before the intended strengthening and demolition and must be supported by a Statutory declaration.

After completion of the seismic strengthening work, the postponed rates will be remitted. If the development work or strengthening is not completed, then the remission would not apply, and the rates postponement would come to an end (i.e., the postponed rates would be payable).

Furthermore, Council may at its absolute discretion wave the following fees for properties falling into one of the two categories above:

- Building consent fees
- Resource consent pre-app meeting
- Free corridor access requests

Remission of rates for buildings removed from the earthquake prone buildings list

Objective

The objective of this remission is to minimise the rates impact of valuation increases arising for ratepayers who have taken positive action to address the structural safety of their earthquake-prone buildings

Conditions and criteria

The ratepayer may qualify for this remission for a period of rating years after the removal of the building from the Earthquake Prone Building list¹, or up until the building is sold (whichever comes first). A remission of rates may apply under the following conditions and criteria:

- i. the building must have been on the Earthquake Prone Buildings list;
- ii. the ratepayer must have taken action to remove their building from this list either through seismic strengthening or building removal;
- iii. the remission must be applied for within 12 months of the building being removed from the Earthquake Prone Buildings list (by issuance of a code of compliance for work performed) and will relate to the following specified number of rating years only (the ratepayer does not need to re-apply in subsequent years). The terms of remission that apply are as follows:
 - a. for all buildings (not applicable to the heritage remissions below) that are removed from the earthquake prone list, the ratepayer may apply for this remission for a total period of 3 years; or
 - b. for all buildings removed from the Earthquake Prone Building List that are listed on the Wellington City District Plan Heritage List, the ratepayer may apply for this remission for a total period of 5 years after the removal of the building from the Earthquake Prone Building List.
 - c. A remission period of 10 years for all buildings as per (b) and are identified by Heritage New Zealand as Category I on the New Zealand Heritage list; or
 - d. a remission period of 8 years for all buildings as per (b) and are identified by Heritage New Zealand as Category II on the New Zealand Heritage list
- iv. the remission will not be available retrospectively for buildings already removed from the Earthquake Prone Building List prior to this policy being implemented.
- v. The remission is only available to a ratepayer who has taken action to remedy their building. It will not be available to a third-party purchaser of the building even if a sale took place within the remission period applicable to that building being removed from the Earthquake Prone Buildings list.
- vi. for earthquake prone buildings that have been removed from the site, evidence must be provided to Council of the building removal and the building must have been removed from the Earthquake Prone Building List

The ratepayer must apply for this remission within 12 months of the removal of the building from the earthquake prone building list (by issuance of a code of compliance for work performed).

¹ As maintained by Ministry of Business, Innovation & Employment

For earthquake-prone buildings that have been seismically strengthened to > 33 percent NBS the following will apply:

- a. the remission application will be accepted after the code of compliance has been issued for the building following completion of the seismic strengthening project.
- b. the remission shall equate to the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable due to any rating valuation uplift that may arise from seismic strengthening works; if there has been no rating valuation uplift on the property as a result of seismic strengthening work then no remission will apply.

The valuation uplift from seismic strengthening works will be calculated as:

(	Final value of property inclusive of improvement uplift	-	Initial value of property prior to improvement uplift	)	X	Initial floorspace prior to improvement (m2)
						Final floor space post improvement (m2)

The valuation uplift amount that has been calculated using the above methodology will be used to calculate the rates remission for the duration of the remission. The valuation uplift amount will not be re-calculated to take into account any future changes to the building's valuation post the first valuation assessment carried out after removal from the Earthquake Prone Building List (by issuance of a code of compliance). For clarity, changes in land value are excluded from the above calculations and any remission calculation.

For earthquake prone buildings that have been removed from the site the following will apply:

- a. the remission application will be accepted after evidence of the building removal has been provided to Council and the building has been removed from the earthquake prone building list; and
- b. the remission will be calculated as 10 percent of the rates (general rate, downtown targeted rate, commercial industrial and business sector or base sector targeted rates, stormwater network and sewerage rates) payable on the property, on the valuation post removal of the earthquake-prone building from the site, for each of the three years following the acceptance of the remission application.

This remission may be applied for at any time during the year. If approved by Council, the remission will take effect either from the next rating year (1 July) or will be backdated to take effect from the start of the current rating year at the nomination of the ratepayer and agreement of Council officers. The remission will cease after the specified number of years from the agreed effective start date, or up until the building is sold (whichever comes first).

Remission for natural disasters and emergencies

Objective

The objective of this remission policy is to provide a measure of rates relief where a natural disaster or other type of emergency affects one or more rating units' capacity to be inhabited, used or otherwise occupied for an extended period of time.

Conditions and criteria

Council may remit all or part of any rate or charge assessed in relation to a particular rating unit where:

- i. a natural disaster or other type of emergency has affected its capacity to be inhabited, used or otherwise occupied for an extended period of time.
- ii. Council considers it fair to do so and has identified the individual event causing a disaster or emergency through Council resolution.
- iii. it meets any further guidance provided by Council as to how Council will implement the above criteria for the particular event, depending on the nature and severity of the event and available funding at the time.

Special circumstances remission

Objective

To provide for the possibility of a rates remission in circumstances that have not been specifically addressed in other parts of the Council's Rates Remission and Postponement Policies.

Conditions and criteria

The Council may remit part, or all of the rates assessed in relation to a particular rating unit where:

- i. the rates on that rating unit are disproportionate to those assessed in respect of comparable rating units; or
- ii. the rating policy is determined by the Council to unfairly disadvantage an individual ratepayer.

The approval of the remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

Remission for low income ratepayers

Objective

The objective of this remission is to provide relief to those low-income households who have been approved for the New Zealand Government rates rebate.

Conditions and criteria

The Council may provide additional assistance up to a maximum value of \$700 (GST inclusive) to ratepayers who have been approved for the New Zealand Government rates rebate. The following further conditions & criteria apply:

- I. The ratepayer must be a natural person.
- II. The applicant must be the owner of the rating unit, must reside at the property and the property must be in the base differential rating category.
- III. This remission does not cover Companies, Trusts and any other legal structures even if they do qualify for the Government Rebate.
- IV. Greater Wellington Regional Council rates will still apply.

Remission for vacant land & derelict buildings

Objective

The objective of this remission is to provide relief for vacant inner-city land that pays the vacant land / derelict land differential on the value-based general rate, where that land contributes to central city amenity, or where Council's actions or inactions have caused a delay in development.

Conditions and criteria

Rates may be remitted where that land pays the vacant land differential on the value-based general rate. The amount of rates remitted is at Council's discretion, but may be up to the amount that restores the land to the same rating position it would have been in if the vacant land differential was not applied to the land. Land qualifies for this remission if it is being "activated" and will be assessed at the sole discretion of Council.

Activation refers to the process of identifying unused or underutilized spaces and proposing new uses for them.

The goal of activation is to transform unused spaces into potential spaces that can benefit the community, while enhancing the economic and streetscape vitality of a downtown area. It is a critical part of efforts to revitalise central city areas and often involves community participation and collaboration. This could involve setting up pop-up shops, pocket parks, community activities, creating art installations, or other initiatives that improve the collective well-being and quality of life of the community.

Council will grant this remission based on the circumstances of the land as at the beginning of the rating year.

Rates may also be remitted where Council considers that Council's actions or inactions have caused a delay in processing a building or resource consent relating to that land, and where Council considers that, if it had processed the consents in accordance with statutory timeframes, it is reasonable to expect that the landowner could have avoided being assessed for the City Vacant differential.

Applying for a rates remission

All applications must be in writing and set out the reasons for the request using the Wellington City Council 'Application for Remission' form.

Each remission application is applicable to a single rating year, except the Remission of Rates for Buildings Removed from the Earthquake Prone Buildings List, which may apply to multiple rating years.

Applications must be received prior to the commencement of the rating year the remission is being applied for (1 July), with the exception of the following remission applications which may be received after the start of a rating year:

- i. the Special Circumstances Remission
- ii. the Metered Water Rates Remission
- iii. the Remission of Rates for Buildings removed from the Earthquake Prone Buildings List
- iv. Remission of targeted rates on property under development or earthquake strengthening

No applications will be backdated beyond the current rating year.

All applications for a remission on a rating unit that has previously received a remission or remissions, must be re-submitted annually for consideration of further remissions prior to the commencement of the rating year (1 July), with the exception of the Remission of Rates for Buildings removed from the Earthquake Prone Buildings List.

The determination of eligibility and approval of any remission is at the absolute discretion of Wellington City Council. If Council is satisfied that the relevant criteria in the policy are met, it will give the applicant ratepayer notice of the remitted rates.

Applications made for a remission will be considered on their own merits on a case-by-case basis. Any previous decisions of the Council do not create a precedent. Approval of a remission does not set a precedent that application of the usual rates unfairly disadvantages other ratepayers.

Rates penalty remission

Objective

To enable the Council to act fairly and reasonably when rates have not been received by the due date and a penalty has been applied.

Conditions and criteria

Upon receipt of an application from the ratepayer, or as identified by the Council, the Council may remit all or part of a penalty where it considers that it is fair and equitable to do so.

Matters that will be taken into consideration by the Council include the following:

- i. this is the first time a penalty is applied during a prior three-year period and either:
 - a) the payment of the full amount of rates due is made within 14 days of due date; or
 - b) the ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- ii. there was an extraordinary event leading to the late payment of the instalment and either:
 - a) the payment of the full amount of rates due is made within 14 days of due date; or
 - b) the ratepayer enters into a suitable agreement with the Council for the payment of rates within a reasonable timeframe; or
- iii. the ratepayer has agreed to pay future rates by direct debit.

The Council reserves the right to impose conditions on the remission of penalties.

Applying for a rates penalty remission

A Rates Penalty Remission application must be in writing, setting out the reasons for the request with enough information and proof for officers to evaluate the request. No special remission form is required. The written request will be accepted by post, fax or email (rates@wcc.govt.nz).

Non - rateable land

In addition to rates remissions, some types of property are not rateable or are partly non-rateable under Schedule 1 or Schedule 2 of the Local Government Rating Act (2002). For details of non-rateable property uses refer to this legislation and the Council's website.

Remission of rates on Māori land

The Council is required to adopt a policy on the remission and postponement of rates for Māori freehold land under Sections 102, 108 and Schedule 11 of the Local Government Act 2002. Section 102(3A) states that the policy must also support the principles set out in the Preamble to the Te Ture Whenua Māori Act 1993.

The Council may also adopt a policy on the remission and postponement of rates for other land, including land in Māori ownership which is not Māori freehold land, under Sections 102, 109 and 110 of the Local Government Act 2002.

Objective

The objective of our current policy is to 1) increase equity in rating by recognising certain conditions, features and ownerships structures on the use, development and sale of Māori land compared to other land, 2) support the connection of mana whenua and Māori to their traditional lands, resources and cultural values through relief from rates and 3) support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993.

Conditions and criteria

Wellington City Council may grant a remission of all or part of the rates (including penalties for unpaid rates) on eligible Māori land. Eligible land includes :

- (a) Māori customary land
- (b) land vested in the Māori Trustee that—
 - i. is constituted as a Māori reserve by or under the Māori Reserved Land Act 1955; and
 - ii. remains subject to that Act:
- (c) land set apart as a Māori reservation under Part 17 of Te Ture Whenua Māori Act 1993:
- (d) any part of the common marine and coastal area in which customary marine title has, or protected customary rights have, been recognised under the Marine and Coastal Area (Takutai Moana) Act 2011
- (e) land that forms part of a natural feature that has been declared under an Act to be a legal entity or person (including Te Urewera land within the meaning of section 7 of the Te Urewera Act 2014)
- (f) Māori freehold land
- (g) land held by a post-settlement governance entity if the land was acquired—
 - i. as redress for the settlement of Treaty of Waitangi claims; or
 - ii. by the exercise of rights under a Treaty settlement Act or Treaty settlement deed
- (h) land held by or on behalf of an iwi or a hapū if the land was transferred from the Crown, a Crown body, or a local authority with the intention of returning the land to the holders of mana whenua over that land.

Further to land being eligible, the remission of rates will meet at least one of the following criteria:

- Support the use of the land by owners for traditional purposes
- Support the relationship of Mana Whenua and their culture and traditions with their ancestral land
- Avoid further alienation of Māori freehold land
- Facilitate any wish of the owners to develop the land for economic use
- Recognise the presence of wāhi tapu that may affect the use of the land for other purposes
- Recognise the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing.
- Recognise of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment
 - b. The protection of outstanding natural features
 - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
- Recognise the level of community services provided to the land and its occupiers

Applications for remission under this policy can be made by any owner in the case of collective ownership, must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Wellington City Council. No remissions are granted for a previous financial year.

Remissions will be granted for a period of 3 years, unless stated otherwise. Wellington City Council may reduce the period of remission during the period of the remission if it deems that the criteria for granting the remission are no longer met.

Applications should include the following information:

- Details of the rating unit or units involved.
- Documentation that shows that the land is eligible as detailed above.
- Supporting information to demonstrate that the remission will help achieve the criteria set out in the above section.

Wellington City Council has determined that this policy does not offer postponement of rates as it is inconsistent with the intent of this policy to support the retention of Māori land and reduce rates debts

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Rates Postponement Policy

Policy objective

To assist ratepayers experiencing extreme financial hardship that affects their ability to pay rates.

Conditions and criteria

For residential and other land rated at the Base differential:

The postponement of rates in cases of financial hardship is a last resort to assist residents who own their own home, after all other avenues to meet rates commitments have been exhausted.

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant is unable to pay their rates bill because of personal circumstances
- ii) the applicant has made all reasonable efforts to find other means to pay their rates, including engaging with a free budgeting service (<https://www.moneytalks.co.nz/budgeting-services/>) who also recommends this is the only remaining course of action
- iii) the applicant has no significant assets (other than their family home); and
- iv) the applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form.

Applicants will be provided with information that clearly sets out the long-term effect of postponing rates on their estate. Annually on 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

For land rated at the vacant land / derelict land differential:

The postponement of rates in cases of financial hardship is a last resort to assist owners of vacant land (both natural persons and corporate), after all other avenues to meet rates commitments have been exhausted. Applications can be made annually for a maximum of 3 years;

The financial hardship must be caused by circumstances beyond the ratepayer's control. Criteria for the postponement of rates for residential ratepayers in cases of hardship are as follows:

- i) the applicant is unable to pay their rates bill because of personal circumstances
- ii) the applicant has made all reasonable efforts to find other means to pay their rates, including engaging with a free budgeting service (<https://www.moneytalks.co.nz/budgeting-services/>) who also recommends this is the only remaining course of action
- iii) the applicant has no significant assets (other than the vacant land); and
- iv) the applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is for one year only.

The applicant must reapply annually for the continuation of a rates postponement using the Council's 'Application for Postponement' form.

Applicants will be provided with information that clearly sets out the long term effect of postponing rates on their estate. Annually on 30 June a postponement fee will be added to the postponed rates (the

postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement).

For land rated at the Commercial, Industrial and Business differential

The postponement of rates is a last resort to assist commercial, industrial and business ratepayers after all other avenues to meet rate commitments have been exhausted.

The financial hardship must be caused by circumstances outside the business' control.

Criteria for the postponement of rates for commercial, industrial and business ratepayers in cases of hardship are as follows:

- i) the applicant is unable to pay their rates because of business circumstances,
- ii) the applicant has tried all other avenues (including obtaining a loan from their bank) to fund their rates
- iii) the net value of an applicant's interest in the relevant property (after the value of all mortgages on the property and the total value of the rates postponed) exceeds 10 percent of the market value of the property i.e., the Council will not postpone rates where, in the Council's reasonable opinion, there is a significant risk that the rates will not be paid at some time in the future; and
- iv) the applicant accepts a notice of charge being registered by the Council over the property.

Approval of rates postponement is a one-off event. Rates postponed on commercial, industrial or business property must be paid in full by the start of the Council's next financial year (1 July).

On 30 June a postponement fee will be added to the postponed rates (the postponement fee will be calculated based on the financial cost to the Council of the postponement, being the Council's average cost of borrowing for the period of the postponement)