

Setting of the 2021/22 Rates

Purpose

To enable Chatham Islands Council to set the rates for the 2021/22 financial year, following the adoption of the Long-Term Plan 2021-2031. The Council needed to formally adopt the rates resolution setting the rates for the period 1 July 2021 to 30 June 2022.

RESOLVED:

- 1) Delegates authority pursuant to the Local Government (Rating) Act 2002 to the Chief Executive to:
 - i. apply penalties (stated under resolution d) on unpaid rates in accordance with Sections 57 and 58, and
 - ii. approve applications for rates postponement and rates remissions in accordance with Council's policy, and
 - iii. carry out all other functions permissible under the Act that are not required to be a Council responsibility.

- 2) Resolves the setting of the rates for the 2021/22 financial year and sets the following rates (including GST), pursuant to the Local Government (Rating) Act 2002 and
 - i. states due dates for payment in accordance with Section 24, *and*
 - ii. applies penalties on unpaid rates in accordance with Sections 57 and 58, on rating units for the financial year commencing on 1 July 2021 and ending on 30 June 2022.

These rates are set in accordance with Chatham Islands Council's Long-Term Plan 2021-2031 and the Funding Impact Statement which forms part of the Long-Term Plan 2021-2031 as follows:

a. General rates

Council will set a general rate based on the capital value of all rateable land on the islands. The general rate will be set on a differential basis based on land use. The categories and apportionment are included in the table below.

This will result in the following rates based on the assessed per \$1 capital value of each rating unit:

Land Use	Differential	Rate (GST Inclusive)	Total collected
Infrastructure	5.0% of the General Rate	0.00314298	\$17,811
Industrial	14.5% of the General Rate	0.00630390	\$51,654
Commercial	11.0% of the General Rate	0.00405395	\$41,991
Rural & Residential	69.5% of the General Rate	0.00188294	\$254,663
Total general rates collected			\$366,119

b. Targeted rates

Targeted rates are applied to the properties which benefit from the service provided. Targeted rates cannot be applied to purposes other than for which they were raised.

Council uses the number of connections for funding the water supply activities, a per pan rate for funding sewerage activities, and a rating unit basis for funding waste management activities and the roading activities.

A Warm Homes targeted rate will be charged to properties in this scheme to ensure there is sufficient cash to repay the loan over the loan period. Actual repayments in 2021/22 have been agreed as part of each individual loan agreement.

Council plans to provide a low interest loan to ratepayers who install approved water tanks. This scheme has yet to be established, but similar to the warm homes targeted rate, will be an opt-in scheme, with actual repayments being agreed as part of each individual loan agreement.

Council will set targeted rates based on a variety of rating bases as follows:

Activity for setting a targeted rate	Category for setting targeted rate	Calculation factor	Factor used		Revenue sought \$ 2021/22 (including GST)
Roading	The provision of a roading service.	A per rating unit charge for roading activities.	201.32	Fixed amount per unit	89,183
Potable water supply	The provision of a public water supply service.	The number of connections for potable water supply activities – for both Kaingaroa and Waitangi connections.	804.94	Fixed amount per connection	83,714
Wastewater	The provision of a wastewater service.	A per pan rate for wastewater activities.	836.70	Fixed amount per pan	77,813
Waste management	The provision or availability of a waste management service.	All rating units on Chatham Islands with improvements are charged for waste management activities.	240.00	Fixed amount per rural or residential unit	75,360

			300.00	Fixed amount per Infrastructure, Industrial or Commercial unit	15,000
Fish rate	The provision or availability of fish waste disposal services for fishing businesses.	A rating unit basis to the following rating units 420, 508 and 635	0.0058824	Fixed amount per tonne	19,235
Total targeted rates collected					\$360,306

The rating basis for each rate type has been defined and approved through the Revenue and Financing Policy adopted as part of Chatham Islands Council's Long-Term Plan 2021-31.

c. Rates by instalments

Council proposes to collect the rates in four instalments, issued on: 14 September 2021, 14 November 2021, 14 February 2022 and 14 May 2022.

d. Penalties

A penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. The penalty dates are 15 September 2021, 15 November 2021, 15 February 2022 and 15 May 2022. Previous year's rates that remain unpaid will have a further 10% penalty added on 6 July 2022.

These rates and penalties to be set on rating units in the region for the financial year which commences on 1 July 2021 and ends on the 30th day of June 2022.

This information is extracted from the Chatham Islands Council's Long-Term Plan 2021-2031 and complies with the revenue and financing policy.

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