

WORKSHOP MATERIAL

Workshop: Long Term Plan – Community Facilities and Rates Remission Policies

Date: Thursday, 24 August 2023

Item	Released Information
1.	Long Term Plan 2024-2034 Pre-workshop Material – Community Facilities Funding Policy
2.	Draft Rates Remission Policy
3.	Long Term Plan 2024-2034 – PowerPoint Presentation
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5.	
6.	
7.	

LTP 2024-2034 Pre-Workshop Material 24 August 2023 Community facilities funding policy

COMMUNITY FACILITIES RATING POLICY

Background

During the workshop on early engagement feedback received on 24 May 2023, Councillors requested the opportunity to further consider the proportion of funding required from the community for facilities. The policy on the proportion of funding required from the community is part of the Community Facilities Rating Policy (Attachment 1). This policy dates back to 2003 and has been amended in a number of ways since then (see Attachment 2).

At a further workshop on 12 July 2023, staff provided further information concerning the ratio for community facilities funding including broad options to consider changing the ratio, if this is Councillors' desire. At this workshop, staff were requested to carry out further analysis and bring back options. This material is giving effect to the direction provided by Councillors.

Community well-being is the purpose of local government. In terms of promoting social well-being, the provision of community facilities where community members can come together and interact is one of the most prominent roles the Council plays.

Considering the policy settings covered by this paper has highlighted that there is a range of further community facility-related issues that would benefit from further consideration in a more holistic manner. Examples include: if and when the Council has a role in creating an organisation to raise funds for a community facility; what role a group that has raised funding for the development of a community facility should play in the governance of its operation; whether the group that provides the community fundraising should be a part owner of the facility; whether the Council should continue to own, maintain and operate all its existing community facilities particularly older buildings with low usage levels; whether the approach to funding community facilities should be consistent for all types of facilities; the degree to which the Council should require public access to facilities it contributes to. The development of a community facilities strategy or something similar may be something the Council wants to consider.

Funding of new community facilities

Staff understand that the aspect of this policy that councillors wish to reconsider is the proportion of the funding for new community facilities required to be provided by the community.

The proportion of community funding was increased through the LTP 2015 process, with the LTP 2015 recording the following:

COMMUNITY CONTRIBUTIONS REQUIRED FOR COMMUNITY FACILITIES (SUCH AS NEW HALLS OR SIGNIFICANT RECREATION FACILITIES)

Council has decided to increase the required community contributions (i.e. fundraising) for new or renewal of large, community, recreational, sporting or cultural facilities (excluding Saxton Field), to a minimum of one third of the total project costs. This is an increase from the current 20% contribution. Where a community is prepared to fund two thirds or more of the cost of a new project that is not in Council's Long Term Plan, Council will consider the affordability of contributing the remaining costs and viability of the project.

The proposed change to the policy was mentioned in the consultation document as part of the summary of the Financial Strategy. However, this change was not particularly highlighted or conspicuous in the consultation document.

Staff have briefly reviewed the submissions on the LTP 2015 consultation document and have been unable to locate any submissions which commented on the proposed increase in community funding proposed.

Applying this policy to the latest cost estimates for community facilities in the LTP 2021-2031:

Facility	Total cost estimate	Community Share	Council Share
Motueka Community	Approx. \$16.43m	\$5.48m	\$10.95m
Pool			
Wakefield/Brightwater	Approx. \$8m	\$2.7m	\$5.4m
Community Facility			

Other Councils' Ratios

Nelson City Council – generally 20% community fundraising: 80% Council funding

Marlborough District Council – no policy on the ratio of community fundraising. Considered on a caseby-case basis.

Gisborne District Council - no policy on the ratio of community fundraising. Considered on a case-bycase basis.

Queenstown Lakes District Council - no policy on the ratio of community fundraising.

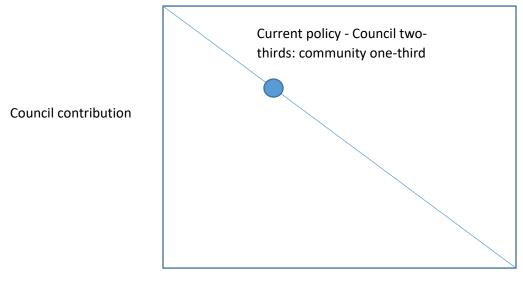
Waimakariri District Council¹

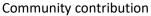
¹ The Waimakariri District Council Policy has recently been revoked to be replaced by a community facilities network plan.

- District-wide facilities Council will consider funding up to 100%.
- Community meeting facilities Council will consider funding up to 100%.
- Pavilions for active sports and recreation Council will only fund elements of these facilities that are available to the wider public (i.e. in addition to members of the sports code concerned) e.g. changing rooms and toilets.
- Externally funded buildings on council land Council's contribution is generally proportionate to the degree of public access to the facility.
- Facility owned by voluntary or community organisations Council may provide a grant or loan if there is no apparent alternative funder.
- Externally owned Educational/Recreation or Arts Facilities Council will may provide a grant or loan.
- Commercial Facilities (e.g. commercial cultural precinct, art gallery, fitness centre) Council will consider seed funding, loan or underwriting a loan.

Options

The respective proportion of community facilities projects to be funded by the community and the Council could be varied.





Note: a series of options have been presented for consideration. As these are based on the proportion of funding from the community and from the council, there are multiple other available options by changing the different contribution levels.

1. Keep existing ratio i.e. one-third community: two-thirds council

Advantages	Disadvantages	
 Consistent with other facilities in recent years (but have any been done on the 30% level?) Clear and consistent expectation for the level of community fundraising. Demonstrates significant local community support for the facility as demonstrated through fundraising. Reasonable share of the cost bourne by the local community (through fundraising) that will be the primary beneficiaries and the wider District (providing funding through facilities' rates). Community contribution helps reduce pressure on rates and Council debt level. 	 Puts fundraising stress on the community. At times of high inflation the costs may rise quicker than the fundraising total. Creates uncertainty about the timing of projects because it is dependent on the community having raised its share. May disadvantage lower socio-economic communities that have lower ability to fundraise but may have higher needs for facilities. The facility characteristics may be driven by the community's ability to fundraise and compromise the facility's ability to meet the needs. 	

2. Ratio – 20% community: 80% council

Advantages ²	Disadvantages	
 Less fundraising stress on the community Potentially makes community facilities more accessible to some communities. Makes community facilities more accessible to lower socio-economic communities that have lower ability to fundraise. Potentially makes the period between the need for the facility being identified and the facility being delivered shorter i.e. doesn't have to wait so long for community fundraising to have reached the required level. Decreases the timing uncertainty, as development is less dependent on the community raising its share. Less risk that the facility characteristics may be driven by the community's ability to fundraise and compromise the facility's ability to meet the needs. 	 Means more of the costs of the facility (largely of benefit to those living in the immediate area) are paid for by all ratepayers regardless of their location. Increases financial pressure on the Council, rates and debt levels. Lowers the level of required community commitment to the facility (demonstrated in the form of fundraising). May raise issues of equity for any communities that have been required to provide a higher proportion of the costs for community facilities previously. 	

² Note advantages and disadvantages in subsequent tables compare the option to the current one-third ratio.

3. Ratio – 40% community: 60% council

Advantages	Disadvantages	
 Demonstrates very significant local community support for the facility as demonstrated through fundraising. A larger share of the cost is borne by the local community (through fundraising) that will be the primary beneficiaries and the wider District (providing funding through facilities' rates). Larger community contribution helps further reduce pressure on rates and Council debt level. 	 Puts further fundraising stress on the community. At times of high inflation the costs may rise quicker than the fundraising total. Creates further uncertainty about the timing of projects because it is dependent on the community having raised its share. May further disadvantage lower socio-economic communities that have lower ability to fundraise but may have higher needs for facilities. More risk that the facility characteristics may be driven by the community's ability to fundraise and compromise the facility's ability to meet the needs. 	

4. No fundraising requirement from the community

Advantages	Disadvantages	
 No fundraising stress on the community Makes community facilities more accessible to lower socio-economic communities that have lower ability to fundraise by removing the need to fundraise. Potentially makes the period between the need for the facility being identified and the facility being delivered shorter i.e. doesn't have to wait so long for community fundraising to have reached the required level. Decreases the timing uncertainty, as development is not dependent on the community raising its share. No risk that the facility characteristics may be driven by the community's ability to fundraise and compromise the facility's ability to meet the needs. 	 Means all of the costs of the facility (largely of benefit to those living in the immediate area) are paid for by all ratepayers regardless of their location. Increases financial pressure on the Council, rates and debt levels. Could potentially lead to facilities being developed with low-level community commitment (and potentially use). Raises issues of equity for any communities that have been required to provide a higher proportion of the costs for community facilities previously. Potential community pressure on the Council to complete the project earlier 	

5. One-third ratio for first \$3m and one-fifth ratio for costs above \$3m (Glenn Daikee option)

Note the trigger point for the lower ratio to apply could be changed e.g. the one-fifth ratio could apply at \$5m instead of \$3m.

Advantages	Disadvantages		
 Less fundraising stress on the community Potentially makes community facilities more accessible to some communities. Makes community facilities more accessible to lower socio-economic communities that have lower ability to fundraise. Potentially makes the period between the need for the facility being identified and the facility being delivered shorter i.e. doesn't have to wait so long for community fundraising to have reached the required level. Arguably, the higher the cost of the facility, the larger its scale and its pull of users from a wider catchment which is a rationale for a higher contribution from the Council (district as a whole). Less risk that the facility characteristics may be driven by the community's ability to fundraise and compromise the facility's ability to meet the needs. 	 Means more of the costs of the facility (largely of benefit to those living in the immediate area) are paid for by all ratepayers regardless of their location – but moderated from Option 2. Increases financial pressure on the Council, rates and debt levels – but moderated from Option 2. Lowers the level of required community commitment to the facility (demonstrated in the form of fundraising) but still requires higher level of community commitment. May raise issues of equity for any communities that have been required to provide a higher proportion of the (total) costs for community facilities previously. 		

6. One-third ratio for the first \$5 million, with the Council funding all cost above this level.

Advantages	Disadvantages	
 Less fundraising stress on the community Potentially makes community facilities more accessible to some communities. Makes community facilities more accessible to lower socio-economic communities that have lower ability to fundraise. Potentially makes the period between the need for the facility being identified and the facility being delivered shorter i.e. doesn't have to wait so long for community fundraising to have reached the required level. Arguably, the higher the cost of the facility, the larger its scale and its pull of users from a wider catchment which is a rationale for a 	 Means more of the costs of the facility (largely of benefit to those living in the immediate area) are paid for by all ratepayers regardless of their location Increases financial pressure on the Council, rates and debt levels Lowers the level of required community commitment to the facility (demonstrated in the form of fundraising) but still requires higher level of community commitment. May raise issues of equity for any communities that have been required to provide a higher proportion of the (total) costs for community facilities previously. 	

higher contribution from the Council (district as a whole).	
• Less risk that the facility characteristics may	
be driven by the community's ability to fundraise and compromise the facility's	
ability to meet the needs.	

The \$5m cap for the one-third community fundraising contribution could be altered in this option.

7. No standard community fundraising expectation policy

Instead, the Council could develop a policy that identifies the factors or criteria it will consider in determining what level of community fundraising it will require and then make decisions on a case-by-case basis.

Criteria that could be considered include:

- the size and character of the catchment area for a facility.
- the level of access the general public will have to the facility.
- whether there is a readily identified organisation to raise funds (or one could be created).

Illustration of how the options apply to the Motueka pool and Wakefield/Brightwater community facility:

Option 1: Current Model	Total	Community Share	Council Share	Community Contribution per head of population ³
Motueka Pool	\$16.43m	\$5.42m	\$11.01m	\$400
Wakefield/ Brightwater Facility	\$8m	\$2.64	\$5.36m	\$526
Option 2: 20% Community Contribution	Total	Community Share	Council Share	Community Contribution per head of population
Motueka Pool	\$16.43m	\$3.29m	\$13.14m	\$243
Wakefield/ Brightwater Facility	\$8m	\$3.2m	\$4.8m	\$319
Option 3: 40% community contribution	Total	Community Share	Council Share	Community Contribution per head of population
Motueka Pool	\$16.43m	\$6.57m	\$9.86m	\$485
Wakefield/ Brightwater Facility	\$8m	\$3.2m	\$4.8m	\$637
Option 4: 0% community contribution	Total	Community Share	Council Share	Community Contribution per head of population
Motueka Pool	\$16.43m	\$0	\$16.43m	\$0
Wakefield/ Brightwater Facility	\$8m	\$0	\$8m	\$0
Option 5: One-third ratio for first \$3m and one-fifth ratio for costs above \$3m	Total	Community Share	Council Share	Community Contribution per head of population
Motueka Pool	\$16.43m	\$3.94m	\$12.49m	\$271
Wakefield/ Brightwater Facility	\$8m	\$2.25m	\$5.75m	\$396
Option 6: One-third ratio for the first \$5 million with the Council funding all cost above this level	Total	Community Share	Council Share	Community Contribution per head of population
Motueka Pool	\$16.43m	\$1.65m	\$14.78m	\$122
Wakefield/ Brightwater Facility	\$8m	\$1.65m	\$6.35m	\$329

³ Based on 30 June 2022 population figures. Motueka Ward 13,550. Wakefield 2,680. Brightwater 2,340

Application of LGA section 80

If Councillors are of a mind to vary the proportion of community funding required for one community facility or another, as an exception i.e. rather than changing the policy; this could be done by applying section 80 of the Local Government Act 2002.

80 Identification of inconsistent decisions

- (1) If a decision of a local authority is significantly inconsistent with, or is anticipated to have consequences that will be significantly inconsistent with, any policy adopted by the local authority or any plan required by this Act or any other enactment, the local authority must, when making the decision, clearly identify—
 - (a)the inconsistency; and

(b) the reasons for the inconsistency; and

(c) any intention of the local authority to amend the policy or plan to accommodate the decision.

(2) Subsection (1) does not derogate from any other provision of this Act or of any other enactment

Other Aspects of the Community Facilities Rating Policy

The oldest version of the Community Facilities Rating Policy staff have been able to locate is one dated back to 2003 (Attachment 1).

Some minor changes to the policy were recorded in the LTCCP 2006 (Attachment 2).

The following extract from the LTP 2021-2031 explains some of the history and changes to this policy that have taken place.

Community Facilities Rate

We introduced the Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout our District for the benefit of residents. Completed projects that have been funded to date by the Community Facilities Rate, and the replacement District and Shared Facilities Rates, include:

- The Rotoiti Community Hall.
- The Moutere Hills Community Centre.
- The Richmond Aquatic Centre.
- The Grandstand at Sports Park Motueka.
- Motueka Recreation Centre upgrade.
- The Murchison Sport, Recreation and Cultural Centre.
- The Tasman Tennis Centre upgrades and new courts.
- A contribution to the Maruia Hall.
- Contributions under an agreed funding formula for ongoing developments at Saxton Field.
- Contributions to the upgrade of the Theatre Royal and to the upgrade of the Trafalgar Centre.

- Contributions to the upgrade of the Māpua Hall.
- The Recreation Park Centre Golden Bay.

In 2005, we split the Community Facilities Rate into a District Facilities Rate, covering facilities located in and primarily benefiting Tasman residents and visitors; and a Regional Facilities Rate, covering the wide range of projects with wider regional benefits which may be located within the Tasman District and Nelson City.

In 2011, the Regional Facilities Rate was renamed as the Shared Facilities Rate to recognise that most of the regional facilities are actually shared facilities that are used by many residents of both districts. We propose to continue with our District and Shared Facilities Rates over the coming years. Each of these rates is charged on all properties within Tasman District. The major new projects which we are proposing to fund from the District Facilities Rate in Tasman's 10-Year Plan 2021–2031 include the upgrade of the Grandstand at the Golden Bay Recreation Park, the Motueka Community Pool and the Wakefield/Brightwater Community Facility. We expect a community contribution towards these three projects. We will also continue to fund ongoing development at Saxton Field from the Shared Facilities Rate.

The Community Facilities Operating Rate has now been discontinued. The operating costs for the below facilities are being moved into the relevant District or Shared Facilities Rate. The District and Shared Facilities Rates will cover both the capital and operating costs for facilities. We have also added into the District Facilities Rate budgets, funding to cover the operating costs of the proposed new Motueka Community Pool and Wakefield/Brightwater Community Facility once they are constructed.

- Recreation Park Centre Golden Bay.
- Moutere Hills Community Centre.
- Motueka Recreation Centre.
- Richmond Aquatic Centre.
- Murchison Sport, Recreation and Cultural Centre.
- Lake Rotoiti Community Hall.
- Saxton Field.

The following facilities are being funded by the District Facilities and Shared Facilities Rates:

District Facilities Rate	Shared Facilities Rate
Tasman Tennis facility	Saxton Field
Motueka Sportspark Grandstand	Theatre Royal
Murchison Sportsground	Suter Art Gallery
Upper Moutere Sportsground	Athletics Facility, Saxton Field
Brightwater/Wakefield Facility	Trafalgar Centre and Park?
Mapua Community Hall	Brook Sanctuary Fence
Rotoiti Hall	Richmond Aquatic Centre (51% loan servicing
GB Recreation Centre	costs)
Motueka Recreation Centre	
Richmond Aquatic Centre (49% loan servicing	
costs)	

Table 30 in the Reserves & Facilities AMP 2021-2051 (see Attachment 4 for other relevant extracts from this AMP) describes where the various facilities are located.

Facilities located on Tasman District Council land	Shared facilities located on Nelson City Council land	Facilities located on private land within the Tasman District
Saxton Field velodrome, Avery/Champion Green sports fields (including changing block/toilet)	Saxton Field: hockey, athletics, cricket, indoor stadium and other facilities	Māpua Hall
Multi-use recreation centres in St Arnaud, Murchison, Upper Moutere, Motueka, Golden Bay	Trafalgar Centre	Maruia Hall (outside Tasman District)
Grandstand at Sportspark Motueka	Brook Sanctuary Fence	
Richmond Aquatic Centre (Not included in this Activity Management Plan)	Theatre Royal	
Golden Bay Grandstand	Suter Art Gallery	
Tasman Tennis centre at Jubilee Park, Richmond	Provincial Museum	
Tasman's Great Taste Trail (part contribution)		

Table 30: Community facilities funded from the District and Shared Facilities Rates

Creation of a policy document

As noted earlier, the most recent consolidated policy dates back to 2006/2007. Subsequent changes to the policy and practice have not been incorporated into a current policy that documents the community contribution level or the information on the District Facilities and Shared Facilities rates. The Revenue and Financing Policy currently refers to facilities having 'met the defined criteria' - presumably referring to the criteria in the policy from the 2006/2007 LTCCP which are now obsolete.

As a consequence, staff suggest development of a policy that brings together the current policy directions and/or documents the changes Councillors want to make. To this end, a draft policy based on the current policy settings is included as Attachment 3.

Key points that Councillors may wish to consider when developing this policy:

• **Definition of community facilities covered by the policy**. It is unclear which facilities the current policy settings apply to and its application is inconsistent and variable. This is a key area where councillor direction is requred. In the draft policy there is a proposed definition of community facilities that includes a list of the sort of facilities referred to. Libraries are included in this list of community facilities in general but excluded from coverage by the policy. This

reflects the current policy/practice i.e. we do not expect community fundraising contributions for libraries and we fund them through General Rates. Staff are unclear on the rationale for treating libraries differently to other community facilities. It may be that for libraries there is no immediately apparent organised group, club or association that would lead the fundraising effort. It should be noted that there is currently no obvious fundraising group for the Wakefield/Brightwater community facility. The same can be said of artificial courts and surfaces provided primarily for public use and (in most cases) skateparks and pump tracks. In the draft policy, these facilities have also been excluded from the community fundraising requirement.

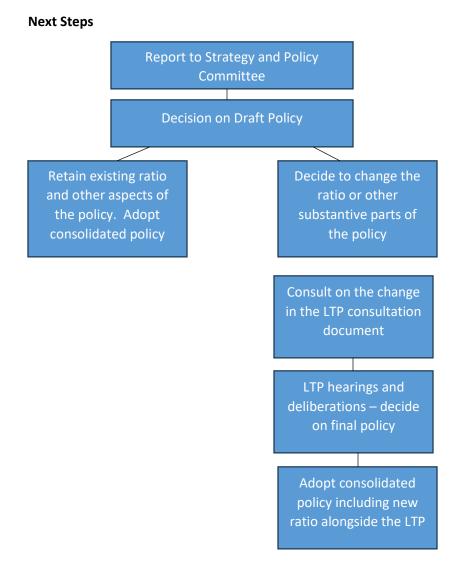
- Should the community fundraising requirement apply to renewals, as well as the development of new facilities? The 2005 policy does not specifically mention renewals but they are included in the information from the 2015 LTP.
- Policy exclusion threshold. The draft policy excludes community facilities with a cost of below \$500,000 in 2023 from the ratio of community fundraising contributions. This threshold figure will be adjusted annually for inflation based on the Local Government Cost Index that applies to capital expenditure. This provision was made in the 2003 version of the policy with the \$250,000 figure. Inflating that figure to an equivalent current figure takes it to \$416,000. Staff suggest rounding this up to \$500,000. Staff assume that the reason a minimum cost is included in the policy is to provide the Council greater flexibility for smaller, more modest facilities.
- The **community contributions level** is set at one-third in the draft policy i.e. the current level. This can be altered if Councillors are of a mind to do so.
 - **Exception for Saxton Field.** The community contributions level is set at 20% in the draft policy for facilities at Saxton Field. This level is lower than for other facilities because 20% is the community contribution expectation of Nelson City Council and for these joint Nelson/Tasman facilities it is necessary to have a common fundraising expectation.
- **Providing incentives for high levels of community contributions.** The draft policy continues with the provision from 2015 that, where a community is prepared to fund two-thirds or more of a new project that is not in the Council's Long-term Plan, the Council will consider the affordability of contributing the remaining costs and viability of the project. This has been retained in the interests of consistency with the 2015 position. In itself it does not commit the Council to a level of funding for facilities in this situation; it just says the Council will consider contributing the remaining costs. Offering some sort of incentive to communities that can raise two-thirds of the cost of the facility has some benefits in potentially reducing the amount the Council contributes. This provision may have the effect of advantaging communities with higher incomes and more fundraising capacity. However, the Council can consider this on a case-by-case basis.
- The District Facilities Rate and the Shared Facilities Rate **revenue can be used to fund the rates funded components** of the debt servicing, interest and operational costs of community facilities covered by this policy.
- Specifically **which facilities to fund** through and the level of the District Facilities Rate and the Shared Facilities Rate will be determined through Long-Term Plans and Annual Plans. The policy defines which types of facilities are covered with the LTP and Annual Plan, applying that direction to the specific facilities included in them.
- **Connection to Funding Impact Statement**. The basis for setting the District Facilities Rate and the Shared Facility Rate (e.g. land value, capital value, flat rate) will be determined from time to

time by the Council through its Funding Impact Statement i.e. it is not established by this policy and can be changed in the FIS without a consequential change to this Policy being required.

Significance and Engagement

Any change in policy has been assessed as having an overall significance of medium/high. It will require consultation and staff suggest that this be carried out through the LTP consultation document.

If there is effectively no change to the existing policy settings (as described in the LTP 2015 and LTP 2018) staff consider that consultation is not required. In this case, effectively the current policy settings are being compiled into a policy document.



ATTACHMENT 1 – original policy/from 2003

Subject: FACILITIES RATE

Purpose: To define the Council's Facilities Rate policy and how this is applied.

Policy: The Community Facilities Rate will be levied to meet part of the costs of capital funding for new, large, community, recreational, sporting or cultural District or Regional projects which have met the relevant criteria and which will provide benefit to the citizens of Tasman District.

The Council considered a report on this matter on 24 April 2003 and adopted the following policy:-

THAT Council adopts the objective and criteria for the communities facility rate as recommended by the Facility Rate Subcommittee.

Rating Rules

The rate will be an annual charge levied uniformly on all rating units within Tasman District.

The Community Facilities Rate will be operated as a closed account and managed by the Community Services Department as part of its development impact levies responsibilities.

Criteria

The maximum Council contribution will be up to 80% of the capital cost of the project – the project cost will include land, (if independent purchase is required), feasibility, planning and other preliminary costs associated with a significant project.

Council is to be satisfied that the community of interest supports the project and is able to contribute at least 20% of the project's cost.

The minimum size of a project funded by the Community Facilities Rate is to be \$250,000.

All projects are to be subject to the provisions of Council's Project Management Strategy. Regional projects are to be subject to the Regional Facilities Funding Forum Policies.

Council will be required to have some "ownership" of the project or "controlled security" as provided by any relevant statute.

Projects are to be identified and detailed in Council's draft Annual Plan. A five year project profile including funding, is to be prepared.

Projects are to be notified to Council no later than 30 November each year in order that appropriate Council personnel may undertake feasibility and evaluation work required by either the Project Management Strategy or Regional Facilities Funding Forum.

Projects selected must be expected to commence construction in the year they are notified in Council's annual plan.

Operating and maintenance costs of any project will not be funded by the Community Facilities Rate. Promoters of a project will need to demonstrate that operating costs, ongoing maintenance, financial viability and community support are fully covered in the proposal.

This policy and criteria for projects funded by the Community Facilities Rate are to be reviewed annually as part of the annual plan consultation procedure. Council's Facilities Rate policy

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These criteria were considered against the various projects that Council is currently involved in - Lake Rotoiti Hall, Richmond Aquatic Centre, Upper Moutere project etc.

The subcommittee agreed by consensus that the Community Facilities Rate will meet the capital costs of the following 2003/2004 projects:

Lake Rotoiti Hall

Richmond Aquatic Centre

Motueka Pool

Tasman Tennis Centre

Suter Art Gallery

Rugby Park Grandstand

Avery/Sutton Land

Approval:	Date of issue:	Replaces:	

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ATTACHMENT 2 – extract from 2006 LTCCP

Community Facilities Rate

Council introduced the concept of a Community Facilities Rate in the 2003/2004 financial year to provide a unique funding source for a wide range of community, recreational, sporting and cultural projects that were being proposed throughout the District, and for the benefit of residents of the District.

Completed projects that have been funded to date by the Community Facilities Rate include the Rotoiti Community Hall, Moutere Hills Community Centre, ASB Bank Aquatic Centre, completed stages of the Tasman Tennis Centre, the grandstand at Sportspark Motueka, a contribution towards the building of the Maruia Hall and contributions under an agreed funding formula for ongoing developments at Saxton Field.

In October 2005 Council reviewed its criteria for the Community Facilities Rate. In doing so, it acknowledged that a wide range of projects were being proposed to Council both for construction within Tasman District and for construction outside Tasman District but which would be used and enjoyed by residents of Tasman District. As a result of this review, Council has introduced in this LTCCP document the concept of a District Facilities Rate and a Regional Facilities Rate.

Following the introductory paragraphs to this activity, commentary is provided on each of the proposed projects, including detail of their location, anticipated capital cost, the anticipated construction timetable and the impact each project will have on either the District Facilities Rate or Regional Facilities Rate.

What We Do

The District Facility Rate and Regional Facilities Rate provide a funding source to meet the costs associated with a wide range of community facilities that have been proposed by Council.

Rating Rules

The District Facilities Rate and Regional Facilities Rate are an annual charge levied uniformly on all rating units within Tasman District.

These Facilities Rates are operated as a closed account and managed by Council's Community Services Department.

Criteria

The following criteria are to be considered during the evaluation of any project proposed to be funded by Council's District Facilities Rate or Regional Facilities Rate:

- 1 The maximum Council contribution will be up to 80% of the capital cost of the project – the project cost will include land (if independent purchase is required), feasibility, planning and other preliminary costs associated with a significant project.
- 2 Council is to be satisfied that the community of interest supports the project and is able to contribute at least 20% of the project's cost.
- 3 The minimum size of the project funded by the Community Facilities Rate is to be \$250,000.
- 4 All projects are to be subject to the provisions of Council's Project Management Strategy. Regional projects will be subject to the Regional Facilities Funding Forum Policies.
- 5 Council will be required to have some "ownership" of the project or "controlled security" as provided by any relevant statute.

- 6 Projects are to be identified and detailed in Council's LTCCP or Annual Plan. A five-year project profile including funding is to be prepared.
- 7 Projects are to be notified to Council no later than 30 November each year, in order that appropriate Council personnel may undertake feasibility and evaluation work required by either the Project Management Strategy or Regional Facilities Funding Forum.
- 8 Projects selected must be expected to commence construction in the year they are notified in Council's LTCCP or Annual Plan.
- 9 Operating and maintenance costs of any project will not be funded by the District Facilities Rate or Regional Facilities Rate. Promoters of a project will need to demonstrate that operating costs, ongoing maintenance, financial viability and community support are fully covered in the proposal.
- 10 This policy and criteria for projects funded by the District Facilities Rate or Regional Facilities Rate are to be reviewed annually as part of the draft LTCCP or Annual Plan consultation procedure.

Why We Do It

The objective of these rating sources is to provide a fund to assist with the construction of those facilities that would not normally be included within the bounds of Council's general activities.

Our Goal

The District Facilities Rate and Regional Facilities Rate are levied to meet part of the costs of capital funding for new, large, community, recreational, sporting or cultural District or Regional projects which have met the relevant criteria and which will provide benefit to the citizens of Tasman District.

ATTACHMENT 3

DRAFT COMMUNITY FACILITIES FUNDING AND RATING POLICY

POLICY REFERENCES				
Sponsor:	Group Manager - Service & Strategy			
Effective date:	1 July 2024			
Internal review due:	30 June 2027			
	Local Government Act 2002			
Legal compliance:	Local Government Rating Act GA, RMA etc applicable to the policy			
Associated Documents/References	Revenue and Financing Policy			
Policy Number	Policy numbers are assigned by the Executive Assistants. All policies have a unique identifier.			
Approved by Council	Date to be inserted			

Purpose

To define the Council's policy on funding community facilities, including rating for community facilities.

Definitions

Community facilities – facilities owned by the Council or other organisation and <u>open to the public</u> for the well-being of the community, on a not-for-profit basis. In the case of this policy, community facilities include the following:

- Libraries
- Pools and recreation centres
- Sports facilities
- Venues for hire (community halls or rural halls)
- Community centres
- Arts and culture facilities
- Grandstands
- Artificial turfs and surfaces
- Clubrooms
- Skate parks and pump tracks
- Boat ramps and marine facilities

Community Contributions to large community facilities

Application

This policy applies in general terms to the funding of community facilities, which the Council owns either solely or in partnership with other organisations.

Exclusions

This policy does <u>not</u> apply to libraries, artificial turfs and surfaces that are primarily available for public use and skateparks and pump tracks primarily available for public use. The rationale for this is that for these facilities there is generally not an identifiable, organised group of people in the community who benefit from the facility to raise funds for it.

This policy does <u>not</u> apply to community facilities with a capital cost of below \$500,000 in 2023. This threshold figure will be adjusted annually for inflation based on the Local Government Cost Index that applies to capital expenditure.

This policy does <u>not</u> apply to any facilities provided through the Council Enterprises activity as these facilities are not funded through rates or Reserve Financial Contributions and the Council generally charges a fee at market rate for their use.

This policy does <u>not</u> apply to facilities that are owned by other organisations (i.e. the Council does not own, in full or part) which the Council helps to fund. The Council may choose to provide funding to facilities owned by others and will determine the level of funding on a case-by-case basis.

<u>Policy</u>

For new or renewal large community, recreational, sporting or cultural facilities (excluding facilities at Saxton Field), the Council will require a minimum of one-third of the total project costs to be contributed by the community (i.e. fundraising).

For new or renewal large community, recreational or sporting facilities at Saxton Field, the Council will require a minimum of 20% of the total project costs to be contributed by the community (i.e. fundraising)⁴.

Where a community is prepared to fund two-thirds or more of a new project that is not in the Council's Long-term Plan, the Council will consider the affordability of contributing the remaining costs and viability of the project.

Note: The Council receives Reserve Financial Contributions specifically for the purpose of mitigating effects. The Council uses Reserve Financial Contributions as a significant source of funding for the acquisition of land, capital improvement on reserves and other capital works for recreation activities. This includes funding for reserves, parks and playgrounds, community recreation assets and facilities, halls and community centres, sports fields and facilities, recreational walkways and cycleway, cemeteries, library assets, and toilets⁵. The Council may choose to use Reserve Financial Contributions to fund or part-fund the Council's contribution to facilities covered by this policy.

⁴ Note: this level of contribution is consistent with the Nelson City Council policy position.

⁵ See the Council's Development and Financial Contributions Policy for more details.

Rating for Community Facilities

Application

This policy applies in general terms to the funding of community facilities.

Exclusions

This policy does not apply to libraries, as these are funded through the General Rate.

This policy does <u>not</u> apply to community facilities with a cost of below \$500,000 in 2023. This threshold figure will be adjusted annually for inflation based on the Local Government Cost Index that applies to capital expenditure.

The policy does <u>not</u> apply to funding for the Nelson Provincial Museum and local museums, which are funded through the Museums Rate.

This policy does <u>not</u> apply to any facilities provided through the Council Enterprises activity as these facilities are not funded through rates or Reserve Financial Contributions and the Council generally charges a fee at market rate for their use.

Policy

The Council will fund the rates funded components of the debt servicing, interest and operational costs of community facilities covered by this policy through the District Facilities Rate and the Shared Facilities Rate.

The Council will determine specifically which facilities to fund through and the level of the District Facilities Rate and the Shared Facilities Rate through its Long-Term Plans and Annual Plans.

<u>District Facilities Rate</u>: The Council will use the Community Facilities Rate to fund facilities located in the Tasman District and primarily benefitting Tasman residents and visitors.

<u>Shared Facilities Rate</u>: The Council will use the Shared Facilities Rate to fund approved facilities with wider regional benefits that may be located in the Tasman District or Nelson City to recognise that most of these facilities are actually used by many residents of both districts.

The basis for setting the District Facilities Rate and the Shared Facility Rate (e.g. land value, capital value, flat rate) will be determined from time to time by the Council through its Revenue and Financing Policy.

Chief Executive

Authorised by

Date of approval:



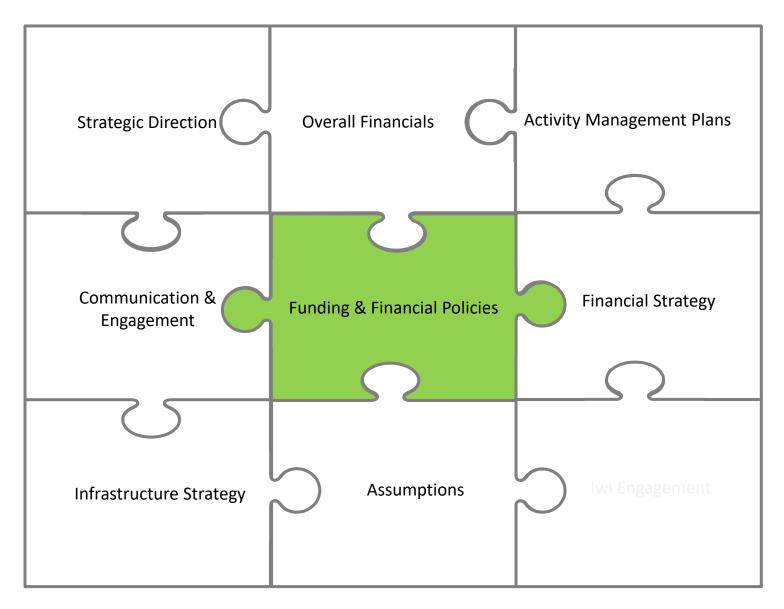
LTP 2024-2034 24 August 2023



Thriving and resilient Tasman communities



The LTP Jigsaw



Purpose of today

Seek further direction on:

- Development and Financial Contributions Policy
- Rates Remission Policies
- Community Facilities Funding Policy





Development and Financial Contributions Policy



Thriving and resilient Tasman communities



What we need from you today

- 1. To note further info on changes discussed at May workshop
- 2. Provide direction on proposed changes and options
- 3. Advise if there are any other changes for the draft Policy





Previous workshop... and your feedback

Potential changes discussed at that workshop:

- DCs for Community Infrastructure projects more information needed
- RFCs for Saxton Field capex more information needed
- Amend bedroom-based approach and charge more if 4 or more bedrooms only supported removing dwelling size criteria
- Payment/penalty amendments supported
- Special assessments supported

DCs = Development Contributions (Three Waters and Transport) (LGA) **RFCs** = Reserves and Community Services Financial Contributions (RMA)



RFCs for community infrastructure projects

- The District Plan allows us to use RFCs for "community services and facilities" (e.g. Motueka Pool or Wakefield/Brightwater Facility).
- We can't use DCs and RFCs for the same purpose
- We are unable to use DCs to fund community infrastructure we must use RFCs unless we change the TRMP
- Status quo is that RFCs fund community infrastructure so no change is recommended.
- Note that new cost updates for the Motueka Pool and Wakefield/Brightwater community facility will increase the amount funded from RFCs. We will need to consider the % of the cost that is funded by RFCs during budget discussions.

RFCs for Saxton Field?

• It is legally possible for the Council to use RFCs towards growth/renewals capex at Saxton Field.

Advantage	Disadvantage	
 Reduces impact on rates for	 Reduces available spend from RFCs	
expenditure at Saxton Field	on other potential projects	

- Do you support this approach?
- If so, the potential % of funding these projects from RFCs will be considered as part of the budget and Activity Management Plan processes.



District-wide RFCs instead of by Ward?

• TRMP: Reserves and community services throughout the District are available to the total community.

Advantages		Disadvantages	
•	More likely to use the funds and able to reduce large Ward balances	•	The link to growth for projects is less transparent
•	Recognises the wider catchment, beyond Ward boundaries, that benefit from reserves and community services	•	Potential disparity between amount of growth and amount of RFC-funded expenditure for some parts of the district
•	Consistent with general rates for funding	•	Less direct influence in each ward by elected members
•	Simplifies the accounting and reporting processes	•	May need to be a key issue for LTP Consultation

Do you support this change?

 Still need to determine the % each project that is funded from RFCs, or from other sources such as targeted facilities rates. This will be considered as part of the budget and Activity Management Plan processes.



Development contributions - Three Waters

- Bill 4 Council will charge DCs for all infrastructure up to the establishment of the Water Services Entities (WSE).
- Can include projects in DC calculations that go beyond establishment date i.e. for all 10 years-worth of projects in LTP.
- For consents subject to our policy we will charge for the entire duration of the consent – including after the WSE starts up.*
- All three waters DC charges collected after the establishment of the WSE will then be sent to the WSE.**
- *some conflicting text in Bill 3 that needs to be cleared up to enable this intent



Development Contributions – Stormwater discounts

- Staff propose removing clauses which provide discounts for stormwater retention.
- Many developments now need to be 'hydrologically neutral' in terms of peak flows but still have impact on networks.
- Need for developing new stormwater infrastructure remains regardless of whether developments are peak flow 'hydrologically neutral' or not.
- Do you support this proposed change?



Development Contributions - Murchison catchment?

- Water and wastewater projects planned to provide for growth, including FDS sites.
- Could create a DC catchment for Murchison.
- DCs could be circa \$11K for water and \$7K for wastewater per HUD (ignoring interest costs)

OR

- Could pool Murchison with the Waimea catchment (which includes Wakefield, Brightwater, Richmond, Māpua)
- Waimea DCs <u>currently</u> \$11.6K water and \$12.1K wastewater per HUD but probably will be higher in LTP 2024



Any further questions or comments?



Timeline







Rates Remission Policies





Thriving and resilient Tasman communities



Introduction

Part 1:

Recap of discussion from prior workshop in May

Part 2:

Further direction and/or confirmation that direction given has been incorporated into the remission policies in line with Councillors expectations



Remission vs. Rebate Recap

- Central Government, through the DIA, funds rates rebates for low-income ratepayers. The amount of the rebate depends on income, rates expense, and number of dependants. Currently this is a maximum of \$750 for 2023/24
- Having remission policies, and which remission policies are offered, is a decision by each Council and are funded through rates.
- Having a policy in relation to Māori Freehold Land is a legislative requirement.



Current Policy - Recap

We currently have 9 rates <u>remission policies</u> plus our <u>Maori Freehold land Policy</u>

Remission Policies		
Excess metered water		
Rates for school wastewater charges		
Uniform Charges on Non-contiguous rating units owned by the same owner		
Penalties		
Rates for sporting, recreation or community organisation		
Rates on low value properties		
Rates for land occupied by a dwelling that is affected by natural disaster		
Rates for land subject to Council initiated zone changes		
Rates on abandoned land		



Direction Setting – New Policy Recap

Direction to further investigate the impact of remitting a portion of general rates on social housing for providers where they are a not-for-profit organisation.

Discussion at the workshop further indicated that:

- Social housing providers should be a registered CHP's
- Incorporate Papakāinga

Direction to staff to return with a draft policy for further direction/discussion.



Direction Setting – Māori Freehold Land

Our Māori Freehold land policy is being reviewed.

Any staff recommendation for changes to this policy will be discussed at an upcoming workshop that incorporates the Te Ture Whenua Māori Act legislative changes as a whole.





Rates Remission Policies – Direction Setting



Thriving and resilient Tasman communities



Further Direction

Materials Provided:

- 2021-2024 Remission Policies
- Draft Policies with major changes in yellow

Today's outcomes:

- 1. Confirm direction given has been incorporated as expected into the policies
- 2. General discussion on an additional changes or comments

Note: We have taken the opportunity to make minor wording changes in all policies to make the policies easier to read



Excess metered water

At the previous workshop, Council gave direction to draft a policy incorporating the below recommendations:

Recommendation that a registered plumber is not required to repair water leaks for the customer to qualify for a remission.

Recommendation that non-residential customers do not need to monitor their water usage monthly to qualify for a remission.

Recommendation that charities and not-for-profits to be treated as residential for the purposes of the policy



Low valued properties

Staff to return with a recommendation on the new value after the 3 yearly property revaluation



Penalties

At the previous workshop, Council gave direction to draft a policy incorporating the below recommendations:

Recommendation to add in additional criteria for rates invoice not being received, limited to a maximum of one reduction in penalties every two years

Recommendation to add in an additional criteria where the sole ratepayer is deceased and the solicitor is waiting on probate, limited to a maximum 12 month period of penalties being remitted

Recommended change to make it clear it is a one-off reduction of the most current penalty only, and add the word significant where the ratepayer has been ill or in hospital or suffered a family bereavement

Recommended change to the criteria for facilitating the collection of overdue rates, resulting in the full payment of arrears to limit to a one-off reduction per ratepayer



Sporting, recreation or community organisations

At the previous workshop, Council gave direction to draft a policy incorporating the below recommendations:

Recommended Change: include "owned by an association of persons (whether incorporated or not)"



Sporting, recreation or community organisations

Further direction required:

Councillors discussed the possibility of pan charges being remitted as part of this policy on the 16th of August workshop.

Staff can confirm this would be circa \$40k

Can Councillors confirm water supply, and refuse/recycling targeted rates will continue to be excluded from remission?

Staff to explain historic approach to calculating the remission and confirm the approach Councillors wish to proceed with from 1 July 2024



Land occupied by a dwelling that is affected by natural disaster

At the previous workshop, Council gave direction to draft a policy incorporating the below recommendations:

Recommended Change: Include emergency response procedures where a S124 is not issued, e.g. when a state of emergency is declared.

Note: Section 124 relates to a dangerous, affected, or insanitary building, under the Building Act.



Contiguous and Non-contiguous rating

At the previous workshop, Council gave direction to investigate the impact of remitting uniform charges on non-contiguous rating units with the same ratepayer for land with the same use.

Outcome of investigation:

Staff do not recommend proceeding this potential remission policy further. Based on land use within the rating database, this will potentially impact circa 14 properties, where the ratepayer/ownership differed.

The investigation found, based on land use types in the rating database, there could be a number of ratepayers who qualify under the current policy. Remissions are applied based on application, and we have no way of establishing from the rating database if land is being used for the same use.



Social Housing & Papakāinga

At the previous workshop, Council indicated interest in having a remission policy

There are three registered CHP's in the Tasman Region

- Habitat for Humanity New Zealand Limited (2 properties)
- The Nelson Tasman Housing Trust (1 property)
- Abbeyfield New Zealand (2 properties)

A remission @ 50% of general rates excluding UAGC would be \$6,335 of total rates charged of \$45,012 (based on 2023/2024 Annual Plan)

A draft policy has been supplied for feedback.



Questions







Community facilities funding policy



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Required Community Fundraising Contribution

Current funding ratio

Community one-third: Council two-thirds

At 12 July 2023 workshop, Council gave direction to further investigate options.

Varying practice by other councils. Many consider facilities on a case-by-case basis. Many don't require community fundraising for some facilities. Nelson City Council has 20% requirement.

Multiple options are available. Selected options have been considered

Community facility rating policy also needs tidying up



Community Fundraising Contribution Options

1.	Keep existing ratio i.e. one-third community: two-thirds council	
2.	Reduce community contribution – 20% community: 80% council	
3.	Increase community contribution – 40% community: 60% council	
4.	No fundraising requirement from the community	
5.	One-third ratio for first \$3m and one-fifth ratio for costs above \$3m	
6.	One-third ratio for the first \$5 million with the Council funding all cost above this level.	
7.	Case-by-case assessment – potential policy on criteria to consider	



Direction required from Councillors



Future funding ratio for community facilities and/or an exception for one or more facilities



Community Fundraising Policy Settings – for discussion

- 20% community fundraising contribution for Saxton Field?
- Apply to renewals?
- \$ threshold >\$500,000?
- Incentive for community fundraising contribution > two-thirds?



Community Facilities Rating

District Facilities Rate: to fund facilities located in the Tasman District and primarily benefitting Tasman residents and visitors.

Shared Facilities Rate: to fund facilities with wider regional benefits that may be located in the Tasman District or Nelson City to recognise that most of these facilities are actually used by many residents of both districts.

Do not apply to libraries and museums

- Libraries are funded by General Rates
- Regional museum, local museums and Suter funded by the Museums Rate



District and Shared Rates Policy Settings – for discussion

- Fund the capital cost (debt servicing and repayment) and operational costs
- \$ threshold >\$500,000?
- Specific facilities funded from each rate to be determined in the LTP and AP?
- Funding Impact statement sets basis for the rate (i.e. land value, capital value or flat-rate)?



Process



If no substantive change to policy settings – policy to be adopted by Strategy and Policy Committee

If substantive changes to policy settings – adopt draft policy for inclusion in the LTP consultation document



Direction required from Councillors



Develop consolidated policy?

Are there any parts of the draft policy that need changing?

Do you support process from here?



DRAFT RATES REMISSION POLICY

POLICY REFERENCES			
1 July 2024			
30 June 2027			
Local Government Act 2002 sections 102 and 109			
Local Government (Rating) Act 2002 sections 85 & 86			

Purpose

The rates remission policy document contains a number of policies. Each policy outlines objectives sought by having a remission of rates and the conditions and criteria to be met prior to the remission being approved.

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002

CONTENTS

Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes

Policy on Remission of Rates for Sporting, Recreation or Community Organisations

Policy on Remission of Uniform Charges on Non-Contiguous Rating Units Owned by the Same Owner

Policy on Remission of Rates on Low Valued Properties

Policy on Remission of Rates for School Wastewater Charges

Policy on Remission of Rates for Land Occupied by a Dwelling that is Affected by Natural Disaster

Policy on Remission of Penalties

Policy on Remission of Rates on Abandoned Land

Policy on Remission of Excess Metered Water Rates

Policy on Remission of Rates on Social Housing and Papakāinga

Commented [NL1]: Would a glossary for certain terms be useful at the start or end of the document? Just a suggestion

Commented [MF2R1]: Probably - Will put on the aspiration list.

8 April 2023

POLICY ON REMISSION OF RATES FOR LAND SUBJECT TO COUNCIL-INITIATED ZONE CHANGES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To allow the Council, at its discretion, to remit rates charged on any rating unit used for residential purposes that is rezoned as a result of a Council-initiated zone change. This Policy allows the Council to consider remitting rates for those ratepayers most adversely affected by an increase in rates when the land value of their rating unit increases as a result of a Council initiated zone change. The Council prefers to allow a transition period before affected ratepayers are required to pay the increased rates in full.

- 1. CONDITIONS AND CRITERIA
- 1.1 This Policy applies to rating units in the Tasman District.
- 1.2 The Council may, on the application of a ratepayer, remit all or part of the rates on a rating unit, if
 - a) the rating unit is used for residential purposes, and
 - b) the rating unit has been rezoned as a result of a Council-initiated zone change made under Part 1 Schedule 1 of the Resource Management Act 1991, and
 - c) the zone change was notified after 5 October 2007, and
 - d) the effect of that zone change is that the land value of the rating unit increases, and
 - e) the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
- 1.3 The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as result of the zone change.
- 1.4 In additional to 1.2 To be considered for a rates remission under this Policy:
 - a) the rating unit must be situated within the area of land that has been rezoned;
 - b) the rating unit must be used for residential purposes and must have been used for residential purposes before the zone change being initiated by the Council;
 - c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
 - the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer before the zone change being initiated by the Council.
- 1.5 The remission may be for such period as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the rates payable in respect of the rating unit
- 1.6 The decision to remit all or any part of the rates on a rating unit shall be at the sole discretion of the Council.



Commented [NL3]: I prefer saying "the Council" instead of "Council" but up to you

Commented [NL4]: Probably a policy more than an objective?

Commented [MF5R4]: Agree - will leave for now

Commented [NL6]: Does an applicant have to meet all or just one of these polices?

Commented [MF7R6]: Have added "and" to clarify

Commented [NL8]: From the previous year?

Commented [MF9R8]: Will think about how to word differently

Commented [NL10]: Seems repetitve from 1.2

- 1.7 The Council may refuse to remit rates even where the conditions set out in this Policy are met by a ratepayer.
- 1.8 Subject to clause 1.9 of this Policy the remission of rates on a rating unit will cease upon the happening of any of the following events:
 - a) the death of the ratepayer,
 - b) the ratepayer ceases to be the owner of the rating unit,
 - c) the ratepayer ceases to use the rating unit as his/her principal place of residence,
 - d) a date determined by the Council in any particular case, or
 - e) any earlier date determined by the ratepayer in any particular case.
- 1.9 The Council may, at its discretion, grant the ratepayer an extension of the rates remission period previously agreed to by the Council.
- 1.10 The Council may consider and be guided by the following criteria in its decisions on applications for a rates remission under this Policy
 - a) those relevant matters set out in s101 of the Local Government Act 2002 relating to the determination of appropriate funding sources;
 - b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
 - c) whether the applicant ratepayer has realised a financial benefit from the zone change;
 - d) the influence of market movements on land values;
 - e) the personal circumstances including the financial circumstances of the applicant ratepayer;
 - f) equity and fairness among ratepayers;
 - g) the precedent effect.

Definitions

- 1.11 In this Policy, 'residential purposes' means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the ratepayer as their principal place of residence.
- 1.12 In this Policy, 'ratepayer' means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.
- 1.13 In this Policy, 'rates' means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.

2. PROCEDURE

2.1 If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 15 September. If the



Commented [NL11]: I assume there is a definition of this somewhere?

2

applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.

- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council.
- 2.5 As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any remission will be based on valuations supplied by Council's valuation service provider.
- 2.6 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

Commented [NL12]: What is reasoning for this?

Commented [NL13]: Link to form?

3

Commented [NL14]: Would it be beneficial to note how someone can dispute the case? What defines whether doub or dispute arises



POLICY ON REMISSION OF RATES FOR SPORTING, RECREATION OR COMMUNITY ORGANISATIONS

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To facilitate the ongoing provision of non-commercial community services and non-commercial recreational opportunities by:

- 1. Recognising the public good contribution made by such organisations;
- 2. Assisting the survival of such organisations;
- 3. Making membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

1. CONDITIONS AND CRITERIA

This Policy applies to a sporting, recreation or community organisation not otherwise covered by the Local Government (Rating) Act 2002, Schedule 1 Parts 1 and 2. Parts 1 and 2 specify categories of land that is 100% or 50% non-rateable.

- 1.1 Remission of rates may be made when all of the following criteria apply:
 - a) The land is owned by Council, the Crown, a non-profit organisation, or an association of persons (whether incorporated or not) and is occupied by that organisation.
 - b) The applicant must be in the Tasman District and must facilitate the ongoing provision of non-commercial community services and/or non-commercial sporting and/or recreational opportunities.
 - c) The land is used exclusively or principally for sporting, recreation or community services under the following categories:
 - i. Hall or library
 - ii. Promotion of arts, health or education
 - iii. Recreational or sporting
 - iv. Free maintenance and relief of persons in need.
- 1.2 Remission of rates will not be made when any of the following exclusions apply:
 - a) The organisation (including a society, association or organisation, whether incorporated or not) exists for the purposes of profit or gain.
 - b) The organisation engages in sporting, recreational, or community services as a secondary purpose only.
 - c) The rate is any targeted rate for water supply, wastewater or refuse/recycling.

2. PROCEDURE

2.1 If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 31 December. If the



Commented [NL15]: The association of persons part seems broad

Commented [MF16R15]: This is a purposeful addition

Commented [NL17]: Is it a rating category?

Commented [MF18R17]: This is from the rating act, but not categories as such

Commented [NL19]: Note councillors MAY wish to remove this as part of the Community Leasing Policy (not that we recommend it)

Commented [MF20R19]: Noted

4

applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.

- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Organisations making an application should include the following documents in support of their application:
 - a) Statement of objectives
 - b) Full financial accounts (balance sheet, income statement, cash flow statement)
 - c) Information on activities and programmes delivered
 - d) Details of membership.
- 2.5 Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.
- 2.6 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

5



POLICY ON REMISSION OF UNIFORM CHARGES ON NON-CONTIGUOUS RATING UNITS OWNED BY THE SAME OWNER

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To provide relief from uniform charges for rural land which is non-contiguous, farmed as a single entity, and owned by the same owner.

1. CONDITIONS AND CRITERIA

- 1.1 The Policy will apply to rural land which is non-contiguous, farmed as a single entity, and owned by the same owner.
- 1.2 Rating units that meet the criteria under this Policy may qualify for a remission of the uniform annual general charge and targeted rates set based on a fixed dollar charge per rating unit.
- 1.3 The owner will remain liable for at least one of each targeted rate and the UAGC.
- 1.4 Rate types affected by this Policy are uniform fixed charges, i.e. those that would be impacted if the properties were treated as one unit for setting a rate. Any rate relating to water supply will not be eligible for remission under this Policy.
- 1.5 Rating units that receive a remission must be held in identical ownership with each other and operated as a single farming or horticultural unit. For the avoidance of doubt, the definition of farming does not extend to rating units used fully or partly for forestry.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 31 May. This application will be enduring and annual applications are only required if requested by the Council, however applicants must inform the Council if their land use changes or if the rating units cease to be operated as a single farming or horticultural unit.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Application will not be accepted for prior years.
- 2.4 The Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

Commented	[NL21]: Where is specified?
Commented	[MF22R21]: Removed specified -
Commented	[NI 23]. What does this mean

Commented [NL24]: Not entirely sure what this means





POLICY ON REMISSION OF RATES ON LOW VALUED PROPERTIES

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To minimise administrative costs in the collection of rates on properties that are low-valued and provide rates relief on low-valued land that is not used.

The Local Government (Rating) Act 2002 requires each separate property title to have a separate valuation/rating assessment. This has resulted in some low land-valued assessments being created, particularly where subdivisions of assessments have not covered the full area.

1. CONDITIONS AND CRITERIA

1.1 This Policy applies to properties in the Tasman District.

- 1.2 Despite the main provisions of the Local Government (Rating) Act 2002, the Council may decide not to collect rates where it deems it uneconomical to do so. Under this Policy, the Council may make property assessments with a rating valuation of less than \$7,500 eligible for a 100% rates remission if they meet all of the following criteria:
 - The property is not part of a group of assessments that are classified or treated as contiguous;
 - b) The property is not used, nor able to be effectively used, by the owner listed on the Certificate of Title.

c) The property is not an isolation strip. An isolation strip is a narrow strip of land which separates land from a road. For the avoidance of doubt, this includes any land owned by a central government agency, including Waka Kotahi/ New Zealand Transport Agency.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 31 May. This application will be enduring and annual applications are only required if requested by Council staff, however applicants must inform Council if their property becomes used, or becomes contiguous to another property they own.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.





POLICY ON REMISSION OF RATES FOR SCHOOL WASTEWATER CHARGES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To provide relief and assistance to educational establishments in paying wastewater charges.

1. CONDITIONS AND CRITERIA

- 1.1 The Policy will apply to educational establishments as defined in Schedule 1 Part 1 clause 6 (ab) of the Local Government (Rating) Act 2002. The Policy does not apply to schoolhouses or parts of a school used for residential purposes.
- 1.2 The wastewater charge is the rate that would be levied using the same mechanism as applied to other rating units in the District, divided by the number of toilets/urinals as determined in accordance with the clauses below
- 1.3 For the purpose of clause 1.2, the number of toilets/urinals for rating units occupied for the purposes of an educational establishment is one toilet/urinal for every 20 pupils and staff.
- 1.4 Where the formula is applied and the wastewater charge is higher than the amount that would normally be levied if no formula was applied, the amount to pay would be the lesser of the two.1.5 The number of pupils in an educational establishment is the number of pupils on its roll on 1 March in the year immediately before the year to which the charge relates.
- 1.6 For early childhood establishments, the number of pupils is the maximum number of pupils licensed for each session.
- 1.7 The number of staff in an educational establishment is the number of full time equivalent teaching and administration staff employed by that educational establishment on 1 March immediately before the year to which the charge relates.

2. PROCEDURE

- 2.1 The application for rates remission must be made to the Council on or before 15 June. Applications made before this deadline will be applicable for the next rating year commencing 1 July.
- 2.2 Applications for remission must be made on the prescribed form.
- 2.3 Applications will not be accepted for prior years.
- 2.4 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.



Commented [NL25]: I think this should come before

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POLICY ON REMISSION OF RATES FOR LAND OCCUPIED BY A DWELLING THAT IS AFFECTED BY NATURAL DISASTER

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To allow the Council, at its discretion, to remit rates charged on any rating unit used for residential purposes if the land has been detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) rendering dwellings uninhabitable. The aim of the Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to properties located in the Tasman District.
- 1.2 The Council may remit all or a part of any rate or user charge made and levied in respect of land if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) and:
 - a) As a result dwellings previously habitable were made uninhabitable; and
 - b) The rating unit was used for residential purposes immediately prior to the disaster

For the purposes of this policy, 'uninhabitable' shall mean -

- a dwelling that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004, or a red or yellow placard assessment under the Civil Defence Emergency Management Act 2002 and the residents have been required to move out by the Council or Civil Defence Emergency Management; or
- ii. a dwelling that is a total loss; or
- iii. a dwelling that cannot be used for the purpose it was intended due to a notice issued by the Council/emergency management prohibiting residents from staying overnight; or
- iv. as determined by Council after considering the matters specified in Clause 1.5 of this Policy.

'Rating unit used for residential purposes' shall mean -

any land including land not zoned for residential purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence.

- 1.3 The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the dwellings:
 - were made uninhabitable, and
 - shall be no less than 30 days after the event affecting the land in terms of this Policy up to, and limited to, the time that the dwellings are deemed by Council to be able to become habitable.

Commented [NL26]: Could make bullet points to avoid the runon sentence?



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- 1.4 The decision to remit all or any part of a rate or user charge shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions set out in clause 1.2 are met by a ratepayer. The Council is unlikely to grant a remission where the land affected is in a known hazard-prone location.
- 1.5 In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:
 - a) the extent to which essential services such as water, or sewerage to any dwellings were interrupted and could not be supplied;
 - b) whether essential services such as water or sewerage to any dwellings are able to be provided;
 - c) whether any part of the dwellings remain habitable; and
 - d) any property revaluation undertaken by Council's valuation provider.
- 2. PROCEDURE
- 2.1 Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as Council in its sole discretion, might allow.
- 2.2 Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined on a case by case basis.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.





POLICY OF REMISSION OF PENALTIES

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To enable the Council to act fairly and reasonably in its consideration of penalties charged on rates which have not been received by the Council by the due date.

1. CONDITIONS AND CRITERIA

- 1.1 This Policy applies to ratepayers within the Tasman District.
- 1.2 Remission of penalties on late payment of rates may be made when it is considered just and equitable to do so. In determining justice and equity, one or more of the following criteria shall be applied.
 - a) Where there exists a history of regular, punctual payment over the last two years and payment is made within a short time following the ratepayer being made aware of the non-payment, a one-off reduction of the most current penalty may be made.
 - b) Where an agreed payment plan by direct debit is in place, penalties may be suppressed or reduced, where the ratepayer complies with the terms of the agreed payment plan.
 - c) Where the rates instalment was issued in the name of a previous property owner.
 - d) Where a ratepayer has been ill or in hospital or suffered a family bereavement or significant tragedy of some type and has been unable to attend to payment. On compassionate grounds, a one-off reduction of the most current penalty may be made.
 - e) Where an error has been made on the part of the Council staff or arising through error in the general processing which has subsequently resulted in a penalty charge being imposed.
 - f) Where the remission will facilitate the collection of overdue rates and it results in full payment of arrears limited to a one-off reduction per ratepayer.
 - g) Where the remission facilitates the future payment of rates by direct debit within a specified timeframe.
 - h) Where ratepayers can reasonably expect a rates remission for the rating year where their application has not yet been approved, or where the final date for lodging the remission application has not yet passed.
 - i) Where the sole ratepayer is deceased and the solicitor is waiting on probate, limited to a maximum 12 month period of penalties being remitted.
 - j) Where the rates invoice not being received, limited to a maximum of one reduction of the most current penalty every two years.

2. PROCEDURE

2.1 A ratepayer may request that the penalty applied for late payment be remitted. The request must be received within 12 months of the penalty being applied.





- 2.2 In implementing this Policy, the circumstances of each case will be taken into consideration on their individual merits, and a remission will be conditional upon the full amount of such rates due having been paid.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.

POLICY ON REMISSION OF RATES ON ABANDONED LAND

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To minimise administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

- 1. CONDITIONS AND CRITERIA
- 1.1 The Policy will apply to rating units that meet the definition of abandoned land as prescribed in Section 77(1) of the Local Government (Rating) Act 2002. In addition, the land has either failed to or is unlikely to be sold using the authority provided in sections 77-83 of the Local Government (Rating) Act 2002, or where it is uneconomic to sell the property.
- 2. PROCEDURE
- 2.1 Rates will be remitted in full annually on rating units that meet the conditions and criteria specified above.
- 2.2 Any rates arrears owing on qualifying properties at the adoption of the policy, or in the first year a rating unit qualifies under the policy, will also be remitted.
- 2.3 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.





POLICY ON REMISSION OF EXCESS METERED WATER RATES

This policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To ensure the efficient use of water by ratepayers, and provide an incentive to ratepayers to promptly repair any leaks to their reticulation, and to moderate financial consequences for significant or severe leaks.

1. CONDITIONS AND CRITERIA

- 1.1. This Policy applies to ratepayers with excess metered water rates due to a leak in the property's reticulation. Reticulation is defined as all water supply pipes and connections that commence at the point of supply (generally at the water meter) and covers the whole of the ratepayer's property. Residential and non-residential ratepayers have some different eligibility for remission as detailed in this Policy.
- 1.2. For the purposes of this Policy, "residential" means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located. 'Dwelling' means a building or group of buildings, or part of a building or group of buildings that is a) used or intended to be used only or mainly for residential purposes; and b) occupied or intended to be occupied exclusively as the home or residence of not more than one household, but does not include a hostel, boarding house or other specialised accommodation including retirement villages or gated communities with multiple dwellings serviced by a single point of supply.
- For the purposes of this Policy, charities, and not-for-profit organisations will be treated as residential customers.
- 1.4. A remission will only be granted on the most recent water invoice.
- 1.5 No remissions will be granted on any leaks associated with reticulation installed within the last five years.
- 1.6 It is recommended that the leak is repaired by a registered plumber but this is not a requirement for a remission.
- 1.7 Where a residential ratepayer makes a first remission application in a five year period, any remission granted will be set so that the ratepayer is not liable for the charge relating to the amount of water leaked. The amount of water leaked is assumed to be the difference between the volume that was invoiced, and the calculated maximum volume consumption. The calculated maximum volume consumption is the maximum daily consumption for that rating unit charged at any one time in the past three years, multiplied by the equivalent days of the affected invoice, provided it has been in the same ownership.
- 1.8 Where ownership of the property has been for less than six months, staff will monitor consumption for a period of three months following completion of all repairs to the property's reticulation, to establish a reasonable consumption figure to include in the calculation of the remission.

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1.9



Commented [NL27]: Does providing a remission really do this?

Where a residential ratepayer makes a second application for a remission following a leak within five years of the first application, the first 1,000m³ of water leaked will not be eligible for remission. For leaks in excess of 1,000m³, any remission granted will be calculated on the leaked volume in excess of 1,000m³. The ratepayer will still be liable for 6% of the current volumetric water rate on the leaked volume in excess of 1,000m³. The 6% charge represents Council's approximate marginal cost of supplying water for the quantity of the leak in excess of 1,000m³.

- 1.10 In order to qualify for a remission, a non-residential ratepayer making a first application for a leak, or second application for a leak that is within a five year period of the first application, must apply for a remission within six weeks of receiving the invoice. It is recommended that water meter readings are taken at least monthly to check for leaks. The same mechanisms for determining the volume of leaks will be used as in clauses 1.7 and 1.8. The first 1,000m³ of water leaked will not be eligible for remission. For leaks in excess of 1,000m³, any remission granted will be calculated on the leaked volume in excess of 1,000m³. The ratepayer will still be liable for 6% of the current volumetric water rate on the leaked volume in excess of 1,000m³. The 6% charge represents Council's approximate marginal cost of supplying water for the quantity of the leak in excess of 1,000m³.
- 1.11 Where there is a third application for remission from either a residential or non-residential ratepayer within five years of the first application, or a leak that does not qualify under clauses 1.1-1.10, the application will be declined. If an application relates to subsequent leaks beyond five years after a first application, it will be considered under this Policy.

2. PROCEDURE

- 2.1 All applicants must submit their application for remission within six weeks of the date of the most recent water invoice, stating that repairs have been completed and there are no further leaks on the property.
- 2.2 All applicants must advise the location of repair, in relation to the meter manifold, and provide proof of repair, either a plumber's invoice or photo.
- 2.3 Applications for remission must be made on the prescribed form.
- 2.4 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.





POLICY ON REMISSION OF RATES ON COMMUNITY HOUSING AND PAPAKĀINGA

This Policy is made in accordance with sections 102 and 109 of the Local Government Act 2002 and is applied as per sections 85 and 86 of the Local Government (Rating) Act 2002.

OBJECTIVES

To facilitate the ongoing provision of not-for-profit community housing, Papakāinga and general social wellbeing by:

- 1. Recognising the public good contribution made by such organisations;
- 2. Assisting the survival of such organisations;
- 3. Facilitate the ongoing provision of community housing in the Tasman Region by registered Community Housing Providers;
- 4. To assist Māori to establish and provide the ongoing provision of Papakāinga housing

1. CONDITIONS AND CRITERIA

The Policy will apply to rating units that meet the definition of a registered Community Housing Providers or those who provide Papakāinga.

For the purposes of this policy, Papakāinga shall mean;

- a) Affordable rental housing or owner-occupied housing, or a combination of both within a Papakāinga development;
- b) Papakāinga development means the use and occupancy of multiple-owned allotments by the Māori landowners and involving the development of the land for residential units and other buildings and uses necessary to enable the owners to live on their land.

Remission of rates will **not** be made when any of the following exclusions apply:

- c) The organisation exists for the purposes of profit or gain.
- d) The rate is any targeted rate for water supply, wastewater or refuse/recycling.

2. PROCEDURE

If the applicant has applied for a rates remission under the Policy in the prior year, the application for rates remission must be made to Council on or before 31 December. If the applicant did not apply in the prior year, the application for rates remission must be made to Council on or before 31 May.

- 2.1 Applications for remission must be made on the prescribed form.
- 2.2 Applications will not be accepted for prior years.
- 2.3 For Registered Community Housing Organisations making an application they should include the following documents in support of their application:





- a) Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority
- An annual application for remission must be submitted on the prescribed form confirming ongoing compliance with the Community Housing Regulatory Authority eligibility criteria.
- 2.4 For Papakāinga
 - a) Evidence that the organisation is a registered Community Housing Provider with the Community Housing Regulatory Authority or;
 - b) Evidence of formal governance structure that demonstrates characteristic's similar to a registered Community Housing Provider eligibility criteria , and;
 - c) Evidence that the property for which rates remission is sought is used for occupancy of multiple-owned allotments by Māori landowners and is neither vacant nor commercial property.
- 2.5 Remission is granted only in respect of 50% of the general rate, excluding the UAGC.
- 2.6 Rates remissions will be made by passing a credit to the applicant's rates assessment.
- 2.7 No rates remission under this part of the Policy will be available to an organisation that is in receipt of a statutory rate remission under the Local Government (Rating) Act 2022.
- 2.8 Each application will be considered on its merits, and provision of a remission in any year does not set a precedent for similar remissions in any future year.
- 2.9 Council may delegate authority to consider and approve applications to Council staff. In the event of any doubt or dispute arising, the application is to be referred to the Full Council or any committee it delegates to for a decision.



