



Report no: C2009/3/2

Setting of Rates for Year Ending 30 June 2010

Purpose of Report

1. This report introduces the required resolutions to set rates for the year ending 30 June 2010, and authorise the charging of penalties on unpaid rates during the year.

Recommendation

It is recommended that the Council resolves to set rates and add penalties to unpaid rates during the 2009/2010 rating year by passing the resolution set out in Appendix 1 to this report.

Background

2. At the Community Plan Committee on 03 June 2009 the draft plan was amended and then approved. The attached resolution is required to be passed in order to give effect to the rate revenue requirement as shown in the plan.

Discussion

3. Several years ago the Council made a decision to maintain fixed charges as a constant proportion of the total rates charged (about 31.5%), in order to minimise variations in increases between individual ratepayers. Fixed charges for the 2009/2010 year (i.e. water, plus

wastewater, plus recycling charges) amount to 32.21% of total rate revenue.

4. There are no changes to the rating system for the new year. All differential factors and rates remain unchanged. The amount of each rate and charge has been adjusted to raise the required revenue from the revised rating base.
5. The overall increase in total rates revenue charged, compared to 2008/2009, is 3.4%. After allowing for growth in the rating base, the average residential property rates will increase by 2.9%.
6. As in previous years, the rating resolution includes authority to charge late payment penalties of 10% on rates instalments not paid by the due date. In addition it also provides for additional 10% penalties to be charged each six months on rates remaining outstanding from previous years.

Consultation

7. Consultation on rates and rating formed part of the 2009/2010 LTCCP consultation rounds.

Legal Considerations

8. The rates are being set in accordance with the Local Government (Rating) Act 2002, the requirements of which include the following:
 - (a) Publishing indicative rates for the year in the draft annual plan as part of the consultation process prior to setting the rates
 - (b) After setting the rates, sending each ratepayer :
 - an assessment showing full details of rates on each rating unit, including how each rate is calculated and what activities are funded by the rate.
 - a brief description of the Council's remission and postponement policies.
 - (c) Sending a copy of the resolution setting the rates to the Secretary of Local Government within 20 working days of it being passed.

Financial Considerations

9. Setting the rates allows the rates to be billed and collected for the current financial year, thereby securing the Council's cash flow for the year.

Other Considerations

10. There are no other considerations.

Appendices

Appendix 1 - Resolution to set rates and add penalties to unpaid rates during the year ending 30 June 2010.

Appendix 2 - Examples showing the effect of the new rates on a range of properties. These figures exclude Greater Wellington Regional Council rates.

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1. SETTING THE RATES

In accordance with the relevant provisions of the current Long Term Council Community Plan and the Funding Impact Statement in the 2009/2010 Annual Plan, **the Council hereby resolves**, pursuant to Section 23 of the Local Government (Rating) Act 2002, to set and assess the following rates for the year commencing **1 July 2009 and ending 30 June 2010**.

- (a) **A General Rate** set and assessed under sections 13 and 14 of the Local Government (Rating) Act 2002 on every rating unit in the district, differentially on those categories of rateable land as defined in the Hutt City Council Funding Impact Statement as follows:

The General rates in the dollar calculated on the capital value of each rating unit shall be:

Differential Category		Cents in the \$
Residential	RE	0.23560
Rural	RU	0.15310
Business Accommodation	BA	0.70670
Business Central	BC	0.87170
Business Suburban	BS	0.80100
Utility Networks	UN	0.58900
Community Facilities 1	C1	0.23560
Community Facilities 2	C2	0.11780
Community Facilities 3	C3	0.58900

- (b) **A Targeted Rate (Water Supply Rate)** set and assessed under sections 16 and 19 of the Local Government (Rating) Act 2002, of **\$308.00**, on every separately used or inhabited portion of a rating unit in the district to which water is supplied, with a charge of **\$154.00** on every separately used or inhabited portion of a rating unit to which water can be, but is not supplied, (being a property situated within 100 metres from any part of the water works).
- (c) **A Targeted Rate (Wastewater Rate)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002, of **\$389.00**, on the first water closet or urinal connected to the wastewater system from each rating unit, and a charge of **\$194.50** for the second and each subsequent water closet and urinal from each rating unit so connected, provided that each household is charged for no more than one water closet.

- (d) **A Targeted Rate (Recycling Charge)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002 of **\$36** on every separately used or inhabited portion of a rating unit in the Residential differential category making use of, or able to make use of the recycling collection service
- (e) **A Targeted Rate (Jackson Street Programme Rate)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002 of **0.05180 cents in the dollar on the capital value** of every rating unit in a Business differential category which is situated within that area of the former Petone Borough with a frontage on Jackson Street between the Hutt Road and Cuba Street.
- (f) **A Targeted Rate (Private Drains Rate)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002 of **24.30 cents in the dollar on the cost of work incurred by the Council in upgrading the privately owned drains** (and not otherwise paid) within any rating unit in the Waiwhetu catchment area of the city; such rate to be payable each year for five years on each individual rating unit affected, to provide for repayment of the full amount plus interest.

The above rates for the financial year ending 30 June 2010 are all inclusive of GST and are payable by six equal instalments by the following due dates:

Instalment No.	Due Date
One	20 August 2009
Two	20 October 2009
Three	20 December 2009
Four	20 February 2010
Five	20 April 2010
Six	20 June 2010

2. AUTHORISING PENALTY CHARGES

AND pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002, Council further resolves for the period from 1 July 2009 to 30 June 2010 to:

- (a) Authorise a penalty charge of 10% to be added to the amount of rates remaining unpaid for each instalment after the due date. The dates upon which the 10% penalty charge will be added to any rates remaining unpaid for each instalment will be the day after the due date for each instalment, as set out above.
- (b) Authorise a further penalty charge of 10% to be added to rates levied prior to 1 July 2009 and which remain unpaid after 20 October 2009;
- (c) Authorise a further penalty charge of 10% to be added to rates levied prior to 1 July 2009 and which remain unpaid after 20 April 2010.

Examples of Rate Movements for 2009/2010

The examples below show how a range of properties are affected by the rates for the new year

Property Category	CV (Rateable Value)	Current Rates	2009/2010 NEW Rates	Rate Change	
	2007			Amount	%age

Annual Plan Examples

Average Residential	386,000	1,596	1,642	46	2.9%
Average Bus. Central	1,835,425	16,351	16,891	540	3.3%
Average Bus. Suburban	1,236,389	10,454	10,795	341	3.3%
Average Bus. Accommod.	2,505,652	20,130	20,738	608	3.0%
Average Rural (No Services)	571,153	846	874	28	3.3%
Residential	400,000	1,628	1,675	47	2.9%
Residential	800,000	2,539	2,618	79	3.1%
Residential (22 Flats)	2,850,000	18,194	18,756	562	3.1%
Residential	260,000	1,309	1,346	37	2.8%
Residential	480,000	1,810	1,864	54	3.0%
Residential	240,000	1,263	1,298	35	2.8%
Rural (No Services)	455,000	674	697	23	3.4%
Rural (Full Services)	980,000	2,131	2,197	66	3.1%
Rural (Full Services)	540,000	1,480	1,524	44	3.0%
Rural (No Services)	230,000	341	352	11	3.2%
Business Accommodation	1,350,000	13,385	13,738	353	2.6%
Business Central	9,800,000	84,288	87,096	2,808	3.3%
Business Central	325,000	3,421	3,530	109	3.2%
Business Suburban	720,000	6,259	6,464	205	3.3%
Business Suburban	960,000	8,891	9,165	274	3.1%
Business Suburban (JSP)	810,000	7,368	7,605	237	3.2%
Business Suburban (JSP)	12,600,000	110,508	113,985	3,477	3.1%
Business Suburban	1,700,000	22,538	23,067	529	2.3%
Business Suburban	350,000	3,392	3,501	109	3.2%