

## 11.2. Rating Report and Rating Resolution 2019 - 2020

**Prepared for:** Council  
**Report No.** CS1902  
**Activity:** Governance Report  
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### PURPOSE

- [1] The purpose of this report is to provide details of each of the rates to be set, and to recommend that Council adopts the rates resolution for the 2019/2020 financial year.

### EXECUTIVE SUMMARY

- [2] Following the adoption of the Annual Plan 2019/2020, Council is required to adopt a rates resolution, which formally sets the rates for the 2019/2020 financial year.
- [3] The rates resolution is attached to this report.
- [4] A table is attached to this report showing the rate effect of the rates contained in the rating resolution on a range of properties within the Otago region. The table includes rates for the 2018/2019 year for comparative purposes.

### RECOMMENDATION

*That the Council:*

- a) **Receives** this report.
- b) **Adopts** the Rating Resolution for the 2019/2020 financial year

### GENERAL RATES

#### General rate amount and collection basis

- [5] The GST inclusive general rate requirement for the 2019/20 year of \$12,856,000 represents an increase of 26.9% on the 2018/19 rate of \$10,129,000.
- [6] Of the general rate requirement, the total amount of rates to be collected by way of Uniform Annual General Charge is \$3,214,000 equating to a charge of \$29.42 (including GST) on each rateable property compared to \$23.23 in the 2018/19 year.
- [7] General rates, excluding the portion collected as a Uniform Annual General Charge, are charged on a capital value basis.

#### Equalisation of capital values

- [8] Revaluations of property for rating purposes are conducted on a cyclic three-yearly basis.
- [9] The Waitaki, Queenstown and Clutha Districts were revalued in 2017 and the Dunedin City and the Central Otago Districts were last revalued in 2016.
- [10] Council obtained a certificate of projected values from Quotable Value Limited that provides an assessment of the overall “equalised” capital values of the city and each of the districts within Otago, as at the common date of 1 September 2018.
- [11] The equalised values are applied to apportion the general rate amount to be collected on a capital value basis from the region as a whole, and are also applied in those instances where rates are to be collected on a common basis where the rating base takes in more than one district.
- [12] The following table shows the equalised values for the city and districts as at 1 September 2018 that are applicable for 2019/20 rates and the comparative values applicable to the 2018/19 rates.

<b>Equalised capital values of the Otago region</b>				
	<b>Values for the 2019/20 year</b>		<b>Values for the previous year</b>	
<b>City/Districts</b>	<b>Values \$billion</b>	<b>District %</b>	<b>Values \$billion</b>	<b>District %</b>
Central Otago	11.491	12.59	10.397	12.66
Clutha	8.316	9.11	7.983	9.72
Dunedin	28.152	30.84	25.408	30.94
Queenstown	36.647	40.15	32.019	38.99
Waitaki (part)	6.678	7.31	6.314	7.69
<b>Total</b>	<b>91.284</b>	<b>100.00</b>	<b>82.121</b>	<b>100.00</b>

### Significant general rate amounts

- [13] The following are the significant general rate amounts to be levied on the basis of capital value:

	<b>General rates 2019/20 (GST inclusive) \$</b>	<b>General rates 2018/19 (GST inclusive) \$</b>
<b>Contact Energy Limited:</b>		
Clyde Hydro Dam	54,389	48,390
Roxburgh Hydro Dam	26,583	23,650
<b>Dunedin Waste Water Business Unit:</b>		
Three major facilities	122,657	91,568
<b>Total</b>	<b>203,629</b>	<b>163,608</b>
<b>Percentage of total general rates</b>	<b>2.11%</b>	<b>2.15%</b>

- [14] The amount of general rate to be collected from these ratepayers, and the percentage of these rates in relation to the total general rate, is not considered unreasonable given the effects of the presence and operations of these properties.

### RIVER MANAGEMENT RATES

- [15] The targeted rates to be levied for the purposes of maintenance and enhancement of waterways within the territorial authority city/districts and within the Lower Waitaki River area are as follows:

<b>River management rates (inclusive of GST)</b>		
<b>Rating area</b>	<b>2019/20 \$</b>	<b>2018/19 \$</b>
Central Otago District	345,000	345,000
Clutha District	380,000	345,000
Dunedin City	287,000	230,000
Queenstown-Lakes District - Wakatipu area	173,000	172,000
Queenstown-Lakes District - Wanaka area	207,000	207,000
Waitaki District	460,000	460,000
Lower Waitaki rating area	168,000	163,000
<b>Total</b>	<b>2,020,000</b>	<b>1,922,000</b>

- [16] The River Management rates are assessed differentially on the rateable capital value of all rateable land situated within the territorial authority city/districts and within the Wakatipu and Wanaka river management rating districts. In respect of the Lower Waitaki scheme, the rates are assessed differentially on the rateable capital value of all rateable land within two scheme classifications.

## FLOOD AND DRAINAGE SCHEME RATES

[17] The rating levels for the various flood protection and drainage scheme rating districts are as follows:

<b>Flood and drainage scheme rates (inclusive of GST)</b>		
<b>Targeted rating district</b>	<b>2019/20 \$</b>	<b>2018/19 \$</b>
<b><i>Rates charged on a capital value basis:</i></b>		
Lower Taieri Flood	920,000	862,000
Lower Clutha Flood & Drainage	805,000	748,000
Tokomairiro Drainage	142,000	121,000
Shotover Delta Training Works	92,000	92,000
Leith Flood Protection	1,680,000	1,680,000
<b><i>Rates charged on an area basis:</i></b>		
West Taieri Drainage	690,000	633,000
East Taieri Drainage	546,000	517,000
<b>Total</b>	<b>4,875,490</b>	<b>4,653,000</b>

[18] These rates are levied on either a classified or differentially targeted basis in accordance with assessed benefits.

### **Lower Taieri, Lower Clutha, Tokomairiro and Shotover Delta Schemes**

[19] The total rate requirement for these schemes is set on the capital value within each of the relevant classifications. The Lower Taieri Scheme has 24 classifications, the Lower Clutha has 10 classifications, and the Tokomairiro has 7 classifications. The Shotover Delta Scheme does not have multiple classifications.

### **Leith Flood Protection**

[20] This rate is set on a capital value basis comprising two classifications, the Direct Benefit Zone and the Indirect Benefit Zone.

[21] The Forsyth Barr Stadium is to contribute 4% of the rate requirement attributed to the Direct Benefit Zone, with other Direct Benefit Zone properties contributing 96% of the Direct Benefit Zone rate requirement.

### **West Taieri Drainage**

[22] This rate is set on an area basis comprising five differential classifications.

[23] Of the total rate requirement, 30% is collected by way of a targeted uniform rate on classifications WD1 through to WD4 (inclusive), and the remainder is collected by way of a differential rate on classifications WD1 through to WD5 (inclusive).

## East Taieri Drainage

- [24] This rate is set on an area basis comprising 10 classifications.
- [25] Of the total rate requirement, 25% is collected by way of a targeted uniform rate on all classifications except ED3, ED6 and ED7, and the remainder is collected by way of a differential rate on all classifications except ED3 and ED6.

## TRANSPORT RATES

### Dunedin Transport Rate

- [26] The Dunedin transport services targeted rate is to be levied on two classifications of ratepayer, Class A and Class B.
- [27] Class A ratepayers are made up of those properties within the inner city and St Kilda/St Clair areas that do not have a land use description of any of the following;
- Residential: bach,
  - Residential: multi-use within residential, multi-use residential,
  - Residential: multi-unit,
  - Residential: single unit excluding bach, and
  - Residential: vacant.
- [28] Class B comprises all properties within the transport services targeted rating area other than those designated as Class A. Class A ratepayers will pay a differential rate equating to 3.75 times the amount paid by Class B ratepayers.
- [29] The Dunedin Transport rates to be levied are as follows:

<b>Dunedin Transport Rate (inclusive of GST)</b>		
<b>Classification</b>	<b>2019/20 \$</b>	<b>2018/19 \$</b>
Class A	1,517,000	1,380,000
Class B	3,524,000	3,193,000
<b>Total</b>	<b>5,041,000</b>	<b>4,573,000</b>

### Queenstown Transport Rate

- [30] The Queenstown transport services targeted rate is to be levied on two classifications of ratepayer, Class A and Class B. Class A ratepayers will pay a differential rate equating to 2.0 times the amount paid by Class B ratepayers.
- [31] Class A ratepayers are made up of those properties within the Queenstown Transport Services Rating Area that have the land use description of:
- Commercial: Retail, Multi-use within Commercial, and Services,
  - Community Services: Multi-use within Community Services,
  - Multi-use: Commercial,
  - Residential: Public Communal-licensed, and Public Communal-unlicensed,
  - Transport: Air Transport, and Multi-use within Transport, and

- Recreational: Entertainment, Multi-use within recreational, Active indoor, Active outdoor, Passive indoor, and Passive outdoor.

[32] Class B comprises all properties within the Queenstown Transport Services rating area other than those designated as Class A.

[33] The Queenstown transport rates to be levied are as follows:

<b>Queenstown Transport Rate (inclusive of GST)</b>		
<b>Classification</b>	<b>2019/20 \$</b>	<b>2018/19 \$</b>
Class A	256,000	212,000
Class B	716,000	613,000
<b>Total</b>	<b>972,000</b>	<b>825,000</b>

### **RURAL WATER QUALITY RATE**

[34] The Rural Water Quality rate will be levied on the capital value of all rateable land situated within the Otago region that:

- (a) Has a rural land use description; or
- (b) Has a lifestyle land use description and a land area of at least two hectares.

[35] The proportion of the total rate requirement to be collected within each territorial authority district/city will be based on the equalised capital values of each district/city.

[36] The GST inclusive rate requirement of \$1,309,000 for the 2019/20 year represents an increase of 3.1% on the amount of \$1,270,000 levied in the 2018/19 period.

### **DAIRY MONITORING RATE**

[37] The Dairy Monitoring rate will be levied on a targeted uniform basis on all rateable land, situated within the Otago region that operates a Dairy Farm.

[38] The GST inclusive rate requirement of \$216,000 for the 2019/20 year is set at the same level that was set in the 2018/19 year.

### **WILDING TREE RATE**

[39] The Wilding Tree rate will be levied on a targeted uniform basis on all rateable land situated within the Otago region.

[40] The GST inclusive rate requirement of \$240,000 for the 2019/20 year is set at the same level that was set in the 2018/19 year.

### **CIVIL DEFENCE AND EMERGENCY MANAGEMENT RATE**

[41] The Civil Defence and Emergency Management rate will be levied on a targeted uniform basis on all rateable land situated within the Otago region.

[42] The GST inclusive rate requirement of \$2,788,000 for the 2019/20 year represents a decrease of 1.2% on the amount of \$2,822,000 levied in the 2018/19 period.

### **PAYMENT AND PENALTY DATES**

[43] The attached resolution provides that the due date for rates to be paid is 31 October 2019.

[44] It also provides for penalty dates in November 2019 and May 2020 as follows:

- A 10% penalty will apply to all unpaid rates on 1 November 2019.
- A 10% penalty will apply to all rates levied in previous financial years remaining unpaid on 1 May 2020.

### **ATTACHMENTS**

1. Rating Resolution for Adoption 2019-2020 [**11.2.1 - 8 pages**]
2. Attachment to Rating Report 2019-2020 - Table of sample rates [**11.2.2 - 6 pages**]