



REGIONAL COUNCIL

EXTRAORDINARY MEETING OF COUNCIL

AGENDA

28 AUGUST 2015



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

TABLE OF CONTENTS

| Item | Subject | Page No. |
|-------------|---|-----------------|
| | Table of Contents | 1 |
| 1. | Meeting Opened | 2 |
| 2. | Leave of Absenc..... | 2 |
| | 2.1 Leave of Absence..... | 2 |
| 3. | Condolences/Get Well Wishes | 2 |
| 4. | Declaration of any Material personal interests/conflicts of interest by councillors and senior council officers..... | 2 |
| 5. | Mayoral Minute | 2 |
| 6. | Confirmation of Minutes | 3 |
| 7. | Business Arising from Minutes..... | 3 |
| 8. | Committee Reports | 3 |
| 9. | Deputations/Presentations | 3 |
| 10. | Executive Office Reports | 3 |
| 11. | Governance and Performance Reports | 3 |
| 12. | Organisational Development and Engagement Reports..... | 3 |
| 13. | Corporate and Community Services Reports | 4 |
| | 13.1 Rating Category Changes for the 2015/2016 Budget..... | 4 |
| 14. | Planning and Development Services Reports | 8 |
| 15. | Infrastructure Works and Services Reports..... | 8 |
| 16. | Items for information | 8 |
| 17. | Confidential Items | 8 |
| 18. | Meeting Closed..... | 8 |



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

1. MEETING OPENED

2. LEAVE OF ABSENCE

2.1 Leave of Absence

Date: 27 August 2015
Author: Ian Flint, Chief Executive Officer
Responsible Officer: Ian Flint, Chief Executive Officer

Officer's Recommendation:
THAT Leave of Absence be granted to Cr McDonald.

3. CONDOLENCES/GET WELL WISHES

No Condolences/Get Well Wishes.

4. DECLARATION OF ANY MATERIAL PERSONAL INTERESTS/CONFLICTS OF INTEREST BY COUNCILLORS AND SENIOR COUNCIL OFFICERS

4.1 Declaration of Material Personal Interest on any Item of Business

Pursuant to Section 172 of the *Local Government Act 2009*, a councillor who has a material personal interest in an issue to be considered at a meeting of the local government, or any of its committees must –

- (a) inform the meeting of the councillor's material personal interest in the matter; and
- (b) leave the meeting room (including any area set aside for the public), and stay out of the meeting room while the matter is being discussed and voted on.

4.2 Declaration of Conflict of Interest on any Item of Business

Pursuant to Section 173 of the *Local Government Act 2009*, a councillor who has a real or perceived conflict of interest in a matter to be considered at a meeting of the local government, or any of its committees must inform the meeting about the councillor's personal interest in the matter and if the councillor participates in the meeting in relation to the matter, how the councillor intends to deal with the real or perceived conflict of interest.

5. MAYORAL MINUTE

No Mayoral Minute.



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

6. CONFIRMATION OF MINUTES

7. BUSINESS ARISING FROM MINUTES

No Business Arising from Minutes .

8. COMMITTEE REPORTS

No Receival of Committee Reports as Minutes.

9. DEPUTATIONS/PRESENTATIONS

No Deputations/Presentations.

10. EXECUTIVE OFFICE REPORTS

No Executive Office Reports .

11. GOVERNANCE AND PERFORMANCE REPORTS

No Governance and Performance Reports.

12. ORGANISATIONAL DEVELOPMENT AND ENGAGEMENT REPORTS

No Organisational Development and Engagement Reports.



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

13. CORPORATE AND COMMUNITY SERVICES REPORTS

13.1 Rating Category Changes for the 2015/2016 Budget

Date: 27 August 2015

Author: David Lewis, Executive Manager Corporate & Community Services;
Jason Bradshaw, Executive Manager Governance Engagement &
Regional Development

Responsible Officer: Ian Flint, Chief Executive Officer

Summary:

Following the issue of the half yearly rates notices for 1 July to 31 December 2015, objections to Council's Differential Rating Category 35 Non-Principal Place of Residence have been received by the Mayor from a number of ratepayers requesting that Council review the category under which their properties were rated. A small number of objections have also been received by Council.

Officer's Recommendation:

THAT Council resolves to grant a general rates concession pursuant to s120(1)(f) of the Local Government Regulation 2012 of 20% to a class of ratepayers of land within Category 35 Non-Principal Place of Residence where the land is the land is used exclusively for the purposes of a single dwelling (or farming) and is classed as rural and does not attract a primary production concession and is a large home site and could be used potentially for rural purposes. This concession only relates to land categorised in this differential rating category and relates for the 2015/16 financial year.

Further;

THAT Council authorise the Chief Executive Officer to categorise land from Category 35 Non-Principal Place of Residence to either Category 16 or 24 where he is satisfied that the property is owned by a company or trust and the owners of the company or trust are the sole occupiers of the land as their principal place of residence.

And further;

THAT a report be brought back to Council on formal objections to property classifications under the rating categories of Council's 2015/2016 Revenue Statement.

And further;

THAT Council investigate these 'rural properties' being treated as 'rural' with primary production concession through the introduction of a separate rating category for these properties identified within this class for the 2016/17 Budget.

Report

1. Introduction

Ratepayers are able to object to their rating category under Section 88 of the *Local Government Regulation 2012* (the Regulation). Council is obliged to review their objection and if the objection is upheld, categorise the property to the new category and adjust the rates



EXTRAORDINARY MEETING OF COUNCIL AGENDA 28 AUGUST 2015

charged based on the new category. Each year Council receives objections from ratepayers to their category, although the number of objections will vary from year to year.

In certain circumstances under the Regulation, Council may also offer concessions to ratepayers. The opportunity to reclassify properties into other rate categories is also provided in the legislation and is generally dealt with on an individual property basis.

2. Background

Council's rating categories use land use codes provided by the Department of Natural Resources and Mines (DNRM). From time to time, although the land use may have changed, there may be a delay in updating the land use code which means that some ratepayers may be included in an incorrect category. Where this has occurred, the Chief Executive Officer has the administrative delegation to make changes to the category without a Council resolution.

Council also periodically introduces new rating categories and as part of this exercise, allows impacted ratepayers to object to the new rating category of individual property(s). In this process, the Chief Executive Officer can reject the objection, grant a concession or categorise the property in question to a more appropriate rating category. This is traditionally limited but can be addressed across a class of properties.

3. Report

Following the issue of the half yearly rates notices for 1 July to 31 December 2015, objections to Council's Differential Rating Category 35 Non-Principal Place of Residence have been received by the Mayor from a number of ratepayers requesting that Council review the category that their properties were rated under.

The newly created differential rating Category 35 as it applies to "rural" land has hit obstacles in the detail of its implementation in that a number of properties have been impacted by the new category that were not intended to be so categorised. It is considered that these properties should have a concession applied as the land is used exclusively for the purpose of a single dwelling house but could be used for rural or other alternative purposes. It is intended that these properties could be identified in a separate rating category in Council's 2016/2017 Revenue Statement and Budget.

It is proposed to manage the implementation concerns through the granting of a concession to a class of ratepayers/properties, rather re-categorising those properties back to an existing rating category. The establishment of new rural based category would better deal with these properties.

Council is also of the view that the intent of its newly created Differential Rating Category 35 as it applies to "company owner occupiers" has also encountered issues in implementation and that where the owners of a company or trust that own the land are also the sole occupiers of the land as their principal place of residence, then these properties should be categorised as either Urban Residential – Owner Occupied or Rural Residential – Owner Occupied.

Where properties have been categorised and the rates notice has been paid in full, if the categorisation results in a credit to the rates accounts, these ratepayers will be offered a full refund on the credit balance via electronic transfer. Further, that where properties have been incorrectly categorised these properties will be issued with amended rate notices and provided



EXTRAORDINARY MEETING OF COUNCIL AGENDA 28 AUGUST 2015

additional time to pay that includes the 30 day payment term from the date of the issue of the amended notice.

4. Policy and Legal Implications

Under Council's 2015/2016 Revenue Statement, for land used for residential purposes, the land is categorised as either urban or rural residential and then either as a principal place of residence or non-principal place of residence under Section 120 (f) of the Regulation, Council may grant a concession if it is satisfied that *"the land is used exclusively for the purpose of a single dwelling house or farming and could be used for another purpose, including for example, a commercial or industrial purpose."*

Under Section 122 of the Regulation, in granting a concession to a ratepayer, Council must state the ratepayer in the resolution (Section 122 (1) (a)) and must prescribe the accepted way for the concession application (Section 122 (3)).

Council cannot amend the Revenue Statement or the Budget for the purpose of amending rates and charges, and there is no direction in Council's Revenue Policy, so the Local Government Regulation 2012 provides the basis for the concessions and the processes to be followed to enable the original intention of the new rate category to be achieved.

5. Financial and Resource Implications

The abovementioned concessions and categorisation will result in a reduction in rating revenue of approximately \$100,000 to \$150,000 or up to approximately 0.6 of 1% of Council's 2015/2016 budgeted general rates revenue. The impact of this loss of revenue will be incorporated into the next review of Council 2015/2016 Budget. There are approximately 300 properties that are impacted by this proposed change.

6. Delegations/Authorisations

No further delegations are required to manage the issues raised in this report. The Chief Executive Officers will manage the requirements in line with existing delegations. The re-categorisations can be managed through existing delegations made to the Chief Executive Officer and the Council can empower the CEO with further delegation to manage the concessions in accordance with the decisions made in the report to grant concessions to a class of ratepayer/property.

7. Communication and Engagement

The owners of properties to receive the proposed concession will be contacted by Council either in writing or verbally to advise of Council's intention to grant them a concession and also to confirm any process for this concession. It is intended that the concession will be granted and the administrative process minimised in relation to the processing of the concession. The existing administrative process will continue to run for all current notices not covered by the impacts of these proposed amendments.

Contact will also be made with Category 35 "company owner occupiers" where the owners of a Company or Trust that own the land are also the sole occupiers of the land as their principal



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

place of residence to confirm their residency so that the properties can be categorised as either Urban Residential – Owner Occupied or Rural Residential –Owner Occupied.

8. Conclusion

To address the unintended consequences of introducing a new rating category in Council's 2015/2016 Revenue Statement on a number of properties within Council's rural planning zones, it is proposed that Council grant a concession to identified impacted properties to remove these from the existing differential rating category 35. The Chief Executive Officer should also be endorsed to exercise discretion on categorising a number of properties where the owners of the land are also the sole occupiers of the land as their principal place of residence.

9. Action/s

The owners of the identified rural properties proposed to receive a concession would be contacted to advise of Council's intention to grant them a concession also outlining the process for this concession, and the changes to the rates and charges that are payable, including the extended payment period.

Council will also contact the differential rating Category 35 "company owner occupiers" where the owners of a Company or Trust that own the land are also the sole occupiers of the land as their principal place of residence and confirm the process so that these properties can be categorised as either Urban Residential – Owner Occupied or Rural Residential – Non-Owner Occupied.

Attachments

There are no attachments for this report.



**EXTRAORDINARY MEETING
OF COUNCIL AGENDA
28 AUGUST 2015**

14. PLANNING AND DEVELOPMENT SERVICES REPORTS

No Planning and Development Services Reports.

15. INFRASTRUCTURE WORKS AND SERVICES REPORTS

No Infrastructure Works & Services Reports.

16. ITEMS FOR INFORMATION

No Information Items.

17. CONFIDENTIAL ITEMS

No Confidential Items.

18. MEETING CLOSED