



Financial Policies: Remission of Uniform Annual General Charge and Uniform Targeted Rates in Certain Circumstances (Remission of rates)

South Wairarapa District Council is seeking feedback on the remission of rates, in certain circumstances, related to separately used or inhabited parts (SUIP's) on the same property. This consultation is being carried out under Section 82 of the Local Government Act 2002 (LGA).

As part of the Rating Policies Review undertaken in 2023, Council decided to move to a charge per Separately Used or Inhabitable Part (SUIP) base for several fixed charges.

A decision was also taken to combine all remission policies into one policy, and in doing that, Council's intention to adopt a policy to provide remission of the Uniform Annual General Charge (UAGC) and Uniform Targeted Rates in certain circumstances was not as clear as it could have been.

As the basis of the policy was not included in the Remission of Rates policy in its final format or opened for public consultation, Council has decided to consult separately on a Remission of UAGC and Uniform Targeted Rates for Separately Used or Inhabitable Parts (SUIP's) policies.

The additions to the Remission of Rates policy have four distinct objectives in relation to SUIP's.

- To provide relief to ratepayers with more than 1 SUIP where 1 or more SUIP's are occupied by dependent or other family members.
- To provide relief to ratepayers where a property is a retail unit and has a residential SUIP occupied by the owner of the retail unit.
- To provide relief to ratepayers of dairying or pastoral farming properties where 1 or more SUIP's is an unoccupied or unused farm building that is no longer required for the operation of the farming activity.
- To provide relief to ratepayers of dairying or pastoral farming properties where 1 or more SUIP's is accommodation used by workers essential in the day-to-day operation of the farming activity.

The amended policy guides how decisions are made to remit rates once set, and how customers can apply for remission.

Council needs your feedback so we can ensure our policies reflect the views of the community.

Remission of Uniform Annual General Charge, and Uniform Targeted Rates in certain circumstances

To allow rate relief where it is considered fair and reasonable to do so, Council is required to adopt a policy specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different.

The Remission of Rates policy is available on our [website](#). The additions that are subject to this consultation will be added to this document if approved.

Background

One of the key changes to the way in which the Council calculates rates for 2024-25 is the change of scope for using Separately Used or Inhabitable Parts (SUIP's) as the mechanism for charging the Uniform Annual General Charge and Uniform Targeted Rates. Two new rate types based on SUIP's were introduced.

SUIP fixed charges apply to:

Rate description	Value
New SUIP based rates	
Uniform Annual General Charge	\$423
Targeted Rooding rate	\$174
Existing SUIP based rates	
Refuse Collection (rural can opt out if no collection)	\$493
Water (directly or indirectly connected)	\$1,198
Wastewater (directly or indirectly connected)	\$1,033

The policy on SUIP's states:

Definition of separately used or inhabited part of a rating unit

A SUIP includes any portion inhabitable or used by the owner or a person other than the owner who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.

It includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner. A rating unit that has a single use or occupation is treated as having one separately used or inhabitable part.

Identification of "dwellings" is taken from the nature of improvements provided by Quotable Value (Council's Valuation Service Provider) and includes but is not limited to dwelling, granny flat, bach, cottage, flat. Further clarification can be sought from QV on studio, sleepout or others if required.

Why use SUIP's as a basis for rates?

Where an additional SUIP is identified, it is another “unit of use” of certain council services. The areas covered by the change are listed above and it can be clearly seen that each of them is affected by having more than 1 unit as part of a property.

For example:

1 rating unit (derived generally by the Property Title Information) could have 10 separate properties located within it.

When a rating unit is used as the basis of rating, the above property would only be 1 SUIP and receive 1 set of fixed charges, so each property is only paying 1/10th of each fixed charge.

Now, consider that each of these properties has a connection to water and wastewater, generates additional refuse and each property has a vehicle travelling on the roads. Is it fair that only one set of fixed charges is payable, when 10 individual properties within the area would pay a set of fixed charges each?

By switching these charges to SUIP, Council believes it is creating a fairness that will mean everyone is paying a fair share for those activities.

Our proposal

During community engagement sessions and submissions, Council heard that the extension of using SUIP's to allocate rates would not only affect those customers that had a second and subsequent SUIP that were used for family purposes, but that there were also unintended consequences around onsite residential occupation coupled with retail premises and impacts on pastoral and dairy farming customers in rural settings.

The remission policies identified below aim to address the unintended impacts raised with the Council during the consultation and following submission process.

- To provide relief to ratepayers with more than 1 SUIP where 1 or more SUIP's are occupied by dependent or other family members. *See Remission 1.*
- To provide relief to ratepayers where a property is a retail unit and has a residential SUIP occupied by the owner of the retail unit. *See Remission 2.*
- To provide relief to ratepayers of dairying or pastoral farming properties where 1 or more SUIP's is an unoccupied or unused farm building that is no longer required for the operation of the farming activity. *See Remission 3.*
- To provide relief to ratepayers of dairying or pastoral farming properties where 1 or more SUIP's is accommodation used by workers essential in the day-to-day operation of the farming activity. *See Remission 3.*

Purpose and scope of the consultation

The purpose of this consultation is to seek feedback on three remissions (addressing four areas of concern), which are proposed to be included in Remission of Rates policy under remission of Uniform Annual General Charge and Uniform Target Rates in certain circumstances that relate to SUIPs.

Draft policies

A draft of the proposed remission policies is included in this statement of proposal, and if approved, will be added to the overall Remission of Rates policy document.

1. Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Residential Properties in Certain Circumstances

Background

Residential rating units can contain more than one dwelling or inhabitable unit, such as a sleepout or granny flat. Where a property owner uses that dwelling or inhabitable unit to provide accommodation for family members, rather than to derive an income, the owner can apply to have the additional SUIP remitted.

Objectives

To provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) on a property where one or more of those SUIPs are occupied by family members of the ratepayer.

Criteria and Conditions

This policy will apply to properties where:

- » there is more than one Separately Used or Inhabitable Part on the rating unit, and
- » one or more of the additional SUIPs on the property are used by the ratepayer's dependent family or extended family member(s). For the purposes of this policy dependent family members means relatives who depend on the ratepayer for care and support and are not paying market rent to the ratepayer.
- » Remission will be 100% of the following uniform charges for every qualifying secondary and subsequent SUIP occupied by the ratepayer's dependent family member(s).
 - » Uniform Annual General Charge (UAGC)
 - » Rooding
 - » Refuse & Recycling
 - » Water Supply
 - » Wastewater
- » Remission will not apply to any SUIPs occupied by persons other than dependent family member(s), or by persons paying market rental rates for occupation.
- » Remissions will apply from 1 July of rating year in which the application is made.

2. Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Retail Properties in Certain Circumstances

Background

There are circumstances where retail premises may also be the owner's residential accommodation. This second SUIP is residential in nature and does not derive separate income for the owner. If the accommodation was to be rented to a tenant or occupation be by anyone other than the owner, this remission would not apply.

Objectives

To provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) on a property with retail and residential buildings occupied by the ratepayer.

Criteria and Conditions

This policy will apply to properties where:

- » there is more than one Separately Used or Inhabitable Part on the rating unit, and
- » the land use is classified by Council's Valuation Service Provider as Commercial - Retail, and
- » one or more of the additional SUIPs on the property are used by the ratepayer operating the retail business for their own residential occupation.
- » Remission will be 100% of the following uniform charges for every qualifying secondary and subsequent SUIP occupied by the ratepayer.
 - » Uniform Annual General Charge (UAGC)
 - » Roding
 - » Refuse & Recycling
 - » Water Supply
 - » Wastewater
- » Remissions will apply from 1 July of rating year in which the application is made.

3. Remission of Uniform Annual General Charge, and Uniform Targeted Rates on Pastoral and Dairying Properties in Certain Circumstances

Background

There are circumstances where pastoral or dairying properties will have more than 1 SUIP but those additional SUIP's are no longer needed as part of the farming operation. These could be workers' accommodation units that are no longer inhabitable or used as part of the farming operation.

Where the additional SUIP's are used to house essential workers required for the day-to-day operations of the farm, these units are viewed to be similar in nature to an owner using a secondary unit for family purposes. Accommodation in the rural area is often not available and living "on site" is the only option to ensure the working of the farm.

Objectives

To provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) on dairying or pastoral properties with residential buildings that are either uninhabitable, unoccupied, or occupied workers essential to the farming business.

Criteria and Conditions

This policy will apply to properties where:

- » there is more than one Separately Used or Inhabitable Part on the rating unit; and
- » the land use is classified by Council's Valuation Service Provider as Pastoral or Dairying, and
- » one or more of the additional SUIPs on the property are uninhabitable/uninhabited, or
- » one or more of the additional SUIPs on the property are used for residential occupation by workers essential to the operation of the pastoral or dairying business.
- » Remission will be 100% of the following uniform charges for every qualifying secondary and subsequent SUIP occupied by the ratepayer.
 - » Uniform Annual General Charge (UAGC)
 - » Roothing
 - » Refuse & Recycling
 - » Water Supply
 - » Wastewater
- » Remissions will apply from 1 July of rating year in which the application is made.

How you can have your say

Tell us what you think before 5 August 2024 by:

- filling out the online feedback form on our website www.swdc.govt.nz/remission-of-rates-consultation/
- emailing your feedback to submissions@swdc.govt.nz
- dropping your feedback form at the Council Office at 19 Kitchener Street Martinborough or any of the district libraries
- posting your submission to: Policy and Governance Team, South Wairarapa District Council, PO Box 6, Martinborough 5741

This consultation is not a Special Consultative Process (SCP) and will not require hearings or deliberations to take place. The feedback given will be provided to the Council as background information to aid decision making in relation to the new policies.

Privacy statement

Your name and feedback will be in public documents. All other personal details will remain private.

The Privacy Act 2020 applies when we collect personal details. Any details that are collected will only be used for the purposes stated. You have the right to access and correct any personal information we hold.

Feedback form: Remission of rates

Contact details	
Your name*	
Your address	
Your email address*	
Your phone number	
Organisation	<i>Only fill in if you're submitting on behalf of an organisation.</i>
Do you agree with Remission 1: Residential Properties in Certain Circumstances? e.g. provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) that are used to accommodate dependent or other family members.	
Do you agree with Remission 2: Retail Properties in Certain Circumstances? e.g. provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) where retail premises may also be the owner's residential accommodation.	
Do you agree with Remission 3: Pastoral and Dairying Properties in Certain Circumstances? e.g. provide relief to ratepayers with more than one Separately Used or Inhabitable Part (SUIP) to house essential workers required for the day-to-day operations of the farm.	
Based on your answers, why do you think we should or should not provide these remissions?	
Do you have any further feedback on the draft remissions?	

