

Title: Rates Setting Report for 2017/18 Rates

Section: Finance

Prepared by: Fiona Scragg (Revenue Team Leader)

Meeting Date: 29 June 2017

Legal Financial Significance = Medium

Report to COUNCIL Committee for decision

SUMMARY

The purpose of this report is to set the rates for the 2017/18 financial year. The Annual Plan for 2017/18 must be approved before 30 June 2017. Report 17-306 asks Council to adopt the Annual Plan. After the Annual Plan is approved, Council must then set the rates under section 23 of the Local Government (Rating) Act 2002.

The rates requirement for 2017/18 is \$54.4m plus GST (\$62.5m). There is an average overall 2% increase in the rating requirement from 2016/17 to 2017/18.

Attached is the Schedule of Rates including GST to be set for the 2017/18 financial year.

The decisions or matters in this report are considered to be of **Medium** significance in accordance with the Council's Significance and Engagement Policy.

RECOMMENDATIONS

That the Council:

1. **Notes the contents of this report.**
2. **Resolves to set and assess the rates on rating units in the Gisborne District for the financial year commencing 1 July 2017 and ending 30 June 2018 and set the due dates for the payment of rates and penalties regime for unpaid rates in accordance with the Council's Funding Impact Statement and as set out in the attached schedule of rates in Appendix 1.**

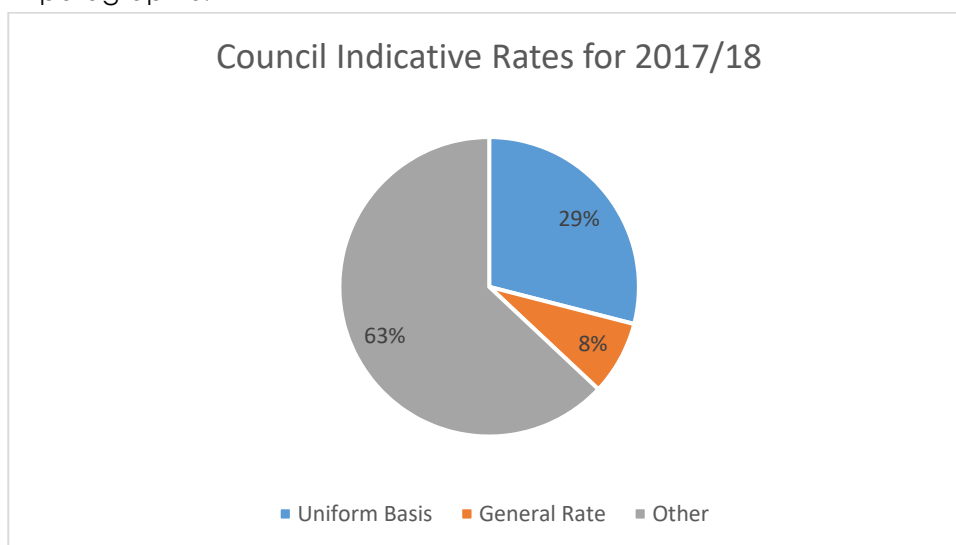
Authorised by:



Nedine Thatcher Swann
Chief Executive

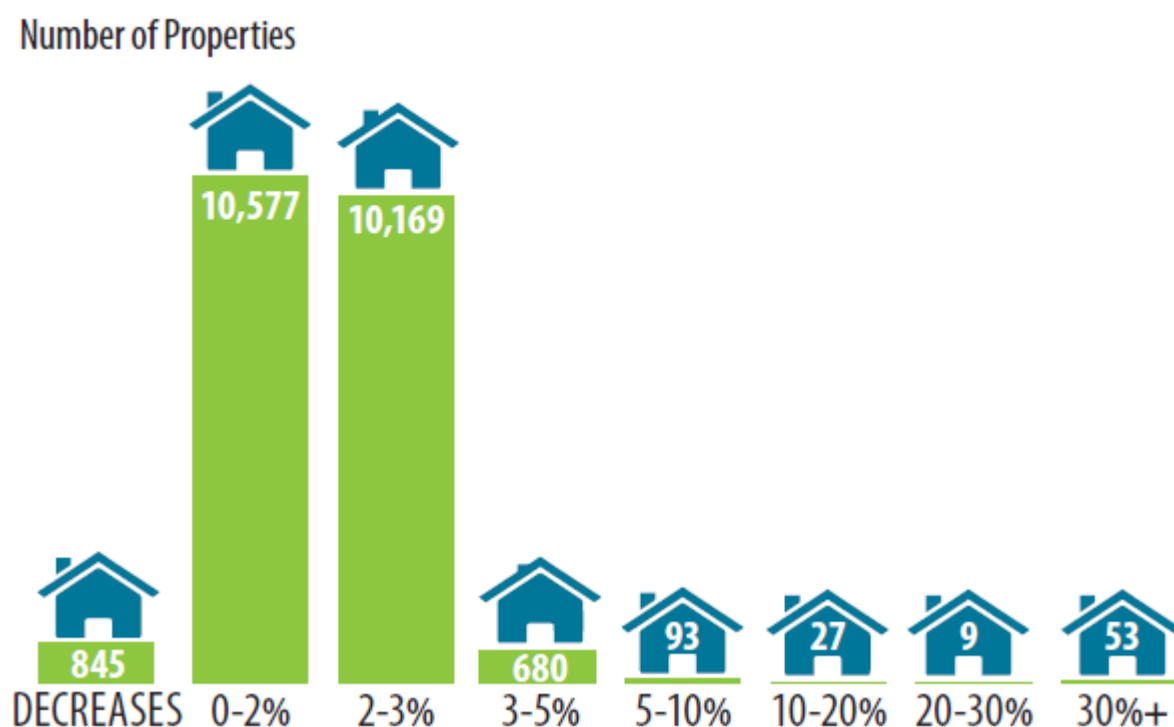
DISCUSSION and OPTIONS

1. The Annual Plan for 2017/18 must be approved before 30 June 2017. After the Annual Plan is approved (Report 17-306) and under section 23 of the Local Government (Rating) Act 2002, Council must set the rates by Council resolution each year.
2. Council was provided with high level rating information on 23 March 2017 in report 17-144.
3. The rates requirement for the 2017/18 year is \$54.4m plus GST (\$62.5m). This is an average of 2% increase in the overall rating requirement from 2016/17 to 2017/18.
4. There is an increase of 3% or less for over 96% of rateable properties within the Gisborne District.
5. The Uniform Annual General Charge for 2017/18 is \$596.77 plus GST (\$686.2855). This means that all properties, regardless of value, will pay this set charge unless they meet the remission criteria of the Local Government (Rating) Act 2002 or a Council Rate Remission Policy.
6. The rates for 2017/18 used the same rate smoothing practices, as described in the Long Term Plan (LTP), that were applied for in 2016/17. The smoothing has been adjusted and the Community Planning and Development percentage in the general rate is increased from 62% to 68%. This reduces the Uniform Annual General Charge (UAGC) portion to assist with keeping the rates within the 30% cap, at 29%.
7. Section 21 of the Local Government (Rating) Act 2002 sets out that the UAGC and certain targeted rates must not exceed 30% of total rates revenue. This is referred to as the '30% cap' in paragraph 6.



LG(R) Act Section 21 30% Cap (excl GST) \$	
Dog Control	291,312
Environmental Health(Noise control)	53,825
Passenger Transport	225,056
Uniform Waste Management	1,839,098
Commercial Recycling	1,310
Rural Transfer Station	285,080
Uniform Annual General Charge	13,044,826
	15,740,507

8. The following graph shows the number of properties and their indicative rates changes for 2017/18.



ASSESSMENT OF SIGNIFICANCE

Criteria	This Report	The Process Overall
The effects on all or a large part of the Gisborne district	Low	Medium
The effects on individuals or specific communities	Low	Medium
The level or history of public interest in the matter or issue	Low	Medium
Consistency with Council's current strategy and policy	Low	Low
Impacts on Council's delivery of its Financial Strategy and Long Term Plan.	Low	Medium

9. The decisions or matters in this report are considered to be of medium significance in accordance with Council's Significance and Engagement Policy.
10. The rate setting process is an important component in Council's ability to deliver on the Long Term Plan 2015-2025.

COMMUNITY ENGAGEMENT

11. The Annual Plan for 2017/18 has been consulted with the community from 25 March 2017 to 21 April 2017. Council's consultation document was published in the Gisborne Herald and was made available on Council's website, at community meetings and at Customer Services. Estimated rates for the 2017/18 rating year were available to the public in Tairāwhiti Maps on the website.

CONSIDERATIONS

Financial/budget considerations

12. The decision will enable Council to collect rates revenue to fund its operations effectively as set out in the Funding Impact Statement in the Annual Plan for 2017/18.

Legal Considerations

13. This rates resolution is made under the Local Government Act 2002 and the Local Government (Rating) Act 2002. Section 23 of the Local Government Rating Act 2002 requires Council to the set the rates by Council resolution.

Policy and Planning Implications

14. The recommendation proposed is detailed in the Funding Impact Statement in the 2017/18 Annual Plan.
15. The decision is not expected to directly affect any of the community outcomes or strategic challenges.

Risks

16. The risks associated with the setting of the rates for 2017/18 are financial (which are covered in paragraph 12 above) and legal (which are covered in paragraph 13 above).

NEXT STEPS

Date	Action/Milestone	Comments
29 June 2017	Council set rates for 2017-18.	
End of July 2017	Send rates assessment and rates invoices instalment 1.	Due date 21 August 2017
End of October 2017	Send rates invoices instalment 2.	Due date 20 November 2017
End of January 2018	Send rates invoices instalment 3.	Due Date 20 February 2018
End of April 2018	Send rates invoices instalment 4.	Due date 21 May 2018

APPENDIX

Appendix 1: Schedule of Rates 2017/18