



Regional Council Rates Remission – LTP 2024-2034 Workshop Pack

DATE: THURSDAY 25 MAY 2023

COMMENCING AT: 1:00 PM (OR AFTER CONCLUSION
OF THE REGIONAL COUNCIL ANNUAL PLAN 2023-24
DELIBERATIONS MEETING)

VENUE: Council Chambers, Regional House, 1 Elizabeth
Street, Tauranga and via Zoom (Audio Visual Meeting)

Table of Contents

Informal Workshop Papers

1	Review of Rates Remission and Postponement Policy - Principles and Objectives	3
	Attachment 1 - Implied Policy Principles - Draft for Discussion	17
	Attachment 2 - Questions for Discussion in Workshop	19

Informal Workshop Paper



To: Regional Council

25 May 2023

From: Gillian Payne, Principal Advisor; Kumaren Perumal, Chief Financial Officer and Jo Pellew, Rates Manager

Mat Taylor, General Manager, Corporate

Review of Rates Remission and Postponement Policy - Principles and Objectives

1. Purpose

On 12 April 2023 Councillors provided guidance on the approach and process for review of the Rates Remission and Postponement Policy (the Policy). This paper presents additional background information and seeks Council's guidance on draft principles and objectives of the Policy to enable further work.

2. Guidance Sought from Councillors

Council's existing Policy includes an interim provision to ensure that remissions based on the Territorial Local Authorities' (TLAs) policies will remain in place until a new or revised Policy is adopted, for implementation 1 July 2024. This review gives Council the opportunity to design the Policy to express its own values, priorities and choices more fully.

The first step in this process is to agree draft principles and objectives for the Policy, which will provide direction to staff for further work, including policy design and options for remissions which Council can consider at later workshops. It will also enable staff to identify groups of ratepayers that should be made aware of the Policy review and the impact it could have on the rates they currently pay.

Staff also seek guidance on whether to pursue several opportunities to widen the existing remission provisions to support Council's strategic priorities.

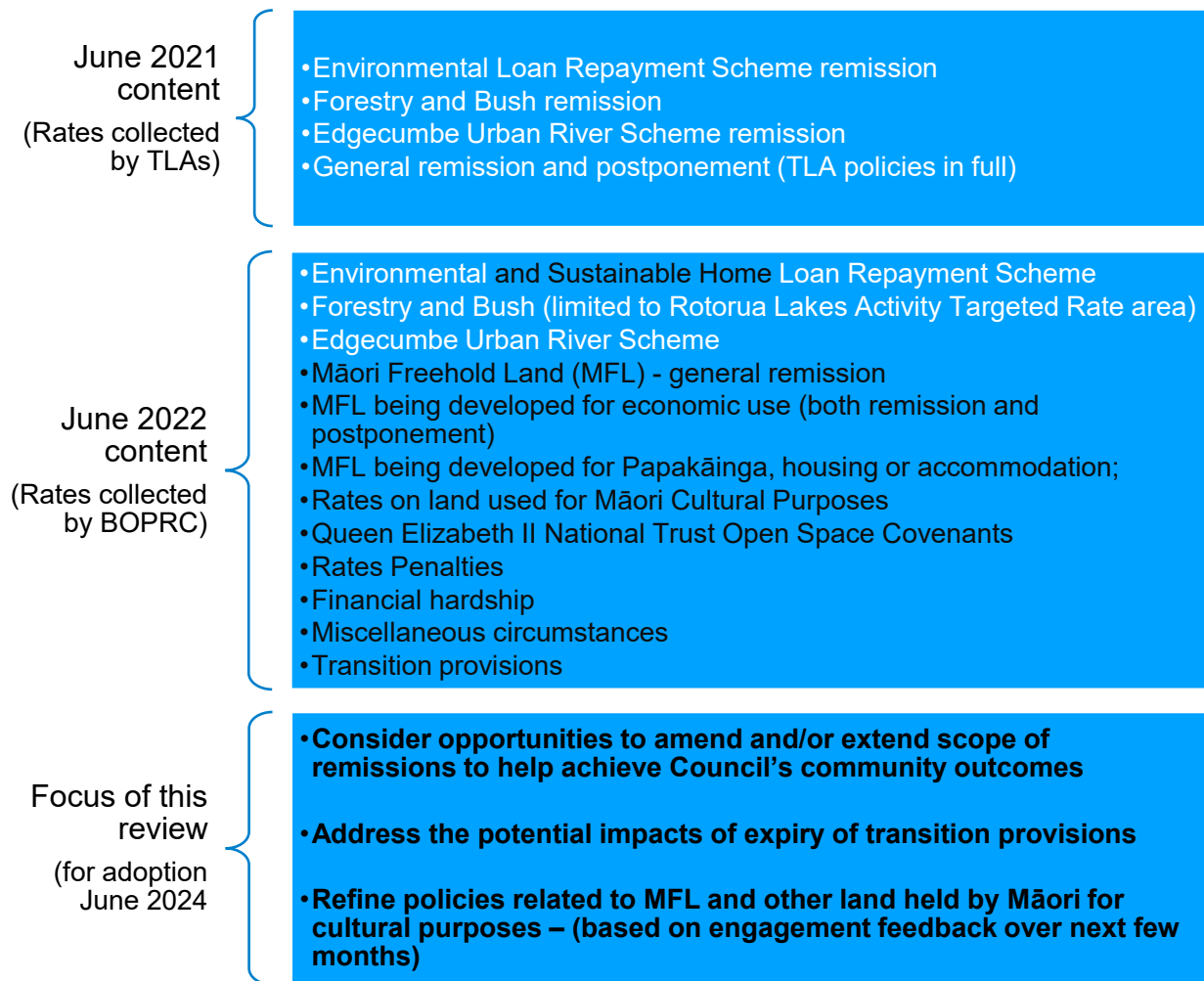
3. Background information

3.1 Previous review in 2021/22

Prior to June 2022, Council's Policy consisted of the TLAs' Rates Remissions policies, plus three policies to deal with fairness and equity issues related to three targeted rates set by Council. In 2021/22, work was done to develop new policies for adoption in June 2022, ready for the first year of Council collecting its own rates.

Figure 1 illustrates the evolution of the Policy and sets the context of the work that this review covers.

Figure 1



3.2 Current remissions profile

For the 2022/23 financial year, a total of \$743,792 was remitted. At the LTP workshop on 12 April 2023, information was presented on the high-level breakdown of remissions, by landowner type and land category. Appendix 1 includes this analysis, in Figure 1 and Figure 2, together with further detail on:

- Reasons for remissions on General Land (Figure 3)
- Reasons for remissions on Māori Freehold Land (Figure 4)

Understanding the current profile of remissions is important because once the interim provision expires, unless Council has adopted policies similar to those of the most generous TLAs, some ratepayers will face increase rates bills from Council.

Council intends to engage with key groups that may be particularly affected by changes to the policy and the direction provided to staff at this workshop will help identify those groups.

4. Developing principles

Purpose of the principles

The principles of the Policy underpin the objectives, providing rationale for the objectives and direction for decision-making under the Policy.

The principles should be concise and easy to understand. Once the Policy is implemented, the principles also help staff or Council make decisions on remission applications that are complex, novel or that the Policy may not have anticipated.

Principles underpinning the existing Policy and previous work in 2021/22

The current Policy does not have an explicit set of principles, but Council will have considered several principles when identifying the objectives in the Policy adopted in June 2022 (refer Figure 1 above). Deriving principles from these objectives could provide Council with a starting point for discussion during the workshop.

During the Policy review in September 2021 Council discussed the potential to develop policies to support its activities, for example flood control and promoting environmental outcomes.

Combining these two sources, Attachment 1 contains:

- draft principles derived from the existing Policy objectives (Table 1).
- suggested principles that were identified in September 2021 and raised through development of this report (Table 2).

Identifying additional principles during the workshop

During the workshop Councillors will have the opportunity to discuss and provide direction on the draft principles.

Attachment 2 is a list of questions that could focus discussion during the workshop. If Councillors wish to raise additional discussion points these can be added to the list before or at the start of the workshop.

The following paragraphs in section 4 provide food for thought regarding some of the draft principles in Attachment 1 and the questions in Attachment 2.

4.1 **Key direction 1: Which is more important - Regional consistency or inter-council consistency?**

Currently, under the transitional arrangements, Council treats ratepayers in different parts of the region differently, according to the provisions of their respective TLAs' rates remission policies.

Ideally, Bay of Plenty TLAs and Council's policies would be consistent and have similar objectives, staff would interpret legislation in a similar manner, and recognise matters such as community benefit consistently. While there are efforts at staff level to achieve consistency on a case-by-case basis as far as possible, policies differ for reasons that reflect the independence of local decision-making, as well as local preferences, councils' different functions and priorities.

Through this review, Council has a choice of directing staff to draft policies that either take a regional approach or look for inter-council consistency. This means Council could set as a principle, either:

- **Option 1A:** BOPRC will endeavour to treat similar properties and ratepayers across the Bay of Plenty in a similar way;

Or

- **Option 1B:** BOPRC will endeavour to treat properties and ratepayers in a way that is consistent with the approach of their respective TLA.

Option 1A values regional consistency over a consistent inter-council approach at a property or ratepayer level, while the reverse is true for Option 1B. From a ratepayer perspective, Option 1B might be regarded as more coherent and easier to understand.

It is feasible that Council may want to take a regionally consistent approach to some matters in the policy and an inter-council consistent approach for other matters.

4.1.1 Examples of how this choice would affect BOPRC remissions

Examples are provided in Tables 1 and 2 below of the practical application and consequences of Options 1A and 1B above. Similar analysis could be applied for other topics where policies differ among the Bay of Plenty (BOP) Councils, for example the differing approaches taken in addressing financial hardship which is discussed in Attachment 2.

Table 1

Topic: Sports facilities	
<p>Currently the TLAs across the region treat sports facilities differently. This is a complex area because under legislation some sports facilities¹ (used by local authorities) are 100% non-rateable, and others used for similar purposes are 50% non-rateable (owned by a society or association) provided they do not have a liquor licence. Several BOP councils’ policies provide for the remission of the remaining 50% of rates in the latter category and/or override the liquor licence exception, but not all BOP councils.</p>	
Principle 1A - Regional consistency	1B - Consistent inter-council approach
<p>Council could choose to provide additional remissions for sports facilities that are 50% non-rateable.</p> <p>If Council chose to remit the remaining 50% of rates, some sports facilities would be eligible for a BOPRC rates remission that they had not previously enjoyed.</p> <p>If Council chose not to provide further remissions (beyond the legislated 50% non-rateable) some sport facilities would lose the benefit they had previously enjoyed from BOPRC, through the transition provisions. Given the land-based nature of many of the</p>	<p>Council would follow the approach taken by each of the respective TLAs and provide remissions to the same extent as the TLA. Under current TLA policies, some sports facilities in the region would receive remissions above 50% and others would not.</p> <p>In effect, BOPRC would be accepting that the TLA’s judgement, about community wellbeing, fairness and equity, was sufficient to warrant a BOPRC remission.</p> <p>If the TLA changed its policy, BOPRC’s remissions policy would either automatically change, or be updated.</p>

¹ Except galloping races, harness races or greyhound races

<p>sports, the impacts for some facilities would be substantial. The most impacted ratepayer would face an increase of over \$40,000 per year.</p> <p>From a ratepayer perspective, if their TLA treats them differently to BOPRC, it may be confusing. The reasons for the difference would need to be clear, given that all local authorities have the mandate to promote community wellbeing.</p> <p>If there were instances where BOPRC was more generous in its rates relief than the TLA, tension between the organisations could result as the TLA may face pressure to conform to BOPRC’s approach.</p>	<p>This is similar to the transitional arrangements, so no sports facilities would lose rates relief they currently enjoy. Likewise, no sports facilities would receive new rates relief from BOPRC, unless their TLA changed its policy.</p> <p>Across the region, sports facilities would continue to be treated differently by BOPRC, depending on where they are located.</p>
<p>Topic: Special contiguous provisions</p>	
<p>Section 20 of the Local Government (Rating) Act (LGRA) provides that:</p> <p><i>Two or more rating units must be treated as 1 unit for assessing a rate if those units are—</i></p> <p><i>(a) owned by the same person or persons; and</i></p> <p><i>(b) used jointly as a single unit; and</i></p> <p><i>(c) contiguous or separated only by a road, railway, drain, water race, river, or stream. land.</i></p> <p>All three conditions must be met for this legislation to apply, and the effect is that only one of the contiguous rating units attracts fixed charges (e.g. one UAGC, one of each fixed targeted rate). Value-based or area-based rates are not affected.</p> <p>In addition, Section 20A of the LGRA (inserted in 2021) relates to Māori Freehold Land (MFL) and directs local authorities to treat rating units as one if:</p> <p><i>(a) the units are used jointly as a single unit by the person; and</i></p> <p><i>(b) the local authority is satisfied the units are derived from, or are likely to have been derived from, the same original block of Māori freehold land, meaning the first Māori land block that was held in an instrument of title and that included the land that became the rating units.</i></p> <p>Several BOP councils have included variations in their remissions policies to make the definition of contiguous properties for their policies more accommodating.</p>	
<p>Principle 1A - Regional consistency</p>	<p>1B - Consistent inter-council approach</p>
<p>Council could choose either to limit remissions to the legislated definition or broaden its definition in the Policy.</p> <p>If Council chose to retain the legislated definition, some ratepayers would lose the benefit they had previously enjoyed from BOPRC.</p>	<p>Council would follow the approach taken by each of the respective TLAs and provide contiguous property remissions using the same criteria as the TLA.</p> <p>In effect, BOPRC would be accepting the TLA’s judgement regarding rationale for why the policy should apply to their district.</p>

<p>Alternatively, Council could choose to adopt a region-wide policy to match those of more accommodating TLAs and as a result a greater number of properties would qualify for remission.</p> <p>Depending on the number of newly eligible properties, this could have a material effect on the fixed charges per property, to make up the revenue difference.</p> <p>In this scenario, tensions could arise with TLAs using the more conservative (legislated) criteria as ratepayers may challenge the TLAs to follow the BOPRC approach.</p>	<p>If the TLA changed its policy, BOPRC’s remissions policy could automatically change, or be updated. The effect for the ratepayer would be similar to the current transitional arrangements.</p>
--	--

5. Using remissions to support Council’s strategic direction

During the previous Policy review in 2021/22, Council recognised that there may be opportunities to use rates remissions as incentives to encourage actions or behaviour to promote Council’s objectives. At the time, there was not enough information to progress the work, so it was referred to this review.

5.1 Guidance sought

Initial investigations have identified several areas that could be further explored, and the following paragraphs describe the scope and potential of each idea.

Staff seek Council guidance whether to undertake further work on each of the ideas, noting that rates remissions are not the only tools Council can use to promote some of the objectives listed. Rates remissions could provide additional incentive for voluntary action to be taken by landowners. Remissions could also be regarded as a sign of good faith to accompany future regulation, or recognition of applying fairness to individual circumstances.

If Council directs that staff progress these ideas, more analysis can be done, with a view to presenting and assessing options for remission policies to be presented at later workshops and meetings. Guidance on priorities among these ideas would also be helpful.

5.2 Opportunities identified by staff for Council direction

5.2.1 Flood Protection and Control - Making Room for the River

Background

Making Room for the River is a global approach to river and flood management that is expected to become more widely used in future and involves working more with natural river processes and relying less on hard protection structures. This approach may mean that some landowners, who formerly, expected Council’s infrastructure to protect their land, would accept more frequent flooding and be willing to use natural methods to manage the effects of the river on their land.

Objective

A rates remission policy could be used to encourage land use change, for example by reducing the rateable land value of the property by the proportion that was permanently retired from economic use and planted and managed to reduce erosion.

At this stage staff do not have an estimate of the area of land that could potentially be involved. This is expected to become more evident over the next three years as planning for the *Making Room for the Rivers* approach develops.

Implementation

There would be an administrative cost to identify land and establish formal protection on land titles, as well as ongoing monitoring and pest management. If practicable, this approach would be less costly than the alternative approach (taken by some other regional councils) to buy the land in question, retire it and have Council manage it.

In the first instance, an enabling policy, to allow for staff discretion within broad guidelines, could be useful to support the management of the Kaituna Catchment Control Scheme, Waioeka-Otara Rivers Scheme, Whakatāne-Tauranga Rivers Scheme, and Rangitāiki-Tarawera River Schemes, over the next few years.

5.2.2 **Catchment Management - Protected natural areas not already receiving rates relief**

Objective

There is an opportunity to encourage landowners to fence, protect and restore land such as Significant Natural Areas (SNAs) and Priority Biodiversity Sites (PBSs), that could support biodiversity outcomes, and reward those that have done so.

Similar land, e.g. Queen Elizabeth II Trust land, (QEII), is legislatively non-rateable and there are currently few incentives to encourage active maintenance of biodiversity, for example pest control.

This idea is high priority for the Catchment Management Team.

Remission target

If land was covenanted, had significant ecological or biodiversity value and was actively managed, it could be eligible for rates remission. If this idea is progressed, staff suggest that a minimum land area threshold be set, and a remission agreed for a set period, after which an assessment of the environmental effectiveness could be undertaken.

At the workshop, staff will present rough estimates of the potential areas that may be eligible and rates that would be foregone if these areas were eligible for a full remission of rates.

Implementation

Methodology to determine level of ecological significance and extent of management required, would have to be developed. Administration to establish covenants would require extra resources. Monitoring of active management already takes place.

5.2.3 **Catchment management - Retired land with low or no ecological value**

Objective

Council could encourage landowners to retire land from production, even where there is low or no ecological value (e.g., pasture), but some other community benefit can be expected e.g., improved water quality.

Remission target

Remissions could be considered for any land that is no longer used for production, is protected, and managed or allowed to revert to its natural state. Land would be fenced and actively managed to prevent weeds.

This could be a broad category including land that is expected to be affected by sea level rise, including salt marsh areas and land likely to return to wetlands. Unless criteria and priorities were established, thousands of hectares would qualify, and some may have already received incentive funding through the Catchment Management activities incentives like planting and fencing.

There would be potential for land to qualify for multiple incentives from different agencies (e.g., incentives for riparian areas under anticipated agricultural emissions pricing scheme). Also, for some land of this type, regulatory requirements already achieve the objective, so the policy should only be used where necessary, rather than creating an entitlement.

Implementation

Administration to establish covenants would require extra resources, as would ongoing monitoring of the effectiveness of active management. A minimum size should be set to reduce administration costs.

Consideration would also have to be given to how this policy would work alongside the existing policy for Lake Rotorua Incentives Scheme (Forestry and Bush Remission, BOPRC policy 2.2) to avoid double dipping and achieve equity of treatment through different policies.

There could be opportunities to work with other organisations to develop incentive packages, provide any BOPRC policy was flexible enough to enable staff to tailor solutions to individual situations.

5.2.4 **Rivers and Drainage Schemes, Catchment Management –Council assets on private land**

Objective

Council could recognise the community benefit of Council assets situated on private land, where landowner retains ownership of the land. In some situations, this could smooth the negotiation process with landowners, in others, landowners may have agreed without the need for a remission.

Remission target

Examples of Council assets on private land (including those co-funded with landowner) are:

- detainment bunds
- treatment wetlands
- hard infrastructure
- set-backs on drainage scheme drains.

Some Council assets may already be non-rateable through LGRA Schedule 1 Part 1, Clause 4(e) which makes the following land 100% non-rateable: *Land used by a local authority for soil conservation and river control purposes, being land for which no revenue is received.*

This potential remission would apply to those that did not meet this test, which staff estimate could be hundreds of hectares.

Policy design should be enabling rather than prescriptive, to take account of individual circumstances, including:

- any reduction in productive capacity and the balance of private benefit of the Council assets to the landowner (if any),
- landowner contribution to establish asset,
- landowner obligations for maintenance of the land (if any).

Implementation

Administration to establish the extent of the initial remission would be required. Legal agreements or covenants would be required for drain setbacks. Council assets are already monitored so that would not require additional resources.

5.2.5 **Rivers and Drainage Schemes, Catchment Management - Land between rivers and stop banks**

Objective

Rates remissions could encourage landowners to keep stock off the areas between rivers and stop-banks, to improve water quality and biodiversity e.g., inanga spawning.

Additional stock exclusion rules for water quality are also being considered in the development of the new Regional Natural Resources Plan and may partially overlap with some of these proposals for rates remission following land retirement. Rates remission is just one possible incentive that could be considered for the land retirement associated with compulsory stock exclusion rules.

Alternatively, the objective could be narrower, and encourage land to be permanently retired and managed for biodiversity.

Remission target

Remissions could either apply to productive land where animals were excluded but production remains (e.g., cut and carry hay operations) or where land is permanently retired from production.

Implementation

Administration to establish the extent of the initial remission would be required along with monitoring of any conditions and standards of management agreed.

5.2.6 **Rivers and Drainage Schemes – Access compromised where river changes its course**

Objective

Council could recognise any reduction in productive potential for landowner where a river changes course and land is “stranded” on the other side.

Remission target

Rates could be remitted for portions of land not practicably accessible to the landowner because of the change in a river course.

In some cases, the cut-off land is used by the landowner over the river, in which case landowners could come to a private agreement on payment for the use of the land. In other cases, agreement may not be possible, or land may not be useable.

Implementation

For land value-based rates, valuations usually take account of loss of access to part of a rating unit, but for flat targeted rates, the valuation adjustment would not make any difference.

Per property, there would be a significant administration cost to implement this remission, including monitoring the river movement regularly, and liaising with the valuers annually, but there would probably be a low number of properties that would be affected in this way.

5.2.7 **Retiring marginal pastoral land and developing native forestry**

Objective

Council could use rate remissions to further incentivise landowners to retire pastoral land and develop native forestry, as opposed to exotic forestry. This would support Council’s climate change and water quality aspirations.

Subject to future Council decisions, a remission could reduce any financial impact on landowners from a potential land retirement policy, which is being considered as part of the Essential Freshwater Policy.

Remission target

Properties or portions of properties that convert from a pastoral land use to native forestry land use after a certain date.

Rationale

Large scale conversion of pasture to pine (primarily for carbon farming) can result in significant financial returns. This type of land use change has been observed across the country, although not so much in the Bay of Plenty to date, and has resulted in concerns from environmental, rural community and farming interests.

Conversion of pasture to native forest generally has a much weaker financial performance, and often relies on additional support (e.g., Council grants) so it is not as common. As a land use, native forest has greater environmental benefits compared to marginal pasture and pine. A remission policy could be designed to provide an additional incentive to landowners that choose to retire marginal pastoral land into native forest and/or reduce any financial impacts on landowners from Essential Freshwater Policy being developed.

The financial impact of this remission policy on Council would be entirely dependent on landowners’ willingness to retire marginal pasture into native forest. However,

when considered at a minimum scale of 1 hectare, there are about 40,000 hectares of marginal pasture on slopes greater than 30 degrees across the region which would be considered suitable for retirement.

For fairness, consideration could be given to land which has already been converted from pasture to native forestry, although that would not result in any additional environmental benefits and would increase the cost of the remission policy to the rest of the region's ratepayers.

Māori Freehold Land and DOC land in native forestry is already exempt from rates along with QEII covenanted land. This policy would provide an opportunity to assess relative fairness among similar types of land use, provided the restrictions on the land (e.g., through covenants) were similar.

Implementation

Remissions could be subject to a land covenant or encumbrance. Administration to establish covenants or encumbrances would be required as well as regular confirmation that the affected properties remain in a native forestry land use. This could be done through aerial or satellite imagery but may occasionally require ground-truthing.

6. Next Steps

Staff will take the feedback from this workshop and progress work on:

- Creating a working draft of principles and objectives for the policy
- further work to establish the feasibility of new avenues for remission
- identify landowners that may lose their current remissions and plan for engagement with them
- Progress the engagement on Māori Freehold Land remissions.

APPENDIX 1

The following analysis has been derived from data currently held for the rating year 2022/23.

Analysis of the reasons for remissions, under TLA policies, relies on data inherited from TLAs which is not always complete and categorised differently by each TLA. As a result, Figures 3 and 4 are well-informed estimates which staff consider fit for the purpose of today’s workshop.

Figure 1

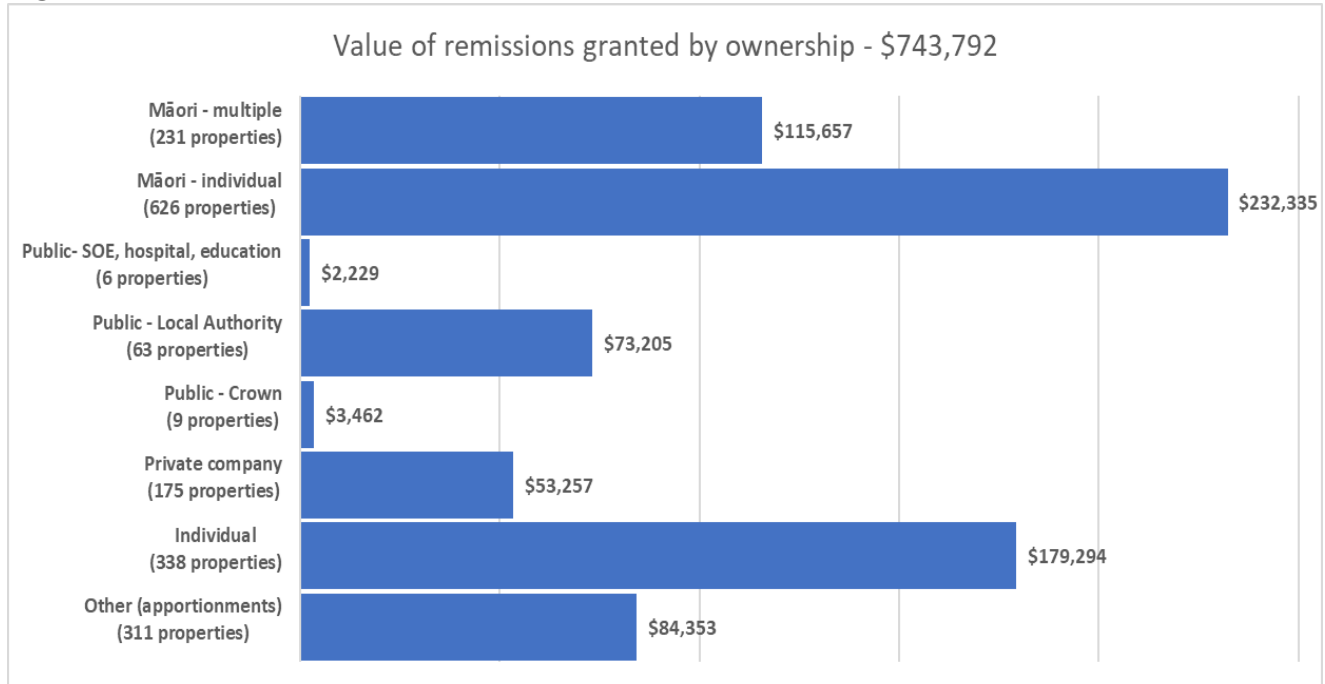


Figure 2

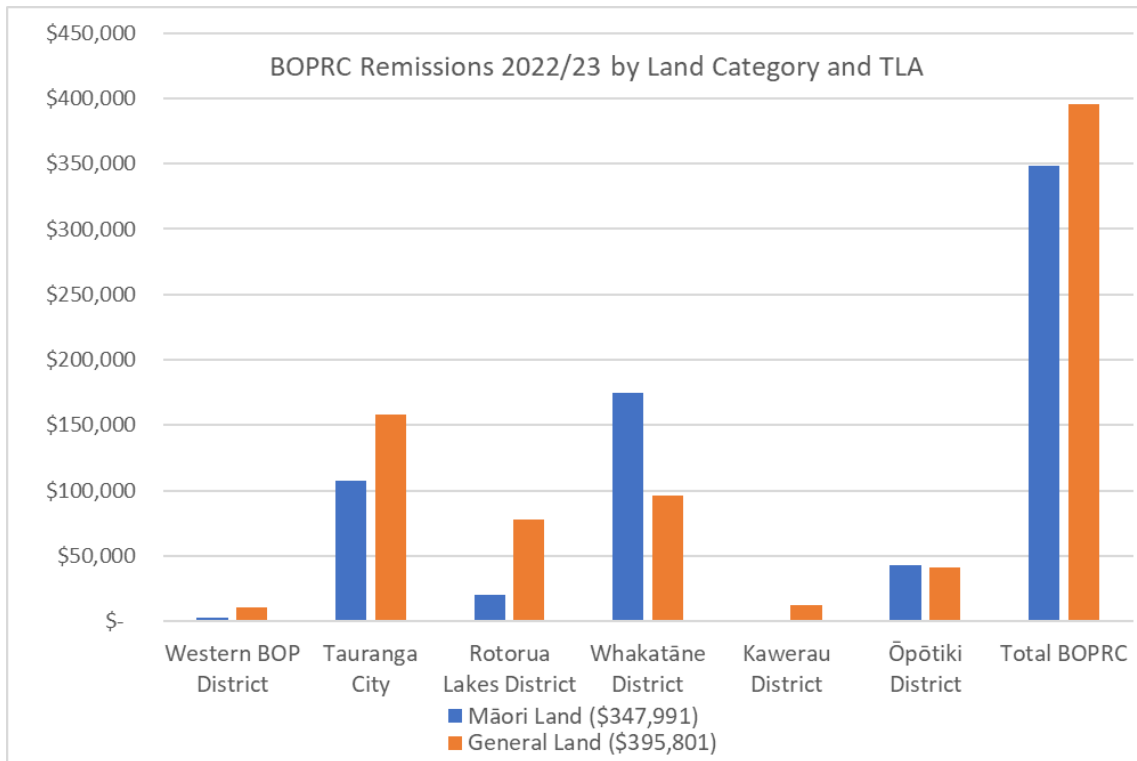


Figure 3

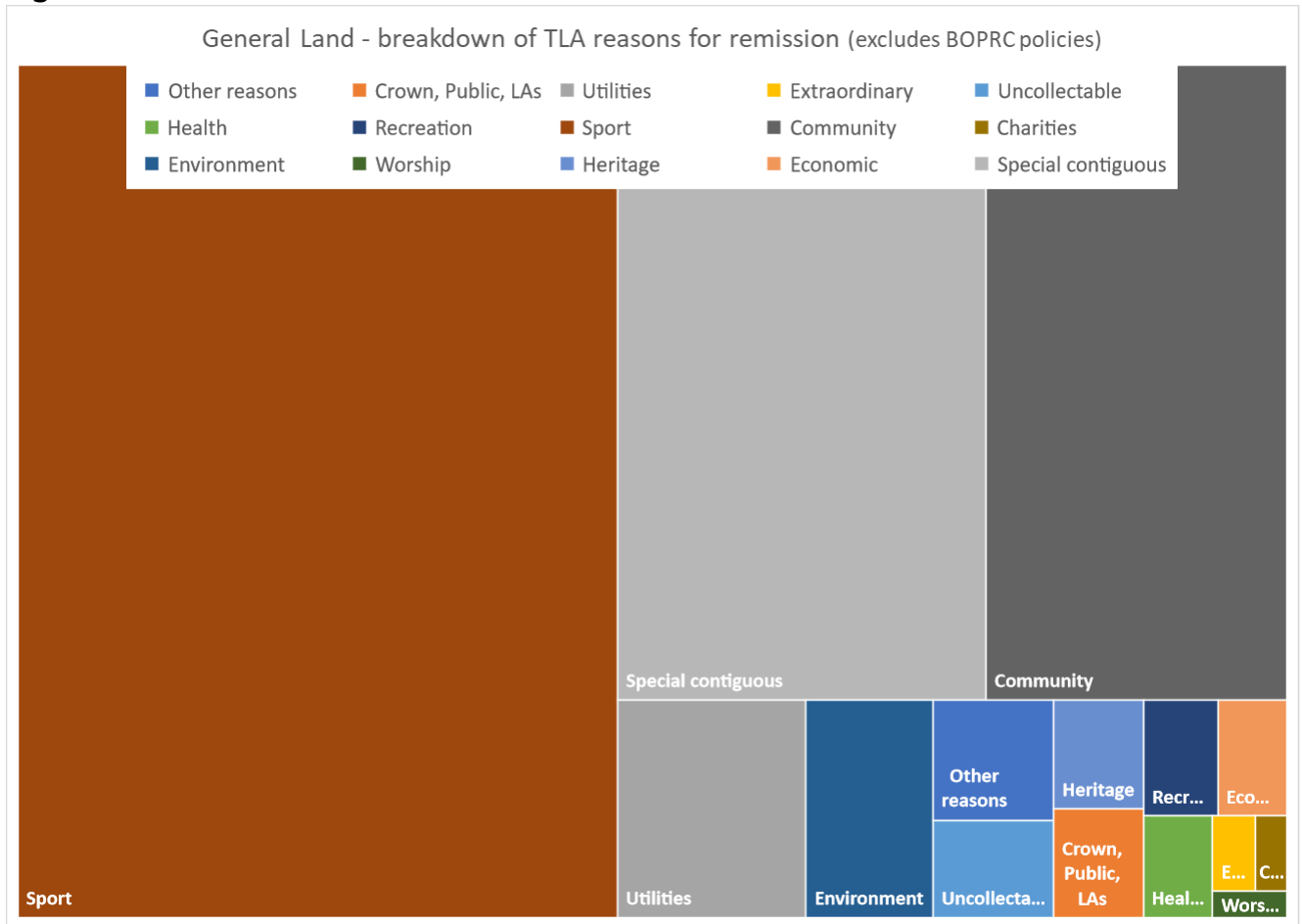


Figure 3 Values	\$000		\$000
Sport	142	Crown, Public, LAs	3
Special contiguous	65	Recreation	2
Community	53	Health	2
Utilities	11	Economic	2
Environment	8	Extraordinary	1
Other reasons	4	Charities	1
Uncollectable	3	Worship	1
Heritage	3		

Figure 4

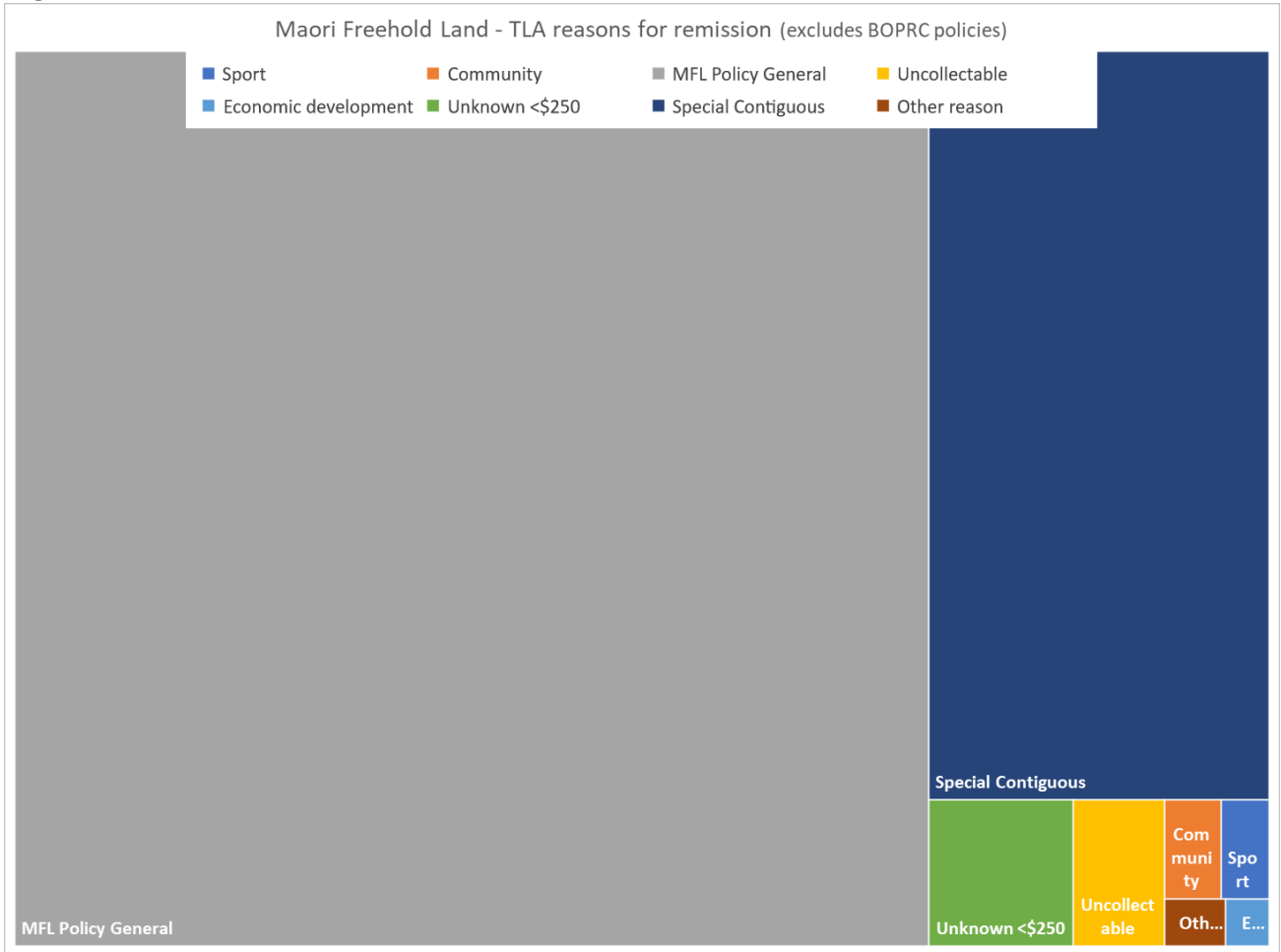


Figure 4 Values	\$000		\$000
MFL Policy General	253	Community	2
Special contiguous	79	Sport	1
Unknown <\$250	7	Other	1
Uncollectable	4	Economic development	1

Attachments

Attachment 1 - Implied Policy Principles - Draft for discussion [↓](#)

Attachment 2 - Questions for Discussion in Workshop [↓](#)

Attachment 1

	Table 1 (draft) Principles implied from current Rates Remission and Postponement Policy– June 2022 (RRPP)	Reference (Policy and/or legislation)
a)	It is desirable to recognise that land is a taonga tuku iho of special significance to Maori people and, for that reason, to: <ul style="list-style-type: none"> • promote the retention of that land in the hands of its owners, their whanau, and their hapu, and to • protect wahi tapu, and to • facilitate the occupation, development, and utilisation of that land for the benefit of its owners, their whanau, and their hapū. 	Preamble to Te Ture Whenua Maori Act 1993 Objectives in RRPP clauses 1.1, 1.2, 1.3 relating to MFL, and clause 2.8 relating to any category of land.
b)	Where land cannot be freely traded, an increase in land value resulting from potential (but unrealised) land use, should not of itself result in increased liability for rates.	Objective in RRPP clause 1.1. This currently only applies to MFL but could be more broadly applied if desired. If it was a principle applied to all land, any application could be dealt with under miscellaneous circumstance RRPP 2.7
c)	For all land, relief in the form of remission of rates is more appropriate than postponement of rates.	Objective in RRPP clause 1.4 Introduction to RRPP (third paragraph)
d)	Assistance should be provided to homeowners on very low incomes to help meet the costs of complying with regulations or property improvement schemes that also benefit the wider community, or where their hardship affects their ability to pay rates.	Objective in RRPP clause 2.1 Objective in RRPP clause 2.6
e)	Where the application of targeted rates set by Council results in disproportionate rates liability for some properties, remissions policies will be developed to address the issue.	Objective in RRPP clause 2.3
f)	Council will act fairly and reasonably when collecting rates and charging penalties, considering the circumstances of the ratepayer.	Objective in RRPP clause 2.3 Objective in RRPP clause 2.7
g)	When developing new policies Council will provide a smooth transition for ratepayers.	Objective in RRPP clause 2.9

Attachment 1

	Table 2 Suggested principles or objectives	Source /direction reference	Discussion
h)	Council will assist property owners to use or develop their property in a way that provides wider benefits to the community or assists Council with its core activities.	Council direction at workshop on 29 September 2021, i.e.: <ul style="list-style-type: none"> • <i>Keep it simple and clean</i> • <i>Incentives to be linked to core business of Council</i> • <i>Do not double pay for already compensated initiatives</i> • <i>Opportunities in flood prone land management</i> • <i>Do not contradict/override incentives already applied by TAs or by other policies/grants.</i> 	This principle could underpin new policies to provide remissions for: <ul style="list-style-type: none"> • land where Council assets are located • where land is used a floodway, or retired as part of “Making Room for the River” initiatives - refer to discussion in section 5.2.1 Criteria or guidelines would be necessary to ensure that Council was not double-paying, both through grants and remissions.
i)	Some land is made non-rateable by the Local Government (Rating) Act 2002. Council wishes to extend relief by way of remission to rateable land that has characteristics similar to non-rateable land.	Objective of BOPRC Policy 1.1 relating to MFL.	Currently this objective only covers MFL in the BOPRC policy. There is the opportunity to extend principle to some General Land. For example, QEII covenanted land is non-rateable, but land with other types of covenants (e.g. protected natural areas) is not treated similarly by BOPRC) - refer section 5.2.2 of the workshop paper for further discussion.

Attachment 2

Questions for the workshop

1. Key Direction 1:

- Which is more important for BOPRC’s policy - Regional consistency or inter-council consistency? Refer to discussion in section 4.1 of workshop paper, which deals with **Sports Facilities and Contiguous Properties**.
- Another example is Council’s current Policy on **Remissions for Financial Hardship** which states that applicants must be eligible for Government Rates Rebate Scheme AND have received a financial hardship rates remission or postponement from the relevant territorial authority.

This means that Council currently treats people differently across the region because the financial hardship policies of the TLAs take different approaches. For example TCC require applicants to have 25% equity in the property and have been unable to secure assistance from private financial institutions. Some Councils specify a period for which the property must have been owned, Whakatāne District Council specifies 10 years, and Western Bay of Plenty specifies two years.

2. Key Direction 2:

- Which is more important for BOPRC’s policy – predictability of the outcome of an application (i.e. if policy criteria are met there is an entitlement) or flexibility for staff to make judgements based on knowledge gained in applications (no automatic entitlement, but considerations clear in the policy.)
- Example of a flexible policy is Whakatāne DC’s [Whakatane District Council - Rates remission for Community Sporting and Other Organisations](#)

3. Contiguous properties

- Relates to Key Direction 1 above.
- If a TLA’s policy provides that land should be treated as contiguous for whatever reason (i.e. the TLA applies a definition more generous than legislated) should BOPRC follow suit? For example, Ōpōtiki District Council has a more generous policy – refer section 2 [Opotiki District Council - Rates Remission on General Land Policy](#)

4. Community organisations and sports clubs

Legislative and Policy Context	
<p>100% Non-rateable - LG(R)A Schedule 1 Part 1*</p> <p>;</p>	<p>Clause 4 Land used by a Local Authority ...for ...public garden, reserve ... playground .. games and sports ... public hall, library, museum, art gallery, public baths ... sanitary conveniences.</p> <p>Clause 21 Land used or occupied by, or for the purposes of, an institution that is carried on for the free maintenance or relief of persons in need</p>

		Examples of TLAs that provide more
50% Non-rateable - LG(R)A Schedule 1 Part 2*	<p>Clause 1 Land owned or used by a society incorporated under the Agricultural and Pastoral Societies Act 1908 as a showground or place of meeting.</p> <p>Clauses 2 and 3 Land owned or used by a society or association of persons (whether incorporated or not) for</p> <ul style="list-style-type: none"> games or sports, except galloping races, harness races, or greyhound races, and except if the club has a liquor licence the purpose of any branch of the arts. 	<p>Tauranga – 100%</p> <p>Rotorua - 100% for <i>community purposes</i> and 50% for <i>sports and recreation</i>. Does not exclude for liquor licence.</p> <p>Whakatāne – 50% but does not exclude for liquor licence.</p>
* Non-rateable status does not apply to rates for water supply, sewage disposal, or refuse collection		

- If a TLA’s policy judges that community organisations in its district should receive more than 50% remission (i.e. more than is legislated), should BOPRC follow suit? (This question also relates to Key Direction 1 above)
- If a regionally consistent approach is chosen by BOPRC, should all types of community organisations be treated equally?
Example is Tauranga Policy 5.5.1 (sport, art, health, recreation or education and not used for private pecuniary profit). [Tauranga City Council - Rates Remission Policy](#)
- Should sports clubs be treated differently to other community organisations, if so, why?
- Should BOPRC exclude sports clubs with a liquor licence or not? Some TLAs do not exclude sports clubs with liquor licences (TCC, RLC, WDC, TDC) while others exclude a portion of the property (WBOPDC)
- Should racing clubs be excluded? Ōpōtiki DC offers remissions to racing clubs, while other TLAs do not.

5. Approach to financial hardship

The introduction to the current Council policy states that Council prefers “to use rates remissions rather than postponements because the latter runs counter to the overall purpose of providing for affordability (i.e. creates a larger burden over time) and equity (i.e. an inequitable rated amount should be waived).”

- Does Council continue to support this statement, or should a policy for postponements be considered in a further workshop?
- If Council wishes to take a region-wide approach to financial hardship, what are the important criteria that Council should consider regarding eligibility? For example, Whakatāne District Council includes the following:

When considering whether extreme financial hardship exists, all of the ratepayer's personal circumstances will be relevant, including but not limited to the following factors: income from any source, including benefits (whether monetary or otherwise) received from any trust; the ratepayer's age, physical or mental disability, injury, illness and family circumstances.