



**STRATFORD  
DISTRICT COUNCIL**

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Our reference:

22 April 2020

### **POLICY & SERVICES COMMITTEE**

Notice is hereby given that the **Policy & Services Committee** meeting of Council will be held via audio visual link on **Tuesday 28 April 2020 at 3pm.**

#### **Timetable for 28 April 2020 as follows:**

11am	Workshop for Councillors
1pm	Policy & Services Committee – Deliberation & Adoption - Rates Remission Policy
3pm	Policy & Services Committee meeting

Yours faithfully



Sven Hanne  
**CHIEF EXECUTIVE**

**Stratford District**  
In the heart of Taranaki

**TARANAKI**  
like no other

2020 - Agenda - Policy & Services - Hearing (Rates  
Remission Policy) (28/04/2020)

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**POLICY & SERVICES COMMITTEE MEETING**  
**TUESDAY 28 APRIL 2020 AT 1PM**  
**BY AUDIO VISUAL LINK**

**TO CONSIDER SUBMISSIONS TO THE RATES REMISSION POLICY**

**A G E N D A**

1. **WELCOME**
2. **APOLOGIES**
3. **ANNOUNCEMENTS**

**Speakers to Submissions**

The Chairman welcomes everyone to the Policy and Services Committee meeting. It is reinforced to Councillors that the purpose of this meeting is to hear submissions on the Rates Remission Policy. Councillors are asked to hear submissions with an open mind and to restrict their question time to the submitters to points of clarification or issues pertaining to subject matter. Councillors are requested not to get into direct dialogue with the submitter as there is tight timeframe scheduled for the day. Councillors may take notes whilst submitters are speaking.

4. **DECLARATION OF MEMBERS INTEREST**  
(No report)

Elected members to declare any real or perceived conflicts of interest relating to items on this agenda.

5. **ACKNOWLEDGEMENT OF SUBMISSIONS**  
Submissions pages 4-11

Attached are the 3 submissions received.

**RECOMMENDATIONS**

1. **THAT** each of the 3 submissions to the Rates Remission Policy be received.
2. **THAT** each submitter be individually thanked for their submission, and a copy of the minutes of the Policy & Services Committee Meeting and subsequent meetings be provided to each submitter.

**Recommended Reason**

Each submission is formally received and the submitter provided with information on decisions made.

\_\_\_\_\_  
Moved/Seconded

**6. SUBMITTERS TO BE HEARD**

(No report)

Submitters are given 5 minutes to speak to the Committee. Five minutes is also allocated for questions from the Committee.

Name	Organisation	Submission No.	Page No.	Time
Richard Pratt	Whangamomona Hotel	2	7	1.05pm

**7. RATES REMISSION POLICY – DELIBERATION AND ADOPTION**

D20/6368 (Pages 12-18)

Discussion

Council needs to consider submissions to the Rates Remission Policy as part of the consultation process.

**RECOMMENDATIONS**

1. THAT the report be received.
2. THAT, subject to new information from submissions highlighted at the hearing, the *draft* Rates Remission Policy be adopted.
3. THAT the commencement date of the Rates Remission Policy be 1 July 2020.

**Recommended Reason**

The changes to the current Rates Remission Policy ensure a fair and efficient approach and application of rates.

\_\_\_\_\_  
Moved/Seconded

\* \* \* \* \*



14 April 2020

### **Stratford District Council- Draft Rates Remission Policy**

We welcome the opportunity to provide feedback on the proposed amendments to Stratford District Council's Rates Remission Policy. Our feedback relates specifically to the proposed removal of the Land Protected for Conservation Purposes Policy, and the Biodiversity Policy.

While we understand that this may not have been the intention of the council, we are concerned about the detrimental impacts the removal of these policies may have on biodiversity, and the signal it will send. We would like to see Council retain both these policies.

#### **Rates remission on Land Protected for Conservation purposes (covenanted land)**

Under the current policy, rates remission is explicitly provided for ratepayers with an open space covenant on their land title in order to *"preserve and promote natural resources and to encourage the protection of land for natural purposes"*<sup>1</sup>. This directly and explicitly supports the efforts of our landowners in the district and encourages further covenanting. We strongly oppose any removal of this policy.

Rates remission is an important tool that can be used to incentivise landowners to engage in biodiversity protection on their land. Remission is provided by many councils across the country and is highly valued among our community. While the quantum of the remission is often small, it sends a signal to the wider community that their participation in biodiversity protection is valued and encouraged by the local council. There are currently 49 registered QEII covenants in the Stratford District, making up just 0.3% of the District's land area. Providing rates remission on this land diverts minimal funds from the council's annual revenue, but the symbolic importance of this measure for landowners is significant. Having the policy in place sends a positive signal to landowners which would be lost if the Council relied on the Local Government Rating Act (LGRA).

We appreciate the Council's intentions, conveyed to us by Blair Sutherland (Director- Environmental Services), that removal of this policy was to clear up duplication given that QEII covenanted land is non-rateable under the LGRA. However, we are concerned that removing this policy will create uncertainty for landowners and leaves the non-rateable status vulnerable to changes in Council's interpretation of the LGRA. While we agree that covenants are non-rateable, it is our strong preference that remission policies be put in place to reiterate and secure this status.

Providing rates remission is also a means for Council to recognise and provide for several of the 'matters of national importance' in the RMA, which would not be achieved by relying on interpretation of the LGRA.

We are aware that this ambiguity is likely to be resolved as part of the implementation package to accompany the National Policy Statement for Indigenous Biodiversity. We have echoed the advice given

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<sup>1</sup> Stratford District Council. 2019. Rates Remission Policy. Stratford. Retrieved from [https://www.stratford.govt.nz/images/Policies/Policy - Rates Remission - 2019 - May 2019.pdf](https://www.stratford.govt.nz/images/Policies/Policy_-_Rates_Remission_-_2019_-_May_2019.pdf) accessed 6 April 2020.

to MfE by the Biodiversity Collaborative Group, advocating to the ministry that legislation be amended to clearly state that conservation covenants under QEII and Ngā Whenua Rāhui are non-rateable.<sup>2</sup> However, these changes will take time to become common practice 'on the ground'. As such, retaining the policy for rates relief on QEII covenanted land is important in order to safeguard this valuable incentive for landowners.

This policy also provides rates remission for esplanade strips, covenanted wetlands and access strips and we consider that the provision for these should also be retained.

In summary, QEII strongly supports the retention of this policy. In our view it is not redundant but rather an important measure to ensure rates remission on land protected for conservation purposes is secured, and to send a clear and explicit signal of recognition for landowners who have been proactive in their conservation activities.

### **Rates remission for Biodiversity (indigenous vegetation, significant habitats of Indigenous fauna and wetlands)**

Currently, rates remission on land with biodiversity vegetation (indigenous vegetation, significant habitats of indigenous fauna and wetlands) is available to ratepayers who meet the criteria of the policy. The policy currently applies to 14 identified areas within the district, with wetland, significant vegetation and/or significant habitats of indigenous fauna.<sup>3</sup> QEII considers that the introduction of this provision by Stratford DC was proactive and progressive, however removal of this policy is now proposed, with no reason given. We strongly oppose removal of this policy.

Rates remission for this land is important because as discussed above, it signals to the community that the council supports landowners and considers indigenous biodiversity as important.

At the time of writing the Stratford District Plan (2014), 54% of remaining indigenous biodiversity in the district was on private land.<sup>3</sup> This means that efforts to protect biodiversity must focus on private land, and incentivisation for landowners who have biodiversity on their property should remain in place to reflect this. The district plan recognises this importance, stating that "*protection of all remaining indigenous vegetation should be advocated*".<sup>3</sup> We submit that the proposed removal of the biodiversity policy is therefore contrary to the provisions in the district plan.

When the NPSIB is introduced, councils will be required to identify all Significant Natural Areas (SNAs) in their jurisdiction. It is likely that the number of areas will increase significantly from those 14 already identified. Retaining this measure and applying it to all SNAs would help to diffuse potential tension between the local council and landowners who are unhappy about the SNA process. It will continue to encourage landowners to see areas of biodiversity on their properties as assets and something to be

<sup>2</sup> Biodiversity Collaborative Group. 2018. Report of the Biodiversity Collaborative Group. Wellington: Biodiversity (Land and Freshwater) Stakeholder Trust. Retrieved from [http://www.biodiversitynz.org/uploads/1/0/7/9/107923093/report\\_of\\_the\\_biodiversity\\_collaborative\\_group.pdf](http://www.biodiversitynz.org/uploads/1/0/7/9/107923093/report_of_the_biodiversity_collaborative_group.pdf) accessed 2 April 2020.

<sup>3</sup> Stratford District Council. 2014. Stratford District Plan. Retrieved from <https://www.stratford.govt.nz/council/documents-publications/plans-reports-strategies/district-plan> accessed 3 April 2020.

celebrated and reinforce to those who have already engaged in conservation activities that their efforts are appreciated.

We strongly submit that the removal of the Land Protected for Conservation Purposes Policy, and the Biodiversity Policy would be a step backwards for the council. QEII wishes to see Stratford DC continue to support landowners in the district on their conservation journeys as they have done so well in the past, and we look forward to our ongoing work together.



## "REAL COUNTRY HOSPITALITY"

Richard & Vicki Pratt  
Ph/Fax 06 762 5823  
SH 43, RD26, Stratford  
"Forgotten World Highway"  
e: info@whangamomonahotel.co.nz

Attn : Tiffany Radich  
Director of Corporate Services  
Stratford District Council  
PO Box 320  
Stratford 4352

Dear Tiffany,

I am responding to the suggestion of the "Removal of the Heritage Remission Policy", in your Statement of Proposal in your Rates Remission Policy 2020.

- 1 By supporting Heritage buildings are you adding value to the community of the Stratford District ?
- 2 By removing this support are you endangering the very existence of many of the heritage buildings you currently support ?

We are against the removal of the rates remission for heritage buildings.

Whangamomona is a unique destination for thousands of travellers , most notably the regular visitors from Stratford and Taranaki. Your community is proud of the connection with the historical destination that Whangamomona provides. Under the Local Government Act 2002 – Section 10 it speaks of the impact of the following :

- 1 Local infrastructure – council has provided waterless toilets in Whangamomona but fundamentally no other infrastructure in the village. We provide water to travelers, some we charge for most we don't, toilets to those looking for more creature comforts, a phone as required in the case of necessity or emergency and often remove refuse from the street outside the hotel or the highway. As well we have to dispose of all our waste – we have purchased a glass crusher to minimise bottle waste and handling (the silica sand goes under driveways or in concrete), food scraps are utilised by a local farmer and much of our card board is recycled under gardens, before burning the rest.
- 2 We also provide a public service, as fundamentally the only significant business outside of the farming community.
- 3 Uniquely, we are also the face of the Republic, a significant public attraction in these parts, and an important contributor to the GDP of the Stratford District.

The rates remission provides the hotel with a fraction of its annual maintenance budget, but we are thankful to receive the support for our infrastructure, which we feel also recognizes the importance of the hotel to this remote community and also the people of Stratford.

Perhaps the significance of heritage buildings is being overlooked for budgetary considerations, rather than the importance of their historical value for generations to come.

Yours faithfully,

A handwritten signature in blue ink, appearing to read "R &amp; V Pratt", written over a light blue horizontal line.

Richard & Vicki Pratt





## Federated Farmers Taranaki

### Submission to the Stratford District Council on the Draft Rates Remission Policy

23 March 2020



0800 327 646 | FED FARM .ORG.NZ

To: Stratford District Council

Name of submitter: Federated Farmers Taranaki

Contact person: Dr Lisa Brewer  
Senior Policy Advisor

Address for service: Federated Farmers Taranaki  
15 Young St  
PO Box  
422, New  
Plymouth

Email: lbrewer@fedfarm.org.nz

Taranaki Federated Farmers welcomes this chance to make a submission on the draft Rates Remission Policy.

We oppose the proposed removal of rates remission provisions for land subject to an open space covenant and land with biodiversity values.

#### **Rates remission for covenanted land**

Under the existing policy, rates remission is explicitly available for land protected by covenant for conservation purposes, with the objective *'To preserve and promote natural resources and to encourage the protection of land for natural purposes.'* Land must be protected by an open space (QEII National Trust) covenant; these ensure legal protection of the land in perpetuity and often impose conditions such as fencing / stock exclusion for native vegetation. Other types of protected land with restrictions on use are included in the current provision, such as esplanade strips, covenanted wetlands and access strips.

Although no reasons have been given within the Statement of Proposal for removal of this provision, we understand from officials that the reason for removal of the provision around covenants is that in their opinion it's redundant, as QEII land is already unrateable under the Act which established the QEII programme.

We agree that QEII covenanted land should be unrateable, but this is not the universal interpretation by all councils. Some interpret the QEII National Trust Act as Stratford District Council (and Federated Farmers) does, but others have maintained that only land owned directly by QEII (as opposed to covenanted land) is exempt from rates. Perhaps for this reason, a number of councils have been explicit about their policy on covenanted land in their rates remission policy.

Central government has been advised<sup>1</sup> of this legal ambiguity and it has been recommended that *'Land that is subject to a QEII covenant or Ngā Whenua Rāhui kawenata (covenant) be exempt from*

<sup>1</sup> *'...when landowners do establish these covenants on their properties, they are often still required to pay rates on the covenanted land (some councils provide rates remission but others do not). This does little to encourage or incentivise participation in these programmes and sends a negative signal about the public benefit of covenanting land in perpetuity. While there is some legal ambiguity surrounding the rateability of covenanted land under the Local Government (Rating) Act 2002, the BCG's interpretation of the intention of this legislation is that QEII and Ngā Whenua Rāhui covenanted land is non-rateable.'* Report of the Biodiversity Collaborative Group (2018), p.98.

*rates and legislation be amended accordingly*<sup>2</sup>. We understand that this is most likely to be implemented as a recommendation arising from the current review of the National Biodiversity Strategy, but this will take time to filter down.

In the meantime, given that some confusion exists around rating of QEII and other covenanted land, we submit that it would be helpful to keep the existing provision in the policy, to ensure that the rating status of covenanted land in Stratford District is clear. The provision could be reworded, to state that 'covenanted land is unrateable and therefore no application for rates remission is required as this will be automatic', or words to that effect. We also support the continuing inclusion of other types of land, such as esplanade and access strips, within any such provision; this recognises that the land is performing a function for the public good.

Recommendation:

- That a provision be retained, which clarifies that land protected for conservation purposes, along with esplanade and access strips, is subject to rates remission (or unrateable).

**Rates remission for land with biodiversity values**

Under the existing policy, rates remission of up to 100% is also available for land with indigenous vegetation, significant habitats of indigenous fauna and wetlands. The stated objective of this policy is '*To preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna.*' Landowners must apply for remission, there are criteria around granting of the relief (such as the extent to which rates remission would promote preservation of biodiversity) and the Council can impose conditions before applying rates remission.

This provision is proposed to be deleted, with no reasons given.

We submit that the provision should be retained and indeed expanded, to be more of an encouragement to landowners looking after significant biodiversity on their properties. At the moment, it applies to the 14 wetlands and significant habitats listed in Appendix 9 of the current District Plan. When the District Plan is reviewed, we suspect that the number of Significant Natural Areas (SNAs) to be scheduled will increase beyond this, given the content of a new National Policy Statement for Indigenous Biodiversity that is in the pipeline (submissions on the draft closed March 14). Biodiversity management is getting increased attention from a number of sources including the proposed NPS-IB and National Biodiversity Strategy, alongside existing collaborative efforts such as 'Wild for Taranaki' which promotes a landscape-level vision for restoration in Taranaki.

We see great value in encouraging good biodiversity management via a rates remission policy for Significant Natural Areas. If the rationale behind removing this provision is a concern over costs, we suggest that the loss of potential rates to Council is not great (in fact, as the land value of these natural areas is typically very low, other councils have found the impact on their rates take to be negligible). While the value of rates remission to landowners is small in dollar terms, we find that they greatly appreciate the fact that it recognises their actions in preserving and maintaining biodiversity for the public good. Rates remission is one of the very few existing incentives for good biodiversity management on farmland and to remove it (for no apparent reason) does not sit well with us.

Landowners under the existing provision still have to apply for rates remission. We submit that Council should be proactive in at least approaching owners of SNAs and letting them know that rates remission is possible. Ideally, rates remission for SNAs would be automatic, as having to go through

<sup>2</sup> Report of the Biodiversity Collaborative Group (2018), p.100.

an application is a potential barrier. In some other Districts, a 50% rates remission for SNAs is standard, with no conditions attached. We note that Stratford allows for up to 100%, but also allows for conditions to be imposed; this may be an incentive if say 100% of rates were remitted if an area was fenced off. In our experience, the amount of money gained by landowners would probably not equal the amount spent on fencing (it is quite likely that it would be nowhere near the amount spent). But at least it is a gesture by Council to recognise and encourage protection of biodiversity. With an upcoming District Plan review, it would also be helpful to be proactive and have a rates remission policy in place for SNAs; even if the details of SNAs are to be decided in the Plan review process, rates remission will still be required to be implemented via the rating policy.

Recommendation:

- That the provision for rates remission on land with biodiversity values be retained.

We wish to be heard in support of this submission.

END

# DECISION REPORT



**TO:** Policy and Services Committee

F19/13/05/D20/6368

**FROM:** Revenue Manager

**DATE:** 28 April 2020

**SUBJECT: RATES REMISSION POLICY – DELIBERATION AND ADOPTION**

## **RECOMMENDATIONS**

1. THAT the report be received.
2. THAT, subject to new information from submissions highlighted at the hearing, the *draft* Rates Remission Policy be adopted.
3. THAT the commencement date of the Rates Remission Policy be 1 July 2020.

## **Recommended Reason**

The changes to the current Rates Remission Policy ensure a fair and efficient approach and application of rates.

\_\_\_\_\_  
Moved/Seconded

## 1. **PURPOSE OF REPORT**

- 1.1 The purpose of this report is to acknowledge submissions received in relation to proposed changes to the Council's Rates Remission Policy, and seek the Committee's approval for the adoption of the draft Rates Remission Policy.

## 2. **EXECUTIVE SUMMARY**

- 2.1 The recommendation is to adopt the *draft* Rate Remission Policy, with one amendment to what was originally proposed to Council in March.
- 2.2 The changes made to the policy sought to enable a fair, efficient approach and application of rates.
- 2.3 During the public consultation period, Council received three submissions. These were from Federated Farmers, QEII National Trust, and the Whangamomona Hotel and have been attached to this report.
- 2.4 As a result of the submissions, one change from the original draft policy is proposed, which is to retain the Biodiversity remission policy.

3. **LOCAL GOVERNMENT ACT 2002 - SECTION 10**

How is this proposal applicable to the purpose of the Act?

- Is it for the provision of good quality local infrastructure? If so, why?; **OR**
  - Is it for the performance of a good quality regulatory function? If so, why?;
- OR**
- Is it for the performance of a good quality local public service?

**AND**

- Is it in a way that is most cost-effective to businesses and households? If so, why?

**Good quality** means, infrastructure, services, and performance that are efficient and effective, and appropriate to present and anticipated future circumstances.

**Local public service** means, a service provided for the community which is for the benefit of the District.

The Rates Remission Policy is a mechanism the Council can use to target rates relief to certain parts of the community and is specifically provided for in the Local Government Act 2002.

4. **BACKGROUND**

4.1 The Stratford District Council approved the release of the draft rates Remission Policy for consultation on 10 March 2020.

4.2 The key changes proposed to the draft Policy released for consultation were:

- New Policy - relief for ratepayers affected by a fire causing the property to be uninhabitable for a period.
- New Policy - remit rates on abandoned land, to reduce administration costs for Council.
- Remove – Land with heritage structure remission.
- Remove – Land with open space covenant remission.
- Remove – Land with biodiversity vegetation.

4.2 Public Consultation commenced on 11 March 2020 and closed on 14 April 2020.

4.3 Three submissions were received during the consultation period. Richard Pratt, Whangamomona Hotel has requested that his submission be heard by Council.

4.4 Council officers have assessed the implications of the submitters and consider that:

**REMISSION ON LAND WITH A HERITAGE STRUCTURE ON IT**

- The owners of the Whangamomona Hotel claim that the remission policy encourages the maintenance and enhancement of heritage sites. However, there are only three properties in the district who receive

this remission, despite that a number of properties are eligible, demonstrating that the remission may not be the best mechanism to recognise the importance of heritage sites to the district.

- No submission was received from the other two ratepayers who receive this remission.
- There are numerous other properties in the district eligible, where the owners have not applied for a remission. A list of these can be found on Council's website and in the District Plan.
- The removal of the policy is to ensure fairness amongst all ratepayers and increase efficiency of the rating process.

#### **REMISSIONS ON LAND PROTECTED FOR CONSERVATION PURPOSES**

- The remission policy aimed to preserve and promote natural resources and to encourage the land for natural purposes.
- Federated Farmers Taranaki and QEII oppose the removal of rates remissions for land subject to an open space covenant and land with biodiversity values.
- Open space covenants also known as QEII's are listed as land fully non-rateable under Schedule 1, part 1, 5(b) of the Rating Act - 'Land owned, or used by, and for the purposes of The Queen Elizabeth the Second National Trust.' Therefore a remission policy for QEII's is not required, as it is covered under the Rating Act (2002).
- In relation to the removal of the remission for land with biodiversity values, which aimed 'to preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna', the majority of this type of land is covered under the Rating Act as non-rateable. Those private owners affected can apply for an QEII open space covenant. Those checked which are listed in the District Plan, appendix 9 have applied for QEII and these are in place. However, it is recommended to leave this policy in place to capture those property owners that do not wish to apply for a QEII covenant.

Therefore Council recommends to adopt the draft Remission Policy, retaining the current policy for Biodiversity.

#### 5. **CONSULTATIVE PROCESS**

##### 5.1 **Public Consultation - Section 82**

The consultation period was held over four weeks and involved a public notice in the Stratford Press, information on the Consultation page of the Council website, and letters were individually posted to the ratepayers specifically affected by the removal of particular remission policies.

##### 5.2 **Māori Consultation - Section 81**

Separate consultation with Māori was not considered necessary.

6. **RISK ANALYSIS**

Please refer to the Consequence and Impact Guidelines at the front of the reports in this agenda.

- Is there a:
  - financial risk;
  - human resources risk;
  - political risks; or
  - other potential risk?
- If there is a risk, consider the probability/likelihood of it occurring.
- Is there a legal opinion needed?

It is a significant decision to change existing financial policies. The scope of the tabled changes however, is such that even if fully adopted and implemented, these changes would not be material, therefore this decision is not considered to be significant.

7. **DECISION MAKING PROCESS - SECTION 79**

7.1 **Direction**

	<b>Explain</b>
Is there a strong link to Council’s strategic direction, Long Term Plan/District Plan?	YES, this policy directly impacts the financial implications of the LTP.
What relationship does it have to the communities’ current and future needs for infrastructure, regulatory functions, or local public services?	YES, this policy forms part of the financial basis of funding and cost recovery council applies to the creation, maintenance and operation of its assets.

7.2 **Data**

- Do we have complete data, and relevant statistics, on the proposal(s)?
- Do we have reasonably reliable data on the proposals?
- What assumptions have had to be built in?

This policy first came into force on 1 July 2003, and has been reviewed internally and externally regularly since that date, with the last full Council review of the policy undertaken on 13 February 2018 in conjunction with the Long Term Plan 2018-28 review and some minors changes reviewed and adopted in July 2019.

With regards to the actual remissions that officers have proposed to be removed - for the 2019/20 year the heritage remission was applied for by three property owners, with a total rates remission of \$558.35. The other two remission policies have had no applications by ratepayers in at least the past three years.



7.3 **Significance**

	<b>Yes/No</b>	<b>Explain</b>
Is the proposal significant according to the Significance Policy in the Long Term Plan?	NO	Financial impact even if all proposed changes are made is minimal.
Is it:	NO	
• considered a strategic asset; or	NO	
• above the financial thresholds in the Significance Policy; or	NO	
• impacting on a CCO stakeholding; or	NO	
• a change in level of service; or	NO	
• creating a high level of controversy; or	NO	
• possible that it could have a high impact on the community?	NO	

In terms of the Council’s Significance Policy, is this proposal of high, medium, or low significance?		
<b>HIGH</b>	<b>MEDIUM</b>	<b>LOW</b>
		✓

7.4 **Options**

An assessment of costs and benefits for each option must be completed. Use the criteria below in your assessment.

1. What options are available?
2. For **each** option:
  - explain what the costs and benefits of each option are in terms of the present and future needs of the district;
  - outline if there are any sustainability issues; and
  - explain if the outcomes meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions?
3. After completing these, consider which option you wish to recommend to Council, and explain:
  - how this option is the most cost effective option for households and businesses;
  - if there are any trade-offs; and
  - what interdependencies exist.

Council has the option of either:

**Option 1** Adopting the revised draft Rates Remission Policy, which retains the policy for Biodiversity.

**Option 2** Not adopting the draft Rates Remission Policy. This means the existing policy will remain in effect until the next full review with elected members.

**Option 3** Adopting the draft Rates Remission Policy, with amendments as proposed at the March Ordinary Council meeting.

The recommended option is **Option One**.

7.5 **Financial**

- Is there an impact on funding and debt levels?
- Will work be undertaken within the current budget?
- What budget has expenditure come from?
- How will the proposal be funded? eg. rates, reserves, grants etc.

The policies covered by this report do not create a material financial impact. If Council was to implement other changes, not within the scope of this report, there may be the potential for a material financial impact.

7.6 **Prioritisation & Trade-off**

- Have you taken into consideration the:
- Council's capacity to deliver;
  - contractor's capacity to deliver; and
  - consequence of deferral?

The remissions granted by the adoption of the proposed amendments in this report are expected to have a very minor effect on reallocation of the total rates requirement to other ratepayers.

7.7 **Legal Issues**

- Is there a legal opinion needed?
- Are there legal issues?

No legal opinion is required.

7.8 **Policy Issues - Section 80**

- Are there any policy issues?
- Does your recommendation conflict with Council Policies?

There are no conflicts with any of the Council's other Policies.

**Attachments:**

**Appendix 1** – Management Responses on the Draft Rates Remission Policy

**Appendix 2** – Draft Rates Remission Policy – Option One



Julie Erwood  
**REVENUE MANAGER**



Endorsed by  
Tiffany Radich  
**DIRECTOR CORPORATE SERVICES**



Approved by  
Sven Hanne  
**CHIEF EXECUTIVE**

**DATE** 21 April 2020

## APPENDIX 1

### MANAGEMENT RESPONSES ON THE DRAFT RATES REMISSION POLICY

Sub No#	Submitter	Date Received	Submission Summary	SDC Response
1.	<p><b>QEII National Trust</b></p> <p>Kate Lindsay</p> <p>Policy Advisor</p>	14 April 2020	<p><b>Rates remission on Land Protected for Conservation purposes (covenanted land)</b></p> <p>A rates remission is provided for ratepayers with an open space covenant on their land title. This supports and encourages those in the district to further covenanting. They strongly oppose any removal of this policy.</p> <p>Providing rates remission on this land diverts minimal funds from the council’s annual revenue, but the symbolic importance of this measure for landowners is significant. Having the policy in place sends a positive signal to landowners which would be lost if the Council relied on the Local Government Rating Act (LGRA).</p> <p>QEII strongly supports the retention of this policy. In our view it is not redundant but rather an important measure to ensure rates remission on land protected for conservation purposes is secured, and to send a clear and explicit signal of recognition for landowners who have been proactive in their conservation activities.</p> <p><b>Rates remission for Biodiversity (indigenous vegetation, significant habitats of Indigenous fauna and wetlands)</b></p> <p>There is a concern about the detrimental impacts the removal of the policies may have on biodiversity, and the signal that it may send. Efforts to protect biodiversity must focus on private land, and incentivisation for</p>	<p>Open space covenants also known as QEII’s are listed as land fully non-rateable under Schedule 1, part 1, 5(b) of the Rating Act - ‘Land owned, or used by, and for the purposes of The Queen Elizabeth the Second National Trust.’ Therefore a remission policy for QEII’s is not required, as it is covered under the Rating Act (2002).</p> <p>All properties in the Stratford District with an open space covenant are loaded as non-rateable as per the Local Government Rating Act (2002). There are no ratepayers that have applied for a rates remission. The Council is committed to continuing with this approach.</p> <p>To date no ratepayers have applied for a remission under this policy. Those that are in the District Plan have applied for an Open Space Covenant and are therefore non-rateable.</p>

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			<p>landowners who have biodiversity on their property should remain in place to reflect this. The district plan recognises this importance, stating that <i>“protection of all remaining indigenous vegetation should be advocated”</i>.</p> <p>When the NPSIB is introduced, councils will be required to identify all Significant Natural Areas (SNAs) in their jurisdiction. It is likely that the number of areas will increase significantly from those 14 already identified. Retaining this measure and applying it to all SNAs would help to diffuse potential tension between the local council and landowners who are unhappy about the SNA process.</p>	<p>Thank you, noted.</p> <p>Although this legislation hasn’t yet come in to effect, it is something that Council will need to take into consideration. Therefore the Biodiversity remission policy should remain in place as per the new draft so this does not have to be implemented at the time SNA’s are bought in.</p>
2.	<p><b>Whangamomona Hotel</b></p> <p>Richard and Vicki Pratt</p> <p>Property Owners</p>	8 April 2020	<p><b>REMISSION ON LAND WITH A HERITAGE STRUCTURE ON IT</b></p> <p>By supporting Heritage buildings you are adding value to the community of the Stratford District. By removing this support you are endangering the very existence of many of the heritage buildings you currently support.</p> <p>The remission provides the hotel with a fraction of its annual maintenance budget which recognises the importance of the hotel to the remote community and also the people of Stratford.</p> <p>The significance of heritage buildings is being overlooked for budgetary considerations, rather than the importance of their historical value.</p>	<p>Currently only three ratepayers have applied for this rates remission, despite there being several heritage properties listed in the district plan (Appendix 6). Total Remissions under this policy equate to \$558.35 for the 2019/20 rating year.</p> <p>Thank you, your comments are noted.</p> <p>The current policy does not contribute substantially towards the stated objective which is “to preserve and promote heritage structures and protect heritage sites”.</p>
3.	<b>Federated Farmers</b>	25 March 2020	<b>Rates remission on Land Protected for Conservation purposes (covenanted land)</b>	

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	<p>Dr. Lisa Brewer  Senior Policy Advisor</p>		<p>Under the existing policy, rates remission is explicitly available for land protected by covenant for conservation purposes, with the objective <i>'To preserve and promote natural resources and to encourage the protection of land for natural purposes.'</i> Land must be protected by an open space (QEII National Trust) covenant; these ensure legal protection of the land in perpetuity and often impose conditions such as fencing / stock exclusion for native vegetation.</p> <p>We agree that QEII covenanted land should be unrateable, but this is not the universal interpretation by all councils. Some interpret the QEII National Trust Act as Stratford District Council (and Federated Farmers) does, but others have maintained that only land owned directly by QEII (as opposed to covenanted land) is exempt from rates.</p> <p>We submit that it would be helpful to keep the existing provision in the policy, to ensure that the rating status of covenanted land in Stratford District is clear. The provision could be reworded, to state that 'covenanted land is unrateable and therefore no application for rates remission is required as this will be automatic', or words to that effect.</p> <p>Recommendation: That a provision be retained, which clarifies that land protected for conservation purposes, along with esplanade and access trips, is subject to rates remission (or unrateable).</p>	<p>Thank you.</p> <p>Noted.</p> <p>Land with an open space covenant is already deemed non rateable under legislation, and therefore there is no requirement for a rates remission policy to exist.</p> <p>Stratford District Council is committed to ensuring that QEII covenanted land continues to be treated as non-rateable as per the legislation.</p>

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			<p><b>Rates remission for Biodiversity (indigenous vegetation, significant habitats of Indigenous fauna and wetlands)</b></p> <p>The stated objective of this policy is <i>'To preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna.'</i> Landowners must apply for remission, there are criteria around granting of the relief (such as the extent to which rates remission would promote preservation of biodiversity) and the Council can impose conditions before applying rates remission.</p> <p>Landowners under the existing provision still have to apply for rates remission. Federated Farmer's believe that Council should be proactive in at least approaching owners of SNAs and letting them know that rates remission is possible. Ideally, rates remission for SNAs would be automatic.</p> <p>Council to recognise and encourage protection of biodiversity. With an upcoming District Plan review, it would also be helpful to be proactive and have a rates remission policy in place for SNAs; even if the details of SNAs are to be decided in the Plan review process, rates remission will still be required to be implemented via the rating policy.</p>	<p>Thank you.</p> <p>Although this legislation hasn't yet come in to effect, it is something that Council will need to take into consideration. Therefore the Biodiversity remission policy should remain in place as per the new draft so this does not have to be implemented at the time SNA's are bought in.</p>

**APPENDIX 2****STRATFORD DISTRICT COUNCIL**

<b>POLICY: <u>RATES REMISSION</u></b>	
<b>SECTION: FINANCIAL</b>	
<b>RESPONSIBILITY:</b> Corporate Services	<b>REVIEW DATE:</b> March 2020
<b>FILE NUMBER:</b> D20/6346	<b>APPROVED DATE:</b> May 2020
	<b>NEXT REVIEW DATE:</b> 2023

**RATES REMISSION POLICY**

The Stratford District Council has decided to postpone all or part of the rates owed by the ratepayer in respect of rating units covered by this Rates Remission Policy provided that the conditions within this policy have been met. Rates remissions will be provided for the following:

- Stratford District Council owned and occupied properties.
- Māori freehold land.
- Community, Sporting and other organisations.
- Land with Biodiversity Vegetation (indigenous vegetation, significant habitats or indigenous fauna and wetlands)
- Promoting Business Development.
- Properties made uninhabitable due to Fire
- UAGC on Low Value Properties.
- Excess Water Consumption due to a Leak.
- Water Targeted Rate as compensation for water main easement.
- Rates on Abandoned Land
- Penalties on Rates.

Where a rating unit for which the Stratford District Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it will be up to that ratepayer to apply for a rates remission.

The application for rates remission must be made to the Stratford District Council prior to the commencement of the rating year. Applications approved during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

Where a rates remission percentage applies, it is calculated on the rates that would be assessed before any application of non-rateable adjustments. (For example, if a property is 50% non-rateable, and receives a 50% remission, then no rates are due).

**REMISSIONS ON STRATFORD DISTRICT COUNCIL OWNED AND OCCUPIED PROPERTIES**

Council will provide rates remission of 100% on rating units owned and occupied by the Stratford District Council which meet the objectives, conditions and criteria of this policy.

**Objective**



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The objective of this part of the remission policy is to enable Council to be cost-neutral in regard to other ratepayers whilst being administratively efficient.

### Conditions and Criteria

This part of the policy applies to rating units owned and occupied by the Stratford District Council. This part of the policy does not apply to rating units that are owned by Council but are leased to a third party and the terms of the lease provide for rates to be paid by the lessee.

## RATES REMISSION AND POSTPONEMENT ON MĀORI FREEHOLD LAND

### Legislative Summary

Section 91 of the Local Government (Rating) Act 2002 establishes the principle that Māori freehold land is liable for rates in the same manner as if it were general land.

Section 102(2)(e) of the Local Government Act 2002 states that Council must adopt a rates remission and postponement policy on Māori freehold land.

### REMISSION OF RATES ON MĀORI FREEHOLD LAND

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court. Only land that is subject to such an order may qualify for remission under this policy.

This policy aims to ensure the fair and equitable collection of rates from all sectors of the community recognising that certain Māori owned lands have particular conditions, features, ownership structures, or other circumstances which make it appropriate to provide relief from rates.

The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy.

Where a rating unit for which Council has granted a rates remission is sold, leased, or otherwise disposed of, the rates remission shall be terminated at the time of disposal. If the new ratepayer qualifies for a rates remission under this policy, it should be up to that ratepayer to apply for a rates remission.

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

No remission will be granted on targeted rates for water supply, wastewater system or waste management.

### Objectives

The objectives of this policy are:

- To recognise situations where there is no owner, occupier or person gaining an economic or financial benefit from the land.
- To set aside land that is better set aside for non-use because of its natural features (whenua rahui).
- To recognise matters related to the physical accessibility of the land.
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes.

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- Where part only of a block is occupied, to grant remission for the portion of land not occupied.
- To facilitate development or use of the land where Council considers rates based on rateable value make the actual use of the land uneconomic.
- To recognise and take account of the importance of land in providing economic and infrastructure support for Marae and associated papakainga housing.
- To recognise use of the land by the owners for traditional purposes.
- To recognise occasions where granting remission will avoid further alienation of Māori freehold land.
- To recognise occasions where the Stratford District Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non collectible.

### Conditions and Criteria

Council will maintain a register titled the 'Māori Lands Rates Relief Register' ('the Register') for the purpose of recording properties on which it has agreed to remit rates pursuant to this policy. The Register will record the property details and the appropriate objectives (1-10) above.

Applications for rates remission under this policy should include the following information:

- Details of the property.
- The objectives (1-10 above) that will be achieved by providing a remission.
- Documentation that proves the land which is the subject of the application is Māori freehold land.

Council may at its own discretion add properties to the Register.

Council will review the Register annually and may:

- Add properties that comply.
- Remove properties where the circumstances have changed and they no longer comply.

### REMISSIONS FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

The Stratford District Council will provide rates remission of 100% to all ratepayers who meet the objectives, conditions and criteria of this policy, excluding land in respect of which a club licence under the Sale of Liquor Act 1989 is for the time being in force, which shall receive a 50% remission if the objectives, conditions and criteria are met.

### Objective

To facilitate the ongoing provision of non-commercial community services, and non-commercial recreational opportunities for the residents of Stratford District.

The purpose of granting rates remission to an organisation is to:

- Recognise the public good contribution made by such an organisation;
- Assist the organisation's survival; and
- Make membership of the organisation more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

### Conditions and Criteria

This part of the policy will apply to land:

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- owned by the Stratford District Council; or
- owned or occupied by a registered charitable organisation that is responsible for the rates; or
- owned or occupied by a registered non-profit organisation that is responsible for the rates; and
- is used exclusively or principally for sporting, recreation, or community purposes by that organisation; and
- the land is not used for galloping races, harness races or greyhound races.

Note that Council requires documentary evidence of charitable or non-profit organisational status. This policy does not apply to organisations operated for private pecuniary profit.

This policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Organisations making application should include the following documents in support of their application:

- statement of objectives; and
- evidence of charitable/non-profit status; and
- financial accounts; and
- information on activities and programmes; and
- details on membership or clients.

### REMISSIONS FOR BIODIVERSITY (INDIGENOUS VEGETATION, SIGNIFICANT HABITATS OF INDIGENOUS FAUNA AND WETLANDS)

The Stratford District Council will provide rates remission of up to 100% of the rates on land with biodiversity vegetation (indigenous vegetation, significant habitats of indigenous fauna and wetlands) on it to all ratepayers who meet the objectives, conditions and criteria of this policy.

#### Objectives

To preserve and promote the protection of an area of indigenous vegetation or a significant habitat of indigenous fauna. This policy will support the provisions of the Stratford District Council District Plan.

#### Conditions and Criteria

This part of the policy will apply to ratepayers who:

- own rating units that have a site listed in Appendix 9: *Wetlands, Areas of Significant Indigenous Vegetation and Significant Habitats of Indigenous Fauna* in the Stratford District Plan; and
- voluntarily protect and maintain these areas that are within the boundary of the wetlands identified in Appendix 9.

The remission will apply to the area of land included in the protected area.

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications approved during a rating year will be applicable from the commencement of the following rating year.

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In granting remissions under this policy, Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

In considering any application for remission of rates under this part of the policy Council will consider the following criteria:

- the extent to which the preservation of biodiversity vegetation will be promoted by granting remission of rates on the rating unit.
- the degree to which features of biodiversity vegetation are present on the land; and
- the degree to which features of biodiversity vegetation inhibit the economic utilisation of the land.

### REMISSION FOR PROMOTING BUSINESS DEVELOPMENT

This provides for rates relief for new development or redevelopment of land by way of constructing, erecting or altering buildings, fixed plant and machinery or other works intended to be used solely or principally for industrial, commercial or administrative purposes where the cost of such development is more than \$500,000 (excluding GST) as assessed under the Building Act.

Council will be prepared to consider any application for building development which can demonstrate that it will be to the economic advantage of the Stratford District. Economic advantage will be deemed to occur if the development will result in:

- Significant employment growth or employment retention in Stratford District; and/or
- Significant downstream new business for other Stratford District manufacturers or suppliers of goods and services.

Developments for industrial, commercial or administrative purposes which the Council wishes to foster are in the following sectors:

- Primary production and processing.
- Tourism, including recreational, cultural and conference facilities.
- Manufacturing, especially those which have high potential for employment related to the total cost factor.
- Health services.
- Retailing.
- Hotels, motels and other transient accommodation.
- Administrative services, including those provided by Government and private sector agencies.

In the event of any developer, to whom rates relief has been granted, selling the property within which the eligible investment was made, rates relief ceases from the date of the sale.

### Forms of Rates Relief

Council may remit or postpone (or a combination of these) part or all of the general rates otherwise payable on the subject property for the period of the development and up to three rating years thereafter.

Council may impose conditions on the remission or postponement of rates and may cancel any remission or postponement in the event of non-compliance by the applicant with those conditions. In those circumstances, Council may require payment of full rates in respect of any year in which rates have been remitted.

### Factors to be considered

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Council will have regard to the following matters when considering applications for rates relief:

- Whether and to what extent, the development will, when completed, be to the economic advantage of the Stratford District including the creation of significant employment opportunities. The creation of jobs will be a strong factor in favour of granting rates relief, but the retention of existing jobs and the potential for job creation will also be positive factors.
- Whether and to what extent the granting of relief will be of material benefit to the development.
- Whether the investment limit and economic benefits criteria are met jointly in the case of a Lessor/Lessee arrangement.
- Whether and to what extent the development can be served by the existing basic Council services infrastructure.
- The level of financial contributions and development levies collected under provisions of the District Plan.
- Such other matters as Council may, from time to time, consider relevant.

### REMISSION FOR PROPERTY MADE UNINHABITABLE DUE TO FIRE

#### Objective

This remission provides relief to the ratepayer where significant property loss has occurred due to fire (not deliberately lit by the owner, occupier or related party) causing the dwelling to be uninhabitable, or the commercial property to cease operations, temporarily or otherwise.

#### Conditions and Criteria

Upon notification, and in agreement with the ratepayer, the Council will remit the targeted Rates for Solid Waste, Waste Water and Water Supply for properties, where it determines it is reasonable in the circumstances to do so.

The remission applies from the date of the fire until the services are reinstated.

### REMISSION OF UNIFORM ANNUAL GENERAL CHARGE (UAGC) ON LOW VALUE RESIDENTIAL PROPERTIES

This remission provides for low value residential properties to not be penalised by the UAGC being in excess of 5% annually of the capital value of the property.

#### Objective

The objective of this remission policy is to assist residential ratepayers whereby the UAGC being imposed on properties with a Capital Value of \$10,000 or less represents an excessive burden in any one financial year.

#### Conditions and Criteria

Council will remit the UAGC on any rating unit used solely for residential purposes as defined by Council where the capital value of that rating unit does not exceed \$10,000.

### REMISSIONS FOR EXCESS WATER CONSUMPTION DUE TO A LEAK

Council may provide relief to a ratepayer that has incurred an excessive water invoice as a result of a leak where that leak has been remedied in a timely manner once the leak was detected.

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### Objective

The objective of this part of the remission policy is to enable Council to not penalise a water consumer for a leak that resulted in excess water consumption that was out of their control.

### Conditions and Criteria

In order to provide relief to people in situations where water usage is high due to a water leak, Council may remit water consumption rates where all of the following apply:

- A remission application has been received; and
- Council is satisfied a leak on the property has caused excessive consumption and is recorded on the water meter; and
- The leak has been repaired within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- Proof of the leak being repaired has been provided to Council promptly after repair of the leak.

The amount of the remission will be the difference between the average consumption of the property and the consumption over and above that average.

Remission for any particular property will generally be granted only once every year. However where a remission for a water leak has been granted to a property under this policy within the last year, the remission decision is to be made by the Director – Assets.

Any remission over 2,000 cubic meters is to be referred to the Policy and Services Committee for approval.

### REMISSION OF WATER TARGETED RATE AS COMPENSATION FOR WATER EASEMENT

Council has water mains installed on private properties with, in some cases, an associated easement for access and maintenance.

### Objective

The objective of this part of the remission policy is to provide compensation for the ratepayers that have a water main across their property and associated easement agreement that provides for such remissions. This remission may be granted in future easement agreements as part of a compensation agreement if appropriate.

The remission is for the Targeted Water Rate only. The water-by-meter charges remain, subject to the Revenue and Financing Policy.

### Conditions and Criteria

In order to provide a Water Targeted Rate remission the following must apply:

- Compensation agreements must be in writing and formal easements recording them registered against the relevant land title.

### POLICY ON REMISSION OF RATES ON ABANDONED LAND

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### Objectives:

To minimise administration costs where it is unlikely that rates assessed on an abandoned rating unit will ever be collected.

### Conditions and criteria:

The policy will apply to Rating units that meet the definition of abandoned land as prescribed in Section 77(1) of the Local Government (Rating) Act 2002.

Land has either failed to be sold using the authority provided in sections 77-83 or is unlikely to sell.

### Procedure:

Rates will be remitted in full annually. Any rates arrears owing on qualifying properties at the adoption of the policy, or in the first year a rating unit qualifies under the policy, will also be remitted.

### REMISSIONS ON RATES PENALTIES

The Stratford District Council will provide rates remission on penalties to all ratepayers who meet the objectives, conditions and criteria of this policy.

#### Objective

The objective of this part of the remission policy is to enable the Stratford District Council to act fairly and reasonably in its consideration of rates which have not been received by Council by the penalty due date, due to circumstances outside the ratepayer's control. This section applies to all rates penalties imposed under the Council's Funding Impact Statement and Rates Resolution.

#### Conditions and Criteria

On application by the ratepayer, a remission of an instalment penalty imposed under Section 58(1)(a) of the Local Government (Rating) Act 2002 shall be granted if this is the first instance of late payment by the ratepayer within the previous three rating years and the following criteria are met:

- Where a property changes hands (sale or lease) and the new owner/lessee is responsible for an instalment when the original account was issued in the name of the previous owner/lessee.
- On compassionate grounds, i.e. where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type, and has been unable to attend to payment (elderly persons living on their own etc.).
- The rate invoice was not received, where it can be proved that it was not due to negligence by the ratepayer.
- Where an error has been made by Council staff which has subsequently resulted in a penalty charge being imposed.
- In the case of a deceased estate, upon receipt of a letter from a Solicitor who has been granted probate, that while the winding up of the affairs of the estate are in progress and that Council may expect full payment of rates, Council may remit penalties from the time of death.

Where a ratepayer enters into a direct debit arrangement for the payment of the current year rates and any rate arrears, further penalties will be granted a remission. However, any default in the arrangement will cause the remission to be cancelled from the date of the default. Any penalties applied up to the date of commencement of the arrangement will remain.

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The Council, and officers with the appropriate delegated authority, may remit up to 100% (or other figure) of the penalties charged to a property, where the ratepayer can demonstrate that there are circumstances outside of their control which have caused the rates to incur a penalty, and where the rates are paid in full on an agreed date.

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