

Report 14.51
Date 12 February 2014
File G/06/01/09

Committee Council
Author Chris Gray, Manager Finance

Request for a remission of rates

1. Purpose

To consider a request to grant a rates remission to Te Nikau Property Trust.

2. Background

This request is from Peter Carrington, trustee of Te Nikau Property Trust (the Trust) for its property at 67-69 Valley Road, Paraparaumu. Mr Carrington advises that the Trust is a registered charity whose main purpose is to purchase and own property for charitable purposes, and more specifically for use by the Cross Roads Christian Community Trust (the CRCCT).

The CRCCT runs residential addictions programmes. The CRCCT does not receive any Government funding; its residential addictions programmes are funded by client contributions, grants and donations.

A request to remit rates on the property was received on 11 February 2014 under our remission of rates in special circumstances policy (the request is attached as **Attachment 1**).

Kapiti Coast District Council (KCDC) has considered a request from the ratepayer for a remission of rates on their property under its remission policy which provides for remissions for council community properties, sporting, recreation and other community organisations. KCDC's annual rates for this property for the 2013/14 year are \$16,507.90. The ratepayer has received a combined rate remission consisting of rate differentials and a grant amounting to \$10,318.20. This has reduced the KCDC annual rates to \$6,189.70.

2.1 Rates levied by Greater Wellington Regional Council

For the 2013/14 year, the capital value of the Trust property at 67-69 Valley Road, Paraparaumu was assessed to be \$1,200,000. The rates levied by Greater Wellington Regional Council (GWRC) are set out below:

General Rate:	\$391.05
Public transport:	\$339.20
River management:	\$188.00
Stadium purposes:	\$18.80
Wellington Regional Strategy:	\$141.10
Total annual rates:	\$1,078.15

3. Rates remissions and postponements

In accordance with the Local Government (Rating) Act 2002 GWRC is only entitled to remit rates in accordance with its rates remission policies. The Council adopted a rates remission policy as part of its Long Term Plan 2012-2022.

3.1 Greater Wellington's rates remissions policy

Unlike Kapiti Coast District Council, GWRC does not have a remissions policy that specifically contemplates the relief from rates for council community properties, sporting, recreation and other community organisations

GWRC does have a remissions policy that enables GWRC to remit rates in special circumstances. A copy of this policy is attached (refer **Attachment 2**).

4. Considerations

4.1 Remission of rates in special circumstances

The ratepayer has requested that the GWRC consider giving it a remission under the policy that enables GWRC to remit rates in special circumstances.

Prior to this request, GWRC has not considered a request to remit rates under this policy where the owner is providing a community service without receiving funding from the Government. A request was considered under this policy by the Council in 2011. The request was from a bowling club experiencing financial hardship; the remission was not granted

This policy is a discretionary policy; the Council has the right to either grant or decline the remission request even if all the conditions and criteria set out in the policy are met. Key elements of this policy that the Council will need to consider are set out below.

4.1.1 Special or unforeseen circumstances

The Council will need to decide whether the circumstances that the Trust finds itself in are "special or unforeseen".

In its request to remit rates the Trust has requested that rates remission be given as it provides a community service without receiving funding from the Government.

If the Council determines that these circumstances amount to “special or unforeseen” it will need to consider whether it is “just and equitable” to grant this remission request.

4.1.2 Precedent setting

The policy states that approval of the remission must not set a precedent that unfairly disadvantages other ratepayers. The Council will need to decide whether granting this request would set a precedent that would unfairly disadvantage other ratepayers.

If this request were granted ratepayers in similar situations may have a legitimate expectation that GWRC will grant them a remission. Council will be aware that when rates are not collected from one or a number of ratepayers the burden on all other ratepayers increases.

4.2 Officer comment

While the decision to remit rates in special circumstances in this case rests with the Council, officers do not consider that this remission should be granted. Officers have assessed the conditions and criteria set out in this remissions policy and do not consider that the conditions and criteria have been met.

5. Communication

The Council’s decision will be communicated to the applicant.

6. The decision-making process and significance

Officers recognise that the matters referenced in this report may have a high degree of importance to affected or interested parties.

The matter requiring decision in this report has been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act). Part 6 sets out the obligations of local authorities in relation to the making of decisions.

6.1 Significance of the decision

Part 6 requires GWRC to consider the significance of the decision. The term ‘significance’ has a statutory definition set out in the Act.

Officers have considered the significance of the matter, taking the Council’s significance policy and decision-making guidelines into account. Officers recommend that the matter be considered to have low significance.

Officers do not consider that a formal record outlining consideration of the decision-making process is required in this instance.

7. Recommendations

That the Council:

1. **Receives** the report.
2. **Notes** the content of the report.
3. **EITHER**
 - a) **grants** Te Nikau Property Trust a remission of rates for the 2013/14 rating year for its property at 67-69 Valley Road, Paraparaumu; and
 - b) **determines** the amount of the remission.

OR

- c) **declines** to grant Te Nikau Property Trust a remission of rates for the 2013/14 rating year for its property at 67-69 Valley Road, Paraparaumu.

Report prepared by:

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Report approved by:

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Attachment 1: Application from ratepayer

Attachment 2: Policy on remission of rates in special circumstances