

# Rates Setting and Rates Policies

This Plan includes a Rates-Impact Statement which describes the Rating System and the rate requirement for 2003/04. The rates required will be set and assessed under the following processes and policies.

Detailed below are the proposed rates to be set as part of the adoption of the Financial Plan and Programme for 2003/04 and rates policies to be used.

## The Valuation System used for rating

The valuation system used for rating is the Capital Value system.

The value of each rating unit is set by independent valuers and based on values as at 1 September 2001. A rating unit is the property which is liable for rates and is generally a separate property with its own certificate of title.

## Inspection of Rates Information for each Rating Unit

The Capital Values, the District Valuation Roll, and the Rate Information Database information and the estimated liability for rates for 2003/04 for each rating unit are available for inspection on the Council's Internet site under the heading 'Ratesinfo' or at any Council Service Centre.

## Rates to be Set as part of this Annual Plan

Rates are set under Section 23 of the Local Government (Rating) Act 2002 and Section 281 of the Local Government Act 2002.

The following rates are proposed to be set for 2003/04.

	Cents in the \$ of Capital Value 2003/04 per rating unit	Revenue Sought* from Intended Rates (GST included) \$
<b>GENERAL RATES</b>		
<b>General Rate by differential sector:</b>		
Sector A - Commercial/Industrial	.573700	33,350,300
Sector B - Residential and Other	.356087	77,091,236
Sector C - Rural	.263579	2,090,058
The General Rate is set under Section 13(2)(b) of the Local Government (Rating) Act 2002. Purpose of General Rate: To fund the general operations of the Council beyond that funded by user charges, other revenue, the Uniform Annual General Charge, and targeted rates as detailed below. The detail of the requirement is contained within the Financial Summary on page 30 and the Funding Impact Summary on page 35.		
<b>Uniform Annual General Charge (UAGC)</b> of \$105 on each separate rating unit or if relevant on each separately used or inhabited part of a rating unit. The UAGC is set under Section 15(1)(b) of the Local Government (Rating) Act 2002. Purpose of the Uniform Annual General Charge: To fund the general operations of the Council beyond that funded by user charges, other revenue, general rates, and targeted rates as detailed below.	\$105	15,648,885
<b>TARGETED RATES</b>		
<b>Water Supply Targeted Rate – Full Charge:</b>		
Sector A - Commercial/Industrial	.039774	2,021,686
Sector B - Residential and Other	.042564	8,978,916
Sector C - Rural	.038670	98,635
Sector D - Institutions (Non-rateable)	.041842	715,983

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Rate Factor used - Assessed on every separately rated property within each differential sector to which water is supplied.

The Water Supply Targeted Rate is set under

Section 16 (4)(b) of the Local Government (Rating) Act 2002.

Purpose of Water Rates: To recover the water supply costs.

## Water Supply Targeted Rate – Half Charge:

Sector A - Commercial/Industrial	.019887	90,885
Sector B - Residential and Other	.021282	137,821
Sector C - Rural	.019335	11,821
Sector D - Institutions (Non-rateable)	.020921	20,232

Rate Factor used - The half charge is assessed to every rating unit situated within 100 metres from any part of the waterworks where a connection is not made.

The Water Supply Target Rate - Half Charge is set under Section 16(4)(b) of the Local Government (Rating) Act 2002.

Purpose of Water Rates: To recover the water supply costs.

## Land Drainage Targeted Rate:

Sector A - Commercial/Industrial	.039949	2,200,401
Sector B - Residential and Other	.039949	8,631,859
Sector C - Rural	.039949	203,068

Rate Factor used - on every separately rated property, within each differential sector, which is in the serviced area.

The Land Drainage Targeted Rate is set under Section 16(4)(b) of the Local Government (Rating) Act 2002.

Purpose of Land Drainage Targeted Rate:

To recover the land drainage costs.

## Sewerage Targeted Rate:

Sector A - Commercial/Industrial	.078773	4,310,097
Sector B - Residential and Other	.078738	16,993,747
Sector C - Rural	.081303	121,392
Sector D - Institutions (Non Rateable)	.078736	1,425,845

Rate Factor used - Assessed on every separately rated property, within each differential sector, which is in the serviced area.

The Sewerage Targeted Rate is set under Section 16(4)(b) of the Local Government (Rating) Act 2002.

Purpose of Sewerage Targeted rate:

To recover the sewer drainage and sewage treatment costs.

## Water Supply Fire Connection Targeted Rate:

Assessed as a uniform charge of \$100 per connection. \$100 111,700

Rate Factor used - Assessed on every separately rated property which has one or more connections.

This Targeted Rate is set under Section 16(4)(a) of the Local Government (Rating) Act 2002.

Purpose of the Water Supply Fire Connection Targeted rate:

To recover costs of water supply fire connection on a per-connection basis.

## Excess Water Supply Targeted Rate:

Assessed as the water meters are read on liable rating units – see below for the full text.

Rate Factor used - Assessed on every separately rated property within the defined group, which has a water metered supply.

Purpose of the Excess Water Supply Targeted rate:

To recover water supply costs beyond those in the water-supply rates.

To be invoiced after each reading

## Total Revenue Sought from Intended Rates

\$174,254,565

\* Excludes expected rate remissions

# Rates Setting and Rates Policies

## Excess Water Supply Targeted Rate

This targeted rate is set under Section 19(2)(b) of the Local Government (Rating) Act 2002 which allows for a “scale of charges”. Invoices are raised for this rate as the result of water-meter readings on liable properties. The Christchurch City Water Related Services Bylaw 2001 outlines the intention to charge.

The scale of charges for the Excess Water Supply Targeted Rate is:

- Water used in excess of the water allowance, be charged at the rate of 33 cents per cubic metre to all consumers having an extraordinary supply, as defined in the Christchurch City Water Related Services Bylaw 2001. These are the liable rating units.
- The water allowance is determined annually by dividing the Water Supply Targeted Rate assessed on the rating unit by an allowance factor. The allowance factor unit rate will be determined by Council resolution from time to time and is now 27 cents. The water allowance is 1 cubic metre for each complete 27 cents (the factor) of the targeted water rate assessed.
- The water allowance is determined following the annual rates assessment and is expressed as a daily allowance, that is the total water allowance for the rating unit divided by 365 with a minimum of .6986 cubic metres per day.
- The daily allowance shall continue until the next rates assessment is issued for the rating unit.
- Rating units having an “ordinary supply” as defined in the Christchurch City Water Related Services Bylaw 2001, ie non-commercial consumers being principally residential single units on a rating unit, will not be charged an excess water supply targeted rate.

- Where two or more rating units share a water meter and have, in the opinion of the Council, a common usage, the readings and allowances may be aggregated, notwithstanding the charge is payable by the ratepayer of the rating unit to which the meter is attached.



The recently completed Nam Yee Mid City Centre, cnr of Lichfield and Colombo Streets.

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The annual rates assessment will identify and inform the ratepayers who are potentially liable for excess water charges. It will not, however, be able to include the calculated liability as the water reading will not coincide with the assessment. Water meters will be read progressively throughout the year. Following each reading, a water-excess charge invoice will be issued for those rating units which are liable. The invoice will refer to the assessment and will 'bill' for the consumption for the period of the reading. The latest water allowance will be used, calculated on a daily basis.

## Differential system used

Differential rating will be used for both general rates and some targeted rates. Each rating unit is assigned to a category, based on land use, and the sum of all capital values within each category is the basis of allocating rates in the Funding Impact Statement (formerly known as the Funding Policy).

The differential categories used are:

- Sector A - Commercial / Industrial Properties
- Sector B - Residential and Other Properties
- Sector C - Rural Properties
- Sector D - Non-rateable Properties

The quantum of rates required from each differential sector is based on the Funding Impact Statement calculations on an activity-by-activity basis and added up to the Council wide-rate requirement. For further information see the table on page 35 called 'Summary of the Funding Impact Statement'.

The rates payable by a rating unit will be assessed on the capital value of each rating unit within the differential sector based on its relative Capital Value (plus UAGCs and special targeted rates).

The rating Differential Sectors are:

## Sector A - Commercial and Industrial Properties

Any rating unit which is:

- (a) used for a commercial or industrial purpose (including travellers and special-purpose accommodation, offices and administrative and associated functions, and commercially owned and operated utility networks); or
- (b) vacant land zoned commercial, industrial or rural-industrial under the transitional district plan administered by the Council.

## Sector B - Residential and Other Properties

Includes any rating unit which is:

- (a) used for residential purposes (including home-ownership flats); or
- (b) vacant land zoned residential or rural-residential under the transitional district plan administered by the Council; or
- (c) Council operated utility networks; or
- (d) land not otherwise classified under sectors A, C or D.

## Sector C - Rural Properties

Includes any rating unit which is:

- (a) used solely or principally for:
  - (i) agricultural or horticultural or pastoral purposes; or
  - (ii) for the keeping of bees or poultry; or
- (b) zoned rural under the transitional district plan administered by the Council, but does not include any separately rateable property which is:
  - (i) zoned rural industrial or rural-residential under the transitional district plan administered by the Council; or
  - (ii) zoned rural and used principally for residential purposes (including home-ownership flats).

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## **Sector D - Institutions (non-rateable)**

These are rating units described in Section 8 of the Local Government (Rating) Act 2002.

Although this sector is exempt from paying general rates, it is still liable for targeted rates for water and sewerage.

## **Multiple Uniform Annual General Charge per Rating Unit**

The Council may charge multiple uniform charges against each separately used or inhabited part of a rating unit provided such UAGC will not be subject to a rate remission under the policy.

The basis of a unit of occupancy is that which can be separately let and permanently occupied. For the purposes of this charge, where the occupancy is an accessory one or is ancillary to another property or part thereof no separately used part exists. For example:

- Not separately used parts of a rating unit:
  - A residential sleep-out or granny flat without independent kitchen facilities
  - Rooms in a hostel with a common kitchen
  - A hotel room with or without kitchen facilities
  - Motel rooms with kitchen facilities
  - Individual storage garages/sheds/partitioned areas of a warehouse
  - Individual offices/premises of partners in a partnership
- These are separately used parts of a rating unit:
  - Flats/apartments
  - Flats which share kitchen/bathroom facilities
  - Separately leased commercial areas even though they may share a reception

## **Uniform Annual General Charge (UAGC) for Common Usage Rating Units**

Section 20 of the Act precludes the Council from charging UAGCs where contiguous land is in common usage and in the same name.

The Council has resolved on a remission policy that will allow it to remit the additional UAGCs on contiguous land in common usage where the rating units are not in the same name.

Remission of the charge will be considered where the Council has determined that a building consent will not be issued for the primary use of the land (under the City Plan).

## **Rating Units - Divisions and Transitional Arrangements**

The Act has redefined the basis of rating to a 'rating unit', generally based on a certificate of title.

There are transitional arrangements and some limited capacity for the lessee of the whole rating unit to remain the ratepayer.

Applications to the Council are expected to be based on a statutory declaration from the owner that transitional arrangements apply.

Also there is capacity under section 27(5) of the Act for a single rating unit to be split into two or more parts to allow for the different rating treatment of each part eg commercial/industrial on one part and residential for the other.

Such a split would be based on information supplied by the ratepayer, but determined by the Council.

# Rates Setting and Rates Policies

## Due Dates for Payment of Rates

The instalments due dates are:

- Area One, Instalment One – 15 August 2003
- Area One, Instalment Two – 15 November 2003
- Area One, Instalment Three – 15 February 2004
- Area One, Instalment Four – 15 May 2004
- Area Two, Instalment One – 15 September 2003
- Area Two, Instalment Two – 15 December 2003
- Area Two, Instalment Three – 15 March 2004
- Area Two, Instalment Four – 15 June 2004
- Area Three, Instalment One – 31 August 2003
- Area Three, Instalment Two – 30 November 2003
- Area Three, Instalment Three – 29 February 2004
- Area Three, Instalment Four – 31 May 2004

The areas are defined by the Valuation Roll districts as contained in the resolution dated 29 June 1994, but:

- Area 1: includes generally the Central City and the suburbs of Street Albans, Merivale, Mairehau, Papanui, Riccarton, Addington, Spreydon, Sydenham, Beckenham and Opawa;
- Area 2: includes generally the suburbs of Shirley, New Brighton, Linwood, Woolston, Mt Pleasant, Sumner, Cashmere and Heathcote;
- Area 3: includes generally the suburbs of Belfast, Parklands, Harewood, Avonhead, Bishopdale, Ilam, Fendalton, Hornby, Templeton and Halswell.

Where a due date falls on a day that is not a working day then the next working day convention applies ie Interpretation Act 1999 applies.

The due date for excess water supply rates will be the 20th of the month following the invoice date. The due date for any amended rates invoice issued outside of the normal dates shall be specified on that rate invoice as determined by the Council.

The imposition of the current penalty occurs two business days later than the due dates above.

The Council will issue an interim instalment which will be calculated in accordance with Section 50. It will be based on 25% of rates payable in the previous rating year. This is because it will not be possible to issue an assessment based on the new year's Annual Plan prior to the issuing of the instalment one rate invoice.

## Rate penalties

Where rates are not paid on time, penalties will be imposed to provide incentives for payments by due dates.

- 'Current penalties' - A penalty of 10 per cent on so much of any instalment that has been invoiced after 1 July 2003 and which is unpaid after the due date plus two working days;
- 'First arrears penalty' - A further penalty of 10 per cent on so much of any rates (including penalties) assessed in any previous financial year and which are unpaid as at 1 October 2003; and
- 'Second arrears penalty' - A further penalty of 10 per cent on any rates to which the 'first arrears penalty' has been added and which remain unpaid as at 1 April 2004.

Penalties will not be imposed on rates postponed or on current years rates where payment is being made by monthly direct debit on any excess water supply targeted rate, or where the Council believes a remission will be granted.

Once imposed, penalties become rates and may be subject to rates remissions. Where the penalty imposition date falls on a day that is not a working day then the next working day convention applies ie Interpretation Act 1999 Section 35 (6).



# Rates Setting and Rates Policies

## Payment of Rates

The Council has resolved on the acceptable payment methods.

- Payments by cash will be accepted at any Council service centre office.
- Rates are payable at any Council service centre during normal business hours by cash, EFT/POS cash flow, or cheque made out to the Council
- Cheques may be posted to the Council prior to the due date as evidenced by the postmark
- Payment by credit card will not be accepted.
- Payments by direct debit will be facilitated and encouraged.
- Payment by direct credit or automatic payment will be facilitated.
- Rate payments will be allocated pro rata to the oldest rates due to the Regional Council and City Council unless specifically directed in writing by the ratepayer.

## Council not to collect small amounts

The Council has resolved not to collect amounts less than \$20 pa (subject in each case to Council discretion). Where there are several rating units in common usage with small amounts due, the exemption will not apply.

## Remissions and Postponement Policy

Rates remissions may apply where there is significant public good in the use of the land. In addition there are grounds for remission where penalties have been imposed but there is a reasonable excuse for late payment, or it is just and reasonable to do so.

Postponement will be considered where the ratepayer is experiencing financial hardship.

## Rates Remission Policy

### 1. Remission of current year's rate penalties due to one-off non-payment or where there are timing mis-match issues

#### Remission statement

Commercial ratepayers may be allowed one current year rate penalty remission in five years and all other ratepayers may be allowed one current year rate penalty remission in two years where the ratepayer can illustrate that a genuine error or oversight has occurred.

#### Objective of the remission

To avoid penalising ratepayers incurring penalties on current rates:

- (a) who have paid their rates late due to a genuine mistake, or
- (b) who are paying by regular bank transaction and where minor penalties occur due to timing differences.

#### Conditions and criteria for the remission

- (a) Written applications will generally be required for other than the minor timing mismatch issues.
- (b) Staff may waive the written application provided they are satisfied the full details of the application are recorded.
- (c) The reason for the late payment must be stated and must not be deliberate non-payment.
- (d) It is appropriate that the Council show consideration to ratepayers who have made genuine mistakes provided that it is not a repetitive omission.
- (e) Commercial ratepayers will be allowed one remission in five years and all other ratepayers will be allowed one remission in two years.

# Rates Setting and Rates Policies

- (f) It is expedient to remit penalties where there are minor mis-matches of payments and due dates eg direct debit mis-matches. In these circumstances written applications are not required.
- (g) The outstanding rates (excluding the penalties to be remitted) must be paid in full for the remission to be granted.
- (h) The remission may be limited to the GST exclusive amount where the ratepayer is assumed to be GST registered.

## **Remission applies to**

All ratepayers, although with different criteria.

## **2. Remission of rates penalties imposed where there is an inability to pay**

### **Remission statement**

The remission may apply to properties which are the residence of the ratepayer, and applies to penalties which have been imposed in the last two-year period, and/or where payment has been overlooked due to sickness, death or significant financial hardship or generally where it is considered to be just and equitable to do so.

Secondly for any ratepayer, remission of penalties where such action would facilitate immediate payment of all outstanding rates.

Thirdly for any ratepayer, remission of penalties where there is an acceptable arrangement to pay existing arrears and annual rates over an agreed time frame.

### **Objective of the Remission**

To encourage ratepayers who are in arrears due to financial difficulty or other genuine unusual circumstances to make arrangements to clear arrears and keep their payments up to date.

## **Conditions and criteria for the remission**

- (a) Remissions shall be based on written applications. This may be waived in limited circumstances at the discretion of officers.
- (b) Remission of penalties in the latest two-year period in the case of residential properties where payment has been overlooked due to sickness or death or generally where it is considered to be just and equitable to do so.
- (c) Remission of penalties may be considered where there is an offer for immediate settlement of all rates outstanding which can be facilitated by the remission of arrears penalties in addition to remission of the current penalties. This would apply where there are substantial arrears.
- (d) Remission of penalties incurred during the agreed payment time.

## **Remission applies to**

All ratepayers where the rating unit is the primary residence.

## **3. Remission of current penalties where there is payment in full for the year**

### **Remission statement**

Remission of current year penalties where there is payment in full for the year once the full year's rates have been assessed.

### **Objective of the remission**

To encourage payment of current rates in a lump sum or the balance of the current rates where non payment of an instalment has occurred.

## **Conditions and criteria for the remission**

The remission applies where a ratepayer chooses to make payments different from the instalment due dates, typically paid in full on an annual one-payment basis:



# Rates Setting and Rates Policies

- (a) Where the total current year's rates are paid on instalment 2;
- (b) Where instalment 2 has been missed and the balance of the current year's rates is paid by instalment 3 subject to instalment 1 having been paid by the due date.
- (c) Rates must be paid in full.

## **Remission applies to**

All ratepayers.

## **4. Remission of rates where the land is used by 'not-for-profit' clubs, associations and churches, for sport or for community benefit other than horse or dog racing**

(Note: The Council may not apply this remission under the current GST rulings.)

## **Remission Statement**

- A. 100% remission of all rates (except excess water supply targeted rate) may be made for 'not-for-profit' organisations occupying Council land under lease where there is predominant community benefit.
- B. Remission of rates on other than Council-owned land where it is used by 'not-for-profit' community or sports organisations may be granted on the basis of:
  - (a) Up to 100% remission of general rates and uniform annual general charge, and
  - (b) Up to 50% (ie of the rates that would be payable if they were fully rateable) remission of targeted rates for water supply, sewerage, and land drainage rates
  - (c) The remission does not apply to any excess water supply targeted rate or targeted water supply fire connection rate.

## **Objective of the remission**

To encourage the sustainability of community-based organisations and the benefit they provide to community good by part-remitting rates.

## **Conditions and criteria for the remission**

- (a) All remissions are at the discretion of the Council and will be assessed on a case-by-case basis.
- (b) The remission applies where the land is used by qualifying entities, predominantly those that are fully or partially non-rateable under Schedule 1 the Local Government (Rating) Act.
- (c) The remission may include land over which a liquor licence is held provided this is incidental to the primary purpose of occupancy.
- (d) The distinction between those occupying Council land and those on their own land recognises the benefits of independent ownership that accrue to the private land owners.
- (e) The rates payable after the remission are 50% of the full service rates of water, sewerage and land drainage if the rating unit is in the serviced area.
- (f) Applications for the remissions must be in writing. The Council reserves the right to require annual applications to renew the remission or require certification from the applicant that the property is still eligible for the remission and that the land use has not changed.
- (g) It is a precondition of remission that the residual rates are paid in full.
- (h) Qualified applicants who face a significantly lower remission (as compared to the previous policy) as a result of the criteria above may be granted an additional remission to allow an adjustment over several years.

## **Remission Applies to**

All incorporated sport and recreation clubs, associations and community organisations (which includes places of religious worship or used for any branch of the arts) which have within their constitution appropriate clauses to qualify them as charities or where there are clauses which ensure they are 'not-for-profit' and where there is, in the opinion of the

# Rates Setting and Rates Policies

Council, significant public good which results from the occupation of the land for the purpose of their sport or recreation.

The Council (at its absolute discretion) shall determine the extent of public benefits that are provided to the community. This determination shall be the basis of the extent of the remission. The remission does not apply to rating units owned or occupied by:

- (a) Chartered clubs – except that a sports area may qualify provided it is significant and is set aside exclusively for that use;
- (b) Political parties;
- (c) Trade unions and associated entities; and
- (d) Any other entity where the benefits are restricted to a class or group of persons, and not to the public generally.

## **5. Remission of all rates on land occupied and used by the Christchurch City Council for community benefit**

(Note: The Council may not apply this remission under the current GST rulings.)

### **Remission statement**

The Council may remit all rates other than excess water supply targeted rate or targeted water supply fire connection rate on land owned by or used by the Christchurch City Council and which is used:

- (a) For a public garden, reserve, or children's playground;
- (b) For games and sports (except galloping races, harness races, or greyhound races);
- (c) For a public hall, community centre, library, art gallery, or other similar institution;
- (d) For swimming pools;
- (e) For public conveniences; and
- (f) For any other community benefit use excluding infrastructural asset rating units.

This remission does not apply to land leased to others where in that case the use is not by the Council.

Remission of all rates on land owned by or used by the Christchurch City Council which is used for rental housing.

### **Objective of the remission**

To encourage the sustainability of such facilities in the community by remitting rates

### **Conditions and criteria for the remission**

To all Council-owned and/or used land where the use is for the purposes above.

### **Remission applies to**

All land owned and/or used by the Council and used for the purposes outlined.

The remission does not extend to land used as Council offices or yards, infrastructural asset rating units, or leased for commercial purposes.

## **6. Remission of uniform charges and excess water supply targeted or any rate where the Council considers it just and equitable to do so**

(Note: Generally the rates discussed below would not be assessed for the affected properties.)

### **Remission statement**

Remission of additional uniform charges where section 20 of the Act would apply except for the prerequisite of common ownership.

Remission of any uniform charge where the Council has determined that a building consent will not be issued for the primary use of the land (under the City Plan).

Remission of any excess water supply targeted rate that would be offset by unused water allowance from contiguous properties in common usage.

Remissions of any rate where the Council by specific resolution considers it just and equitable to do so.

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## **Objective of the remission**

To allow an equitable application of uniform charges and excess water charges where several rating units are used as one, but where there are several different ownerships. Also remission of the UAGC where because of some significant impediment, the rating unit cannot be used for the primary use under the City Plan.

Remission of any rate will allow the Council to correct anomalies.

## **Conditions and criteria for the remission**

The remission applies where ratepayers are related parties and the land is contiguous and is used in common or where the rating unit suffers from a “natural” feature which renders it unsuitable for building.

The balance of the rates must be paid in full without arrears.

The remission of any rate under the latter objective will be by specific resolution of the Council after ratepayer application.

## **Remission applies to**

All ratepayers.

## **Rates Postponement Policy**

### **1. Postponement policy name**

Postponement of rates on land which is the private residence of the ratepayer where the ratepayer is experiencing financial hardship.

### **Postponement statement**

Up to 100% of rates may be postponed for a period determined by the Council where the ratepayer is experiencing financial hardship.

## **Objective of the postponement**

To encourage the owner-occupation of land used in whole or part as the primary residence of the ratepayer where the ratepayer does not have the financial capacity to meet the rates as assessed or the payment of the rates assessed would create financial hardship.

## **Conditions and criteria for the postponement**

The postponement applies:

- (a) where the land is the primary residence owned and occupied by the ratepayer; and
- (b) the ratepayer can demonstrate financial hardship; and
- (c) the ratepayer is over 65 years (generally but not exclusively)
- (d) Younger ratepayers may apply and will be considered on their merits
- (e) Where the applicant, being generally over 65 years of age, has experienced a significant increase in rates following revaluation causing hardship.

Postponement will be considered on individual merits following a written application. A postponement fee expressed as an annual percentage will be applied to the rates outstanding. The fee will be treated as a rate assessed. The fee will be the Council's 'cost of capital' as published in its Annual Plan. Rates penalties will not be applied or will be remitted for any rates that have been postponed.

Rates remain a charge against the property until the property ceases to be the place of residence of the applicant or the criteria no longer applies, at which time the outstanding rates must be paid.

There must be a written application and declaration of eligibility.

The postponement will continue to apply until:

- (a) the ratepayer ceases to be the owner or occupier of the rating unit; or
- (b) the ratepayer ceases to use the property as their residence; or
- (c) until a date specified by the Council;

whichever is the sooner.

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## **Postponement applies to**

Any land owned and occupied by the ratepayer as their primary residence.

Transitional arrangements imposed by statute will continue.

## **2. Transitional postponements**

There are transitional postponement provisions provided for in the Act:

- (a) Urban farm postponement continue until change of circumstances.
- (b) Commercial land in rural areas – the special rateable values and rates postponement of the balance continue until the next revaluation.
- (c) Residential land in commercial areas – the special rateable values and rates postponement of the balance continue until the next revaluation.

Once the time period for the properties end or the circumstances change the transitional provisions cease.

## **3. Postponement – general issues**

The postponed rates will remain a charge against the property and must be paid either at the end of the postponement term or when the property is sold. Postponed rates may include rate arrears owing from a previous financial year.

A fee (effectively interest) will be charged annually where rates have been postponed at the end of each rating year on the accrued rates postponed (including any fees) outstanding at the beginning of that financial year, at the Council's estimated cost of capital, currently 6.8% for 2002/03 and 6.90% for 2003/04. This percentage is published every year as part of the Financial Plan and Programme.



Children are among the biggest fans of Christchurch City Council's annual SummerTimes Festival.



Artist's impression of the new South Christchurch Library, Service Centre and Learning Centre which is currently being constructed.