Notice is hereby given that an extraordinary meeting of the Gore District Council will be held, virtually by Zoom video conferencing, on Wednesday 22 April 2020, at 4.30pm

Stephen Parry
Chief Executive
20 April 2020

Agenda

1. Apologies

2. Proposed Covid-19 short term rates deferral policy

3. Business to be considered pursuant to the Local Government Official Information and Meetings Act 1987:
   
   (i)  Rethinking rubbish recycling – waste management and minimisation
EXTRAORDINARY COUNCIL MEETING AGENDA

WEDNESDAY 22 APRIL 2020

1. PROPOSED COVID 19 SHORT TERM RATES DEFERRAL POLICY

(Report from Chief Executive – 20.04.20)

1.0 Introduction
The past four weeks and the imposition of an alert level 4 lockdown in New Zealand in response to the Covid-19 pandemic has created economic uncertainty and hardship due to many sectors of the economy being effectively side-lined and unable to operate. Notwithstanding extensive central government support for affected workers and businesses, there is a growing realisation that there will be a lot of ratepayers that will be worried about how they can pay their local authority rates in a period where household or business incomes have suffered a sharp decline.

This report responds to emerging concerns from some segments of the community by promoting a new Covid-19 Rates Deferral Policy, which is designed to offer meaningful temporary rating relief for those in need. If approved, the new policy can be applied with almost immediate effect.

2.0 Background
2.1 The Council’s current policy on remission of rates, including penalties is reviewed every three years as part of the development of the Long Term Plan. Hitherto, it is fair to suggest that the policy has not captured much attention from Council officers, elected members or indeed the public, during previous consultations processes relating to draft Long Term Plans.

2.2 A copy of the current policy, as it appears in the 2018-28 Gore District Council Long Term Plan, is attached as Appendix 1. The policy is reasonably conservative in respect of rate remissions granted as of right as distinct from Council discretion.

2.3 It is important to note that a Remission of Rates policy in both its establishment and review is governed by consultation obligations imposed by the Local Government Act 2002. Section 102(4) states:

A local authority—
(a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section:
(b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82

Section 82, sets out the principles of consultation. The section is quite extensive and is therefore included as appendix 2 to this report. In short however, it places an
obligation on the Council to undertake a consultation process with the community when contemplating any review of a Rates Remission Policy.

2.4 Therefore in the interests of expediency and providing instantaneous relief to struggling ratepayers, the proposed Covid-19 Rate Deferral policy has been developed, operating within the strictures of the Council’s existing Remission of Rates Policy. This is important to note, particularly the treatment of penalties which is set out at the top of page three of the current policy.

2.5 The fourth quarter rates instalment is due to be sent out to ratepayers in early May. A rating relief/deferral package that can be introduced to coincide with this event has therefore been the principal objective.

3.0 The proposed policy
3.1 By definition, this is a short term policy in response to what is an extraordinary international health and economic crisis. Longer term or more expansive measures will need to await a more comprehensive review and community consultation.

3.2 Important features of the proposed Covid-19 Rates Deferral Policy are:

(a) Deferral of up two quarters of rates instalments;
(b) Some proof of hardship;
(c) A simple on-line application process;
(d) The policy is a rates deferral, not a remission;
(e) Commitment to a repayment plan with Council staff to be developed over the ensuing six months;
(f) Waiving of penalties for both instalments; and
(g) A period of six month rating deferral aligns with the trading banks mortgage holidays for individuals financially stressed due to Covid-19.

3.3 A copy of the proposed policy is attached as Appendix 3. As Councillors will note in the current Remission of Rates Policy, a remission of one penalty can be considered in any one rating year. It is fortunate that this short-term policy under consideration, straddles two financial years (ie fourth quarter 2019/20 and first quarter 2020). Therefore granting a waiver of penalties in two separate rating years to an individual—as distinct from one calendar year—will be compliant with the existing policy.

4.0 On-line application process
4.1 Borrowing from central government’s on-line application process for wage subsidies, a simple form has been designed for ratepayers to use. While this form is still being finalised and finessed, a sample is attached as Appendix 4. The on-line process is designed to be simple and user friendly. The form is also accessible for people who may not have internet access, but have a smart phone. It also preserves privacy and avoids the need for making a physical appearance in what at present and is likely to be for some time yet, a Council operation that is working remotely.
4.2 The on-line application is really a registration process so that further details can be ascertained via phone call or email exchange with Council rates staff. But the policy proceeds on the basis that relief is available, provided some proof of hardship—which does not have to be onerous—can be provided in confidence. Such an approach replicates current sentiment and practice as articulated in the Rates Remission Policy.

5.0 Financial implications

5.1 It is important to emphasise that this policy is being offered to ratepayers that have been financially disadvantaged due to the Alert Level 4 shutdown as a result of the Covid-19 pandemic. It is not meant to be a loophole for ratepayers unaffected by the crisis to take a six month rates holiday. This is why an element of hardship is proposed to be introduced to prevent improper use of the new policy.

5.2 However, financial hardship endured by ratepayers who up until now have not experienced difficulties in meeting their financial commitments, is acknowledged. The level of uptake of this new initiative is difficult to predict. Whilst there has been an enormous uplift in the government’s wage subsidy, it needs to be emphasised that there are no repayment obligations.

5.3 The short term Rates Deferral Policy requires a repayment plan to be developed. It is a kick-for-touch, and resume payments at a higher rate in six months’ time policy vehicle. In this way it differs from a Rates Postponement Policy, which defers payments until a property is sold. Such a policy, if developed, requires consultation and is more financially challenging for the Council to consider due to uncertainty around the length of time rates will remain unpaid.

5.4 But for this short term policy suggestion it is not difficult to see a good level of interest in having the next two rating quarters waived. This will impose some challenges on the Council in managing its cash flow. Close scrutiny by management will be required and it may be necessary to entertain some short term borrowing to ensure there is sufficient cash on hand.

5.5 It is intended that staff will report monthly to the Council on the implementation of the new policy in terms of applications received, relief granted and its financial impact.

6.0 Conclusion

6.1 Extraordinary economic retraction, the likes of which have probably not been seen since the 1930s and 1940s, demands that the Council respond with alacrity and empathy to ratepayers who have been severely disadvantaged by the Covid-19 alert level 4 lockdown.

6.2 The proposed Short Term Rates Deferral Policy is designed to offer immediate relief for those ratepayers that have suddenly found themselves in financial difficulty. The policy, conceived without the benefit of time and reflection, is aimed at providing a six month “breather “or holiday to tide ratepayers over until a less restrictive economic environment is present.
6.3 Ratepayers benefitting under this policy will still need to pay their allotted rates, but not right now.

6.4 Further review and enhancement of this policy approach can take as the next six months unfold, informed by both ratepayer feedback and whether the battle against Covid-19 results in a less austere economic environment.

RECOMMENDATION

THAT the Council consider and approve the Covid-19 Short Term Rates Deferral Policy,

THAT the Council note that this policy will come into effect on 24 April 2020,

THAT the Council note that the Covid-19 Short Term Rates Deferral Policy is a further annunciation of the broader Remission of Rates Policy within the Council’s 2018-28 Long Term Plan,

THAT the Council note that this policy will remain in place until 31 August 2020,

AND THAT the Council note that a review of the adequacy and effectiveness of the new policy will be undertaken prior to its intended expiry date.
REMISSION OF RATES POLICY

This policy is prepared pursuant to section 109 of the Local Government Act 2002.

All land detailed in Part 1 of Schedule 1 of the Local Government (Rating) Act 2002 will be treated as non rateable.

A 50% remission of general rates will applied to all land qualifying under Part 2 of Schedule 1 of the Local Government (Rating) Act 2002.

In addition to these, the Gore District Council has remission policies for:

1. Community and sporting organisations
2. Economic development
3. Penalties
4. Mixed residential/commercial use properties where the owner/operator resides on the property

This policy will be reviewed at least every three years.

Remissions for Community and Sporting Organisations

Objectives of the Policy

• To facilitate the ongoing provision of non-commercial (non-business) community services that meet the needs of Gore District residents.

• To facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for Gore District residents.

• 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

The Council may remit rates where the applications meet the following criteria:
1. The policy will apply to land owned by the Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes.

2. The policy will not apply to organisations operated for private pecuniary profit, or which charge commercial tuition fees.

3. The policy will 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.

4. No remission of rates will be granted to organisations that receive a grant from the Council, nor will a remission be granted for premises that hold either a liquor or gambling licence.

5. The application for rate remission must be made to the Council prior to the commencement of each rating year; applications received and approved during a rating year will be applicable from the commencement of the following rating year. No approvals will be backdated.

6. Organisations making an application should include the following documents in support of their application:
   
   a. Statement of objectives;
   b. Full financial accounts;
   c. Information on activities and programmes;
   d. Details of membership or clients

7. Organisations that meet the criteria will be entitled to a 50% remission of general rates. Any remission will apply to general rates only, not targeted rates for water, wastewater, and solid waste. Notwithstanding the above, groups whose primary purpose is to provide recreational, sporting or community services for children (under 18 years) may apply for a 100% remission of general rates. Any remission will apply to general rates only, not targeted rates for water, wastewater, and solid waste.

9. Gore and Districts Health will receive a 100% remission of rates on land that it owns or occupies and from which it provides health or related services. Any remission will apply to general rates only, not targeted rates for water, wastewater, and solid waste.
Economic Development Rating Incentive

Objectives of the Policy

The Gore District Council offers a rate remission as an encouragement for business development and growth.

Conditions and Criteria

- The incentive will be made available, on application, for new business initiatives and for expansion of existing businesses that meet the following criteria.

- The Council must be sure that it is not providing an advantage to one business over another when there is competition between two or more business enterprises.

- Council support will only be given to well-planned developments from applicants who can show a good track record of success.

- No incentives will be given as a subsidy to ‘stay alive.’

- Incentives will be relative to employment opportunity and the creation of full time positions or full time equivalent positions (fte). Each fte is required to have a value of $10,000 or more and must be resident within the Gore District.

- The scale of incentives will be –

  -- 10 ftes = general rate reduction of 10.0%
  -- 20 ftes = general rate reduction of 10.0%
  -- 50 ftes = general rate reduction of 10.0%
  -- 100 ftes = general rate reduction of 20.0%
  -- 150+ ftes = general rate reduction of 25.0%

- Rates reductions will be paid retrospectively upon receipt of evidence that the employment opportunities have been created.

- The rate reductions will be available for up to three years

- All applications must comply with relevant legislation.

- The Council may apply additional conditions as it sees fit from time to time.

- The Council may cancel any remission granted in respect of the rating year in the event of non-compliance with any conditions imposed and if it does so, it may require full rates to be paid.

- The application of this policy will be at the sole discretion of the Council.
Penalties

Objective

- The objective of the remission policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer’s control.

Conditions and Criteria

The Council may remit the penalty rates where the applications meet the following criteria:

1. Remission of one penalty will be considered in any one rating year where payment has been late due to significant family disruption. Remission will be considered in the case of death, illness, or accident of a family member, as at the due date.

2. Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so.

3. Where the circumstances are such that to not remit some or all of the penalty would be unfair or unreasonable and inconsistent with the criteria above.

4. The Council may remit small balances due to cash rounding.

5. Decisions on remission of penalties will be delegated to officers as set out in the Council’s delegation manual.

Mixed Residential/Commercial use properties where the owner/operator resides on the property

Objective

- The objective of the remission policy is to address the inequitable circumstance whereby a live in operator of a mixed use property is charged two sets of fixed charges, and one residential parks & reserves rate and one commercial parks & reserves rate as the property is divided into two separately used or inhabited parts (residential and commercial).

- A mixed use property is defined as a property where there is a commercial activity operating from within the residential dwelling. For example, a diary or a hairdressing business operating from the residential dwelling.

- This policy recognises that both parts are occupied by the same person and no separate party benefits from services provided by the Council.
Conditions and Criteria

1. A mixed use property where the owner/operator of the commercial activity resides on the property, it is entitled to a remission of:

   a. The second: UAGC, Wheelie bin rate (only one set of bins provided), Water rate and Wastewater and Stormwater rate on that property. It will not apply to the additional water rate and stormwater rate and additional wastewater and stormwater rate.

   b. Half the residential parks and reserves rate and half of the commercial parks and reserves rate on that property (where the part of the property valued commercial is in the 2nd or 3rd highest differential category for the parks and reserves commercial rate).

2. The live in owner/operator must sign an annual declaration confirming that they live on the property. This must be received by the Council prior to the commencement of the rating year.

This policy was adopted by the Gore District Council as part of adopting the 2018-28 Long Term Plan at its ordinary meeting held on 26 June 2018.
Principles of consultation

(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

(a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons;

(b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority;

(c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented;

(d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons;

(e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:

(f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.

(2) A local authority must ensure that it has in place processes for consulting with Māori in accordance with subsection (1).

(3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.

(4) A local authority must, in exercising its discretion under subsection (3), have regard to—

(a) the requirements of section 78; and

(b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
(c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and

(d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and

(e) the costs and benefits of any consultation process or procedure.

(5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection (1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

1. **Context**

This policy is subordinate and complementary to the Gore District Council Remission of Rates Policy as contained in the 2018-28 Long Term Plan.

2. **Objective**

The objective of this policy is to provide short term relief to ratepayers who have been financially disadvantaged by the Covid-19 pandemic and consequential economic restrictions, by deferring up to six months of rates payments.

3. **Conditions and criteria**

(a) All ratepayers of the Gore District Council are eligible for relief under this policy.

(b) Ratepayers must apply on-line on the prescribed form. The form can also be accessed via your smart phone. If you do not have access to a computer, please contact the Council office and a copy of the form will be sent to you.

(c) A rate payment deferral of up to two instalments will be permissible under this policy.

(d) Evidence of financial hardship must be provided to qualify for relief under this policy. Evidence of hardship sought for various categories of ratepayers is as follows:

**Commercial/industrial/farm business ratepayers**

One of:

(i) Qualification for a government support package; or
(ii) Qualification for a mortgage “holiday” from a trading bank; or
(iii) A 30 per cent reduction in revenue since 20 March 2020.

**Residential ratepayers**

Must be owned and occupied by the ratepayer and one of:

(i) Evidence of loss of employment; or
(ii) Payment from an employer under the government support package; or
(iii) Qualification for a mortgage “holiday” from a trading bank.
(e) Payment plans must be entered into with the Council Rating Officer and be maintained throughout the Covid-19 alert level restrictions and beyond;
(f) Rates deferral will only be available to customers who are not in arrears with the Council as at 1 July 2019, with arrears being defined as no more than 1 instalment owing.

4. **Operative date**
   This policy will come into effect on Friday 24 April 2020.

5. **Expiry date**
   This policy, being short term, will expire on 31 August 2020.

This policy was adopted by the Gore District Council at its extraordinary meeting held on 22 April 2020
COVID-19 Rates Deferral Application Form

We know this is an unprecedented and difficult time for many New Zealanders and if you are likely to have trouble paying your rates, please fill out this form so we can work with you to find a payment arrangement that you can meet.

Ratepayer's first names (required) *

(applicants first name if the listed ratepayer is a company)

Ratepayer's last name (required) *

(applicants last name if the listed ratepayer is a company)

Ratepayer's company name

(if applicable)

Postal address

Suburb

City/Town

Postcode

If you're not sure of your postcode, please use the Postcode Finder (opens in a new window)
Email address

(please type in a valid email address - name@domain, name.name@domain [eg name@name.co.nz, name.name@name.org etc)

Phone number

Address of rateable property (required) *

Rates assessment number (required) *

(you can get the rates assessment number from the Rating Information Database - www.goredc.govt.nz/do-it-online/search-it/properties/)

I am applying for (required) *

- Deferral of my next rates instalment
- Deferral of my next two rates instalments
- Set up a new direct debit
- Decrease my current direct debit
- Other

We will contact you to discuss your application.

Submit

You will see a thank you page in this browser window upon successful submission of this online form. If the form does not submit successfully, there will be an error message listed at the top of the form.
**EXCLUSION OF THE PUBLIC**

His Worship to move that the public be excluded from the following parts of the proceedings of this meeting, namely the items as listed below.

The general subject of each matter to be considered while the public is excluded, the reason for passing the resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987, for the passing of this resolution are as follows:

<table>
<thead>
<tr>
<th>General Subject Matter</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Grounds under Section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rethinking rubbish, recycling - waste management and minimisation</td>
<td>Maintain legal professional privilege; and enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>7 (2)(g) and 7 (2)(i)</td>
</tr>
</tbody>
</table>