

Rates payable by instalment

Rates are payable by four equal instalments due on:

- Instalment one: 29 August 2014
- Instalment two: 26 November 2014
- Instalment three: 26 February 2015
- Instalment four: 27 May 2015.

It is council policy that any payments received will be applied to the oldest outstanding rates before being applied to the current rates.

Penalties on rates not paid by the due date

The council will apply a penalty of 10 per cent of the amount of rates assessed under each instalment in the 2014/2015 financial year that are unpaid after the due date of each instalment. Any penalty will be applied to unpaid rates on the day following the due date of the instalment.

A further 10 per cent penalty calculated on former years' rate arrears will be added on the first business day of the new financial year (or five days after the rates resolution is adopted, whichever is the later) and then again six months later.

Delegation of decision-making

Decisions relating to applying the rates under the rates related policies will be made by council officers.

Adoption and amendment of this policy

The council must use the special consultative procedure set out in the Local Government Act 2002 to adopt and amend the rates related policies.

Early payment and rates transition management policies

Application of early payment of rates policy

The council's policy on the early payment of rates is to pass on to ratepayers the interest costs savings to the council from receiving rates early. The level of the discount available is therefore based on council's short term cost of borrowing. The discount is 1.1 per cent for 2014/2015. The discount is available on the rates assessed in the 2014/2015 financial year if those rates are paid in full, together with any outstanding prior years' rates and penalties, on or before the due date of the first rates instalment (29 August 2014).

The full policy can be found on page 162 in volume three of the Long-term Plan 2012-2022.

Application of rates transition management policy

Overview of the policy

The council has adopted a rates transition management policy that sets the maximum change in rating liability permitted in relation to an unchanged rating unit. The policy applies for three years from 1 July 2012.

Rates increases for residential, farm or lifestyle, and sea only access properties are limited to no more than 10 per cent of the previous year's rates, for each year in which the policy applies. The cap on decreases must be calculated each year to ensure that the overall financial impact on the council is neutral. It is based on the final budget for the year and set by council resolution at the same time as the rates are set. The cap on rates decreases for the 2014/2015 year is set at minus three per cent.

Summary of estimated non-business rates transition management policy adjustments for 2014/2015

Residential farm/lifestyle and sea only access properties impacted by policy	Estimated number of properties	Proportion of properties	Estimated range of adjustment
Decrease capped	43,037	9%	\$0.01 to \$103,812
No cap	378,885	79%	N/A
Increase capped	56,609	12%	-\$0.02 to -\$79,222

For business properties, rate changes have been phased in over three years. In 2014/2015 business properties will be fully transitioned to their new levels of rates and no transition limit will apply.

The transition management policy does not apply to properties that have changed in terms of the factors that determine rates e.g. have undergone a subdivision, a change in use, or the construction or demolition of buildings. The council has adopted a remission scheme to assist ratepayers of some changed properties who experienced increases in rates due to the shift to the single uniform rating policy and would otherwise have been eligible for a transition adjustment. For more information on this scheme see the Rates remission and postponement policy.

The full Rates transition management policy can be found on pages 165 to 167 in Volume three of the Long-term Plan 2012-2022.