

Memo

30 November 2016

To: Local Board members

cc: Karen Lyons, General Manager, Local Board Services
Matthew Walker, General Manager Financial Strategy and Planning

From: Andrew Duncan, Manager Financial Policy

Subject: Auckland Council Submission: Rates Rebate (Retirement Village Residents) Amendment Bill

Background

Local boards are invited to provide input to Auckland Council's submission on the Rates Rebate (Retirement Village Residents) Amendment Bill.

The Bill provides for residents of retirement villages with occupation rights agreements (ORAs) to be eligible for a rates rebate. The Bill was introduced on 5 May 2016, received its first reading on 9 November 2016 and submissions will close on 12 January 2017. The Local Government and Environment Select Committee is due to report on 9 May 2017.

Currently residents of retirement villages with ORAs pay rates but, in most circumstances, pay indirectly (i.e. to the retirement village owner) rather than directly to the local authority. As they are not the direct ratepayer, these residents are not currently entitled to a rates rebate. The Bill seeks to address this anomaly.

Auckland Council Submission

Staff are preparing a report that will include a draft of the proposed Auckland Council submission for consideration by the Finance and Performance Committee at its meeting on 13 December 2016.

Subject to feedback, staff will be recommending that Auckland Council support the Bill, as it will provide for equitable treatment of ratepayers whether they own their property in fee simple or have an ORA.

However, staff are also seeking amendments to the Bill to address two areas of inequity. Specifically the draft submission seeks amendments to include:

- Residents of Papakainga housing with ORAs. This would ensure these ratepayers are treated equitably with the owners who hold their properties in fee simple.
- Water and wastewater charges levied by Watercare Services Limited in the calculation of entitlement for a rates rebate. In other jurisdictions in New Zealand water charges are levied through rates and are therefore incorporated into the rates rebate calculation. This change would treat all ratepayers across the country equitably no matter how their council decided to provide for water and wastewater services.

Auckland Council is currently providing rates remission for residents who are either precluded from the rates rebate scheme as ORA holders, or who would be entitled to a rebate if water and wastewater charges were included in their rates bill. The changes proposed by the Bill will therefore reduce costs for council. This reduction in costs will be more extensive if the proposed amendments are included in the Bill.

Local Board Views

Staff are seeking Local Board input into a draft council submission on the Amendment Bill.

The proposed submission will be reported to the Finance and Performance Committee at its meeting on 13 December 2016 for consideration and approval.

Local board formal views received by 12 December 2016 will be attached to the final council submission, and shared with the Finance and Performance Committee.

A copy of the Bill is attached.

Contact for further information

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