

Attachment B: Rates remission and postponement policy

Policy purpose and overview

The objective of this policy is to:

- provide ratepayers with some financial or other assistance where they might otherwise have difficulty meeting their obligations
- address circumstances where the rating system results in anomalies in the incidence of rates support the achievement of broader council policy objectives.

The council's remission and postponement policy is set out in three parts each containing a number of schemes.

Part 1 - Financial assistance and support

- remission of rates to top-up the rates rebate remission of rates penalties
- remission for residents of licence to occupy retirement villages and Papakāinga housing
- postponement of rates for residential properties

Part 2 - Addressing anomalies

- remission of rates for miscellaneous purposes
- remission of uniform annual general charges and targeted rates levied as uniform annual charges on certain rating units.

Part 3 - Other schemes

- remission of rates for community, sporting and other organisations providing community services in the district of the former Auckland Regional Council
- remission of rates for community, sporting and other organisations providing community services in the district of the former Franklin District Council
- postponement of rates for sports clubs in the district of the former Manukau City Council
- remission of rates for community, sporting and other organisations providing community services in the district of the former North Shore City Council
- remission of rates where organisations by their existence in the district directly benefit the residents of the district of the former Rodney District Council
- remission of rates for private covenanted land in the district of the former Auckland City Council remission of rates for rating units in the district of the former Auckland Regional Council protected for natural or historic or cultural conservation purposes
- remission of rates for natural areas protected in the district of the former Franklin District Council remission of rates on land in the district of the former Papakura District Council protected for natural conservation purposes
- remission for land in the district of the former Rodney District Council voluntarily protected for natural or historic or cultural conservation purposes
- postponement of rates for commercial properties on Great Barrier Island
- remission for rates transition management policy changed properties.

Policy background

Section 102(5) of the Local Government Act 2002 provides that a council may have a rates remission and postponement policy.

Full details and criteria for the remission and postponement schemes

This section has the full details of each remission and postponement scheme, as well as outlining the objectives and criteria for each scheme.

Applications

The ratepayer or ratepayer's agent must apply to the council on the prescribed remission or postponement form. The application should show how the remission or postponement will support the objectives of the scheme and how the property fits within the objectives. For the rates to be remitted or postponed, the council may require evidence each year, by way of statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the scheme. The council can apply for the remission or postponement on behalf of the ratepayer, provided the council is certain that the property meets all the criteria of the scheme. The council reserves the right to seek further information if it deems it necessary.

The remission or postponement will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years, unless otherwise stated in the scheme.

Part 1 - Financial assistance and support schemes

Remission of rates to top-up the rates rebate

Objectives

The objective of this remission scheme is to enable the council to address the inequity that results from Auckland ratepayers being unable to include water and wastewater charges when applying for the central government's rate rebate scheme. This scheme allows the council to remit the difference between its rates rebate top-up calculation and the government's rates rebate scheme to include Watercare Services Limited's and Veolia Water Limited's (previously United Water Limited) water and wastewater charges in the calculation.

Conditions and criteria

To be eligible for the top-up remission, the ratepayer must meet the following criteria:

1. be a residential ratepayer and reside on the property
2. have resided on the property at the beginning of the rating year (1 July)
3. be an individual, rather than an organisation or trust. The amount remitted will vary according to the:

- a. ratepayer's gross income, including any overseas income
- b. amount of Auckland Council rates payable by the ratepayer
- c. amount of water and wastewater charges payable by the ratepayer
- d. number of children or other dependants that the ratepayer supports
- e. maximum rebate and threshold limits set by central government under its rebate scheme.

Central government updates thresholds for its rates rebate scheme each year. The council's extended rates rebate scheme is automatically updated for the new thresholds.

Remission for residents of licence to occupy retirement villages and Papakāinga housing

Objectives

This remission scheme allows council to remit the uniform annual general charge and Transport levy targeted rate for residents of retirement villages and Papakāinga housing residents who would otherwise qualify for central government's rate rebate scheme, except they occupy their property under a licence to occupy agreement.

The remission will be applied to the rates of the retirement village in which the applicant resides, where an agreement exists between the village operator and Auckland Council (see more below). The benefit of the rates remission will be passed to the resident.

Conditions and criteria

To be eligible for the licence to occupy remission, the applicant must meet the following criteria:

1. be a resident of a retirement village and/or Papakāinga housing under a licence to occupy agreement
2. reside in a unit or apartment that is identified by Auckland Council as a separately used or inhabited part of the retirement village and/or Papakāinga housing to which a separate uniform annual general charge and transport levy is applied
3. reside in a retirement village and/or Papakāinga housing that has entered into an agreement with Auckland Council to:
 - f. identify the rates for applicants to the scheme
 - g. pass the full benefit of any rates remission granted under this scheme to the successful applicant
4. have resided on the property at the beginning of the rating year (1 July)
5. be an individual, rather than an organisation or trust
6. only one application per unit or apartment will be accepted.

Granting of a remission will depend on:

1. the applicant's gross household income, including any overseas income
2. the share of Auckland Council rates payable by the applicant to the retirement village and/or Papakāinga housing in which the applicant resides
3. the maximum rebate and threshold limits set by central government under its rebate scheme.

Central government updates thresholds for its rates rebate scheme each year. The council's remission for residents of a "license to occupy" within a retirement village and/or Papakāinga housing is automatically updated for the new thresholds.

How to apply

All retirement villages and/or Papakāinga housing which have signed on for the scheme will provide application forms to their residents.

Remission of rates penalties

Objectives

The objective of this scheme is to enable the council to act fairly and reasonably in relation to penalties applied when rates have not been received by the due date.

Conditions and criteria

Penalties on rates may be remitted when one or more of the following criteria are met.

1. The ratepayer is experiencing significant family disruption, such as illness or accident of the ratepayer or a family member, birth, death, marriage, separation or divorce.
2. There are extenuating circumstances, such as the loss of records by fire or theft.
3. The ratepayer has paid after the penalty date, but has not received a rates penalty remission under this policy within the past two years.
4. The ratepayer has purchased the rating unit, but has not received a rates instalment notice of instalment of rates, for example in the case of a cross-lease or subdivision where the rates notices continue to be sent to the previous owner until the end of the financial year.
5. The ratepayer can no longer manage his or her own affairs because of age or health issues, and another person has assumed responsibility for paying the ratepayer's accounts. This criterion can only be used once by each ratepayer.
6. The ratepayer has advised the council before the penalty date that he or she will not have funds available to pay the rates instalment until after the penalty date, and the payment is then made within 14 days of the penalty date. This criterion can only be used once within any two-year period by each ratepayer.
7. The ratepayer has contacted the council within seven days of a penalty date requesting a copy of the instalment notice but did not receive the copy before the penalty date, as long as payment is made within 10 days after the date the request was made.
8. Where correspondence disputing the payment of rates on the rating unit has been sent to Auckland Council but no record of receipt is found, and a copy of the correspondence together with proof that it was sent before the penalty date is supplied by the ratepayer.
9. The penalties incurred on the first instalment of each new financial year will be remitted if the ratepayer pays the total amount of rates due for the year, excluding the penalty on the first instalment, but including any arrears owing at the beginning of the financial year, by the second instalment due date.
10. Where the ratepayer meets the payment conditions agreed with the council to resolve a rates arrears, the council can remit any part of the penalties already incurred or yet to be incurred.
11. Where circumstances are such that to not remit some or all of the penalties would be unfair or unreasonable and inconsistent when compared to the criteria in 1 to 10 above.

The remission will apply from the beginning of the rating period in which the application is approved and will not be backdated to prior years.

Treatment of penalties on small overdue balances

When a small balance is overdue, which it is uneconomical to collect, council officers may write off the balance in line with other council procedures. Penalties will not be applied in these circumstances.

Postponement of rates for residential properties

Objectives

The objective of this scheme is to assist residential ratepayers who want to defer the payment of rates by using the equity in their property. This scheme also applies to those who may have financial difficulties or unusual circumstances, as long as they have the required equity in their property.

Criteria

The ratepayer must meet the following criteria to be considered for rates postponement:

1. The ratepayer must be the current owner of the rating unit and owned the property for at least two years.
2. The rating unit must be used solely by the ratepayer as his or her residence.
3. The postponed rates will not exceed 80 per cent of the available equity in the property. The available equity is the difference between the council's valuation of the property (the capital value at the most recent triennial revaluation) and the value of any encumbrances against the property, including mortgages or loans, if the ratepayer has insured the property for its full value. Otherwise, the available equity will be the 80 per cent of council's valuation of the land less any encumbrances against the property.
4. The ratepayer or the ratepayer's authorised agent must apply to the council on the prescribed form.

Conditions

1. The council recommends that ratepayers considering postponing their rates seek advice from a financial adviser on the financial impacts and appropriateness of postponing their rates.
2. The council will postpone payment of the residual rates (what is left after any optional payment) if the ratepayer meets the above criteria.
3. The council may add a postponement fee each year to the postponed rates. The fee will cover the period from when the rates were originally due to when they are paid. The fee will not exceed the council's administrative and financial costs of the postponement.
4. The postponement will apply from the beginning of the rating year in which the application for postponement is made, although the council may backdate the postponement application, depending on the circumstances.
5. Once the postponed rates are equal to, or greater than, 80 per cent of the available equity in the property, no further rates will be postponed. Any postponement will apply until one of the situations listed below occurs, at which time the postponed rates (and any postponement fee) will be immediately payable:
 - a. the ratepayer's death

- b. the ratepayer no longer owns the rating unit
 - c. the ratepayer stops using the property as his or her residence
 - d. a date set by the council in a particular case.
6. All or part of the postponed rates may be paid at any time.
 7. The applicant can choose to postpone the payment of a lesser amount of rates than the full amount that they would be entitled to postpone under this policy.
 8. Postponed rates will be registered as a statutory land charge on the rating unit's title.
 9. For the rates to be postponed, the council will require evidence each year, by way of statutory declaration, of the ratepayer's property insurance and the value of encumbrances against the property, including mortgages and loans.

Part 2 - Addressing anomalies in schemes

Remission of rates for miscellaneous purposes

Objectives

The objective of this scheme is to enable the council to remit rates in circumstances that are not specifically covered by other schemes in the rates remission and postponement policy, but where the council considers it appropriate to do so.

Conditions and criteria

The council may remit rates on a rating unit where it considers it just and equitable to do so because:

1. There are special circumstances in relation to the rating unit, or the incidence of the rates (or a particular rate) assessed for the rating unit, which mean that the unit's rates are disproportionate to those assessed for comparable rating units
2. The circumstances of the rating unit or the ratepayer are comparable to those where a remission may be granted under the council's other rates remission policies, but are not actually covered by any of those policies
3. There are exceptional circumstances that the council believes that it is equitable to remit the rates. The council has the final discretion to decide whether to grant a rates remission under this policy.

Remission of uniform annual general charges and targeted rates levied as fixed charges on rating units

Objectives

The objective of this scheme is to promote fairness in the application of rating by allowing the council to remit fixed charges in circumstances where it is equitable to do so.

Conditions and criteria

The council may remit uniform annual general charges and targeted rates levied as fixed charges, where the application meets one of the following criteria:

1. The rating unit is used solely for vehicle parking in conjunction with a building on a rating unit in the same ownership, and no car parking is available on the main property.

2. The rating unit is used jointly with one or more units as a single farm or horticultural entity and the group of rating units would otherwise be treated as a single rating unit, except that:
 - a. the units are not strictly contiguous (for example, a farm run-off block).
 - b. the occupier of all the rating units is the same but the occupier does not own the rating units or does not own all the rating units.
3. The rating unit is Māori land used jointly with one or more Māori land units as a single entity and the group of rating units would otherwise be treated as a single rating unit, except that:
 - a. the units are not strictly contiguous
 - b. the occupier of all the rating units is the same but the occupier does not own the rating units or does not own all the rating units.
4. The rating unit is classed by the council as a remote island that is uninhabitable or cannot be used for any practical use.

A remission will not apply to any rate that is levied for a:

- a. separate residential dwelling or business located on the rating unit
- b. service actually provided to the rating unit.

Owners wishing to claim a remission under this policy may be required to make a written application or declaration and to supply such evidence as may be requested to verify that a remission should be granted under this policy.

Part 3 - Other schemes

Remission of rates for community, sporting and other organisations providing community services in the district of the former Auckland Regional Council

Objectives

The objectives of this scheme are to:

- facilitate the ongoing provision of non-commercial community services and recreational opportunities that meet the needs of residents of the Auckland region.
- encourage the sustainability of community-based organisations and the benefit they provide to community good.
- 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 application meets the following criteria:

1. The scheme will apply to land owned and occupied by incorporated sport or recreation clubs or associations, or organisations providing community services, which have within their constitution appropriate clauses to qualify them as charities or where there are clauses that ensure they are not-for-profit, and where there is, in the opinion of the council, significant public good that results from the occupation of the land for the purpose of their sport, recreation or community services.
2. The scheme will not apply to:
 - a. organisations operated for private pecuniary profit;

- b. land used for the purpose of accommodation (such as student accommodation), unless that use is in conjunction with the provision of some other qualifying community service.
3. This scheme does not apply to any rating unit that has qualified for a remission under any of the following schemes:
 - a. remission of rates for community, sporting and other organisations providing community services in the district of the former Franklin District Council
 - b. remission of rates for community, sporting and other organisations providing community services in the district of the former North Shore City Council
 - c. remission of rates where organisations by their existence in the district directly benefit the residents of the district of the former Rodney District Council
4. All remissions are at the discretion of the council and will be assessed on a case-by-case basis. The council (at its absolute discretion) shall determine the extent of public benefits that are provided to the community. This shall be the basis for deciding eligibility for remission.
5. A qualifying rating unit will be eligible for a remission of five per cent of the rates (excluding targeted rates). Where the application relates to a community hall owned by what is known as a Resident and Ratepayer Association (however named), and the council determines that the applicant is eligible for rates remission, the rating unit will be eligible for a remission of ten per cent of the rates (excluding targeted rates).
6. Organisations making application should include the following documents in support of their application:
 - a. constitution
 - b. statement of objectives
 - c. full financial accounts
 - d. information on activities and programmes
 - e. details of membership or clients.
7. 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.

Remission of rates for community, sporting and other organisations providing community services in the district of the former Franklin District Council

Objectives

The objectives of this scheme are to:

- facilitate the ongoing provision of non-business community services that meet the needs of residents in the district of the former Franklin District Council
- facilitate the ongoing provision of non-business recreational opportunities for residents in the district of the former Franklin District Council
- assist the survival of sporting, recreation and other community organisations
- make membership of sporting, recreational and community organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

Conditions and criteria

1. The scheme 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 and is located in the district of the former Franklin District Council.

2. The scheme will not apply to organisations operated for private pecuniary profit, or which charge tuition fees.
3. The scheme 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. The application for rate remission must be made to the council prior to the commencement of the rating year (including providing any additional information requested by the council). Applications received during a rating year will not be applicable until the commencement of the following rating year.
5. Organisations making 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.
6. The council may also request other information required to support the application, eg proof of registration as a charity with the Charities Commission.
7. This scheme shall apply to such organisations as approved by council officers as meeting the relevant criteria.
8. The extent of any remission to any qualifying organisation shall be as determined by the council officers. A maximum of 50 per cent remission will apply to organisations that hold a liquor licence. No remission will be granted in respect of rates for waste management services.

Postponement of rates for sports clubs in the district of the former Manukau City Council

Objectives

The objective of this scheme is to provide relief to sports clubs where the rateable value of land that is owned and used by a recognised sports club for sports is significantly attributable to potential residential development or subdivision.

Conditions and criteria

1. For the purposes of this scheme
 - a. 'sports' means any organised outdoor sport but excludes horse or dog racing of any kind and 'sporting' has a corresponding meaning
 - b. 'land' means land comprising not less than 5 hectares and zoned main residential, residential settlement serviced, residential settlement unserviced, residential heritage 1, residential heritage 2, residential heritage 3, residential heritage 4, residential heritage 5, residential heritage 6, residential heritage 7, residential heritage 8 in terms of the Manukau City operative District Plan 2002 as at 1 January 2003.
2. To be eligible under this scheme, the land must be located in the district of the former Manukau City Council and:
 - a. have been developed for sporting purposes prior to 1 January 2003
 - b. continues to be used solely for sporting purposes since 1 January 2003
3. Upon written application from the ratepayer of the rating unit meeting the criteria set out in clause 2, and upon payment of a fee, the council will cause a rates postponement value to be determined.
4. The rates postponement value is to be determined:

- a. so as to exclude any potential value that, at the date of valuation, the rating unit may have for non-sporting uses
- b. so as to preserve the uniformity and equitable relativity with comparable parcels of land within the district of the former Manukau City Council and used for sporting purposes, the values of which do not contain any such potential value
5. There will be no right of objection to the rates postponement value determined under clause 3(a) and (b), except to the extent that it is proved that the rates postponement value does not preserve uniformity with existing District Valuation roll values for comparable rating units (used for sporting purposes) within the district of the former Manukau City Council having no potential value for non-sporting development.
6. Where a rates postponement value has been determined, the payment of rates will be deemed to have been postponed to the extent specified in clause 7 of this scheme.
7. The portion so postponed of the rates for any rating period shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the rating unit and the amount of the rates that would be payable for that period if the rates postponement value of the rating unit were its rateable value.
8. All rates whose payment has been postponed under this scheme will become due and payable immediately:
 - a. on the rating unit ceasing to be used for sporting purposes
 - b. where the ratepayer parts with possession of the rating unit or assigns or attempts to assign the rating unit in any way or for any purpose other than the giving of security for funds intended to be used for the further development of the rating unit for sporting purposes
 - c. where the rating unit or part of the rating unit is developed for any purpose other than sports
9. However, the council may in its sole discretion, decide to remit part or all of the rates postponed in any particular case where it considers that it would be just and equitable to do so.
10. The postponement will generally apply from the beginning of the rating period in which the rate postponement value is determined but may, at the council's sole discretion, be backdated to 1 July 2006.
11. Postponed rates will be registered as a statutory land charge on the title of the rating unit.
12. The council will add a postponement fee to the postponed rates for the period between the due date and the date they are paid. This fee will not exceed an amount which covers the council's administration and financial costs
13. The financial consideration of the postponement fee to be added under clause 11 will be an annual interest rate to be set by the council.

Remission of rates for community, sporting and other organisations providing community services in the district of the former North Shore City Council

Objectives

The objectives of this scheme are to:

- to facilitate the ongoing provision of non-commercial (non-business) community services that meet the needs of residents in the district of the former North Shore City Council
- to facilitate the ongoing provision of non-commercial (non-business) recreational opportunities for residents in the district of the former North Shore City Council
- assist the organisation's survival

- 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 application meets the following criteria:

1. This scheme 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 and is located in the district of the former North Shore City Council.
2. This scheme will not apply to organisations operated for private pecuniary profit or which charge commercial tuition fees.
3. This scheme 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. The application for rate remission must be made to the council prior to the commencement of the rating year; applications received during a rating year will be applicable from the commencement of the following rating year. No applications will be backdated.
5. Organisations making 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
6. This scheme shall apply to such organisations as approved by the council officers as meeting the relevant criteria.
7. The extent of any remission to any qualifying organisation shall be as determined by the council officers. No remission will be granted in respect of rates for waste management services.

Remission of rates where organisations by their existence in the district directly benefit the residents of the district of the former Rodney District Council

Objectives

The objectives of this scheme are to encourage certain sport, recreation and welfare organisations in the district of the former Rodney District Council which directly benefit the residents of the district.

Conditions and Criteria

1. Applicant organisations must benefit residents of the district of the former Rodney District Council: council will exercise its discretionary powers for rates relief, only to organisations which by their existence in the district of the former Rodney District Council will directly benefit the residents of the district of the former Rodney District Council
2. Not to apply to non-rateable land: This scheme does not apply to categories of land that are Non-rateable or 50 per cent non-rateable in accordance with Schedule 1 of the Local Government (Rating) Act 2002

3. Public halls and libraries: That subject to (1) above, all public halls and libraries receive 100 per cent remission of all rates
4. Sporting clubs and similar organisations: That sporting clubs and other similar organisations that would be 50 per cent non-rateable in accordance with the Local Government (Rating) Act 2002 Schedule 1 Part 2, except that a liquor licence is in force in respect of the land, receive 50 per cent remission of all rates
5. Organisations whose principal objective is to promote education or health: That subject to (1) above, organisations whose principal objective is to promote education or health, the members of such organisations deriving no pecuniary gain, be granted a 100 per cent remission of all rates
6. Reserves used for passive recreation: That subject to (1) above, reserves used for passive recreation that do not receive income, receive 100 per cent remission of all rates
7. Organisations leasing council land may qualify for additional assistance: That in the case of organisations leasing council land and run by voluntary assistance solely for the benefit of the community, the members of which derive no pecuniary gain, council is prepared to consider those applications as eligible for further rate relief
8. Other organisations: That all other remissions be limited to 50 per cent of all rates
9. Council may consider remission not strictly in accordance with this scheme: Subject to (1) above, council may consider remissions beyond any limits in this scheme if the circumstances so warrant. In particular those organisations already receiving relief outside the general conditions of this policy shall continue to do so until this scheme is reviewed.

Remission of rates for private covenanted land in the district of the former Auckland City Council

Objectives

The objective of this scheme is to encourage landowners to covenant their land for conservation purposes.

Criteria

The council may remit rates on land located in the district of the former Auckland City Council where:

- a rating unit is wholly or partly subject to a registered open space covenant under section 22 of the Queen Elizabeth II National Trust Act 1977
- private land has a conservation covenant under section 77 of the Reserves Act 1977 registered against its certificate of title.

To receive rates remission, land covenanted under the Reserves Act 1977 must have a council-approved management plan in place that meets the council's criteria, to ensure that the conservation area is protected and maintained.

The council will inspect the conservation area every two years to ensure that the conservation area is being maintained to the agreed standard in the management plan.

Conditions

The ratepayer or the ratepayer's agent must apply to the council on the prescribed form, which will include a council-approved covenant management plan. After the initial application

has been approved, the council will continue to apply any remission until the rating unit ceases to qualify for a remission under this scheme.

A qualifying rating unit will be eligible for a remission of 100 per cent of the rates (excluding targeted rates) on the part of the rating unit to which the covenant applies, as long as the conservation area is maintained to the standard agreed in the management plan.

If the conservation area is not maintained to the standard agreed in the management plan, the council may reduce the level of the remission, including the complete removal of the remission.

Remission of rates for rating units in the district of the former Auckland Regional Council protected for natural or historic or cultural conservation purposes

Objectives

The objective of this scheme is to encourage the preservation and enhancement of open space in the Auckland region.

Criteria

1. The remission will only apply where the rating unit is wholly or partly subject to:
 - a. an open space covenant under the Queen Elizabeth the Second National Trust Act 1977
 - b. a heritage covenant under section 6 of the Historic Places Act 1993
 - c. a conservation covenant under section 77 of the Reserves Act 1977
 - d. a declaration of protected private land under section 76 of the Reserves Act 1977
 - e. a management agreement for conservation purposes under section 38 of the Reserves Act 1977
 - f. a covenant for conservation purposes under section 27 of the Conservation Act 1987
 - g. a management agreement for conservation purposes under section 29 of the Conservation Act 1987
 - h. a covenant with the council which has the effect of preserving the land for natural or cultural conservation purposes.
2. Only land which has been voluntarily made subject to one of the above protections will be eligible for remission. Land which has been required to be protected by central or local government, for example as a condition of a resource consent, is not eligible.
3. This scheme does not apply to any rating unit used for business purposes. 'Business' is defined as 'used solely or principally for business purposes, and including communications, electricity, gas, water supply, sanitary and vacant utilities, medical facilities, theatres and similar entertainment facilities, motels and hotels and similar accommodation, and rating units used for purposes of mineral extraction; but excluding rating units used for farming and agricultural or educational purposes.'
4. This scheme does not apply to any rating unit that has qualified for a remission under any of the following schemes:
 - a. remission of rates for private covenanted land in the district of the former Auckland City Council
 - b. remission of rates for natural areas protected in the district of the former Franklin District Council
 - c. remission of rates on land in the district of the former Papakura District Council protected for natural conservation purposes

- d. remission for land in the district of the former Rodney District Council voluntarily protected for natural or historic or cultural conservation purposes.

Conditions

1. A qualifying rating unit will be eligible for remission of 10 per cent of the same proportion of rates (excluding targeted rates) as the area subject to the covenant, declaration or agreement bears to the area of the rating unit as a whole.
2. The council reserves the right to require a fresh application for remission each year and to require a declaration or other proof from the applicant that the rating unit remains eligible for the remission.

Remission of rates for natural areas protected in the district of the former Franklin District Council

Objectives

The objective of this scheme is to promote the protection of land comprising natural areas (being stands of native bush, wetlands, wildlife habitats and landforms) that have, voluntarily, been appropriately physically and legally protected or classified.

Conditions and criteria

1. Rates remission and relief may be granted in respect of land comprising natural areas (being stands of native bush, wetlands, wildlife habitats and landforms) located in the district of the former Franklin District Council that have, voluntarily, been appropriately physically and legally protected or classified. Such relief may only be granted while the necessary physical and legal protection remains in force.
2. Up to 100 per cent rates remission may be granted for appropriately protected natural areas. The amount of relief granted will be determined on a case by case basis by the council officers. In particular, each application for rates relief shall contain sufficient information to allow the following to be assessed:
 - a. the significance of the natural area being protected. In particular:
 - the significance of the area in an international, national, regional or local context
 - the rarity or representativeness of the area
 - whether the type of feature comprising the area has been protected elsewhere in the district of the former Franklin District Council
 - the vulnerability of the natural area being protected, including an assessment of whether, and to what extent, the preservation of the natural area might be prejudicially affected if rates relief is not granted in respect of the land comprising the area.
 - b. the financial cost and loss of opportunity for the applicant in protecting the natural area on a voluntary basis.
 - c. whether the applicant will be required to change the use of the land and be bound by certain management practices. If so, the likely costs involved.
 - d. whether extraordinary conditions and restrictions apply to the natural area being protected and surrounding land. If so, how these will affect the saleability and future use of the natural area and surrounding land.
 - e. such other matters as the council considers relevant.
3. The actual amount of rates remitted in respect of the land comprising a protected natural area shall be calculated using the following formula:

$$\text{Amount of rates remitted} = (\text{percentage rates relief granted}) \times \frac{(\text{area of protected natural feature})}{(\text{total area of property})} \times (\text{general rates payable on total area of property})$$

If at any time a landowner fails to maintain the necessary physical protection or otherwise breaches the conditions of legal protection for a natural area, the council may cease to provide rates remission or relief in respect of the land comprising that natural area. This action will only be undertaken if other remedies, including consultation with the landowner, have failed.

Rates relief for the protection of natural areas under this scheme shall not apply to protected natural areas included in a lot which has arisen out of a subdivision consent issued by council.

There is no fee for processing an application under this scheme.

Remission of rates on land in the district of the former Papakura District Council protected for natural conservation purposes

Objectives

The objective of this scheme is to encourage owners to take measures to protect areas of land for natural conservation purposes for the benefit of future generations.

Conditions and criteria

Rates may be remitted on land located in the district of the former Papakura District Council where the application meets the following criteria:

1. A mechanism must be in place which provides for the enduring protection of land concerned, such as:
 - a. an open space covenant under the Queen Elizabeth the Second National Trust Act 1977
 - b. a conservation covenant or protected private land agreement under the Reserves Act 1977
 - c. any other covenant or agreement which in the opinion of the council provides enduring protection for the land.
2. The ratepayer must provide copies of documentation creating the protection mechanism along with confirmation that, and how, any conditions of the mechanism are being complied with.
3. Qualifying land will not include any area put to active use, including but not limited to, residential accommodation, commercial activities, grazing or other farming activity.
4. Separate rating valuations will be prepared for the qualifying protected land and the balance of the property.
5. Remission of 100 per cent of rates, excluding uniform charges, will be granted only in respect of the protected area.
6. The ratepayer must make application annually to the council on the prescribed form.

Remission for land in the district of the former Rodney District Council voluntarily protected for natural or historic or cultural conservation purposes

Objectives

The objective of this scheme is to provide a measure of relief, by way of rates remission, for property owners who have voluntarily protected their land for natural or historic or cultural conservation purposes. Schedule 1 of the Local Government (Rating) Act 2002 lists land that is non-rateable in terms of the Act. This policy does not apply to any land that is non-rateable in terms of the Local Government (Rating) Act 2002.

Conditions and criteria

1. Remission for land located in the district of former Rodney District Council protected for conservation or preservation purposes: Subject to clause 2 (dwelling houses) below, the council may remit 100 per cent of the rates on land which is subject to:
 - a. an open space covenant under section 22 of the Queen Elizabeth the Second National Trust Act 1977
 - b. a heritage covenant under section 52 of the Historic Places Act 1980
 - c. a conservation covenant under section 77 of the Reserves Act 1977
 - d. a declaration of protected private land under section 76 of the Reserves Act 1977
 - e. a management agreement for conservation purposes under section 38 of the Reserves Act 1977
 - f. a covenant for conservation purposes under section 27 of the Conservation Act 1987
 - g. a management agreement for conservation purposes under section 29 of the Conservation Act 1987
 - h. a Māori reservation for natural, historic or cultural conservation purposes under section 439 of the Māori Affairs Act 1953
 - i. a covenant with the former Rodney District Council obligated by bond which has the effect of preserving areas of natural bush greater than 10 hectares for a minimum period of 999 years, not including land protected as a result of a 'bush lot subdivision' approved by the council pursuant to the Operative District Plan of the former Rodney District Council.
2. Dwelling houses: The maximum remission of 100 per cent of rates will not apply in respect of any rating unit if there is a dwelling house, or pursuant to the provisions of the respective covenant or agreement, the right to erect a dwelling house on the land. Council will consider such applications according to the particular circumstances of each case.
3. Continuation of remissions: When the council officer has approved a particular application the rates shall thereafter be remitted annually for so long as the council continues to be satisfied that the circumstances that existed at the time the application was granted continue to apply. The council may request an annual declaration or re-application.

Postponement of rates for commercial properties on Great Barrier Island

Objectives

The objective of this scheme is to encourage and support owners of commercial properties on Great Barrier Island to continue to use their properties for this purpose, rather than pursuing non-commercial developments. It provides relief where the rateable value of a rating unit that is used for commercial purposes on Great Barrier Island is significantly attributable to the potential use that the land may be put to for residential or other non-commercial use.

Criteria

The rates will be postponed, to the extent specified below, where a rating unit located on Great Barrier Island that comes within the rural business differential rating group and is used principally for commercial purposes. If only part of the rating unit is used for commercial purposes, the rates postponement will apply only to that part of the rating unit.

Conditions

1. The ratepayer must apply to Auckland Council on the prescribed form.
2. If the application is approved, the council will postpone a portion of the rates on the rating unit (or part of the rating unit) for the relevant year or years. The amount of rates that are postponed for any rating period will be equal to the difference between:
 - a. the rates calculated using the rateable value of the rating unit (or part of the rating unit), and
 - b. the rates calculated using 80 per cent of the rating unit's (or part of the rating unit's) capital value as the rateable value.
3. Unless the postponed rates become payable in accordance with condition 4 of this scheme, the council will write off the postponed rates, including the postponement fee, after five years.
4. The rates that are postponed under this scheme, and that have not been written off under condition 3, become due and are to be paid immediately if the rating unit ceases to qualify for rates postponement under this scheme.
5. Where the ratepayer's interest in the land becomes vested in another person, the rates postponement will continue to have effect for the land if it continues to qualify for rates postponement under this scheme.
6. The postponement will apply from the beginning of the rating period in which the application is determined and will not be backdated to prior years.
7. Postponed rates will be registered as a statutory land charge on the title of the rating unit.
8. The council will add a postponement fee to the postponed rates, for the period between the date when they are due and the date that they are paid. This fee will not exceed the council's administrative and financial costs.
9. For the rates to be postponed, the council will require evidence each year, by way of statutory declaration, to confirm that the rating unit still complies with the conditions and criteria of the scheme.

Rates transition management policy changed properties remission

Objectives

The Local Government (Auckland Transitional Provisions) Act 2010, as modified by the Local Government (Auckland Transitional Provisions) Rating Regulations 2012 excludes ratepayers of changed properties from the Rates transition management policy.

The objectives of this remission scheme is to enable the council to address the inequity that results from ratepayers of changed properties being excluded from the council's Rates transition management policy, where the property changes initiated by the ratepayer are minor. The scheme allows the council to remit the rates adjustment the changed property would receive under Rates transition management policy for the proportion of the change in their rates not attributable to the changes initiated by the ratepayer to their properties.

Criteria and conditions

The following categories of changed properties are those outlined in the council's Rates transition management policy (see volume three of the council's Long-term Plan 2012-2022 for details of the policy):

- Residential and farm/lifestyle properties whose total rates increase is more than 10 per cent and the property has undergone a change such as a renovation.
- Business properties that have undergone a change and would otherwise have their rates increase phased over the transition period.

The rates transition management remission does not apply to changed properties that have resulted from the following:

- new build, as a result of developing a vacant section
- new properties created from a subdivision
- a change in the rating differential as a result of the ratepayer changing the use of the property.

For qualifying changed properties, the council will remit the rates adjustment under the Rate transition management policy that is attributable the change between the current year's baseline rates and the previous year's baseline rates excluding the portion of the rates that has resulted from the property change initiated by the ratepayer.

However for residential and farm/lifestyle properties, if the change in the current year's baseline rates and the previous year's baseline increase (excluding the portion that is attributable to the property change initiated by the ratepayer) is less than 10 per cent then no remission is applied.

Delegation of decision-making

Decisions relating to the remission or postponement of rates payments will be made by council officers.

Adoption and amendment of this policy

The council must use the special consultative procedure set out in the LGA 2002 to adopt and amend this policy.