



Mā tō tātou hapori
For our community

Rates Relief Policies
Submissions Pack

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Rates Relief Policies

Online submission

Submitter name: Ben Warren

Organisation (if applicable): Katikati Community Board

Submitter ID: 1

Do you agree with the proposed rates relief policies?

No

Do you have any comments you would like to make on Council's rates relief policies?

Remission of Rates Penalties.

The Council needs to take into account that emailing rates notices often is ineffective as is the reliability on mail delivery. The system does not allow for rate payers that have been caught out more than once.

The Accounts department has all contact details for ratepayers, therefore phone, text message reminders should be including in the system to ensure late payments do not occur. This is simple and inexpensive to operate. Further more the penalty amounts are set at ridiculously high levels given the amount that rates are set at today. Councils cannot justify adding a 10% penalty fee on rates. This should be immediately reduced to 1% if required. Aggravating the hand that feeds the council its revenue is an antiquated business policy and needs to be rectified asap.

Rates Relief Policies
Online submission

Submitter name: Wendy Wilson-Jenks

Organisation (if applicable):

Submitter ID: 2

Do you agree with the proposed rates relief policies?

No

Do you have any comments you would like to make on Council's rates relief policies?

I agree with: Discount for early payment of rates in current financial year

Rates postponement for homeowners aged over 65 years if necessary

Rates Relief Policies
Online submission

Submitter name: Linda Mitchell

Organisation (if applicable):

Submitter ID: 3

Do you agree with the proposed rates relief policies?

Yes

Do you have any comments you would like to make on Council's rates relief policies?

Discount for early rate payment should be more beneficial ie. 5 or 10%

Rates Relief Policies
Online submission

Submitter name: Gosia Costar

Organisation (if applicable):

Submitter ID: 4

Do you agree with the proposed rates relief policies?

No

Do you have any comments you would like to make on Council's rates relief policies?

Have Your Say

From: CPAG Submissions
Sent: Wednesday, 20 April 2022 7:57 pm
To: Have Your Say
Subject: Submission on rates postponement for financial hardship policy

Thank you for the opportunity to submit on the rates relief proposal. The following submission is made on behalf of the Western Bay of Plenty Child Poverty Action Group and a representative from the group would like to speak at the hearings if possible.

- We recognise the importance of stable housing in combating child poverty. Housing costs are a large driver of child poverty, and children living in owner-occupied housing have a much lower incidence of child poverty, compared to those in rental accommodation (Statistics NZ, Child Poverty Statistics 2021). Households are under increased financial pressure from cost of living increases and covid related impacts (for more information see <https://fairerfuture.org.nz/liveable-incomes-2022>). Most New Zealanders are just coping to meet their everyday costs (49%) and 40% had less than \$1,000 in savings making them very vulnerable to economic shocks (ASB customer survey October 2021).
- We commend the council on reviewing their rates relief policies for those in financial hardship but believe the proposal could go further. We would like to see a rates remission available to households in financial hardship rather than a rates postponement policy. We believe this would better target households in the most hardship, that are the most likely to benefit from ongoing housing security. Many recent home buyers, or those that have bought with assistance from home entry policies are likely to have high mortgage repayments and may not have the required 25% equity to qualify for a rates postponement.
- Those who have lost jobs or have been diagnosed with serious illnesses may not be sure of their financial future and may be servicing other debts. These households may be reluctant to take on a rates postponement, and the associated charges, if they are not sure if they will be able to repay the postponement, or if they are concerned it will impact their ability to financially provide for their family in future. Providing a rates remission to those in financial hardship would provide households with a period in which to adjust to their new circumstances without the added pressure of taking on debt.

Naku noa,
Western Bay of Plenty Child Poverty Action Group,

11 April 2022

Office of the Mayor
1484 Cameron Road
TAURANGA 3112

Submission on Rates Remission and Rooding Policies
Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa

Nā tō rourou, nāku te rourou ka ora ai te iwi, ka ora ai te tangata

E te Koromatua, tēnā koe,
Ki ngā Kai Kaunihera, tēnā koutou
Tēnei mātou o hoa i runga i ngā roopu Te Kāhui Mana Whenua o Tauranga Moana me Te Ihu o Te Waka o Te Arawa hoki e kawea mai nei ngā wawata, ngā hiahia o o mātou iwi o o mātou hapū e pā ana ki ēnei kaupapa nui whakaharahara.

We thank the Mayor and Councillors for the opportunity to provide this submission to the policies that are out for consultation alongside this year's Annual Plan.

This submission is made by your partners, the Tangata Whenua members of Te Kāhui Mana Whenua o Tauranga Moana and Te Ihu o Te Waka o Te Arawa (The Forums). There are currently twenty-seven (27) iwi and hapū that are members of the two forums, whose various rohe (traditional boundaries) spread across the entire Western Bay of Plenty District. This submission is made by us as representatives mandated to speak on behalf of those iwi and hapū and it should be noted that although this is a single submission it carries the mana and aspirations of all our iwi and hapū and their members. Indeed, previous census data puts this number at over 4000 members and as the census only allowed people to list two of their iwi and had no provision for hapū, this is a very conservative figure.

While this is a joint submission of the Forums, we acknowledge that some iwi and hapū may provide separate submissions.

One point that we would like to raise, ahead of the submission points below, is that tangata whenua are not represented at the Council decision-making table. We, as representatives for our respective hapū, are asked to provide our feedback, thoughts, and input into Council mahi but ultimately are not empowered in making the decisions which impact our whānau, trusts, hapū, iwi and whenua. This needs to be addressed moving

forward so that decision making is a true reflection of the partnership between tangata whenua and Council.

We acknowledge the workshops we have had on these kaupapa with staff and elected members and the information provided through these.

1. Financial Contribution for Papakāinga

We support the proposed reduction in FINCOs under the Fees and Charges 2022/23 for Papakāinga.

We acknowledge the prior work in the development and implementation of the Papakāinga Toolkit – the toolkit provided a step by step approach to Papakāinga development and saw multiple agencies together to reduce the barriers for building on Māori land – that meant changing some of the planning rules that made it hard to build multiple housing on Māori land and to have a consistent approach across this mahi between Councils. Out of the toolkit also came a series of workshops designed to walk Māori land trusts and landowners through the toolkit and ultimately build housing on their whenua. It's important to also acknowledge Council's policy to provide a 50% reduction in Financial Contributions (FINCOs) for those that went through the Papakāinga workshops. Despite this good work, to our knowledge only one whānau/trust has benefitted from the current approach to reducing FINCOS so any step to further remove FINCOs as a barrier to Papakāinga development associated with development of Papakāinga is a step that we support.

The FINCOs reduction is one part of the equation and there are many more challenges that exist for the development of Papakāinga. The Forums encourage Council to work more closely with central government agencies and in partnership with iwi / hapū and Māori land trusts to make meaningful progress addressing these challenges so the aspirations for Māori housing can be realised. We would like to see Council organise a multi-agency roadshow in the near future to help inform whānau, trusts, hapū and iwi about funding, consenting and things they need to consider when developing whenua (land). We also note that the District Plan review will be a critical part of the picture in terms of enabling Papakāinga. It would be great to see Council look to support one or two Papakāinga developments through to the end stage of having houses built.

Maximum of 10 Dwellings

The Forums understand the policy applies for up to a maximum of 10 dwellings. This is one way to encourage more comprehensive development. However, Papakāinga are not limited to a certain number of dwellings, a Papakāinga can include communal facilities and gathering places. The Forums request consideration of how a Papakāinga development that includes facilities other than dwellings will be treated in relation to FINCOs.

Staged Applications

One scenario may be that a Māori land trust has a master plan for 20 dwellings as part of a Papakāinga. However, the resource consent application is for 'stage one' which is only 5 dwellings. Clarification is requested on whether the Stage 2 or subsequent applications

will also be required to pay one FINCO (equivalent to the FINCO normally charged for one household equivalent) or if the reduction will apply up to a maximum of 10 dwellings

District Plan Provisions

One area where the Forums would like early engagement is the District Plan provisions for Papakāinga. We need to ensure these are structured to make development of Papakāinga happen – provisions in the plan should encourage and enable this mahi.

The Forums would like to see a clear plan for engagement with iwi, hapū and Māori landowners on the District Plan provisions for Papakāinga.

2. Rates Remission on Māori Freehold Land

We were pleased to see the changes recommended by the Forums incorporated into the draft policy adopted by Council. We are also pleased to hear of the changes to the Local Government (Rating) Act 2002, particularly the recognition of whenua Māori as taonga tuku iho.

There are some roopu who are unwilling to engage with Council around rates on whenua Māori due to our experience with Council and the Crown historically around land confiscation, rating sales, and debt collection. We feel that more work needs to be done, alongside the proposed policy, to ensure our whānau/land trusts/hapū are aware of changes and can take advantage of the opportunities these bring about.

We do wish to raise an issue which may sit outside of the policy – the valuation of whenua Māori. We do not believe that a Western system should be used to assign a value to whenua Māori, nor can it quantify the true value of this land to the hapū. The approach of “best and highest use” should not apply to land which has been occupied since the arrival of Māori in the rohe (area) and handed down for over 700 years. We support Council providing education and support to understand the rating system and its implications for Māori landowners and to work towards reasonable solutions when problems arise.

3. Seal Extension Prioritisation Policy

We welcome the equal treatment of Māori roadway under the proposed Seal Extension Prioritisation Policy. We support the revocation of the Māori Roadways Policy, which includes requirement for a roadway to be vested with Council in order for a Māori Roadway to be sealed. The proposed Seal Extensions Prioritisation Policy approach to treat Māori Roadways in the same manner as public roads is supported, noting that agreement from the specific Māori Roadway owners is required prior to any upgrades being commenced.

We have some concerns that Māori roadway may be used more frequently by the public if they are upgraded. Ngāti Whakahemo experiences issues with this in Pukehina currently where a farm track has been formed and upgraded and now public try to access.

We note that the implementation of the policy is critical, to ensure that the intended approach is delivered on the ground. This includes effective engagement with Māori Roadway owners where their roadway is eligible for sealing.

4. Policy on Council Maintenance of Previously Unmaintained Roads

As above, we support the revocation of the Māori Roadways Policy and the policy intention to treat Māori Roadways in the same way as public roads in terms of when Council would start to maintain a gravel road.

We would like Council to expand the definition of "Community Facilities" under the policy to include ngahere (forest), maunga (mountains), spiritual features, waahi tapu, taonga and other sites of significance so that these can be considered when decisions about maintenance are being made. We support the inclusion of "Marae" and "Urupā" within the definition of "Community Facilities" as proposed in the draft policy.

SUBMISSION

TELEPHONE 0800 327 646 | WEBSITE WWW.FEDFARM.ORG.NZ



To: Western Bay of Plenty District Council
1484 Cameron Road, Tauranga
Barkes Corner, Greerton

Date: 21st of April 2022

Submission on: **Rates Relief Policies - Review**

Submission by: Federated Farmers of New Zealand

DARRYL JENSEN

JESSE BRENNAN

Address for service:

Bay of Plenty Federated Farmers welcomes this chance to submit on the proposed changes to the rates relief policies. We acknowledge any submissions made by individual members of Federated Farmers.

Ten rates relief policies are proposed to be changed. Federated Farmers considers that five of the policies are relevant to our members, being:

- Rates remission for covenanted land;
- Rates remission for contiguous land;
- Rates remission for re-zoned land;
- Rates remissions for natural disasters and emergencies; and
- Rates postponement for financial hardship.

Federated Farmers is supportive of the proposed changes to the rates remissions for contiguous land, and re-zoned land. We congratulate Council on recognising and maintaining existing rural rating units, and the operation of farms across multiple titles. We consider the five policies of relevance excellent in principle; however, we have some recommendations to ensure that policies are practical for our members.

A summary of our support and recommendations are discussed by each remission policy topic, below.

Rates remission for covenanted land

Federated Farmers is supportive of having a rates remission policy for covenanted land. It is important to recognise the conservation of natural environments on land covenanted for environmental protection in perpetuity. Covenants and protected land use private landowner resources for the public benefit of conservation, and it is courteous to recognise landowners and their efforts. The protected sites also do not impose any burden on council services, so a rates remission recognises this.

The objective of this policy is to encourage conservation. As such, we believe that the policy could be extended further to provide remission for other natural areas protected under legal instruments other than the QEII Trust including Significant Ecological Features ('SEFs') as defined and identified within the Western Bay of Plenty District Plan ('WBOPDP').

We note that other councils have employed this approach in similar rates remissions policies. For example, New Plymouth District Council ('NPDC') provide a rates remission for protected natural areas, to assist landowners who have:

- A significant natural area ('SNA') identified on their property in the District Plan (both operative or proposed, with specified conditions relating to a proposed District Plan), or;
- Voluntarily retired land with high ecological value solely for conservation purposes, where the land is being sustainably managed and subject to a protective covenant or other legal mechanism.

For eligible landowners, NPDC remits the general rate pro-rata to land value of the area protected to the total area of the property. Where the protected area is protected as a SNA in the District Plan, the rate will be remitted by 50 percent ('%'), and for land protected by a covenant or other legal mechanism, the rate is remitted by 100%.

We recommend that the proposed rates remission for covenanted land should be extended to include SEFs, which aligns with the framework provided in the WBOPDP for their protection and management. Extension will also allow consistency with other district councils, which is positive. We also request that once remission status has been confirmed, the requirement for a landowner to apply annually should be removed.

Rates remission for contiguous land

Federated Farmers is supportive of the proposed rates remission for contiguous land. We thank Council for recognising that farming operations that are owned by the same person can operate across multiple properties. An example of this could be a dairy farm owner who operates the milking platform on one side of the road and has acquired a property adjacent which is separated by a road. The acquired land will be used as a support block, and as such meets the definition of contiguous land in the Local Government (Rating) Act 2002. The proposed rates remission for contiguous land is an excellent example of a policy that is particularly beneficial to farmers.

Further to this, Federated Farmers recommends that a new remission policy is introduced which provides for rural properties that are non-contiguous but still farmed as a single entity and have the same owner.

It is common for a farmer to own several titles and run this as a single farm business. Often these do not meet all of the criteria for contiguity under Section 20 of the Local Government (Rating) Act 2002 in that ownership might be under a Trust name or an individual's name, as the farmer may have accumulated these properties over many years. Another example of not quite meeting contiguity criteria is if the properties are further apart than just separated by a road, waterway or rail, such as a run-off property down the road which is used for grazing. Such a policy recognises this situation as an example of a non-contiguous property that would be eligible for the remission.

As an example, a farmer may own two properties that are adjacent, but do not meet contiguity criteria in that one owned in the farm business name, and the other in the family trust. There is only one house over the two properties. They may pay two library rates at \$116.28 each, two environmental charge rates at \$65.83 each and two rural works charge rates at \$297.09, giving a total of \$958.40 (2021/2022 rates charges).

Providing a remission for these scenarios will mean that the Council recognises that farmers already contribute more than their fair share, and that the Council is not intending that the transparent and fair targeted uniform charge system impose a heavier burden on some ratepayers than others.

Rates remission for re-zoned land

Federated Farmers is supportive of the proposed rates remission for re-zoned land. We thank Council for the inclusion of the 'rural' rating category to ensure that rezoned rating units can maintain their existing category until the property is sold or otherwise alienated. Given the significant development occurring within the Western Bay of Plenty District, this is an excellent example of a policy that is particularly beneficial to farmers.

Further to this, Federated Farmers recommends a new remission policy is implemented for revalued farming land. The last property valuation for the district was undertaken in 2020/21 and is undertaken every three years.

Federated Farmers has long been concerned that farms are valued for their subdivision and development potential rather than as primary production land. Farmers who experience significant increases in property value because of subdivision potential and amenity aspects like being close to a village, beach or on a tourist route, may feel forced to subdivide in order to gain capital to pay their rates bills. While the Council may feel that the origin of this problem lies with Quotable Value New Zealand ('QV'), QV maintain that Councils set rating policies, and so what rates a property is charged is the responsibility of a Council.

This problem could be solved by a rates remission or postponement policy. A rates postponement or remission policy would allow farmers in "desirable" locations to continue farming and not feel forced to subdivide to release capital and reduce their rates burden, nor to be rated significantly higher than similar properties.

Rates remission for natural disasters and emergencies

Federated Farmers is supportive of having a rates remission policy for natural disasters and emergencies. The policy will provide short term financial assistance to ratepayers detrimentally affected by erosion, subsidence, submersion, or other natural hazard events.

The policy must also include remission for declared drought events. The Insurance Council of New Zealand ('ICNZ') defines a 'natural disaster' as an event caused by forces beyond human control that causes great damage to property and, in the worst cases, people. These events are considered to be

a natural hazard until it happens, after which it is called a natural disaster. Natural disasters include severe weather events, such as storms, wind and rain. Drought is a natural disaster that has a direct financial impact on farmers, and their ability to afford their rates bill.

Hastings and Central Hawkes Bay District farmers were faced with a significant drought event in 2020. Coupled with the national state of emergency due to COVID-19, it meant that farmers were unable to sell livestock, buy in extra feed, or rely on any form of grazing. It had a colossal adverse effect on their financial wellbeing. Most farmers were still able to afford that year's rates bill, but some were not. An example is a young Hastings couple who had purchased their first farm only a few months before, had used up their 500 bales of reserve hay, and had to purchase more feed at an inflated price.

Such a policy would be available on application, and considered on a case-by-case basis to ascertain the merits of each ratepayer's situation. The conditions and criteria outline that an application must be made in writing and received by Council within a period of 12 months from the date on which the natural hazard event occurred. Droughts are declared by National or Local government and determine whether it is considered to be a medium or large-scale event. We also note that drought causes significant financial hardship, and often has widespread effects for animals, people, communities, and wider food supply chains.

Central Hawke's Bay District Council ('**CHBDC**') has implemented a rates postponement for their natural calamities policy for commercial property owners who run a business or farm from the property. The postponement aims to provide rating relief to ratepayers who require additional time to pay rates due to financial hardship, caused by a declared drought event.

We note that climate change is highly likely to increase the frequency and intensity of extreme weather events, including drought. We recommend that the eligibility criteria is extended to provide a framework for rural rating units (i.e. farmers) impacted by declared drought events. Our preference is for full remission due to a declared drought event; but a partial remission or a postponement can also be options for consideration. We reiterate that each application would be considered on its own merit and as such, we consider that the use of this policy would be limited to drought circumstances, and farmers experiencing financial hardship as a result.

Rates postponement for financial hardship

Federated Farmers is supportive of having a rates remission policy for financial hardship, but rural ratepayers must also be eligible. Financial hardship includes situations relating to both the ratepayer, and dependent family members. The general approach outlines that only rating units defined as residential and used solely for residential purposes (as defined by Council) will be eligible for consideration of rates postponement under this policy.

The exclusion of rural ratepayers is inequitable. Rural ratepayers are not exempt to the same financial hardship circumstances that residential rate payers are subject to, and as such the policy should provide a framework for rural ratepayers to seek assistance. We note that the policy is for postponement as compared to remission, and as such rates will still be paid. We recommend extension of the eligibility criteria to include rural rating units.

An example outside of health-related situations where financial hardship could result is the PSA outbreak, which has impacted kiwifruit orchards from 2010 onwards. Total estimated losses as a result of the outbreak are \$900 million across New Zealand. Farmers with single crops were particularly hard hit by the outbreak, as their sole source of income was decimated. We note that extension of the eligibility criteria will still require the information outlined to support the case for postponement and will

be considered by Council on a case-by-case basis. This should provide some assurance to the Council on the merits of the case for postponement.

Federated Farmers thanks the Western Bay of Plenty District Council for considering our submission.

Federated Farmers is a not-for-profit primary sector policy and advocacy organisation that represents the majority of farming businesses in New Zealand. Federated Farmers has a long and proud history of representing the interests of New Zealand's farmers. The Federation aims to add value to its members' farming businesses. Our key strategic outcomes include the need for New Zealand to provide an economic and social environment within which:

- Our members may operate their business in a fair and flexible commercial environment;
- Our members' families and their staff have access to services essential to the needs of the rural community; and
- Our members adopt responsible management and environmental practices.

This submission is representative of member views and reflect the fact that local government rating and spending policies impact on our member's daily lives as farmers and members of local communities.

