



NAPIER
CITY COUNCIL
Te Kaunihera o Ahuriri

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EXTRAORDINARY MEETING OF COUNCIL

Open Attachments Under Separate Cover

Meeting Date: Tuesday 9 February 2021

Time: 11.00am (Revenue & Finance Policy Hearing)

Venue: Large Exhibition Hall
Napier War Memorial Centre
Marine Parade
Napier

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The background image shows a coastal town with houses and trees in the foreground, a blue sea in the middle ground, and mountains in the distance. A yellow and blue geometric pattern is overlaid on the image.



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Napier City Council

SIL Research | Revenue and Financing Policy Consultation

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DECEMBER 2020



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EXECUTIVE SUMMARY

The Napier City Council (NCC) conducted a public consultation to assist their review of the Revenue and Financing Policy, designed to ensure there is equity and consistency in how rates are charged. SIL Research was contracted to collect and analyse the consultation data on behalf of NCC.

The consultation was open between 12 October and 2 December 2020. A questionnaire to collect and record ratepayer feedback on policy proposals was administered via an online survey and postal submission forms. A total of n=427 unique responses per rating unit (e.g. unique households) were received. Most participating ratepayers were from properties negatively affected by proposed changes. The main findings from the consultation submissions included the following:

- Around half (52.6%) of participating ratepayers disagreed with proposed changes to fund Council's activities; 1-in-10 (10.6%) agreed, and a further 36.9% agreed 'to some extent'.
- Those who agreed 'to some extent' typically opposed reduction of rating categories from 6 to 3 (61.7%). In terms of the proposed way to fund Council activities (e.g. proportion of rates vs. user pays), one-quarter (23.4%) agreed, 39.8% remained neutral, and 36.7% disagreed.
- The majority of ratepayers (66.2%) disagreed with proposed changes to how General and Targeted rates are assessed; 1-in-10 (11.7%) agreed, 22.1% agreed 'to some extent'.
- Half (50.0%) of those who agreed 'to some extent' were opposed to General rate percentage weights for Residential/other, Commercial/industrial, and Rural properties.
- A more even distribution of 'Yes' (28.1%), 'No' (35.8%) and 'To some extent' (36.1%) responses were recorded. Of those who agreed 'to some extent', a greater percentage supported Remission of Refuse Collection and/or Kerbside Recycling Targeted rates (55.8%) and phased increases over time (44.4%).
- The majority of ratepayers were 'Neutral' (55.2%) about the proposed removal of amendments to the Rates Postponement Policy; similar proportions agreed (22.0%) or disagreed (22.8%).
- In general, ratepayers from Bay View, Awatoto, Eskdale and Jervois town were more likely to oppose changes to most policies.
- A large volume of additional verbatim feedback was collected. Consistent with other results, ratepayers' specific responses generally opposed policy changes. The main issues or themes highlighted included:
 - *Proposed rates increases are high given fewer (or unchanged) infrastructure / amenities / services received* (67%) – respondents identified services such as sewerage, stormwater, street lighting, kerbing, road/footpath development as services they do not receive, perceiving their rates increases as poor value in this context.
 - *Changes unfair for rural / semi-rural residents* (48%) – in general, proposed changes were considered unfair for rural/semi-rural residents, with a perception that their properties were not similar to more urban properties in terms of value received for rates charged, property rights (for land use, subdivision, etc.) permitted (13%), or a perception that changes represented a 'wealth tax' (7%).
 - *Rural / semi-rural residents already incur additional infrastructure/service costs* (33%) – related to the first point, residents felt increased rates/charges were unfair given the increased costs they already incur (relative to urban properties) to provide their own infrastructure and services not currently provided by the Council.
 - *Proposed rates increases are high given current economic situations / pressures* (23%) – proposed increases were considered poor timing given existing economic conditions (e.g. in light of COVID-19 pandemic), or for those on low/fixed incomes. Some ratepayers (4%) called for increases to be phased in as a result.

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METHODOLOGY

BACKGROUND AND OBJECTIVES

As part of the Long Term Plan consultation, the Napier City Council (NCC) has reviewed their Revenue and Financing Policy in 2020 to ensure there is equity and consistency in how rates are charged.

The last major review of Napier's rating system took place in 2002. New changes are about making sure that similar properties pay similar rates and reflect Napier's current residential, commercial and rural zones.

The proposal also ensures that Council's activities are funded in a way that best reflects how they are used.

A public consultation was open to review the following changes on how the rates are calculated on each property.

The purpose of this consultation was to hear from ratepayers whether:

- They agree with the proposed funding methods in the Revenue and Financing policy;
- Council's proposed changes to the differential categories for the general rate are appropriate and will provide the Council with a simpler and more consistent approach to rates;
- A new Targeted Rate for stormwater is appropriate;

- Moving to wastewater charges based on the number of pans is the best method to fund Napier's wastewater activity;
- Council's proposed changes to the Rates Remission and Rates Postponement policies are appropriate in helping the Council to achieve their overall goals of sharing the rating burden across different sectors of the community.

SIL Research, as an independent Market Research company and a member of the Research Association of New Zealand, collected and analysed the data on behalf of the Napier City Council.

QUESTIONNAIRE AND PROJECT SPECIFICS

SIL Research, together with NCC, developed a questionnaire for the consultation for proposed changes to Revenue and Financing Policy.

All relevant information (e.g. statement of proposal) was available online at Council's websites (www.sayitnapier.nz and www.napier.govt.nz).

DATA COLLECTION

The consultation was open between 12 October 2020 and 2 December 2020.

Multiple data collection methods were utilised to ensure Napier ratepayers had a chance have their say. A mixed-methods approach included: (1) Online survey (available via Council's social media and website), including submission forms

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to download and post back, and (2) Postal deliveries of submission forms to most affected ratepayers.

An active social campaign was advertised by the Council and Mayor to increase awareness about this consultation.

In addition, community meetings took place in mid-October at the Napier War Memorial Centre, Taradale Town Hall, and the Bay View King George Hall. Two final community meetings took place at McLean Park on 18 November.

DATA ANALYSIS AND QUALITY CONTROL

A total of n=540 responses were collected; n=474 responses were submitted online; a further n=66 responses and/or general feedback were posted or emailed directly to the Council.

Duplicate submissions (e.g. same person/address) were also received; these responses (in consultation with the NCC) were aggregated into a single submission per household. This provided a final dataset for analysis purposes of n=427 unique responses per rating unit; the number of completed questions varied between responses.

Overall, the proposed changes impact 26,318 properties (e.g. rating units). Of these properties, 1,860 are negatively impacted (e.g. more than 15% rates increase) and 1,877 are positively impacted (e.g. more than 5% rates decrease).

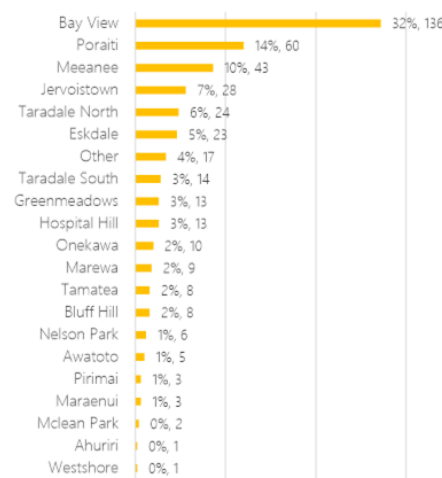
Using total rating units' population projections for the NCC catchment area, 95% confidence level intervals are reported on each page for the key findings.

NOTES ON REPORTING

The term '*Ratepayer*' has been used to represent respondents who participated in the survey.

Where applicable, addresses were used to aggregate responses by area (e.g. Napier suburbs).

Chart 1 Number of responses by area



Some community meetings about the consultation were postponed due to Napier's state of emergency after flooding on the 9th of November 2020. The consultation itself was also extended (up to 2 December).

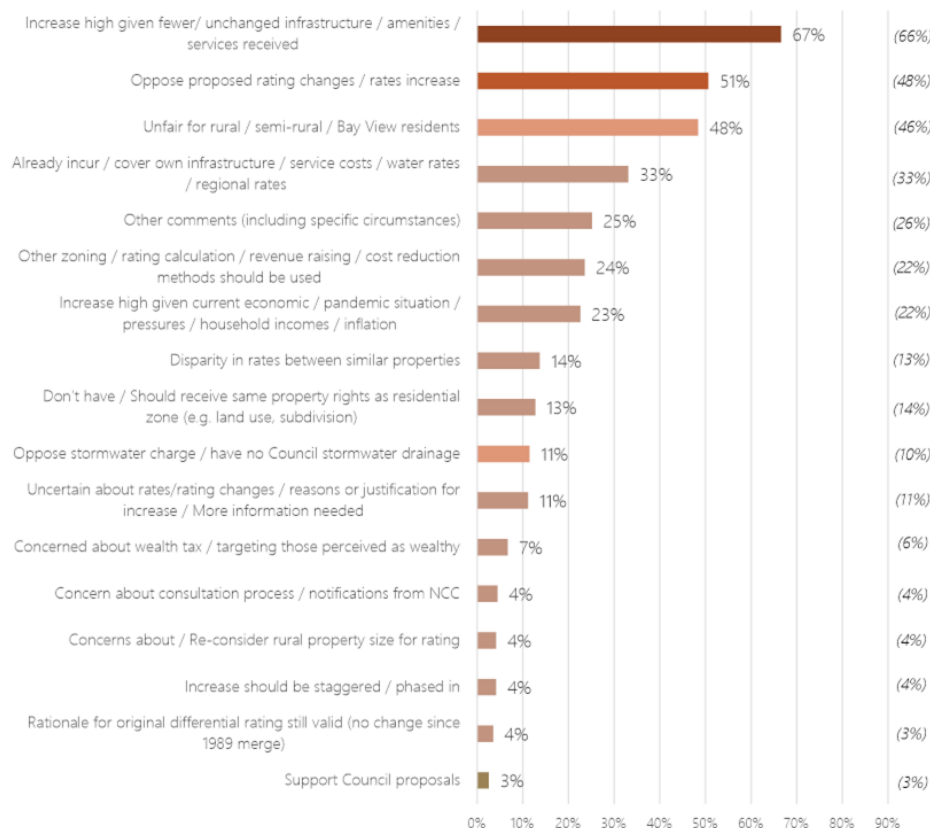
Most ratepayers who participated in the consultation were from properties negatively impacted by the proposed changes. These ratepayers were more likely to oppose the changes.

The margin of error and confidence intervals are indicative only. The nature of this research was consultative engagement with Napier's ratepayers rather than an opinion survey. However, for reporting purposes, the margin of error was estimated based on the assumption of a simple random sample of the population.

PUBLIC FEEDBACK

Other comments and general feedback were collected and aggregated into categories.

Adjusted % per unique household



- All submissions (e.g. online, postal, etc.) were processed, and open-ended comments analysed. The consultation submissions have provided a large volume of resident feedback, containing a wide range of detailed and specific responses to the consultation process.
- Out of n=540 submissions, n=314 provided general comments/feedback. These comments were then read and analysed providing a valuable high-level insight into the main issues and concerns for ratepayers. Most ratepayers mentioned multiple issues in their feedback.
- 51% of submissions were identified as 'oppose proposed changes' referring only to those who specifically mentioned being opposed/unhappy in their verbatim comments. Additional comments also expressed dissatisfaction per se but highlighted specific reasons. The top reasons were:
 - Low value for rates' increase ('Increase high given fewer/ unchanged infrastructure / amenities / services received'),
 - Unfair for rural/semi-rural communities ('Oppose proposed rating changes / rates increase').

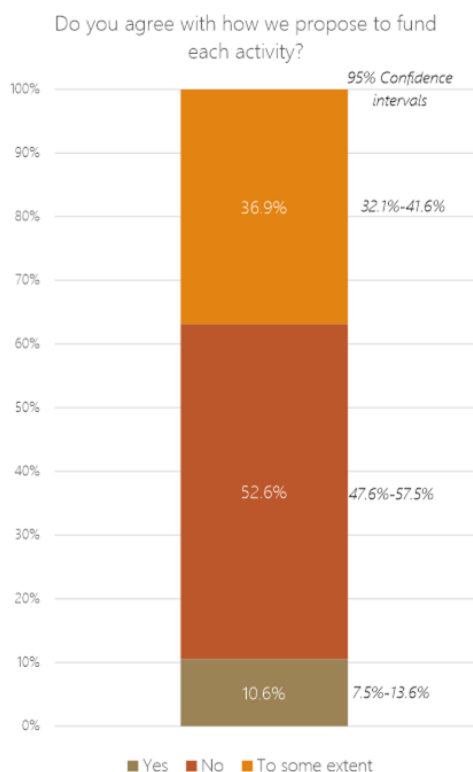
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n=540 (n=314 additional comments). Open-ended comments sorted into categories. Totals may exceed 100% owing to multiple responses for each respondent.

REVENUE AND FINANCING POLICY

The Revenue and Financing Policy guides how the Council gathers their revenue and how they use it to fund their activities and services.

- Overall, around half of ratepayers (52.6%) who participated in the consultation disagreed with the proposed changes to fund Council's activities. This result largely supported verbatim feedback.
- Just 1-in-10 of ratepayers (10.6%) agreed to the proposed changes; a further 36.9% agreed to some extent.
- Ratepayers from Bay View, Meeanee, Awatoto, Eskdale and Jervois town areas - those likely to be most negatively affected by rating and differential changes, and subsequent rates increases - were more likely to oppose these changes.

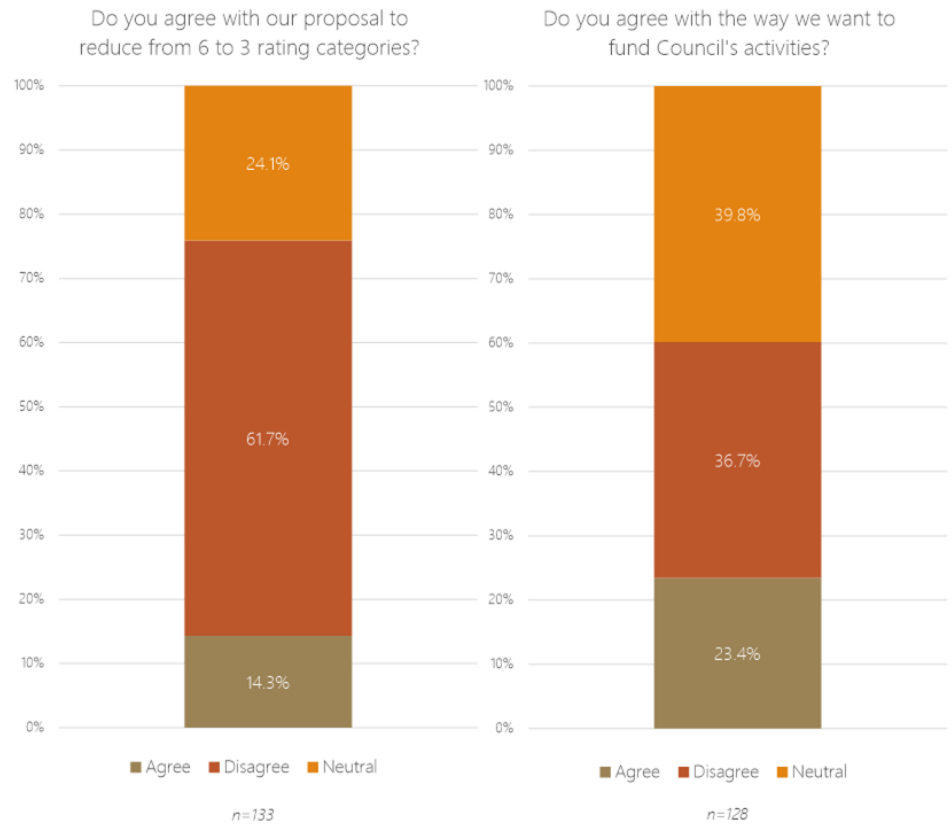


	Yes	No	To some extent
Ahuriri	100.0%	0.0%	0.0%
Awatoto	0.0%	75.0%	25.0%
Bay View	2.4%	68.3%	29.4%
Bluff Hill	28.6%	28.6%	42.9%
Eskdale	0.0%	72.7%	27.3%
Greenmeadows	33.3%	41.7%	25.0%
Hospital Hill	25.0%	50.0%	25.0%
Jervois town	0.0%	64.0%	36.0%
Maraenui	0.0%	50.0%	50.0%
Marewa	33.3%	11.1%	55.6%
McLean Park	100.0%	0.0%	0.0%
Meeanee	0.0%	56.1%	43.9%
Nelson Park	0.0%	25.0%	75.0%
Onekawa	57.1%	14.3%	28.6%
Other	14.3%	35.7%	50.0%
Pirimai	66.7%	0.0%	33.3%
Poraiti	5.4%	51.8%	42.9%
Tamatea	62.5%	0.0%	37.5%
Taradale North	27.3%	36.4%	36.4%
Taradale South	10.0%	10.0%	80.0%
Westshore	0.0%	0.0%	100.0%

REVENUE AND FINANCING POLICY

Respondents who stated 'to some extent'.

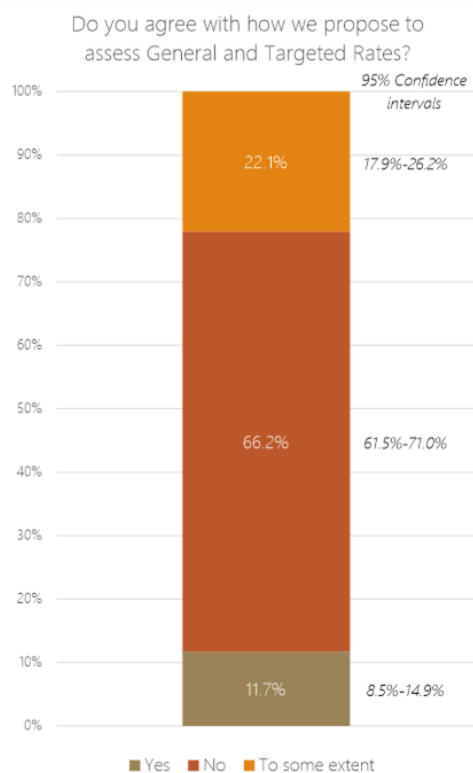
- Ratepayers who agreed 'to some extent' with the proposed changes to fund Council activities were more likely to oppose the reduction of rating categories from 6 to 3 (61.7%).
- The proposed way to fund Council's activities (e.g. the proportion of rates vs. user pays) received mixed responses. Around one-quarter of ratepayers (23.4%) agreed to the proposed alterations; a further 39.8% remained neutral, and a similar proportion of ratepayers disagreed (36.7%).



RATING POLICY

The Rating Policy supports the Revenue and Finance Policy and provides more detail on the percentage of General Rates based on the property type, and how Targeted Rates are assessed.

- A greater percentage of ratepayers disagreed with the proposed change to the Rating Policy (66.2%).
- Around 1-in-10 ratepayers (11.7%) agreed with how General and Targeted rates are assessed. A greater number of positive responses were recorded in Ahuriri, McLean Park, Tamatea and Pirimai (although small sample sizes should be taken into account).
- Again, ratepayers from Bay View, Meeanee, Awatoto, Eskdale, Jervois town, and Poraiti areas were more likely to oppose these changes



	Yes	No	To some extent
Ahuriri	100.0%	0.0%	0.0%
Awatoto	0.0%	100%	0.0%
Bay View	1.6%	80.8%	17.6%
Bluff Hill	25.0%	37.5%	37.5%
Eskdale	4.3%	82.6%	13.0%
Greenmeadows	36.4%	36.4%	27.3%
Hospital Hill	27.3%	54.5%	18.2%
Jervois town	0.0%	73.9%	26.1%
Maraenui	0.0%	100%	0.0%
Marewa	42.9%	42.9%	14.3%
McLean Park	100%	0.0%	0.0%
Meeanee	2.4%	73.2%	24.4%
Nelson Park	0.0%	100%	0.0%
Onekawa	57.1%	0.0%	42.9%
Other	14.3%	35.7%	50.0%
Pirimai	100%	0.0%	0.0%
Poraiti	3.8%	73.1%	23.1%
Tamatea	85.7%	0.0%	14.3%
Taradale North	31.8%	40.9%	27.3%
Taradale South	20.0%	50.0%	30.0%
Westshore	0.0%	0.0%	100%

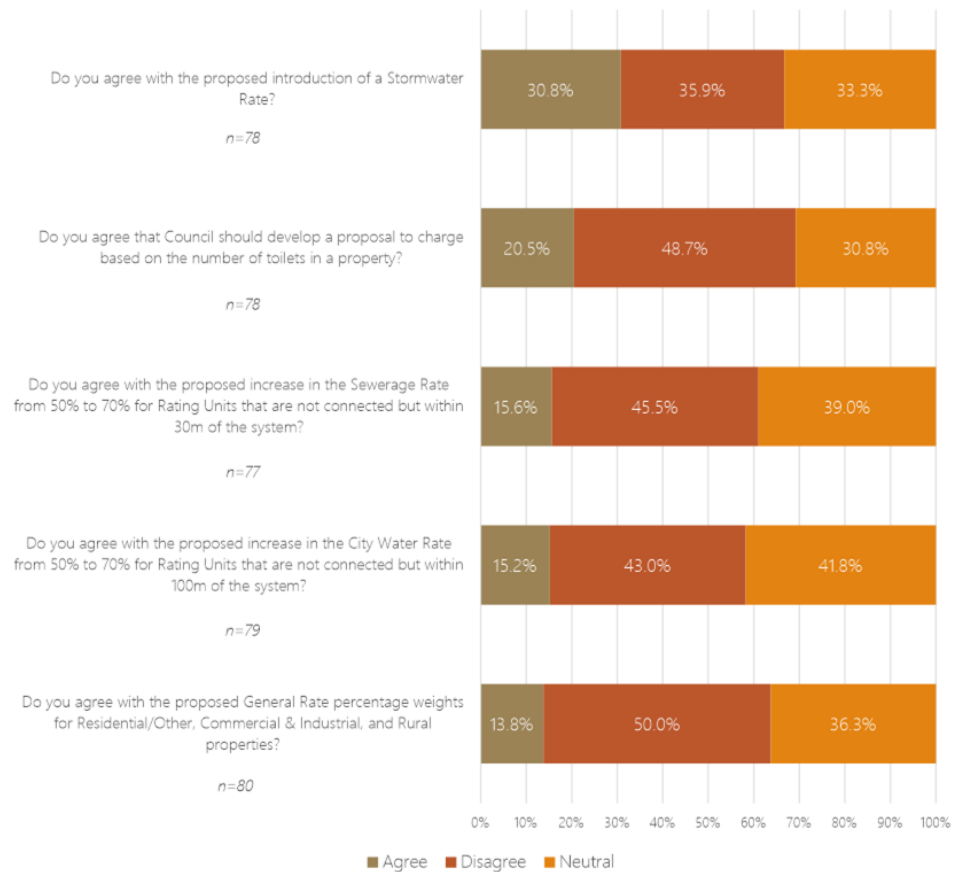
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n=376 provided responses to the second question of the consultation form

RATING POLICY

Respondents who stated 'to some extent'.

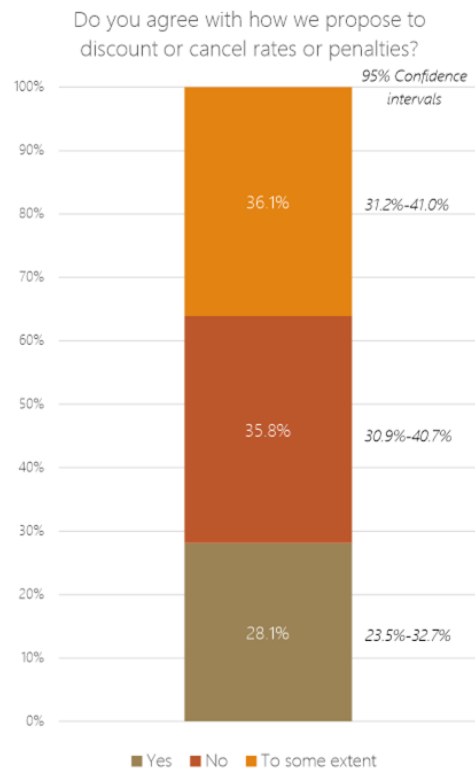
- More ratepayers who agreed 'to some extent' were positive about the proposed introduction of a stormwater rate (30.8%).
- Half of ratepayers (50.0%) who agreed 'to some extent' with the changes to the Rating Policy opposed the proposed General Rate percentage weights for Residential/other, Commercial/industrial and Rural properties.



RATES REMISSION POLICY

The Rates Remission Policy allows the Council to remit all or part of the rates or penalties where certain conditions and criteria in the policy are met.

- The Rates Remission Policy recorded a more even distribution of 'Yes' (28.1%), 'No' (35.8%) and 'To some extent' (36.1%) responses.
- Ratepayers from Awatoto, Jervois town and Maraenui were more likely to oppose these changes, although small sample sizes should be taken into account.

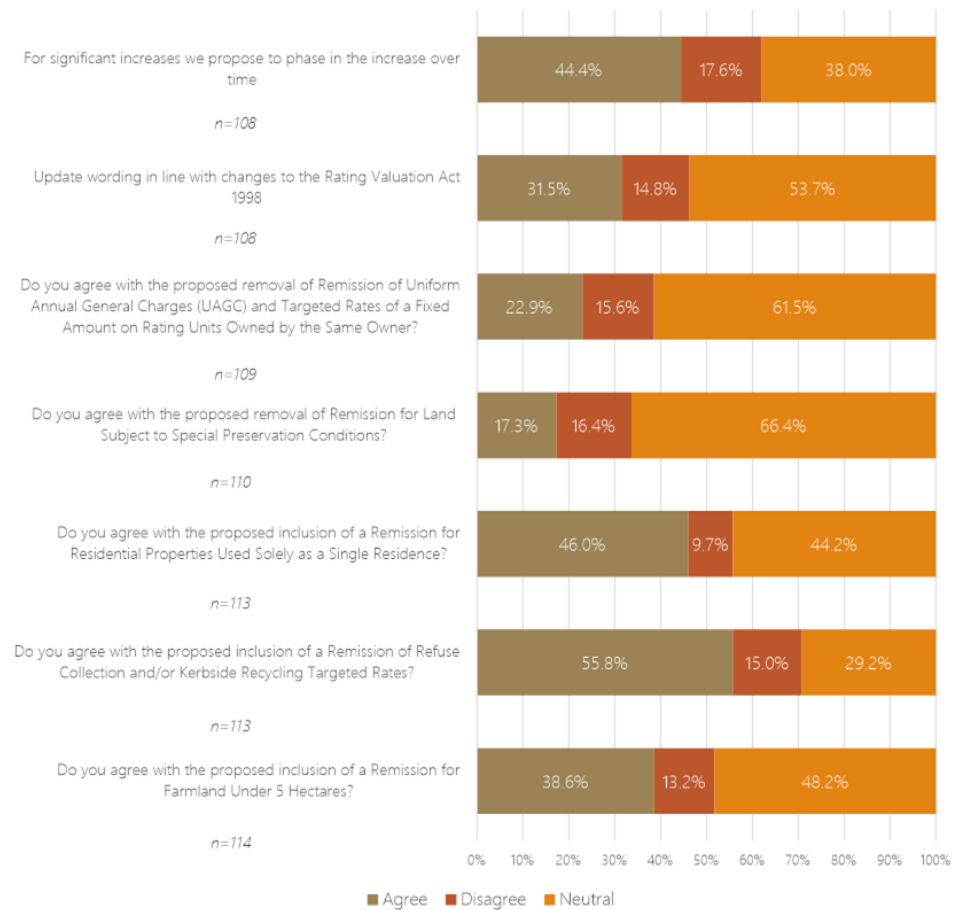


	Yes	No	To some extent
Ahuriri	0.0%	0.0%	0.0%
Awatoto	25.0%	75.0%	0.0%
Bay View	19.5%	41.5%	39.0%
Bluff Hill	42.9%	28.6%	28.6%
Eskdale	9.5%	42.9%	47.6%
Greenmeadows	27.3%	36.4%	36.4%
Hospital Hill	54.5%	18.2%	27.3%
Jervois town	15.0%	55.0%	30.0%
Maraenui	0.0%	100%	0.0%
Marewa	57.1%	0.0%	42.9%
McLean Park	100%	0.0%	0.0%
Meeanee	28.2%	28.2%	43.6%
Nelson Park	0.0%	33.3%	66.7%
Onekawa	57.1%	0.0%	42.9%
Other	35.7%	35.7%	28.6%
Pirimai	100%	0.0%	0.0%
Poraiti	27.5%	35.3%	37.3%
Tamatea	71.4%	14.3%	14.3%
Taradale North	33.3%	38.1%	28.6%
Taradale South	50.0%	20.0%	30.0%
Westshore	100%	0.0%	0.0%

RATES REMISSION POLICY

Respondents who stated 'to some extent'.

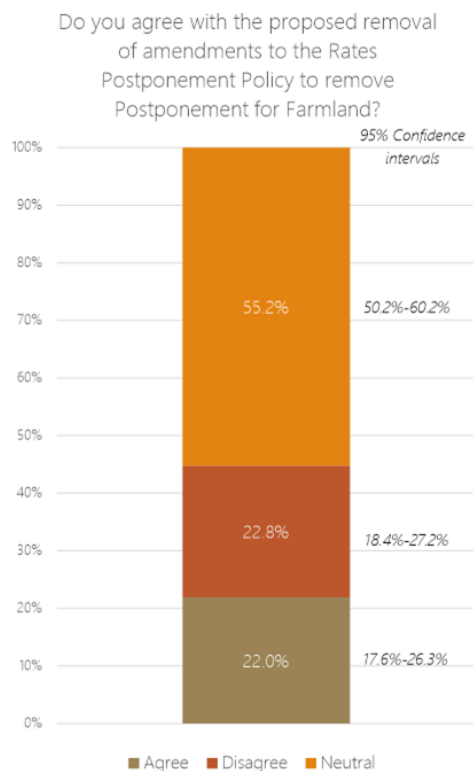
- A greater percentage of ratepayers agreed to the proposed inclusion of a Remission of Refuse Collection and/or Kerbside Recycling Targeted rates (55.8%) and to phase the increase over time (44.4%).
- More ratepayers remained neutral in relation to the proposed removal of Remission of Uniform Annual General Charges (61.5%) and of Remission for land subject to special preservation conditions (66.4%).



RATES POSTPONEMENT POLICY

The Rates Postponement Policy allows the Council to delay the requirement to pay all or part of the rates where certain conditions and criteria in the policy are met.

- Overall, 55.2% of ratepayers remained neutral in relation to the proposed removal of amendments to the Rates Postponement Policy.
- A similar percentage of ratepayers agreed (22.0%) or disagreed (22.8%) with the proposed changes.



	Agree	Disagree	Neutral
Ahuriri	0.0%	0.0%	0.0%
Awatoto	25.0%	75.0%	0.0%
Bay View	20.0%	15.8%	64.2%
Bluff Hill	50.0%	16.7%	33.3%
Eskdale	14.3%	38.1%	47.6%
Greenmeadows	18.2%	36.4%	45.5%
Hospital Hill	50.0%	12.5%	37.5%
Jervoishtown	5.0%	40.0%	55.0%
Maraenui	0.0%	50.0%	50.0%
Marewa	28.6%	0.0%	71.4%
McLean Park	50.0%	0.0%	50.0%
Meeanee	22.2%	22.2%	55.6%
Nelson Park	0.0%	0.0%	100%
Onekawa	50.0%	0.0%	50.0%
Other	25.0%	25.0%	50.0%
Pirimai	100%	0.0%	0.0%
Poraiti	12.5%	31.3%	56.3%
Tamatea	50.0%	16.7%	33.3%
Taradale North	30.0%	25.0%	45.0%
Taradale South	30.0%	10.0%	60.0%
Westshore	0.0%	100%	0.0%

APPENDIX

Other comments by question (verbatim)

Table 1 Other comments in relation to the proposed funding for each activity

I do not agree with paying higher rates when we have fewer services than in the past, i.e. drain cleaning
neutral
see attached
The general rate should cover all common charges. Water, sewerage, stormwater, street maintenance, lighting should all be covered by those who use.
Water provided at a considerable cost. \$4,500 submersible pump maintenance 2 years ago. Increase electricity costs. Three phase pump costing daily use charge or \$1020 per year
You confuse equity with equality. Horizontal equity deals with equals equally and we support that economic allocation principle. Bay View is not equal to Westshore in its infrastructure, facilities, and council services provided. Our water is metered, we

Table 2 Other comments in relation to the proposed reduction in rating categories

3 categories of properties is too simplistic, I would be very surprised if any other councils have this few categories. Consider the access to services like; sewerage, storm water, footpaths and street lighting of properties in Bay View, Meeanee and Jervois town compared with a Taradale or Napier South property. You cannot say a residential property in Franklin Rd, Bay View is the same as a property in Church Rd, Taradale.
3 rating categories is too restrictive, esp when city encompasses urban & rural areas
6 categories should not be hard - in fact more categories would make it fairer to more than reducing to 3 and rural residential being disadvantaged
As usual my rates will go up yet again, and council will do what it wants regardless of what people think.
Bay view and ex county rural are redundant
Condensing into three categories but you end up with a number of sub-categories by way of remission allowances to cover properties that do not fit conveniently into the 3 groups.
Far too simplistic. Bay View properties being compared with Westshore. My Bayview property does not have or need footpaths, kerbing, beach replenishment, sewerage, stormwater, unlike Westshore
From my point of view the change seems to be driven by the desire to change something. In meeting in Bay View there was no one able to forward any reason why the reduction from 6 to 3 categories is needed. Only one councillor present was arguing that Napier would subsidise Bay View with rates. All others didn't see it this way. Bay View does not have the same services as Napier. Sure we do have some of it, but certainly not to the extent of Napier. Some of these services are actually not wanted by citizens of Bay View so there wouldn't be the need to implement or extend them. The council has also deal with the heartship that will be created by increasing the rates to 100%. Some families and pensionaires will certainly not be able to cope with the increase and would be forced into heartship. Maybe the reduction from 6 to 4 categories would be at hand if the desire to change is so big. An increase in steps per annum would also be a solution to not overstress the wallets and therefore minimizing heartship.
Going from 6 to 3 is over simplifying the ratings categories and to say that someone that lives on a lifestyle block in Poraiti is of "a similar property and therefore should pay similar rates" to a residential property is clearing incorrect. There are a number of items that we have to pay for and don't have access to that most properties in urban Napier do. Some of these are as follows: No bus service, Napier Courier Community Paper is not delivered so we can't get community notices, we have to pay for Rural delivery of postal services, there are no parks, footpaths or lights like in each suburb, we have to maintain the Councils land for fire control on the roadside when it is too steep for a tractor mower to get to, we have no access to the 3 waters infrastructure and have to provide our own, we have to pay for rural insurance policies which include rural fire levies and liability insurance, we do our own animal/pest control (next time I see a rabbit I will call the council to come and deal with it), the fire service would use our infrastructure for fighting fires. All these are extra costs the urban ratepayer does not need to pay and under the proposed rating categories the Poraiti resident still does but gets no benefit from. I believe we should be either included with the rural category or a 4th category be included for lifestyle blocks at a vastly reduced rate. It seems like the old rating differentials had some science behind them with accurate percentages while the proposed ones are round numbers it seems with no science behind them at all. It seems that all central government agencies recognise us as been rural except for Napier City Council in their rating department. Finally if this goes through we as a family will have to pay another approximately \$500 per annum and we will have to sit down with our children and decide which sport they will not be able to play next year.

How can you possibly be considering raising rate amounts this year when most of us have been financially affected by COVID-19? Even if you were to implement these changes next year - its terrible.
However, it would be less confusing to take rural land under 5 Ha in area out of the Commercial & Industrial Category and put it in the Rural Category as a subsection.
I believe that commercial and industrial should be separated as they have different requirements
I disagree with only 1 residential category
I don't believe there is anything wrong with the current system, just a means of simplifying council accounting. If it aint broke, don't change it.
I feel that residing in Esk Hills we aren't covered correctly in any of the 3 suggested categories and maybe a 4th is considered being semi rural
I still believe there should be a Rural Residential distinction
I strongly oppose the deletion of the Rural Residential Differential (zone) because we our property is significantly different from urban residential properties.
I think "Rural" should remain a "Rural" category
I understand NCC's desire to simplify the rating categories. However the proposal is an oversimplification. The reassessment of semi-rural or lifestyle properties to residential is too great a step. NCC proposal to remove the current differential amounts to a 57.55% rate increase. This rate is on land values which in my case have just increased by 35%. The compounded effect of this increase is an increase in my rates of 213%. I'm not sure in which world a doubling of rates in a year is equitable. The additional of a fourth category of Semi-Rural allowing with a differential closer to 75% would be more equitable. Furthermore the NCC is seeking to fix a rating issue that has been 30 years in the making. Surely implement such dramatic increases in rates should be imposed be gradually say limiting increases to 25% over 4 years
It depends on what services are offered and if they are consistent.
Less is not always more, not all properties fit the same criteria and its not fair for the people that have properties that do not have all facilities available to just put them in the same group as the ones do.
Lifestyle blocks are self sufficient in many ways; do not have urban services and should be treated as a seperate rating category. To charge on land value as urban is completely out of proportion, especially when the significant costs of water/ wastewater/stormwater are borne by lifestyle owners who don't earn from their land
My property should not be compared with other more expensive areas.
No because residential - business should be not classes as commercial on a residential property. There is too much difference between in home or shed
No! No! There should be a category for Lifestyle Blocks. We are so different to city ratepayers
No, Should be: City residential, Commercial/Industrial, Rural (agricultural/horticultural producing properties), Country residential (rural residential lacking council support).
Our property is rezoned other rural to residential/ other so our rates increase is \$578 (24%). I could live with this if we received the same services as people in town, which is the reason for the change. However we also pay for our water, which those in town don't. Please consider either charging everyone for water in this rates category or no-one.
Reducing from 6 to 3 is an over simplification to address a perceived inequity in the rates share.
Rural properties under 5 hectares should not be charged the same as residential. Unless council is going to provide footpaths, decent roads, and subsidise the petrol costs many people face living further away from amenities. A rural property of a certain size is NOT the same as a residential property of a similar size. If there are some areas that ARE, then change the zoning. Rarely does trying to generalise mean more fairness, and by grouping small rural lots in with residential lots you are making gross generalisations. I'm in a rural area, with a small property, and my rates will go up a lot. I'm happy to pay similar rates to a residential property if you provide us with a footpath so we can go for safe walks from our property, and better roads.
Rural should be in its own category
Rural/residential or Lifestyle 'IS' a category and 'MUST' be recognized as a completely different status than that of Residential. To limit it to three is small minded and removes fairness of people choices on how they like to live in a region. The rating category 'MUST' relate to the area planning and subdivision ability of a piece of land. So long as 'Lot size' is minimized to 5000m2 as a minimum these properties have a lot more costs associated with them needing this space to maintain an onsite water catchment, dispersal and septic system of which the local council provides no service for. This additional land size does not mean these properties demand more use out of public services and should not be rated as Residential based on this land value.

See Additional material at foot of submission-
see attached
Simplicity and one size fits all does not deliver equality. Treating all the same regardless of context and services provided delivers unfairness. Differences must be allowed for hence multiple categories needed. We can cope with complexity. We never want to be the same
The 3 categories are too simplistic given the existing restrictions under the District Plan - land owners in semi-rural areas like Bay View are locked into owning greater land size per property compared to town sections. By default these land owners will have to pay greater general rates.
the 3 categories don't take into account rural residential properties - these are not fully urban residential or fully rural farms
The current proposal significantly disadvantages smaller rural properties which will be classed as Residential. These properties normally have an element of Rural activity, especially those over 1 hectre (current proposal rural is over 5 hectre). These properties by their size add recreational space as well thus the owners do not require council recreational and reserve space handy as is found in the urban areas. It is there inequitable for these property owners to be rated at the same as urban residential. There is also no access to public transport, kerbing, footpaths, street lighting (not wanted either as that is part of the choice of living rurally. We propose the cut off for rural properties be reduced to at least 1 Hectre but potentially following the zoning rules and include properties in the Rural Residential zones. Stormwater is noted as 100% rate funded, rural and Rural residential properties get no benefit from this. We also have greater costs than urban areas providing stormwater, waste water and water.
The general rate should cover all common charges. Water, sewerage, stormwater street maintenance, lighting should all be covered by those who use.
The impact of the change may meet the 'simplicity' test for the business modelling exercise, and justify in your communications argument.
The more you lump everyone into the same camp the greater the disparity
The NCC Statement proposes a change in rating differentials, increasing rates for rural areas and decreasing urban city residential rates, with no increase in the total rates NCC receives. 1. At one of the public meetings an example was given that a city residential property would have a rating decrease of \$12/year, while the rating increase to rural properties would be substantial, 30% or more. If a change in differentials is adopted I suggest that the size of the pie is increased, by making no change to current city residential (because the proposed decrease is so small that individual ratepayers will gain little reduction from it), and any increase in rural and other rates be used to improve services and infrastructure, preferably in rural areas. For example safety improvements for pedestrians and cyclists. 2. The current six differentials were determined because there were at least six broad types of properties with respect to land use and access to Council-supplied infrastructure and services, and these have not changed substantially since. I have lived on the same property in Poraiti for 38 years and the only new council service for our property in that time is recycling collection and swimming pool inspection, both of which we already pay for as line items in rates. Reducing six differentials to three doesn't reflect the real differences in access to services, particularly when the Residential/Other category is every property that doesn't fit in the other two, and includes city residential, lifestyle blocks, small farms, Bay View town sections and the miscellaneous properties category. 3. Align rating differentials with District Plan categories. I suggest a fourth differential of Rural Residential that aligns with the DP category of that name. Typically these properties must provide and maintain their own water, sewerage treatment, wastewater disposal/drainage and do not have access to public transport, footpaths, road shoulders for cycling, street lighting etc that NCC provides city residents. While they have access to city sports facilities and library they do not have the same rights to lot size or land subdivision as city properties (due to different minimum land area limits). Given that rating is based on land value and that a big influence on the market value of land is whether it is subdividable, this is a significant factor in the LV and RV of rural residential versus city residential properties. A lowering of the subdivision limits on rural properties would increase their LV and therefore increase the rates collected by council. I argue that if subdivision is to remain restricted in rural residential areas then it makes sense have a Rural Residential rating differential. 4. Rates remission policy It's proposed that rural properties less than 5Ha used for agriculture or horticulture can apply for rates remission. The summary statement doesn't have the criteria and conditions for this. Where I live in Poraiti almost all properties are less than 5Ha but have agricultural or horticultural uses, eg our 1.3Ha is used for truffle growing and sheep, and is reported to Stats NZ in their agricultural annual land use survey. These rural residential properties should have a separate rural residential differential (as above) which includes the remission. There are a small number of rural properties of 0.5Ha or less which are solely residential that NCC could exclude from this category.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document. Including: No explanation is provided in the policy proposals for the removal of the Miscellaneous rating category and the transfer of Unison's network assets to Commercial and Industrial. Unison is unable to comment on the basis for

these proposals and requests that NCC provide supporting consultation materials that provides analysis and justification for this aspect of the proposals.
The new rural rating requires a broader definition. For example "Any rating unit with an area of greater than 1 hectare that is predominantly for land based agriculture, horticulture, forestry, farming or arboretum activities. I do not think the improvements should be a factor. I also think that if council bylaws restrict the option for those on semi rural/lifestyle properties the option of subdividing then such properties should be considered rural.
There has been huge disparity in residential rates. We pay in excess of \$5,000 (including Regional Council rate) on this property. The property is a single residential dwelling. Council services provided to this property are no different to any other similar residential property whose rates are a fraction of what we currently pay. While we appreciate there will be some reduction in rates with the proposal (\$130) rates will still be excessive relative to many others. For fairness, a higher portion of rates should be by way of uniform annual charges (for services received) as opposed to the high portion of rates based on land value.
This has over-simplified it - especially for those currently Other Rural.
Though in essence it may provide some form of simplicity it inadvertently creates grey areas where 1 property is neither a, b or c but must be assigned one of these categories. More category's ensures greater accuracy of allocation.
Three commercial differentials: 1.) Commercial-industrial - charged at higher factor to reflect externalised costs on the community, 2.) Commercial small-retail (to reflect the benefits owner operator business brings to the community) and 3.) commercial-other (for supermarkets, department stores, etc etc). The residential differential should be split in two: 1.) residential-owner-occupier, 2.) residential-investor; investors should pay more to incentivise home ownership, as the community benefits from the self-agency that home ownership is part of.
We move from rural/other to residential while the predominate use is livestock ... no option for residential we are not even allowed under the awa scheme plan to build house ... 1400 rate increase excessive when we are not able to undertake proposed designation...
We think that there is a reason to have 6 rating categories as there is a big difference in a lot of the way properties types are set up eg own sewage or water
We would like to express our concerns regarding the proposed revenue and financing statement proposal. We live on a four acre property which consists of a home, paddocks and a native woodland area. We have planted thousands of trees mainly native to attract birds and improve the environment, undertaken our own pest eradication, spray for gorse and blackberry and other weeds, and we apply fertilizer. We have to provide our own water which is pumped to our house and maintain our own storm water and sewage systems. All of the above are quite different to a "residential property" and cost lots of money. The proposal is to change us from a lifestyle property to a residential property which is ridiculous. We consider this proposal totally unfair. Why should we pay the same rates or more than a residential property when we already have the additional costs of maintaining a lifestyle property. Also we are a lesser burden to city services because of our location and have less benefits such as lighting, footpaths, internet, bus transport etc. We consider this proposal poorly thought out by those who have absolutely no understanding of what is involved when living on a lifestyle property or the costs involved and ask that you seriously reconsider this proposal.
Where stormwater is not provided by council it should be an item that is excluded. Council does not provide stormwater reticulation for 34 le Quesne Rd and as such should not be an item charged for

Table 3 Other comments in relation to funding of Council's activities

Activities or Actions which are user specific should not be funded by General rates, I see in Appendix A Schedule of Activity Funding Needs Analysis Section 101(3)(a) LGA. 6 activities with the use of General Rates when they are user specific, there are 4 activities which are user specific without the use of General Rates. I can not see how the 6 General Rates activities could be assessed to being accessible or used by everyone.
Agree with most but disagree with Bay Skate - This is not inter generational and over funded by public.
Charge for water or don't. But please make it equitable within a single rating category.
Don't believe Bay view residents who fund their own sewer and have water meters should increase to 100% residential
Failure to move to metered water/ usage charges across all of Napier city defies the capture of one of the most important user pays criteria
Far less emphasis should be placed on user pays though
For equity and fairness, across the city a much higher portion of rates should be based on uniform annual charges for services received. Over many years I have questioned how unfair it is for someone to pay double the amount of rates of other properties for no additional services provided by Council.
higher user pay portions

I agree with user pays however you have chosen to concentrate on the "use" of the property and reject the fact that different areas get different services (water, sewerage etc).
I have no problem with what is funded and to what proportion, it just needs to be fairer based on household size or dwelling size.
I think more user pays would be fairer.
If I am not wanting or using kerbside wheelie bin then why should I pay for it. I pay double for recycling and bin but I only have one of each
If this means I get a discount off my rates for services I don't need then good. Should be user pays
If, as outlined at public meetings, the general rate funds the costs of "universal assets" which all ratepayers enjoy then NCC should be far more transparent in this application and significantly reduce the general rate portion and significantly increase the UAGC. Otherwise high value landowners who have small numbers of NCC service-users resident at the rated property are significantly subsidising lower value landowners with high numbers of NCC service-users resident at that property. In the same interests of transparency I do agree with the proposal to separate the storm-water rate from the general rate. Users connected to storm-water should pay for the service otherwise not.
In Bay View we have no footpaths and the road is shocking in our street. No stormwater drainage - just drains into everybody's driveways and onto their sections.
In principal general rates should be equal but Land Value does not generate the COST of General Rates services or activities....dwellings and occupants do. The same amount of land in town could have 3 dwellings on it compared to 1 dwelling in a semi-rural locations. The use of services and activities by the 3 town dwellings will ALWAYS be greater than 1 semi-rural dwelling.
In some cases there should be greater user pays ie parking should be self funding with no rates money. I also question why there is a differential in rates funding between the Aquatic Center and the Marine Parade pools. Surely both venues should receive the same level of rates funding with the balance from fees.
NCC needs to limit expenditure to within its budget and not continue to increase rates. I can't increase my income to cover the proposed \$700 increase to my property
Optional activities such as aquatic centres etc should be self funded to a greater extent by users
Possibly more options for user pays
Prefer to see an increase of UAG across the board. Being rural we are less likely to use central city services but still believe we should contribute.
Putting up rural rates means we will be paying for no water or sewage. We will be non users paying for something that we don't receive.
Scope for charging based on usage - i.e. water meter (would help lower consumption), rubbish and recycling generated, or could have a discount for low/single occupancy properties.
Some of the costs can be calculated on persons, some on for the properties. But the "discount" that was given taking away from the people and reshuffle it to make things equal for all is not fair.
Strongly disagree with the "toilet pan tax". Although it won't affect us as we're on septic tank, it is unfair to those who have built a house with a large number of toilets, with no idea that this change could be brought in. I have friends who live in a house with 6 toilets, but only 3 adults live in the house. Why should they pay 6 times the sewerage rate as someone with three adults living in a home with one toilet? I think this rule, in trying to be fair, will end up being grossly unfair for some groups of people. The sewerage rate should be charged separately (so those that aren't connected in rural areas who have septic tank don't pay) but it should be a rate that is based 50% on the land value (to cover for the facility being there) and 50% based on the capital value of the home, which will reflect the size of the home, without getting down to specifics as to how many toilets someone may or may not have installed.
The general rate should cover all common charges. Water, sewerage, stormwater street maintenance, lighting should all be covered by those who use.
The level of rates any ratepayer pays must be in proportion to the service received.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The vast majority of services are either unavailable to us or can't be used for various reasons. So we are being charged a disproportionate amount for things that are not used. These are recessionary times, why go out now and create such a burden for a portion of your ratepayers.
There should be more targeted/user pays rates. Examples of this are: animal control should fall fully to those that own animals. Rural residential properties with stock need insurance policies that cover stock including dog worrying losses. Why should we have to pay again for irresponsible dog owners. So there should be a targeted rate to dog owners. Library should be the same amount charged to each household. This should be a targeted rate (fixed amount per household) not paid out general rates.

Ticks in the neutral boxes indicate that we are not affected by these. We will not try to influence decisions that do not impact us.
Too much variation. Rationalise to fewer options. Hard to justify variations
User pays is fair. We are rural residential on a private road. We are disadvantaged by proposed changes. If you want to maintain our road and stormwater drains then thats a different story
Very much agree with user pays, I think this is a fair system that people in one suburb don't pay for other suburbs issues.
Would be fairer to increase the General rate by 1 or 2 cents so everyone benefits from Council activities.
You only use stormwater as an exemplar of the user pays principle. In that case, Maraenui would bear most of the burden along with other low lying areas. Bay View doesn't need it, we sit on shingle. What about ability to pay?

Table 4 Other comments in relation to the assessment of General and Targeted Rates

"Definitely not". It is grossly unfair in that an existing shed conversion into a business is charged double rates, whereas a room in a home is not!
How do you assess the rural portion of water pipe upgrades, sewage pipe and plant upgrades. We have to pay for our own. Napier Council does not even clean out our drains
neutral
see attached
The commercial sector must pay a fair share of rates not subsidised by increases in domestic, and there is absolutely no justification for \$700 extra or no services
Water, sewerage, stormwater street maintenance, lighting should all be covered by those who use.
We do not receive the same level of services and facilities in Bay View as for Westshore and City Residential. To increase our rates by 27.2% when we have fewer services and greater user pays, is to deliver a gross inequity.

Table 5 Other comments in relation to the proposed General Rate percentage weights for Residential/Other, Commercial

Again.... now? Our rates have already not long ago increased for recycling bins and rubbish bins.
Anyone not connected should not be charged
As above, no! Policing businesses without a CCC eg. cabins, sleepouts. If I pay double for bins why don't I have double bins?
Bay View has no sewerage main. We have no footpaths, street lights, berm maintenance, wide streets, gutters, council paid access from road to property. We pay for septic tanks, soak pits, tank cleaning, water as we are the only Napier residents metered.
Council do not provide reticulation of sewerage and stormwater that is consistent across all residential properties in Bayview. Property Stormwater and charges should be an item that should be excluded if the property is not connected. Le Quesne Rd and a number of adjoining roads have no stormwater reticulation
I believe industrial land should not have such a high differential as commercial
I disagree on the basis that no explanation has been given on how the percentage weights have been derived. They may be just or they may not be just. They must align to the cost of the services provided to each category of ratepayer. They just cannot be arbitrarily set.
I disagree that our property would be changed from rural to residential rating as we do not have mains water, stormwater or sewer
I understand NCC's desire to simplify the rating categories. However the proposal is an oversimplification. The reassessment of semi-rural or lifestyle properties to residential is too great a step. NCC proposal to remove the current differential amounts to a 57.55% rate increase. This rate is on land values which in my case have just increased by 35%. The compounded effect of this increase is an increase in my rates of 213%. I'm not sure in which world a doubling of rates in a year is equitable. The additional of a fourth category of Semi-Rural allowing with a differential closer to 75% would be more equitable. Furthermore the NCC is seeking to fix a rating issue that has been 30 years in the making. Surely implement such dramatic increases in rates should be imposed gradually say limiting increases to 25% over 4 years.
If it is to charge equal rates for all minus what we DON'T receive I would agree
It seems an enormous increase on Rural properties that do not get many services. Rural people deal with their own wastewater, pump their own wells for water and generally utilise town facilities less.
Leave semi rural properties/Lifestyle alone- Council needs to stick to its core business.

Napier District Council Rates Submission re valuation number 25/11/2020 Dear Mayor Wise and councillors

“I do trust that your comments at the public meetings that you would listen to submissions and that decisions are not already made are in fact genuine as it came across very much that you and your staff were justifying the validity of the proposal. Our perspective and that of others I’ve spoken to in the rural area certainly differ from the proposal as it stands. OPPOSITION TO RE ZONING ESK HILLS AREA from Other RURAL differential 63.47% TO RESIDENTIAL /OTHER 100% We object to the proposed changes away from other rural zone 1. The proposed re zoning of Esk Hills area from Rural to residential is grossly unfair and unjustified. 2. We support the concept of contributing to the common good and feel we currently do that at present significantly to the tune of \$1934.07 General rate and \$375 of UAGC a total of \$2309.07 (plus refuse and pool charges) so \$2561.07. 3. We also pay regional rates of \$301.99 4. Total rates \$2863.06 the average rate for Napier in 2017 was \$1870 so even on the lower differential we are paying more than our fair share, and that is even more pronounced given our reduced access to services and amenities 5. We own a property on Heipipi Dr Esk Hills and have done so since 2011. The property was formerly a grassed paddock and is now heavily planted in Native plants so much so that council wanted to deem it a local significant natural area. Our property consists of .65 Hectares 6. We also pay \$840 annually to the upkeep of the estate which includes road- side maintenance and storm water to the Esk Hills residents’ group. Thus we are paying \$3703 per year already most of it to support community services and amenities. 7. The council proposal indicates we are not paying an equitable share and want a further \$745.07 per annum thus taking our rates \$4,448.07 which is far from fair. 8. We are part owners of 70 hectares along with the other residents of the estate. Our property and the neighbours sit with in this 70 Hectares of the Esk Hills estate. 9. This is the same area the council are seeking to bring into the Significant Natural Area scheme for Napier. 10. The area is planted in native bush and grass and some of it is grazed by livestock. 11. We are a rural property in a rural area. 12. Your proposed redefining rural to any area of 5 hectares or more and mainly for agricultural use is a flawed and unfair approach. 13. Irrespective of the use of the land its proximity to council amenities and availability of services should be the primary criteria when it comes to establishing rating differentials. 14. Fairness would further indicate that the principle of ability and frequency of use of communal council services and amenities should influence the level of differential rating as it appears to do at present and historically. 15. Esk Hills is not within the city boundaries and is in fact a 20minute drive and 15.2 kilometres from the council building in the Napier CBD (Google maps) 16. Our family can-not walk or cycle easily to any council amenities unlike those in the city. 17. When we purchased, we were moving from a rural lifestyle block on Tuki Tuki Road and intended to live rurally again. 18. We looked at the rating costs on the land and accepted by way of an implied contract that we would pay a rural differential rate as there were no services to this site supplied by the Napier District Council save an access road. That rate being 63.47% 19. That was viewed by us as recognising the additional infrastructure costs we would incur for water, sewerage, storm water and maintenance of the area and lower access to council amenities and services 20. The appeal of our current property was that it was rural. 21. Nothing has changed since 2011. It is still a rural area. 22. We have no. 23. NO Water service from Napier (Our property hosts a Hastings District Council water tank and pay a water charge to them) 24. No sewerage (own septic) 25. No street lighting 26. No footpaths 27. No road marking 28. No mail delivery 29. No couriers 30. No fibre internet 31. No council storm water (it is a residents collective system) 32. We have minimal road- side maintenance (3 mows per year is programmed but not done as our contractor does it) we pay body corporate fees to maintain our estate as mentioned earlier This is a rural area! Esk Hills is it not like any of the city suburbs like Onekawa or Taradale? It is therefore NOT EQUITABLE to charge us the same level of rates. For properties like ours I’d recommend a rating differential of 65% to recognise this. A small increase and a clear rounded number of 2/3rds of the full differential. I note we have NO Bay View Councillors or rural representatives but are covered by the Ahuriri ward so who clearly speaks for the small rural area that Napier administers?. The review should establish this is still a rural area, in 20 years we received NO more services than were previously in existence in 2001 during the last review. The rubbish and recycling service is paid for and levied. We have no greater draw on Napier Council supplied services than we did in 2001 and can NOT see any justification your proposed cash grab from us. To increase our rates by about \$745 per year plus any across the board (UAGC) increase is absolutely disgusting. How would council appreciate every supplier they deal with increasing all charges to you by about 37% and delivering nothing new to you on the basis of “well we charge others this rate so now we thought we’d extend it to you” even though the tectonic plates have not shifted and moved us into the city. Page 2 We had to pay all our upfront costs for services in our rural area amounting to tens of thousands of dollars. FURTHER SUBMISSION RE INCREASING RURAL rates by 22% when we use no more council facilities than we ever did? We would be far better off under your proposals to be administered by Hastings District Council given their rating differential for properties just the other side of Hill Road in Esk Ridge a similar area is 0.188743 cents per land value dollar compared to Napier’s existing 0.33332 Cents. You now propose that the new level will be almost triple that of Hastings at 0.517 To highlight this at present a property at Eskridge Drive has a land value of \$600,000 (20K more than ours) and a rate take of \$1,132.46 plus a UAGC of \$200. Total \$1332.46 at present So, at present HDC similar property similar location \$1332.46 Us at present NDC \$2309.07 almost \$1000 more Proposed NDC \$3,306.14 almost \$2000 more. About \$20,000/ 10 years Such an ongoing rating difference may prove significant to buyers looking to purchase in the area and thus reducing the attractiveness and value of properties based in Napier’s area. How on earth can our council that in 2017 was very proud to have the

lowest rates in New Zealand even be considering having such a wide margin of difference with our nearest neighbour who were rated 2nd. Hastings currently operate 11 separate rating differentials and so with Napier having only 6 it seems a poor rationale by Napier to justify the rating increases to 2400 rural based rate payers on the basis of simplifying differentials. This proposal is unfair and unwarranted as the original thinking around a difference in rating amounts would have been to take into account who should pay for services received and the fact that those who choose to live rurally do not receive the same level as those in town or enjoy the same proximity to amenities. We have already paid to put our services in place. Why are we expected to pay for things we do NOT receive or at best use on a reduced basis? We sincerely trust you will take this submission seriously and stick with a differential system that is not significantly different from that which exists at present. Yours faithfully Greg and Penny Macklow
Not justified and unfair.
Other Rural that was 63.47% should not be increased to 100%.
Partly as stated previously because of the proposed categories. The current weightings are better.
Rates should be based and services provided
Refer above. Inconsistency in comparisons at meetings concerning. Land value increases are beyond individual control and lifestyle blocks are by nature larger than urban meaning proposed changes are disproportionate. Cant' buy small rural sections and many have long term/elderly owners
Rural should remain at 63.47%. Rural properties receive little or no services. Furthermore they receive little or not financial benefit from and commercial activity promotions or events that take place within the city limits. Many rural properties actually provide a nett benefit to the city as they attract bird life, particularly native species, the sequester carbon where there are significant pastures, forest blocks and gardens. This use of the land has a positive benefit for the wider community and should be recognised by way off a rates reduction.
Rural: All rate payers should contribute to the running of the city but rural areas receive far fewer benefits than their counterparts in the main urban area. 70% would be a fairer breakdown
see attached
Seems appropriate not to overcahrge commercial activities if Council is currently overcharging or cross subsidy is being used to fund other projects? or holding down some residential rates
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The proposed percentage weights are disproportionate to the way proposed residential land can be used under the District Plan.
The weighting must not penalize owner occupier properties. Rented properties are profit making and should contribute more on a value basis
the weightings seem fair in a general sense but then you take a property such as meeanee road which has operated as a pub/hotel for more than a 100 years in various guises. It has gone from "other rural " to commercial as its former classification is proposed to be removed. This results in an original differential of 63.47% being increased to 250% which effectively triples the rates. "commercial and industrial properties pay higher general rates to reflect a greater demand on city services compared to other property types" This would normally be true but not without exception as is the case with the meeanee hotel. It does not use council kerbside or rubbish collection. These services are funded privately via the use of skips. The sewerage system is not council linked and was installed by myself at a cost of \$50 000 approximately 15 years ago. Water is not town supply either. The bore drilling, install and maintenance have cost me close to \$35000 over the same period of time. So i agree that most commercial properties should pay more, sometimes i think exceptions need to be made.
There are a number of items that we have to pay for and don't have access to that most properties in urban Napier do. Some of these are as follows: No bus service, Napier Courier Community Paper is not delivered so we can't get community notices, we have to pay for Rural delivery of postal services, there are no parks, footpaths or lights like in each suburb, we have to maintain the Councils land for fire control on the roadside when it is too steep for a tractor mower to get to, we have no access to the 3 waters infrastructure and have to provide our own, we have to pay for rural insurance policies which include rural fire levies and liability insurance, we do our own animal/pest control (next time I see a rabbit I will call the council to come and deal with it), the fire service would use our infrastructure for fighting fires. All these are extra costs the urban ratepayer does not need to pay and under the proposed rating categories the Poraiti resident still does but gets no benefit from. I believe we should be either included with the rural category or a 4th category be included for lifestyle blocks at a vastly reduced rate. It seems like the old rating differentials had some science behind them with accurate percentages while the proposed ones are round numbers it seems with no science behind them at all. It seems that all central government agencies recognise us as been rural except for Napier City Council in their rating department. Finally if this goes through we as a family will have to pay another approximately \$500 per annum and we will have to sit down with our children and decide which sport they will not be able to play next year.

We don't agree with any changes for us as we have already spent a lot of money for a sewage systems 26000 and shared bore 6000
You should only consider responses from rate payers who anticipate increases. Obviously, those who anticipate reduction (and there is a lot more of them than us) will agree with this proposal.

Table 6 Other comments in relation to the proposed increase in the City Water Rate from 50% to 70% for Rating Units

A household either receives city water or provides its own, they should not pay for both
Again No - user pays is fairer
Agreed on the basis the service is there to use but suggest a system where the connection cost is potentially discounted
Anyone not connected should not be charged
Bayview is directly user pays currently metered. What programme and timetable is proposed to require Napier to have metered water.
I accept there must be a revenue stream for future infrastructure regardless of who is connected.
I struggle to understand why a property not connected to the system should pay to maintain that system. It's not fair
If a property is not connected to the city water supply .. and the owners have not need or desire to connect and their current supply is safe and secure, why should they pay a higher rate for the potential to connect?
If you are not connected to a city water system there should be no rate charge. Many properties particularly in BayView provide their own water supply, free from any chemical additives. I would have no idea if I am Withings one hundred meters of the reticulated system but irrespective of this point, I have for the last 23 years provided my own water supply and storage via rain water tanks. Why should I have to pay for a service that was not present when I located to my property and is not a service I have requested or desire?
If you cannot access the service then I cannot see why there should be an increase.
It is not equitable to charge some for water and not others within the same rating category. We either receive the same services or we don't.
It is too high for no service, we do not have an issue with land banking so why do it? Maybe \$0
Not affected so I will not comment.
Our water is terrible. Often brown and smelly and undrinkable. Why increase water rates when our water and infrastructure doesn't change.
Should be a user pays system
The council does not supply water to this property
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The system of water charges is inconsistent as some properties are metered and others are not
This does not promote self sustaining activities. Collection of own water in water tanks.
This is unfair as those people not utilising those connection. Charge them when they do.
User pays
We are going to build up at Puketapu road, just outside of Taradale. We do not have a proper water connection and have put in place a pump the get a water connection, costing us over \$8000.- The water is being pumped from a source from the council in to a (shared) tank and distributed to us and the neighbours and will need replacement. If replacement is needed, is the council going connect us all to the direct water connection? Who is paying for the maintenance of the system we have in place now? It's not that because we are 100m away, we can actually use it.
We have our own water and not within 100 metres of city system, so no change. Nothing has changed.
We would love to be within 100m of the water system but are not so it does not effect us
Why require payment of a service not received and not wanted?
Your supply of good quality water to the rate payers is well below average. You should reduce water rates to those that have put water filters in place.

Table 7 Other comments in relation to the proposed increase in the Sewerage Rate from 50% to 70% for Rating Units

Again have own system which we pay to have serviced. Cannot connect to City system. No change.
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Again I disagree. I have my own sewage system and when I need to get my tank emptied I pay a fee at that time. I have no idea if I am near a council provided sewerage system but there was not one when I located to this property and I have never requested no desired a council system.
As above
As above. Same rate for same service.
As I said for the water
Does this apply to Bay View? Need to improve availability to join system - but presently not available to many
Have our own septic tank paid for and maintained at our own cost
I accept there must be a revenue stream for future infrastructure regardless of who is connected
I am being charged twice for sewerage but I don't have x2 seperate toilets, showers in both home or converted shed.
It is too high for no service, no issue with land banking so why do it? Maybe even \$0?
It should be based on the number of guest rooms in hotels, motels, guest houses
It should be User Pays.
Jervois Town residents so not applicable. But why 30m? What's the difference between 30m 28m and 33m?
n/a
Not affected so I will not comment
Same reason as above. It's not fair to charge so much for a service that is not being used.
Sewerage is totally our responsibility and has no comparison with city residential
Similar answer to above, if a property have an adequate sewage disposal system and it is unlikely to have any affect on the aquifer, why should they be subject to an increase in rates. An appropriate fee will be applied if and when they wish to connect.
The council does not provide sewer disposal!! The cost of a code compliance system which is mandatory is currently \$1200-\$1700 + maintenance
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
This is unfair as those people not utilising those connection. Charge them when they do.
User pays. If you are not connected because you have paid for and maintain your own septic tank system you should not be penalised for paying as if you were !
User pays/ no connection no pay
We have to put sewage in place costing us close to \$35,000.- and we are not getting anything from the council. Why do our charges go up?
We would love to be within 30m of the sewerage system but are not so it does not effect us
What sewerage system, we don't have one!

Table 8 Other comments in relation to a proposal to charge based on the number of toilets in a property

A home which has B&B facilities, and high occupancy, should be rated as a multi-unit property, not a residential property. tiersty not a residential property.,
An illogical proposal which to mee seems to target commercial, accomodation and hospitality outlets. Should be a uniform charge based on being connected to the system.
Becomes complicated to administer & monitor. Maybe more than one toilet but same number of users
Does not account for amount of persons occupying an address. Number of toilets does not have anything to do with the quantity of effluent discharged from from one property
I agree for large premises. Like hotels. Should the tax be on the number of people in the household, they provide the sewerage, not the toilet
I can have a home with 5 toilets in the house doesnt mean that there will be more pressure on the sewege system. I'm not going to poop more. This definitely need to be based on a user/people living on an address.Maybe start registering people on an address like they do in the Netherlands? Worth looking in to.
I don't believe that the number of toilets is not an indicator of water usage, just an indicator of how long family members take to use a toilet.

I note it has simplicity with this type of proposition which is why Council offers propose such thinking. If an area like Bayview is not connected to a sewage system, then no charge should be made to septic tank systems in future.
If this refers to residential properties then it is "a crock of shit". Some commercial properties I could understand eg. motels etc
Insufficient information supplied
It is a very old fashioned method and is unfair to properties that are dictated by Building consent to provide multiple toilets (halls, public spaces) Use ACTUAL water meter / volumetric 80% is the best
It is not the number of toilets but the number of users that loads the system
No Access to sewerage system
No sewerage system in this area to connect to!
Not affected so I will not comment
Not for us as we have a septic tank
Number of toilets would be misleading
Obviously it is not only toilets that contribute to effluent but many other sources of waste. Also, commercial properties and businesses are so variable in size and the quantity of effluent needing to be disposed. Some formula or measurement of quantity of effluent disposal requirements should used to determine rates for effluent charging for commercial or industrial properties (if this is not already applied??)
People in clubs would effectively repaying twice . Bar and shop owners would be paying for people that have already paid
see attached
Should only apply to those connected to mains sewerage
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The number of toilets does not necessarily determine the volume of wastewater
The rate should be based on the area of the property. This is the only fair method
This could be inequitable, e.g. a family of five with one toilet compared to a couple with three toilets.
This is ridiculous! A property with 2 pans does not mean the occupants use them twice as much as those with one. The no. of people in the house is a better indicator of usage rather than pan number
This needs more thought. I am reminded of the windows tax. Please make the reasoning clear. Eg, if this is a progressive rating system, that is in place already. The relationship between effluent and number of toilets is likely to be weak.
This would definitely make a difference to rethomes & require increased charges
user pays
What about Airbnb?
What difference does it make as to how many toilets there are in a home, there will still be the same amount of people living using them for the same amount time. Stupid logic thinking more toilets more use!
What is the cost of administration for the army of toilet counters required
When you are your own septic tank this should not apply to a rural residential property
Yes I agree totally. At present being charged double for one sewerage system is robbery
You could have 3 toilets in a house with one person living there? That's hardly fair.

Table 9 Other comments in relation to the proposed introduction of a Stormwater Rate

I live in down a private road that road stormwater is managed by privately maintained soak pits. Any run-off from my property flows into the soak pits. The water that is collected on my roof flows into an underground tank and itâ€™s not discharged onto the street. This water is again dispersed through a field on my property. This process is totally self sustaining and environmentally friendly. I am shocked that the proposed change shows a \$228 excluding GST charge for stormwater when my property does not impact on the â€œsystemâ€ as other residential properties do.
Agree if the rate is excluded for residential properties not connected to any reticulation
As we do not utilise the stormwater network we presume that we will not be charged for this amenity.

Bay View is independent of and Storm Water system, each property takes care of it's own Storm water and as we are on a shingle base we have no problems with the dispersal in our systems.
Bay View is on a shingle. We don't have or need auxiliary drainage
Collect water for household use/but would like the council to divert water from the road. Excessive coming onto my property
Depends on who will pay. Eg large paved areas produce more polluted stormwater than large gardens do.
Don't really understand the full implication of this fee
For those who have a stormwater connection
I agree with this, but note that my property will be charged for stormwater when we don't have any attached to the council network.
I am in two minds. Regional council also charges fees for storm water, unfairly based on property value. Napier's proposed set rate is probably fairer than the HBRC method of rating. However expenditure on storm water disposal must vary by year due to infrastructure demand and upgrading needs. Therefore the introduction of a uniform charge may not align with annual expenditure. However, I suppose this is not dissimilar to water supply requirements.
I have no stormwater collection, so assume I would not be charged
I need to put a storm water management system in place, costing me approx \$20,000.- I assume that I'm not needing to pay for it if not connected?
I would agree if the council was to maintain our stormwater - again user pays is a fairer system
In general I support the principle of similar properties paying similar rates. However I have some concerns with the present proposal. However I contend the Council's premise that using Capital Value to determine the proposed storm water rate will (or should) result in ratepayers of similar properties paying similar rates is flawed. It relies on the fact that all Capital Values are correct and accurate and does not take into consideration some properties have two or more buildings on the same property which are connected to and will discharge more water into the storm water system than a smaller residence. I believe there are too many variables and subjective opinions used to obtain a properties Capital Value. For those reasons using Capital Value as a basis for charging for services such as storm water is hardly a solid and incontestable argument to justify the charge. Using the Council's rates calculator, I compared the effect of the proposals on several properties in several parts of Napier and found a number of examples that highlight the anomalies and unfair charges that occur when using Capital Value as the charging basis. In one example there are two properties in the same subdivision, built at the same time by the same building firm using similar construction material and are of similar design. The larger property (by about 15%) has a lower Capital Value and gets a rates reduction whilst the smaller property will pay 1.19% more in rates. In another case a new property built on a subdivided section has a Capital Value of \$670,000 whilst the older and much larger property (by about 37%) with a separate garage also connected to the storm water system has a Capital Value of \$640,000. I submit that a fairer and more logical method would be using the total size of the buildings connected to the storm water system to determine the charge which is more in line with Council's user pays approach to rating.
In our case, only if the Jervois Drain and Burness Rd Culvert were upgraded to a standard to cope with stormwater.
In principle, but need acknowledgement (differential) that some properties have little or none storm water service
Infrastructure is long overdue to be upgraded as our city gains more new homes.
its all part of the original town planning and already costed.
No stormwater service provided
No stormwater system in this area either!
No. There is no pipes in Bayview. Bayview properties place no train on the City's pipes and stormwater systems.
Not all properties are connected to the city stormwater system
Not sure why this is being introduced other than wealth taxing
On basis that existing rural ratepayers won't be included
Only for those connected to council stormwater
only if Provided Bay View doesn't have any
Provided Rural ?Rural ZResidential properties are not included

Some places call it a "concrete tax". The larger the area covered in concrete or tarmac the greater the amount of stormwater created so a greater contribution towards the costs is fair.
the majority of Bay View properties are not serviced with stormwater.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
This sounds as if you are adding to each [??] rate - that the [3 group units] stops. Stormwater should involve everyone - include in normal rates regular amount but large projects - allocated Council funds
We are currently rated for this service, but in fact NCC does not provide this service to us - it is the HB Regional Council who provide it.
We disagree with it because as it is currently written we would have pay if we become part of the residential category even though we can not access the stormwater system and have to have our own infrastructure. If it was FULLY targeted we would agree.
We do not have or need the council stormwater system at our Bay View property. In view of recent flooding debacle and in view of it being due to "climate change" so likely to recur then the less people connecting the better. Sorry, no. It is a 250 year event so all's well
We have an open drain across the front of the property and in the last 20 years has not been cleared by the Council. I spray it to clear the vegetation otherwise it wouldn't get done. If the introduction of Stormwater rate would see this maintained, then I would support one.
Why would you want a stormwater rate? You never clean out the Meeanee drains, even when I complain. They are a mess. Full of rubbish. I picked up 2 sacks in 50-90 metres. They used to be cleaned every year. We should not be charged.

Table 10 Other comments in relation to the proposed inclusion of a Remission for Farmland Under 5 Hectares

But this doesn't cover lifestyle properties who cant earn a living/income from the land due to economical return on landuse.
How will you establish the amount payable? How will you establish the value of a property less than 5 hectares?
I have not had this explained to me but suspect it does not apply in many cases.
I think this proposal could have offered an alternative option for Lifestyle properties, most of which are used predominantly for land based rural activities. I have been told by NCC however, that it is only available to commercial properties, even though the Remission Policy does not state this. This needs to be much clearer and more equitable., even though which are
It should be rated on land capital
Lifestyle blocks seldom generate income so the ability to pay extra portion of rates is limited to the family income which is seldom different to a similar family but living in a residential zone. If living rural people seldom use services to the same extent as those living urban. Those living rural have to provide their own sewerage, storm water and house water usually at a far greater cost than residential ratepayers. Council is creating an imbalance with this proposed policy. Sure remission may compensate but we have not been given the figures or the rules around eligibility..
Most of the properties subdivided in the past into 10 acre blocks (4ha) are still used for agricultural/horticultural purposes and MUST be treated as RURAL thus needing rates remission
Needs to be for rural properties not specifically Farmland
Needs to be higher if land has no house on it
The 5ha is too large for the differential. Should be more like 1ha, with no remission
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
These people pay for their own wastewater treatment and water pump too. So how is this fair?
This should be dealt with by defining Rural as greater than 1Hectre
What is the difference between 4.9ha and 5.3ha. Possibly utilise the actual land area that generates and income
Why is farmland under 5 Ha not put in the rural category as suggested above? Wouldn't this avoid the need to have to offer a remission which is certainly needed under the present proposal. I would prefer to see all 'rural' land in one category with subsections with clear definition of the differential percentage that applies to each subsection.
You can have commercially viable farmland operations of under 5 hectares where the infrastructure is worth more than the land. Two very good examples for this are small block, high value vineyards and also same block kiwifruit orchards, (the average size of a kiwifruit block in NZ is approximately 1.5 hectares). For both of these examples the plantings,

irrigation, structure would be worth more than the underlying land. under 5 hectares could also be used for things like Equestrian centres and apple tree nurseries.
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Table 11 Other comments in relation to the proposed inclusion of a Remission of Refuse Collection and/or Kerbside Recycling

I don't recycle at curbside at all so shouldn't get charged for a service we don't use
If barcodes are used to monitor how many times bins are picked up, then we should be charged per pickup! If not pick up, no cost.
If the property doesn't get these services they shouldn't be charged.
On the basis that you can manage enforcement
Should be a different \$ for bare sections, not a remission
Should be rates on level of use. For my place only one person has a very limited where a number of people has use
Should be user pays
That bin would last over a month for us.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The trucks are still driving by each residence, the men are still being paid and the management structure is still in place whether you have rubbish or recycling each collection day. A remission system would end up being abused and costly to manage. We all share this in one
This is pointless. Whether a bin is half full or chock full should not matter. I sometimes include rubbish bags left on the side of the road.
Who knows what this even means. It is not clear.
Yes but you need to ensure a better way recycling, I hear most cardboard gets dumb. Improve our recycling plant, make it the best in nz.

Table 12 Other comments in relation to the proposed inclusion of a Remission for Residential Properties Used Solely as a Single Residence

BUT this should be extended - the more people living in the house the more they should pay
Could also consider single-occupant remission - one person, often, uses a whole lot less than a house full.
Definition is too limiting to be fair to all parties. It comes back to household income and household costs. A residence is a residence and sole or otherwise shouldn't be used to discriminate for the purposes of remission. You need to keep it simple and be fair.
It is no different from a shop that is charged as a SUIP, they choose not to use it or gain rent from it. There is only about 40 and it could encourage it to be used in the current housing shortage. Is high maintenance and high risk of being abused.
Less use charged with less requirements
Not enough information given to allow reasoned decision-making.
Not sure I understand what is intended with this proposal
Provided there is a limit on the number of residents occupying a 'single residence'. Rates must align to the use of the service provided so the remission should abate as the number of residents increases.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The problem here is policing the air b&b arrangements
There should be allowance for properties where council provide NIL services

Table 13 Other comments in relation to the proposed removal of Remission for Land Subject to Special Preservation Conditions

Cannot see this in the Remissions Policy
Could not find any information on this in any of the policies
Esk Hill residents society have 70+ hectare of reserves and have planted 3-400 native trees over 16 years p.a
I don't know what this means.

I don't understand
If it is to be for the betterment of the community or environment it should remain
If really is Preservation, protection should be in line with legislative requirements to protect changing the use
If that is general ability to use
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
There is a garden in Jervoistown. Certain areas should get a remission
This is a difficult one, you need to take account of the increased rural fire danger some of these special preservation areas create.
Would need to be on a case by case basis after public consultation.

Table 14 Other comments in relation to the proposed removal of Remission of Uniform Annual General Charges

Hard to agree when the monetary value of the change is unknown.
How can a property that receives only rubbish collection services (no water supply, no sewerage connection) be subject to a rates increase of over \$800/annum?
I don't understand
It depends on the services being provided to each rating unit and the rates should be set accordingly for each rating unit. If the services provided are no more than what is provided to one rating unit then the value of the total number of rating units should be aggregated and the rates intotal for the properties be based as though it was one rating unit.
No sure what this is
One owner, one rating per title. Not double for converted existing shed.
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
There should be a remission available clubs as the members are the owners and have already paid their rates
That is if the land is rented
This remission is for sub-divided land and makes the 224 process easier. To remove this, the administration would increase substantially with sub-dividers only issuing separate title on sale.

Table 15 Other comments in relation to a Remission to smooth the effects of change in rates on individual or group properties

as I said before based on land capital
But NOT the way it is proposed. A more than 25% increase needs more than 3 years smoothint out. More like 10 years! A > 25% increase should not happen at all!
Don't know what it involves
Given the substantial increase proposed for some properties the changes should be phased in over a number of years
I don't like how we are getting charged one water rate, when we share a water toby with our neighbours, this should be a halved cost.
I strongly question a rates increase on a lifestyle block which receives ONLY rubbish collection. No water supply or sewerage connection is provided byNCC
If an increase to the general rate is decided upon for properties in areas like Bay View, Meeanee and Jervoistown this should be staggered over at least 3 years rather than imposed as a one off increase to minimise the impact on rate payers' finances when we are in a time of financial crisis.
If it's going to be increased, it should be increased slowly
If Rural Residential is to be redefined as Residential, then rates increases should only be applied as the services become available.
If there are going to be large rates increase for where I live why don't we have the same services provided to other rate payers closer to the city...I don't mind paying more but expect more services to be provided
In my case you are increasing the base rates by over 30% per annum. This is prohibitive to a retired landowner on super.!! Surely this is not Councils intent to force ratepayers off their land in their retirement by forcing a 30% hike in the rates!!
Our Bay View rates are proposed to increase by \$680 p.a. That is crazy and unaffordable increase for pensioners. A long term, phased intro would help if proposal is adopted, which it should not be.

Residential properties in commercial are rated in residential category - this remission is not required at all. Smoothing affects is paramount with commercial properties that have increases, but on fixed tenancy rents.
The decision or intention to raise rates in Bay View by 27% is totally against the formula/reason that the rates were originally set. I will have to pay \$500 for a non-existent service
The neutral selection is not our response. Our feedback provided in "Other Feedback" at the end of this document.
The rates should not go up in the first place
Those that do face large rises should have time to adapt and budget for this
We cannot afford rates now. As I don't get a rates rebate now because the property doesn't have my name on the title. This is despite having paid the rates for about 48 years.
what is significant
With my 22% proposed increase, if this proceeds would like it phased in over time and not all in one hit.

Table 16 Other comments in relation to the Rates Postponement for Farmlands

Explanation on what this means is not provided
It would seem to be practical in these hardship times

Kurt Schmidli, Silverton Road, Napier

FEEDBACK

- It takes 15 minutes from Silverton Road to the CBD. No bus service is provided. Puketitiri Road is an open narrow road. There is no footpath or bike line and the road is too narrow to safely walk or bike between Fryer Road and Quarry Ridge and the road turns into a race track on weekends.
- We and all in our neighbourhood provide off street parking, contrary to many places in town and particularly on the hill where residents use public foot paths and roads and even car parking (old hospital nurse's home carpark on hill) facilities for long term car and campervan parking. Perhaps residents should pay for long term on street parking.
- We find it utterly unfair for making us contribute to the maintenance for the city sewage and water system maintenance. We have spent \$16,000 for our water treatment system and \$360 p.a. to service the unit and \$18,000 for water tanks, pump and filters and spend \$300 p.a. to replace filters. Perhaps you will take over our annual service fees or replacement costs. UAGC fixed rate should reflect the services residents receive.
- Building regulations currently vary significantly between residential and rural zones. We presume that under the new proposal the regulations will be adjusted accordingly and brought in line with residential codes. Same rates = same rights.
- The proposal appears to be a wealth tax. A minority is expected to subsidise the majority.
- Perhaps it is time for the council to look at its own operation; improve systems, cut out bureaucracy and focus on costs, efficiency, competence and competition.

Following are submissions opposing the changes, re removal of Rural Residential Differential, incorporated into the draft Revenue and Financing Policy and the impact that it will have on our rates.

As a property owner in Hill Road, Esk View Road, Heipipi Drive and Onehunga Road area we are going to be impacted very adversely by the deletion of the **Rural Residential Differential (or Zone)**, which we are in currently, and it is proposed we be changed Residential. Property owners within Bayview are being affected by the change of their Bayview Differential area, also to Residential. These owners are currently being rated at 78.% of the current Napier Residential General Rate. We are contesting the deletion of the **Rural Residential Differential** whereas they will be contesting the deletion of the Bayview Differential.

The change from Rural Residential to Residential will have the following impact on our rates. There will be no change to the UAGC (Uniform Annual General Charge), Refuse Collection or Kerbside Recycling charges.

However, there will be major changes to the General Rate. This is a rate or charge applied to and resulting from the unimproved or land value of your property.

Currently under Rural Residential it is .00333 cents per dollar of land value ie a land value of \$300,000 results in a General Rate of \$999.00 (300,000 X .00333 cents)

Resulting from a change to Residential Differential the rate will be .00461 cents per dollar of land value ie \$300,000 X .00461 = \$1,383.00 **This is an increase in the General Rate of 39% !!**

As a comparison neighbouring property owners on the Hastings District Council side of Hill Road are being rated at .0022 cents per dollar of land value. **Napier City will be charging us over twice this rate, .0022 cents compared to .0046 cents!!** This is the complete opposite to what was promised in the past Napier /Hastings Amalgamation debate.

Additional factors that differentiate us from residential properties within the Napier urban are:

- We are situated in a 100km/per hour open road, not 50kph or 70kph residential area.
- No footpaths and in some sections of road there would be difficulty in putting in footpaths.
- Only NCC berm mowing is done by a slasher Reach Mower three times a year.
- No mail delivery either by mailman or Rural Delivery. Residents must pick their mail up from Bayview township.
- No Courier delivery
- The nearest bus stop is over 3.5 kilometres away from our property, and further for neighbouring properties.
- No Fibre in the area and internet speeds are very slow especially at times of higher usage.
- Etc, etc

This change will result in a rate increase of \$720.00 for our property, with no resulting increase in services.

In the introduction to the Draft Revenue and Financing Policy under General Rate it states that “the UAGC (Uniform Annual General Charge) is set to ensure that the total amount of fixed rates will be between 20% to 25% of total rates collected on a property”. Under your proposed policy this actual percentage will be approximately 11%. This is a stark indicator as to how excessive the new General Rate will be ie **twice as high as your stated target of 20% to 25%**

Furthermore, In the introduction to the draft Revenue and Financing Policy, NCC state that it **“contains new proposals to ensure there is equity and consistency in how rates are charged – to ensure that similar properties pay similar rates”**

This proposed policy of converting Rural Residential to Residential creates less equity, less consistency and needs to be reassessed.

Mervyn & Ann Kite
Heipipi Drive
Bayview

To Kirstin Wise and Garry Hrustinsky,

In response to "say it Napier", in submission to Revenue and Financing Policy.

I attended your meeting last evening held at McLean Park.

You said all submissions would be read and listened to, so I am writing in my own words, without the submission form.

Thank you for calling this meeting advising us of your proposal.

My husband and I moved to Poraiti Road 4 years ago after retiring.

I object to your (NCC) proposed rates increase for our rural land being on a par with residential rating and my reasons for this are as follows.

The land we live on, as is the case with most rural Poraiti properties is mostly unfit for housing development due to the narrow winding roads, the lack of services and steepness and inaccessibility of land.

We can't even walk along the street due to the fact there is no level land on each side of the very narrow winding road, no foot paths or street lighting. This road has a ridiculous unattainable speed limit of 100 mph - fortunately most residents travel at a relatively sensible pace, but you often get someone who tries to break the sound barrier, making this very unsafe for cyclists and walkers.

Are you intending to upgrade this road to make the proposed rate increase worthwhile to us?

We could only purchase a property larger than an acre of land in this area as it is zoned for lifestyle properties only.

We should not be penalized for that zoning.

Are you going to allow us to subdivide our land so we can afford to pay our rates increases?

Many residents who live in Poraiti, like us, are retired people who have no ability to increase their income.

We, as all residents in this area, have to fund our own infrastructure ourselves, leveling ground to make it useful and workable, deal with our stormwater, manage flooding in heavy rains, provide sewerage and pay for power poles on our own properties, look after the land wisely, maintain waterways, develop it, provide forage for bees and insects, keep the grass and weeds managed.

We are basically maintaining it for our own use and for the City of Napier. Why do you want to force us off this land by charging us for more than what the property is worth?

If the land was useful for residential housing you would have already rezoned it.

I would think it would be in your best interest to rate us equitably and affordably - sustainable in line with the cost of living increases throughout the country.

If we, the property owners in this small Poraiti foothills area, were not doing this ongoing maintenance work, then you, the NCC, would have to find more funds to bring this whole area up to the level of residential, yourselves.

In calling this area Poraiti foothills, I am trying to define the original Poraiti area, as distinct from the recently labelled, (without consultation) residential Poraiti/ Orotu.

We are very happy to pay our share of the universal general rate charges in support the city infrastructure but this needs to be divided up fairly and equally among all residents of the city, without prejudice, even though we don't use most of of these provided facilities.

We look forward to hearing the results of your consultations.

With kind regards

Joy Meikle

A submission to Napier City council in response to proposed rate changes as per letter dated 4 November 2020.

From Raymond Young and Jennifer Blake

Boyd Rd

Poraiti

20 November 2020

Submission

Thank you for the opportunity to register our concerns about the above proposal.

Current rates \$1775.46 Proposed \$2237.91

We understand that rates are required to pay for Napier City infrastructure and the ongoing maintenance of that infrastructure. We agree that we choose to live on a lifestyle block and that involves maintenance of our own infrastructure on that block.

We do not support the proposed changes to the rating structure that effects our property from Other Rural to Residential /Other for the following reasons.

1. The services we receive from Napier City council are rubbish collection and recycling.
2. We have a bore for our water supply. We pay to maintain the bore, water tank and pumps associated with running it.
3. We have a septic tank. We pay to maintain it and empty it when required.
4. We have a waterway running through our property from other properties. The water runs through a culvert under Boyd Rd and onto further properties. The waterway is usually dry but drains storm water during rain. We maintain the waterway on our property so the water can drain freely. During the recent heavy rain in the area the waterway flooded, the culvert became blocked and water ran across Boyd Rd as well as flooding our driveway. Once the rain stopped the water drained away in reasonable time. During the flooding, debris from other properties washed onto our fence and damaged it which required repair at our and the neighbours cost. We appreciate that the recent flooding does not occur each time it rains but the waterway still requires maintenance and even during normal rain events the

2020011

culvert under Boyd Rd cannot always cope with the drainage resulting in a backlog of water on our property.

5. We use Boyd Rd and Poraiti Rd to access our property. Boyd Rd is narrow and windy, has no road markings and no shoulder. The section of Poraiti Rd we use is narrow, windy has some road markings and very little shoulder. Neither road is safe for walking or cycling. Since 2007 when we first moved to this property more houses have been built both in Boyd and Poraiti roads. This has resulted in more traffic however both roads have remained the same and are becoming more and more dangerous.

Conclusion

If we did have access to all the services provided to city residential dwellers we would have no problem with a rate increase. However we maintain our own property infrastructure at our cost.

Once again thank you for the opportunity to raise our concerns about the proposed rate changes.

Jennifer Blake



Raymond Young



SUBMISSION TO NCC ON PROPOSED RURAL RATES INCREASE

1./ PRELIMINARY

Even though that routine glib statement that Council is cognitive of this proposal's impact on fixed income households has been trotted out, it is difficult to be optimistic that Council will not just forge ahead and instigate their proposal to punitively raise the level of rural rates no matter what.

Even though the mayor appears to be distancing herself with written the reassurances that the proposal is the idea of the previous Council and that it is not a "done deal" at all, the emotive Jacinda-esque radio announcements of "consistency and equality for all" suggest that the Council is hell-bent on enforcing their changes.

Urban-dwelling councilors apparently need to recognise that not all rural residents are in the rich category or have the means to disperse the cost of rates in tax relief or GST refunds.

Those ratepayers cannot see how Council's weak goal of "tidying things up" justifies such an imposition on those who silently contribute more than most to our city.

2./ THEN AND NOW

A sweetening factor to worried affected parties of the 1989 boundary adjustment was that HB County rural property rates would not be rated by their new urban Council on an urban basis.

Nothing has changed since then.

Our sewer and water systems, and associated costs, remain self-contained within the property just as they were in 1989 and usage of in-town facilities remains pretty much unchanged – probably reduced.

3./ UNDERGROUND SERVICES

In the rural situation, the fact is that Council is not faced with the cost of supplying some services. Conversely rural ratepayers save Council the cost of supplying some services.

Paying off major installation costs of septic and water facilities over an extended period plus ongoing maintenance costs would be in the vicinity of \$2500 per annum excluding the cost of any one-off major fix.

When this amount is compared to the yearly \$634 paid by urban ratepayers for these same services, it shows that Council is indeed getting the absolute best end of the arrangement.

4./ VERGES

A large majority of urban ratepayers mow their street berms and good on them for that.

But those living rurally incur very real extra costs in maintaining the road verge to an appropriate level above the low standard offered by Council. This contribution has always been willingly given for the public good and because it not only enhances the property's appearance but also the overall visitor-approach into the city.

Nevertheless, a conservative \$20 per week estimate for associated costs equals a further cost of over \$1000 per year.

Detrimental to our property, and at significant cost-saving to the Council, rainwater runs off uncontrolled from Willowbank Avenue to pool over our front paddock.

A stormwater culvert under Willowbank Avenue discharges to our duck-pond.

One does not choose to be picky but sometimes the need for pickiness can be thrust upon you.

5./ CONCLUSION

The true situation is that our existing rural rates do, in fact, currently compare with the rates of similar properties.

With this proposal Council is clumsily attempting to align our rates with those of very dis-similar properties. Urban properties.

Urban properties that contribute nothing like the input of rural properties to the general good of Napier.

Rather than charging more, Council should instigate a rates rebate to rural ratepayers.

One hopes that time is taken to realistically and open-mindedly consider the preceding information.

6./ SUBMISSION

We urge the Mayor and Councilors of Napier City Council to

a./ Abandon this proposed break of faith of a previous promise.

b./ Instigate a rates rebate to rural ratepayers acknowledging their historic and on-going contribution to reducing Council costs.

Signed



Geoff and Heather POLLARD

Willowbank Avenue

RD 3

NAPIER 4183

Firstly, Thank you for the opportunity to comment on the proposed changes to Napier City Council rates.

We reside at Ferguson Street North , Bay View and have lived here since February 1970 – so for more than 50 years. During this time we have seen no or little if any improvements to our street, it has been resealed perhaps twice but, there are no footpaths or gutters , no storm water drainage, no underground power supply, minimal street lighting, and no road markings. The street has now also become an extension of the Westshore to Bay View Walk/cycle way and there is no pathway for these pedestrians and cyclists to travel other than on the road, all across the road in groups of up to about 10 to 12 people particularly on public holidays and weekends.

Your letter dated 12 October 2020 states that since the 1989 amalgamation with Napier we as Bay View residents have only been paying 72.80% of the General Napier rate, so for the past 30 years this is the amount that the council has charged us. If the Council now decides to make these changes then I would like to suggest that it has taken them 30 years to decide to do this, so perhaps they could now spend the next 30 years incrementally making those changes at approximately 1% per annum and during these years make the necessary upgrades to the streets of Bay View to bring them up to the standard of what the citizens of Napier should expect to reside in, and perhaps similar to the standard of the streets in the new developments such as Oaklands and Te Awa.

Once this work has been completed and the streets and services upgraded, and only then, can the Council claim **THAT SIMILAR PROPERTIES PAY SIMILAR RATES** apply, and the citizens of Bay View and other affected areas will be paying 100% as required.

Fiona Williams

To Napier City Council
Revenue and Finance Committee

Re Changes to residential rating for The Loop, Napier

The Napier City Council is proposing to increase our rates to the same level as those who receive "full town services".

The City Council does not provide us with water supply or sewage treatment, we have no footpaths, only minimal streetlights, and we clear the roadside drains ourselves. We do, however, get rubbish and recycling collected.

Compared to those who live "in town" we have considerable additional annual costs, and for our property at The Loop (valuation number) these are:

Twice annual mandatory service of our wastewater plant	280
Electric power to run the water pump, the grey water pump and the UV filter, calculated at average use	390
Replacement water filters, including UV filter	<u>260</u>
Our additional annual expenses compare to "town" costs	\$ 930

In addition to this we have the irregular but inevitable cost of maintaining and/or replacing worn water and grey water pumps. We clean our sewage treatment plant filter regularly.

When we built our house, we had costs over and above those who build in town as follows:

Water tanks and plumbing	12000
Grey water absorption bed including underground pipe	2000
Waste treatment plant (bacterial processing, air curtain etc)	<u>9000</u>
Additional costs compared to building a house in town	\$23000

For the Napier City Council to increase our rates to correspond to those of residential properties in town is blatantly unfair and adds extra cost to those we already have. To my mind the rationale of lowering commercial rates at our cost is neither logical nor fair.

Yours sincerely



Christina Clough

The Loop
Napier 4110

Removal of Rural Residential Differential

I wish to record my opposition to the removal of the Rural Residential differential/zoning and its future inclusion into Residential differential.

The proposed reduction from six differentials down to three will be creating a significant number of fresh inequities and inconsistencies in the level of rates charged as compared to services **realistically available** to current rural residential property owners.

As a property owner at Bayview which is classed as Rural Residential, we do have access to a significant number of the services and facilities provided by NCC, however due to distance from either Taradale or Napier, usage is generally infrequent especially when compared to inner Napier residents.

More importantly we do not have the level of infrastructure services etc which is available to Napier or Taradale residential ratepayers. As an example, we do not have street lighting, no footpaths, roadside mowing three times annually, no mail or rural delivery service, nearest bus service over three kilometres away, ours and adjoining roads are 100kph, very slow internet etc etc.

I accept that there is a need for NCC to plan for future residential growth and at this stage it can be assumed that the Mission Residential Precinct, and possible greenfield growth in Taradale Hills and Tironui Drive will be zoned or have a Residential Differential applied.

The adjoining rural land that is unsuitable for future residential development plus those areas of rural land already containing low density residences should not be included in a Residential differential. These areas will never become "residential" in character as realistically, it is unreasonable to expect NCC to provide all those services that Napier or Taradale residential landowners are provided with.

In your NCC discussion document, Growth in the Hills, January 2020 it is succinctly and clearly stated for the Bayview Esk Hills area " **The Esk Hills were not assessed** (for future greenfield development) **due to their high cultural value, significant natural areas, and because they are relatively remote from key amenities in the city centre and Taradale**"

There needs to be a rural residential zoning or differential maintained that recognises the distance, resulting reduction in access to city facilities and the lower level of NCC services to these areas.

Mervyn Kite
Heipipi Drive,
Bayview



From: Markus & Monika Boesch
Sent: Monday, 30 November 2020 12:43 PM
To: Mayor Kirsten Wise <mayor@napier.govt.nz>
Subject: Proposed Rates Changes

Dear Mrs Mayor

Please see our submission below. We are sending this to you because we are unsure whether the online submission actually went through.

Thanks for your understanding.

Markus and Monika Boesch

Submission on proposed rates changes:

Dear Council

Following are some individual thoughts, not composed into a thesis, and not meant to point to a simple solution, because there is none.

- Originally rates were meant to reflect the usage/benefit a property gets from public services. Already the rates levied now are not reflecting this principle, but partly look like a quasi wealth tax – and with GST, as tax on tax, added on top of it.

The basic idea of rates would have to be part of any review. We do not deny we have a personal interest here, owning a lifestyle block which would become a commercial farm under the new categories. We would like to see how many lifestyle blocks make any money...

- The idea of reducing rating categories to improve accuracy is unscientific and absurd. Our thoughts on the people who came up with this idea are censored.
- One specific area to be addressed - while introducing more precise and numerous categories, not less – are businesses operating in residential areas. Hundreds of doctors, medical centers, dentists, denture clinics, acupuncture clinics, osteopaths, physiologists, daycare centers, etc etc operate 'hiding in plain sight' in residential areas, paying only residential rates. Some of these businesses are highly profitable and should pay their fair share.

Thank you for your attention.

Dr Markus & Monika Boesch
Poraiti Road

Submission on New Ratings Proposal

Submitter: Phil Ellis
 Property: Te Roera Hills Drive
 Contact:
 Phone:

Opposed to New Rating Proposals:

The proposals to change;

- **Other Rural** (with a weighting of **63.47%**) to the **Residential/Other category** (with a weighting of **100%**) for rural residential properties is strongly **opposed**.
- **Other Rural** (with a weighting of **63.47%**) to a new category **Rural** (with a weighting of **85%**) for properties greater than 5 hectares is strongly **opposed**.

The Facts:

Effect of Proposed Rate Changes				General Rate
Lots	Current	Weighting	Proposed	Increase
Te Roera Dr	Other Rural	63.47%	100%	38.50%
Te Roera Dr	Other Rural	63.47%	100%	38.50%
Te Roera Dr	Other Rural	63.47%	100%	38.50%
Te Roera Dr	Other Rural	63.47%	85%	33.90%
Combined Effect with New Land Valuations				
Lots	Land Valuation	New Land Valuation	% Increase	TOTAL INCREASE
Te Roera Dr	\$ 560,000	\$ 1,000,000	79%	77.4%
Te Roera Dr	\$ 520,000	\$ 900,000	73%	71.9%
Te Roera Dr	\$ 510,000	\$ 900,000	76%	75.3%
Te Roera Dr	\$ 760,000	\$ 3,230,000	325%	319.2%
		Based on Average Increase in Napier Land Values of:	44.5%	
		And Proposed Overall NCC Rates Increase of:	4.8%	

Based on the proposed rating category changes and the recently released new valuations the general rate for our farm property would **increase over 300% and the other lots by about 75% each.**

These increases are all proposed whilst the services we receive remain totally unchanged;

- No sewerage
- No stormwater connection
- No city reticulated water system
- No roads/footpaths/streetlights

We submit that **this increase in rates is unreasonable and grossly unfair**, especially given that Council have not added any services, rezoned our land to residential, or contributed any funding whatsoever for any services to make our land more valuable. Also 3 of the 4 lots have no houses on them so there are no residents using any of the city services, even if they were available.

Argument:

Whether we like it or not, rates should not be regarded as being truly fair in the allocation of the costs of city services, else we would move to a complete “user pay” system for all services, and simply divide the budgeted cost by the number of ratepayers using the service to arrive at each ratepayer’s amount to pay. This could put lower income ratepayers in a position of not being able to pay their Council rates.

Equally, rates cannot be an overly excessive tax on the wealthy to subsidise the lower value properties who may struggle to pay their rates, if “user pay” was fully implemented. There needs to be some reasonable balance, and also ensure that there is a fair distribution of the extra burden placed on the more fortunate.

Suggestions:

1. Increase the Uniform Annual General Rate from around 20% to 30% (Govt limit) of the total rate income to cover a larger percentage of the services enjoyed by all ratepayers wherever they live and whatever their property is worth. This moves the burden slightly more to “user pays”.
2. Increase the number of targeted rates as this more directly ties funding paid with benefits received. It also provides more public transparency and cost identification of Council expenditure. It is easy to implement by dividing the total line item service cost by the number of users of that service.
3. Change the basis of rating to a Capital Value basis rather than a Land Value basis. This more evenly spreads the additional burden placed on more expensive properties who are, in effect, subsidising others in providing all city services for all. This method of rating is used in more than 70% of all councils throughout NZ and is a fairer system especially where there are wide ranges of properties.
4. Create a Rural/Rural Residential Category (say anything over 2500m²) and set it at 75% weighting, as generally most rural and rural residential category ratepayers are receiving very few of the main services of water, sewerage and stormwater, so deserve a significant discount. They also have relatively high land (and capital) values, so are already paying/sharing in an additional burden for other ratepayers, regardless of which valuation method is used for rating.
This would only be a slight increase from the 63.47% to 75% for all these ratepayers and easy to administer with only 3 rating categories; residential, rural, and commercial.



5. Implement a full transitional rates remission policy for land lots developed/being developed that have not yet been built on, but will soon have residences, and will then fall under the normal rating categories. This would work to encourage developers to develop their land into lots as quickly as possible to get their rates remitted, and once residences are built on these properties with residents now using Council services they would then be liable for the applicable rates.
6. I submit that financial modelling should be completed based on the above suggestions, including a model using Capital Values instead of Land Values to gauge the effect on individual ratepayers. With the huge increases in value of all Napier properties it is probably the best time to implement any significant rating changes, together with a slight overall increase in total rates collected to fund required enhanced city services. It is easy to do any major overhauls of the system now than when property values have fallen or not increasing as much.

Napier City Council submission - Friend's Bush

Biodiversity Hawke's Bay has been made aware that the proposed changes to the Napier City Council rating differentials will have a significant impact on Friend's Bush, a key Significant Natural Area (SNA) for Napier City. Friend's Bush is a private land holding with significant natural plantings that has been cultivated and protected since 1981. This private land holding is contributing to the environment, biodiversity enhancement, the success of native corridors in the city and equally importantly, public wellbeing.

Biodiversity Hawke's Bay would like the Council to consider either another rating differential, or a rating dispensation, that reflects the public good aspects of Friend's Bush for as long as they retain, and maintain, the plantings.

Consideration of this is even more relevant given Friend's Bush has been identified in a report¹ produced for Napier City Council assessing the SNAs in the city. That report rightly recognises the importance of indigenous vegetation and the scientific evidence (backed also by the National Policy Statement on Indigenous Biodiversity) that at least 10% indigenous habitat is required to avoid accelerating biodiversity loss. With 5.94% of Napier City land area currently identified as SNAs there is work to be done and the 3736m² of native plantings at Friend's Bush shows that private citizens can make a difference. The land at Friend's Bush will never be developed and will continue to thrive to the benefit of the community.

Friend's Bush is an important SNA for Napier. For as long as the land has that status they, along with any other private holdings identified as SNAs, should benefit from some form of rate relief. This would support the efforts of those who have volunteered a lot and demonstrate the Council's commitment to an enhanced indigenous biodiversity in the city.

¹ T.S. Cornes, C.L. Kirby, R.L. Johnson, B.D. Clarkson Napier Significant Natural Areas Assessment, ERI Report number: 124 Prepared for Napier City Council September 2019 <https://www.napier.govt.nz/assets/Uploads/Napier-Significant-Natural-Areas-Assessment-2019-Final-version-2020-02-24.pdf>

20/077
E4/4/1

02 December 2020



FreePost Authority Number 772273
Revenue and Financing Policy
Napier City Council
Private Bag 6010
Napier 4142

—
To whom it may concern,

UNISON SUBMISSION ON NAPIER CITY COUNCIL PROPOSED RATING POLICY

This letter constitutes Unison Network's submission on Napier City Council's ("NCC's") proposed changes to the Revenue and Financing Policy and Rating Policy.

Unison Networks distributes electricity to Napier residents and businesses through its network of overhead and underground electricity distribution assets. We understand, these assets are captured for rating purposes under two valuation identifiers 'Network 1' and 'Network 2'.

Under the proposed rating policy, Unison Networks has received proposed significant rates increases for Network 1 of 304% from \$439.13 to \$1,772 per annum and Network 2 of ~1800% from \$2.8k to \$52.8k per annum. NCC has confirmed to Unison that the increase for 'Network 1' and 'Network 2' is due to the proposed "Stormwater Targeted Rate" and is triggered, from the following proposed changes in Council policy:

-
1. Rating Differential Change – redesignation of Network 1 and Network 2 from "Miscellaneous" to "Commercial & Industrial";
 2. Stormwater Targeted Rate – as opposed to stormwater costs being recovered through the General Rate; and
 3. Stormwater Targeted Rate – being based on the Capital Value of the asset rather than the Land Value (of which there is none for Network 1 and Network 2).

The proposal to create a separate Stormwater Targeted Rate is justified in the policy document as follows:

Stormwater Rate

The primary beneficiary of stormwater assets are those properties that have a hard surface. There is a strong relationship between Capital Value and the hard surface area of a property. This rate recovers the cost of stormwater asset management. The Stormwater Rate is based on the Capital Value of Residential and Commercial & Industrial properties within the recognised urban limit.

Unison Networks Limited
1101 Omaha Road, Hastings, New Zealand PO Box 555, Hastings 4156 T 06 873 9300 0800 2 UNISON F 06 873 9311
www.unison.co.nz

Rural properties, and Residential and Commercial & Industrial properties outside of the urban limit (that do not utilise the stormwater network) are exempted.

No explanation is provided in the policy proposals for the removal of the Miscellaneous rating category and the transfer of Unison's network assets to Commercial and Industrial. Unison is unable to comment on the basis for these proposals and requests that NCC provide supporting consultation materials that provides analysis and justification for this aspect of the proposals.¹

Unison submits that it is in an identical position to "Rural Properties and Residential and Commercial & Industrial properties outside of the urban limit," as network assets such as poles, conductor and underground cables do not utilise the stormwater network, nor create the need for a stormwater network as there is no hard surface area of our network assets that cause stormwater to accumulate.

Accordingly, Unison submits that provision needs to be made in the Rating Policy to either:

1. exempt Unison Networks' 'Network 1' and 'Network 2' from the Stormwater targeted rate, or
2. for the Rating Policy to retain the current Miscellaneous category, which currently applies to Unison's Network Assets, and for this category to be zero-rated for the purposes of the Stormwater Targeted Rate.

Unison does not object to the establishment of the targeted stormwater rate (we agree there should be transparency in the costs of this service and the benefitting parties it should be recovered from), or application to other Unison properties, such as sub-station buildings, where stormwater services are required and Unison benefits from the provision of those services. However, in the case of network assets, Unison submits that it would be inconsistent with the requirements of section 101(3) of the Local Government Act 2002 for Napier City Council to levy rates on those assets as they do not benefit from the provision of stormwater services, nor create the need.

Unison is happy to appear in support of this submission, but as we consider the positions articulated in this submission are straight-forward matters of fact, we do not consider it necessary to appear.

Please feel free to contact me to discuss any aspect of this submission.

Yours sincerely



Nathan Strong
GENERAL MANAGER COMMERCIAL

¹ Unison observes that the consultation materials in respect of the proposal to remove the Miscellaneous category do not meet the legal requirements for consultation per *Wellington International Airport Ltd v Air NZ* [1991] 1 NZLR 671 as no information is available on the basis for this proposed change.



**SUBMISSION BY POWERCO LIMITED ON THE PROPOSED CHANGES
TO THE RATING POLICY AND RATES REMISSION POLICY BY NAPIER CITY COUNCIL**

To: Napier City Council
Private Bag 6010
Napier 4142

E-Mail: info@napier.govt.nz

Submitter: Powerco Limited
Private Bag 2061
New Plymouth 4342
(note - this is not the address for service)

INTRODUCTION

1. This is a submission by Powerco Limited (*Powerco*) on the proposed changes to the rating policy and rates remission policy by Napier City Council. The Powerco valuation number in Napier City is
2. Powerco is New Zealand's second largest gas and electricity distribution company and has experience with energy distribution in New Zealand spanning more than a century. The Powerco network spreads across the upper and lower central North Island servicing over 440,000 consumers. These consumers are served through Powerco assets including 28,000 kilometres of electricity lines and 6,200 kilometres of gas pipelines.
3. Powerco owns and operates the gas distribution infrastructure located within Napier City. The gas distribution network transports gas from the transmission system through to each customer's point of connection. Powerco supplies natural gas to residential, commercial and industrial customers within Napier City.
4. Powerco's gas assets consist of a network of underground gas distribution pipelines throughout Napier City. The only above ground assets associated with gas distribution in Napier City are the handful of district regulator stations¹ which are

¹ designed to reduce the pressure of gas to a lower pressure for use by customers within a particular area.

enclosed in small cabinets or chainlink enclosures. The gas distribution network is predominantly located within roads.

5. The proposed changes to the rating policy and rates remission policy are of concern to Powerco as they will result in our rates increasing by over 1,200%. The majority of this increase is attributable to the new targeted Stormwater Rate.

POWERCO'S SUBMISSION

6. Powerco is opposed to the following changes being made:
 - its rates category being changed from 'Miscellaneous' to 'Commercial / Industrial', and
 - the new targeted Stormwater rate being applied to its network.
7. While recent events highlight the importance of the stormwater network, Powerco is of the view that it's network should not be rated at the same level as other commercial or industrial activities. As outlined, the Powerco network predominately consists of underground gas distribution pipelines which do not alter the permeability of the ground surface above. Powerco does not own any properties within Napier City. As such, it should not be burdened with a rate to address effects that its activities do not create and for which it derives little benefit.
8. It is noted that Rating policy states the following²:

The primary beneficiary of stormwater assets are those properties that have a hard surface. There is a strong relationship between Capital Value and the hard surface area of a property. This rate recovers the cost of stormwater asset management. The Stormwater Rate is based on the Capital Value of Residential and Commercial & Industrial properties within the recognised urban limit. Rural properties, and Residential and Commercial & Industrial properties outside of the urban limit (that do not utilise the stormwater network) are exempted.
9. Given the Powerco network has been included within the Commercial / Industrial differential category, it is incorrectly being classified as an activity that is a primary beneficiary of stormwater assets.

RELIEF SOUGHT

10. Powerco seeks the following relief (or alternative relief that has a similar effect):
 - Amendments to the Rating Policy to provide a separate differential for utility assets / properties. This would reflect that utility installations often don't impose the same burden on Council services and infrastructure.
 - Amendments to the Stormwater Rate outlined in Rating Policy to exempt utility assets that do not utilise the stormwater network. Alternatively, amendments to

² Pages 53-54 of the Statement of Proposal

the Rates Remission Policy to provide a remission for Stormwater Rates for ratepayers who do not utilise the stormwater network.

CONCLUDING COMMENT

11. Powerco appreciates the opportunity to provide input to the rating policy and rates remission policy. Through the suggested amendments above, Powerco seeks to ensure that it is not burdened with rates to address effects that its activities do not create and for which it derives little benefit.
12. Powerco wishes to be heard in support of this submission.
13. If you have any queries or require additional information on the content of this submission please contact Gary Scholfield.

Signature of person authorised to sign on behalf of Powerco Limited



Gary Scholfield
Environmental Planner

Dated this 02nd day of December 2020

Address for Service: Powerco Limited
PO Box 13 075
Tauranga 3141

Attention: Gary Scholfield

Phone:
Email:

Submission to Napier City Council - "Revenue and Financing Statement of Proposal":

In putting forward this submission, I am well aware, that for our city to prosper, we need, together, to understand and support all groups in our community. I am grateful for this chance to offer my views, and hope that my expressions are clear, and provide the Napier City Council with further information that will assist in an outcome that is "just and fair" for the entire Napier community.

I have lived, "happily", in my house in Napier Street for 24 years. The main reason I have been able to live here is because I could afford my property and the rates. However, we are now having to learn to live with COVID-19, and adjust to a new lifestyle. Living in isolated New Zealand, we are still part of a planet that is struggling to come to terms with an experience that is completely outside our understanding. There are many great countries in the world, as well as groups in our own, that are finding this "new way of living" extremely challenging, with choices that are in sharp contrast to their expectations of what "life" should be. I honestly feel that your proposal of "drafting out a sacrificial group of lambs", makes me feel uncomfortably discriminated against, and I am surprised and confused, that such a proposal could be interpreted and delivered as "fair", let alone "honest".

Having read, "A message from the Mayor", I am of the opinion, that the Uniform Annual General Charge, being "uniform" for everybody, could well become "the yardstick" on which a new rating system could be built. And in addition to this, have a period of time, where these new rates could be phased in. Something like this would be interpreted as "even, fair and consistent", and could make the shift a lot less stressful while giving everyone the chance to find their feet. I have seen many references in the media to how the COVID pandemic is having negative effects on our mental health statistics. Depression, suicide, substance abuse, and family violence all come to the surface when increased pressures are present. As a grand-parent, (and human being), I am deeply concerned about these possible outcomes.

I am sure that many a right minded resident would agree that a "just, honest and equitable" solution is a worthwhile goal for a city that prides itself on the spirit of Art Deco – *"functional objects, simple, symmetrical forms, crystal-clear colours, within an organic, sinuous aesthetic."* "The Spirit of Napier" on the Marine Parade, is an outstanding symbol that represents our city, "standing tall", supporting each other, and doing things together for the betterment of everyone.

Is this vision of how we should "move forward", an impossibility of what our future can be?

Thank you for this opportunity to have "my say".

Nicky Francis,

Napier Street,

Jervois town, Napier.

Nov.27, 2020.

Linda Macan
Parsons Road
Meeanee
Napier 4112

I wish to submit an objection to the proposed changes to the Napier City Council's Revenue & Financing Policy, Rating Policy and Rates Remission Policy, and the Rates Postponement Policy.

I have resided in Meeanee for 31 years. Rural residential residents in this area have never been on council provided reticulated water, sewerage systems or storm water systems. While currently not being charged for these services in their rates, it appears proposed funding for planned council projects relating to 'city-wide' services/improvements is being incorporated into the 'General Rate' instead. Rating based on similar land values may be the rationale for this however the circumstances faced by those living in rural residential properties do not apply to most residential properties of similar land value in other areas of Napier.

Rural residential property-owners in Meeanee are set to be financially disadvantaged by excessive increases while still having to assume responsibility for any repairs or maintenance/servicing to their water, sewerage and storm water. The proposed rates increase, especially for those on a fixed income, will hinder their ability to make provisions [saving] for maintaining these essential services not covered by the council. This service [reticulation] currently provided by the council to properties/streets in [current] residential zoned areas is still not intended to be addressed by the council for [current] rural residential ratepayers being reclassified as residential properties.

Residential properties on Napier City Council reticulation are able to subdivide their properties into extremely small section sizes which rural residential residents are not permitted to do due to reticulation constraints. Most rural residential residents have chosen to live where they do specifically for the special character of the area and many may not wish to subdivide even if it were permissible as 'aesthetically, the Meeanee and Brookfields area is a rural foil to the urban area' [draft Napier Landscape Study].

Rural residential properties do not receive the benefit of the same services in their area as do city residents. Public transport does not service Meeanee. We are left to our own devices should we experience instances of flooding on our properties. The open drains in the Meeanee area are barely maintained with disagreement between Napier City Council and the Hawke's Bay Regional Council over whose responsibility it is to maintain them. Several streets have no footpaths and minimal lighting. Yet both the Napier City Council and Hawke's Bay Regional Council rates have steadily increased without there being any significant improvement to the infrastructure or services.

Traffic from the Taradale area or exiting the motorway, and the new housing expansion in the Te Awa Avenue area has increased the volume of traffic on local roads, impacting residents, especially those trying to exit or turn into their streets, as not all drivers adhere to speed limits through the 50km zone making turning hazardous. Traffic congestion has increased significantly at the intersections of Meeanee /Willowbank/Brookfields/Sandy and Awatoto Roads.

The council reneged on its own decision to not allow subdivision in Meeanee without reticulation. Several years ago a subdivision was allowed to go ahead on a property next to the Meeanee School despite objections by local residents. Resource consent was eventually granted by the Environment Court to the owners of Meeanee Road to turn rural land into housing sections based on the owner's argument that it was not of sufficient size to be viably productive. This despite a later description in the Napier Landscape Study of February 2020 of Meeanee having "highvalue (sic) soils and a closely cultivated landscape of crops, orchards and vineyards" and there being several market gardens in the area.

It has been brought to my attention that the owner of this property may wish to further subdivide these proposed sections into even smaller sections without there being reticulation in place. In a low-lying flood prone area, water volume produced by denser housing is likely to have adverse effects on the area, as has occurred where a single property was permitted to be divided into three separate sections some years ago. This has been evident by regular flooding on the corner of Honan Street and Meeanee Road.

I understand the requirement of paying for the services that I do utilize including rubbish and recycling collection and were I to have council provided water, sewerage and storm water disposal then it would be understandable that this would be included in my rates. I understand that while I may avail myself of services the council does provide, the difficulty in finding a park in Napier when wishing to use these services is just one

example of expansion within the region that is not being addressed. Rural residential properties do not receive the level of support as residential properties within the city and therefore I object to be reclassified as 'Residential'.

Having received notification of my proposed rates increase, followed by attending a public meeting at the Taradale Town Hall, I can understand what the Council is attempting to do, but believe the approach heavily penalises the residents in Jervois town.

The proposed increase is by way of adjusting the General Rate, and this is not a fair and reasonable method. In my case a 22% increase in a year when other costs have risen due to Covid 19.

My understanding is that a land value included in the rating value is utilised. I was advised that this land value is a computer-generated amount produced by Quotable NZ. ie A mass appraisal

The council then uses this land value, setting a rate in the dollar over it, to produce a General Rate.

This method is obviously inequitable, being based on the assumption that one who owns a property with a higher land value than another in the city can therefore afford to pay more rates.

Assuming everyone in the Napier City was treated equally, surely the rates should be assessed using larger fixed amounts. A uniform General Charge of say \$1000, Rubbish say \$10 per week, ie \$520 pa etc., etc. As mentioned at the meeting the General Charge covers many Council costs such as public toilets, even if the ratepayers do not use them. However, these facilities are available to all.

Jervois town the only area to be advised of a very substantial rate increase, is unique in Napier City.

It borders rural/residential in its make-up.

There are no footpaths or curbing but the locals want this, having 74% voting for the status quo a few years back

The sites are larger than the current subdivision requirements in most of the city, another positive feature.

The area has been saddled fairly recently with poorly planned and constructed traffic islands at what I believe is a considerable cost. Also, the area has poor stormwater disposal a fact noted in the Council's District Plan and borne out by the recent heavy rain.

A fact often ignored or possibly council staff are unaware of, is the cost of having to have the waste water systems checked by a certified person every year.

The proposed rate increase calculation would have been carried out utilising the current land value assessment. As a revaluation is due out very shortly, I trust the Council will not announce a further increase based on the updated value, but readjust the rate applied

If, as has been pointed out that the proposed changes are the first full review in 30 years, could not this council bring in a more forward-thinking way of raising rates than the current system with its emphasis on General Rate calculation. Possibly be a national first?

Furthermore, I do object to the way the rates calculator emphasises the proposed increase at \$5.81 per week. This does make the proposal seem minor. I have recently been subjected to an increase of just over \$1000 pa i.e. \$20 per week on house insurance due to this being an earthquake area. The next round of price increases for electricity will be set in April next year, this constant price hikes goes on and on. Being on a pension does not help.

RATING POLICY FOR COMMERCIAL BUILDINGS.

I completely understand the idea of a rating differential between commercial, residential and rural properties. However I cannot see that it is fair to add a premium to commercial properties based on the number of tenancies the building might be capable of accommodating. The effect of this is that it multiplies the UAGC, water and sewerage charges by however many tenancies it is estimated the building could potentially accommodate if it was fully leased, a dream for most landlords in this climate. Nobody knows, least of all the Council, how many tenants we are going to have at any one time and how long or short term they will be.

I do agree that refuse collection is a slightly different issue and could be charged according to usage. I am sure that most commercial operators are happy to pay a charge per bin for the excellent refuse collection service that you provide. However sewerage and water should not be charged in this way. Most of the people working in our premises are local so are going to be using the toilet either at home or work so exactly where they flush doesn't really make any difference. Most of their water and sewerage usage will occur at their residence in any case as that is where they shower, use washing machines / dish washers and water the garden. As commercial property owners we do, in any case, pay additional water rates annually based on usage.

The number of separate tenancies in a building in no way equates to the number of people who might be working there at any given time. Whether a building is fully occupied by one tenant employing twenty staff or by four tenants employing five staff each makes no difference to the occupancy numbers. The landlords need consistency with rates and cannot be charged per tenancy based on the presumption that their buildings are 100% occupied 100% of the time.

Commercial properties are already charged rates based on land value so clearly the more valuable buildings pay more rates regardless of usage. The current system places an unfair burden on commercial property owners especially in the current environment when they are struggling to find tenants. What's more, this policy creates enormous discrepancies amongst commercial properties. With this particular system anomalies arise, for example:

Our building at Browning Street is a commercial office building with a current occupancy rate of about 40%. The land value is \$770,000. Our rates for the year ended June 2020 were \$13,512.61 based on a single tenant occupying the whole building. In July 2020, after no consultation, we were informed that our building had been assessed as accommodating ten tenants and consequently our rates would be rising to \$23,862.35, an increase of 78%, with immediate effect. After some consultation with the rates department this was amended to an estimated four tenancies and increased to \$16,615.40, still a 23% rise. However, it would appear



that this was only a temporary reprieve and I see that our proposed rates for the next financial year are back to the \$23K figure which, especially in the current climate, is totally unaffordable.

By comparison, there are two separate inner city hotels both consisting of multiple hotel rooms as well as a separately leased bars and licensed restaurants. One has a land value of \$560,000 and pays rates of \$10,603.70 which are proposed to rise to \$11,530.70, approximately half of what we are going to be expected to pay. The second has a land value of \$355,000. Its current rates of \$7,234.21 are projected to increase to \$7823.90, a third of what we are going to be charged. Both of these businesses are deemed sole occupancy so pay one charge for UAGC, water and sewerage. Both businesses operate 24/7 as opposed to our five day a week, eight hour day operation. Clearly an anomaly exists when the nature of these businesses clearly involves far more use of Council resources per head than ours.

I am not for a moment suggesting that either of these hotels should be subjected to a rate increase simply that, in fairness to all, commercial rates, with the exception of refuse collection, should be charged solely as a percentage of land value.

Nicola Smitt.

N. Smitt.

1 of 2

The Napier City Councillors.

I am in receipt of your letters of Nov.4, 2020, detailing your proposed rate changes to the Jervois town suburb.

Three of the sections I own are designated as being "building sites", namely Jervois Road. In 1981 these sections were planted in New Zealand native trees and shrubs, 2500 individual plants, comprising 45 different species, some now "rare".

This space named "Friends' Bush", is one of a small group of stands of native trees in the urban environment of Hawkes Bay, which are included in a three year long study programme of biodiversity, by a team from "Waikato University", led by Dr. Kiri Wallace.

<https://www.waikato.ac.nz/hawkes-bay/hawkes-bay-in-the-news-old/news/2018/a-guide-to-growing-a-native-forest>

When your proposal becomes reality, and I have no doubt that it will, you will leave me with only no alternative. That being because of financial constraints, I will have no option but to:

- (a) Return the ashes of people buried on the property to their relatives
- (b) Fell the trees
- (c) Sell the sections as building sites

To this end I have already arranged with a tree felling company to clear the site when you proceed with your plan. No doubt this action will cause much criticism for myself, but very much more for your Council.

721 of the trees here, have been planted by visitors from 52 countries. For example: From Spain, Doleros Lladro (Co-owner of Lladro chinaware). From Nigeria, Davidson Ezinwa (1984 - Nigeria's 100/200 metre sprint champion). Plus, the former NZ Prime Minister, Helen E. Clark. What other Hawke's Bay bush area could make such a claim? One tree in particular, deserves special mention. It has been grown from a "cone", collected from the legendary "Tane Mahuta", and already stands at 20 metres tall. The felling of this small patch of "bush" will make great TV viewing. Furthermore, I am not prepared to have my rates charges "delayed until I pass", as I have no intention to have "my heir" lumbered with a substantial rates demand.

2 of 2

Finally, it astounds me to think that the Council has the gall to suggest that a suburb, namely Jervoistown, can be re-zoned "city residential", when it is not included in the sewerage, water and storm-water links, has no footpaths, has narrower than acceptable street widths, and poor levels of night street lighting. "City suburb"? I don't think you will ever "sell" that idea. But what I can claim, is the fact that I pay one of the highest rates for any small stand of "native bush", in New Zealand.

Colin James,



Gordon Street,
Jervoistown,
Napier.
Nov.26, 2020.

Heather Johnstone
 Mode Hairdesigners
 Guppy Road
 Greenmeadows
 Napier 4112

To the Napier City Council.

27th November 2020

I am Heather Johnstone residing at the address of Guppy Road Greenmeadows Napier 4112.
 This is also my business address for my Hair Studio.
 Mode Hairdesigners

After sending emails to 4 Councillors and The Mayor Kirsten Wise, I am resorting to sending my submission with my Revenue and Financing etc policy.

To start at the beginning I opened my Hairdressing Studio at the above address on 1st November 2017.
 I had sent all my Certificates for (CCC) to a Jay Sewell as I couldn't apply on line, I sent this email Tuesday 31st October 2017 @ 12.47 pm. (Of which I have a copy)
 Included were final documents for : Electricity

- : RPZ
- : Gas safety and compliance
- : Plumber and back flow preventers etc
- : Builders completion letter

I did not get a reply nor certificate!! I took it that I had passed all requirements and didn't think about it again,,,until on the 11th June 2020 I received an email for a CCC reminder 3 years later! And would I like to apply for more time to complete my conversion of garage into Hair Studio! (Imagine my Frustration)
 I was in the South Island at the time I received this reminder so on my return I called the NCC customer services and took all my certificate's in on the 22nd June 2020.

That afternoon I received my CCC ... (Thank you) Via Brian Hatton.

Please note that I had been paying \$2600 per year (3 years) for insurance on my business and building and wasn't insured because of Council incompetence on Tuesday 31st October 2017 and not finalising my CCC!

Also, I have been having yearly Health and Safty Enviromental Officer visits and receiving my Studio registration certificates yearly since 2017. So I was under the impression that I would have had my CCC for him to visit my business to check up on my Studio.

This brings me to my concern, anger, frustration and unfairness, as follows. As my rates have increased by \$300 per 1/4 (\$1200 per year!!)

Tuesday 24th November 2020 I had a meeting with a lovely understanding person Beth Harker @ the Council customer services building. I was so distressed and angry, I was very teary trying not to get angry at her, the face of the NCC I was talking to. The poor woman was very patient and caring and listened to my frustrations that I will outline below. As she was the face I had to load my concerns to she copped the brunt of it and suggested I email you all as I believe you are having a rates meeting in December re the rates upgrade. I was, and am, very upset, angry, disappointed, confused on so many levels . With the super increase of my rates! But I will endeavour to outline them listed below.

With my last rates statement I received a generic letter A message from the Mayor re the layout of my rates per 1/4. For someone like me I may as well read the Chinese dictionary as it is all double dutch and I don't understand the figure percentages etc other than my final statement payment amount. There was a site www.sayitnapier.nz where I can lay out my concerns which I did and I would get a reply. (That reply never came!!)

Since I got my CCC in June 2020 I now pay double for Sewerage,
 City water,
 City Refuse collection,
 Kerbside recycling,
 UAGC.

- # My issue with this is.....I am paying twice for Rubbish collection (which I don't use, I hire a large wheelie bin from JJ's), and recycling (which I do use)
- If I am paying twice why don't I have double recycling bins and 2 wheelie bins? (If I have to pay twice then I want double bins please). I don't even have enough rubbish to fill both!!
 - I went on line and opted out for fortnightly pick up for City Refuse collection. If you can now scan wheelie bins (monitored)? To see how many times a bin is picked up, then why can't I be charged per pick up?
 - Imagine your hairdresser charging you for a colour every time you have just a cut because the majority of clients have both services? If I ran my business like the council charges for services I don't use I wouldn't have a business! Not fair! I am a consumer of the council.
- # I can name many many businesses around Napier, Taradale, Greenmeadows etc that work from their home and I know that most of them don't pay double in their rates although their business is on one title (their home)!
- Why is it that other Hairdressers, Nail technicians, Beauticians, who have their business either in a room attached to their home or in a room in their home or out of a rented cabin on their front lawn etc don't pay double! They use the same amount of sewerage, water, same basins, same professional space, power etc! Cabins don't have storm water outlets into a drain, their rain water washes onto their property! They plug their rented cabin into their home power socket. Is that compliant to council regulations?
 - Why can a business work from a garage to build and sell cabins from his garage and front lawn, does he pay double rates?
 - Does an accountant, Hypnotist, Artist, Electrician, builder, painter, massage therapist, child care, Air bnb, Sleep out to rent or family to live in a habital building you name it pay double?
 - So many people now work from their homes because of covid, overhead costs etc.
- # I am a loan stylist which now pays Commercial rates on my home and business that only has 3 basins in it, shampoo, hand and equipment basins. (per CCC)
- I am now paying the same rates as when my business was in the Taradale shopping centre. (No staff to help cover the costs)
 - I am effectively paying for x2 titles on one property.
 - My clients use my toilet in my home, I do not have a shower or toilet in my work place building. (No extra sewerage)
 - I use my home laundry, dish washer for my business too, just as a hair studio does within their home!
 - My existing garage (now studio) already had storm water on it. It was an existing building, I did not add a building to my title.
 - A salon in a room inside a house still uses the same house hold utilities as my studio that is not attached to my home.
 - I feel penalised for having my studio separate from my home and not in my house.
 - If I was to sell my home, the rates would be astronomical if a buyer was to look at the amount of rates I pay.
- # If I was to semi attach my garage to my home, eg: roof and wall, would that reduce my rates to a single rate like other in home salons?
- # Policing!! who regulates or police's all these home businesses, in cabins, homes, spare bedrooms, sleep outs, garages etc to make sure they are charged the same as everyone else who has a legitimate, compliant, CCC building?
- Until the council has a fair system of rating ALL business, those including myself that have always done everything legally, legitimately, always done the right compliant thing, paid all rates on time with my home and business of 35 years, then and only then you will have a fare system that can be affordable.
- # I voted for Kirsten Wise because she promised to look after The People what about small business? This extra \$300 extra per 1/4 (\$1200 per year), could be the fine line to put me out of business work as increasing my prices again to cover these rate increases I could loose clients to Salons that don't have CCC prices to pay because they are not policed and get away with it.
- My total rates are now \$3812.40...How does that look to a potential buyer if I was to put my property up for sale? Im sure those rates would shy buyers away.
- # I would suggest that my rates are reduced or re evaluated until you have a fair system that covers all small home businesses. Where the council can reduce the cost because it is policed better with more home

businesses paying.

Lastly... Why when someone applies for a CCC or to take a business to our home, that there is NO consultation on costs or huge increases on rates?

In conclusion.....

I pay twice for services I already had to my home.

My building (garage) was an already existing building. Not a new building.

Are Cabins for businesses eg, nail technician, beautician, and sleepouts not suppose to have a License to be a business or a habital building? (for public services)

Businesses that are in a shed/garage, that is not for customers/public, are they suppose to pay extra rates for that business.?

Sewerage, power, water is connected to my home (just like a studio already attached or in a home spare room) Why am charged for an extra dwelling when it already existed?

Water, waste water, sewerage, power, toilet, storm water, laundry is all attached to my home, and on my original home title as like someone having a studio inside their home.

Why was I getting a yearly visit the last 3 years from an Enviromental Health officer for registration of my hair studio if I didnt already have a CCC? Then only get my CCC June 2020?

If I am paying double for Kerbside and recycling then why do I only have 1 wheelie bin and 1 set of recycling bins? If I pay double, I should get double bins?

Why can I not opt out for NO kerbside wheelie bins? I dont use this service. It can be monitioed with barcode?

Council policy is not a fair system and has too many loop holes and un clarity in its policy when there is so many business, sleepout cabins plugged into home power sockets through a window and storm water running straight onto private property, in home businesses, garage businesses, she sheds, etc that are not charged.

I hope council can make a better rating system that is fair to all home businesses. As it is not fair that I have to pay commercial rates on a home property, with just one small business income. It is too high and can cause business loss and to close down creating more job losses in the community.

Regards Heather Johnstone

Attachment to Submission from Bruce and Linda Cheer

Thank you for reading our submission. In addition to the submission we now list reasons why ratepayers in RD Poraiti should not be rated as city ratepayers.

We do not have the same conveniences as city dwellers, for instance:

1. We cannot safely walk down our 100kph zoned roads. They are narrow with no footpaths and no street lights, making walking very dangerous especially now that average vehicle sizes tend to be larger than a few years ago.
2. There is no school bus to Poraiti so children have to be driven to school. Quite impossible to walk or cycle for all the reasons given in 1
3. Services taken for granted in the city are not easily available to Poraiti ratepayers.

Fire Service – half an hour away.

Ambulance – 25 minutes away

Police – 20 minutes away

Also, Tradies, vets, taxis and couriers all charge extra to call. Deliveries from retailers also charge extra.

- 4 We do not have fibre broadband (Ballantyne and Longview Roads).
- 5 We do not have public transport.
- 6 We do not have reticulated water.
- 7 We do not have access to the city's sewer system.
- 8 We do not have reticulated gas.

One definition of a city is "a large town". One definition of a town is "densely populated area, especially as contrasted with country".

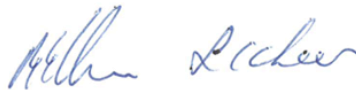
RD Poraiti is NOT part of the city (as demonstrated above) and surely this is why our forefathers (wisely) decided on the rating percentage differential during the amalgamation in 1989. Clearly they were aware that the lack of services and facilities compared with the city is an unfair disadvantage to RD Poraiti residents.

We ask that the current council not alter the differential rate. It is simply not fair to do so!

Bruce and Linda Cheer

Longview Road

Poraiti RD 2 Napier



Proposed Changes to Rating Policy of Napier City Council

The Rating Policy consultation document invited feedback additional to that covered in the submission questionnaire. This statement addresses three elements of the rating proposals that impact on Bay View which has a discrete rating category at present. The three elements are those of economic allocation principles, equity considerations, and the inherent partiality of the change process.

When determining the targeting of revenue collection and the allocation of those resources to various services and cohorts, Central and Local Government generally apply an accepted economic model to guide their decision-making. I do not perceive one such model underlying this process.

Council argues that the present rating regime is unfair because similar properties are charged dissimilar rates. The changes mooted are supposed to deliver equity described as treating those with the same land value as alike.

Economic equity has two key elements: the one, horizontal equity and the other vertical equity. Horizontal equity deals with equals equally. Vertical equity deals with unequals unequally. These principles are applied by IRD, Education, Justice, Social Welfare and the like, in both the receipt and allocation of resources. The two principles need to be considered in concert if equity is to be delivered. Equity is not equality as the Statement of Proposal paper states “Our proposed changes are about making sure that similar properties pay similar rates”. Equity is about fairness; equality is about sameness. Horizontal equity where all are on the same level is not simple, as a one dimensional approach has the tendency to deliver inequity and unfairness. Here council is saying that land value is the sole arbiter and determinant of similarity. Clearly that is not so. A better measure of determining a rate payment for council services is the extent of individual ratepayer consumption of their services.

Land value alone is a crude measure of equivalence, as vertical equity is not considered. If we compare Westshore with Bay View, but a cycleway apart, we should be able to establish similarity, equivalence and horizontal equity. But can we? Vertical equity takes account of difference and caters for it by differential treatment. Unlike the Westshore property which has a land value of say \$450k, a similarly valued property in say Ferguson Street, Bay View, has

- No council provided sewerage (We pay for our septic tanks (about \$35k plus), their soak pits and their maintenance)
- No wide streets (We are effectively a narrow country road)
- No dedicated cycle lanes
- No road markings
- No gutters
- No footpaths
- No berm maintenance by council
- No council provided access from the road to our properties.
- No ready access to the CBD
- No public beach toilets
- No surf life saving club and buildings

- No road markings for on-street parking
- No railway barriers or bells on Fanin Street
- No erosion protection of our beach

In addition, and unlike Westshore, we have our water consumption metered and pay for any excess. Westshore does not have this imposition. Nor does it have a main highway through its residential area.

Westshore has all these facilities and services listed above. Bay View has none of them and is also lumbered with costs not faced by Westshore. How can we then be treated the same? Vertical equity must come into play with unequals being treated unequally. We ought not to pay for services that we do not receive.

Westshore and Bay View are patently not the same, yet because some properties have the same land value you treat them as if they were equal. Bay View because of its history, has never been City Residential. We are more like a country village with fewer resources and facilities than a city. We are separated by 5km of road and our history. We are different because we have less council provided facilities. The context of a property, its location, its infrastructure and the services delivered to it by council must be taken into account surely. Unequals should be dealt with unequally, as that is vertical equity. Why should we pay the same rates as Westshore for fewer services? This proposal delivers inequity to us and if approved will be vigorously challenged.

In other words, both a horizontal and a vertical equity approach must be taken if you are to deliver fairness to us. You wish to charge us a level of rates that presumes we have all the benefits of City Residential. As pointed out in the list above, which is not exhaustive, we do not have the level of council provided services as do the majority of city dwellers. We believe in equity and want it applied to us as well as the rest of Napier.

Bay View did not seek to come under the bailiwick of Napier City Council. With the demise of the County Council we were placed under the administrative control of Napier. And our rates went up at that time with no advantage to us. Bay View ratepayers would be willing to pay rates commensurate with City Residential ratepayers, but only when we have the same level of council provided services.

We also have concerns about the processing of submissions. Take the Bluff and Hospital hills for example. Their rate differential under this proposal is just a few dollars while other suburbs such as Maraenui will have a diminution in their rates. They, as a majority, will obviously support the proposals. The issue here is whether or not the council will make any decision to change on the basis of popular opinion or on the quality of the arguments presented. Further, there has been considerable council expenditure and the investment of time into these proposals. That is, there is already a council commitment to this change as thousands of taxpayers dollars have been expended on it. The process is designed to ensure that the majority win because the majority will benefit. Indeed, their benefit will be at our expense.

Remember that a decision to preserve the status quo is a valid decision and one which we would applaud. Bay View residents are happy to pay additional rates when we receive additional services comparable to present City Residential ratepayers. Until

that occurs, our rate level should be commensurate with the level of service we receive which is very low. A low provision of services should equal low rates.

One size does not fit all. The reduction of categories will disadvantage those who do not neatly fit into the three rating categories proposed. Treating all the same when they are actually different delivers inequity and that ought not to be the council's intent. Multiple rating categories do allow for individual differences and recognises that treating all the same is a recipe for inequity, unfairness and disadvantage. We are certain that we can handle the supposed complexity of several categories.

Thank you for the opportunity to comment as we will not concur with a proposal that makes me a pensioner pay an additional \$680 per annum in rates with no compensatory increase in council services.

Eddie Clark
Bay View Resident

Proposed Changes to Rating Policy of Napier City Council

According to the rates calculator my rates at Bay View are going to increase by \$631.46.

\$234.26 of this is a newly proposed stormwater charge. Our property sits on shingle and has its own drainage system. We are not, nor do we have a need to be connected to the NCC stormwater system. In fact with the predictions of Climate Change the NCC should be relieved. Bay View properties are independent and not an extra burden to the NCC stormwater system which cannot cope during adverse weather events.

\$397.20 of this increase is part of an adjustment process to rates paid by supposedly equivalent properties at Westshore. An equivalent property at Westshore would have

- kerbing

- footpaths

- beach regeneration

- stormwater

- sewerage

- council provided access from road to property

Our property at Bay View receives none of these services.

We have our own septic tank, both capital and maintenance paid for by us. Once again no cost to the NCC.

In addition and also unlike Westshore we have our water consumption metered and pay for any excess. Westshore in fact almost all Napier does not have this imposition.

Surely it is evident why Bay View has been charged a lesser rate than Westshore by previous councils.

I feel that whoever is leading these proposals regarding Bay View vs Westshore has not done their homework at all well.

In fact I wonder at the money being spent on this project during these troubled times.

I think I am losing faith in this council.

Robyn Hennessy

Bay View Resident

Submission to the Napier City Council 2020 Revenue and Financing Policy

To whom it may concern,

We reside in Jervoistown so the proposed changes to the Revenue and Financing Policy directly affect us as property owners. The review of the rating system has been identified as necessary as the current system is a historical legacy inherited by the current Council (continuation of a review process the previous Council started) and to correct inaccuracies by 'evening things up' and making 'similar properties pay similar rates' and reflecting the current use of the property. Unfairly the review, has been pitched as a town subsidising country. This is an unfair and inaccurate representation of the current system.

After attending one of the public meetings and reading the proposal, we submit that oversimplifying things often creates more inequities, which is the case here.

Merging Jervoistown from General Rate Differential Category 5 into the Residential / Other category has unfairly significantly increased our rates. Our property and community is not similar to all residential being placed in this category, as it does not accurately reflect the level of service received. A reduction in the number of categories is self-limiting and does not allow the Council to nimbly reflect now or in the future differences in the levels of service a community or area receives.

The proposal is not based on the fair usage of fixed Council services or the levels of service received and instead proposes to use land values as the basis. One of the Council responses at the community meeting was that "often properties in the current General Rate Differential Category 5 are valued less, so the proposal will have less of an impact". This is simply not true.

Market evidence up to the beginning of September this year, was used as a basis for the new valuations. It is well known that property values in Hawkes Bay have substantially increased, with the median value increasing by approximately 6.79% over the last ten years. Also COVID has resulted in an increase in demand for lifestyle properties, as people want more space and lifestyle options as a result of people spending more time at home. The highest median increase since for lifestyle properties since records began was in July 2020. This is reflected in the newly released Capital Value figures.

The Capital Value of our property at McElwee Street which has a land area of 2512m² is \$850,000 (2017) and \$1,210,000 (2020). An increase of 42%. Compared to a similar sized property of 2676m² in Taradale at Cambridge Terrace¹ which is zoned Residential and therefore has subdivision benefits has a value of \$820,000 (2017) and \$1,000,000 (2020).

¹ This is just one example and was obtained from publicly available information on the Napier City Council website <https://www.napier.govt.nz/>.

An increase of 21.9%. The difference between residential and rural residential land values no longer exists.

A system where people actually pay their fair share for fixed Council services is an equitable system. In order to achieve this the UAGC should be increased from \$375 to an accurately calculated rate based on fixed services for all households.

The impression given through political decision, is that it is much easier to upset 2,400 property owners more widely affected by the changes than 22,500 households. Effectively, by reapportioning the rating take, 2400 properties are being asked to cover the decrease that some remaining residential, industrial and commercial properties receive for now. The newly released valuation figures, have seen an increase in land values so the general rate for most properties will increase. The timing of releasing the Revenue and Financing Policy ahead of the official release of these figures to households, so the time extent of the increase could be calculated and understood is unfortunate.

At the public meeting it was advised that there are no additional budget provision for Jervoistown, so what precisely are the increases for? We won't be treated the same nor are the properties the same as other residential properties in the same category. Currently, here in Jervoistown, we don't have the same level of services (excluding water and sewerage as these are calculated separately on the rates demand) as other reticulated residential areas.

Jervoistown Characteristics:

- Larger minimum lot sizes;
- Rural standard roads, which have had roving roundabouts installed cheaply to manage traffic (our observation is that their use is often actively avoided by vehicles);
- Pot holes frequently appear as the road hasn't been appropriately designed and there seems limited maintenance provision;
- Street lighting is limited and are spread significantly further apart, compared to other residential areas which will be in the same rating category;
- Trees have been placed in concrete pipes as planters (a number appear to be struggling) with limited maintenance provision;
- No kerb and channelling or footpaths (instead open drains and wide berms); and
- No provision of a community neighbourhood playground.

The characteristics of Jervoistown and the limited extent that this community is serviced is aptly described in the Jervoistown Zone section of the Napier City District Plan. The key points are summarised below:

- *Unserviced settlements such as Jervoistown rely on generous areas of open permeable spaces in order for the on-site services to be able to operate effectively and efficiently;*
- *The ability for on-site services to operate properly within Jervoistown is however compromised by the physical characteristics of the area, which are; Lack of reticulated sewerage system, Rural standard roads and Poor stormwater disposal system [s].*
- *Adequate disposal of stormwater is a concern in heavy and prolonged rain events; and*

- *Further development is restricted due to cumulative effects on the environment, particularly around stormwater and roading effects.*

We don't have the subdivision benefits of other residential areas that we are proposed to be put in the same category with. At the meeting it was highlighted that rating and District Plan issues are completely separate, with the latter going through a plan review at the moment.

We submit that the two issues have become intricately linked through what you are proposing, by putting all residential properties in the same category, where the nuances between areas can't so easily be separated.

For Jervoistown, unless the servicing (particularly stormwater) and roading effects can be mitigated and a plan change promulgated, with rezoning and resultant subdivision unlikely. This will only occur if a clear majority of land owners in the Jervoistown Zone want and will pay for full urban services to be put in place. Furthermore, the majority threshold is 75% of land owners and will be determined by one vote per individual site.

We incur significant costs to maintain a safe un-reticulated system. While you have set water and sewage services aside, it is worth noting that our rate increase is very similar to our annual costs for private provision of these services. We pay privately to maintain:

- a community bore;
- pump water and wastewater; and
- for the ongoing maintenance of our effluent management system. The maintenance of the wastewater system includes annual servicing costs and complete pump out of our system. Included in the disposal costs is a charge to dump the waste which is based on weight and payable to local Councils.

To conclude, the proposal is inequitable. Council has pitched the rate increase to the community as town subsidising country, which is an unfair and untrue representation of the current system. What is proposed is actually flipping it, country subsidising town. You are asking ratepayers to contribute to services they don't utilise or need. Putting or pitching ratepayers against one another is not necessary. A system where people actually pay their fair share for fixed Council services is an equitable system and the preferred approach to rate take.

We welcome the opportunity to present this submission and would consider presenting jointly if someone has a similar submission.

Anna and Ben Sanders

McElwee Street, Jervoistown, Napier 4112

1 December 2021

30 November 2020

Submission on Revenue and Financing Statement of Proposal

Please find below my submission in respect to the Revenue and Financing Statement of Proposal.

1. There is no need to change the mechanism for rating simply because it has not been changed in the past 30 years – this is not a good reason to change a mechanism that is not broken.
2. If the total rates take is not going to change there is no need to tinker with the rating mechanism now.
3. This is awful timing to see increases of around 30 percent for many households that were previously in a Rural Residential Differential (RD) rating zone during a COVID-19 pandemic Level 1 period.
4. I oppose the deletion of the RD zone.
5. The Bay View Differential is of no relevance to us in the Esk Hills subdivision.
6. Under the current rural rate mechanism it is \$0.00333 cents per dollar of land value for the general rate.
7. The change in the RD Zone would mean an increase to \$0.00461 cents per dollar of land value for the general rate. A rare, unjustified, unnecessary and inequitable increase of some 39%.
8. As a comparison neighbouring property owners on the Hastings District Council side of Hill Road are being rated at \$0.00222 cents per dollar of land value. The proposed increase by Napier City Council (NCC) is over double that currently paid by HDC property owners on the other side of Hill Road.
9. In their draft revenue & financial policy NCC state that it contains new proposals to ensure there is equity and consistency in how rates are calculated to ensure that similar properties pay similar rates.
10. This proposal creates less equality and less consistency.
11. The proposal to lump all rateable value properties, apart from commercial/industrial and rural operations, into a residential classification will create more anomalies and distortions than the current system.
12. As a Rural Residential Zoned ratepayer I do not get the same services as those that are provided to residents and businesses in Napier City.
13. Rural Residential Zoned rate payers are different as is evidenced by NZ Post and all courier companies not delivering post or parcels to our subdivision. All mail and parcels must be delivered to a P O Box number or other location.

14. To get Chorus to provide fibre to our subdivision I have been told this will cost approximately \$7,000 per household.
15. The roads in our subdivision are rated by NZTA as open road and the speed limit is therefore 100km/h – residents use a 50km/hr self-imposed restriction however this restriction does not apply to visitors to the subdivision.
16. There are no footpaths in our subdivision.
17. We pay a corporate levy to fund maintenance such as verge mowing so there is no cost to Napier City residents to maintain our subdivision.
18. There is no road maintenance on the roads in our subdivision.
19. We do not receive a visit from the NCC road sweeping contractor from time to time as Napier City residents and businesses do.
20. There is no road marking in our subdivision.
21. There is no lighting in our subdivision.
22. We pay for our water.
23. Many residents have put in their own water tanks so there is little to no draw from any reservoir system.
24. We do not have a sewerage system. We provide our own effluent systems.
25. The condition of the Bay View village infrastructure is substandard and would not be tolerated by Napier City residents or businesses.

As you will see from the above the reasons for maintaining the status quo and opposition to the proposal by Esk Hills Rural Residential ratepayers is appropriate as we do not receive the same services as Napier City or Napier City business ratepayers – we are different as evidenced by NZ Post and courier companies.

Yours faithfully



Dennis Hall

Esk View Road, Eskdale, Napier 4182

30 November 2020

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David Murray

Heipipi Lane, Eskdale, Napier 4182

30 November 2020

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Sue Murray

Heipipi Lane, Eskdale, Napier 4182

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Yours faithfully



Victoria Hall

Esk View Road, Eskdale, Napier 4182

Jervois Road,
Jervois town,
Napier 4112
10.12.2020.

Napier City Council.

To Whom this may concern.

Your letter dated Nov. 4th you state the
vision of reducing the rating categories from six
three & reallocating Jervois town to residential.
Simple guise to charge us vastly more without
providing more services. We don't want more services.
We are happy as we are. Most live here to enjoy the
beautiful semi rural aspect. We certainly do not want
a mooted increase in our rates. Do you think we
are more affluent and therefore can afford to pay
health tax ?? We are just an ordinary kiwi
community diverse in age, ethnicity and occupation.
We certainly have one thing in common. We totally
oppose the projected council rip off. Councillors -
think again.

K.S. Chalmers.

2020046

Napier City Council Rate proposal submission:

2 December 2020. B.J. Ridler

- 1) There is no basis to the assertion that changing from 5 to 3 rating zones is “more equitable” for smaller than 5 ha Rural blocks.
- 2) No credible analysis has been produced to validate this assertion.
- 3) There is no justification to charge rural for services that are offered ONLY to city.
- 4) It is obviously poor planning and budgeting that has led to NCC’s abysmal performance where NCC rate increases over the past 10 years have exceeded those of Hastings CC by a very large margin.
- 5) Cut expenses to only core functions rather than promoting “vanity” and tourism ventures which contribute nothing to the overwhelming majority of ratepayers.
- 6) Working families and superannuates will find this increase adds 2 more weeks to the 8 weeks of their weekly pay already consumed solely from NCC rates.

The change to the rating zones and the increases this brings to those smaller rural ratepayers is certainly NOT “fair” nor more equitable.

Smaller Rural ratepayers do not benefit from NCC increases in city infrastructure or tourism. The rates increase proposal is stated to ensure “similar properties” will be rated in a “similar manner.”

This is an unsubstantiated statement that demands at least some attempt to justify with actual examples. Actual examples will show this statement to be untrue.

As just one example, it is disingenuous to apply a “storm water rate” in the disguised form that is proposed.

As NO NCC storm water provision is required on smaller rural properties, there is no justification at all for this levy nor any other charge specific to city users.

The simple reason is that rural areas have pastures that retain rainfall in almost all rainfall events.

It is when city “planners” cover over 40 ha of farmland (Prebenson Road) with concrete, tar-seal and house roofs yet make no provision for pumping away the HUGE amount of surface water and added sewage that problems arise. That is NOT a rural problem but affects our environment by way of destruction of the Ahuriri Lagoon ecosystem.

All such development costs MUST be paid by charging the new infrastructural costs to the sections being sold and the ongoing R&M to the users.

Those costs should quite clearly fall on the “user” of any new facilities “up-front” and NOT subsidised across the smaller rural communities.

Also: those outside the city limits have:

- No services other than a recent recycling and rubbish collection. (As the recycling has digital codes, infrequent use by rural should only be charged per pickup.)
- No public transport options.
- Should bear No costs for NCC upkeep of streetlights, footpaths, water or sewage (Provision or disposal), kerbs, drains.
-



- **No “benefit”** from tourism (which is still being subsidised by NCC, HBRC, and taxpayers despite any form of farming not receiving any payment – just rate increases while city businesses have reductions.)
- **Substandard**, dangerous roading (one way in sections) and poorly maintained despite increasing volumes of traffic (and of course more rate paying properties).
- **No** safe opportunities to use any form of cycling due to the dangers of traffic volumes on the narrow winding and undulating road.
- **Provide at own cost**, water services, drainage where required, sewage disposal and recycle almost all vegetable waste as organic matter for gardens,
- Many Napier city residents also have the opportunity to do this.

So the contention that our situation is similar to Napier City illustrates how out of touch or (as already suggested) disingenuous NCC in general are.

Care needs to be taken when making decisions that impact across communities to keep personal and business interest from biasing consideration of the factors involved and of turning one section of the community against another with wrongful innuendo.

These factors clearly illustrate how certain areas (Wharerangi-Poraiti in particular) preclude the lazy (analytically non-justified) “large brush policy” NCC have adopted.

SPECIFICALLY: (and to contest NCC assumption that “remissions” on some blocks are no longer required – seemingly only because most have not requested them):

The section we live on of 2.08 ha does NOT have the ability to subdivide, yet NCC appear to consider ability to subdivide should somehow impact on rating policy. Why?

This is due firstly to contour and underlying soil structure but also because **this area has special significance to the Hapu of Ngati Hinepure/Mahu/Upokoiri.**

(See attached document.)

The section has cultural restrictions on development which we adhere to.

The ancient Karaka tree has been fenced off and allowed to restore.

This was to encourage Hapu members to continue their educational visits to the area but also for us to acknowledge the cultural significance that resides here.

Such cultural sites should be supported by NCC via the current remission process.

Another section nearby from the original (1958) subdivision has been unable to sell due to similar restrictions.

We will now be making a specific remission on rates request in order to alert NCC to this section of land and its significance at the next review.

The option of remission of rates is obviously not a burden on NCC resources so it seems odd to specifically rule out an option that may encourage others to protect culturally historical areas by way of targeted rates reduction.

Barrie Ridler Ballantyne Road Poraiti

Ranui Toatoa

FLAXMERE

27th March 2001

Mr R. Smiley

TARADALE

Subject: House Site at ~~Valentine~~ Road.

Dear Rob,

Uncle John and I have visited the house site and we are most familiar with the area.

History of the Area:

The land in question is a very sacred site to the Hapu of Ngati Hinepare / Mahu/ Upokoiri.

The legendary fighting Chief Rawiri Tareahi lived on this land in Te Poraiti Pa. This Pa was situated on the South Side at the base of your section (at the back of the Boundary of your southern neighbour). A very old karaka tree, which we feel in it self is significant to the area, marks where this Pa site stood, from this site you have an unrestricted view of the Inner Harbour and out to sea.

As you stand on the Pa site looking out to sea, directly to your right you will have an unrestricted view of a nearby cliff face, the name of this cliff is Te Rere a Tawhaki, this place is the burial ground of Rawiri Tareahi.

Obviously the Hapu have high regard for this area and it would be our first preference not to have any development take place on this land.

Subject to above, we do not have any objections to your development on the area that you mentioned, as there appears to be no area of significance on that particular site.

The site you mentioned and the one that we viewed, is situated at the northern end of your section on the hill next to the last house on the road.

As a matter of historical interest the mansion at the top of the hill named Poraiti, takes its name from the Poraiti Pa at the bottom of ~~the~~ your section, as mentioned above.

Yours faithfully,



Ranui R. Toatoa
PP: Hoani Hohepa, Kaumatua

Wallace John Kenneth

Wallace Sharon Gail

Boyd Road

RD2

Napier 4182

30th November 2020

Re: Submission to Change Rating Policy

We have been residents at this property since 1987. We acknowledge that this is a lifestyle choice that we have chosen, and as such are well aware of the costs of water, septic tank/sewage, and drainage that are included when living in a rural environment as opposed to city residential settings. Over the last few years there has been a significant increase in the numbers of properties in Poraiti (not referring to Orutu/Parklands). Apart from the recycling and rubbish collection there has not been any increase in services or road maintenance to support the proposal to increase our rates by a significant amount, especially in these times of COVID19 which has already caused a great deal of financial hardship and stress to many residents.

We strongly object to any increase for the following reasons:

1. We paid for and maintain our own well and water supply, which includes multiple pumps and a water softener to ensure a high standard of water. This is an ongoing cost which includes electricity to run the pumps.
2. We paid for and maintain our septic tank. This includes the regular cost of emptying and disposing of sewerage.
3. We are responsible for drainage of stormwater on our property. Adjacent properties have a waterway flowing through and under the road via a culvert. This drains stormwater from Hohepa, Fryer Road, Boyd Road, and further upstream. During the recent severe rain storm this became blocked with debris and caused severe flooding at the entrance to our driveway. Access was not possible even with a 4WD vehicle. On the evening of the flooding John spent many hours unblocking this, and repeated this prior to going to early work the following morning. As it was extremely early the neighbours had initially believed that it had eventually naturally drained away, rather than the intervention that had been required. This back flooding caused the electrical system of our gate to be submerged in water due to no fault of ours. It also caused the loss of much of the bark on our gardens in this area.
4. The number of residents in Poraiti has increased significantly over the last few years. Therefore, the total amount received by NCC in rates would have increased significantly. This does not appear to have been reinvested in this area.
5. From Poraiti Road to our property in Boyd Road no changes have been made to the narrow, windy roads to cope with the huge increase in traffic over the last 33 years. There are very little road markings and shoulders, minimal road lighting, and no paths. The nature of these rural roads makes it unsafe for people walking and cycling.
6. Napier City Council provides a recycling and a rubbish collection service. We are very environmentally conscious and do not require these services weekly. We were not consulted

on the requirement for a weekly service. We have opted for the fortnightly rubbish collection, and dispose of minimal rubbish. These are the main services that we receive from council.

We are aware, and agree, that our rates should support the city infrastructure and the local services that it provides, but disagree that we should be paying towards services that we do not use or have access to, nor should we be subsidising other proposed categories which either have no change or a decrease in rates, especially as we alone are responsible for the cost and maintenance of services on our property.

Thank you for the opportunity to respond to the proposed rate changes. We sincerely hope that our concerns are taken into account, and until services in our rural areas are comparable to those provided in residential areas, the decision to increase our rates is declined.



J.K. Wallace



S.G. Wallace

Main Nth Rd
Bayview Napier
2 Dec 2020

To Napier City Council
Hastings St
Napier

02 DEC 2020

Re Objection to Council Proposal to reclassify Rates to increase costs to Bayview properties so Rates in commercial properties can be reduced. I am writing this objection on behalf of my son Cameron James Lloyd who is the ratepayer for the above property.

Reasons for the objections are as follows:

- 1/ Property is classified as rural residential and cannot be subdivided without council reclassification and approvals at large costs and payments to council coffers.
- 2/ Sewerage reticulation is not available and to date council have not indicated a willingness to provide it, even though they are aware of pollution of the Thurairi estuary from septic tanks after heavy rains (directly from Bay View)

- 3/ As a residential property classification no profits are derived from the occupancy.
- 4/ Bayview is a growing but neglected suburb on the only traffic outlet from Hawkes Bay a fact that is obvious to residents but ignored by the Napier Council. All traffic going North to Auckland, Waikato, Bay of Plenty and Poverty Bay passes through Bayview and will continue to do so in the foreseeable future

Conclusion

Instead of increasing rates and cutting costs to Bayview residents Napier City Council should be doing the opposite. Hence our objection to the current proposal

W Lloyd - Vivian Wallace Lloyd

M LLOYD ①

Submission on Revenue Financing Statement of Proposal-NCC

(Additional 2 pages- Maurice Lloyd)

The rationale given to NCC ratepayers for the proposed reduction of differential categories from 6 to 3 is - "similar properties pay similar rates."

My prime concern is the proposed cancellation of "other rural" category and change of those properties to "residential." (On the wrongful premise that both are "similar properties.")

For our lifestyle property in the "other rural" area the proposed change in differential would be an increase in rates for the next rating year of 17.33%

If the rating for the new rating year (based on the new valuations just released) was to be on the same proposed changed percentages then our rating increase from last year would be a 65.31% increase.

How can those proposed changes be equitable? (Or indeed sensible?)

The proposed reduction in categories by NCC proposes that our rural lifestyle property should be treated the same as a residential property in the city. There are marked differences in both categories of properties that strongly support the differential in "other rural" property category being retained.

Statutory framework for consideration of rating different areas is set out in Schedule 2 of the Local Government (Rating) Act 2002

That provides that the Local Authority when setting out rating differentials for different areas shall have regard to matters including the following:

"5. The provision or availability to the land of a service provided by, or on behalf of, the local authority."

and;

6. Where the land is situated."

Residential properties in the City have the benefits of both piped reticulated purified water supplies to their properties and also piped sewage from their properties. Essentials of modern life!

Our properties have neither and in addition have the capital costs of both providing for the installation of wells for water and water purification systems. Sewage is at our cost by a modern sewage system that disposes of the treated effluent within our properties to the satisfaction of the HBRC. These systems have to be serviced regularly (at our cost) and reports sent to the HBRC of compliance.

We also pay additional rates to the HBRC which includes storm water protection services provided by that Local Authority.

M. LLOYD

(2)

The rationale for the continuance of a separate category for rural lifestyle properties “other rural” still appears as valid today as it did in 1989 when this land was transferred to the NCC for its stewardship.

These are properties that have to be self-sufficient in the supply of essential services as water and sewage disposal etc. They are still in the midst of productive orchard and market gardening land (with the pluses and minus that those activities provide to our daily life.)

They are NOT similar to residential properties in Napier without the benefits of piped services etc and should be rated accordingly. (The rating differentials to reflect both; the failure to provide rural properties within NCC with services provided by NCC to other properties within the city; as well as to have regard to the location and distance of rural properties from all NCC facilities as opposed to those in the existing residential category.)..

Rural Rate Submission

To whom it may Concern,

Your similar property analogy between rural and urban rates is an incongruent supposition. This was always our greatest concern in the local body restructuring in the late 80's when Meeanee Riding was peeled off the rest of H.B County (which merged with Hastings) and got put into Napier City Council, that our general and uniform rate would be raised to urban levels.

While noted that you have deducted the targeted water and sewage rate, this is still most unsatisfactory. The cost to rural ratepayers is substantially higher for providing water, water purification and sewage disposal (up to \$100,00.00 today) than the socialised community costs charged to the urban ratepayer. We would dearly love to be able to receive these services at that cost.

We have the Greenmeadows – Awatoto sewage line going right past our gate. At the time of its planning, I was having problems with my sewage soakage lines and I enquired with a very senior council official about putting my sewage into it. I told him I was happy to pay the capital cost and the ongoing sewage rate, I was effectively denied the right to connect our sewage line by the Napier City Council.

We Pay a targeted drainage rate in the rural areas to the H.B Regional council, which is not charged to urban ratepayers, (it is substantial). While not unhappy with this, as it allowed us to tile drain our properties for more productive usage. There is however a large secondary benefit to urban Napier in that the water table that used to be very close to ground level in the winter, is now 1-1.5 meters lower. In extreme weather events the rural land acts as a giant sponge, and there is not the runoff into the lower urban areas that there used to be. The recent weather event would have been far worse for urban Napier without this.

Regards,

Duncan Thomas

Submission to NCC regarding rates**Our property currently:**

Type of rates: Other Rural

Overall rates current \$2108.92

General rate \$1533.92

Targeted rate \$575

Review by NCC:

NCC looking at services directly related to property and community infrastructures like roading, libraries, parks and public toilets. Aims is simplicity and consistency for all Napier ratepayers.

The proposal is to move to three rates categories from six to simplify and reflect the current nature and use of the property.

Proposed:

1. Increase of total rates of 27.2% or \$590.91 to a total of \$2699.83. This is an increase in general rates of 39%.
2. Reallocate Other Rural to Residential

Submission for our property in Esk Hills:

1. The proposed 27.2% overall increase of the rates is a major increase, but really you are looking at a 39% increase of the General Rates. Currently Rural Residential general rates is 0.00333 cents per dollar of land value. Change to a Residential general rate is 0.00461 cents per dollar of land value. This is an increase in the General Rate of 39%. Neighbouring property owners on the Hastings district Council side of Hill Road are being rated at 0.0022 cents per dollar of land value. Napier City Council is proposing to charge us over twice this rate! The current inflation rate in NZ is 1.4%. This is not equitable.
2. Properties will be revalued soon and that will contribute to a further increase in rates because property prices have increased substantially.
3. NCC argues that a review is needed because it has not happened for 30 years, but why fix a rating system if it isn't broke. Three rating categories to simplify and reflect the current nature and use of the property is simply not enough. Check other councils who operate many more rating categories for a reason.
4. The uniform annual general charge in Hastings is only \$200 as opposed to your charge which is \$375. Why this discrepancy? On all levels Napier seems to be out of step with Hastings as far as rates charges go.
5. The proposal is moving to 3 rating types, but why not add another like Semi Rural to more accurately define the area. We are in Other Rural currently and are being changed to Residential. We don't want the deletion of the Other Rural because that is exactly what we are. We are substantially different from urban areas and use facilities in a different and less frequent way at a greater cost to us.
6. This proposal creates less equity and less consistency while the aim was to ensure there is equity and consistency in how rates are charged to ensure that similar properties pay similar rates.

7. Timing is awful for any rate hike, but under Covid-19, do we even need to mention this? Can you even justify any rate hike under these conditions?
8. When a property is purchased all types of council rates are taken into consideration in the purchase price (Napier City Council, Hastings District Council (for water) and Hawke's Bay Regional Council). To increase the general rate by 39% is putting people in a difficult position that they didn't buy into and couldn't have foreseen when they purchased their property. Knowing the rates determined what they were able to pay for their property and what they are able to afford in future. Upsetting this is not equitable.
9. In addition to council rates, our rural subdivision pays through a resident's society for plantings, roadside maintenance and for maintenance of our communal walkways that are open to the public too. All these expenses are taken into account when weighing up to purchase a property. We take responsibility for our environment because we live rurally.
10. Distance to the services in the city is prohibitive for people living out of town. A round trip is 20km to Napier with an optimistic travel time of 18 minutes each way. There are costs associated with this travel like fuel and time. Local services have been set for this reason. Less use is made of the city services by people in rural communities.
11. Other services that are not provided are: streetlights, side-walks, regular road side maintenance, and a reliable mail delivery (no letter boxes on our roads, no rural delivery, no courier delivery).
12. We are in a 100 km/hour open road, not a 50km/h or 70km/h residential area.

I believe I have listed a multitude of reasons why Esk Hills should not be part of the Residential differential. It should be categorised in a semi-rural or other rural category with the appropriate differential reflecting the reasons stated above.

NAPIER CITY COUNCIL PROPOSAL ON REVENUE AND FINANCING

SUBMISSION FROM KERRY JANE DE TERTE, PORAITI ROAD NAPIER

THIS SUBMISSION IS TO BE READ IN RELATION TO

1. DO YOU AGREE WITH OUR PROPOSAL TO REDUCE FROM 6 TO 3 RATING CATEGORIES, and
2. DO YOU AGREE WITH THE PROPOSED GENERAL RATE PERCENTAGE WEIGHTS FOR RESIDENTIAL /OTHER, COMMERCIAL & INDUSTRIAL, AND RURAL PROPERTIES

SUBMISSION

1. The reduction from 6 down to 3 differentials will not in itself resolve the INEQUALITIES on bordering properties. This will naturally mean as there are less differentials that more properties will be forced into a differential that is not appropriate.
2. It appears most properties that were in the differentials ex-city rural/other rural / Bayview have been reclassified into Residential. These properties will by location alone never enjoy the benefit of services that residential (close proximity) properties enjoy. They do not have mains water supply, sewerage, storm water curbed roading to name a few. Those properties are not subject to the same sub -divisional policies the present residential enjoy.
3. Most properties out in the Poraiti Hills will be in the differential residential as they are lifestyle blocks and not agricultural blocks. These properties should be REZONED out of rural into residential that would allow sub- division of those blocks.
4. Poraiti Hills is not on FIBRE but most residential properties have it running past their door.
5. It appears the Napier City Council want to “not only have the cake but eat it as well”
6. Using Poraiti Road as an example,
 - A) it does not have mains water, sewerage, storm water or road curbing. It is not able to be sub-divided. Under the new classification, it will not have mains water, sewerage, storm water or road curbing and it will still not have the rights to sub-divide, but its general rates will increase 25%
 - B) It will not be classified as rural under the new proposal as its land area is 4684 square meters, well under the required 5 hectares.
 - C) For a general rate increase of 25% Poraiti Road will not receive any additional services. we will still have to pump water around the property and maintain our sewerage system. This has a cost. Last year the approximate cost of electricity associated with water movement was \$3,500.00. If mains water is made available this cost would not be incurred.

CONCLUSION

The Council should not go chasing rates but examine its present zoning and make a conscious decision if Poraiti Hills are going to remain rural for all requirements or become residential.

Having made that decision then rating revenue will follow.

Revenue & Financing Policy.....effective 01/07/2021

BUCHANAN STREET BAY VIEW 4.11ha

Other feedback:

USE of LAND: .

We have a 4.11 ha property, under the 5ha threshold to be designated as Rural.

The property is predominantly used for farming activities

The value of improvements does not exceed the value of the land.

Currently		proposed	After new valuation 01/07/2021
Land value	\$550,000	\$550,000	\$900,000
General Rate	\$1834.03	\$2540.56	\$4157.28

The proposed increase (now) is 26.71%

But the real effective increase at 1 July represents a huge \$2323.25 increase, or 87.83% PLUS GST = \$2613.65 additional rates.

We will apply for a separate Rural rate remission based on this, but despite this the absurdity of a rating increase of this size is well beyond what is reasonably acceptable.

RATING POLICY - REDUCTION TO 3 RATING CATEGORIES FROM 6:

- We are rated in the current differential as Bay View and moving to the proposed new Residential/other category.
- Under the proposed changes the Rating for our Lifestyle/farm land is assessed at the same rate as would be a standard suburban property/section
- We don't not enjoy the same infrastructure or access to facilities of our city neighbours. Parts of Bay View do not have street lighting, footpaths, sewerage connection, water mains connection etc.
- Our property is connected to the mains, however we are on metred water and pay charges for over threshold water use (we do not irrigate our farm land, only using water for standard gardening purposes around our house). Even paying the proposed 100% of the rating differential we still continue to pay the water charge.
- There is very obviously an inherent unfairness in moving our 4ha property to the Residential category, and the equally obvious conclusion is there needs to be a re think of the categories and classification of properties .
- As mentioned, we will apply for a rate remission, but this will achieve a maximum of 15% reduction of successful – the net resulting increase will still be disproportionately large.
- It's been stressed by the Mayor and other councillors that the intention is not to increase the overall rate revenue, but to remove decades long inequities in the rating system. But the council is simply targeting the Bay View area to re-align the rate income, while continuing to provide the area with a generally sub-standard infrastructure.

Dear Napier City Council,

re Proposed Rates Changes

I have received 2 letters from you (1 dated 12/10/2020 unsigned with no contact name and 1 dated 4/11/2020 signed by the Mayor) advising of proposed changes to how Council calculates rates for individual properties. Highlighted is the statement: **It's about making sure that similar properties pay similar rates.**

From my research, and the Mayor's letter, it appears that my property at Onehunga Road, Bay View will incur a substantial increase in rates of \$501 a year to the general rate if your proposals are implemented.

I strongly disagree with your proposed changes in relation to my property (Onehunga Road, Bay View). The current rating category for my property is Other Rural. You propose to change this to Residential. Our properties in Onehunga Road are rural not residential. My property and others in Onehunga Road are not similar to urban Napier properties:

- We provide our own sewerage with no Council assistance
- We live on a narrow rural road with no footpaths, open drains, and an open road speed limit (after more than 5 years of lobbying we have a courtesy 50k limit where the road is particularly narrow and busy)
- Our properties are used for a variety of rural activities – growing fruit trees, vegetables, grazing and growing a variety of animals.
- We are connected to the city water supply as a result of all property owners at the time (approximately 20 years ago) contributing to the collective cost of the connection. We all have water meters, unlike urban Napier properties.
- The District Plan prevents further subdivision of all but one property in Onehunga Road. Even if further subdivision was allowed the current infrastructure (roading, sewerage and drainage) is inadequate for more intensive housing.

I note that your definition of a Rural property is 5 hectares or more, mainly used for landbased agriculture or farming, and the value of improvements does not exceed the value of the land. At a recent consultation meeting your Investment and Funding Manager confirmed that this definition has only been arrived at recently by Council.

My property is used for grazing and growing animals, fruit, nut and specimen trees. The improvements do not exceed the value of the land, but is less than 5 hectares. I believe your definition of rural is arbitrary and lacks appreciation of small rural properties within the city boundaries. It is also inconsistent with the District Plan.

I believe you have included Onehunga Road in Bay View as a residential area, and this is a significant error. We are part of a NZ Post Rural Delivery run (as an aside this means we never receive Council publications such as those included in Napier Courier!)

I am very disappointed in your proposal to impose this significant increase at a very challenging time economically for most of us. It lacks empathy and understanding.

I am very disappointed in your proposal to impose this significant increase at a very challenging time economically for most of us. It lacks empathy and understanding.

I cannot see any significant justification for changing the rating category of my property (or any Onehunga Road properties) as not a lot has changed since 1989! My property was rural then and is still rural. You could consider an additional category of Lifestyle for properties like mine of less than 5 hectares which are not used for commercial farming or horticulture, but are have horticultural and agricultural activity on a larger land area than urban residential properties within the Napier City boundaries.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Janet Campbell', with a large, flowing initial 'J'.

Janet Campbell

Onehunga Road

RD2

Napier 4182

1st December 2020

School of Science
Environmental Research Institute
The University of Waikato
Private Bag 3105
Hamilton, New Zealand, 3240
www.peoplecitiesnature.co.nz



THE UNIVERSITY OF
WAIKATO
Te Whare Wānanga o Waikato

2 December, 2020

Dear Elected Members,

We are members of the People, Cities & Nature research programme funded by the Ministry of Business Innovation and Employment and based at the University of Waikato in Hamilton. We are writing this submission to highlight an issue with the proposed rate increases, which may negatively impact on protection and enhancement of the natural environment currently being undertaken by private landowners within Napier.

Specifically, we refer to Friend's Bush Jervois Road in Jervois town. This native forest stand has been completely re-created from farmland over the last 40 years by Mr Colin James, who owns it and lives adjacent

Friend's Bush is listed in the Napier Significant Natural Areas report (2019) report as site 28 (<https://www.napier.govt.nz/assets/Uploads/Napier-Significant-Natural-Areas-Assessment-2019-Final-version-2020-02-24.pdf>) and meets the significance criteria: 1. representativeness, 2. diversity and pattern, and 3. rarity and distinctiveness at the city scale. In an ecological sense, it is a remarkable piece of bush.

From Napier Significant Natural Areas report 2019:

(Site number; site name; landform; vegetation type 2019; historic vegetation; significance criteria; significance ranking)

28	Friend's Bush	3736.0	Plain	1. Mixed podocarp-broadleaved forest	Semi-swamp forest	1A, 2A, 3C	3
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Friend's Bush has been an important research site for the People, Cities & Nature research programme. We have established a permanent plot there which allows us to study its ecosystem dynamics, with a special focus on native seedling regeneration. Friend's Bush hosts some of the largest trees in our nation-wide study of restored urban forests, taonga species like Kahikatea, Puriri, and Kauri (an offspring of Tāne Mahuta). It also demonstrates remarkable seedling regeneration and is clearly a valuable habitat for native fauna which spills over into the surrounding community.

Most importantly, Friend's Bush is a model for what can be achieved in terms of the reconstruction of indigenous forest habitat. In order to reach the minimum 10% indigenous vegetation cover in urban environments foreshadowed in the draft National Policy Statement on Indigenous Biodiversity (due to be ratified in April of 2021), the restoration seen at Friends Bush shows the way forward. Further, urban restoration planting of this style will be needed to increase the area of urban forest dominated by indigenous species, and what is already present should be protected, not penalised. While the rates remission guidelines do provide remission on a case-by-case basis, they do not appear to provide guidance on the type of situation we have outlined here.


We respectfully request that the Napier City Council seeks ways of encouraging landowners to undertake environmental protection and enhancement, for example, by way of rate relief as occurs

in several other councils around New Zealand. It would be a perverse result if Friend's Bush or similar initiatives were curtailed or potentially lost due changes in the rating system, which lead to owners who have voluntarily made environmental improvements for the public good becoming discouraged.

Thank you for the opportunity to comment on this issue. We would like to present our feedback on this issue in person.



Professor Bruce Clarkson



Dr. Kiri Joy Wallace



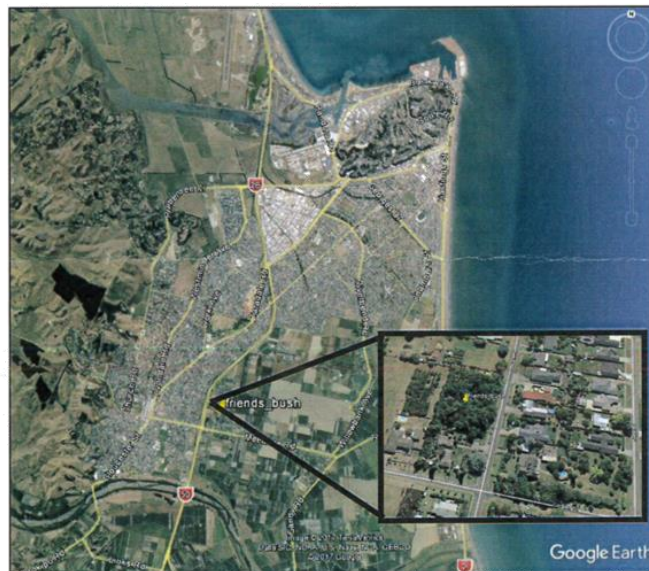
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Te Whare Wānanga o Waikato



Above: People, Cities & Nature researchers evaluating plants within Friend's Bush, in this case a King Fern, which is an 'At Risk -Declining' species according to the New Zealand threat classification system. Below: Location of Friend's Bush.



Peter Holley
Tironui Drive
Taradale
Napier 4110

2nd December 2020

Revenue and Financing Policy
Napier City Council
215 Hastings Street
Napier South
Napier 4110

1. Forward

Firstly, I would like to acknowledge the work undertaken by the Napier City Council ("NCC") for the work undertaken by council officers in the name of Napier Rate Payers. I would also like to specifically thank Adele Henderson for the information supplied at short notice. Regrettably, due to the untimely information request, not all the information required has been realised. This has somewhat diluted this submission. However, to meet the deadlines some assumptions will need to be made and it is respectfully requested that a supporting document be allowed (should the need arise).

Naturally, when the topics of tax or rates are broached it is likely to elicit strong views. That said, the notion of citizens electing representatives and setting rate policies are not new and should be dealt with rationally. The principle of applying these funds to safe drinking water, sanitation, roading, parks, libraries, and public amenities are in the interests of *all* rate payers. It is their money funding all NCC's activity. The services made available should be enjoyed by all and those needing additional services should be targeted. The belief that some ratepayers must pay for services they are not receiving, to the benefit of others who are subsidised, is not acceptable in any country, city, or town. The NCC objectives as detailed in the consultation documentation are repeated below.

2. NCC objectives

1. Get rate payers to agree with the proposed funding methods in the draft Revenue and Financing Policy
2. Accept that the proposed changes to differential categories for the general rate are appropriate, simpler and a more consistent approach to rates
3. Get rate payers to accept a new Targeted Rate for storm water based on Capital Values appropriate to share the rating burden between different groups.
4. Moving to wastewater charges based on the number of pans or urinals
5. Proposed changes to the Rates Remissions and Postponements are appropriate

3. Process

Timing

It would be fair to say, that despite the 18 months taken to prepare the proposal, the planned public consultation has been rushed.

- Regrettably, the recent flooding was a welcome catalyst for a time extension.
- In the context on an international pandemic, disease, and economic uncertainty this proposal falls woefully short.
- The disconnect between the NCC, business, finance and the stresses confronting everyday workers has not gone unnoticed.
- Central government has called for kindness and wellbeing. Business has responded with rent relief, extended credit terms, low interest loans and flexible working hours.
- Conversely, the NCC is seeking to increase hardship as additional revenue is selectively and unnecessarily being targeted when not required.

Methodology

The information provided at the various consultation meetings can almost be regarded as inadmissible. Whist time in short, the following will serve as a reference:

- The information presented to the attendees was based on only one option. There were no alternatives, no analysis or investigation. In essence it is simply a binary response (yes/no). This is a significant issue to many and should have enjoyed the benefit of more insight.
- The NCC has not presented a quantitative justification for the proposed increases.
- If some rate payers are being asked to suffer significant increases and there is no increase in revenue - where are the additional funds being applied?
- The NCC have provided no definition or detail on who will benefit or be subsidised.
- The rates are being fixed before the LTP has been finalised. In the absence of a plan the rate demand may result in unnecessary surpluses/deficits.
- Bias in the numbers presented and the comparative LV ratings for residential and rural residential was misleading and would not stand up to review.
- No justification for the lift from a precise 63.4% to a proposed 85%. A self-serving number?

4. Rationale

The rationale for the proposal will be lost on most people. The methodology and result lacks transparency. The source and application of funds is vital for good governance particularly with public benefit entities.

- The NCC has internal debt but carries very little/no external debt.
- The population growth is largely static with rating unit growth a consequence of population distribution changes.
- Total rating units has declined over the last year from 26104 to 25922

The fundamentals would then point toward a static environment where rates as they stand would be sufficient to cover the current service levels. In the absence of the application of reallocated funds further analysis is required. However, with the lack of supporting data the following questions need to be asked (and supported in the fullness of time).

- Why have staff benefits grown by 10.4% when the inflation rate for 2019/20 was 1.5%. Effectively an increase from \$34,721m to \$38,630m or \$3,693m.

- The increase may form part of a longer-term strategic plan, alternatively, have we seen an increase in the number of employees or the same number of employees being remunerated at a higher level.
- There is no evidence of austerity around Covid-19 planning as one would expect in the private sector
- 51% of revenue is derived from rates. The increase in rates on the part of 2,700 rate payers is not going to change the actual quantum collected or the outcome.
- The balance of the revenue comes from disparate sources all of which hold some risk. In the shorter term the tourism products will be under severe revenue pressure. What are the plans to rationalise expenditure? In the longer term, when the NCC has no further property development opportunities, what will replace this revenue source?

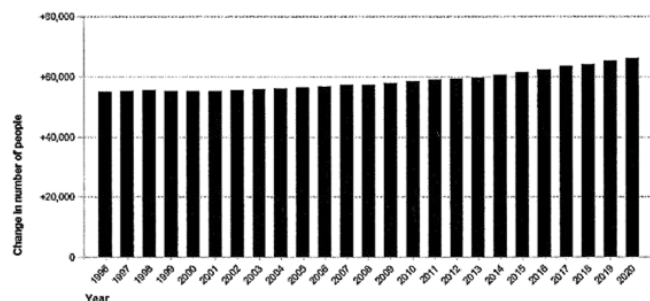
The income demographic and growth in earnings would suggest that Napier is not wealthy. See table 1 and 2 below. This combined with rising costs are likely to create for more hardship. LV's have gone up by 37% on average since the last QV valuation. If this trend continues Napier will be offering rate relief or securing income via default judgments. In short, the current model of declining external revenues and greater reliance on *all* ratepayers is going to be insufficient to maintain NCC council activity and standards.

In conclusion, the NCC has a static city growth profile, rising costs, poorly performing assets and a volatile income stream. The broader strategic issues are enough to warrant an external and comprehensive rate review with the appropriate recommendations. This needs to focus on a reliable long-term income stream that matches NCC planned expenditure. This must be accomplished within the bounds of ratepayer affordability. This balance would be a difficult ask, but the old adage comes to mind "cutting your coat according to your cloth".

Table 1

Estimated Resident Population (ERP)

Napier City



Source: Statistics New Zealand, Subnational Population Estimates - information releases for June 30th June 2020 and earlier issues. Compiled and presented by .id, the population experts.

.id
the population experts

Table 2

Annual household income

Napier City	2018		
Annual household income	Number	%	New Zealand %
Negative or zero income	171	0.7	0.9
\$1 to \$5,000	165	0.7	0.9
\$5,001 to \$10,000	234	1.0	0.9
\$10,001 to \$15,000	582	2.5	1.9
\$15,001 to \$20,000	1,083	4.6	3.6
\$20,001 to \$25,000	2,097	8.9	6.4
\$25,001 to \$30,000	864	3.7	2.7
\$30,001 to \$35,000	864	3.7	2.8
\$35,001 to \$40,000	1,488	6.3	4.9
\$40,001 to \$50,000	1,644	6.9	6.0
\$50,001 to \$60,000	1,746	7.4	6.5
\$60,001 to \$70,000	1,485	6.3	5.9
\$70,001 to \$100,000	3,612	15.3	14.6
\$100,001 to \$150,000	3,834	16.2	17.8
\$150,001 or More	2,337	9.9	16.5
Not stated	1,461	6.2	7.7
Total households	23,667	100.0	100.0

5. Alternatives

The issue of rating models is particularly complex, but the overarching principle should be a quid pro quo for services provided. The notion of segmenting the ratepayer base is discriminatory, does not value diversity and is fundamentally unjust. The complexities of rating systems is in itself a discipline. However, attached is a useful document which I am sure is known to the council officers. The graphic that attracted my attention is on page 16 which is a good synopsis of how other authorities are adopting different models to meet their respective objectives.

By inference, it would be realistic to presume that the increased rates for rural residential properties are being used to subsidise a reduction in rates for commercial and industrial land. If that were the case these entities should be targeted with a rate adjustment. This presumes that unlike the proposal these entities have access to services.

Unfortunately, the proposal is based on land value and because the land areas are bigger in rural residential areas implicitly carry a higher land value, i.e., smaller properties have a lower LV. As a modification to the attached report, it might be relevant to include an adjustment that ascribes a value on a square meter basis which would recognise the fact that a ratepayer should not be paying for services that are not provided.

6. Rate Payer Implications

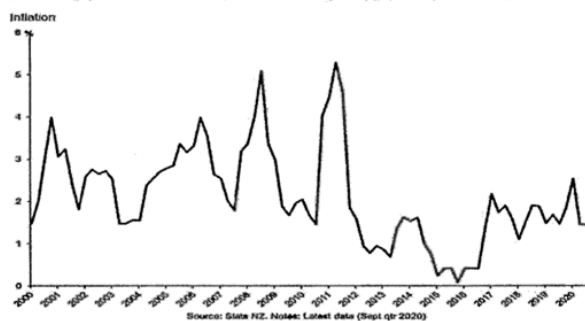
The trustees have been resident at Tironui Drive since 2012. Over that period of time the rate increases have averaged approximately 3%. However, in the last two years the rates were increased by 2.61% and 6.7%. Over the ten year period to 2021, the correlation co-efficient between the actual rates applied and the CPI is 0.3352, i.e., there is no correlation between the NCC rate increases and the consumer price index. See table 3 below. If the same numbers are applied to the Reserve Bank inflation calculator, the current rates are 19.63% above the CPI. In short, the rates do not move with, and are not correlated to, the CPI. See Appendix 1.

Table 3

Inflation

The Consumers Price Index (CPI) measures changes to the prices of the consumer items New Zealand households buy, and provides a measure of household inflation. Data is available from 1916.

Data for the graph below is available in a spreadsheet containing all key graph data (XLSX <200KB).



Under the current Policy Targets Agreement (PTA) the Reserve Bank is required to keep annual increases in the CPI between 1 and 3 percent on average over the medium term, with a focus on keeping future average inflation near the 2 percent target midpoint.

The proposed rate increase for 21/2022 is estimated at 26.7% and excludes the Hawke's Bay Regional Council rate which includes civil defence and "double dip" on storm water charges.

In the aggregate the total proposed rate increase result in rates of \$6,531 per annum or \$125.59 per week. This in itself lacks credibility in the context of services that are provided to residential dwellers.

There is also a double jeopardy that the current QV's that have just been released will be used for the base of the LV calculation which will significantly increase this figure. More importantly, the annual CPI increase off a higher base will lead to an untenable situation in the years to come.

The rural residential prospect adds diversity, aesthetics and the opportunity for a rural residential lifestyle that is attractive to some people. This creates opportunity for diversity in the way people choose to live.

7. Conclusion

1. For the reasons outlined above (fairness, equality, affordability, the integrity of analysis and long-term sustainability) **we cannot agree** with the proposed funding methods in the draft Revenue and Financing Policy.
2. **We cannot accept** that the proposed changes to differential categories for the general rate are appropriate, simpler, and consistent. The target rates are not changing but if targeted at between 20% to 25% of the General Rate provides for potential increases and confusion. Apparently, they are also not consistent.
3. **We cannot accept** a new Targeted Rate for storm water based on Capital Values appropriate to share the rating burden between different groups. This has not been widely consulted and a model has not been developed to show what this would look like if stormwater charges were more widely distributed. In the interests of equality and fairness perhaps some of these charges need to be more broadly addressed.
4. Moving to wastewater charges based on the number of pans or urinals is not a linear model i.e. one public toilet may have 100times more usage than a private residential pan. To levy a

uniform pan charge again reflects a simplistic and lazy approach to a broader community problem. A submission will be made once the NCC has finalised the detail or the LTP consultation.

- 5 The proposed changes to the Rates Remissions and Postponements are appropriate is totally unacceptable and the Trust supports the submission made by Marist Holding (Greenmeadows) Limited.

Appendix 1

Criteria	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	Proposed 2021/22
NCC	3373	3463	3598	3531	3559	3823	3968	4155	4173	4453	4569	5789
% changeYA		2.68	3.88	-1.86	0.79	7.41	3.80	4.71	0.44	6.70	2.61	26.70
HBRC	240	238	237	227	240	262	265	305	435	476	594	742
Water	150	150	150	150	150	150	150	150	150	150	150	
Total	3763	3851	3985	3908	3949	4234	4383	4610	4758	5079	5163	6531
% change previous year		2.35	3.48	-1.94	1.05	7.23	3.51	5.16	3.22	6.74	1.66	26.50
CPI	2	4.5	1.6	0.9	1.5	0.3	0.4	2.2	1.1	1.5	2.5	
Population	59000	59400	59600	60500	61400	62400	63400	64200	65200	66300	66300	
No of Rating units									26104	25922		

Marist Holdings (Greenmeadows) Limited

PO Box 7043
Taradale, Napier 4141
Hawke's Bay
New Zealand
Telephone (06) 845 9350
Facsimile (06) 844 6023
Email info@missionestate.co.nz



Mission Estate Winery and Vineyards
Mission Forestry
Mission Restaurant
Mission Accommodation
198 Church Road
Greenmeadows, Napier 4112
Hawke's Bay, New Zealand

2nd December 2020

Revenue and Financing Policy
Napier City Council
215 Hastings Street
Napier South
Napier 4110

RE: Revenue and Financing Policy submission

New differential Category

The proposed change of the differential charge from 63.47% to 85% will result in a significant rate increase, which is on top of an increase of 39% increase over the past two years which is in excess of CPI. We have seen no improvement or changes to the NCC services.

Charge per toilet

The idea to charge per toilet is flawed, just because a property has additional toilets does not mean additional effluent will come from that property. The amount of effluent is based on the number of people actually residing at that property

Rate Postponement

The councils proposed rates postponement policy removes the postponement allowed for Farmland, currently Marist Holdings receives postponement of around 67% due to a large percentage of the 288.5575 ha being farmed.

This removal will effectively increase our rates liability by over 150% and push it higher than the current market rate of leased farmland.

The proposed rating policy does not afford an economical farming operation and would encourage the development of the land including the portion where Mission concerts are held.

Conclusion

These changes if they are accepted will effectively add \$34k to the business' costs at a time when we are seeing increased minimum wage and labour shortages. Price increases are not an option. What this could mean is that running an agriculture business, like the Mission Estate Vineyard in Napier C will become extremely challenging.

Yours Faithfully,

Fraser Hope
Financial Controller

☆☆☆

2nd December 2020

Submission from;
Deborah & Robert Burnside
Burness Road
Napier

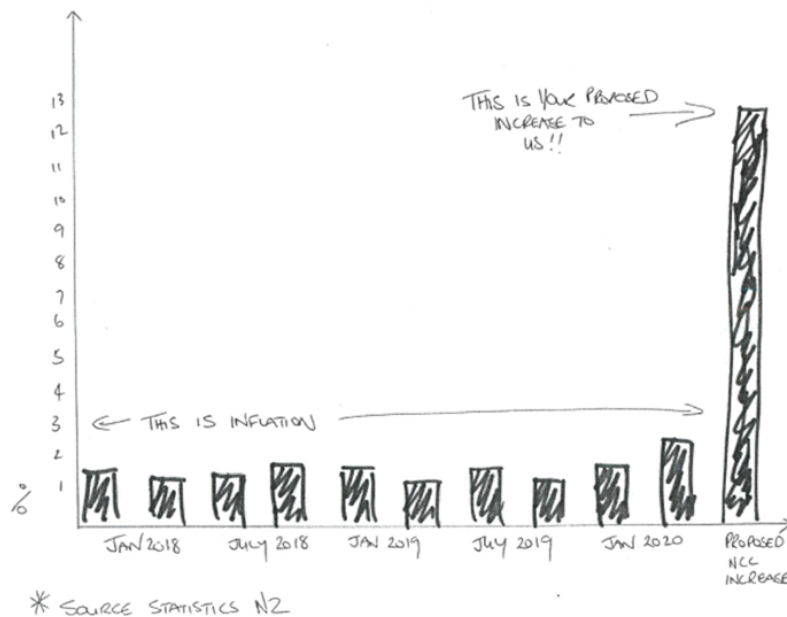
Submission on;
Revenue & Financing Policy, Rating Policy, Rates Remission Policy and Rates Postponement Policy.

Yes – we would like to speak to our submission.

Overall we disagree with the changes you are proposing.

We attended public meetings on this issue – we believe you will receive many submissions against the proposed changes to the differential categories for general rates so wish to keep our objection to that focused to this point;

You are proposing, for us, an increase of **12.5%** in an *inflationary environment of under 3%. That alone should immediately alert you to the fact that you are proposing something incredibly out of step with the real world that we all inhabit. Please note our increase is not one of the highest notified. It is concerning that at public meetings it was made very clear that you, 'don't want to hear about individual increases' – yet we are all individuals having this applied to us without regard.



*<https://tradingeconomics.com/new-zealand/inflation-cpi>

We understand many of our neighbours in Jervoistown and Meeanee are part of the targeted 2400 households facing increases of even higher than ours – up to 20% and higher – by no means can that be described as ‘fairer’ nor more ‘equitable’ as you have claimed in your advertising and promotion.

You are genuinely proposing a real cash cost impact upon thousands of Napier ratepayers of 10 x the rate of inflation and higher with no increase in Council provided amenities in those areas for that increase in cost.

Particularly for Jervoistown, if you go ahead with determining that area is as similarly ‘residential’ from Council’s perspective when rating as say Knightsbridge or Tamatea, then that area should enjoy the ability to subdivide; water and sewage, with streetscaping and lighting etc... the same as is provided in those purely residential areas, immediately. Yet you are not proposing to do that. You claimed they are unrelated regarding planning, yet apparently are comparable when rating. That is nonsensical.

We also disagree with capital values being utilised as a stormwater calculation tool and a separate stormwater rate – the rain falling from the sky is not of a higher volume to pipe away/process in Guppy Road or Nelson Crescent than Milton Road or Cumberland Rise – that proposal does very much seem like a wealth tax. Your house is deemed to be worth more, therefore you must pay more. The provision of such stormwater is a core council service, in our view and absolutely ought to be part of a general rate to all, not a targeted rate based on capital values as you are now proposing. Raindrops are not gold plated on Hardinge Road, but plain on Latham Street.

We also disagree with the proposed pan tax for domestic properties, but can see the rationale in doing so for commercial accommodation/service provider properties using such services (although as commercial premises, are they not already charged significantly more?).

Again this proposal appears to be another potential ‘wealth tax’. Two people occupying a domestic property with three toilets are not using more waste water services than a property with one toilet. Presumably the flush values when two people occupy any home will be entirely the same no matter how many toilets are there.

Regarding remission of payment for the curbside services – as much as we disagreed and still disagree with the 40% increase for nothing greater in return at curbside (and the potential failure to meet the objectives of the WMMP as a result) we agree those that are champion recyclers/reducers/composters etc... very definitely ought to have the ability to seek a remission of curbside fees. We are angry that you implied to ratepayers that this was already available during the waste submission periods when you had no mechanism nor mandate to apply such a remission.

We have never used the waste service at all, in fact did not even take receipt of the bins, yet are charged in full. Twice.

That is why we agree that when there are two buildings on a property, but only one is the family home that remission of the waste/recycling also ought to be available – this affects us, but we’re not ‘residential’ under your definitions. So even though we agree, it seems we would be ‘unfairly’ charged for 2 x waste and recycling even though we only require 1 x for the property and actually don’t use either.



Because you are proposing making these changes without ANY increase in net return to the NCC for the benefit of all ratepayers, it really begs the question as to why you are doing it at all.

We have little faith in your ability to offer greater and more efficient services to any ratepayers through the greater application of significant costs to some, but not all ratepayers – as you've already advised that no more services are forthcoming in return for this substantial increase. Nor have you fairly advised, in our view, to those receiving say a potential \$30.00 reduction per annum that their friend in Meeanee is going to pay 15-30x more than that, just so that they may receive it.

It does seem you have no comprehension whatsoever of the very real financial constraints upon many in Napier and the multiple increases in costs coming from every direction – particularly for those on fixed incomes.

Despite your letter claiming this is not a 'done deal' ... nothing other than this has been offered.

We object entirely to any homeowner in Napier having a 12.5% + increase applied to their property and, quite frankly, so should you.

It means you definitely haven't got this 'right'.

Yours sincerely,

Robert & Deborah Burnside.

Submission on New Ratings Proposal

Submitter: Barry and Linda Ulyatt
Property: Te Roera Hills Drive

Opposed to New Rating Proposals:

The proposals to change;

- **Other Rural** (with a weighting of **63.47%**) to the **Residential/Other category** (with a weighting of **100%**) for rural residential properties is strongly **opposed**.
- **Other Rural** (with a weighting of **63.47%**) to a new category **Rural** (with a weighting of **85%**) for properties greater than 5 hectares is strongly **opposed**.

The effect of these proposals on our property are considerable and unfair

Current rates of **\$2379** inc GST will increase to **\$3295** inc GST with the weighting increase – **an increase of 38.5%**.

With the **new valuation** (ours has increased from \$650k to \$1.15m) the **increase will be in excess of 85%**. ie Total rates about **\$4400** inc GST

These increases are all proposed whilst the services we receive remain totally unchanged;

- **No** sewerage
- **No** stormwater connection
- **No** city reticulated water system
- **No** roads/footpaths/streetlights
- **No** "from our gate" rubbish collection

A rating system needs to be fair and more related to "user pays".

I submit that it is relatively simple to assess all the cost centres for the City and divide each total by the number of users. No one could argue against the fairness of this type of system.

Weighting could be applied where properties have a greater demand or consumption.

eg A low lying area subject to flooding could have a increased weighting for stormwater based on the additional cost the Council has to provide and maintain maintain a stormwater infrastructure with greater capacity in that area.

And, conversely, properties that don't use particular services could be exempt from contributing to the cost of those services.

The Council has required that on our site (zoned Rural/Residential) that we provide for removal of sewage at our cost (Subdivision resource consent conditions) and without doubt the cost to the Council of providing and maintaining their city's sewage system is **considerable**.

But we shouldn't have to contribute.

We don't have the benefit of using the system and we don't contribute to wear and tear. An alternative could be that there is a rebate in the rates assessed for services not provided or used.

AN ARGUMENT

It could be argued that rates should not be regarded as being truly fair in the allocation of the costs of city services, else we would move to a complete "user pay" system for all services, and simply divide the budgeted cost by the number of ratepayers using the service to arrive at each ratepayer's amount to pay. I suspect this could put lower income ratepayers in a position of not being able to pay their Council rates.

Equally, rates cannot be an overly excessive tax on the wealthy to subsidise the lower value properties who may struggle to pay their rates, if "user pay" was fully implemented.

There **needs to be some reasonable balance**, and also ensure that there is a fair distribution of the extra burden placed on the more fortunate.

SUGGESTIONS

1. Increase the Uniform Annual General Rate from around 20% to 30% (Govt limit) of the total rate income to cover a larger percentage of the services enjoyed by all ratepayers wherever they live and whatever their property is worth. This moves the burden slightly more to "user pays".

2. Increase the number of targeted rates as this more directly ties funding paid with benefits received. It also provides more public transparency and cost identification of Council expenditure. It is easy to implement by dividing the total line item service cost by the number of users of that service.

3. Change the basis of rating to a Capital Value basis rather than a Land Value basis. This more evenly spreads the additional burden placed on more expensive properties who are, in effect, subsidising others in providing all city services for all. This method of rating is widely used by councils throughout NZ and is a fairer system especially where there are wide ranges of property values.

4. Create a Rural/Rural Residential Category (say anything over 2500m²) and set it at 75% weighting, as generally most rural and rural residential category ratepayers are receiving very few of the main services of water, sewerage and stormwater, so deserve a significant discount. They also have relatively high land (and capital) values, so are already paying/sharing in an additional burden for other ratepayers, regardless of which valuation method is used for rating.

This would only be a slight increase from the 63.47% to 75% for all these ratepayers and easy to administer with only 3 rating categories; residential, rural, and commercial.

5. Implement a full transitional rates remission policy for land lots developed/being developed that have not yet been built on, but will soon have residences, and will then fall under the normal rating categories. This would work to encourage developers to develop their land into lots as quickly as possible to get their rates remitted, and once residences are built on these properties with residents now using Council services they would then be liable for the applicable rates.

6. I submit that financial modelling should be completed based on the above suggestions, including a model using Capital Values instead of Land Values to gauge the effect on individual ratepayers. With the huge increases in value of all Napier properties it is probably the best time to implement any significant rating changes, together with a slight overall increase in total rates collected to fund required enhanced city services. It is easy to do any major overhauls of the system now than when property values have fallen or not increasing as much.

Barry and Linda Ulyatt