



Rating Policy



Rates

Invercargill City Council sets rates using the following methods:

1. a rate in the dollar on capital value
2. a uniform annual general charge (UAGC) fixed charge per separately used or inhabited part of a rating unit (SUIP)
3. a fixed charge per provision of service
4. a fixed charge per rating unit
5. a fixed charge per connection to a council service

Differentials

In addition to these charges some differentials are applied to recognise different levels of benefit received by some ratepayers and different levels of burden placed on Council's activities. Examples of differentials are shown below.

1. Differential of 0
 - The rate is not applied to the property
2. Differential of 0.60
 - 60% of the rate is applied to the property
3. Differential of 0.97
 - 97% of the rate is applied to the property



4. Differential of 1
 - The standard rate is applied to the property
5. Differential of 2
 - Double the rate is applied to the property

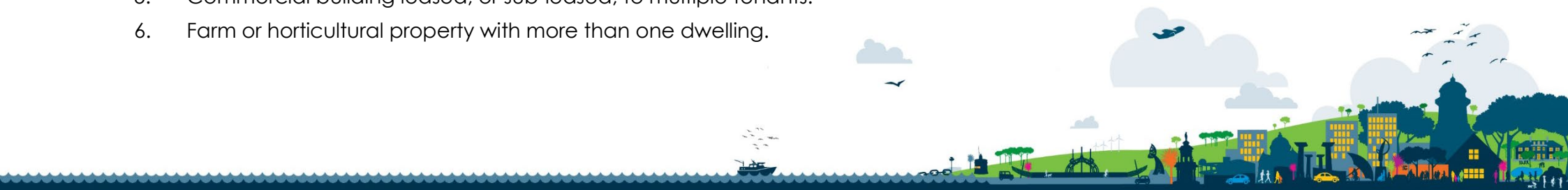
Separately Used or Inhabited Part of a Rating Unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner or a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

Council charges a Uniform Annual General Charge (UAGC) per SUIP.

Examples of properties with multiple SUIPs include, but are not limited to, the following situations:

1. Single dwelling with flat attached.
2. Two or more houses, flats or apartments on one record of title.
3. Business premise with flat above.
4. Separate business premise and dwelling on same record of title.
5. Commercial building leased, or sub-leased, to multiple tenants.
6. Farm or horticultural property with more than one dwelling.



7. Council property with more than one lessee.
8. Individually surveyed lots of vacant land on one record of title offered for sale separately or in groups.
9. Where part of a rating unit that has the right of exclusive occupation when more than one ratepayer/owner.
10. Retirement village with self-contained flats or dwelling.

General Rates

The general rate is set as a rate in the dollar on capital value and a uniform annual general charge (UAGC) per separately used or inhabited part of a rating unit.

The following differentials apply:

LAND USE	BASIS FOR RATE	DIFFERENTIAL
Residential	Rate in dollar on capital value	1
Lifestyle	Rate in dollar on capital value	0.97
Commercial	Rate in dollar on capital value	1
Industrial	Rate in dollar on capital value	1
Farms	Rate in dollar on capital value	0.60
Utilities	Rate in dollar on capital value	1
1530 Tiwai Road	Rate in dollar on capital value	0.23



Community Board

Council sets a targeted rate to fund the costs of the Bluff Community Board and its projects. This is set as a rate in the dollar on capital value of properties identified in Map A, excluding Utility, with property type differentials applied.

City Centre coordinator

Council sets a targeted rate to fund the costs of City Centre Co-ordination. This is set as rate in the dollar on capital value of all commercial and industrial land identified in Map B.



Transportation

Council sets a targeted rate for provision of the direct access to the Transportation Service. This rate is set as a rate in the dollar on capital value of all identified properties in Map C (excluding Utilities) with property type differentials applied. The balance of this service is included in the general rates and distributed across the entire city.

ACTIVITY	TARGETED PORTION	GENERAL PORTION
Transportation	50%	50%

Stormwater Drainage

Council sets a targeted rate for provision of the direct access to the Stormwater Drainage Service. This rate is set as a rate in the dollar on capital value of all properties identified as having access to a stormwater drainage network with property type differentials applied. The balance of this service is included in the general rates and distributed across the entire city.

ACTIVITY	TARGETED PORTION	GENERAL PORTION
Drainage	75%	25%



Water

Council sets targeted rates to fund the provision of reticulated water supply. These are set as fixed charges per SUIP for residential properties and charges per rating unit with differentials based on capital value (CV) for other property (excluding Utilities) as shown in the table below. Vacant properties that are able to connect to Council water supply (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 84% of the total water rates from residential properties with 16% of the total water rates collected coming from non-residential land.

RATE TYPE	DIFFERENTIAL
Water – Residential	1

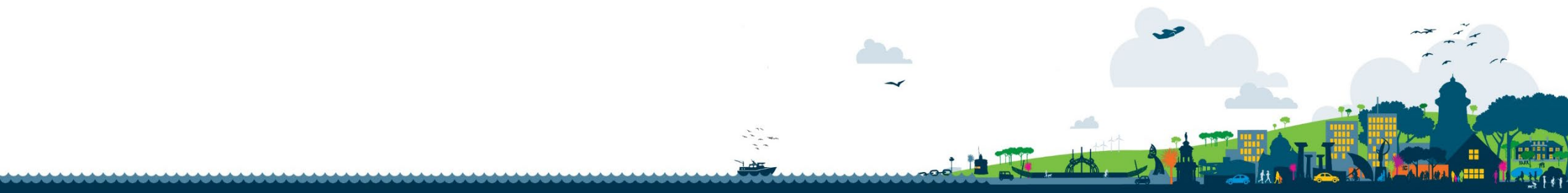
RATE TYPE	DIFFERENTIAL
Water – Non-Residential with CV <\$50,001	0.8
Water – Non-Residential with CV \$50,001-\$100,000	1
Water – Non-Residential with CV \$100,001-\$200,000	1.2
Water – Non-Residential with CV \$200,001-\$400,000	1.4
Water – Non-Residential with CV \$400,001-\$1,000,000	2
Water – Non-Residential with CV \$1,000,001-\$3,000,000	3
Water – Non-Residential with CV \$3,000,001-\$5,000,000	4
Water – Non-Residential with CV >\$5,000,000	5



Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 100m from a water access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 100m from water supply and it is not impracticable to connect to the service.

Council charges high usage non-residential properties for metered water supply on a per cubic metre basis. This is charged per cubic metre of water consumed over 249m³ per annum. This is not a rate and the amount is set by Council in its schedule of fees and charges.

RATE TYPE	RATE PER CUBIC METRE
Metered Water Supply	\$1.80



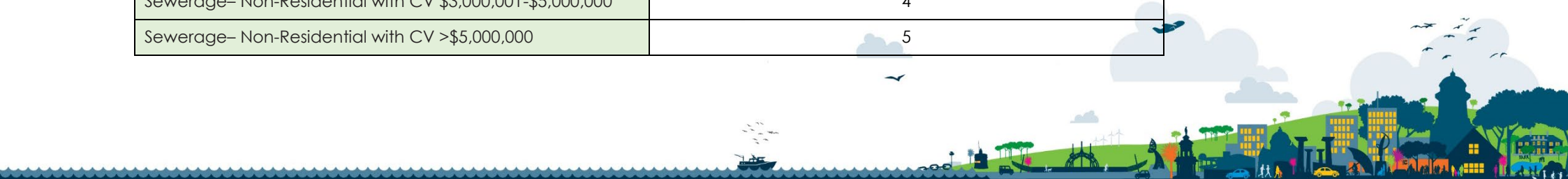
Sewerage

Council sets targeted rates to fund the provision of reticulated sewerage services. These are set as fixed charges per SUIP for residential properties and fixed charges per rating unit with differentials based on capital value (CV) for other properties excluding Utilities as shown in the table below. Vacant properties that are able to connect to Council's sewerage network (serviceable) are charged a differential of 0.5 which is a half charge. The base rates are calculated to collect 75% of the total sewerage rates from residential properties with 25% of the total rates collected coming from non- residential land.

Council has determined that a vacant serviceable rating unit is a property where the closest property boundary is less than 60 metres from a sewerage access point and it is not impracticable to access the service. A serviceable rating unit upon which a building is erected is a property where the building is less than 60 metres from sewerage network and it is not impracticable to connect to the service.

RATE TYPE	DIFFERENTIAL
Sewerage – Residential	1

RATE TYPE	DIFFERENTIAL
Sewerage – Non-Residential with CV <\$50,001	0.8
Sewerage – Non-Residential with CV \$50,001-\$100,000	1
Sewerage – Non-Residential with CV \$100,001-\$200,000	1.2
Sewerage– Non-Residential with CV \$200,001-\$400,000	1.4
Sewerage– Non-Residential with CV \$400,001-\$1,000,000	2
Sewerage– Non-Residential with CV \$1,000,001-\$3,000,000	3
Sewerage– Non-Residential with CV \$3,000,001-\$5,000,000	4
Sewerage– Non-Residential with CV >\$5,000,000	5



Solid Waste Kerbside Collection

Council sets a targeted rate to fund the provision of kerbside removal of refuse and recycling within the service area. This is set as a fixed charge per provision of the service for residential, commercial and industrial properties within the service area. An additional set of bins can be provided at full cost.

Projected Rate Properties – 2024/2034

YEAR	PROJECTED NUMBER OF RATING UNITS
2024 / 2025	25,966
2025 / 2026	26,096
2026 / 2027	26,252
2027 / 2028	26,436
2028 / 2029	26,648
2029 / 2030	26,887
2030 / 2031	27,129
2031 / 2032	27,374
2032 / 2033	27,620
2033 / 2034	27,869



Rates to be collected

Refer to the 2025/2026 Annual Plan



Non-Rateable Properties

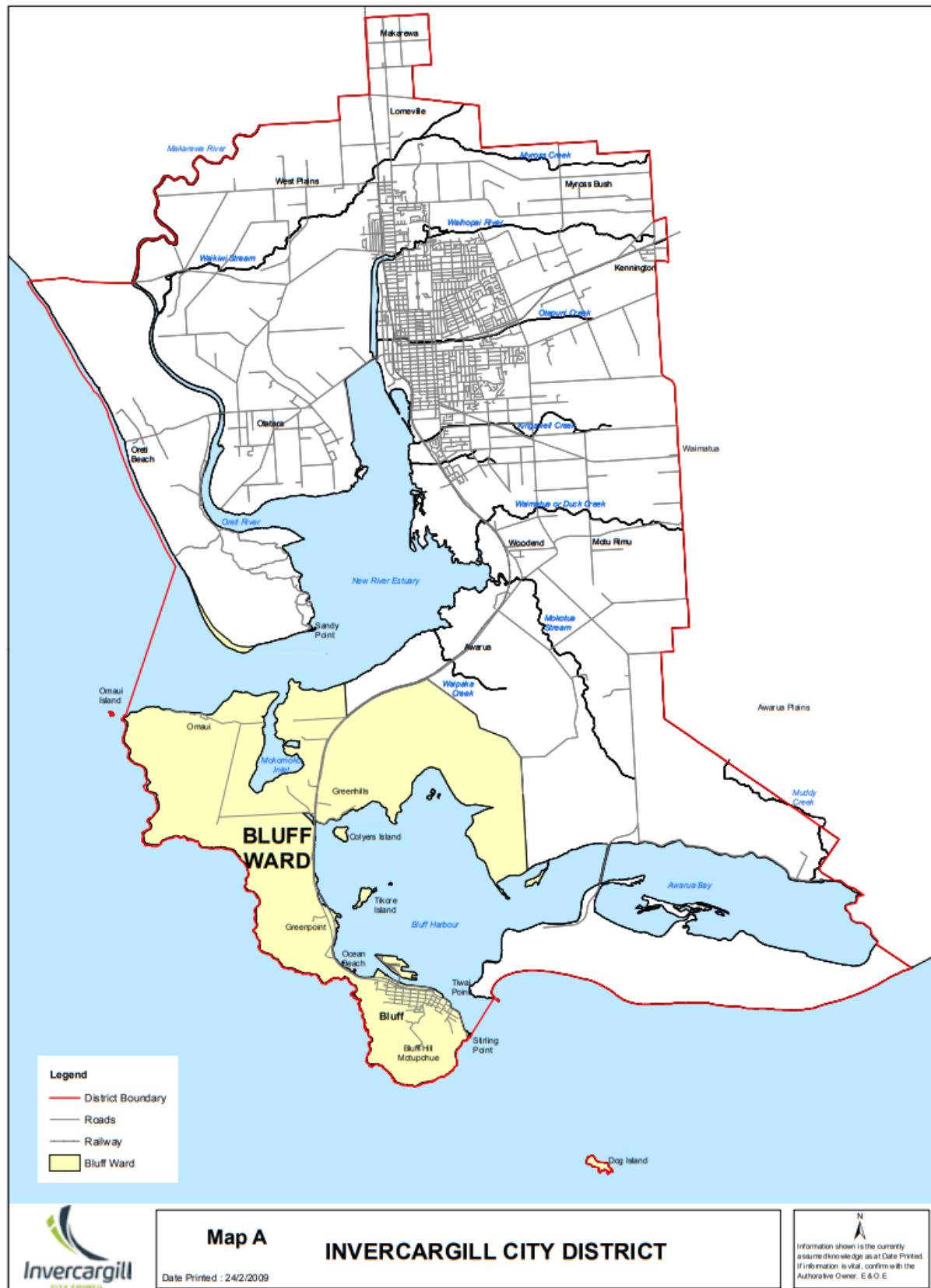
Land that is fully non-rateable is set out in Schedule 1 of the Local Government (Rating) Act 2002.



Revision History:	June 2024
Effective Date:	1 July 2025
Review Period:	Every three years with the Long-term plan
New Review Date:	1 July 2027
Associated Documents / References:	
Supersedes:	Rating Policy 2024 (A3427787)
Reference Number:	
Policy Owner:	GM – Finance and Assurance
Policy Training:	Financial Management Team and Rates Officers

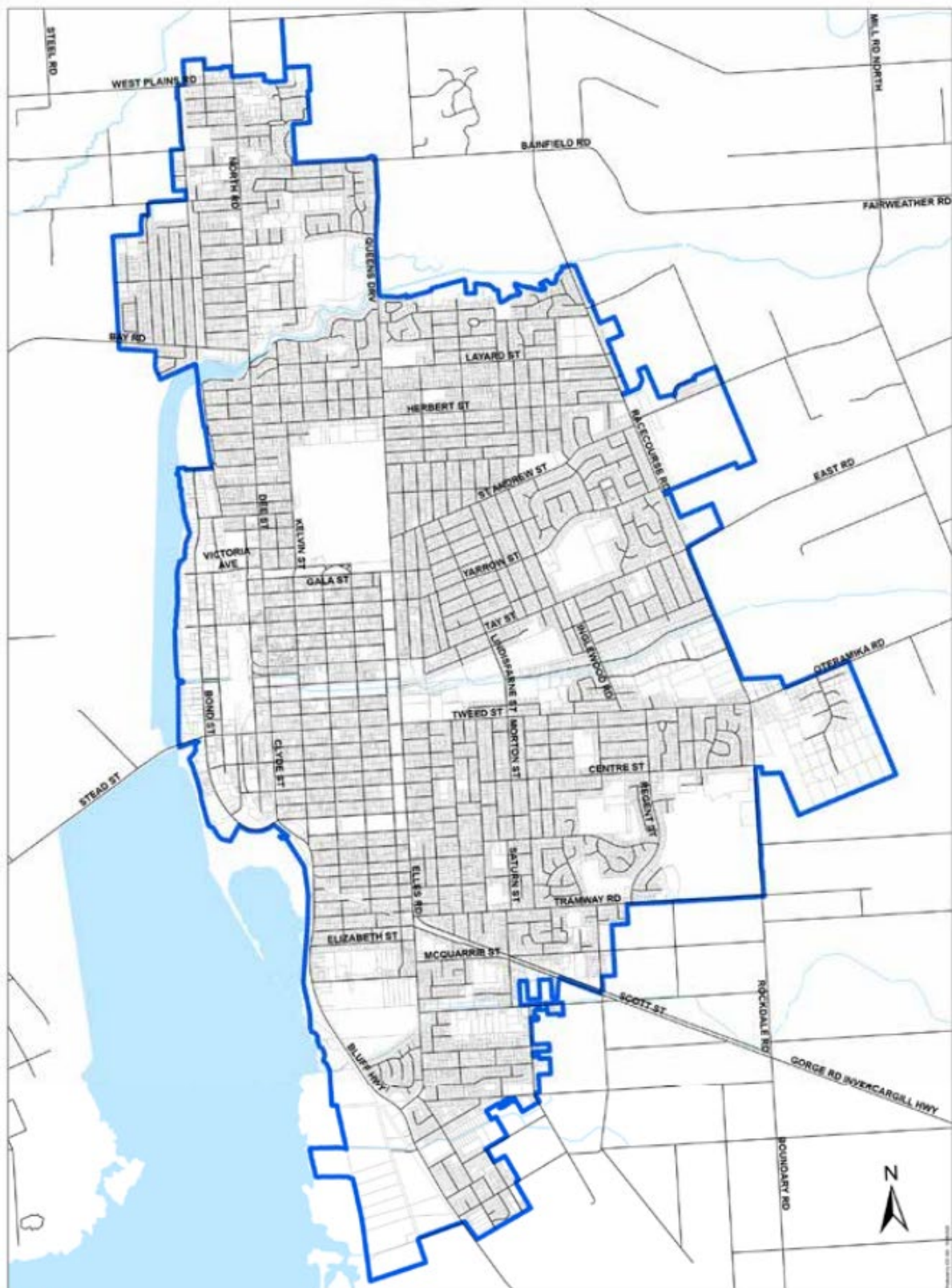


Map A. Bluff Community Board Rating Boundary





Map C. Transportation Boundary



Map C **Transport Rateable Land**

 Transport Rateable Boundary

Current as at 1/7/2021