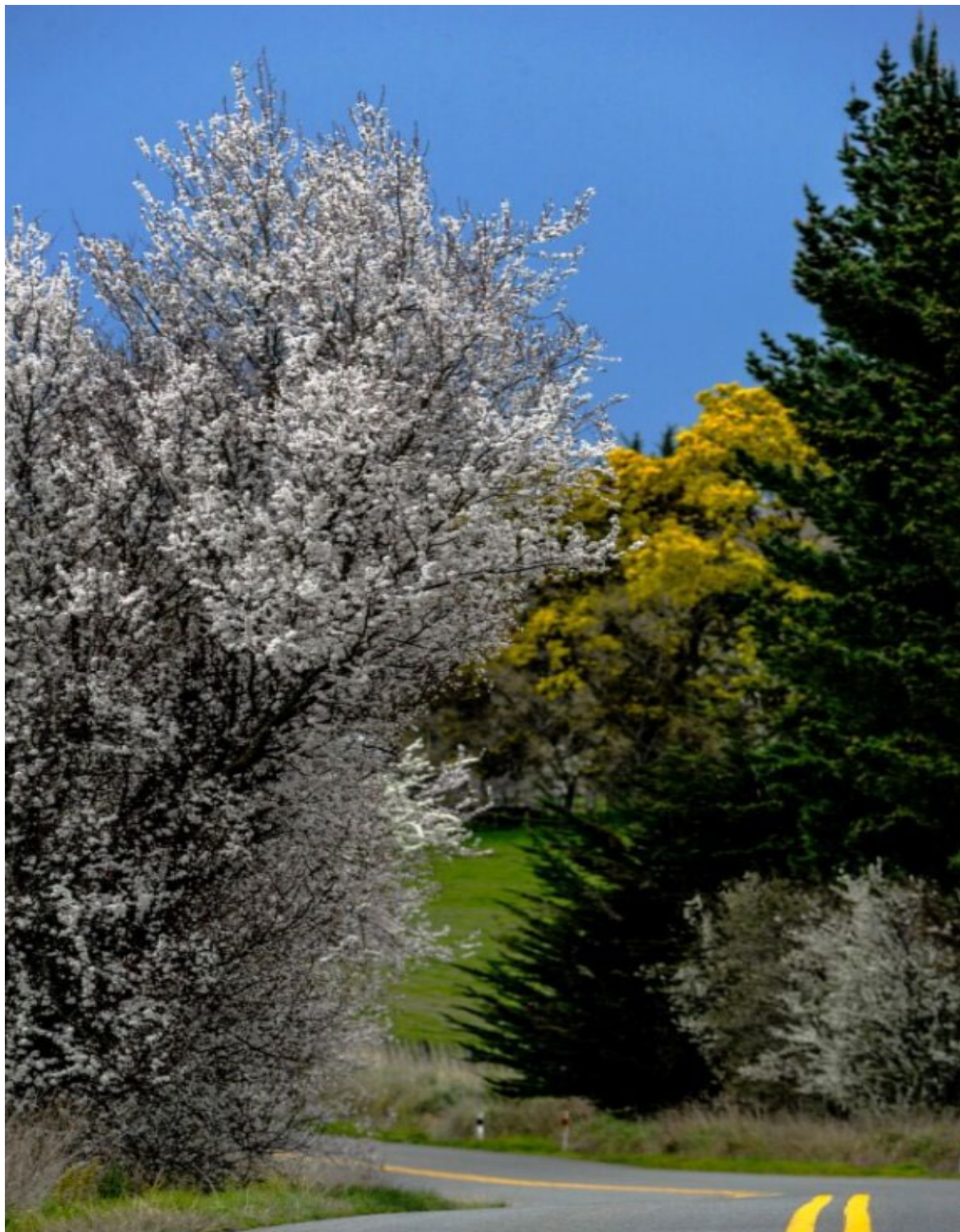


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# Rates Remission Policy



**MASTERTON**  
**WHAKAORIORI**  
DISTRICT COUNCIL

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## Purpose

The purpose of the Rates Remission Policy is to state the circumstances where Masterton District Council (MDC) will consider a rates reduction.

## Scope

This policy does not apply to Māori freehold land. Refer to the Rates Remission and Postponement on Māori Freehold Land Policy.

## Rates Remission

MDC will apply rates remissions for the rating units or circumstances detailed in the table below, if the conditions described within this policy are met.

Ratepayers seeking remission should apply in writing, taking into account the relevant conditions and criteria. Approved remissions will be effective from the rating year immediately after the year in which application is made.

No.	Rating Unit/Circumstance	Remission
1	Public and community halls	100% of the total rates levied
2	Properties used for sporting, games and branches of the arts	50% of the total rates levied
3	Properties used by charitable, community care and volunteer organisations	50% of the total rates levied
4	Churches and places of religious worship	50% of the water and sewer rates
5	Properties protected for natural, historical or cultural conservation purposes	100% of the total rates levied
6	Rate penalties	100% remission
7	Targeted Annual Charges on non-contiguous units owned by the same owner	100% remission
8	Targeted Annual Charges on subdivisions where the unsold lots remain in common ownership	100% remission
9	Land value rates on urban properties where the predominant use is farming of the land	50% of land value based rates
10	Targeted Annual Charges on uneconomic-sized land used for power transformers and link strips	50% remission
11	Targeted rates for Opaki Water Race where the race services only part of the property or provides little economic value	50-80% remission

No.	Rating Unit/Circumstance	Remission
12	Properties affected by natural calamity or disaster events	At MDC's discretion, according to circumstances
13	Remission for households experiencing financial hardship who have incurred high volumetric water charges	Up to 100% of the water supply volumetric charges
14	Temporary financial assistance for households experiencing financial hardship for repair of water leaks	Up to \$300 per rateable property
15	Remission for excess consumption due to water leak	Up to 50% of the difference in charge between the estimated consumption and the actual consumption. Consumption will be estimated in accordance with the Water Supply Part of the Wairarapa Consolidated Bylaw.

## **Community Halls, Community Care Organisations, Sporting, Branches of the Arts or Volunteer Organisations**

### Objective

The remission of rates for community, sporting and other organisations is to facilitate the ongoing provision of non-commercial community services, and non-commercial recreational opportunities for the residents of Masterton.

The purpose of granting rates remission to an organisation is to:

- recognise the public good contribution made by such organisations;
- assist the organisation's survival; and
- make membership of the organisation more accessible to the general public, particularly disadvantaged groups (including children, youth, young families, aged people, and economically disadvantaged people).

### Conditions and Criteria

The remission of rates will apply to land which is used exclusively or principally for sporting, recreation, or community care purposes. The policy does not apply to organisations operated for financial profit.

The policy does not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting, or community services as a secondary purpose only.

Organisations making application should include the following documents in support of their application:

- statement of objectives;
- information on activities and programmes; and
- details of membership or clients.

#### Remission

Refer categories 1,2 and 3 in the table above.

### **Land Protected for Natural, Historical or Cultural Conservation Purposes**

#### Objective

Rates remission is provided to preserve and promote natural resources and heritage by encouraging the protection of land for natural, historic or cultural purposes.

#### Conditions and Criteria

Ratepayers who own rating units which have some feature of cultural, natural or historic heritage which is voluntarily protected may qualify for remission of rates under this policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, sewerage disposal and waste collection will not qualify for remission under this part of the policy.

Applications should be supported by documented evidence of the protected status of the rating unit, for example, a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, MDC will consider the following criteria:

- the extent to which the preservation of natural, cultural or historic heritage will be promoted by granting remission of rates on the rating unit;
- the degree to which feature of natural, cultural and historic heritage are present on the land; and
- the degree to which features of natural, cultural and historic heritage inhibit the economic utilisation of the land.

#### Remission

Refer category 5 in the table above.

### **Penalties**

#### Objective

The remission of penalties is to allow MDC to act fairly and reasonably in its consideration of rates which have not been received by the penalty date, due to circumstances outside the ratepayer's control.

#### Conditions and Criteria

Remission of the penalty will be granted if the ratepayer, by written explanation, satisfies MDC that the late payment was due to circumstances outside the ratepayer's control.

Each application will be considered on its merit and will be granted where it is considered fair and equitable to do so.

Remission of penalties can apply in cases where ratepayers are in arrears with their rates, but have made an arrangement which is acceptable to the MDC, for the payment of the current year's rates together with progressive reduction in the level of arrears. Penalties incurred during the term of the arrangement can be remitted once the rates are back up to date.

Remission of a penalty will be granted if the ratepayer is able to prove a good payment history. The test for this will be no other late payment within the preceding 24 month period.

Remission of instalment penalties will apply automatically for those ratepayers where direct debit arrangements are in place and penalties are triggered because the full instalment is not cleared until after the penalty date. The value of these penalties and remissions will be reported separately.

Remission of penalty will be granted where MDC has been instrumental in causing the late payment.

#### Remission

Refer category 6 in the table above.

### **Targeted Uniform Charges on Non-Contiguous Rating Units Owned by the Same Ratepayer**

#### Objective

The remission of targeted uniform charges is to provide relief for rural land which is non-contiguous but farmed as a single entity and owned and occupied by the same ratepayer.

#### Conditions and Criteria

Ratepayers who own and occupy two or more separate rating units (and who do not qualify to be treated as one rating unit pursuant to Section 20 of the Local Government (Rating) Act 2002) who apply in writing, are entitled to have Targeted Uniform Charges reduced for qualifying properties. To qualify, the additional qualifying properties cannot have residential dwellings situated on them. All ratepayers will pay at least one full targeted uniform charge and then half charges for additional qualifying properties.

The separate rating units can be no more than five kilometres apart.

#### Remission

Refer category 7 in the table above.

Any applicant must be paying at least one full targeted uniform charge and one full targeted roading charge on one of the rating units involved in the farming operation.

Additional rating units involved in the farming operation will be charged half (50%) of the targeted uniform and roading charges in respect of each additional rating unit.

## **Targeted uniform charges on Contiguous Rating Units in a Subdivision Owned by the Same Ratepayer**

### Objective

The remission of all but one targeted uniform charge and one targeted roading charge is to provide relief for urban or rural residential land which is newly developed and still owned by the developer/ ratepayer.

### Conditions and Criteria

Ratepayers who own and occupy two or more separate rating units (and who do not qualify to be treated as one rating unit pursuant to Section 20 of the Local Government (Rating) Act 2002), who apply in writing, are entitled to have targeted uniform charges reduced for qualifying properties. All ratepayers will pay at least one full targeted uniform charge.

### Remission

Refer category 8 in the table above.

The applicant/owner must be paying at least one full targeted uniform charge and one full roading charge on one of the rating units included in the subdivision. The remainder of the targeted uniform charges will be remitted under this policy.

## **Land Value Rates on Urban Land Used Predominantly for Farming Purposes**

### Objective

The remission of land value rates is to provide relief for urban land which is used predominately for farming use, and where farming includes pastoral, horticulture and viticulture use. This rates remission is intended to align land value rates paid for this category of land closer to rural rates.

### Conditions and Criteria

Ratepayers who own and occupy land inside the urban rating area and who utilise that land predominantly for farming purposes may qualify for this remission.

The farmed area must be more than 2000 sq metres and make up at least 75% of the area of the rating unit.

### Remission

Refer category 9 in the table above.

## **Uniform Charges on Rating Units Where the Small Size Restricts the Use**

### Objective

The remission of uniform charges is to provide relief for land such as transformer sites and link strips which are too small to sustain a dwelling or other economic use.

### Conditions and Criteria

Ratepayers who own a separate rating unit which is utilised for the purposes of a transformer site or a link strip.

Other uses will be considered under this policy but applicants will be required to prove that the small size of the rating unit makes it uneconomic to utilise for any other purpose.

#### Remission

Refer category 10 in the table above.

### **Water Race Rates on Rating Units Receiving Service to Part of the Property or Uneconomic Use**

MDC will provide rates remissions on water race rates (Opaki Water Race) on rating units considered to have only part of the land value serviced or the unit is too small to make economic use of the water race.

#### Objective

The remission of the land value rate is to provide relief for land receiving service to only a small part of the property, or the service provides little economic benefit (eg small holdings).

#### Conditions and Criteria

Ratepayers who own a rural property serviced by a water race, but the race only runs through a small portion of the land (less than 30%).

Ratepayers who own a rural property serviced by a water race, but their property is too small to gain any economic benefit from the use of the water race. This is generally small holdings or lifestyle blocks.

#### Remission

Refer category 11 in the table above.

The remission rate will depend on the extent of the property that is not serviced or receives little economic benefit.

### **Property affected by Natural Calamity**

#### Objective

The natural disaster remission allows MDC, at its discretion, to remit part or all of the rates on any land that has been affected by natural calamity such as erosion, subsidence, submersion or earthquake, and is aimed at aiding those ratepayers most adversely affected.

#### Conditions and Criteria

To qualify for consideration for a rates remission under this part of the policy, a rating unit or part thereof must be detrimentally affected by a natural calamity event such as a flood, storm, earthquake, subsidence; and as a result:

- dwellings or buildings previously habitable were made uninhabitable; or
- the activity for which the land and/or buildings were used prior to the calamity is incapable of normal use by the ratepayer for a certain period.



Rates remission under this section will only be considered following receipt of an application by the ratepayer and the application must be received within six months of the event, or within such further time as MDC in its sole discretion might allow.

### Remission

Refer category 12 in the table above.

Each natural calamity event will be considered on its merits, on a case-by-case basis. The extent of the remission will be determined by the Council and its delegated staff.

The remission may be for such a period of time as MDC considers reasonable, commencing from the date upon which MDC determines that the dwelling, buildings or land were made uninhabitable or unable to be used for the activity they were used prior to the event, up to and limited to the time the MDC determines they become habitable and/or available for use.

### **Rates assistance associated with volumetric water charging**

This section sets out the circumstances in which the Council will offer financial assistance to those experiencing financial hardship and/or to those who have received high volumetric water charges due to excess consumption.

Three remissions are provided for in this section:

1. Water remission for households experiencing financial hardship who have incurred high volumetric water charges:
  - a. Ratepayers who own their own home
  - b. Ratepayers who own rental properties, who are applying jointly with and on behalf of a tenant facing difficult financial circumstances.
2. Temporary financial assistance for households who are experiencing financial hardship and require support to repair a water leak.
3. Water remission for excess consumption due to a water leak.

### **1) Households experiencing financial hardship who have incurred high volumetric water charges**

#### Objective

To support households experiencing financial hardship who have incurred high volumetric charges.

#### Conditions and Criteria

Applications are open from 1 April each year until 30 June, or until the available Council funding under the Rates Remission Policy is fully subscribed, whichever occurs first.

The Council may remit volumetric water charges where the Council is satisfied that financial hardship would be caused or made worse by requiring payment of the whole or part of the charges and all of the following apply:

*Ratepayer: owner of property – water meter volumetric charge paid by property owners:*

- the property is metered and is used for personal residential purposes;
- the applicant owns the property (with or without a mortgage);
- the applicant resides at the property at the time of application; and
- the applicant provides evidence that Council deems appropriate to support the claim of financial hardship.

*Landlord and tenant: water volumetric charge paid by landlord and on- charged to tenant*

- the property is metered and is used for residential purposes;
- the tenant has a rental agreement for no less than six months and a copy of the rental agreement is provided to the Council;
- the tenant resides at the property at the time of application;
- the tenant provides evidence that Council deems appropriate to support the claim of financial hardship; and
- the landlord makes the application with, and on behalf of the tenant, and agrees to adjust any on-charged water volumetric charge to the tenant by the amount remitted by the Council. Should the landlord receive the remission and then not pass on the remission to the tenant, the amount of the remission will be subsequently charged to the relevant rateable property.

To assess a claim of financial hardship, the Council may request information on household income, household occupancy, other government financial support applied for and/or received, and other relevant information. Generally, applicants that meet the following criteria will be considered for a remission although exceptions may apply:

- Households with five or more usual residents in the household whose average per person water use is less than or equivalent to the average per person water use in Masterton District.
- Households with a total household income of less than 50 percent of the total median household income for Masterton District as determined by the latest Census figures<sup>1</sup>.
- Households will need to demonstrate that they have applied for or are receiving other relevant government financial support (e.g. Accommodation Supplement) (Remission 1 and 2).

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<sup>1</sup> The value in 2025/26 is a household income of less than \$38,700 (Census 2023: Median Household Income \$77,400).

A remission will only be granted for consumption that is ordinary use for domestic purposes as defined by the Water Supply Part of the Wairarapa Consolidated Bylaw. The Council must also be satisfied that the high water use is genuine and is not caused by an ongoing undetected water leak.

The assistance for any particular property will only be granted once in a three-year period.

### Remission

Refer category 13 in the table above.

## **2) Temporary financial assistance for households experiencing financial hardship repair of water leaks**

### Objective

To provide relief for ratepayers who are experiencing financial hardship caused or made worse by one-off expenditure to repair a water leak.

### **Policy conditions and criteria**

Applications may be made throughout the year and will be considered until the available Council funding under the Rates Remission Policy is fully subscribed.

A ratepayer who has incurred one-off expenditure may be eligible for assistance through a remission of rates if they meet the following criteria:

- the applicant is the owner of the property;
- the applicant resides at the property at the time of application;
- the applicant provides evidence that Council deems appropriate to support the claim of financial hardship;
- one-off expenditure has been incurred in relation to repairs for a water leak within the same financial year and proof of expenditure and reasons for expenditure are provided; and
- the expenditure occurred on a property connected to the urban water supply.

To assess a claim of financial hardship, the Council may request information on household income, other government financial support applied for and/or received, and other relevant information. Generally, applicants that meet the following criteria will be considered for a remission although exceptions may apply:

- Households with a total household income of less than 50 percent of the total median household income for Masterton District as determined by the latest Census figures<sup>2</sup>.

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<sup>2</sup> The value in 2025/26 is a household income of less than \$38,700 (Census 2023: Median Household Income \$77,400).

- Households will need to demonstrate that they have applied for or are receiving other relevant government financial support (e.g. Accommodation Supplement).

Costs to repair a water leak includes costs for essential repairs or maintenance to the private water supply side and costs associated with essential civil repairs.

The assistance for any particular property will generally only be granted once in a three-year period, unless the property has had a change of ownership or extenuating circumstances apply.

### Remission

Refer category 14 in the table above

## **3) Remission for excess consumption due to water leak**

### Objective

To provide relief where a water leak has been detected on a ratepayers property resulting in excess consumption, and prompt remedial action to repair the leak has been undertaken.

The ratepayer remains responsible for water leaks, the pipes and the usage of water on their property in accordance with the Water Supply Part of the Wairarapa Consolidated Bylaw.

### Conditions and Criteria

The Council may remit volumetric water charges for properties where all of the following apply:

- the application is made within three months of the invoice date;
- the leak occurred on a metered water property;
- the Council is satisfied that the leak on the property has caused excess water consumption;
- the leak has been repaired as soon as practical, and within one calendar month of being identified (unless evidence is provided that the services of an appropriate repairer could not be obtained within this period); and
- proof of the leak being repaired is provided to the Council.

The remission is limited to the last invoice and the period between:

- the date of leak identification and the date of repair; or
- the date of leak notification by the Council to the ratepayer and the date of repair.

The remission for any particular property will generally only be granted once in a three-year period, unless the property has had a change of ownership or extenuating circumstances apply. In the event of a recurrence of a water leak on a particular property, the Council may require the ratepayer to get a condition assessment of the pipes on the property at the property owners' expense prior to any decision to consider a subsequent remission.

### Remission

Refer category 15 in the table above.

## Delegations

The Chief Executive is delegated the authority to exercise all discretions available within this policy. Further delegations are made to the Manager Finance and Revenue Manager as per the table below.

Policy Reference	Chief Executive	General Manager Finance	Revenue Manager
Community halls, community care, sporting, arts or volunteer organisations	✓	✓	✓
Land protected for natural, historical or cultural conservation purposes	✓	✓	✓
Remission of penalties – on current instalments or levied in current year	✓	✓	✓
Uniform Charges on non-contiguous rating units	✓	✓	✓
Uniform Charges on contiguous rating units in a sub-division	✓	✓	
Land value rates on urban land used predominantly for farming purposes	✓	✓	✓
Uniform Charges on 'uneconomic' small rating units	✓	✓	
Land value water race rates – part serviced	✓	✓	
Land or property affected by a natural disaster or calamity event (Council and CE)	✓		
Households experiencing financial hardship who have incurred high water meter volumetric charges	✓	✓	
Temporary financial assistance for households experiencing financial hardship	✓	✓	

Policy Reference	Chief Executive	General Manager Finance	Revenue Manager
who have one-off expenditure to repair a water leak.			
Excess water consumption due to water leak	✓	✓	

## Reporting

The uptake of water rates remissions will be reported to the Council on a quarterly basis.

## Review of Policy

This policy will be reviewed every three years as part of the Long-Term Plan process.

## Related Documents

- Rates Postponement Policy

## References

- Local Government Act 2002

## Version Control

Version	Date	Summary of Amendments	Approved By
1	2015	Reviewed as part of the 2015-25 Long-Term Plan process.	Masterton District Council
2	27/6/18	Reviewed as part of the 2018-28 Long-Term Plan process.	Masterton District Council
3	31/3/21	Reviewed as part of the 2021-31 Long-Term Plan process.	Masterton District Council
4	03/04/2024	Reviewed and reformatted as part of the 2024-34 Long-Term Plan process.	Masterton District Council
5	02/04/2025	Reviewed and reformatted as part of Water Meter Charging Approach	Masterton District Council