RATING POLICY

Introduction

The Local Government (Rating) Act 2002 became effective on 1 July 2003. It introduced very significant changes to rating law and practice.

Last year Council signalled it would carry out a review of rating policy for 2004/2005 and beyond.

Council has now progressed that review and taken it through a formal public consultation process. Whilst the review identified a rating policy for 2004/2005 and beyond, Council has signalled that the review is ongoing over the next two years as it seeks to address emerging issues that have been identified in the Long Term Council Community Plan. Council is also very much aware of the need to continually seek the most fair and equitable rating policy it can define within its very diverse demographics.

Some general rates differentials have, over time, moved out of line in relation to others and Council has had no option but to address these. This necessarily means increases for some rating groups and reductions for others.

The review has been conducted in accordance with Section 101 of the Local Government Act 2002 which reads as follows:

101. Financial management—

(1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
(2) A local authority must make adequate and effective provision in its long-term council community plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term council community plan and annual plan.
(3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
(a) in relation to each activity to be funded,—
(i) the community outcomes to which the activity primarily contributes; and
(ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
(iii) the period in or over which those benefits are expected to occur; and
(iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
(v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
(b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community.

Rating Review

Council has carried out a review of its rating policy and taken its draft to consultation.

This document records a new policy that has been adopted in June 2004, to become effective on 1 July 2004.

The review was commenced in mid 2003 and particularly addressed the main issues raised by stakeholders since the last major review, four years ago. The main representations to Council over recent years have been:

a) To provide relief for business properties in the Central Business District;
The review achieves this.

b) To exclude residential and small holding properties, up to 5 ha, from the farming category and include them within the residential category;
The review achieves this.

c) To bring rates on small holdings into line. Some of these have been rated too low as compared to farming and residential properties. (This relates especially to rural residential and small holdings which are currently rated lower than farming);
The review achieves this.

d) To consider some relief for farming properties;
The review achieved some relief.

e) To consider whether it is appropriate to reclassify multi-unit residential properties as residential rather than business and reduce the rate;
The review reclassified these but this category needs to be considered further when Council has the ability to charge Uniform Annual General

FUNDING

Charges on each separately used or inhabited part of a rating unit (each residential unit), hopefully in 2005/2006.

f) To consider whether vacant residential land should continue to enjoy a differential that is 80% of that for developed land;
The review reduced this advantage to bring vacant land closer to developed land.

g) To consider whether rural residential and business land should continue to enjoy a differential that is 60% of the rate paid by their urban counterparts.
The review reduced this advantage to bring urban and rural properties more into line with each other and with farming.

Review process

The review followed a process that complied with section 101 of the Local Government Act 2002. The process can be summarised thus:

- Identification of activities and costs
- Identification of issues by consultation with a range of stakeholders.
- Identification of distribution of benefits to people and groups of people
- Identification of where costs can be recovered by direct fees and charges, including targeted rates.
- Identification of costs to be funded by general rates taxing mechanisms
- Identification of appropriate rating mechanisms
- Identification of potential rating differential categories – increasing these from 8 to 52
- Grouping of potential rating differentials into 10 rating groups
- Allocation of costs to these 10 rating groups by consideration of the most appropriate factor for doing so, from amongst:
  - Number of rating units
  - UAGC
  - Capital value
  - Land value

  Using number of rating units and capital value as the preferred drivers for allocating costs.
- Modification: Weighting of cost allocations to improve fairness of allocation and recognise wellbeing factors.
- Considering a series of models to test the results and graphing these for consideration.
- Seeking feedback prior to formal consultation, considering this, and taking it into account in preparing the draft policy for formal consultation.
- Adopting a modified policy following consultation.

Land use categories and differential rating groups

Council's differential rating system is based on land use categories. In order to rate for different categories or differential rating groups, or to target a rate, Council must first categorise its rating information database (RID) into the land use categories that are required to enable this to happen.

Council has this year reviewed its database and apportioned it into 52 land use categories. These categories have been selected to both allow for immediate needs and to provide flexibility for future rating decisions. Some of these categories may be needed in future, some may not. Some may be needed for targeted rates. However, it is more efficient to identify them now and retain the records than to have to revisit at a later date.

As against this, it is desirable that the number of differential rating groups be minimised for the purpose of assessing rates. Thus, Council has rationalised the land use categories into ten groups for differential rating purposes, having regard to where the basis for allocation of activity costs is deemed to be similar.

Accordingly, it was appropriate for Council to identify three definitions:

- ***Land use categories:***
  These are 52 categories of land identified by use, location and, in cases of vacant land, by zoning.
- ***Differential rating groups:***
  These are 10 differential rating groups for the purpose of assessing rates.
  Council naturally wants to minimise and simplify the number of separate rating differentials, so land use categories are condensed into 10 differential rating groups.
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Rating boxes:
The 10 differential rating groups can be further summarised into 3 rating boxes these being Residential, Farming, and Business.

This process can be graphically demonstrated thus:

52 Land use categories

These are collected into ↓

10 Differential rating groups

These comprise ↓

3 Rating "boxes"

Under the process adopted, to comply with Section 101 of the Local Government Act, the rating boxes are now a consequence of the rating review process rather than the drivers for setting the differentials.

Demographic Considerations

Rotorua District comprises very diverse demographics that preclude using an undifferentiated general rating system.

Some of the diversities are:

- *Business property use:*
  Apart from retail and professional, this can reasonably be assembled into three main categories and their service industries: farming, forestry, and tourism.

- *Residential property use:*
  This ranges from urban residential at high value lakeside to low value rural. For example, rural residential land values range from $6,000 to $660,000.

- *Income levels:*
  Analysis of industry and socio-economic structures within the community discloses wide variation of income levels.

- *Residents and non-residents:*
  Apart from residents, there are many non-residents, especially owning lakeside residential properties.

- *Diversity of small holdings:*
  A range of small holdings covering a wide range of land uses and values, depending partly on location.

- *Diversity of farming:*
  Diverse agricultural uses, including forestry.

- *Diverse commercial and industrial properties:*
  These include low valued rural business and high valued small business at lakes.
  CBD properties seemingly have high land values relative to other business properties.

These diversities add complexity to defining a differential rating system. This was recognised by Council early in the process when its officers requested feedback on what rating categories should be included and how they should be grouped. At the time Council also identified issues that should be taken into account in designing a new rating policy.

Small holdings

Council has especially considered the issue of small holdings, many but not all of which can be considered lifestyle blocks. In particular:

- What type of small holding constitutes a "lifestyle" block.
- What land area should constitute a residential-type lifestyle block.
- What land area should constitute a small holding that is more appropriately categorised as farming.

For the purposes of this policy, based on the information that is available, and feedback received, Council has categorised small holdings up to five hectares as residential, and above five hectares as farming. Council recognises there is a case for further analysis of small holdings under five hectares. One proposal has been that the cut-off between classifying as residential or rural should be two hectares. Whilst anecdotal information is available, constructive evidence on this issue is more difficult to obtain.

Current feedback has shown that the community has diverse views on the differentials that should be applied to rural residential and small holding properties. The fact that cannot be overlooked is that rates on these properties have been lower than the rate in the dollar of land value of farms, and this was considered unacceptable. Further, these properties were being heavily subsidised by the business sector, and it was believed this needed to be addressed in the new policy.

Residential properties

Rural residential properties have for four years been rated at a differential 40% below urban properties, being Rotorua City and Ngongotaha Town.

There is a widely held view that this group should not be rated below its Rotorua City and Ngongotaha Town counterparts, especially when some parts are very close to the urban area.

As against this, the group points out reasons why it should pay a lower rate than its urban counterparts. Factors raised in support of a lower differential include:

a) To compensate for the higher average land value.
b) To allow for Council and non-Council services being less readily available in these areas.
c) To recognise that residents in these areas have some costs that urban residents do not have – such as greater distances to travel, and in some cases providing their own services for water, sewage, and refuse.

Some costs and factors do, however, work in reverse.

Rural residential is a very diverse category ranging from very cheap to very expensive properties. This increases the difficulty of assessing a fair and equitable rate. Land values range from $6,000 to $660,000. The diverse range of values arises because this group contains both lakeside properties and rural properties. The average land value is $100,000 as compared to an average urban land value of $45,000. The median land value is $53,000 as compared to a median urban land value of $37,000.

After taking all factors into account, Council proposed in its draft LTCCP to increase the differential relativity from 60% to 80% as compared to residential general urban. After consultation, it set the differential at 70%.

Vacant residential properties in both the urban and rural areas have been rated at 80% of the differential used for developed counterparts. Council proposed in its draft LTCCP that this margin be reduced to a 10% difference in each case (i.e. vacant residential properties to be rated at 90% of the differential used for developed counterparts). After consultation, Council reduced the difference to 10% for urban residential properties and 7.14% for rural properties.

Business rural

This group is unusually diverse. It comprises a relatively small number of businesses near lakefronts, with land values that are very high in relation to the nature and size of the business, including seasonal nature. The balance of the properties are on land that is valued more in line with "inland" farming and residential land. Council has an interest in preserving services in rural areas and this requires an acceptable rating policy. Council is considering how best to address this issue. One option is to divide this group into separate rating categories; another is to introduce a remission policy. Council is proposing to utilise a remission policy in 2004/2005 whilst continuing to consider a longer term solution. In the meantime, Council has decided to retain this group at 60% of the business-urban outside the CBD.

Summary of main considerations

Following pre-consultation feedback from residents and continuing research by Council, the main changes introduced were:
a) Grouping residential small holdings (lifestyle blocks) with other residential properties.
b) Examination of the differential relationships between all residential and small holding properties and redefining these.
c) Grouping small holding farming blocks with farming.
d) Moderating business rural towards its previous level.

Council's diverse demographics present the following picture based on 2003/2004 information

	Residential	Farming	Business	Total
Number of rateable properties assessments	23,408	1,941	1,946	27,295
%	86%	7%	7%	100%
Land value	1,276,954,000	932,382,000	353,690,000	2,563,026,000
%	50%	36%	14%	100%
Capital value	3,028,670,000	1,219,542,000	1,205,625,000	5,453,837,000
%	56%	22%	22%	100%

Basis for Allocation of Costs

Council sought a prime determinant for the allocation of the costs of an activity to a ratepayer group. The analysis of benefits clearly demonstrated that in most cases people rather than land cause the activity and/or the costs. Therefore it is reasonable to recognise this factor in allocating costs.

Council accordingly considered drivers that would be appropriate for allocating costs. Those considered were:
a) Number of properties: this allocates costs on an even basis to each property.
b) UAGCs: this has a similar impact.

c) Capital value: this is considered the preferred indicator for recognizing the proportion of people in households, farms, and businesses.
d) Land value: this does not recognise the presence of people. It was accepted land value was less appropriate for allocating costs.

Council selected and used two of these factors to allocate costs, these being:

a) Number of properties: This was used for four activities.
b) Capital value: This was used for the remainder of Council's activities.

Council would prefer to use the number of UAGCs rather than the number of properties if it could charge them to each separately used or inhabited part of a property (SUIP). It cannot do so at present because it does not have the information in its rating information database to enable this. It proposes to examine whether it can establish this for next or the following year. This will then allow Council to charge UAGCs in respect of each tenant or lessee or user (such as several retailers in a commercial complex or several residential units in a multi-unit residential block) rather than just to rating units (separate titles).

This impact will not increase total rates. It will increase the number of UAGCs, thus reduce the amount of each UAGC, and allow for both more equitable allocation of costs and more equitable assessment of rates.

As noted, Council used the number of properties and capital value for allocating costs. The impact of these is shown in the following chart:

Impact of Drivers for Allocation of Costs

		Statistics			Proportions		
		No of properties	Capital value	Land value	No of Properties	Capital value	Land value
1	Residential General Urban	17,441	2,400,690,311	797,759,966	64%	40%	31%
2	Residential General Rural	3,747	864,648,274	383,870,404	14%	14%	15%
3	Residential Vacant Urban	772	44,142,410	40,894,360	3%	1%	2%
4	Residential Vacant Rural	658	39,261,326	37,796,616	2%	1%	1%
5	Residential Two unit Urban	624	101,672,000	33,007,000	2%	2%	1%
6	Residential Multi-unit	166	43,603,000	15,507,000	1%	1%	1%
7	Farming General	1,941	1,345,670,200	927,579,980	7%	23%	36%
8	Business Inside CBD	345	302,468,000	122,664,000	1%	5%	5%
9	Business Outside CBD	1,442	718,762,625	208,508,092	5%	12%	8%
10	Business Rural	159	105,333,450	21,832,800	1%	2%	1%
	Total	27,295	5,966,251,596	2,589,420,218	100%	100%	100%

Apart from these factors, it is appropriate to use modifying factors in certain circumstances. In some cases, the use of capital value to allocate costs gave a result which was clearly inequitable. In such cases, a modifying factor was used to increase the allocation to one or more of the ratepayer groups.

Moderation for wellbeing

The Local Government Act requires a local authority to take into account Council's perception of the wellbeing needs of the community.

For many years, Council has adopted a process of "ring-fencing" the general rate requirements from each of three sectors [Residential, Farming and Business]. This has generally been accepted as equitable by the community.

Therefore, after allowing for "migration" between ratepayer groups in terms of the new categories, it was deemed appropriate to make a further adjustment to the cost allocation between ratepayer groups.

Council responded to requests to transfer some land use categories from one differential group to another within the "box" system.

Categories that have been transferred are:
- Multi-unit residential from business to residential
- Small holdings (lifestyle blocks) under 5 hectares from farming to residential

The results still did not give an acceptable solution having regard to wellbeing factors including ability to pay. Accordingly, Council made a wellbeing adjustment that, in essence, shifted the burden of rates from residential to business.

This gave an overall result that Council considered to be approaching acceptability having regard to factors of fairness and equity including wellbeing and ability to pay.

Council has signalled its intention to continue the review of rating policy over the next two years. This will include, along with other issues:
a) Whether to levy rates on each separately used or inhabited part of a rating unit (SUIP);
b) The level of UAGC;
c) Definition of differential categories and groups, including rural business categories and CBD categories;
d) Whether capital value would be a more appropriate rating base;
e) Relief policies, including remission of rates on land used for certain purposes, remission of rates for rating units held in a single subdivision block, remission of rates for residential rating units which have special rateable values, and remission of rates in extraordinary circumstances.

Council has decided, pursuant to the Local Government (Rating) Act 2002, that rates will consist of:
- A uniform annual general charge (UAGC);
- A differential general rate;
- Targeted rates for water supplies;
- Targeted rates for sewage disposal;
- Targeted rates for refuse collection.

Council will resolve annually the specific figures for each rate.

The Rating Policy follows:

Purpose

The purpose is:
- To establish the basis for funding part of the revenue forecast as being required to perform the duties of Council; and
- To promote the social, economic, environmental and cultural wellbeing of the District's communities, in the present and for the future.

These policies were prepared pursuant to the Local Government Act 2002 for consultation using the special consultative procedure, which has now taken place.

Uniform Annual General Charge

Council has set a uniform annual general charge on every rating unit in the District for the general purpose of Council.

The UAGC is set at a level that approximates 70% of the maximum allowed under Section 21 of the Local Government (Rating) Act 2002 excluding metered water from the calculation.

Differential General Rates

Council has set general rates on a differential basis:

a) Council has set a general rate in the dollar on land value set differentially according to ten different rating groups to fund that part of the general revenues of Council that are not funded by the uniform annual general charge.
b) The objective of including differentials in the general rate is to achieve a fair distribution of the general rate between categories of land having regard to matters of social, economic, environmental, and cultural wellbeing.
c) The relationship between the general rate differentials applicable for each rating category for 2004/2005 has been set as follows (with residential general urban stated as base 1.00 or 100%).
d) The ten rating categories are:

		Relative differentials for the general rate for 2004/05
Residential rating group		
1	Residential - General - Urban	100%
2	Residential - General - Rural	70%
3	Residential - Vacant - Urban	90%
4	Residential - Vacant - Rural	65%
5	Residential - Two Unit - Urban	110%
6	Residential - Multi Unit	425%
Farming rating group		
7	Farming - General	65%
Business rating group		
8	Business - Inside CBD	375%
9	Business - Urban Outside CBD	430%
10	Business - Rural	260%

FUNDING

Interpretation for the purposes of setting general rates on a differential basis

A: Differential groups

The differential groups are as follows:

Residential General Urban
Every property in the urban sector
a) Used for residential purposes, which is no more than five hectares in area, and on which is situated one residential unit (not being land zoned rural); or
b) Zoned rural which is not more than five hectares in area, and on which is situated one residential unit.

Residential General Rural
Every property in the rural sector used for residential purposes which is no more than five hectares in area.

Residential Vacant Urban
Every property in the urban sector:
a) Which is vacant land zoned residential and is no more than five hectares in area; or
b) Which is vacant land zoned rural and is no more than five hectares in area.

Residential Vacant Rural
Every property in the rural sector which is vacant land zoned rural and is no more than five hectares in area.

Residential two-unit urban
Every property in the urban sector which is:
a) Used for residential purposes and is no more than five hectares in area, and on which is situated two residential units (not being land zoned rural); or
b) Zoned rural, and is not more than five hectares in area, and on which is situated two residential units.

Residential Multi-unit Urban
Every property in the urban sector which is:
a) Used principally for residential purposes and which is no more than five hectares in area, and on which is situated more than two residential units (not being land zoned rural); or
b) Zoned rural, and is not more than five hectares in area, and on which is situated more than two residential units.

Farming
Every property in the urban sector and rural sector which is zoned rural, is more than five hectares in area and used for any farming purpose but which is not used principally or exclusively for any commercial or industrial purpose.

Business Inside CBD
Every property in the urban sector that is within the Central Business District (CBD)
a) Used exclusively or principally for any commercial or industrial purpose; or
b) Vacant land which is not zoned residential or rural; or
c) Not otherwise categorised in these definitions.

Business Urban Outside CBD
Some property in the urban sector that is outside the Central Business District (CBD)
a) Used exclusively or principally for any commercial or industrial purpose; or
b) Vacant land which is not zoned residential or rural; or
c) Not otherwise categorised in these definitions.

Business Rural
Every property in the rural sector that is:
a) Used exclusively or principally for any commercial or industrial purpose; or
b) Vacant land that is not zoned residential or rural; or
c) Not otherwise categorised in these definitions.

B: Definitions

The term:

"Urban Sector" means the part of the district which falls within the term "Urban Division" as set out in clause 5 of the Rotorua District Constitution Order 1979 in the New Zealand Gazette 1979, No. 21, dated 22 March at page 684.

"Rural Sector" means the part of the District which is not the Urban Sector.

"Vacant Land" means land which is in an undeveloped state and is not being used or occupied for any purpose.

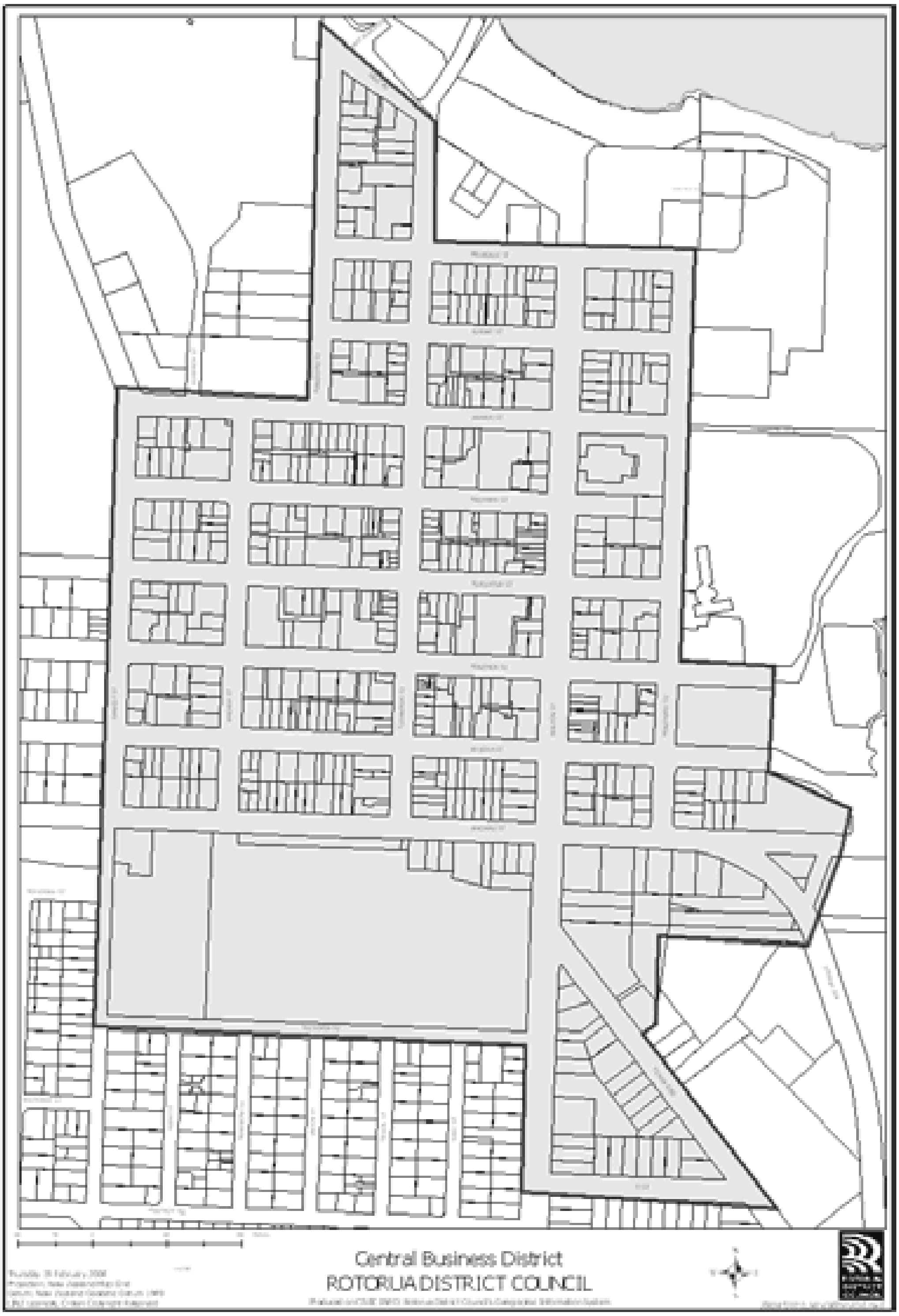
"Business purpose" means any purpose of commerce, trade, or industry; but does not include any farming or forestry purpose.

"Residential purposes" means occupied or intended to be occupied exclusively or principally for the residence of not more than two households.

"Farming purpose" means any land used exclusively or principally for agricultural, horticultural or pastoral or forestry purposes or the keeping of bees or poultry or other livestock.

"Central Business District" and "CBD" means the area bound by Lake Road, Tutanekai Street, Whakaue Street, Hinemaru Street, Hinemoa Street, Hatupatu Drive, Eruera Street, across Amohau Street and State Highway 30A to Te Ngae Road, Ti Street, Fenton Street, Victoria Street, Ranolf Street, Arawa Street, and Rangiuru Street, as shown on the map below (a larger copy is available at the Council Administration Building).

References to zones are references to zones defined in the operative Rotorua District Plan except where the land concerned relates to land covered by Proposed Variation No12; then reference to zones shall relate to zones as set out in Proposed Variation No12.



Targeted rates for water supply

Council has set targeted rates for all rating units, or separately used or inhabited parts of a rating unit, to which water is provided, or which are serviceable rating units.

For these purposes:
- A **"rating unit connected"** is one to which water is supplied from a Council water supply service.
- A **"serviceable rating unit"** is one to which water is not provided, but the whole, or some part of which is within 100 metres of a Council water supply service and is within a water supply area.

Council has set the following targeted rates:

Urban water supply:
(Plans number 10173 sheet 2, 10175 and WS 1053. Refer Targeted Rates Areas of Service.)

A differential targeted rate:
- A fixed amount per connection on each separately used or inhabited part of a rating unit connected (whether or not metered);
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit or separately used or inhabited part of a rating unit of a fixed amount per cubic metre supplied in excess of 58 cubic metres per quarter.

Note: Targeted rates for metered supply are invoiced quarterly by separate invoice

Mamaku water supply
(Plan number WS 4020. Refer Targeted Rates Areas of Service.)

A targeted rate of a fixed amount per connection on each rating unit connected.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: These targeted rates are invoiced quarterly by separate invoice.

Rotoiti water supply
(Plan number WS 6013. Refer Targeted Rates Areas of Service.)

A differential targeted rate of:
- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Rotoma water supply
(Plan number WS 6514. Refer Targeted Rates Areas of Service.)

A differential targeted rate:
- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Kaharoa water supply
(Plan number WS 3529 sheet 2. Refer Targeted Rates Areas of Service.)

A targeted rate of a fixed amount per connection on each rating unit connected.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

Note: These Targeted rates are invoiced quarterly by separate invoice.

Reporoa water supply

(Plan number 10174. Refer Targeted Rates Areas of Service.)

For these purposes:

"**Domestic Non-Farming**" rating unit means a rating unit where the water supply is not subject to water allocation and a corresponding restriction on a flow or time basis. This applies to rating units primarily for domestic, commercial or industrial use excluding the Reporoa Dairy Factory.

"**Farming/Dairy-Factory**" rating unit means a rating unit primarily for farming of livestock and also includes the Reporoa Dairy Factory. Such rating units are subject to a daily water allocation restricted on a flow or time basis.

A differential targeted rate:

- A fixed amount per connection on each Domestic/Non-Farming rating unit connected.
- A fixed amount per connection on each Farming/Dairy-Factory rating unit connected.

A differential targeted rate:

- A fixed amount on each Domestic/Non-Farming rating unit connected per cubic metre supplied in excess of 83 cubic metres per quarter.
- A lower fixed amount on each Farming/Dairy-Factory rating unit connected per cubic metre supplied in excess of 206 cubic metres per quarter

Note: These targeted rates are invoiced quarterly by separate invoice.

Hamurana water supply:

(Plan number WS 3024. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each rating unit connected.
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate on each metered rating unit of a fixed amount per cubic metre supplied to the rating unit.

A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a rate in the dollar of land value.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Okareka water supply

(Plan number WS 5024. Refer Targeted Rates Areas of Service.)

A differential targeted rate:

- A fixed amount per connection on each rating unit connected
- A fixed amount (being 50% of the above amount) on each serviceable rating unit.

A targeted rate set on each metered rating unit of a fixed charge per cubic metre supplied to the rating unit.

A targeted rate on each rating unit for which no lump sum has been made towards the construction of the supply of a fixed amount.

Note: Targeted rates for rating units connected and for metered supply are invoiced quarterly by separate invoice.

Leakage

In respect of all metered water supply, where a leakage is detected, the amount of water supplied will be determined in accordance with Council's procedure relating to account reassessments.

Targeted Rates for Sewage Disposal

(Plan number WS 10192. Refer Targeted Rates Areas of Service.)

Council has set targeted rates on a differential basis for all rating units from which sewage is collected, or which are serviceable rating units.

For these purposes:

- The **"uniform sum"** means the amount payable when a rating unit has or is deemed, by Schedule 3 Note 4 of the Rating Act, to have a single water closet or urinal. (Schedule 3 Note 4 relates to rating units used primarily as a residence for 1 household)
- **"connected"** means a rating unit from which sewage is collected, either directly or by a private drain to a public sewerage system.
- A **"serviceable rating unit"** is one from which sewage is not collected, either directly or by a private drain to a public sewerage system, but the whole, or some part, of which is within 30 metres of Council's sewerage system and could be effectively connected to the sewerage system.
- **"Toilet"** means: a) a water closet; and b) each 1.5 metres or part thereof of urinal; and c) from 1 to 4 wall mounted urinettes

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- **"Category 1"** means the rating units with 1 to 4 toilets (water closets and urinals)
- **"Category 2"** means the rating units with 5 to 10 toilets (water closets and urinals)
- **"Category 3"** means the rating units with 11 or more toilets (water closets and urinals)
- **"Availability"** means those properties which are serviceable rating units.

Council has set the following targeted rate on a differential basis for sewage disposal in the urban area:

A differential targeted rate calculated as a fixed amount per toilet connected to the sewerage system on each rating unit as follows:

- Category 1 100% of the uniform sum
- Category 2 85% of the uniform sum
- Category 3 80% of the uniform sum
- Availability 50% of the uniform sum [per rating unit]

Targeted Rates for Refuse Collection

(Plan number. Refer Targeted Rates Areas of Service.)

Council has set targeted rates for refuse collection from separately used or inhabited parts of a rating unit within the respective service areas on a differential basis for refuse collection in urban and rural areas respectively, where the service is provided.