

To: Waihi Ward Committee

From: Corporate Services Manager

Date: Tuesday, 7 July 2015

File reference: Document: 1384734
Appendix A: 1305804
Appendix B: 1320073
Appendix C: 1371831

Meeting date: 14/07/2015

Subject: Request for Rates Remission Policy from Wilkinson

Recommendation:

THAT the report be received, and

THAT the Committee decides how it would like staff to respond to Mr and Mrs Wilkinson.

Purpose

This report is to advise the Committee of correspondence received, to seek feedback from the Committee on how staff should respond to the correspondence from Mr and Mrs Wilkinson, and to enquire as to whether there is support for a remission policy for residents of Waihi affected by underground mining.

Background

Mr and Mrs Wilkinson wrote to Council in January 2015 (see Appendix A) seeking a rates remission policy for properties in East Waihi affected by underground mining. They stated that a remission policy would lessen the impact of reduced property values, and that were issues in being able to sell properties in the affected area.

Staff replied (as per Appendix B) stating that we did not believe that we did not believe a rates remission policy would be particularly effective in increasing property values or in encouraging sales of properties. We also highlighted that the majority of rates were not affected by property values, that properties would be revalued as at 1 July 2015, and if residents thought the valuation did not accurately reflect property values then they had the right to object to the valuation.

Mr and Mrs Wilkinson replied (per Appendix C) asking if Council staff had ideas for a solution that would be more effective, e.g. actively advocating on the residents behalf.

Issues and options

The options are:

- Staff could reply to the Wilkinsons stating that the committee do not believe a rates remission policy would be an effective tool;
- The committee could recommend to Council that a consultation process be commenced regarding implementing a rates remission policy;
- The Committee could engage with the Wilkinsons regarding their concerns.

Significance and Engagement Assessment

This decision is considered not significant because it affects a limited number of residents.

If a Rates Remission Policy was to be put in place this would be subject to a public consultation process.

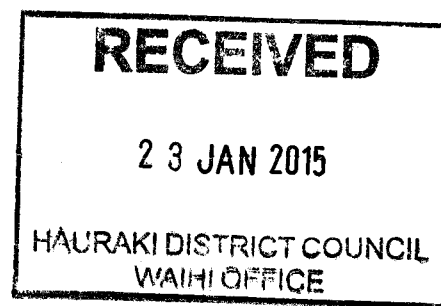
Conclusion

Staff recommends that a remission policy not be implemented as this would have little impact on property values or saleability.

Duncan Peddie
Corporate Services Manager

22/01/2015

Mayor John Tregidga.
Langley Cavers
Waihi Ward Gouncillors
Hauraki District council



Rates Rebate/Remission Request.

With reference to your letter dated 12 December 2014. The existing national policies for property values, Rate settings, etc. have been thoroughly researched by myself, as have the existing HDC rates rebate policies.

The Crown Mineral Act and Resource Management Act cannot and do not address all the impacts of Mining under privately owned properties in the Correnso zoned area.

Because mining under private properties in a residential zone is a novel activity in NZ recent history, I request HDC to thoroughly research and draft a new rates relief policy to address specifically mining consented areas in residential zones. This draft could be developed in consultation with residents and locals directly affected by the current consent, ie Correnso.

This is an opportunity for the council to potentially address some of the unique circumstances created by this consent which cannot be addressed by National legislation. Rates remission would be one way of softening the negative impacts of reduced property values.

Reasons to take into consideration for approving rates remission

- REINZ Sales figures for properties in East Waihi
 - 2011 16 sold - pre top up
 - 2012 11 sold - 6 with top up
 - 2013 22 sold - 17 with top up
 - 2014 9 sold - 5 with top up
- Little interest in properties in East Waihi because of uncertainty created by mining under private property, has also caused estate values to drop.
- The Environment Court process has not addressed the negative impact on private property values, for real estate which is not directly above the Stopes/lead roads.
- Contrary to Newmont's "expert" submission "bounce back" of property values to previous levels, despite the top ups has not occurred.
- Have been advised the voluntary "top up" has been practically withdrawn.
- The ability to sell estate in the Correnso zone has been virtually eliminated.
- HDC has an accountability with regard to the Consents to mine and therefore an accountability for adverse outcomes.
- HDC has a duty of care to its residents and ratepayers.

Have been advised Mr. Peter Thom and Dave Burton have received some of the data regarding the above with regard to sales figures. If you require further information please do not hesitate to contact me.

I look forward to your response, and would be happy to meet and discuss this request with any of you

Regards,
Graeme & Maggie Wilkinson

Handwritten signatures of Graeme and Maggie Wilkinson. The signature on the left is 'G Wilkinson' and the signature on the right is 'Maggie Wilkinson'.

12 March 2015

Mr and Mrs Graeme Wilkinson
69 Gladstone Road
Waihi

Dear Mr and Mrs Wilkinson

Rates rebate / remission request

Thank you for your letter dated 23 January 2015, in which you ask Council to consider developing a possible rates relief policy to address what you see to be mining effects on some residential properties in Waihi.

Staff consider that a rates remission policy would not be an effective method of addressing your concerns.

The principal concerns raised in your correspondence relate to the effect of the mining consent on property values and the ability to sell properties within the affected area.

Firstly, in considering the development of such a policy, there are many other situations throughout the District, besides the properties you note in Waihi, where properties are affected by effects from other properties or activities that would need to be considered. There are many residential properties in the urban, township and rural zones that are located close to activities that owners believe have impacts on their properties. To illustrate some instances:

- industrial zones throughout the District where noise, glare, vibration and other effects cross into residential zones and residential owners are affected'
- there are residential properties on either side of roads and State Highways where noise and dust generate adverse effects for these properties'
- We also receive complaints from some residential properties relating to adverse effects that arise from their neighbours farming activities.

Any policy developed for rates relief for properties in the District that owners/residents believe are subject to adverse effects, would need to include these examples and many others. Staff are of the opinion that such a rates relief approach is not practical.

The second major matter that would affect the development of such a policy is the reason behind the various rates that are struck and why these methods are chosen.

The majority of rates set by Council are based on fixed 'per property' charges that are not affected by property values. In the case of your property, only 26% of the rates are calculated on your property values and 74% are calculated on fixed rates. Any remission policy would have a limited impact.

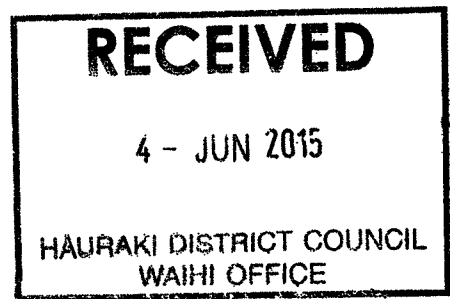
The property values that Council uses to set its rates are about to be revised through the District wide revaluation process. Notices of the new values should be circulated in October. This revaluation should reflect the latest values that properties in the affected area have been selling for. Ratepayers can object to property values at any time, but there is a charge

imposed. Once the notices are issued however, there is a period where there is no charge for the initial objection made.

As stated earlier, at this stage, staff believe that a rates remission policy would not be effective in addressing your concerns.

Yours faithfully

Duncan Peddie
Finance Manager



Hauraki District Council,

Reference No.1320073

Mark Buttimore/Waihi Ward councillors.

Thank you for the letter dated 12 March 2015, in reply to Rates rebate/remission request.

To clarify, the request was for property owners/residents living in the CEPA only

To state in your reply, "you ask the Council to consider developing a possible rates relief policy to address what you see to be mining effects on some residential properties in Waihi," indicates a disconnect between HDC staff and the knowledge/experience of private property owners living in the Correnso Area.

You then state, "Staff consider that a rates remission policy would not be an effective method of addressing your concerns."

If HDC staff have a better plan, to actively advocate on behalf of private residents living in the CEPA, it will be welcomed.

While I can sympathise with residents living in the circumstances HDC have used to illustrate the adverse effects of other residents living in the district. The activities listed do not compare with the social, emotional, financial impacts on residents, of living with mining, detonating explosives, metres away from private properties. The negative effects permitted by setting a precedent and allowing mining under private properties.

When first suggested the development of a rates relief document, it was considered it would have to encompass the points raised. When completed it could be used as a template by Councils around NZ if mining under private properties is accepted by other councils.

Last week when the announcement of 50 workers in the mining sector in Waihi were to lose their jobs, The Mayor John Tregidga was reported as saying he was supporting the Laid off workers 100%. The residents in the CEPA would appreciate the same commitment from the Hauraki District Council.

Yours Faithfully

Graeme & Maggie Wilkinson.

A handwritten signature in black ink, appearing to read "G. & M. Wilkinson", with a long horizontal line extending to the right.

69 Gladstone Road

Waihi

Ph 863 7076