

Public consultation feedback

	Theme	Summary of comment/suggestion	LINZ Response
General	Consultation	Consultation period has been too short and/or is not genuine.	Consultation ran from Wednesday 3 May and closed at 5pm on Tuesday 9 May. This is longer than the 3 days required by the SWERLA. LINZ acknowledges that may not have been enough for some who wished to consider the proposal and respond. However, this must be balanced against the need for the proposed order to be in place by early June to enable the Hastings District Council (the Council) to complete its revaluation by 30 June 2023. LINZ recommends no change to the OIC.
	Complies with Rating Valuations Act 1998 (RVA).	RVA requires these value to be as at 2022 – i.e. be based on the year they are due which is 2022 (pre-cyclone).	LINZ recommends no change to the OIC.
Reasons for Supporting	The Council needs to be able to levy rates for coming year.	Rates need to be set to keep city functioning.	LINZ recommends no change to the OIC.
	Is a practical solution under the circumstances.	Practical constraints are real. The Council does not have the data and time to assess properties with Cyclone damage taken into account.	LINZ recommends no change to the OIC.
		Revaluating damaged properties is not a good use of resources when there are other recovery priorities.	LINZ recommends no change to the OIC.
	Maintains fair property values.	It would be unfair for valuations to be lowered because of circumstances beyond property owners control (i.e. cyclone and delays in completing the revaluation).	LINZ recommends no change to the OIC.
	Fair to those whose properties were not affected by the cyclone.	It allows those unaffected to be valued appropriately (the majority of homes), while still allowing for the affected properties to be valued at another time.	LINZ recommends no change to the OIC.
	Will assist in cyclone recovery.	Will contribute to outcome/decisions on future of properties.	LINZ recommends no change to the OIC.

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		Will provide appropriate value for insurance claim and/or compensation for managed retreat.	LINZ recommends no change to the OIC.
Reasons for opposing - General Public	Property values at pre-cyclone levels will raise rates at a time of hardship.	Pre-cyclone values will be higher than if cyclone damage had been accounted for. This will increase rates charged. This is unfair and will increase hardship at time of financial stress.	Out of scope. Property values are used to apportion rates, but rates do not automatically increase if a property's value goes up. If a property increases in value by the same amount as comparable properties, the rates will probably increase by the overall percentage set by the Council. If other homes have increased more than the property in question, the rates may stay the same or even decrease. Council rates remission policy can address this. LINZ recommends no change to the OIC.
	Assessing values as 1 August 2022 will led to unduly high valuations.	Values at 1 August 2022 were the peak of the market and property values fell 20-30% from that pre-cyclone. This means that the revaluation will not reflect current market values.	The Act requires the Council to determine the effective date and there needs to be sufficient time between this date and notification of new values to allow analysis of sufficient market evidence and complete the audit process. All properties are valued for rating purposes on one date every 3 years, and this is consistent practice in rating valuation across the country. A change in effective date will require the Council to redo the completed work. This will further delay their general revaluation and cause financial loss to the Council, as it has already paid their valuers for the completed work. LINZ recommends no change to the OIC.
	The accuracy of the values will be affected.	Completing the revaluation without taking cyclone damage into account may affect accuracy of valuations long term.	By the time the next revaluation is due (2025) there should be sufficient market evidence for damaged or impacted properties and inspections can be completed. LINZ recommends no change to the OIC.
	Need for rates relief to mitigate effect of higher rates.	Need for rates relief/adjusted valuations to reflect economic situation of property owners.	Out of scope. The Council rates remission policy will address this. LINZ recommends no change to the OIC.

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Reasons for opposing - Federated Farmers	Assessing values as 1 August 2022 will led to unduly high valuations.	Pre-cyclone values will be higher than if cyclone damage had been accounted for. This will increase rates charged. This is unfair and will increase hardship at time of financial stress.	The Act requires the Council to determine the effective date and there needs to be sufficient time between this date and notification of new values to allow analysis of sufficient market evidence and complete the audit process. All properties are valued for rating purposes on one date every 3 years, and this is consistent practice in rating valuation across the country. A change in effective date will require the Council to redo the completed work. This will further delay their general revaluation and cause financial loss to the Council, as it has already paid their valuers for the completed work. LINZ recommends no change to the OIC.
	Should be able to object to valuation on basis that cyclone damage has been excluded.	Ratepayers should not be deprived of right to object on cyclone damage: it is likely that cyclone damage is exactly what ratepayers will want to object to, as this will be the cause of their valuation discrepancy.	Ratepayers can still object to the values, just not on the basis that Cyclone damage is not included. For instance, if they feel that the values as undamaged are not reflective of the prevailing market levels based on sales evidence for other undamaged properties in August 2022, then they can object. They can also object if houses or other improvements have physically been removed. This is still a trigger to alter the values. LINZ recommends no change to the OIC.
	Objections process may not work for those with damaged properties.	Victims may be unable to manage an objection process: We are concerned that victims of the cyclone will be unable to object within the timeframe, because they are displaced, have lost their means of income, and sometimes have even suffered a traumatic evacuation event and have even lost loved ones in the cyclone.	LINZ is very aware of the impact on affected owners The Valuer General will work with the Council to ensure that the processes are reasonably feasible for the affected people. The Council will manage this process and have policies in place, such as rates relief, to assist impacted property owners. LINZ recommends no change to the OIC.
	Notification of valuation may not work for those with damaged properties.	Many ratepayers will be unable to receive their notices because they have been displaced. Such victims are likely to be itinerant while their homes and properties are uninhabitable, which may last many months and even years.	The Valuer General will work with the Council to ensure that the processes are reasonably feasible for the affected people. The Council will manage this process and LINZ understands they have a database of contacts of those who have been displaced so that ratepayers are made aware of changes that impact them. LINZ understands that Council used this database to contact affected parties directly about the proposed changes and the opportunity to provide a submission.

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	Need for rates relief to mitigate effect of higher rates.	The lack of a specific cyclone rates remission package accompanying the proposal leaves us concerned that rates relief will be inadequate to counter the effect of higher valuations. The Hastings District Council has the generic Natural Calamities Remission policy, but this is not specific to the cyclone and relies on individual applications for relief with uncertain outcomes as to how much relief each individual ratepayer will receive.	Out of scope for LINZ. The Council manages this process. LINZ recommends no change to the OIC.
	Use of property values for rating purposes is flawed.	Property value as a basis for rating is flawed. This conundrum around valuations post-emergency demonstrates that using property value as a basis for rates is a flawed model. Rates should be a charge for services received, not a property tax.	Out of scope.
Suggested Alternatives	Move the effective date of the revaluation.	Take the value as at 1 February 2023 or some other date closer to current market values. Values at 1 August 2022 were the peak of the market and property values fell 20-30% from that pre-cyclone.	The Act requires the Council to determine the effective date and there needs to be sufficient time between this date and notification of new values to allow analysis of sufficient market evidence and complete the audit process. All properties within a district are valued for rating purposes on one date every 3 years, and this is consistent practice in rating valuation across the country. A change in effective date will require the Council to redo the completed work. This will further delay their general revaluation and cause financial loss to the Council, as it has already paid their valuers for the completed work. LINZ recommends no change to the OIC.
	Undertake a differential revaluation.	Consider using different multipliers for different zones of the district or red/yellow stickered properties and undamaged properties to reflect that cyclone damage varies across the district.	The Council have advised that they don't have the resources to complete comprehensive property inspections and analysis for property damage. Furthermore, there is no market evidence to support what the values should be adjusted by. LINZ recommends no change to the OIC.

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	Let property owners decide on inclusion/exclusion of cyclone damage for revaluation. (Federated Farmers)	The choice to include or exclude cyclone damage to the value of their property should be at the request of the ratepayer. This choice should not be removed from the person most affected.	Following the release of the revaluation, property owners will be able to let the Council or their Valuers, QV, know if buildings and other improvements like vineyards have been demolished or physically removed from the property. A process for self-reporting by owners will be set up by the Council and QV. Values will then be altered to account for the removal of improvements. This will give the owners the choice if they want to notify Council of changes to their property. LINZ recommends no change to the OIC.
	Waive resulting rates increases or reducing rates for damaged properties.	Allow owners of properties with cyclone damage to apply for an exclusion from any rates increase.	Out of scope for LINZ. The Council will decide an appropriate rating and rates remission policy including how this will be applied to ratepayers who have been impacted. LINZ recommends no change to the OIC.
	Delay revaluation to ensure impact of cyclone damage can be accounted for in the valuations.	Delay revaluation to assess the cyclone damage and factor it into values. If revaluation were delayed by 6-12 months Council could work with EQC and insurance assessors or use GIS technology for a broad brush assessment.	It will take in excess of 12 months for the market to establish a post-cyclone value level and for sufficient sales evidence to support a revaluation. LINZ recommends no change to the OIC.