

## 21. Rates

### 21.1 Rates

All properties, including the properties of missions and posts, are subject to municipal or regional dues and taxes from local authorities known in New Zealand as *rates*.

In accordance with Article 23 of the VCDR and Article 32 of the VCCR, refunds for the non-beneficial portion (i.e. the portion for which no specific services are received in return) of the rates on properties occupied by missions, posts and residences of Heads of Mission and Heads of Post will be granted, whether owned or leased on the basis of reciprocity with the sending state. Refunds to rates on the staff residences will not be granted unless there is a reciprocal arrangement with the sending state.

The beneficial portion of the rates, which MFAT will not reimburse, represents payment for 'specific services rendered', includes water, sewerage and refuse disposal. In addition to the water, sewerage and refuse disposal charges above, in some cases MFAT has deemed a further 17.5% of the City Council and Regional Council rates as constituting "other beneficial services". This covers other council expenditure such as footpaths, roads, street cleaning, street lighting, city safety etc. The 17.5% "other beneficial services" provision will also be applied on the basis of reciprocity, i.e. it will be reimbursed to missions/posts of sending states which extend an equivalent privilege to New Zealand missions/posts in their territories.

#### 21.1.1 Unoccupied Property

Rates on bare land or unoccupied diplomatic properties, whether owned or leased by a mission or post, are not refundable. Rates are only refundable on diplomatic and consular properties that are occupied and are being used for the stated purpose of the mission/post.

#### 21.1.2 Properties Owned by a Mission or Post

Rates are refunded once a year. Under this procedure, missions and posts may seek refunds at the end of the rating year, in June, or alternatively they may wish to pay the full year's rates in advance once instalment one is issued, in which case they may seek an immediate refund from MFAT.

When seeking refunds, missions and posts must provide Protocol Division with the following:

- (a) the Council Rates invoices;
- (b) the receipts for each payment made by the mission or post;
- (c) the Council Rates Assessment Notice.

MFAT is unable to refund rates if all the pages of the Rates Assessment Notice are not provided to Protocol Division.

#### 21.1.3 Properties Leased by a Mission or Post

In New Zealand, local body rates are payable by the owner of a leased property, not the occupier of the property.

For missions or posts seeking a rates refund on leased properties – whether occupying a multi-tenanted building or as sole occupancy, where rates are paid separately from a lease agreement, MFAT will require the following to be provided for claiming rates for the financial year:

- (a) the Council Rates invoices;
- (b) the receipts for each payment made by the mission or post;
- (c) the Council Rates Assessment Notice;
- (d) a signed statement from the landlord's accountant/building manager identifying the portion of those rates which relate to the leased premises, that is, the metrage of floor area and percentage of net

lettable area that relates to the mission or post. This statement should also include the beneficial portion of water and sewerage in the rates.

Where missions or posts lease properties – whether occupying a multi-tenanted building or as sole occupant, where rates are included in a lease agreement, MFAT strongly encourages the mission or post to arrange for their rates to be paid separately from the lease agreement. However, where rates are included in a lease agreement MFAT will require the following to be provided for claiming rates for the financial year:

- (a) a copy of the Council Rates invoices addressed to the landlord;
- (b) a copy of the Council Rates Assessment Notice addressed to the landlord;
- (c) a signed statement from the landlord's accountant/building manager identifying the portion of those rates which relate to the leased premises, that is, the metrage of floor area and percentage of net lettable area that relates to the mission or post. This statement should also include the beneficial portion of water and sewerage in the rates.

For missions and posts seeking a refund of rates for leased properties, rates will continue to be refunded annually at the end of the rating year (1 July – 30 June).

#### 21.1.4 Late Refund Requests and Penalties

Rates refunds are required to be made in the financial year in which they fall due, so missions and posts are asked to ensure that requests for refunds are submitted at the end of the rating year. Refund requests should be received by 30 September each year. Late requests may be considered on a case-by-case basis, and are not guaranteed to be processed.

Requests for refunds for previous years will only be considered in exceptional circumstances.

It should be noted that local authorities are empowered to impose a 10% penalty on rates unpaid by a certain date. The date is shown on each demand notice. Penalties incurred will not be refunded by MFAT.

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