

14 November 2025

[REDACTED]  
Tēnā koe [REDACTED]

**LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT Request: 2025-58**

Thank you for your email of Monday 10 November 2025 to the Carterton District Council requesting the following information:

*"... - The total number of ratepayers within the Carterton District Council and the date that this is relevant for.  
- Additionally a quick note on how your council defines a "rating unit," just so I'm consistent across all councils."*

Your request has been considered under the Local Government Official Information and Meetings Act 1987 (the Act).

The total number of rates covered in July 2025 is 5380, please note that this figure does not include non-ratables.

Attached as **Appendix A** is a summary definition of a rating unit that refers to the relevant sections of the Local Government (Rating) Act 2022 which is a compliance requirement for all Councils in NZ.

Please note, the Council proactively publishes LGOIMA responses on our website. As such, we may publish this response on our website after five working days. Your name and contact details will be removed.

Thank you again for your email. You have the right to ask an Ombudsman to review this decision. You can do this by writing to [info@ombudsman.parliament.nz](mailto:info@ombudsman.parliament.nz) or Office of the Ombudsman, PO Box 10152, Wellington 6143.

Nāku noa, nā



Geoff Hamilton  
Chief Executive  
Carterton District Council

## 2. The rating unit and the ratepayer

This section discusses two of the most fundamental concepts of the Rating Act:

- the rating unit (or “what” gets charged rates)
- the ratepayer (or “who” is liable for the rates bill).

### Things to remember

The rating unit is the unit of liability –once a rating unit exists, someone has a bill to pay.

Generally, establishment of a rating unit requires the existence of a separate record of title – though rules made by the Valuer-General allow for exceptions that establish land without a record of title as a rating unit or combine more than one record of title into a rating unit.

Where the owner and the occupier are different people, the legal obligation to pay rates lies with the owner and it is to that person that legal recourse generally lies (except in very specific circumstances).

### What is a rating unit? (ss5A, 5B and 5C RVA and the RVR)

In tax policy terms, the rating unit is the unit of liability – that is to say, it is the existence of a rating unit that gives rise to the obligation to pay rates.

The term “rating unit” is defined in the RVA.<sup>7</sup> The main determinant of whether or not a rating unit exists is the existence of a separate record of title (in essence, a document that gives someone an ownership interest in, and the right to sell or lease, an identified part of land).

The RVA defines a record of title as a certificate issued under the:

- Land Transfer Act 2017 for an estate in the fee simple
- Unit Titles Act 2010 for a stratum estate
- Land Transfer Act 2017 for both an undivided share in an estate in the fee simple, and an estate in leasehold of a building or part of a building on land comprised in the estate in the fee simple (commonly referred to as a cross lease).

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<sup>7</sup> ss5A, 5B and 5C, RVA.



Land that does not have a record of title (RT) and is not Crown land may be a rating unit. The Valuer-General has discretion to make rules within the following two principles:

- a. In the case of Crown land, the rating unit is any land where the Valuer-General considers it appropriate to treat as though it has a RT.
- b. In other cases, either some legal instrument recording or registering ownership of the land must exist, or the Valuer-General must consider that the land could be sold or otherwise transferred.

The “rule of thumb” is that one RT creates one rating unit. But there are exceptions to this.

The Valuer-General can make rules that allow for the combining of multiple RTs into a single rating unit. These rules only apply if the land in question is:

- a. owned by the same person or persons
- b. used jointly as a single unit
- c. contiguous (next to each other) or separated only by a road, railway, drain, water race, river or stream.

The Valuer-General has made rules (see [Rating Valuations Rules 2008](#)) where:

- a substantial improvement straddles the boundaries of two RTs
- legal requirements mean that the RTs must be sold or leased together
- the land is a large holding such as reserve, airport, port or railyard and it is unreasonable to treat each RT as a separate rating unit
- the land is used as one farming operation and it is likely that the operation will be alienated (sold or transferred) only as one farming operation.

### **Example 2: A common rural situation**

Upper Creek Farm is divided into three RTs. One is owned by Mr B Smith, one by Mr F Smith and one by the Smith Family Trust. The land in all three RTs is currently farmed by both Smiths as a single unit. How many rating units exist here?

There are three rating units. Each RT is owned by a different legal person (the trust is regarded as a person in its own right). So, while the rating unit is currently farmed as a single unit, the Valuer-General cannot make rules declaring this as a single rating unit.

This is a common situation in rural areas.

The Valuer-General may also make rules allowing for rating units that consist of part of a record of title (and has done so). This applies to land owned by the Crown or land that is surveyed with a separate lease, or Māori freehold land subject to an occupation order made by the Māori Land Court – but in each case, only where the Valuer-General considers it appropriate.

Where land is in two or more districts, the part in each district constitutes a separate rating unit.

The Valuer-General may also make rules that set out how valuers should determine whether land with no RT should be treated as a rating unit. This is somewhat murkier, and the rules take the form of a set of principles or criteria rather than legislation.

Those rules must be consistent with the following principles:

- if land is owned by the Crown, the rating unit is any land that the Valuer-General considers should be treated as if it is described in a record of title
- if land is not owned by the Crown, the rating unit is land described in any instrument registering or recording ownership of a piece of land (deed, Gazette notice, etc.) or, where there is no such instrument, whatever land could be sold or transferred as a property.

Figure Two below shows how to determine whether a rating unit exists.

**Figure Two: What is a rating unit?**

