



## **Report 01.169**

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Report to the Rural Services and Wairarapa Committee  
from David Bulman, Valuation Consultant, and Ian Heslop, Divisional Engineer

### **Proposed New Rating Classification - Waiohine (Rural) River Management Differential and Waiohine (Greytown) River Management Rates**

#### **1. Purpose**

To obtain a Committee resolution recommending that Council proceed by way of Special Order to alter the existing Waiohine-Mangatarere River Management Scheme Rate and rename it the Waiohine (Rural) River Management Rate

To obtain a Committee resolution recommending that Council create the Waiohine (Greytown) River Management Rate.

#### **2. Background**

2.1 The Waiohine-Mangatarere River Management Scheme and existing rating classification have been in place since 1953. The existing classification needs to be updated, as it doesn't reflect current levels of flood protection, or appropriately apportion benefit between the rural and urban floodplain areas. Also there is a requirement to bring the classification into the framework of the Rating Powers Act, and to address the widely held perception amongst rural ratepayers that the current rating basis is unfair.

2.2 At the June 1998 meeting this Committee approved the formation of a Waiohine Floodplain Advisory Committee (WFAC) to assist Council with the review of the current rating basis and the related public consultation process.

2.3 At the March 2000 meeting this Committee endorsed the WFAC rating review progress, and at the August 2000 meeting the proposed new Waiohine River Management Scheme rating classification approach was approved for public consultation purposes. At the February 2001 meeting a further report summarising progress with the public consultation process was endorsed by this Committee.

### 3. Comment

- 3.1 At present the Waiohine-Mangatarere River Management Scheme local contribution to the scheme is funded by a rate struck by the WRC on all rural properties, and a contribution is levied from South Wairarapa District Council to meet the urban (Greytown) part of the scheme. South Wairarapa District Council strikes and collects over all Greytown properties a rate on land value using its rating system.
- 3.2 A rating scheme must use a single rating system (i.e. land area, land value, or capital value). As the proposed funding for works on the Waiohine River uses land area (rural properties) and capital value (urban properties) it is necessary to create two separate rates to achieve this funding mix. The two rates will be the Waiohine (Rural) River Management Rate and the Waiohine (Greytown) River Management Rate.
- 3.3 The key components of the proposed new rating classification approach are as follows:
- The benefiting floodplain area will be divided into an urban area enclosing Greytown, and a rural area consisting of the remaining floodplain area.
  - The urban area will include those properties considered to be of urban character, and will be larger than the current South Wairarapa District Council urban zone.
  - The Waiohine (Rural) River Management Rate (Attachment 1) will meet 50% of the local contribution to the costs of the scheme and be collected only in rural areas on a differential land area basis.
  - The Waiohine (Greytown) River Management Rate will meet 50% of the local contribution to the costs of the scheme and be collected only in the defined urban area of Greytown on a uniform capital value basis. This rate doesn't require a Special Order.
  - For the rural area, in addition to the differential land area rate, a site weighting (curtilage) will be applied for each house and commercial building.
  - Site weightings will be added for new or relocated houses or commercial buildings, and removed on demolition or removal of existing houses or commercial buildings.
  - The urban area will expand in line with additional urban or commercial development, and the rural to urban rate allocation will be revised as appropriate.
  - The rural rating classification will be adjusted as new flood protection measures are put in place.
- 3.4 Attachment 2 includes the proposed Rating Rolls for each of the rural and urban areas, and the rating incidence for each property within these areas. WRC Plan Number 3/112 shows the differential rating classification proposed for the rural area, and the proposed boundaries to be adopted for Scheme rating purposes.

- 3.5 Section 84 of the Rating Powers Act 1988 requires that where the Council introduces a system of differential rating that applies within the district of the Council, it must do so using the Special Order procedure contained in section 716B of the Local Government Act 1974. The Special Order procedure requires that Council put before a meeting its intention to make the Special Order and confirms the Order at a subsequent meeting. This second meeting must be held no later than 70 days after the day of the first meeting or the Special Order lapses.
- 3.6 The intended timetable for the Special Order process is:
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|---------------|---|
| 19 April 2001 | Council approval of intention to establish rating district. |
| 25 April 2001 | First public notice given.                                  |
| 16 June 2001  | Second public notice given.                                 |
| 28 June 2001  | Council confirmation of Special Order.                      |
| 2 August 2001 | Rates are struck.   |
- 3.7 It should be noted that, as the proposed Waiohine (Greytown) River Management Rate would be struck on a uniform capital value basis, the Council is not required to go through the Special Order process. South Wairarapa District Council has expressed its willingness to levy and collect this rate for the WRC as part of our current rate collection agreement.

## 4. Consultation

- 4.1 The consultation process has consisted of the following:
- regular meetings with the Waiohine Floodplain Advisory Committee, which includes representatives of both rural and urban ratepayers, the Greytown Community Board, South Wairarapa District Council, and Wellington Regional Council;
  - newsletters distributed to rural and urban ratepayers;
  - letters to all 262 rural ratepayers, and to 44 of the 984 urban ratepayers with substantial increases, advising of their proposed new rate in comparison to their current rate;
  - a public exhibition held in Greytown;
  - articles in local newspapers.
- 4.2 The feedback from the consultation process has been positive. From a total of 250 rural ratepayers only eleven enquiries have been received. The majority of these enquiries were from small property owners concerned about significant increases resulting from the introduction of site weightings.
- 4.3 From a total of 980 urban ratepayers only five enquiries have been received. The main concerns expressed were unhappiness with inclusion in the new urban area, or rate increases caused by the change to capital value rating. Staff have responded to these enquiries, and the explanations given have generally been well received.

- 4.4 Staff are confident that sufficient consultation has been undertaken to make ratepayers aware of the proposed changes, and to gauge what is considered to be a very high level of support for the changes.

## 5. Communication

There are no further communication measures suggested other than those relating to the Special order process. The Special Order process will provide formal notification to the general public, as well as the opportunity to examine the proposed Classification Plan and Rating Roll, and to make submissions to Council before confirmation or otherwise.

## 6. Recommendation

*That the Committee recommend that the Council:*

- (1) *Adopt, by way of Special Order, a differential rating system for the purpose of collecting a catchment board separate rate from 2001/02, to be known as the Waiohine (Rural) River Management Rate, as per Attachment 1.*
- (2) *Adopt the Waiohine (Greytown) River Management Rate as a rate made on a uniform capital value basis on all property in the Greytown urban area as defined by WRC Plan Number 3/112.*

Report prepared by:

Approved for submission by:

David Bulman  
Valuation Consultant

Ian Gunn  
Manager, Operations

Ian Heslop  
Divisional Engineer

  
Colin Wright  
Divisional Manager, Wairarapa