



**Report**                    **05.625**  
**Date**                      4 November 2005  
**File**                        WO/03/30/03

**Committee**            **Rural Services and Wairarapa**  
**Author**                **Rob Harrison, Land Management Consultant**

## **Awhea Opouawe Catchment Scheme Classification Review**

### **1. Purpose**

To advise the Committee of proposed amendments to the classification for the targeted rates for the Awhea-Opouawe Catchment Scheme, and to seek approval of a new classification.

### **2. Significance of the decision**

The matters in this report do not trigger the significance policy of the Council or otherwise trigger section 76(3)(b) of the Local Government Act 2002.

### **3. Background**

Greater Wellington staff have recently been involved in reviewing the rating classification for the Awhea-Opouawe Catchment Scheme. The scheme comprises 46,000 hectares with nearly 50% of the land being erosion prone (class 7 or greater under the NZ Land Use Capability system.). This is a very high percentage of erosion prone land.

The scheme began in 1958. The focus of the works in the scheme is the retirement and/or planting of erosion prone land. Other works have included retirement fencing, dewatering slips and slumps, river training and the construction of a stopbank at Tukurumuri.

In 1989 Greater Wellington purchased the Stoney Creek property separately from the Catchment Scheme. This property is situated in the “middle” of the scheme on highly erodible lands. Greater Wellington has subsequently afforested 1100 hectares of the property with *Pinus radiata* on land susceptible to erosion.

When the Catchment Scheme was reviewed in November 2004 the local community considered that the prime objective was to work with the community, South Wairarapa District Council and Greater Wellington Regional Council to protect private and community assets focusing on vehicular access. Other objectives included maintaining existing works, development of new works (with a priority in the headwaters of the Awhea River and Stoney Creek) maintaining the Awhea river in critical aggradation areas so that moderate flows carry the bedload through these areas and the promotion of sustainable land use.

The existing classification has been in place since the Scheme's inception, some 45 years ago. There has been considerable interest in some quarters for changes to the classification. This has surfaced following the substantial coastal subdivision development in recent years.

Mr David Bulman (valuation consultant) was contracted by Greater Wellington to develop a revised rating classification, in conjunction with Rob Harrison, former manager of the Awhea-Opouawe Catchment Scheme.

A meeting of local ratepayer representatives of the Advisory Committee was held on 17 June 2005. At that meeting there was unanimous approval for change in the classification as proposed by David Bulman.

In the later General Meeting of Scheme ratepayers held on the 29 September 2005, the meeting endorsed the proposed changes to the rating classification.

### **3. Key Points of Proposed Changes**

- 3.1 It is desirable that a rating scheme is fair and that the rating requirements are as closely aligned as possible to the benefits and protection afforded by the Scheme to individual ratepayers. Presently under the Council's Revenue and Funding policy 50% of the funds come from the General rate and 50% from targeted rates from within the scheme's area. It is felt that some users of the district and coastline are paying less than realistic rates under the existing classification which is based on land area assessment only.
- 3.2 The rating should reflect the protection provided to residents as it affects the social and infrastructural assets of the district such as roading and bridges. To this end a rating for each house (curtilage) has been incorporated into the classification. The proposed rate is \$100 (plus GST) for the first house on any rating assessment, and \$50 (plus GST) for each additional residence.
- 3.3 It is considered that rating should also reflect the benefit accruing to land within farming operations as farmers needed to contribute fairly. How this should be done might be the subject of debate. The opinion of the Classifier is that capital value generally reflects the perceived productive worth of land. Hence land area is proposed to be continued as the basis for rates collection in association with the dwelling curtilage.

There are no suitable means to capture rating from fishing or other coastal industry operations other than by curtilage, and only then if those operators owned property.

The split between rating contributions of land, and of dwellings has been assessed at approximately 50/50.

- 3.4 Rating revenue is not expected to increase overall at this stage. Anticipated revenue for 2005/2006 is \$16,637. The proposed changes aim to gather similar revenue, through application of the dwelling curtilage in combination with a lower per hectare rate. South Wairarapa District Council currently contribute nearly \$5000 annually in lieu of rates.
- 3.5 Per hectare rating charges are expected to decrease by the following amounts. (amounts are in dollars/ha)

	<b>2005/2006</b>	<b>Proposed 2006/2007 (without Producers Index adjustment)</b>
Class A	1.2680	0.6206
Class B	0.9510	0.4654
Class C	0.6340	0.3103
Class D	0.5072	0.2482
Class E	0.3170	0.1551
Class F	0.1268	0.0621
Class G	0.0000	0.0000

- 3.6 Rating revenue split from dwellings/land is expected to be

Land	\$ 8,144
Dwellings	<u>\$ 8,493</u>
Total	\$16,637

#### **4. Effect of Proposed Changes**

The effect of the proposed changes is that approximately half the ratepayers will gain some rate relief, and half will be paying more rates. Those ratepayers paying significantly more in percentage terms are mostly those embraced by the dwelling curtilage, and without significant land holdings. These assessments could formerly be rated only a few cents per year under the land area only assessment. Larger land owners will typically receive greater rating relief.

#### **5. Submissions received at the General Meeting on 29 September 2005**

Dan Riddiford of Te Awaiti Station submitted that householders should contribute \$200 rather than the \$100 proposed to reflect their use of the road. He further submitted that The Heights area of 4,000 ha should be non-rated because of non-grazing and existence of kanuka and bush cover. He did applaud the

proposed incorporation of a curtilage, and expressed the view that in time the classification could become more sophisticated.

Stephen Franks of Tawini Station submitted subsequent to the meeting that if the Scheme was rating solely for access use it should abandon any land rate. Council staff believe there is sound argument to continue land rating in conjunction with dwelling charges, given the many works applied to land above or below or next to roading or bridging works.

## **6. Communications**

Meetings have been held with both the Scheme Advisory Committee and with ratepayers. The proposed changes will be included in the Annual Plan. Landowners can make submissions at that time so there is no necessity for any further communication with the Scheme ratepayers at this time.

## **7. Recommendation**

*That the Committee recommend to Council that it*

- (1) **Adopt** the proposed reclassification.*
- (2) **Process** the revised rating in accordance with Council procedures under the Annual Planning process.*

Report prepared by:

Report approved by:

**Rob Harrison**  
Land Management Consultant

**Dave Cameron**  
Regional Land Management Officer

**Ian Gunn**  
Land & River Operations Manager

**Colin Wright**  
Divisional Manager, Wairarapa