

Report 08.220
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Committee Catchment Management
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Lower Wairarapa Valley Development Scheme - Proposed Adoption of a New Rating Classification

1. Purpose

To consider the recommendations of a Hearings Committee to adopt a new rating classification for the Lower Wairarapa Valley Development Scheme (LWVDS).

2. Significance of the decision

The matters for decision 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

The LWVDS has been in place since the early 1980's. Construction commenced in 1963 and was completed in 1982. Since that time only minor changes to the rating classification have occurred. A review of the rating scheme is long overdue.

The rating review commenced in 2004. It has been complicated and delayed by the flood events of 2004, 2005 and 2006. A LWVDS Review Committee has met at regular intervals and newsletters have been forwarded to all ratepayers. There have been two series of extensive public meetings. The last series was completed in April 2007.

At the September 2007 Policy, Finance and Strategy meeting the Committee received Report 07.636 and recommended that Council:

- (a) *Agrees to commence the Special Consultative Process for finalising the proposed new rating classification for the Lower Wairarapa valley Development Scheme.*
- (b) *Notes the proposed timetable for consultation.*
- (c) *Approves the Statement of Proposal and Summary of Proposal for public consultation.*

The Special Consultative process was advertised in the Wairarapa News on the 17th October 2007. All potential ratepayers were forwarded a summary of proposal in mid-late October 2007. Twenty six written submissions were received. Submissions closed at 5pm 19th November 2007.

At the November 2007 Catchment Management Committee meeting the Committee received Report 07.771. It was resolved:

That the Committee:

Appoints a Hearings Committee comprising Cr Ian Buchanan, Cr Rex Kirton and Mark Lovett to hear and consider the submissions received.

The Hearings Committee heard those submitters who wished to be heard at a public meeting on 14th December 2007 and reconvened on 4th March 2008 to consider advice from David Bulman (Classifier) and officers of Council. The minutes for each of these meetings are attached as **Attachment 3**.

4. Submissions

Twenty six submissions were received (see **Attachment 2**), with six submitters wishing to be heard.

In summary the submissions focused on;

- The dwelling charge (commented on in 20 submissions)
- Lack of consultation - 1 submitter.
- Issues related to 7 specific properties

When invited to present their oral submissions a copy of David Bulman's/staff's response to the specific submission were forwarded to each submitter.

After considerable debate and discussion the Hearings Committee has recommended the following changes to the proposed new rating classification;

- That the scheme extent layer be renamed the "the area of community benefit". It is an indirect benefit rather than a direct benefit as outlined in the statement of proposal.
- That the points allocated to the "area of community benefit" be reduced from 10 to 6.
- That the dwelling charge be reduced from \$35 to \$17.50 (plus GST) for those dwellings whose access has been isolated by the operation of the floodways.
- That a ponding factor be applied to the Whakawiriwiri drain.
- That a differential protection flooding factor be applied to the upper section of the Hikinui Floodway.

An individual response has already been forwarded to each submitter outlining the Hearings committees recommended decisions, see **Attachment 2**. They have also been informed of the dates when council will consider this matter.

5. The New Rating Classification

The new rating classification complete with the amendments recommended by the Hearings Committee is described in two elements;

- total points allocated per hectare to each property, see map 12, **Attachment 1**, and
- a dwelling charge dependant on location, see map 10, **Attachment 1**.

The Local Government Act (2002) requires local authorities to consider the benefits received by the community as a whole, any identifiable part of the community and any individuals. Direct and indirect benefits of the scheme have been described on layers within the Council's Geographic Information System (GIS).

Two direct benefits have been identified:

- Those that have increased the productivity of the land. These have been assessed as the parcel of advantages accruing to the owners of properties directly affected by periodic or ongoing threat from the detrimental actions and vagaries of the river and waterway system, the primary levels being protection from flooding, course change and erosion. Secondary issues are drainage/ponding, diversions and dredge tailing deposits. A points system based on land area has been developed to assess the individual property's rating contribution.
- Those that directly benefit infrastructure, primarily South Wairarapa District Council (SWDC) infrastructure, including roads, sewerage and water supply built on the directly benefiting land. The original intention was to charge this directly to SWDC, however they did not agree to paying a charge. As a consequence the dwelling charge was developed to cover the fact that the roading network etc is better protected as a direct consequence of the scheme's works.

The indirect benefit is described as the community area of benefit from the public works. The public works of the scheme have enabled the general community to obtain additional opportunities for both the directly benefiting land and the land at the fringe of the directly affected area e.g. Western Lake road, the area upstream of State Highway 2, Battersea and on the eastern side of the scheme the land to the west of the Martinborough – Lake Ferry Road.

A description of the various benefits mapped as layers is presented in **Attachment 1**.

6. The Funding

In the LWVDS funding has been structured as follows: (the funds proposed to be generated in 2008/09 under each category, excluding GST, are indicated within brackets):

(1) Direct benefits:

- (a) to land, in this case damage reduction and overall productivity advantages (\$506,142).
- (b) to the SWDC's infrastructure situated on the protected land, a (regional council) works rate over a district council area, described as the dwelling charge being \$35 or \$17.50 (excl GST) dependent on location (\$61,828).

(2) Community area of benefits:

- (a) to the local community, including the properties/people who have direct benefit - another 'layer' or rate over the local area, the community area of benefit layer (\$51,910).
- (b) to the wider region – at present 50% of the annual works programme from the general rates of the regional council (\$501,100).

7. The Process from here

The decisions of the Hearings Committee will be considered by the Catchment Management Committee at its May meeting for recommendation to the full Council meeting on 19th May 2008.

One submitter, Matt Wall (Papakowhai Trust) supported by a neighbour, Sandy Bidwell, will make a presentation to the May Catchment Management Committee. Matt Wall believes that the classification, as drafted, does not reflect the fact that his stopbank as well as his neighbour's stopbank predates the scheme.

If adopted the new classification will be applicable from next financial year, 2008/09. The rates calculations given to landowners to date have been based on the current maintenance works programme for 2007/08. The LWVDS will have its annual meeting shortly to consider the works programme and the required funding for 2008/09.

An expected rates calculation has been included in Council's draft annual plan. It is possible that following the annual meeting the total rates take, and the apportionment between the categories, may need to change. For example, South Wairarapa District Council who collect the rates on GW's behalf has now produced a database giving the number of dwellings per property. Previously this was unavailable to GW staff. This is providing an important double check of the number and location of the dwellings within the scheme, and hence the total rates payable by this category.

8. Communications

There has been extensive consultation with the community throughout this process. On adoption of the new classification an advertisement will be placed in a local newspaper summarising the decisions. In addition, once the works programme for 2008/09 has been approved by the Scheme Advisory Committee a newsletter will go out to all the ratepayers of the scheme.

9. Recommendations

That the Committee:

1. ***Receives the report.***
2. ***Recommends that Council:***
 - ***Adopts the amendments to the proposed rating classification recommended by the Hearings Committee.***
 - ***Approves the new rating classification for implementation from next financial year, 2008/09, as set out in Attachment 1.***

Report prepared by:

Report approved by:

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Attachment 1 – Final proposed classification including Maps 1-12

Attachment 2 - Submissions and Hearings Committee decisions (enclosed separately)

Attachments 3 – Minutes of the Subcommittee decisions