

## **Report 99.376**

28 June 1999

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Report to the Policy and Finance Committee  
from Ted Maguire, Council Secretary

### **1999/2000 WRC Rates - Statutory Process**

#### **1. Purpose**

The purpose of this paper is to recommend that Council commence statutory processes to make its 1999/2000 rates.

#### **2. Background**

##### **2.1 *Introduction***

The rates made by the Wellington Regional Council are as follows:

- General Rate
- Works and Services (Regional Transport )Rate
- Works and Services (Rivers) Rate
- Stadium Purposes Rate
- Scheme rates (Catchment, Drainage and Rural Water Supply)
- Bovine Tb Vector Control Rate

The basis of all rates is in accordance with the Council's approved Funding Policy.

The following paragraphs provide further information on different facets of the rating system.

##### **2.2 *General Rate***

This pays for such region wide activities as resource planning, regional parks, monitoring water quality, emergency management, harbours, conservation forestry, soil conservation, plus the "regional" contribution to rivers and biosecurity.

As previously advised, the Local Government Reorganisation (Wellington Region) Order 1989 requires the Council to apportion the general rate in accordance with equalised capital values provided by the Quotable Value NZ. This is because regional councils, unlike territorial authorities, do not have a valuation roll over the whole council area of responsibility (region) at a common date. The equalisation process adjusts total district values (but not individual property values) in districts revalued in earlier years to reflect the overall market changes in the intervening period. It is a price-index type adjustment. Equalised Capital Value means that a nil rate increase will impact differently on various constituent districts. The audited equalised capital values were reported to Council on 22 June (Report 99.337).

For the 1999/2000 Wellington Regional Council rates the date of valuation equalisation in accordance with the policy agreed by Council is 1 September 1998. It should be noted that the rating apportionment only relates to the general rate.

### 2.3 *Works and Services (Regional Transport) Rate*

The Regional Transport Rate is struck on a differential basis in each of the territorial authority districts according to the benefit derived from public transport services. The benefits have been assessed using the following formula:

- access to jobs (42.5%),
- increased sales (42.5%),
- less congestion (10%) and
- social benefits (5%).

Confirmation of the Special Order, which determines the new differentials to apply in 1999/2000, is the subject of a separate report.

### 2.4 *Works and Services (Rivers Management) Rates*

These rates are made in Lower Hutt, Upper Hutt, Porirua and Wellington Cities and Kapiti Coast and Carterton Districts to reflect the amount of capital works budgeted for in the year and levied on the basis of capital value. These rates pay for local communities' contributions (currently up to 50%) to river maintenance and flood protection improvements - the other 50% is funded on a region-wide basis from the general rate.

### 2.5 *Works and Services (Stadium Purposes) Rate*

This separate rate meets the Council's annual costs of servicing and repaying the loan raised to fund its contribution to the Wellington regional Stadium. It is made on a differential capital value basis reflecting direct and indirect benefits to different areas and classes of ratepayers.

### 2.6 *Scheme Rates (Catchment, Drainage and Rural Water Supply)*

The Wellington Regional Council levies rates on specific properties within thirty-three catchment, drainage and rural water supply schemes in the Wairarapa Constituency.

## 2.7 *Bovine Tb Vector Control Rates*

This is levied on rural properties throughout the region of 10 hectares or more. It is a differential rate with a higher rate applying in areas where there are current control programmes.

## 3. **Comment**

### 3.1 *Rates and Rate Collection*

With the exception of Bovine Tb Rates and Scheme Rates, which are collected by this Council, WRC rates in 1999/2000 be collected by the territorial authorities of the region as they are made. The **attached** table sets out the amount of rates to be collected, including GST and a rate collection fee.

The net rateable capital values at 30 June 1999 for each constituent district are not yet available but will be in the next few days. (Information on the impacts on the different areas and classes of ratepayer will be provided to councillors at the time the public notice is given).

### 3.2 *1999/2000 WRC Rates - Statutory Processes*

The process for making rates follows statutory guidelines and generally follows the process set out below:

- (i) Once agreed, the Annual Plan determines the amount of funds Council requires to be raised from rates. The making of the rate in effect becomes a technical exercise.
- (ii) It is very desirable the Council complete the process of making rates, particularly those that are collected by territorial authorities, as soon as possible. The collecting authorities need prompt notice to enable them to begin their administrative processes.
- (iii) The funds required from each rate are set out in other reports in the order paper.
- (iv) Although the Council has undertaken a public consultation process relating to the Annual Plan, it must also give public notice of its intention to make 1999/2000 rates.

#### 4. **Recommendation**

- (1) *That the report be received.*
- (2) *That the Council give public notice of its intention to make the following rates:*
  - *General Rate*
  - *Works and Services (Rivers Management) Rate*
  - *Works and Services (Regional Transport) Rate*
  - *Stadium Purposes Rate*
  - *Bovine Tb Vector Control Rate*
  - *Wairarapa Catchment, Drainage, and Water Supply Scheme Rates.*
- (3) *That, at the meeting to be held on 3 August 1999, Council make the 1999/2000 rates.*

TED MAGUIRE  
Council Secretary