

Attachment 1 to Report 00.620

Rating Basis	Advantages	Disadvantages
<p><i>Current approach</i></p> <p><i>Differential rural land area & urban land value</i></p>	<ul style="list-style-type: none"> • Easy to understand, maintain, & update • Differential basis for rural area recognising flood, course change, erosion, and drainage benefit • Simple apportionment of rates between rural & urban areas • Simple land value basis for urban area with no classified differential • Urban rating roll maintained & rates collected by SWDC • No need to maintain or update values in rural rating roll 	<ul style="list-style-type: none"> • Land value basis for urban area doesn't recognise benefit to houses, and commercial businesses • Inconsistent bases over urban & rural properties (urban/rural boundary anomalies) • Land area basis for rural land doesn't recognise benefit to houses, farm buildings and infrastructure, and commercial businesses • Doesn't recognise differing saved damages for varying land uses & soil types in rural area • Rating split between rural & urban areas is arbitrary & not based on relative benefit • No specific recognition of benefit to public utilities such as bridges, roads, oxidation ponds etc. • Anomalies with small commercial orchards in rural area having small rate & same size properties in urban area having comparatively high rate • Anomalies with rural land not deriving the flood relief originally proposed with resulting high rates • Extent of rated area extends beyond area of benefit in some places • Perceived as unfair by some ratepayers
<p><i>Proposed new approach</i></p> <p><i>Differential rural land area with curtilage & urban capital value</i></p>	<ul style="list-style-type: none"> • Easy to understand, maintain, & update • Fair differential basis for rural area recognising flood, course change, and erosion • Simple apportionment of rates between rural & urban areas (i.e. relative LV) • Simple capital value basis for urban area • Urban rating roll maintained & rates collected by SWDC • No need to maintain or update values in rural rating roll • Curtilage introduced into rural area to recognise benefit to houses, buildings, and commercial businesses • Opportunity to recognise benefit to public utilities • Rural/urban anomalies can be corrected by redefining urban boundary & redistributing rural/urban rating shares • Rating district boundary & degree of benefit anomalies can be corrected 	<ul style="list-style-type: none"> • Inconsistent bases over urban & rural properties • Doesn't recognise differing saved damages for varying land uses & soil types in rural area • Curtilage concept may be difficult for ratepayers to understand & accept • Need to identify position & apportionment of curtilage • Need to update curtilage for new or demolished/removed houses & buildings

Rating Basis	Advantages	Disadvantages
<i>Differential rural & urban land area with curtilage</i>	<ul style="list-style-type: none"> • Simple rating basis • Curtilage will partially recognise benefit to houses & contents • Curtilage could be used to recognise benefit to farm buildings and commercial businesses • Fair differential classifications can be developed for both rural and urban areas • All rates would be collected by WRC • Opportunity to recognise benefit to public utilities • Rural/urban anomalies can be corrected • Rating district boundary & degree of benefit anomalies can be corrected • Easy to understand, maintain, & update • No need to maintain or update values in rating rolls 	<ul style="list-style-type: none"> • Curtilage concept may be difficult for ratepayers to understand & accept • Doesn't recognise differing saved damages for varying land uses in rural area • Need to identify position & apportionment of curtilage • Need to update curtilage for new or demolished/removed houses & buildings
<i>Differential rural/urban land value</i>	<ul style="list-style-type: none"> • Is a "live" rating basis & recognises long term potential • Fair differential classifications can be developed for both rural and urban areas • All rates would be collected by WRC • Opportunity to recognise benefit to public utilities • Rural/urban anomalies can be corrected • Rating district boundary & degree of benefit anomalies can be corrected • Changing land values would recognise productivity (which has a correlation to saved productivity loss) 	<ul style="list-style-type: none"> • Less easy to understand than current approach • Rating roll must be maintained/ updated in rural and urban areas • Land value basis doesn't fully recognise benefit to houses, contents, farm buildings & infrastructure, and commercial businesses • Need to apportion land value over differing classes in individual properties • Uncertainty as to ongoing availability of roll to local authorities
<i>Differential rural/urban capital value</i>	<ul style="list-style-type: none"> • Is a "live" rating basis & recognises ongoing development • Fair differential classifications can be developed for both rural and urban areas • Greater opportunity to recognise benefit to public utilities • All rates would be collected by WRC • Rural/urban anomalies can be corrected • Rating district boundary & degree of benefit anomalies can be corrected • Capital value would recognise varying productivity & development (which has a correlation to saved damages) • Capital value would recognise benefit to houses, farm buildings & infrastructure, and commercial businesses 	<ul style="list-style-type: none"> • Difficult to understand compared to current approach • Rating roll must be maintained/ updated in rural and urban areas • Need to apportion values over differing classes in individual properties • Uncertainty as to ongoing availability of roll to local authorities