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Committee Policy, Finance and Strategy
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Rating equalisation

1. Purpose

To report the receipt of a valuation equalisation certificate from Quotable Value New Zealand.

2. Background

Greater Wellington Regional Council's general rate is set on the capital values of properties in the Region. However, because each territorial authority has a different cycle of revaluation, adjustments are made to take into account the changes in values within districts since the last valuation exercise for that district.

3. Legislative change

Previously the Council has set its rates under the Rating Powers Act 1988. Part XIV of that Act provided specifically for valuation equalisation. New rates for 2003-04 will be set under the Local Government (Rating) Act 2002. This new Act does not provide for equalisation in the same way as the Rating Powers Act 1988. Regional councils are now free to decide whether they wish to continue to use an equalisation process. Given the extent of change facing the Council at present with the introduction of the Local Government Act 2002, officers are recommending that the Council continue to apply an equalisation process at least for 2003/04.

The projected valuation will be applied through setting differential categories of land based on where the land is situated. That is, the Council will be differentiating its general rate for the first time, although the end result will be the same as in the past.

4. Equalisation certificate

Quotable Value New Zealand was commissioned to provide an equalisation certificate showing projected valuations as at 1 September 2002. A copy of the certificate is included as **Attachment 1** to this Report, together with comparative information from 2001.

The 2002 net equalised capital values will be used to differentiate the general rate. This information has been used in the rating projections included in the Proposed Long Term Council Community Plan (LTCCP).

5. Communication

Communication of the projected valuation information will occur through the LTCCP processes.

6. Recommendation

That the Committee recommends to Council that it receive the report and note its contents.

Report prepared by:

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Attachment 1: Equalisation Certificates