

## The Process

There are three elements to either a change or the development of a new rating classification.

In the first instance the funding needs of a local authority must comply with Sec.101(3) of the Local Government Act 2002.

Secondly, there are requirements of the Local Government (Rating) Act 2002 (Rating Act). Any categories of rateable land must comply with the Council's funding impact statement by reference to the matters set out in Schedule 2 of the Rating Act. In calculating the liability for a targeted rate the Council must use only factors identified in the Council's funding impact statement from Schedule 3.

Thirdly, there is a requirement under the Local Government Act 2002 to consult.

The first element is achieved by reference to the Council's Revenue & Finance Policy in the LTCCP, specifically the section on Promote Sustainable Land Management, Land, Assist Farmers and the Community to Protect and Enhance the Land.

The second element requires a targeted rate to be set assessed on categories identified in the Council's funding impact statement, as follows:

<b>Funding Mechanism</b>	<b>Group of Activities Funded</b>	<b>Valuation System</b>	<b>Matters for Differentiation</b>	<b>Calculation Factor</b>	<b>Year to be used</b>
<b>Targeted Rates</b>					
Wairarapa Catchment Schemes	Land	Land Area / <i>Land Value</i>	Where the land is situated (set under 146 of the Local Government (Rating) Act 2002) using approved classification and differential registers, or  <i>A combination of the use to which the land is put, the area of land within each rating unit, where the land is situated, and the land value of the land.</i>	Dollars per hectare of land in the area of benefit, or  <i>Dollars per hectare of land in the area of benefit determined from the following factors – land value, the area of land within the rating unit, and fixed charges per separate use or inhabited part of the area of protected land.</i>	2006/07 to 2015/16

The new rating classifications use the following matters and define the categories of rateable land –

- The use to which the land is put (residents)
- The area of land within the rating unit (property area)
- The land value of the land (as defined by the local authority role).

In calculating the liability for a targeted rate, the Council must use only a factor or factors that are identified in the funding impact statement from the list in Schedule 3 (see above). The factors used in calculating liability for the targeted rates in these two Schemes are:

- The land value of the rating unit
- The area of land within the rating unit
- The number of separately used or inhabited parts of the rating unit.

Section 23 of the Rating Act states that:

*“(1) Rates must be set by a resolution of the local authority*

*(2) Rates set by a local authority must*

*(a) relate to a financial year or.....*

*(b) be set in accordance with the relevant provisions of the local authority’s long term council community plan and/or funding impact statement for that financial year”.*

The Rating Act is silent on consultation requirements. Consultation on the change to the rating classification has been based on the Local Government Act 2002, specifically s82. This outlines a series of principles:

- Affected persons should be provided with reasonable access to relevant information
- Affected persons should be encouraged to present their views
- When views are presented, that it is made clear by the local authority the purpose of the consultation and the scope of decisions
- Persons who wish to present their views should be given a reasonable opportunity to present their views in an appropriate manner and format
- That the views be received with an open mind
- That persons who present their views be provided with information concerning relevant decisions and the reasons for those decisions.