

## **Report 01.229**

17 April 2000

File: G/6/1/1

Report to Wellington Regional Council

From: Lloyd Bezett, Policy Analyst, Council Secretariat

### **Regional Transport Rates – Alteration to Differential Special Order**

#### **1. Purpose**

To seek a Council resolution for the alteration of a system of differential rating, by way of Special Order (**Attachment 1**), to meet costs associated with the provision of regional transport services for the 2001/02 financial year.

#### **2. Background**

- 2.1 In 1998 the Council conducted a review of the funding of transport services. That review recommended that changes be made to the funding policies related to regional transport. After the Council's statutory Funding Policy document was duly amended, using the Special Consultative Procedure, as required by s.716A of the Local Government Act, it was necessary to change the differentials in the Transport Rate so that the benefits derived by different classes of ratepayers were reflected in the rates to be collected.
- 2.2 The approved Funding Policy also states that, due to the significant changes in the amount of rates required from some ratepayers, these changes be phased in over three years. The 2000/01 rating year was the first year in which the revised Funding Policy formula was fully implemented.
- 2.3 The structure of the Funding Policy for transport planning and services means that different increases in different elements of the overall budget, as proposed for 2001/02, will require minor changes to the proportions to be paid by the different rating classifications within each constituent city/district. (A Special Order changing the Transport Rate will therefore be necessary each year until such time as Parliament changes the Rating Powers Act to remove the requirement for Special Orders.) **Attachment 2** shows changes in the amount of Transport Rate to be collected and the proposed changes in differential when compared to 2000/01.
- 2.4 The Special Order for Transport Rates determines the proportion of rate to be recovered from different classes of ratepayer within each constituent district but not the proportion between each district. The quantum of rates is determined by the Council's Annual Plan.

### 3. **Comment**

- 3.1 Section 84 of the Rating Powers Act 1988 requires that where the Council alters a system of differential rating that applies within the district of the Council, it must do so using the Special Order Procedure contained in section 716B of the Local Government Act 1974.
- 3.2 The Special Order procedure requires that Council put before a meeting its intention to make the Special Order and confirms the Order at a subsequent meeting. This second meeting must be held between 61 and 70 days after the first meeting or the Order lapses. It is proposed to submit the Special Order for confirmation at a Council meeting to be held on 28 June 2001.

### 4. **Communication**

In line with the statutory process the Council will publicly notify its intention to make the Special Order twice, on 24 April and 16 June, thereby giving members of the public an opportunity to make submissions. Submissions must be accepted up until the Council considers the confirmation of the Special Order. A copy of the draft public notice is appended (**Attachment 3**).

### 5. **Recommendation**

*That the Council:*

- (1) *Adopt, by way of Special Order, a differential rating basis for the purpose of making and levying the 2001/02 Works and Services rate, to be known as the Regional Transport Rate, as per Attachment 1.*
- (2) *Publicly notify its intention to confirm the attached Special Order.*

Report prepared by

Approved by

LLOYD BEZETT  
Policy Analyst  
Council Secretariat

TED MAGUIRE  
Council Secretary

DAVE WATSON  
Divisional Manager  
Regional Transport

**Attachments**

1. Regional Transport Differential Rate Special Order
2. Transport Rate Analysis Table
3. Draft Public Notice of intention to alter Regional Transport Rate differentials