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Report to the Rural Services and Wairarapa Committee
from David Bulman, Valuation Consultant, and Ian Heslop, Divisional Engineer

Proposed New Rating Classification - Waipoua River Management Scheme

1. Purpose

To obtain a Committee resolution recommending that Council proceed by way of Special Order to alter the existing Waipoua River Management Rate.

2. Background

The Waipoua River Management Scheme and existing rating classification have been in place since 1955. The existing classification needs to be updated to bring the classification into the framework of the Rating Powers Act, and to ensure the classification correctly reflects ratepayer benefit from existing stopbanks and current river management practices.

3. Proposed Classification

3.1 The key elements of the proposed new Scheme rating classification approach are as follows:

- The new classification covers the floodplain area benefiting from management of the Waipoua River channel, and extends from the urban Masterton boundary to Mikimiki Road. Also included is the section of the Serpentine Stream as far as Matahiwi Road, and the lower 400 metre length of the Whakamoekau Stream.
- The new classification will be on a differential land area basis, and will reflect reduced risks of erosion and flooding resulting from ongoing river management practices and existing stopbanks.
- A site weighting (curtilage) will be applied to each house and commercial building occupying Class A or C land.

- Site weightings will be added for new or relocated houses or commercial buildings, and removed on demolition or removal of existing houses or commercial buildings.
 - The section of Waipoua River channel from the Ruamahanga River confluence to the Masterton town boundary will be excluded from the new rating classification. The local share for any work within this section of river will be funded by Masterton District Council.
 - The rural rating classification will be adjusted as new flood protection measures are put in place.
- 3.2 The draft Special Order Resolution is set out in Attachment 1, and describes the flooding and erosion benefits and weightings adopted for each class.
- 3.3 Attachment 2 includes the proposed Rating Roll and rating incidence for each property within the classified area. WRC Plan Number 5/45 shows the differential rating classification proposed for the rural area.
- 3.4 Section 84 of the Rating Powers Act 1988 requires that where the Council introduces 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. 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 no later than 70 days after the day of the first meeting or the Special Order lapses.
- 3.5 The intended timetable for the Special Order process is:
- | | |
|---------------|-------------------------------------------------------------|
| 19 April 2001 | Council approval of intention to establish rating district. |
| 25 April 2001 | First public notice given. |
| 16 June 2001 | Second public notice given. |
| 28 June 2001 | Council confirmation of Special Order. |
| 2 August 2001 | Rates are struck. |

4. Discussion

- 4.1 From July 2000 a series of five meetings were held with the Waipoua Scheme Advisory Committee. One of the goals of the Advisory Committee was to assist Council with development of the proposed new rating classification. These meetings were very constructive, with good communication between staff and Advisory Committee members, and information being effectively channelled through Committee members to Scheme ratepayers.
- 4.2 A newsletter was sent out to Scheme ratepayers advising of the new rate applicable to individual ratepayers and inviting submissions. No submissions have been received. Also a Scheme ratepayer meeting was held on the 9 March this year, and the proposed new rating classification was presented for comment. The attendance at this meeting was 16 of the total of 37 Scheme ratepayers. The meeting voted unanimously in support of the new rating approach.

4.3 Staff are confident that sufficient consultation has been undertaken to make ratepayers aware of the proposed changes, and to gauge what is considered to be a high level of support for the changes.

5. Communication

There are no further communication measures suggested other than those relating to the Special order process. The Special Order process will provide formal notification to the general public, as well as the opportunity to examine the proposed Classification Plan and Rating Roll, and to make submissions to Council before confirmation or otherwise.

6. Recommendation

That the Committee recommend that the Council, by way of Special Order, adopt a differential rating system for the purpose of collecting a catchment board separate rate from 2001/02, to be known as the Waipoua River Management Rate, as per Attachment 1 to this Report.

Report prepared by:

Approved for submission by:

David Bulman
Valuation Consultant

Ian Gunn
Manager, Operations



Ian Heslop
Divisional Engineer

Colin Wright
Divisional Manager, Wairarapa

Wellington Regional Council Special Order Resolution

Alteration of Differential Rating System for the Waipoua River Management Rate

That the Wellington Regional Council, pursuant to the sections 40, 80 and 84 of the Rating Powers Act 1988 and section 716B of the Local Government Act 1974, and in pursuance of all other Acts, powers and authorities enabling it in that behalf, hereby resolves by way of Special Order as follows:

- (1) That the system of differential rating set out below be introduced with effect from 1 July 2001.
- (2) That the system of differential rating shall apply to a Catchment Board Separate Rate, to be known as the Waipoua River Management Rate, made and levied by the Wellington Regional Council pursuant to section 40 of the Rating Powers Act 1988, on a land area basis on all rateable property in that part of the Wellington Region determined by the Council to be the rural area of benefit from flood protection on the Waipoua River, such that the rate made and levied in respect of any specified category of property shall vary from the rate made and levied in respect of any other specified category of property as set out in this Special Order.
- (3) That in accordance with section 84(1)(c) of the Rating Powers Act 1988, the following statement is made on the introduction of the differential system:

A. Matters taken into account in preparing the proposed introduction of the system of differential rating:

The Council has, in consultation with the Waipoua Floodplain Advisory Committee (which includes representatives of the ratepayers) redesigned the rates funding of the Waipoua River Management Scheme.

The Council has taken into account the following matters in preparing the system of differential rates:

- The benefits that are likely to accrue directly and indirectly to any property from the degrees of flood protection and reduced erosion given to each property by the maintenance of existing flood protection structures and erosion mitigation measures,
- The characteristics or use of any property or any actions of its occupier that either contribute to, or alleviate the need for flood protection or erosion mitigation measures,
- The likelihood, frequency, depth and severity of flooding and erosion,

- The likelihood, frequency and extent of damage to land and improvements to land,
- The improvement to drainage,
- The need for water management generally,
- The establishment or preservation of economic units of land,
- The protection or establishment of water, sewerage, drainage, electrical, gas, and other services and amenities, and
- The protection or establishment of communications, and of any other property, service, or amenity with or benefiting the land.

B. The proposed types or groups of property for differential rating and their proportions of benefit are:

Class	Proportion	Description
A	5	Land receiving a high degree of relief from flooding and erosion threats.
B	4	Land receiving a high degree of relief from the threat of erosion.
C	3	Land receiving a moderate degree of relief from flooding and erosion threats.
D	2	Land receiving a moderate degree of relief from the threat of erosion.
SA	169	Dwellings or commercial buildings and their immediate surroundings, sited on Class A land, which without the current flood protection measures would be at an increased risk of being surrounded or entered by floodwaters.
SC	101	Dwellings or commercial buildings and their immediate surroundings, sited on Class C land, which without the current flood protection measures would be at an increased risk of being surrounded or entered by floodwaters.

C. General effect on the incidence of rates

The alteration of this differential rate will establish a relationship between the rates received from different classes of land, and the degree of flood and erosion relief benefit anticipated from Scheme works. The general effect of the changes to the rating area boundary, and adoption of new classifications, will be an increase in the rates to be paid by properties of classification SA and SC.

The rates will be levied on a per hectare basis applied differentially in terms of the stated proportions to Classes A, B, C, D, SA, and SC, as detailed in the Council Classification Plan 5/45 and accompanying Classification roll.

The effect that the introduction of the differential rate is expected to have on the incidence of rates for individual ratepayers is detailed on the accompanying Classification roll.

- (4) That after due public notices have been given, this Special Order be submitted for confirmation at the meeting of the Wellington Regional Council to be held on 28 June 2001.