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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 Classifications - Upper Ruamahanga River Management Scheme

1. Purpose

To recommend that Council adopt by way of Special Order separate rating classifications for three new river management schemes replacing the existing Upper Ruamahanga River Management Scheme.

2. Background

The current Upper Ruamahanga River Management Scheme has been in place since 1982, and covers the length of Ruamahanga River channel from downstream of the Mount Bruce SH2 Bridge to the Waiohine River confluence (see Figure 1). The current Scheme has struggled to manage the river to appropriate standards, and to meet reasonable ratepayer expectations. Also the current rating classification doesn't fairly reflect levels of scheme ratepayer benefit.

To improve scheme performance and rating equity, it is proposed to divide the existing Scheme into three new Schemes, each with new rating classifications to be adopted under the Rating Powers Act. The three new Schemes will extend from Hidden Lake to Te Ore Ore Bridge (the new Upper Ruamahanga Scheme); Te Ore Ore Bridge to Wardells Bridge (the Middle Ruamahanga Scheme); and Wardells Bridge to the Waiohine River confluence (the Lower Ruamahanga Scheme).

The portion of the existing Scheme from the upstream boundary near Mount Bruce to Hidden Lakes will be excluded from the new scheme rating districts. Regional funding of up to 50% will be made available for approved works

within this section, with the benefiting landowners funding the local share costs on a “user-pays” basis.

3. Proposed Rating Classifications

3.1 The key elements of the rating classification approach common to each of the proposed three new Schemes are as follows:

- The new classifications will cover the floodplain areas benefiting from management of the sections of the Ruamahanga River channel within each of the new Upper, Middle, and Lower Ruamahanga Schemes respectively.
- They will work on a differential land area basis, and reflect the expected reduction in risks of erosion, course change, and flooding resulting from proposed ongoing river management practices.
- They will not rate riverbed or buffer zone land.
- Rates for unclaimed and productive accretion land deriving Scheme benefit will be paid by the adjoining landowner, except where the accretion land is isolated by a marginal strip or esplanade reserve. This will be Subject to approval for this approach being obtained from the Valuer General, and from the Masterton and Carterton District Councils.
- A site weighting (curtilage) will be applied to each benefiting house or commercial enterprise.
- Site weightings will be added for new or relocated houses or commercial buildings; and will be removed on demolition or removal of existing houses or commercial buildings.
- The rating classification will be adjusted to reflect benefit from new stopbanks.

3.2 The draft Special Order Resolutions are set out in **Attachment 1**, and describe the flooding and erosion benefits and weightings adopted for each new scheme and class.

3.3 **Attachment 2** includes the proposed Rating Rolls and rating incidence for each property within the classified areas for each new scheme. WRC Plan Numbers 2D/66 Sheets 1 to 5, 2D/67 Sheets 1 to 2, and 2C/56 Sheets 1 to 7 show the proposed differential rating classifications.

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 after public notice being given twice at prescribed time intervals, 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:

23 April 2002	Council approval of intention to establish rating districts.
26 April 2002	First public notice given.
15 June 2002	Second public notice given.
27 June 2002	Council confirmation of Special Order.
20 July 2002	Public notice of intention to make rates (provisional).
6 August 2002	Rates are made.

4. Consultation

- 4.1 During July 2001, three separate meetings were held with the ratepayers from each of the Upper, Middle, and Lower sections of the existing Upper Ruamahanga River Management Scheme. Steering Committees were elected at each of these meetings to assist Council with the development of new schemes and rating classifications.
- 4.2 From August to December 2001 five meetings and one field inspection were held with each of the Upper and Middle Ruamahanga Steering Committees. Ratepayers were kept informed of progress with regular newsletters, and were invited to comment on key recommendations.
- 4.3 In December ratepayer meetings were held for each of the Upper and Middle Ruamahanga sections. Prior to the meeting all ratepayers were advised of their expected rate under the new proposal. The new proposals were approved unanimously in the case of the Middle Ruamahanga Scheme, and with a significant majority in the case of the Upper Ruamahanga Scheme.
- 4.4 From February to April 2002 a series of a further five meetings were held with the Lower Ruamahanga Steering Committee. Again newsletters have been distributed prior to the ratepayer meeting to be held on the 10th April, and all ratepayers have been advised of their expected rate under the new proposal. A report on the level of support received at the ratepayer meeting will be tabled at this Rural Services and Wairarapa Committee meeting.
- 4.5 The Steering Committee meetings were very constructive, with good communication between Councillors, staff, and Advisory Committee members, and information being effectively channelled through Committee members to the Scheme ratepayers.
- 4.6 Subject to a successful Lower Ruamahanga Scheme ratepayer meeting, we 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. Communications

As stated above there has been extensive communication and consultation with affected landowners. The Special Order process also requires public notification (twice), as well as giving the opportunity to examine the proposed Classification Plans and Rating Rolls, and to make submissions to Council before confirmation or otherwise.

6. Recommendation

That the Committee recommend that the Council, by way of Special Order, resolve to adopt differential rating systems for the purpose of making and levying catchment board separate rates from 2002/03 for each of three new Schemes, to be known as the Upper Ruamahanga, Middle Ruamahanga, and Lower Ruamahanga River Management Rates, as per Attachment 1 to this Report.

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