

22 August 2022

File Ref: OIAP-7-25354

By email: [REDACTED]

Tēnā koe [REDACTED]

Request for information 2022-127

I refer to your request for information dated 12 August 2022, which was received by Greater Wellington Regional Council (Greater Wellington). You have requested the following:

“Why are rates per factor different for Porirua and Wellington?”

Greater Wellington’s response follows:

In response to your email regarding the different factors applied to Wellington City when compared to Porirua City, due to the residential portion being higher in Porirua district than Wellington, a greater portion of rates is allocated to residential for Porirua district.

Council uses capital value as its valuation system for general, public transport, economic development and river rates.

2022/23 CV %	Wellington %	Porirua %
CBD	11.45%	N/A
Business	5.8%	9.57%
Residential	81.62%	84.59%
Rural	1.13%	5.83%

Equalised values

Within the region, different territorial authorities (TA)s undertake general revaluations at different times. To equalise the values, Council engages Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This estimation is enabled under section 131 of the Local Government (Rating) Act 2002. This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

General rate

The funding required under the general rate is spread across the districts based on the equalised values and the factor is based on the funding required from each area and the actual capital values,

as supplied by the Territorial Authorities. Wellington City was apportioned 47.17% of the required funding for the general rate and Porirua City 8.39%.

Council applies a differential to the general rate within Wellington City only. The purpose of this differential is to address the impact of the allocation of rates within Wellington City in accordance with section 101(3)b of the Local Government Act 2002 and to ensure that different property rating types pay an equitable share. The differentials are higher for Wellington CBD and business resulting in a higher portion of the general rate for these categories and a slightly lower factor for residential.

Public Transport

Council uses capital value as its valuation system for public transport rates. The funding required under the public transport rate is spread across the areas based on the equalised values.

Council applies differentials to account for the specific public and private benefits of public transport. Wellington CBD and business receives a significant benefit from the provision of public transport and pay a higher portion of the public transport rate to reflect this. This results in a slightly lower factor for Wellington residential. For Porirua district, business accounts for only 9.57% of capital values and residential 84.59%, resulting in a higher proportion of the rate falling on residential ratepayers.

Transition provisions for Public Transport - In 2018, Council introduced a new approach to differential rate funding for Public Transport to have a transition period over six years (commencing 2018). These changes will have variable impacts on different categories of ratepayers and would potentially cause large one-off increases.

Council will use differentials to transition the Public Transport rate to the new funding policy over the next six years, using the funding requirements from 2017/18 as the baseline.

Economic Development Rate

The economic development rate is the same for both Wellington City and Porirua City districts.

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Please note that it is our policy to proactively release our responses to official information requests where possible. Our response to your request will be published shortly on Greater Wellington's website with your personal information removed.

Nāku iti noa, nā

Sue McLean

Kaiwhakahaere Matua Ratonga Rangapū | General Manager, Corporate Services