

Report 99.359

1 July 1999 (sm)

File: G/6/1/1

Report to Policy and Finance Committee

From: Ted Maguire, Council Secretary

WRC Rating Trends 1990/91 to 1999/2000

1. Purpose

To report on Wellington Regional Council rating trends in the period since 1990/91, the first full year following the reorganisation of local government in 1989.

2. Background

The Council has been aware that there has been much comment in the media about increasing rates within local government. Due to the impression amongst the public caused by this publicity it is thought appropriate to publish historic data about this Council's rating record from 1990/91 to the present day, including the recently agreed 1.5% overall "regional rates" increase for 1999/2000.

For the purpose of this exercise, regional rates are defined as those rates collected across the region on a uniform or differentiated area of benefit basis. These comprise the following rates:

- General
- Regional Transport
- Rivers Management
- Stadium Purposes

They exclude Biosecurity rates and Wairarapa Scheme rates.

3. Comment

- (1) The tables included within this report (**Attachment**) detail the rates, both overall and in each constituent district over the time period together with the number of assessments, capital values and adjustments using the Consumer Price Index (CPI). The CPI adjustment effectively shows the rates in \$1990 terms.

- (2) The information shows a number of interesting trends:
- Our rates totalled \$46.466 million in 1990/91. Over the next five years rates continued to fall and remained below the 1990/91 level until 1998/99 when we saw the introduction of the Stadium Purposes Rate. Including this year's increase the total increase is \$1,172,421 (2.52%). Once these figures are adjusted for the CPI, in real terms overall regional rates have decreased by 10.44% over the period since 1990/91.
 - With the growth in the number of assessments, from 151,609 to 167,984 the region-wide average rates per assessment have decreased from \$306 a year to \$284. Inflation adjusted (in 1990/91 dollars) the decrease is quite substantial – from \$306 to \$248 (a reduction of approx. 19%).
 - More than half the rates are collected from Wellington City but that City's share has decreased from 56.56% in 1990/91 to 53.89% today. Hutt Valley ratepayers have also experienced a decrease in the share of WRC rates.
 - Other constituent districts' share of WRC rates have increased. The major factors relating to this are:
 - Growth
 - Increased Regional Council services to some areas in particular (e.g. flood protection)
 - More equitable allocation bases, particularly for Transport Rates
- (3) We have not sought to break down the information into different classes of ratepayers within each constituent district as it is only in the last three years that all WRC rates have been collected as **made** by the WRC. Prior to that time most regional council rates were collected using the collecting authorities' rating systems and differentials as they were entitled to do by the Rating Powers Act.
- (4) It is proposed to publish this information in a brochure along the lines of last year's "Financial Credentials" document.

4. **Recommendation**

That the Report be received and the information noted.

TED MAGUIRE
Council Secretary

Attachment:
1990/91 to 1999/2000 Rating Tables