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**Report 02.131**

11 March 2002

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Report to Policy and Finance Committee  
from Ted Maguire, Council Secretary

## **Rating Matters**

### **1. Purpose**

To report:

- (a) The interim valuation equalisation certificate from Quotable Value New Zealand Ltd (Quotable Value).
- (b) The process for any necessary changes to WRC Rate differentials.

### **2. 2002 Valuation Equalisation: Interim Certificate**

- (1) Each year, at this time, the Council receives an **interim** valuation equalisation certificate from Quotable Value.

The purpose of the equalisation certificates is to provide an estimate of the capital value for each territorial authority area in the Wellington Region at a common date – for this year, 1 September 2001. The need for this arises because of differing revaluation dates for each of the cities and districts. While Wellington City is revalued annually, the other constituent cities and districts are revalued every three years.

The equalisation covers city/district totals only and is **not** applied to rating values of individual properties or to aggregate values of different classes of ratepayers such as residential, business or rural.

- (2) The **interim** equalisation for this year from Quotable Value is attached in **Attachment 1**. This certificate will be audited by the Office of the Valuer-General and a final certificate issued, probably in May 2002.

- (3) A market report identifying changes in the property market for residential, commercial and rural property throughout the Region has also been included in **Attachment 2**.

A major change this year is the addition of utilities' networks (see Report 02.109 to the Policy and Finance Committee meeting of 5 March). These amount to \$1.916 billion, out of a total of \$45.47 billion and comprise 4.21% of the capital value of the Region.

- (4) It is on the basis of the interim equalisation certificate that the WRC General Rate is apportioned between the different constituent districts in our **proposed** 2002/03 Annual Plan. (The actual apportionment utilised for the Plan to be approved in June will depend on the outcome of the audit by the Valuer-General).
- (5) The actual "cents in the dollar" on which regional rates are made, is based on actual net rateable capital values for all properties on the Rating Rolls for each part of the Region. Information on which Council's 2002/2003 rates are to be assessed will not be available until after 30 June 2002.

### 3. **Rating Differentials**

- (1) This Council applies its own differentials to the Transport, Stadium and various Scheme Rates (but currently the Council has no powers to do so for its General Rate).
- (2) Changes to the transport rate differentials will be required to allocate the proposed transport rates to different groups of beneficiaries in accordance with Council's transport funding policy.
- (3) A review of the Upper Ruamahanga Catchment Scheme is also being undertaken. The outcome of that review is expected to be reported to the Rural Services and Wairarapa Committee meeting of 16 April. Again, this will require changes to the rating differentials to better reflect benefits.
- (4) To change to the differentials, Council has to carry out Special Order processes which are separate from the Public Consultation required for the Annual Plan. (The new rating legislation will do away with the separate Special Orders.) The Special Order process requires:
- An initial Council resolution
  - Two public notices of the proposed change within time frames specified in the Rating Powers Act (the first not less than 60 days before confirmation and the second not less than seven, or more than 14 days before confirmation).
  - A confirming resolution by Council within 70 days of the passing of the first resolution
- (5) It is proposed therefore that a special meeting of Council be held on 23 April to consider the initial Special Order resolution. This is the same day as a scheduled Landcare Committee meeting. It is proposed that the Special Orders

be submitted to Council for final confirmation at the meeting scheduled for 27 June when the final adoption of the Annual Plan will be considered.

4. **Communications**

Public notice of the proposed rating differential Special Orders will be given at the appropriate time once the initial Special Order Resolutions have been approved by Council.

5. **Recommendation**

*That the Committee recommend that Council:*

- (a) Receive the report and note the information.*
- (b) Resolve to hold a special meeting on Tuesday, 23 April, prior to the scheduled Landcare Committee, to consider the rating differential Special Orders.*

TED MAGUIRE  
Council Secretary

**Attachments:**

- 1. Quotable Value: Interim Equalisation Certificate**
- 2. Market Report: 1 September 2000 to 1 September 2001**