

## **Report 01. 407**

5 June 2001

File: Y/23/30, E/6/1/8

Report to Wellington Regional Council  
From: Lloyd Bezett, Policy Analyst, Council Secretariat

### **Bovine Tb Vector Control Rates – Revocation Special Order**

#### **1. Purpose**

To revoke, by way of Special Order the system of differential rating, by way of Special Order, to enable a uniform land area rate .

#### **2. Background**

Council introduced a differential rating system for Bovine Tb rates on land area in the 1995/96 financial year.

Initially the differentials provided for 77.5% of rates levied to be funded from rural properties in operational areas and the remaining 22.5% from non-operational areas. In 1996/97 Council determined that the ratio between rates from operational and non-operational areas should change to 80:20 to reflect the increased rating base for operational functions. In 2000 this system was altered to 90:10.

At the meeting of the Council, held on 29 May 2001 the WRC resolved to accept a recommendation of the Rural Services and Wairarapa Committee that the current differential rating system be revoked and a uniform land area rate be established for properties within operational areas with no special rate for non-operation areas.

#### **3. Comment**

Section 87 of the Rating Powers Act 1988 requires that where the Council revokes 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, publicly notifies the fact twice thereby giving members of the public an opportunity to make submissions, and confirms the Order at a subsequent meeting. This second meeting must be held between 61 and 70 days after the first meeting or the Order lapses. It is proposed to submit the Special Order for confirmation at a Council meeting to be held on 23 August 2001.

The establishment of the new uniform land area rate will be made after the Special Order process is completed 23 August 2001. (This does not require a Special Order). As rates must be publicly notified for 14 days prior to the Council resolving to make them, the Bovine Tb Vector Control Rate will be made at the Council meeting to be held on 27 September 2001.

The Bovine Tb Vector Control Rate is collected by this Council and the rates invoices are not issued until October, therefore it is not necessary to have this process completed by 2 August, when the other WRC rates will be made.

#### 4. **Recommendation**

(1) *The Wellington Regional Council hereby resolves, by way of Special Order, pursuant to Section 87 of the Rating Powers Act 1988, Section 716B of the Local Government Act 1974, and all other provisions enabling it in that behalf, as follows:*

1. *That the system of differential rating set out below for Bovine Tb Vector Control shall be revoked from 1 July 2001.*
2. *The differentiated works and services rate, known as the Bovine Tb Vector Control Rate, made and levied by the Wellington Regional Council pursuant to section 44 of the Rating Powers Act 1988 on the area of all rateable property in excess of 10 hectares in that part of the Wellington Region determined by the Council to be the area of benefit of the pest destruction work, 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.*

*Currently the properties in the area of benefit and the differentials have been divided into the following categories:*

##### ***Category 1 - Operational Areas***

*Rateable land receiving a direct benefit from Council's Bovine Tb vector control works, being land situated in those areas designated on Classification Roll 1, contributing 90% of the total revenue required.*

##### ***Category 2 - Non-Operational Areas***

*Rateable land receiving an indirect benefit from Council's Bovine Tb vector control works, being land situated in those areas designated on Classification Roll 2, contributing 10% of the total revenue required.*

3. ***Statement made in accordance with section 87(3) of the Rating Powers Act 1988, on the proposed revocation of the differential system.***

*That the follow matters were taken into account by the Council in proposing the revocation of the differential rating system:*

- *The Animal Health Board has indicated that the Proposed National Pest Management Strategy for Bovine Tb, due to commence in 2001/02, will require a significantly reduced regional contribution compared to previous years. Increases in Crown and industry contributions will offset the reduction in regional inputs.*
- *The cost of collection from non-operational areas is high compared to the amount of revenue to be collected.*
- *The expansion of the Bovine Tb Vector Control Programme will mean that over the next five years the non-operational area will decrease more.*
- *The Council's intention to introduce a uniform rate made and levied on the basis of land areas on all rural properties over 10 hectares within defined operational areas, to be known as the Bovine Tb Vector Control Rate.*
- *The intention to utilise of the Bovine Tb Rate Reserve to reduce the new uniform Bovine Tb Vector Control Rate over the next 12 year period.*

***General effect on the incidence of rates***

*The revocation of the system of differential rating and the introduction of a uniform land area rate on all properties in defined operational areas will have approximately the following effect on the incidence of rates:*

- *Rates for rural properties of 10 hectares or greater in operational areas will be reduced from \$1.4982 per hectare to a uniform \$0.5096 per hectare (GST inclusive).*
- *Rates for rural properties of 10 hectares or greater in non-operational areas will be reduced from \$0.30 per hectare (GST inclusive) to \$0.*
- *Some properties which are currently in non-operational areas will be included in operational areas and rates in these properties will increase from \$0.30 per hectare to \$0.5096 per hectare.*

- (2) *That the Council publicly notify its intention to confirm the attached Special Order.*

Report prepared by

LLOYD BEZETT  
Policy Analyst  
Council Secretariat

Approved by

WAYNE O'DONNELL  
Manager, Biosecurity

TED MAGUIRE  
Council Secretary