Wellington Regional Strategy

Alternative Regional Rating Options

The Statement of Proposal for the Governance and Funding of the Wellington Regional Strategy included a regional rate to help fund the proposed regional economic development agency. The proposal (outlined on p17 of the *Proposed Amendment to the LTCCP 2006-16* document) was for a rate based on capital value, distributed evenly across the region.

The proposal was very clear that while a particular option was proposed, submissions on alternative options would be very welcome. Other options were signalled to be investigated and this work has now been undertaken. Below and over the page are four alternative options with rate amounts shown for the 2007/08 year. We also show a comparison to the current rates charged by territorial authorities. Territorial authorities will stop rating by these amounts should the regional rate option be confirmed.

Option 1 is similar to the capital value option outlined in the Statement of Proposal, but without a transition in the 2007/08 year. The proposal provides a transition from the current amounts being rated, so that ratepayers outside Wellington City would pay less in this first year than if the regional rate had moved directly to a capital rating.

Option 2 has a residential and rural rate in the form of a uniform annual charge of 10 + GST, with businesses in the region paying the balance of the 4.5m allocated according to capital value. There is no transition from the current rates charged by territorial authorities.

Option 3 has a residential rate in the form of a uniform annual charge of 12.50 + GST, a rural rate in the form of a uniform annual charge of 25 + GST, with businesses in the region paying the balance of the 4.5m allocated according to capital value. There is no transition from the current rates charged by territorial authorities.

Option 4 has businesses paying 40% of the \$4.5m allocated on capital value, with the balance being rated on all ratepayers (including businesses) based on capital value. Again there is no transition from the current rates charged by territorial authorities.

See over for the details of the impacts of these options.

Please consider these (and other) options and let us know what you think. Submissions on the Wellington Regional Strategy and the governance and funding proposal close on the **13th November 2006**.

For more detail on the Wellington Regional Strategy and the governance and funding proposal see our website <u>www.gw.govt.nz</u>.

Wellington Regional Strategy The impact of alternative rating models on the \$4.5 million proposed investment for 2007/2008

All numbers include gst

This table shows the total regional rate by territorial authority area under 4 alternative options for 2007/08

	2006 / 2007 Rates charged by Territorial Authorities for Positively Wellington Business and Go Wairarapa	2006 / 2007Option 1Rates charged by erritorial Authorities for Positively Wellington\$4.5 million based on: Capital Values		Option 3 \$4.5 million based on: Residential ratepayers paying \$12.50 + gst each, Rural \$25.00 + gst and business based on Capital	Option 4 \$4.5 million based on: Businesses having a 40% weighting of costs and all based on capital value
	2006/07 Budget	2007/08 Plan	2007/08 Plan	Values 2007/08 Plan	2007/08 Plan
	\$000	\$000	\$000	\$000	\$000
Wellington City	2,487	2,191	2,342	2,111	2,450
Lower Hutt City	496	761	867	851	786
Upper Hutt City	119	273	303	321	262
Porirua City	249	332	324	338	302
Kapiti Coast District	119	454	372	438	358
Masterton District	254	232	176	244	175
Carterton District	45	91	46	79	58
South Wairarapa District	113	167	72	118	109
Tararua District	0	0	0	0	0
	3,882	4,500	4,500	4,500	4,500

This table shows the rates per average residential property for 2007/08 under the 4 options. (These figures are based on 2006 rateable values.)

	property capital value 2006/07 Budget	per average residential property 2006/07 Budget	Option 1 per average residential property 2007/08 Plan	Option 2 per average residential property 2007/08 Plan	Option 3 per average residential property 2007/08 Plan	Option 4 per average residential property 2007/08 Plan
Wellington City	\$421,398	\$16.59	\$26.05	\$11.25	\$14.07	\$15.63
Lower Hutt City	\$251,702	\$0.00	\$17.27	\$11.25	\$14.07	\$10.36
Upper Hutt City	\$216,703	\$5.25	\$14.97	\$11.25	\$14.07	\$8.98
Porirua City	\$255,032	\$11.19	\$17.09	\$11.25	\$14.07	\$10.25
Kapiti Coast District	\$289,370	\$4.55	\$17.33	\$11.26	\$14.07	\$10.40
Masterton District	\$186,216	\$19.48	\$11.16	\$11.25	\$14.07	\$6.69
Carterton District	\$147,236	\$12.13	\$11.21	\$11.25	\$14.07	\$6.73
South Wairarapa District	\$165,940	\$20.76	\$13.83	\$11.25	\$14.07	\$8.30
Tararua District	\$ 0	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

This table shows the rates per average rural property for 2007/08 under the 4 options . (These figures are based on 2006 rateable values.)

	average rural property capital value	per average rural property	Option 1 per average rural property	Option 2 per average rural property	Option 3 per average rural property	Option 4 per average rural property
	2006/07 Budget	2006/07 Budget	2007/08 Plan	2007/08 Plan	2007/08 Plan	2007/08 Plan
Wellington City	\$581,906	\$22.73	\$35.97	\$11.25	\$28.13	\$21.58
Lower Hutt City	\$380,751	\$0.00	\$26.13	\$11.25	\$28.13	\$15.68
Upper Hutt City	\$394,602	\$8.55	\$27.26	\$11.25	\$28.13	\$16.36
Porirua City	\$685,950	\$14.73	\$45.96	\$11.25	\$28.13	\$27.57
Kapiti Coast District	\$491,129	\$7.74	\$29.42	\$11.25	\$28.13	\$17.65
Masterton District	\$620,029	\$14.94	\$37.15	\$11.25	\$28.13	\$22.29
Carterton District	\$520,137	\$11.10	\$39.61	\$11.25	\$28.13	\$23.77
South Wairarapa District	\$594,085	\$20.76	\$49.51	\$11.25	\$28.13	\$29.71
Tararua District	\$822,459	\$0.00	\$45.31	\$11.25	\$28.13	\$27.19

This table shows the rates per average business property for 2007/08 under the 4 options . (These figures are based on 2006 rateable values.

			Option 1	Option 2	Option 3	Option 4
	average Business					
	Property capital	per average Business				
	value	Property	Property	Property	Property	Property
	2006/07 Budget	2006/07 Budget	2007/08 Plan	2007/08 Plan	2007/08 Plan	2007/08 Plan
Wellington City - CBD	\$2,127,223	\$363.61	\$131.48	\$418.42	\$309.72	\$372.53
Wellington City non CBD	\$1,396,671	\$243.93	\$86.33	\$274.73	\$203.36	\$244.59
Lower Hutt City	\$963,499	\$221.88	\$66.12	\$210.33	\$155.80	\$187.34
Upper Hutt City	\$994,869	\$62.43	\$68.73	\$218.67	\$161.96	\$194.73
Porirua City	\$944,638	\$96.48	\$63.29	\$201.40	\$149.16	\$179.32
Kapiti Coast District	\$762,304	\$12.01	\$45.66	\$145.30	\$107.56	\$129.38
Masterton District	\$467,054	\$95.76	\$27.98	\$89.02	\$65.95	\$79.28
Carterton District	\$144,958	\$17.50	\$11.04	\$35.14	\$26.02	\$31.28
South Wairarapa District	\$220,975	\$20.76	\$18.42	\$58.60	\$43.40	\$52.19
Tararua District	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00