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Report to Howard Stone
from Ted Maguire, Greg Schollum and Philip van Dyk

Review of Rates Collection Arrangements

1. Introduction

The purpose of this report is to review the effectiveness of the Wellington Regional Council's (WRC) current rates collection arrangements in light of the Council's changing operational environment, including the way in which the Council relates to the regional community. Currently territorial authorities (TAs) collect most WRC rates on behalf of the Regional Council. As well as examining the current collection arrangements, the report sets out several options for change, their associated costs and benefits, and seeks a decision in principle on the Regional Council's preferred approach to rates collection in future with a view to improving the Council's relationship with its ratepayers.

It is timely to review the WRC's rates collection arrangements because the cost of any decisions for change should be factored into the Long-term Financial Strategy process.

The report is structured as follows:

- Strategic context of the review
- Other factors contributing to this review
- Current rates collection arrangements
- Range of options
- Identifying the feasible options
- Costs of feasible options
- Assessment of feasible options in terms of strategic context
- Funding the preferred option
- Communications
- Recommendations

In July this year an officer-level Rates Collection Review Group was established by management to review the Council's rates collection arrangements. The review group was chaired by Ted Maguire, Council Secretary, and comprised Greg Schollum, Chief

Financial Officer, Mike Bodnar, Communications Team Leader, Paul Laplanche, Finance Manager, Steve Moate, Manager, IT and Support Services, Neville Shakespeare, Manager, Wairarapa Support Services and Philip van Dyk, Policy Analyst, Council Secretariat.

2. Strategic Framework

A key driver for the review is to align WRC rates collection arrangements with the Council's Community Connections strategy. The WRC connects with the community of the greater Wellington Region on a number of levels and in a number of ways. Some of these are statutory connections, such as public notices of Council meetings and hearings; others such as newsletters, advertising, and involvement in public events, are less formal.

WRC community connections can be affected – to a greater or lesser extent, and in a positive or negative way – by changes to the way the WRC does things. It is therefore important to question the effect of existing community connections and how they might be improved.

The Regional Council uses several community connections tools such as *Elements*, the new regional newspaper, and the WRC website. This review looks at rates collection as a specific tool for community connection, among others, and assesses the benefits of different options for collecting WRC rates. The key questions for this review are to what extent, if any, different rates collection options would affect:

- Awareness of the WRC within the regional community
- Support for the WRC from the regional community.
- WRC's accountability to the regional community
- Rates compliance in the regional community
- Efficiency for the regional community

It is important to note that the review focuses on the WRC's relationship with ratepayers who pay rates directly, as opposed to tenants, for example, who pay rates indirectly through their rent. Direct ratepayers are only a subset of Wellington Region residents and voters with 167,975 regional properties (based on the 1999/00 figure of rates assessment notices) representing around 40% of the Region's 414,048 residents (1996 figure).

3. Other Factors Contributing To This Review

3.1 Funding Powers Review

A significant factor affecting this project is the Government's funding powers review. Underlying this review is a drive for increased transparency. This is arguably required to improve the expression of "community preference", which in turn guides the direction of local government outcomes and how they are funded.

Potential issues arising for the WRC from the funding powers review are:

- *Separate Rates Assessments Notices*
We understand that central government officials are currently of the view that new legislation should require separate rates assessment notices for all local authorities even where collected by TAs on behalf of a regional council. If enacted into legislation, this would effectively mean separate collection of regional rates (see section 5.3 below).
- *More Targeted Rates and User/Beneficiary Charges*
There may also be a requirement for rates assessments to provide much greater detail with more separate rates and charges. This could mean many more lines on rates assessment notices, for both TAs and the WRC. The current thinking of Government officials seems to be in the direction of constraining the Council's funding decisions by requiring the use of either a general rate, targeted taxes or user/beneficiary charges, depending on the nature of the activity being funded.

Given the complexity of issues relating to the funding powers review it is difficult at this stage to assess how any legislative changes will impact on the WRC's rates and rates collection processes. It is also difficult to anticipate the new Government's approach to the funding powers review. However, there is an aim to get new legislation through the House by mid-2001. It is very likely that any significant legislative changes would then take some time to implement, and a transitional period of some years is expected. At this stage, officers sense that separate rates assessment notices, at least, are inevitable, although some way off being required by legislation.

3.2 Views of Territorial Authorities

The issue of rates collection has been discussed informally at the political level by the Council Chairperson and the Region's Mayors. The Mayors have generally supported the WRC collecting its own rates. Similarly the General Manager has discussed this matter with TA chief executives who were of the same view. By comparison, the views of TA rating managers tend to favour existing collection arrangements.

There is some history of various TAs, from time to time, raising the issue of separate collection of WRC rates because they argue that this would improve WRC accountability to its ratepayers. Other more obscure motivations for these proposals may be politically driven. They may also be a function of the natural tension between regional and local government. A few TAs have tried to use the fact that they collect regional rates as leverage in their relations with the WRC.

Hutt City Council (HCC) has recently taken the unusual step of forming a policy position on the WRC review, on the basis of preliminary discussions at the officer level. The issue was considered by the HCC Finance Committee on 19 October 1999, which resolved to recommend that the City Council support a change by the WRC to direct collection of its own rates, as soon as possible. The report to the Finance Committee, the record of the meeting and the Hutt City Council minute are attached (**Attachment 1**). HCC adopted the recommendations of its Finance Committee on

26 October 1999. The report is quite inaccurate in parts and our concerns have been taken up with HCC.

4. Current Rates Collection Arrangements

4.1 Rates Collection Process

The process of rates collection, can be broken down into the following steps:

- Valuation database maintenance
- Striking the rates
- Levying the rate (applying rates to valuation information)
- Generating assessment notices
- Sending out rates assessments
- Collecting the rates (providing various payment options)
- Applying penalty fees and debt collection
- Applying the remissions and exemptions policy
- Maintaining ratepayer accounts and handling queries

A diagram of the rates collection process is attached (**Attachment 2**).

The WRC strikes its own rates – it alone has the authority to do so. The valuation information, which is owned by the TAs, is maintained by Quotable Value New Zealand (QVNZ), which currently acts as a valuation service provider for each TA in the Region. The TAs are no longer required to use QVNZ and may in future choose different providers. The WRC currently pays the TAs a contribution of approximately \$200,000 towards valuation roll maintenance, plus an annual fee to QVNZ of approximately \$25,000 for compiling the valuation equalisation certificate. This contribution is in addition to the rates collection fee paid to TAs, detailed in section **4.3** below.

The WRC provides the TAs with the WRC rates struck and each of the TAs in turn applies these rates to the properties within their districts in order to generate the rates assessment notices. In collecting both WRC and their own rates, most TAs contract out significant parts of the collection process to private providers, such as generating and sending out assessment notices.

TAs also offer a range of rates payment options. Contractors such as banks may provide some of these options, such as direct debiting and paying by post. Similarly, rates accounts may be managed by the TAs themselves, or contracted out.

4.2 Combined Rates Collection Arrangements

The current combined rates collection arrangements were established by the Local Government (Wellington Region) Reorganisation Order 1989 and have been sustained

by subsequent rates collection agreements with each of the TAs. The Council has periodically reviewed its collection arrangements and to date has consistently retained the current system. Reports PE98.108, PE96.198 and 95.5 19 refer (**Attachments 3, 4 and 5**).

The arrangement established by the Reorganisation Order was clearly in keeping with minimising costs and with the “one-stop shop” philosophy of the then Local Government Commission. In those early days, WRC rates were levied and collected on the basis of the TA rating systems, including the application of TA differentials. This is no longer the case.

There have been a number of improvements in the WRC’s rates collection processes over the years. Transparency and accountability have been improved in WRC rates collection by:

- WRC rates being collected exactly as the Regional Council makes them, with its respective Transport and Stadium Rate differentials being applied; and
- WRC rates being clearly identified separately on rates assessment notices.

The current practice is entirely consistent with the principles of transparency embodied in the financial management provisions of the Local Government Act 1974.’

Examples of TA rates assessment notices, which include WRC rates, are attached (**Attachment 6**). While these notices all contain basically the same information, they vary in terms of the presentation of that information, especially with respect to the visibility of WRC rates. The Wellington City Council assessment notice most clearly displays WRC rates in a red box, and has the appearance of a joint notice, displaying with equal prominence the WRC and WCC logos. We favour this approach and believe it is consistent with the transparency sought by critics of the current rates collections arrangements. Other rates assessment notices appear in the name of the TA only. Should the Council decide to retain the current rates collection arrangements, it would be useful to investigate whether the other TAs would be interested in adopting the WCC model.

4.3 **WRC Rates Collected by Territorial Authorities**

The TAs currently collect most WRC rates in the Region. The WRC pays the TAs a total collection fee equivalent to 2% of the regional rates collected, budgeted at \$840,000 (excl GST) for 1999/00. To ensure a more equitable spread of the total collection fee among TAs, the collection fee is paid on a per assessment basis.

¹ While the WRC insists, for reasons of transparency, on having its rates collected as they are made, there are other less transparent collection options still available, that is:

- TAs recalculating the regional rates using their own rates system and differentials
- TAs treating regional rates as a levy and funding the required regional rates from their own general rate.

The collection fee paid to TAs does not represent the additional cost incurred by TAs in collecting WRC rates. The marginal cost of including WRC rates on TA rates assessments is relatively low, a fact which TA rates managers readily acknowledge.

There are four regional rates collected by TAs on behalf of the WRC – the General Rate, the Rivers Rate, the Transport Rate and the Stadium Rate (with the exception of Masterton and South Wairarapa Districts, which do not collect the River Management Rate). The amount of regional rates made by the WRC in 1999/00, broken down by TA district, and the number of assessment notices per district, are detailed in the following table (including GST and rate collection fee):

Collecting Authority	General Rate	Rivers Rate	Transport Rate	Stadium Rate	Number of Assessment Notices
Carterton	\$314,681	\$10,332	\$31,882	\$19,733	3,128
Kapiti Coast	\$1,819,292	\$865,198	\$690,634	\$136,441	19,956
Hutt	\$3,560,031	\$1,000,652	\$4,567,953	\$550,272	37,862
Masterton	\$787,730	-	\$70,439	\$56,381	10,578
Porirua	\$1,306,038	\$181,035	\$2,333,636	\$202,406	16,206
South Wai	\$500,820	-	\$49,388	\$31,009	4,910
Upper Hutt	\$1,155,107	\$375,524	\$1,197,941	\$148,280	14,000
Wellington	\$10,103,156	\$166,777	\$13,729,521	\$1,674,495	61,335
Tararua	\$1260				9
Total	\$19,548,115	\$2,599,518	\$22,671,394	\$2,819,017	167,975

The collection cost for these rates is currently around \$5 per assessment notice.

4.4 Rates Collected by the WRC

The WRC currently collects, by annual assessment, its own Bovine Tb Vector Control rate (which applies to all properties in the Region over 10 hectares) and Wairarapa scheme rates for river management and flood protection, catchment, drainage and water supply. The amount of Bovine Tb and Scheme rates made and collected this year in the Wairarapa are detailed in the following table (including GST):

City/District	Amount Collected	Number of Assessment Notices
Carterton	\$243,026	827
Master-ton	\$465,403	1516
South Wairarapa	\$954,968	1372
Tararua	\$10,728	9
Total	\$1,674,125	3724

The amounts of Bovine Tb Vector Control rates per district collected in the western part of the Region are detailed in the following table (including GST):

City/District	Amount Collected	Number of Assessment Notices
Lower Hutt	\$9,932	233
Kapiti Coast	\$18,570	460
Porirua	\$5,611	158
Upper Hutt	\$29,009	250
Wellington	\$9,006	211
Total	\$72,128	1312

The total annual cost of collecting Scheme and Bovine Tb rates is \$50,900. This cost includes:

- Labour
- Advertising, printing stationery, postage
- System maintenance and support
- Capital expenditure of system hardware/software of \$45,000 spread over 10 years.

A 2% collection fee applied to the rates strike (\$30,000) and penalty fees (\$15,000) offset this collection cost. There are 5036 Scheme and Bovine TB rates assessments, which means the average collection cost is approximately \$10 per assessment notice. This is higher than the cost per assessment of regional rates collected by TAs because of the complexities of the Scheme and Bovine Tb rates and a less favourable economy of scale.

4.5 Other Regional Councils

Of the 11 other regional councils, only Southland and West Coast Regional Councils collect their own “general” rates. Several, like the WRC, collect their own scheme rates. A table summarising their respective approaches is attached. (**Attachment 7**).

5. Range of Options

Officers have met with rates managers of the eight TAs in the Region (excluding Tararua District) for preliminary discussions and to canvass possible options for change.

TAs from the western part of the Region were also briefed on WRC Bovine Tb rates and asked to consider whether they would be prepared to collect this rate. The rates managers of the western TAs agreed in principle to this proposal.

The options discussed with the TA rates managers ranged from the status quo to withdrawing WRC rates collection from the TAs and contracting out all or part of the collection process to one or more service providers.

All of the following options include the whole rates collection process outlined in section 4.1. The options are as follow:

5.1 **Option 1 – Current combined collection of TA and WRC rates**

This is the status quo option outlined in section 4 above.

5.2 **Option 2 – Current combined collection of TA and WRC rates + personalised communication sent annually by the WRC to each regional ratepayer detailing regional outcomes sought and the rating impacts**

All TA rates managers agreed in principle with the feasibility of this option. Such a letter would be sent out by the WRC separately from rates assessments. TAs would provide appropriate data files to WRC. This communication should also include information on the WRC functions funded by rates, and the corresponding regional outcomes. An example of a possible communication is attached (**Attachment 8**).

In its simplest form, this option would be a one-way personalised communication only. It could be enhanced by maintaining this ratepayer information on a database to allow the tracking of rates changes in particular properties and also to access individual information to facilitate a ratepayer advisory service for those who call the Regional Council to discuss their rates. Currently only the TAs can provide ratepayers with detailed information about the amounts of rates payable, while WRC staff provide advice on its rates policy and rate-funded outcomes.

5.3 **Option 3 – Separate WRC and TA rates assessments with TAs continuing as WRC collection agents:**

- **In same envelope as TA assessment, OR**
- **In separate envelope using same TA instalments, OR**
- **One annual instalment for regional rates only, possibly in lieu of one TA instalment**

The TA rates managers generally rejected this option, in its various forms. Issues arising included:

- With current rates collection software, separate assessments are not merely a separate print programme; they would entail totally separate processes for handling payments
- The duplication of collection systems would be costly and unreasonable
- Confusion may arise by having separate assessments but one collection agent
- New software would be required
- WRC would have to meet the capital costs of any changes
- There would be increased WRC debtor issues

While the TA officers rejected this option because it is not possible to print separate assessments using their current software without duplicating the whole collection process, new software may well be required as a result of legislative changes arising from the Government's funding powers review. New software may provide opportunities for greater flexibility and this option could be revisited at that time.

An alternative suggestion was that TA and WRC rates adopt an electricity/gas billing model, so both assessments appear separately on different sides of the same page, and a summary of total rates due is also provided. This was viewed as not feasible in terms of current software applications, and the outcome is not significantly different from current combined rates assessments.

5.4 Option 4 – WRC taking full responsibility for separate collection of WRC rates and contracting out various parts of the rates collection process to one or more service providers

This option would have the WRC responsible for separate rates collection and overseeing a mix of contracted out parts of the process. At the very least, the WRC would be responsible for striking its rates and other core internal functions such as rates policy administration and contract management.

This option could have high transitional costs for the WRC, depending on the mix of contracted functions that was adopted. If this option were preferred, a more detailed report on how to achieve this transition would be required.

In developing the appropriate mix of parts of the collection process to be done in-house and to be outsourced, the Council would have to consider the effect of section 247D(2A) of the Local Government Act 1974. This section requires regional councils to consider other options, such as contracting out, before using its own staff to carry out its functions.

This option would involve taking regional rates collection out of the TAs' hands (unless one or more of the TAs successfully tendered for a part or parts of the collection process).

Some of the TA rates managers supported the increased transparency of this option. However, they are generally happy to continue collecting WRC rates. Subsequent to our preliminary officer-level consultation with TAs, Hutt City Council's Finance Committee discussed the WRC review and the Committee declared a strong preference for the WRC to collect its own rates, as noted in section 3.2 above.

There was some concern among TA rates managers about TAs losing their collection fee. Some TAs were concerned this option was not in the general ratepayer interest, that is, it would mean an increased net cost to all ratepayers. In expressing this view, the TA officers diverge from their Chief Executives and Mayors who favour, in principle at least, separate collection of regional rates. It should be noted that the Mayors' views do not necessarily reflect the position of their respective Councils.

This option raised the issue of TA charges for using their valuation databases, although section 43(5) of the Rating Valuations Act 1998 provides that each territorial authority must, without charge, provide a copy of its district valuation roll to the regional council if so requested. Further, the approach for apportioning the costs of valuation roll maintenance is determined in section 43(3) of the Act. However, issues relating to costs

for the provision of valuation information and roll maintenance are still being negotiated with TAs as they find their way in the new environment.

A major communications strategy would be required to stop WRC rates being paid to TA offices. Such a campaign would also aim to ensure ratepayers understood why they were receiving two rates assessments, and that their total rates payable to both TAs and the WRC should not change. There would be a risk of WRC separate rates assessments being viewed as a new rate or an additional burden on the ratepayer.

5.5 Option 5 – Private provider or joint LATE to collect all local authority rates in the Region

This option would require the co-operation of all local authorities in the Region. While such an approach would present potential economies of scale, some TAs thought there were too many differences in rates and collection arrangements across the Region (eg numbers of instalments) to make this option feasible. The Wairarapa TAs thought that they could lose contact with community issues, given the social aspect of their collection arrangements.

This option could usefully be revisited in light of legislative amendments arising from the Government's funding powers review.

6. Feasible Options

Following this initial consultation with the TA rates managers, two options may be discounted as not currently workable. They are the separate collection of WRC rates by TAs (Option 3) and the single joint approach to collection of all local authority rates in the Region (Option 5). They are not feasible for the reasons set out above.

Three options have emerged as feasible, that is:

- Option 1 – the status quo
- Option 2 – current combined collection of TA and WRC rates together with a personalised communication to each WRC ratepayer, and
- Option 4 – full WRC responsibility for separate rates collection and contracting out a mix of the collection process to one or more service providers.

Option 1 is set out comprehensively in section 4 above. Of the feasible options for change, Option 2 is the less disruptive one, and would serve to enhance the current collection arrangements by providing personalised information to ratepayers on the regional outcomes that are sought.

Option 4 would require a Request for Proposal (RFP) being drafted and sent to potential service providers. The Council last sent out an RFP for rates collection services in March 1996. Any RFP should include the following requirements:

- A seamless transfer from the old system to the new
- Cost not significantly more than current collection fees

- Cost not significantly more than current collection fees
- Interface with TA rating valuation databases
- Ability to process rates assessment invoices, including reminder notices and penalty charges
- Ability to process all methods of payment (such as cash, cheques, EFT-POS, direct debits, etc)
- Immediate deposit of funds into WRC bank account
- Must include debtor follow-up services
- Handling of account enquiries (other than rating policy queries already handled by WRC)
- Flexible system of reporting to WRC
- Maintain or improve cashflow to WRC

Option 4 would also require the WRC to develop a policy on rates remissions and exemptions. The Council currently utilises TA remission and exemption policies.

If separate rates collection were to some extent contracted out, it would be useful to pilot the new system for a year in one of the Council's smaller constituencies, such as the Kapiti Constituency.

Should separate collection of rates be preferred, then the timing of implementation would need to be considered. It may be useful in this case to defer implementation until there is clarity on the legislative changes arising from the Government's funding powers review. Any legislative changes will be subject to consultation with both the local government sector and the public generally. Such consultation would provide a forum for discussing the feasibility and compliance costs of the proposed legislative requirements.

A preference by the Regional Council for Option 4 would require a further report from officers on options for the appropriate mix of outsourcing, technical implementation details, and a timetable for achieving this.

7. Cost of Feasible Options

7.1 WRC Costs

The WRC's current rates collection costs are \$840,000 pa for the rates collected by TAs and \$51,000 pa for the separately collected Bovine Tb and Wairarapa Scheme rates, totalling \$891,000 pa.

The cost of generating, printing and sending out a personalised two-page letter to each regional ratepayer (Option 2) is estimated to cost around \$120,000² in addition to

²This cost is relatively higher than producing *Elements*, for example, because each letter is personally tailored, requiring special data processing and individual postage.

current rates collection costs. This additional cost would be for the option in its simplest form (ie the letter only) and does **not** include internal contract management costs or the ability to track changes for particular properties and provide a backup ratepayer advisory service for those who call the Regional Council to discuss their rates.

A preliminary cost estimate for contracting out all parts of the WRC rates collection process, except valuation roll maintenance, striking the rates, rates policy administration and contract management, is put at approximately \$1,030,000, including a one-off set-up cost of \$120,000.

The following table summarises preliminary option costs for each of the feasible options, assuming the following cost exclusions:

- Valuation roll maintenance costs paid to TAs and QVNZ are not included – (Although these costs should not change depending on the chosen option, there is a risk that TAs will look to charging separately a valuation database charge in the event they lose the 2% rates collection fee)
- In-house costs of striking the rates and rates policy administration are not included (These costs are likely to be consistent irrespective of the option chosen)
- Contract management costs for Option 4 are not included (These costs would depend on the extent of the process contracted out).

	Option 1	Option 2	Option 4
	\$840,000 (current TA services ³) \$51,000 (Bovine Tb and Scheme rates)	\$840,000 (current TA services) \$5 1,000 (Bovine Tb and Scheme rates) \$120,000 (basic personalised letter excluding backup ratepayer advisory service)	Approx. \$1,030,000 (contracting out all current TA services, including set-up cost, but excluding in-house costs that could add up to \$300,000)
Total	\$891,000	\$1,011,000	\$1,030,000

Clearly enhancing the status quo (Option 2) or contracting out all or some parts of the collection process currently done by TAs (Option 4) will be more expensive to

³ Services currently provided by TAs include:

- Levying the rate (applying rates to valuation information)
- Generating assessment notices
- Sending out rates assessments
- Collecting the rates (providing various payment options)
- Applying penalty fees and debt collection
- Applying the remissions and exemptions policy
- Maintaining ratepayer accounts and handling queries

the WRC than retaining the status quo, especially when the cost exclusions listed above are factored in.

7.2 Net Cost to Ratepayer

The net cost to the ratepayer generally should also be considered. Losing the 2% regional rates collection fee will require TAs either to find savings or increase their own rates (particularly in the case of smaller TAs). If TAs made no savings and their lost revenue were simply added to their rates, the extra cost to the ratepayer would equal the cost of the WRC's separate collection arrangements, ie around \$1 million pa.

In considering the cost of these options, efficiency and increased transparency/accountability are not mutually exclusive factors. Option 2 would maintain current efficiency and improve transparency to the regional ratepayer through the provision of tailored information for an additional cost of approximately \$120,000. On the other hand, Option 4 (partial contracting out of separate regional rates collection) may improve accountability to the regional ratepayer through increased transparency but could also add around \$1 million to the overall rates burden by effectively duplicating the rates collection process that TAs already have in place. This option would also require in-house contract management costs and a significant initial communications programme to help manage the transition, as well as ongoing information about the Council's functions and regional outcomes.

8. Option Assessment

8.1 Applying the Strategic Framework

While Options 1, 2 and 4 may be feasible, they need to be assessed in terms of how they meet the review's purpose, that is, how they could improve the Council's relationship with its ratepayers. The following questions, as noted above, provide a framework for assessing the options. To what extent does each option affect:

- **Awareness** of the WRC within the regional community?
- **Support** for the WRC from the regional community?
- WRC's **accountability** to the regional community?
- **Rates compliance** in the regional community?
- **Efficiency** for the regional community?

Option 1 is assumed to be the neutral position against which the two options for change are measured.

8.1.1 Awareness

Both options 2 and 4 will raise awareness of the WRC compared to the status quo, although separate rates collection will likely raise a negative profile among some in the community. By contrast, a single communication simply relating individual cost

to the regional outcomes will likely have a positive effect due to increased ratepayer understanding of what they are contributing to.

8.1.2 Support

As with the awareness issue, separate rates collection in itself is not likely to increase support for the WRC. Indeed the likely negative ratepayer response would probably lower WRC support. By comparison, the Option 2 communication is likely to increase support from ratepayers.

8.1.3 Accountability

If accountability is defined broadly as telling ratepayers about what the WRC does to achieve the regional outcomes that the ratepayers fund, then clearly Option 2 would increase accountability. Option 4 in itself will not achieve this, although it may increase transparency by further separating the association of TA and WRC rates.

8.1.4 Rates Compliance

Separate rates collection would likely lead to lower rates compliance, initially at least, and an increase in unpaid rates, especially at first, as separate collection may be viewed as a new rate. Option 2, on the other hand, may enhance compliance as ratepayers understand more clearly the benefits of paying their regional rates.

8.1.5 Efficiency

The lowest cost option is clearly the status quo. Preliminary **costings** for Options 2 and 4 are not hugely greater than current costs. However, the net cost to the ratepayer of withdrawing the TA rates collection fee (under Option 4) must also be considered. Separate collection effectively means a duplication of WRC and TA rates collection processes and bears corresponding costs.

8.1.6 Summary

On balance, it appears that separate rates collection in itself would contribute little to improved relations with ratepayers; indeed, it could well be detrimental to those relations. However, enhancing the current rates collection arrangement by sending out a personalised communication to ratepayers detailing the regional outcomes they each contribute to is very likely to improve the Council's connections with the regional community.

The most efficient method of collecting regional rates is the status quo. This approach could be made more effective by introducing the Option 2 communication, in conjunction with other communication tools in the Community Connections strategy, that is, the regional newspaper, the upgraded **website**, and the communications database OSCOR: Online System of Communications Opportunities Regionwide (still under development).

8.2 Focus Groups

These findings are supported by a focus group exercise in November 1999. The groups were made up of regional residents and discussions included the Council's accountability to ratepayers and residents, and its funding options. The focus group report states that people did not see any advantages in the WRC rating separately, which was thought to be expensive and unnecessary.

9. Funding the Preferred Option

Obviously there would be no extra funding requirements should the current rates collection process be preferred. The cost of implementing either Option 2 or Option 4 would require additional funding. This would have to be added to the rates line as part of the Long-term Financial Strategy process.

10. Communications

In the spirit of improved transparency, it would be useful to publicise the outcome of this review and the reasons behind the decision.

11. Conclusions

This review assesses the benefits and costs of various rates collection options, including the status quo, and makes recommendations with a view to improving the Council's relationship with its ratepayers.

While the Government's review of local authority funding powers may have significant legislative impacts on the WRC's rates and how it collects those rates, it is too early to assess the extent of those impacts. It is also difficult to anticipate at this stage the new Government's approach to the funding powers review, although there is a sense that separate rates assessment notices, at least, are inevitable. New legislation is expected in mid-2001 and it is very likely that any significant legislative changes would take some years to implement.

While TA Mayors and Chief Executives generally support the WRC collecting its rates separately, TA rates managers generally support current combined collection arrangements.

The joint approach of Wellington City Council's rates assessment notices is consistent with the transparency sought by critics of the current rates collections arrangements. Other rates assessment notices appear in the name of the TA only. It would be useful to investigate whether the other TAs would be interested in adopting the WCC model.

Following preliminary consultation with constituent territorial authorities, the three feasible rates collection options that emerged were:

- Current combined collection of TA and WRC rates (status quo)

- Current combined collection arrangements together with a personalised communication sent annually by the WRC to each ratepayer detailing the cost of regional rates and regional outcomes they fund, and
- Full WRC responsibility for separate rates collection and contracting out a mix of the collection process to one or more service providers.

The cost of current rates collection services provided by TAs is \$840,000. The cost of sending out a personalised letter to each regional ratepayer (Option 2) is estimated to be an additional \$120,000. The cost of contracting out the regional rates collection services currently provided by TAs (excluding in-house costs) is estimated at \$1,030,000.

Separate collection of WRC rates in itself would contribute little to improved relations with ratepayers and effectively duplicate the process and costs of the existing rates collection arrangement within the Region.

The most efficient method of collecting regional rates is the status quo. This approach could be made more effective by introducing the Option 2 communication, in conjunction with other communication tools in the Community Connections strategy. Any increased expenditure on the rates collection process would have to be funded from rates.

12. Recommendations

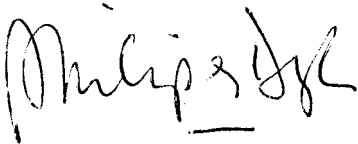
That the General Manager.

- (1) *Receive this report and note its contents;*
- (2) *Recommend to Council support in principle to:*
 - (i) *Maintain the current regional rates collection arrangements whereby territorial authorities in the Region collect regional rates on behalf of the Wellington Regional Council; OR*
 - (ii) *Enhance the current combined collection of territorial authority and Wellington Regional Council rates by sending out annually a personalised letter to each Wellington Regional Council ratepayer detailing the cost of regional rates and regional outcomes they fund, OR*
 - (iii) *Take full responsibility for separate regional rates collection, potentially contracting out a mix of the collection process to one or more service providers, and seek a further report from officers detailing the implementation of this option.*

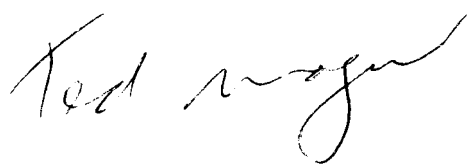
- (3) *Recommend that Council direct officers to encourage other territorial authorities in the Region to adopt the Wellington City Council model of rates assessment notices, should the Council decide to continue the combined rates collection arrangement.*

Report prepared by:

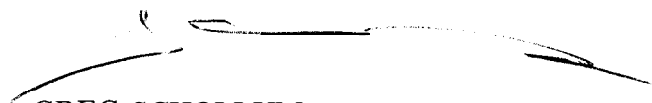
Approved for submission:



PHILIP VAN DYK
Policy Analyst
Council Secretariat



TED MAGUIRE
Council Secretary



GREG SCHOLLUM
Chief Financial Officer

- Attachment 1: Report re WRC rates collection to Hutt City Council Finance Committee meeting of 19 October, the report of that meeting and the related Hutt City Council meeting minute.**
- Attachment 2: Rates Collection Process Diagram**
- Attachment 3: Report PE98.108**
- Attachment 4: Report PE96.198**
- Attachment 5: Report 95.519**
- Attachment 6: Examples of constituent territorial authority rates assessment notices**
- Attachment 7: Summary of other Regional Councils' approach to rates collection**
- Attachment 8: Example of possible personalised communication to ratepayers**

HUTT CITY COUNCILFN70-15-2
7 October 1999

The Chairman and Members FINANCE COMMITTEE
--

WELLINGTON REGIONAL COUNCIL RATES COLLECTION**Report No. FIN99/10/2****RECOMMENDATIONS:**

That the Committee:

- (i) notes the contents of this report and considers the adoption of a policy to either:
 - (a) support the continuation of collection of rates revenue on behalf of the Wellington Regional Council; OR
 - (b) support a change by the Wellington Regional Council to direct collection of its own rates revenue, as soon as it is legally possible.

1. REPORT SUMMARY

- 1.1 Some preliminary work has been done on possible options for changing the way Wellington Regional Council rates are collected. It is now desirable for the Council to establish a policy on its preferred method of collection, in order to hold discussions with the other interested parties.
- 1.2 This report sets out the background, current situation and the factors driving consideration of a change from the current arrangement. It outlines the options and the characteristics of each option, as well as providing some indication of the comparative costs for each.

2. ISSUES**Review of Collection Arrangement History**

- 2.1 Since local government reorganisation took place in 1989, and for a number of years before, this Council has collected rates on behalf of the Wellington Regional Council (WRC), as have all other territorial local authorities (TAs) in the region.

- 2.2 In the early years of collection the rates were treated as a levy on this Council, and were collected as part of this Council's rates. Subsequently the WRC rates were levied as separate rates on this Council's assessments, but were levied using differentials set by Hutt City. Several years ago doubts were cast on the validity of using Hutt City differentials to calculate regional rates, and the present arrangement, that of levying WRC rates as struck, was adopted.
- 2.3 In 1996 the WRC reviewed its collection arrangements, with a view to collecting its own rates. Advertisements were placed calling for suppliers of rating software and services. After consideration of responses, the WRC did not proceed any further with this proposal, but instead renegotiated its rates collection agreements with all TAs in the region.

Present Arrangements

- 2.4 The present arrangements for rates collection are governed by the Local Government (Wellington Region) Reorganisation Order 1989. This order provides that all WRC rates up until June 1992 were to be collected by the constituent authorities. After that date the WRC may collect rates directly **only** by **unanimous agreement** of all TAs and the WRC.
- 2.5 In terms of this Order this Council has a collection agreement setting out details of collection, reporting and payment of amounts collected. The agreement contains a clause which allows the agreement to be terminated by either a determination of the Local Government Commission or a decision of the WRC to collect its own rates.
- 2.6 Under this arrangement this Council currently collects approximately \$9.5 million per year from Hutt City ratepayers and pays it over to the WRC. The WRC annual rates details show separately in a highlighted box on the face of Hutt City Council rates assessments, but the instalment amount is a combined total of the WRC and Hutt City Council rates.
- 2.7 The Council receives a collection fee for this work. The fee is calculated as 2% of the WRC rates levied. For the current year this amounts to \$952,761 over the whole region. The Hutt City Council share is about \$188,000 (excluding GST).
- 2.8 The collection of WRC rates involves this Council in no extra costs, as all costs for rate collection are incurred irrespective of the amount being billed. The WRC fee however equates to around 15% of collection costs, about the same proportion as the revenue collected on behalf of the WRC.

Drivers for a Change

- 2.9 For a number of year's now the WRC has expressed the desire to have a higher profile in the region. It considers that the public is not fully aware of the work it does or how it functions, because it has little direct contact with ratepayers. Most ratepayers pay little heed to the **WRC** rates details on the Hutt City Council rates assessments and consider only that the instalment total is paid to this Council.
- 2.10 Most constituent local authorities also believe that the WRC should be directly accountable to ratepayers for the amount of rates charged. Increases in WRC rates can mask rate reductions in local rates, as ratepayers focus on the total amount payable, not which rate has increased. As the local Council sends the account, it tends to receive the blame for any and all increases.
- 2.11 The Rating Powers Act is currently under review. There have been some indications that a revised Act may require separate billing of WRC rates, to increase its accountability. There are also indications that, even if separate bills are not required, there will be requirements to show a more detailed breakdown of charges on rate accounts. This may make it difficult to show sufficient detail of two sets of rates on one form.

Options for the Future

- 2.12 The WRC has recently convened several meetings of officers to consider the implications and practicalities of various options for changes in the method of collection of WRC rates. The purpose of these meetings was not to advocate change, but to consider how any change could be implemented, if the current arrangements are altered. The options which were considered were:
- Continue the current combined rate assessment with TAs collecting and paying over all amounts received.
 - Separate rate assessments, both sent in one envelope, with TAs continuing to act as levying and collection agents, as at present.
 - All WRC rate collection either done by WRC or contracted out to a private provider and billed totally separately from TA rates.
 - Establish a regional LATE or contract a private provider to undertake all rating in the region for both WRC and TAs.
- 2.13 While the officers agreed that the current method of collection was the most cost efficient, the preferred option is clearly a matter which requires a policy decision from elected members

Comparison of Option Characteristics

2.14 In order to inform the policy debate on whether Hutt City Council should support collection of WRC rates by TAs, a table contrasting the characteristics of each option is set out below.

2.15 For the sake of simplicity the characteristics contrast only the following two basic options:

- TAs continue to collect WRC rates as at present; or
- WRC makes its own arrangements for a totally separate collection of rates.

There are numerous variations on these options, including whether TAs assist in the separate collection, or merely act as payment agencies, as well as how many instalments may be chosen by WRC. Even the establishment of a LATE for all rates collection needs to consider whether separate bills are sent for each type of rate.

Characteristics of Each Collection Option

<u>Current Collection Method</u>	<u>WRC Collects Own Rates</u>
Least Cost Option -- only one set of costs incurred.	Two sets of costs incurred for: Administration & System Postage & Printing Debt Collection
Ratepayers receive and pay only one account	Ratepayers receive two accounts, which may be payable at different places and different times.
WRC is not directly accountable to its ratepayers for the rates it sets.	Ratepayers can clearly see WRC rates and changes in rates, and communicate directly with WRC on rating matters.
TAs receives commission and penalty revenue for collecting WRC rates.	WRC saves \$952,761 in commission, but incurs full collection costs for region.

Consideration of Costs

2.16 It is not possible to accurately assess the costs of changing to a system of direct charging by the WRC before key decisions are made on options such as number of instalments. Postage alone is estimated to cost around \$60,000 per instalment. It is however highly doubtful that the amount spent on commission will be sufficient to pay for a full rating function. This would mean that a change to direct collection of

rates would see an increase in WRC rates, to cover **increased collection costs**.

2.17 It is somewhat easier to assess the financial impact on this Council. The Council would lose revenue of \$188,000 per year in commission, plus about \$80,000 in additional charges levied on WRC rates. Offsetting this drop of \$268,000 in revenue would be an increased recovery from WRC for valuation and data update costs. The cost recovery would need to be negotiated but could be up to \$150,000 more than at present. This represents a net loss of revenue of around \$118,000. It may be possible to offset part of this revenue loss by billing fewer instalments, and thus reducing printing and postage costs.

3. CONSULTATION

3.1 Consultation at this stage has been limited to meetings of officers to discuss the practical aspects of various charging options.

4. FINANCIAL CONSIDERATIONS

4.1 It is likely that a change to direct rating will result in an overall increase in rates in the region. Part of the increase would be in the WRC rates and the remainder would be added to TA rates.

5. LEGAL CONSIDERATIONS

5.1 A change to direct rating by the WRC can only occur with the unanimous agreement of all TAs and the WRC, in accordance with the provisions of the Local Government (Wellington Region) Reorganisation Order 1989.

6. INFORMATION TECHNOLOGY CONSIDERATIONS

6.1 This Council's rating software is capable of billing and collecting rates on a combined basis, as at present. It is not capable of producing or accounting for separate billing for TA and WRC rates. Substantial and costly modifications would be required if this Council were to attempt to collect rates separately on behalf of the WRC.

7. PUBLICITY CONSIDERATIONS

7.1 The Communications Manager will prepare publicity material as the need arises.

8. OTHER CONSIDERATIONS

- 8.1 There are many possible options and permutations for the collection of WRC rates, and there remains much work to be done to produce firm proposals for a change from the current method. At this stage however it is considered necessary to seek a policy decision before proceeding further.
- 8.2 In the event that the Council decides to support direct collection of WRC rates, it will be necessary for discussions to take place with all other affected parties in order to achieve the necessary unanimous agreement which is required to implement it.

9. APPENDICES

- 9.1 There are no appendices.

Report prepared by:

Peter Collins
Treasurer

Approved by:

Tony Stallinger
Chief Financial Officer

HUTT CITY COUNCIL**City Secretariat****FINANCE COMMITTEE**

Report of a meeting held in the Hutt City Council Chambers,
Administration Building, 30 Laings Road, Lower Hutt on
Tuesday 19 October 1999 commencing at 5.30pm

PRESENT: Cr DK Ogden (Chairman)
Mayor JJ Terris Cr J Austad (from 5.55pm)
Cr JMK Baird Cr VR Jamieson
Cr RW Styles Cr WR Wallace

APOLOGIES: An apology for lateness was received from and granted to
Cr J Austad.

IN ATTENDANCE: Mr R Kerr-Newell, Chief Executive
Mr A Stallinger, Chief Financial Officer
Mr P Collins, Treasurer
Mr G Sutherland, Committee Advisor

REPORT TO COUNCIL**PUBLIC BUSINESS**

Matters requiring specific consideration by Council are shown as
“**RECOMMENDED**” while those matters which are within the Committee’s
power to determine are shown as “**RESOLVED**”.

1. PUBLIC COMMENT

There was no public comment.

**2. NEW ZEALAND COUNTIES INVESTMENT COMPANY LIMITED
(FN55-8)**

Report No. FIN99/10/1 by the Treasurer - circulated pages FIN 1-1 to 1-3.

RESOLVED: **Minute No. FIN 991001**

*“That the Committee notes the contents of this report and in the absence of any
other material factors, awaits the winding up process.”*

3. WELLINGTON REGIONAL COUNCIL RATES COLLECTION
(FN70-15-2)

Report No. FIN99/10/2 by the Treasurer - circulated pages FIN 2-1 to 2-6.

The Treasurer introduced the report and pointed out that the costings provided in the report were estimated figures only. He also said that the legal position was a little ambiguous in that the Wellington Regional Council officers argue that the Ratings Powers Act takes precedence in this matter. This means that the Wellington Regional Council could act unilaterally to decide to collect its own rates, with or without the agreement of the territorial local authorities.

Mayor Terris informed that Committee that he believed that the Wellington Regional Council chairman was in favour of the Wellington Regional Council collecting its own rates.

The Chairman said that as this was a political issue the full Council should consider it and therefore it would be referred to Council. He said that the arguments against included loss of revenue to the Hutt City Council, more trouble and expense for its ratepayers and the doubling the number of payments. He said however that generally he supported the Wellington Regional Council collecting its own rates. He explained that it would be good for the region overall as it will mean more ratepayer awareness of the Wellington Regional Council and hence increase its accountability. He also suggested that Council consider generating publicity over this issue through its Communications Manager.

Cr Wallace supported the recommendations in the interest of transparency and accountability and he congratulated the Wellington Regional Council for wanting to increase its regional profile.

Cr Styles supported the recommendations and contended that the increase in administrative cost to the regional ratepayers would be offset by the increase in efficiencies due to transparency, resource allocation and accountability.

Cr Jamieson said that the Wellington Regional Council will not increase their profile simply by collecting its own rates and he opposed the recommendations as he said it was better for Hutt City Council to collect the regional rates and receive the financial benefits from doing so.

AMENDMENT MOVED: (Cr Styles/Cr Baird)

“That Council notes that the Wellington Regional Council agrees that the benefits of efficiency gains from resource allocation, transparency and accountability resulting from direct collection of regional rates will outweigh the administrative efficiencies forgone; and

That the Council congratulates the Wellington Regional Council for any proper and appropriate endeavours to raise their profile in the region.”

The amendment was declared CARRIED.

<u>RECOMMENDED:</u>	Minute No. FIN 991002
<i>“That Council:</i>	
<i>(i) supports a change by the Wellington Regional Council to direct collection of its own rates revenue, as soon as it is legally possible;</i>	
<i>(ii) agrees that Hutt City Council will have such discussions with the other territorial local authorities as necessary to progress this;</i>	
<i>(iii) notes that the Wellington Regional Council agrees that the benefits of efficiency gains from resource allocation, transparency and accountability resulting from direct collection of regional rates will outweigh the administrative efficiencies forgone; and</i>	
<i>(iv) congratulates the Wellington Regional Council for any proper and appropriate endeavours to raise their profile in the region”</i>	

Cr Jamieson voted against the substantive motion.

4. QUESTIONS

There were no questions.

There being no further business the Chairman declared the meeting closed at 6.30pm.

Cr DK Ogden
CHAIRMAN

HUTT CITY COUNCIL

City Secretariat

Minutes of an ordinary meeting of The Hutt City Council held in the Council Chamber, Administration Building, 30 Laings Road, Lower Hutt on **Tuesday 26 October 1999 commencing: at 6.30pm.**

PRESENT:

Mayor JJ Terris (Chairperson)
Cr J Austad
Cr CD Barratt
Cr MJ Cousins
Cr CN Eady
Cr DK Ogden
Cr WR Wallace
Cr JMK Baird
Cr PG Brosnan
Cr S Dalziell
Cr VR Jamieson
Cr RW Styles

APOLOGIES:

An apology for absence was received from Cr A Finlayson and leave of absence granted until his return from Scotland on 6 November 1999.

IN ATTENDANCE:

Mr R Kerr-Newell, Chief Executive
Mr S Duncan, Deputy Chief Executive
Asset Management
Mr S McArthur, Deputy Chief Executive
Customer Services
Mr A Stallinger, Chief Financial Officer
Mr M Thomas, Chief Corporate Planner
Mr P Lewis, Communications Manager
Ms K Scherp, Executive Advisor to the Mayor
Ms D Adams, Executive Advisor to the Chief Executive
Ms J Perry, Committee Advisor
Ms T Charles, Committee Advisor

PUBLIC BUSINESS

1. PUBLIC COMMENT

Comments made by members of the public are recorded under the item to which they relate.

2. MILLENNIUM CELEBRATION: PRESENTATION BY WELLINGTON TENTHS TRUST

Copies of the overheads used in the presentation – circulated pages C 10-1 to 10-4.

Item 12 National Conference Local Authority Community Development, Porirua City, 3rd to 5th November 1999
(page CS R/12)

RESOLVED: **Minute No. C 991013(2)**

"That Cr Eady represent Council at the National Community Development Conference in Porirua from 3 to 5 November 1999."

c) Regulatory & Environment Committee

18 October 1999 - circulated Pink pages RE R/1 to R/6.

RESOLVED: **Minute No. C 991014(2)**

"That the report of the meeting held on 18 October 1999 be adopted."

d) Finance Committee

19 October 1999 - circulated Blue pages FIN R/1 to R/3.

RESOLVED: **Minute No. C 991015(2)**

"That the report of the meeting held on 19 October 1999, with the exception of item 3, Wellington Regional Council Rates Collection, be adopted."

Item 3 Wellington Regional Council Rates Collection
(FN70-15-2) (pages FIN R/2 to R/3)

In reply to a question from Cr Eady about whether this was a Wellington Regional Council initiative, Mayor Terris said that he understood that the Wellington Regional Council supports a change. He described the recommendation as an attempt to make some progress on this issue, although he noted that it could be a problem for other local authorities in the region. Mayor Terris also highlighted part (ii) of the recommendation noting that it was his understanding that Hutt City Council can not progress this matter on its own.

Cr Cousins considered that the recommendation illustrated the tension between accountability and customer service. She asked whether consideration had been given to services, which would minimise the inconvenience to the City's ratepayers, such as being able to leave their payments in a separate box in the Customer Service Centre. She also suggested that the change could be dealt with through the review of the Rating Powers Act.

Cr Wallace supported the motion and increasing the Regional Council's accountability. He suggested that Council could become a collection agency in the same way as it is for Transalta.

RESOLVED:

Minute No. C 991016(2)

"That Council:

- (i) supports a change by the Wellington Regional Council fo direct collection of ifs own rates revenue, as soon as if is legally possible;*
- (ii) agrees fhaf Huff City Council will have such discussions with the other territorial local authorities as necessa y to progress this;*
- (iii) notes that the Wellington Regional Council agrees fhaf the benefits of efficiency gains from resource allocation, transparency and accountability resulting from direct collection of regional rates will oufweigh the adminisfrative efficiencies forgone; and*
- (iv) congratulates the Wellington Regional Council for any proper and appropriate endeavours to raise fheir profile in the region."*

21 September 1999 – circulated Green pages FIN R/1 to R/6.

RESOLVED:

Minute No. C 991017(2)

"That the report of the special meeting held, on 21 September 1999 be adopted. "

e) Audit Committee

21 September 1999 - circulated White pages AUDIT R/1 to R/2.

RESOLVED:

Minute No. C 991018(2)

"That the report of the meeting held on 21 September 1999 be adopted."

7. WORKING GROUP REPORTS

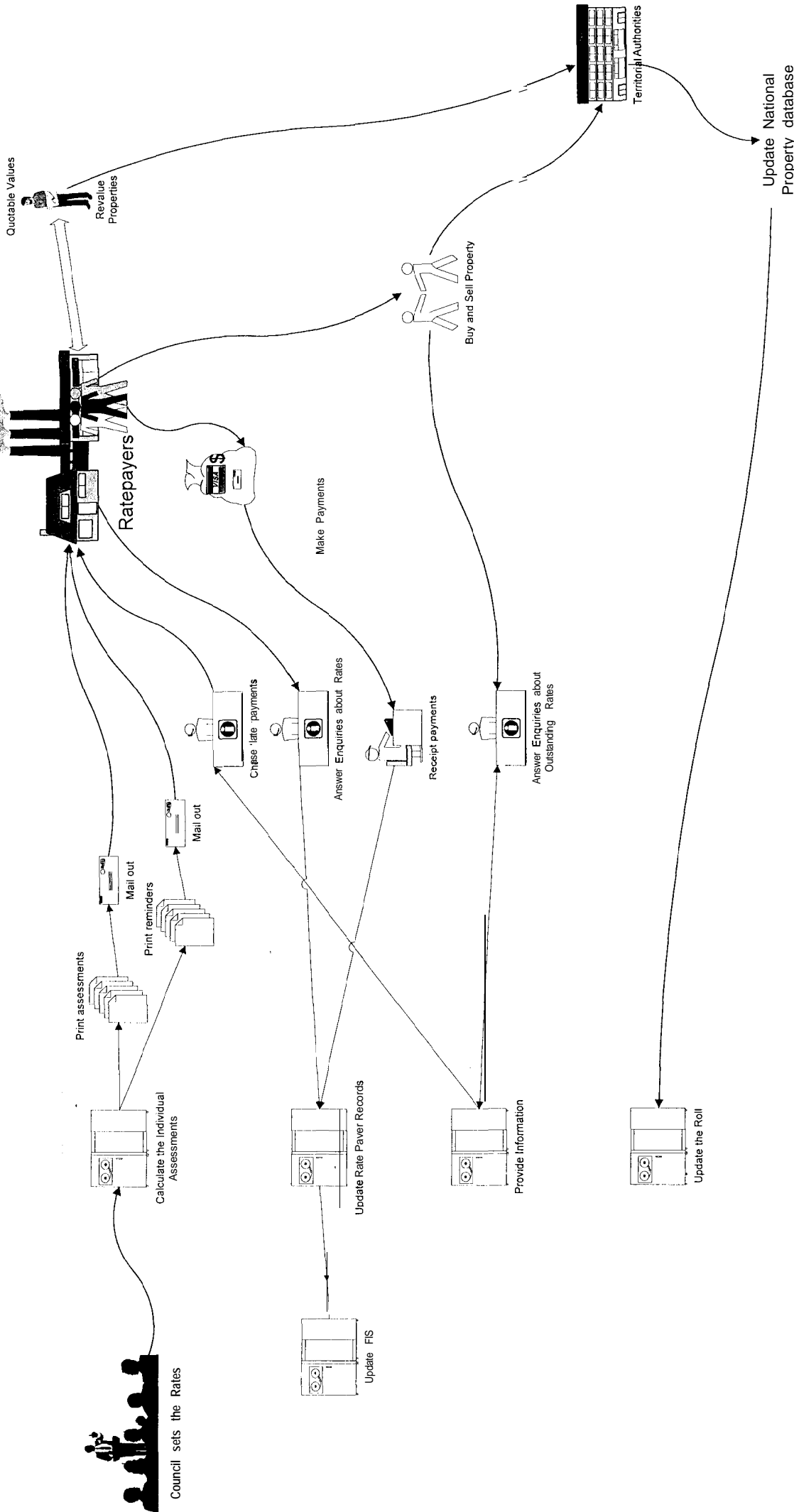
a) Community Grants Working Group

8 September 1999 – circulated Buff pages CG R/1 to R/3.

RESOLVED:

Minute No. C 991019(2)

"That the report of the meeting held on 8 Sepember 1999 be adopted."





caring about you & your environment

PUBLIC EXCLUDED

Report PE-98.108

File: G/6/2/1 1 (sm)

16 March 1998

Report to Policy & Finance Committee
From: Ted Maguire, Council Secretary

Collection of WRC Rates

1. Purpose

To report on future arrangements for collection of WRC rates.

2. Background and Comment

2.1 Previous Report

Report PE-96.198 of 15 May 1996 (**Attachment 1**) reported on the feasibility of direct collection of WRC rates rather than through the constituent territorial authorities (**TAs**). That report was received by Council which did not state any preference as to whether or not Council should collect its own rates.

2.2 Previous Consideration

Over the years there has been much discussion about whether this Council should make alternative arrangements for collection of its rates. We have examined options for collection of all WRC rates. (Currently we collect "Scheme" and Biosecurity Rates while the bulk of our rates are collected by the **TAs**).

Duplication of systems would mean increased costs to ratepayers. At this stage it is the view of management that the risks associated with self collection of rates are too great to 'warrant going it alone.

We have always envisaged a contract rather than the in-house option. The preferred supplier, EDS, identified in the previous report was, we believe, seeking to use us as a "pilot" application to make inroads into rate collection in a large way throughout Australia and New Zealand. That Company has restructured and refocused and no longer has any interest in involvement in rate collection. Its recent performance with the banking industry is not without blemish. Also prices quoted to the WRC could well have been "foot in the door" costs with the prospect of considerable escalation, longer term, once we were locked in. Certainly costs, proposed by **TAs** for separate collection of WRC rates in their districts were substantially higher.

2.3 Legal Position

A Regional Council can decide of its own volition to collect its own rates. Technically, withdrawal of such service to the Regional Council by any territorial authority requires **unanimous** agreement of all councils involved, (including Tararua District Council and the WRC).

2.4 Cost of Collection

Territorial authorities have collected our general and other region-wide rates as part of their processes by way of a “combined” assessment which covers a TA’s own rates plus those being collected for the WRC. It is an arrangement that on the whole works well with a commission of 2% of the gross rates collected. We certainly could not collect our own rates at a cost which is materially less than our current cost. Also if TAs were not to collect our rates they would have to make up for their revenue decrease (\$880,000 p.a.) in other ways. This means that ratepayers would pay **twice**.

In addition there is an opportunity cost in that pay-over of rates collected does not take place until 10 working days after each penalty date. (No TA has software that directly apportions rates collected to specific accounts which would be necessary for immediate payover). This means that we have some loss of interest on working capital which in turn is the TAs’ gain.

2.5 Accountability

Accountability is the argument that has been put forward for separate **assessments** (as opposed to combined assessments which are currently produced). But rate assessments are probably only seen by a minority of electors and residents. In our view the value of direct billing as a means of direct accountability to the community is overstated. This is because our accountability is fundamentally to **the residents**, not just **ratepayers**. If TAs were to send out separate assessments on behalf of the Regional Council the rates would be likely to be payable through the TA concerned anyway. This diminishes any separate accountability even though such rates would only relate to Regional Council responsibilities.

In the past “recalculation” of WRC rates by TAs has diminished accountability. However, we are now in a position where all our rates are levied and collected exactly as made by us. There is no recalculation by TAs which satisfies one of our main concerns about accountability. Rate assessment forms clearly identify each separate rate made by the Regional Council and the total rates payable for WRC service. A sample assessment form is attached (**Attachment 2**).

It has been argued that we are protected **from** ratepayer enquiries - the reality is we are getting a larger number of enquiries. (We even get some enquiries about rates made by the TAs). We deliberately request that explanatory comments on TAs rate assessment forms include general information about where regional rate enquiries should be made to, and most do this.

2.6 Rating Roll

One practical issue that requires consideration relates to our duty to maintain our own region-wide rating roll with the setting up of differential rates for purposes such as the stadium rate. We would have a very high cost if we were to operate independently of the **TAs** for rating roll purposes. (Valuation New Zealand information is not entirely up-to-date and changes now proposed will mean that **TAs** become the only providers of such information).

Also we use **TAs** rating classifications for differential rates. These are generally based on land use types (e.g. residential, commercial, rural etc). For this Council to develop and maintain such a roll would be fraught with difficulties simply because we do not have the basic information. It requires detailed local knowledge which we do not possess. For example, it would be quite impractical for us to define any central business district as it requires detailed information that **TAs** already hold for other purposes.

2.7 Scheme and Biosecurity Rates

A decision has been made, and funds allocated in the recent Half Year Review to continue to collect our Scheme and Biosecurity Rates from the Masterton Office. This simplifies requirements for territorial authorities. This application is a small scale one involving mainly rural ratepayers. Some **\$1,607,000** is collected from 4,500 ratepayers by way of a single annual assessment. If we had decided to contract this to **TAs**, this task would have major database implications for all 160,000 ratepayers on the roll. It is made more complicated by the fact that one property can pay more than one of these rates and each can include multiple differentials.

2.8 Commission

I have long expressed concern about the inequitable basis of payment to each TA. While all have received 2% of the rates collected, the main variable is the number of assessments, not the quantum of dollars collected (e.g. if the number of dollars collected was halved, the work load would not change significantly).

The 2% criteria is well entrenched into law. It was prescribed in Constitution Orders setting up all regional councils in 1989 and was the basis of payment by the former Wellington Regional Council through the 1980's. It generally continues to be the basis of payment for rate collection in other regions.

A flat, fixed fee could well lock us in long term. **We are currently negotiating with the TAs a new collection fee based on 2% of total WRC rates but allocated to each TA in proportion to the number of assessments in that area.** The approximate impacts of this change can be seen from the attached table (**Attachment 3**). These changes now seem to be generally accepted.

2.9 What Happens in Other Regions

The only regional council which collects all its own rates is Southland. In Canterbury and Otago where one or two **TAs** have refused to collect regional rates these rates are collected by other **TAs**.

2.10 New Contract

A new contract has been prepared which clearly sets out the full obligations of both parties including more specific **payover** and reporting provisions.

The basis of this agreement has been generally accepted by senior officers of each of the **TAs** (but there continue to be some comments at the political level advocating that we collect our own rates).

3. Recommendation

That the report be received and the contents noted



TED MAGUIRE
Council Secretary

Attachments 1, 2 and 3

Rates Assessment Notice

ATTACHMENT TO REPORT 99.646 PAGE 5 OF 6

Instalment number: 4 of 6
for the period: 1 July 1997 to 30 June 1998 **05 JAN 1998**

HUTT CITY COUNCIL

TAX INVOICE

GST No: 52097053 Invoice Date: 1 1 98
Administration Building, 30 Laings Road
Private Bag 31912, Lower Hutt
Telephone 04-570 6666 Facsimile 04-569 4290

WELLINGTON REGIONAL COUNCIL,
PO BOX 1 1-646
WELLINGTON

RECD FINANCE
5 JAN 1998

RECD FINANCE
16 JAN 1998

151127010003301 \$492.67
DETAILS OF PROPERTY

(See overleaf if details shown are incorrect)

The rates set out in this notice are payable by you as the owner or occupier of the property listed below. Please pay the Total Now Due by the Last Date for Payment.

Street address: 0 Oxford Terrace, Lower Hutt Assessment no: R15 089 05
Area: 2380 M² Differential group: BG Valuation roll no: 16074 60502
Legal description: L1 932 CARPARK-PUBLIC L58297

Land value (LV): 5126,000
Capital value (CV): \$150,000
Rating cycle: Area A

ANNUAL RATES CALCULATION

Hutt City Council	Units	Rate	Total for Year
Consolidated Rate:	cv 1.748300		\$2,622.45
Bulk Sewerage Rate:			
Leans Rate	CV 0.080300		\$120.45
Uniform Annual General Charge:			\$163.00
Water UAC:			
Local Sewerage UAC:			
CBD/Jackson St Rate:			
Total Hutt City Council Rates			\$3,156.02

Wellington Regional Council			
Consolidated Rate	cv 1.748300		\$2,622.45
Bulk Sewerage Rate			
Leans Rate	CV 0.080300		\$120.45
Uniform Annual General Charge			\$163.00
Water UAC			
Local Sewerage UAC			
CBD/Jackson St Rate			
Total Wellington Regional Council Rates			\$3,457.91

TOTAL ANNUAL RATES: \$3,457.91
Balance of rates owing to 30 June 1998 (including this instalment): \$1,478.02

STATEMENT OF ACCOUNT FOR CURRENT INSTALMENT

Balance from previous notice	\$492.67
Payments received: <i>(NB: payments made after 12 December will appear on your next notice.)</i>	\$492.67 CR
Late payment penalties unpaid:	\$0.00
Adjustments	\$0.00
Instalment no. 4 (of 6):	\$492.67
TOTAL NOW DUE (INCLUDES GST OF \$54.74) (CR denotes Credit Balance)	\$492.67

LAST DATE FOR PAYMENT: 31 January 1998
Any portion of the current instalment remaining unpaid after 1 February 1998 will incur a 10% penalty of up to: \$49.27

HUTT CITY COUNCIL Rates Remittance Advice

Please return whole form if receipt required.

WELLINGTON REGIONAL COUNCIL,

R15 08905 \$492.67

Detach this portion and return with your payment in the enclosed prepaid envelope to:

Hutt City Council, Private Bag 31912, Lower Hutt.

Or you can present your payment at one of the locations listed on the back of this form.

Instalment no: 4 OF 6
Valuation no: 1607-I 60302
Assessment no: R13 089 05

Total Now Due: 5492.67
Last Date
for Payment: **31 January 1998**
Amount Enclosed \$
please fill in

Cash Cheque

1310: 000001508905: 000000000000: 0000049267:

Rate Collection Fees

	WRC Rates Levied 1997/98	Collection Fee 1997/98	Assessments 1109198	Collection Fee Per Assessment \$	Proposed Collection Per Assessment \$	Proposed Collection Fee \$	Differences
Kapiti Coast	2,760,958	55,219	19,458	2.84	5.21	101,376	46,157
Porirua	3,197,379	63,948	15,991	4.00	5.21	83,313	19,366
Upper Hutt	2,843,326	56,867	13,783	4.13	5.21	71,809	14,943
Lower Hutt	9,157,291	183,146	37,676	4.66	5.21	196,292	13,146
Wellington	23,065,623	461,312	59,747	7.72	5.21	311,282	133,427
Masterton	985,317	19,706	10,514	1.87	5.21	54,778	35,072
Carterton	391,999	7,840	3,093	2.53	5.21	16,115	8,275
South Wairarapa	604,567	12,091	4,793	2.52	5.21	24,972	12,880
Tararua	1,510	30	9	3.36	5.21	47	17
	43,007,970	880,159	185,084				

Note All figure are iticlusive of GST.

File:G/6/1/1

Report: PE96.198

Wellington Regional Council

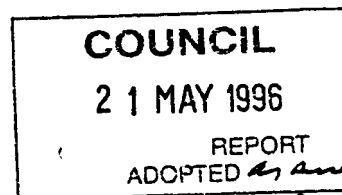
Minute extract from meetings held on 21 May 1996

Regional Rate Collection

Recommendations

That Council:

- (1) Receive the report and note the contents
- (2) ^{agree} ~~Determine~~ in principle ~~whether or not~~ to collect its own rates subject to:
 - (a) agreement with Valuation New Zealand on acceptable valuation charges; and
 - (b) a commitment ~~from~~ Government to make appropriate legislative changes at an early date.
 - (c) a satisfactory agreement being reached with service provider.
 - (d) ~~Get~~ consideration be given to impacts on ratepayers and TAs in the region.



Darroch

D.J. DARROCH
COMMITTEE SERVICES

2418796

Mr. Maguire
DJB
S A Monte



caring about you & your environment

Public Excluded

Report PE96.198

15 May 1996

File No. G/6/1/1

WRC198(gk)

Report to the Wellington Regional Council
from David Benham, Chief Financial Officer and Ted Maguire, Council Secretary

Regional Rate Collection

1. Purpose

The purpose of this report is to:

- (1) advise councillors of progress made in investigating the feasibility of directly collecting regional rates rather than through the Territorial Local Authorities.
- (2) seek direction based on the information available at this time as to the most appropriate actions to take next.

2. Background

A comprehensive report No. 95.519 about Wellington Regional Council (WRC) rate collection arrangements, and future options, was considered by Council in December. A copy of this report is attached as Appendix 1.

Council resolved:

- (1) *That the report and benefits of direct collection of WRC rates be noted*
- (2) *That the expenditure of \$85,000 be approved to help determine the most appropriate way by which all WRC rates could be directly collected.*
- (3) *That Council continue to make submissions to seek wider rating powers for Regional Councils.*
- (4) *That Council continues to make submissions about the valuation equalisation process.*

3. Comment

3.1 Responses to the Request for Proposals

In order to ascertain realistic estimates of costs, registration of interest were sought **from** prospective suppliers of services relating to the collection of rates through advertisements in the press.

All organisations registering any interest received a detailed request for proposal document which detailed the requirements for services associated with collecting regional rates. A preference was indicated in this document for a service provider to offer a full service requiring the minimum amount of input from the **WRC**.

Letters were also sent to all the Territorial Authorities in the region advising them of what was being contemplated and inviting them to respond to our request for proposal.

Proposals for a full service were received from:

- Computer Systems Implementation Ltd (CSI)
- Electronic Data Systems Corporation (**EDS**)

Proposals for a software and hardware system only were received from:

- Napier Computer Systems Ltd
- Praxa Ltd
- Accent Computer Services Ltd

Proposals for related services were received from:

- National Bank Ltd - Remittance processing
- **Datamail** Ltd - Bulk printing and mailing services

3.2 Assessment of Responses

The two proposals offering a full service have been evaluated in some detail.

3.2.1 *Computer Systems Implementation Limited*

Computer Systems Implementation Limited is a well-established Wellington-based company with a history of successfully implementing outsourcing contracts.

They currently do all data processing for Valuation New Zealand (**VNZ**) in relation to maintaining their databases so are very familiar with many of the aspects of the rating environment.

They propose acting as a prime contractor being directly responsible for the data processing and account inquiry help desk. **They** would contract out the bulk printing, mailing and remittance processing to other specialist subcontractors.

To provide a full service their charges are:

Establishment costs: \$500,000
Operating fee (146,000 properties): \$987,000 per year

3.2.2 *Electronic Data Systems Ltd*

EDS is a very large multinational company, it has risen to prominence in New Zealand after its purchase of Databank and more recently the Government Computer Services.

They currently provide a similar service to our requirements in administering the student loan scheme on behalf of the Ministry of Education.

They propose acting as a prime contractor being directly responsible for the data processing, account enquiry, bulk printing and mailing components and contracting out the remittance processing to Westpac Banking Corporation.

The software they propose to use is well established in Canadian Local Authorities but is not in use within New Zealand.

To provide a full service their charges are:

Establishment costs: \$560,000
Operating cost (146,000 properties): \$420,000

3.3 **Responses from Territorial Local Authorities**

All the Territorial Local Authorities were invited to submit a proposal to meet our requirements.

Responses were received from Wellington City, Kapiti Coast District, Carter-ton District and Porirua City Councils.

Wellington City Council indicated they did not wish to offer a service to collect all of the regional rates and were themselves likely to consider contracting out this function in the future. Further discussions are being held with the WCC this week.

Kapiti Coast District Council indicated they did not wish to offer a service to collect all of the regional rates. However they supported the WRC in moving to directly collect regional rates and gave notice that they did not wish to collect the regional rates in their area from 1997.

Carter-ton District Council indicated they were willing to collect the regional rates in the manner we required but only for their area.

Porirua City Council indicated that they wished to continue the existing arrangement and doubted we could cost effectively collect the regional rates.

Some have also indicated a willingness to completely redesign rate notices to more clearly identify WRC rates.

3.4 Valuation New Zealand Charges

Valuation New Zealand are the prime source of land and property data which form the basis for calculating all rates. Regional councils currently pay approximately \$2.40 per **rateable** assessment in their area as a levy to meet part of **VNZ's** operating costs. Territorial Local Authorities pay approximately \$12.00 per assessment. The difference between these two amounts is based on an assessment as to the relative benefit received by the different councils.

Most regional councils collect their rates using the appropriate Territorial Local Authority as their agent, so receive no direct benefit for their fee to VNZ. The exception is Southland Regional Council who collect their rates directly and pay the same levy as other regional councils of approximately \$2.40 per assessment.

Valuation New Zealand is undergoing a major restructuring at the present time and there is no guarantee that present preset charging arrangements will continue if the WRC was to directly rate. If VNZ were to view this as requiring the same charge per assessment as the **TLAs** this would increase the collection costs to the WRC by approximately **\$ 1.4Million**.

3.5 Additional Internal Costs

If the WRC was to move to direct rates collection additional costs would be **incurred** within the organisation.

Professional assistance would be required to **finalise** the contract with an external service provider to ensure it was a workable solution.

A substantial publicity campaign would have to be employed to introduce the new system.

There would be an additional amount of staff time required to manage the relationship with the service provider and to ensure that all relevant legislation and procedures were being followed.

3.6 Cash Flow Benefits

Under the current arrangement cash is not received into the WRC from rates until after the due dates for each instalment.

As Regional rates are for a smaller amount than Territorial Local Authority rates it may be reasonable to reduce the number of instalments.

For these reasons directly collecting rates would have a positive benefit to the cash flow into the WRC. If for example the average regional rate was collected in two instalments due on 1 September and 1 March this would result in a net benefit of \$200,000

3.7 Costs Summary

The proposal from EDS is the lowest cost option and together with WRC internal costs the proposed budget for implementing a system of direct rating is:

	Year 0	Year 1	Year 2	Year 3	Year 4
EDS set up Costs	560,000				
EDS Operating Costs		420,000	420,000	405,000	405,000
WRC set up costs	50,000				
WRC Staff Costs	40,000	80,000	80,000	80,000	80,000
WRC Publicity costs		150,000	100,000	50,000	50,000
Contingency	50,000	50,000	40,000	30,000	30,000
Total	700,000	700,000	640,000	565,000	565,000
Less Cash flow benefit		200,000	200,000	200,000	200,000
Net cost	700,000	500,000	440,000	365,000	365,000
Current Cost	-	750,000	750,000	750,000	750,000

Additional income would also be received from any late payment penalty fees collected.

3.8 Barriers to Change

Unless any change is accompanied by an effective publicity campaign there is a serious risk of the public perceiving this as a new rate and attempting not to comply.

The current rate collection fees are a source of revenue to the TLAs. If they were not to collect WRC rates, then the extent by which they were not able to achieve equivalent cost savings would represent an increased cost to the community.

As stated in the earlier report, the WRC does not have rating powers to make its rate the way it would wish to have them collected. It has been convenient for WRC's rates be recalculated by the Wellington City and Hutt City Councils on the basis allowed in the Rating Powers Act. However, as a result of our submissions, Government has finally recognised there is a problem that needs to be addressed if it is to achieve its own objectives of greater financial accountability by local bodies.

A review is in hand by the Department of Internal Affairs. Discussions are to be held with their officers on Friday, 17 May.

3.9 Implementation Issues

Before a change in the way regional rates are collected could be implemented a number of issues need to be addressed.

The ability of VNZ to supply the necessary data at the appropriate cost needs to be confirmed.

Appropriate legislation needs to be in place to allow wider rating powers particularly for regional transport rates. However it could be appropriate to implement a new system in stages excluding Wellington City and Hutt City from the initial phase.

The systems proposed by the external agencies need to be tested to ensure that they can deliver a service to our specification. While EDS is a very competent organisation, we must be conscious of the fact it has not had any experience of rating in the New Zealand environment. They are clearly very conscious of the pitfalls of adapting “imported” software and of the risks associated with pilot schemes.

The cash flow benefits need to be modelled against the frequency of instalments to determine the most appropriate number of instalments for different classes of ratepayers.

3.10 Other Alternatives

In ideal circumstances there would be considerable benefit to the Regional ratepayers if all local authorities combined their rate collection processes, either through a LATE or by contracting out to a specialist organisation. Economies of scale would reduce the net cost of rate collection considerably. Such a concept was proposed some 3-4 years ago but rejected by most of this region’s local authorities. Chairman of the Local Government Commission, Sir Brian Ellwood, was another who publicly advocated such co-operation among local bodies.

4. Summary

Direct collection of regional rates is viable subject to

- Reaching agreement with a service provider
- Reaching agreement with VNZ for data fees
- Obtaining legislative change to allow full implementation

Direct collection of regional rates has positive benefits

- In improving the public accountability of the Council
- Improving public awareness of the services and benefits the council provides
- In allowing rates to be collected in the way that best meets the objectives of the Council

Direct collection of regional rates has a number of problems

- It reduces Territorial Local Authority income
- It will initially be perceived as a new rate
- It will increase the number of inquiries **from** the public about Council activities, **these** may not all be positive.

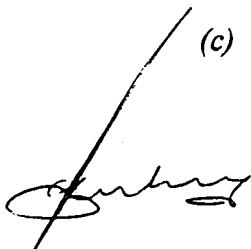
We are now in a position where Council can make a decision in principle whether or not to collect all of its rates. Clearly there are significant risks as well as benefits to this Council **in** doing so.

To progress to the next stage of implementing a direct rating system requires detailed negotiations to be completed so as to prove the viability of all the systems involved. To gain the commitment **from** the service providers, who will incur expenses in this process, a commitment is required **from** this Council that the benefits of direct rating outweigh the disadvantages.

5. Recommendations

That Council:

- (1) *Receive the report and note the contents*
- (2) *Determine in principle whether or not to collect its own rates subject to:*
 - (a) *agreement with Valuation New Zealand on acceptable valuation charges; and*
 - (b) *a **commitment from** Government to make appropriate legislative changes at an early date.*
 - (c) *a satisfactory agreement being reached with service provider.*



DAVID BENHAM
Chief Financial Officer

TED MAGUIRE
Council Secretary

FILE 6/6/11

REPORT 95-519

WELLINGTON REGIONAL COUNCIL

Minute extract from meeting held on 12 DEC 1995

Wellington Regional Council Rate Collection

Recommendations

That Council=

- (1) Note the report and benefits of direct collection of WRC rates.
- (2) Approve the expenditure of \$85,000 ^{help} to determine the most appropriate way by which all WRC rates could be directly collected.
- (3) Continue to make submissions to seek wider rating powers for regional councils.
- (4) Continue to make submissions about the valuation equalisation process.

COUNCIL
12 DEC 1995
COMMITTEE REPORT
ADOPTED *as amended above.*

Harrold.

Mrs. Maguire

Mr. Bertha



caring about you & your environment

Report 95.519
7 December 1995
File: G/6/1/1 (sm)

Report to Wellington Regional Council
From: Ted Maguire, Council Secretary and David **Benham**, Chief Financial Officer

Wellington Regional Council Rate Collection

1. Purpose

The purpose of this paper is to:

- (1) Review Wellington Regional Council (WRC) rate collection arrangements; and
- (2) To seek Council approval for funding to enable a comprehensive study of options for future collection of WRC rates.

2. Background and Comment

2.1 Introduction

In this paper it is considered necessary to provide Councillors with a comprehensive background to Wellington Regional Council rating. (It is substantially based on a paper considered by Council in 1993). Some Councillors will be very familiar with the issues in question, but others, particularly newer Councillors, may find it helpful to have wider information about the underlying issues.

2.2 Present Collection Arrangements

2.2.1 By Territorial Authorities

- (1) At present the bulk of the rates made by the Wellington Regional Council are collected by the Region's territorial authorities, as agent for the Wellington Regional Council. Those authorities will collect some \$42.5 million in **1995/96** on behalf of the Wellington Regional Council from approximately 164,000 assessable properties. These rates cover the general rate (including the transport) and rivers management rates, but not the catchment, drainage and water supply scheme rates in the Wairarapa or pest management rates Region-wide, which are discussed in paragraph 2.2.2.

- (2) While this approach generally follows arrangements that were in place pre-1989 for the old Wellington Regional Council, the legislative basis has changed considerably over time. For example, before the present Rating Powers Act was enacted in 1988, collecting authorities (i.e. the territorial authorities) had almost complete power over how regional council rates were to be collected, regardless of how those rates were made by the regional council.
- (3) The Wellington Region Reorganisation Order 1989 specifically provides the basis for rating (i.e., capital value) and collection. Effectively this continues until such time as a new basis of rate collection is put in place, either through the territorial authorities or by the regional council collecting the rates itself.
- (4) All rates so collected must be separately identified on rate assessments. (Examples are Tabled). This is done universally, but I believe the public at large do not look above the “bottom line”, i.e. the total rates (both regional and city/districts).
- (5) The collecting authorities’ **instalment** systems, payment dates and rate remissions or exemptions all apply to Wellington Regional Council rates and a bulk pay-over of rates collected is to be made within 10 working days after the penalty date (or interest at overdraft rates is payable to the Wellington Regional Council). We do not get the benefit of early payment. In law, a collecting authority must take steps to collect the Regional Council rates including overdue rates, as though those rates were its own rates.
- (6) A collection fee of 2 percent is payable. On a gross rate collection, including GST, of \$42.5 million, this amounts to \$755,000 net annually. (Part of the gross fee of \$840,000 is, in effect, a fee for collection of GST which is payable on rates and rates must be made GST inclusive.) The initial level was prescribed in the reorganisation order. However, the marginal cost of collecting regional rates to a territorial authority is, in fact, negligible when added on to another rating system. If a territorial authority was to stop collecting regional council rates, the cost of operating its own rate collection system would not decrease materially. The cost does not change with the amount collected either. If the Wellington Regional Council rate take was only \$10 million, for example, the net fee paid by this Council would decrease to \$178,000 per annum, but the collecting authority’s workload would barely change.
- (7) Wellington Regional Council rates are now collected by most collecting authorities on ‘the basis they are made by the Wellington Regional Council, i.e. uniform capital value. The exceptions are The Hutt City (land value), Upper Hutt and Wellington City Councils (differential capital values). (These councils jointly include about half the Region’s ratepayers). This aspect is discussed further in paragraph 3.2.

2.2.2 By Wellington Regional Council

The Wairarapa Division separately collects by one annual assessment:

- Scheme rates relating to some 30 catchment, drainage and water supply schemes in the Wairarapa; and
- Pest management rates levied throughout the Region on all rural properties of 10 hectares or more.

These rates yield some **\$1,600,000** and are payable by some 4,000 ratepayers. The computer system used is obsolete, it is a very small scale system and there are some difficulties associated with its maintenance and operation. There are however worthwhile public relations benefits because of the direct relationship and with clients associated with direct provision of services to them.

2.2.3 Bulk Water Contributions

It should be noted that bulk water contributions payable to the Wellington Regional Council by metropolitan Wellington territorial authorities are excluded from rating considerations in this paper as they are a direct charge for a service provided to those authorities by the Wellington Regional Council.

Bulk water costs are a component (to which a territorial authority's own costs must be added) of the territorial authority's own water charges/rates.

3. **How Regional Rates Impact on Ratepayers**

3.1 **Incidence**

- (1) Statistical information about regional rates held by this **Council** is 'very limited. A snapshot can be gleaned from the following table:

City/District	Total Rates \$000 1995/96	Total Assessments	Average Regional Rates \$
Wellington City	22,081	58,781	375
Lower Hutt City	9,015	37,502	240
Upper Hutt City	3,131	14,421	217
Porirua City	3,479	15,802	220
Kapiti Coast District	2,643	19,056	138
Masterton District	1,114	10,379	107
Carterton District	440	3,076	143
South Wairarapa District	636	4,709	135
Tararua District	2	9	222
Total	42,541	163,735	260

It will be seen that overall Wellington Regional Council rates average around \$260 per property. This is much less than for the rates of a territorial authority.

- (2) Collecting authorities' own rating systems are varied. Territorial authorities use a mixture of uniform annual charges, land value rating, capital value rating, uniform rates and differential rating systems. Some councils strike several rates which are not all levied on a city or district-wide basis. Similarly, the proportion split between the city and districts' business or residential ratepayers can be quite varied also.
- (3) Regional rates as a proportion of total rates collected averages about 15 percent but differs **from** authority to authority. In districts where there is no substantial transport component to the general rate, the regional rates, as a proportion of the total rates collected, is around 10 percent of the total amount being collected by the collecting authority.
- (4) Even where regional rates are in total only a small proportion of the total rates being collected by a territorial authority, there will be instances (because of local rating systems) where regional rates can make up over 50 percent of an individual rate assessment. An example is with rates on a very capital intensive industry when the collecting authority uses land value for its own rates and Regional

Council rates being collected on a capital value basis.

3.2 Regional Equity

- (1) In principle, Regional Council rates should be the same for any property in any part of the Region where:
 - The valuation of the property is the same; and
 - The same levels of service are provided.

Up to now this has been impracticable.

- (2) In the pre-1988 situation, ie., before the Rating Powers Act was legislated, virtually every authority in the (old) Wellington Region collected Regional Council rates on a different basis, i.e., the system of rating utilised by the local council to collect its own rates. In some districts Regional Council rates were funded from the local council's own general rates, a power that is still available by agreement.
- (3) If the Wellington Regional Council was to collect its own rates they could only be collected on the basis they were made. However, when collected by a territorial authority, there is the power for Regional Council rates to be **recalculated** on the basis of the collecting authority's own rating system.
- (4) The last authority to collect Wellington Regional Council rates on a land value basis is Upper Hutt City Council. That issue is to be addressed with the next review of rating.
- (5) The only other councils in the Region which are not collecting regional rates on a uniform capital value basis are The Hutt City and Wellington City Councils. Those authorities utilise differential capital values to collect regional rates. However, it is emphasised that it suits the purposes of the Wellington Regional Council for differential rating to be used in those circumstances. For both Cities, the Central Business Districts receive significantly greater benefits than other ratepayers in other parts of those Cities. If, for example, the transport component of the general rate that is allocated to Wellington City under the destination component of the origin/destination formula **was** to be levied on a **uniform** capital value instead of the current **differential** capital value basis, **residential** ratepayer contributions to the Wellington Regional Council would increase substantially. This would also mean that ratepayers in Seatoun or Island Bay, for example, would be paying for a benefit that is, in my view, properly attributed to the Wellington Central Business District.

Both are facing legal challenges over their differentials.

This year the WCC has changed its differential from **68:33** to **60:40** and the result has been a 19% increase in WRC rates on residential properties. For the reasons above, it can be argued that the change is at variance with WRC policy intentions.

- (6) Given the present legislative restriction on regional councils' rating powers, it has been advantageous for our policy purposes to have our rates collected on a different basis to that in which the Wellington Regional Council can make those rates.

4. Regional Councils' Rating Powers

- (1) **As** stated above, regional councils' rating powers are much more limited than those of territorial authorities. For example, we cannot levy uniform **annual** (general) charges, uniform charges for particular services, and we have no power to make a general rate differentially. For works and services rates, our rating powers are also constrained compared with those of territorial authorities. New legislation regarding Biosecurity rating is highly prescriptive. :
- (2) Unfortunately regional councils' rating powers were constrained even more when the Transit New Zealand Act was enacted and the old Urban Transport Act finally repealed **in** 1989. Prior to that time the old Wellington Regional Council had levied a special transport rate separate from the general rate. The repeal of the Urban Transport Act removed any power to levy a special rate on a "area of benefit" basis. Because that power is still retained in section 33 of the Rating Powers Act, which deals with a Regional General Rate, that provision must be used to make our transport rate , but only as part of our general rate.
- (3) We have made repeated submissions suggesting more suitable alternatives to Regional Members of Parliament, the Minister of Local Government, both directly and through the Local Government Association. (The nature of our concerns is well understood by longer serving Councillors). The most recent submission was to Parliament's Local Government Select Committee earlier this year. So far our requests for legislative change has fallen on deaf ears.
- (4) **If the Wellington Regional Council rates are to be collected separately, this Council must have wider rating powers.** Even if present collection arrangements were to continue, we should seek wider rating powers so that there is no need for recalculation by collecting authorities, and the manner in which regional rates are collected is decided by this Council alone.
- (5) There are legislative changes before Parliament which require greater accountability on the part of local government ("Fiscal responsibility"). In such a regime it is absolutely essential that WRC rates are collected exactly as made by the WRC. In these circumstances legislative changes become **imperative**.

5. Valuation Issues

- (1) The Wellington Region Reorganisation Order 1989, requires the Council to apportion the general rate in accordance with equalised capital values provided by Valuation New Zealand. This is because regional councils, unlike territorial authorities, do not have a valuation roll over the whole of the council's area of responsibility (the region) at a **common** date. For the Wellington Regional Council rates, the date of the valuation **equalisation**, in accordance with the policy agreed by Council is generally around October of the previous year. It should be noted that the rating apportionment excludes the transport component of the general rate which is apportioned on an area of benefit bases. Similarly the Rivers Management Rate is apportioned on a "benefit" basis .

- (2) The valuation process sees all properties revalued over a three year cycle, **only** part of the region being done each year.
- (3) The equalisation process adjusts **total** district values (but not individual property values) in districts revalued in earlier years to reflect the overall market changes in the intervening period. It is a price index-type adjustment and its methodology is simplistic. It does not reflect the different price movements for **different classes** of property within the particular district, some of which may move upwards while others move downwards.
- (4) An unfortunate consequence of the process is that each year some communities within the region do not benefit from the overall containment of rates by the Wellington Regional Council. (Overall our rates have decreased by 16 percent in real terms in last five years). The ability to equitably share Wellington Regional Council rate reductions is limited by legislation. Again we have sought government action which would allow us to equitably share these gains, so far without success. The process is not understood publicly and we have constant, and from a WRC view point, unjustifiable criticism that our rates are out of control.
- (5) It should be noted that the valuation equalisation figures apply only to the apportionment of general rates. The actual rates themselves, i.e. the cents in the dollar calculations, are calculated using roll valuations as at 30 June.
- (6) We should continue to seek greater consistency between valuation processes applicable to regional councils and to territorial authorities. We, in effect, have an annual revaluation, but Territorial Authorities have an adjustment every 3 years, although Wellington City Council is moving to annual revaluation.

6. Accountability

- (1) The principal failing of the present system of collecting regional rates is its perceived lack of a **direct and clear accountability** (transparency) to the ratepayers. Despite regional rates being shown separately on rate assessments, there is little doubt that a large proportion of ratepayers only read the bottom line of their assessment. In short, most do not take note of how much **of** any rate assessment is for the territorial authority collecting the rate and how much is for the Regional Council. There can be little argument that the design of rates assessments could be improved.
- (2) The fact is that while we have published information about our rates (after each year's rates are struck) it has had very limited impact. With separate assessments we could send out a newsletter about our rates to all ratepayers. (While **TAs** have been willing to send out newsletters on our behalf, there have been particular problems with timing).
- (3) We encourage ratepayers and territorial authorities to direct any Wellington Regional Council rate enquiries to this Council. Although we handle a number, overall we receive very few enquiries. The reality is that it is not always practicable to refer enquiries to the Wellington Regional Council. While there is a region-wide free phone service available, our offices are, of course, not as

accessible to the public because of a lack of presence in most communities. Furthermore, enquiries about Regional Council rates may well be made as part of other enquiries about local rates.

7. Attitudes of Collecting Authorities

- (1) The stance of most (but not all) **collecting** authorities is now reasonably neutral to Regional Council rates. This is not always the case.
- (2) Over the years there have been strong political attacks on and criticism of the Regional Council rates by territorial authorities collecting these rates. Because the territorial authorities collect the regional rates they appear to adopt a certain “ownership” of them and do not properly **recognise** that regional rates are set by a democratically-elected, independent body with the Territorial Authorities’ role being simply one of **collection agency**. **These** attacks have often been in circumstances where the Regional Council has little or no control over changes when, for example, additional rates have to be collected, changes due to valuation, where new rates have had to be introduced, or rates have had to be increased because of Government requirements or subsidy withdrawals, such as with the changed urban transport funding. In those circumstances the Wellington Regional Council can be (very conveniently) the “meat in the sandwich”.

We have also been seen as competing for funds from the same ratepayers as “**cash-strapped**” territorial councils.

- (3) Also it has been known for a collecting authority to shield its own overall rate increases with decreases for Regional Council rates.
- (4) The outcome of the annual valuation equalisation exercise has given rise to a high level of criticisms from councils in cities or districts adversely affected by this system. Again there is seldom public credit from those cities or districts which benefit from the change.
- (5) We can expect some pressures over our rates, regardless of whether or not territorial councils continue to collect regional rates. This will be accentuated by the Regional Council’s relatively strong financial position.

8. Options for Collection of Wellington Regional Council Rates

8.1 -Future Collection Options

The principal options for future collection of Regional Council rates are as follows:

- (1) Full Collection by Wellington Regional Council

This should include rates currently collected by territorial authorities and rates currently collected directly by the Wellington Regional Council.

(2) Contract to Territorial Authorities

- (a) Continued collection with territorial authority rates. Effectively this is the status quo, but it could include collection of biosecurity rates and Wairarapa **catchment/drainage/water** supply scheme rates.
- (b) Each territorial authority to collect Wellington Regional Council rates, but separately from their own rates.
- (c) One territorial authority to contract or collect all regional council rates.

(3) Full collection by an external public or private sector agency

Where rates are collected by another agency the Wellington Regional Council's objective would be for in-house involvement to be, so far as is practicable, little different to our present low level of involvement. We could not totally avoid some extra in-house costs.

Technically each option discussed is feasible and the main pros and cons are **summarised** in turn.

8.2 **In-house Collection by Wellington Regional Council**

- (1) In the past this has not been seriously examined or costed. Section 247D of the Local Government Act 1974 would require Council to satisfy **itself** that there was good reason to do so in preference to other contracting out options.
- (2) There could **also** be some **practical** problems related to establishment and maintenance of a major regional rating system by the Regional Council. While the basic data base would be obtained from Valuation New Zealand, many things can go wrong, e.g., because information about changes would have to be duplicated. There is, in short, a high potential to get "egg on our face" without very careful study and detailed implementation plans. Our rating roll would be larger than any in existence in this Region. Wellington City's roll has only 59,000 assessable properties and a Region-wide **roll** would have some 165,000 properties on it. That would put us on a par with the country's most populous local authorities, e.g., Auckland and Christchurch City Councils.
- (3) **On the** other hand, the database would provide us with useful information, but more importantly it would give a direct channel of communication with our ratepayers.
- (4) It would lessen opportunities for criticism of the Regional Council.

8.3 **Continued Collection with Territorial Authority Rates**

- (1) The lack of direct accountability is a very serious drawback.
- (2) As indicated above, one option is for the status quo which could include the collection of biosecurity rates and Wairarapa catchment/drainage/water supply scheme rates.

- (3) It ensures a high level of certainty of collection. This is because territorial authorities supply particular services, for example, drainage, water, rubbish disposal and the like, and when it comes to non-payment of rates they are able to exercise significant leverage over reticent ratepayers.

8.4 Separate Collection by Territorial Authorities

- (1) As separate rate assessments would be issued, there would be clearer accountability; that accountability would 'become less clear if payment was to be made at territorial authorities' offices.
- (2) There would be added costs of duplication of form printing, processing, postage and the like which would inevitably add to costs.

8.5 Contract to Private Sector

Technically this -is feasible and has many attractions. There are organisations with considerable experience in rate collection that I believe could undertake much of the work with little change in those costs to this Council.

9. Public Perception of Separate Wellington Regional Rate Assessment

- (1) In the present **legislative environment** separate collection would likely bring a significant negative public reaction from those adversely affected by such a change (the "losers") (e.g., Wellington and Hutt City residential ratepayers). Past experience, both in New Zealand and abroad, makes it very clear that there is unlikely to be much support for change from the 'winners'.
- (2) The public does not necessarily link Wellington Regional Council rates with services that benefit them or value services which are of course provided for the public good. For example, there are those who do not use public transport who are well known for objecting to payment of transport rates. It is likely there could well be greater difficulty in collecting regional rates, particularly in early years - there would be a higher level of late payments, refusal to pay and ensuing costs of recovery of debts.
- (3) Direct collection of regional rates could well be perceived by some as a **new tax**, despite the fact it would (should?) be matched by a corresponding decrease in rates collected by territorial authorities. A public awareness programme would be absolutely essential, but it is unlikely to be totally effective.
- (4) Further, we would inevitably be accused of duplication thereby increasing costs to the ratepayer. If the Regional Council was to take over full collection of rates (either by itself or by private contract) the \$755,000 (net) now paid to territorial authorities for collecting authorities would be used to operate our own rating system As discussed elsewhere, territorial authorities would enjoy no material cost savings, **however, they would have to collect an additional \$840,000 (gross) from those same ratepayers.**

10. Other Regions

- (1) Up to now, throughout the country most regional councils' rates are generally collected through territorial authorities. In many of these cases, decisions have been preceded by intense pressures from some territorial authorities for the regional councils concerned to collect their own rates. Auckland Regional Council is also now considering different arrangements for collection of its rates.
- (2) Currently the main exceptions for collection of general rates are:

(a) Southland

Where the Regional Council, like the Southland Catchment Board before it, collects its own rates by a single annual assessment.

(b) Otago and Canterbury

Because of disputes with some constituent councils, both the Canterbury and Otago Regional Councils have different arrangements for collecting rates within particular constituent districts. Most, however, are collected by territorial authorities on their behalf.

(c) Scheme Rates

A number of Regional Councils, however, collect their own scheme rates.

11. Costs

Comparative costs of different collection arrangements are as follows:

11.1 Present System

- (1) Current costs are:

	\$
Collection fees	755,000 (net)
Wairarapa system, (approx)	48,000
	<hr style="width: 100%; border: 0.5px solid black;"/>
	800,000
- (2) There is also a loss of interest because of pay-over of regional rates (only on those actually collected) 10 days after the penalty date. This means that the collecting authority can earn interest on early payments and, on the bulk of the funds actually received for 10 or more working days before pay-over. The origins of this system are largely historical. Modern computer systems should allow pay-over on a "pay as you go" basis.
- (3) We do not have significant debt collection costs for rate arrears.

- (4) In addition, if we are to continue self-collection of Wairarapa **catchment/scheme/** drainage/water supply biosecurity scheme rates, a significant investment in new systems will be essential in the near future and significant changes in levying biosecurity (pest management) rates.

12. **Conclusions**

- (1) We should be moving to a position where ultimately Wellington Regional Council rates are collected exactly as made by this Council.
- (2) Overall accountability of the regional council would be greatly enhanced through separate (and direct) communication with ratepayers.
- (3) Pending legislative change requires much clearer accountability to ratepayers for regional council rates, but the Council needs wider rating powers to satisfactorily achieve this and its own rating objectives.
- (4) Separate collection of Regional Council rate is technically feasible and would enhance the Regional Council's accountability to its ratepayers would, however, be less efficient than present arrangements which give this Council a high level of certainty of collection and would result in duplication. Overall it would also result in higher costs to ratepayers.
- (5) The existing WRC system for pest management and scheme rating requires replacement before **1996/97**. Hence the first stage of a new basis of collection (for biosecurity rates) must commence in **1996/97**. The earliest any change could be made for other rates would be **1997/98**.

13. **Next Stage**

If we are serious about collecting all our rates, we must have sufficient time to fully investigate options and set up new systems. This would take some months.

It is therefore proposed that a study be undertaken to determine the most cost effective way by which the WRC could directly collect all of its rates. The investigations would have wide scope and will cover both in-house and contracted service delivery systems.

To achieve this timetable, additional specialist assistance will be required to prepare specifications and supporting documentation to allow a formal request for proposal to be issued in the necessary time frame.

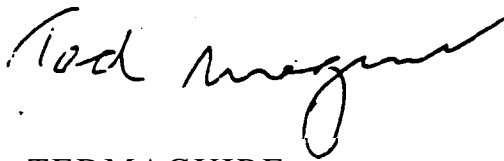
Proposals have been obtained from qualified business consultants with experience in this area. These proposals indicate that the quantity of work required to identify a suitable system will require a budget of \$85,000.

The 1995/96 Annual Plan does not provide sufficient funds for this enlarged project, but it is considered that the cost can be accommodated within this year's Finance and Administration Budget.

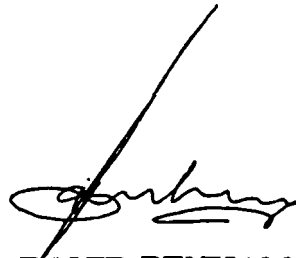
14. **Recommendations**

That Council:

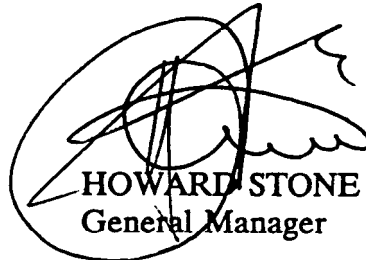
- (1) *Note the report and benefits of direct collection of WRC rates.*
- (2) *Approve the expenditure of \$85,000 to determine the most appropriate way by which all WRC rates could be directly collected*
- (3) *Continue to make submissions to seek wider rating powers for regional councils.*
- (4) *Continue to make submissions about the valuation equalisation process.*



TEDMAGUIRE
Council Secretary



DAVID BENHAM
Chief Financial Officer



HOWARD STONE
General Manager

Rates Assessment Notice

⑥ ATTACHMENT TO REPORT 99.646 PAGE 1



TAX INVOICE GST No.: 53-204-635

INVOICE DATE : 1 **May** 1999

FOR THE PERIOD : 1st **July** 1998 to **30th June** 1999

WESTERN PARTNERSHIP

21D MAIDA VALE RD ROSENEATH
WELLINGTON 6001

Street Address: 21 D Maida Vale Rd

Account Number: 716896

Valuation Number: 17060-07200-D

Capital Value: 100000

Land Value: 50000

Legal Description: UNIT 4 UP 85103

Billing Category: Non Residential T1

Annual Rates Calculation

WELLINGTON REGIONAL COUNCIL		Ph 384-5708
WRC General	0.058530	58.53
WRC Rivers	0.001000	1.00
WRC Stadium	0.015530	15.53
WRC Transport	0.042580	42.58
TOTAL WRC RATES:		\$117.64

WELLINGTON CITY COUNCIL		Ph 801-3400
Clean-water	0.079536	79.54
Other Council Services	1.305915	1305.91
Sewerage/drainage	0.120771	120.77
TOTAL WCC RATES:		\$1506.22

TOTAL COMBINED RATES FOR 1998/99: \$1623.86

Rates shown are payable by you as **owner/occupier** to the Wellington City Council. Any portion unpaid by 5pm on the last day for payment will incur a 10% penalty.

Please detach the portion below and return with your payment. See reverse for information.

ACCOUNT DETAILS

INSTALMENT NO: **4**

Arrears Outstanding: 0.00

Previous Instalment Charged: 1225.05

Payments Received: 908.79

Penalty: 122.50

Instalment No. 4 includes GST of 44.31: **398.80**

AMOUNT NOW DUE : 837.56

LAST DAY FOR PAYMENT : 1 Jun 1999

If you wish to pay your rates in full to 30th June 1999, the amount to pay is 837.57 (to be paid by 1 June 1999).

Payments received after 26th April 1999 are not included in this invoice.

Please Note: The Council will not be responsible for any delay caused by insufficient postage.

Tick this box to be sent a rates direct debit form

Valuation Number: 17060-07200-D

Account Number: 716896

AMOUNT NOW DUE: \$837.56

LAST DAY FOR PAYMENT: 1 Jun 1999

AMOUNT PAID: \$
Please complete

Payment Advice



Send payment to: Wellington City Council, PO Box 3303, Wellington
WESTERN PARTNERSHIP

Change of Postal Address

⑈ 7 16896 ⑈ 7 16896 ⑈ 060 23 1: 0083756 ⑈ 104 ⑈ 23 1

Important Information for Ratepayers

HOW TO PAY YOUR RATES

RATES EASIPAY.... Use our direct debit system. Quarterly or monthly options are now available. Phone us on 801 3400 for a form.
 P O ST IT . . . Post your cheque to PO Box 3303 Wellington, or
 CALL IN.... at one of our Service Centres (EFTPOS available) or drop your cheque in its envelope at any one of our libraries.

Service Centres are at:

City:	101 Wakefield St	8am to 5pm Mon to Fri
Tawa:	5 Cambridge St	8am to 5pm Mon to Fri
Newtown Library and Service Centre:	13 Constable St	10am to 5pm Mon to Thurs, 10am to 5pm Fri, 10am to 12.30pm Sat
Kilbirnie Library and Service Centre:	101 Kilbirnie Cres	10am to 6pm Mon/Tues/Wed/Fri, 10am to 8pm Thurs, 10am to 1pm Sat
Johnsonville Library and Service Centre:	5 Broderick Rd	10am to 5.30pm Mon/Tue/Wed/Thur, 10am to 8pm Fri, 10am to 12.30pm Sat

or drop it into the yellow after hours payment box located in Civic Square outside the City Service Centre for your convenience.

Automatic payment and telebanking options are also available. If electing to pay by direct debit, automatic payment or telebanking please contact Finance Customer Service on 801-3400 to ensure the correct information is quoted so that payment is correctly credited to your account.

Rates enquiries for:

Wellington City Council Ph: 801 3400 or call in at 101 Wakefield St

Wellington Regional Council Ph: 384 5708 or call in at 142 - 148 Wakefield St

OPTION TO PAY RATES IN FULL

Ratepayers are welcome to pay their rates in one lump sum for the remainder of the year. The amount due under this option is the balance of your year's rates up to 30 June 1999 plus any outstanding rates and penalties.

RECEIPTS

Receipts will not be issued unless they are specifically requested.

INSTALMENTS	DUE DATE	PENALTY DATE
Instalment 1	1 August 1998	1 September 1998
Instalment 2	1 November 1998	1 December 1998
Instalment 3	1 February 1999	1 March 1999
Instalment 4	1 May 1999	1 June 1999

PENALTY CHARGE

A 10% penalty will be added to any portion of the current instalment remaining unpaid after the penalty date as detailed above.

SALE OF PROPERTY

If you have sold your property you are liable for all rates due at the time notice of sale is given. If you receive an assessment still in your name after you've sold your property, it may mean that the Council has not received notification of the sale.

Please advise your Solicitor to issue the appropriate notification as soon as possible and return this assessment to the Council.

For direct debit customers -when the Council receives a notification of sale, your direct debit will **automatically be cancelled**.

ARREARS

Rates are a charge on the property (not the person). If you have recently purchased your property and arrears appear on this assessment, even if you consider they are the responsibility of the previous owner, it is in your interest to ensure they are paid immediately. Please contact the previous owner or advise your Solicitor.

Rates Assessment Notice



⑥ ATTACHMENT TO
REPORT 99.646

PAGE 3 OF 16

Instalment number: 2 of 6

For the Period: 01 Jun 99 to 30 Jun 00

HUTT CITY
COUNCIL

MD BOOSEY
53 KENSINGTON AVENUE
PETONE

(See overleaf if details
shown are incorrect.)

TAX INVOICE

GST No: 52097053 Invoice Date: 01 Sep 99
Administration Building, 30 Laings Road
Private Bag 31912, Lower Hutt
Telephone (04)570-6666 Facsimile (04)569-4290

The Rates set out in this notice are payable by you as the owner or occupier of the property listed below. Please pay the Total Now Due by the Last Date for Payment.

DETAILS OF PROPERTY

Street address: 53 KENSINGTON AVENUE Assessment no: 7908000 Land value (LV): 68000
Area: 479 Ha Differential group: RES Valuation roll no: 16590-08000 Capital value (CV): 270000
Legal description: LOT 27 DP 8 102, 4 19/201 Rating cycle: CIRENO

ANNUAL RATES CALCULATION

Hutt City Council	Units	Rate	Total for Year
Consolidated Rate	270000	0.4475c	1208.25
Uniform Annual General Charge 1		\$45.10	45.10
Uniform Annual Water Charge 1		\$207.00	207.00
Uniform Annual Sewerage Charge 1		\$210.10	210.10

Total Hutt City Council Rates: \$1670.45

Wellington Regional Council

WRC - General Rate	270000	0.05539c	149.55
WRC - River Protection Rate	270000	0.01557c	42.04
WRC - Transport Rate	270000	0.06714~	181.28
WRC - Stadium Rate	270000	0.00767~	20.71

Total Wellington Regional Council Rates: \$393.58

TOTAL ANNUAL RATES: \$2064.03
Balance of rates owing to 30 Jun 00 \$1721.90
(including this instalment):

**STATEMENT OF ACCOUNT FOR
CURRENT INSTALMENT**

Balance from previous notice	342.13
Payments received	-342.13
<i>(NB: payments made after 19 Aug 99 will appear on your next notice.)</i>	
Late payment penalties unpaid:	0.00
Adjustments	0.00
Instalment no. 2 of 6	344.35

TOTAL NOW DUE \$344.35
INCLUDES GST OF \$38.26

(- denotes Credit Balance)

LAST DAY FOR PAYMENT: 30 Sep 99

Any portion of the current instalment remaining unpaid after 30 Sep 99 will incur a 10% penalty of up to: \$34.44

HUTT CITY COUNCIL
Rates Remittance Advice

Please return whole form if receipt required.

MD BOOSEY

Detach this portion and return with your payment in the enclosed prepaid envelope to:

Hutt City Council, Private Bag 3 1912, Lower Hutt.

Or you can present your payment at one of the locations listed on the back of this form.

Instalment No: 2 of 6
Valuation No: 16590-08000
Assessment no: 7908000

Cash Cheque

Total Now Due: \$344.35
Last Date for payment: 30 Sep 99
Amount Enclosed \$
(please fill in)

7908000

\$344.35

ON RATING MATTERS:
ON ARREARS MATTERS:
ON VALUATION MATTERS:

Contact the Rates Office on 570-6666
Contact the Debt Recovery Section on 570-6748
Contact Quotable Value NZ Limited, Wellington on 460 4400

INSTALLMENT DATES

Rates are for the Period from 1 July 1999 to 30 June 2000. Rates are payable in six instalments. Properties are allocated to one of two rating cycles. The rating cycle for your property is shown on the front of this form. Due dates for each instalment and each cycle are as follows:

Installment No	Cycle	Due Date	Last Date for Payment	Additional Charge Date
One	C1	1 July 1999	31 July 1999	1 August 1999
One	C2	1 August 1999	31 August 1999	1 September 1999
Two	C1			
Two	C2	1 OctSeptem1999	30 OctSeptem1999	NovemtOctot191999
Three	C1	1 November 1999	30 November 1999	1 December 1999
Three	C2			
Four	C1	1 January201999	15 January2000	Febru;Janua22000
Four	C2	1 February 2000	28 February 2000	1 March 2000
Five	C1	1 March 2000	31 March 2000	1 April 2000
Five	C2	1 April 2000	30 April 2000	1 May 2000
Six	C1	1 May 2000	31 May 2000	1 June 2000
Six	C2	1 June 2000	30 June 2000	1 July 2000

INSTALLMENT AMOUNTS AND METHOD OF CALCULATION

The first installment is payable before the annual rates for the current year are made. It is therefore based on rates calculated for the previous rating year. Installments two to six are calculated after the annual rates have been made, and each installment is one fifth of the rates owing after the first installment has been deducted. All or part of any installment may be paid before the installment falls due.

PAYMENT METHODS

Payments may be made by forwarding a cheque together with the remittance advice in the enclosed envelope to Hutt City Council, Private Bag 31912, Lower Hutt, or to the Hutt City Council's Administration Building at 30 Laings Road, Lower Hutt, or at one of the Council's Library and Service Centres during the following hours:

Rimu St, EASTBOURNE:	Mon-Thurs 10am-5.30pm; Fri 10am-8pm; Sat 10am-1pm.
Hillary Ct, NAENAE	Mon- Thurs 9.30am-5.30pm; Fri 9.30am-6pm; Sat 10am-1pm.
Britannia St, PETONE	Mon,Tues, Thurs 10am-5.30pm; Wed 10am-8pm; Fri 10am-7.30pm; Sat 10am-1pm
Queen St, WAINUIOMATA	Mon-Thurs 9.30am-5pm; Fri 9.30am-8.30pm; Sat 10am-2pm.
Scott Ct, STOKES VALLEY	Mon, Wed, Thurs 10am-5.30pm; Tues, Fri 10am-8pm; Sat 10am-1pm.

If you wish to pay by direct debit, direct credit or automatic payment, contact the Rates Office

ADDITIONAL CHARGES

An additional charge (penalty) will be incurred on rates remaining unpaid as at the date shown on the front of this assessment. A second additional charge will be incurred on rates remaining unpaid as at the following 1st July, and further charges will be incurred at six monthly intervals thereafter on the balance of rates owing from previous rating years.

RATES REBATES

Ratepayers on low incomes may be eligible for a Government rebate on their rates. For further information on the rebate scheme, please contact the Rates Office on 570-6666.

WELLINGTON REGIONAL COUNCIL (WRC) RATES

Hutt City Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142-146 Wakefield Street, Wellington, telephone 384 5708. More information is also available in the WRC's Annual Plan.

The WRC rates cover:

General	-Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs shared between districts in the Wellington region on the basis of equalised capital values.
Transport	-Hutt City's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the city.
Rivers Management	-The local contribution to the cost of flood protection works in Hutt City.
Stadium	-The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium

If the ADDRESS shown overleaf is incorrect, please write the correct postal address below.

NOTE: If the NAME shown is incorrect, please advise separately, in writing, full details of the Change of Ownership or Occupancy (eg copy of Notice of Sale)

UPPER HUTT CITY COUNCIL



Private Bag 907
UPPER HUTT
TELEPHONE 527-2169
ANNUAL RATES PERIOD
1 JULY 1999 - 30 JUNE 2000

⑥ ATTACHMENT TO
REPORT 44-646

PAGE 5 OF 16

TAX INVOICE GST REG NO. 52-825-415

Instalment No:

Invoice Date:

OCCUPIER OR OWNER
Rates as shown below are payable by you as the occupier to the Upper Hutt City Council and must be paid on or before the date shown as the last day for payment without incurring penalty to avoid the addition of a penalty charge.

Description of property
Valuation Number:
Property Number:
Diff Classification:
Cycle:
Legal Description:
Area:
Street Address:
Land Value:
Improvements:
Capital Value:

DESCRIPTION OF RATES LEVIED	FACTOR	RATE/CHARGE	AMOUNT
<i>FOR UPPER HUTT CITY:</i>			
UHCC Sub -Total			
<i>ON BEHALF OF WELLINGTON REGIONAL COUNCIL</i>			
WRC Sub -Total			
TOTAL			

WELLINGTON REGIONAL COUNCIL
04 OCT 1999

BALANCE B/F	PENALTY	THIS INSTALMENT	PAYMENT RECEIVED	REMISSIONS/ADJUSTMENTS	TOTAL NOW DUE

THIS INSTALMENT INCLUDES GST OF:	THE AMOUNT TO BE PAID IS:			
	Last day for payment without incurring Penalty			
	OR A 10% PENALTY CHARGE WILL BE ADDED OF UP TO:			

If a receipt is required please tick box and return full assessment:

UPPER HUTT CITY COUNCIL



Private Bag 907
UPPER HUTT
TELEPHONE 527-2169
ANNUAL RATES PERIOD
1 JULY 1999 - 30 JUNE 2000

REMITTANCE ADVICE

TOTAL AMOUNT DUE	
ON OR BEFORE	

Account Name:

Valuation Number:
Instalment No:

Property Number:

Please write any change of address below

Amount Paid:

	Cheque
	Cash
	EFTPOS

ON RATING MATTERS Contact the council on 527-2169
 ON VALUATION MATTERS Contact Valuation New Zealand, 566-4128

INSTALMENT DATES

Rates are for the period 1 July 1999 to 30 June 2000. Rates are payable in five instalments. Properties are allocated to one of two rating cycles. The rating cycle for your property is shown on the front of this form. Due dates for each instalment and cycles are as follows:

CYCLE ONE	DATE DUE AND PAYABLE	PENALTY DATE
Instalment One	1 August 1999	31 August 1999
Instalment Two	1 October 1999	30 October 1999
Instalment Three	1 December 1999	15 January 2000
Instalment Four	1 February 2000	29 February 2000
Instalment Five	1 April 2000	28 April 2000

CYCLE TWO	DATE DUE AND PAYABLE	PENALTY DATE
Instalment One	1 September 1999	30 September 1999
Instalment Two	1 November 1999	30 November 1999
Instalment Three	1 January 2000	31 January 2000
Instalment Four	1 March 2000	31 March 2000
Instalment Five	1 May 2000	31 May 2000

PAYMENT METHODS

- Cash & Cheque At the Council's office at 838-842 Fergusson Drive between 8am and 5pm, Mondays to Fridays
- Cheque (Postal) Private Bag Y07, Upper Hutt
- EFTPOS At the Council's office at 838-842 Fergusson Drive between 8am and 5pm, Mondays to Fridays
- Automatic Payments Can be weekly, fortnightly, monthly or quarterly to suit your budget
- Telephone Banking Pay your rates from home
- Direct Debit Council will send rates notices to advise of the date that your bank will debit your account

Note: It is important that we receive correct references with your payment. Please ask our staff to assist when setting up Automatic payments, Direct Debits or Telephone Banking.

ADDITIONAL CHARGES

An additional charge (penalty) of 10% pursuant to Section 132 of the Rating Power Act 1988 will be incurred on rates remaining unpaid on the instalment to which the assessment relates as at the Penalty Date shown on the front of this assessment. A second additional charge will be incurred on rates remaining unpaid as at the following 1st July, and further charges will be incurred at six monthly intervals there after on the balance of rates owing from previous rating years.

RATES REBATES

Ratepayers on low incomes may be eligible for a Government rebate on their rates. For further information on the rebate scheme, please contact the council on 527-2169.

WELLINGTON REGIONAL COUNCIL (WRC) RATES

Upper Hutt City Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142-146 Wakefield Street, Wellington, telephone 0-1-381 5708. More information is also available in the WRC's Annual Plan.

- General – Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs shared between districts in the Wellington region on the basis of equalised capital value.
- Transport – Upper Hutt City's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the City.
- Rivers -Upper Hutt City's share of the cost of capital flood protection works within the City.
- Stadium – The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium.

UPPER KUTT CITY COUNCIL GENERAL BANK ACCOUNT No.2

0	1	0	7	7	1	0	1	8	8	9	0	0	3
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Porirua City Council
 P O Box 50218
 PORIRUA CITY
 PHONE 237 5089

RATES ASSESSMENT ⁶ ATTACHMENT TO
 REPORT 99
 For the period 1 July 1999 to 30 June 2000

DUPLICATE

Tax Invoice
 GST No. 53-037-169

RATE ACCOUNT NO.	INSTALMENT	INST NO.	DATE	FINAL PAYMENT DATE
400320	2 of 5	Two	01 Oct 99	17 Nov 99
GRAEME ROBERT COLEMAN P O BOX 50199 PORIRUA CITY			VALUATION ROLL NO.	15470-70004
			AREA (HECTARES)	.0625 Ha
			RATEABLE VALUE CAPITAL	225000
			RATEABLE VALUE SPECIAL	

LEGAL DESCRIPTION	LOT 89 DP 81671	<i>Payments accepted at:</i> Administration Building, Cobham Court, Porirua City Hours: 8am to 5pm Monday to Friday (See the back of this form for other payment options)
DIFFERENTIAL	01 RESIDENTIAL & OTHERS	
LOCATION	149 ESKDALE ROAD	

RATE DESCRIPTION	RATE OR CHARGE	VALUE	AMOUNT
General	0.47973c	225000	1079.39
Water(1)	\$228.80	1	228.80
Rubbish Collection(1)	\$30.30	1	30.30
Sewerage(1)	\$198.80	1	198.80
General Service	\$266.00	1	266.00
TOTAL: PORIRUA CITY COUNCIL RATES			\$1803.29
WRC General	0.05409c	225000	121.70
WRC Rivers	0.0075c	225000	16.88
WRC Transport	0.10063~	225000	226.42
WRC Stadium	0.00834~	225000	18.77
TOTAL: WELLINGTON REGIONAL RATES			\$383.77

STATEMENT OF ACCOUNT

ARREARS AT 1st JULY	PREVIOUS INSTALMENTS	PENALTY TO DATE	ADJUSTMENTS	THIS INSTALMENT (Incl share or PCC & WRDC)	PAYMENTS TO DATE
0.00	437.41	0.00	0.00	437.40	-437.41
Unless advised by 9 Nov 99 any rates outstanding on 17 Nov 99 will be deducted from your Bank A/C on that date				TOTAL ANNUAL RATES LEVY FOR CURRENT YEAR	\$2187.06
				PAYMENT NOW DUE	\$437.40
				BALANCE TO CLEAR YEAR ENDING 30/6/2000	\$1749.65

The last day for payment of this instalment is 17 Nov 99. An additional charge of 10% amounting to a maximum of \$43.74 will be applied to any unpaid portion of this instalment. Current charges include GST of \$48.60. Receipts processed after 23 Sep 99 not included.

Porirua City Council

CFRTZ0400320

Instalment 2 of 5

PAYMENT ON OR BEFORE 17 Nov 99

Rate Account 400320

Total Due \$437.40

ON RATING MATTERS: Customer Services
 ON ARREARS MATTERS: Debt Management
 ON VALUATION MATTERS: Quotable Value New Zealand

Ph 237 5089
 Ph 237 1530
 Ph 460 4400

DUE DATES AND ADDITIONAL CHARGES ON RATES covering the Financial Period 1 July 1999 to 30 June 2000.

INSTALMENT	DUE & PAYABLE	*LAST DAY FOR PAYMENT BEFORE PENALTY ADDED	PENALTY DATE
1	1/08/1999	17/09/1999	20/09/1999
2	1/10/1999	17/11/1999	18/11/1999
3	1/12/1999	20/01/2000	21/01/2000
4	1/02/2000	17/03/2000	20/03/2000
5	1/04/2000	17/05/2000	18/05/2000

* All payments are allocated to the oldest debt first so if the instalment is not paid in full by the date shown a 10% penalty charge is added to any amount of the instalment still outstanding.

NOTICE OF ADDITIONAL PENALTY

Under Section 132 of the Rating Powers Act 1988, an additional charge of 10% will be added on 20 September 1999 to rates that remain unpaid from previous years.

PAYMENT OPTIONS:

Cash & Cheques

Administration Building
 Cobham Court
 Porirua City

Cheque (postal)

P O Box 50218
 Porirua City
 Ph 237 5089

Eftpos

Available at the
 Counter for your
 Convenience

Telephone Banking

Pay your rates
 from home

Automatic Payments

Can be weekly, fortnightly,
 to suit your budget

Direct Debit

Can be weekly, fortnightly, monthly to suit your budget or on the last date for payment of each instalment. We will send you a rates notice advising of the dates and amounts.

IMPORTANT NOTICE:

It is important that **we** receive the **correct references** with your payment. Please ask our staff to assist when setting up Automatic Payments, Direct Debits or Telephone Banking

METHOD OF CALCULATING INSTALMENTS

The first instalment is payable before the Annual Rates for the current year are made. It is therefore based on rates for the previous year. Instalments two to five are calculated after the annual rates are made, and each instalment is one quarter of the amount remaining after the first instalment has been deducted from the total annual rates.

WELLINGTON REGIONAL COUNCIL RATES

Porirua City Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142-146 Wakefield Street, Wellington or telephone 384 5708. Information is also available in the WRC's Annual Plan.

WRC General -

Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs are shared between districts in the Wellington region on the basis of equalised capital value.

WRC Transport -

Porirua City's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the City.

WRC Rivers Mgt -

The local contribution to the cost of flood protection works in Porirua City.

WRC Stadium -

The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium.



ATTACHMENT TO
REPORT 99.646

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1999/2000 RATES ASSESSMENT TAX INVOICE

GST No 51-860-608

Rates Phone: 04 298 0900 Fax: 04 298 6283
Council Phone: 04 298 5139 Fax: 04 297 2563
Email: kapiti.council@kcdc.govt.nz
KCDC- Internet: http://www.kcdc.govt.nz

Valuation No: 14960-20 109B

Instalment Number: One 1999/00

for the period: 1/07/99 to 30/09/99

INSTALMENT DATE 5 August 1999

LAST DATE FOR PAYMENT 6 September 1999

The Rates set out in this notice are payable by you as the owner or occupier of the property listed below. Please pay the Total Due by the Last Date for Payment.

OCCUPIER OR OWNER

LONGSTAFF GARY BRENT
3 WELLPARK AVE
GREY LYNNE
AUCKLAND

ANNUAL RATES CALCULATION

Description of Rate	Factor	Rate/Charge	Amount
Districtwide General - Urban	26,000	0.31940 c	83.00
Regulatory Services - Urban	26,000	0.12987 c	33.75
Districtwide Rooding	26,000	0.18750 c	48.75
Districtwide Rooding - Uniform	1	\$60.00	60.00
Community Facilities	1	\$219.00	219.00
Community Separate Rate -Urban	26,000	0.05631 c	14.60
Consolidated Special Loan	26,000	0.01420 c	3.65
Sewerage Maintenance	1	\$103.00	103.00
Sewerage Upgrading Rate - Con	26,000	0.11812 c	30.70
Water Supply Maintenance - Con	1	\$97.00	97.00
Water Supply Loans	26,000	0.04200 c	10.90
Water Supply Upgrading - Con	26,000	0.03600 c	9.35
Stormwater	1	\$46.00	46.00
Kapiti Coast District Council Total			759.70
WRC General	105,000	0.05948 c	62.45
WRC Transport (Urban)	105,000	0.01410 c	14.80
WRC Rivers Management	105,000	0.02829 c	29.70
WRC Stadium (Urban)	105,000	0.00475 c	4.95
Wellington Regional Council Total			111.90
TOTAL ANNUAL RATES			\$871.60

DETAILS OF PROPERTY

Street Address: 97 ELIZABETH STREET, WAIKANAE
Area: 0 sq m
Legal Description: FLAT 2 DP 70669 1/2 INT 1285 M2 BEING LOT 16 DP 62687 CT 40C/590 40C/590

Land Value (LV): \$26,000
Capital Value (CV): \$105,000

Date of Valuation: 1/09/1996

Any portion of the current instalment remaining unpaid after 06/09/99 will incur a 10% penalty of up to \$21.75

CASH STATEMENT

Opening Balance	203.25
Less Payments Received	203.25 CI
This Instalment (Includes \$24.21 GST)	217.90

CR Denotes Credit Total Due **\$217.90**

Payments received after 27/07/99 are not included in this statement

Unless advice to the contrary is received from you by 30 August 1999 the AMOUNT PAYABLE will be directly debited to your Bank Account on 6 September 1999.

Detach this portion and return with your payment to Kapiti Coast District Council, Private Bag 601, Paraparaumu Or you can present your payment at one of the locations listed on the back of this form.

Valuation No: **14960-20109B**

Total Rates Due **\$217.90**
Amount Enclosed \$

Instalment No **1 of 4 1999/00**

For payments by post the next Instalment Notice will be the official receipt. Please advise any change of address on the reverse of this form.

INSTALMENT DATES: 1999/2000

The period for which rates are payable is 1st July 1999 to 30 June 2000 payable by instalments as follows.

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REPORT 99.646 PAGE 10 OF 16

Instalment Interval	Due and Payable	Last Date for Payment	Additional Charge Date
1. 1 July to 30 September 1999	2 August 1999	1 September 1999	2 September 1999
2. 1 October to 31 December 1999	1 November 1999	1 December 1999	2 December 1999
3. 1 January to 31 March 2000	1 February 2000	1 March 2000	2 March 2000
4. 1 April to 30 June 2000	1 May 2000	31 May 2000	1 June 2000

The 1999/2000 rates were struck in July 1999.

GENERAL ENQUIRIES AND RATE PAYMENTS:

Rimu Road, PARAPARAUMU: Mon-Fri 9am-4.30pm Tel: 04 298 0900 or 368 1628 (Otaki Freephone) Fax: 04 298 6283
 Mahara Place, WAIKANAЕ: Mon-Fri 9am-5.00pm; Sat 9am-12.00am Tel: 04 293 6336 Fax: 04 293 7758
 Main Street, OTAKI: Mon-Fri 9.00am-5.00pm; Sat 10am-12am Tel: 06 364 8039 Fax: 06 364 6694
 Beach Road, PAEKAKARIKI: Mon-Fri 8.30am-6.00pm; Sat 8.30am-5.00pm; Sun 10am-5.00pm (Payments only)

CHEQUES, CASH AND EFTPOS

Cheques may be handed in at any of our offices, or mailed to the Council together with the remittance advice to Kapiti Coast District Council, Private Bag 601, Paraparaumu. Cash and Eftpos will be accepted at the Cashier's counter at the Paraparaumu Head Office, Waikanae Library, Otaki Library, Paekakariki Agency. Paekakariki Fruit & Vegetable Shop.

DIRECT DEBIT PAYMENT OF RATES

You can pay your rates by arranging with us to direct debit your bank account on the last date for payment before penalty. This is the easiest way to pay and you will no longer have to worry about writing a cheque, finding stamps or attending a Council office. The Cashier at each of office will assist you to complete the necessary bank authorisation.

DIRECT CREDIT PAYMENT OF RATES

Fixed amount payments can be made automatically from your bank account at a frequency preferred by you, an automatic payment authority can be obtained from the Cashier of each office. However, it is your responsibility to forward it to your bank and arrange for payment amounts to be adjusted if required. The equivalent of each instalment still must be met on or before the due penalty date to avoid penalty charges.

TELEPHONE BANKING

You will need to deal directly with your bank to set up this payment option. please ensure that on each payment that your property's valuation number is quoted. If you have more than one property, each requires a separate entry on the Council's bank statement

PENALTY: CURRENT RATES

A penalty of 10% will be added to each instalment or any portion of it not paid on or before the last date for payment

PENALTY: RATE ARREARS

- 1) 1998/99 rates and rate arrears for previous years unpaid as at 30 June 1999 were penalised ten percent on 1 July 1999.
- 2) Any portion of the 1999/2000 rates or rate arrears for previous years that are not paid on or before the 30 June 2000 will be subject to an additional penalty of ten percent, that will be imposed on 1 July 2000.

PROPERTY SALES

If you have sold this property and this assessment is still in your name it would indicate that Notice of Sale has not been received by the Council. It is the responsibility- of YOUR Solicitor to ensure that a notice of sale is given. If this has not been done, please contact him/her immediately. Payment of this Assessment's rates is your responsibility although you may be entitled to reimbursement from the new owner for their period of occupation.

WELLINGTON REGIONAL COUNCIL (WRC) RATES

Kapiti Coast District Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices, PO Box 11-646, 142-146 Wakefield Street, Wellington. telephone (toll free) 04-384 5707 ext. 8346. fax 04-385 6960. More information is also available in the WRC's Annual Plan.

The WRC Rates Cover:

- General** Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs shared between districts in the Wellington region on the basis of equalised capital values.
- Transport** Kapiti Coast District's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the district.
- Rivers Stadium** The local contribution to the cost of flood protection works in Kapiti Coast District. The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium.

If the **ADDRESS** shown overleaf is incorrect, please write the correct postal address below.

NOTE: IF the name shown is Incorrect, please advise separately. in writing, full details of the Change of Ownership (eg copy of Notice of Sale).

RATES ASSESSMENT NOTICE

For Period:
Instalment Number:

1 OF 4 - 1999/2000 RATING YEAR

ATTACHMENT TO
REPORT 99-646

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WAIRARAPA
right on balance

RATEPAYER1
RATEPAYER2
ADDRESS1
ADDRESS2

MASTERTON DISTRICT COUNCIL

64 CHAPEL STREET, PO BOX 444, MASTERTON
Telephone 06-378 9666 Facsimile 06-370 SO96

Tax Invoice - GST No. SO-722-6 19

(All figures are inclusive of GST)

DISCOUNT: To receive a discount of 2.5% on the full years rates, please pay \$464.20 by 27 August 1999.

The rates set out in this invoice are payable by you as the owner or occupier of the property listed below. Please pay the **Total Now Due** by the **Last Day for Payment**

(Please see overleaf if address/name details above are incorrect)

Valuation No: 17940-11111	Street Address: 220 TE MIWHI ROAD, MASTERTON
Property No: 666666	Legal Description: OKUTANATU A32A34D2 BLK II OTAHOUA SD
Land Value: \$17,000	
Capital Value: \$82,000	Area: 0.3566

ANNUAL RATES CALCULATION

Masterton District Council	Units	Rate	Total	for Year
Roading	LV	0.0030730		\$52.25
Sundry Facilities & Services	c v	0.0007130		\$58.45
Rural Uniform Annual General Charge	UC	269.50		\$269.50
Works & Services Charge	UC	48.50		\$48.50

Total M.D.C. Rates: \$428.70

Wellington Regional Council	Units	Rate	Total	for Year
General Rate	c v	0.0005277		\$43.25
Regional Transport Rate	c v	0.0000297		\$2.45
Stadium Purposes Rate	CV	0.0000206		\$1.70

Total W.R.C. Rates: \$47.40

TOTAL ANNUAL RATES \$476.10

STATEMENT OF ACCOUNT

(For Current Instalment)

Balance brought forward:	\$0.00
Payments received:	\$0.00
Late payment penalties:	\$0.00
Adjustments:	\$0.00
Current Instalment:	\$119.05

GST amount for this invoice: \$13.23

Payments received after 27/07/99 are not included in this statement.

Any portion of the current instalment remaining unpaid after 27/08/99 will incur a 10% late payment penalty.

TOTAL NOW DUE: \$119.05
LAST DAY FOR PAYMENT: 27-Aug-99

Please Note: This is a reprinted assessment.

Annual Rates - Instalment Break Down:

Inst. No.	Amount	Last Day for Payment
1	\$119.05	27-Aug-99
2	\$119.00	22-Nov-99
3	\$119.05	21-Feb-00
4	\$119.00	22-May-00

RATES REMITTANCE ADVICE

MASTERTON DISTRICT COUNCIL
64 CHAPEL STREET, PO BOX 444 MASTERTON

RATEPAYER1
RATEPAYER

Instalment Number:

AMOUNT NOW DUE: \$119.05

Valuation No: 17940-11111

Property No: 666666

Amount Enclosed:

If you require a receipt,
Please tick here and return whole
assessment.

Thank you for your payment.



Information for Ratepayers

Rates Instalment System

The Masterton District Council divides your annual rates into four instalments. The amount for each instalment is displayed on the front of this invoice. The rates instalment shown overleaf is due and payable by you (as ratepayer) to the Masterton District Council, and must be paid on or before the Last Day for Payment to avoid the addition of the 10% late payment penalty. The relevant dates for each instalment are as follows:

<u>Instalment</u>	<u>Period Covered:</u>	<u>Due Date:</u>	<u>Last Day for Payment:</u>	<u>Date Penalty Applied:</u>
1	01 Jul 1999-30 Sep 1999	06 Aug 1999	27 Aug 1999	30 Aug 1999
2	01 Oct 1999-31 Dec 1999	01 Nov 1999	22 Nov 1999	23 Nov 1999
3	01 Jan 2000-31 Mar 2000	01 Feb 2000	21 Feb 2000	22 Feb 2000
4	01 Apr 2000-30 Jun 2000	01 May 2000	22 May 2000	23 May 2000

Payment of Rates

Manual Payment: This assessment can be paid manually by **cheque, eftpos or cash**, at the Treasury Office of the Masterton District Council, 64 Chapel Street. or your payment can be mailed to PO Box 444, or (DX PA89022) Masterton. Cheques are to be made payable to Masterton District Council. Sorry, credit cards can not be used for payment of rates. **Office Hours** – 8:00 AM to 4:30 PM – Monday to Friday.

Bank Transfers: The Council also accepts payment by **automatic payment** (direct credit), **telephone transfers**, and operates a **direct debit** system, on a monthly, quarterly, and annual basis. When setting up an automatic payment or telephone transfer, payment should be made to the Council's BNZ Rates Account, Account No. 02 0688 0067675 04, quoting your six digit property number as the reference. Please ensure that your transactions are timed so that payment is in the Council's bank account on or before the Last Day for Payment. *Forms for direct debits and automatic payments are available from the Treasury Office, telephone (06) 378-9666*

Receipts: Receipts will not be issued unless payment is made manually, or they are specifically requested. Should you require a receipt, please return the whole assessment form and indicate clearly that "Receipt Required" in the tick box on the remittance advice.

Penalty: A 10% penalty will be charged on the penalty date (as detailed above) based on any portion of the current instalment remaining unpaid. To avoid this late payment penalty, payment must be made by the Last Day for Payment as detailed on the front of this notice and in the instalment information above. A further 10% penalty will be charged on the instalment 1 penalty date based on the total of any prior years arrears outstanding.

Arrears: If you have rate arrears on your property, payments will be receipted to the earliest outstanding amounts in accordance with recognised accounting procedures.

Sale of Property

If this assessment is in your name and you have sold your property (or the lease has expired), it would indicate that the Council has not received information from your solicitor. Please contact your solicitor in the first instance to confirm who should be paying the current instalment. Do not destroy this notice unless instructed to do so by the Council. Please note, the Council does not remit penalties if an instalment is missed during the sale process.

Subdivisions

If a property is subdivided during a rating year the assessment details must remain the same by law until the next rating year. It is the responsibility of the original owner to pay the current years rates in full to the Council.

Wellington Regional Council (WRC) Rates

Masterton District Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142-146 Wakefield Street, Wellington, telephone (04) 384-5707 (toll free)

If the **ADDRESS** shown overleaf is incorrect, please write the correct postal address below.



Carterton District Council

P.O. Box 9, Holloway Street, Carterton, New Zealand.
 Telephone (06) 379-6626, Facsimile (06) 379-7832.

⑥ ATTACHMENT TO REPORT 99.646

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TAX INVOICE
 G.S.T. Number: 50-721-I 08

Instalment No.

Due & Payable

Owner/Occupier

Valuation (Roll) No.
 land Area (ha)
 Legal Description

Capital Value (\$)

Land Value (\$)

Location

Description

Rateable Value or Number

Rate or Charge

Total Levied

STATEMENT OF ACCOUNT

\$

Balance
 1 July

Previous Instalments

penalties Levied

Adjustments

Payments since 1 July to

This Instalment

TOTAL Carterton District Council Rates

TOTAL NOW DUE:

LAST DAY FOR PAYMENT:
 OR A 10% PENALTY CHARGE WILL BE ADDED

Total Payment to clear Rates for year:

Current charges include GST of:

TOTAL Wellington Regional Council Rates

TOTAL ANNUAL RATES

If a receipt is required, please tick box and return complete assessment



Payments accepted at the: Council Office, Holloway Street, Carterton. Office Hours: 8.30am to 4.30pm Monday to Friday

Carterton District Council P.O. Box 9, Holloway Street, Carterton, New Zealand.

Owner/Occupier

Valuation (Roll) No.

Any change of address

Rate Account

Total Due

Instalment No.

PAYMENT DUE ON OR BEFORE

INSTALMENT DETAILS

Instalment	Period Covered	Due Date	Last Day for Payment Before Penalty Added	Penalty Date
1	⑥ ATTACHMENT TO REPORT Jul - September	20 October	28 August	10% penalty added 31 August
2	Oct - December	20 October	28 November	30 November
3	Jan - March	20 January	28 February	1 March
4	Apr - June	20 April	25 May	31 May

Notice of additional penalty

An additional charge of 10% will be added to all rates including arrears and penalties that remain unpaid at 1 July

EXPLANATION OF RATING SYSTEM

General Rates

All rates are levied on land value and are subject to a system of differential rating. General rates provide for Roads, Parks & Reserves, Civic Administration, Library, Economic Development and contribute to some of the costs of Regulatory Service, Water, Drainage and Waste Management.

Uniform Annual General Charge

A charge for all rural properties for the maintenance of the roading network.

Water Rate

A charge for those properties that are connected to the urban water system. This charge is for reticulation, maintenance, servicing and loan servicing costs.

Drainage Rate

A charge for those properties that are connected or are able to be connected to the urban sewerage system. The urban stormwater system is also funded from this rate. The charge is for reticulation, maintenance, servicing and loan servicing costs.

Refuse Rate

A charge for all urban properties in respect of refuse collection and associated disposal cost, street cleaning and refuse bins.

Water Race Charge

A charge for the Taratahi and Carrington water races for reticulation, maintenance and servicing.

RATE REBATES

Ratepayers on very low incomes may be eligible for a Government rebate on their rates. Full details are available at the Council Office.

Automatic Payments - Weekly, Fortnightly EFTPOS Telephone Banking
Direct Debits Monthly, Quarterly

WELLINGTON REGIONAL COUNCIL (WRC) RATES

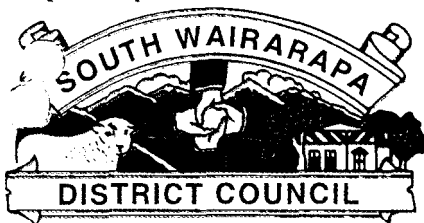
Carterton District Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142 - 146 Wakefield Street, Wellington, **telephone 04-384 5707 toll free**. More information is also available in the WRC's Annual Plan.

General - Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs shared between districts in the Wellington region on the basis of equalised capital values.

Transport - Carterton District's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the District.

Rivers Management - The local contribution to the cost of flood protection works in Carterton District.

Stadium - The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium.



19 KITCHENER STREET

P.O. BOX 6
MARTINBOROUGH

TELEPHONE (06) 306-9611
FACSIMILE (06) 306-9373

Dated at Martinborough on this 1 st Day of February, 1999

Rav McIndoe GENERAL MANAGER

Instalment No:	Three of Four
To:	██████████ 244 PO Box 6 MARTINBOROUGH
	244
Description of Property:	PAPAWAI 2B3 WEST B BLK XIV TIFFINS D
Situation:	0 Papawai Rd

RATES ASSESSMENT NOTICE

TAX INVOICE - G.S.T. REG. No. 51-881-648

FOR PERIOD	1 st July 1998 to 30th June 1999
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Rates as shown are due and payable by you as owner or occupier to the South Wairarapa District Council on the 1 st Feb 1999 and must be paid ON or BEFORE the 22nd Feb 1999

Ⓢ ATTACHMENT TO REPORT-99-646 PAGE 15 OF 16

A 10% penalty of up to \$ 89 will be added to your account if payment is not received before Tuesday 23rd February, 1999

Valuation Number No.:	18230-1 4100
Land Value:	19,000
Capital Value:	19,500
Area:	6677 Sq m

Description of Rates	Rate	Rateable Value	Total for Year
South Wairarapa District Council Rates			
R1 - Rural	0.389000	18000	69.98
CH4 Reserves & Civic Amenities	51.00	1	51.00
CH6 Uniform Annual Charge	100.00	1	100.00
		Total District Rates	220.98
on behalf of Wellington Regional Council			
General Rate	0.062430	18500	11.55
Regional Transport - Rural	0.005600	18500	1.04
Stadium Purposes - Rural	0.002040	18500	0.38
		Total Regional Rates	12.97
		Total Rates for the year (incl GST)	233.95

OPENING BALANCE FOR YEAR	CURRENT YEAR'S PREVIOUS INSTALMENTS	CURRENT YEAR'S ADDITIONAL CHARGES	PAYMENTS RECEIVED IN CURRENT YEAR	THIS INSTALMENT	TOTAL NOW DUE
5,069.94	116.20	1,025.45	0.00	58.85	6,270.44

Payments received after 14th Jan 1999 are NOT included

If a receipt is required please tick box and return full assessment:

SOUTH WAIRARAPA DISTRICT COUNCIL

PO BOX 6, Martinborough
Tel (06) 306 9611

Instalment No. Three

Name ██████████

Valuation No. 18230-14100

Land Id 244

Person Id 244



REMITTANCE ADVICE

LAST DAY FOR PAYMENT	22nd Feb 1999
TOTAL DUE NOW	6,270.44
TOTAL TO CLEAR FOR YEAR	6,329.34
AMOUNT PAID	

PLEASE WRITE ANY CHANGE OF ADDRESS ON REVERSE

EXPLANATION OF RATES BY INSTALMENT

Four instalments are charged each rating year (the period 1 July to 30 June)

Rates instalment due dates are:

- 1st August
- 1st November
- 1st February
- 1st May

ADDITIONAL CHARGE

An additional charge (penalty) will be incurred on rates remaining unpaid as at the date printed on the front of this assessment.

A second additional charge will be incurred on rates remaining unpaid as at the following 1st of July.

A continuing additional charge will be incurred on unpaid arrears of rates at 6 monthly intervals after the second additional charge.

RATES REBATE (SUPERANNUITANTS AND BENEFICIARIES)

Ratepayers on very low incomes may qualify for a rebate on their rates. Full details of the scheme are available at the District Office.

RECEIPTS

Receipts are not forwarded unless requested.

RATES CAN BE PAID AT THE

District Council Offices, 19 Kitchener St, Martinborough between 8.00 am and 5.00 pm weekdays. Box 6, Martinborough, phone 06-306 9611.

Gateway Bookshop, 63 Fox Street, between 8.30 am and 5.00 pm weekdays, Featherston, phone 06-308 9032.

Greytown Service Delivery Centre, 110 Main St, Greytown between 8.30 am - 12.30 pm and 1.30 pm - 5.00 pm weekdays, Greytown, phone 06-304 9008.

WELLINGTON REGIONAL COUNCIL (WRC) RATES

South Wairarapa District Council collects rates on behalf of the WRC. Further information on WRC rates may be obtained by contacting WRC offices at 142-146 Wakefield Street, Wellington, telephone 04-384 5707 toll free. More information is also available in the WRC's Annual Plan.

General - Comprising a wide range of activities of WRC, including planning, resource management, civil defence, harbours and recreation. These costs shared between districts in the Wellington region on the basis of equalised capital values.

Transport - South Wairarapa District's share reflects the net cost of contracted bus and rail services, total mobility and transport infrastructure provided to residents of the City.

Stadium - The cost of servicing the WRC's \$25 million contribution for the construction and development of the Regional Stadium.

SOUTH WAIRARAPA DISTRICT COUNCIL
P.O. BOX 6
MARTINBOROUGH

PLEASE SHOW CHANGE OF ADDRESS HERE

How Other Regional Councils Collect Their Rates

Auckland	TAs collect as agent but recalculate ARC rates using TAs' own rating system and differentials. ARC pays 2% collection fee. TAs bear risks. ARC is currently reviewing its collection basis and arrangements.
Bay of Plenty	TAs collect as agent. Regional Council collects 37 scheme rates. 2% paid on amount collected. No plans to change. BOPRC receives penalty fees charged but bears the risk of under-collection.
Canterbury	TAs collect as agent. 2% fee paid with penalties going to Regional Council. No plans to change as they get approximately \$300,000 additional monies each year.
Hawkes Bay	TAs collect as agent except for some scheme rates collected by the HBRC. TAs receive penalty fee payments but bears the risk of under-collection.
Manawatu/Wanganui	TAs currently collect as agent. No plans to change. Cost/benefit analysis suggests net ratepayer benefit as it is.
Northland	TAs collect as agent. 2% paid as collection fee. Arrangements last reviewed in 1998 – no plans to change. NRC receives penalty fees but bears the risk of under-collection.
Otago	Five TAs in the Region. Three are collected by ORC with one instalment in Sept each year, in addition to separate rates. TAs collect two constituencies as agent, so there is a mixture of collection methods.
Southland	SRC collects own rates in one instalment in Sept/October each year. One full-time staff member plus temps at instalment time. Minor bad debts/penalties apply after six weeks from instalment.
Taranaki	Three TAs collect as agent. TRC invoices each TA each quarter and gets exactly what it asked for. No bad debts/no penalties. No reason to change.
Waikato	Collected by TAs as agent. 2% paid on average but different arrangements with each TA as to who receives penalty fee payments and who bears write-off risk.
West Coast	Collected by WCRC itself because the TAs use land value and WCRC uses capital value. Two instalments Aug/Feb. Cost is approx. \$100,000 for 19,000 assessments.



PO Box 11-646
142 - 146 Wakefield Street
Wellington, New Zealand

12 November 1999

Carol-Ann Magee
Private Bag 6107
Upper Hutt

Dear Ms Magee

Wellington Regional Council is constantly working towards making the greater Wellington region even greater, and it's the support we get from people like you that helps us do that.

Your local council collects regional rates on our behalf, but I'd like to explain a little more about how your investment helps our region.

the amount you pay in regional rates is based on the capital value of your property, and the rates are split into General, Rivers Management, Stadium and Transport. The following indicates where your regional rates are invested, based on your latest council rates assessment.

Under the General Rate your investment of \$36.10 includes such work as promoting sustainable land management, flood protection, biosecurity – making farming more profitable – and generally managing the environment,

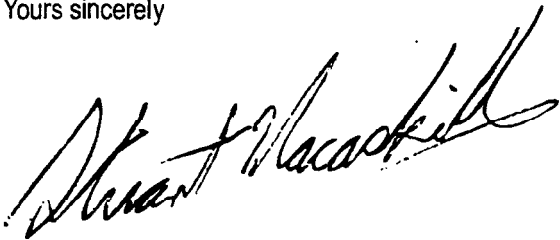
You'll no doubt appreciate the value of the Hutt River to Upper Hutt, but it's also a major asset to the region. Your contribution to its upkeep and development is just \$11.73.

Our magnificent stadium, due to open in the New Year, will prove to be a major drawcard for sporting and cultural events. Never before has the Wellington region had such a facility, and I'm sure you'll find an event on the stadium's calendar to appeal to you. Your investment in the \$25M interest-free loan the WRC has given towards the stadium is just \$4.91.

Obviously, getting around our wonderful region is necessary both to fully enjoy it, and for it to function as a prosperous and viable area. The transport infrastructure needs to be well planned and managed, and your supporting contribution of \$42.22 is a great help. It also ensures Upper Hutt maintains vital links through road and passenger transport with the rest of the region.

So thank you for your investment in our wonderful region. As I said at the start of this letter, the Wellington Regional Council aims to make greater Wellington even greater. Your support is appreciated.

Yours sincerely



Stuart Macaskill
Chairman, Wellington Regional Council

