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Report PE 02.673

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Report to the Rural Services and Wairarapa Committee
from Rob Harrison, Classifier

Lower Wairarapa Valley Development Scheme Classification Review - Puruatanga Farm Ltd – (J McDougall and others)

1. Purpose

To obtain Committee consideration of a review of the classification of Puruatanga Farm Ltd within the Lower Wairarapa Valley Development Scheme.

2. Public Excluded

Grounds for exclusion of the public under Section 48(1) of the Local Government Official Information Act 1987 are that public conduct of the whole or relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reasons for disclosure exist – that is the right to a fair trial.

3. Background

Mr McDougall contacted Council in late 2000, contending that he had been paying Scheme rates over an area of land which he did not own. This apparently came to light during a subdivision survey on the property.

Mr McDougall is currently paying rates on 191.5859 ha. The latest survey, which has recently become available, gives the property area as 178.9156 ha.

Mr McDougall has been withholding rate payments since the 2000/2001 year on the basis that he believes he is owed a considerable sum from Council in rate overpayments through the years.

Rates owing are currently \$4051.67. This figure includes penalties of \$774.22 and approximately \$456 in Bovine TB rates. The remaining rates are for the Lower Wairarapa Valley Scheme.

4. Classification Review – J McDougall – Puruatanga Farm Ltd

4.1 Title Areas

Certificate of Title WN 36A/876. This area contains 38.5956 ha. There is no dispute as to the area of this parcel of land.

Certificates of Title WN 58A/736, 58A/737, 58A/738, 58A/739. These parcels now total 140.3200 ha from the latest survey and are at the heart of the dispute.

Information supplied by Quotable Value to the Council has always given this area as 152.9903 ha.

4.2 The discrepancy in areas

The recent subdivision survey has removed 5.75 ha of land from the former title. This is land noted as being lost to erosion, and under the earlier survey would leave 147.2403 ha as the block area. The latest survey by Adamson Surveyors has now calculated this as 140.3200 ha.

The updated survey area suggests that the difference, 6.9203 ha, is the area of land which does not exist, but upon which Mr McDougall has paid rates.

4.3 The Lower Valley Development Scheme Classification on Puruatanga Farm Ltd – now 178.9156 ha

This property has 3 scheme classification ratings

Class D – the area adjacent the Huangarua River

Class F – farmland gaining some minor scheme benefits

Class G – land considered outside the area of scheme benefit

Class D – the property currently contains 38.8181 ha rated as Class D.

The recent subdivision survey (the new Certificate of Title was issued in May 2002) noted 5.75 ha had been lost to erosion over time and therefore excluded from the new title. This land is rated as Class D.

The classification in future should in fairness reflect the lesser area of Class D now rateable.

The area in Class D would be reduced to 33.0681 ha.

Class G – the property currently contains 47.1959 ha rated Class G.

Given all Class G land on the farm is contained within the area of dispute, it is proposed to reduce the area in proportion to the newly surveyed figures.

The area in Class G would be reduced to 45.0610 ha.

Class F – the property currently contains 105.5719 ha rated Class F.

As there are only 3 classification classes on Puruatanga Farm, the area rated Class F will be reduced to 100.7865 ha.

4.4 Summary of Classifications – Existing and Proposed

Class	Existing Area (ha)	Proposed Area (ha)
D	38.8181	33.0681
F	105.5719	100.7865
G	<u>47.1959</u>	<u>45.0610</u>
	191.5859	178.9156

4.5 Rating Effect of Classification Amendment

Amending the classification as above reduces the Lower Valley Scheme rate on this property by \$100.18, from \$940.45 to \$840.27 annually using 2002 figures.

Most of this (\$82.92) is attributable to the 5.75 ha of D Class land lost to erosion (or stream course change) and now surveyed out of the title.

Council has only recently been advised of the survey excluding the 5.75 ha, so it seems reasonable that rates be paid on that land until June 2002.

The issue of the change in property area is not one where the Council is the fault. However, Mr McDougall believes he has been overcharged rates for many years.

Given that the issue of the reduced property area was not clarified until quite recently it seems reasonable that rates be paid by the property based on existing rate demands.

It is also reasonable that rates for the current year 2002/2003 reflect the change in surveyed area of the property.

As part of the settlement it is suggested that penalty payments not apply to those rates from 2000/2001 to 2001/2002 which are presently outstanding, subject to their payment to Council by 20 January 2003.

It is further suggested that the 2002/2003 rate demand already struck be amended to reflect the reduced area as determined by the recently received survey results. This will also apply to future Bovine T.B rates.

It is noted that the Council is presently carrying out a comprehensive review of the Lower Valley Scheme and that this will include new rating classifications for all properties. However, this review is expected to take approximately two years to complete. In the meantime the existing classifications apply to all properties.

5. Effect of Proposed Changes

Existing rates LWVDS only	\$940.45
Rates under proposed changes	\$840.27

These are GST inclusive figures.

6. Recommendation

That the Rural Services and Wairarapa Committee resolve to recommend that for the property of Puruatanga Farm Ltd (Valuation Reference 18310/018) within the Lower Wairarapa Valley Development Scheme that:

- (1) *Land area reductions for Puruatanga Farm Ltd as confirmed following recent subdivision survey and new title issued in May 2002 be accepted.*
- (2) *Rates to June 2002 be confirmed and payable in line with area information received from Quotable Value NZ.*
- (3) *Rates from July 2002 be adjusted to reflect the Classification amendments and lesser total area of the property.*
- (4) *Remission of rate penalties of rates since 2000/2001 be offered Puruatanga Farm Ltd, on the proviso that rates outstanding to June 2002 be paid by 20 January 2003.*

Report prepared by:

Approved for submission by:

R W Harrison
Classifier

I Gunn
Manager, Operations

C F Wright
Divisional Manager, Wairarapa