Lake Rotoiti Community Association Incorporated
Registered Charity CC11386

PDC Mourea RD4 Rotorua

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Chief Executive
Rotorua District Council
Private Bag 3029
ROTORUA

Dear Sir

RATES REVIEW – RESPONSE TO LATEST PROPOSAL

Thank you for the opportunity to attend the recent Rating Review presentations on 3 December 2008. From this, Council has invited feedback and comment to assist the decision on a rating framework to be included in the impending 10 Year Plan.

Since the 3 December meeting, this Association has had additional input from Cr Charles Sturt and CEO Peter Guerin at our AGM in January. This was followed up by a meeting of our Rating sub-committee with Cr Sturt, Jean-Paul Gaston and his senior staff at which we discussed and debated various issues of interest. From the information currently available, may we offer the following comment.

Our overall impression of this new direction which incorporates a mix of rates based on land and capital values along with additional targeted rates is that it substantially addresses the major shortcomings of both the original proposal and the existing rating system.

We support the increase in UAGC which would effectively be $650. Whilst we recognise that it will have a more than minor impact on lower value properties, we believe that the claw-back effect on the existing disproportionate rate-take from properties in the upper value bracket is justified in the greater scheme of things.

We support both the Urban and Rural Roading Targeted Rate (URRTR) and the Business and Economic Development Targeted Rate (BEDTR) concepts. We agree with the view that basing the unfixed portion of the URRTR would seem to be the fairest way of allocating this cost. We applaud the implementation of a BEDTR which at last addresses a long held view of our residents that those in the commercial sector are the major beneficiaries of much of this expenditure. However, some questions have arisen over whether the assessment of the $4.54million Event and Venues Budget (50%) sufficiently reflects the benefit to the business and commercial entities.

We clearly support the retention of a differential for the rural residential sector. Nonetheless, we maintain our contention that there should be no further erosion of the existing margin of 30 percent. Indeed, we would challenge Council to provide evidence that the rural residential sector has received any increased benefits from service delivery or accessibility since the last review which would justify the proposed 76% differential. Whilst being of less consideration, overall land values still remain high in the sector with an 86% gap between the average urban and rural residential property based on statistics from the 2008 re-valuations.

Moreover, the existing 70% differential at least provides some comparative relief from the significant capital cost imposition on the large number of rural property owners subject to new and impending reticulated sewerage schemes and more stringent OSET regulations. Relatively expensive water supply schemes that exist in many of the rural residential communities add to the present rates burden.

Given the current factors, we now strongly believe that the existing differential should be fixed and only subjected to change if and when a further critical analysis is undertaken.

We trust that you will find the above comments objective and hope that they will receive serious consideration in reaching a formal decision for inclusion in the 10 Year Plan.

Yours sincerely

JIM STANTON
Rates Sub Committee Co-ordinator
For Chairperson