

## **Submission on Porirua City Council's Proposed Rating Policy Changes**

from Pauatahanui Residents Association

The PRA submission to the Proposed Rating Policy Changes is that there should be no change to the Rural Differential which should remain at 70%.

The proposal to change the Rural Differential by 5% within the 2017-18 Annual Plan brought very strong feelings from the rural community. PRA is extremely disappointed that, within 6 months of Council having agreed that there would be no adjustment to the Rural Differential, a new proposal is being presented to increase it, not by 5% but by 10%.

In support of our submission PRA would like to make the following points:-

1. PRA maintains that nothing has changed since the decisions made on the 2017-18 Annual Plan.
2. Council has produced conflicting reasons for increasing the Rural Differential, noting that "the cost of maintaining rural roads has increased over the past few years", providing figures on these with the implication being that the increase is to cover the cost of rural road maintenance, but then in an email dated 6 November, stating "the proposed rural differential change will not result in increased revenue for Council... Any increase from the rural sector will see the residential sector with a very minor decrease i.e. it will result in a redistribution"
3. The Council has been at pains to present the increase in the Rural Differential as being to address issues of "fairness and equity" but every indication is that Council's rationale for increasing the Rural Differential is far from this.
4. Council noted in the letter, dated 17 October, that the differential "has remained the same for a number of years." PRA would point out that the services received from the Council have not increased over the years. What has changed is property valuations. In previous years, when the rural ratepayers had significant increases in their valuations compared to residential valuations, there was no "rebalancing" to

offset the rates burden this placed on rural ratepayers. Unless Council proposes a “floating differential” that could go down as well as up, then it is not “fair or equitable” to change the differential.

5. The costing of the maintenance of the rural roads, and the suggestion that this should be attributed to the rural road users, also is not “fair or equitable” for traffic counts for the rural roads, especially the “through roads” of Grays Road, Paekakariki Hill Road and Moonshine Road, indicate that the majority of users of these roads are not the rural ratepayers. Rural ratepayers should not be required to pay for road maintenance on a “user pays” basis when they are public roads whose main use is by the wider public.

6. Council has presented a list showing the services that rural ratepayers do not receive and indicating therefore that there is no cost to Council for these. This ignores the significant cost borne by rural ratepayers in providing these services for themselves, a cost that far exceeds the difference that Council calculates should be addressed by changing the Rural Differential but a cost that is minuscule compared to what it would cost Council to provide these services to the rural ratepayers if the Council was going to be “fair and equitable” in what it provides.

7. In the list of services received, as per the presentation of Tuesday 31 October, it was noted for Kerbside Recycling that there is no service but a check of Council’s rates invoices should show that Rural Ratepayers do indeed pay for this service.

We wish to be heard in support of this submission.

Ken McAdam  
Chairperson