



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

MINUTES ATTACHMENTS **COUNCIL**

9AM - HEARINGS - ANNUAL BUDGET
2023/24, TUESDAY 16 MAY 2023

COUNCIL CHAMBER, FIRST FLOOR
CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH

COUNCIL MEETING

16 May 2023

8	Hearing of Submissions - Annual Budget 2023-24	
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Verbal submission to PNCC regarding rates.

17.5.2023

Tena koutou katoa

This is a submission by Peter and Isobel Wilson, **S7(2)(a) Personal Privacy**

Our submission is that the rating system using land-only rather than capital (total) valuation is unfair.

This submission proposes that Palmerston North residential rates assessment uses total rather than land-only valuation.

Background

- Our land area is 2428sqm.
- Total valuation \$1.81m: \$1.67m land + \$140k improvements
 - i.e. high land and low improvements valuation compared with this street's averages.
- Rates 2021-22 = \$5235
- Rates 2022-23 = \$7905:
 - An increase of 51%: 8.8 times the 5.8% PN average.
- We consider this to be unfair.

Fairness

We understand and accept the equity principle of a rates differential between properties using a valuation criterion, in conjunction with uniform general and service charges. The differential should be uniform, percentage-wise, and fair as possible.

The principle of fairness is not achieved by the present criteria of land-only rather than total valuation. Currently, properties with the same total valuation can have widely varying rates. This is demonstrably unfair.

It is notable that most (i.e. 71%) of Aotearoa/NZ councils use the total valuation criterion, suggesting that they too consider total value as the fairest criterion for rates assessment.

The capital valuation scenario for our property

Based on available data for the 59 properties in Karina Terrace:

- Accounting for the fixed (uniform) charges of \$1089 per property, if rates were assessed on total rather than land valuation alone, we estimate our rates would be **\$6402**.
- This is an increase of **22.3%**
 - This is significantly fairer than our present 51% increase.
 - It represents a fairer and more equitable distribution of rates burden across all property owners than the present land- only valuation criterion.

A significant number of property owners in Palmerston North experience the present inequity.

We urge the PNCC to adopt a total valuation system for future residential rates assessments.

