

16 August 2010

Dennis Sharmar
Tawa Community Board,

Dear Dennis Sharmar,

**Wellington City Council Road Encroachment and Sale Policy –
consultation**

Thank you for taking the time to make a submission to us about our Road Encroachment and Sale Policy review. The public consultation process is an extremely important part of our decision making.

In total we received 182 written submissions and heard 25 oral submissions.

While we heard some diverse views on the proposed policy, there were some recurring themes that we feel we should explore further. Some of those themes include:

- The importance of considering the mix of public and private benefits provided by encroachments both in general and on a case-by-case basis.
- The effect that different conditions on encroachments and land-quality may have on values.
- The expectations of licence/lease holders, particularly those who have built structures on encroachment land.
- The risk that changes to fees may lead to negative outcomes, such as removing established plants or people no longer looking after land.
- Providing a simple, fair and transparent fee system that does not impose major administration costs or result in huge increases in charges.
- A concern that the Council is seeking a significant increase in revenue from encroachment land.
- Many property owners' desire to have a genuine option of acquiring the unformed legal road adjacent to their properties at a reasonable cost.

These views need to also be considered in light of the interests of all ratepayers for whom we hold and administer unformed legal road.

Our original intention had been for the Council to consider a final report on the Road Encroachment and Sale Policy later this month. Due to the number of submissions received and the complexity of the issues under consideration we expect our analysis will take longer.

We will advise you when we have confirmed the date for a report back to Councillors.

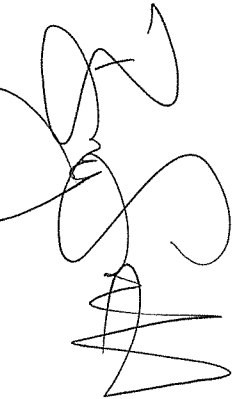
An important issue that arose during consultation was that a number of submitters had difficulty understanding the way we conveyed the information in **Table 1** of the consultation document, which provided land values and estimated market rental rates by suburb. Unfortunately, some assumed that the figures in that table where an indication of the fees that we were proposing to charge.

We want to reiterate that the table was for illustrative purposes only to demonstrate relative land values across the city. The figures were not a proxy for the value of encroachment land or the rental rates that might be set for encroachments in future.

The purpose of the current consultation is to establish policy principles for the Road Encroachment and Sale Policy and an approach to setting fees (that is whether or not to differentiate between suburbs or have a flat fee per square metre).

If Councillors ultimately agree to a new approach to setting fees, we will consult separately on the actual level of fees next year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Bryan Smith', written over a light blue horizontal line.

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