

# GOVERNANCE, FINANCE & PLANNING COMMITTEE

25 MARCH 2014

## REPORT 3

### UPDATED SCHEDULE

## ORAL HEARINGS - 2014/15 DRAFT ANNUAL PLAN TUESDAY 25 MARCH 2014

Time	Name	Organisation	Sub No	Page
9.30am	Sridhar Ekambaram		6	24
9.35am	Graham Weir		15	25
9.40am	Sue Piper	Sports Wellington	164	30
9.50am	Gareth Morgan	Morgan Foundation	237	34
10.00am	Hadleigh Petherick		258	39
10.05am	Hadyn Smith, Mike Collette and Mel Smalley	The Alex Moore Park Sport and Community Board	291	49
10.15am	<i>Buffer</i>			
10.30am	<i>Morning Tea</i>			
10.50am	Rev Brian Dawson	The Anglican Parish of St Peters on Willis	82	58
11.00am	Paul Barber	NZ Council of Christian Services	602	60
11.10am	Graham Howell	Beneficiary Education Advisory Service Inc	32	95
11.20am	Bev Abbott		504	100
11.25am	Bev Abbott	Wellington Botanical Society	598	104
11.35am	Paul Bruce		157	109
11.40am	Christina Bellis		86	113
11.45am	Raquel Marty	Frocks on Bikes	116	118
11.55am	Dean Stanley	Royal Port Nicholson Yacht Club	5	123
12.05pm	Allan Proberts	Wellington Cat Clinic	448	146
12.15pm	Alex Dyer		147	191
12.20pm	Donald S McDonald		4	196
12.25pm	Alastair Duncan		166	197
12.30pm	Jack Marshall	Youth Council	604	198
12.40pm	<i>Lunch</i>			

12.40	Frank Cook		559	Attached
1.15pm	Hilleke Townsend		235	204
1.20pm	Roger Kiddle		616	209
1.25pm	Angela Farrell	Fluriode Free Families	14	212
1.35pm	Nicole Miller	Wellington Underwater Club	502	214
1.45pm	Barbara Mitcalfe and J C Horne		506	216
1.50pm	Christoph Hackenberg		46	221
1.55pm	Murray Darroch		557	226
2.00pm	Christine Grace	Makara/Ohariu Community Board	622	228
2.10pm	Meagan Robertson	Revolve Cycling Club	605	230
2.20pm	Martin Payne	Friends of Owhiro Stream	608	232
2.30pm	Ron England on behalf of Heather Smith	Democrats for Social Credit	23	237
2.40pm	Ian Cassels	The Wellington Company Limited	636	239
2.50pm	Eleanor Meecham	Cycle Aware Wellington	532	240
3.00pm	Buffer			
3.15pm	Colin Ryder	Friends of Taputeranga Marine Reserve	435	244
3.25pm	Peter Hunt	Forest and Bird Wellington	614	Attached
3.35pm	Rev Norman Wilkins	On behalf of the Parish Council of St Andrew's on The Terrace	155	Attached
3.45pm	Pat Stuart	Wellington Museums Trust	639	Attached
3.55pm	Geraldine Murphy	Inner City Association	466	Attached

Submission:

To: Wellington City Council  
On Wellington City Council's Draft Annual Plan March 2014

From: Frank Cook  
15 Hargreaves St  
Mt Cook  
Wellington 6021  
Tel 0276496508

I would appreciate an opportunity to speak to my submission.

1. I support the proposed work on cycleways.
2. I am concerned about the removal of 'red tape' to 'stimulate development'. Even within existing requirements and 'red tape' a number of developments have proved unsatisfactory and are likely to cost the Council in the long or medium term. Relaxation of requirements is likely to impact adversely both on council finances and on the continuing development of Wellington as a livable city.
3. I support the move to pay a living wage to council employees and the investigation around extending this to council controlled organizations.
4. I am concerned that in their work on the Basin Flyover LTNZ has not undertaken an LCA of the project and its options. I would recommend the Council pursue an objective that such large scale projects affecting this city be evaluated in part by an LCA.
5. I am concerned at developments that may see Capacity take over the supply of bulk water to the four cities. I would ask that there be public consultation in the event a proposal emerges to do this.
6. I support the initiatives proposed in the plan around climate change.
7. I am concerned that the further development of Wellington as a Biophillic City is not discussed in this plan. That I see as one of the more important developments in terms of its role in growing Wellington as a sustainable and

livable city. Such development is also very important in the context of climate change.

8. The disposal of cigarette butts remains a serious problem. Some hotels simply hose down the pavement daily and provide no receptacle for butts. Sumps are loaded with butts. I recommend Council give consideration to requiring provision of such receptacles throughout the CBD.
9. I note that none of the safety reports into the route through the golden mile made any mention of the fact that the footpath crossfall in some places is well in excess of that recommended by NZTA. I have felt unsafe using the footpath in one of those areas when it is wet and hence somewhat slippery. Remediation may be difficult but it is important that Council is aware the footpath does not meet safety standards as recommended by NZTA.
10. I remain concerned at the continued use by Council and others agencies of herbicides when simple and more environmentally acceptable solutions are available.

## INTRODUCTION

Forest & Bird's purpose is to take all reasonable steps within its power to preserve and protect the indigenous fauna and flora and natural features of New Zealand and in doing so take full account of their intrinsic values and benefits to communities and future generations. We all benefit when we have a healthy and functioning natural environment.

Our organisation is New Zealand's largest independent environmental voice and is represented by a nation-wide network of branches. The Wellington Branch has over 2,000 members plus young people in Forest & Bird's Kiwi Conservation Club (KCC). Its initiatives enjoy levels of volunteer and community support beyond branch membership.

The built environment, whilst essential to our lifestyle and economy, is a significant threat to our wildlife. Our purpose in engaging with the Council is to give nature a voice and do whatever we are able to preserve our remnant flora, enhance Wellington's endemic biodiversity, promote ecological connectivity, clean and healthy waterways and harbour. Our other purpose is to emphasise the need for initiatives to reduce the city's impact on global warming and the environment, like efficient public transit, green streets, use of renewable energy, re-use and recycling of resources.

## THIS SUBMISSION

The branch will support initiatives in the proposed plan that improve the bio-diversity outcomes for our native flora and fauna and those that reduce our contribution to global warming. We have written extensively on these issues in various submissions over recent years and do not propose to re-state them here.

A potential weakness of this Draft Plan is that the initiatives are, for the most part, presented in isolation from higher level policy and strategy directives that have been developed in long term plans and objectives described in other Council documents.

We have restricted our comment to matters that pertain to our core purpose as stated above.

Our feedback is by topic:

### **Biodiversity and pest control**

We commend the Council for:

- the increased funding of \$75,800 to support community planting and in particular pest control. (page 16)
- allocation of \$47,000 to fund the Project Halo buffer zone concept around Zealandia. (page 16)
- the inclusion of additional funding (not specified) for the Biodiversity Action Plan and progressing the South Coast Management Plan (page 16)

### Comment

The commitment to "... identify areas to protect and/or acquire, including Watts Peninsula, Belmont Gully between Horokiwi and Newlands and the Harbour Escarpment..." [reference Our Capital Spaces] is not repeated in this draft plan and we would like to know when this will occur.

We fully support "...An impressive target of planting two million native trees by 2020 ... as part of the Council's Our Living City programme...[reference Our Capital Spaces] however it seems unlikely to be met as it requires an average of 217,000 trees to be planted each year and the target for this year is 79,000 plantings as stated below, neither of which specify trees. (page 28):

- at least 45,000 native plantings are undertaken by the Council
- at least 34,000 native plants are provided by Council for community group planting.

Even if all these plantings were trees there is still a shortfall of 138,000 and no explanation that we have found in this plan as to how the implementation strategy for this 'Our Living City' tree planting programme is being progressed this year.

### **Waste reduction and energy conservation**

The Council states it is committed to re-use and re-cycling and "... only commits resources to landfills as a last resort..." (page 28) and we agree that it is about promoting culture "...that values the environment and encourages pro-environment behaviour of everyone who lives, works, or studies here..."

Unfortunately that culture only exists for a few Wellingtonians so it is our view that the Council must take a lead role through its bylaws and its own actions.

The performance measure of "no more than 84,000 tonnes of waste sent to the landfill" is commendable but still represents 1.2kg of waste per person per day for the Wellington population. The reduction in the kerbside re-cycling target from 14,125 tonnes to 12,000 tonnes is disturbing. We can conclude from this that material that could be re-

cycled will be sent to landfill.

On the one hand the Council is actively supporting wildlife through its Halo Project yet is also seeking to fill the remainder of the Southern Landfill gully system (and destroy stream habitat and remnant plants within close proximity to Zealandia) and also reduce its target for its kerbside re-cycling. This is sending mixed messages especially when the **Council Outcome Indicator** for the environment is “*New Zealanders' and residents' perceptions that Wellington is an eco-city*” (page 132)

We would like to see the Council be more aggressive in its desire to become an eco-city. Much can be learnt from the Netherlands. The following quotes are from an article from Waste Management World by Gordon Feller (ref: <http://www.waste-management-world.com/articles/print/volume-11/issue-1/features/dutch-successes.html>)

“Thanks to its top-notch waste management structure, the Netherlands is able to recycle no less than 64% of its waste – and most of the remainder is incinerated to generate electricity. As a result, only a small percentage ends up in landfill...”

“...The Dutch approach is simple: avoid creating waste as much as possible, recover the valuable raw materials from it, generate energy by incinerating residual waste, and only then dump what is left over – but do so in an environmentally friendly way. This approach – known as 'Lansink's Ladder' after the Member of the Dutch Parliament who proposed it – was incorporated into Dutch legislation in 1994 and forms the basis of the 'waste hierarchy' in the European Waste Framework Directive...”

“...Lack of space and a growing environmental awareness forced the Dutch government to take measures early on to reduce the land-filling of waste. This in turn gave companies the confidence to invest in more environmentally friendly solutions. 'We can help countries that are now starting to make these types of investments to avoid the mistakes we made,' says Dick Hoogendoorn, director of the Dutch Waste Management Association (DWMA)..”

We commend the Council for deferring its development of stage 4 (if approved) but simply to continue to use our gullies to dump rubbish is not acceptable; these places and their open streams are in decline in Wellington yet essential to biodiversity outcomes for both terrestrial and aquatic wildlife. We would like to see the Council take a lead by adopting a more stringent waste regime. This could include for instance, the requirement for roads and Council building work to use re-cycled demolition material.

#### **Potable Water , Wastewater and Stormwater**

We agree that the City needs to have a water reticulation network that is resilient. We would like to see local rainwater storage systems and the use of permeable material for driveways and paths included in the mix of measures that the Council will promote and use itself as well as encourage its citizens to do likewise.

We welcome the reference to water sensitive urban design (page 31) and would like to see it adopted as policy across all three water systems.

We welcome the inclusion of integrated catchment management plans in this document and look forward to contributing to this programme.

#### **Gardens, Beaches and Green Spaces**

We note from the title and the text that the Council chooses not to include the centrepiece of our city (the harbour) in its plans. We would like to see the 'Blue Belt' initiative supported in this plan. It has the potential to restore the harbour's ecology and encourage a greater diversity and quantity of marine life which will, over time, develop into a tourist attraction.

Throughout the draft plan most of the performance measures are based on a poll of people's level of satisfaction. This is subjective and not a true measure of function and purpose except possibly for sports fields and play areas. In the case of beaches and open spaces it is just one measure that could be applied. These places are also used by our wildlife, and in fact is where our wildlife lives.

Some examples :

- 90% of residents agree open spaces, gardens and beaches provide good value for money. (page 28)
- 90% of residents use local parks and reserves yearly, and at least 30% use them weekly (page 28)
- 95% of residents use beaches and coastal areas yearly, and 25% use them weekly (page 28)
- At least 93,430 visitors to Zealandia (page 33)

We suggest that more relevant measures to apply to open spaces and beaches would be water quality, biodiversity, weed control, pest control and rubbish and in the case of Zealandia and reserves flora and fauna.

## Submission to Wellington City Council on the Draft Annual Plan for 2014-2015

This submission is from:

Rev. Norman Wilkins

On behalf of the Parish Council of St Andrew's on The Terrace

30 The Terrace Wellington 6011

Contact: 04-472-9211 (St. Andrew's office) or 04-9701010 (Norman Wilkins' home)

26 February 2014

I do wish to speak to our submission.

The following submission is made by the Parish Council of St Andrew's on The Terrace, Wellington. St Andrew's on The Terrace is a progressive Presbyterian congregation, first established in 1840, with a long and distinguished record of working for social justice and caring for people within and beyond our community.

St Andrew's on The Terrace is submitting on the Council's decision to implement the Living Wage. We congratulate and support the Council for its commitment to introduce the Living Wage and its recognition that paying the Living Wage is one signal that the Council values the contribution its people make to the operations of the city. Lifting the income of the lowest paid will also recognise the contribution they make to achieving the Council's objectives.

As we stated when we encouraged the Council to become a Living Wage employer last year, "as a Christian church we are motivated by our concern for the Common Good of our society. Recognising the worth of every person is a core value of our faith. As members of a progressive Christian faith community, we stand in solidarity with the vulnerable and we care deeply about the well-being of all New Zealanders".

Since last year we have heard that:

- New Zealand has gone from being one of the world's most equal societies in the 1980s to now ranking 20th among 34 OECD countries in terms of income inequality
- Over 270,000 New Zealand children are estimated to be living in poverty: with one in ten Pakeha children and one in five Māori and Pacific children living in poverty
- two in five poor children come from families where at least one person is in full-time work or self-employed.

This is a great concern for us because we seek to be inspired by the life and teaching of Jesus of Nazareth and his vision of the commonwealth of God where:

- all are welcomed; all are equal in value, men and women, adults and children
- all have a duty of care and stewardship for the earth and all people
- our society has a duty of care for the vulnerable, the abused, the sick and the marginalised. This distributive justice is basic to Christianity and other major faith traditions.

We base our participation in this process on our belief that human societies do best when we follow the golden rule that is at the heart of many religious traditions: that we treat others as we would want to be treated by them. We have a collective responsibility to co-create a “good society” and we must ensure all citizens are able to participate equally in society and its institutions, including access to a decent income from employment.

We are deeply involved in the life of Wellington, the city where we live and work and which is home to our faith community. Commitment to the city is an ancient element of our tradition. In Jeremiah 29:7 God told the Israelites: “Seek the welfare of the city where you live... And pray ... on its behalf, for in its welfare you will find your welfare.”

We do that each Sunday in our prayer for St Andrew’s which includes the following:

***Bless the city in which we live  
that it may be a place  
where honest dealing,  
good government,  
the desire for beauty  
and the care for others flourish.***

We also support the statement in the Draft Annual Plan that Council will direct the organisations it controls to consider how they would introduce a Living Wage for their staff as part of the Long Term Plan process, and work on introducing a Living Wage rate for employees of Council contractors.

The Draft Plan estimates the total cost of these measures to be in excess of \$2m pa. We understand from experiences of other organisations who have introduced the Living Wage that the actual costs are usually less than originally estimated. This is attributed to reducing the costs of turnover by improving the morale and motivation of workers, leading to increased productivity.

In conclusion, St. Andrew’s on The Terrace Presbyterian Church enthusiastically supports the Council becoming a Living Wage Council in practice through its commitment to the full implementation of a Living Wage for the entire WCC workforce, including directly-employed workers and those employed through CCOs and contractors.

We recognise that doing so:

- will increase the prosperity of our city as not just the Council but other employers come to see that adopting the Living Wage will increase their efficiency
- will assist those who most need it to live with dignity and participate as active members of Wellington society that has so much to offer them (“The coolest little capital in the world” and the 2040 Smart Capital document)
- will encourage people to move to Wellington as a socially just and vibrant city.

Yours sincerely

Norman Wilkins (Honorary Associate Minister, St. Andrew’s on The Terrace Presbyterian Church)





Museum of Wellington  
City & Sea

Wellington  
MUSEUMS TRUST



17 March 2014

## 2014-15 DRAFT ANNUAL PLAN SUBMISSION

### MUSEUM OF WELLINGTON CITY & SEA DEVELOPMENT

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This submission relates to the Annual Plan section “**On the Horizon**” which outlines projects which are likely to require Council funding. Another such project is the development of the Museum of Wellington City & Sea which will open new visitor experiences; refurbish existing content; and earthquake strengthen the building.

The Museum opened in 1999 as the first museum dedicated to sharing the stories of Wellington city and harbour. Last year The Times of London selected the Museum in its WORLD’S TOP 50 MUSEUMS.

This multi-year development will be completed by 2020 at a total cost of \$12.8 million. The first phase of the development, the opening up of the top floor and new exhibitions, is planned to open on 26 July 2015 to mark the 150<sup>th</sup> anniversary of Wellington being made Capital City of New Zealand.

Our development objectives are to:

- Open the top floor *The Attic* (previously not accessible to the public) with major new exhibitions that will showcase the unique features of the building and increase commercial opportunities through venue hire;
- Reconfigure the ground floor to include community space integrated with changes to the exterior landscaping, a café, extended retail and reception.
- Enhance the first and second floor exhibitions and upgrade popular exhibitions such as *Millennium Ago* and *The Wahine Disaster*.

Council’s investment as owner of the Museum is important to build sponsor and community confidence that the project will achieve its fundraising target and an essential ingredient if we are to attract central Government funding through the Regional Museums Policy.

We have secured \$2.036 million towards the first phase including a \$930,000 Lottery World War 1, Environment & Heritage Committee grant and we are confident of raising further funds from community and corporate sources.

Council’s investment of \$1.4 million in 2014-15 to complete the first phase is sought and a further investment of \$3.9 million over five years through the Long-term Plan.

### IMPORTANCE FOR WELLINGTON

The development objectives reflect our ambition and commitment to make a relevant and compelling contribution to the city’s future and to help Council realise its growth strategy for Wellington.

This is the only museum dedicated to sharing the stories of Wellington Te Upoko o te Ika a Māui (the head of the fish) and to continue to reflect this a broader representation of the city’s diverse communities will be reflected in the development through the stories, the objects and by opening up the building for all to enjoy.

The development will be an invigorating contribution to Wellington’s arts and cultural brand because the new spaces, facilities and exhibitions will position the Museum as a destination, increasing its value amongst Wellington’s portfolio of great visitor attractions.

The building that houses the Museum is the second oldest building on the Waterfront and an undisputed Wellington treasure. The development incorporates seismic straightening which will take it from approximately 35% of the New Building Standard (NBS) to 67% of NBS.

Further information is available.

Pat Stuart  
Chief Executive

## Inner City Association (ICA) submission on the 2014/15 Draft Annual Plan

### Initiative: Incentives to strengthen quake-prone buildings

Name	Ms Geraldine Murphy
Address	2B/126 Wakefield St, Te Aro, Wellington; 0274 507804;
Email	<a href="mailto:geraldine.murphy@xtra.co.nz">geraldine.murphy@xtra.co.nz</a>
I would like to speak at a submission hearing	Yes
I am making this submission as an	Organisation
Name of organisation	Inner City Association
Number of people whose views are represented	400+ individuals are on our mailing list
Steps taken to gather the views of people represented by this submission	Have previously discussed topic after submission on proposal in Dec 2013; have advised members we will be supporting this submission in an email about the recent valuation process for EQ prone residential buildings; gathered feedback on this submission from representatives of affected members

### Key points in our submission

- ICA strongly agrees with the intent of the proposed incentives, with the following submission for amendments.
- Rates Remission Policy 2.3
  - The criterion (c) that the unit cannot generate revenue should only apply to truly commercial units. Residential units, where the owners are living, may also need to be vacated and these are not revenue generating.
  - The definition of *commercial, industrial and business differential* must explicitly include residential apartments, as it is not clear that these are covered in the current policy.
- Rates Remission Policy 2.6
  - The period should be extended to 5 years as the current policy only provides a small financial relief to owners and will only be achieved if the pre-strengthening valuation is realistic.
  - That the 'maintenance valuation adjustment' process is used to review 2012 valuations to set realistic pre-strengthening valuations as well as post-strengthening rates before applying the rates remission policy.
  - The rates remission for owners of buildings that have been removed from the site appears to be significantly higher than for owners who have strengthened their building. There must be equity between these categories.

ICA congratulates WCC on taking this step forward to provide some financial support mechanisms to building owners undertaking legislated strengthening requirements, recognising the financial burden that owners are facing. ICA acknowledges that WCC has been actively investigating financial support mechanisms for several years and discussing the issue with owners for some time, while MBIE, Treasury and the Government's engagement with owners on this matter has been non-existent, and the extent of their internal considerations are still unavailable to the public. ICA has lodged an OIA request for information from the Minister of Building and Housing on this topic.

### **Rates Remission Policy 2.3: Remission of targeted rates on property under development or earthquake strengthening**

As drafted, the proposed criteria must all apply for the building to be eligible for the remission. This is not equitable for residential units as criterion (c), will not apply when owners have to leave their apartment (their home) and fund alternative accommodation and storage costs while the strengthening is completed. The criterion (c) should only be applicable to units used for truly commercial purposes, which could include investment rental properties. It should not apply to units used as the home of the owner.

ICA highlighted the inequity of this initiative in our submission in Dec 2013 but nothing has changed. The description of the rates remission in the summary document only refers to a building '*not able to be tenanted*'. Leaving the criteria as proposed would mean that residential owners would have to rely on the discretion of WCC officers, when it should be made explicit in the criteria.

Information provided by officers in Dec 2013 on this aspect of the policy said 'In principle it could potentially apply but in reality individual owners would get the benefit of a few hundred dollars and this would not benefit a Body Corporate who might be funding the costs'. It is the individual owners who are members of the Body Corporate who will be funding the strengthening costs, and if they have to vacate their apartments while the strengthening takes place, they should receive any financial benefit, no matter how small it is perceived to be.

The first paragraph refers to '*residential, commercial and downtown targeted rates on land classified under WCC's commercial, industrial and business differential as defined in the Funding Impact Statement Rating Mechanism*'. Officers advised that residential buildings are deemed to be commercial buildings when the units and/or building have to be vacated for strengthening work. The proposed rating mechanisms (p89) do not make that clear at all. Residential use is not mentioned.

The wording of the policy and the scope of '*commercial, industrial and business differential*' has to clearly state that residential apartments affected by strengthening are covered. It cannot be left to interpretation by officers. ICA has made several submissions about the use of '*commercial buildings*' as an easy catch-all for all buildings affected by the EQP building requirements; it seems nothing is changing when it comes to the detailed wording. It makes it very difficult for all affected owners to understand what applies to them.

ICA understands that the '*entire rating unit*' is the individual apartment or commercial unit that has to be vacated for the strengthening period, and that the whole building does not have to be vacated for this rates remission criteria to apply.

### **Rates remission policy 2.6: Remission after the strengthening is completed and the building has been removed from the EQP list**

ICA submits that the period of the rates remission has to be longer than the proposed three years, as the actual financial benefit is likely to be small compared to the strengthening costs. ICA submits that this part of the rates remission policy be available for five years after completion of the strengthening work. We understand that commercial owners are also asking that the rates remission period be extended to five years.

The true value of this policy to affected owners will only be realised if the valuations of their property prior to strengthening is realistic. The strengthening process will restore the value that was lost once the building was issued with a s124 notice. ICA has advised its members of the 2012 valuation process for buildings with s124 notices, particularly for residential apartments where strengthening costs were not sought in the same manner as for commercial property.

INNER CITY ASSOCIATION SUBMISSION, 10 MARCH 2014

ICA has outlined options for getting known strengthening costs reflected in the building's valuation now so it will take effect for the next two financial years. However, there are downsides of having another valuation now. It becomes a 'whole building process' and it is likely to be a difficult issue to resolve for some Body Corporates. Some apartments' valuations could rise as a result of the inspection by QV as part of this process. There are downsides too of getting a low valuation to increase the rates remission you may obtain, eg an owner may struggle to refinance their mortgage.

Feedback from some members in buildings with s124 notices indicates that a revaluation is unlikely to be sought given the risks of more uncertainty and increases due to the inspection process and the stress that these owners and the Body Corporate Committees are already under in trying to progress strengthening projects. Residential owners feel let down by WCC and QV in this valuation process.

ICA will remind members of the opportunity to ensure known strengthening costs are taken into account as part of the 2015 valuation process so both business and residential members have the same opportunity to provide information for this process. This will also ensure that owners will be aware of their own opportunity, as an individual owner, to lodge an objection to the valuation, based on their share of the strengthening costs. QV does not have the same obligations to maintain the relativity with the whole building during the free objection period that follows the three-yearly valuation.

Three owners of apartments indicated that their valuations had dropped by either \$30,000 or \$20,000 due to market changes only, as no strengthening costs were requested by QV. Of these, only one owner had a rate reduction – \$57 (2.5%) based on a \$30,000 (5.3%) decrease in the valuation. That owner's strengthening costs are \$120,000 and she estimated that if the full amount came off the valuation (a 21% reduction) it would result in an annual rates decrease of \$220 (9%). It will not be as high as this as the full cost of the strengthening is unlikely to be reflected in the valuation, and the valuation only accounts for 2/3 of the rates.

Under 2.6, owners of EQP buildings that are removed from the site will receive 10% remission of the rates for three years, which ICA supports. Apartment owners who strengthen during the next two years are unlikely to receive much benefit at all from this policy. For many apartment owners, who are living in their homes, demolition is not financially viable, or possible if it's a heritage building. There should be equity between these two rates remission categories but under the current proposals there is not.

ICA submits that WCC should use the 'maintenance valuation adjustments' which are undertaken by QV when the strengthening work is completed, to review the 2012 valuations and provide a more realistic pre-strengthening valuation as well as a post-strengthening valuation, on which to base the rates remission applications. Without such an approach, owners of apartments are likely to have the 2012 valuation reduced anyway – as it would not have been accurate – have the strengthening costs applied, and potentially end up with roughly the same valuation, and get no rates remission benefit.

### **Summary**

ICA acknowledges that the strengthening requirements are imposed by central government, not by local authorities, and we appreciate the support that is being offered. The small financial relief is welcome and we submit that WCC consider extending the rates remission for strengthened homes to five years and to review the 2012 valuations to appropriately factor in strengthening costs before setting the post-strengthening valuation, prior to applying the rates remission policy.

Affected owners who receive this benefit will continue to pay a portion of the cost of this remission policy, as their remaining rates are still subject to the annual rates increases for the period of the rebate.