

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Rārangi Take | Agenda

9:30am Wednesday Raapa, 6 September Mahuru 2023
Ngake (16.09)
Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington



MEMBERSHIP

Mayor Whanau
Deputy Mayor Foon
Councillor Abdurahman
Councillor Apanowicz (Deputy Chair)
Councillor Brown
Councillor Calvert
Councillor Chung
Councillor Free
Pouiwi Hohaia
Pouiwi Kelly
Councillor Matthews (Chair)
Councillor McNulty
Councillor O'Neill
Councillor Pannett
Councillor Paul
Councillor Randle
Councillor Wi Neera
Councillor Young

Have your say!

You can make a short presentation to the Councillors, Committee members, Subcommittee members or Community Board members at this meeting. Please let us know by noon the working day before the meeting. You can do this either by phoning 04-803-8337, emailing public.participation@wcc.govt.nz or writing to Democracy Services, Wellington City Council, PO Box 2199, Wellington, giving your name, phone number, and the issue you would like to talk about. All Council and committee meetings are livestreamed on our YouTube page. This includes any public participation at the meeting.

AREA OF FOCUS

The Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee has responsibility for:

- 1) Long-term planning and annual planning.
- 2) Financial and non-financial performance oversight in relation to the long-term plan and annual plan.
- 3) Financial oversight.
- 4) Procurement policy.
- 5) Non-strategic asset investment and divestment as provided for through the long-term plan (recommending to Council where matters are not provided for in the long-term plan).
- 6) Council-controlled Organisation oversight and performance.
- 7) Council-controlled Organisation director review and appointments.
- 8) WellingtonNZ oversight and performance.
- 9) Approve asset management plans.

To read the full delegations of this committee, please visit wellington.govt.nz/meetings.

Quorum: 9 members

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1. Meeting Conduct

1.1 Karakia

The Chairperson will open the meeting with a karakia.

Whakataka te hau ki te uru,	Cease oh winds of the west
Whakataka te hau ki te tonga.	and of the south
Kia mākinakina ki uta,	Let the bracing breezes flow,
Kia mātaratara ki tai.	over the land and the sea.
E hī ake ana te atākura.	Let the red-tipped dawn come
He tio, he huka, he hauhū.	with a sharpened edge, a touch of frost,
Tihei Mauri Ora!	a promise of a glorious day

At the appropriate time, the following karakia will be read to close the meeting.

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana,	Draw on the supreme sacredness
te wairua	To clear, to free the heart, the body
I te ara takatū	and the spirit of mankind
Koia rā e Rongo, whakairia ake ki runga	Oh Rongo, above (symbol of peace)
Kia wātea, kia wātea	Let this all be done in unity
Āe rā, kua wātea!	

1.2 Apologies

The Chairperson invites notice from members of apologies, including apologies for lateness and early departure from the meeting, where leave of absence has not previously been granted.

1.3 Conflict of Interest Declarations

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

1.4 Confirmation of Minutes

The minutes of the meeting held on 17 August 2023 will be put to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for confirmation.

1.5 Items not on the Agenda

The Chairperson will give notice of items not on the agenda as follows.

Matters Requiring Urgent Attention as Determined by Resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the meeting:

1. The reason why the item is not on the agenda; and
2. The reason why discussion of the item cannot be delayed until a subsequent meeting.

The item may be allowed onto the agenda by resolution of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

Minor Matters relating to the General Business of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.

The Chairperson shall state to the meeting that the item will be discussed, but no resolution, decision, or recommendation may be made in respect of the item except to refer it to a subsequent meeting of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for further discussion.

1.6 Public Participation

A maximum of 60 minutes is set aside for public participation at the commencement of any meeting of the Council or committee that is open to the public. Under Standing Order 31.2 a written, oral or electronic application to address the meeting setting forth the subject, is required to be lodged with the Chief Executive by 12.00 noon of the working day prior to the meeting concerned, and subsequently approved by the Chairperson.

Requests for public participation can be sent by email to public.participation@wcc.govt.nz, by post to Democracy Services, Wellington City Council, PO Box 2199, Wellington, or by phone at 04 803 8334, giving the requester's name, phone number and the issue to be raised.

2. General Business

RATING POLICY REVIEW CONSULTATION DOCUMENT

Kōrero taunaki | Summary of considerations

Purpose

1. This report to the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee seeks approval of the consultation document on the proposed changes to the rating policies before public engagement.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Relevant Previous decisions

On 1 June 2022 the then Annual Plan/Long-term Plan Committee resolved to “Direct officers to complete a comprehensive review of the ‘rating policy’, and the ‘revenue and financing policy’ in time for the 2024-34 long-term plan”.

On 23 June 2022 the Planning and Environment Committee made two resolutions to:

- a. Request that officers investigate options to incentivise development on underdeveloped land as part of the wider review of the rating policy, including land value only rating (as recommended by the Productivity Commission) and a targeted rate on underdeveloped land in the city centre, metropolitan, local and neighbourhood centres.
- b. Agree to remove the assisted (affordable) housing chapter from the notified District Plan and instead investigate the use of a targeted rate on land in identified growth areas of the city where additional height has been enabled by the PDP to fund an assisted (affordable) housing fund as part of the wider review of the rating policy.

On 23 March 2023 the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee resolved to proceed with a rating policy review.

On 17 August 2023, the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance agreed the proposed changes to the rating policies for consultation.

Significance

The decision is **rated high significance** in accordance with schedule 1 of the Council’s Significance and Engagement Policy. Any rating policy changes are very likely to change the incidence of rates, meaning the amounts paid by different ratepayers will change. As a result, this is expected to generate a high amount of interest from the community.

Financial considerations

Nil

Budgetary provision in Annual Plan / Long-term Plan

Unbudgeted \$X

Risk

Low

Medium

High

Extreme

Author	Raina Kereama, Manager Financial Planning and Policy
Authoriser	Andrea Reeves, Chief Financial Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

- 1) Receive the information.
- 2) Adopt the Consultation Document which sets out the proposed changes to rating policies to be updated and adopted as part of the 2024/34 Long-term Plan.
- 3) Note funding development through targeted rates has not been included for consultation.
- 4) Note that community consultation will be for a four-week period over September and October.
- 5) Delegate to the Mayor and Chief Executive the authority to make editorial changes to the Consultation Document to reflect decisions made at this meeting or requirements that might arise prior to formal consultation.

Whakarāpopoto | Executive Summary

2. The proposed changes to rating policies were agreed at the 17 August 2023 Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting.

At that meeting a number of changes were agreed by Committee that have now been incorporated into the updated Consultation Document. The purpose of this paper is to formally adopt the Consultation Document for consultation.

Takenga mai | Background

3. On 1 June 2022 the Annual Plan/Long-term Plan Committee resolved to “Direct officers to complete a comprehensive review of the ‘rating policy’, and the ‘revenue and financing policy’ in time for the 2024-34 long-term plan”.
4. On 23 June 2022 the Planning and Environment Committee made two resolutions to:
 - Request that officers investigate options to incentivise development on underdeveloped land as part of the wider review of the rating policy, including land value only rating (as recommended by the Productivity Commission) and a targeted rate on underdeveloped land in the city centre, metropolitan, local and neighbourhood centres.
 - Agree to remove the assisted (affordable) housing chapter from the notified District Plan and instead investigate the use of a targeted rate on land in identified growth areas of the city where additional height has been enabled by the PDP to fund an assisted (affordable) housing fund as part of the wider review of the rating policy.
5. Section 102 of the Local Government Act 2002 states a local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the following funding and financial policies:
 - Revenue and financing policy
 - Liability management policy
 - Investment policy
 - Policy on development contributions or financial contributions
 - Policy on the remission and postponement of rate on Māori freehold land

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6. A local authority may also adopt the following funding and financial policies:
 - Rates remission policy and/or;
 - Rates postponement policy
 7. There has been no recent consideration by the Council of the basis for setting rates. There have been changes in the ratepayer base since the last comprehensive rating policy review was completed.
 8. Completing the rating policy review also provides an opportunity to start thinking about a future Wellington, taking into consideration matters such as the impact of the proposed district plan, the expected growth in Wellington, as well as the impact of the affordable water reforms and transition to the new water entity for the Wellington region.
 9. Section 101(3) of the Local Government Act 2002 states: The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,
 - in relation to each activity to be funded,
 - the community outcomes to which the activity primarily contributes; and
 - the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - the period in or over which those benefits are expected to occur; and
 - the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.
 10. The Council has undertaken analysis and consideration required by section 101(3) of the Local Government Act 2002. The funding needs analysis will be finalised as part of the review of the Revenue & Financing Policy to be drafted.
 11. Wellington City Council has had multiple workshops and has met with numerous stakeholders. We have considered many options for changes to rating policies.
 12. On 17 August 2023 the Annual Plan/Long-term Plan Committee resolved the following:
 - Agree to delay the review of the rating base (Land value or Capital value) until after the 2024/34 Long-term Plan. Recommendations following the review of the rating base will be used to inform the 2027/37 Long-term Plan.
 - Agree to consult on a change to the commercial, industrial and business differential rate from 3.7:1 to 3.25:1.

- Agree to consult on an increase to the land use division value from \$800k to \$1.5m for the commercial, industrial and business differential to be included in the funding impact statement.
- Note that the impact of the proposed change to the commercial, industrial and business differential rate from 3.7:1 to 3.25:1 will be modelled and reported back to Committee throughout the preparation of the 2024/34 Long-term plan.
- Agree to consult on a new general rate differential category for vacant land of 4.5:1.
- Note the Zero Waste Programme business case will discuss the future funding of waste services and any changes will be separately consulted on. Any change in funding will be implemented from 1 July 2026.
- Agree to consult on a change to the Rates Remissions and Postponement Policies regarding development, and earthquake strengthening including extending rates postponements for owners of earthquake prone buildings that are Base Sector for residential buildings, multi-unit residential buildings and 1-3 storey mixed/commercial buildings for three years prior to strengthening work being undertaken.
- Agree to consult on a change to the Rates Remissions and Postponements Policies regarding Māori freehold land.
- Agree to consult on a change to the Rates Remissions Policy regarding the removal of the first home builders' remission.
- Agree to consider targeted funds for a Golden Mile transition fund and Affordable housing fund as part of the 2024/34 Long-term Plan.
- Instruct officers to review the merit of funding development through targeted rates and liaise with the Chair as to whether this should be included in the Statement of Proposal for consultation.
- Agree to consider targeted rates for climate action and resilience as part of the LTP and signal this intent in the Statement of Proposal for consultation.

Kōrerorero | Discussion

13. The draft consultation document for the proposed changes to rating policies is included in Attachment 1.
14. The following proposals were recommended for consultation:
 - Lowering the differential on the general rate for the commercial, industrial and business category (compared with the residential/base category) from 3.7:1 to 3.25:1.
 - Introducing a new general rate differential of 4.5:1 for vacant land.
 - Amending the Council's policies for remission and postponement of rates on property under development or earthquake strengthening. Including extending rates postponements for owners of earthquake prone buildings that are Base Sector for residential buildings, multi-unit residential buildings and 1-3 storey mixed/commercial buildings for three years prior to strengthening work being undertaken.

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- Introducing remission and postponement of rates on Māori land.
 - Removing the rates remission for first home builders.
 - Considering targeted rates for climate action and resilience as part of the 2024/34 Long-term Plan.
15. The following are not being recommended but will be included in the consultation document as options/ideas considered:
- Rating base – Changing the rating base from capital value to land value (being the valuation system used for the general rate). Recommended to delay that decision.
 - Targeted rate for waste – noting that this is to be consulted on as part of the Long-term Plan and any changes to funding of waste activities will be implemented from 1 July 2026.
 - Affordable housing fund – to be dealt with through the Long-term Plan process as a potential budgeted fund for approval.
 - Golden mile transition fund - to be dealt with through the Long-term Plan process as a potential budgeted fund for approval.
 - Targeted rate on underdeveloped land.
 - Targeted rate for accommodation providers, including inner city online providers.
 - Targeted rate instead of development contributions.
 - Targeted rate on suburban businesses.
 - Targeted rate for resilience.
 - Targeted rate for properties on the proposed Mass Rapid Transit route.
 - Remission for Significant Natural Area.
 - Remission for development before development occurs.
 - Remission for transition to a significant change in the general rates differential.
 - Remission for Arts & Heritage buildings.
 - Enliven places fund.
 - Retail assistance fund.
16. The Consultation Document’s purpose is to introduce the potential changes to rating policies and the associated issues and options considered by Council in a transparent manner, to provide an effective basis for public participation in the rating review.
17. Our considerations in this proposal have been made having regard to the Local Government Act 2002, sections 101(3)(a) and (b). The Funding Needs Analysis will be finalised as part of the review of the Revenue & Financing Policy.

18. Following the consultation period, and once all feedback has been considered and a preferred approach will be agreed by Council, updated draft policies (or amendments to existing policies) will be prepared. At that point a separate formal consultation will occur with the 2024/34 Long-term Plan, with submissions sought, and hearings held.
19. The adopted rates policies will be part of the Council's 2024-34 Long-term Plan and will be used to set rates for the year commencing 1 July 2024.

Targeted rate instead of development contributions

20. On 17 August 2023 the Annual Plan/Long-term Plan Committee resolved to "Instruct officers to review the merit of funding development through targeted rates and liaise with the Chair as to whether this should be included in the Statement of Proposal for consultation."
21. Council sought legal advice regarding the proposal. Targeted rates (and general rates) can be used to fund almost any Council expenditure, including infrastructure relating to, or required as a result of, growth.
22. The concept of development contributions arose as a funding mechanism to allow councils to recover funding for the costs of growth from those causing the growth (and the associated need for infrastructure and assets). This concept was introduced to relieve the rates burden that tended to fall on current/existing residents, rather than those causing the growth. In practice, many territorial authorities use development contributions to fund (either 100% or a lower portion) of the capital expenditure associated with growth.
23. There are major differences between development contributions and targeted rates as funding sources and there is no easy way to switch existing Council funding from development contributions to targeted rates. This is because there are limitations around how targeted rates can be designed, and they do not readily "match" development contributions in terms of how the liability for them arises (i.e. DC's are strongly linked to growth and when that occurs, whereas targeted rates are an on-going source of funding with no requirement to be directly connected with growth).
24. Moving to targeted rates instead of development contributions on growth infrastructure would involve significant changes to Council policies which is beyond the scope of this rates review process.
25. This is not recommended for consultation.

Kōwhiringa | Options

26. Adopt the Statement of Proposal (Appendix 1) and agree to consult with the community on the proposed changes.

Whai whakaaro ki ngā whakataunga | Considerations for decision-making

Alignment with Council's strategies and policies

27. A key objective in completing a rating policy review is to develop rating policies that are aligned to and support the Council's outcomes and strategic priorities. Therefore, the principles that the rates policies are based on will be recognisable against the outcomes and strategic priorities set by the Council, and they will align to the Council's financial and infrastructure strategies.

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28. As the rating policy review progresses, consideration will also be given to the other policies and strategies informing the development of the 2024-34 long-term plan.

Engagement and Consultation

29. A rating policy review will attract significant interest from the whole community and across all residents and ratepayers. Therefore, comprehensive engagement and consultation is proposed.
30. There have been workshops held with elected members and engagement with various stakeholder groups up to this point of the review.
31. There will be additional engagement and consultation on the rating policies as part of the long-term plan consultation. The scope and impact of a rating policy review is considered important enough to justify a separate engagement process. The proposed rating policies will be included in the Long-Term Plan consultation process and document, and subject to formal consultation at that time.
32. Following approval by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, it is intended that a statement of proposal will be publicly released in September and open for public feedback for a period of at least 4 weeks. The statement of proposal will also be open for oral submissions during hearings in October.

Implications for Māori

33. The Local Government Act 2002 requires the Council to have a Policy on remission and postponement of rates on Māori freehold land that must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. Currently Council has a paragraph in the rates remission policy about remission and postponement of rates on Māori freehold land.
34. Early engagement with Mana Whenua has indicated an interest in the rating policy review, with a particular focus on Council's policy on remission and postponement of rates on Māori freehold land.
35. Other proposed changes to rating policies will affect Māori and these will be considered during consultation and engagement.
36. We are planning to continue to engage with Mana Whenua during the consultation period. Mana Whenua feedback will be provided to elected members as they consider the rating policy review.

Financial implications

37. The completion of the rating policy review has not resulted in additional expenses in the current financial year or the next financial year as the work is being completed by reallocated resources. The Committee's decision to adopt the consultation document and begin consultation will not have any immediate financial implications.
38. Any financial implications as a result of the rating policy review will be considered as part of the Long-term Plan. Any proposed changes that have an impact on budgets have not been recommended at this stage.

Legal considerations

39. Rates must be set in accordance with legislation, primarily the Local Government (Rating) Act 2002 and the Local Government Act 2002.
40. As part of the rates review process, legal input has and will be sought to gain assurance that the process the Council is following, as well as the rating policies themselves, are legally robust and in compliance with relevant laws.

Risks and mitigations

41. Public and media interest is likely to be high in a rating policy review. Undertaking a rating policy review can also be highly contentious and there is a risk of judicial review.
42. If judicial review legal proceedings were brought against the Council, and found deficiencies in the Council's processes or policies, then the Council's rates could be invalidated. Because rates are primarily a tax, setting them and changing them needs to be done to the letter of the law. It is important that the process the Council follows in its rating review is legally as robust as possible.
43. The legal team will be involved throughout the process, and specialist legal input has and will be sought.
44. It is important that while Council staff and elected members may understand the reasons for the review that they are not closed to community feedback (i.e., they demonstrate bias in their decision making).
45. Peer review processes of modelling will be undertaken including the use of specialist expertise where required.

Disability and accessibility impact

46. During the communications and engagement phase of the rating policy review consideration will be given to those who have access needs for them to participate in the review if they choose and they can receive communication about the decisions made.

Climate Change impact and considerations

47. The rating policy review does not have an impact on Wellington's zero carbon goal or result in additional carbon emissions.

Communications Plan

48. Covered in the engagement and consultation section of this paper.

Health and Safety Impact considered

49. There are no health and safety hazards or risks that people could be exposed to as they relate to the recommendations in this report.

Ngā mahinga e whai ake nei | Next actions

50. Following adoption of the Statement of Proposal, the Statement of Proposal will be released for public feedback for a period of no less than 4 weeks.
51. Following the end of the period for public feedback, oral hearings will be held in October.

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52. On 9 November 2023 the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee will confirm what is to be included in the Long-Term Plan for consultation as part of the Long-Term Plan process.

Attachments

Attachment 1. Rating Policy Review Consultation Document [↓](#) 

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Rating policies review

Engagement information

Tō mātou mahere ngahuru tau | Long-term Plan 2024 – 2034

The Rating Policies Review is a new part of our long-term planning process. Our Long-term Plan sets the direction for the next 10 years, outlining priorities, how much it all costs, and where the money might come from.

Importantly, through public engagement, it is the community's chance to have a say on the future of our city. As well as sending us your feedback on these proposals, there are lots of other opportunities to have your say.

Visit wcc.nz/ltp-2024-34 to find out more.

Reviewing how we allocate rates

Wellington City Council is conducting a comprehensive review of its rating policies.

The review will look at how the overall rates bill is divided up – that is, how the Council determines the proportion each property owner pays.

Each year, the Council sets its overall budget as part of the Long-term Plan and Annual Plan process. The rates-funded component of that budget is then collected from property owners.

The proportion each pays depends on a range of factors, such as the property's capital value, whether it is commercial or residential, and what services the property receives.

What is this document?

This document provides an overview of the Rating Policies Review – why we are completing it, what is proposed to change and why, and how you can provide feedback.

To provide feedback, please complete the survey on our website: wcc.nz/ltp-2024-34

The website also has the complete set of downloadable supporting information on the proposals.

What happens next?

We appreciate your feedback and we do take time to consider it. The Mayor and Councillors receive copies of all submissions. We also prepare reports on the engagement to ensure councillors know what the main themes and comments were.

If you wish to speak to your feedback, please indicate that preference clearly by selecting a preferred time and date on the submission form.

Any changes stemming from the review will be implemented from July 2024.

Our considerations in this proposal have been made in regard to the Local Government Act 2002, sections 101(3)(a) and (b). The Funding Needs Analysis will be finalised as part of the review of the Revenue & Financing Policy. These policies will be prepared for consultation in April 2024.

We work in partnership with mana whenua

Through the signing of Tākai Here, we have forged stronger partnerships with our Mana Whenua in Te Whanganui ā Tara. This partnerships agreement allows for a stronger governance relationship and sets out the principals, values, and priorities for the way in which we work together. The signing of the document took place 182 years to the day that Te Tiriti was signed in Te Whanganui ā Tara, acknowledging the creation of a new partnership.

Through Tākai Here, we work in partnership with:

- Taranaki Whānui Ki Te Upoko o Te Ika (Port Nicholson Block Settlement Trust)
- Te Rūnanga o Toa Rangatira
- Te Rūnanganui o Te Āti Awa Ki Te Upoko o Te Ika a Māui

We also have relationships with the Te Aro Pā Trust and the Wellington Tenths Trust.

We reflect the principles of Te Tiriti o Waitangi

We recognise that Te Tiriti o Waitangi forms the underlying foundation of the Council and mana whenua relationship, and that the Council acts in accordance with Te Tiriti o Waitangi.

What is a Rating Policies Review?

What are rates for, and why are they important?

In the same way, our national taxes contribute to the running of the country, Council rates are important to ensure Wellington continues to function. They are a charge against a property (rating unit) and set by territorial and regional councils.

There are different types of rates. Targeted rates are paid by a specific group of ratepayers who receive a specific service. General rates are paid by all ratepayers and applied to services which benefit the whole community. If you rent, own a home or a business in Wellington you contribute to Council rates either directly or indirectly.

The Rating Policies Review

Undertaking a rating policy review enables elected members and the community to decide on what is a reasonable and appropriate allocation of rates. Ratepayers should have the ability to easily understand the rates they have to pay and be able to plan for rates changes in future years.

Therefore, the review is not about the size of the rates pie, but how the rates pie will be divided up. The amount of rates to be collected will be considered as part of future budgets.

This means that there are those who may pay less and those who may pay more rates because of the review.

Councillors have agreed that the rating policy review will focus on:

- **Transparency** – Providing clear information so the rates system is understood (including the collection of Greater Wellington Regional Council rates and any IFF levies set), and ratepayers know what they will need to pay. This includes being clear and transparent about the Council's rates remissions and postponements policies.
- **Efficient use of land** – Considering how to address under-utilised land, low-density land use and land banking.
- **Māori land** - Considering remissions and postponements for Māori land (not just Māori freehold land), working with Mana Whenua.
- **Differential for rates** – Considering how different multipliers are applied to different categories.
- **Targeted rates** – Considering the costs and benefits of targeted rates for specific purposes, such as climate change and resilience.
- **Smoothing revaluation impacts** – Considering options to smooth out the impact of property revaluations, including the costs and benefits of this.

The proposals

1. Changing the General Rates

Wellington City Council currently splits the General Rate between two categories: base (residential including rural land) and commercial, industrial and business. We then use a differential to set how much each sector pays. Currently, the residential category contributes 56 percent of the total money collected and the commercial sector contributes the remaining 44 percent. This is a differential of 3.7 – a commercial property will pay \$3.7 in general rates for every \$1 that a residential property pays (assuming the properties have the same rateable value).

Currently where a rating unit has more than one land use the rating unit may be 'divided' so that each part may be differentially rated based on the land use of each part. A rating unit will be differentially rated where a division of the rating unit is established, based on the use to which the land is put and/or the zoning.

Currently, a division will be established where:

- a rating unit has a value of greater than \$800,000 or
- the minority use(s) account for more than 30 percent of the total capital value of the rating unit

If neither of these criteria are met no division will take place, and the rating category will be established on the primary use of the rating unit.

Wellington has many sites that could be considered "underutilised", that is, the use of the land or site is not optimised to the extent it could be given regulatory settings and market conditions.

Changes proposed

1. Change the general rates differential for commercial, industrial and business rate payers from 3.7:1 to 3.25:1.
2. Increase the value threshold from \$800k to \$1.5m for properties with more than one land use.
3. Introduce a new general rates category for vacant land, with a differential of 4.5:1.

Commercial, industrial and business rate changes

In considering changes to how we split our total rates bill, the Council has considered who benefits or causes the need for the relevant expenditure, affordability, community well-being and community benefit.

We have also considered some Wellington specific factors including the large numbers of commuters coming into the city, the strong focus on community well-being and safety that means the whole community pays for services even if they primarily benefit individual residents, affluent government ratepayers, as well as changing working patterns that particularly affect inner-city businesses.

What other Council's charge

Looking at our closest neighbours, Porirua City Council have a Business differential of 3.1:1 and Hutt City Council have a Commercial central differential of 3.455:1. Wellington's commercial sector rates also include the downtown levy and commercial sector targeted rate (funding WREDA and Tākina).

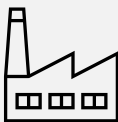
In contrast, Auckland has an urban business differential of 2.6279:1, Christchurch has a business differential of 2.22:1 and Hamilton has a commercial differential of 2.9765:1.

The comparison to Hamilton City Council is particularly relevant as Hamilton faces similar characteristics to Wellington (relatively large commuter base, condensed CBD, etc). Overall, the total commercial rates charged are highest in Wellington, again driven by the downtown targeted rate and the commercial sector targeted rate. Based on this we think the Commercial, industrial and business differential rate is too high.

Proposal

Slight changes to the differential split can have a big impact.

We recommend a slight change to the general rates commercial, industrial and business differential rate to a 3.25 differential. This will decrease the general rate paid by a hypothetical \$1.5m commercial property by 5.5%, and increase the general rates paid by a residential property of equivalent value by 4%.

Category	Status quo	Preferred option	Other options – lower splits	
 <p>Commercial differential options</p> <p>Note: Rates \$ amounts are based on the 2023/24 Annual Plan and will be subject to change based on the final LTP budget</p>	<p>This option is a \$3.7:\$1 differential.</p> <ul style="list-style-type: none"> A \$1.5m commercial property pays \$14,032 in rates. A \$1.5m residential property pays \$4,535 in rates 	<p>This option is a \$3.25:\$1 differential.</p> <ul style="list-style-type: none"> A \$1.5m commercial property pays \$13,265 in rates - a decrease of 5.5% A \$1.5m residential property pays \$4,695 in rates - an increase of 4% 	<p>This option is a \$2.60:\$1 differential.</p> <ul style="list-style-type: none"> A \$1.5m commercial property pays \$11,963 in rates - a decrease of 16% A \$1.5m residential property pays \$4,965 in rates - an increase of 9% <p>This option would need to be transitioned to over a longer period due to the impact on residential ratepayers</p>	<p>This option is a \$2:\$1 differential.</p> <ul style="list-style-type: none"> A \$1.5m commercial property pays \$10,556 in rates - a decrease of 25% A \$1.5m residential property pays \$5,257 in rates - an increase of 16% <p>This option would need to be transitioned to over a longer period due to the impact on residential ratepayers</p>

Property with more than one land use – increase value threshold

The Council has the ability to divide, for rating purposes, properties that have more than one use. For example, a shop attached to a residential property. We can split these properties so that they pay residential and commercial rates in proportion to how the property is used. If half a property is used for a commercial purpose, then we can categorise that portion so that it pays the commercial rate.

Currently we split properties based on the use of the land and/or the zoning, and when the total rating unit:

- has a rateable value of greater than \$800,000 or
- where the minority use(s) accounts for more than 30 percent of the total capital value of the rating unit

These criteria have not changed in several years. The value of properties has increased and there are administrative costs to splitting a rates bill.

Proposal

We are proposing to increase the value of a property to \$1.5m before the split is applied. This is because the values of property in Wellington have increased and there is an administrative cost to splitting a rates bill. This will mean there is a higher threshold before the split is applied.

New vacant land differential category

As part of the review, we have investigated creating a new differential category for vacant land in the central/inner city.

We found that vacant land obviously has a lower capital value (compared with similar land with improvements) and the benefits that owners of vacant central city land (whether commercial or residential zone) receive from our general activities are substantially above the rates currently being assessed on that land. Also, the appearance of vacant sites has a negative impact on the perceptions of the central city.

The purpose of the differential on vacant land is to promote development in the city and to ensure that vacant landowners pay their fair share of costs. Where vacant land is concentrated and neglected, this influences perceptions and undermines the enjoyment of what the city offers. It is therefore also proposed that there would be some remissions for owners of vacant land when they 'tidy up' the vacant land (e.g., erecting fences).

What is vacant land?

The definition of vacant land needs to be clear and understandable. The Council has identified the following factors that will assist in defining what is 'vacant' land for the purpose of applying the differential:

- QV code 'vacant'
- Not under development
- No active use
- Exemption when not economical
- Includes derelict buildings or other improvements that are not used.

It is estimated that this differential could apply to approximately 60 properties in the inner city.


Proposal

We are proposing a new differential of \$4.5:\$1 for vacant land in the inner city. The differential is proposed to be at the same level as Christchurch City Council.

This proposal is designed to help even the scales – we plan all our central city infrastructure to cope with potential developments on vacant land, and this proposed change will help make sure the owners of this vacant land are paying their fair share of these costs.

It is proposed that there would be some remissions for owners of vacant land when they 'tidy up' the vacant land (e.g., erecting fences).

This proposal will be labour intensive to implement as each property classified as vacant will need to be investigated and checked annually. It is also estimated that the cost of implementing this differential could be equal to the amount of rates attributed to the vacant land differential. However, this is one of only a few mechanisms available to the Council to incentivise the development of underdeveloped land.

Category	Status quo	Preferred option	Other options	
 Vacant land differential options	This option has no differential. <ul style="list-style-type: none"> A \$1m vacant property (residential) pays \$2,027 in rates 	This option is a 4.5:1 differential. <ul style="list-style-type: none"> A \$1m vacant property pays \$7,929 in rates - an increase of 291% 	<u>Lower:</u> This option is a 3.7:1 differential. <ul style="list-style-type: none"> A \$1m vacant property pays \$6,580 in rates - an increase of 225% 	<u>Higher:</u> This option is a 5:1 differential. <ul style="list-style-type: none"> A \$1m vacant property pays \$8,772 in rates - an increase of 333%

Note: Rates \$ amounts are based on the 2023/24 Annual Plan and will be subject to change based on the final LTP budget

2. Rates remissions and postponements

We made minor changes to our rates remissions and postponements policies in the 2023/24 Annual Plan, including increasing the remission amount for low-income ratepayers to \$700.

We are proposing the following additional changes/clarifications to these policies.

Māori land

The Local Government Act 2002 provides that the policy on the remission and postponement of rates on Māori freehold land must support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. We want to ensure our policies are compliant with legislation.

Proposal

We are proposing a specific remission and postponement policy for Māori land to extend to all types of Māori land and to support the principles in the Te Ture Whenua Māori Act 1993.

The purpose of this remission is to increase equity in our rating by recognising certain conditions, features and ownership structures on the use, development and sale of Māori land. This approach is consistent with that of Greater Wellington Regional Council.

Māori land will include:

- Māori freehold land or land which was converted from Māori freehold land to general title by status order change pursuant to the Māori Affairs Amendment Act 1967; or
- General land in collective Māori ownership.

Land converted from Māori freehold title to general title under the Māori Affairs Amendment Act 1967 must be in ownership of descendants of the original owners at the time of the status order change.

Land in collective Māori ownership is land owned by Māori which:

- was transferred to a Post-Settlement Governance Entity from the Crown as the result of a Treaty settlement, where no rates had been due to Hutt City Council prior to the transfer and the land is not currently generating a commercial return, and will not generate a commercial return in the financial year the remission is applied for; or
- is held for:
 - The protection of wāhi tapu or other cultural values intrinsic to the land; or

- Providing economic, cultural or infrastructure support for marae (including papakainga housing); or
- Educational, cultural or community purposes; or
- Satisfies the benefits requirements for land under development in section 114A of the Local Government (Rating Act) 2002.

At this stage it is unclear how many properties could qualify for this remission. Council currently has approximately 300 properties with protected land status, and this would be the upper limit of properties that could qualify.

First home builders

The current Rates remission policy includes a remission for first home builders, which was introduced in 2017. Its aim is to help first home builders and increase the supply of housing in the city. Under the policy, the Council can grant a rates remission, up to a maximum of \$5,000 (inc GST) on a new home finished after 01 July 2017 within Wellington City Council boundary.

During the 2022/23 year there were 198 applications with a value of \$440k in remissions.

Proposal

It is understood that this remission is not considered where first home builders are considering a new home build and is something they learn of post build. Therefore, the intended effect of using the remission to drive the development of new housing is not occurring. On this basis, it is recommended to remove the first home builders' remission.

Earthquake strengthening and property development

The current rates remission policy includes a remission of targeted rates on properties under development or undertaking earthquake strengthening.

This remission only remits targeted rates for commercial buildings that are not 'fit for purpose'.

It is proposed that the following changes are made to the remission and postponement policies:

1. Make the policy clearer that the remission for property under development applies to both commercial and residential buildings that are not 'fit for purpose'.
2. Include a remission of general rates for a property under development or earthquake strengthening for multi-unit residential buildings (estimated \$800k remission) and 1-3 storey mixed/commercial buildings (estimated \$1.6m remission).
3. Include a postponement of rates for three years prior to the period in which development work (or seismic strengthening) is undertaken.
4. A remission of the postponed rates once the development work or seismic strengthening is completed.
5. If the development work or strengthening is not completed, then the remission would not apply, and the rates postponement would come to an end (i.e., the postponed rates would be payable).

The waiving of fees for a property under development or earthquake strengthening for building consents, resource consent pre-application meetings and free corridor access will be explored as part of the Long-term plan and recommendations on these will come at a later point through a review of the Revenue & Financing Policy (estimated \$800k reduction in revenue).

During the 2022/23 year there were 59 applications for the development remission with a value of \$211k, and seven applications for the earthquake strengthening remission with a value of \$284k.

Other proposals

New targeted rates

Our current rates collection is split into the following categories, and we are not proposing changing who pays these rates:

- Water supply
- Sewerage
- Stormwater network
- Commercial sector
- Residential/Base sector (General rates)
- Business Improvement districts/ Marsden village/Tawa Driveways
- Downtown Area

However, we are investigating introducing three new targeted rates in the future and may consult on these later in the Long-term Plan process.

- A targeted rate to fund climate action (for example, slip remediation costs)
- A targeted rate to fund resilience (for example, earthquake strengthening)
- A targeted rate for online accommodation providers (for example, Airbnb)

What other options and ideas were considered but not recommended?

- **Rating base (Capital Value or Land Value)** – The review of Capital Value or Land Value as the rating base for general rates has been delayed until after the 2024/34 Long-term Plan has been adopted. This will allow further progress on the district plan (due to be operational in 2025) and to allow for more time to consider the impact and have further engagement with the community on this matter.
- **Targeted rate for waste** – our waste services are likely to be consulted on as part of the draft Long-term Plan in April and any changes to funding of waste activities will be implemented from 1 July 2026.
- **Affordable housing fund** – We explored whether or not there was a rating policy option in regard to affordable housing. In completing our work, we consider this matter would be better dealt with as part of the Long-term plan process, specifically considering whether we establish a potential budgeted fund to support affordable housing.
- **Golden mile transition fund** – We explored whether or not there was a rating policy option in regard to a golden mile transition fund. In completing our work, we consider this matter would be better dealt with as part of the Long-term plan process, specifically considering whether we establish a potential budgeted fund to support the golden mile transition.
- **Targeted rate on underdeveloped land** – We considered a targeted rate for underdeveloped land. A rate set at different levels, based on the extent to which land is “developed” or not, would be difficult to establish within the parameters of the rating legislation and may be difficult to apply in practice. Therefore, we are not proposing a targeted rate for underdeveloped land.
- **Targeted rate instead of development contributions** – We considered a targeted rate to fund growth infrastructure instead of development contributions. A targeted rate instead of Development Contributions would mean that growth is funded by current residents.

Council's view is that the cost of providing infrastructure due to an increase in demand should be funded by those creating the need for that infrastructure. Therefore, we are not proposing a targeted rate to fund growth infrastructure instead of development contributions.

- **Targeted rate on suburban businesses** – We considered a targeted rate on suburban businesses. The current downtown targeted rate applies to inner-city businesses, which then funds tourism activities. Suburban businesses also benefit from tourism; however, it is difficult to quantify this as it is likely to be small and highly dependent on the industry. Therefore, we are not proposing a targeted rate on suburban businesses.
- **Targeted rate for properties on the proposed Mass Rapid Transit route** – We considered a targeted rate for properties on the proposed mass rapid transit route. These properties will likely benefit from an increase in the property's value once the route is established. On this basis, any rates charged would be higher due to an increase in the value of the property. Therefore, a targeted rate for properties on the proposed mass rapid transit route not proposed as there will already be an increase in the rate charged due to the increase in value of the property.
- **Remission for Significant Natural Area** – We considered a remission for significant natural areas (SNA). Any new SNA identification in the district plan will likely not happen until after the adoption of the 2024/34 Long-term Plan. Therefore, we are not proposing a remission for SNAs as this is not an appropriate time to consider rating policy implications.
- **Remission for development before development occurs** – We considered a remission for development before development occurs. We are not proposing an upfront remission for development as this is already covered in the proposed remission for development and earthquake strengthening.
- **Remission for Arts & Heritage buildings** – We considered a remission for arts & heritage buildings. The Council currently has funds to support the arts & culture sector including: the Arts and Culture fund; the Creative Community scheme; and the Heritage Resilience and Regeneration fund. Therefore, we are not proposing a remission for arts & heritage buildings.
- **Enliven places fund** – We considered an enliven places fund. The Council already has a fund supporting artists and projects enhancing local vibrancy. Therefore, we are not proposing an enliven places fund.
- **Retail assistance fund** – We considered a retail assistance fund. There are more than 1,000 retailers in the city so any fund would need to be significant to have any impact and would therefore put pressure on ratepayers. There could potentially be negative feedback as other businesses such as those in the hospitality industry would not be eligible for the fund. Therefore, we are not proposing a retail assistance fund.

Questions and answers

We know that Council finances and rates can be complicated, so this section provides some answers that have cropped up as we have planned and drafted these proposals.

If you have any questions on the engagement proposals, please enter them on our website, wcc.nz/ltp-2024-34, or email ltp@wcc.govt.nz.

What is a rating policy review?

A rating policy review is a process for elected members and the community to decide on what is a reasonable and appropriate allocation of rates. The review will look at how the total rates bill is divided up – that is, how the Council determines the proportion each property owner pays. The review will **not** determine the total amount of rates to be collected or proposed rates increases.

We confirm our budgets and plans later in the Long-term Plan process, and that is what will determine the total we charge to each ratepayer. You will have an opportunity to provide us feedback on those budgets and plans in other engagements of this Long-term Plan. Sign up for updates at wcc.nz/ltp-2024-34.

What are general rates?

The general rate is paid by all ratepayers. It is used in cases where:

- The community as a whole should pay for a service
- there is little or no benefit from, or too much cost involved in, funding the activity separately from other ones.

Local authorities have access to two types of rating tools that fit this description:

- a value-based general rate: a rate that is calculated based on the value of your property
- a uniform annual general charge (or UAGC): a fixed dollar amount irrespective of property value

What are targeted rates?

A targeted rate is set to fund a particular activity or group of activities. It may be applied only to a group of properties for a particular service, to all properties for a set period of time and reason or a mix of these.

Targeted rates are generally set when a council believes:

- there is some benefit to funding the service separately from others and separately funding it in this way carries little or no transaction cost
- some categories of ratepayer should not pay the rate or that some categories should pay a different amount to others.

What is the difference between a rates postponement and remission?

A remission of rates involves the Council permanently foregoing payment of all or part of any rates it is lawfully owed by a ratepayer. A postponement of rates involves the delaying or deferral of payment of rates until either a specified time or a specified event occurs, such as the death of the ratepayer. All Councils must have a policy on the remission and postponement of rates on Māori freehold land.

If you want the Council to remit or postpone rates there must be a policy in place. The current Wellington City policy can be viewed here: [Plans, policies and bylaws - Policies - Wellington City Council](#)

Is this review likely to lead to...

- ***the use of land value instead of capital value?***
This review is not looking into Land Value vs Capital Value. We will be conducting a deeper look into the impact of Land or Capital value of our rates from July 2024 to late 2026, which will feed into the 2027-37 Long-term Plan.
- ***a different allocation between commercial and residential ratepayers or managing the impact of property revaluations differently?***
This is a comprehensive review and we'll be looking into a wide variety of matters. However, it's important to note that there are no predetermined outcomes here – we want to have an open conversation with Wellingtonians about what a fair and reasonable allocation of rates should look like in the future.

When was the last rates policy review completed?

There has been no recent comprehensive consideration by the Council of the basis for setting rates or rates remissions.

Periodically the Council has reviewed aspects of the rating system, for example the differential between commercial and residential rates, but we are not aware of an across-the-board review being done in the past few decades.

Why are you completing a rates policy review now?

There are likely to have been changes in the ratepayer base since the last comprehensive rating policy review was completed. Completing the rating policy review also provides an opportunity to start thinking about a future Wellington, taking into consideration matters such as the impact of the proposed district plan, the expected growth in Wellington, as well as the impact of the three waters reform.

Why can't I find the Council's current rates policy?

The Council's "rating policy" is not a single document but comprises several separate policies and documents including the revenue and financing policy, remissions and postponements policies, funding impact statement and the rates resolution. The review will consider all of Council's rating policies.

The media has noted that the rates review will focus on inefficient use of land and those that are land banking – is that the focus of the review?

No. While elected members have asked staff to consider how we can address under-utilised land, low-density land use and land banking as part of the rates review there are also several other areas of focus.

I have some ideas about changes that could be made to the rates policy, how can I be involved?

We have already engaged with some stakeholders (e.g., Property Council NZ and Wellington Chamber of Commerce) and will continue to do so throughout the duration of the rating policy review. If you would like us to engage with you or your community group, please contact ltp@wcc.govt.nz.

When will this have an impact on the rates I pay?

The outcome of the review will be implemented for the 1 July 2024 to 30 June 2025 financial year.

Submission Form

Have your say on the Rating Policies Review

All submissions must be received by midnight Sunday, 15 October 2023

You don't have to give feedback on every question – just choose the ones you're interested in. You can only submit once. You can include supporting information along with your submission.

Before you start, read about our proposals in the engagement document.

Why we're collecting this information

Your feedback matters. This review is part of the development of the Long-term Plan 2024-34 which is about the future of Wellington, and it affects everyone who lives and works here. That's why we want to hear from as many people as possible. Your views will help us to decide on the next steps we take.

Privacy statement

All submissions (including names and contact details) are provided in their entirety to elected members. Submissions (including names but not contact details) will be made available to the public at our office and on our website.

Your personal information will also be used for the administration of the consultation process, including informing you of the outcome of the consultation.

All information collected will be held by Wellington City Council, 113 The Terrace, Wellington, with submitters having the right to access and correct personal information.

Full Name: _____			
Contact details			
Address: _____ _____			
Phone number: _____			
Email address: _____			
Are you making this submission as an individual or on behalf of an organisation? <input checked="" type="checkbox"/> Individual <input type="checkbox"/> Organisation: _____			
What is your connection to Wellington? Circle all that apply			
I am a Wellington City Council ratepayer	I live in Wellington	I work in Wellington	
I own a business in Wellington	I study in Wellington	I am a visitor to Wellington	
We are offering oral hearings to speak to Councillors about your submission – These will take place on 1 November 2023, between 1.30pm and 6.30pm.			
Do you wish to speak to Councillors about your submission at a Community Oral Forum? Please circle your answer			
Yes		No	
If yes, please circle your preferred time period			
1.30pm - 2.30pm	2.30pm - 3.30pm	4pm - 5pm	5pm - 6.30pm

Question 1

General rates changes

Wellington City Council currently splits the General Rate between two categories: base (residential including rural land) and commercial, industrial and business.

Changes proposed

- Change the general rates differential for commercial, industrial and business rate payers from 3.7:1 to 3.25:1.
- Change the threshold land use value before Council will divide a rating unit into two different categories from \$800k to \$1.5m.
- Introduce a new general rates category for vacant land, with a differential of 4.5:1.

a. Do you support a change to the Commercial rates differential?

Yes	No - keep status quo	Unsure	No view
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If Yes, which option do you prefer?

Option 1 – Preferred 3.25 : 1	Option 2 - 2.60 : 1	Option 3 - 2 : 1	Other:
Commercial decrease of 5.5% Residential increase of 4%	Commercial decrease of 16% Residential increase of 9%	Commercial decrease of 25% Residential increase of 16%	

b. Do you support an increase to the land value threshold before Council will divide a rating unit into two different categories from \$800k to \$1.5m?

Yes, increase to \$1.5m	No - keep status quo	Unsure	No view
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c. Do you support a differential category for Vacant land in the central city?

Yes	No - keep status quo	Unsure	No view
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If Yes, which option do you prefer?

Option 1 – Preferred 4.5 : 1	Option 2 – Lower 3.7 : 1	Option 3 – Higher 5 : 1	Other:
A \$1m vacant property pays \$7,929 in rates - an increase of 291%	A \$1m vacant property pays \$6,580 in rates - an increase of 225%	A \$1m vacant property pays \$8,772 in rates - an increase of 333%	

Question 2

Rates remissions and postponements

We made minor changes to our rates remissions and postponements policies in the 2023/24 Annual Plan, including increasing the remission amount for low-income ratepayers to \$700.

We are proposing the following additional changes/clarifications to these policies.

- A specific remission and postponement policy for Māori land to extend to all types of Māori land and to support the principles in the Te Ture Whenua Māori Act 1993. Removing the First home builders' remission
- Clarifying and expanding the remission for a property under development and/or earthquake strengthening

a. How much do you support/oppose: extending the remission and postponement policy to include all types of Māori land (based on the definition of Māori land)?

Strongly oppose	Somewhat Oppose	Neither support nor oppose	Somewhat support	Strongly support
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b. How much do you support/oppose: removing the first home builders' remission

Strongly oppose	Somewhat Oppose	Neither support nor oppose	Somewhat support	Strongly support
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c. Do you support a change to the rates remission and postponement policies for a property under development and/or earthquake strengthening?

Yes	No - keep status quo	Unsure	No view
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If yes, how much do you support/oppose the following:

	Strongly oppose	Somewhat Oppose	Neither support nor oppose	Somewhat support	Strongly support
Make the policy clearer that the remission applies to both commercial and residential buildings that are not 'fit for purpose'					
Include a remission of general rates for multi-unit residential buildings (estimated \$800k remission) and 1-3 storey mixed/commercial buildings (estimated \$1.6m remission)					
Include a postponement of rates for three years prior to the period in which development work (or seismic strengthening) is undertaken.					
A remission of the postponed rates once the development work or seismic strengthening is completed.					
If the development work or strengthening is not completed, then the remission would not apply, and the postponed rates would be payable.					

Question 3

Other proposals

We are continuing to investigate introducing three new targeted rates in the future and may consult on these later in the Long-term Plan process.

- A targeted rate to fund climate action (for example, slip remediation costs)

- A targeted rate to fund resilience (for example, earthquake strengthening)
- A targeted rate for online accommodation providers (for example, Airbnb)

a. Do you agree there is a potential need for targeted rates for:

i. Climate action

Yes	No - keep status quo	Unsure	No view
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ii. Resilience

Yes	No - keep status quo	Unsure	No view
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iii. Online accommodation

Yes	No - keep status quo	Unsure	No view
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Question 4

Any other feedback

Is there anything else you would like to tell us about the Rating Policy Review?

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ACTIONS TRACKING

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides an update on the past actions agreed by the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee, or its equivalent, at its previous meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
 - People friendly, compact, safe and accessible capital city
 - Innovative, inclusive and creative city
 - Dynamic and sustainable economy
- Strategic alignment with priority objective areas from Long-term Plan 2021–2031**
- Functioning, resilient and reliable three waters infrastructure
 - Affordable, resilient and safe place to live
 - Safe, resilient and reliable core transport infrastructure network
 - Fit-for-purpose community, creative and cultural spaces
 - Accelerating zero-carbon and waste-free transition
 - Strong partnerships with mana whenua

Relevant Previous decisions

Not applicable.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Alisi Folaumoetu'i, Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. This report lists the dates of previous committee meetings (hui) and the items discussed at those hui.
3. Each clause within the resolution has been considered separately and the following statuses have been assigned:
 - In progress: Resolutions with this status are currently being implemented.
 - Complete: Clauses which have been completed, either by officers subsequent to the meeting, or by the meeting itself (i.e. by receiving or noting information).
4. All actions will be included in the subsequent monthly updates but completed actions will only appear once.

Takenga mai | Background

5. At the 13 Haratua May 2021 Council meeting, the recommendations of the Wellington City Council Governance Review were endorsed and agreed to be implemented.
6. On 25 Whiringa-ā-nuku October 2022 through memorandum, the 2022-2025 committee structure chosen by Mayor Tory Whanau was advised. This included establishment of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee.
7. The Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for the 2022-2025 triennium fulfills the functions of the Pūroro Tahua | Finance and Performance Committee and the Annual Plan/Long-Term Plan Committee of the 2019-2022 triennium.
8. The last meetings of the equivalent committees in the 2019-2022 triennium were held on the following dates:
 - Annual Plan/Long-Term Plan Committee – 30 Pīpiri June 2022
 - Pūroro Tahua | Finance and Performance Committee – 28 Mahuru September 2022
9. The purpose of this report is to ensure that all resolutions are being actioned over time. It does not take the place of performance monitoring or full updates. The committee could resolve to receive a full update report on an item if it wishes.

Kōrerorero | Discussion

10. Of the 29 resolutions of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee meeting on 17 August 2023:
 - 18 are complete.

- 11 are in progress.
11. 10 in progress actions have been carried forward from the previous action tracking reports.
 12. Note that, for public excluded resolutions, each individual clause will not be reported on in a public hui. These resolutions have been treated as a whole.
 13. Updates on individual clauses of a public excluded resolution can be provided to Councillors outside of a formal hui.
 14. Further detail is provided in Attachment 1.

Attachments

Attachment 1. [Actions Tracking - September](#)  

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Thursday, 17 June 2021	296	4.1: Chaffers Marina Limited Options		All clauses	In progress	
Thursday, 18 November 2021	304	2.8 Te Upoko o Te Ika a Māui Commitment	3	Note that spend targets are yet to be developed and will brought back to the Committee for approval.	In progress	We are actively working with Mataaho Aronui, Iwi partners & Commercial Partnerships to develop and agree these targets and then will report back to the Committee for approval.
Thursday, 16 June 2022	307	2.3 Allocation of landfill surpluses	5	Request officers provide a full breakdown of the landfill surplus and its allocation through the Annual Plan and Long Term Plan process.	Completed	
Thursday, 23 February 2023	1358	2.2 Quarter 2 Performance Report	8	Note that the Pūroro Rangaranga Social, Cultural and Economic committee on 4 August 2022 agreed to apply for Better off Funding totalling \$14.42m available to Wellington City Council	Completed	
Thursday, 23 March 2023	1493	2.1 Rating Policy Review	2	Note a rating policy review will address the resolutions made in June 2022 by the then Annual Plan/Long-term Plan Committee and the then Planning and Environment Committee. The review will also consider area of focus identified at the 15 February 2023 workshop with Councillors.	In progress	
Thursday, 23 March 2023	1494	2.1 Rating Policy Review	3	Note the rating policy review will be carried out as a parallel stream of work alongside the broader 2024-34 long-term plan development. The rating policy review has its own communication and engagement plan, which is closely aligned with the long-term plan communications and engagement plan.	In progress	
Thursday, 23 March 2023	1495	2.1 Rating Policy Review	4	Agree to proceed with a rating policy review.	In progress	
Thursday, 23 March 2023	1496	2.1 Rating Policy Review	5	Agree the process for completing the review, including the proposed engagement and communications approach for the rating policy review.	In progress	
Wednesday, 31 May 2023	1640	2.2 Quarter 3 Performance Report	3	Recommend to Council an increase to Wellington Water Limited's (WWL) CAPEX budget by \$15m from \$50m to \$65m as a bring forward from the 2023/24 financial year;	Completed	
Wednesday, 31 May 2023	1641	2.2 Quarter 3 Performance Report	4	Recommend to Council an increase to the project Capex budget for the Ngaio Gorge project by \$3.1m from \$10.3m to \$13.4m to cater for the total variation costs of contract works, professional services and labour; and	In progress	
Wednesday, 31 May 2023	1653	2.3 2023 Annual Plan - Deliberation and Budget Variances	9	Note the correct description of proposed fees and user charge changes for Waterfront Public Space activity outlined in Attachment Three;	Completed	
Wednesday, 31 May 2023	1654	2.3 2023 Annual Plan - Deliberation and Budget Variances	10	Agree the changes to the rates remissions and postponement policies as outlined in the engagement document	Completed	

Wednesday, 31 May 2023	1655	2.3 2023 Annual Plan - Deliberation and Budget Variances	11	Note that there are projects such as work required on Council buildings on the waterfront, and Frank Kitts Park development that require additional funding which has not been included in the budget for the Annual Plan. a) Agree to have officers report back on options for minor provision of temporary play equipment at Frank Kitts Park to be made available for the public over Summer 2023/24, to be funded within the current budget. b) Agree that officers report back on options to resolve the Frank Kitts Playground project, including the option to return this area to open public space.	Completed
Wednesday, 31 May 2023	1656	2.3 2023 Annual Plan - Deliberation and Budget Variances	12	Agree to recommend funding of \$0.15m (from reprioritising the existing capital programme) for temporary toilets installed on southern end of Ian Galloway Park by the BMX tracks;	Completed
Wednesday, 31 May 2023	1657	2.3 2023 Annual Plan - Deliberation and Budget Variances	13	Agree to pause the Huetepara Park project due to capex cost increases and reconsider the budget as part of the 2024-34 LTP process;	Completed
Wednesday, 31 May 2023	1658	2.3 2023 Annual Plan - Deliberation and Budget Variances	14	Note we will continue to provide shade in community playgrounds as appropriate and within existing capital and operating budgets.	Completed
Wednesday, 31 May 2023	1659	2.3 2023 Annual Plan - Deliberation and Budget Variances	15	Note the cycleway on the South Coast is part of the bike network with areas being completed according to priority. The route is a low priority for completion i.e. prioritised as 13 out of the 14 areas	Completed
Wednesday, 31 May 2023	1660	2.3 2023 Annual Plan - Deliberation and Budget Variances	16	Agree the 2023/24 Annual Plan budget	Completed
Wednesday, 31 May 2023	1661	2.3 2023 Annual Plan - Deliberation and Budget Variances	17	Note that the recommendations of this report result in a proposed rates increase of 12.3 percent (after growth) in 2023/24 as per the budget that was engaged on, and that any changes to the officer recommendations may have a resulting impact on the projected rates increase which will be confirmed in the finalisation of the budget for adoption on 29 June 2023;	Completed
Wednesday, 31 May 2023	1662	2.3 2023 Annual Plan - Deliberation and Budget Variances	18	Note the draft 2023/24 Annual Plan document structure (Attachment Six) for Councillor review and feedback.	Completed
Wednesday, 31 May 2023	1663	2.3 2023 Annual Plan - Deliberation and Budget Variances	19	Agree that Officers prepare the 2023/24 Annual Plan (including associated activity statements, budgets, financial statements, funding impact statements and plans) to reflect any changes agreed at this meeting of the Committee, and that it be considered for adoption by the Council on 29 June 2023.	Completed

Wednesday, 31 May 2023	1664	2.3 2023 Annual Plan - Deliberation and Budget Variances	20	Agree to delay \$7m of the funding for the MOB/CAB demolition to 2024/25, which would result in a budget of \$1m for 2023/24.	Completed
Wednesday, 31 May 2023	1665	2.3 2023 Annual Plan - Deliberation and Budget Variances	21	Agree that the increase in Opex funding committed to Wellington Water Limited (WWL) is conditional on WWL agreeing to a part of the funding being used to undertake a review of its services with the objective of improving its efficiency, identifying potential cost savings, and improving transparency/reporting.	Completed
Wednesday, 31 May 2023	1666	2.3 2023 Annual Plan - Deliberation and Budget Variances	22	Delegate the power to agree the terms of the review with WWL to the Mayor and Chief Executive.	Completed
Wednesday, 31 May 2023	1667	2.3 2023 Annual Plan - Deliberation and Budget Variances	23	Agree to increase funding by \$1.2m in the 2023/24 Annual Plan (from \$1.2m to 2.4m capex) to complete stage 1 of the proposed Huetepara Park development.	Completed
Wednesday, 31 May 2023	1668	2.3 2023 Annual Plan - Deliberation and Budget Variances	24	Agree to fund through the 2023/2024 Annual Plan \$150,000 from the Sportsville Partnership Fund the independent review into Council's sports field charges and for the results to be considered in the Council's next long term plan for 2024-2034 (subject to Council determining such a review is warranted at its meeting on 1 June 2023).	Completed
Thursday, 29 June 2023	1748	2.1 CCO Final Statements of Intent 2023/24	1	Receive the information	Completed
Thursday, 29 June 2023	1749	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	1	Receive the information.	Completed
Thursday, 29 June 2023	1750	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	2	Approve that Mayor Whanau leads a business delegation to Xiamen, Beijing, Sakai and Seoul from Sunday 17 September to Thursday 28 September 2023.	Completed
Thursday, 29 June 2023	1751	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	3	Agree the costs for Mayor Whanau's travel, including flights, accommodation, and incidentals, be met by the Council International Relations budget.	Completed
Thursday, 29 June 2023	1752	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	4	Note that carbon credits for this travel have been included in the estimated costs.	In progress
Thursday, 29 June 2023	1753	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	5	Note that a number of senior business representatives will travel with the Mayor Whanau as part of the business delegation, and they will meet their own costs.	In progress
Thursday, 29 June 2023	1754	2.2 Report Back on Councillor Young's Taiwan Visit and Report on Wellington Mayoral Delegation to Asia	6	Note that with a Mayoral business delegation of this size, a senior member of staff will accompany Mayor Whanau in addition to support from the International Relations team. These costs will be met by the Council business units.	In progress
Thursday, 29 June 2023	1755	2.3 Actions Tracking	1	Receive the information.	Completed
Thursday, 29 June 2023	1756	2.4 Forward Programme	1	Receive the information.	Completed
Thursday, 17 August 2023	1859	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	1	Receive the information	Completed

Thursday, 17 August 2023	1860	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	2	Agree to delay the review of the rating base (Land value or Capital value) until after the 2024/34 Long-term Plan. Recommendations following the review of the rating base will be used to inform the 2027/37 Long-term Plan.	In progress
Thursday, 17 August 2023	1861	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	3	Agree to consult on a change to the commercial, industrial and business differential rate from 3.7:1 to 3.25:1.	In progress
Thursday, 17 August 2023	1862	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	4	Agree to consult on an increase to the land use division value from \$800k to \$1.5m for the Commercial, industrial and business differential to be included in the funding impact statement	In progress
Thursday, 17 August 2023	1863	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	5	Note that the impact of the proposed change to the commercial, industrial and business differential rate from 3.7:1 to 3.25:1 will be modelled and reported back to Committee throughout the preparation of the 2024/34 Long-term plan	In progress
Thursday, 17 August 2023	1864	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	6	Agree to consult on a new general rate differential category for vacant land of 4.5:1.	In progress
Thursday, 17 August 2023	1865	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	7	Note the Zero Waste Programme business case will discuss the future funding of waste services and any changes will be separately consulted on. Any change in funding will be implemented from 1 July 2026.	In progress
Thursday, 17 August 2023	1867	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	9	Agree to consult on a change to the Rates Remissions and Postponements Policies regarding Māori freehold land.	In progress
Thursday, 17 August 2023	1868	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	10	Agree to consult on a change to the Rates Remissions Policy regarding the removal of the first home builders' remission.	In progress
Thursday, 17 August 2023	1869	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	11	Agree to consider targeted funds for a Golden Mile transition fund and Affordable housing fund as part of the 2024/34 Long-term Plan.	In progress
Thursday, 17 August 2023	1870	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	12	Instruct officers to review the merit of funding development through targeted rates and liaise with the Chair as to whether this should be included in the Statement of Proposal for consultation.	In progress
Thursday, 17 August 2023	1871	2.4 Proposed Rating Policy changes for consultation to inform the 2024/34 Long Term Plan	13	Agree to consider targeted rates for climate action and resilience as part of the LTP and signal this intent in the Statement of Proposal for consultation.	In progress
Thursday, 17 August 2023	1872	2.5 Actions Tracking	1	Receive the information	Completed
Thursday, 17 August 2023	1873	2.6 Forward Programme	1	Receive the information	Completed
Thursday, 17 August 2023	1874	2.1 Councillor appointments to the Wellington Water Committee	1	Receive the information.	Completed
Thursday, 17 August 2023	1875	2.1 Councillor appointments to the Wellington Water Committee	2	Appoint Councillor Tim Brown as the Wellington City Council representative on the Wellington Water Committee	Completed
Thursday, 17 August 2023	1876	2.1 Councillor appointments to the Wellington Water Committee	3	Appoint Mayor Tory Whanau as the Wellington City Council alternate representative on the Wellington Water Committee.	Completed
Thursday, 17 August 2023	1877	2.1 Councillor appointments to the Wellington Water Committee	4	Agree that the councillors appointed to this committee will report back to an appropriate forum on an annual basis.	Completed
Thursday, 17 August 2023	1878	2.1 Councillor appointments to the Wellington Water Committee	5	Agree that the term of appointments to each of the above positions will commence immediately. The appointments will terminate at the earlier time of the positions being refilled following the 2025-2028 triennial election, or 31 December 2025.	Completed
Thursday, 17 August 2023	1879	2.3 Long-term Plan Engagement - Citizens' Assembly	1	Receive the information	Completed
Thursday, 17 August 2023	1880	2.3 Long-term Plan Engagement - Citizens' Assembly	2	Note that the Citizens' Assembly pilot is phase three of the 2024 Long-term Plan community engagement programme.	Completed

Thursday, 17 August 2023	1881	2.3 Long-term Plan Engagement - Citizens' Assembly	4	Note that the feedback from the Citizens' Assembly and report back from Council has the same significance as other LTP community engagement activities.	Completed
Thursday, 17 August 2023	1882	2.3 Long-term Plan Engagement - Citizens' Assembly	5	Note the process for the Citizens' Assembly creation and programme has: <ul style="list-style-type: none"> • Independent CA selection process through Global Research; • Independent co-facilitators with content and presenters selected by the Citizens' Assembly; a. Knowledgeable input - Council Officer attendance only if called upon by the Citizens' Assembly; and <ul style="list-style-type: none"> • Independent report prepared by the Citizens' Assembly and presented to Council. 	Completed
Thursday, 17 August 2023	1883	2.3 Long-term Plan Engagement - Citizens' Assembly	6	Note the Expression of Interest (Attachment 2) has a wide reach across the Wellington Community with invitations being sent to 10,000 randomly selected Wellingtonians.	Completed
Thursday, 17 August 2023	1884	2.3 Long-term Plan Engagement - Citizens' Assembly	7	Note the outline of the independent selection process independently managed by Global Research as explained in Attachment 3 to this report.	Completed
Thursday, 17 August 2023	1885	2.3 Long-term Plan Engagement - Citizens' Assembly	8	Note that feedback will be provided to the Citizens' Assembly on how their advice was used in the Council's decision-making process.	Completed
Thursday, 17 August 2023	1886	2.2 2024 LTP Outcomes and Priorities	1	Receive the information	Completed
Thursday, 17 August 2023	1887	2.2 2024 LTP Outcomes and Priorities	2	amended document tabled at this meeting including the following changes: a. Vision and Commitment b. Five Community Outcomes c. Five Strategic Approaches d. Eight Strategic Priorities i. Amend the Housing priority to read "Increase access to good affordable housing" ii. Amend the Economic/Revitalisation priority to read "Revitalise the central city and suburbs to support a thriving and resilient economy & support job growth" to show job growth is essential to our economic growth. The Arts sector should be placed in its own priority to show its importance to the city. iii. Amend the Community Facilities priority to read "Invest in sustainable,	Completed
Thursday, 17 August 2023	1888	2.2 2024 LTP Outcomes and Priorities	3	Delegate to the Chief Executive and the Mayor the authority to make any minor editorial changes.	Completed

1. FORWARD PROGRAMME

Kōrero taunaki | Summary of considerations

Purpose

1. This report provides the Forward Programme for the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee for the next two meetings.

Strategic alignment with community wellbeing outcomes and priority areas

Aligns with the following strategies and priority areas:

- Sustainable, natural eco city
- People friendly, compact, safe and accessible capital city
- Innovative, inclusive and creative city
- Dynamic and sustainable economy
- Functioning, resilient and reliable three waters infrastructure
- Affordable, resilient and safe place to live
- Safe, resilient and reliable core transport infrastructure network
- Fit-for-purpose community, creative and cultural spaces
- Accelerating zero-carbon and waste-free transition
- Strong partnerships with mana whenua

Strategic alignment with priority objective areas from Long-term Plan 2021–2031

Relevant Previous decisions

Not applicable.

Financial considerations

- Nil Budgetary provision in Annual Plan / Long-term Plan Unbudgeted \$X

Risk

- Low Medium High Extreme

Author	Alisi Folaumoetu'i, Democracy Advisor
Authoriser	Stephen McArthur, Chief Strategy & Governance Officer

Taunakitanga | Officers' Recommendations

Officers recommend the following motion

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Receive the information.

Whakarāpopoto | Executive Summary

2. The Forward Programme sets out the reports planned for the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee in the next two meetings that require committee consideration.
3. The Forward Programme is a working document and is subject to change on a regular basis.
4. This report includes upcoming public forums for the committee's consideration.

Kōrerorero | Discussion

5. Thursday, 28 Septemeber 2023
 - 2022/23 Capital Carry-forward and Capital Rescheduling
6. Wednesday, 25 October 2023
 - Annual Report
 - Agree Level of Service Budget Scenarios

Attachments

Nil

3. Public Excluded

Recommendation

That the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee:

1. Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
3.1 CCO Board Appointments	7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	s48(1)(a) That the public conduct of this item would be likely to result in the disclosure of information for which good reason for withholding would exist under Section 7.