

Absolutely Positively
Wellington City Council

Me Heke Ki Pōneke

Ordinary Meeting of Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Ngā Meneti | Minutes

5:00 pm Rāapa Wednesday, 1 Whiringa ā-rangi November 2023
Ngake (16.09), Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington



PRESENT

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 O'Neill

Councillor Pannett

Councillor Paul

Councillor Randle

Councillor Wi Neera

Councillor Young

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1. Meeting Conduct

1.1 Karakia

The Chairperson declared the meeting (hui) open at 5.00pm and read the following karakia to open the hui.

**Whakataka te hau ki te uru,
Whakataka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura.
He tio, he huka, he hauhū.
Tihei Mauri Ora!**

Cease oh winds of the west
and of the south
Let the bracing breezes flow,
over the land and the sea.
Let the red-tipped dawn come
with a sharpened edge, a touch of frost,
a promise of a glorious day

1.2 Apologies

Moved Councillor Matthews, seconded Deputy Mayor Foon

Resolved

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

1. Accept the apologies received from Councillor McNulty for absence, Councillor O'Neill for lateness and Councillors Free, Abdurahman and Chung for early departure.

Carried

1.3 Conflict of Interest Declarations

No conflicts of interest were declared.

1.4 Confirmation of Minutes

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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

1. Approves the minutes of the Kōrau Tōtōpū | Long-term Plan, Finance, and Performance Committee Meeting held on 25 October 2023, having been circulated, that they be taken as read and confirmed as an accurate record of that meeting.

Carried

1.5 Items not on the Agenda

There were no items not on the agenda.

1.6 Public Participation

There were no requests for public participation.

2. General Business

Secretarial note: The following members of the public addressed the committee regarding their written submissions:

Name	Organisation/Group	Submission page number
Mike Mellor		14
Jesse Richardson		16
Geraldine Murphy	Inner City Wellington	18
Gerard Earl and Sandamali Ambepitiya	Property Council	24
Amy Barnett		29
Steve West		34
Katherine McLuskie		36
Ed Gibbs (Chamber of Commerce) and Dr Kirdan Lee (Sense Partners)	Chamber of Commerce	38
Eyal Aharoni	Prime Property Group	85
John Swan	Group of residents	89

(Councillor Young left the hui at 5.05pm and returned at 5.11pm)

(Councillor O'Neill joined the hui at 5.08pm)

(Pouiwi Hohaia joined the hui at 5.40pm)

(Councillor Pannett left the hui at 5.39pm and returned at 5.43pm)

(Councillor Free left the hui at 6.00pm)

(Councillor Wi Neera left the hui at 6.03pm and returned at 6.09pm)

(Councillor O'Neill left the hui at 6.08pm and returned at 6.09pm)

(Councillor Paul left the hui at 6.11pm and returned at 6.14pm)

(Mayor Whanau left the hui at 6.12pm and returned at 6.15pm)

2.1 Long-term Plan Rating Policies Review - Oral Submissions

Moved Councillor Matthews, seconded Councillor Apanowicz

Resolved

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

1. Receive the information **and thank the oral submitters.**

Carried

Attachments

- 1 Eyal Aharoni - PowerPoint presentation
- 2 Eyal Aharoni - handout
- 3 Katherine McLuskie - handout

Secretarial note: The motion was moved with changes marked in red.

The hui concluded at 6.26pm with the reading of the following karakia:

Unuhia, unuhia, unuhia ki te uru tapu nui	Draw on, draw on
Kia wātea, kia māmā, te ngākau, te tinana, te wairua	Draw on the supreme sacredness To clear, to free the heart, the body and the spirit of mankind
I te ara takatū	
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!	

Authenticated: _____

Chair

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

Minute item attachments

5:00 pm Wednesday, 1 November 2023
Ngake (16.09), Level 16, Tahiwī
113 The Terrace
Pōneke | Wellington

Business

Page No.

2.1 Long-term Plan Rating Policies Review - Oral Submissions

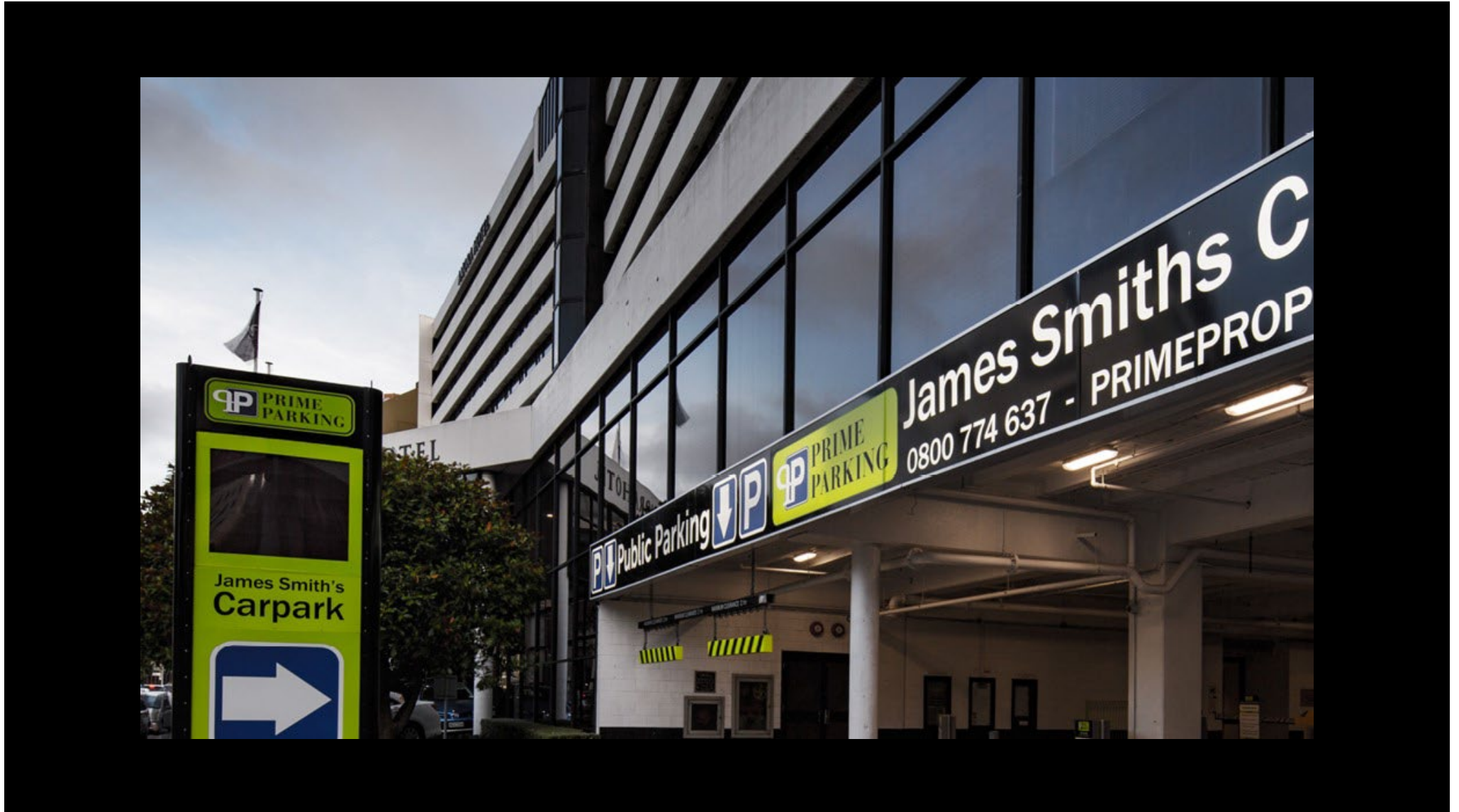
- | | |
|---|----|
| 1. Eyal Aharoni - PowerPoint presentation | 2 |
| 2. Eyal Aharoni - handout | 48 |
| 3. Katherine McLuskie - handout | 58 |



PRIMEPROPERTY GROUP

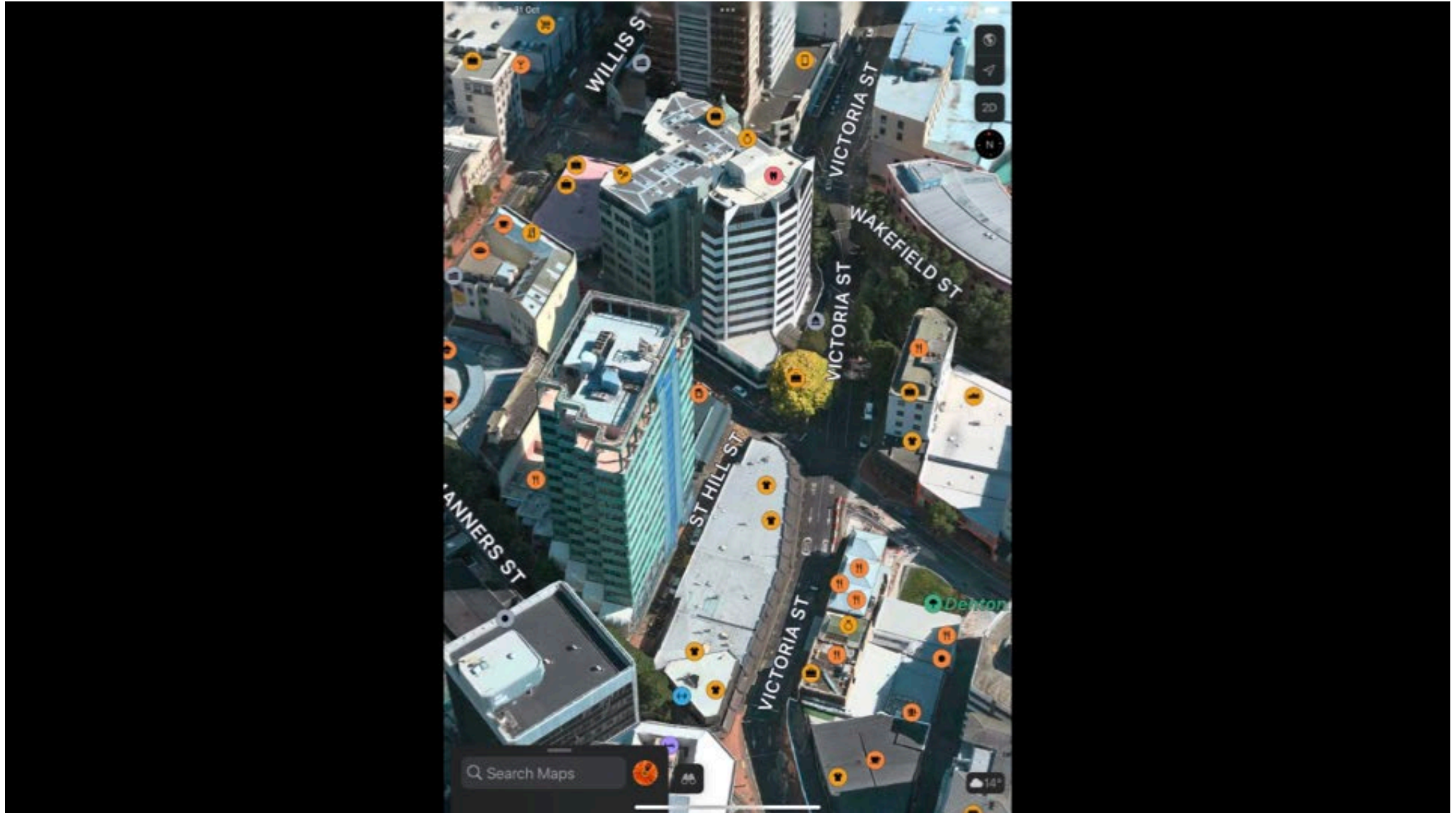






Item 2.1 Attachment 1





Item 2.1 Attachment 1



**Should we impose higher rates
on vacant residential land**

Item 2.1 Attachment 1

NO

LESS HOUSES

Item 2.1 Attachment 1





Item 2.1 Attachment 1





Differential Rating Options

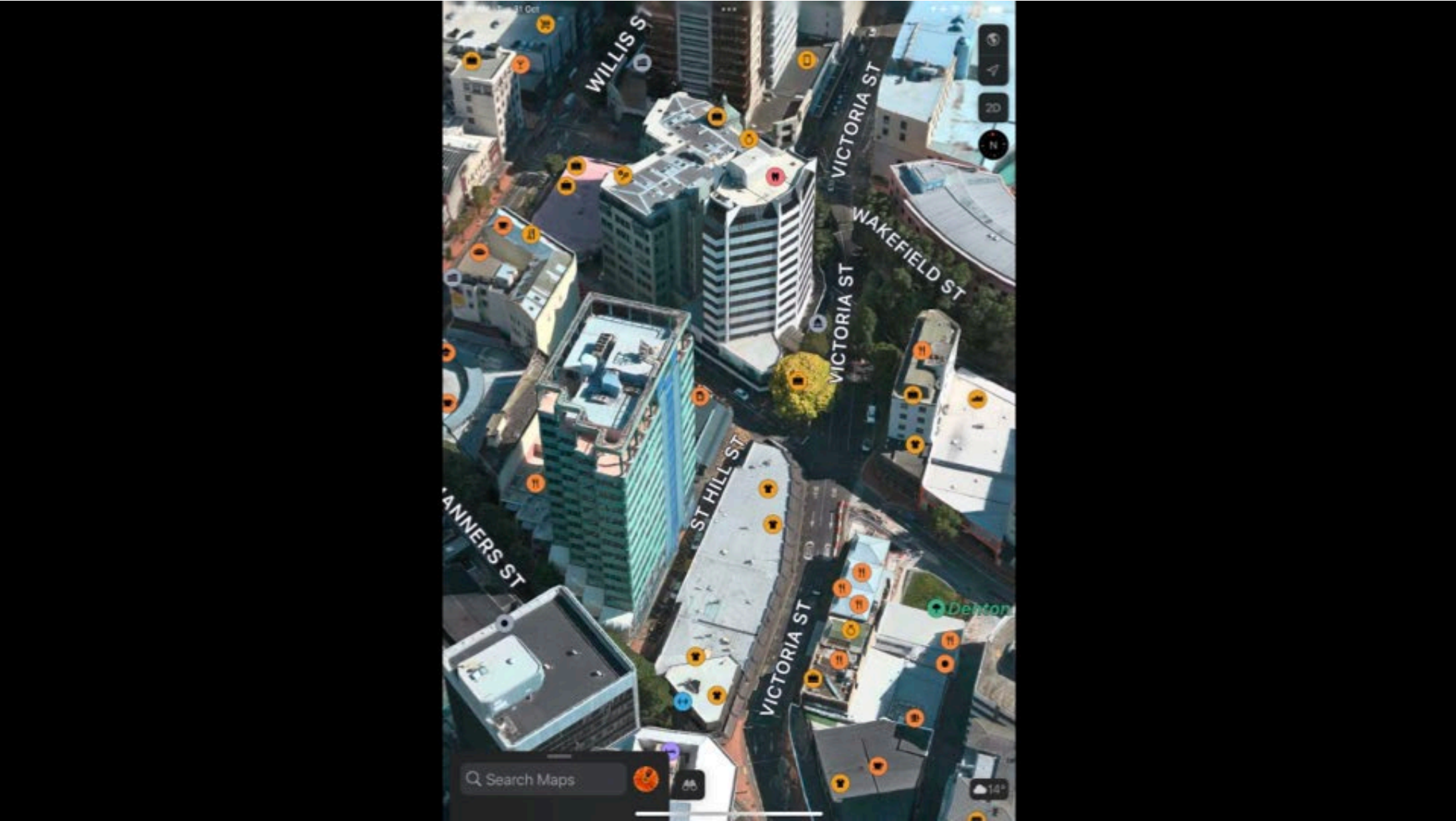


Item 2.1 Attachment 1









Item 2.1 Attachment 1



INSURANCE COSTS



Item 2.1 Attachment 1









Item 2.1 Attachment 1





Item 2.1 Attachment 1





Item 2.1 Attachment 1



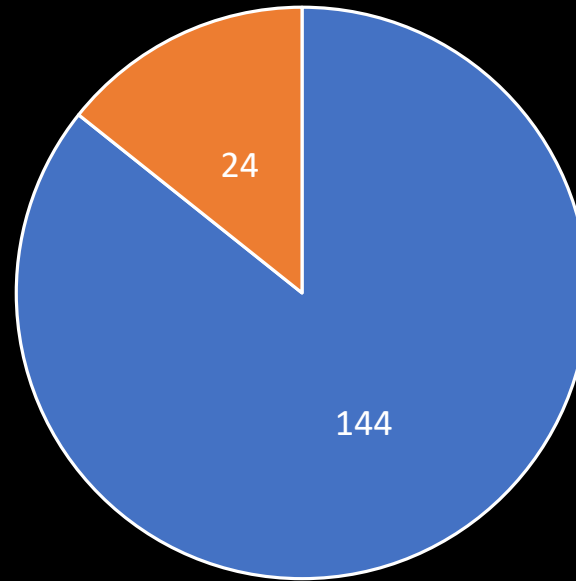


Item 2.1 Attachment 1





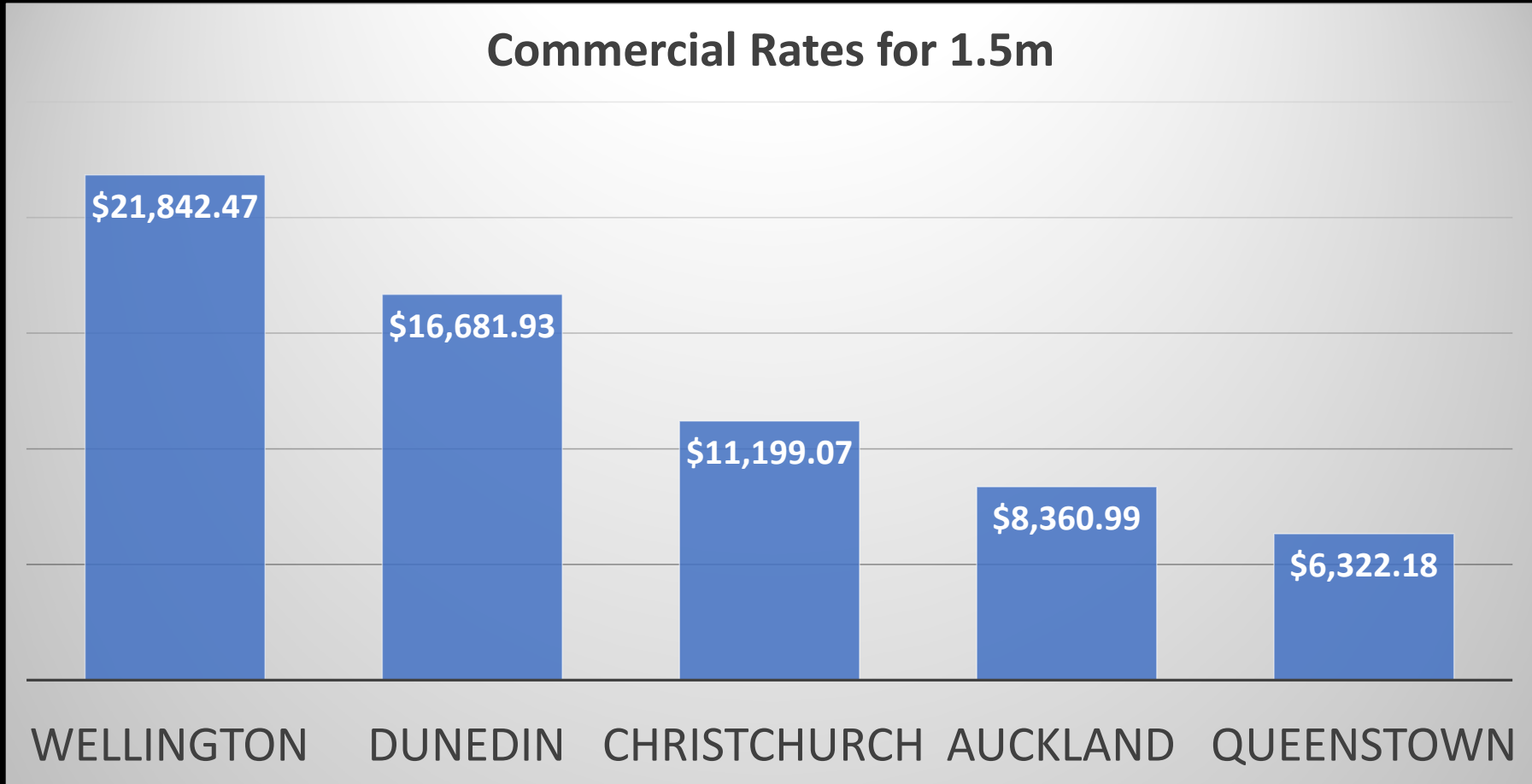
24 working hours per week at the office - 144 hours per week are at home



■ Hours Spent at home

■ Hours Spent in office

Commercial Rates for 1.5m







Item 2.1 Attachment 1





Wellington Central Library is closing

The Wellington Central Library building will be closed from 8.30pm Tuesday 19 March 2019





Item 2.1 Attachment 1





Item 2.1 Attachment 1



Abolish the Differential

Wednesday, November 1, 2023 at 17:25:57 New Zealand Daylight Time

Subject: Re: Council presentation
Date: Wednesday, 1 November 2023 at 5:25:25 PM New Zealand Daylight Time
From: Eyal Aharoni
To: Eyal Aharoni, dani
Attachments: image001.png

Dear Mayor and Councilors

Thank you for your time.

My name is Eyal Aharoni, I know I don't sound local, but I have been in Wellington now for 35 years.

I am a Director for Prime Property Group, Prime is a Wellington based property organisation, **we employ 230 permanent [staff]** and many hundreds of contractors . We are a large hotel provider, parking provider, office provider, we strengthened and upgraded many Wellington office buildings, we are a large residential new housing developer.

Should we impose higher rates on vacant residential land?

The answer is : NO.

The outcome will be exactly the opposite of what you are trying to achieve: [**Less Houses**].

I will give you one example.

Prime have been developing housing in Newlands [Pukehuia], right beside the motorway, by the public transport corridor for the past 20 years, these are modest houses, when we started, after a few years of planning battles, council only approved 30 houses on the entire massive 40-hectare site. 30 houses in such a large site could not have been modest. we have engaged in litigation and planning application with council ever since to enable more houses on the site, we currently have planning permission for about 250, about 200 are now built, we believe 350 is the right number, we are still arguing.

As we speak council have in its consent processing department application for about 40 houses that has been seating there now for about 18 months, council wants us to upgrade some non-related roading away from the site in exchange for consent.

This it is just one of many examples I can provide, mine and many others [Shelly].

After all these years of opposition by council, It is beyond belief that council now thinks it can fix things by way of more TAX.

Developers will always try to provide more houses.

Should council burden land with more TAX, the easy way out would be to develop less houses, that is including non-developers land holders, if council can differentiate between the two, and it can't.

Once low density is developed, it will stay that way for many years.

Do not put vacant residential rate land up, or it will cause unintended consequences.

Differential rating options:

First , I want to congratulate you for considering a reduction in the differential.

For the healthy future of the city, you must drop the differential altogether.

You are all very aware of the difficulties commercial property owners are facing in recent years

Your own council experience shows:
Council office buildings have been vacant now for over 6 years due to seismic challenges [council offices]
Council attempt to repair the Townhall, backfired. [townhall]
Michael Fowler issues [Michael fowler]
This is just a small list of Council challenges with operating its own commercial property in Wellington.

We are no different, these examples demonstrate the struggle Wellington Commercial Property Owners are facing every day.

Almost every commercial property in Wellington now requires seismic upgrade, [matters building], Our [insurance] costs have ballooned exponentially.

However, unlike council,

[council buildings] We can't move to another building when it gets too hard to fix our own

building.

We can't raise more rent when repair costs and insurance costs double or triple.

However, Long term it's not the landlords that are paying the price, it's the city.

I will explain, although we can't have an annual meeting and set our rents to recover our costs, but over longer periods, rents are lifted to cover required costs, otherwise nothing can be done. So, after a while, Wellington businesses [Cranfield] are the ones who are paying the cost and so are the consumers, because the businesses need to recover its costs too, to stay afloat.

High commercial rates will be making Wellington even a harder place to do business and as we have seen in recent years many corporates have moved out of town [David Jones]

There should be no differential, the only reason there is a differential, is because your predecessors [old council] wanted to retain their job by putting commercial rates up in order to keep residential rates down, to be popular with voters, please be honest, that's the only reason.

Let's have a look at all the issues council is dealing with at the moment, the library, [] the town hall, [] Michael Fowler Venue, [] leaking pipes, [] Council offices buildings, [] Reading Cinema, [] sewerage plants, [] you name it, all the costs that are associated with running the city should not be applied to commercial property any different than it is applied to residential property.

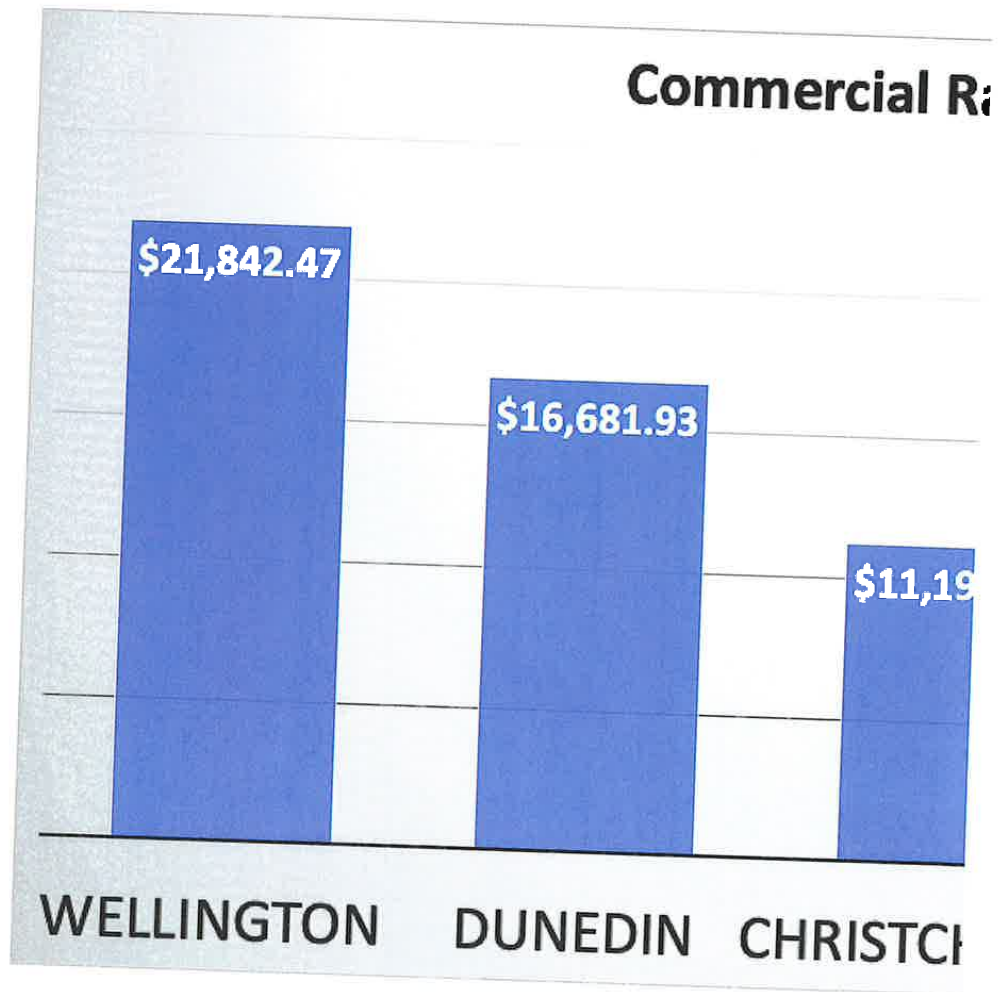
Further, in recent years, more so during Covid, a trend that been emerging that many employees are working from [home], therefore commercial activity is actually taking place at home.

Let's look at a normal week where a person works say two days at home, three days are at the office, [pai chart] that's 24 working hours per week at the office and the balance of 144 hours per week are at the home, so if a differential is required, maybe is it's the wrong way around?

Commercial Rates wise Wellington is the most expensive place to do business in the country by a large margin.

We have extracted these numbers form the Councils websites and compared rates for a

commercial building of \$1.5m value in Wellington and other major cities, see table, Wellington is more than double or triple the cost compare anywhere else (these numbers includes levies and Regional Council as they ought to be, unlike your examples).



To keep the city viable [**you must reduce the differential**].

May I suggest some **cost saving** that will reduce the rates for all, please consider:

Do not proceed with the Golden Mile work, [LGWM] 90% of businesses [More Wilson] are telling you it will harm their business, their interest is the same as yours, to be vibrant and successful, proceeding will undermine their business, listen to them, they know what's good for them and us.

There is a better way, move one bus route, the North Bound, out of the golden mile to Jervis Quay, keep the south bound in the Golden Mile and leave the cars there.

Do not turn the rest of the Golden Mile into a massive bus corridor, like what was done to [Manners Street].

Fix the [old library] to 67% NBS, it will probably cost \$25m (guessing) instead of the \$200m proposed, 67% is fine,

Fix your own [council buildings] to 67%, it can be done, it has to be done,
That's how the rest of us have to manage, fix what you have to a reasonable standard.

Demolish the [town hall], I do not believe that demolition of the townhall will cost \$100m as reported, impossible, build a new one, we live in a high seismic risk city, that's the cost of living here, old buildings sometimes needs to go.
Even if you fix the Townhall at the cost of \$350m, in 10 years' time new engineers and new rules will more than likely define it again as Earthquake prone, as has happened to many other buildings and possibly already happened to the townhall, is that the first time it has been strengthened, I doubt it?

Retain the [Michael Fowler carpark], council contracted to sell it for a song, reportedly \$1.5m, years ago, and not yet got paid for it, cancel that contract, you will need this land to repair or redevelop the Michael Fowler, Townhall, it's not too late, the buyer will agree because it has a long ongoing exclusive relationship with the council.

[me on a bike] One last thing, I want to thank you

for the cycle lanes, I mostly commute on a bike and I thoroughly enjoy the cycle lanes, mainly because there is hardly anyone else there, I know I pay a lot of rates, but no one ever told me that you use my money to provide me private cycle lanes, thank you.

Live within our means, keep rates down and

[Abolish the differential]

Long Term Rates Plan Submission for WCC

Katherine McLuskie

The current rates increases are unsustainable. Taxes don't go up in the same way and yet that would be a far fairer system. One size does not fit all in our city and I have always believed that the purpose of a community is to look after it's more vulnerable members and yet you don't do this.

The current valuation system for house/property values, does not consider the incomes that the people who live in the houses make. This creates an unequal rates system, which targets people of low or middle income and especially people and families living on single incomes or benefits.

In particular women, who live longer than men and usually outlive partners, often end up single at a time in their lives when they most need the support of their communities. The rates rebate scheme needs a complete overhauling as it only sets a capped amount which is minuscule and if you earn just over the threshold you cannot apply for it, even if your rates bill is crippling you financially.

A fairer system would be for the rebate to be a proportion of your rates ie: at least a third or half of whatever your rates bill is, if you are entitled to the rebate. Secondly increasing the rates rebate amount earned, this then needs to be increased with the cost of living each year.

This would stop the forcing of pensioners, single people, beneficiaries, low-income earners and others out of their communities where they have been living. Simply because their house prices have increased in value and the rates have been driven up. This destroys the fabric and make-up of communities.

The Council in theory wants to build sustainable and robust communities and yet your current policies continue to do the exact opposite by tearing families, friends and neighbours apart.

In order to have robust communities you must have a mixture of people from different socio-economic backgrounds, cultures and ages. Therefore, rates cannot be the same for everyone in a suburb.

If rates are too high in a suburb you end with rich enclaves, creating an imbalance and often a lack of understanding of the wider needs of others in society, as they are not so visible to them.

Fixing rates on Land/house value as opposed to income does not support robust, multi-cultural and diverse communities.

The current policies around rates for many of us feels like living euthanasia. Are the older members of are community just a nuisance because they no longer contribute in the way you would like them too? Have you any idea the stress you are causing on a daily basis with the constant threat of rates increases. And that is what it feels like, a threat.

I am asking you to lift your heads away from your figures and fact sheets and look at the people in front of you who are suffering because of these increases. See the faces before you, of real people, as individuals and as communities. We are already stressed, exhausted and struggling to make ends meet through our crippling rates. When we can no longer afford to pay, what will you do? Take away our homes? The one place where we can find refuge from the World outside.

Action Points:

- Increase the rates rebate so it is a percentage, not an amount that is capped.
- Increase the amount you amount you earn to access the rebate, so more people are entitled to a rebate.
- Fix this against the cost-of-living index and inflation so the amount is increased as the cost-of-living increases.
- Do not fix rates on house/land values as this causes extreme financial difficulty for many, just because live in a particular area regardless of what they earn.
- Keep our community's socio economically diverse (not wealthy enclaves), as this enhances our understanding of each other, and without this, we cannot move forward as a society.