

Property Council New Zealand

Submission on

Proposed changes to Greater Wellington Regional Council's Revenue and Financing Policy

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For more information and further queries, please contact

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Proposed changes to Greater Wellington Regional Council's Revenue and Financing Policy

1. Summary

1.1 Property Council Wellington Branch ("Property Council") welcomes the opportunity to provide feedback on the proposed changes to Greater Wellington Regional Council's Revenue and Financing Policy ("the policy"). We do not support the removal of the Public Transport rating differential from the policy and the proposed introduction of the Wellington Regional Stadium differential targeted rate.

2. Recommendations

2.1 At a high level, we recommend that Greater Wellington Regional Council:

- Does not remove the public transport differential from the Revenue and Financing Policy;
- Provides the property sector with more information as to when and how the Wellington Regional Stadium (Sky Arena) targeted rate will operate followed by a more detailed consultation; and
- Work with Wellington City Council to provide information to the property sector explaining what the overall rates increases will mean for different sectors within Wellington.

3. Introduction

3.1. Property Council is the leading not-for-profit advocate for New Zealand's most significant industry, property. Our organisational purpose is, "Together, shaping cities where communities thrive".

3.2. The property sector shapes New Zealand's social, economic and environmental fabric. Property Council advocates for the creation and retention of a well-designed, functional and sustainable built environment, in order to contribute to the overall prosperity and well-being of New Zealand.

3.3. Property Council is the collective voice of the property industry. Property is the fourth largest industry in Wellington. There are around \$40.4 billion in property assets across Wellington, with property providing a direct contribution to GDP of \$4 billion (10 percent) and employment for 20,640 Wellington residents.

3.4. We connect property professionals and represent the interests of 134 Wellington based member companies across the private, public and charitable sectors.

3.5. This document provides Property Council's feedback on the proposed changes to [Greater Wellington's Revenue and Financing Policy](#). Comments and recommendations are provided on issues relevant to Property Council's members.

4. Regional Economic Development

4.1. We are glad to see that there will be "little to no change for commercial/business across the region" if the Regional Economic Development funding method is changed. The consultation document has demonstrated this with a bar graph diagram however it would be appreciated if

the Greater Wellington Regional Council could confirm this by providing the property sector with evidence of this reflected in dollar and percentage figures.

5. Public Transport Rating Differential

- 5.1. Property Council opposes the removal of the public transport differential from the policy to the Funding Impact Statements in the 2022/23 Annual Plan. The Council's proposed ability to change the differential on an annual basis, which is normally assessed every three years with the Long-Term Plan, does not provide the property sector with medium term certainty and will see a lack of business thriving in the Greater Wellington region.

6. Wellington Regional Stadium (Sky Stadium)

- 6.1. Greater Wellington Regional Council is looking to reintroduce a new funding method for the Wellington Regional Stadium via a targeted rate. Property Council has long supported targeted rates as a mechanism to collect rates from those who benefit and ringfence the spending on a particular project. Targeted rates provide ratepayers with certainty as to what project/s they are spent on.
- 6.2. Currently the proposal lacks detail as to what the funding tool will provide apart from "resiliency and safety." For our members to be able to advise further, we would need to have more detail than is currently set out. We recommend Greater Wellington Regional Council investigate this further, with a more detailed consultation on what the targeted rates would be used for and explain if there are other reasons as to why the funding is needed, prior to making any decisions.

7. Cumulative rates and fee increases in Wellington

- 7.1. In the current climate, the commercial sector is not only facing the impact of COVID-19 but an increased multitude of costs. The impact of accumulative costs may result in businesses declining within the Greater Wellington Region. The below list is an example of some proposed cost increases and fees in Wellington:

- Wellington City Council's proposed Annual Plan rates increase of 8.9%;
- Wellington City Council's proposed Annual Plan rates differential increase from 3.2 to 3.7;
- Wellington City Council's proposed Sludge minimisation facility rates levy;
- Wellington City Council's increase in development contribution levies;
- Wellington City Council's increase in encroachment fees;
- Wellington City Council investigating a commuter parking levy of up to \$2,500 per annum;
- Greater Wellington Regional Council's proposal to increase rates differentials on a yearly basis;
- Greater Wellington Regional Council's Sky stadium differential targeted rate;
- Greater Wellington Regional Council's proposal to remove the uniform annual general charge which shifts more of the rating burden onto the commercial sector; and
- Unknown funding mechanisms associated with Let's Get Wellington Moving.

- 7.2. All these various proposals are creating an uncertain and challenging post COVID-19 environment for the commercial sector in Wellington.
- 7.3. We urge that Greater Wellington Regional Council work with Wellington City Council to provide information explaining what the overall rates increases will mean for different sectors within Wellington. We also wish Greater Wellington Regional Council takes the above examples into account before considering adopting the Sky Stadium differential targeted rate and removing the public transport differential from the policy.

8. Uniform Annual General Charge – UAGC Rates

- 8.1. Property Council opposes the removal of the uniform annual general charge as this will reportion rates towards the commercial industries (which includes the commercial property sector, business and industrial sector). Given that the UAGC funds general council services that predominantly benefit residential ratepayers, it is disproportionate to remove the uniform annual general charge.

9. Conclusion

- 9.1. We do not support the removal of the Public Transport rating differential from the policy, the proposed introduction of the Wellington Regional Stadium rating differential nor the proposal to remove the uniform annual general charge.
- 9.2. Property Council members invest, own, and develop property in Wellington. We wish to thank Greater Wellington Regional Council for the opportunity to submit on the proposed changes to Greater Wellington's Revenue and Financing Policy as this gives our members a chance to have their say in the future of our city.
- 9.3. Any further enquires do not hesitate to contact Sandamali Gunawardena, Advocacy Advisor, via email: sandamali@propertynz.co.nz or cell: 0210459871.

Yours Sincerely,



Gerard Earl
Wellington Committee Chair
Property Council New Zealand