



If calling, please ask for Democratic Services

Council

Thursday 17 March 2022, 9.30am

Remotely, via Microsoft Teams

Members

Cr Ponter (Chair)

Cr Staples (Deputy Chair)

Cr Blakeley

Cr Brash

Cr Connelly

Cr Gaylor

Cr Hughes

Cr Kirk-Burnnand

Cr Laban

Cr Lamason

Cr Lee

Cr Nash

Cr van Lier

Recommendations in reports are not to be construed as Council policy until adopted by Council

Council

Thursday 17 March 2022, 9.30am

Remotely, via Microsoft Teams

Public Business

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3.	Public Participation		
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Strategy/Policy/Major Issues

8.	2022 amendment of the Revenue and Financing Policy	22.17	18
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Please note these minutes remain unconfirmed until the Council meeting on 17 March 2022.

Report 22.75

Public minutes of the Council meeting on 24 February 2022

All members participating remotely at 9.30 am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly
Councillor Gaylor
Councillor Hughes
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier (until 10am, from 10.01am)

All members participated at this meeting remotely, and counted for the purpose of quorum, as per clause 25B of Schedule 7 to the Local Government Act 2002.

Karakia timatanga

The Council Chair opened the meeting with a karakia timatanga.

Public Business

1 Apologies

Moved: Cr Nash / Cr Gaylor

That the Council accepts the apology for absence from Councillor Kirk-Burnnand.

The motion was **carried**.

The Chair advised the meeting that agenda item 7 - Public Transport annual fares review – Report 22.23 - has been withdrawn from the agenda and that officers will present a revised report to Council at its meeting on 17 March 2022.

2 Declarations of conflicts of interest

Councillor van Lier declared a conflict of interest with regard to item agenda item 9 - Plan Changes 2022: Regional Policy Statement Change 1 Issues Statements and Objectives; Programme Update – Report 22.49.

3 Public participation

There was no public participation.

4 Confirmation of the Public minutes of the Council meeting of 16 December 2021 - Report 21.596

Moved: Cr Brash / Cr van Lier

That the Council confirms the Public minutes of the Council meeting of 16 December 2021 - Report 21.596.

The motion was **carried**.

5 Confirmation of the Public minutes of the Emergency Council meeting of 21 December 2021 - Report 21.601

Moved: Cr Connelly / Cr Nash

That the Council confirms the Public minutes of the Emergency Council meeting of 16 December 2021 - Report 21.601.

The motion was **carried**.

Strategy, policy, or major issues

6 Let's Get Wellington Moving – Thorndon Quay Hutt Road single stage business case – Report 21.606

Dave Humm, Partner Leader, Let's Get Wellington Moving, introduced the report. Luke Troy, General Manager, Strategy, Gunther Wild, Programme Director, Let's Get Wellington Moving and Hannah Hyde, Project Manager, Let's Get Wellington Moving, spoke to the report.

Moved: Cr Nash / Cr Brash

That the Council:

- 1 Approves the Let's Get Wellington Moving – Thorndon Quay Hutt Road Single Stage Business Case provided in Attachment 1 to this report.
- 2 Notes that Greater Wellington is not required to contribute funding to undertake the work in the next phase (pre-implementation) under the current Let's Get Wellington Moving Relationship and Funding Agreement.

- 3 Notes upgrades to bus stop infrastructure is currently excluded from project scope and cost estimates; any upgrade opportunities identified during the detailed design phase will be funded through either existing Metlink bus infrastructure budgets or provided for in the annual plan.
- 4 Notes that the business case has been developed with involvement from Greater Wellington officers and has been subject to the Waka Kotahi NZ Transport Agency investment quality assurance process and an independent technical peer review process.

The motion was **carried**.

Noted: Council requested that further clarification of the project maps is outlined at the joint Let's Get Wellington Moving workshop on 3 March 2022.

7 Wellington Railway Station – Report 22.64 [For Information]

Fiona Abbott, Manager, Assets and Infrastructure, spoke to the report.

Councillor van Lier departed the meeting at 10.00am, at the conclusion of the above agenda item.

8 Plan Changes 2022: Regional Policy Statement Change 1 Issues Statements and Objectives; Programme Update – Report 22.49

Al Cross, General Manager, Environment Management, spoke to the report.

Moved: Cr Staples / Cr Gaylor

That the Council:

- 1 Endorses the draft issue statements and objectives for RPS Change 1 outlined in this report for the following topics: overarching / integrated management, climate change, indigenous ecosystems, urban development, and Te Mana o Te Wai, noting that they are likely to continue to evolve during the policy development phase.
- 2 Agrees that officers work jointly with Mana Whenua on amending the Tangata Whenua chapter.
- 3 Notes that the RPS Change 1 and NRP Changes 1, 2, and 3 are progressing towards August 2022 notification.

The motion was **carried**.

Councillor van Lier returned to the meeting at 10.01am, at the conclusion of the above agenda item.

9 Low Carbon Acceleration Fund Review – Report 22.66

Lisa Early, Team Leader, Climate Change, spoke to the report.

Moved: Cr Nash / Cr Blakeley

That the Council:

- 1 Agrees to:
 - a expand the total amount of funding under the LCAF to reflect the increasing value of Council's free allocation New Zealand Units.
 - b limit the funding to no more than 70 percent of the present value of the Council's 255,660 free allocation New Zealand Units that underpin the LCAF across all LCAF projects, past and present, determined by the current New Zealand Unit spot price at the time of funding decisions.
 - c pause further consideration of allocations of funds from the LCAF if the spot price of New Zealand Units drops, causing the current allocation of LCAF funding to exceed the 70% threshold.
- 2 Agrees that a provision for borrowing to support the expansion of the LCAF be included in the 2022-23 draft annual plan.
- 3 Agrees to expand the eligibility criteria of the LCAF to permit bids from Wellington Regional Stadium Trust (Option 1), noting that bids from within the Council will have priority.
- 4 Notes that none of the other criteria or decision-making processes for the LCAF are changed from what was previously agreed by Council, apart from the change described in recommendation 3.

The motion was **carried**.

Governance

10 2022 triennial elections – Report 22.31

Francis Ryan, Manager, Democratic Services, spoke to the report.

Moved: Cr Ponter / Cr Connelly

That the Council:

- 1 Notes the timetable for the 2022 triennial local authority elections (Attachment 1).
- 2 Agrees that the names of the Wellington Regional Council candidates at the 2022 triennial local authority elections and any subsequent by-elections are to be arranged on the voting paper in random order.

The motion was **carried**.

11 Civil Defence Emergency Management Group meeting, 3 December 2021– 22.1 [For Information]

Corporate

12 Greater Wellington's Quarter Two summary report – Report 22.60

Nigel Corry, Chief Executive, spoke to the report.

Moved: Cr Ponter / Cr Staples

That the Council accepts Greater Wellington’s performance report for the six months to 31 December 2021 (Greater Wellington’s Quarter Two Summary Report as at 31 December 2021) (Attachment 1)).

The motion was **carried**.

Noted: Councillors requested that they be provided with information regarding Matauranga Māori.

13 Resolution to exclude the public – Report 22.69

Moved: Cr Hughes / Cr Connelly

That the Council excludes the public from the following parts of the proceedings of this meeting, namely:

Public Excluded minutes of the Council Meeting on 16 December 2021 – Report PE21.599

National Ticketing Solution Interim Option – Report PE22.10

Appointment to the Upper Ruamahanga River Management Advisory Committee – Waipoua Urban – Report PE22.28

Interim Chief Executive Performance Review for 2021/22 – Report RPE22.26

The general subject of each matter to be considered while the public is excluded, the reasons for passing this resolution in relation to each matter, and the specific ground/s under section 48)1 of the Local Government Official Information and Meetings Act 1987 (the Act) for the passing of this resolution are as follows:

Public Excluded minutes of the Council Meeting on 16 December 2021 – Report PE21.599	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground under section 48(1) for the passing of this resolution</i>
Certain information contained in these minutes relates to the award of a contract for the delivery of the Kaitoke Flume Bridge seismic upgrade project and information relevant to the pricing of the contract. Release of this information would be likely unreasonably to prejudice the commercial position of Wellington Water Limited. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting	The public conduct of this part of the meeting is excluded as per section 7(2)(b)(ii) as the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or is the subject of the information.

<p>that would override the need to withhold the information.</p>	
<p>National Ticketing Solution Interim Option – Report PE22.10</p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground under section 48(1) for the passing of this resolution</i></p>
<p>Certain information contained in this report relates to interim ticketing procurement and contracting in the Wellington Region. Release of this information would be likely to prejudice or disadvantage the ability of Greater Wellington to carry on negotiations with its ticketing provider for the Metlink public transport network. Greater Wellington has not been able to identify a public interest favouring disclosure of this information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(i) of the Act (to enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations).</p>
<p>Appointment to the Upper Ruamahanga River Management Advisory Committee – Waipoua Urban – Report PE22.28</p>	
<p><i>Reason for passing this resolution in relation to each matter</i></p>	<p><i>Ground(s) under section 48(1) for the passing of this resolution</i></p>
<p>Information contained in this report includes personal and identifying information about a proposed candidate for appointment. Release of this information prior to Council’s decision is likely to prejudice the privacy of natural persons as releasing this information would disclose their consideration for appointment as a member of the Upper Ruamahanga River Management Advisory Committee. Greater Wellington has not been able to identify a public interest favouring disclosure of this particular information in public proceedings of the meeting that would override the need to withhold the information.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act (to protect the privacy of natural persons).</p>

Interim Chief Executive Performance Review for 2021/22 – Report RPE22.26	
<i>Reason for passing this resolution in relation to each matter</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<p>The information contained in this report relates to the Chief Executive’s performance for 2021/22. Release of this information would prejudice Nigel Corry’s privacy by disclosing details of his performance agreement with the Council.</p> <p>Greater Wellington Regional Council has not been able to identify a public interest favouring the disclosure of this particular information in public proceedings of the meeting would override his privacy.</p>	<p>The public conduct of this part of the meeting is excluded as per section 7(2)(a) of the Act (to protect the privacy of natural persons).</p>

This resolution is made in reliance on section 48(1)(a) of the Act and the particular interest or interests protected by section 6 or section 7 of that Act or section 6 or section 7 or section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

The motion was **carried**.

The public part of the meeting closed at 10.30am.

Councillor D Ponter

Chair

Date:



Please note these minutes remain unconfirmed until the Council meeting on 17 March 2022.

The matters referred to in these minutes were considered by Council in Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report PE22.76

Public Excluded minutes of the Council meeting on 24 February 2022

All members participating remotely at 10.30 am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly
Councillor Gaylor
Councillor Hughes
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier

All members participated at this meeting remotely, and counted for the purpose of quorum, as per clause 25B of Schedule 7 to the Local Government Act 2002.

Public Excluded Business

1 Confirmation of the Public Excluded minutes of the Council meeting of 16 December 2021 – Report PE21.599

Moved: Cr Connelly / Cr van Lier

That the Council confirms the Public Excluded minutes of the Council meeting of 16 December 2021 - Report PE21.599.

The motion was **carried**.

2 National Ticketing Solution - Interim Solution – Report PE22.10 [For Information]

Scott Gallacher, General Manager, Metlink and Nicki Lau-Young, Manager, National Ticketing Solution, spoke to the report.

3 Appointment to the Upper Ruamahanga River Management Advisory Committee– Report PE22.28

Moved: Cr Lamason / Cr Staples

That the Council appoints Cliff Bouton to the Upper Ruamahanga River Management Advisory Committee as the Waipoua Urban River Management Group representative.

The motion was **carried**.

The Public Excluded part of the meeting closed at 10.55am.

Councillor D Ponter

Chair

Date:



Please note these minutes remain unconfirmed until the Council meeting on 17 March 2022.

The matters referred to in these minutes were considered by Council in Public Excluded business. These minutes do not require confidentiality and may be considered in the public part of the meeting.

Report RPE22.77

Restricted Public Excluded minutes of the Council meeting on 24 February 2022

All members participating remotely at 10.55am.

Members Present

Councillor Ponter (Chair)
Councillor Staples (Deputy Chair)
Councillor Blakeley
Councillor Brash
Councillor Connelly
Councillor Gaylor
Councillor Hughes
Councillor Laban
Councillor Lamason
Councillor Lee
Councillor Nash
Councillor van Lier

All members participated at this meeting remotely, and counted for the purpose of quorum, as per clause 25B of Schedule 7 to the Local Government Act 2002.

Restricted Public Excluded Business

- 1 **Interim review of the Chief Executive's performance for 2021/22 - Report RPE22.26** [For Information]

Cr Hughes, Chair, Chief Executive Employment Review Committee, spoke to the report.

The Restricted Public Excluded public part of the meeting closed at 11.07am.

Councillor D Ponter

Chair

Date:

Council
17 March 2022
Report 22.84



For Information

UPDATE ON PROGRESS OF ACTION ITEMS FROM PREVIOUS COUNCIL MEETINGS – MARCH 2022

Te take mō te pūrongo

Purpose

1. To update the Council on the progress of action items arising from previous Council meetings.

Te horopaki

Context

2. Items raised at Council meetings, that require actions from officers, are listed in the table of action items from previous Council meetings ([Attachment 1](#) – Action items from previous Council meetings – March 2022). All action items include an outline of the current status and a brief comment.

Ngā hua ahumoni

Financial implications

3. There are no financial implications from this report, but there may be implications arising from the actions listed.

Ngā tūāoma e whai ake nei

Next steps

4. Completed items will be removed from the action items table for the next report. Items not completed will continue to be progressed and reported. Any new items will be added to the table following this Council meeting and circulated to the relevant business group/s for action.

Ngā āpitihanga
Attachment

Number	Title
1	Action items from previous Council meetings – March 2022

Ngā kaiwaitohu
Signatories

Writer	Luke Troy, General Manager, Strategy
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<p style="text-align: center;">He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>The action items are of an administrative nature and support the functioning of Council.</p>
<p><i>Implications for Māori</i></p> <p>There are no direct implications for Māori arising from this report.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>Action items contribute to Council's and Greater Wellington's related strategies, policies and plans to the extent identified in Attachment 1.</p>
<p><i>Internal consultation</i></p> <p>There was no internal consultation.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no known risks.</p>

Attachment 1 to Report 22.84

Action items from previous Council meetings

Meeting date	Action	Status and comment
24 February 2022	<p>Let's Get Wellington Moving – Thorndon Quay Hutt Road single stage business case</p> <p>Noted: Council requested that further clarification of the project maps is outlined at the joint Let's Get Wellington Moving workshop on 3 March 2022.</p>	<p>Status Completed.</p> <p>Comment This was provided to Councillors at the joint Councillor briefing on 3 March 2022.</p>
24 February 2022	<p>Greater Wellington's Quarter Two summary report – Report 22.60</p> <p>Noted: Councillors requested that they be provided with information regarding Mataranga Māori</p>	<p>Status In progress</p> <p>Comment To be provided to Councillors and discussed at a council workshop. Date to be confirmed.</p>

Council
17 March 2022
Report 22.17



For Decision

2022 AMENDMENT OF THE REVENUE AND FINANCING POLICY

Te take mō te pūrongo

Purpose

1. To approve the proposed '2022 Ko Te Kaupapa Here Moni Whiwhi Me Ahumoni - 2022 Revenue and Financing Policy' for public consultation
2. To confirm:
 - a the Revenue and Financing Policy review process
 - b the section 101(3)(a) and (b) Local Government Act 2002 analysis

He tūtohu

Recommendations

That Council:

- 1 **Confirms** that the Revenue and Financing Policy is to be amended in some respects, but a full review of the policy has not been undertaken.
- 2 **Notes** that the proposed amendments to the policy are not an amendment to the 2021-31 Long Term Plan.
- 3 **Confirms** the Council's analysis of the section 101(3)(a) and (b) Local Government Act 2002 considerations as set out in Attachment 1.
- 4 **Approves** the proposed Revenue and Financing Policy as set out in Attachment 3 for the purposes of consultation.
- 5 **Agrees** the consultation and engagement approach outlined in paragraphs 60-65 of this report meets the requirements of sections 78, 82 and 82A of the Local Government Act 2002.
- 6 **Approves** the consultation document and supporting information for the proposed amendments to the Revenue & Financing Policy, as set out in Attachments 4 and 5.
- 7 **Authorises** the Council Chair to make editorial changes to the proposed Revenue and Financing Policy and accompanying documents to correct errors and improve public understanding.

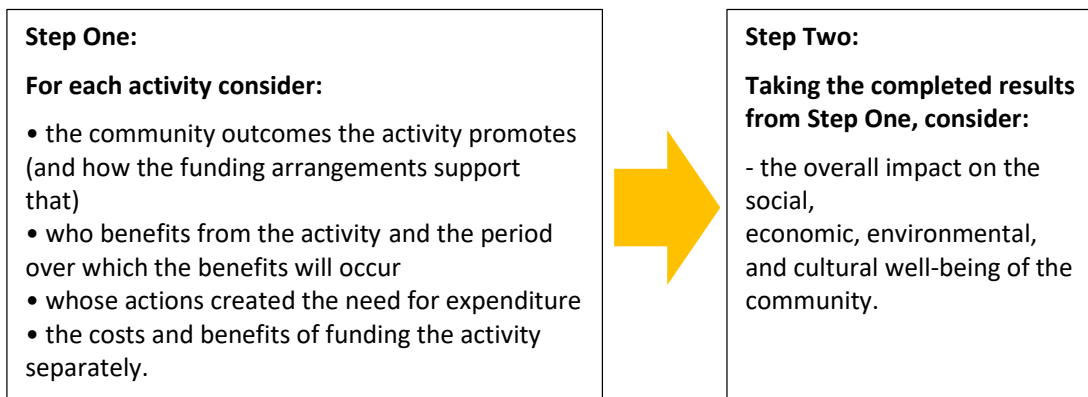
Te tāhū kōrero

Background

1. During the 2021-31 Long Term Plan process, Councillors requested that the Revenue and Financing Policy be reviewed in the financial year 2021/22 to determine if amendments to the policy were required.
2. The policy is required to be reviewed a minimum of once every five years but is often reviewed at the same time the LTP is developed.
3. The Local Government (Rating) Act 2002 (LGRA) provides councils with powers to set, assess and collect “rates” to fund local government activities. These rates are locally-set property-based taxes. There are three main purposes of the LGRA:
 - To provide local authorities with flexible powers to set, assess, and collect rates.
 - To ensure rates reflect decisions made in a transparent and consultative manner.
 - To provide for processes and information to ensure ratepayers can identify and understand their liability for rates.
4. One of the prime objectives of the LGRA is to establish clarity, certainty, and stability in rating matters. Mechanisms are set out in the LGRA to allow local authorities to raise revenue from the community generally, specified groups or categories of ratepayers, and those who use or generate the need for particular services or amenities. A range of funding tools can be utilised, such as general and targeted rates, fixed rates, uniform annual general charges, fees and charges, grants and subsidies.
5. Decisions on which rating tools are selected, and how they are applied, are a matter for each individual council to decide. This must be done in accordance with the requirements of the Local Government Act 2002 (LGA).
6. Council must comply with section 101 (3) of the LGA in determining appropriate funding sources.
7. Section 101(3) analysis is commonly called a funding needs analysis, and this forms the basis of a good rating review. This is what the Council has done to arrive at the proposed amendments to the Policy. The proposed amendments relate to the funding methods applicable to six activities, including a proposed funding mechanism for rating the Stadium if funding is required in future.
8. This review was managed as a ‘two-step’ process, giving consideration to section 101(3)(a) and (b) of the LGA. Councillors have considered each activity in detail and have analysed the five matters in subsection (3)(a), including who benefits and when, and/or the groups or individuals that create the need for the activity(s). After that, Councillors considered the impacts of the funding tools on the wellbeing of the community, as required by subsection (3) (b).
9. The Council has an obligation to review the Policy to ensure it supports the principles in the preamble of the Te Ture Whenua Māori Act 1193 by 1 July 2024, and this will be considered separately in association with the development of the next Long Term Plan.

Te tātaritanga Analysis

10. The activities that are the subject of the Policy amendments, are summarised in [Attachment 1](#).
11. The two step review process, in accordance with the Act, is summarised as follows.
12. Councillors worked through each of the sources of funding (listed in section 103(2)) following the two-step process.



13. The analysis of the reasonably practicable options for funding each of the activities considered, and the preferred funding tool following consideration under section 101(3)(a), is outlined below.

Regional Economic Development

14. The 'Regional Economic Development' rate is a new name for what was previously known as the 'Wellington Regional Strategy' (WRS) rate.
15. The reasonably practicable funding options identified are:
 - A. Status quo - Capital value for all business, and fixed differential for residential \$14, and rural \$28
 - B. Status quo, but changed balance of fixed differential between residential and rural Capital value for all business and a fixed rate for residential and rural \$15.
 - C. Capital value for all categories of ratepayer
16. The advantages and disadvantages of the options:

Option	Advantage	Disadvantage
A	The current funding method allows for a 60/40 split between commercial/business (60 percent) and residential/rural (40 percent) rate payers. This aligns with the distribution of benefits of the activity.	The rural rate payers (non-commercial/business) are paying double the residential rate.
B	The proposed change will see the benefit of the activity better align with who benefits from it. Residential and	No unique disadvantages to the proposed change were identified

	rural rate payers receive approximately the same level of benefit and therefore paying the same fixed rate is more appropriate. It demonstrates equality for residential and rural rate payers as the benefit to both are equal for this activity.	
C	The funding method is simple and could be considered 'fairly applied' across the region	This funding tool would strongly disadvantage non-commercial / business communities and there would be a massive increase in the total funds collected coming from residential and rural rate payers.

17. Option B is the preferred option.

Regional predator control programme

18. Council has changed its approach to the predator control programme, such that it is now considered to deliver benefits to the whole region rather than occupiers of individual properties on which activity may take place, or larger rural properties.

19. The reasonably practicable funding options identified are:

- A. Status quo – 60 percent general rate and 40 percent targeted rate on all rural properties that are four hectares or more, assessed on a land area basis.
- B. 100 percent general rate
- C. Status quo, but applying the 40 percent targeted portion at a rate of \$1 per hectare on rural properties

20. The advantages and disadvantages of the options:

Option	Advantage	Disadvantage
A	This method was more appropriate when the dominant benefit of the activity was to eradicate TB, therefore farmers benefited most.	The rate was based off historic values and benefits. The targeted rate payers aren't necessarily receiving the work nor are the only ones receiving the benefits of the work.
B	This funding method is more consistent with other predator control programmes, such as Predator Free Wellington. The approach to predator control is now focused on biodiversity outcomes, whereas previously predator control was focused on eradicated TB from pests such as possums. This approach is consistent with section 100T Biosecurity Act 1993.	Moving to general rates means areas with higher populations and higher property values, such as Wellington City, pay more of a share towards the activity. However, given population size and the cost of this activity, average costs to a residential rate payer in Wellington city would be less than \$4 per year.

C	No unique advantages identified.	This method showed little difference in distribution of funds collection but did increase the complexity of collecting funds and risks of error which would also increase administration costs.
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21. Option B is the preferred option.

Land management

22. Rating for Land management schemes have varying methods of classifying the targeted rates for ratepayers, which makes the administration of the rates difficult and inaccurate. There 16 different rates to recover \$75,453 using four different methods (area, land value, river frontage, and fix value per rating unit).

23. The rating method needed to be simplified, not only to make them easier for everyone to understand, but also to make them easier to apply, reducing the administration burdens allowing for more funds to spent on the actual activity.

24. The reasonably practicable funding options identified are:

- A. Status quo - Up to 50 percent general rate and 50 percent targeted rates using four different methods: area, land value, river frontage, and fix value per rating unit.
- B. Up to 50 percent general rates, the balance remaining as targeted rates to Masterton, Carterton and South Wairarapa Districts based on capital value.
- C. Up to 50 percent general rates, with targeted rates to the properties directly impacted (already currently paying for the protection) based on capital value
- D. Up to 50 percent general rates and a fixed rate per property directly impacted (already currently paying for the protection)

25. The advantages and disadvantages of the options:

Option	Advantage	Disadvantage
A	Fewer rate payers are impacted by the rate.	This has 16 different rates using four different methods. Varying methods of classifying the targeted rates for ratepayers makes the administration of the rates difficult and sometimes inaccurate.
B	More than 24 thousand rating units would contribute to this rate, making the cost per rating unit significantly less. The proposed changes continue to deliver the benefits to the right places and people, and will significantly improve the administration process, reducing errors and costs which will allow for more of the funds going to the activity.	More rate payers contribute to the rate, however significantly less amounts than the rate payers in option A.

C	This funding methods reduces the complexity of the current rating method.	The majority of rate payers already paying this targeted rate would see considerable changes in their portion of the rate, with more rate payers paying more than rate payers paying less.
D	This funding methods reduces the complexity of the current rating method.	On average this would be the most expensive option for rate payers, as only 746 rateable properties would be included and paying at least \$101.41 each.

26. Option B is the preferred option.

Flood protection - Te Kāuru Floodplain Management Plan (FMP)

27. The Te Kāuru FMP replaces the abolished eight river schemes in the Upper Ruamāhanga: Waipoua, Waingawa, Ruamāhanga (Mt Bruce, Te Ore Ore, Gladstone), Whangaehu, Kopuaranga and Taueru.

28. The Te Kāuru Upper Ruamāhanga FMP introduced a possible funding change from the riverside landowner targeted rate to a catchment wide targeted rate to be discussed with councillors during the Revenue and Financing Policy review.

29. The reasonably practicable funding options identified are:

- A. Status quo - Up to 50 percent general rates, and Targeted rates: Per Hectare rate based on location and benefit (using Grandfathered provisions of the Rating Powers Act 1988)
- B. Up to 50 percent general rates, with targeted rates to the properties within the proposed Te Kāuru catchment, based on capital value.
- C. Up to 50 percent general rates, with targeted rates to Territorial Authority areas (Masterton and Carterton) based on capital value.

30. The advantages and disadvantages of the options:

Option	Advantage	Disadvantage
A	No unique advantages identified.	The eight Upper Ruamāhanga River schemes (Te Kāuru Upper Ruamāhanga: Waipoua, Waingawa, Ruamāhanga (Mt Bruce, Te Ore Ore, Gladstone), Whangaehu, Kopuaranga and Taueru) are currently rated via a classification model which is complex and difficult to administer accurately.
B	The proposed change will see a wider range of rate payers contributing to an activity they all benefit from. The funding method also better aligns with other flood protection targeted rates,	More rate payers contribute to the rate, however significantly less amounts than the rate payers in option A.

	reducing the complexity of the rate for better understanding. The catchment is based on a Hydraulic catchment consisting of 12,862 rating units.	
C	The catchment is based on the Territorial Authority areas (Masterton and Carterton) consisting of 17,788 rating units.	This would include large value properties which do not form part of the catchment and may pay an unfair proportion of the total rate.

31. Option B is the preferred option.

Waiōhine River Plan

- 32. The Waiōhine River Plan has been publicly consulted on with the community of Greytown which received submissions in support of the stopbank and possible funding tools.
- 33. The value of this activity has a \$29,020 ratable amount which will increase to approx. \$70,000 in year 4 (2025/26) as per the 2021-31 Long Term Plan.
- 34. Based on the Plan and the public feedback, the reasonably practicable option for this activity is: Up to 50 percent general rates, with 50 percent targeted rate for the urban Greytown area and a select number of rural properties who benefit from the Waiohine stopbank implementation
- 35. The proposed targeted rate is for the Greytown urban area for this activity, consisting of approximately 1,579 rating units.

The Stadium

- 36. GW discontinued rating for the Stadium in the 2017/18 financial year as the debt for GW portion of the construction was paid off. The rate being collected at the time was specifically for paying back the debt and was not transferable for collecting any further funds.
- 37. During the 2021-31 Long Term Plan, some issues with the Stadium were presented to Councillors which highlighted the fact that there may be a need to rate for the stadium again in the future.
- 38. Councillors requested a funding mechanism be included in this review to prevent the need for a special amendment/review of the policy in the near future just to allow for funding the Stadium if it is needed.
- 39. The proposed funding method is similar to the approach to the previous funding tool which related to construction of the Stadium, using a targeted differential rate, with higher differentials being applied to those closest to the Stadium, and highest for businesses in the Wellington CBD. This is rationalised in the distribution of benefits.
- 40. The is only one reasonably practicable funding option identified:
 - A. A targeted differential based on capital value:
 - Wellington CBD - 2
 - All other Wellington properties - 1.2

- Porirua City, Hutt City and Upper Hutt City - 1
- Kāpiti Coast District and Wairarapa - 0.5

41. These differentials are included within the Policy to provide certainty when future rating may be required.

42. The advantage and disadvantage of this option:

Option	Advantage	Disadvantage
A	<p>The stadium, hosts events that create commercial and employment opportunities across the region as the visitors attracted to these events come from a far and explore the region while they're here. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to each of the events.</p> <p>The targeted differential reflects the level of benefit distributed across the region.</p>	<p>Rate payers far from the stadium and/or in isolated locations and/or not associated to any business, may feel they are contributing to an activity that they never experience any benefit from.</p>

43. This funding mechanism for the Stadium would not be applied to rate payers immediately and/or because it is in the policy. Any cause for the rate would be expressed through the Annual Plan process as it determines where funds are spent as directed by Council

Public transport

44. The identified issue with the Public Transport rate wasn't with the funding tool that is applied but rather with wording of the Policy which is very prescriptive and lacks flexibility to reflect the changing environment within Metlink Public Transport.

45. One key change is the removal of the differentials from the policy. The targeted differentials will be used through the Funding Impact Statements (FIS) in the Annual and Long Term Plans. The unchanged targeted differentials are:

- Residential (excluding Wairarapa) - 1
- Residential (Wairarapa and Otaki rating units) - 0.5
- Wellington CBD - 7
- Business (excluding Wairarapa) - 1.4
- Business (Wairarapa) - 1
- Rural - 0.25

46. The advantage of removing the differentials and utilising them through the FIS, is that the targeted differentials can be reviewed annually as part of the Annual Plan process, unlike now where they can only be reviewed once every three to five years when the Policy gets a review, and this may not be in line with the changes in services provided by Metlink Public transport.

47. Other changes to the Policy will include text changes about the portions of funding from the three sources, Waka Kotahi, fares, and the targeted differential rates.

Current policy:

User charges	Subsidies	Targeted rate
35-50% from fares and other user charges	The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.	25-35%, calculated on ECV, with differentials based on land use and by location.

Proposed change:

Fees and user charges	Grants and subsidies	Targeted rate
Average 30% of total operating revenue from fares and other user charges over the years of the Long Term Plan. To maintain the fares share of funding, fares will be adjusted annually with inflation within 1% to 3%, subject to Council decisions through annual fares and budget review.	Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi's Funding Assistance Rates (51% to 100% depending on activity) and co-investment policy.	Balance, calculated on ECV, with differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark.

STEP-TWO

48. The following is the second step in the process, outlined in section 101(3)(b). Councillors considered the impacts of the funding tools they proposed at step one and made changes as a result of those considerations. See [Attachment 2](#) for the financial information that Council used when considering the overall impacts as required by Section 101 (3)(b).
49. Consideration was given to the impacts on different categories of rate payers, and ratepayers in different territorial authority areas, and then the overall impacts to community wellbeing.
50. Changes resulting from this consideration relate to a change to the proposed funding method for the Stadium, by reducing the targeted differential for ratepayers in the Kāpiti Coast District and the Wairarapa.

Ngā hua ahumoni Financial implications

51. Proposed changes to the Policy do not present any financial implications as it does not imply more or less money to be collected to pay for Greater Wellington's activities, but rather the proposed changes illustrate which rate payers are rated for particular activities in the region.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

52. Greater Wellington's response to the climate change emergency was a major consideration in developing the LTP, including climate change impact on delivery of activities. The Revenue and Financing Policy sets out how the activities in the LTP will be paid for.

Ngā tikanga whakatau

Decision-making process

53. The matters requiring decision in this report have been considered by officers against the requirements of Part 6 of the Local Government Act 2002 (the Act).

Te hiranga

Significance

54. In accordance with the Greater Wellington's 'Significance and Engagement Policy' and the Local Government Act 2002, the review of the Revenue and Financing Policy is considered to have 'low' to 'medium' significance as the changes to the funding tools have low financial impacts to communities across the region.
55. A statutory consultation is required for the amendments to the Revenue and Financing policy and will take place for one month following the approval of the proposed 2022 Revenue and Financing Policy.

Te whakatūtakitaki

Engagement

56. Early public engagement was undertaken in September 2021 to collect feedback on the current policy. Feedback from the engagement was expressed to Councillors and taken into consideration as the proposed changes to the Policy were developed.
57. Many of the themes and specific rates that the public provided feedback about, were discussed and/or addressed as part of the proposed changes to the Policy, except for 'water supply' which was not part of the review.
58. Other information provided in the feedback has helped the process develop communications, knowing what the public did and did not understand about the policy. Being able to provide better and more transparent information helps the community understand and provide more useful feedback on the Policy.
59. The formal public consultation on the proposed Policy will take place in late March 2022 and will be open for one month.

Ngā tūāoma e whai ake nei

Next steps

60. A one month public consultation period on the proposed '2022 Revenue and Financing Policy' (draft version attached as [Attachment 3](#)) will commence the week of 21 March

2022. A consultation document (**Attachment 4**) and a supporting information document (**Attachment 5**) have been developed to inform this process.

61. Due to the Covid-19 pandemic and the country being at 'Red', no face-to-face engagements will take place during the consultation period. As an alternative, some online engagements will be organised.
62. Submissions will be collected, analysed and reported back to Councillors to support their discussions during the 'Hearings and Deliberations' process.
63. Submitters will be offered the opportunity to speak to their submissions which. The Hearings are expected to take place 17-19 May 2022. The schedule of the Hearings, including dates and location will be confirmed closely following the consultation period and the volume of speakers is determined.
64. Deliberations are expected to follow immediately after the Hearings are completed.
65. The results of the deliberations will then be incorporated into the policy, which will then return to Council in late June for adoption.

Ngā āpitihanga

Attachments

Number	Title
1	Summary of the activities in respect of which funding changes are being considered
2	Summary of the financial impacts of the proposed funding methods
3	Draft Revenue and Financing Policy
4	Consultation document
5	Supporting information for the consultation document

Ngā kaiwaitohu

Signatories

Writer	Kyn Drake – Project manager, Revenue and Financing Policy review
Approvers	Alison Trustrum-Rainey – Chief Financial Officer Samantha Gain – GM, Corporate services

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>The Local Government Act 2002 (the Act) Section 101(3), 102 and 103 requires the Council to have a Revenue and Financing Policy, in order to provide certainty about the sources and funding methods required for each of the activities.</p>
<p><i>Implications for Māori</i></p> <p>The Revenue and Financing policy has no specific implications for Māori.</p> <p>Amendments to section 102(3A) of the Local Government Act (2002) require councils to support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993, in their financial policies. This is being addressed through the Rate Remission Policy, which is also currently being reviewed.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The Revenue and Financing Policy is a key supporting policy of the Long-Term Plan (LTP) as it identifies how the funds will be collected to pay for the activities outlined in the LTP and Annual Plans.</p>
<p><i>Internal consultation</i></p> <p>A series of workshops were run with a range of officers from across the business to develop a 'scope register' that was used to record potential issues with the current Revenue and Financing Policy. Subject matter experts assisted with data and information throughout the process to make sure Councillors had the right and relevant information to make informed decisions.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There are no known risks associated with the decisions of this report.</p>

Attachment 1 to Report 22.17**Summary of activities in respect of which funding changes are being considered**

The following tables summarise the matters outlined in section 101 (3) of the LGA 2002, for the funding of each of the activities being reviewed and show the proposed funding tools arrived at following a discussion of the impacts on communities.

The information here will be used to inform/guide the content that is used in the Policy.

Regional Economic Development

Activity	Regional Economic Development
Activity status	Continued programme of work. New name to align with the work delivered. Previously known as the 'Wellington Regional Strategy' rate.
Community Outcome	Strong economy
Who benefits?	The whole of the region benefits from an improved economic environment. Informed growth planning provides a framework for growth, integrating and anticipating services and public amenities resulting in a thriving region which gives people choices, employment and opportunities. The environmental/climate change outcomes are interlinked with all facets of life and a regional economic development strategy will have both direct and indirect effects on the environment and our regional emissions profile. Residents benefit from the enhanced lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities that actively spend money and enhancing their business.
Period of benefit	This activity is ongoing as continual support for improving the economic environment in the Wellington Region is required.
Whose acts create a need?	No group(s) identified
Separate funding	Separate funding supports accountability and transparency to the separate groups of ratepayers who fund the activity.
Current funding method	Capital value for all business (commercial & industrial) Fixed-amount for residential \$14, and rural properties \$28.
Proposed funding sources	Capital value for all business (commercial & industrial) Fixed rate for residential and rural @ \$15
Rationale	Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities that actively spend money and enhancing their business, Residents benefit from the enhanced

<p>lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Therefore, the capital value rating from on business with a fixed rate on all other properties is most appropriate funding source</p>

Regional predator control programme

Activity	Regional predator control programme
Activity status	Continued programme of work
Community Outcome	Healthy environment, Resilient community
Who benefits?	The whole of the region benefits from a healthy environment with increased native biodiversity. It has a 'high public good'.
Period of benefit	Ongoing until otherwise determined by the pest management plan
Whose acts create a need?	No group(s) identified
Separate funding	Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.
Current funding method	60 percent general rates 40 percent target rate on rural properties in excess of 4 ha
Proposed funding sources	General rate: 100 percent Based on capital value
Rationale	<p>The predator control programme protects intrinsic values of ecosystems that are important in a Te Ao Māori world view.</p> <p>The results are an environmental good that creates benefits everyone, such as improved carbon sequestration, improved recreational benefits for visitors by increasing flora and fauna making the region more attractive to locals and visitors, as well as supporting native ecosystems to regenerate, providing their own suite of ecosystem services valued in the billions.</p> <p>The control programme also reduces risk of illness or disease from pests causing harm to people or animals.</p> <p>This all benefits everyone by improving high quality food production for local consumption and/or international trading.</p> <p>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</p>

Land management

Activity	Land management
Activity status	Continued programme of work
Community Outcome	Healthy environment and Resilient communities

Who benefits?	<p>Specified catchment areas in the Wairarapa benefit greatly from a managed programme of works to relieve the effects of flooding and erosion in the area.</p> <p>Liaising with ratepayers and TAs to identify priority works, of community benefit, that will protect local infrastructure, i.e., roads, from flood or erosion damage.</p>
Period of benefit	Ongoing until otherwise determined by the pest management plan
Whose acts create a need?	No group(s) identified
Separate funding	The activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.
Current funding method	16 different rates, using four different methods. Area, land value, river frontage, and fix value per rating unit.
Proposed funding sources	Up to 50% general rates, the balance remaining as targeted rates based on capital value applied to Masterton, Carterton and South Wairarapa Districts.
Rationale	Residents who live along peri-urban or urban waterways are impacted by land use practices upstream and water is harvested from the river for community uses. Businesses which support farmers and other land managers benefit when good land management practices maintain the productive value of land. Land management supports water quality & biodiversity in rural areas, improving their economic returns.

Flood protection - *Te Kāuru Floodplain Management Plan (FMP)*

Activity	Flood protection – Te Kāuru FMP
Activity status	Continued programme of work, however the schemes themselves have been revised
Community Outcome	Resilient and safe communities
Who benefits?	<p>Specified catchment areas in the Wairarapa benefit greatly from a managed programme of works to relieve the effects of flooding in the area, reducing property damage and economic loss.</p> <p>The region benefits from reduced impacts, such as reduced access to services, and delays in commodities or essential items etc.</p>
Period of benefit	Ongoing until otherwise determined by the Floodplain Management Plan
Whose acts create a need?	No group(s) identified
Separate funding	The substantial private benefits from these activities, and Council's considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.
Current funding method	Removal of targeted rates for Upper Ruamāhanga River schemes (8).

	New scheme and requires new rate.
Proposed funding sources	Up to 50% general rates, the balance remaining as targeted rates to the properties within the proposed Te Kāuru catchment, based on capital value. <i>Note: The Te Kāuru catchment would be based on a Hydraulic catchment consisting of approximately 12,862 rating units.</i>
Rationale	<p>Council provides flood protection services to protect the lives and property of people within the Wellington Region.</p> <p>Flood protection offers a great sense of security for the general population and contributes to a Te Ao Māori holistic view of the physical and spiritual wellbeing of the environment and humans, by protecting communities from flooding.</p> <p>The general population is impacted by the lack of access to services, delays in commodities, and the financial costs of clean up. It is also essential to increasing resiliency from climate change impacts.</p> <p>The commercial operators, who serve communities, businesses and farmers in floodplains, benefit from continued business when serious flooding is avoided.</p>

Waiōhine River Plan

Activity	Flood protection – Waiōhine River Plan
Activity status	New rate to support a new scheme (<i>construction of new stop banks</i>) Cost to be spread over 25 years
Community Outcome	Resilient and safe community
Who benefits?	<p>The specified catchment area, Greytown, benefit greatly from a managed programme of works to relieve the effects of flooding in the area, reducing property damage and economic loss.</p> <p>The region benefits from reduced impacts, such as reduced access to services, and delays in commodities or essential items etc.</p>
Period of benefit	Ongoing
Whose acts create a need?	No group(s) identified
Separate funding	The substantial private benefits from these activities, and Council's considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.
Current funding method	Not currently rated. New scheme.
Proposed funding sources	Up to 50% general rates, the balance remaining as targeted rates for the urban Greytown area and a select number of rural properties who benefit from the Waiohine stopbank implementation

Rationale	The construction of new stop banks in Greytown is a community initiative led by the Waiōhine Action Group ¹ (WAG). The stopbanks will provide significant protection to the properties in the urban Greytown area.
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Wellington Regional Stadium

Activity	The Stadium
Activity status	New rate. The Stadium has not been funded or rated for since the 2017/18 financial year. The previous rate related to the cost of building the stadium.
Community Outcome	Strong economy
Who benefits?	The benefits of the stadium extend across the region because of its ability to host a diverse range of events and attract a diverse range of visitors who may use their time to explore the region. However, the benefits of the stadium are greater for those within a closer proximity. Wellington residents and businesses receive the most benefits as they have the easiest access to the stadium and the vast numbers of visitors to the stadium use the surrounding area for accommodation, food and entertainment.
Period of benefit	N/A
Whose acts create a need?	No group(s) identified
Separate funding	Other than the benefit associated with targeted rates, no additional benefit was identified.
Current funding method	Not currently rated
Proposed funding sources	A differential targeted rate based on capital value: Wellington CBD - 2 All other Wellington properties - 1.2 PCC, HCC, UHCC - 1 KCDC, Wairarapa - 0.5
Rationale	These events are for everyone in the region to enjoy their favourite sports, music, cultural events, fairs and so much more. The positive flows from diverse events improve mental health and wellbeing for people in the region. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to the events. It also creates more opportunities for sponsorship, advertising and mobile businesses. For residents up the Kāpiti Coast or in the Wairarapa, access to the stadium is limited as the distance to travel is considerable, making

¹ <https://waiohine.net/>

<p>their benefit less than the other TA areas. Therefore, a differential targeted rate based on capital value:</p> <p>Wellington CBD - 2</p> <p>All other Wellington properties - 1.2</p> <p>Porirua City, Hutt City, Upper Hutt City - 1</p> <p>Kāpiti Coast District, Wairarapa territorial authority areas - 0.5</p>

Public transport

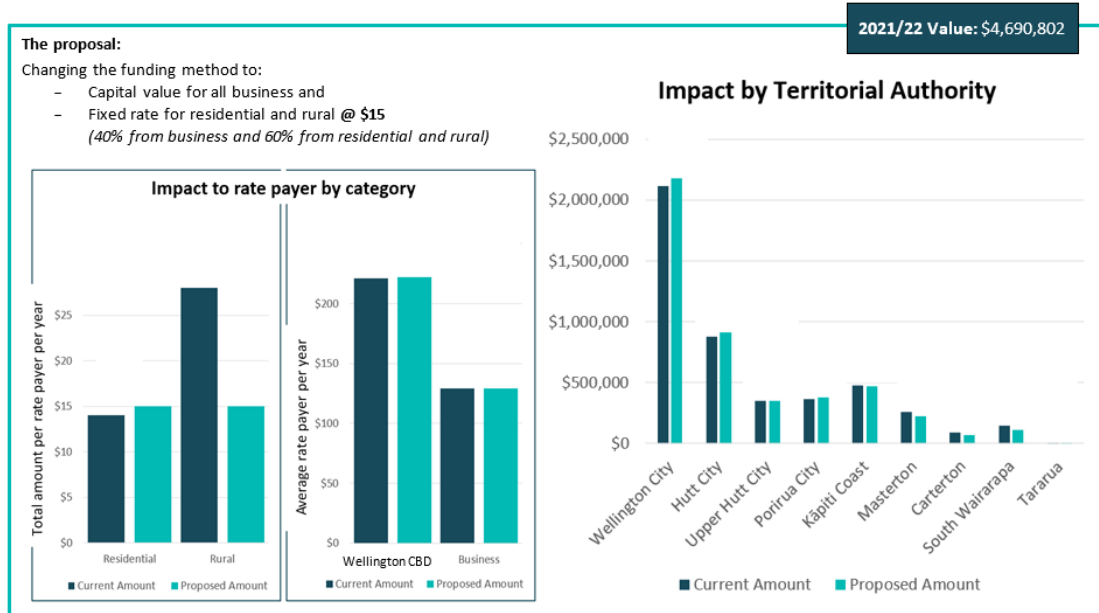
Activity	Public transport								
Activity status	Continued programme of work								
Community Outcome	Connected communities								
Who benefits?	<p>The region as a whole benefits from reduced emissions, fewer vehicles on the road, safer roads, abilities for tourism and economic dispersal, and more liveable environments.</p> <p>Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.</p> <p>Different communities and groups will benefit different because of different levels of service.</p>								
Period of benefit	Ongoing								
Whose acts create a need?	No group(s) identified								
Separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.								
Current funding method	<p>35-50% from fares & other user charges</p> <p>25-35% from Waka Kotahi</p> <p>25-35% Differential Targeted rates</p> <p>Residential (excl. Wairarapa & Ōtaki) 1.0</p> <p>Residential (Wairarapa & Ōtaki) 0.5</p> <p>Wellington CBD 7.0</p> <p>Business (excl. Wairarapa) 1.4</p> <p>Business (Wairarapa) 1</p> <p>Rural 0.25</p>								
Proposed funding sources	<p>No changes to the differentials, however they are to be removed from the Policy and used through the funding impact statements in the Annual Plan.</p> <p>Policy to include:</p> <p>Funding policy indication</p> <table border="1" data-bbox="523 1760 1323 1818"> <thead> <tr> <th>Fees and user charges</th> <th>Grants and subsidies</th> <th>Targeted rate</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table>			Fees and user charges	Grants and subsidies	Targeted rate			
Fees and user charges	Grants and subsidies	Targeted rate							

<p>Average 30% of total operating revenue from fares and other user charges over the years of the Long Term Plan. To maintain the fares share of funding, fares will be adjusted annually with inflation within 1% to 3%, subject to Council decisions through annual fares and budget review.</p>	<p>Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi's Funding Assistance Rates (51% to 100% depending on activity) and co-investment policy.</p>	<p>Balance, calculated on ECV, with differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark.</p>
<p>Rationale</p>	<p>Whole of region benefits:</p> <p>PT supports a substantial number of commuters to function smoothly with the efficient movement in a convenient and environmentally friendly way between places they work, live and recreate. This contributes to economic activity enabled by urban intensification, i.e. the "agglomeration effect".</p> <p>PT reduces vehicles on the roads (a mode shift change) therefore lowering emissions causing climate change impacts, benefiting everyone's health as they'll breathe cleaner air. The significance of this impact will only increase with further electrification of services and better connectivity.</p> <p>Part of community (catchments or specific areas):</p> <p>Property values increase in areas that have easy access to frequent PT options. The service enhances access to goods, services & amenities for areas with high public transport access, as there is less congestion.</p> <p>Individuals / users:</p> <p>PT is an alternative option for users to increase their mobility to go where they want, when they want. It's affordable and essential for those who may not have the ability to drive. It can also provide an excursions, e.g. a train journey from Wellington to Wairarapa.</p>	

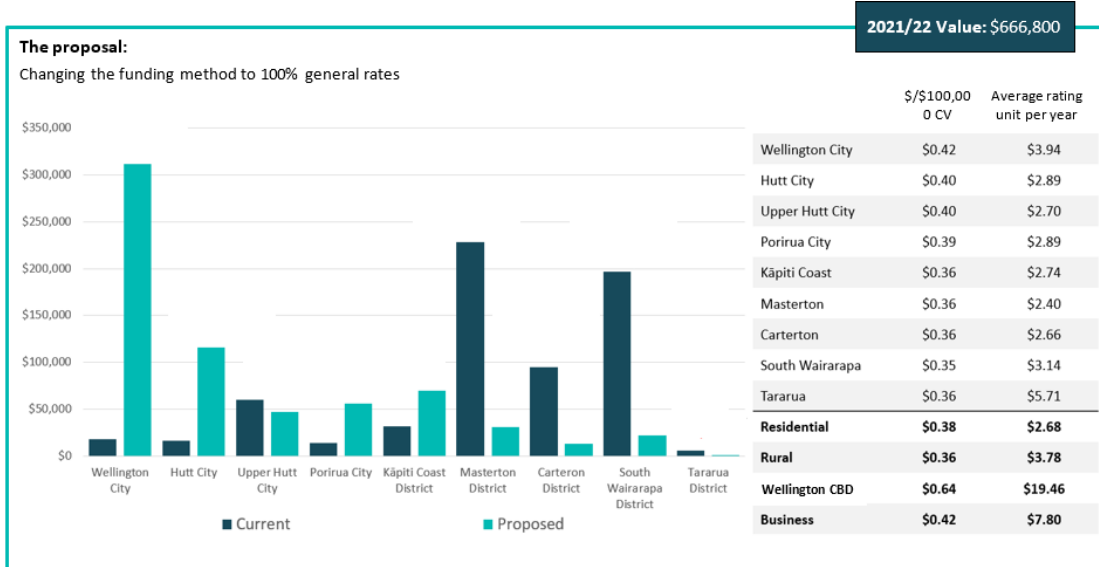
Summary of the financial impacts of the proposed funding methods

The following information is not part of the policy amendment. This is the financial information considered when considering the overall impact as required by Section 101 (3) (b).

Regional Economic Development rate



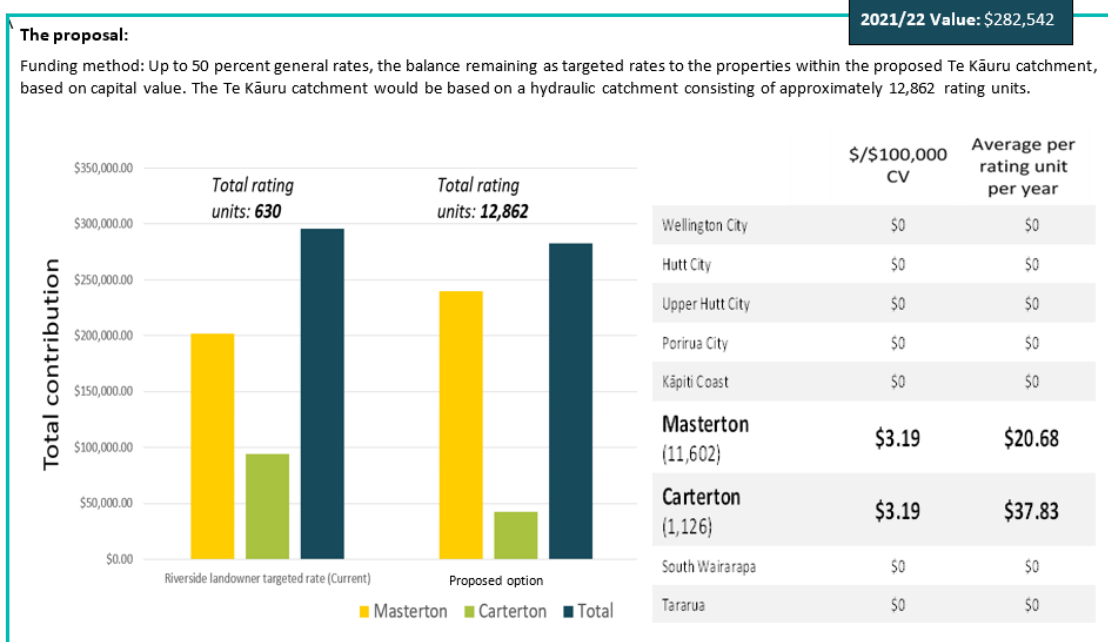
Regional predator control programme rate



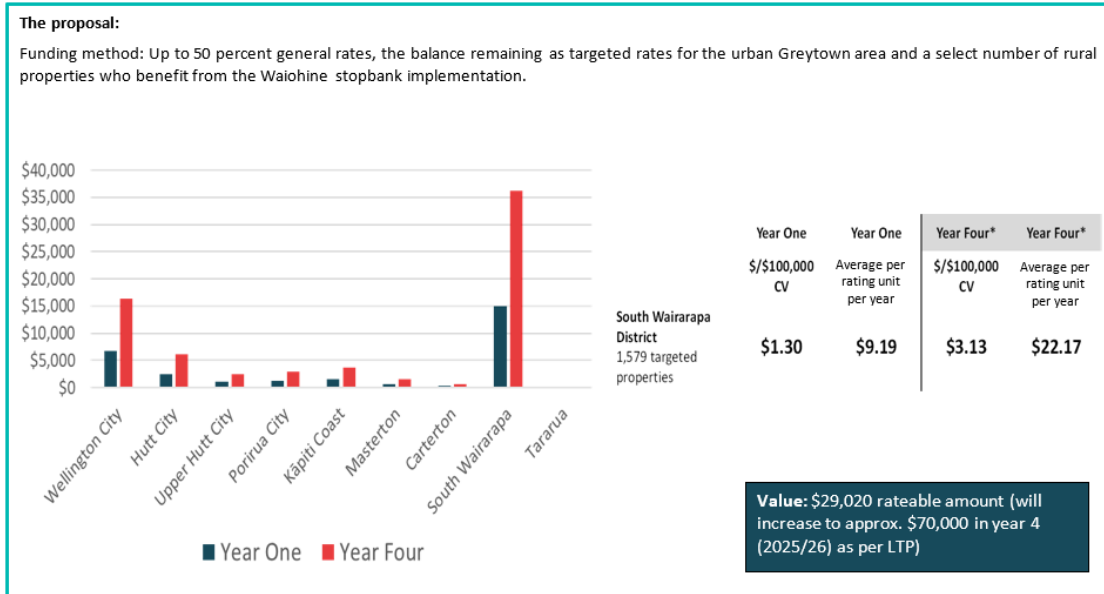
Land management



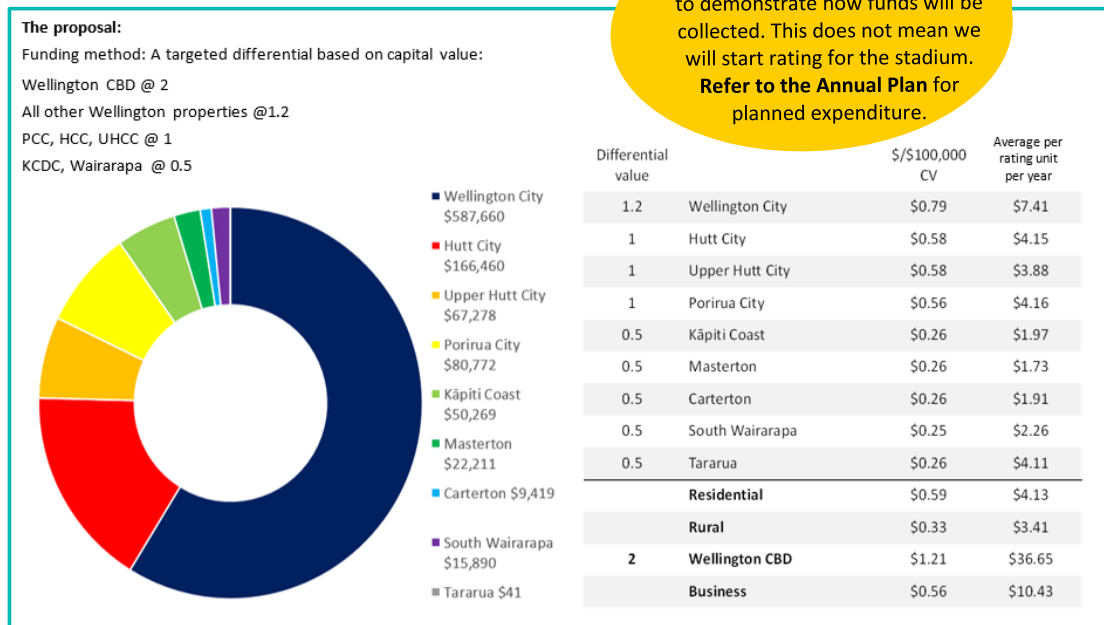
Flood protection - Te Kāuru Floodplain Management Plan



Flood protection – Waiōhine River Plan



Wellington Regional Stadium rate



Overall financial impacts of proposed changes

Overall impact based on region wide rates only						
The table shows the Regional rates only. It excludes among others, the targeted land management, flood protection and current Regional Predator Control Rate. Numbers shown here have been rounded.						
Territorial Authority	Category	Average CV	Using current method	Using proposed method	Proposed change (\$)	Proposed change (%)
Wellington City	Wellington CBD	\$ 3,021,058.00	\$ 10,380.00	\$ 10,435.00	\$ 55.00	0.5
Wellington City	Business	\$ 2,443,017.00	\$ 2,442.00	\$ 2,417.00	\$ 30.00	1.2
Wellington City	Residential	\$ 801,940.00	\$ 585.00	\$ 595.00	\$ 10.00	1.6
Wellington City	Rural	\$ 978,239.00	\$ 467.00	\$ 464.00	-\$ 2.00	-0.5
Hutt City	Business	\$ 2,028,317.00	\$ 2,353.00	\$ 2,374.00	\$ 20.00	0.9
Hutt City	Residential	\$ 631,058.00	\$ 620.00	\$ 627.00	\$ 7.00	1.1
Hutt City	Rural	\$ 867,402.00	\$ 580.00	\$ 575.00	-\$ 5.00	-0.8
Upper Hutt City	Business	\$ 1,906,478.00	\$ 2,110.00	\$ 2,129.00	\$ 19.00	0.9
Upper Hutt City	Residential	\$ 587,877.00	\$ 563.00	\$ 570.00	\$ 7.00	1.2
Upper Hutt City	Rural	\$ 869,425.00	\$ 542.00	\$ 538.00	-\$ 5.00	-0.8
Porirua City	Business	\$ 1,786,582.00	\$ 1,756.00	\$ 1,773.00	\$ 17.00	1
Porirua City	Residential	\$ 677,462.00	\$ 568.00	\$ 575.00	\$ 7.00	1.3
Porirua City	Rural	\$ 1,347,872.00	\$ 680.00	\$ 680.00	-\$ 1.00	-0.1
Kāpiti Coast	Business	\$ 1,346,921.00	\$ 1,154.00	\$ 1,164.00	\$ 10.00	0.9
Kāpiti Coast	Residential	\$ 744,876.00	\$ 539.00	\$ 546.00	\$ 7.00	1.2
Kāpiti Coast	Rural	\$ 965,449.00	\$ 490.00	\$ 484.00	-\$ 6.00	-1.2
Masterton District	Business	\$ 1,285,654.00	\$ 840.00	\$ 850.00	\$ 10.00	1.2
Masterton District	Residential	\$ 476,774.00	\$ 242.00	\$ 247.00	\$ 5.00	1.9
Masterton District	Rural	\$ 992,580.00	\$ 427.00	\$ 422.00	-\$ 6.00	-1.3
Carterton District	Business	\$ 555,384.00	\$ 379.00	\$ 383.00	\$ 4.00	1.1
Carterton District	Residential	\$ 502,443.00	\$ 269.00	\$ 274.00	\$ 5.00	1.8
Carterton District	Rural	\$ 1,056,641.00	\$ 466.00	\$ 461.00	-\$ 5.00	-1.1
South Wairarapa District	Business	\$ 894,571.00	\$ 612.00	\$ 618.00	\$ 7.00	1.1
South Wairarapa District	Residential	\$ 602,735.00	\$ 322.00	\$ 327.00	\$ 5.00	1.7
South Wairarapa District	Rural	\$ 1,196,371.00	\$ 515.00	\$ 511.00	-\$ 4.00	-0.8
Otaki rating area	Residential	\$ 514,758.00	\$ 319.00	\$ 324.00	\$ 5.00	1.5
Tararua rating area	Rural	\$ 1,597,650.00	\$ 569.00	\$ 568.00	-\$ 1.00	-0.2



2022 Ko te Kaupapa Here Moni Whiwhi me Ahumoni 2022 Revenue and Financing Policy

DRAFT

Introduction

The Revenue and Financing policy describes how Greater Wellington Regional Council (Council) intends to fund its expenditure. It outlines the sources of funding that Council intends to use, for each activity. This proposed policy is an amendment to the existing (2018) policy and has been restructured to be more readable, understandable, and useable. Amendments have been highlighted. For details of changes, please refer to the supporting reports.

Considerations for this policy

In developing the policy, Council has considered the specific matters required by section 101 (3) of the Local Government Act 2002 (LGA). This requires a two stage process which is set out later in the policy.

The funding indications in the Funding for Activities are set out section C this policy.

Section 103 of the LGA requires Council to state its policies in respect of the funding of operating expenditure, and funding of capital expenditure. These are set out below.

DRAFT

Attachment

This table now includes capital expenditure. This was disclosed elsewhere in the previous policy

Summary of funding sources to be used for both operational and capital expenditure

Activity	Operational expenditure				Capital expenditure		
	Fees and user charges	Subsidies	Targeted rate	General rate	Borrowings (debt)	Proceeds from asset sales	Reserve funds
Regional Leadership							
Relationships with mana whenua				100%	Not required		
Regional transport planning and programmes		About 52% from Waka Kotahi		Balance of the funding.	Not required		
Regional Economic Development			100%, charged on differential basis by land use, being- On capital value for businesses This is a fixed rate on residential and rural ratepayers,		Not required		
Emergency management				100%	Primary source	When available	When available
Democratic services				100%	Not required		
Regional initiative - Warm Greater Wellington			100%		Not required		
Regional initiative - Water Wairarapa				100%	Not required		
Wellington Regional Stadium			A differential targeted rate based on location and capital value		Not required		

This was previously a different rate for residential and rural properties

This is new proposed rate, that may be applied in later years

Attachment 3 to Report 22.17

Activity	Operational expenditure				Capital expenditure		
	Fees and user charges	Subsidies	Targeted rate	General rate	Borrowings (debt)	Proceeds from asset sales	Reserve funds
Public Transport	Average 30% of total operating revenue from fares and other user charges over the years of the Long Term Plan. To maintain the fares share of funding, fares will be adjusted annually with inflation within 1% to 3%, subject to Council decisions through annual fares and budget review.	Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi's Funding Assistance Rates (51% to 100% depending on activity) and co-investment policy.	Balance, calculated on ECV, with differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark.		Waka Kotahi does not contribute to debt funding, therefore borrowing is the primary source for capital expenditure.	When available	When available
Water supply	95%-100% volumetric levy on the participating territorial authorities. User charges may also be applied to other bulk water users.				Primary source	When available	When available
Environment							
Resource management - Policy and planning				100%	Not required		

There is no change proposed to the funding method for the public transport rate, however the differentials to be applied were previously set out in this Policy; the proposed change is to move the differentials to the funding impact statement so that they can be assessed each year based on provision of service and location.

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Activity	Operational expenditure				Capital expenditure		
	Fees and user charges	Subsidies	Targeted rate	General rate	Borrowings (debt)	Proceeds from asset sales	Reserve funds
Environmental science - State of Environment monitoring	10-20%			80-90%	Not required		
Resource management – Consents	100%, consent applicants				Not required		
Resource management – Compliance and enforcement	100% consent holders			Up to 100% for investigations where a liable party cannot be identified.	Not required		
Resource management – Pollution prevention and control	100% identified polluters				Primary source	When available	When available
Farm plans	70%			30%	Not required		
Farm environment plans	50%			50%	Not required		
Wellington Regional Erosion Control Initiative	40%	30% Crown		30%	Primary source	When available	When available
Land management advice				100%	Not required		
Land management - erosion schemes	50%-100% to be met from targeted or scheme rates or a direct contribution from both the direct beneficiaries, and the beneficiaries in the economic catchment area.			Up to 50%	Primary source	When available	When available
Soil conservation reserves	100%				Primary source	When available	When available
Akura conservation centre	100%				Primary source	When available	When available
Biodiversity management – Key Native Ecosystems programme				100%	Not required		

Targeted rates are to be based on capital values

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Activity	Operational expenditure				Capital expenditure		
	Fees and user charges	Subsidies	Targeted rate	General rate	Borrowings (debt)	Proceeds from asset sales	Reserve funds
Biosecurity services for territorial authorities	100%				Not required		
Biodiversity management – other activities				100%	Not required		
Regional pest management plan	Up to 10%	Up to 10%		80-100%	Not required		
Regional predator control programme	Targeted rates are proposed to be removed			100%	Not required		
Navigational aids and communications service	60% commercial shipping, (collected by CentrePort)			40%	Primary source	When available	When available
Education; Enforce maritime safety regulations				100%	Not required		
Pollution clean-up – oil		95% Maritime NZ		5%	Primary source	When available	When available
Pollution clean-up – other	100% charge to polluters, where they can be identified and charged.			Up to 100%	Primary source	When available	When available
Flood protection							
Understanding flood risk				100%	Not required		
Maintaining flood protection and control works			The balance of costs (i.e.,50 - 100%) met via targeted rates on the local authority area	Up to 50%	Primary source	When available	When available
Improving flood security	Targeted rates are proposed to be based on capital values				Primary source	When available	When available

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	<i>Operational expenditure</i>				<i>Capital expenditure</i>		
<i>Activity</i>	<i>Fees and user charges</i>	<i>Subsidies</i>	<i>Targeted rate</i>	<i>General rate</i>	<i>Borrowings (debt)</i>	<i>Proceeds from asset sales</i>	<i>Reserve funds</i>
			or via scheme rates or direct contribution from both the direct beneficiaries on the floodplain and the beneficiaries in the economic catchment area.				
Parks	10% for organised events, farming and other leases, license fees, other added value services.			90%	Primary source	When available	When available

Section B

Two stage approach

In developing this policy, and any amendments to it, Council used a two-stage approach. The first stage is to consider for each activity, Council considered the five matters in s101(3)(a) of the Local Government Act 2002. These are summarised as-

1. Primary community outcomes

Each group of activities contributes primarily to achieving one of these community outcomes:

Strong economy

Connected community

Resilient community

Healthy environment

Engaged community

2. Distribution of benefits

The distribution of benefits between the community as a whole, any identifiable part of the community, and individuals

3. Timeframe of benefits

Most activities provide ongoing benefits. Where an activity provides benefits that will last for future generations we have noted this too.

4. Contributors to need for activity

These contributors are any individuals or groups who, through their action, or inaction, contribute to the need to undertake the activity. For example, polluters create a need for Council to clean up the mess or make rules about how it is to be reduced or cleaned up.

5. Costs and benefits of funding activity distinctly

There are costs and benefits, including consequences for transparency and accountability, of funding an activity separately, whether by user charges or targeted rates or a combination of these.

Stage two

Council then considered the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural wellbeing of the community. That process led Council to decide on the funding policy indications shown for each activity. This step is required by section 101(3)(b) of the LGA.

Council has chosen to use capital value as its valuation system for general rates because it reflects the total value of a property, compared with land value.

Council applies a differential to the general rate within Wellington City only. The purpose of this differential is to address the impact of the allocation of rates within Wellington City in accordance with s101(3)(b) of the Local Government Act. This differential is designed to ensure that different property rating types pay an equitable share of the increased cost of providing services into the business community.

1	Residential	1
2	Wellington CBD business	1.7
3	Business	1.3
4	Rural	1

This principle is also applied to the Public Transport rate, after considering the impact of level of service, location, and the types of properties (refer to 'overall rationale for funding' on page 17)

Council has chosen to use capital value as the valuation system for the following targeted rates:

- Regional Economic Development rate
- Some drainage schemes rates
- Land management rates
- River rates
- Some river management scheme rates.

Uniform Annual General Charge (UAGC)

Council does not use a Uniform Annual General Charge.

This now explains why Council does not currently use a UAGC

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A UAGC is part of the General rate and is set using a fixed amount or charge per property, irrespective of value or location. Being a fixed amount, it has the effect of increasing the rates for all properties below the average capital value, and reducing those above the average. The further a property value is from the average, the greater impact.

Council has decided not to use a UAGC because it is of the view the General rates recover the costs when the whole region benefits, and therefore these costs should be recovered by using taxation principles, and using solely capital values is the most appropriate method.

Transition provisions for Public Transport

In 2018, Council introduced a new approach to differential rate funding for Public Transport to have a transition period over six years (commencing 2018). These changes will have variable impacts on different categories of ratepayers and would potentially cause large one-off increases.

Over the next six years, there will also be changes in the relative values of properties depending partly on their location (within each territorial authority) and their land use (residential, business, rural, Wellington CBD). Council cannot predict these changes, but they will affect the funding that is required from each location, or from each rating category.

Council will use differentials to transition the Public Transport rate to the new funding policy over the next six years, using the funding requirements from 2017/18 as the baseline.

Equalised capital value

Within the region, different territorial authorities undertake general revaluations at different times. To equalise the values, each year Council gets Quotable Value or another registered valuer to estimate the projected valuations of all the rateable land in the districts within the region. This estimation is enabled under s131 of the Local Government Rating Act.

This means that rates are assessed on a consistent valuation basis, regardless of the timing of individual territorial authority revaluations.

Other tools not used

The Council does not propose to use, lump sum contributions, development and financial contributions, and regional fuel taxes.

Section C

Regional leadership

Relationships with mana whenua

Council builds and maintain constructive partnership relationships with iwi and Māori of the region to support Māori participation in decision making to deliver Council's outcomes.

Community outcome	Engaged community
Purpose / rationale for activity	This activity enables Council to build and maintain constructive partnership relationships with iwi and Māori of the region.
Who benefits? How are the benefits distributed?	Councils are obligated to ensure that we work in a partnership approach with mana whenua that enables iwi Māori and kaitiaki to fulfil their obligations as natural managers of the world, through their kaitiaki roles and responsible. Regional communities benefit from the quality of decision making that is enabled when mana whenua participate in decisions that affect them.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in its annual report.
Overall rationale for funding	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Regional transport planning and programmes

Council plans for the long-term development of the region's land transport network.

Community outcome	Connected community
Purpose / rationale for activity	A plan for development of the region's land transport network is essential for integration with territorial authority plans, and to enable the efficient transport of people and goods.
Who benefits? How are the benefits distributed?	The community as a whole benefits from transport infrastructure planning services.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in annual report.
Overall rationale for funding	<i>As all of the regional benefits from this activity, then providing for any subsidies the General rate is considered the most appropriate funding source.</i>

Regional Economic Development

Proposed name change. Previously called 'Wellington Regional Strategy (WRS) rate'

Council supports growth and economic development in the region.

Community outcome	Strong economy
Purpose / rationale for activity	Council promotes economic growth and hosts this activity on behalf of the region.
Who benefits? How are the benefits distributed?	Business communities are the primary beneficiaries of economic growth and increased wealth within the region. The community as a whole benefit to a lesser extent.
Timeframe of benefits	Ongoing.

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Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to apply revenue requirements that are consistent with the levels of benefit that different ratepayer categories receive. Separate funding also supports accountability and transparency to the ratepayers who fund the activity
Overall rationale for funding	<i>Businesses greatly benefit from the united approach to attracting visitors and commercial opportunities that actively spend money and enhancing their business, Residents benefit from the enhanced lifestyles with modern amenities, things to see and do, accessibility and a greater sense of security which is vital for health and wellbeing. Therefore, the capital value rating from on business with a fixed rate on all other properties is most appropriate funding source</i>

This was previously a different rate for residential and rural properties

Emergency management

Council contributes to emergency preparedness and management services within the region.

Community outcome	Resilient community
Purpose / rationale for activity	Wellington region has a wide range of natural hazards (earthquake, flooding, landslide, tsunami, storm) and hazard risks (biological, chemical, terrorism, other), and the region wants to be prepared to provide emergency services
Who benefits? How are the benefits distributed?	The community as a whole benefit from these services
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the service performance for this activity in the annual report.
Overall rationale for funding	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Democratic services

Council conducts democratic elections that are free from interference. Council supports elected members to engage with their communities and to make informed decisions.

<i>Community outcome</i>	Engaged community
<i>Purpose / rationale for activity</i>	Democracy services enable citizens and communities to engage with decision makers for the benefit of the region. These services also support Councillors in the performance of their roles
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefits from these services.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	No
<i>Rationale for separate funding</i>	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Regional initiative - Warm Greater Wellington

Council provides funding for home insulation. The communities in Wainuiomata and Masterton are also offered funding for clean heating because the air sheds in those areas have breached the national standards for air quality.

<i>Community outcome</i>	Resilient community
<i>Purpose / rationale for activity</i>	Good quality insulation helps keep the heat in during winter and out during summer. This makes houses easier and cheaper to heat properly, and more comfortable and healthy to live in.

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Who benefits? How are the benefits distributed?	The major beneficiaries are those ratepayers who take up the funding. Wainuiomata and Masterton will also benefit when their airsheds no longer breach quality standards, because Council will then be able to approve consents for industrial discharges to air.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Separate funding enables Council to target those who benefit from the activity.
Overall rationale for funding	<i>As the major beneficiaries are those ratepayers who take up the funding and specific areas, then target rates are considered the most appropriate funding source</i>

Regional initiative - Water Wairarapa

Council is exploring water storage options for agriculture, horticulture, and municipal uses in the Wairarapa.

Community outcome	Strong economy
Purpose / rationale for activity	Water storage options may increase the productive efficiency of agriculture and horticulture in the Wairarapa. It may also provide additional water for municipal and other community uses in the area.
Who benefits? How are the benefits distributed?	The primary beneficiaries are Wairarapa organisations and households that will use the water, or who can rely on the water as an alternative water source during an emergency. People in the Wairarapa may also benefit from increased resilience of source water for the drinking water supplies.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Separate funding would enhance transparency and accountability for this activity.

Overall rationale for funding	<i>As Council is exploring water storage options for agriculture, horticulture, and municipal uses, there are currently no direct identified beneficiaries, then the General rate is considered the most appropriate funding source.</i>
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Wellington Regional Stadium

This is a proposed new rate

Community outcome	Strong economy
Purpose / rationale for activity	To provide a mechanism that can be used in future if the council needs to rate for the stadium again. Any need for funding the funding will expressed in the Annual Plan.
Who benefits? How are the benefits distributed?	The benefits of the stadium extend across the region because of its ability to host a diverse range of events and attract a diverse range of visitors who may use their time to explore the region. However, the benefits of the stadium are greater for those within a closer proximity. Wellington residents and businesses receive the most benefits as they have the easiest access to the stadium and the vast numbers of visitors to the stadium use the surrounding area for accommodation, food and entertainment.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Other than the benefit associated with targeted rates, no additional benefit was identified.
Overall rationale for funding	<p><i>These events are for everyone in the region to enjoy their favourite sports, music, cultural events, fairs and so much more. The positive flows from diverse events improve mental health and wellbeing for people in the region. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to the events. It also creates more opportunities for sponsorship, advertising and mobile businesses. For residents up the Kāpiti Coast or in the Wairarapa, access to the stadium is limited as the distance to travel is considerable, making their benefit less than the other TA areas. Therefore, a differential targeted rate based on capital value:</i></p> <p><i>Wellington CBD - 2</i> <i>All other Wellington properties - 1.2</i> <i>Porirua City, Hutt City, Upper Hutt City - 1</i> <i>Kāpiti Coast District, Wairarapa territorial authority areas - 0.5</i></p>

Public transport

Community outcome	Connected community
Purpose / rationale for activity	Public transport makes a significant contribution to the region's economic prosperity in a way that is environmentally and socially sustainable.
Who benefits? How are the benefits distributed?	The region as a whole benefits from reduced emissions, fewer vehicles on the road, safer roads, abilities for tourism and economic dispersal, and more liveable environments. Public transport benefits the people who use it directly, enabling them to get to work, school, retail, and social activities.
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No.
Rationale for separate funding	Public transport is the single largest activity that Council funds. A mixture of user charges (fares) and targeted rates provide transparency to service users, residents, ratepayers, and funders about the costs and relative shares paid by different groups.
Overall rationale for funding	<p>Council applies user charges (fares) for Individuals/users benefits gained by people who use public transport or receive those a direct benefit.</p> <p>After receiving subsidy, the Council has concluded that the targeted differential ECV rates, taking into account the location and level of service for public transport, is the most appropriate funding source.</p> <p>The target differential categories are based on the following:</p> <ul style="list-style-type: none"> • Residential and location and level of service • Business and location • Rural

The amounts of the differential will be considered in each Annual plan

Note: Council will take six years (commencing 2018) to transition the rates onto the new policy. Until the transition is complete, Council will calculate an annual transition differential so that rates progressively shift to their new levels for each category of land use, and for each location.

Water supply

Council provides bulk water to four participating territorial authorities (the cities of Wellington, Hutt, Upper Hutt, and Porirua).

Community outcome	Strong economy, healthy environment, resilient community
Purpose / rationale for activity	Clean, safe drinking water is essential for life. It is also used for- <ul style="list-style-type: none"> • residential purposes (gardens, swimming pools) • community purposes (parks, swimming pools, schools, hospitals, turf, and other recreation services). • industrial purposes (hygiene, other uses).
Who benefits? How are the benefits distributed?	The participating territorial authorities benefit from- <ul style="list-style-type: none"> • being able to provide potable water for their residents • the efficiency of a coordinated water collection, treatment, and distribution system.
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	No
Rationale for separate funding	Funding water supply services distinctly from other services has benefits for transparency and accountability. Because water is supplied in bulk to territorial authorities, a volumetric levy is a fairer and more efficient funding tool.
Overall rationale for funding	<i>Volumetric levy (95%-100%) on the participating territorial authorities and other user charges may also be applied to other bulk water users in considered the most appropriate funding source.</i>

Environment

Resource management - Policy and planning

Environmental science - State of Environment monitoring

<i>Community outcome</i>	Healthy environment
<i>Purpose / rationale for activity</i>	Council regulates the use and development of the environment via the Regional Plan and other planning documents, to ensure that natural and physical resources are managed sustainably.
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole benefits from the policy, planning and monitoring services. Territorial authorities and individuals, benefit from Council's State of the Environment monitoring information.
<i>Does anyone contribute to Council's need to provide this activity?</i>	Everyone uses the region's natural resources to some extent.
<i>Rationale for separate funding</i>	Because the community as a whole is the main beneficiary, there is no particular benefit from distinct funding.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Resource management – Consents

Resource management – Compliance and enforcement

Pollution prevention and control

<i>Community outcome</i>	Healthy environment
<i>Purpose / rationale for activity</i>	Council implements the Regional Plan, with consent, compliance, and pollution services.

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Who benefits? How are the benefits distributed?	Consent applicants benefit from information services. Consent holders benefit from the right to use regional resources, and from monitoring services, because consents may be granted with greater confidence / certainty about the potential impacts.
Does anyone contribute to Council's need to provide this activity?	Polluters create the need for pollution controls People who want to use the region's resources create the need for an allocation system.
Rationale for separate funding	These services are best funded jointly with other Resource management activities.
Overall rationale for funding	<i>Council considers that those who benefit or contribute to the need for the activity should contribute to the recovery of those costs. When recovery is not possible, then the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Land management

Farm plans, and Farm environment plans, to reduce erosion in the eastern Wairarapa hills, and to support intensively farmed (dairy) areas in Wairarapa and Ōtaki.

Wellington Regional Erosion Control Initiative

Land management advisory services, mainly in the Wairarapa

Erosion scheme services and coordination services to rural properties in the Wairarapa.

Community outcome	Healthy environment
Purpose / rationale for activity	Council seeks to mitigate the environmental impacts of farming, because land management practices can affect soil erosion, soil health water quality, and the health of streams, rivers, and the coast.
Who benefits? How are the benefits distributed?	Farmers benefit from- <ul style="list-style-type: none"> • stabilised soils and reduced erosion. • water and drainage schemes that enable greater productive use of the land. • reputation benefits from clean operations. Rural communities benefit from local catchment schemes that protect local infrastructure (roads, utilities). The community as a whole benefits when farmers reduce their nutrient and sediment discharges.

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<i>Does anyone cause Council to provide this service?</i>	Farmers who allow stock to graze in or adjacent to waterways. Farmers who allow nutrients to leach into waterways.
<i>Rationale for separate funding</i>	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.
<i>Overall rationale for funding</i>	<i>Council considers that those who benefit from the activity should contribute to the recovery of those costs (40 - 70%) using fees and charges and targeted rates using capital value for erosion scheme services and coordination services to rural properties in the Wairarapa. The balance after any subsidies the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Targeted rates are now proposed to be based on capital values

Soil and plant conservation

<i>Community outcome</i>	Healthy environment
<i>Purpose / rationale for activity</i>	Council seeks to mitigate the environmental impacts of farming, because land management practices create erosion, and affect the health and quality of streams, rivers, and the coast.
<i>Who benefits?</i>	The community as a whole benefits from stabilised soils in its reserves. The benefits from the Akura Conservation Centre are mostly the private landowners who plant poplars and willows for erosion and flood control.
<i>Timeframe of benefits</i>	Ongoing
<i>How are the benefits distributed?</i>	90% private landowners 10% community as a whole.
<i>Does anyone cause Council to provide this service?</i>	Farmers who do not plant tree cover on erosion prone soils.
<i>Rationale for separate funding</i>	Because the activity is predominantly focused on services to rural businesses, there are transparency benefits from separate funding.

<i>Overall rationale for funding</i>	<i>As the private landowners benefit from this activity, then the user fees and charge are considered the most appropriate funding source.</i>
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Biodiversity management

<i>Community outcome</i>	Healthy environment
<i>Purpose / rationale for activity</i>	Biodiversity contributes to the region's natural character and supports the healthy functioning of ecosystems which in turn provide essential, life supporting services, including purifying air and water.
<i>Who benefits? How are the benefits distributed?</i>	The community as a whole share the benefits of a healthy environment.
<i>Timeframe of benefits</i>	Ongoing
<i>Does anyone cause Council to provide this service?</i>	Farmers who have not yet fenced waterways so that stock can get into them contribute to the need for this activity.
<i>Rationale for separate funding</i>	This activity is one relatively small, part of the larger Group of Activities and separate funding would not be cost effective.
<i>Overall rationale for funding</i>	<i>As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.</i>

Pest management

<i>Community outcome</i>	Healthy environment
<i>Purpose / rationale for activity</i>	Pest management supports economic activity and improves environmental outcomes.

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Who benefits? How are the benefits distributed?	<p>Primary producers benefit from</p> <ul style="list-style-type: none"> • reduced loss of pasture • reduced loss of crops • reduced damage to trees and shrubs • sustained and increased primary production. <p>Cattle and deer farmers in operational areas benefit from reduced risk of disease to farmed animals.</p> <p>The regional community benefits from reduced spread of unwanted pest damage to high value ecosystems, and reduced pest impact on safety, amenity, and social values.</p>
Timeframe of benefits	Ongoing
Does anyone cause Council to provide this service?	Pest management, including possum control activities are undertaken in line with Biosecurity Act 1993, and the National Policy Direction for Pest Management.
Rationale for separate funding	Because Council provides two pest management programmes, with different funding policies, separate funding is useful to demonstrate the benefits of each activity.
Overall rationale for funding	As all of the regional benefits from this activity, then the General rate is considered the most appropriate funding source.

The previous funding was General and targeted rates. The proposed change is for 100 percent general rates.

Harbour management

Community outcome	Strong economy
Purpose / rationale for activity	Council provides this service to support safe commercial shipping and recreational activities in the regional harbours.
Who benefits?	<p>Maritime traffic in the harbours benefit from Beacon Hill Communications station, navigational aids, and the enforcement of maritime safety regulations.</p> <p>Recreational boat users benefit from navigational aids, education programmes, and the enforcement of maritime safety regulations.</p> <p>Other harbour users receive a small benefit from the enforcement of maritime safety regulations.</p>

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<i>Timeframe of benefits</i>	Ongoing.
<i>How are the benefits distributed?</i>	Commercial shipping is the major economic beneficiary of this service. People using recreational boats and yachts also benefit substantially. The rest of the region gets some residual benefit.
<i>Does anyone cause Council to provide this service?</i>	Maritime traffic (commercial and recreational) is the major activity that creates the need for Council to provide navigational aids and safety services. Polluters create the need for monitoring, regulations and clean up services.
<i>Rationale for separate funding</i>	Separate funding via targeted rates is not sensible for this activity, because Council cannot identify and targeted land owners who would be the major beneficiaries of services for activities on and about water.
<i>Overall rationale for funding</i>	<i>Council considers that those who benefit from the activity or contribute the need for the activity should contribute to the recovery of those costs (60 to 100%) using fees and charges</i> <i>The balance after any subsidies the General rate is considered the most appropriate funding source after an allowance for any fees.</i>

Flood protection

Understanding flood risk

Maintaining flood protection and control works

Improving flood security

<i>Community outcome</i>	Resilient community
<i>Purpose / rationale for activity</i>	Council provides flood protection services to protect the lives and property of people within the region.

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<p>Who benefits?</p>	<p>Property owners (private, Crown, territorial authorities, others) and residents in flood hazard zones are the major beneficiaries of these activities. They benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protect lives and property, and downstream areas. <p>Local communities and catchments benefit from-</p> <ul style="list-style-type: none"> • Information about flood hazards to support land use planning • having their local infrastructure protected (schools, hospitals, roads and emergency lifelines, parks, and reserves). <p>Utilities benefit from-</p> <ul style="list-style-type: none"> • information about flood hazards • flood warnings • flood protection structures that directly protects their infrastructure (electricity transmission, telecoms, etc). <p>The region as a whole benefits from-</p> <ul style="list-style-type: none"> • advice about flood emergencies • any environmental protection that flood protection provides • protected arterial transport routes.
<p>How are the benefits distributed?</p>	<p>Property owners (including utility companies), and residents and flood hazard zones are the major beneficiaries of all these activities.</p> <p>Local communities, (including property owners in flood hazard zones) are also substantial beneficiaries of flood protection and control works in their communities.</p> <p>The community as a whole receives a relatively small share of the benefits.</p>
<p>Timeframe of benefits</p>	<p>Ongoing.</p>
<p>Does anyone cause Council to provide this service?</p>	<p>No.</p>
<p>Rationale for separate funding</p>	<p>Because of the substantial private benefits from these activities, and Council’s considerable commitment to this group of activities, separate funding provides transparency and accountability benefits.</p>
<p>Overall rationale for funding</p>	<p><i>The balance of costs (50 to 100%) met via targeted rates on the local authority area or via scheme rates based on the catchment area.</i></p>

Targeted rates are proposed to be based on capital values

Parks

Council manages a network of regional parks and forests for the community's use and enjoyment. Council works with mana whenua and community groups to protect the environment within regional parks

Community outcome	Engaged community
Purpose / rationale for activity	Council provides parks for community recreation and enjoyment, and to protect regionally significant landscapes, bush, and heritage features.
Who benefits? How are the benefits distributed?	<p>Individuals and groups who use the camping facilities within regional parks. Organisations that use parks for commercial purposes. This includes, for example-</p> <ul style="list-style-type: none"> • stock grazing • film making • outdoor activities • education activities <p>The region and the whole country benefit from being able to enjoy regionally significant landscapes, bush, and heritage features. The whole country benefits from the preservation of nationally significant landscapes, forests, and heritage features.</p>
Timeframe of benefits	Ongoing.
Does anyone cause Council to provide this service?	No
Rationale for separate funding	There is no particular need to fund this activity separately. Council reports on the financial and service performance for this activity in its annual report.
Overall rationale for funding	<i>While there are benefits to individuals, groups and commercial organisations that use parks, they contribute by way a fees & charges, and all of the regional benefits from this activity, therefore the General rate is considered the most appropriate funding source for the remainder of funding required.</i>

CONSULTATION DOCUMENT

2022 Ko te Kaupapa Here Moni Whiwhi me Ahumoni 2022 Revenue and Financing Policy

Greater Wellington Regional Council (Greater Wellington) proposes to make changes to the Revenue and Financing Policy.

Greater Wellington is reviewing the Revenue and Financing Policy to keep it up-to-date and relevant. The changes to the policy keep it current with legislation, reduce inefficiencies and make the policy easier to understand and be utilised in a more transparent manner.

While this policy affects everyone in our community in one way or another, you may be particularly interested in the proposed changes to this policy if you:

- Pay rates
- Own a property in the Wairarapa area (particularly because of the proposed changes to flood protection, land management and predator control rating methods)
- Own a commercial property

We invite you to **Have Your Say**

The Revenue and Financing Policy is now open for feedback. This is your opportunity to let us know what you think about the proposed changes to the policy.

Information about how you can **Have Your Say**, and a submission form can be found on page 16.

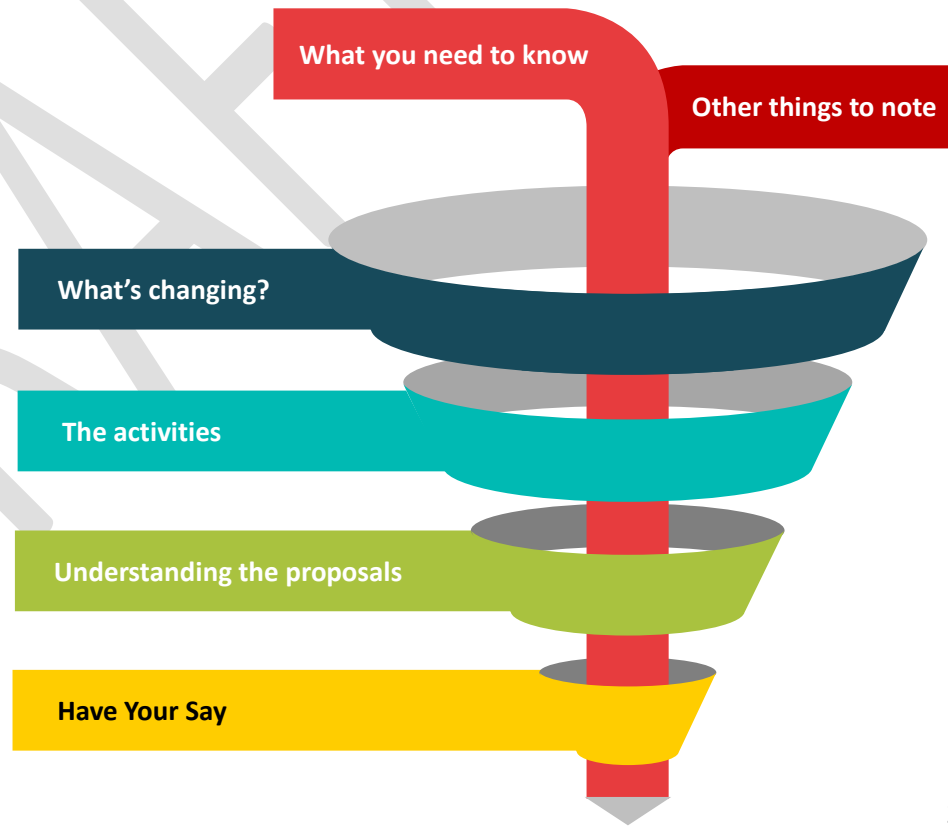
**Consultation closes
Wednesday 20 April 2022**

About this consultation document

This document has been developed to help you clearly understand what the proposed changes are and why Greater Wellington is doing it so you can make an informed submission.

There are some key areas we are seeking your feedback on; however, the whole policy is available, and you're welcome to comment on any part of it.

Tip: Submissions aren't just about telling us what you don't like, it's just as important to tell us if you do like the proposed changes or they may not get approved in the final policy.



What you need to know

What is the revenue and financing policy?

The Revenue and Financing Policy demonstrates how we will fund our activities and the funding tools we'll use, such as general rates, targeted rates, fixed rates, fees and charges.

This Policy is about where the funding will come from to pay for the activities planned in the Long-Term Plan and Annual Plans. It is one of a number of policies required by the Local Government Act (2002). How much Greater Wellington plans to spend on any group of activities is included in the proposed 2021-31 Long Term Plan.

What other financial policies does Greater Wellington have?

Greater Wellington has three main financial policies that support the Long-Term Plan. They are:

- Revenue and Financing Policy (as above)
- The Treasury Risk Management Policy
 - This policy outlines the approved policies and procedures in respect of all treasury activity undertaken by Greater Wellington. The formalisation of such policies and procedures enables treasury risks within the Council to be prudently managed.
- The Rate Remission and Postponement Policies
 - These policies set the criteria, process and understanding for ratepayers in the Wellington Region to be able to apply for a rates remission or postponement if their circumstances warrant it.

You can find out more about Greater Wellington financial policies [here](#)

What other financial policies are being reviewed now?

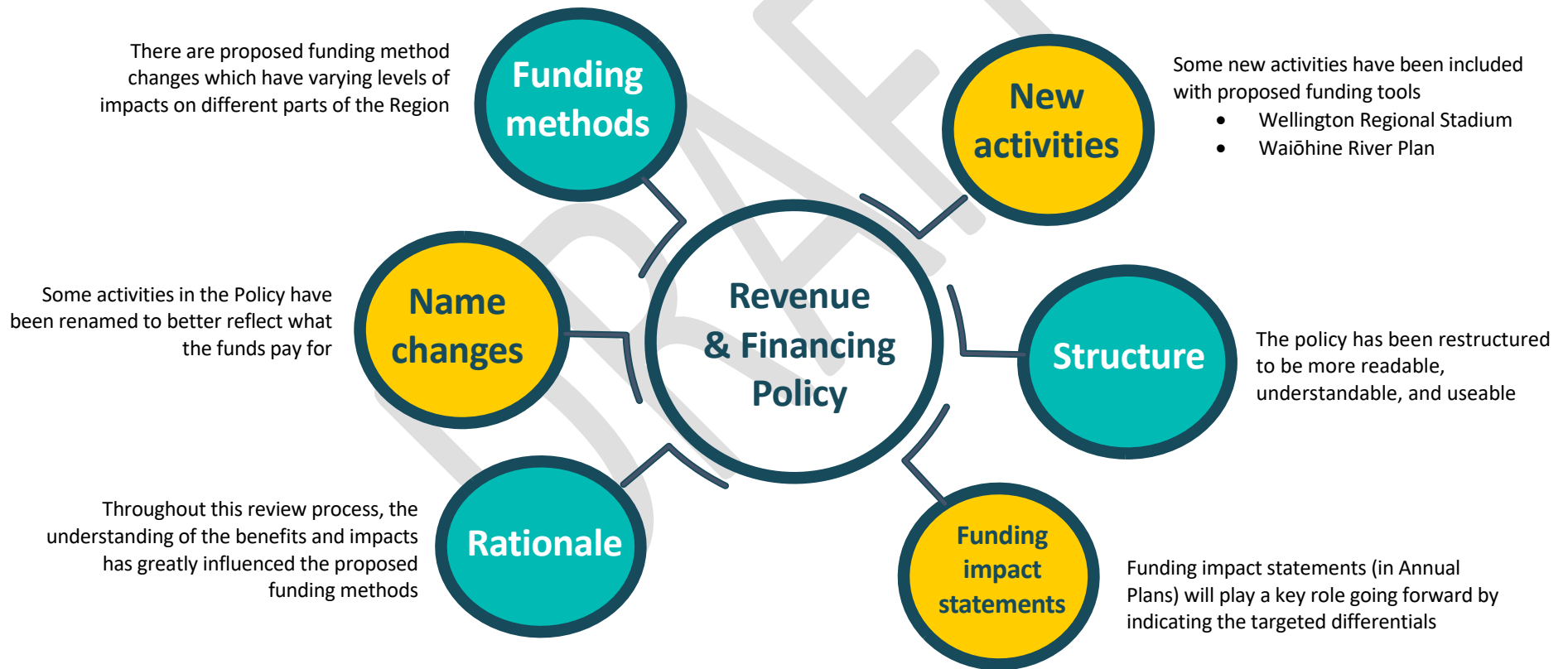
The Rates Remissions Policy on Māori Freehold Land is also currently being consulted on, with submissions closing on 9 May 2022. Greater Wellington is specifically consulting on new categories of land that may be eligible for a rates remission under the policy, beyond the existing provision for rates remissions on Māori freehold land. This policy review follows changes to the Local Government Act 2002 and Local Government (Rating) Act 2002.

The Revenue and Financing Policy and the Rates Remission Policy are supporting policies for the Long Term Plan (LTP) and are typically reviewed every three years in conjunction with the LTP. During the development of the 2021-31 LTP, it was decided, due to a range of factors, that this policy review would be delayed one year, which is why it is being reviewed now.

While reviewing these policies, we considered the factors in section 101(3)(a) and (b) of the Local Government Act 2002. We are proposing changes to the funding policies that are transparent and fair across the whole region.

What's changing?

Throughout this consultation document, we will focus on the proposed changes to the funding tools for five activities as they may impact your next rates bill. We encourage you to read the **policy [insert link]** as well as this document to fully appreciate the proposed changes being applied. There is also a supporting consultation document [insert link], that summarises the financial part of the information that Council used when considering the overall impacts as required by Section 101 (3)(b).



The activities in this policy review

As part of the process to review this policy, both Councillors and the public were asked to give feedback on the current policy. They told us which activities they felt need more attention and what issues they had with them. This engagement process led us to focus on six key activities of the policy which have now been examined, workshopped, and modelled in the financial systems. Then we had the impacts analysed, giving us, what we believe is a more equitable, fair, and beneficial proposed Revenue and Financing Policy.

To understand how these proposals came about, and what other options Council considered as part of this review process, please see the **Council Report 17 March 2022** [insert link]

The activities being discussed in this consultation are:

Changes to the funding method

- Regional Economic Development
- Regional Predator Control Programme
- Land Management
- Flood Protection – Te Kāuru Floodplain Management Plan

New

- Flood Protection – Waiōhine River Plan
- Wellington Regional Stadium (Sky Stadium)

Changes to information in the Policy

- Public Transport

Tip: These are only proposed changes, so remember to **Have Your Say** and let us know if you like them so Councillors know if they should adopt them or not.

Changes to the funding method

Note: Refer to the **supporting information document** to understand the financial impacts of the proposed changes. All figures are based on current year's figures for comparative purposes. They are indicative only. Actual figures will be adjusted to the 2022/23 financial year and CV/ECV data.

Regional Economic Development

<p>THE STATUS QUO</p> <p>The current funding method:</p> <p>The current rate has rural landowners paying twice as much as residential.</p> <ul style="list-style-type: none"> - Capital value for all business, and - Fixed differential for residential - \$14, Fixed differential for rural - \$28 	<p>Council promotes economic growth and hosts this activity on behalf of the region. The Regional Economic Development rate, previously known as the Wellington Regional Strategy rate, is an important rate that supports the Regional Economic Development Plan. Greater Wellington also supports the Māori Economic Development Strategy (Te Matarau a Māui) and recognises that other councils in the region also provide local development activities.</p> <p>Informed growth planning provides framework for growth, integrating and anticipating services and public amenities resulting in a thriving region which gives both residential and rural residents more choices, employment and opportunities, all while improving standards and liveability. Environment and climate change outcomes are interlinked with all facets of life and a regional economic development plan will have both direct and indirect effects on the environment and our regional emissions profile.</p> <p style="text-align: right;">2021/22 Value: \$4,690,802</p>	
<p>THE PROPOSAL:</p> <p>Changing the funding method to:</p> <ul style="list-style-type: none"> - Capital value for all business and - Fixed rate for residential and rural - \$15 <p>(40% from business and 60% from residential and rural)</p>	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The proposed change will see the benefit of the activity better align with who benefits from it. Residential and rural rate payers receive approximately the same level of benefit and therefore paying the same fixed rate is more appropriate.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>No unique disadvantages to the proposed change were identified</p>

Regional Predator Control Programme

<p>THE STATUS QUO</p> <p>The current funding method:</p> <p>60 percent general rate, 40 percent targeted rate on all rural properties that are 4ha or more, assessed on a land area basis.</p> <p>The current targeted rating is based on a historical need for eradicating TB on properties more than 4Ha. Pest control is now focuses on biodiversity.</p>	<p>Greater Wellington supports and/or leads a range of pest management activities, such as initiatives for Predator Free 2050 and Predator Free Wellington. Greater Wellington develops Pest management plans in line with Biosecurity Act 1993, and the National Policy Direction for pest management. This activity significantly improves environmental outcomes and economic activity.</p> <p>Pest control protects intrinsic values of ecosystems that are important in a Te Ao Māori world view. It's an environmental good that benefits everyone by increasing flora and fauna, improving carbon sequestration, and improving recreational benefits for visitors making the region attractive to visitors. The control programme also reduces risk of illness or disease from pests causing harm to people, and benefits everyone from high-quality food production for local consumption and/or international trading.</p> <p style="text-align: right;">2021/22 Value: \$666,800</p>	
<p>THE PROPOSAL:</p> <p>Changing the funding method to:</p> <p>100 percent general rates</p>	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The proposed change aligns with other predator controls programmes that also have benefits that extend beyond the property where the programme takes place. Therefore, sharing the costs in the general rates is more appropriate for this work.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>Moving to general rates means areas with higher populations and higher property values, such as Wellington City, pay more of a share towards the activity. However, given population size and the cost of this activity, average costs to a residential rate payer in Wellington city would be less than \$4 per year.</p>

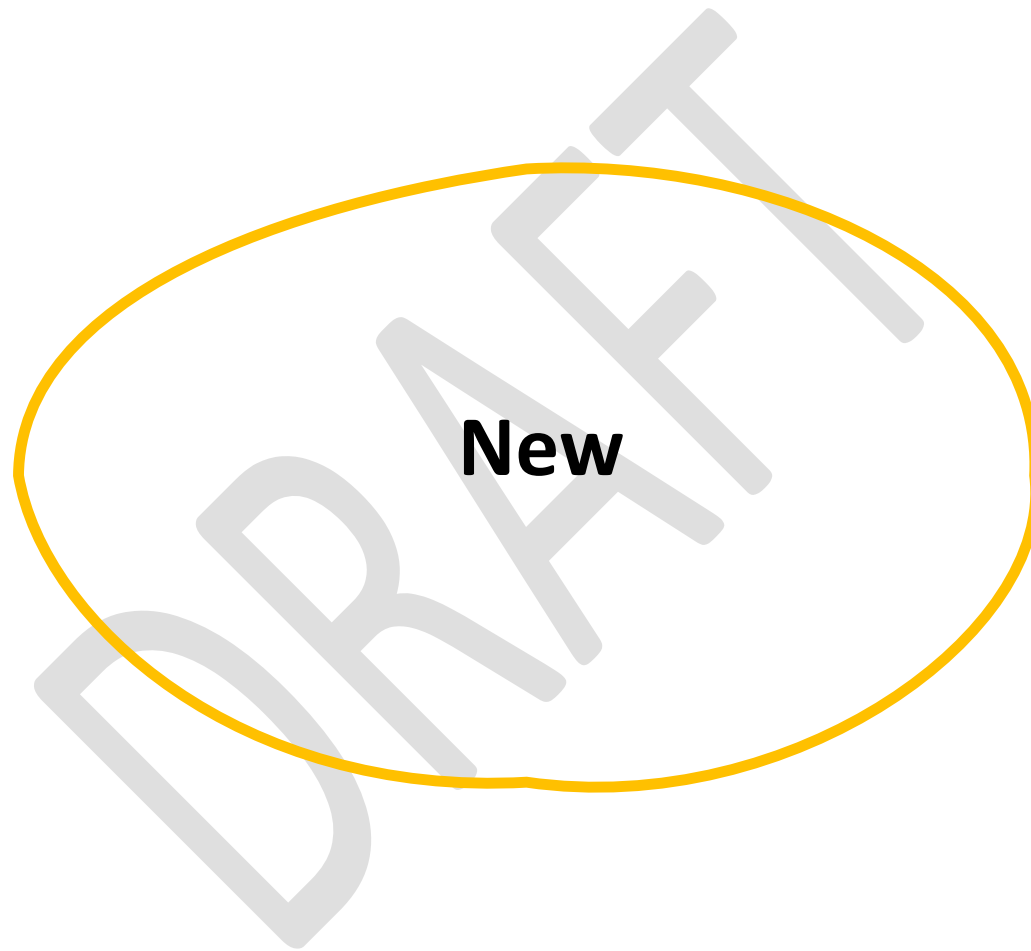
Land Management

<p>THE STATUS QUO</p> <p>The current funding method:</p> <p>This has 16 different rates using four different methods (area, land value, river frontage, and fix value per rating unit) and also has up to 50% general rate applied too.</p> <p><i>Varying methods of classifying the targeted rates for ratepayers, which makes the administration of the rates difficult and inaccurate.</i></p>	<p>Erosion can be prevented or reduced by improving the way the land is used, perhaps by planting trees, by changing management systems, or by allowing native bush to grow in areas that are at risk from erosion. Erosion control programmes aim to relieve the effects of flooding and erosion in specified catchment areas in Eastern Wairarapa. Greater Wellington liaises with ratepayers and territorial authorities to identify priority works, of community benefit, that will protect local infrastructure, i.e., roads, from flood or erosion damage.</p> <p>Communities benefit economically when the productive value of land in the area is maintained through good farming and land management practices. Less erosion means less sediment runoff, therefore improved water quality which benefits locals, visitors and the environment, improving their economic returns.</p> <p style="text-align: right;">2021/22 Value: \$75,453</p>	
<p>THE PROPOSAL:</p> <p>Changing the funding method to:</p> <p>Up to 50% general rates, the balance remaining as targeted rates to Masterton, Carterton and South Wairarapa Districts based on capital value</p>	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The proposed changes continue to deliver the benefits to the right places and people, and will significantly improve the administration process, reducing errors and costs which will allow for more of the funds going to the activity.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>More rate payers contribute to the rate, however significantly less amounts than the rate payers currently pay.</p>

Flood Protection - Te Kāuru Floodplain Management Plan

<p>THE STATUS QUO</p> <p>The current funding method:</p> <p>Up to 50% general rates, and Targeted rates: Per hectare rate based on location and benefit.</p> <p>The eight Upper Ruamāhanga River schemes are currently rated via a classification model (using grandfathered provisions of the Rating Powers Act 1988) which is complex and difficult to administer accurately.</p>	<p>Greater Wellington manages the development and implementation of Floodplain Management Plans (FMP) and Flood Protection Schemes for several of the region’s rivers and streams. Te Kāuru Upper Ruamāhanga FMP encompasses the upper reaches of the Ruamāhanga River to the Waiōhine confluence, and includes the Waipoua, Waingawa, Kopuaranga, Whangaehu, and Taueru (Tauweru) rivers from their headwaters within the Tararua Ranges and Eastern Hills to their confluences with the Ruamāhanga River, covering a total area of approximately 1,560km².</p> <p>Flood protection offers a sense of security to the general population and contributes to a Te Ao Māori holistic view of physical and spiritual wellbeing, by protecting the environment and communities from disaster. Serious flooding impacts communities by reducing access to services, delaying commodities, and the severe financial costs of clean up. The protection significantly reduces property damage as well as physical and emotional impacts that come with these disasters. The protection is essential for resiliency from increasing climate change impacts.</p> <p style="text-align: right;">2021/22 Value: \$282,542</p>	
<p>THE PROPOSAL:</p> <p>Changing the funding method to:</p> <p>Up to 50% general rates, the balance remaining as targeted rates to the properties within the proposed Te Kāuru catchment, based on capital value.</p>	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The proposed change will see a wider range of rate payers contributing to an activity they all benefit from. The funding method also better aligns with other flood protection targeted rates, reducing the complexity of the rate for better understanding.</p> <p>The catchment is based on a Hydraulic catchment consisting of 12,862 rating units.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>More rate payers contribute to the rate, however significantly less amounts than the rate payers currently pay.</p>

New



Flood Protection – Waiōhine River Plan

<p>THE STATUS QUO</p> <p>Currently not rated.</p> <p>The Waiōhine River Plan outlines two new stopbanks to be constructed. All Greytown urban properties and a select number of rural properties need to be rated to enable their construction.</p> <p>THE PROPOSAL:</p> <p>Introducing a funding method:</p> <p>Up to 50% general rates, the balance remaining as targeted rates for the urban Greytown area and a select number of rural properties who benefit from the Waiohine stopbank implementation.</p>	<p>The Waiōhine River Plan is visualised as a more holistic plan that includes a broader range of options beyond just stopbanks. The plan includes both structural such as stopbanks and non-structural measures such as allowing more space for the river to meander. The plan aims to include iwi perspectives and the community’s aspirations for the future of the river environment, as well as including flood mapping, climate change, river and emergency management. The River Plan will offer increased protection to the community of Greytown and the benefits to the local economy that stems from that protection.</p> <p>Flood protection offers a sense of security to the general population and contributes to a Te Ao Māori holistic view of physical and spiritual wellbeing, by protecting the environment and communities from disaster. Serious flooding impacts communities by reducing access to services, delaying commodities, and the severe financial costs of clean up. The protection significantly reduces property damage as well as physical and emotional impacts that come with these disasters. The protection is essential to communities for resiliency from increasing climate change impacts.</p> <p>Value: \$29,020 rateable amount (increase to approx. \$70,000 in year 4 (2025/26) as per LTP)</p>	
	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The Waiōhine River Plan has been publicly consulted on with the community of Greytown which received submissions in support of the stopbank and possible funding tools. The proposed targeted consists of approximately 1,579 rating units.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>No unique disadvantages to the proposed change were identified</p>

Wellington Regional Stadium (Sky Stadium)

<p>THE STATUS QUO</p> <p>Currently not rated.</p> <p>There has been a stadium rate before which concluded in 2018. The stadium rate was stopped as the debt was recovered for funding the construction of the stadium.</p> <p>THE PROPOSAL:</p> <p>Introducing a funding method:</p> <p>A targeted differential based on capital value:</p>	<p>The Stadium is a unique public amenity that has become an iconic structure on the Wellington Harbour. Since its construction, it has held numerous events and attracted a myriad of people to enjoy this region’s hospitality. Although the stadium is not currently rated for (as it has been self-supporting from events and sponsorship revenue), the need to rate for it in the future to support its resiliency and safety is likely. We propose to put in this funding tool to provide a future mechanism if there is a need, for collecting funds for stadium use.</p> <p>“Destination infrastructure” such as the stadium, hosts events that create commercial and employment opportunities across the region as the visitors attracted to these events come from a far and explore the region while they’re here. The events are diverse, offering everyone in the region to enjoy their favourite sports, music, cultural events, expos and so much more. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to each of the events.</p>	
<ul style="list-style-type: none"> • Wellington CBD - 2 • All other Wellington properties - 1.2 • Porirua City, Hutt City and Upper Hutt City - 1 • Kāpiti Coast District and Wairarapa - 0.5 	<p>ADVANTAGES OF THE PROPOSAL</p> <p>The stadium, hosts events that create commercial and employment opportunities across the region as the visitors attracted to these events come from a far and explore the region while they’re here. The stadium improves the hospitality industry closest to the infrastructure, providing services to the vast number of visitors to each of the events.</p> <p>The targeted differential reflects the level of benefit distributed across the region.</p>	<p>DISADVANTAGES OF THE PROPOSAL</p> <p>Rate payers far from the stadium and/or in isolated locations and/or not associated to any business, may feel they are contributing to an activity that they never experience any benefit from.</p>



**Changes to
information in
the Policy**

Public Transport

Metlink is the Greater Wellington Regional Council public transport authority which plans and delivers public transport and Total Mobility within the wider Wellington Region. Metlink connects people throughout the Wellington Region, with a public transport network that stretches from Wellington north to Ōtaki and east to Masterton. It consists of four rail lines, more than 90 public bus routes, over 200 school bus routes, and four harbour ferry stops. We also look after the local railway stations, bus and ferry shelters, signage, and Park & Ride facilities.

Public transport is the single largest activity that Council funds.

What are we proposing to change?

There are no changes proposed to the targeted differentials, however they will no longer be prescribed in the Policy and will be available in the 'Funding Impact Statements' in the proposed 2022/23 Annual Plan.

The unchanged targeted differentials are:

- Residential (excluding Wairarapa) - 1
- Residential (Wairarapa and Otaki rating units) - 0.5
- Wellington CBD - 7
- Business (excluding Wairarapa) - 1.4
- Business (Wairarapa) - 1
- Rural - 0.25

The targeted differentials will be able to be reviewed annually as part of the Annual Plan process.

We are proposing to change the funding indicators, particularly the targeted rate inclusion of ‘provision of service’.

User charges	Grants and subsidies	Targeted rate
<p>Average 30% of total operating revenue from fares and other user charges over the years of the Long Term Plan.</p> <p>To maintain the fares share of funding, fares will be adjusted annually with inflation within 1% to 3%, subject to Council decisions through annual fares and budget review.</p>	<p>Level of contribution from Crown agencies, primarily Waka Kotahi is determined by Waka Kotahi’s Funding Assistance Rates (51% to 100% depending on activity) and co-investment policy.</p>	<p>Balance, calculated on ECV, with differentials based on land use, location and provision of service, up to the levels set by the rates (increase) affordability benchmark.</p>

The current policy states:

User charges	Subsidies	Targeted rate
<p>35-50% from fares and other user charges</p>	<p>The maximum contribution from Crown agencies, primarily New Zealand Transport Agency (NZTA), Overall, intend to collect 25-35% from NZTA although this may be significantly higher for some specific programmes and investments.</p>	<p>25-35%, calculated on ECV, with differentials based on land use and by location.</p>

The advantages of doing this

As the Metlink Public Transport network increases, provisions of service may change in different areas of the region. As these levels of service change, Council will be able to reflect the targeted differentials to better align with the benefits received in those areas. Metlink Public Transport will publicly consult on areas where services change and any changes to the targeted differentials associated, before applying them to the Annual Plan funding impact statements.

We invite you to please **Have Your Say**

Be sure to get your submission in before 5pm on **Wednesday 20 April 2022**. Late submissions will not be accepted.

You choose how you Have Your Say. We have prepared an easy **online submission form** that you can do on almost any device and almost anywhere you want. If the online survey isn't for you, feel free to email us your thoughts to rfp@gw.govt.nz (Please don't forget to let us know if you want to speak to you submission too).

A submission form is provided with this document too, just fill it out and send it to us by

Email	Post	Drop it off at one of our offices:		
rfp@gw.govt.nz	Revenue and Finance Policy c/o Greater Wellington Regional Council office PO Box 11646 Manners St, Wellington, 6142	100 Cuba Street, Te Aro Wellington City, 6011	1056 Fergusson Drive Upper Hutt City, 5140	34 Chapel Street Masterton, 5840

If you would like a **hardcopy** of this document, please email rfp@gw.govt.nz and tell us how many copies you want and where we should send it and we will them to you ASAP. Please let us know **before 11 April 2022** to allow for delivery in time for you to make your submission.

Remember the **Rates Remission Policy** is being consulted on too.
Click here to **Have Your Say**

Submission form

All questions asked here are completely optional. You can answer as many or as few as you like. However, if you do wish to speak at a public hearing to your submission, please make sure you provide us with accurate contact information.

To do this online, please visit [insert Have Your Say link]

Privacy: Any personal information collected from you in your submission is temporarily held securely by Greater Wellington. We use this information to develop and advise on the Revenue and Financing Policy (including compiling statistical information) and to contact you about matters related to this Policy review process. Find out more here: **Privacy Statement**. [to be inserted]

If you would like to ask any questions before making your submission, please get in touch, email rfp@gw.govt.nz

Name:

Organisation (if applicable):

Email:

A little more about you:

Where in the region do you live?

Are you a rate payer?

Yes

No

What kind of property to you own?

Residential

Rural

Business/Commercial

Speaking to your submission:

Public hearings for the Revenue and Financing Policy review are **expected to take place 17-19 May 2022**, however dates, times and locations of the hearings are not expected to be confirmed until near the end of the consultation period. If you select “yes” now, you are free to change your mind later once we reach out to confirm with you your speaking time.

Do you want to speak to in support of your submission?

Yes

No

[If no boxes are ticked, we'll assume you don't want to be heard]

About the proposed funding tools:

Do you support the **“Regional Economic Development”** proposed funding method?

Yes

No

Please comment:

.....
.....
.....

Do you support the **“Regional Predator Control Programme”** proposed funding method?

Yes

No

Please comment:

.....
.....
.....

Do you support the **“Land Management”** proposed funding method?

Yes

No

Please comment:

.....
.....
.....

Do you support the **“Flood Protection - Te Kāuru floodplain Management Plan”** proposed funding method? Yes No

Please comment:

.....
.....
.....

Do you support the **“Flood protection - Waiōhine River Plan”** proposed funding method? Yes No

Please comment:

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.....

Are you satisfied with **“The Stadium”** proposed funding method? Yes No

Please comment:

.....
.....
.....

Do you support the **“Public Transport”** proposed policy changes? Yes No

Please comment:

.....
.....
.....

Do you have any other comments you would like to make about the proposed changes to the Revenue and Financing Policy?

.....
.....
.....

Thank you for having your say on Greater Wellington's proposed Revenue and Financing Policy

We appreciate your involvement in this process and taking the time to read the proposal and letting us know your thoughts.

Kind regards

The Revenue and Financing Policy review project team

DRAFT

Supporting information for the consultation document

Attachment 5 to Report 22.17



2022 Ko te Kaupapa Here Moni Whiwhi me Ahumoni
2022 Revenue and Financing Policy

Greater Wellington Regional Council (Greater Wellington) proposes to make changes to the Revenue and Financing Policy.

The Revenue and Financing Policy demonstrates how we will fund our activities and the funding tools we'll use, such as general rates, targeted rates, fixed rates, fees and charges etc. Greater Wellington is reviewing the policy to keep it up-to-date and relevant. The changes to the policy keep it current with legislation, reduce inefficiencies and make the policy easier to understand and be utilised in a more transparent manner.

We invite you to **Have Your Say**

The Revenue and Financing Policy is now open for feedback. This is your opportunity to let us know what you think about the proposed changes to the policy.

You choose how you Have Your Say. We have prepared an easy [online submission form](#) that you can complete on almost any device and almost anywhere you want. If the online survey isn't for you, feel free to email us your thoughts to rfp@gw.govt.nz (Please don't forget to let us know if you want to speak to you submission too)

**Consultation closes
Wednesday 20 April 2022**

A submission form is provided with this document too, just fill it out and get it to us by:

Email	Post	Drop it off at one of our offices:		
rfp@gw.govt.nz	Revenue and Financing Policy c/o Greater Wellington Regional Council office PO Box 11646 Manners St, Wellington, 6142	100 Cuba Street, Te Aro Wellington City, 6011	1056 Fergusson Drive Upper Hutt City, 5140	34 Chapel Street Masterton, 5840

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About the change to financial distribution

All figures are based on current year's figures for comparative purposes. They are indicative only. Actual figures will be adjusted to the 2022/23 financial year and CV/ECV data.

The activities with proposed funding method changes

Current

- Regional Economic Development
- Regional Predator Control Programme
- Land Management
- Flood Protection – Te Kāuru Floodplain Management Plan

New

- Flood Protection – Waiōhine River Plan
- Wellington Regional Stadium (Sky Stadium)

Regional Economic Development

The proposed changes to the funding method see little to no change for commercial/business across the region.

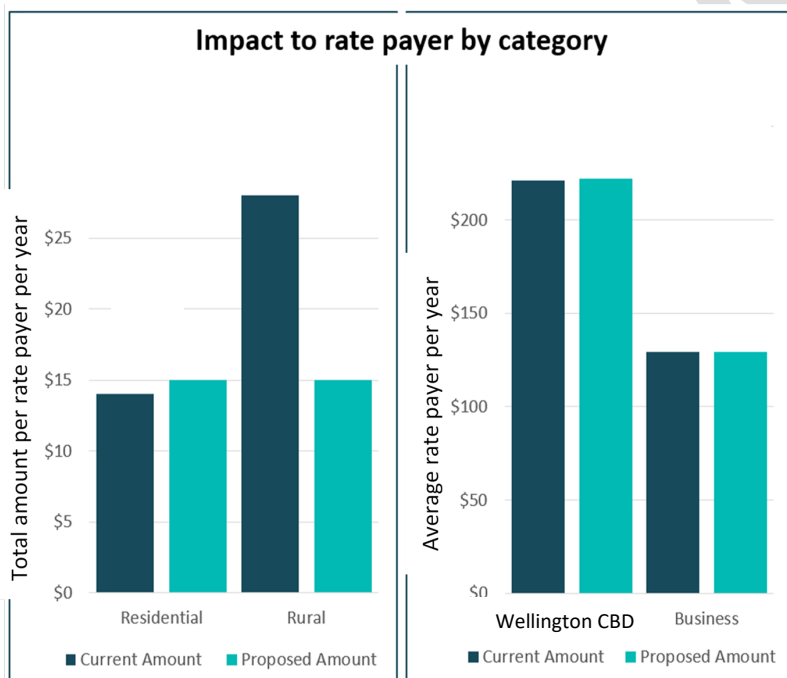
The rural rate payers currently pay twice as much as residential, so territorial authority areas that have higher proportions of rural properties will see a bigger decrease in total share of the funding as the proposed funding method equalises the rural and residential contributions.

2021/22 Value: \$4,690,802

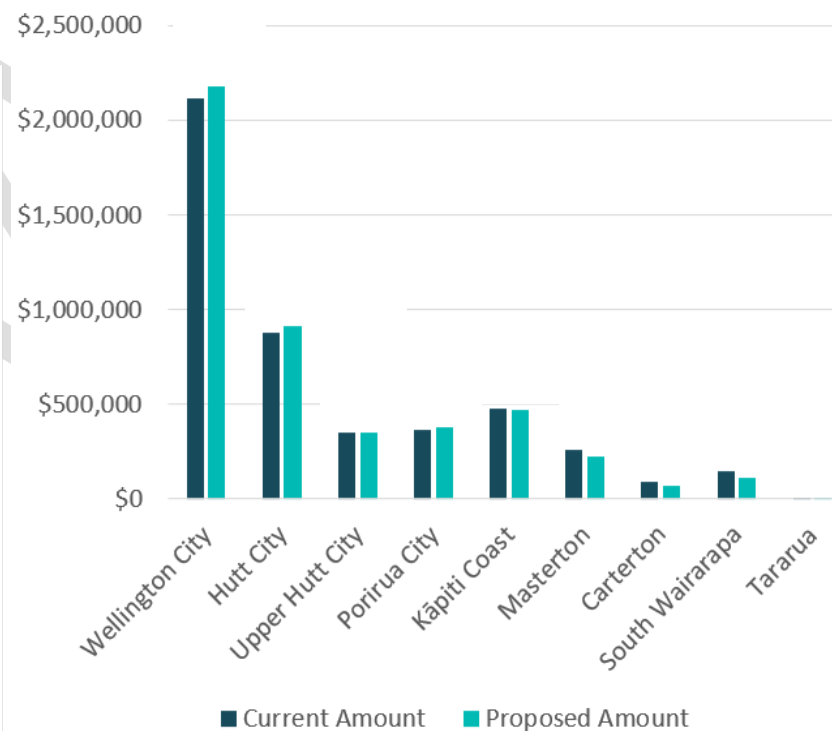
The proposal:

Changing the funding method to:

- Capital value for all business and
- Fixed rate for residential and rural @ \$15
(40% from business and 60% from residential and rural)



Impact by Territorial Authority



Regional Predator Control Programme

The proposed changes to the funding method will see \$666,800 removed from targeted rates and applied to general rates.

The distribution across the region causes territorial authority areas such as Wellington city, with higher populations and higher capital values to receive a higher portion of the share. Other Territorial Authorities, such as those in the Wairarapa, currently have more rate payers paying the targeted rate, which will be removed, making their overall contribution appear significantly less, however their contribution is still proportional with the general rates.



Land Management

The proposed changes to the funding method will see a wider range of rate payers contributing to the rate, but only in the Wairarapa area. There is no change to the other territorial authority areas as the 'up to 50 percent' is not changing.



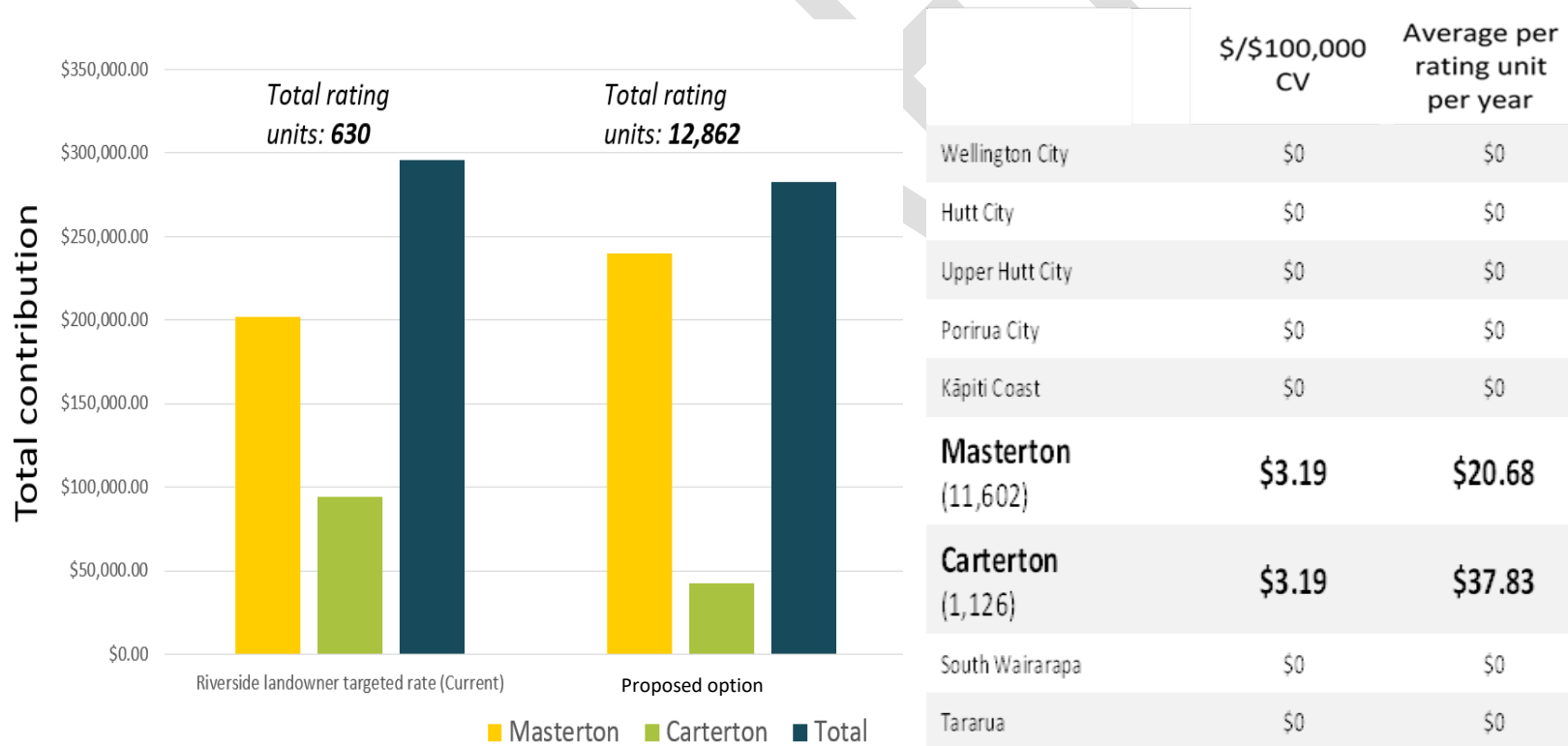
Flood Protection - Te Kāuru Floodplain Management Plan

The proposed changes to the funding method will see a wider range of rate payers contributing to the rate, but only in Masterton and Carterton. There is no change to the other territorial authority areas as the 'up to 50 percent' is not changing.

2021/22 Value: \$282,542

The proposal:

Funding method: Up to 50 percent general rates, the balance remaining as targeted rates to the properties within the proposed Te Kāuru catchment, based on capital value. The Te Kāuru catchment would be based on a hydraulic catchment consisting of approximately 12,862 rating units.



Flood Protection – Waiōhine River Plan

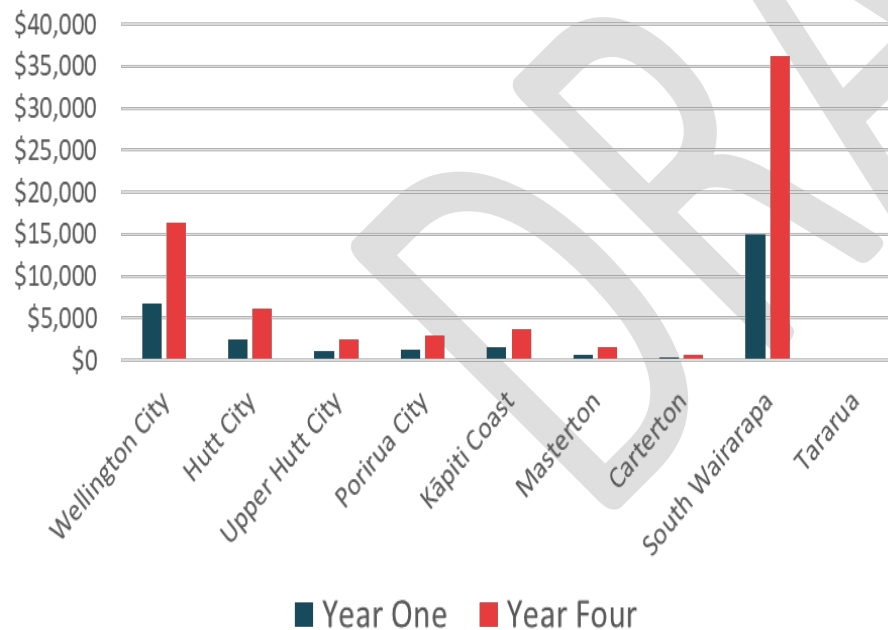
The proposed funding method will see a wide range of rate payers in the Greytown area contributing to the rate.

All Territorial Authorities in the region will also contribute as the ‘up to 50 percent’ general rate is new and will be applied.

South Wairarapa District appears to have a significantly higher portion of the contributions, and this is because it includes the new targeted rates as well as the new general rates portion applied to this activity.

The proposal:

Funding method: Up to 50 percent general rates, the balance remaining as targeted rates for the urban Greytown area and a select number of rural properties who benefit from the Waiohine stopbank implementation.



	Year One \$/100,000 CV	Year One Average per rating unit per year	Year Four* \$/100,000 CV	Year Four* Average per rating unit per year
South Wairarapa District 1,579 targeted properties	\$1.30	\$9.19	\$3.13	\$22.17

Value: \$29,020 rateable amount (will increase to approx. \$70,000 in year 4 (2025/26) as per LTP)

Wellington Regional Stadium (Sky Stadium)

The targeted differentials were selected based on Councillors distribution of benefits. Those closest to the Stadium received more benefits (both in terms of use and economic growth from visitors). For residents up the Kāpiti Coast or in the Wairarapa, access to the stadium is limited as the distance to travel is considerable, making their benefit less than the other TA areas.

The amount used here is for **example only** to demonstrate how funds will be collected. This does not mean we will start rating for the stadium. **Refer to the Annual Plan** for planned expenditure.

The proposal:

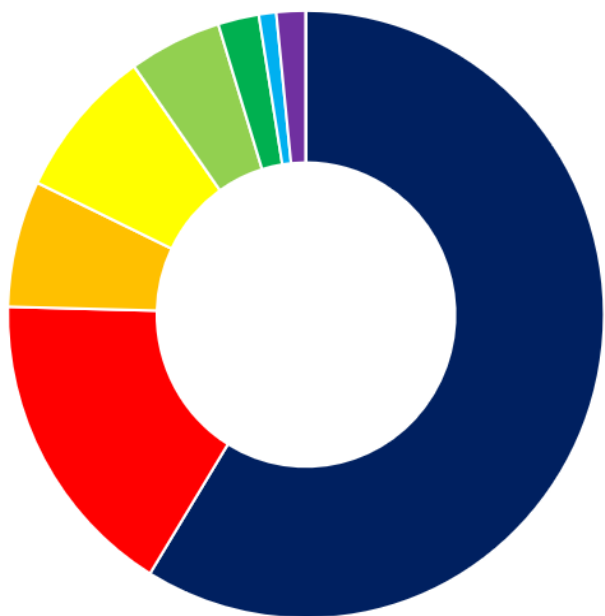
Funding method: A targeted differential based on capital value:

Wellington CBD @ 2

All other Wellington properties @1.2

PCC, HCC, UHCC @ 1

KCDC, Wairarapa @ 0.5



Wellington City	\$587,660
Hutt City	\$166,460
Upper Hutt City	\$67,278
Porirua City	\$80,772
Kāpiti Coast	\$50,269
Masterton	\$22,211
Carterton	\$9,419
South Wairarapa	\$15,890
Tararua	\$41

Differential value		\$/100,000 CV	Average per rating unit per year
1.2	Wellington City	\$0.79	\$7.41
1	Hutt City	\$0.58	\$4.15
1	Upper Hutt City	\$0.58	\$3.88
1	Porirua City	\$0.56	\$4.16
0.5	Kāpiti Coast	\$0.26	\$1.97
0.5	Masterton	\$0.26	\$1.73
0.5	Carterton	\$0.26	\$1.91
0.5	South Wairarapa	\$0.25	\$2.26
0.5	Tararua	\$0.26	\$4.11
Residential		\$0.59	\$4.13
Rural		\$0.33	\$3.41
2	Wellington CBD	\$1.21	\$36.65
Business		\$0.56	\$10.43

The overall regional impact

Total Regional rates have increased by \$681,310 under the proposed funding model due to the Regional Predator Control Programme converting from a targeted rate to a general rate, and the new Waiōhine River Plan rate. The proposed changes have an average impact ranging from -\$6 to \$30 per year, with Wellington CBD being the outlier with an average increase of \$55 per year.

Overall impact based on region wide rates only						
The table shows the Regional rates only. It excludes among others, the targeted land management, flood protection and current Regional Predator Control Rate. Numbers shown here have been rounded.						
Territorial Authority	Category	Average CV	Using current method	Using proposed method	Proposed change (\$)	Proposed change (%)
Wellington City	Wellington CBD	\$ 3,021,058.00	\$ 10,380.00	\$ 10,435.00	\$ 55.00	0.5
Wellington City	Business	\$ 2,443,017.00	\$ 2,442.00	\$ 2,417.00	\$ 30.00	1.2
Wellington City	Residential	\$ 801,940.00	\$ 585.00	\$ 595.00	\$ 10.00	1.6
Wellington City	Rural	\$ 978,239.00	\$ 467.00	\$ 464.00	-\$ 2.00	-0.5
Hutt City	Business	\$ 2,028,317.00	\$ 2,353.00	\$ 2,374.00	\$ 20.00	0.9
Hutt City	Residential	\$ 631,058.00	\$ 620.00	\$ 627.00	\$ 7.00	1.1
Hutt City	Rural	\$ 867,402.00	\$ 580.00	\$ 575.00	-\$ 5.00	-0.8
Upper Hutt City	Business	\$ 1,906,478.00	\$ 2,110.00	\$ 2,129.00	\$ 19.00	0.9
Upper Hutt City	Residential	\$ 587,877.00	\$ 563.00	\$ 570.00	\$ 7.00	1.2
Upper Hutt City	Rural	\$ 869,425.00	\$ 542.00	\$ 538.00	-\$ 5.00	-0.8
Porirua City	Business	\$ 1,786,582.00	\$ 1,756.00	\$ 1,773.00	\$ 17.00	1
Porirua City	Residential	\$ 677,462.00	\$ 568.00	\$ 575.00	\$ 7.00	1.3
Porirua City	Rural	\$ 1,347,872.00	\$ 680.00	\$ 680.00	-\$ 1.00	-0.1
Kāpiti Coast	Business	\$ 1,346,921.00	\$ 1,154.00	\$ 1,164.00	\$ 10.00	0.9
Kāpiti Coast	Residential	\$ 744,876.00	\$ 539.00	\$ 546.00	\$ 7.00	1.2
Kāpiti Coast	Rural	\$ 965,449.00	\$ 490.00	\$ 484.00	-\$ 6.00	-1.2
Masterton District	Business	\$ 1,285,654.00	\$ 840.00	\$ 850.00	\$ 10.00	1.2
Masterton District	Residential	\$ 476,774.00	\$ 242.00	\$ 247.00	\$ 5.00	1.9
Masterton District	Rural	\$ 992,580.00	\$ 427.00	\$ 422.00	-\$ 6.00	-1.3
Carterton District	Business	\$ 555,384.00	\$ 379.00	\$ 383.00	\$ 4.00	1.1
Carterton District	Residential	\$ 502,443.00	\$ 269.00	\$ 274.00	\$ 5.00	1.8
Carterton District	Rural	\$ 1,056,641.00	\$ 466.00	\$ 461.00	-\$ 5.00	-1.1
South Wairarapa District	Business	\$ 894,571.00	\$ 612.00	\$ 618.00	\$ 7.00	1.1
South Wairarapa District	Residential	\$ 602,735.00	\$ 322.00	\$ 327.00	\$ 5.00	1.7
South Wairarapa District	Rural	\$ 1,196,371.00	\$ 515.00	\$ 511.00	-\$ 4.00	-0.8
Otaki rating area	Residential	\$ 514,758.00	\$ 319.00	\$ 324.00	\$ 5.00	1.5
Tararua rating area	Rural	\$ 1,597,650.00	\$ 569.00	\$ 568.00	-\$ 1.00	-0.2

The table includes the impact of introducing the Stadium Rate at \$1,000,000, however this included in the rates until it has undergone an Annual Plan process

Council
17 March 2022
Report 22.94



For Decision

RATES REMISSION ON MĀORI LAND POLICY – APPROVAL OF POLICY FOR CONSULTATION

Te take mō te pūrongo

Purpose

1. To advise Council on the draft Rates Remissions on Māori Land Policy for consultation.

He tūtohu

Recommendations

That Council:

1. **Approves** the draft Rates Remissions on Māori Land Policy (Attachment 1) for public consultation purposes
2. **Approves** the Consultation Document (Attachment 2) for public consultation purposes.
3. **Agrees** to the public consultation period being from 21 March and 2 May 2022 with hearing of submitters scheduled for 17 to 19 May 2022.
4. **Authorises** the following officers to hear and transcribe verbal submissions on the Rates Remissions on Māori Land Policy:
 - a. Brett Cockeram, Manager Māori Outcomes
 - b. Sheryl Miller, Senior Advisor Māori Engagement
 - c. Te Paea Ngāpo, Advisor Māori Engagement.
3. **Authorises** the Council Chair to make editorial changes to the draft Rates Remission on Māori Land Policy and the consultation document prior to publication to correct errors and improve public understanding.

Te horopaki

Context

Policies for remission and postponement of rates on Māori freehold land

2. All local authorities are required to have a policy on the remission and postponement of rates on Māori freehold land under section 102 of the Local Government Act 2002 (LGA). Section 108 and schedule 11 of the LGA set out further detail for what must be

included in the policy. The policy must be reviewed no more than six years since it was adopted or last reviewed.

3. Greater Wellington's policy was last reviewed in 2018, with only minor and administrative changes made.

Local Government (Rating of Whenua Māori) Amendment Act 2021

4. In April 2021 the Local Government (Rating of Whenua Māori) Amendment Act (the Amendment Act) was enacted, introducing wide-ranging changes to the LGA and Local Government (Rating) Act 2002 (the LG(R)A) with regard to treatment of Māori land for rating purposes. Amongst these changes were:
 - a making categories of Māori land non-rateable (including marae whether on Māori freehold land or not, Māori land that is not used, Māori land subject to ngā whenua rahui covenants)
 - b introducing ability to provide rates remission for Māori land under development
 - c requiring local authorities to write off rates debt from Māori land that is considered unrecoverable
 - d requiring certain financial policies (including the policy on the remission and postponement of rates on Māori freehold land) align to the principles of Te Ture Whenua.
5. These changes have reduced the amount of Māori freehold land in the Wellington Region eligible for remission by virtue of reducing the number of Māori freehold properties which are rateable.
6. The Amendment Act also requires local authorities to review their policies on the remission and postponement of rates on Māori freehold land before 1 July 2022 in line with the changes. At this date all policies must align with the new provisions in the LG(R)A and must support the principles set out in the preamble of Te Ture Whenua Māori Act 1993.

Te tātaritanga Analysis

7. A review of Council's existing *Remission and Postponement of Rates on Māori Freehold Land Policy* has been undertaken, considering the new provisions of the Amendment Act, the principles in the preamble of Te Ture Whenua Māori Act, and under Council's own strategic priority of improved outcomes for mana whenua and Māori.
8. The existing policy has been found to be broadly consistent with the new provisions in the Amendment Act and with the principles of Te Ture Whenua Māori. There are areas, however, which can be enhanced to support the overall intentions of the policy to support the retention of land in Māori ownership, to provide for the best utilisation of land by Māori, and to generally align with the Council's aim of improved outcomes for mana whenua and Māori through designing appropriate rating relief mechanisms for Māori land. It is also possible to remove inconsistencies in the treatment of different categories of Māori land under the policy, reflecting part of the intention behind the Amendment Act.

9. All policies for territorial authorities in the Wellington Region, and the policies of several comparable councils outside of the Region (Environment Canterbury, Horizons Regional Council, Bay of Plenty Regional Council, Waikato Regional Council, and Auckland Council) have been considered as part of the policy review. Of these councils, only Auckland Council's revised draft policy has been approved for public consultation to date and so the view of other policies in light of significant changes under the Amendment Act is limited at this stage.

Māori Freehold Land

10. The existing provisions relating only to Māori freehold land in the current policy are consistent with many councils, and the criteria for remission in some cases is comparatively more enabling. The existing provisions and criteria are also broadly in line with the new aspects of the Amendment Act. As a result, the criteria and conditions relating to the remission of rates on Māori freehold land is not proposed to change.

Other eligible land

11. The draft policy introduces four new areas of eligibility for a remission from Greater Wellington. These are:
- a Land converted from Māori freehold title to general title under the Māori Affairs Amendment Act 1967;
 - b Land returned through Treaty settlement;
 - c General land in collective Māori ownership;
 - d General land under development in collective Māori ownership.
12. Much of the history of Māori land law was driven by a clear intention to make Māori land easier to alienate from its owners. The last major law in this regard was the Māori Affairs Amendment Act 1967, which introduced compulsory conversion of Māori freehold land with four or fewer owners into general land. While many of the land blocks converted in this way will have since been alienated out of Māori ownership, we propose that the policy provide that this land be eligible for a remission as if it were Māori freehold land.
13. Owners of land in this category will be treated as if their land is in Māori freehold title for the purposes of the policy if:
- a They can show that the land was converted by a status order change under the 1967 Act; and
 - b They can show they are descendants of the owners at the time of the status order change.
14. A large portion of land owned and administered by the Crown is generally treated as non-rateable under the LG(R)A. When Crown land ceases to be held for these non-rateable purposes and is returned to mana whenua through a Treaty settlement, the land then becomes liable for the payment of rates on the land, unless other conditions apply (e.g., the land is subject to the Reserves Act 1977 or encumbrances that make the land non-rateable).

15. Officers recommend that Council include land transferred through Treaty settlement as eligible land for remission under the policy. Most land transferred in this way will not be eligible, either because it is non-rateable under the LG(R)A already (for example, land with reserve status) or because it generates a commercial return to the settlement entity. There are, however, a small number of properties expected to be eligible for a rates remission in this way, that for various reasons are not otherwise eligible for rating relief, are held for the benefit of iwi and hapū, and do not generate a commercial return.
16. It is recommended that Council extend the eligibility criteria of the policy to include general land held collectively by Māori that meets all of the criteria and conditions of the policy except for status as Māori freehold land. This would enable rates relief for Māori land in general title that, for example, includes:
 - a Wāhi tapu
 - b Papakāinga housing
 - c Reconnection of mana whenua and Māori to areas of significance through acquisition and holding of land.
17. Extending the eligibility of the policy over general land in this way would align with the existing stated objectives in the policy and remove the inconsistent treatment of cultural values and aspirations of Māori for their land that come into play when Māori freehold land is eligible for rates remissions where general land is not.
18. The final area proposed for inclusion is for remissions on Māori land under development. As part of the provisions introduced under the Amendment Act, the LG(R)A now provides for rates remissions on Māori freehold land under development. These provisions do not need to be included in a council's policy for remissions to be applied for and granted. However, the provisions only apply at present to Māori freehold land. One or more of the following criteria must be met for a remission to be considered:
 - a benefits to the district by creating new employment opportunities:
 - b benefits to the district by creating new homes:
 - c benefits to the council by increasing the council's rating base in the long term:
 - d benefits to Māori in the district by providing support for marae in the district:
 - e benefits to the owners by facilitating the occupation, development, and utilisation of the land.
19. Given the limited location and quantity of Māori freehold land in the Region, and the potential for the benefits above to be met by Māori in parts of the region where there is no or very little Māori freehold land, officers recommend that Council include provision for remission for Māori land under development that includes general land in Māori ownership. All applications will be considered under the same criteria as set out for land under development remissions in the LG(R)A.

Other administrative changes to the policy

20. The review of the policy has also highlighted two changes of an administration nature that should be made: increasing the term of remissions from one year to three, and removing postponement of rates on Māori land from the policy.
21. The status quo length of remission is one year; however, the policy has been drafted to provide for remissions of three years in duration. This is to reduce the administration associated with operating remissions on Māori land both for Council and for landowners. The nature of Māori land eligible for remissions under this policy realistically means that the criteria is met on a medium to long term basis, rather than any shorter period. For example, landlocked Māori freehold land does not need to be reassessed on an annual basis to determine whether access has been established.
22. This also reduces the amount of work for staff in proactively applying the remission to Māori freehold land by limiting this process to occurring triennially rather than annually. The intention would be to align the three year period with the Long Term plan cycle, where practicable, to help provide certainty around the costs of running these remissions. Lastly, the length of the remission period being three years will offer greater certainty to landowners in planning for the best use of their land. Should the criteria for granting the remission on any land no longer be met, Greater Wellington may reduce the remission period accordingly.
23. While the LGA requires that councils have a policy for Māori freehold land that includes both remissions and postponement, it is possible that the policy position can be to not offer postponements at all. This is recommended for several reasons. Postponements of rates are rarely utilised, and Greater Wellington does not currently have any rates postponements in place on Māori freehold land. Rates postponements are usually recovered by councils on the future sale of a property; however, this runs contrary to the purposes of Greater Wellington's policy objectives to prevent further alienation of Māori from their land. Postponements also generate an accumulating rate charge against the property, which is one of the financial barriers towards utilisation of Māori land that the Amendment Act has sought to remove.
24. Rates postponement in cases of hardship or other extenuating circumstances can still be considered by Council for Māori land under Greater Wellington's general postponements policy, should this ever be required. Council officers will work with landowners to understand any grounds for postponement of rates should this arise.
25. The proposed draft policy at [Attachment 1](#) reflects the recommendations set out above. The draft document for public consultation is attached as [Attachment 2](#).
26. The existing Greater Wellington policy on the remission and postponement of rates is included as [Attachment 3](#). A track changed version of the policy has not been providing as reworking of the policy to include new eligible types of land has made a track changed version difficult to follow.

Nga kōwhiringa

Options

27. Council is presented with three primary options in this report:

- a approve the draft *Rates Remissions on Māori Land Policy* included as Attachment 1 for public consultation, including the recommended changes as set out above; or
 - b undertake a short consultation on retaining the existing *Remission and Postponement of Rates on Māori Freehold Land Policy* included as Attachment 3.
 - c adopt the existing *Remission and Postponement of Rates on Māori Freehold Land Policy* included as Attachment 3 and take no further action as a result of the review process.
28. Option A is the recommended option. This is considered to better align with Council's strategic priority of improved outcomes for mana whenua and Māori, with Council's Māori Outcomes Framework, and with the intention and provisions of the Amendment Act. Option A presents higher cost implications than Options B and C owing to its wider eligibility criteria; however, because a small proportion of land in the Region is in Māori ownership, the financial risk is considered low. Workshop discussions with Council to date have addressed the changes now set out in the draft policy for Option A.
29. Option B is the status quo option. Retention of the existing policy would be compliant with changes to the LGA and LG(R)A under the Amendment Act; however, this would miss an opportunity to improve outcomes for mana whenua and Māori in the Region by not addressing inconsistencies in the treatment of land owned by Māori for rates relief by this Council. Because of the scale of changes in the 2021/22 year to the rating of Māori land as well as to provide for public input on Council's review process for the policy, it is recommended that Council would consult on the decision to retain the existing policy if that was the preferred option.
30. Option C is an alternate status quo option. Retention of the existing policy would be compliant with changes to the LGA and LG(R)A under the Amendment Act; however, this would miss an opportunity to improve outcomes for mana whenua and Māori in the Region by not addressing inconsistencies in the treatment of land owned by Māori for rates relief by this Council. Consultation on the retention of the status quo policy is not strictly required; however, this would remove the opportunity for any public feedback on Council's review of the policy, including any feedback in light of significant legislative changes to the rating of Māori land.

Ngā hua ahumoni

Financial implications

31. The financial implications of this policy change should be looked at in two areas: financial implications related to Māori freehold land (included in the scope of the existing policy) and financial implications related to newly eligible types of land.
32. For Māori freehold land, the potential financial implications will be greatly reduced on previous years. This owes primarily to the change from rateable to non-rateable for many properties, particularly those where non-use meant that the property met the criteria for a remission. As described in the table further in this section, many of the territorial authorities in the Region have not granted any remissions for the current financial year as most eligible properties in previous years are now non-rateable.

33. Because Greater Wellington rates remission for Māori freehold land has not been effectively applied for in respect of most properties in the Region which would have been eligible, officers have instead looked at the Greater Wellington portion of rates associated with properties where each of the territorial authorities in the Region have issued a remission under their own policy. This is set out in the table below:

Council name	Remissions granted in 21/22 financial year	Greater Wellington portion of rates for properties with remissions
Wellington	N/A (3 blocks non rateable, 1 block residential)	N/A
Porirua	N/A (no remissions granted)	N/A
Kāpiti Coast	5 (all other previous remission properties were assessed and moved to non-rateable)	\$2,803.27
Hutt City	N/A (no remissions granted)	N/A
Upper Hutt	N/A (no MFL)	N/A
South Wairarapa	1 (all other previous remission properties were assessed and moved to non-rateable)	\$32.20
Carterton	N/A (no remissions granted)	N/A
Masterton	N/A (no remissions granted)	N/A

34. In the current financial year the amount of Greater Wellington rates which would have been likely to be remitted had the policy been applied as intended would be less than \$3,000. This figure is indicative only of the rates remission likely from the current financial year, and it is possible that more properties will seek a remission on all or part of their land area following increased attention to the rating of Māori freehold land arising from the significant changes to the LG(R)A for Māori land.
35. For the new categories of land introduced to the policy, only the financial implications of Treaty settlement land can be assessed. Looking across the settlements for Taranaki Whānui (Port Nicholson Block), Ngāti Toa Rangatira, and Rangitāne Tū Māi Rā there appear to be approximately five properties which may be eligible for a rates remission, owing to the types of properties returned through settlement, location of the properties, and conditions on the properties. As a result, the potential financial implication of this part of the policy is expected to be less than \$10,000 per year (based on current rates assessable for these properties).
36. The financial implications for land converted from Māori freehold title to general title under the Māori Affairs Amendment Act 1967 are unable to be estimated as we do not know how much land converted in this way remains in Māori ownership and would

meet the policy criteria. It is, however, a smaller proportion of land than what remains in Māori freehold ownership, and it is anticipated much of the land converted in this way will have been further alienated from Māori ownership in the 50 years since the 1967 law was enacted.

37. Financial implications for general land in collective Māori ownership, and Māori land under development are likewise unable to be estimated at this point in time as we are yet to have any indication on what the appetite for application for a remission under these parts of the policy may be. As part of our engagement process we will work with our mana whenua partners and Māori landowners to understand what the potential uptake of the remission may be and will provide an updated assessment of financial implications to Council prior to adoption of the policy.
38. A total budget estimate of \$30,000 has been provided for rates remissions on Māori land for the 2022/23 Annual Plan to provide for the anticipated costs as described above, and other unanticipated remission applications which may be made following adoption of the policy.

Te huritao ki te huringa o te āhuarangi Consideration of climate change

39. Māori land is often located in areas where the impacts of climate change may be more severely felt. This includes wāhi tapu and cultural infrastructure near coasts and waterways at risk of inundation from extreme weather events or sea level rise, marginal coastal areas with poor access, and land in steep hill country that may be prone to erosion.
40. An existing provision of the Rates Remissions on Māori Land Policy is the inclusion of criteria for remission that acknowledges the importance of indigenous biodiversity on Māori land to wider community goals. Providing rates relief to Māori landowners in order to protect indigenous biodiversity has an additional benefit of supporting carbon offsetting across the Region, and addressing biodiversity decline.

Ngā tikanga whakatau Decision-making process

41. Council has held three workshops on this policy to understand the changes to rating of Māori land under the Amendment Act, the current policy settings, recommended areas for improvement to the policy, and consideration of a draft policy.
42. This policy is to be made under sections 102, 108, and 109 of the LGA. Section 102 requires local authorities to have a policy in place for the remission and postponement of rates on Māori freehold land, and section 108 describes the requirements in having that policy. Section 102 also allows local authorities to make a policy on remission and postponement of rates on other types of land at their discretion, while section 109 describes the requirements of having that policy. Because the eligibility for remission under the policy is proposed to extend to general land collectively owned by Māori, the policy is then to be made under all three of these sections of the LGA.

43. Review of a rates remission policy under those sections requires public consultation as per section 82 of the LGA. Following recommended approval of the draft policy, consultation will be undertaken including an opportunity for submitters to present to Council at a hearing.
44. Council will be asked in June to adopt a final policy prior to take effect at the commencement of the 2022/23 financial year.
- 45.

Te hiranga Significance

46. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of this matter, taking into account Council's *Significance and Engagement Policy* and Greater Wellington's *Decision-making Guidelines*. Officers recommend that this matter is of low significance, as the financial implications are very limited and there is very limited impact on residents and ratepayers of the region, and no impact on Greater Wellington's services.
47. However, given the clear focus on Māori land and supporting the retention of Māori land in Māori ownership, alongside the ability to support the utilisation aspirations of Māori for their land, this policy holds significance for Māori in the region. As a result, proposed engagement is focused specifically on this significance for Māori while still meeting the information and consultation needs of the wider community.

Te whakatūtakitaki Engagement

48. Engagement with mana whenua, Post Settlement Governance Entities, and other Māori landowners in the Region will be undertaken through the consultation period. Residents and ratepayers in the region are also invited to participate in the consultation process.

Ngā tūāoma e whai ake nei Next steps

49. Public consultation on the draft *Rates Remissions on Māori Land* policy will run from 21 March to 2 May 2022. Given the significance of the policy to Māori landowners, engagement will be targeted towards this community; however, the consultation process is open to all. Hearing of submitters on the draft policy will be held in May 2022 alongside the hearing for the Revenue and Financing Policy.
50. Council will be provided with a final policy for adoption in June 2022. This policy will be proposed to take effect on 1 July 2022.

Ngā āpitihanga Attachment

Number	Title
1	Draft Rates Remissions on Māori Land Policy

Number	Title
2	Consultation document for draft Rates Remissions on Māori Land Policy
3	Existing Policy on the Remission and Postponement of Rates on Māori Freehold Land

Ngā kaiwaitohu

Signatories

Writer	Scott Summerfield – Consultant, Te Hunga Whiriwhiri
Approver	Monica Fraser – Te Pou Whakarae Samantha Gain – General Manager Corporate Services

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>Council is required to have a policy for the remission and postponement of rates on Māori freehold land under the Local Government Act 2002. The responsibility for this policy sits with Council and is not delegated to a Committee.</p>
<p><i>Implications for Māori</i></p> <p>Land is a taonga for Māori, and a fundamental connection to Pāpātuanuku and whakapapa. The connection to land is intrinsic to identity, wellbeing, sustenance and a sense of home and place. The loss of ancestral lands is a key issue for Māori and the retention of the land which remains, and return to ownership of land that was lost, is key consideration driving this policy review.</p> <p>This policy will provide rates relief options to Māori landowners to support the ongoing holding of ancestral lands, support for marae and papakainga, protection of wāhi tapu and indigenous biodiversity, and to support the utilisation by Māori of their land in a way that meets their aspirations and aligns with the values and tikanga by which the land is held.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This is a financial policy that contributes to the Long Term Plan framework. The policy has been reviewed in light of Council's strategic priority in the 2021-31 Long Term Plan to improve outcomes for mana whenua and Māori, and Council's Māori Outcomes Framework.</p>
<p><i>Internal consultation</i></p> <p>Internal consultation has been undertaken with the Finance and Legal departments.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>There is a legal risk that the policy may not comply with legislative provisions, or that the process taken to review and make the policy will not follow correct process as per the legislation. This has been mitigated by both an internal and external legal review of the policy.</p> <p>There is also a financial risk that the applications for remissions under the policy will greatly outstrip the estimated financial implications and impose an unreasonable burden of the remissions on other ratepayers. This risk is limited, however, by the low proportion of Māori land in the Region, and the ability of Council to consider partial or limited remissions on Māori land under development applications.</p>

Attachment 1 to Report 22.94

Draft Rates Remission on Māori Land Policy

Remission of rates on Māori land

Greater Wellington must¹ adopt a policy on the remission and postponement of rates on Māori freehold land². Greater Wellington has also elected to consider applications for remission of rates on certain land in Māori ownership which is not Māori freehold land.

Greater Wellington has taken into account the principles of the preamble to Te Ture Whenua Māori Act 1993 and the matters identified in schedule 11 of the Local Government Act 2002 in making this policy, including deciding to consider applications for remission of rates on general land collectively owned by Māori in the circumstances set out in this policy. This policy is made under sections 102, 108 and 109 of the Local Government Act which reflects that the policy applies both to Māori freehold land and to general land collectively owned by Māori.

Greater Wellington has determined that this policy does not offer postponement of rates.

Objectives

1. To recognise that certain Māori owned land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates.
2. To recognise that Greater Wellington and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
3. To support the connection of mana whenua and Māori to their traditional lands and resources, and cultural values, where appropriate, through the short, medium and long term relief from rates.
4. To meet the requirements of the Local Government Act 2002 and to support the principles in the preamble to Te Ture Whenua Māori Act 1993.

Eligibility, criteria and conditions

Greater Wellington will consider each application on its merit and a remission may be granted where it is considered that the application meets the relevant criteria and conditions set out below.

In order to be granted a remission the land must be eligible. Eligible land is either:

1. 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
2. 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:

3. 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 Greater Wellington 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

¹ Section 102 Local Government Act 2002.

² Local Government (Rating) Act 2002 defines Māori freehold land as meaning land whose beneficial ownership has been determined by the Māori Land Court by freehold order.

Attachment 1 to Report 22.94

Draft Rates Remission on Māori Land Policy

4. is held for:
 - a. The protection of wāhi tapu or other cultural values intrinsic to the land; or
 - b. Providing economic, cultural or infrastructure support for marae (including papakainga housing); or
 - c. Educational, cultural or community purposes; or
5. satisfies the benefits requirements for land under development in section 114A of the Local Government (Rating Act) 2002.

And is owned by:

- a. One of Greater Wellington's six mana whenua partner organisations
- b. A Post-Settlement Governance Entity whose settlement is affiliated with the Wellington region
- c. An entity representing hapū, whānau or mātāwaka interests in the region
- d. A marae trust or other charitable organisation/incorporated society associated with marae.

Criteria

Greater Wellington will give a remission of up to 100 percent of all rates due for eligible land for the years for which it is granted based on the extent to which the remission of rates will meet at least one of the following criteria:

1. Support the use of the land by owners for traditional purposes
2. Support the relationship of Māori and their culture and traditions with their ancestral lands
3. Avoid further alienation of Māori freehold land
4. Facilitate any wish of the owners to develop the land for economic use
5. Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes
6. Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakāinga housing (whether on the land or elsewhere)
7. Recognise and take account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment
 - b. The protection of outstanding natural features
 - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
8. Recognise the level of community services provided to the land and its occupiers
9. Recognise matters related to the physical accessibility of the land

Conditions

1. Applications for remission under this policy must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Greater Wellington. No remissions are able to be granted for a previous financial year.
2. Remissions will be granted for a period of three years, unless stated otherwise. Greater Wellington may reduce the period of remission during the period of the remission if it deems that the criteria for granting the remission are no longer met.
3. Applications should include the following information:
 - a. Details of the rating unit or units involved
 - b. Documentation that shows that the land is eligible as detailed above

Attachment 1 to Report 22.94

Draft Rates Remission on Māori Land Policy

- c. Supporting information to demonstrate that the remission will help achieve the criteria set out in the above section.
4. Greater Wellington may of its own volition investigate and grant remission of all or part of the rates (including penalties for unpaid rates) on any Māori freehold land in the region. This will only be undertaken for remissions on eligible Māori freehold land and not for any other Eligible land under this policy.
5. Relief, and the extent thereof, is at the sole discretion of Greater Wellington and may be cancelled and reduced at any time. Greater Wellington will advise landowners of the intention to cancel or reduce the remission or extent of remission, seek feedback from the landowner and take this feedback into account before making a final decision.
6. Where applicable, Greater Wellington may determine that a remission will only apply to part of the land to which is eligible (for example, wāhi tapu on a portion of a site that limits some but not the entire use of the site). In these cases the remission will be pro-rated.
7. For remissions on Māori land under development that meet the benefits described in section 114A(3) of the Local Government (Rating) Act 2002, Greater Wellington will determine the duration and extent of the rates to be remitted in accordance with section 114A(4) and section 114A(5) of the Act.
8. The applicant may choose to remit the payment of a lesser amount of rates than the full amount owing.

Decisions

Decisions on the remission of rates (including penalties for unpaid rates) under this policy, and decisions on remissions under section 114A of the Local Government (Rating) Act 2002, are delegated to Greater Wellington officers. All delegations are recorded in the delegations manual.



CONSULTATION DOCUMENT

2022 [Māori title needed]

2022 Rates Remissions on Māori Land Policy

Greater Wellington Regional Council (Greater Wellington) proposes to make changes to the Rates Remissions and Postponements on Māori Freehold Land Policy. This will become known as the Rates Remissions on Māori Land Policy.

Greater Wellington is reviewing the policy following changes to the Local Government Act 2002 and Local Government (Rating) Act 2002 that took effect in July 2021, which included significant changes to the rating of whenua Māori. The proposed changes to the policy will ensure it is up to date and compliant with the legislation for rating of whenua Māori and the principles of Te Ture Whenua Māori Act 1993, and offer wider support to owners of whenua Māori to look after the whenua for current and future generations.

While this policy particularly affects Māori landowners in the Wellington region, everyone in our community may have an interest and is invited to provide a submission on the proposed changes to the policy.

As part of the review of this policy, Greater Wellington has considered the option of retaining the existing policy and has decided instead to consult on the proposed changes in this document as these better align with Council's strategic priority of improving outcomes for mana whenua and Māori, and with Council's adopted Māori Outcomes Framework.

We invite you to **Have Your Say**

The Rates Remissions on Māori Land Policy is now open for feedback. This is your opportunity to let us know what you think about the proposed changes to the policy.

**Consultation closes
Monday 2 May 2022**

You can choose how you have your say. We have prepared an easy [online submission form](#) that you can do on almost any device and almost anywhere you want. If the online survey isn't for you, feel free to email us your thoughts to whenuamāori@gw.govt.nz (Please don't forget to let us know if you want to speak to your submission too).

A submission form is also attached for your convenience, feel free to complete and return to any of the below:

Email	Post	Drop it off at one of our offices		
whenuamāori@gw.govt.nz	Whenua Māori c/o Greater Wellington Regional Council office PO Box 11646 Manners St, Wellington City, 6142	100 Cuba Street, Te Aro Wellington City, 6011	1056 Fergusson Drive Upper Hutt City, 5140	34 Chapel Street Masterton, 5840

If you would like a hardcopy of this document, please email whenuamāori@gw.govt.nz and advise us how many copies you require and where you would like us to them to, and we will them to you ASAP. Please let us know **before 23 April 2022** to allow for delivery in time for you to make your submission.

DRAFT

What you need to know

What is the Rates Remissions on Māori Land Policy

All councils are required to have a policy on rates remissions and postponements on Māori freehold land. This policy sets out the criteria under which Greater Wellington will consider applications for remissions and postponements on Māori freehold land in the region.

A rates remission is when Council agrees to waive the obligation to pay rates on a property in a particular financial year. A postponement is when Council agrees that rates for a particular financial year can accumulate against the property to be paid in the future.

What other financial policies does Greater Wellington have?

Greater Wellington has three main financial policies that support the Long Term Plan. They are:

- Revenue and Financing Policy
- The Treasury Risk Management Policy
- The Rate Remission and Postponement Policies for general land issues

You can find out more about GW financial policies [here](#)

What other financial policies are being currently review?

Greater Wellington is also reviewing the Revenue and Financing Policy. Several proposed changes have been made to the policy, including some funding methods, and some new activity rates. We believe the proposed changes makes the policy more equitable, fair, and beneficial to everyone in the region.

What's changing?

Following the changes to the Local Government (Rating) Act in July 2021, many of the Māori freehold land properties which previously would have been eligible for a rates remission are now treated as non-rateable as the land is unused. This means that rates are not charged against the property in the first instance so no remission needs to be applied for.

Greater Wellington is proposing to consider applications for remissions on whenua Māori that is not in Māori freehold title, in the following areas:

- Land converted from Māori freehold title to general title by a status order change under the Māori Affairs Amendment Act 1967
- Land returned through Treaty settlements, where:
 - The land is not generating a commercial return; and
 - The Crown had not been paying rates on the land prior to its transfer to Māori ownership
- Land in general title owned collectively by Māori that meets the criteria of the policy
- Māori land under development that is in general title

We are also proposing changes to administration of the policy:

- Extending the duration of remissions granted from one year to three years
- Removing postponement of rates on Māori land from the policy

This consultation document includes an overview of the proposed changes, why the changes are being proposed and some examples of what this might mean in practice. We encourage you to read the full **policy** [\[insert link\]](#) as well as this document before making a submission.

Māori Freehold Land

The existing Greater Wellington policy already provides for rates remissions on Māori freehold land in the region, and this is not suggested to change. What has changed in the last year is that a large number of Māori freehold properties that were eligible for a remission are now classified as non-rateable as they are considered unused land under the Local Government (Rating) Act.

We encourage Māori freehold landowners to check with their local council whether their land is considered rateable or non-rateable following the changes to the legislation. If your land is rateable, take a look at the criteria for a rates remission under our policy and consider making an application if you think you may be eligible.

Criteria

Greater Wellington will give a remission of up to 100 percent of all rates due for eligible land for the years for which it is granted based on the extent to which the remission of rates will:

1. Support the use of the land by owners for traditional purposes
2. Support the relationship of Māori and their culture and traditions with their ancestral lands
3. Avoid further alienation of Māori freehold land
4. Facilitate any wish of the owners to develop the land for economic use intention
5. Recognise and take account of the presence of wāhi tapu that may affect the use of the land for other purposes
6. Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
7. Recognise and take account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment
 - b. The protection of outstanding natural features
 - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
8. Recognise the level of community services provided to the land and its occupiers
9. Recognise matters related to the physical accessibility of the land
10. Provide for an efficient collection of rates and the removal of rating debt.

Land converted from Māori freehold to general title

As a result of the Māori Affairs Amendment Act 1967, a large number of Māori freehold land blocks were compulsorily converted to general title. Many Māori landowners did not know this had happened to their land at the time, and some are not aware even today about the change in the status of their land. These changes can have big impacts on how land is treated by councils for rating purposes though, as well as making it easier for land to be sold to non-Māori. Land in general title is not currently eligible for a rates remission under this policy.

What we are proposing to change:

Greater Wellington is proposing that land which was converted from Māori freehold to general title in this way be treated the same as Māori freehold land under our policy.

Why are we proposing to do this?

This will mean that Māori landowners of general land, if they can show that their land status was changed as a result of the Māori Affairs Amendment Act 1967, will be eligible for a rates remission under the same criteria and conditions as Māori freehold land in our policy. The only requirement is that current owners must be a descendant of the landowners at the time of the status order change under the 1967 Act.

Collectively owned Māori land in general title

A lot of Māori land is home to marae, papakāinga, wāhi tapu and wāhi tupuna, as well as significant areas of native forest and other natural landscapes. At the moment our policy only offers a rates remission for Māori freehold land that is used in this way.

What we are proposing to change:

Our proposal is that collectively owned Māori general land will also be able to be considered for a rates remission in future, where it meets the criteria required for remissions in the policy.

Why are we proposing to do this?

This will enable whānau, hapū and iwi to apply for a rates remission on general land to support the retention of land in Māori ownership. Examples of how this may benefit Māori could include wāhi tapu. This is intended to help protect the wāhi tapu as well as support Māori ownership of more land of significance to Māori.

Another example is that mātāwaka marae, which are not usually located on or near Māori freehold land, can apply for a rates remission for papakāinga and other infrastructure that supports marae but is located on general land. This will provide support to all marae communities in the region to ensure their whānau can live near marae, support marae and participate fully in the life of marae.

Land returned through Treaty settlements

Almost all land returned through Treaty settlements is in general title and as a result, this land is not eligible for rates remissions under the current Greater Wellington policy.

What we are proposing to change:

Greater Wellington is proposing to include land returned through Treaty settlements where:

- No commercial return is being made on the land; and
- The Crown was not previously paying rates on the land; and
- The land meets the criteria set out in the policy

Why are we proposing to do this

Treaty settlements can include the return of land with conditions that make the land rateable where this may not have been the case while in Crown ownership, land that is used for the benefit of iwi, hapū, whānau or the wider community, or return of land with commercial potential that is not immediately realised. Greater Wellington looks to support the aspirations of mana whenua post-settlement, and rates remissions on these properties is one way we can do so.

Māori land under development

Changes to the Local Government (Rating) Act included the ability for owners of Māori freehold land to apply for a remission to cover the period in which the land is being developed, if it meets certain criteria.

What we are proposing to change

This proposed change to Greater Wellington's policy will mean that general land that is collectively owned by Māori, can be considered for a remission under the below criteria:

- benefits to the district by creating new employment opportunities
- benefits to the district by creating new homes
- benefits to the council by increasing the council's rating base in the long term
- benefits to Māori in the district by providing support for marae in the district
- benefits to the owners by facilitating the occupation, development, and utilisation of the land

Why are we proposing to do this?

Including general land in Māori collective ownership in the scope of the policy means that the opportunities and benefits of land development are available to mana whenua in all parts of the region, regardless of land status. For example, including the provisions for Māori land under development means that an iwi or hapū group could purchase land, lead a housing development for whānau, receive a rates remission for the duration of the development process, and then once the homes are completed and occupied by whānau, the rates remission would end.

Administration changes

There are two notable changes for the administration of the policy to highlight also. These relate to:

- the duration of each remission that is granted, and
- the removal of rates postponements as an option from the policy.

What we are proposing to change:

Greater Wellington is proposing to extend the term of the remissions from one to three years. The Council would retain the ability to cancel a remission or reduce the term of a remission if the criteria are no longer being met.

Greater Wellington is also proposing to remove the option rates postponements on Māori land from the policy.

Why are we proposing to do this?

The change to the duration of the remission means owners will only need to apply for a rates remission once every three years and will have security about the remission being in place for three years, unless eligibility changes during that time. The nature of Māori land eligible for remissions under this policy realistically means that the criteria is met on a medium to long term basis, rather than any shorter period. The intention would be to align the three year period with our Long Term Plan cycle to help provide certainty around the costs of running these remissions. Lastly, the length of the remission period being three years will offer greater certainty to landowners in planning for the best use of their land.

Removing the option of postponements on Māori land is proposed for several reasons. Postponements of rates are rarely utilised, and Greater Wellington does not currently have any rates postponements in place on Māori freehold land. Rates postponements are usually recovered by councils on the future sale of a property, however this runs contrary to the purposes of Greater Wellington's policy objectives to prevent further alienation of Māori from their land. Postponements also create long term debt against land which is something that both Greater Wellington and the government are looking to avoid for Māori land. Rates postponement in cases of hardship or other extenuating circumstances can still be considered by Council for Māori land under Greater Wellington's general postponements policy, should this ever be required.

We invite you to **Have Your Say**

Be sure to get your submission in before **5pm Monday 2 May 2022**. Submissions received after this point may be received at Council's discretion only and given the timeframes needed to finalise the policy before 30 June are unlikely to be accepted.

You choose how you have your say. We have prepared an easy [online submission form](#) that you can do on almost any device and almost anywhere you want. If the online survey isn't for you, feel free to email us your thoughts to WHENUAMĀORI@GW.GOVT.NZ (Please don't forget to let us know if you want to speak to your submission too).

A submission form is provided with this document too, just fill it out and send it to us by:

Email	Post	Drop it off at one of our offices		
whenuamāori@gw.govt.nz	Whenua Māori c/o Greater Wellington Regional Council office PO Box 11646 Manners St, Wellington City, 6142	100 Cuba Street, Te Aro Wellington City, 6011	1056 Fergusson Drive Upper Hutt City, 5140	34 Chapel Street Masterton, 5840

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Remember the **Revenue and Finance Policy** is being consulted on too.
Click here to [have your say](#)

Submission Form

All questions asked here are completely optional. You can answer as many or as few as you like. However, if you do wish to speak at a public hearing to your submission, please make sure you provide us with accurate contact information. This can be made in te reo Māori, New Zealand sign language or English. Please let us know early so we can arrange for a translator.

To do this online, please visit [\[insert Have Your Say link\]](#)

Privacy statement: [\[to be inserted\]](#)

If you would like to ask any questions before making your submission, please get in touch, email whenuamāori@gw.govt.nz

Name:

Organisation (if applicable):

Email:

A little more about you:

Where in the region do you reside? [\[list TA's\]](#)

Are you a Māori landowner?

Yes

No

What kind of Māori land do you represent? Māori freehold land Treaty settlement land Māori land in general title Marae

Speaking to your submission:

Public hearings for the Rates Remissions on Māori Land Policy review are **expected to take place between 17-19 May 2022**, however dates, times and locations of the hearings are not expected to be confirmed until near the end of the consultation period. If you select “yes” now, you are free to change your mind later once we reach out to confirm with you your speaking time.

Do you want to speak to in support of your submission? Yes No
[If no boxes are ticked, we'll assume you don't want to be heard]

About the proposals:

Do you support the proposed inclusion of “**Māori freehold land converted to general title under the Māori Affairs Amendment Act 1967**” as eligible land under the policy? Yes No

Please comment:

.....
.....
.....

Do you support the proposed inclusion of “**Treaty settlement land**” as eligible land under the policy? Yes No

Please comment:

.....
.....
.....

Do you support the proposed inclusion of “**Land in general title collectively owned by Māori**” as eligible land under the policy?

Yes No

Please comment:

.....
.....
.....

Do you support the proposed inclusion of **“Māori land in general title under development”** as eligible land under the policy?

Yes No

Please comment:

.....
.....
.....

Do you support the **“Extending the term of remission from one to three years”**?

Yes No

Please comment:

.....
.....
.....

Do you support the **“Removal of rates postponements”** as an applicable tool under the policy?

Yes No

Please comment:

.....
.....
.....

Do you have any other comments you would like to make about the proposed changes to the Rates Remissions on Māori Land Policy?

.....
.....
.....

Thank you for having your say on the Rates Remissions on Māori Land Policy.

We appreciate your involvement in this process and taking the time to read the proposal and for telling us your thoughts.

DRAFT

Attachment 3 to Report 22.94

Remission and postponement of rates on Māori freehold land

Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by the Māori Land Court by freehold order. Only land that is subject to such an order may qualify for remission or postponement under this policy.

Objectives

1. To recognise that certain Māori owned land may have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide for relief from rates.
2. To recognise that Greater Wellington Regional Council and the community benefit through the efficient collection of rates that are properly payable and the removal of rating debt that is considered non-collectable.
3. To meet the requirements of section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.

Considerations

In setting a policy on the remission and postponement of rates on Māori freehold land Greater Wellington has considered the matters identified in schedule 11 of the Local Government Act 2002.

Criteria and conditions

Greater Wellington will consider each application on its merit. Remission of rates may be granted or postponement of rates will be granted where it is considered that the application meets the following criteria and conditions.

Criteria

Greater Wellington will give a remission or postponement of up to 100 percent of all rates for the year for which it is applied for based on the extent to which the remission or postponement of rates will:

1. Support the use of the land by owners for traditional purposes
2. Support the relationship of Māori and their culture and traditions with their ancestral lands
3. Avoid further alienation of Māori freehold land
4. Facilitate any wish of the owners to develop the land for economic use
5. Recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes
6. Recognise and take account of the importance of the land in providing economic and infrastructure support for marae and associated papakainga housing (whether on the land or elsewhere)
7. Recognise and take account of the importance of the land for community goals relating to:
 - a. The preservation of the natural character of the coastal environment

Attachment 3 to Report 22.94

- b. The protection of outstanding natural features
 - c. The protection of significant indigenous vegetation and significant habitats of indigenous fauna
8. Recognise the level of community services provided to the land and its occupiers
 9. Recognise matters related to the physical accessibility of the land
 10. Provide for an efficient collection of rates and the removal of rating debt.

Conditions

1. Application for a remission or postponement under this policy must be made in writing and should be made prior to the commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Greater Wellington. A separate application must be made for each rating year.
2. Owners or trustees making applications should include the following information in their applications:
 - a. Details of the rating unit or units involved
 - b. Documentation that shows that the land qualifies as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court
 - c. Supporting information to demonstrate that the remission or postponement will help achieve the criteria set out in the above section.
3. Greater Wellington may of its own volition investigate and grant remission or postponement of all or part of the rates (including penalties for unpaid rates) on any Māori freehold land in the region.
4. Relief, and the extent thereof, is at the sole discretion of Greater Wellington and may be cancelled and reduced at any time.
5. The applicant may choose to remit or postpone the payment of a lesser amount of rates than the full amount owing.

Decisions

Decisions on the remission and postponement of rates (including penalties for unpaid rates) on Māori freehold land are delegated to Greater Wellington officers. All delegations are recorded in the delegations manual.

Council
17 March 2022
Report 22.71



For Decision

SILVERSTREAM PIPE BRIDGE PROJECT FUNDING APPROVAL

Te take mō te pūrongo

Purpose

1. To advise Council of the expenditure required to deliver the Silverstream pipe bridge project.

He tūtohu

Recommendation

That the Council **approves** for inclusion in the Council's budget for the Silverstream Pipe Bridge project, a total amount of \$92.2million (an additional amount of \$51.7m above the current Long Term Plan budget of \$40.5m).

Te horopaki

Context

2. Wellington Water Limited delivers the bulk water supply function on behalf of Greater Wellington Regional Council (Greater Wellington), including asset management.
3. The Te Mārua to Karori bulk water pipeline (also known as TM2K or the Kaitoke main) runs from the Te Mārua water treatment plant to the Karori pump station.
4. The Silverstream Pipe Bridge Project is to upgrade the pipeline from the Fergusson Drive line valve, across the Silverstream Road Bridge and along State Highway 2 (SH2) to the existing cross connection under SH2.
5. The pipeline has an increasing risk of failure because:
 - a the pipeline is deteriorating due to corrosion,
 - b the bridge and pipeline are both expected to suffer significant damage in a major seismic event due to these assets crossing to the Wellington Fault, and
 - c the pipeline is attached to the upstream side of the bridge so is also vulnerable to damage from debris flowing down river during flood events.
6. Under normal supply conditions, the proposed upgraded section of the Kaitoke main at the Silverstream road bridge supplies drinking water to:
 - a 100 percent of Porirua City
 - b Approximately 40 percent of Wellington City.

7. The Kaitoke main is essential to the overall integrity and resilience of the region's water supply. It would be difficult, if not impossible, to meet the region's normal demand if the pipeline failed and all water needed to be supplied via the other sources at Waterloo and Wainuiomata.
8. To ensure rapid economic recovery following a major earthquake, it is imperative that core infrastructure is as resilient as practicable. The construction of a more resilient pipeline in this location is expected to directly provide around 21-23 days' reduction in the time required to restore water supply to Porirua City and beyond.
9. The Long Term Plan (LTP) budget for the project of \$40.5 million (inflated and including spend to date) was based on a level 3 estimate at preliminary design stage. Since then, the following factors have all contributed to an increase in the budget requirement:
 - a redesign required following an updated seismic assessment of the area (to ensure the aerial pipe bridge would withstand horizontal movement of the Wellington fault),
 - b the latest site specific seismic design loads,
 - c the cost of inflation,
 - d the current market conditions brought about by the Covid pandemic, and
 - e the tendering of the contract for the majority of the work.
10. An updated, firm estimate of the full project cost, including costs to date, contingencies and inflation equates to an LTP budget requirement of \$92.2million.

Te tātaritanga Analysis

11. For delivery and consenting the project has been split into four stages:
 - a Stage 1 Eastern Hutt Road,
 - b Stage 2 Kingsley Bulk Main renewal,
 - c Stage 3 Silverstream Pipe Bridge, and
 - d Stage 4 Manor Park Golf Course.
12. Construction of Stage 2, the Kingsley Bulk Main Renewal, was commenced in May 2021. The project was due to be completed May/June 2021; however, the latest estimate is now October 2022 due to sub-contractor availability.
13. A cost submission for Stage 1 was received at the end of November 2021. The sum includes early pipe procurement, which has been completed and the pipe delivered to site.
14. A tender submission for Stages 3 and 4 was received on 10 December 2021.
15. The full project cost (including costs to date, contingencies and inflation) is estimated to be \$92.2m.
16. Wellington Water has confidence in the total cost estimate for the following reasons:

- a Stage 1 - Eastern Hutt Road has a firm price from an allocated contractor from the Wellington Water panel, and pipe materials and resource consent have been obtained to allow this work to proceed as planned.
 - b Stage 2 - Kingsley Bulk Main Renewal contract is awarded and is currently under construction.
 - c Stages 3 and 4 - Silverstream Pipe Bridge and Manor Park Golf Course has been through a tender process, the preferred tenderer has provided a price, and allowance has been made for risks due to exclusions in the tenderer's submission.
 - d An independent estimator has reviewed the contingency estimated including risks of market escalation.
17. There are two options for the timing of delivery of phases 3 and 4 of the project. In both options it is completed in 2024/25. In option 1, more work is completed in 2022/23, and the total cost is \$92.2m. In option 2 the bulk of the work happens later, and the total cost is \$92.9m. Option 1 is recommended as it takes advantage of the availability of the contractor and materials to complete the work earlier. In current market conditions, there is greater risk of cost overruns and supply chain issues with a longer programme.

Ngā hua ahumoni

Financial implications

18. The costs associated with this project are funded through the bulk water levy, paid by the four metropolitan city councils receiving bulk water supply from Greater Wellington (Wellington, Porirua, Hutt and Upper Hutt city councils).
19. The increased cost of the Silverstream Pipe Bridge project is not provided for in the Long Term Plan 2021-31, as at the time of setting the LTP budgets, only preliminary design had been undertaken. As noted in paragraph 9 above, over the intervening 18 months, the scope and design of the project has been confirmed.
20. It is estimated that the increased cost of \$92.2m will have an impact on the bulk water levy in the 2022/23 financial year of 0.6%.
21. If Council approves this proposal, the costs will be confirmed with the four metropolitan city councils and included in the process for the development of Annual Plans for the following years.
22. The increase in cost is not outside Greater Wellington's Financial Strategy, and the debt impact can be accommodated within agreed debt limits.

Te huritao ki te huringa o te āhuarangi

Consideration of climate change

23. As with all construction work, delivery of this project will have an impact on greenhouse gas emissions.
24. The project is being delivered by Wellington Water. In accordance with its usual practice, carbon emissions are one factor that is considered by Wellington Water in considering the design of projects, and the construction methodology. In addition, the

contract for the works will include requirements for the contractor to report on carbon use for material used, along with vehicle fuel, site power etc. The information is provided on a monthly basis and the data is used in modelling and to inform future projects.

Ngā tikanga whakatau
Decision-making process

25. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga
Significance

26. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of this matter, taking into account Council's Significance and Engagement Policy and Greater Wellington's Decision-making Guidelines. Officers recommend that this matter is of low significance, as the project is included as a high priority project, and was therefore consulted upon, in the Greater Wellington Infrastructure Strategy as part of the 2021-31 Long Term Plan.
27. While there is a financial impact associated with the final pricing of the delivery of the project, the financial impact in and of itself does not make the decision 'significant' in terms of the Local Government Act.

Te whakatūtakitaki
Engagement

28. As noted above, the financial impact associated with delivery of the project becomes part of the bulk water levy, which is payable by the four metropolitan city councils. The change to the bulk water levy as a result of the cost of this project has been discussed with those councils and will form part of their respective annual financial planning processes in the next three financial years.

Ngā tūāoma e whai ake nei
Next steps

29. The LTP budget will be updated as part of the Annual Plan process.
30. The intent is for the contract for Stages 3 and 4 of the project to be awarded by the end of March 2022, to start work on site in May/June 2022. The works are planned to progress to completion in 2024.

Ngā kaiwaitohu
Signatories

Writers	Alison Trustrum-Rainey – Chief Financial Officer
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	Tonia Haskell – General Manager, Network Design and Delivery, Wellington Water Limited
Approver	Samantha Gain – General Manager, Corporate Services

<p style="text-align: center;">He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>Greater Wellington is responsible for bulk water supply, and for decision making regarding funding of asset renewals.</p>
<p><i>Implications for Māori</i></p> <p>No implications specifically for Māori have been identified.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>The project the subject of the report is included in Greater Wellington's Infrastructure Strategy supporting the 2021-31 Long Term Plan.</p>
<p><i>Internal consultation</i></p> <p>Finance and Wellington Water have contributed to this report.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>As with all capital spend on infrastructure projects, in the current environment there is delivery risk associated with COVID-19, availability of workers, and supply chain pressures. These risks are mitigated by having an available supplier with the works programmed to commence in the next three months.</p>

Council
17 March 2022
Report 22.106



For Decision

AFTER-MIDNIGHT BUS SERVICE FARES REVIEW

Te take mō te pūrongo

Purpose

1. To seek decision from Council on a change to after-midnight bus service fares.

He tūtohu

Recommendations

That Council **agrees** that from 1 July 2022, standard Metlink fares will replace the current special fixed fares on after-midnight services to better encourage demand for the services.

Te tāhū kōrero

Background

2. Fares for after midnight services were last reviewed as part of the comprehensive review of fares in 2017 (Better Metlink Fares).
3. As part of the adoption of the Better Metlink Fare initiatives in October 2017 ([Report 17.443](#)), Council agreed for the special fares to continue to apply to after mid-night services noting that: *“A separate review will consider after midnight bus fares, and will look at fare levels compared to alternative taxi and other travel options and whether fares should be aligned with regular bus fares”*.
4. The current special fixed fares on after midnight services came into effect from mid-July 2018 (as part of the changes to fares and bus network) and have remained unchanged since this time.
5. In line with the Greater Wellington’s response to the Pōneke Promise and the policies in the Te Mahere Waka Whenua Tūmatanui o te Rohe o Pōneke Regional Public Transport Plan (RPTP), Metlink initiated a review of after midnight services and fares in 2021.
6. As part of the review, Metlink has engaged with The Pōneke Promise, hospitality industry and social providers, and with people out on Friday and Saturday evening.
7. The current higher fares have been identified as a major barrier to using the after-midnight buses, along with the need to improve awareness of the service and making routes and numbering easy to understand.
8. The review gives effect to the following priorities and policies in RPTP:

- a Provide a consistent customer experience across the public transport network*
- b Monitor and review services to ensure they meet customer needs and are affordable for users and communities*
- c Prioritise the safety and maintenance of the public transport network to encourage safe behaviours*
- d Improve the accessibility and safety of the public transport system for customers, workers and the general public*
- e Apply a consistent fare structure and pricing approach that recognises the wider benefits and costs of public transport*
- f Provide incentives to encourage more frequent use of public transport, more off-peak travel and greater use of electronic ticketing*
- g Promote the public transport network to influence positive behaviour for customers*
- h Promote public transport to influence behaviour change to support mode shift*

Te tātaritanga Analysis

9. The current after-midnight bus services have been in operation for over 20 years (since 1999), connecting Wellington suburbs as well as areas in Lower Hutt, Upper Hutt, Eastbourne, Porirua and Plimmerton to Wellington CBD during early hours of Saturdays and Sundays.
10. Currently the fares on after Midnight services are fixed fares and the same when using Snapper card or paying by cash on board (\$7.00 for up to, and including 3 three zones travel and \$14.00 for a single trip of four zones or more).
11. Except for SuperGold concession and some of the Metlink passes (including Metlink Explorer tickets and 30 Day bus passes), no other concession or discount is accepted on after midnight services.
12. Despite the after-midnight fares being set at a higher level than the standard Metlink fares, these services have a significantly low-cost recovery from fares. This is primarily due to the low patronage and utilisation rate of these services.
13. Prior to COVID-19, patronage on after-midnight services accounted for a very small portion of all bus trips (less than 0.1 percent) with a relatively low utilisation rate and a declining trend. COVID-19 has resulted in a further decline in the usage of after midnight services.
14. As the first step, the review of after midnight fares and services recommended replacing current fixed fares with standard fares (Snapper and cash). Further improvements are being considered to the after-midnight buses in the medium term – including service frequency and marketing.
15. Replacing the current fixed fares with the Metlink standard fares means:
 - a Adults will pay the off-peak fares (as the services operate during off-peak hours)

- b Passengers with a concession entitlement will pay a concession fare (currently child, accessible and tertiary concessions)
 - c SuperGold card holders, children under 5 years old and carers accompanying passengers with an accessible concession will travel for free
 - d The conditions for the tickets that are currently allowed on after-midnight services will remain unchanged (Metlink Explorer tickets and 30 Day bus passes)
16. These changes are expected to potentially increase demand for the after-midnight buses by approximately 50 percent (approximately 7,000 trips).
17. Fare changes would proportionally lower the revenue by approximately \$50,000-\$60,000 due to the overall reduction in fares.
18. As the after-midnight services account for a very small portion of the Metlink patronage and fare revenue, the expected reduction in revenue would have no material impact on budget.

Ngā hua ahumoni Financial implications

19. As set out above, fare changes would proportionally lower revenue by approximately \$50,000-\$60,000 due to the overall reduction in fares.
20. As the after-midnight services account for a very small portion of the Metlink patronage and fare revenue, the expected reduction in revenue would have no material impact on budget.

Te huritao ki te huringa o te āhuarangi Consideration of climate change

21. The proposed fare changes to after-midnight bus services neither significantly contributes to nor is at odds with Council's and Greater Wellington's policies and commitments relating to climate change.

Ngā tikanga whakatau Decision-making process

22. The matter requiring decision in this report was considered by officers against the decision-making requirements of Part 6 of the Local Government Act 2002.

Te hiranga Significance

23. Officers considered the significance (as defined by Part 6 of the Local Government Act 2002) of the matter, taking into account Council's Significance and Engagement Policy and Greater Wellington's Decision-making Guidelines.

24. Officers consider that the matter is of low significance, on the basis that the financial impact of the fare change is minimal. We note that implementing this decision will have a positive impact on current (and future) users.

Te whakatūtakitaki

Engagement

25. As set out above, as part of its review of the after-midnight bus service, Metlink has engaged with The Pōneke Promise, hospitality industry and social providers, and with people out on Friday and Saturday evenings.

Ngā tūāoma e whai ake nei

Next steps

26. Should the Council agree with the change to fares for the after-midnight bus services, officers will:
- a Engage with the operators and Snapper to implement the fare changes.
 - b Develop an appropriate communications campaign to advise our communities of the fare changes.

Ngā kaiwaitohu

Signatories

Writer	Reza Chalabianlou – Senior Advisor, Strategy and Funding
Approver	Richard Baker – Commercial & Investment Manager Tim Shackleton – Manager, Strategy and Investment Scott Gallacher – General Manager, Metlink

He whakarāpopoto i ngā huritaonga Summary of considerations
<i>Fit with Council or Committee's Terms of Reference</i> The Council has authority to make the decisions in relation to fares policies and funding fares initiatives for the Wellington Region.
<i>Implications for Māori</i> There are no known impacts for Māori.
<i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i> The proposals in this report contribute to the delivery of public transport aspects of the 2021-31 Long Term Plan.
<i>Internal consultation</i> In preparing this report there has been consultation with officers in the Public Transport, Finance and Community Engagement departments.
<i>Risks and impacts: legal / health and safety etc.</i> There are no identified legal or health and safety risks arising from the matters in this report.

Council
17 March 2022
Report 22.91



For Information

2022/23 ANNUAL PLAN PROCESS UPDATE

Te take mō te pūrongo

Purpose

1. To advise Council of the progress to date with regards to the preparation of the 2022/23 Annual Plan.

Te horopaki

Context

2. Section 95(1) of the Local Government Act 2002 (LGA) requires a local authority to prepare and adopt an annual plan for each financial year.
3. Section 95(5) of the LGA states that the purpose of an annual plan is to present a full account of any changes from the Long Term Plan for the year in which the Annual Plan is being developed, and to include all relevant financial and funding impact statements for the year in which the annual plan is being prepared.
4. This report notes the progress made to date in the preparation of the 2022/23 Annual Plan (Year 2 of the 2021-31 Long Term Plan) and outlines the next steps.
5. Council has had three workshops to date (October 2021, December 2021, March 2022), to work through the draft budget, work programme, and engagement plan for the 2022/23 Annual Plan. The sections which follow outline the outcomes of those workshops.
6. The 2022/23 Annual Plan is scheduled to be presented to Council for adoption on 30 June 2022.

Te tātaritanga

Analysis

Draft Budget and Rates Impact

7. Since the 2021-31 Long Term Plan (LTP) was adopted on 29 June 2021, the COVID-19 pandemic has continued to have adverse effects on Greater Wellington's operating environment with significant impacts on working restrictions, contractor availability, supply disruptions, cost of materials, and third-party contributions and funding. This has resulted in a slowing-down of Greater Wellington's ability to deliver the work programme as planned in the LTP, particularly our capital works programme. Farebox revenue for Public Transport has also been impacted due to lower patronage.

8. In response to these increasing cost pressures the Council expressed a preference for officers to keep the 2022/23 average rates increase as close to the 12.27 percent for Year 2 as signalled in the 2021-31 LTP, as possible.
9. To achieve this, officers reviewed the 'do-ability' of the 2022/23 work programme and looked at re-phasing of activity or spending between the remainder of the current 2021/22 year, the 2022/23 Annual Plan year and the years beyond this to keep spending within the LTP Year 2 budget envelope.
10. When Council discussed the draft budget in December 2021, they considered the option of applying internal reserves to bring the average rates increase down below the LTP level, but determined that the use of those reserves would be better applied to the Year 3 budget (2023/24 Annual Plan), where the budgeted average rates increase is higher than in Year 2.
11. Since December 2021 three items have been included into the draft 2022/23 Annual Plan budget (costs associated to the Rates Remission Policy on Māori Freehold Land (see paragraph 21); Three Waters Reform costs; and a grant for the Sky Stadium). As a result, the average rates increase for 2022/23 now sitting slightly above the LTP forecast increase (approximately one percent above the LTP forecast).

'Inform and Engage' rather than 'Consult'

12. Section 95(2A) of the LGA states that if there are no significant or material differences from the content of the relevant year of the Long Term plan, no consultation process is required.
13. Officers completed a significance and materiality assessment on the proposed changes from year 2 of the 2021-31 LTP, in line with Greater Wellington's Significance and Engagement Policy, and determined that no items trigger a requirement to consult. However, a number of items were deemed significant or material enough to trigger an 'inform' level of engagement with our communities.
14. As such Greater Wellington will not be consulting on the draft 2022/23 Annual Plan.
15. We will, however, undertake public engagement to inform on those topics that triggered an 'inform' level of public engagement.
16. More detail on this public engagement is provided in Te whakatūtakitaki | Engagement section (paragraphs 22-25) below.

Metlink Public Transport proposed fares increase

17. Metlink has signalled a fare increase for 2022/23 of between 0-3 percent across the board. This has been included in the 2022/23 Annual Plan draft budget, and a final decision on the percentage increase will be confirmed before the Annual Plan is adopted on 30 June 2022.

Revenue and Finance Policy and Rates Remission Policy Reviews

18. The Revenue and Finance Policy and the Rates Remission Policy (on Māori Freehold Land) have both been reviewed and will be consulted on later this month.
19. The changes being proposed to both of these policies are discussed in the following reports at this Council meeting: Report 22.17 (2022 Amendment of Revenue and

Financing Policy) and Report 22.94 (Rates Remissions Policy on Māori Freehold Land – Approval of policy for consultation). The proposed changes do not have any material impact on the draft 2022/23 Annual Plan.

20. For the Revenue and Financing Policy, the impact of the proposed changes will be in the proportion of Targeted versus General rates that ratepayers will see on their rates bill. The proposed changes do not have any impact on the 2022/23 Annual Plan budget and total rates revenue.
21. For the Rates Remissions Policy on Māori Freehold Land, and an estimated budget of \$30,000 has been provided for in the 2022/23 Annual Plan to provide for the anticipated costs of any remission applications made under this policy during the financial year.

Te whakatūtakitaki Engagement

22. As described in paragraphs 12-14, officers completed a significance and materiality assessment on the proposed changes from year 2 of the 2021-31 LTP, in line with Greater Wellington's Significance and Engagement Policy, and determined we did not need to consult on the draft 2022/23 Annual Plan but would instead run a public engagement campaign to inform on areas of change and topical issues that the public might be interested in.
23. We will run an informational engagement campaign, from late March to late April 2022, that will utilise Greater Wellington's channels (website and social media) and earned channels (media releases) and include collateral such as an information document and supporting regional factsheets, to engage and inform on the following topics:
 - a **Projects/Programmes we are going to deliver next year:** highlights of some of the big deliverables for 2022/23 and an indication of the proposed rates increase
 - b **Projects/Programmes that have changed since the 2021-31 LTP was adopted:** RiverLink project cost increases and Bulk Water Supply network improvement project cost increases (Silverstream Pipe Bridge and Kaitoke Flume Bridge)
 - c **Challenges we are keeping an eye on:** The ongoing impact of COVID-19 on our CAPEX delivery (due to rising project costs and supply chain challenges) and Public Transport fare revenue
 - d **Opportunities we are thinking about for the next LTP (2024-34):** Stadium funding/future support, and Let's Get Wellington Moving future funding changes as more project details are confirmed.
24. Regional Factsheets (for Kāpiti, Porirua, Hutt Valley, Wellington City, Wairarapa) will be prepared to provide local and regional information to support councillors and staff to have discussions with community members on how the 2022/23 Annual Plan affects different parts of the Wellington Region.
25. This informational engagement on the 2022/23 Annual Plan will occur at the same time as the public consultation on the Revenue and Financing Policy and the Rates Remission on Māori Land Policy public consultations will be taking place. The two consultations and the Annual Plan engagement will each have their own campaigns but connect in with one another through their look and feel and refer to one another.

Ngā tūāoma e whai ake nei

Next steps

26. The relevant next steps and approval dates are outlined below:
- a Public Engagement on the 2022/23 Annual Plan (late March – late April 2022)
 - b Adoption of the 2022/23 Annual Plan (30 June 2022)
 - c 2022/23 Rates Resolution Approved (30 June 2022)
 - d 2022/23 Annual Plan effective from 1 July 2022.

Ngā kaiwaitohu

Signatories

Writers	Zofia Miliszewska, Team Leader, Corporate Planning and Reporting Alison Trustrum-Rainey, Chief Financial Officer
Approvers	Luke Troy, General Manager, Strategy Samantha Gain, General Manager, Corporate Services

<p>He whakarāpopoto i ngā huritaonga Summary of considerations</p>
<p><i>Fit with Council's roles or with Committee's terms of reference</i></p> <p>Council is responsible, under section 95 of the LGA, for preparing and adopting an annual plan for each financial year.</p>
<p><i>Implications for Māori</i></p> <p>The 2022/23 Annual Plan reflects the 2021-31 Long Term Plan strategic priority of improving outcomes for mana whenua and Māori, and Te Whariki, Greater Wellington's Māori Outcomes Framework.</p> <p>Our key 'inform and engage' messages outlined in the report above, will form part of a range of topics that are covered in upcoming korero with our mana whenua partners.</p>
<p><i>Contribution to Annual Plan / Long Term Plan / Other key strategies and policies</i></p> <p>This for information report relates to the preparation of Council's 2022/23 Annual Plan.</p>
<p><i>Internal consultation</i></p> <p>This report was prepared in consultation with Finance, Strategy, and Customer Engagement.</p>
<p><i>Risks and impacts - legal / health and safety etc.</i></p> <p>The decision not to consult on a draft 202/23 Annual Plan, while in line with section 95 (2A) of the LGA, may upset members of the community who expect to be consulted on Council's annual plans. The public engagement is intended to mitigate this risk.</p>