

19 April 2022

Daran Ponter
Chair
Greater Wellington Regional Council
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Manners Street
WELLINGTON 6142

Dear Mr Ponter

Kāpiti Coast District Council submission on the Greater Wellington 2022 Revenue and Financing Policy

Thank you for the opportunity to submit on the Greater Wellington 2022 Revenue and Financing Policy (the Policy).

We have a level of concern with the direction over the increasing levels of revenue gathering through the general rate. Our concern derives from a consideration of the overall affordability of the rating burden on our district's ratepayers which we also emphasised in our submission to Greater Wellington Regional Councils' Long-term Plan 2021-2031.

In that submission Kāpiti Coast District Council (Council) highlighted its ongoing concerns of increasing rates impacts on Kāpiti residents; and that residents' ability to pay was not taken into account during the process. While capital values for housing have increased significantly across the district in the last few years, Kāpiti continues to have lower average income levels than both regional and national averages, with areas of significant deprivation, and a high proportion of our ratepayers on low and/or fixed incomes.

These impacts affect our Ōtaki residential ratepayers in particular. Based on the supporting information document, **Ōtaki is the fourth highest in terms of percentage increase impacts across the region** under this proposal. Ōtaki was also identified in the latest *Infometrics* rates affordability study carried out for Council in December 2020 as being in the top four areas of the district with the highest rates as a percentage of median household income. While the level of rating changes may appear small, under Section 101(3)(b) of the Local Government Act, consideration must be given to 'the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community'. Increasing affordability pressures, and ongoing concerns relating to the levels of service Ōtaki receives comparably as a member of the region requires careful acknowledgement or steps to reflect residents' ability to pay as part of this Policy and Revenue and Financing review.

We therefore note with concern the proposed changes to the Policy that shift rating burdens to the general rate and away from targeted rates for activities and services that clearly have a level of identifiable beneficiaries. Examples of these are the Land Management rate, Stadium rate and Predator Control Programme rate.

While proposed as a general rate, differentials are also proposed as part of the future funding for the **Wellington Regional Stadium**. While not being actioned yet, we note a 0.5 differential rate is proposed for all Kāpiti residents' future contribution towards the stadium. This recognises the district's proximity and access to the stadium compared to other parts of the region. While providing a measured approach, we believe there needs to be specific recognition of Ōtaki, who at the northern edge of the region, has no practical public transport access to the stadium or its services, which we believe warrants a lower differential to the rest of the district.

While no financial changes are proposed to the **public transport** rate, we note that the differentials applied for funding will be moved from the Policy to the 'funding impact statement'. This is identified as helping the differentials being assessed each year during Annual Plan processes based on the provision of service and location. While we support a more responsive approach, as a broad principle, we seek assurance this will not impact long-term changes and improvements to public transport provision to the Kāpiti Coast district, and the Ōtaki Ward. It is important that the aggregation principle is applied across the region towards the improvement of services to appropriately support the current and future community needs of Ōtaki, in particular as the current population forecasts identify an anticipated 82% growth in population of Ōtaki over the next 30 years.

We note that the timing of this consultation on your Policy will impact our internal Council processes (having only received draft numbers from you in the last few days). Usually changes to a revenue and financing policy are made alongside the LTP process. Providing the information at this late stage has impacted our internal processes to reflect all proposed changes in the rating system with respect to rating impacts for our ratepayers for the 2022/2023 year.

We would like to work more closely with you to ensure we can help the Kāpiti Coast ratepayers understand changes and impacts – and emphasise support for residents in times of difficulty in light of Covid and increasing affordability pressures.

Conclusion

Kāpiti Coast District Council appreciates the opportunity to comment on the Greater Wellington 2022 Revenue and Financing Policy and we are happy to speak to our submission at the hearings.

We thank you for considering our feedback and hope you will look to address our concerns relating to the impacts and affordability of rates for Kāpiti Coast district ratepayers.

Yours sincerely



Wayne Maxwell
CHIEF EXECUTIVE
Te Tumuaki Rangatira