



Revenue and Finance Policy

c/o Greater Wellington Regional Council office
PO Box 11646, Manners St, Wellington, 6142

By email: rfp@gw.govt.nz

Dear Committee,

Revenue and Financing Policy changes

Overview

The Revenue and Financing Policy sets out how Greater Wellington (GW) will fund activities and the funding tools use, such as general rates, targeted rates, fixed rates, fees, and charges. This consultation looks to make changes to the way GW intends to fund some expenditure.

The Chamber wishes to comment on the following proposals and has no comment to make on the other proposals.

We would like to note our thanks to the Greater Wellington Officers that have led the consultation and for meeting with the Chamber to facilitate further understanding of the proposals.

About the Chamber

The Wellington Chamber of Commerce (the Chamber) has been the voice of business in the Wellington region for 165 years since 1856 and advocates for policies that reflect the interest of Wellington's business community, in both the city and region and the development of the Wellington economy as a whole. The Chamber is accredited through the New Zealand Chamber of Commerce network and as part of our wider organisation is also one of the four regional organisations Commerce of BusinessNZ.

Through our three membership brands, the Wellington Chamber of, Business Central and ExportNZ, our organisation represents around 3,500 businesses across the central and lower North Island. In Wellington, our organisation represents over 1,300 business and organisation, accounting for 50,000 employees. Our organisation is one of the four regional organisations that make up the Business New Zealand family and is also accredited through the New Zealand Chambers of Commerce network.



The Chamber works closely with the GW to ensure Wellington's business community is consulted on the changes that impact them. Our advocacy remains consistent, and we continue to play a constructive role in the future development of our city.

Changes to information in the policy - Transport rate

Before commenting on the proposal, the Chamber must once again put on the record and raise concern over the amount businesses pay towards the transport rate. Wellington businesses themselves have a huge stake in ensuring the wider region's public transport works – particularly given their financial contribution to the region's public transport rate, 39 per cent of regional funding is rated from Wellington businesses. This is an excessive subsidy from Wellington CBD based businesses to other user groups, seven times as much on the dollar that cannot be sustained. We have continued our efforts to question the rationale for this, and the transparency of the methodology used to calculate this. There is no doubt that the current amount is an excessive subsidy from Wellington CBD based businesses to other user groups.

As a principle, differential and targeted rating should be permitted only where a clearly identified community is provided with a distinctly different level of public goods from that of other ratepayers and the differential or targeted tax reflects the difference in the level of services. There should be an objective test with respect to 'benefits received' to ensure a consistency of approach.

For example, the building that our organisation occupies a floor within currently pays 85 per cent of its total GW rates bill towards the targeted transport rate alone - \$55,069.26 of the total \$64,531.38 rates bill.

We believe a well-developed transport system is vital for Wellington. Business operators have a direct interest in a sound, reliable public transport system that they, their customers, employees, and suppliers use daily. It is important for the city's future visitor economy which includes business, domestic and international visitors.

The current differentials are not set appropriately. Given the Council continues to ignore this issue, we are concerned further about this proposal. The policy change will mean that the differential will be considered in each Annual plan, rather than through this when the Revenue and Financing policy is reviewed every 3 to 5 years.

While we acknowledge that this may mean that the current excessive differential may be more easily addressed and rectified by Council, we are extremely concerned that instead annual fluctuations will occur, causing greater uncertainty for business, and Wellington City businesses will be worse off. The Chamber would seek reassurance that this change will not have such a perverse impact on businesses, and further, that policy work is underway to address the issues raised above and in previous submissions.



New funding methods – Wellington Regional Stadium (Sky Stadium)

The Chamber believes that the introduction of a new rate to support the Stadium ought to be considered as part of a wider discussion about the stadium activities and its structure rather than what appears to be a future enabling exercise. We wonder what the funding rated will be used for, given these statements in the consultation material “this does not mean we will start rating for the stadium” and “to provide a mechanism that can be used in future if the council needs to rate for the stadium again. Any need for funding will be expressed in the Annual Plan.” The hypothetical language used in the document to enable such a rate, itself raises questions.

Further, we would like to better understand how the benefit differentials were reached about this. We would note that the extent of the Wellington CBD Business area goes well beyond the stadium area. We would also note that the policy itself states the rationale for separate funding attracted no additional benefits other than the targeted rate as a mechanism.

Ngā mihi nui,

Simon Arcus
Chief Executive
Wellington Chamber of Commerce