

**TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCIL**  
**KOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU | LONG TERM**  
**PLAN/ANNUAL PLAN SUBCOMMITTEE**

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road,  
Lower Hutt on

**Monday 28 February 2022 commencing at 9.30am**

**PRESENT:**

Mayor C Barry (Chair)	Deputy Mayor T Lewis (Deputy Chair)
Cr G Barratt	Cr J Briggs
Cr K Brown	Cr B Dyer
Cr S Edwards	Cr D Hislop
Cr C Milne	Cr A Mitchell
Cr S Rasheed	Cr N Shaw
Cr L Sutton	

**APOLOGIES:** There were no apologies.

**IN ATTENDANCE:**

Ms J Miller, Chief Executive  
 Ms A Blackshaw, Director Neighbourhoods and Communities  
 Mr J Griffiths, Acting Director Strategy and Engagement  
 Ms H Oram, Director Environment and Sustainability  
 Mr K Puketapu - Dentice, Director, Economy and Development  
 Ms J Livschitz, Group Chief Financial Officer  
 Mr D Koenders, Manager Financial Strategy and Planning  
 Mr J Kingsbury, Head of Transport (part meeting)  
 Mr H Singh, Advisor Strategic Planning and Business  
 Mr B Hodgins, Strategic Advisor (part meeting)  
 Ms K Stannard, Head of Democratic Services (part meeting)  
 Ms K Glanville, Senior Democracy Advisor  
 Ms H Clegg, Minute Taker

**PUBLIC BUSINESS**

**1. OPENING FORMALITIES - KARAKIA TIMATANGA**

Kia hora te marino	<i>May peace be wide spread</i>
Kia whakapapa pounamu te moana	<i>May the sea be like greenstone</i>
He huarahi mā tātou i te rangi nei	<i>A pathway for us all this day</i>
Aroha atu, aroha mai	<i>Let us show respect for each other</i>
Tātou i a tātou katoa	<i>For one another</i>
Hui e Tāiki e!	<i>Bind us together!</i>

2. **APOLOGIES**

There were no apologies.

3. **PUBLIC COMMENT**

Comments are recorded under the item to which they relate.

4. **CONFLICT OF INTEREST DECLARATIONS**

There were no conflict of interest declarations.

5. **RECOMMENDATION TO TE KAUNIHERA O TE AWA KAIRANGI |  
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Draft Annual Plan 2022-2023 (22/109)

Speaking under public comment, **Mr Max Shierlaw** stated that a rates revenue increase would be a severe blow to the viability of businesses struggling as a result of COVID-19. He questioned why Council's costs were increasing as Council's Draft Annual Plan did not adequately explain the reasons for these increases. He asked for a significant reduction to Council's operating and staff employment costs. He considered Council was passing on its increased costs to struggling businesses.

Cr Rasheed read out a public statement from **Mr Kevin Melville** (attached as page 9 to the minutes).

Cr Rasheed read out a public statement from **Mr Geoff Cox** (attached as page 10 to the minutes).

Cr Barrett read out a public statement from **Mr Michael Gray** (attached as page 11 to the minutes).

The Manager Financial Strategy and Planning elaborated on the report.

The Acting Director Strategy and Engagement added that the emphasis of this year's engagement was on a digital approach which would enable easier analysis of the data received. He noted the household mail drop would not include a survey but would provide details of how to complete the online survey.

The Manager Financial Strategy and Planning explained that while the debt projection was slightly higher than predicted in the Long Term Plan 2021-2031 (LTP), it was within the specified limits. He added the proposed rates revenue increase was within the LTP predictions.

In response to matters raised during the public comment section of the meeting, the Manager Financial Strategy and Planning advised the proposed rates revenue increase for the Queensgate property was based on an assumed property value which reflected the level of construction works being undertaken. He further advised that any changes to the way rates were struck would require a Council decision.

The Group Chief Financial Officer advised that any increase in the budget reflected decisions made by Council at its meeting held in November 2021. She said most of the staff cost increases would be offset by revenue received through user pays fees particularly in Council's Regulatory business unit. She added that there were a number of factors behind the operating cost increases including the use of Business and Economic Research (BERL) indicator inflation figure, decisions already approved for maintenance contracts and the Development Stimulus Package. She stated that the proposed 15.6% rates revenue increase for the Queensgate property reflected the increase in value of the facility. She advised there were a number of rates relief options available to

ratepayers.

In response to questions from members, the Group Chief Financial Officer confirmed the latest BERL local government cost index forecast figure of under 3% was presented in October 2021. She noted this figure was published annually and was utilised for medium to long term assumptions. She said the Draft Annual Plan (DAP) budget relied on known figures and contract amounts. She advised that officers would update Council with any changes to assumption figures used. She agreed there was a high level of uncertainty with economic forecasting at present.

In response to further questions from members, the Group Chief Financial Officer agreed to review the significant forecasting assumptions figure. She said engagement had not yet occurred with the business community on the DAP as officers were waiting for Council to approve the DAP for engagement in April 2022.

Mayor Barry added that extensive consultation had occurred with the LTP and that the proposed rates revenue increase for 2022/2023 was in line with the LTP.

In response to questions from members, the Manager Financial Strategy and Planning confirmed that Queensgate was within the Commercial Central Differential Rating Group and did not attract a targeted rate. He added that he was not aware of Queensgate's policy or business model to pass rate increases onto tenants. He was not aware of specific COVID-19 assistance packages Council or central government might have provided to individual businesses.

In response to questions from members, the Group Chief Financial Officer agreed to review the total cost to Council for the Eastern Bays Shared Path project. She explained that legislation required a three-yearly cycle of revaluations to occur for all properties. She said where significant investment in a property occurred, a new valuation was required at that time rather than waiting for the three-yearly cycle. She confirmed a revaluation could occur part way through a renovation and this included residential properties. She advised that Queensgate had been granted a rates reduction since the Kaikoura earthquake to reflect the loss of useable floor space. She said Queensgate management was informed that the situation would change and rates adjusted accordingly once renovations and reinvestment occurred.

In response to a question from a member regarding the annualisation of Key Performance Indicators (KPIs), the Acting Director Strategy and Engagement said he would review whether the KPIs in the sustainability section of the DAP should be annualised.

In response to questions from members, the Group Chief Financial Officer advised that as the DAP process progressed, regular updates would be provided to members and would include the latest

information and any identified risks.

Members discussed Table 2 contained in the officer's report.

#### Development Stimulus Package (DSP)

In response to questions from a member, the Manager Financial Strategy and Planning advised that several projects under the DSP had not commenced. The Director Economy and Development agreed to report back to members detailing any liabilities for the DSP projects.

#### Extension of Wise Street Wainuiomata

In response to a question from a member, the Manager Financial Strategy and Planning advised that development contributions for this project would be received and costs would be offset against this.

#### Micro-mobility

In response to a question from a member, the Head of Transport advised that the projects were progressing. He was confident all projects would be completed within the three-year timeframe. He added that officers were reassessing the projects to provide a more comprehensive construction programme.

#### Transport – Storm Damage

In response to a question from a member, the Manager Financial Strategy and Planning advised that \$760,000 was proposed for the DAP 2022/23 and \$560,000 was proposed for the remainder of the LTP.

In response to a question from a member regarding landfill costs, the Director Environment and Sustainability agreed to review the wording in the DAP to include how the Silverstream landfill costs would be offset by landfill fees.

In response to a question from a member, the Head of Transport advised there was a contingency budget for extreme weather events provided for in the Shared Pathway project. He agreed to review the wording in the DAP to cover extreme weather events within the project's construction.

In response to questions from members, the Acting Director Strategy and Engagement advised the light engagement approach for this year would include a straightforward online survey. He said he would review the question regarding the LTP's priorities. He agreed to contact business organisations and businesses to inform them of the engagement process. The Director of Economy and Development agreed to investigate options on how to inform businesses.

In response to questions from a member, the Director Environment and Sustainability agreed to review the proposed charges for parking in an electric vehicle charging space when the vehicle was not charging.

In response to a question from a member, the Acting Director Strategy and Engagement said he would look at including a statement regarding

Urban Plus Limited's work towards increasing the housing supply.

In response to questions from a member, the Director Environment and Sustainability agreed to report back to members regarding the process of informing customers about the discounted rate available if consent and Land Information Memorandums (LIMs) processing times exceeded statutory timeframes. She also agreed to report back on the number of issued consents that were over the statutory timeframe. The Director Economy and Development agreed to report back to members regarding the total numbers of LIMs issued.

In response to questions from members, the Acting Director Strategy and Engagement explained officers regularly evaluated engagement methods. He said he would review the Connecting Communities section of the DAP to better explain what Council was undertaking and how these actions would impact on the city.

Cr Milne spoke against the officer's recommendations. He believed the proposed rates revenue increase was too high and the commercial sector was being unfairly penalised due to the change in rates differential calculations undertaken in 2021/22.

Cr Rasheed spoke against the officer's recommendations. She expressed disappointment at the proposed commercial rates revenue increase.

Cr Brown spoke in support of the officer's recommendations. She said in previous years, Wainuiomata residents had faced rates increases due to increases in property valuations.

Cr Barrett spoke against the officer's recommendations. She asked members to support local businesses.

Cr Dyer spoke in support of the officer's recommendations. He said setting the rates was a difficult balancing act. He believed setting rates according to property valuations was a blunt instrument.

Cr Mitchell spoke in support of the officer's recommendations. He noted that no member had suggested reductions to any of the DAP budget lines.

Cr Briggs spoke in support of the officer's recommendations. He noted the LTP had been extensively consulted on in 2021.

Cr Shaw spoke in support of the officer's recommendations.

Cr Hislop spoke in support of the officer's recommendations. She acknowledged the situation facing businesses. She noted that members had an obligation to run the city. She believed the DAP was directing money where it was most needed, including into projects that would economically benefit the city.

Cr Sutton spoke against the officer's recommendations. She believed

ratepayers were struggling and that operational expenditure within Council needed to be reduced.

Mayor Barry spoke in support of the officer's recommendations. He advised he had spoken with 230 businesses over the past 18 months and the key issues being faced were skills shortage, public transport, immigration and supply chain issues. He said Council was supporting the skills shortage by partnering with WelTec Open Polytechnic to form a Job Forum. He acknowledged that some business sectors were experiencing hardship and that a solution might lie in providing targeted support and continued lobbying of central government. He believed the rates revenue increase was moderate and remained within what was set out in the LTP.

**RESOLVED:** (Mayor Barry/Deputy Mayor Lewis) **Minute No. LTPAP 22101**

*"That the Subcommittee recommends that Council:*

- (1) *notes that public engagement is planned for the period 12 April – 3 May 2022;*
- (2) *notes that Council has previously agreed to a light engagement for the Draft Annual Plan 2022-2023 as there have been no significant changes from the Long Term Plan 2021-2031;*
- (3) *notes that the final engagement material together with the supporting underlying information of the Draft Annual Plan 2022-2023 will be presented to the Long Term Plan/Annual Plan Subcommittee on 4 April 2022 for adoption;*
- (4) *endorses the initial draft version of the engagement material subject to any feedback, refer Appendix 2 attached to the report;*
- (5) *endorses the proposed budget updates in Table 2 contained in the officer's report for budget carryovers identified;*
- (6) *notes the revised financial projections, including projected debt and balance budget results as detailed in Section E contained in the officer's report;*
- (7) *endorses the proposed rates revenue increase for inclusion in the draft Annual Plan 2022-2023 of 5.9% (before the impact of growth);*
- (8) *notes that the indicative impact on the average residential property valued at \$630,000 will be a rates increase of \$132 per annum or \$2.54 per week which includes rubbish and recycling;*
- (9) *endorses the initial draft Annual Plan 2022-2023 subject to any feedback, refer Appendix 1 attached to the report; and*
- (10) *notes the further direction and guidance to officers provided at the meeting ahead of finalising the draft Annual Plan 2022-2023 and draft engagement material."*

Crs Barratt, Milne, Rasheed and Sutton requested their dissenting votes be recorded against the above resolution.

RESOLVED: (Mayor Barry/Cr Briggs)

**Minute No. LTPAP 22102**

*"That Council asks officers to work with the Hutt Valley Chamber of Commerce and other business groups to see what targeted support can be provided to businesses who are continually impacted by COVID-19 and reinforces Council's current position of assisting any ratepayer, residential or commercial with assistance in paying their rates if needed."*

6. **QUESTIONS**

There were no questions.

There being no further business the Chair declared the meeting closed at 11.22 pm.

C Barry  
**MAYOR**

**CONFIRMED as a true and correct record**  
**Dated this 23rd day of March 2022**

**Statement from Kevin Melville**

The proposed commercial rent increase is beyond stupid. Most commercial landlords have had to give away 3 months rent per annum over the last 2 years due to COVID with no financial support from government.

HCC's ignorance to this stinks of arrogance and is incongruent to the message of support they preach to local businesses. Most local businesses are currently struggling to a level of brinkmanship and the HCC imposing a 10% bottom line rates increase is the most heartless and unkind act I can think of.

**Statement from Geoff Cox, owner of RYOS**

Dear Mayor and Councillors,

I am the owner of RYOS in Queensgate and Lambton Quay. I have been a tenant in Queensgate for 27 years.

These are difficult economic times, and running a business in Queensgate is very challenging.

There are many vacant tenancies in the shopping center, roughly about 20 vacant sites.

As a casual observer, it can be difficult to tell as the centre disguises the vacancies well. For example, on either side of the entrance to The Warehouse, there are empty sites, but at a glance, you'd just think it's an expansive entrance/foyer.

Our turnover has decreased 29% since the introduction of the red light settings. Turnover is likely to reduce further given the rapid explosion in daily Covid case numbers. It is likely staffing will become so difficult that we will need to close while staff self isolate.

The reduction in turnover isn't the only issue, though. We have new costs with an increase in the sick leave entitlement to 10 days and the increase in the minimum rate by 6% on 1 April 2022.

These factors contribute to the number of vacant sites and the challenging retail environment.

I think most business owners understand that we are in high inflationary times and could accept a rates increase that reflects the 5.9% CPI increase

On the other hand, an increase of 15.6% in these difficult economic times is not acceptable.

You will have seen the Stuff article yesterday of measures suggested by the Wellington City Council to support businesses

<https://www.stuff.co.nz/dominion-post/news/wellington/127877139/wellington-city-council-investigates-urgent-support-for-struggling-businesses>

The Wellington City Council is correct. Many businesses are on a knives edge.

The Queensgate stores are a significant employer of Lower Hutt residents. I'm not sure if the shopping centre is the biggest employer in Lower Hutt, but I suspect it is.

A significant increase in rates will be the straw that breaks the camels back for some Queensgate businesses. The Hutt City Council's attitude is very different from the supportive attitude of our neighbouring Wellington City Council.

**Statement from Michael Gray, Buzz Café**

Dear Mayor and Councillors

I have read that Council is proposing 8.2% a week rates increase for commercial properties. I don't know if you are aware any increase in rates eventually gets pass on to tenants. At a time where our revenue has dropped by up to 47% for our Café alone and talking with other operators in the area, they are in similar decrease in revenue. We are experiencing higher costs all around and we cannot afford any cost increases. Cost of running a business has increased significantly with an extra holiday, minimum wage going up from 1 April and sick leave increasing to 10 days. So increase in 8.2% in this extremely difficult time for businesses will only put more pressure on us. With the Omicron numbers increasing revenue is projected to decrease as people are not coming out to dine. These huge losses in revenue will be hard to recover. So as a small business owner I urge you not to destroy the economy and please put a stop to this huge rate increases. As we small business owners look at ways to reduce our expenses, May I Suggest that you ask the Officers to look at their own Balance sheets and look at ways where you can reduce cost rather than Pass on to us.