



TE KAUNIHERA O TE AWA KAIRANGI

22 June 2022

Order Paper for Council meeting to be held in the
Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt,
on:

Thursday 30 June 2022 commencing at 4.30pm

The meeting will be livestreamed on Council's Facebook page.
Members of the public wishing to speak to an item on the agenda are asked to contact
democraticserviceteam@huttcity.govt.nz

Membership

	Mayor C Barry (Chair)
	Deputy Mayor T Lewis
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 N Shaw	Cr L Sutton

For the dates and times of Council Meetings please visit www.huttcity.govt.nz

Have your say

You can speak under public comment to items on the agenda to the Mayor and Councillors at this meeting. Please let us know by noon the working day before the meeting. You can do this by emailing DemocraticServicesTeam@huttcity.govt.nz or calling the Democratic Services Team on 04 570 6666 | 0800 HUTT CITY

COUNCIL

Membership: 13

Meeting Cycle: Council meets on an eight weekly basis (Extraordinary Meetings can be called following a resolution of Council; or on the requisition of the Chair or one third of the total membership of Council)

Quorum: Half of the members

POWER TO (BEING A POWER THAT IS NOT CAPABLE OF BEING DELEGATED)¹:

- Make a rate.
- Make bylaws.
- Borrow money other than in accordance with the Long Term Plan (LTP).
- Purchase or dispose of assets other than in accordance with the LTP.
- Purchase or dispose of Council land and property other than in accordance with the LTP.
- Adopt the LTP, Annual Plan and Annual Report.
- Adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the LTP or developed for the purpose of the Local Governance Statement.
- Appoint the Chief Executive.
- Exercise any powers and duties conferred or imposed on the local authority by the Local Government Act 1974, the Public Works Act 1981, or the Resource Management Act 1991, that are unable to be delegated.
- Undertake all other actions which are by law not capable of being delegated.
- The power to adopt a Remuneration and Employment Policy for Council employees.

DECIDE ON:

Policy & Bylaw issues:

- Adoption of all policy required by legislation.
- Adoption of strategies, and policies with a city-wide or strategic focus.
- Approval of draft bylaws prior to consultation.
- Adoption of new or amended bylaws.

District Plan:

- Approval to call for submissions on any Proposed District Plan, Plan Changes and Variations.

¹ Work required prior to the making of any of these decisions may be delegated.

- Prior to public notification, approval of recommendations of District Plan Hearings Subcommittees on any Proposed Plan, Plan Changes (including private Plan Changes) and Variations.
- The withdrawal of Plan Changes in accordance with clause 8D, Part 1, Schedule 1 of the Resource Management Act 1991.
- Approval, to make operative, District Plan and Plan Changes (in accordance with clause 17, Part 1, Schedule 1 of the Resource Management Act 1991).
- Acceptance, adoption or rejection of private Plan Changes.

Representation, electoral and governance matters:

- The method of voting for the Triennial elections.
- Representation reviews.
- Council's Code of Conduct for elected members.
- Local Governance Statement.
- Elected members' remuneration.
- The outcome of any extraordinary vacancies on Council.
- Any other matters for which a local authority decision is required under the Local Electoral Act 2001.
- Appointment and discharge of members of committees when not appointed by the Mayor.
- Adoption of Terms of Reference for Council Committees, Subcommittees and Working Groups, and oversight of those delegations.
- Council's delegations to officers, community boards and community funding panels.

Delegations and employment of the Chief Executive:

- Appointment of the Chief Executive of Hutt City Council.
- Review and negotiation of the contract, performance agreement and remuneration of the Chief Executive.

Meetings and committees:

- Standing Orders for Council and its committees.
- Council's annual meeting schedule.

Long Term and Annual Plans:

- The adoption of the budgetary parameters for the LTP and Annual Plans.
- Determination of rating levels and policies required as part of the LTP.
- Adoption of Consultation Documents, proposed and final LTPs and proposed and final Annual Plans.

Council Controlled Organisations:

- The establishment and disposal of any Council Controlled Organisation or Council Controlled Trading Organisation.
- Approval of annual Statements of Corporate Intent for Council Controlled Organisations and Council Controlled Trading Organisations.

Community Engagement and Advocacy:

- Receive reports from the Council's Advisory Groups.
- Monitor engagement with the city's communities.

Operational Matters:

- Civil Defence Emergency Management matters requiring Council's input.
- Road closing and road stopping matters.
- Approval of overseas travel for elected members.
- All other matters for which final authority is not delegated.

Appoint:

- The non-elected members of the Standing Committees, including extraordinary vacancies of non-elected representatives.
- The Directors of Council Controlled Organisations and Council Controlled Trading Organisations.
- Council's nominee on any Trust.
- Council representatives on any outside organisations (where applicable and time permits, recommendations for the appointment may be sought from the appropriate Standing Committee and/or outside organisations).
- Council's Electoral Officer, Principal Rural Fire Officer and any other appointments required by statute.
- The recipients of the annual Civic Honours awards.

TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCIL

Ordinary meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road,
Lower Hutt on
Thursday 30 June 2022 commencing at 4.30pm.

ORDER PAPER

PUBLIC BUSINESS

1. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Whakataka te hau ki te uru	<i>Cease the winds from the west</i>
Whakataka te hau ki te tonga	<i>Cease the winds from the south</i>
Kia mākinakina ki uta	<i>Let the breeze blow over the land</i>
Kia mātaratara ki tai	<i>Let the breeze blow over the ocean</i>
E hī ake ana te atakura	<i>Let the red-tipped dawn come with a sharpened air.</i>
He tio, he huka, he hau hū	<i>A touch of frost, a promise of a glorious day.</i>
Tīhei mauri ora.	

2. APOLOGIES

3. PUBLIC COMMENT

Generally up to 30 minutes is set aside for public comment (three minutes per speaker on items appearing on the agenda). Speakers may be asked questions on the matters they raise.

4. CONFLICT OF INTEREST DECLARATIONS

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

5. ADOPTION OF THE ANNUAL PLAN 2022-2023 (22/1425)

Report No. HCC2022/3/130 by the Principal Advisor, Strategic and Business Planning

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The Annual Plan 2022-2023 to be separately circulated via a supplementary agenda.

MAYOR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

6. **SETTING OF RATES FOR 2022/23** (22/1494)

Report No. HCC2022/3/131 by the Business Analyst - Rates 14

MAYOR'S RECOMMENDATION:

"That the recommendation contained in the report be endorsed."

7. **RATES REMISSION ON MAORI LAND POLICY 2022** (22/1517)

Report No. HCC2022/3/132 by the Policy Advisor 35

MAYOR'S RECOMMENDATION:

"That the recommendations contained in the report be endorsed."

8. **QUESTIONS**

With reference to section 32 of Standing Orders, before putting a question a member shall endeavour to obtain the information. Questions shall be concise and in writing and handed to the Chair prior to the commencement of the meeting.

9. **EXCLUSION OF THE PUBLIC**

MAYOR'S RECOMMENDATION:

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

10. **VALLEY FLOOR GROWTH INFRASTRUCTURE -
INFRASTRUCTURE ACCELERATION FUND NEGOTIATION
PHASE** (22/1530)

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

(A)	(B)	(C)
General subject of the matter to be considered.	Reason for passing this resolution in relation to each matter.	Ground under section 48(1) for the passing of this resolution.
Valley Floor Growth Infrastructure - Infrastructure Acceleration Fund Negotiation Phase.	The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) (s7(2)(i)).	That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

Kate Glanville
SENIOR DEMOCRACY ADVISOR

08 June 2022

File: (22/1425)

Report no: HCC2022/3/130

Adoption of the Annual Plan 2022-2023

Purpose of Report

1. The purpose of this report is to present the final Annual Plan 2022-2023 to Council for adoption.

Recommendations

That Council:

- (1) notes that the Annual Plan 2022-2023 (separately circulated), has been prepared based on the final decisions of Council on 7 June 2022;
- (2) resolves that it is financially prudent to have an unbalanced budget until 2028/29;
- (3) agrees to adopt the Annual Plan 2022-2023 (separately circulated); and
- (4) agrees to delegate authority to the Chief Executive to make any minor editorial changes that may arise as part of the Annual Plan 2022-2023 publication process.

For the reason of meeting the Local Government Act 2002 requirement to prepare and adopt an Annual Plan before the commencement of the year to which it relates.

High level plan for the Annual Plan 2022-2023

2. Table 1 sets out the timeline for the Annual Plan 2022-2023 process as agreed to by Council.

Table 1: High level plan

Activity	Date	Status
Officers progress initial planning and preparation	August/September 2021	Complete
Council endorsement of high-level plan and key assumptions	1 November 2021	Complete
Council meeting – Review of cost pressures, work programme changes and reprioritisation, funding options	16 December 2021	Complete
Initial Draft Annual Plan(DAP) and draft engagement material reviewed by Council. Further budget decisions.	28 February 2022	Complete
Council endorse DAP and engagement material for public engagement	4 April 2022	Complete
Public engagement - “light” engagement	12 April–3 May 2022	Complete
Community feedback received and considered. Officer advice to support decisions for the final Annual Plan.	18 May 2022	Complete
Council meets to make final decisions	7 June 2022	Complete
Council adopts the Annual Plan and sets the rates	30 June 2022	Today

Information on the process to prepare the Annual Plan 2022-2023

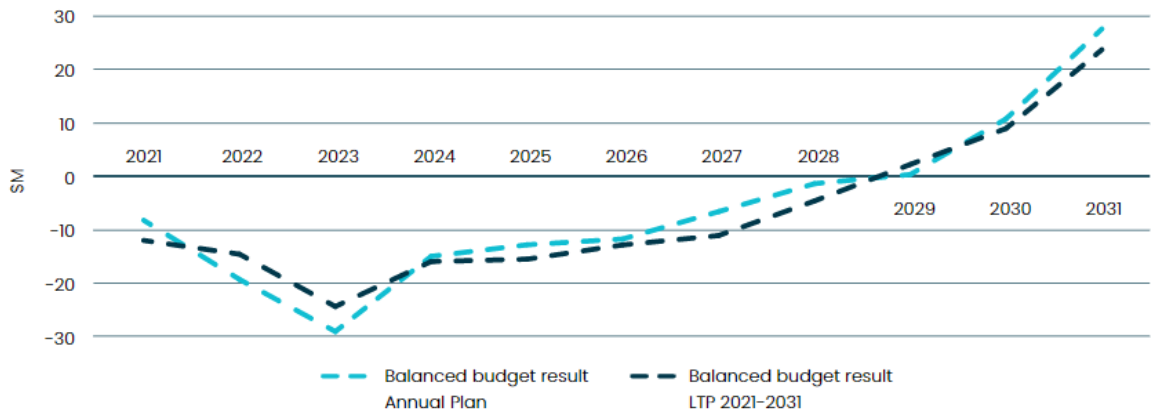
3. The purposes of the Annual Plan (AP) are to:
- contain the proposed annual budget and funding impact statement for the year to which the annual plan relates
 - identify any variation from the financial statements and funding impact statement included in the local authority’s long-term plan (LTP) in respect of the year
 - provide integrated decision making and co-ordination of the resources of the local authority, and
 - contribute to the accountability of the local authority to the community.
4. The AP 2022-2023 relates to year 2 of the current LTP.

5. Council endorsed key assumptions and a high-level plan (Table 1), including to proceed with a light touch engagement on a draft AP, on 1 November 2021. Extensive consultation has not been undertaken for the draft AP as it aligns with the direction set in the LTP.
6. Council considered a range of advice in developing the draft AP including, cost pressures, work programme changes and reprioritisation, and funding options on 16 December 2021. An initial draft AP and public engagement materials were reviewed by Council on 28 February 2022 and further budget decisions were made.
7. On 4 April 2022 Council endorsed the draft AP and engagement materials. A light engagement was undertaken from 12 April to 3 May 2022. Community feedback was received and considered by Council on 18 May 2022 alongside a range of budget decisions.
8. Council confirmed final AP decisions on 7 June 2022, including final budget decisions and confirmation of the rates revenue increase to be in line with the draft AP and agreed that the Annual Plan Working Group (comprising the Mayor, Deputy Mayor and Chairs of Committees) be delegated the authority to make decisions as required in preparing the AP for Council adoption.

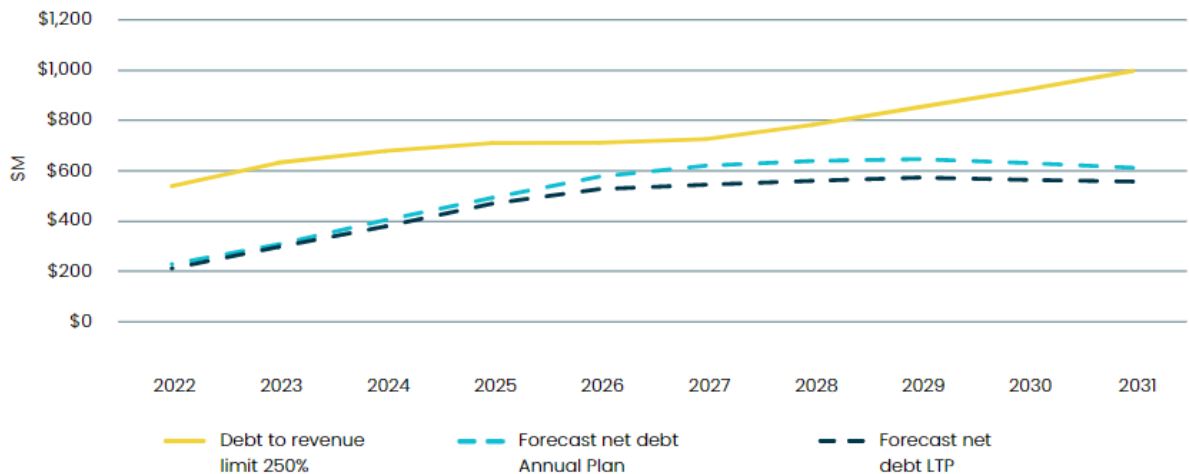
Balanced budget and financial prudence requirements

9. Sections 100 and 101 of the Local Government Act 2002 (LGA) are the relevant legislation to be considered. The overarching requirement in this legislation is to act prudently and in a manner that promotes the current and future interests of the community.
10. Financial prudence is not defined in the Act. In the standard dictionary sense prudence means 'careful', 'sensible', or 'habit of acting with careful deliberation'.
11. Council considered the legislative requirement for a balanced budget and financial prudence in the preparation of the LTP, factoring in the economic environment as a result of COVID-19 and with the affordability of rates front of mind.
12. Council resolved that it is financially prudent to have an unbalanced budget until 2028/29 as part of the adoption of the LTP. The financial projections included in the AP continue to show underlying balanced budget deficits until 2028/29.
13. The financial projections included in the AP show:
 - A projected underlying balanced budget deficit in 2022/23 of \$29.35M
 - A balanced budget projected to be achieved in 2028/29 (refer graph 1)
 - Net debt is projected to peak at \$647M in 2028/29
 - Net debt to revenue peaks at 214%, which is within the financial strategy limit of 250% (refer graph 2).

Graph 1: Balanced Budget Position compared to 10-Year Plan



Graph 2: Projected net debt to revenue ratio compared to debt to revenue limit of 250%, with comparison to the 10-Year Plan



14. Officer advice is that Council can again resolve that it is financially prudent to have an unbalanced budget until 2028/29, as revenues are increasing over the LTP period and repayment of the debt is occurring so as to avoid a significant impact on future ratepayers. The projected budget position does not impact on Council’s ability to maintain its levels of service, undertake asset renewals and is consistent with the Revenue and Financing Policy.

Preparation of the Annual Plan 2022-2023 document

- 15. The AP has been updated to reflect the final budget decisions made by Council and the narrative updates flagged on 18 May and 7 June 2022.
- 16. An updated AP was considered by the Annual Plan Working Group on 15 June 2002, and subsequently by other elected members, and editorial feedback was provided.
- 17. The AP (separately circulated) has been updated to reflect editorial feedback provided and Council adoption of the final AP 2022-2023 is now sought.

18. There may be the need for minor editorial changes (e.g. from final proofing) and/or design changes as part of the publication process of the AP document. Council is requested to delegate to the Chief Executive the authority to make any minor changes required ahead of publication of the AP.

Next steps

19. A press release will be made following adoption of the AP and we are planning to publish the AP on 4 July 2022. An electronic version will be uploaded onto the council's website and hard copies will be made available in libraries, community hubs and the administration building. Publication will be notified to our communities through a variety of appropriate channels.

Climate Change Impact and Considerations

20. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.
21. The AP directly responds to the need to achieve emission reductions by embedding emission reductions in a range of initiatives.

Consultation

22. Council agreed to a light-touch engagement for the draft Annual Plan 2022-2023. Extensive consultation has not been undertaken for the draft AP as it aligns with the direction set in the LTP. The public engagement consisted of an online survey with accompanying social media collateral, accompanied by a short, printed document to all households in Lower Hutt. The engagement period took place from 12 April to 3 May 2022.
23. Results of the light touch engagement process on the DAP were included on the agenda to the subcommittee on 18 May.

Legal Considerations

24. Under Section 95 of the Local Government Act 2002 (the Act), local authorities are required to prepare and adopt an AP for each financial year. An AP must be adopted before the commencement of the year to which it relates. A local authority must, within 1 month after the adoption of its AP, make the plan publicly available.
25. Prior to adoption, a local authority must consult in a manner that gives effect to legislative principles. Under Section 95(2A) of the Act, if the proposed AP does not include significant or material differences from the content of the LTP for the financial year to which the proposed AP relates, then Councils can choose not to formally consult.
26. Section 101 of the LGA requires all local authorities to "manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community."

27. Section 100 subsection 1 of the LGA states:
- 1) A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
28. Section 100, then goes on to say:
- 2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to –
 - (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - (d) the funding and financial policies adopted under section 102.

Financial Considerations

29. Reports considered on 16 December 2021, 28 February 2022, 18 May 2022 and 7 June 2022 addressed financial considerations in detail and can be referenced for further information.

Appendices

There are no appendices for this report.

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Manager Financial Strategy & Planning

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Reviewed By: Kiri Waldegrave
Acting Head of Strategy and Planning

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Reviewed By: Jarred Griffiths
Director Strategy and Engagement

Approved By: Jo Miller
Chief Executive

13 June 2022

File: (22/1494)

Report no: HCC2022/3/131

Setting of rates for 2022/23

Purpose of Report

1. To set the rates for the year commencing 1 July 2022 and ending 30 June 2023, under the Local Government (Rating) Act 2002.

Recommendation

That Council resolves to set the rates and add penalties to unpaid rates during the 2022/23 rating year by passing the resolution attached as Appendix 1 to the report.

Acronyms:

DAP - Draft Annual Plan 2022-2023

AP - Annual Plan 2022-2023

LTPAP - Long Term Plan/ Annual Plan Subcommittee

SUIP - Separately used or inhabited part

Background

2. At the Long Term Plan/ Annual Plan Subcommittee meeting of 18 May 2022, Council approved an overall rates revenue increase of 5.9% with a growth-related rates revenue component of 1.1% along with targeted rates increases for inclusion in the final AP 2022-23 (refer LTPAP2022/2/89).
3. At the 7 June 2022 subcommittee meeting, final decisions on the Annual Plan 2022-2023 were considered (refer LTPAP2022/3/100) and Council endorsed the proposed rates increases for the Annual Plan 2022-2023.
4. Subject to Council first adopting the Annual Plan 2022-2023 at the meeting of 30 June 2022, Council can then set the rates for the 2022/23 rating year. Attached to this report are the detailed Rates Resolutions (Appendix 1) and the Funding Impact Statement including rates for 2022/23 (Appendix 2). Both these appendices have been prepared based on the Council's final AP decisions.

Rating policy and system

5. Council's rating system includes:

- a general rate, based on the capital value of a property;
- targeted rates, based on a fixed amount per property (known as a rating unit) or separately used part of a property (SUIP) for: water supply, wastewater, rubbish collection, recycling and green waste collection;
- a targeted rate to fund the Jackson Street Programme activity based on the capital value of commercial properties with frontage to Jackson Street, Petone between Hutt Road and Cuba Street.

Further details are provided in Appendix 2, the Funding Impact Statement including rates for 2022/23.

Targeted rates

6. All properties, regardless of rateable value, pay the fixed rates before the general rate in the dollar is applied to the property's rateable value.
7. Table 1 that follows provides a summary of the changes in the targeted rates and amounts for 2022/23 compared to the previous year 2021/22.

Table 1: Targeted rates for 2022/23

Targeted Rate	2021/22	2022/23	Change since 2021/22
Water supply rate -per SUIP	\$520	\$551	\$31
Wastewater -per SUIP	\$559	\$593	\$34
Recycling - per SUIP	\$105	\$111	\$6
Refuse/rubbish 80 litre per SUIP ¹	\$105	\$105	No change
Refuse/rubbish 120 litre per SUIP ¹	\$144	\$148	\$4
Refuse/rubbish 240 litre per SUIP ¹	\$288	\$296	\$8
240L Green waste per SUIP (optional)	\$95	\$101	\$6

Note 1: Ratepayers will be charged one of the refuse/rubbish targeted rates.

Water supply targeted rate

8. The water supply targeted rate is a fixed amount per rating unit or SUIP.
9. The increase to the overall water supply targeted rate is 6.0%, being a \$31.00 increase (from \$520.00 in 2021/22 per SUIP on a rating unit to \$551.00 in 2022/23). The increase reflects the increased investment for this priority area.
10. For rating units that are not connected to the city supply but are able to be, a charge of 50% of the full charge (\$275.50) is applied.

Wastewater targeted rate

11. The wastewater targeted rate is a fixed amount per SUIP (or water closet/urinal for rating units in the commercial categories).
12. The increase to the overall wastewater targeted rate is 6.1%, being a \$34.00 increase (from \$559.00 per SUIP on a rating unit to \$593.00). The increase reflects the increased investment for this priority area.
13. For rating units in any of the commercial categories, an additional charge of 50% of the full charge (\$296.50) for the second and any subsequent water closet or urinal on the rating unit.

Targeted rates for recycling, rubbish and green waste collection

14. The new kerbside rubbish, recycling and green waste collection services began for all residential and rural properties on 1 July 2021.
15. At the Climate Change and Sustainability Committee meeting of 23 September 2021 it was agreed to extend the service on an opt in basis to properties in four other categories: Community Education, (CE) Community Facilities 1 (CF1), Community Facilities 2 (CF2) and Community Facilities 3 (CF3).
16. This change will take effect from 1 July 2022 and the Funding Impact Statement and Rates Resolutions attached in the appendices reflect this change.
17. Information on cost updates to the rubbish, recycling and green waste services was reported to the LTP/AP subcommittee on 16 December 2021.
18. Increases to the rubbish, recycling and green waste are inflation adjusted as per the contract. Contractually, inflation will continue to impact the cost of the services in future years.
19. Ratepayers have the option to change the size of bins they have during a rating year and the targeted rates they pay will reflect this change from the start of the following rating year.
20. Recently completed dwellings that did not have bins at 1 July 2021, have since requested and received bins. Targeted rates for rubbish and recycling will take effect for those properties from 1 July 2022.
21. A data validation process has been undertaken to ensure that all bin changes received during the year are reflected in the 2022-23 rates for those properties.

22. Where a discrepancy is identified between the targeted rate and the bin that the ratepayer physically has at their property, processes have been implemented to investigate, resolve and confirm details with the ratepayer. This work is a collaboration between the Communications, Waste Services, Finance and Customer Services teams.

Recycling collection targeted rate

23. The recycling collection targeted rate is assessed as a fixed amount per SUIP on all residential and rural properties and on any rating units in the CE, CF1, CF2 or CF3 categories that have chosen to receive the service.
24. The increase to the overall recycling collection targeted rate is 5.7% being a \$6 increase (from \$105.00 per SUIP on a rating unit to \$111.00).

Refuse collection targeted rates

25. The refuse collection targeted rate is assessed as a fixed amount per SUIP on all rating units in the Residential and Rural categories with a dwelling and on any rating units in the CE, CF1, CF2 or CF3 categories that have chosen to receive the service.
26. The amount of the refuse collection targeted rate depends on the level of service the ratepayer has chosen. The standard service is a 120 litre wheelie bin collected weekly.
27. Ratepayers have the option to choose, instead of the standard service, an 80 litre or 240 litre wheelie bin collected weekly.
28. The targeted rate amounts in 2022/23 for the different sized bins are shown in the table below:

Wheelie bin size	Final AP targeted rate amount
80 litre	\$105
120 litre (standard)	\$148
240 litre	\$296

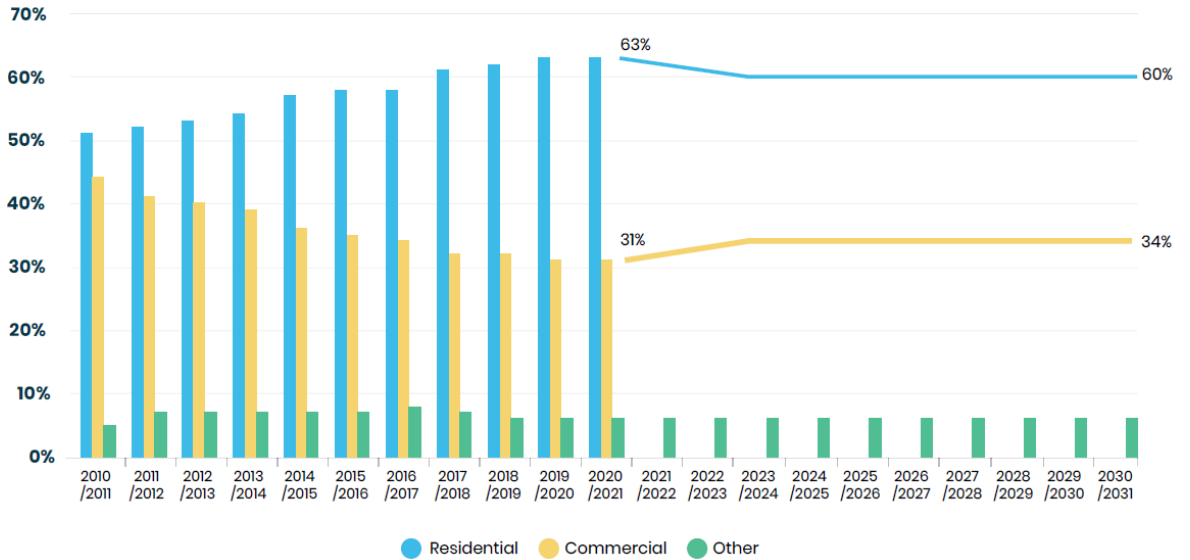
Green waste collection targeted rate

29. The kerbside waste service includes an optional monthly collection of a 240 litre wheelie bin for green waste.
30. Ratepayers can opt in to the service, and only those ratepayers that do will pay the targeted rate.
31. The increase to the green waste collection targeted rate is 6.3% being a \$6 increase (from \$95.00 per SUIP on a rating unit to \$101.00).

General rate differential

32. The general rate is a rate in the dollar assessed on the rateable value of each property.
33. Through the Long Term Plan process options on rating policy change were presented for public feedback. Following the public submission process, the Council agreed a change to rating policy from 2021/22 to apportion rates between rating categories on a percentage basis.

34. At the Long Term Plan/Annual Plan Subcommittee meeting of 18 May 2022 (refer report LTPAP2022/2/89) officers sought confirmation of the rating policy direction from Council to continue with a reduction in the residential rates proportion from 62% to 61% in the Annual Plan 2022-2023, in line with the LTP. This impact of this policy direction is included in the graph that follows. Council endorsed the reduction of the residential proportion to 61% as per the DAP.



35. The percentage proportions of the General Rate for the Annual Plan 2022-2023 are shown in the table below. 2021-22 is included for comparison.

Table 2: General Rate proportions 2022-23

Property category	2021-22 Percentage	2022-23 Percentage
Residential	62%	61%
Commercial central (includes Queensgate)	7.5%	7.8%
Commercial suburban	23.9%	24.5%
Utility networks	5.4%	5.4%

36. The General Rate differentials for and charge per dollar of capital value for 2022-23 are shown in the table below.

Table 3: General Rate differentials and rate in the dollar 2022-23

General Rate Differential Category	2022-23 Differential	2022-23 Charge per \$ of Capital Value
Residential	1.000	0.267188
Rural	0.747	0.199589
Commercial Central	3.125	0.835066
Commercial Suburban	2.954	0.789150
Utility Networks	2.997	0.800668
Community Facilities 1	1.000	0.267188
Community Facilities 2	0.500	0.133594
Community Facilities 3	2.344	0.626288

Rates revenue increase

37. At the Council meeting 7 June 2022, Council endorsed the overall rates revenue increase of 5.9% with a growth-related rates revenue component of 1.1%. This is in line with decisions made in the LTP 2021-31.

	<u>2022/23</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026-2031</u>
Rates revenue increase ¹	5.9%	5.9%	7.2%	7.2%	7.2%

Note 1- excludes revenue from growth in the rating base

38. The 2022/23 total rates revenue (excluding GST) totals \$139.6M which includes \$53.8M of targeted rates for the year.

Rating impact

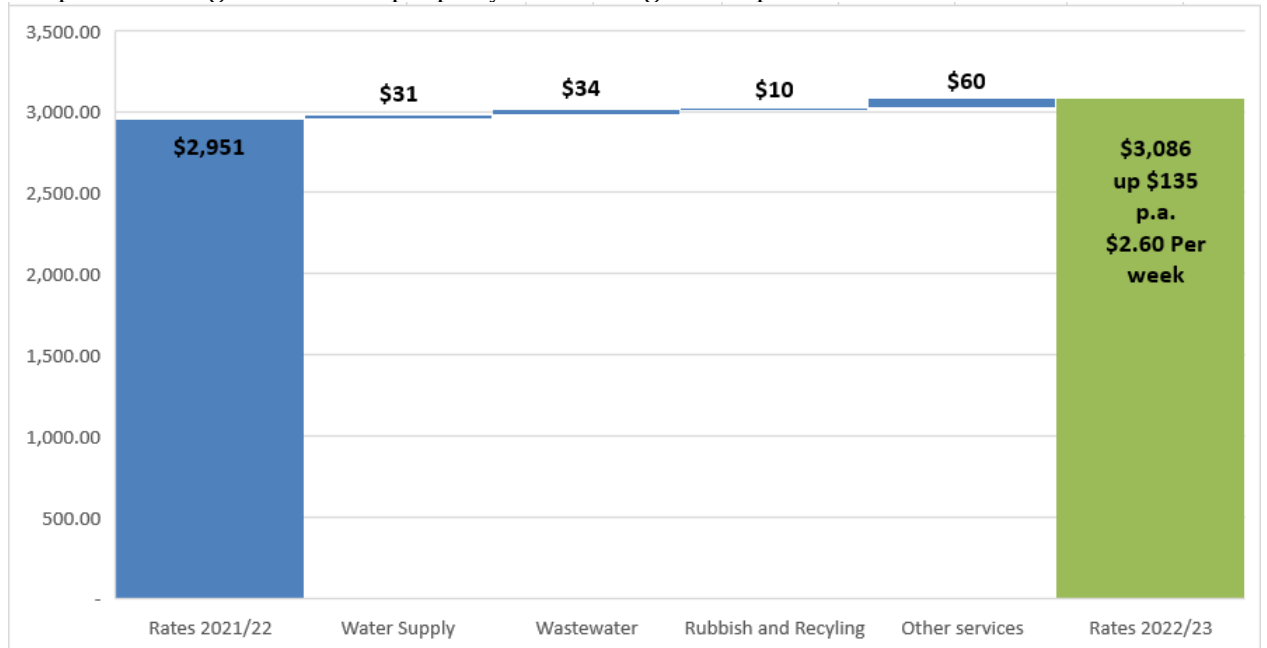
39. The rating analysis and impact that follows was prepared in mid-June 2022. While there is likely to be further growth in the rating database, analysis shows this will be minimal between mid-June and the end of June.
40. Based on AP 2022-23 budgets, the changes in average property rates for 2022/23 compared to 2021/22 levels are summarised in table 4. These are shown including GST but excluding Greater Wellington Regional Council.

Table 4: Rates impact for 2022/23

Property Category	Capital Value as at 1 July 2022	2021/22 Rates	Final Annual Plan 2022/23 Rates		
			Change per annum	Change per week	%
Average Residential	\$630,000	\$2,951	\$135	\$2.60	4.6%
Average Commercial Central	\$1,782,000	\$15,119	\$1,202	\$23.12	8.0%
Average Commercial Suburban	\$1,644,000	\$13,135	\$1,279	\$24.60	9.7%
Average Rural (no services)	\$886,000	\$1,954	\$73	\$1.41	3.8%
Utilities	\$2,630,700	\$19,260	\$1,803	\$34.67	9.4%

- 41. Queensgate property value has increased from \$295M to \$320M due to the significant investment work undertaken. The rates for Queensgate for 2022/23 will be \$2,696,507 which is an increase of \$395,643 compared to the prior year.
- 42. Graph 1 shows the movement in rates for the average residential property from 2021/22 to 2022/23.

Graph 1: Average residential property rates change \$2.60 per week



43. Table 5 provides the indicative rating impact for the average residential property in a selection of suburbs across the city.

Table 5: Average residential property rates per suburb

Residential Suburb	Capital Value	2021/2022 Rates	2022/2023 Rates	\$ Change Annual	\$ Change Weekly	% Change Amount
Alicetown	\$661,500	\$3,032	\$3,170	\$138	\$2.66	4.6%
Avalon	\$605,500	\$2,888	\$3,021	\$133	\$2.56	4.6%
Belmont	\$711,000	\$3,160	\$3,303	\$143	\$2.75	4.5%
Boulcott	\$736,500	\$3,225	\$3,371	\$146	\$2.80	4.5%
Days Bay	\$990,000	\$3,878	\$4,048	\$170	\$3.27	4.4%
Eastbourne	\$930,000	\$3,724	\$3,888	\$164	\$3.15	4.4%
Epuni	\$651,500	\$3,006	\$3,144	\$137	\$2.64	4.6%
Fairfield	\$617,000	\$2,917	\$3,052	\$134	\$2.58	4.6%
Harbour View	\$687,000	\$3,098	\$3,239	\$141	\$2.71	4.5%
Haywards	\$405,000	\$2,371	\$2,485	\$114	\$2.19	4.8%
Hutt Central	\$858,500	\$3,540	\$3,697	\$157	\$3.02	4.4%
Kelson	\$645,000	\$2,990	\$3,126	\$137	\$2.63	4.6%
Korokoro	\$786,000	\$3,353	\$3,503	\$150	\$2.89	4.5%
Lowry Bay	\$1,270,000	\$4,600	\$4,796	\$197	\$3.78	4.3%
Manor Park	\$580,000	\$2,822	\$2,953	\$131	\$2.51	4.6%
Maungaraki	\$688,000	\$3,100	\$3,241	\$141	\$2.71	4.5%
Melling	\$539,000	\$2,717	\$2,843	\$127	\$2.43	4.7%
Moera	\$506,000	\$2,632	\$2,755	\$123	\$2.37	4.7%
Naenae	\$493,500	\$2,599	\$2,722	\$122	\$2.35	4.7%
Normandale	\$661,000	\$3,031	\$3,169	\$138	\$2.66	4.6%
Petone	\$754,000	\$3,270	\$3,418	\$147	\$2.83	4.5%
Point Howard	\$905,000	\$3,659	\$3,821	\$162	\$3.11	4.4%
Stokes Valley	\$486,000	\$2,580	\$2,702	\$122	\$2.34	4.7%
Taita	\$488,000	\$2,585	\$2,707	\$122	\$2.34	4.7%
Wainuiomata	\$461,000	\$2,516	\$2,635	\$119	\$2.29	4.7%
Waiwhetu	\$621,500	\$2,929	\$3,064	\$135	\$2.59	4.6%
Waterloo	\$696,000	\$3,121	\$3,263	\$142	\$2.72	4.5%
Woburn	\$953,000	\$3,783	\$3,949	\$166	\$3.20	4.4%
York Bay	\$850,000	\$3,518	\$3,674	\$156	\$3.01	4.4%

Climate Change Impact and Considerations

44. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

45. The light public engagement process on the DAP took place from the 12 April 2022 to the 3 May 2022. The proposed rating changes were included in this process. Council considered the feedback from the engagement process ahead of finalising decisions on the Annual Plan 2022-23.

Legal Considerations

46. The rates are to be set in accordance with the Local Government (Rating) Act 2002, the requirements of which include the following:
- a. after setting the rates, sending each ratepayer:
 - i. an assessment showing full details of rates on each rating unit, including how each rate is calculated and what activities are funded by the rate.
 - ii. a brief description of Council's rates remission and postponement policies.
 - b. sending a copy of the resolution setting the rates to the Secretary of Local Government within 20 working days of it being passed.
47. As in previous years, the Rates Resolution (Appendix 1 to the report), includes authority to charge late payment penalties of 10 per cent on rates instalments not paid by the due date. In addition it also provides for additional 10 per cent penalties to be charged each six months on rates remaining outstanding from previous financial years.
48. The Rates Resolution (Appendix 1) and Rates Funding Impact Statement (Appendix 2) has been through an external legal review.

Financial Consideration

There are no financial considerations in addition to those already outlined in this report.

Appendices

No.	Title	Page
1	Appendix 1 - Rates Resolution 2022-23	23
2	Appendix 2 - Rates Funding Impact Statement 2022-23	26

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Author: Daniel Koenders
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Reviewed By: Jenny Livschitz
Group Chief Financial Officer

Approved By: Jo Miller
Chief Executive

SETTING THE RATES FOR THE YEAR ENDING 30 JUNE 2023

Targeted and General Rates

1. In accordance with the relevant provisions of the 2022-23 Annual Plan and the Funding Impact Statement including Rates for 2022-2023, **the Council hereby resolves**, pursuant to Section 23 of the Local Government (Rating) Act 2002, to set and assess the following **Hutt City Council** rates for the year commencing **1 July 2022 and ending 30 June 2023. All amounts are inclusive of Council's GST obligations.**

- (a) A **Targeted Rate (Water Supply Rate)** set and assessed under sections 16 to 18 of the Local Government (Rating) Act 2002. The water supply charges for 2022-23 are as follows:

1. A charge of **\$551.00** per separately used or inhabited part (SUIP) on a rating unit which is connected to the water reticulation system and is not metered.
2. A charge of **\$275.50** per SUIP on a rating unit that is not connected to, but is able to be connected to, the water reticulation system.
3. A charge of **\$551.00** per rating unit which is connected to the water reticulation system and contains more than one separately used or inhabited part, where a water meter has been installed to measure the total water consumed.

- (b) A **Targeted Rate (Wastewater Rate)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The wastewater charges for 2022-23 are as follows:

1. A charge of **\$593.00** per SUIP on a rating unit which is connected to the city wastewater system.
2. For rating units in the commercial categories (CMC, CMS and UTN), an additional charge of **\$296.50** (50% of the above charge) for the second and subsequent water closet or urinal connected to the wastewater system from each rating unit.

- (c) A **Recycling Collection Targeted Rate** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The recycling charge for 2022-23 will apply as follows:

CATEGORY	Provision or availability	Per SUIP
Residential and Rural rating units	Able to be serviced	\$111.00
Community Education Facility, CF1, CF2 and CF3 rating units	Opt-in to the Service	\$111.00

- (d) A **Refuse Collection Targeted Rate** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The refuse charges for 2022-23 are as follows:

CATEGORY	Provision or availability	Per SUIP
Residential, Rural, Community Education Facility, CF1, CF2 and CF3 rating units	80 Litre or equivalent	\$105.00
Residential, Rural, Community Education Facility, CF1, CF2 and CF3 rating units	120 Litre or equivalent	\$148.00
Residential, Rural, Community Education Facility, CF1, CF2 and CF3 rating units	240 Litre or equivalent	\$296.00
Residential and Rural rating units	Able to be serviced but not serviced	\$105.00

- (e) **A Green Waste Collection Targeted Rate** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The green waste charge for 2022-23 is \$101.00 per SUIP on every rating unit in the Residential, Rural, Community Education Facility, CF1, CF2 and CF3 categories that has opted in to receive the green waste service.
- (f) **A Targeted Rate (Jackson Street Programme Rate)** set and assessed under sections 16 and 17 of the Local Government (Rating) Act 2002. The Jackson Street Programme charge for 2022-23 is 0.00079980 cents per dollar of capital value on every rating unit in the Commercial Suburban differential category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street.
- (g) **A General Rate** set and assessed under sections 13 and 14 of the Local Government (Rating) Act 2002. The general rate charge for the 2022-23 rating year is as follows:

CATEGORY	DIFFERENTIAL	CHARGE PER \$ OF CAPITAL VALUE
Residential	1.000	0.267188
Rural	0.747	0.199589
Commercial Central	3.125	0.835066
Commercial Suburban	2.954	0.789150
Utility Networks	2.997	0.800668
Community Facilities 1	1.000	0.267188
Community Facilities 2	0.500	0.133594
Community Facilities 3	2.344	0.626288

Rates Instalments

2. **The Council resolves** that the targeted rates and the general rate for the financial year ending 30 June 2023, as set out above, are payable in six instalments by the following due dates:

INSTALMENT NUMBER	DUE DATE	PENALTY DATE
One	20 August 2022	23 August 2022
Two	20 October 2022	21 October 2022
Three	20 December 2022	21 December 2022
Four	20 February 2023	21 February 2023
Five	20 April 2023	21 April 2023

Six	20 June 2023	21 June 2023
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Penalties on unpaid rates

3. The Council resolves, pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, except as stated in 4 below, that:
- a) A penalty of 10% will be added to the amount of any instalment remaining unpaid by the relevant due date above. The penalty will be added on the relevant penalty date stated above.
 - b) A penalty of 10% will be added to the amount of any rates assessed in previous years remaining unpaid on 7 July 2022 being 5 working days after the date of the resolution. The penalty will be added on 22 August 2022.
 - c) A further penalty of 10% will be added to the amount of any rates to which a penalty has been added under b) above and which remain unpaid on 22 February 2023.
4. No penalty shall be added to any rate account if:
- A direct debit authority is in place for payment of the rates by regular weekly, fortnightly or monthly installments, and payment in full is made by the end of the rating year.
 - Any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.

1.1 Tauākī pāpātanga tāhua āpiti atu ki ngā tāke kaunihera 2022-23

1.2 Funding impact statements including 2022-23 rates

Section A: Introduction

This Funding Impact Statement includes full details of how rates are calculated. It should be read in conjunction with Council's Revenue and Financing Policy (see section 4), which sets out Council's policies in respect of each source of funding.

Summary of funding mechanisms and indication of level of funds to be produced by each mechanism

The Whole of Council Funding Impact Statement sets out the sources of funding to be used for 2022-23 and for subsequent years, the amount of funds expected to be produced from each source, and how the funds are to be applied. Details of user charges and other funding sources, and the proportion applicable to each activity, are included in the Council's Revenue and Financing Policy which is included in the 10-Year Plan. Charges include GST unless otherwise noted.

Uniform annual general charge

Council has not set a uniform annual general charge (UAGC) for 2022-23.

Definition of separately used or inhabited part

For the purposes of any targeted rate set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit, a SUIP is defined as:

- Any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.
- At a minimum, the land or premises intended to form the SUIP of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.

For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one SUIP of a rating unit.

Section B: Rates for year

For 2022-23, and for subsequent years, the Council will set the following rates.

a) **Water supply rate**

A targeted rate will be set to meet the net operating costs of water supply and reticulation in the city. Lump sums will not be invited in respect of this rate. Council has set the targeted rate for water supply on the basis of the following factors:

- a charge per SUIP of a rating unit that is connected to the water reticulation system and is not metered
- a charge of 50 per cent of the above charge per SUIP of a rating unit that is not connected to but is able to be connected to the water reticulation system
- a charge per rating unit that is connected to the water reticulation system and contains more than one SUIP, where a water meter has been installed to measure the total water consumed

provided that:

- rating units situated within 100m of any part of the water reticulation network are considered to be able to be connected (ie, serviceable)
- rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate
- where the owner of a rating unit with more than one SUIP has installed a water meter to measure the total water consumed, the owner will be liable to pay for water consumed as measured by the meter as set out in Council's Fees and Charges (see Appendix 1).

The charges for the 2022-23 rating year are as follows:

Category	Charge
Connected and unmetered	\$551.00 per SUIP
Serviceable but not connected	\$275.50 per SUIP
Connected and metered	\$551.00 per rating unit

b) Wastewater rate

A targeted rate will be set to meet the net operating costs of wastewater collection, treatment and disposal within the city. Lump sums will not be invited in respect of this rate.

Council will set the targeted rate for the wastewater function on the basis of the following factors:

- a charge per SUIP on a rating unit for all rating units connected to the wastewater system

- for rating units in the commercial categories, an additional charge of 50 per cent of the full charge for the second and each subsequent WC or urinal connected to the wastewater system from each rating unit provided that:
 - no charge is made to any rating unit not connected to the wastewater system.

The charges for the 2022/23 rating year are as follows:

Category	Charge
Connected - SUIP	\$593.00 each
For commercial rating units in the CMC, CMS, and UTN categories - second and each subsequent WC or urinal from each rating unit	\$296.50 each

c) Recycling collection targeted rate

A targeted rate will be set to meet 100 per cent of the costs of the recycling collection service. Lump sums will not be invited in respect of this rate.

For rating units in the Residential and Rural differential categories, the targeted rate will be set as a fixed amount per SUIP of each serviceable rating unit.

For Community Education facility rating units (those rating units that are 100% Non-Rateable under schedule 1 clause 6 of the Local Government (Rating) Act) and rating units in the CF1, CF2, or CF3 differential categories, ratepayers will be able to opt in to receive the recycling

14 June 2022

File: (22/1517)

Report no: HCC2022/3/132

Rates Remission on Maori Land Policy 2022

Purpose of Report

1. To report to Council the results of the public consultation on the Rates Remission on Māori Land Policy 2022
2. Recommend that Council adopt The Rates Remission on Māori Land Policy 2022

Recommendations

That Council:

- (1) receives this report;
- (2) notes that no submissions were received during the four-week public consultation process;
- (3) notes that as no submissions were received during the public consultation process, the policy presented to Council has not been amended since being approved for public consultation by the Policy, Finance and Strategy Committee 28 April 2022; and
- (4) adopts the Rates Remission on Māori Land Policy 2022 attached as Appendix 1 to the report and effective from 1 July 2022.

For the reasons that the proposed policy reflects the legislative requirements under The Local Government (Rating of Whenua Māori) Amendment Act 2021, the views of our Mana Whenua partners, kaitiaki of Māori freehold land and aligns with the intent of Greater Wellington Regional Council's proposed policy to ensure consistency across Te Awa Kairangi ki Tai.

The proposed policy reflects the intent of the legislation and uses the opportunity provided by the new legislation to support our Māori whānau by removing barriers that may stand in the way of them achieving their ambitions for their whenua.

Background

3. Under section 108 of the Local Government Act 2002 Council is required to have a policy on the remission and postponement of rates on Māori freehold land.
4. The Local Government (Rating of Whenua Māori) Amendment Act 2021 (the Act) imposes additional requirements on councils in relation to Māori freehold land. This Act is part of the Government's wider commitment to supporting whānau and regional development through whenua.
5. The changes to the rating of Māori freehold land are now in effect and the review of the proposed policy must be completed by 1 July 2022.
6. The majority of the land that is identified as Māori freehold land in Te Awa Kairangi ki Tai is currently already considered non-rateable.

Discussion

7. Following discussions with Greater Wellington Regional Council (GWRC), Council officers propose aligning our policy to the intent of GWRC's policy for regional consistency.
8. A four-week public consultation process was undertaken. No submissions were received.
9. During the development of the policy discussions with GWRC, our Mana Whenua Partners, and the kaitiaki of Māori freehold land were held. The most significant addition to the policy, resulting from these discussions, was to extend this policy *from* only applying to Māori Freehold Land *to* also include certain land in Māori ownership that is not Māori Freehold land.
10. The eligibility, criteria and conditions for the whenua covered by the proposed extension of the policy are outlined in the policy. This proposed change reflects that there are situations in Te Awa Kairangi ki Tai where land is in general title, owned by Māori and has similar characteristics to Māori freehold land, or where rates relief would help achieve the intentions of the legislation.
11. It is the view of officers that the proposed extension to this policy enables Council to use the opportunity provided by this new legislation to support our Māori whānau by removing barriers that may stand in the way of them achieving their ambitions for their whenua.

Options

12. To adopt the proposed Rates Remission on Māori Land Policy 2022.

Climate Change Impact and Considerations

13. The matters addressed in this report have been considered in accordance with the process set out in Council's Climate Change Considerations Guide.

Consultation

14. Officers wrote to all kaitiaki of Māori freehold land ahead of drafting this policy. This letter was to inform them about the legislation change, the

development of a policy and it extended an invitation to provide input throughout this process. As a result, a number of Mana Whenua members have participated in ongoing discussions with officers about the development of this proposed policy.

15. The proposed policy was discussed with all four Mana Whenua groups at regular quarterly hui. A copy of the draft proposed policy was shared and was positively received.
16. Officers have worked closely with GWRC to align our proposed policy with the intent of theirs to enable regional consistency across Te Awa Kairangi ki Tai.
17. Once a proposed draft policy was ready this was sent to all kaitiaki of Māori freehold land as well as our Mana Whenua partners along with a letter explaining the proposed policy, the rationale for the proposed decisions and inviting feedback on what we have proposed. Following this consultation, officers made amendments to the proposed policy in recognition of the feedback received.
18. Following the approval from the Policy, Finance and Strategy Committee on 28 April 2022 the draft proposed policy went out for public consultation. Public consultation ran from 4 May until 31 May 2022. A digital-first engagement campaign was used with information about the proposed policy on our website and an email address where the public could submit feedback. This engagement was supported with an advertisement in the Hutt News on 12 May 2022, posters throughout our hubs and libraries, and social media posts during this period. No submissions were received.

Legal Considerations

19. The legislative changes under The Local Government (Rating of Whenua Māori) Amendment Act 2021 specifies changes all councils must make to their Māori Freehold Land policies. This includes the need to have a Rates Remission on Māori Land Policy. The Act specifies changes that all Councils must make to their Māori Freehold Land policies in regard to:
 - a) Completely unused land becoming non-rateable
 - b) The ability to write off arrears
 - c) Rates remission for Māori freehold land under development
 - d) Ngā Whenua Rāhui kawenata land to be made non-rateable
 - e) Treating multiple blocks as one
 - f) Rating individual homeowners separately.
20. The proposed policy has been reviewed and approved by Council's Legal Counsel.

Financial Considerations

21. The majority of land that is identified as Māori freehold land in Te Awa Kairangi ki Tai is currently considered non-rateable and therefore the proposed policy will have minimal financial implications.
22. The proposed policy extends the scope of the rates remission beyond the minimum required under legislation to include Māori land in collective ownership. The parcels of land that meet these criteria are expected to be small, and therefore the financial implications are expected to be small.
23. Officers do not expect a large uptake following adoption of the new policy. There have been no applications under the existing policy for a number of years. It is expected that as awareness of the change in policy increases, it may align with the aspirations of whānau to lead development of and/or acquire new whenua over time.

Appendices

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1	Appendix 1: Rates Remission on Māori Land Policy 2022	39

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