Questions and Answers – Pāuatahanui Residents 2021

1. **LTPs in General**

   a) **The need for a broad forecast is obvious for infrastructure but it all needs to be based on some sound assumptions and under current conditions any long-term assumptions must be considered uncertain. On this basis what is the rationale for a 30-year forecast?**

   Many infrastructure assets have a long-term life - as much as 50-100 years. The large scale (and therefore large cost) assets are built with this long-term view.
   If we forecast for only 10 or 20 years, it is possible that there are required assets (eg water reservoirs) which may sit just beyond these planning horizons. If we are aware of them we can make sure that we are in a position to invest in them. Otherwise we may be tempted to invest in less critical assets and then not have enough financial capacity for the future.
   The Local Government Act requires us to have an Infrastructure Strategy with a 30-year horizon. At Porirua City Council we believe it is prudent to mirror this requirement in our Long-term Plan. As long as these future assets are in our Long-term Plan, we can levy development contributions on new developments for the growth component of these assets. That means that growth pays for growth and lessens the burden on current rate payers.

   b) **Why are we dealing with a 30 year plan when 2 years ago we dealt with a 20 year one?**

   See answer to 1a

   c) **PRA submitted on LTPs in 2012, 2015, 2018. The 2018 LTP was to cover 2018-2038. Why are they called LTPs when they appear to change every 3 years? Which of the questions being consulted on in this LTP are going to be acted on within the next three years – when presumably we will have another LTP consultation?**

   The Local Government Act requires us to refresh our Long-term Plan every 3 years. This is sensible because it allows us to incorporate changes whether they are price rises, new functions we are required to deliver or current functions we are losing to another delivery entity. In fact we do small changes every single year but the 3 yearly cycle of the Long-term Plan gives the public a long term strategic view as the Council sees it at a certain time.

   d) **None of the items that PRA has advocated for in previous LTPs have made it into this LTP, for example, a roundabout at the Grays Road- Paekakariki Hill Road intersection which was in Village Planning then moved to an LTP request then to Roading and now is "off the table". Or the possibility of a sewerage scheme at Motukaraka Point, important for the health and well-being of local residents and the harbour, now no longer possible as the Council-owned land has been sold. So what is the likelihood of getting items of importance into the LTP – or in keeping them there?**

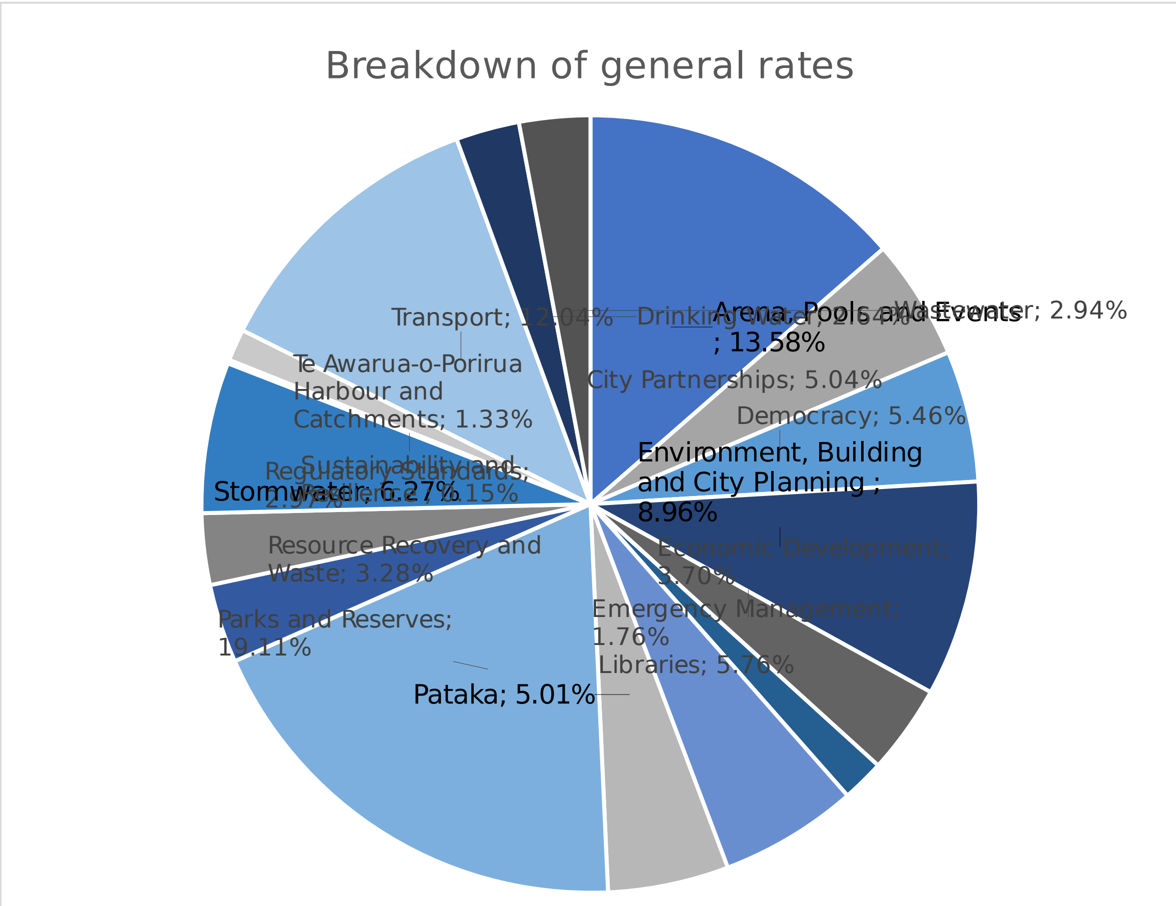
   The Council gets many submissions at each Long-term Plan and needs to assess the relative merits of all the suggestions. It is a balancing exercise that elected members and staff take seriously. This Long-term Plan is very much an infrastructure plan and sees much more investment in 3 waters infrastructure. The health of the harbour is a top priority.

2. **Rates & $$$ questions**

a) **The biggest “ticket item” will be the addressing of the 3-waters and ageing infrastructure. There will be some benefit to the rural community in terms of city-wide benefits but largely this is an urban issue as each rural residential property has to each deal with its own 3-waters. How much of the city-wide upgrades will be funded out of rural rates?**

We split the amount of funding that falls into the general rates across all ratepayers in the city, based on their differentials. Differentials can be viewed as the percentage share of the general rate each rating category pays. For example based on our current differentials, for every $1 a residential ratepayer pays in general rates, rural ratepayers will pay 80 cents and business ratepayers will pay $3.10.

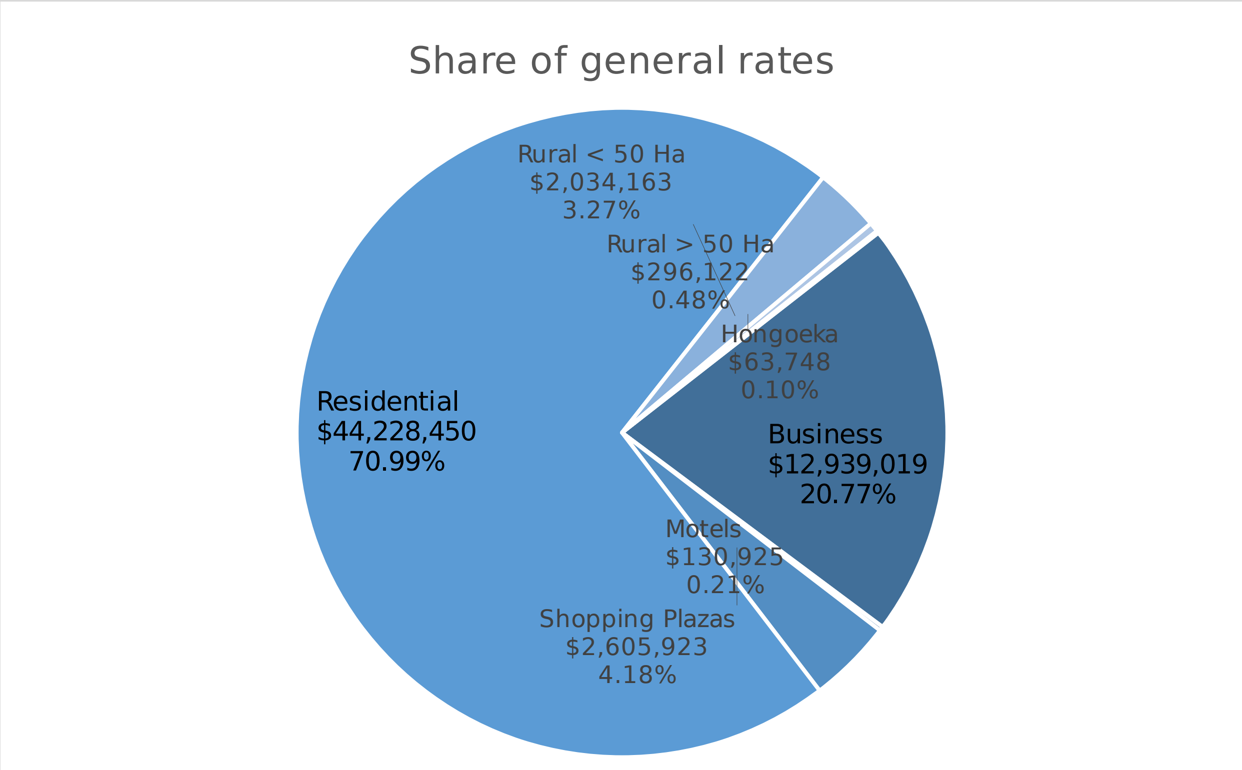
The graph below shows the breakdown of the general rates.



Category	**% share of general rates**
Parks and Reserves	**19%**
Arena, Pools and Events	**14%**
Transport	**12%**
Environment, Building and City Planning	**9%**
Stormwater	**6%**
Libraries	**6%**
Democracy	**5%**
City Partnerships	**5%**
Pataka	**5%**
Economic Development	**4%**

Resource Recovery and Waste	**3%**
Regulatory Standards	**3%**
Wastewater	**3%**
Drinking Water	**3%**
Emergency Management	**2%**
Te Awarua-o-Porirua Harbour and Catchments	**1%**
Sustainability and Resilience	**0%**

The graph below shows the share of general rates across our rating categories.



Based on a median rural property (capital valuation of $1,195m) weekly rates are estimated at $67.58 with $4.05 of this amount contributing to city wide wastewater and drinking water charges. Residential ratepayers pay the equivalent of $5.06 per week in general rates due to their higher differential, and this doesn't include their direct targeted rates charges.

b) It is understood that the 16.66% increase to rural holdings of less than 50ha is due to the increase in the rural rating differential from 0.7 to 0.8 and the fact that this is being brought forward by 3 years. What is the percentage increase excluding the differential change?

The 16.66% rate increase is estimated for a rural property with a capital valuation of $1,195m (median value in this rating category). If the differential change was held to the previous stepped change of 0.766, in year 1 of the LTP, then the estimated average rural rate increase would be 12.38%.

c) The rural differential was set last year prior to this LTP. What analysis is available to show that assumptions made during that process for private vs public good for the different rating groups are being carried forward into the LTP. In other words, this community is seeking confirmation that the differentials struck last year are justified.

The Rating Policy was consulted on last year and supporting documentation for the proposed changes are attached.

- *Statement of proposal – Rating Policy*
- *Proposed changes to rating policy for the long-term Plan 2021-51 (Te Puna Korero Report)*
- *Deliberations for the proposed changes to the Rating Policy (Te Puna Korero Report)*

d) Can the Council explain why the rate increase for the rural zone (small blocks) have been consistently higher than other average over many years?

Council has been transitioning the rural differential from 0.7 to 0.8 over the last three years which accounts for higher than average increases over the last few years. Council has also seen higher increases in its general rates compared to targeted rates.

The projected general rates required for the 2021/22 rating year in the Long-term Plan 2021-51 is $62,298,350. This has increased from $55,940,674 in 2020/21, a 11.67% increase. We project targeted rates will increase by 4.67% in the same timeframe from $29,581,260 in 2020/21 to a proposed $30,963,319 in 2021/22. As rural ratepayers total rates are based largely on general rates, this has resulted in a higher average increase.

e) The change for holdings over 50ha has increased by more than the average 8%. What is this being attributed to?

This is because of two factors:

1. *A higher increase in general rates compared to targeted rates, which rural ratepayers have a higher reliance on; and*
2. *As Council's rating charges are based on capital value; the higher a property's capital value, the greater proportion of rates payable. Rural properties (greater than 50ha) have a higher median value than other rating categories.*

We calculate the average increase of each category against its previous years rates. A comparison of the general rates payable at the median rural greater than 50ha capital value, $1,119m, is provided below. The values below exclude targeted rates.

Category	***General rates payable***
Rural Greater 50Ha	*$2,880.90*
Rural	*$3,292.45*
Residential	*$4,115.57*

f) What are the projected increases for rural ratepayers over the two years following the 2021/22 year?

As we set rates annually and there are many variables in this process, we have projected an average rate increase of 8.05% for years 2 and 3 of the LTP. The exact nature of rate increases will depend, as described above, on the associated increases in general rates and targeted rates which make up this average increase.

The rural differential is locked at 0.8 for the first three years of the LTP. This will mean there is no increase in rates, in years 2 or 3 of the LTP, because of an acceleration of the differential as experienced in year 1. The City also undertakes a capital revaluation once every three years, by

Quotable Value our independent valuers, of the city's assets. As the market has seen a considerable increase in house prices over the last three years, these changes need to be incorporated as these may alter the proportionate share of each rating category.

g) What do the targeted rates for rural residents include that are not part of the General rates?

Rural ratepayers pay a targeted rate called Uniform Annual General Charge (UAGC). The UAGC is a fixed charge applied to every separately used or inhabited part of a property. The UAGC is a flat fee that reflects the base costs of core council services which apply to all residents and ratepayers. The draft LTP projects a UAGC charge of $423.96 per separately used or inhabited part of a property. Properties with multiple structures on one rating title will pay a UAGC for each individual property.

h) What would the rates increase would be if the council just put essentials into the long term plan rather than the "nice to haves". With an ageing population on fixed incomes, there will be a struggle to pay for some of the new facilities proposed.

This is the Council's view of essentials. If you disagree you should make a submission to this effect. We have included specific consultation items, including on new facilities, so we can get community feedback on priorities and direction for the city. The rates impact for each proposal is noted with each consultation item in the consultation document.

i) Porirua City, through the Proposed District Plan, stands to significantly increase the number of rural holdings in the under 50ha range which must have a positive effect on rates income with no apparent increase in Council spending. Where is this factored into the LTP projections?

Growth is in the city is factored into the Long-term Plan at 1% per annum. This is the average of the last several years.

j) What is the current and projected impact of the significant land development being undertaken across the City and what if any of the costs (depreciation and interest) are being allocated to zones other than residential?

Council has endorsed a growth pays for growth principle. All developments across the city either pay development contributions to provide for the infrastructure needed to support their development or vest to Council supporting infrastructure (there's more detail on this in our Development Contributions Policy).

This additional growth provides additional ratepayers, who contribute to the ongoing costs of the city. Depreciation and interest are budgeted for at an activity level, so the ongoing charges are allocated to respective budgets and rated accordingly i.e. depreciation and interest charges to support wastewater and drinking water are funded in accordance with the rating policy for these activities.

k) Why does there need to be such a significant rates increase? For many classes of ratepayers conditions are difficult, be it residential or non-residential. Why are several discretionary capital items retained in the Plan?

Previously the Council did not fully fund for depreciation and ran an operating deficit each year *(ie didn't balance its budget). Over the last few years we have been gradually putting our finances on a stronger footing. We are due to have fully addressed these issues by 2023/24. Last year when we should have increased the rates more than we did, we decided to borrow more to alleviate the rates burden on households and businesses because of the likely impact of Covid-19. We also incurred some direct project and other costs as a result of the lockdown and its aftermath. To add to this we have also moved to invest more strongly in infrastructure. All of these factors have added to the issue.*

l) Would council consider prioritising its spending on core services - 3 waters, roading and transport and just maintain the recreational and cultural stuff at current level for 3-4 years (no further development in the cultural, recreational and reserves space) so it can get on top of some of the issues our city faces?

In the main this is what the Council is doing. The Government reform of 3 waters will most likely mean this is the last Long-term Plan that will include this infrastructure. The Council needs to take a long term view on its recreational assets as well.

m) Is there any real commitment by council to streamline its services and reduce costs and overheads?

We have a continuous improvement approach to efficiency. All of the benchmarking and reviews we have done suggest that we are close to optimal efficiency. The Government is going to review the future of local government and this will no doubt consider whether larger scale local government entities would provide more opportunity for efficiency.

n) My questions would be primarily regarding why rural ratepayers are being targeted for the collection? Why can the council not manage its funds properly? My rates will increase by more than 17% for no different services. Whilst I am happy to share the costs of our full Porirua community it seems that rural ratepayers are being targeted as being too low in number to have effective complaint. Non-rural ratepayers like to look upon our greenery but do not want to pay for it. Whilst we are expected to pay for all the assets we don't use?

Rural ratepayers are not targeted specifically and only pay 80 cents in the $1 compared to residential ratepayers. In other Council areas such as Wellington there is no such differential. Relatively speaking rural ratepayers have a much stronger voice than other parts of our community – larger public meetings, more submissions etc

o) What have council done with the money raised from the sale of surplus property e.g.: 26 Grays Rd ($1.65million) and others?

Money raised from the sale of surplus property retires debt, therefore reducing the overall rates requirement.

Specific Proposals in the LTP

3. Roading

a) Roading is the portion of rates spend that is most apparent in the rural area. What is the spending forecast for the rural roads, as opposed to urban roads?

In short the answer is we don't differentiate between urban and rural road labels when prioritising spending on Porirua City roads.

We plan and programme on a city-wide hierarchy and safety basis (e.g. Arterial → Regional → Primary Collector → Secondary Collector → Access, which takes into account traffic volumes and connectivity etc). This means rural roads like Paekakariki Hill Road, Airlie Road, Grays Road and Moonshine Road will receive more 'attention', than lower hierarchy rural roads such as Belmont, Harris, Murphys etc and similarly classified urban roads. Nonetheless, if safety is a concern for a given road we can, and do, reprioritise the hierarchy (eg. the recent investment in upgrading rural road drainage in the wider Judgeford area).

b) The annual programme of minor safety projects covers the delivery of general safety improvements across the Porirua City road network annually over the next three years. Projects to be delivered through this program will generally be smaller in nature and relate to traffic calming, small intersection and road corridor improvements. The more reactive types of safety works will also be delivered under this programme. What projects and budget in the LTP will be allocated to rural road safety improvement projects?

See the answer to 3a above. As an ongoing operational matter, we also propose to complete Road Safety Audits (RSAs) of the remaining rural roads within the 21/22 - 23/24 period. An example of an outcome of recently completed rural RSAs was tree felling and road drainage on Belmont Road and road drainage on Moonshine Road.

c) Paekakariki Hill Road has been used as a construction road for Transmission Gully over many months and now needs significant maintenance work to be undertaken. Road User Charges will have been collected for the heavy vehicles using the road. Where does the Plan reflect the allocation of road user charges to this remedial work, when is this work projected to occur and what is the net cost to ratepayers?

The remediation work required on Paekakariki Hill Road that will be required at the end of construction of Transmission Gully (TG), as a result of TG construction traffic, is proposed as a cost against that project, not the Council, and we are in negotiations with Waka Kotahi NZ Transport Agency on this matter. There may be a partial cost to ratepayers if we require upgrade works to be completed at the same time. This negotiation has not concluded.

d) Why is no consideration being given to improving road safety in our area e.g. roundabout at Grays road to improve school bus safety, lobbying NZTA for roundabouts at Murphys and Moonshine both very dangerous roads to exit from now?

Waka Kotahi has agreed to complete the safety improvements on State Highway 58. We understand the procurement process for this is underway. Other safety improvements that fall to the Council's budget need to be prioritised against other city-wide safety issues, as described in 3a above.

e) **Issues continue to exist for this community around the future of land currently being used by NZTA or part of SH58. Where is funding allocated to address the issues that**

are surely going to arise with the opening of TG and the revocation of SH land?

Revocation of any state highway, post TG, has not been confirmed by Waka Kotahi. However Waka Kotahi has agreed a position statement that SH1 is retained as state highway and that section of SH58 between Pāuatahanui and SH1 be revoked of its state highway status. Waka Kotahi are consulting on this, and no formal decision has been made. Because the full revocation project will be a long, slow process, and nothing is yet confirmed, no funding is allocated against this at this point.

However, if the decision of the Secretary for Transport is to revoke SH58, Waka Kotahi is required to ensure the former state highway is fit-for-purpose before it becomes the responsibility of Council.

The maintenance and/or mitigation of non-state highway land occupied by state highway activities are not a Council cost, so there is no provision for this in the LTP (e.g. Lanes Flat).

f) **Beyond the corridor safety issues, there is an on-going issue with management of vegetation on road reserve with council officers saying there is currently no funding for pest plant control and no policies for such management. What budget has been allocated in the LTP for these activities.**

No budget has been allocated in the LTP specifically addressing the control of pest plants. If any plants within the road corridor pose a safety issue they will be an operational roading cost. Likewise, notified pest plants will be dealt with on a case-by-case basis in tandem with our Parks team, taking into consideration, and consulting with as necessary, the Greater Wellington Regional Council (GWRC) Regional Pest Management Plan 2019-2039. We note that GWRC encourages communities and individuals to get involved with their local Weedbusters group to help control pest plants

4. Facilities

a) Why are PCC seeking to spend another $250k on yet another feasibility study about the Performing Arts Centre - haven't we already paid for 3 feasibility studies already? The outcome would be the same, nice to have if we could afford it... but we cant.

The previous work is now dated and was operating off dated assumptions about use. If this is agreed, the Council will be seeking external funding to contribute to this scoping (feasibility) study.

b) Why was a facility for the community to be heard on the LTP not done properly and with plenty of time?

The venue for the Pāuatahanui consultation was all that was available. The Council has an extensive consultation programme with several consultation events each week. It was not a matter of lack of planning but simply an issue of being able to get all communities scheduled within the time available.

c) How much money has the "community" that wants the performing arts centre raised or contributed towards making this a reality? Has council ever pushed back to the "

community" that are wanting the performing arts centre and asked them what they are willing to do by way of fundraising (just like Kapiti did). Council could provide the land next to the Arena and give a rates holiday as its contribution, but the "community" who wants the facility have to fund the building and maintenance.

These questions would all form part of the feasibility study.

d) **Why are council proposing so many community facilities to be built when PCC already spend 50% of rate payer money on parks, recreation and cultural facilities - higher than any other comparable sized city.**

We do have significant gaps and poor facilities compared to other Councils.

e) **I object to the provision of all these new items such as cultural arts centre and multi-use facilities. Particularly since Te Rauparaha arena is not used adequately now, The council need to focus on core business of infrastructure: water, sewerage and roading. I'd like to know why they are even considering other expenditures at a time when the existing infrastructure is in such a poor state. A business would be required to cut its cloth and so should council.**

All views should be submitted to the Council through the consultation process so we can understand what the whole community feels about the proposals we have put forward.

5. **Living Wage**

Why is council proposing to pay non PCC employees the living wage? It is ludicrous for council to interfere with how a private business/contractor pays their staff and it is not the responsibility of the rate payers to foot the bill. If the employer/contractor wants to pay a living wage they will and will pass on the cost to PCC by way of a higher service cost - but council should not directly interfere.

The Council often uses contractors for jobs that once used to be done by Council employees. Providing contractors with the ability to fund staff on an equivalent basis is consistent with our good employer principles. De facto these people do work for the city.

6. **Social housing**

Why is PCC in the social housing business that should be central government activity?

Our 26 social housing units are an anomaly and we are recognising that other agencies could do this job better.

7. **Harbour & Restoration**

a) **The consultation document states "We are also committed to directly improving the health of our streams and harbour by planting 280km of riparian margins to reduce silt, sediment and contaminants from entering our harbour." at a cost of $600k per annum. What additional funding is allocated in the LTP to manage these plantings over time so that they do not degenerate into a pile of weeds?**

In 2020 the Council commissioned a study to identify and prioritise areas for riparian planting *within the harbour catchment. This study was the basis for costing of the riparian planting programme, and it includes all costs for site preparation, planting, and maintenance work.*

Plant selection and spacing will be done to provide the best chances of successful establishment of riparian vegetation. The riparian planting programme will be managed as a series of discrete projects, with each project having a five-year span, meaning each site will have three years of maintenance. We believe that this is adequate for establishment of riparian vegetation.

Planting follows standard riparian management practice:

- *Each site is prepared for planting in the first year where weeds and pests are removed. Likely adjacent sources of weeds which may allow for reinvasion will also be removed*
- *Planting takes place in the second year, where plant spacing means that canopy closure is achieved quickly, reducing the likelihood of weed invasion*
- *Final weeding and replacement of any plants that may have died takes place in the third year.*
- *Over time, the funds which would have been used for buying plants transitions into site maintenance.*
- *Council is also working with community groups to ensure that over time, planting and pest control is supported. For example, there are 11 groups of residents across Porirua with a combined membership of 2500 where people are carrying out pest control.*

b) Re inlet planting I would suggest this could be done over time by community rather than at council level.

Council has a partnership with Guardians of Pāuatahanui Inlet and Ngāti Toa to restore the harbour margin. Guardians are working with a number of volunteers to assist with planting. Restoring the harbour margin is a very specialised project and does require Council staff expertise to direct community involvement. Some planting areas present a very high health and safety risk (Grays Road has a very high traffic count) and these will be undertaken by Council staff.

c) **Re Aotea lagoon I do agree with getting rid of the duck pond it's disgusting and a health hazard I would imagine. But that wouldn't cost $3 million**

That's correct – getting rid of the duck pond will not cost $3 million. The $3 million referenced in the LTP covers the cost of the future development of the whole Lagoon, not just the duck pond. However, included in the development is $650k associated with removing the duck pond and naturalising the area.

8. Parking

Why should we pay for parking in a city desperately trying to attract customers?

It is common practice for staff that work in the CBD to use the free car parking and move their cars several times a day. This means there is less convenient short-term car parking for customers who want to use retail shops and services. We want to encourage a more efficient and rational use *of CBD car parking through charging mechanisms for short stay, all day and long-term leases. So, it will be more expensive for staff to park all day in carparks that should be for customers who want to use retail shops and services.*

Also, the revenue from carparking services would mean that users of the CBD are funding car park maintenance, signage and other costs, not the general ratepayer.