

**Porirua Chamber of Commerce Submission  
to Porirua City Council  
on the Long-Term Plan 2021-51  
April 2021**

**ABOUT THE CHAMBER**

The Porirua Chamber of Commerce (the Chamber) is a business membership association and represents Porirua's business community, of which over 4,400 business units operate in our city. Our mission is to promote the business community by advocating policy and supporting businesses to enable them to invest, employ, and grow. We want to see a Porirua business community that is vibrant and prosperous. What this means in a COVID-uncertain world will be quite a different challenge for our city but also presents new opportunities.

**OVERVIEW**

The Chamber welcomes the opportunity to submit on Porirua City Council's (the Council) proposed Long-Term Plan. As a representative of businesses in the Porirua region, all of whom are facing the many challenges brought on by the past year's events, the Chamber has a significant interest in the proposed Long-Term plan.

Last year, as part of the Annual Plan changes, we supported the Council's proposal to provide the business sector with rate relief from the immediate financial burden for the 2020/21 financial year. The Chamber also submitted as part of the Council's Pre-Consultation for the Long-Term Plan 2021-51, supporting the recommendation from officers to accelerate the implementation of the staged approach given the context, and we support what has been proposed in this consultation.

The proposed Long-Term plan looks to support the growth and Covid-recovery of Porirua, with significant investment proposed into core and strategic areas, such as three waters. Our submission has addressed areas where our members have concerns, as well as areas where we support proposed changes.

We also would like to take the opportunity to congratulate the Council on the recent news that 91% of Porirua residents were satisfied with their quality of life, first equal out of eight urban councils with Wellington, according to the 2020 Quality of Life Survey.

**Rating increases**

While we note the document states that there will be "an average rate increase of 8.05 per cent for existing ratepayers, with the assumption that the number of ratepayers has grown by 1 per cent", looking at the numbers in the LTP Funding Impact Statement this is an annual increase of 9.93%, and likewise an 11.08% increase in targeted rates. From 2020 to 2030, the total rates increase will be 84.92%, and likewise a 93.35% increase in targeted rates.

Both the annual rates increase and the 10-year rates increases are significant, and far greatly exceed the Local Government Cost Price Index, as well as the Consumer Price Index. Trade-offs must be made to lower these rating increases.

The Chamber is opposed to these significant rates increases and urges Councillors to thoroughly consider the significant costs that contribute to the increase. The council must look to mitigate and reduce the impact that this level of increase would have on the business community and the wider Porirua Community.

### **Rating Policy changes**

As noted in our previous submission on the LTP pre-consultation, the Chamber supports the acceleration of the timeframes to the rating differentials changes and introduction of a city development rate, which may be described in some ways as a 'rates switch'. A fiscally neutral adjustment seems sensible. The Chamber would oppose any new or additional rates imposed on the commercial ratepayer at this time.

The Chamber supports a rating differential reduction for commercial ratepayers, business (excluding motels) from 3.25 to 3.1, and aligning the differentials to businesses and the city plaza at the same rate.

We note that this will, however, accelerate the increase of operating costs of shopping plazas differential group, at a time where absorbing additional impost may be difficult for occupying businesses who themselves shoulder the cost. We are concerned about how this will be afforded. We would support an option that smoothens this if possible.

However, we support the principle of the rationale, that evening out and applying the same differential across all business rating groups provides fairness and equity within the commercial sector, as well as providing a commercial rating structure that is comparable with other councils across the region. The intent of the shopping plaza's differential staged changes was to equalise the differential basis of the commercial sector to provide parity. The shopping plazas differential group has enjoyed a 20% lower differential than the rest of the business differential group and this aligns this discrepancy.

### **Investment in the 3 waters - drinking water, wastewater & stormwater**

The Chamber supports the Porirua Council's focus on the three waters, noting that significant investment is required to fix and improve the performance and condition of Porirua's ageing three waters infrastructure system.

The Chamber has been concerned and raised with Council about ongoing flooding issues, at Plimmerton and along Kenepuru Drive. The Chamber recognises that the Council has allocated \$10 million to flooding hotspots and look forward to further detail on where this will be delivered.

We also note that the Government is yet to announce substantive decisions as to the central direction of three waters management. The Chamber, in principle, would support a move to an empowered regional new water service delivery entity, and look forward to further consultation once Central Government has made their decision.

The Chamber agrees with the LTP that installing water meters from 2025 is essential and supports the \$14 million allocation. As the recent Wellington City Council Mayoral Taskforce report demonstrated, water metres will also support the identification of where leaks are so they can be fixed, and provide a way to monitor and reduce water usage.

*Do you support this focus and agree it is a high priority for the city? Yes*

*If so, do you think this level of expenditure is about right? Yes*

### **Protecting our harbour and catchments**

The Chamber recognises the need for riparian planting and is hopeful that central government supports the application. We are concerned that if central government does not support the proposal whether it is prudent then for ratepayers to fully support, or whether alternative funding mechanisms could be pursued first.

*Do you support the Council fully funding the riparian planting programme for five years if central government declines our application for funding? Yes, but would hope alternative funding could be pursued.*

### **Multi-use community facilities**

While there is a community good in what is proposed, the Chamber would like to see further cost-benefit analysis as to the development of the proposed multi-use buildings, given this will be a \$16 million-plus investment. The Chamber would also be interested in a stocktake of existing community infrastructure, what is available and what is required, prior to the commitment of this funding.

### **Cultural arts centre**

While the Chamber would like to see further cost-benefit analysis as to the development of the proposed multi-use buildings we are concerned about the \$250,000 price tag, and what will be delivered for this expenditure. The Chamber would strongly support alternative partnership and funding options, such as with Ngati Toa. We note that while at an early stage, currently there are no allocated capital or operational costs for the proposed Cultural Arts Centre in the LTP. This is of significant concern, given the pressure this places on Council to require significant future rates increases.

The Chamber would also be interested in a stocktake of existing community infrastructure, what is available and what is required, prior to the commitment of this significant funding.

### **City centre parking**

The LTP proposes developing a specific city centre parking management plan and recommends that the cost of providing parking is currently 50% funded from ratepayers with the other 50% coming from enforcement and the small amount of paid parking.

The Chamber supports a focus on reviewing the management and availability of parking, but the Chamber requires further policy work, such as information on current occupancy rates and turnover, capital investment costs, and revenue projections, to consider any support. We would seek to understand the policy issues this proposal seeks to address, rather than being a cost revenue-generating exercise. As such, the Chamber does not support the introduction of paid parking to include on-street parking in the city centre. We recommend that the Council instead works with centre city

businesses on a cohesive parking strategy, that is informed by information on current parking behaviours and costs.

Alternative options are also available to council, such as reducing parking time limits to ensure quicker turnover, but again, this should be considered as part of a whole parking strategy. Further, there are areas of the centre city that have no parking restrictions currently and by introducing restrictions this could mitigate the Council's concerns more appropriately.

*Do you think the Council should expand paid parking to include on-street parking in the city centre?*  
No.

### **Village Planning programme**

The Chamber supports the option that provides greater transparency and efficiency of Council resources. As such, we would support the proposal to adopt a new model where residents and groups submit projects for the Annual Plan or Long-term Plan.

*The Chamber supports Option Two.*

### **Te Rauparaha Arena hours**

The Chamber supports the Council's exploration of "a number of cost-saving opportunities" and would be interested in the detail of those not put forward in this consultation. While what is proposed would be useful to have further information, such as the impacts on the numbers of users, if the Arena is not well utilised during these hours this seems like a sensible proposal.

*Do you support the proposed reduction in opening hours at Te Rauparaha Arena? Yes*

### **Living wage to contractors**

The Chamber supports the options that 'Council maintain the status quo, that Council staff are paid the living wage'. The Chamber would question whether the Council should pursue the proposal to only contract with businesses who pay a higher market rate and are mindful of the inconsistency that this may have across the wider business community at a time when businesses are facing other significant cost increases.

*Do you support the Council extending the living wage to contractors? No.*

### **Balancing our books and smoothing the rates**

The LTP proposes a further one-year extension of the balanced budget objective. While the Chamber acknowledges that achieving a balanced budget in 2022/23 as planned would require double-digit rate increases, we would expect that further cost mitigation is found to meet this very important objective. The Chamber also expects this is applied to the current strategy of "smoothing rates" across the first three years of the LTP.

*Do you support extending the balanced budget by one year out to 2023/24 and smoothing the rate increase across the first three years of the LTP? Yes.*