

By Email

20 December 2018

File ref: OIAP-7-8576

Ben Hassall

fyi-request-9116-8036bc79@requests.fyi.org.nz

Dear Mr Hassall

Response to request for information 2018-347

I refer to your request for information dated 23 November 2018, which was received by Greater Wellington Regional Council on 26 November 2018. You have requested the following information:

“I sent in a previous OIA request asking about how the GWRC decided on the new Transport Rate policy. I want to understand the evidence and analysis used to justify the “differential” amounts used in this policy to allocate Transport Rates to ratepayer groups.

Part A) Workshop Minutes

1) Can I please have a copy of the minutes of the 28 July 2017 Council Workshop on Revenue Financing Policy?

2) Can I please have a copy of the minutes of the 20 September 2017 Council Workshop on Revenue Financing Policy?

3) Can I please have a copy of the minutes of the 29 November 2017 Council Workshop on Revenue Financing Policy?

4) Can I please have a copy of the minutes of the 13 December 2017 Council Workshop on Revenue Financing Policy?

5) Can I please have a copy of the minutes of the 8 February 2018 Council Workshop on Revenue Financing Policy?

Part B) In a previous OIA request, the GWRC provided a document called “Review of Revenue & Financing Policy – Public Transport Discussion paper for Councillor working group, 20 September 2017”.



In this document, Section 6.4. Option Two – Level of Benefit, it says about Option 2:

"• Recognise that different rating categories (residential, business, CBD, rural) derive different levels of benefit from the network.

• Use ECV differentials to reflect the different relative levels of public benefit each category receives.

9 Wellington CBD

2.5 Business - all rating units classified as business, plus the non-residential urban categories in the Wairarapa.

1 Residential

0.25 Rural - the justification for a rural differential is relatively weak because the benefits are mainly for the entire region, and are not specific to any one community. Rural communities receive a share of the economic and environmental benefits that everyone else gets, although their access to the social benefits is lower.

These suggested differentials were derived in a series of workshops with economics, policy, finance, and public transport staff, exploring the relative benefits and impacts of public transport. We originally were of the view that the Business sector should have a differential of 3.5 or 4, but this made the total increase in the share of rates for the business category so high that we could not justify it."

6) Can I please have the evidence or analysis that Wellington CBD ratepayers receive 9 times the level of benefit from the network that are received by residential ratepayers?

7) Can I please have the evidence or analysis that Wellington Business ratepayers receive 2.5 times the level of benefit from the network that are received by residential ratepayers?

8) Can I please have the evidence or analysis that rural ratepayers receive 0.25 times the level of benefit from the network that are received by residential ratepayers?

9) Can I please have the evidence or analysis that the residential ratepayers from the different cities receive the same level of benefit from the network?

10) Can I please have the evidence or analysis used to support the statement "We originally were of the view that the Business sector should have a differential of 3.5 or 4"?

11) Can I please have the evidence or analysis used to support the statement that a strength of this option is "The funding allocations under this option are broadly consistent with the public benefits that public transport provides."?

Also, Section 6.7. Recommendation says

"Option Two is preferred because it best allocates rates requirements based on the public benefits of

the Public Transport Activity. Both options allocate a substantial proportion of the rate funding requirement to the regional CBD, but Option Two also recognises the benefits to other business centres, and the slightly lower level of benefits for rural properties."

12) Can I please have a copy of the evidence or analysis of the amount of public benefits of the Public Transport Activity to the different ratepayer groups used to support the statements in the above paragraph?

Part C) the Council finalised the Transport Rates Differentials at its Council meeting of 14 June 2018 as follows:

"Council has concluded that the following differentials take account of the specific public and private benefits of public transport, while also taking account of the overall impacts of Council's funding requirements.

<i>Residential (excluding Wairarapa)</i>	<i>1</i>
<i>Residential (Wairarapa and Otaki rating units)</i>	<i>0.5</i>
<i>Wellington CBD</i>	<i>7</i>
<i>Business (excluding Wairarapa)</i>	<i>1.4</i>
<i>Business (Wairarapa)</i>	<i>1</i>
<i>Rural</i>	<i>0.25"</i>

13) Can I please have the evidence or analysis that Wairarapa and Otaki residential ratepayers receive 0.5 times the level of benefit from the network that are received by other residential ratepayers compared to the originally proposed differential of 1.0?

14) Can I please have the evidence or analysis that Wellington CBD ratepayers receive 7 times the level of benefit from the network that are received by residential ratepayers compared to the previous originally differential of 9?

15) Can I please have the evidence or analysis that Wellington Business ratepayers receive 1.4 times the level of benefit from the network that are received by residential ratepayers compared to the previous originally differential of 2.5?

16) Can I please have the evidence or analysis that Wairarapa Business ratepayers receive 1.0 times the level of benefit from the network that are received by other Business ratepayers compared to the originally proposed differential of 2.5?

Finally, can I also please have any further documents in the original format and not in scanned PDF?

Greater Wellington Regional Council's response follows.

1 – 5: Greater Wellington Regional Council workshops are not minuted, unlike the Council Meetings, therefore the minutes of the specified Council workshops cannot be provided on the basis that they do not exist.

6 – 8: The evidence is more general than your specific request. The evidence for the benefits to Wellington CBD ratepayers is included in the R&F discussion papers that have already been provided. In particular, we refer you to:

Review of Revenue and Financing Policy – Discussion paper for Councillors working group, 20 September 2017, and specifically (but not limited to):

- Section 4.2 ‘Benefits of public transport’
- Section 4.3, ‘Who gets these benefits?’
- Section 4.4 ‘Distribution of benefits’
- Section 5.2 ‘Challenges with the current policy’

Revenue and Financing Policy Discussion – Discussion paper for Councillors working group, 18-19 October 2017, and specifically (but not limited to):

- ‘Benefits of public transport’, pages 10-12
- ‘Who gets these benefits?’, page 12
- ‘Distribution of benefits’, page 12

Revenue and Financing Policy Discussion – Discussion paper for Councillors workshop, 29 November 2017, and specifically (but not limited to):

- Appendix 1 ‘Public Benefits of Public Transport’

9. The working party and Council workshops focused on the public transport as a network as whole, and assessed benefits on that basis. The evidence for the benefits to residential ratepayers is included in the R&F discussion papers that have already been provided. In particular, we refer you to:

Review of Revenue and Financing Policy – Discussion paper for Councillors working group, 20 September 2017, and specifically (but not limited to):

- Section 4.2 ‘Benefits of public transport’
- Section 4.3 ‘Who gets these benefits?’
- Section 4.4 ‘Distribution of benefits’
- Section 5.2 ‘Challenges with the current policy’

Revenue and Financing Policy Discussion – Discussion paper for Councillors working group, 18-19 October 2017, and specifically (but not limited to):

- ‘Benefits of public transport’, pages 10-12
- ‘Who gets these benefits?’ page 12
- ‘Distribution of benefits’, page 12

Revenue and Financing Policy Discussion – Discussion paper for Councillors workshop, 29 November 2017, and specifically (but not limited to):

- Appendix 1 ‘Public Benefits of Public Transport’

10. The quoted statement is a statement of the thoughts of officials in the early development of the policy. The evidence for the benefits to the Business sector is included in the R&F discussion papers that have already been provided. In particular, we refer you to:

Review of Revenue and Financing Policy – Discussion paper for Councillors working group, 20 September 2017, and specifically (but not limited to):

- Section 4.2 ‘Benefits of public transport’
- Section 4.3 ‘Who gets these benefits?’
- Section 4.4 ‘Distribution of benefits’
- Section 5.2 ‘Challenges with the current policy’

Revenue and Financing Policy Discussion – Discussion paper for Councillors working group, 18-19 October 2017, and specifically (but not limited to):

- ‘Benefits of public transport’, pages 10-12
- ‘Who gets these benefits?’, page 12
- ‘Distribution of benefits’, page 12

Revenue and Financing Policy Discussion – Discussion paper for Councillors workshop, 29 November 2017, and specifically (but not limited to):

- Appendix 1 ‘Public Benefits of Public Transport’

11. The working party and Council workshops focused on the public transport as a network as whole, and assessed benefits on that basis. The evidence for the benefits to residential ratepayers is included in the R&F discussion papers that have already been provided. In particular, we refer you to:

Review of Revenue and Financing Policy – Discussion paper for Councillors working group, 20 September 2017, and specifically (but not limited to):

- Section 4.2 ‘Benefits of public transport’
- Section 4.3 ‘Who gets these benefits?’
- Section 4.4 ‘Distribution of benefits’
- Section 5.2 ‘Challenges with the current policy’

Revenue and Financing Policy Discussion – Discussion paper for Councillors working group, 18-19 October 2017, and specifically (but not limited to):

- ‘Benefits of public transport’, pages 10-12
- ‘Who gets these benefits?’, page 12

- ‘Distribution of benefits’, page 12

Revenue and Financing Policy Discussion – Discussion paper for Councillors workshop, 29 November 2017, and specifically (but not limited to):

- Appendix 1 ‘Public Benefits of Public Transport’

12. The analysis of the benefits of public transport, who benefits and how those benefits are distributed, is included in the R&F discussion papers that have already been provided. In particular, we refer you to:

Review of Revenue and Financing Policy – Discussion paper for Councillors working group, 20 September 2017, and specifically (but not limited to):

- Section 4.2 ‘Benefits of public transport’
- Section 4.3 ‘Who gets these benefits?’
- Section 4.4 ‘Distribution of benefits’
- Section 5.2 ‘Challenges with the current policy’

Revenue and Financing Policy Discussion – Discussion paper for Councillors working group, 18-19 October 2017, and specifically (but not limited to):

- ‘Benefits of public transport’, pages 10-12
- ‘Who gets these benefits?’, page 12
- ‘Distribution of benefits’, page 12

Revenue and Financing Policy Discussion – Discussion paper for Councillors workshop, 29 November 2017, and specifically (but not limited to):

- Appendix 1 ‘Public Benefits of Public Transport’

- 13 – 16: The funding needs of the local authority must be met from the sources that the local authority determines to be appropriate, following consideration of:

(a) in relation to each activity to be funded:

- (i) the community outcomes to which the activity primarily contributes; and
- (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- (iii) the period in or over which those benefits are expected to occur; and
- (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and

- (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- (b) the overall impact of any allocation of liability for revenue needs on the community.

Revenue for each Council activity is not set in isolation from the other activities, and rates for any one activity can take account of the rates being set for other activities. The Council's conclusions were based on:

1. the Local Government Act section 101(3)(a) analysis that has already been provided to you, in the various discussion papers, (also summarised in the final policy), and
2. Under section 101(3)(b), Council took account of the overall impacts of the proposed policy when deciding on the public transport differentials for the Revenue and Financing policy.

Council used the various iterations of the rating model to understand the overall impacts of different settings on the various communities and ratepayer categories within the region.

If you have any concerns with the decision(s) referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 27(3) of the Local Government Official Information and Meetings Act 1987.

Yours sincerely



Samantha Gain
General Manager, Corporate Services