

08/07/2020

[REDACTED]
[REDACTED]

Dear [REDACTED]

Request for Information – Local Government Official Information and Meetings Act 1987

We refer to your official information request dated 11 June 2020 for information regarding Council assistance to Westfield with the extension to the Queensgate Mall.

In response to your request the following information is provided:

Background:

The 2004-2014 LTCCP included under the section on Rates Remission Policy the following on page 210:

PART 5 – RATES REMISSION FOR ECONOMIC DEVELOPMENT

Objectives of the Policy

To promote employment and economic development within the City by offering rates remission to:

- Assist new businesses to become established in the City, or
- Assist existing businesses in the City to expand and grow.

This policy is one of a number of initiatives for businesses that Council has in place to assist in achieving the outcomes in its Economic Development Strategy.

This is the policy that the Queensgate application would have been assessed against.

Subsequently on 20 October 2004 Council entered into a contract with Queensgate to remit a portion of rates for the 2005/2006, 2006/2007, and 2007/2008 rating years subject to certain conditions.

Question 1:

How much did the Council give to assist Westfield with the extensions to the Queensgate Mall, in the early years of this millennium, and when was the amount involved paid?

Answer:

There was no amount paid directly to Queensgate but instead Council agreed to remit rates for the 2005/2006, 2006/2007, and 2007/2008 rating years subject to certain conditions. The total amount that was remitted over those three years excluding GST and GWRC rates was approximately \$1.74M made up of 2005/2006 \$0.29M, 2006/2007 \$0.90M, and 2007/2008 \$0.55M.

Question 2

How much was added to the Council's rates income as a result of the extra rates paid by the owners following the extensions:

a) In the following year?

b) How much extra rates income has been generated for the Council both as a percentage of total rates and in terms of increased income, since the incentive was paid?

Answer:

a) No extra was added to Council's rates income in the following year as the total rates is set based on the amount that Council approves as part of the annual/long term plan process. How those rates are then collected is determined through the rates setting process. Remitting rates for Queensgate would have meant increasing the rates paid by other rating groups.

b) In the following year no extra rates revenue was generated. The amount remitted in the final year 2007/2008 was approximately \$0.55M. In the following year 2008/2009 Queensgate would then have had to pay full rates including the remitted amount which would have reduced by an equivalent amount the rates payable by other rating groups subject to any other rates increases.

In regard to the rates that Queensgate pay, for the 2019/2020 year of the \$108M in total rates (excluding GST and GWRC rates) their share is about \$1.9M.

Question 3:

What public consultation did the Council undertake with ratepayers before this incentive was paid, and what were the results in terms of public approval or disapproval of this payment.

Answer:

Council produced its first Long Term Council Community Plan (LTCCP) in 2003 and consulted on its draft Rates Remission Policy as part of the LTCCP consultation. As part of the 2004-2014 LTCCP consultation, amendments were made to the Rates Remission Policy to expand the guidelines and criteria for rates remissions for economic development. The consultation was primarily focused on projects, and on three separate options (BAU, Go for Growth, and Reduced Services). The report back focused on these matters and but also referred to a Business Forum held on 11 May 2004 that described the rates remission process and its drivers as a tool of business attraction. There was no specific consultation regarding rates relief being provided to Queensgate.

We trust that this provides the information you were looking for. You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you wish to discuss this decision with us, please feel free to contact me at philip.benseman@huttcity.govt.nz.

Yours sincerely

Philip Benseman

Budgeting and Reporting Manager