STOP THE COMMERCIAL RATES CUT.

Wellington City Council is consulting on reducing the commercial:residential rates differential. Their preferred option is to reduce commercial rates from 3.7:1 to 3:1, phased over six years. We can stop this by submitting against reducing the commercial rates differential. Consultation is open until 15 November!

What will this mean?

Commercial, industrial and business property **owners** (this doesn't apply to small businesses that rent) will get a **rates cut.** This is a rates cut of 19.8m / year across all commercial ratepayers.

Wellington residents will get a rates **increase.** For the average house in Wellington this could mean a rates increase of up to 9%.

Under the Council's preferred option, commercial properties would pay $19.8 million less in rates, and residents will pay $19.8 million more. The aim is to encourage investment in Wellington, but there is no guarantee that these commercial landowners - some of them foreign investment funds - will reinvest the money back in Wellington.

This will not trickle down

A rates cut will not meaningfully "trickle down" to workers, renters and small businesses. Peter Harris, ex Reserve Bank economist writes **"there can be close to zero confidence that any landlords will pass the rate cut on to tenants."**

Top 100 Commercial Landlords Benefit - Residents and renters pay.

The primary beneficiaries of this will be people who own large commercial properties - like the Spark Building and the Majestic Centre - in Wellington. The top 100 commercial properties will receive more than half of the cut ($10.4m), despite having a combined net worth of 10bn.

What can we do to stop this?

- Submit AGAINST lowering the commercial rates differential. Unions Wellington has made an easy submission form: https://forms.gle/AhMrKap2jdi5kdDW7. All responses will be sent to Council as an individual submission.
- Or submit by emailing ratingpoliciesreview@wcc.govt.nz your view. Let them know if you'd like to make an oral submission to Council.

The full consultation document can be viewed on the WCC website: https://www.letstalk.wellington.govt.nz/rating-policies-review