



PROPERTY COUNCIL OF NEW ZEALAND

13 May 2005

Christchurch City Council
PO Box 237
Christchurch

To Whom It May Concern:

Please find attached a submission by the Property Council of New Zealand Incorporated on Christchurch City Council's Draft 2005 – 2006 Annual Plan.

I request that the Property Council of New Zealand be heard on its submission and look forward to arranging a time to address your Council.

If you have any queries please do not hesitate to contact me.

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Yours faithfully

Daniel Newman
Policy Manager

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LOCAL GOVERNMENT ACT 2002

To : Christchurch City Council
Re : Draft 2005-2006 Annual Plan

**SUBMISSION BY PROPERTY COUNCIL OF NEW ZEALAND INCORPORATED ON
DRAFT 2005-2006 ANNUAL PLAN**

Background

The Property Council of New Zealand Incorporated (the "PCNZ") is a not for profit organisation that represents New Zealand's Commercial, Industrial, Retail, Property Funds and Multi Unit Residential Property Owners. The PCNZ has branches throughout the country and its members represent some of the largest commercial property portfolios in Auckland, Wellington, Christchurch, the Bay of Plenty and the Waikato.

Stakeholder

The PCNZ is a stakeholder, and its members contribute to the Christchurch City's community outcomes, as well as forming a part of the community as business and property owners, ratepayers and through involvement in the City.

General Comment

The Christchurch City Council (the "Council") is to be congratulated on publishing Draft 2005-2006 Annual Plan, which details the Council's activities for the forthcoming year and out-years. The Draft 2005-2006 Annual Plan compares favourably to a number of plans published by territorial authorities.

However the PCNZ considers that analysis of the Council's accounting methodology and financial assumptions would be enhanced if the Draft 2005-2006 Annual Plan included a commentary on the actual cost of services funded and provided (either in part or entirely) by the Council during 2004-2005. By providing quantitative data, which set out the actual capex and opex in 2004-2005, the Council would enable submitters to provide a more authoritative commentary on the Council's current performance and provide a basis for analysis of proposed expenditure in out-years.

Rates and rating policy

The PCNZ opposes the differential in the general rate (whereby the business sector pays 0.37 cents in the dollar and the residential sector 0.25 cents in the dollar) particularly given that business land generally has higher land value and therefore already makes a large contribution. The PCNZ considers that there is no justification for retaining a business differential and that Council should work towards its removal.

The PCNZ considers that the Uniform Annual General Charge (UAGC) levied by the Council should be reviewed. This review should include an analysis of the treatment of individual rating units. Individual members of the PCNZ are available to assist the Council with this proposed review.

The PCNZ also supports the principle of targeted rates on the basis that those rates are: (a) tagged for funding of specific capex and opex that will benefit the targeted ratepayer(s); and (b) each capex and opex project is identified and has been subject to a cost-benefit analysis to ensure value of money. The PCNZ supports no differential being applied for targeted rates.

City Plan Urban Renewal and Area Plans

The PCNZ considers that the Council needs to engage with interested and affected stakeholders regarding urban renewal, urban sprawl and land development. Christchurch City is a sprawling city, which is expanding at the edges. This expansion creates pressure on the region's infrastructure (such as transport, water and wastewater reticulation assets) as well as existing sector groups (such as commercial and retail interests). It is imperative that the Council engages with stakeholders to explore options for future urban renewal and land development projects. The PCNZ is available to consult and assist the Council regarding the proposed review of urban renewal, integrated development and resource planning issues affecting Christchurch City.

Heritage Protection

The PCNZ recognises that quality urban design also requires the effective management of existing buildings. No building can exist in perpetuity and the physical form of a building depreciates over time. Most buildings can be renovated and altered, but the form and function of individual buildings cannot always meet changing consumer demand.

Buildings that do not possess significant and intrinsic historic value should not be considered significant in terms of a heritage value. Any building that is not on a heritage

schedule may be subject to a demolition consent if the owner wishes to replace that building at the end of the asset life.

The development community seeks certainty around specific buildings that do *not* possess significant and intrinsic historic value. Buildings that do not possess significant intrinsic historic value should not be retrospectively included on any heritage schedule, which preserves that building in perpetuity.

Economic Development, City Promotion and Visitor Promotion

The PCNZ supports initiatives designed to unlock the Canterbury region's economic potential and the development of key international trade links; promote Christchurch nationally and internationally as a destination city for tourists and conventions alike. However to achieve substantial and ongoing investment in Christchurch City it is imperative that the Council continues to explore ways to maintain a policy of charging low rates to business (including commercial, industrial and retail) sector ratepayers. Christchurch is at a disadvantage to other regional areas such as greater Auckland (which has a much larger concentration of commercial activity and population). By charging low rates the Council will assist business sector ratepayers (who employ the majority of workers in Christchurch City) to maintain a competitive advantage over business ratepayers in other regions. This represents the best way of achieving economic development in Christchurch City and the greater Canterbury region.

Review of Operating Budget Expenditure

The PCNZ considers that the Council needs to review the appropriateness of operating expenditure in a number of areas. Individual members of the PCNZ place a premium on expenditure on line items such as wastewater reticulation, treatment and disposal,

streets and transport. A review of operating expenditure (after internal recoveries) on these items *vis-à-vis* expenditure on other items such as Community Services, Democracy and Governance and other secondary services would allow for an assessment of the benefits of expenditure on each line item codified in the Draft 2005-2006 Annual Plan, including the benefit of expenditure to different ratepayer groups.

The PCNZ wishes to be heard on this submission.

The PCNZ reserves the right to be heard on such matters as may arise from other submissions or such further information as may be obtained.

DATED this day of May 2005.



R Churcher/D Newman
On behalf of the Property Council of NZ Incorporated

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