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Signature

We represent all the residents of Hamilton Avenue and Chilcombe Street and wish to speak to the main points in our written submission at the hearings to be held between Tuesday 7 June and Friday 10 June.

Other members of our Action Group Committee have also indicated their wish to contribute to the presentation.

21B Hamilton Avenue, (Terry Donaldson, Convener,)
and 29B Hamilton Avenue, (Margaret Sweet, Secretary,)
Friday 13 May, 2005.

The Chief Executive Officer,
Christchurch City Council,
PO Box 237
Christchurch.

Submission to the Christchurch City Council Draft Annual Plan 2006

Specifically this submission supported by the residents of Hamilton Avenue and Chilcombe Street opposes the current Christchurch City Council policy of a 50% resident cost share for the under-grounding of above-ground electricity and telephone lines and seeks direct change to that policy where Council funds the full cost of under-grounding at the time of street renewal.

The ratepayers of Hamilton Avenue and Chilcombe Street were notified by the Christchurch City Council some two years ago that they are now on the 2005/06 programme for upgrading of their streets.

The Hamilton Avenue and Chilcombe Street Action Group has worked since that time with Council, Community Board and Council staff to achieve an appropriate plan for the redesign for our streets. We have focussed on three matters: firstly, street layout and design, secondly, suitable tree species, and thirdly, the under-grounding of above-ground power and telephone lines and removal of poles.

We were initially given a figure of \$1500 per household for the likely contribution needed from ratepayers for under-grounding of power and telephone lines, in terms of the Council's 50% cost share policy. This seemed achievable. However as this figure has steadily increased to \$4000 and more an increasing number of out ratepayers have indicated their inability to contribute financially at that level. At a

public meeting held on April 11, 2005, in the Fendalton Community Centre, attended by 85 people with apologies from 30, ratepayers unanimously supported a petition to the Christchurch City Council requesting a change of current policy to one where under-grounding of power and telephone lines is automatically included in the redevelopment of every street in Christchurch.

We respectfully request your Council's consideration of this submission.

Signed on behalf of the Action Group:

- Rosemary Harper, 9A Hamilton Avenue,
- Sir Lawrence Govan, formerly of 11 Hamilton Avenue,
- Terry Donaldson, 21B Hamilton Avenue
- Mrs Margaret Sweet, 29B Hamilton Avenue
- Mr Harry Sweeney, 105 Hamilton Avenue,
- Mr Raymond Ford, 116 Hamilton Avenue
- Mr Ian Wilton, 133A Hamilton Avenue,
- Mt Kevin Whitelaw, 151 Hamilton Avenue,
- Mr John Wanty, 5 Chilcombe Street
- Mr Philip Meares, 12 Chilcombe Street

Signed;

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SUBMISSION FROM THE RESIDENTS OF HAMILTON AVENUE AND CHILCOMBE STREET TO THE CCC ANNUAL PLAN REVIEW

Introduction

The residents of Hamilton Avenue and Chilcombe Street endorse the Christchurch City Council's vision for the city to have all existing above ground Orion and Telecom wiring undergrounded by 2033.

We believe that placing electrical wiring and telephone cable underground is extremely desirable for several reasons:

- the appearance of streets and neighbourhoods is greatly improved by the absence of wires and poles.
- the removal of poles reduces the risk of injury or death in the event of a traffic accident .
- the removal of overhead wires improves public safety. It avoids contact between trees and live power cables, and reduces the impact of a natural hazard event on the community, e.g. power or telephone failure when severe winds occur, such as during the 1975 northwest gales.
- the maintenance cost to Orion and Telecom is significantly reduced.
- the removal of the poles at the time of reconstruction minimises undergrounding cost and provides the greatest flexibility for street redesign
- the removal of poles allows for trees and other plantings to be incorporated into the street land scape.
- the maintenance costs are lower as the streetscape trees will not have to be pruned to keep them off overhead lines.
- the cost of street reconstruction is reduced overall by not having extra obstacles to work around
- undergrounding of all services is the option of choice for ratepayers (this opinion is based on public comment from several areas of the city and demand by ratepayers during street reconstruction) and this is also the Council's preferred option for the city.

The residents of Hamilton Avenue and Chilcombe Street are, however, strongly opposed to the Christchurch City Council's current policy of requiring a 50% contribution from each property owner¹ to place overhead electrical wiring and telephone cables underground when street renewal is undertaken.

In our opinion the 50% resident share policy is:

- **unfair,**
- **unreasonable,**
- **unaffordable, and**
- **unworkable.**

We consider it poor policy and believe that it should be changed for the betterment of the city.

We acknowledge that undergrounding, by improving the amenity value of the street, can be expected to increase property values. We would point out, however, that the Council accrues the benefit through the increased return on general rates and that the undergrounding is part of the Council's overall policy for the City.

Both Hamilton Avenue and Chilcombe Street are scheduled in the Council's Annual Plan for a major street renewal in the 2005/06 financial year. During the process of consultation with Council staff, who have been very helpful and co-operative, we have encountered major practical difficulties with the Council's 50/50 "undergrounding" policy. In our view, it is unworkable, and it will not achieve the Council's objective formulated in 1993, "that a strong statement is included in the City Plan that all services be undergrounded within 40 years"². We believe that other streets in the City have encountered, and will encounter, if they have not done so already, the same difficulties as we have.

The fundamental issue, in our view, is that the cost of the capital works of placing the services underground and the contribution in total dollars required from individual ratepayers, as well as the requirement that this contribution be met in full before work commences, is beyond the reasonable ability of average Christchurch ratepayers to fund, under the present CCC policy. This means that only in exceptional circumstances will any street which falls outside of the

¹ Christchurch City Council Policy Register, 23 November 2000

² Christchurch City Council Policy Register, 14 December 1993

Council's range of "special" categories be undergrounded within this generation's lifetime.

Our reasons for seeking a change in the policy are set out as follows:

1) Uncertainty of costs and cost increases make planning impossible

From the outset of the project, there has been no clear, realistic estimate of the total cost of placing the services underground in Hamilton Avenue and Chilcombe Street.

Consequently, it has been very difficult to establish an accurate figure per ratepayer so that individual property owners could be advised as early as possible of their likely contribution to undergrounding overhead cables.

Once Council had agreed to include Hamilton Avenue and Chilcombe Street on the street renewal programme, our Committee began work on the street design, trees and the undergrounding of the overhead cables. At the time Council staff provided us with documentation which gave an indicative figure of a contribution of \$1,500 per property owner.

On March 18 2005, we received from the Council a written estimate of the undergrounding work for \$1.1M with the property owner's share being \$550,000³, or \$2, 340 per property owner, if all 235 ratepayers of Hamilton Avenue and Chilcombe street participated. The Council letter contained these provisos:

"I make these cost estimates with the following strong reservations:

- ❑ *These estimates are based on the current estimates we have available and are therefore estimates only. The actual costs may prove to be significantly higher as the contracting industry is continuing to be busy and rates are not static.*
- ❑ *We cannot know the actual costs for the undergrounding until the work is designed and tendered. Only after this will final costs be known."*

Because of our strong desire for undergrounding and knowing the failure of residents of Garreg Road to achieve undergrounding using a resident share calculation based on the Council estimate, our Action Group made further calculations.

³ Based on an estimate of a total cost \$1.1 million for both streets the residents' share is \$550,000 incl GST. Letter from Alix Newman, Capital Programme Team Leader dated 18 March 2005

A member of our Action Group who is a consulting engineer made a calculation applying the known costs of Garreg Rd (the most up-to-date data available to us) to Hamilton Avenue and Chilcombe Street, applying a multiplying factor representing the ratio of length of street per house, because of the greater number of connections required in Hamilton Avenue and Chilcombe Street⁴. Based on this calculation:

Total cost of the work would be	\$1,446,549
Resident share would be	\$723,274
Average cost per house	\$3,078

There are 235 properties in Hamilton Avenue and Chilcombe Street, but in apportioning the cost of the resident share, allowance must be made for defaulters and non-contributors. Allowing for a 25% default, which we are advised is a “best case scenario”.

Cost per contributing resident would be \$4,104.00

An amount of \$4,104.00 per contributing property owner is the most realistic figure we have. As the cost increases the number of defaulters will also increase, requiring an even greater amount from participating residents.

The foregoing calculations illustrate the extraordinary uncertainty placed on residents trying to work with the Council’s 50% share policy.

2) Accurate estimates are of crucial importance

We appreciate that Council staff are in a difficult situation as the cost of road contracting services is rapidly increasing, nevertheless with the amount of road redevelopment undertaken in the City, we consider that staff should be able to make reasonably accurate estimates of the costs of street renewal. Under the current system of “cash up front”, residents are asked to carry the risk of cost over-runs with little means of controlling or mitigating costs. By the time, tenders are received it is too late to adjust the resident share, and probably beyond the capacity of many to make a significant additional contribution within a short time frame.

We draw your attention to the situation of Garreg Rd where residents were provided with an estimate of undergrounding the services in their street. They worked extremely hard to

⁴ The costs of works from street cannot be applied directly to another street, with out making some corrections to reflect the

raise their share of *the Council's estimated price*, only to find that in spite of excellent ratepayer support over the whole length of the street they fell \$100,000 short of *the quoted price*. Despite their best efforts to raise additional funds in a short space of time they were still about \$25,000 short of *the final price* even when they cut their expectations to attempt to underground only the south end of Garreg Rd. The experience of Garreg Road residents is a sad illustration of how unworkable the 50% policy is. For city residents to make such efforts to co-operate with Council, and then to lose out because of the Council's role in the implementation of their own policy, in our opinion brings discredit to the Council.

Staff do not appear to include in the Council capital works programme any provision for the cost of preparing accurate and professional estimates for the cost of undergrounding. We consider it normal practice in any capital works programme to establish an accurate estimate of the costs⁵, but Council appears to use "rules of thumb", and therefore are unable to provide accurate estimates of the work. We have been advised that the Council would obtain a professional estimate of the cost of the undergrounding work if the residents of our streets made a decision to proceed. The cost would be \$30,000. A member of our Action Group, who is a consulting engineer, has offered to provide the estimate for one third of that price.

3) The failure of the Council to budget their share

It has been made very clear to our committee by Council staff that Council has not set aside a budget for their share of the cost of undergrounding in Hamilton Avenue and Chilcombe Street and ***"the Council is therefore extremely unlikely to enter into a half-share arrangement for these two streets under current policy interpretation"***.⁶

Property owners are asked to provide their contribution by a certain date but there is no guarantee that Council is committed to providing its share of the costs. If there was sufficient certainty about the cost of the work and adequate time, property owners could plan for their contribution.

We note that there appears to be no provision in the Draft Annual Plan 2006 and the accompanying Corporate plan setting out the Council's contribution of the 50% undergrounding costs. Indeed there is no reference in either of these documents to a policy requiring a 50% contribution from residents and the Council. We are aware that the Council has a large number of policies and many of these are not included in the Annual

differences between street layouts.

⁵ A pre-feasibility estimate should not be out by more than 15% from the final figure

⁶ Letter from Alix Newman, 18 March, 2005

Plan.⁷ Nonetheless, in our view this is a surprising and a significant omission as the Council is required to set out in these documents its projected expenditure of public funds for the next few years. The undergrounding of overhead lines represents a significant cost on Council funds and to property owners.

The information we have now been given that the Council is unlikely to be willing to enter into a half share arrangement with Hamilton Avenue/Chilcombe Street causes us to have serious doubts about the Council's good faith and their ability to resource their share of the project.⁹ We ask this question: if the Council was always of the view that undergrounding was not an option available to Hamilton Avenue and Chilcombe Street residents, why were we not told this a year ago or more?

4) Resident share costs are unaffordable

In our view, the cost per individual property owner has now risen beyond the reach of most households. Because Hamilton Avenue and Chilcombe Street are located in the Ilam / Fendalton area, there may be a view that residents are financially well off and therefore capable of contributing to capital works.

In Hamilton Avenue, there are 206 houses, in Chilcombe Street 29, making a total of 235. They comprise a typical Christchurch suburb including students, senior citizens, Housing Corporation tenants, families with young children, couples and absentee owners of rented property. Most property owners could probably make a contribution, but our surveys have shown that a sum of between \$3000 and \$4,000 would be beyond the reach of a high proportion of property owners. This situation will probably apply to every other street in Christchurch. If the residents of Garreg Rd, Hamilton Ave and Chilcombe Street have struggled or will struggle to raise the money for the share, the prospects of other streets in lower socio-economic parts of Christchurch raising their share will be very low.

Consequently, the Council's goal of undergrounding all services in Christchurch under the current policy¹⁰ will not be realised in the next 29 years. Indeed it would appear that the "vision" is in no way matched by the Christchurch City Council budget allocation or plans.

5) An unworkable policy

The number of streets recently upgraded without undergrounding (eg Paparoa St, St James St, Wilfred St, Lothian St,) illustrates the fact that the Council's goal of achieving

⁷ Letter from Manager, Transport and Streets unit dated 3 May 2005

⁸ There are about 880km of overhead wiring . Ibid

⁹ Letter from Alix Newman, 18 March, 2005

undergrounding by 2033 will certainly not be achieved, and the 50% policy is on the whole not being taken up by the streets' residents. ***The annual target for 2006 is a mere 3 km with no dollars allocated. There are about 880 km of overhead wiring in the city, and at his rate, it will take another 293 years to place in the ground the entire overhead wiring in Christchurch City.***

At some point in the future these streets will need to be undergrounded. By not undertaking the work at the same as street renewal, the Council is merely postponing the inevitable, deferring the cost of the work onto a future council and ratepayers.

In our view the Council has already established the principle and vision for all lines to be undergrounded by allocation of 3km of undergrounding per year, plus supporting extensive undergrounding of high traffic volume roads supported by LTSA funds and by requiring under its planning that all new subdivisions be underground wired.

They cannot now walk away from their responsibility to the balance of city ratepayers.

6) Collection of large sums of money by residents verges on unethical

The residents' contribution of at least \$500,000 for our streets' undergrounding represents a considerable sum of money. It is our view that it is quite unreasonable to expect residents of a street to take responsibility to collect and to manage such a large sum of money. To establish a system for collecting and managing the street's contribution would require the development of a system to track and record individual contributions, and would raise important issues of personal liability.

In our view, the Council has a statutory responsibility for managing the infrastructure of the City. It should not be the responsibility of the citizens to be responsible for one of Council's primary functions.

7) Short term cost cutting is not sensible:

The application of the current undergrounding policy leads to some absurd results, depending on the voluntary contribution from individual property owners, where the power lines and telephone cables in part of a street, such as Weka Street and Totara street are placed underground while the remainder of the street remains festooned with wires, cables and poles. As we have noted in Point (5), at some point in the future, the services for the remainder of the

¹⁰ A point acknowledged by the Mayor Garry Moore to the Hamilton Avenue Action Committee – e-mail dated 22 March 2005.

street will have to be placed underground.

The life of Hamilton Avenue and Chilcombe Street, once rebuilt, is expected to be 80 years¹¹. However, it cannot be imagined that the present aboveground services can last another 80 years. In our view, doing an incomplete job for short-term cost savings is just postponing the day when the work will have to be undertaken. It is likely to cost ratepayers more by delaying the undergrounding of wires and cables and continuing with the costs of ongoing maintenance of ageing infrastructure and retendering for the work, rather than doing a complete overhaul of street as a single renewal project.

We note that parts of the Orion and Telecom wiring in Hamilton Avenue and Chilcombe Street are over 50 years old, and some of it is at least 70 years old. By any standard this wiring is overdue for replacement in an age where people use emails and range of electronic devices in their daily lives. Both "Orion" and "Telecom" have benefited over the past eighty years of the current infrastructure's life from the monthly payments for line rentals by ratepayers. We feel that network utility operators have a role as good corporate citizens to recognise their social responsibilities and play a role to assist, when there is an opportunity, with improving the amenity values of urban areas. Both Government and the City Council promote better urban design (See page 74, 2006 Draft Annual Plan), and they could play an active role in persuading network operators of the need to put their overhead lines underground. .

The amount budgeted for undergrounding in the 2005 /06 annual plan of 3 km per year is patently inadequate. Significant progress towards the 2033 goal will only be made if the total number of kilometres per year for undergrounding of streets is increased significantly.

8) Undergrounded services are a private asset

Council staff regularly make the point that general rates should not be used to contribute to or subsidise private capital assets, i.e. the undergrounding of Telecom or Orion assets. This argument, we believe, is fallacious for two reasons: firstly, general rates are already used to underground these services along arterial routes, collector roads and under the Urban Renewal policy. General rates are also used as Council's contribution to the 50% undergrounding policy. Secondly, the Orion assets belong to a subsidiary company 87.6% owned by the Council, and therefore are a community asset. In addition the ratepayers will not own the undergrounded lines and will continue to pay line rental charges even though they have been required to pay for them 50% as a direct payment and 50% as joint ratepayers sharing the Council input.

¹¹ Christchurch City Council Corporate Plan – 2005 edition pg 1.1.25

We note that Council has the option under the Local Government Ratings Act 2002 of charging network utilities rates for the use of public land. (See Appendix 1)

9) Policy implementation is not consistent

The 2006 Draft Annual Plan states:

“ Improve the streets by undergrounding of overhead wiring. Undergrounding to be done in conjunction with street renewal projects, with priority given to tourist and main traffic routes (pg 74)

Council policy is to fully subsidise the undergrounding of arterial and collector roads.

Approximately, \$1.1 million (2004/05) is allocated in the operational budget for this purpose.¹²

We note, however, that a number of other streets that do not fall within the definition of an arterial or collector road, such as Rees Street, have had or are having their services undergrounded.

Based on information received from Council,¹³ there are a number of policies justifying fully funding the undergrounding of overhead street wiring (Table 1)

Table 1: Rationale for full funding undergrounding of overhead wires by Council

Council Funding Policy	Streets (2003/04 & 2005/06)
Arterial / Collector road	● <i>Waimairi Rd, Idris Rd; Clyde Rd; Innes Rd; Centaurus Rd; North Parade, Warrington St; Wainoni Rd; Lyttleton Street ; Blighs Rd; Wairakei Rd; St Albans St</i>
Living Streets Policy/ Arterial road	● Creyke Rd
Urban Renewal Policy	● Angus St, Short St, Rees St, <i>Winchester St.</i> Osborne St.
Redevelopment around shopping mall	● Langdons Rd
50% share Policy	● <i>Weka St, Snowden Rd</i>

NB 1. Only sections of the streets shown in italics are scheduled to have their overhead wires placed underground

NB 2. Waiwetū Street has been omitted.

The Council is apparently quite willing to subsidise the full cost of placing the services underground, at times. The only consistent policy appears to be for undergrounding along arterial and collecting roads. The other policies appear to be developed and applied in an arbitrary manner that is difficult to fathom. For example: the “ Living Streets” programme was

¹² E mail from Mayor Garry Moore to the Hamilton Avenue Action Committee – I dated 22 March 2005.

¹³ Letter from Manager, Transport and Streets unit dated 3 May 2005

being promoted until recently, but it appears to have diminished in significance and to have been replaced by an “urban renewal policy”. It is surprising, given our Committee’s active involvement with Council and Council staff that we were not advised of the “Urban Renewal” policy before receiving the Council’s communication of May 6. We ask when this policy was developed and what criteria are applied for streets to be undergrounded under this policy.

For an active community group, it is particularly vexing to find out about these changes in policy at a late stage or by chasing up information under the Local Government Official Information and Meetings Act 1987. This is not, we feel, consistent with Council outcomes for “A Well Governed City” as set out in the Draft 2006 Annual Plan (pg 12)¹⁴ Nor is it consistent with the principles of good consultation.

10) Christchurch is out of step with other cities

Christchurch City appears to be the only territorial local authority in New Zealand that requires property owners to collect, manage and contribute up front large amounts of money towards the cost of placing power and telephone lines underground. We have contacted a number of other territorial local authorities to find out their policies on the undergrounding of these services. The results of our survey are attached to this submission. (Appendix 2) Our findings from a survey of the practices of other cities are clear.

- ❑ All of the councils that we contacted, except one, fully fund the cost of undergrounding. The only exception we have found is Nelson City which asks for a property owner’s contribution which is capped at \$1,500 plus the inflation rate. Nelson City arranges for payment by instalment if property owners ask for it.
- ❑ A variety of methods is used by other cities to pay for the capital works, such as dividends from shares in the electricity supply company, (Invercargill), profits from the electricity supply company owned by the Council, (Dunedin), contributions from the community energy charitable Trust (Rotorua), payment by instalments (Nelson)
- ❑ In general it can be said that in other parts of New Zealand the costs of undergrounding are largely met from the profits of the electricity supply companies. We have not found another New Zealand city that follows a policy of requiring a contribution of a large proportion of undergrounding costs from ratepayers.
- ❑ We also note that Mayor Kerry Prendergast of Wellington has this week launched a programme to fund undergrounding of overhead cables throughout Wellington.

¹⁴ E.g People participate in decision making. City’s infrastructure and environment are managed effectively, and responsive to changing needs and focus on long-term sustainability .”

11) Little justification for the 50% levy on property owners :

From the information provided by Council, it appears that no rigorous analysis of alternative policy options and their costs and benefits was carried out before adopting the 50% resident share undergrounding policy. Our survey results show that other local authorities have been able to develop some innovative approaches to pay for the capital cost of undergrounding their services. While we appreciate that Christchurch City faces significant capital expenditure demands on its operational budget¹⁵, other local authorities are likely to be in the same situation but clearly they are able to manage their resources to facilitate the undergrounding of their streets. We note, for example, that Kaiapoi appears to have been fully undergrounded using only line Company (ratepayer) general funds.

12) Alternative options for funding underground wiring

Option 1: Based on Council figures for budgeted, forecast and projected costs for street renewals (these are 2004 figures), the average cost per year of street renewals is approximately \$14.8 million or about \$15 million per annum. From our analysis of street works, the cost of fully undergrounding all the telephone and overhead power lines is about 50% of the cost of the street renewal budget.

If we assume the 50% ratio of costs¹⁶, the Council could fully finance the undergrounding of power lines and telephone cables within the present budget allocations (subject to some allowance for cost of living increases) by undertaking only 66% of the planned street renewals and extending the overall street renewal programme accordingly. This percentage is likely to be higher than 66% as Council receives additional funding from other sources, e.g. Transit NZ. for arterial roads, and some roads requiring reconstruction will already be undergrounded.

At a public meeting held on April 11 2005, the residents of Hamilton Avenue and Chilcombe Street indicated that they would be prepared to accept a delay of limited duration in the renewal of their streets if it meant that the cost of undergrounding would be fully met from Council sources. We believe that this is a viable alternative. Hamilton Avenue and Chilcombe Street, despite being in such a poor condition, did not originally feature on the Council's works programme 3 years ago. We are prepared to accept a

¹⁵ E mail from Mayor Garry Moore to the Hamilton Avenue Action Committee – I dated 22 March 2005.

¹⁶ Council staff will have access to current and historical data, and should be able to establish with greater accuracy what proportion of a street renewal budget underground costs

delay of limited duration to achieve a result which fulfils our vision of a safe, attractive environment for city residents. Feedback from ratepayers in several other areas of the city (reference the Burwood Meeting during the 2004 Election campaign) indicates that all areas appear to want undergrounding paid for as a “City Shared Cost” with significant input from Orion before they pay a dividend to the CCC.

Option 2: Every year the Christchurch City Council receives from their investment in Christchurch City Holdings, a multi-million dollar return generated from earlier investments effectively paid for by city ratepayers. We believe that the return from “Orion” (87.6% owned by the Council) could and should be used in the first instance to maintain the power line infrastructure of our city – *which is owned outright by “Orion”*– as a maintenance cost to “Orion” before it distributes funds to the City Council for “other” uses. We consider that undergrounding constitutes a legitimate use of the funds from “Orion” (as it will reduce the long term maintenance for “Orion” of the old overhead system) and should be a call on these funds before a dividend is paid.

Even if Council were to apply one quarter of this electricity-related Orion income, an estimated \$7-8M, (as is done in the majority of other local bodies around New Zealand,) with a consequential reduction of Orion income for use in other non-electricity related activities, this would provide the income needed to underground all above-ground services at the time streets are rebuilt without impacting on the Council reconstruction programme. The above figures assume no direct contribution from Telecom, which would be unacceptable. ***Orion could also use a small part of the Enerco windfall to support undergrounding of its network!***

Option 3: The total income from rates over the whole city is \$127M.

An increase of 5.9% in the rate across the city would provide the further \$7.5M maximum needed to undertake all undergrounding at the time of street reconstruction. Undergrounding is a citywide issue and such an increase would be a small proportional increase for ratepayers to make in return for a sensible policy to replace aboveground services. If a balanced programme is adopted with Orion and Telecom contributing to their own realistic maintenance then no rate increase would be necessary.

Decision requested.

We seek the following decision from Council:

1) That the current policy of requiring a 50 % contribution from property owners towards undergrounding of above ground telephone and electrical services be revoked and replaced with a policy fully funding the undergrounding of these services from Council funds at the time of road renewal. Consideration should be given to increasing the contribution from Christchurch City Holdings or amending the current works programme by extending the timeframe for roading renewal projects by up to 2 or 3 years. .

The preferred option of the residents of Hamilton Avenue and Chilcombe Street is option 1.

2) If Council cannot agree to a fully funded policy as sought in (1) above then we request that the Council amend the current policy to limit the contribution per property owner to a sum which the Council assesses is fair and affordable across the range of property owners and street groups in the city.

3) Where Christchurch City Council demands a ratepayer contribution to the undergrounding of the “Orion” and “Telecom” owned overhead lines, then the Council shall manage the collection of this money as a local government responsibility.

Appendix 1: Notes from select committee deliberations on the Local Government Ratings Act 2002

Local authorities are able to charge utility companies rates for the use of land under the *Local Government Ratings Act 2002*. Basically, the Act states that any land not included in Schedule 1 (Categories of non-rateable land) is considered rateable.

Below is the section from the Select Committee report explaining why the utility companies were not exempted.

Utility companies

Utility companies such as telecommunications, electricity and gas companies sought an amendment to Schedule 1 to make utilities exempt. The Opposition members consider utilities (public or private) that provide essential services including, but not limited to, telecommunications, electricity, gas, water and sewerage, should be included in the categories of non-rateable land.

The Opposition members' proposed amendment to Schedule 1 was not agreed to. Government and Green members consider utility companies are businesses like any others that provide services to the public, and any policy exemption or remission should be left to the discretion of councils after consultation with the local community.

Hamilton Avenue Residents Survey – Council Policy on Placing Power and Phone Services Underground							
Responding Council	(1) Does your Council have a policy / District Plan for all services to be placed underground in all new subdivisions?	(2) Does your Council have a policy to place power and phone services underground during major street reconstruction?	(3) Does your Council have a target date for completion of under-grounding of your city?	(4) Has your Council set a specific annual allocation in terms of funds or km completed per year? What is the amount of this allocation?	(5) If undergrounding of services is supported by Council – how is this policy applied? Fully funded by Council? Shared contribution – Council and Ratepayers?	(6) Does your Council receive any contribution from the line / pole owners? How is this calculated?	(7) If your Council requires a resident's contribution – how is this calculated?
Christchurch City Council	Yes	May do if funds available, but only if funded 50/50 with contribution from the property owners.	Yes 40 years from 1993. (Ref. City Council Policy Register "... that a strong statement is included in the City Plan and Strategic Plan that all services be undergrounded in 40 years.")	3km per year Volume II of the 2004 Draft Plan, page 119, says "Undergrounding this year in conjunction with street renewal projects (target: 3 km)."	50/50 if funds available to contribute the council's 50%.	No direct relationship. Council receives income from power distribution company. This dividend is not transferred directly into under-grounding.	Either all or 50% or none depending on the whim of Council.
Dunedin City Council	Yes , the District plan and code of subdivision requires that all new services in urban area are placed underground. The cost is met fully by the subdivider.	No , any decision in regards to underground is made project by project.	No.	No. Council owned electricity company – Dunedin Electricity, does however, undertake some under-grounding work each year at the company's expense.	Where under grounding occurs by Dunedin Electricity (DE) the cost is fully met by DE to underground to the boundary. The property owner is required to pay for the under grounding inside the boundary or otherwise the service is left overhead from the boundary.	Refer to column (4).	Refer to column (5)
Invercargill City Council	Yes. All services in new subdivisions must be under-grounded.	No.	Not Council directly but through what was the MED. Council still owns shares in electricity supply company which has a policy to underground all reticulated overhead services within 10 years. Funds that would be returned to Council are being used for under-grounding.	As per the policy in (3)	As per the policy in (3)	As per the policy in (3)	No.
Marlborough District Council	All services in urban areas are to be underground unless otherwise authorised by the Council.	For development, electricity and telecommunications shall be reticulated underground as for (new subdivisions).	No time specified.	None specified.	The costshall be borne by the developer. Presumably this means the council pays the developer.	No	N/A.
Nelson City Council	Not formally adopted Council policy but a guideline. Many of our phone lines and power lines are under-grounded as a condition of green fields subdivision development. 10 year plan to identify opportunities.	Yes but power lines only, subject to conditions of the guideline – power company identifies opportunities then liaises with Council. Council provides trenching and reinstatement only.	No.	No, N/A.	Internal staff guideline. \$1,500 per property linked to inflation (CPI).	Yes. Power companies provide ducting, cables and electrical connection with associated fittings and lay in trenches provided by Council.	Set rate at \$1,500 per property linked to inflation. Finance Department to organise repayment in instalments over 12 months, if requested by property owners, to ease the burden of repayment.
New Plymouth District Council	No formal Policy. Developers abide by the NPDC Rooding Code of Practice since under-grounding enhances properties when placed on the market.	No present policy - NPDC in the process of developing a policy in cooperation with the power and other utility companies.	No.	No.	Yet to be developed.	Yet to be developed.	Yet to be developed.
Palmerston North City Council	Yes.	Yes.	No. 50% of Palmerston North underground now.	Yes. \$2m over 7 years to underground Telecom.	No charge to ratepayers.	New Act – Council can now charge rental on road reserve.	N/A.
Rotorua District Council	Yes.	No.	No.	No.	Funding by project from local energy trust RECT (Rotorua Energy Charitable Trust) with Council normally funding street lights. New three way split proposed with thirds from RDC, RECT and the lines Co. No property owner contribution required.	As per (5).	As per (5).