

TO
Christchurch City Council
Submission on Draft Annual Plan 2008/09

From Service and Food Workers Union
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Introduction

- 1.1. The Service and Food Workers Union (herein referred to as the SFWU) is an organising union, where we all work together to improve the lives of working people and their families - at work, in our communities and for a better and more just society. We have around 24, 000 members New Zealand-wide. Locally, we have nearly 2, 400 members who are part of the wider Christchurch community.
- 1.2. Our representatives would appreciate the opportunity to speak in support of our submission at the hearings.
- 1.3. We applaud the Christchurch City Councillors for the work they have done on the Draft Annual Plan 2008/09 (herein referred to as the plan) and agree with the many items in the plan.
- 1.4. The range of Council activities is so wide that we have limited the number of issues on which we have made submissions. In some cases a submission on a particular matter may be more generally applicable.

The imposition of a waste minimisation uniform targeted rate of \$82 for those receiving the three bin system.

- 2.1. The SFWU view the move to the targeted rate for the three bin system (p.66) as a move to a more regressive rating system and opposes this move. The uniform rate charge for 2008/09 of \$82 goes against CCC policy of using Capital Value as the rating base.

- 2.2. Separating out these costs in the form of a targeted rate is a move away from previous Councils' more progressive methods of revenue collection and we are disappointed to see this occur.
- 2.3. This move loads the rates on households with lower than average capital value – the people who can least afford rates increases. The SFWU strongly believes a progressive rating system is a fairer system, and one that looks after our city's most vulnerable people.
- 2.4. A uniform rate impacts more on households with low capital value, and will mean an increase closer to 12% for the lower quartile (bottom quarter) of households.

Submission:

- (i) **That the targeted rate should be applied by cents in the \$ of capital value as is done for the other basic services of water supply, sewerage and land drainage.**
- (ii) **That the rate for waste minimisation should be at a rate of 0.01840602 cents in the \$ of Capital Value.**

Proposed 24% increase in rent for Council tenants

- 3.1. At its meeting on March 27th the City Council resolved to increase rents for tenants in Council housing by 24%. The SFWU object strongly to an increase of this size.
- 3.2. The SFWU consider that the Council's recent decision should be set aside and that the rental income from housing should be that set out in the Draft Annual Plan 2008-09, page 29, where the budgeted total rents are stated as \$12.924m.
- 3.3. The SFWU understand that total rents of \$12.924m are an increase of about 2.5%. We do not object to such an increase because we recognise that costs for maintenance are increasing.
- 3.4. The SFWU object very strongly to the proposed increase of 24% because:
 - (i) Tenants, residents and ratepayers had no warning that the Council was considering an unprecedented rent increase until a day or two before the Council meeting on 27th March.
 - (ii) The Council's Social Housing Strategy (June 2007) did not indicate that the condition of the housing stock would require a huge rent increase within a year.
 - (iii) The Council's Long Term Community Plan 2006-2016 indicated rent increases of only about 2.5% a year.

- (iv) Using rent from tenants to build a fund of \$34m by 2015 is a new policy on which people should be consulted, in accordance with the Local Government Act and the City Council's own policy.

Submission:

That the Council rescind its decision of March 27th to increase rents by 24% and to keep to the rental income set out in the Draft Annual Plan with a rent increase of about 2.5%.

Increases to Fees and Charges

- 4.1. The SFWU are concerned at the level of increases for the fees and charges proposed for Holiday Programmes and Childcare Facilities on p.87 of the plan.
- 4.2. The SFWU would like to stress the importance of affordable childcare for low income workers and their families, and for our communities as a whole. An abundance of research is demonstrating that the pre-school years are critical to the whole of a child's – and adult's - later development. The benefits do not only accrue to the individual, there is compelling evidence of the benefits to society as a whole of all children having access to quality childcare. The SFWU sees the Council's public provision of these services as crucial for ensuring that all children, regardless of their parents incomes, have access to these opportunities. We regard this as a crucial investment for building a positive city and community for the future.
- 4.3. The proposed increases will be unaffordable for many low paid workers. The proposed cumulative increases (from January 2009 of \$1 per hour or \$40 per week) per child will be beyond the reach of many of our members who are on the minimum wage but require childcare facilities to allow them to be in employment.
- 4.4. Likewise, the increase of Holiday Programme charges to \$15 per day from the current charge of \$10 per day per child will be unaffordable for many low paid workers for whom quality and affordable school holiday programmes are essential.

Submission:

That the Council does not increase the charges for its Holiday Programmes and Childcare Facilities.