

2008/09 DRAFT ANNUAL PLAN SUBMISSION

Submissions close on 21 April 2008

I wish to talk to the main points in my written submission at the hearings to be held between Monday 12 May 2008 and Wednesday 14 May 2008.

Are you completing this submission: For yourself

If you are representing, how many people do you represent?

Name: Tony Milne

Organisation Name:

Organisation Role:

Contact Address: 19a Picton Avenue
Riccarton
Christchurch

Daytime Phone: 021 59 32 59

Evening Phone:

Email: info@tonymilne.org.nz

Date: 19 April 2008

Your Submission: I would like to be heard in support of my submission. The best way to get in touch with me at moment will be by e-mail.

Introduction

1. I am writing as a resident. I am a member of Christchurch 2021 (a group whose members share a strong sense of social justice and commitment to the environment and puts forward people with those values for local body and district health board elections) and a member of the New Zealand Labour Party. However this is a personal submission made in my capacity as a resident of Christchurch.

2. I am concerned about the proposed rate increases: both the stated increase as well as the smoke and mirror approach that is concealing the real rate increase that many people are facing.

3. I am concerned about the Council's perverted priorities, whereby the Council expends on unnecessary things while our seniors and most vulnerable people bear the brunt of the rate increases.

Smoke and mirror approach

4. The Christchurch City Council (CCC) has low rates in comparison to many other New Zealand Cities although that gap has been closing in recent years as CCC rate increases have increased faster than many other areas.

5. On the surface a 5.1% rate increase appears to be a good outcome in comparison to the LTCCP projected rate increase of 8.77%. However, the headline rate conceals the real rate increase. Many of our ratepayers (both household and business) are actually paying more than the original LTCCP 8.77% projection - albeit not in a way that has been honestly explained.

6. The major component is the \$82 flat-tax "waste levy" (Draft Annual Plan Pg 66). The waste levy is a rate by another name. Once included in the additional rates being paid by households and businesses the flat-tax waste levy means that for many residents they are in fact facing a rate increase much larger than 5.1%. A uniform rate impacts more on households with low capital value, and will mean an increase closer to 12% for the lower quartile (bottom 25%) of households.

7. 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. The rate for waste minimisation should be at a rate of 0.01840602 cents in the \$ of Capital Value.

8. At the very least Council should be honest about the increases being faced and not try to hind behind the smokescreen of a headline 5.1% rate increase.

9. A "waste levy" conceals the real rate increase being faced by ratepayers who are already facing large household pressures such as increases in petrol, power, food and other prices. Rates should be reduced by cutting unnecessarily spending - not through smoke and mirrors. I am opposed to large rate increases if those increases come as a result of perverted priorities.

Perverted priorities

10. I am not opposed to rate increases, particular if those increases are leading to demonstrably better quality CCC services. But rate increases should be modest, should not place an unfair burden upon lower income people who can least afford to pay, and should not be used to pay for CCC pet projects or unnecessary expenditure.

11. There are three major projects that CCC is pursuing that fit into the category of perverted priorities.

12. Paying a reported \$3 million for the Ellerslie Flower Show is not a good use of Council expenditure. Additional ratepayer funds will be needed to host and promote the event. Christchurch already has large signature events that bring great economic success and cultural benefit to Christchurch. There is a real question about whether another is needed and whether it will succeed. But even if it is a success there is a real question about prioritisation.

13. Similarly, the CCC approved late last year expenditure of \$52 million on a new civic office, expenditure that was reckless and irresponsible. Capital expenditure depreciates over a large number of years, so won't have a major impact on the CCC budget. However, the joint-venture deal with Ngai Tahu means the Council will lease the bulding at an operational cost of over \$7 million a year. Putting aside questions about whether a new building was needed, this albatross around the necks of the people of Christchurch must be one of the worse deals ever negotiated by the CCC. Our grandchildren will be paying for this unbelievable deal in decades to come.

14. Millions of dollars are unnecessarily being spent on City Mall. If the areas currently completed are anything to judge by, the result will be an area devoid of colour and warmth. The tragedy of city mall is that, against the will of the people (several thousand signed a petition against the changes) and the users of the space, the Council has taken a warm and inviting area, with trees and warm red brick, and are turning it into a cold sterile environment reminiscent of the much criticized Cathedral Square.

15. What does it say about Christchurch that we are willing to pay millions of dollars to host a garden show, while forcing a flat tax waste levy which will mean an increase closer to 12% for the lower quartile (bottom quarter) of households.

16. What does it say about Christchurch that we are willing to negotiate to house our politicians in a \$100 million building, a building that our grandchildren will still be paying for in decades to come, while our poorest and most vulnerable people in our Council Housing are forced to pay rent increases of 24%?

17. I object very strongly to the proposed Council Housing rental increase of 24% because:

a. 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.

- b. The Council's Social Housing Strategy (June 2007) did not indicate that the condition of the housing stock would require a huge rent increase with a year.
- c. The Long Term Council Community Plan 2006-2016 indicated rent increases of only about 2.5% a year.
- d. 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.

Recommendations

18. The targeted waste 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. The rate for waste minimisation should be at a rate of 0.01840602 cents in the \$ of Capital Value.

19. The Council should 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%. Council should make a formal approach to Government for funding to upgrade and improve City Council Housing. In the meantime Council should set the rental income from housing at the rate set out in the Draft Annual Plan 2008-09 (pg 29) where the budgeted total rents are stated as \$12.924 million.

20. The Council should also use the budget process to encourage a discussion of the bigger picture of our cities priorities. Do people want a flower show, or prefer free swimming visits? Do people want changes to city mall, or prefer lower rate increases? The budget consultation should be seen as an opportunity to discuss big picture priorities and connect people to decision making. The budget should be an exercise in engaging people about why local politics matters and how and why local council, and the budget it sets, impacts upon them.