

29 April 2004

Christchurch City Council
P O Box 237
Christchurch

Dear City Council ● My People ● My City

CHANGE IN RATING DIFFERENTIAL
PROPERTY ADDRESS: 18 CORINGA ROAD
VAL REF: 23510 24700 RTZ: 2281369

I wish to object on behalf of myself and fellow rural residents on your proposed changes from Rural to Residential rating.

Personally I find your whole process flawed and ludicrous. The basis of change (as per your letter) is by way of an aerial photograph of my property. The council has evidently identified by an aerial photo 289 properties from the total rural ratepayers as qualifying for the proposed change.

I would point out the house size, gardens and lawn area are the same since shifting and building some 23 years ago. The only building improvements being car garages and a small hobby cottage all within the original garden boundaries. My crime (for a rate increase) as shown by the aerial photo was to plant trees, garden and beautify the original rural environment. Apart from our rural/farming lifestyle our biggest thrill to date is the return of a wide variety of native birds including nesting Fantails. The birds are living in our garden supported over winter by the orchard we planted to provide a food supply. If you are brainstorming for increase revenue ideas you could consider a Fantail Tax for rural properties harbouring the birds. I would plead guilty and gladly pay your levy. I find your ad hoc rating change logic, based on a photo and obvious ground improvements and not seeking qualification of rural activities, totally flawed given Christchurch's slogan "the garden city, the city that shines".

When querying the validity and rationale I was told very strongly because I had improved the property mainly beautifying the gardens inside the boundaries I should pay the same rates as in the city. To quote Wayne Hann "Bollocks, I say you're not rural and should pay the same rates as Merivale". From that I take it that if I neglected and did nothing to the property then the rating increase charge would not apply!

I was also told this was "not a revenue grabbing exercise because our budgets and income were already done". I would like to know where our increase rates dollars are to be allocated. I presume the Square needs another makeover due to past/present councillors flawed decision making as documented by countless Press articles, and as always paid for by us ratepayers.

Attached (A – for Art, the Press 24.04.2004) headline "Christchurch puts last payment on wrapping paper" (1). A subjective investment of \$250,000 on Philip Trusstum's Convention Centre mural. Councillors Corbett (quote "99c a roll wrapping paper"), Austin (quote "a stunning work"), and Anderton all had personal views on the "investment" but I question Councilor Anderton's quote "I don't know about art but trust the people who do". I would remind Councilor Anderton in the dark ages councils lead by the intelligentsia trusted by earnest councillors believed the earth was flat and the 'Round Earth Citizens' who's taxes help pay the council were burnt at the stake for heresy. So much for trust. The last paragraph in this article quotes Art Director Warren Feeney "it's a magnificent artwork in all senses of the word: large in scale, rich in its iconography, and a genuinely joyful aesthetic experience"

- And it's paid for. -

I would like to add to the last line

"And it's paid for by Rate Payers and Round Earth Citizens".

I would like clarification on the council's position if all the 289 rural properties are classified Residential then surely we can subdivide and the residential criteria for such would apply.

I also questioned the methodology to arrive at 289 from all rural ratepayers and was told "we had to start somewhere" and "yes after this we may look at all rural properties". In fairness to Wayne Hann I found him to be direct, helpful and honest in all my discussions and providing the rates details below.

Presently I own 10 head of cattle, 2 horses, 5 hens, a rooster, one cat 'fluffy' and one dog 'puppy'. I have bred, raced and sold horses successfully from this property. The property is spilt into 4 paddocks with horseboxes and yards. I currently have bought and stored 400 bales of hay for my rural activities over the coming winter. Proof of horse racing, breeding and yearling sales attached (2 & 3).

I find it galling in your letter that you say even though I am outside the sewerage/water area this is no longer a valid consideration. Wayne Hann advised me on my current valuation the following:

I don't pay water rates (\$189.41). However my well will be dry this summer due to falling water levels and needs to be replaced. This is due to other local bodies allowing the rape of Canterbury's water resource. A new well, pumps etc that has to be sunk before the summer levels fall are in excess of \$10,000 (as quoted by Mike Taylor Water Specialist). I will gladly pay \$189.41 for water at the gate!

Being Rural I also don't pay:

- Sewerage \$350.38
 - Storm Drain \$177.77
 - Service \$182.61
- Total \$710.76

Please Please bring the sewerage, footpaths, drainage etc to my rural gate for \$710.76 a year as in Merivale.

What suddenly made sewerage no longer a valid consideration for a rural differential. The legality and logic of this arbitrary decision escapes me and I can only surmise again that this exercise against 289 ratepayers is a money grabbing moment of madness by a council determined to spend other peoples money on grand projects beyond it's mandate. The Press (19th February 2004) headline "Council wears \$1 million tax bungle"(4). As a business owner I agree with Councillor Barbara Stewart's objection to council/us paying CEDF's tax bill of \$307,000 "I find it unacceptable the trust was guilty of a fundamental business error somewhere along the line they should have to pick up the problem not us. Possibly the Council's Development Corporation could use some more highly paid consultants/executives to scheme and waste my 30.35% rate increase. The basis of this 30.35% increase is solely on your ratepayer 23510 24700 RTZ 2281369 planting trees, garden and adding natures beauty to Christchurch 'The city that shines'. If this outrage goes ahead I suggest a new logo - Christchurch The Garden City 'The city that fines'.

Yours faithfully

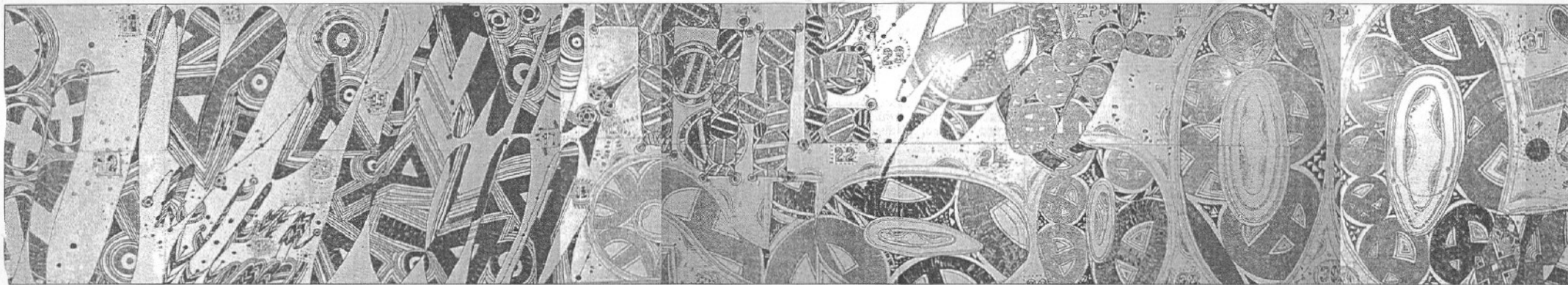


Your ratepayer
M R Woodham
From 'Your City'

~~PS I wish to appear before my council to object and demand the proposed change.~~

(A FOR ART)

(A FOR ART)



dated and paid for: A small section of Philip Truistum's Passport to the New Millennium, on which Christchurch has paid the final instalment.

Christchurch puts last payment on 'wrapping paper'

Mike Crean

Christchurch is now the proud owner of the mega-mural Passport to the New Millennium which hangs on the west wall of the Convention Centre.

The final payment was made on Thursday for the controversial 84m wide, \$250,000 public artwork by Philip Truistum.

The mural raised a storm in 1999 when the Christchurch City Council agreed to pay the \$50,000 deposit,

with the balance to be sought from grants and public subscriptions over five years.

While art experts gave it the thumbs up, councillor Barry Corbett was loud in his condemnation.

The self-confessed Philistine compared the work to "a 99c roll of gift wrap" he had used earlier that day.

"At 99c a roll, I figure you could get the same effect for about \$19.80," Corbett said then.

Corbett yesterday stood by his comments.

"It's amazing how long it has taken to buy a few rolls of wrapping paper. The more I see it, the fewer redeeming features I see."

He said many people had supported his view over the past five years. Like him, they were "sick of all this politically correct rubbish".

Cr Carole Anderton also calls herself a Philistine but harbours the opposite view.

The long wall could have looked "tacky" without the mural, Anderton said.

"It gives the building class. It is a notable work and in keeping for a place where huge numbers of people from all over the world come. I don't know about art but I trust the people who do."

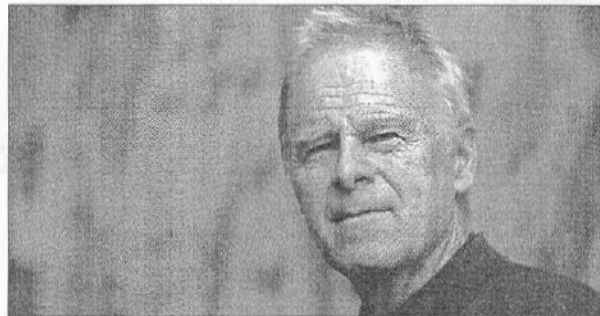
For art-loving Cr Paddy Austin the mural is "a stunning work".

"Every time I go there I see new things in it — interesting, quirky

details. It is so dense, there is always something to look at. We are really lucky to have it. Truistum is a highly respected artist internationally," Austin said.

An independent voice, Centre of Contemporary Art director Warren Feeny, said: "It's a magnificent artwork in all senses of the word: large in scale, rich in its iconography, and a genuinely joyful aesthetic experience".

And it's paid for:



Philip Truistum: internationally respected artist.

PHOTO: JOHN KIRK-ANDERSON

TOL LODGE M.R. NOOAHAM

CORINGA RD RD6 CHRISTCHURCH

Account of T & G LODGE, Christchurch.

BAY COLT

Box E 153

1999 Branded : JG nr sh; 26 over 9 off sh

Storm Cat	Storm Bird	Northern Dancer
ISA) Terlingua	Secretariat	
Stick to Beauty	Illustrious	Round Table
	Hail to Beauty	Hail to Reason
Racing is Fun*	Olympiad King	Curragh King
	Flower Box	Windy Sands
Miss Petite	Bassenthwaite*	Habitat
	Petite Coquette	Vice Regal

ISA) (Bay 1994-Stud 1998). 3 wins at 8½f, 9f, US\$102,469, Rushing Man S., L Brother to SW Storm Beauty; half-c. Gold Beauty (Saratoga Test S., Gr.2), herself the dam of 1 champion European sprinter, sire), SW Maplejinsky na S., Gr.1) and grandam of SW Sky Beauty (1994 re). His oldest progeny are now 2YOs.

Racing is Fun*. Winner at 1300m, BOP RC Crockford Real is her second foal. Dam of one foal to race.

Bassenthwaite*. Winner at 2, 2d ARC Gold & Ivory S., 3d L, 4th Matamata Breeders' S., **Gr.2**, Avondale JC Ra Ora Dam of 5 named foals, 3 to race, 2 winners, inc:-
er at 2, Hororata RC Islington Tavern Juvenile H.
th CJC Felix the Cat South Island 2YO S., L.

E, by Vice Regal. Unplaced. Sister to **VITE CHEVAL**, Vite 1 of **NAT THE BRAT**). Dam of 6 named foals, 5 to race, 3

assenthwaite*). Winner. See above.
x Supreme (Mac.) 5 wins up to 1400m to 2000-01 in NZ & Mac.
wins from 1200m to 1600m to 2000-01 in Mac.
ced twice. Dam of-
2 wins at 1600m in Aust.
Winner at 1450m in Aust.

by Arragon*. Raced once. Three-quarter-sister to **ST TUAM**, half-sister to **LORD CHEVAL**, Bitó (dam of **MILL** of 14 named foals, 12 to race, 7 winners, inc:-
L (Vice Regal). Top of The 1984-85 Australasian 4YO+ on (1300m-2000m). Top colt on The 1982-83 NZ 2YO Free 4 at 2-from 1100m to 2000m, NZ\$32,750, A\$489,870, ARC es' Produce S., **Gr.1** AJC Doncaster H., **Gr.1**, All-Aged S., Futurity S., **Gr.1**, MVRC Manikato S., **Gr.2**, QTC Sires' Produce ueensland Guineas, **Gr.3**, 3d AJC Doncaster H., **Gr.1**. Sire, naced. Dam of-
BRAT (Racing is Fun*): 9 wins from 1400m to 2300m,

Account of MANORSHIRE STUD, Ashburton.

(The property of Mr. R. C. Moriarty)

Lot 5 BAY COLT

Box E 1

Foaled 1st September 1999 Branded : A/ nr sh; 2 over 9 off

Sire	In the Wings	Sadler's Wells	Northern Danc
Flying Pegasus* (IRE)	High Hawk	Shirley Height	
1993	Mill Princess	Never Bena	
	Irish Lass	Sayajirao	
Dam	Nassipour*	Blushing Groom	Red God
Antares Girl	Alama	Aureole	
1990	Nuisance	Pretendre	Doutelle
		Milk Biscuit	Better Honey*

FLYING PEGASUS (IRE) (Bay 1998-Stud 1997). Placed at 2. Half-brother to SW Last Tycoon* (Breeders' Cup Mile S., Gr.1, Royal Ascot King's Stand S., Gr.1, champion sire) and SW Astrorief (Rome Premio Melton, Gr.2) and SW The Perfect Life (Longchamp Prix du Bois Gr.3). Out of a half-sister to SW Irish Ball (Irish Sweeps Derby, Gr.1) and SW Exbury Lad. Sire of the placegetters Caprigail, Total Rush, etc. His oldest progeny are now 3YOs.

1st dam

ANTARES GIRL, by Nassipour*. 3 wins from 1400m to 2000m, CJC Wyatt & Wilson Print H., North Canterbury RC Taggart Earthmoving H., 2d CJC Racecourse Hotel H., Scenic Circle Hotels H. Half-sister to **KAMPALA CHIEF, Miner's Man**. This is her first foal.

2nd dam

NUISANCE, by Pretendre*. Unplaced. Half-sister to **RUY-BLAS**, Corso (dam of **ZEPHYR ZIP**). Dam of 10 foals, 8 to race, 6 winners, inc:-
KAMPALA CHIEF (Kampala*). 6 wins from 1200m to 2450m, VATC Hopetoun H., L MVRC BBA Our Poetic Prince H., VATC Koornang H.
Miner's Man (Mardana). 8 wins-3 at 2-from 1000m to 1600m, A\$100,105, VRC Edith Cavell H., Rising Fast Welter H., Westcourt Welter H., VATC Belhaven H., 2d VATC Autumn S., **Gr.3**, VRC Great Western H., L Prince Avari. 2 wins at 1600m, 3d CJC Riccarton Park Function Centre H.
Nassipour. 2 wins at 1350m, 1600m in Aust.

3rd dam

MILK BISCUIT, by Better Honey*. 4 wins-1 at 2-from 6f to 1¼m, ARC Royal S., Gr.3, Waikato RC Te Rapa H. Sister to **Mac's Honey**, half-sister to Zavieria (dam of **DIEGO**). Dam of 11 named foals, all raced, 9 winners, inc:-
RUY-BLAS (Smuggler*). 2 wins at 1100m, 1200m, VRC Moomba P., **Gr.3** Coffee Shop. 4 wins at 1200m, 1550m, STC Concert Star H. Dam of-
Aces and Kings (Full on Aces). 8 wins-1 at 2-from 1000m to 1600m, A\$212,400, VATC Alister Welter H., 2d QTC Channel 9 S.H., **Gr.1**, 3d Queensland Guineas. **Gr.2**, BATC Courier Mail Classic S., L
Shorebreak (Crested Wave*). 4 wins from 1600m to 2200m, SAJC Ansett Australia H., 2d SAJC Dewar's Cup, **Gr.3**, WRC 10 H., 4th New Zealand St Leger, **Gr.3**, SAJC Chairman's S., L Corso. Winner at 1400m. Dam of-
ZEPHYR ZIP (Zephyr Bay). Top of The 1979-80 A Classification (1300m-2000m). 9 wins 5 at 2-from 1 A\$144,450, AJC Sires' Produce S., Gr.1, QTC Sires' Marlboro S., Gr.2, AJC Rotary Anniversary S.

Minimum Weight 52kg.
Apprentice Allowances.
This race carries a \$35,000 N.Z.I.S.S. Bonus.
Sponsors Representative Mr Mike Pritchard.
Weighed out by 11.45am
Horses in Parade Ring by 11.50am
Horses go to Start 12.00pm

STU BAILEY Turf Digest/Friday Flash/Best Bets	JIM LANGAN Canterbury Jockey Club	KEVIN BELL Journalist
FALCONET BURNING KASH PLEDGE	GLOBAL PRINCE FALCONET DANNY	DANNY BURNING KASH GLOBAL PRINCE

1 DANNY (2) 56
ch g 3 Danasinga (AUS)-Giggler (by Prince Echo (IRE)) (BLINKERS) N.Z.I.S.S.
Owner(s) Messrs F Lawson, T G Lines, L E Manley & P I Rochester
Trainer(s) Jahn Howard, Hastings
Black, white diamonds, red sleeves, striped cap
9-14 WAIK 3 Feb Fm 2YO 1200m Slow, last, late clear str, battled K Allan 55.5 (4) 6/8 Wnr: FLYING BABE (AUS) 1:9.85 8.6L
5-7 MATA 24 Feb E 2YO C&G 1200m Back inner, made ground rail M J Walker 55 (5) 4/4 Wnr: VINAKA 1:9.97 10.8L
8-11 WEL (P) 10 Mar Fm 2YO 1200m 2nd last, never close M R Du Plessis 55.5 (10) 8/8 Wnr: VINAKA 1:9.53 8.4L
1958X (9-1-1-0-\$18000) F(5-1-1) E(3-0-1) S(0-0-0) H(1-0-0) C(1-0-1) D(4-1-0)

2 BURNING KASH (5) 55
b f 3 Kashani (USA)-Miss Petite (by Bassenthwaite (GB)) N.Z.I.S.S.
Owner(s) A C Balme Family Trust (No 2)
Trainer(s) Gary Gibson, Gore
White, red shamrocks (b&f), striped sleeves, white cap with red spots
5-10 CANT 26 May S 2YO 1200m Mid ctr, 5th ctr 400, btlld on J D Laking 54 (3) 2/2 Wnr: SUN CREST 1:11.87 4.2L
1-12 WAIM 5 Jul Fm 2YO 1200m 2nd ctr, chall turning in, too good L J Mumby 54.5 (7) 2/2 2nd: GLOBAL PRINCE 1:12.16 1.0L
7-10 OTAK 28 Jul H 2YO 1200m Ran 2nd, stpd str B Hibberd 54 (10) 8/8 Wnr: EGYPTIAN RAINE 1:13.9 8.3L
54617 (5-1-0-0-1-\$3120) F(2-1-0) E(0-0-0) S(2-0-0) H(1-0-0) C(2-0-0) D(5-1-0)

3 FALCONET (10) 55
b c 3 Faltaat (USA)-Bondi Curl (by Crested Wave (USA))
Owner(s) S K Stewart
Trainer(s) Tony & Lyn Prendergast, West Melton
Silver grey, light blue chevrons, striped sleeves, quartered cap
5-10 CANT (P) 18 Nov E 2YO 1000m Trid inn, there top, light on K Williams 55 (1) 7/7 Wnr: TANGIO 58.66 6.2L
Trial Form 1-7.NCRC 12 Jun 2YO 600m (CWT) A J Chesmar 2nd: JARVIS 49.51 2 LEN
1-9 ASHB 15 Jul E 2YO 1200m Wide, 2nd ctr, led turn, kicked ctr A J Chesmar 49.5 (5) 2/1 2nd: TRENCH COAT 1:13.46 4.5L
35X1 (3-1-0-1-0-\$4250) F(0-0-0) E(2-1-0) S(1-0-1) H(0-0-0) C(2-0-1) D(1-1-0)

4 GLOBAL PRINCE (11) 55
b c 3 Manaloj (USA)-Four by Two (by Gay Apollo (GB)) N.Z.I.S.S.
Owner(s) Global Lodge Ltd
Trainer(s) Michael Pitman & Chris Harris, Yaldhurst
Yellow, royal blue stylized logo & epaulets, royal blue & yellow quartered cap
Trial Form 1-6.NCRC 20 May E 2YO 600m (CWT) S J Durney 2nd: NAITASI 35.98 3 LEN
1-14 CANT 15 Jun H MDN 2YO&LP 1000m Out well, there turn, did best str J O'Walsh 53 (11) 7/7 2nd: HARLAU 1:0.61 0.5L
2-12 WAIM 5 Jul Fm 2YO 1200m Led, ctr turn, hauled late H S Tinsley 55 (4) 1/1 Wnr: BURNING KASH 1:12.16 1.0L
7X12 (3-1-1-0-0-\$3900) F(1-0-1) E(1-0-0) S(0-0-0) H(1-1-0) C(2-1-0) D(1-0-1)

5 PLEDGE (3) 54.5
b f 3 Mellifont (USA)-Erudite (by Sound Reason (CAN)) (BLINKERS)
Owner(s) Messrs G W Eastwick, R M Lynch & R M Yardley
Trainer(s) John & Karen Parsons, Balcairn
Red, white Maltese Cross, royal blue sleeves, white armbands & cap
7-12 WAIM 5 Jul Fm 2YO 1200m Slow, rear inner, never sighted J S Lawson 54.5 (9) 7/7 Wnr: BURNING KASH 1:12.16 19.6L
Trial Form 1-8.NCRC 24 Jul H 2YO 800m (CWT) J S Lawson 2nd: Defensive Play (USA)-Tajia 1:51.05 NOSE
1-11 OAMU 29 Jul S MDN 2YO 1200m Hd y 4 wide, led inn, too strong J S Lawson 54.5 (9) 3/3 2nd: TAAD FALTY 1:16.01 4.5L
71 (2-1-0-0-0-\$2600) F(1-0-0) E(0-0-0) S(1-1-0) H(0-0-0) C(0-0-0) D(2-1-0)

6 CLASSY POLLY (AUS) (1) 54
b f 3 Sky Classic-Polly's Pocket (by Pirate's Bounty)
Owner(s) AWB New Zealand Ltd
Trainer(s) Paul Thistoll, Riccarton
Dark green, gold Maltese Cross (b&f), striped sleeves & quartered cap
2-10 ASHB 8 Apr Fm 2YO 1200m Handy inn, 3rd turn, brave fin T R Moseley 54(2) 2/2 Wnr: WOODSMAN 1:10.5 1.3L
6-10 CANT 21 Apr Fm 2YO 1200m 6th ctr, chall 360, tried hard T R Moseley 54 (5) 3/3 Wnr: CINNAMON GIRL 1:10.39 2.8L
Trial Form 2-5.NCRC 24 Jul H MDN 1000m (CWT) Wnr: RACING CAR 1:7.85 NOSE
4226X (4-0-2-0-1-\$3000) F(4-0-2) E(0-0-0) S(0-0-0) H(0-0-0) C(3-0-1) D(2-0-1)

8 TAAD FALTY (6) 54
b f 3 Faltaat (USA)-Lary Nassa (by Nassipour (USA))
Owner(s) Karaka Group Ltd & G A Rogerson
Trainer(s) Graeme Rogerson & Stephen Autridge, Tuhikaramea
Red, royal blue sleeves, emerald green armbands
Trial Form 3-7 WAPA 19 Jun H 2YO 800m (CWT) M J Walker 54.5 (2) 1/1 Wnr: PLEDGE 1:16.01 4.5L
2-11 OAMU 29 Jul S MDN 2YO 1200m Led early, trid, SCRATCHED with wnr M J Walker 54.5 (5) 1/1 Wnr: PLEDGE 1:16.01 4.5L
4-9 CANT 8 Aug H MDN 3YO 1000m Wide, handy ctr, fight on, 6.25L Javekot, 5th M J Walker 54.5 (5) 1/1 Wnr: SALUS 2.8L
24 (2-0-1-0-1-\$1050) F(0-0-0) E(0-0-0) S(1-0-1) H(1-0-0) C(1-0-0) D(1-0-1)

9 INNOCENCE (4) 53.5
ch f 3 Trustful (AUS)-A Little Fun (by Racing Is Fun (USA))
Owner(s) Messrs J W East, M J Ford & M R Woodhouse
Trainer(s) Doug Canning, Riccarton
Emerald green, yellow crossed sashes, light green armbands, black cap
Trial Form 3-7.NCRC 20 May E 2YO 800m (CWT) Wnr: STRATAGEM 50.72 HEAD, 1 1/2 LEN
5-10 CANT 26 May S 2YO 1200m Bk ctr, up top, ran on well S McCann 54 (6) 10/10 Wnr: SUN CREST 1:11.87 3.5L
9-9 ASHB 15 Jul E 2YO 1200m Bk inn, rear group top, no finish J D Laking 54 (3) 7/8 Wnr: FALCONET 1:13.46 22.7L
59 (2-0-0-0-0-\$0) F(0-0-0) E(1-0-0) S(1-0-0) H(2-0-0) C(1-0-0) D(2-0-0)

10 SALUS (7) 55
b f 3 Flying Pegasus (IRE)-Schwepps Addition (by Schweppesire Lad (GB))
Owner(s) Mrs B A & K J Thompson
Trainer(s) Kevin Hughes, Riccarton
Emerald green & light blue diagonal stripes, striped sleeves & cap
11-12 WAIM 5 Jul Fm 2YO 1200m Slow out, last, never a hope M L Hampton 54.5 (1) 4/4 Wnr: BURNING KASH 1:12.16 34.6L
5-11 OAMU 29 Jul S MDN 2YO 1200m Got bk st, chkd str, found the line S McCann 54.5 (7) 5/6 Wnr: PLEDGE 1:16.01 5.7L
1-9 CANT 8 Aug H MDN 3YO 1000m Very slow, huge fin, Javekot, 3.5L, Ignk S McCann 54.5 (9) 3/8 2nd: FLAMINY PARIS 0.5L
051 (3-1-0-0-0-\$3250) F(1-0-0) E(0-0-0) S(1-0-0) H(1-1-0) C(1-1-0) D(2-0-0)

11 THE MUSSEL MAN (9) 53.5
br g 3 Oregon (USA)-Virtual Reality (by Jugular (AUS)) N.Z.I.S.S.
Owner(s) Messrs S J Kirkland & B J Skeggs
Trainer(s) Sabin Kirkland, Ascot Park
Black, white braces (b&f), sleeves & cap
5-14 SCOT 6 Apr S MDN 2YO&LP 1100m Bk of mid ctr, bk wide inn, bold S J Durney 50 (12) 9/8 Wnr: MORAN'S PRIDE 1:9.49 2.1L
4-10 RIVN 14 Apr S 2YO 1200m Hd y enough inn, stuck on T B Moseley 55 (1) 4/3 Wnr: MAINE 1:16.4 4.9L
4-12 WAIM 5 Jul Fm 2YO 1200m Bk ctr, wid8 top, made ground K H Lange 54.5 (8) 6/5 Wnr: BURNING KASH 1:12.16 11.5L
6X544 (4-0-0-0-2-\$710) F(1-0-0) E(0-0-0) S(3-0-0) H(0-0-0) C(0-0-0) D(2-0-0)

1st..... Win \$..... Place \$..... Quinella \$.....
2nd..... Place \$..... Trifecta \$.....
3rd..... Time Place \$.....
4th..... 5th..... Margins.....

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(3)

Publication: CPL **Date:** 19 Feb 2004 **Page:** A 4

Headline: Council wears \$1m tax bungle

Author: HUME Tim

Subjects: ECONOMIC CONDITIONS; TAXATION; ECONOMICS (CHRISTCHURCH CITY; LOCAL GOVERNMENT COUNCILS)

Section: NEWS **Sub Section:** NATIONAL

Caption(s): Bob Lineham

Edition: 2 **Words:** 502 **Source:** Copyright:

The Christchurch City Council will spend \$307,000 bailing out an economic development fund after bungles over its tax status.

The Canterbury Economic Development Fund (CEDF) was landed with the unexpected bill after Inland Revenue determined tax was payable on about \$1m the council paid to the fund in the last financial year. The bill will be paid out of the council's surplus from the past six months.

The trustees overseeing the CEDF had initially received financial advice from external consultants that it would be granted tax-free charitable status by the IRD, and made grants before receiving confirmation. The fund was at the time chaired by Stuart Leck.

The CEDF distributes money set aside from the sale of the council's Orion assets to firms working on projects which contribute to the local economy and community. The fund is administered by the Canterbury Development Corporation (CDC) to keep it at arm's length from council and ensure grants are politically neutral.

The CDC has charitable status, as its aims are to stimulate economic development, but the IRD determined the CEDF could not be given charitable status because it would award grants directly to private businesses. The trust's new chairman, David Stock, directed media inquiries to the council's director of strategic investments, Bob Lineham.

Lineham said that while the blunder was disappointing, the council had decided to bail out the fund to enable it to carry out the work for which it had been established.

"We weren't responsible for this but we're the ones who have the ability to sort it out for them. They have money lined up for a number of worthy projects and if they have to deal with tax they can't use that."

The council had some concerns but did not see the point in laying blame.

While it was a "valid question" whether the trust had acted hastily in operating the fund before charitable status had been confirmed, he had no doubts about the trust's competence. "The advice the fund was getting was that (getting charitable status) was a matter of routine. They thought approval was forthcoming, so in the meantime they started operating."

To the best of his knowledge, the CDC was retaining the services of the consultants. "The advice was genuinely given. It's not a case of blaming consultants but rather the strong position taken by Inland Revenue."

Cr Barbara Stewart said she objected to the council footing the bill for the trust's blunder. "That's a considerable amount of money to come back to council. I find it unacceptable." The trust was guilty of a fundamental business error.

"They were impatient, they didn't wait. That's not a good way to go about business.

"Somewhere along the line, they should have to pick up the problem, not us."

Cr Barry Corbett was critical of the IRD's stance. "Why are the Government trying to grab money that's to be used for economic development?"

"To me, (economic development) is a good thing, that's only going to generate more tax for them eventually."