

CHRISTCHURCH CITY COUNCIL

DRAFT ANNUAL PLAN 2007/08 AND 2007 AMENDMENTS TO THE LTCCP 2006-2016

INTRODUCTION

The Canterbury Employers' Chamber of Commerce (Employers' Chamber) is a membership driven, not-for-profit business service organisation with membership in excess of 3,000. Its primary role is to assist members' enterprises to be successful as possible with the ultimate objective of ensuring that Canterbury becomes the most desired place in New Zealand to do business.

The Employers' Chamber continues to work closely with the Christchurch City Council in many areas of the Council's activity and we are pleased to be able to make a constructive contribution to the economic welfare and wellbeing of the city.

This submission is deliberately brief in the context of the draft Annual Plan 2007/08 being part of the adopted Long-Term Council Community Plan (LTCCP) 2006-2016. We also make some comment with respect to two major issues relating to the amended LTCCP – Jade Stadium and the Development Contribution Policy.

DRAFT ANNUAL PLAN 2007/08

The Employers' Chamber is disappointed to see that the already high level of 6.78% rate increase as specified in the current LTCCP is being exceeded with a probable rate of 7.35%. We have had discussions with senior Council Managers however, and we understand the rationale and the need for the 7.35% rate increase. We also appreciate that has been trimmed down by Council to 7.35% from a much higher initial estimate.

This rate increase raises two issues. The first is the continuing discipline needed inside Council to continue to examine costs, spending priorities and the nature of spend. It is very clear that the Christchurch City Council, along with many other local Councils, is going to continue to be under significant spending pressure and continue to have to make some tough calls with respect to rate increases.

Secondly, the fact that after the review by Council a likely rate is to be struck at 7.35% from an initial estimate of 13.68%, in the context of the current LTCCP, leads us to believe that there is a high likelihood of blowouts in future years, which the Council needs to anticipate and mitigate, in advance.

TO HIGHLIGHT A FEW ISSUES THAT WE ARE INTERESTED IN

1. Parking

We note that there has been a significant (\$2.4m) shortfall in parking revenue. The discussion held with Council staff we understand some of the reasons for this. However, we do consider that parking needs to be run as a business, either within or outside the Council and that there needs to be much closer monitoring of parking revenue and expenditure in the context of a more structured framework for both on-street parking and off-street parking.

2. Street Maintenance

We recognise that street maintenance is up \$4.3m on earlier estimates and that this is driven by markedly increased costs in the sector. While street maintenance is important and capital expenditure on infrastructure to support transport will place high demands on the Council, it is important that cost escalations in this area continue to be closely monitored and re-prioritising of expenditure occurs wherever possible.

3. Water

The quality of Christchurch water supply continues to remain a high priority from the perspective of the Employers' Chamber and indeed the whole community. We applaud continuing efforts to protect and enhance the water supply both in terms of availability of water and the quality of the water provided. We are strongly supportive of a user-pays basis for residential consumption of water, as we have been for many years and we look forward to the Council tracking towards the adoption of a user-pays basis with respect to residential water supply in the near future.

In the context of a draft Annual Plan largely business as usual with no changes in levels of service, we will continue to work with the Council over the coming year to ensure that the views of our members are known and that the Council is continuing to work towards being as business friendly as possible, which we see as fundamental in the context of the linkage between sustainable, profitable business and community wellbeing.

The Board of the Employers' Chamber has given careful consideration to the future of Christchurch City and with Board input, the Chief Executive submitted an article on Christchurch in the year 2011 to the Christchurch Press, which was published earlier this year. We have attached that article as part of our submission, as we believe that in your planning processes the Council (its management and its elected representatives) should aspire to deliver a city by 2011 that exceeds the vision in the article. For this reason, we place the article on record as part of our formal submission.

2007 AMENDMENTS TO THE LONG-TERM COUNCIL COMMUNITY PLAN 2006-2016

The Employers' Chamber had a meeting with Roy Baker and Mike Theelan to discuss the draft Annual Plan and the amendments to the LTCCP. We are most grateful for the time commitment made by these two and other Council senior managers to assist the Employers' Chamber Board and Management to better understand the issues facing Council. With respect to the 2007 Amendment to the LTCCP, we make the following comments:

1. Jade Stadium

We see the redevelopment of Jade Stadium fundamental in terms of providing essential infrastructure to our community. It is our view that there will be two national stadiums in New Zealand, one inevitably in Auckland and the other one in Christchurch. This is a key component of the future of our city. We, therefore, support the Council's proposal to offer a \$40m loan at commercial rates to fund the Jade Stadium redevelopment. We also support the Council's position to underwrite the \$20m balance required to complete the redevelopment in the hope that central Government and other funding sources will be successfully tapped to avoid the Council having to trigger the underwrite provision.

We are strongly supportive of the stadium walk concept and look forward to working with the Council to ensure that the linkage between the central city and the stadium is developed in a way that maximises the positive impact on the central city.

2. Development Contributions Policy

We understand the difficulty that the Council has had to reach regarding a reasonable consensus on the methodology of charging for development contributions. We applaud the Council for forming the DCPR Working Party and involving industry development representatives most affected by changes to the Council's policy. We understand that that Working Party, under the chairmanship of David Caygil has reached, with some reservations, a consensus on the way forward for development contributions for the period from 2006 to 2016 and we support the Council and the Working Party in their quest to deliver a policy that will meet the needs of all stakeholders.

We would strongly recommend the continuation of the Working Party to continue to monitor issues associated with development contributions in a collaborative way so that there is transparency and accountability, and a clear understanding of the rationale behind decisions taken.

We would also encourage the Council to undertake a thorough review of infrastructure capital work to ensure sufficient funding is in place to get Christchurch out of 'catch-up-mode' and looking into the future. The city needs to provide adequately for future business and population growth.

CONCLUSION

We thank the Christchurch City Council for the opportunity to present this submission. We look forward to working closely with the Council as a key stakeholder in the community and to assist the Council to satisfy its obligations in the Annual Plan 2007/08 and Long-Term Council Community Plan 2006-2016.

We wish to be heard in the support of this submission and thank you for your consideration.

Peter R Townsend

Chief Executive

Canterbury Employers' Chamber of Commerce

11th May 2007