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SUBMISSION

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To: **Christchurch City Council**

Submission on: **THE LONG TERM COUNCIL COMMUNITY PLAN 2009-2019**

Date: **April 16 2009**

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**SUBMISSION TO CHRISTCHURCH CITY COUNCIL ON
THE LONG TERM COUNCIL COMMUNITY PLAN 2009-2019**

1 INTRODUCTION

- 1.1 North Canterbury Federated Farmers welcomes the opportunity to comment on the Christchurch City Council's Long Term Council Community Plan 2009-2019.
- 1.2 North Canterbury Federated Farmers acknowledge any submissions from individual members of Federated Farmers.
- 1.3 **North Canterbury Federated Farmers wish to be heard in support of this submission.**

2 RECOMMENDATIONS

- 2.1 Federated Farmers recommends that Christchurch City Council should:
 - a. Make every effort to ensure that rate increases do not exceed the rate of inflation.
 - b. Increase the percentage of rates revenue raised by uniform annual charges until it reaches the 30% cap imposed by the Local Government Act.
 - c. Consider reducing the rural differential further.
 - d. Be utilising targeted rates to a greater extent, particularly for those services where certain groups receive a greater benefit.
 - e. Advocate for a significantly higher financial assistance rate for local roads.
 - f. Provide in its planning documents a list of rates for benchmark properties.
 - g. Provide itemised rates accounts to its ratepayers.
 - h. Fund the Banks Peninsula Conservation Trusts' work on Banks Peninsula.

3 INCREASE IN RATES

- 3.1 The financial overview (page 8 of the Summary) states that there will be an increase of 3.90% in the rate income for the year 2009/2010. Federated Farmers appreciates that this is much lower than last years 7.58% increase.
- 3.2 Federated Farmers also appreciates that the proposed rates increases are significantly reduced from those forecast in the LTCCP 2006-2016. By keeping the rates increase to under 5% as opposed to predicted rates increase of up to 10%, the Christchurch City Council has acknowledged how unsustainable (page 8 of the Summary) such large rises are.
- 3.3 **Recommendation: That the Christchurch City Council makes every effort to ensure that rate increases do not exceed the rate of inflation.**

4 UNIFORM ANNUAL GENERAL CHARGE

- 4.1 The Uniform Annual General Charge (UAGC) has been set at \$115 and will raise 8.5% of the rates revenue (this does not include the targeted rates for water and sewage). Federated Farmers believes that this percentage is too low. The UAGC has only raised \$15 since 1996 and as the total rates revenue grows the proportion collected from the UAGC has been steadily decreasing. Federated Farmers recommends that the Christchurch City Council should raise over time the amount of the UAGC until it reaches the 30% cap of the total rates revenue collected as stated in the Local Government Act.

4.2 Within the current property-based rating system, Federated Farmers supports the use of uniform annual charges to meet the costs of people-based services where everyone gets the same level of benefit. Federated Farmers believes that Christchurch City should be making more use of the uniform annual general charge.

4.3 We understand there are concerns regarding the fairness of the UAGC for those with lower property values. We appreciate with these concerns and we submit that under the current system of local government funding the UAGC is the best way to fund people-based public goods where everyone benefits equally. We note that the Government's rates rebates scheme is planned to address these concerns.

4.4 **Recommendation: Federated Farmer recommends that the Christchurch City Council continues to increase the percentage of rates revenue raised by uniform annual charges until it reaches the 30% cap imposed by the Local Government Act.**

5 RURAL (FARMING AND FORESTY) DIFFERENTIAL

5.1 Federated Farmers welcomes the continuation of the 0.75 rural differential. The differential addresses the reality that (compared to urban residents) rural ratepayers:

- Receive a lower standard of service (e.g., no footpaths, street lighting, or rubbish collection, etc).
- Are located further from council services and will therefore use these services less (e.g., lack of adjacent parks, museums, libraries, etc).
- Will see less of an influence of council services on property values (e.g., farm land may not be enhanced by community services)

5.2 However, due to the current rating system based on capital values of property valuations, farmers (particularly those in outlying and remote areas of Banks Peninsula) still face a large rates burden completely disproportionate to the level of service provided. In the absence of any increase in the UAGC or greater use of targeted rates, we consider there are reasonable grounds for an even lower rural differential. This is highlighted by the inner harbour land owners continue to pay a higher rates based on their very high property valuations, yet they are not receiving a level of service commensurate with their rates.

5.3 **Recommendation: Federated Farmers appreciates the maintenance of the 75% differential and submits that the Christchurch City Council should consider reducing the rural differential further.**

6 MULTIPLE UNIFORM ANNUAL GENERAL CHARGE

6.1 Many of our members farm multiple titles as one economic unit and often these titles are held in different names (e.g., husband and wife, brothers, trusts, etc). Federated Farmers understands that Christchurch City's policy is that land held as one economic unit but in multiple titles will be charged only one UAGC if the land is contiguous (i.e., the titles touch).

6.2 Furthermore, if a title is non-contiguous (e.g., separated by a neighbour's land) but still forming part of the economic unit we understand that the Christchurch City Council has discretion to not charge a separate UAGC. This is an important issue for our members and we welcome Christchurch's approach as fair and reasonable.

6.3 We appreciate the continuation of this policy.

7 TARGETED RATES

7.1 Federated Farmers notes that the Christchurch City Council only has a small number of targeted rates. These are for water supply, excess water, fire service connection, land drainage, sewage, waste minimisation, Governors Bay water and sewer loans. These together raise 34% of the total rates revenue.

7.2 Federated Farmers supports the use of targeted rates as they provide transparency. Under the current property value based system for funding local government, targeted rates are important for reducing cross-subsidisation within the rating boundaries. For the same reason we also support a shift in rates revenue from the general rate to targeted rates.

7.3 Federated Farmers believes that the Christchurch City Council needs to further utilise targeted rates. The Council has the opportunity to maximise the use of targeted rates for activities where certain groups/businesses in the community receive a greater benefit.

7.4 **Recommendation: Federated Farmers recommends that targeted rates should be utilised to a greater extent, particularly for those services where certain groups receive a greater benefit.**

8 ROADING

8.1 Roading is an incredibly important council service for rural residents. Federated Farmers would like to congratulate the Christchurch City Council on the continuing maintenance of the bridges on Banks Peninsula. We would also like to thank them for the opportunity to work alongside the roading contractors during winter to ensure that we have access to our community. We are also very appreciative of the storm damage repair work during 2008.

8.2 The Council also needs to be aware of the increased tourist traffic within a Banks Peninsula, especially into the more isolated areas. The infrastructure required for the increased tourist traffic needs to be put in place.

8.3 Federated Farmers considers that roads should be funded according to road use and not the value of the property. Using rates based on property value does not take into account the road usage caused by different businesses. Due to this Federated Farmers advocates for a flat 90% financial assistance rate for all local authorities.

8.4 **Recommendation: Federated Farmers recommends that the Christchurch City Council should advocate for a significantly higher financial assistance rate for local roads.**

9 BENCHMARK RATES

9.1 We urge the Christchurch City Council to keep the rating system under constant review, regularly examining the cost of rates to individual ratepayers and comparing the contributions of different ratepayer to services from which everyone benefits. To this end we would like to encourage the Christchurch City Council to provide a table of rates on example properties on the district, so that we can see what the average farm, commercial, and residential properties are contributing. The table on page 46 of the draft LTCCP is of only limited use as the value only goes as high as \$1 million

and most farms (being land intensive businesses) have property values significantly in excess of that. Waimakariri District provides in its LTCCP a list of what an average household will pay in various parts of the district. A copy of this list is attached.

- 9.2 **Recommendation: Federated Farmers recommends that the Christchurch City Council should provide in its planning documents a list of rates for benchmark properties.**

10 ITEMISED RATE ACCOUNTS

- 10.1 Federated Farmers submits that the Christchurch City Council should provide itemised rates assessments to its ratepayers so they may see how much of their rates will be spent on each area of service. Itemised rates accounts are an important, easily understood accountability tool that is simple and cost effective to implement. A number of other local authorities already do so and there is no credible reason why the Christchurch City Council should not do the same. Attached is an example of an itemised rates account from Wairoa District Council that we suggest the Christchurch City Council could model its itemised rate sheet on.

- 10.2 **Recommendation: Federated Farmers recommends that the Christchurch City Council should provide itemised rates accounts to its ratepayers.**

11 SUPPORT FOR INDIGENOUS BIODIVERSITY ON BANKS PENINSULA

- 11.1 Federated Farmers would like to see the Christchurch City Council funding the Banks Peninsula Conservation Trust in its work on Banks Peninsula. The landowners of Banks Peninsula highly respect this organization and are involved in the many 'streams' of work that the Trust is carrying out e.g. offering land for Covenanted and management, bird monitoring, weed and pest control over and above the normal requirements, assisting with sustainable land management, Weed and Pest strategies, and so on. Having a team of focused, dedicated staff and leaders in the community will ensure that our indigenous biodiversity is valued and managed appropriately.

- 11.2 **Recommendation: Federated Farmers recommends that the Council funds the Banks Peninsula Conservation Trusts' work on Banks Peninsula.**

HAVING YOUR SAY cont.



Wairoa District Council

PO Box 54, Wairoa 4160 Phone: 06-838 7309 Fax: 06-838 8874
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Your Investment in the Community

This is a breakdown of your Rate Assessment Notice on page 1.

Community Representation	222.23
Library	71.27
Maori Liaison	18.74
Economic Development	11.28
Safer Communities	9.28
Total Uniform Annual General Charge	\$332.90
Airport	19.44
Planning	46.84
Health	16.33
Emergency Management	312.87
Animal Control	16.10
Sundry Property	35.31
Forestry	23.91
Total General	\$470.80
Economic Development	18.46
Community Support	53.55
Community Halls	1.10
Cemeteries	15.76
Building	17.39
Planning & Resource Management	22.76
Health Control & Safety	16.20
Liquor Licencing	2.25
Emergency Management	5.78
Animal Control	23.95
Roading (Parking)	6.50
Total Services	\$183.70
Roading	4,226.80
Total Rooding	4,226.80
Stormwater & Drainage	26.80
Total Stormwater & Drainage	\$26.80
Parks & Reserves	482.10
Total Recreation	\$482.10
Waste Management	135.70
Total Waste Management	\$135.70
Total Investment In The Community	\$5,723.10

DRAFT TEN YEAR PLAN

Financial Overview



Rates Movement for an Average Household

	2009/10 Average Land Value \$	2009/10 Estimated Rate (including price level adjustments) \$	Increase from 2008/2009	2018/19 Estimated Rate (including price level adjustments) \$	2018/19 Cumulative Increase 2008/09 to 2018/19
Kalapoi Urban	140,000	1,829	0.5%	2,123	16.6%
Rangiora Urban	124,000	1,777	2.3%	2,235	28.7%
Oxford Urban	122,000	1,964	1.6%	2,494	29.0%
Woodend Urban	145,000	1,905	2.2%	2,212	18.6%
Pegasus	208,000	1,993	(8.6)%	2,544	16.7%
Ashley/Sefton	97,000	687	3.8%	969	46.3%
Cust	172,000	1,411	8.2%	2,147	64.7%
Fernside	234,500	2,882	2.2%	3,766	33.5%
Garrymere	307,000	2,115	5.0%	2,859	42.0%
Mandeville	225,000	1,929	3.1%	2,621	40.1%
Ohoka	218,000	1,507	3.6%	2,293	57.6%
Oxford Rural No. 1	640,000	2,442	10.8%	3,629	64.7%
Oxford Rural No. 2	448,000	1,662	11.0%	2,587	72.8%
Pines & Kairaki	128,000	1,665	1.1%	2,034	24.3%
Poyntz Road	222,000	1,530	2.2%	2,402	60.4%
Rangiora Rural	434,000	1,314	13.1%	1,902	63.6%
Summerhill	433,000	2,092	6.8%	2,779	41.9%
Tuahiwi	119,000	1,335	0.4%	1,566	17.7%
Waikuku	154,000	1,688	1.0%	2,089	25.0%
West Eyreton	168,000	1,717	4.8%	2,072	26.4%

Table 4