LTCCP 2006-16 SUBMISSION

Submissions close on 5 May 2006

I wish to talk to the main points in my submission at the hearings to be held between Thursday 25 May and Wednesday 7 June 2006.

I am completing this submission: On behalf of a group or organisation	**Number of people you represent:** 100
My submission refers to: Full Version of the LTCCP	**Page Number:**

I also want to respond to:

Name:	Lindsay Carswell
Organisation:	Christchurch Civic Trust
Daytime Phone:	389 4819
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Address:	P.O.box 1927 CHRISTCHURCH
Your Submission:	**Do you have any comments on the major projects in our Draft Community Plan?**

CHRISTCHURCH CITY COUNCIL
2006 LONG TERM COUNCIL - COMMUNITY PLAN (LTCCP)

SUBMISSION BY CHRISTCHURCH CIVIC TRUST INC.

The Christchurch Civic Trust
P.O. Box 1927
CHRISTCHURCH

Contact phone: 03 389 4819

The Civic Trust wishes to speak on the main points in this written submission at the hearings to be held between Thursday 25 May and Wednesday 7 June 2006.

The Civic Trust also requests that the Council Officers report on the submission, be sent to the Civic Trust in advance of the hearings.

Peter Dyhrberg
Chairperson
Christchurch Civic Trust

CHRISTCHURCH CITY COUNCIL
2006 LONG TERM COUNCIL - COMMUNITY PLAN (LTCCP)

SUBMISSION BY CHRISTCHURCH CIVIC TRUST INC.

The Christchurch Civic Trust Incorporated, (the "Trust") has serious concerns regarding the recent Christchurch City Council (the "Council") decisions and policies regarding:

(a) the amendments to "Definition of Strategic Assets"; and
(b) Policy on Significance; and
(c) the sale of part of the equity in the Lyttelton Port Company; and
(d) the removal of City Care Limited and Red Bus Limited from the list of strategic assets; and

Your Submission (Cont'd):	(e) the use of a single asset company, a Council Controlled Trading Organisation (the "CCTO") to purchase the land, construct and lease the new civic offices to the Council; and (f) the removal of all the Council's land and buildings, used for its public rental housing provision, from the list of strategic assets; and (g) the Central Plains Water Trust; and (h) the Selwyn Plantation Board Ltd. (a) Definition of Strategic Assets At the Council meeting of 2nd February 2006, the Council resolved that the definition relating to strategic assets owned by the Council as companies, be changed from "its equity in ." to "controlling interest". Section 5 of the Local Government Act 2002 (the "Act") defines strategic asset for a port company as: (c) any equity securities held by the local authority in- (i) a port company within the meaning of the Port Companies Act 1988: The Trust considers that the Council, in respect of the Lyttelton Port Company (the LPC"), did not have the statutory power to alter the definition of the Council's holding of the Lyttelton Port Company as a strategic asset since it is already defined within the Act. (b) Policy on Significance The Council amended the Policy on Significance at a Council meeting of 2nd February 2006, where it increased the operating expenditure criterion from $500,000 to $1,000,000. Although the 2006 LTCCP records the change, "Changes to the Policy", refer Pg. 291, the Trust considers that the requirements of Section 77, 84 and 90 have not been followed. (c) The proposed sale of part of the equity in the Lyttelton Port Company At the Council meeting of 9th February 2006, the Council resolved to sell part of its shareholding in the LPC, and upon acquiring 100% of the shares, Christchurch City Holdings Limited (the "LCCHL") would sell 49.9% of the shares to Hutchison Port Holdings Ltd. However Section 97 states, Certain decisions to be taken only if provided for in long-term council community plan (1) This section applies to the following decisions of a local authority: (b) a decision to transfer the ownership or control of a strategic asset to or from the local authority: (2) A local authority must not make a decision to which this section relates unless- (a) the decision is explicitly provided for in the council's long-term council community plan; and (b) the proposal to provide for the decision was included in a statement of proposal under section 84. The Trust is concerned that the Council appears to have failed to comply with Section 97 of the Act with its proposal to sell part of the equity securities in the LPC. The decision by Council to sell part of the equity securities in the LPC was not contained in the LTCCP 2004 and appears to be ultra vires. (d) The removal of City Care Limited and Red Bus Limited from the list of strategic assets The decision to remove City Care Limited and Red Bus Limited from the list of strategic assets at the Council meeting of 2nd February 2006. A reading of Section 90, Policy on significance, provides that (1) Every local authority must adopt a policy setting out- (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and (b) any thresholds, criteria, or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, decisions, or other matters are significant.

Your Submission (Cont'd):	(2) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets. (3) A policy adopted under subsection (1) may be amended from time to time. (4) A local authority must use the special consultative procedure both in relation to- (a) the adoption of a policy under subsection (1); and (b) the amendment, under subsection (3), of a policy adopted under subsection (1). The Trust considers that the strategic assets listed under subsection (2) form part of the policy and that any amendment to the list triggers subsection (4). There are other reasons why these two entities should remain as strategic assets. For instance, City Care Limited operates and maintains many of the strategic assets owned by the Council, eg the Reserve lands. Also, City Care ensures that there is capacity in the market to meet the Council's emergency obligations. Refer Pg 232 20006 LTCCP. Removal of Red Bus Limited and City Care Limited from the list of Strategic Assets is a decision with a high degree of significance which requires the Special Consultative procedure to be undertaken. In adopting the recommendations from CCHL at the Council meeting of 2nd February 2006, without considering Section 83 or Section 84, it would appear that the Council has not complied with its statutory obligations. (e) The new Council Civic Office The Council intends to use a single asset company, a Council Controlled Trading Organisation (the "CCTO"), to purchase the land and construct and lease the new Civic Offices to the Council. The CCTO would borrow to fund the acquisition and construction. The Council intends to use a dormant directly-owned company, Travis Finance Limited, for the purpose. The report prepared for the Council, the "Deloitte report", advises there would be no impact on the Council's LTCCP since the company would be owned "off-balance sheet" and that, based on Council advice, special consultation would not be required as long as the existing company was used. However, the Trust believes that it is a matter that has a high degree of significance, in terms of the criteria set out in the Policy on determining significance in the 2004 LTCCP and proposed to be amended in the 2006 LTCCP. At the very least, the decision is likely to have a major impact on the council's credit rating. The proposed new Council Civic Office should be stated as a proposal in the 2006 LTCCP. Refer "Policy on determining Significance " Pg. 292 2006 LTCCP, "Significant Decisions". (f) The removal of the public rental housing provision from the list of strategic assets It is possible that the removal of Public rental housing provision from the list of strategic assets is a drafting error. However if this is not the case, then the Trust would be very concerned. Refer (c) above, but with the added rider that the Council has made no decision to remove the Public rental housing provision from the list of strategic assets. (g) The Central Plains Water Trust The Trust is concerned that the "Policies and objectives relating to ownership and control" of the Central Plains Water Trust, state "The Council, through its involvement with the Trust, (the Central Plains Water Trust) hopes to mitigate the adverse effects of any proposed scheme on its own water supply", refer Pg. 235 2006 LTCCP. This is at variance with a Council objective for managing the City's water supply "To conserve and protect the long-term availability and quality of the City's water", refer Pg 164, 2006 LTCCP. This objective is to be achieved when "Quality water is available for the future needs of the City". The Council, with a core function of responsibility for the quality of Christchurch's water supply, appears to have a conflict of interest as a result of its involvement with the Central Plains Water Trust.

Your Submission (Cont'd):	(h) Selwyn Plantation Board Ltd The Trust understands that CCHL is currently evaluating its shareholding in Selwyn Plantation Board Ltd and whether a disposal of its interest in this company would result in greater value to CCHL and the Council than continued retention. CCHL is yet to report to the Council over this matter. However the Trust believes that this is a matter that has a high degree of significance in terms of the criteria set out in the 2004 LTCCP and proposed to be amended in the 2006 LTCCP. The proposal to dispose of its interest in this company should be stated as a proposal in the 2006 LTCCP. Refer "Policy on determining Significance" Pg. 292 2006 LTCCP, "Significant Decisions".
	Do you have any comments on groups of activities (The activities and services the Council provides?)
	Do you have any other comments or suggestions you want to make?