



**Jim Anderton MP for Wigram, Leader of the  
Progressive Party, and the Christchurch  
membership of the Progressive Party**

**Submission on the Draft Christchurch City  
Council  
*Our Community Plan 2006 to 2016 –  
Christchurch O-Tautahi***

Presentation to the Hearings

The Progressive Party would like to be heard at the hearings to be held between 25 May and 7 June 2006 in support of this submission.

Submission Completed For

This submission has been completed on behalf of Jim Anderton MP for Wigram, Leader of the Progressive Party, and the Christchurch membership of the Progressive Party (956 people).

Page References

All page references in this submission refer to the full version of volume 1 of the draft LTCCP.

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This submission comments on a number of activities of the city council, including:

- Representation
- The LTCCP Publication
- Debt
- Rates increases
- Sale of assets
- The capital works programme
- Service reductions (e.g. library and pool closures, the mobile library, service centres)
- Community support
- Economic development
- Policy on Determining Significance
- Strategic assets (e.g. Housing, Red Bus, City Care, Lyttelton Port)
- Proposed Council Building
- Christchurch City Council and ECAN

# Our Community Plan Submission Form

## Instructions

Please read before completing your submission

It will help us process your submission if you clearly state the issue you want the Council to consider, what specific action you think the Council should take, and why that should be done.

If you wish, you can present your submission at a hearing (if that is the case, please tick the box). The hearings will be held between Thursday 25 May and Wednesday 7 June 2006. Generally, 10 minutes are allocated for hearing each submission, including time for questions.

It will help us if your submission also refers to the page of either the full version or the summary version.

Please note: We are legally required to make all written or electronic submissions available to Councillors and to the public. This includes the name and address of the submitter. All submissions will be published on the Council's website from 10 May 2006.

No anonymous submissions will be accepted.

You may send us your submission:

By mail

Please mail your submission (no stamp is required) to:

Freepost 176  
Our Community Plan  
Christchurch City Council  
PO Box 237  
Christchurch 8003

By email

Please email your submission to:

ccc-plan@ccc.govt.nz

Please make sure that your full name and address is included with your submission.

On the internet

You may enter your submission using the form provided on the Council's web site at

<http://www.ccc.govt.nz>

Please follow all the instructions on the web site.

Please remember to indicate if you wish to present your submission in person at one of the hearings.

Please ensure your submission arrives no later than Friday 5 May 2006.

## Your submission

You may use this form for your submission on our draft Community Plan if you wish. Whether you use this form or not, please include your name, address and contact telephone number with your submission.

TICK  
OR

I do NOT wish to present my submission at the hearing, and ask that this written submission be considered

OR

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

Are you completing this submission:

For yourself

☒ On behalf of a group or organisation

If you are representing a group or organisation, how many people do you represent?

My submission refers to:

Full version

Page No.

Summary version

Page No.

Do you also want to respond to:

Development Contributions

Aquatic Facilities

Other

Contact Name

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Organisation name (if applicable)

Progressive Party

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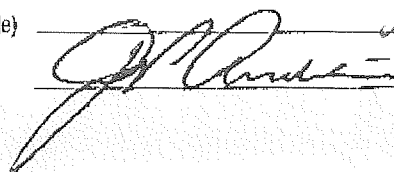
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Signature



Date

5/5/06

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## **1 General**

The Progressive Party notes that the CCC performed well in the Consumer magazine survey undertaken in 2004, and has the lowest rates of all major New Zealand cities. We recognise that this performance is based on the work undertaken by previous councils and would encourage this and future Councils to maintain the existing fundamentals in terms of provision and access to services and programmes.

In principle, the Progressive Party is not opposed to rate rises to maintain and improve services. We are not in a position to comment meaningfully on the proposed capital works programme because of the lack of detailed information about each of the proposed programmes. However, the proposed 49% increase in rates revenue and near quadrupling of Council debt over the next six years is of real concern. The bulk of these proposed increases results from the extensive capital works programme.

The Council should re-examine the timing of its proposed capital works programme with a view to spreading out over a longer time frame the proposed rates and debt increases.

### **1.1 Representation**

The Progressive Party is concerned about the representation received by residents. Community Boards are an important component of this representation, and we support their continuance at current or expanded levels. The lack of information on the role and authority of Community Boards in the city's governance in the draft LTCCP should be clarified in the final LTCCP.

The reduction of the number of City Councillors from 24 to 12 at the last local government election represented a significant step-back from democracy. Decision making is less rigorous and accessibility to this senior level of decision making reduced. We support an increase in the number of elected City Councillors.

Furthermore, it seems that elected Councillors and Community Board members are being discouraged from making contact with Council staff or criticizing Council outcomes and the way projects are implemented. While recognizing that the Christchurch City Council must be a supportive employer to staff, and under the Local Government Act the Chief Executive has the responsibility for the management of staff, under our democratic process elected representatives also have an important function to be accountable to voters and inform the public of their concerns.

We acknowledge the distinction between governance and management roles between elected members and staff. However, when an issue of concern to a resident is raised with an elected member, it is important that the representative has an open channel of communication to staff in order to advocate for, and represent, that resident. This is an important part of the accountability process for elected members.

For example, at one stage all elected members were instructed by the CEO that if they wanted to advocate for a resident's concern, they were not to approach council staff, but were to refer all such matters through the "Refer For Service" Call Centre which is available for all residents. Although this policy has since become more flexible, it indicates a Council attitude that at times has obstructed the democratic role of the elected representatives for the citizens of Christchurch.

### **1.2 The Draft LTCCP Publication**

The LTCCP draft document as printed was an example of the excessive use of council resources for very little return. Of the 304 pages, 37 are full colour glossy photographs, 24 include a half or near half page photo, and 28 pages contain a quarter page (or less) photo. This represents approximately 56 pages of unnecessary material in the document – that is about 20% of the document is unnecessary.

Whilst we acknowledge that the published draft LTCCP was an attractive document, we feel residents would be better served by having better information such as:

- a glossary and index to facilitate understanding of and access to information
- better information presentation such as more graphs showing changes in actual rates, actual debt, and expenditure and costs
- meaningful information about the changes in services and charges
- information on the levels of shareholding in assets
- a meaningful list of Christchurch City Council and Christchurch City Holdings Ltd assets

This is by no means an exhaustive list and the Progressive Party asks that the Council follow up on this LTCCP process with a consultation with submitters to identify information that we would like included in future LTCCPs.

## **2 Financial Overview**

### **2.1 Debt**

The draft LTCCP outlines a borrowing programme which will increase the Christchurch City Council's debt from \$69.45 million to \$262.86 million in 2011/12 (page 177). The associated interest costs rise from the current \$5.5 million to \$18.5 million over the same period (i.e. from 2.7% of rates income to 6.1% of rates income and that rates income has increased by 49% over that period – see 2.2 below).

There is no statement in the draft Plan as to the expected consequence to the Christchurch City Council's and Christchurch City Holding's credit rating (both of which are currently AA), and the consequential cost of borrowing. Assuming in this submission that the 'Significant Forecasting Assumption' made by the Council on page 197 that the cost of borrowing will be 6.85% is based on this AA rating, what will happen to the credit rating (and therefore costs of borrowing) with such a large increase in Christchurch City Council debt over 6 years.

### **2.2 Rates Increases and Volatility**

The Christchurch City Council is proposing a significant and volatile rates growth programme, ranging from between 3.03% and 10.75% in the next six years (page 65). This amounts to a 49% increase in the rates take over that period. Given that the number of households is expected to increase by only 4.2% over this period (page 13 - Volume 2 - Development Contributions Policy) the burden of this increase will fall on existing residents.

The impact on rates and rents of this volatility will be serious (especially for those on low fixed incomes). The Progressive Party would like to see a more stable approach being adopted, with increases smoothed out to lessen the year on year impact.

We would like Council to make adequate provision for resources to be allocated for the purpose of publicizing the Government's rates rebates scheme. This will allow the opportunity for ratepayers on low incomes to make application for a rates rebate.

### **2.3 Assets Sales**

The Financial Overview (page 65) states that the Council proposes to raise \$26.3M from the sale of assets over the 10 years to 2015/2016. The draft LTCCP details one asset sale which will raise \$0.4 million (i.e. Papanui pool). The Progressive Party would like to see a detailed statement included in the final LTCCP detailing what assets are being considered for sale to raise this revenue.

The Progressive Party is concerned that the removal of City Care and Red Bus from the list of strategic assets will allow any future sale of these assets by the Council without the public scrutiny of a Special Consultative Procedure which is required of Strategic Assets. We would therefore like the Council to signal its intention to retain these assets by maintaining their inclusion in the list of Strategic Assets.

### **3 Capital Works Programme**

#### **3.1 General**

The Council is planning an extensive and high value capital expenditure programme that will significantly impact on rates and Council debt. It is impossible given the lack of detailed information to make a meaningful analysis of the proposed capital expenditure and therefore to provide informed comment. Therefore the Progressive Party would like the final LTCCP to include a detailed itemized breakdown of how this expenditure will be spent.

#### **3.2 Corporate Capital Expenditure**

The Council has budgeted \$46 million dollars for Corporate technical projects in the next 3 years (page 84), and \$155.389 million over the next 10 years. Though technical projects are defined as being for the city's infrastructure (page 82) there is no accessible information in the draft LTCCP as to what this expenditure specifically relates to. The Progressive Party ask that this information be included under the Council Activities and Services section of the final LTCCP.

#### **3.3 Land Purchase Debt Funding Policy**

The Christchurch City Council proposes to raise a single specific loan of \$60 million (page 72) to fund strategic land purchases, then place this money in an interest bearing account until it is spent (page 72 and page 82) and that "borrowing costs will be balanced by interest earned on the fund money" (page 82). It is unlikely that all borrowing costs will be recovered by interest earned.

The Progressive Party would like the city council to raise finance for land purchases at the time of purchase. This strategy would save rate payers the cost of servicing unnecessary and un-utilized debt, and spread the debt burden over time.

#### **3.4 Essential Capital Projects**

##### **3.4.1 Civil Defence Building (page 72)**

The Progressive Party recognises that Christchurch must have first class civil defence facilities, and supports the inclusion of capital funding for this. However, we wonder if this facility could be incorporated in some way into the new Civic Office facility (if this goes ahead) as a way of consolidating the city's essential civil defence decision making and reducing the capital cost of \$3.6 million required for a separate facility.

#### **3.5 Discretionary Projects: non-priority**

##### **3.5.1 Main Road Planting (page 74)**

To quote from the Christchurch City Council's tourism website ([www.christchurch.org.nz/](http://www.christchurch.org.nz/)), Christchurch is "Internationally famed [as] 'The Garden City'" whose "... well-established expansive parks and public gardens owe much to the planning and foresight of the city's founding fathers" and "It is a vision which is embraced and perpetuated today by proud residents right throughout the city."

The Progressive Party shares this vision and applaud the allocation of \$17.2 million for tree renewal over the next 10 years under the essential capital projects category (page 72), and the \$11.1 million dollars allocated for the Botanic Gardens project under the discretionary projects – priority category (page 73). We would encourage the city council to include Main Road Planting as a priority discretionary project.

Unfortunately it has to be said that street plantings and Christchurch City's reputation as the 'Garden City' is somewhat tarnished because of the falling quality of this aspect of Christchurch's environment compared to the high quality of a number of other New Zealand cities in recent years.

##### **3.5.2 Aranui Learning Centre (page 75)**

The Progressive Party believes the Aranui Learning Centre should be built, and sooner rather than later. Aranui is an area of high deprivation. The proposed Learning Centre with its strong emphasis on technology and resources is important for the further development of this area. Therefore we would like to see it included as an essential capital project. The required funding of \$150,000 for 2006/07 is a small amount compared to the benefits which will be derived from the Centre.

## 4 Council Activities

### 4.1 General Comments

The draft LTCCP Council Activities financial information is unwieldy, requires time to interpret and is inaccessible to the general public. Operational expenditure and revenue information should be summarised, where it occurs, in terms of % decrease (for expenditure) and % increase (for revenue).

This information would allow the public to quickly identify where:

- expenditure is being reduced and likely to affect services or programmes, and
- revenue is increasing at a rate above inflation and likely to significantly affect charges.

### 4.2 Council's Proposed Reductions and Fee Increases

In general, the service reductions (page 86) and fee increases (page 87) listed do not appear to cover the complete list of increases and reductions presented in the budget. The final LTCCP should itemize every fee increase and service reduction proposed in a separate table so residents and stakeholders can readily access this information.

Questions and gaps of information which should to be addressed regarding fee increases and service reductions are discussed in 4.3 below.

#### 4.2.1 Service Reductions (page 86)

##### 1. **20% Reduction of Community Halls**

This amounts to the closure of 8 or 9 community halls. The Progressive Party recognises the need to reconfigure city wide community halls over time. We ask that in each case this be done with full consultation of users through Community Boards, and in each case the Council help the user identify and access a viable alternative.

##### 2. **Rationalise Community Libraries**

We agree with the Council that the library network is a strategic asset as listed on page 294. While recognizing that in some cases change is inevitable, libraries are the best and cheapest mechanism for accessing a range of information services for many people. As such they are a core part of the communities they are in.

At this time we are opposed to the closure of any library in Christchurch. Any closure should only be undertaken with the agreement from the local community, that community being satisfied that the alternative library services are as (or more) readily available and accessible.

##### 3. **Mobile Libraries**

The Progressive Party is opposed to the closure of the mobile library service. This service is a critical access point to library services for many immobile residents (which is recognised by the council by its listing as a strategic asset – page 294). In the event of any library closures this service becomes more important. The potential saving of \$80,000 is insignificant in this context. To turn around decreasing issues from the mobile library the Council should look at more and better marketing, and extending the service.

##### 4. **New Zealand Post for Council Payments Mobile Libraries**

The use of New Zealand Post outlets to replace Service Centres for council payments is opposed. Service Centres are an important point of contact between residents and the Council, and an important source of institutional knowledge for residents. This service should be maintained at existing levels. However, the use of New Zealand Post outlets to **supplement** Service Centres is supported. This would provide more choice and better convenience for residents making council related payments.

##### 5. **Riccarton and Hornby Sub-Agencies Closure**

Service Centres are an important point of contact between residents and the Council. It is important that west Christchurch has at least one Service Centre and we oppose the closure

of both these agencies. Either one must remain open or a new agency supplying that part of the city must be established in the event of the closure of both.

**6. Swimming Pool Closures**

The Progressive Party congratulates the Christchurch City Council and endorses the Aquatic Facilities Plan (page 134) in terms of the expansions of the Jellie Park, and Pioneer facilities, and the development of new facilities in the west and east. We would encourage the Council to undertake both the closure of existing facilities and the development of new facilities in close consultation and cooperation of users, such as schools, families, and the elderly, to ensure that facilities are as accessible as possible.

We note that a gap of 10 years exists between the proposed closures and the development of new facilities covering the areas affected by closures. The Council should implement an interim plan (such as extended bus services) to ensure that those affected by closures can readily access nearest adjacent facilities.

**4.3 Other Issues around Council Activities**

**4.3.1 Community Support**

**1. General – Operating Expenditure**

The Community Support budget (page 101) shows reductions in operating expenditure over the next few years for the following items:

- Civil Defence and Rural Fire
- Community Support
- Halls and Conveniences

The Progressive Party is opposed to any Community Youth Development programmes being cut from the Community Support budget.

The final LTCCP should list the specific services and programmes which will be cut (with the exception of Halls and Conveniences which has been covered on page 86 of the draft LTCCP).

**2. General – Operational Revenue**

The Community Support budget (page 101) shows increases in operating revenue from fees and charges. The final LTCCP should list the specific services and programmes which will see increases in fees and charges.

**3. Housing**

The Council provision of affordable quality housing is one of the cornerstones of Christchurch as a great place to live for all. Through it we mitigate the extreme effects of poverty (such as people sleeping in the streets) and provide those people who are unable to afford market priced housing the dignity and health benefits of a dry roof over their heads. Any review to the way the Christchurch City Council delivers housing (page 22) must include input from all interested parties and stakeholders from the initiation of the review. The Progressive Party declares itself as an interested party, and asks to be informed if and when the proposed review is undertaken.

The fact that Housing is omitted from the list of strategic assets is of concern to us, and is discussed further in section 6.1 of this submission.



#### 4.3.2 Economic Development

##### 1. **General – Operating Expenditure**

The Economic Development budget (page 119) shows reductions in operating expenditure over the next few years for the following items:

- Economic Development
- Visitor Promotions

The Progressive Party is opposed to any reduction to the funding (in both real and actual terms) to the Canterbury Development Corporation which has and is achieving positive outcomes for business and employment in Christchurch. The CDC is a cornerstone Christchurch agency delivering invaluable services and assistance to many start-up and existing businesses and is an important component in the continued growth of Christchurch.

##### 2. **Visitor Promotions**

The Council Vision that Christchurch will be "... a 'must see' for visitors to New Zealand" (page 8) is strongly supported. We note that the Christchurch City Council acknowledges that "Tourism continues to be a significant component of the city's economy" (page 40). As such we oppose the proposed 12.9% decrease in the Visitor Promotions budget for 2007/2008 (page 119). This step seems in direct opposition to the Council's 'vision' for Christchurch as a 'must see' destination for tourism.

## 5 **Policy on Determining Significance**

The Progressive Party disagrees with the new definition given by the Council for a strategic asset i.e. "those assets which provide an irreplaceable piece of the city's infrastructure" (page 291). With the exception of recreational land and open spaces, waterways and wetlands, very little is irreplaceable. The definition should focus on the consequences of the loss of the asset to the city, and the effects of the loss of the asset on Council strategic directions and community outcomes, for the duration of the period that it takes to replace a lost asset. The replacement cost is also an important consideration.

For these (among other) reasons we oppose the omission of Housing (discussed in item 6.1 of this submission), and the removal of the Red Bus company (discussed in item 6.2) and City Care (discussed in item 6.3) from the list of strategic assets.

## 6 **Strategic Assets**

The Progressive Party is opposed to any reduction of the shareholding of strategic assets by Christchurch City Council or Christchurch City Holdings Limited. However, the definition of strategic assets as being a "controlling interest" in the asset will allow for such a reduction in shareholding without public consultation. As such, we submit that the final LTCCP use the term "current equity" to replace the term "controlling interest".

### 6.1 **Housing**

The omission of housing from the list of strategic assets (page 294) is a serious concern. The Progressive Party would strongly oppose any moves by the Christchurch City Council to sell any of its housing portfolio. As such the final LTCCP should include housing in the Christchurch City Council's strategic asset list, and make a clear statement to the effect that the Christchurch City Council will not sell any of its housing asset.

Also the statement on page 97

"... Council will be reviewing Housing in the next year to decide how this can be expanded with new partners (e.g. Housing New Zealand) to continue to meet the needs of the Christchurch housing market"

needs clarification. What actions will be taken by Christchurch City Council and how would the partnerships work.

The Progressive Party believes the provision of housing is a significant activity and asks that it be included as a separate item in the list of significant activities (page 291).

## **6.2 Red Bus Company**

The Progressive Party congratulates the Christchurch City Council and Red Bus Limited for the strong passenger growth and increased service levels seen in recent years and we agree with the Council that public transport forms part of Christchurch City's "key infrastructure" (page 27). For that reason we oppose the removal of the Red Bus company from the list of Council strategic assets. We would also oppose any moves by the Council to reduce its ownership level in Red Bus Limited.

We are concerned that the only reason provided by the CCC for removing the Red Bus company from the list of strategic assets is because "the market has matured" (page 22). What does this mean and what evidence can the council provide that this is the case? How much excess capacity is currently in the market and how much is there likely to be in the future? What are forecast passenger numbers looking like?

If anything, as stated by the Council (page 71), the demand for urban public transport bus services will continue the growth seen in recent years. Increasing petrol prices and an aging population forecast for Christchurch (page 31) will contribute to this.

The Progressive Party is not opposed to the provision of some public transport bus services by private companies. However, we believe a Christchurch City Council owned bus company should be a benchmark provider in terms of quality and quantity, providing the service and pricing standard for other providers. In the event of closure of libraries, swimming pools, halls, and sub agencies, an accessible public transport bus system becomes more important. These trends do not sit well with the removal of Red Bus from the list of strategic assets when combined with an aging and less independently mobile population.

## **6.3 City Care**

The Progressive Party is opposed to the removal of City Care from the list of strategic assets. The significant capital works program proposed (page 155) amounting to \$749.075 million over the next 10 years makes City Care more important than ever as a benchmark provider in terms of costs and quality.

The Council's reason for removing City Care from the strategic assets list is the 'market has matured' (page 22). However, the question of what is the spare capacity in the market remains unanswered.

## **6.4 Lyttelton Port**

The Progressive Party strongly supports retaining public, local ownership and control of the Port of Lyttelton, with no reduction in shareholding. The Port's inclusion in the list of strategic assets is appropriate.

# **7 Proposed Christchurch City Council Office Building**

There is nothing in the draft LTCCP about the construction of the proposed new Christchurch City Council office building. As this is likely to be a high value (costs of over \$100 million have been mentioned) and controversial capital item the final LTCCP should include full details of a new office building. This includes the ownership structure, expected costs and funding sources, expected consequences to the Christchurch City Council income streams, and details of a consultation process which will be undertaken by Council before any final decisions are taken.

For example, assuming a new Council owned trading organisation is established under the ownership of Christchurch City Holdings Ltd (CCHL), and funding is obtained by borrowings of \$100 million or more, what will be the effect on CCHL's credit rating (and consequential cost of borrowing) and the dividend that CCHL pays to the Council.

## **8 Council Relationship with ECAN**

The Progressive Party is puzzled that the Christchurch City Council is resolved to investigate the possible formation of a single authority to replace ECAN, yet throughout the LTCCP there are references to working with them (e.g. climate change – page 53, Cashmere stream – page 75, storm-water – page 216). We see such a project as a waste of ratepayers resources and would encourage the Christchurch City Council to drop this project and instead focus on establishing a working partnership with ECAN for the betterment of Christchurch City and the Canterbury region as a whole.