

5 May, 2006

Submission to

CHRISTCHURCH CITY COUNCIL

on

OUR COMMUNITY PLAN 2006 - 2016

From

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- I wish to talk to my submission
- I am completing this submission on my own behalf.

Submission

1. My submission relates primarily to rates and the future increases that are proposed and the effect they will have on my business.
2. I fully support the submission presented by Federated Farmers in its entirety and I make my submission brief because of the detail already provided by Fed Farmers.
3. In March this year some Fed Farmers members were fortunate to host some City Councilors and staff on to Banks Peninsula and show them around and discuss important issues that we face in a semi isolated rural area. I thank those people for their time and comments. Within this visit I presented a paper to the visitors on the rates situation as it effects farmers (**this is attached**) **Please read it with this submission to save repetition..**
4. Since the visit I have been able to update our rates position now that the new valuations are available . The outlook from my perspective is grim..
5. Our rates in the 2006 -07 year will be approx. \$18655 which includes the 75% Rural differential. This amount is approx. 4.7 % of our gross farm income and with future increases of approx. 10 % per annum we could soon be looking at closer to 8% of our gross income. We have Regional council rates on top of this which will see us paying in total approx. \$25000 this next financial year.

6. The rate take from our property is well out of balance to any other rate payers and does not represent fair value for services or amenities provided.
7. The rate take as proposed is also well out of kilter to other rate takes in other councils around NZ.
8. I voted against amalgamation as it was sold on the basis of **us saving in rates** . This has proved already to be quite wrong.

The result I would like to see

1. That the genuine rural business be treated differently to Lifestyle blocks and be charged rates at 50% differential. There is a good example of the basis to set this in the Fed Farmers Submission.
2. Rates need to be set on services provided and easily available . It would there for be more sensible to increase targeted rates for services provided. Please remember that through our isolated locality we use very few of the services provided but it is obvious that we pay more than our fair share for these services etc.
3. The uniform annual charge can and should be increased to lighten the load on the general rate. I appreciate the councils position on the Uniform Annual Charge being waived where there are contiguous properties or properties that are all farmed in one economic unit. In our case this will remove 13 of the 14 annual charges . Please keep this policy in place.
4. Once rates are charged please see that the money is wisely spent and that our existing infrastructure is well maintained prior to any wild new ideas being advanced.
5. Finally I ask you to refer to the last paragraph of the attachment - a comment from your Chief Executive. Please keep in mind “a savvy , business focused organization that delivers a value for money service to rate payers.”

Thankyou for the opportunity to present this submission. I look forward to a favourable outcome ie **some rates relief**.

Mark Shadbolt.

ATTACHMENT

BANKS PENINSULA 'OUR PLACE' CHRISTCHURCH CITY COUNCIL VISIT

RATES AND RATING ISSUES March 2006

1 A PERSONAL PERSPECTIVE Mark Shadbolt

BARRYS BAY ESTATE 812 HA (730 HA EFFECTIVE) APPROX 6800 STOCK UNITS (SU)

- a mix of freehold and leasehold land including approx. 15ha QE2 Trust reserve established 1989
- farming sheep cattle deer
- approx. 39 neighbours - 2 dairy farmers - 3 sheep /beef farmers balance lifestyle blocks and 1/4acre sections.
- runs from Duvauchelle hotel to hilltop hotel to Wainui - very reliant on shifting stock on roads
- approx. 8 privately run water schemes mainly gentlemens agreements - for housing and stock water.
- Family farm - lived here for five generations - not about to leave or cease farming
- we have a real passion for the area and what we do. Proud of our stock and land.
- live with free market forces, climate and politics (local , regional and national)

Rates vs. Income

2005 \$430000 gross income (approx. 55% running costs) After Capital replacements, Debt servicing / reduction Tax etc we Draw approx. \$35000 to live .

2005 rate \$22804 = 5% gross income or \$28 / ha or \$3.35 / Su

2006 \$ 413000 GI **Rates \$25200** = 6.1% of gross or \$31 /ha or \$3.70 /Su

2007 Estimated \$ 410000 GI **Rates \$27468** (includes approx. increase of 9%) = 6.7% of GI or \$33/ha or \$4.03 / SU

Examples of other farm operating costs

Animal health \$21000

Wages \$21000

Shearing 22000

Vehicles \$ 18000

Weed and pest \$16000

To rent land it costs approx \$12 - 20 / SU or \$90 - 150 / ha depending on size , location.

2 Comparisons of Rates paid elsewhere in rural areas.

- Springvale - Little River - 860 ha 2005 rates \$13287.40 or \$15.45/ha

- Wairarapa Farm - 1040 ha - 11600 Su - Rates /ins - \$19456 or \$18.70 /ha or \$1.66 / Su
- Wairarapa Farm - 780 ha - 9300 Su - Rates/Ins - \$16984 or \$21.77 /ha or \$1.81 / Su

3 What do we get in comparison to our city friends

Rural	City
Great place to live	
Great people	
Library - 20 minutes away	Several libraries Universities CPIT etc
Refuse Centre - 10 minutes away	Rubbish collection
Supply and Maintain our own water	Water supplied
Supply and maintain our own sewage	Mains sewer and storm water
Shingle road -average maintenance	Tarseal roads, footpaths, lighting
Limited acces to sports facilities	Many Theatres, clubs, sports facilities, taxis, restaurants

4 Concerns

- Potential Rate increases annually in the order of 9% annually or 06/07 - 8.55%, 07/08 - 7.03% , 08/09 - 10.75 % and that by 2015/16 rates revenue will be 62% higher than 2006/07. Our rates will then be something like \$44498 .
- What is wrong with living within your income like the private sector has to ??
- What is wrong with increases which relate to the rate of inflation e.g. 2 - 3 %.
- Even if you do get the rate take can you maintain the basic infrastructure e.g. roads , bridges water sewage etc. To date only an average job has been achieved and in some case failed e.g. the recent bridge debacle.

5 The good news

- We appreciate the effort of the combined group of Fed Farmer and City Councilor's who debated and retained the issue of the differential rating for rural rate payers which is set at 75% of the general rate . Thankyou for that Please see that it is maintained for a number of good reasons
- Future rate payment to CCC - With the help of Nick Clarke from Fed Farmers we have assessed the likely Rate payment for the 06 and 07 years now that we are with CCC . Based on \$5594900 CV and 14 rate demands we will possibly pay 2005/06 (if we were with CCC) Uniform Annual Charge \$115 x 14 and .00190377
Capital value general rate = **Total rate \$12261.4**

2006/07 .02118784Capital value general rate plus the Uniform annual charge =
Total rate of \$13850.75.

This is exciting news and I only hope that the calculation is correct and that it continues on through the coming years.

Finally I was pleased to read in the Press 28 /3/06 and it quotes Chief Executive of CCC Lesley McTurk "My mandate from the council was to move the organisation away from its bureaucratic, non accountable roots to a savvy, business-focused organisation that delivers a value - for - money service to the rate payers." Thanks to Lesley McTurk we hope this philosophy can be followed through.