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Freepost 178
Our Community Plan
Christchurch City Council
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CHRISTCHURCH 8003

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Subject: Rural Rates

I wish to be heard in relation to this submission at the appropriate time.

I recommend that the Council make the following changes and include them in the final version of the LTCCP:

1. That the definition shown in Volume 1, Page 247, as item "Sector C - Rural Properties (ii)" be deleted with any consequential changes that may be required, also made. This definition effectively says that any property zoned Rural but used principally for residential purposes, shall not be deemed Rural for the purposes of rating.
2. That the Rural sector differential, currently 75% of residential (see Volume 1, on the right hand side of Page 239, just above the section on the uniform charge) be set at 70% for 2007/2008 and 65% for 2008/2009 and then held at this level.

In support of these recommendations I now make the following comments:

1. As regards deletion of part of the rural definition.
 - 1.1. Councillors will remember the furore occasioned by the attempt to implement this unfair and unjust provision last year.
 - 1.2. Without wishing to restate in full all the arguments of that long and heated debate I must at least list the major ones in brief form.
 - 1.2.1. If the Council wishes to rate some rural ratepayers as residential ratepayers then zone them residential first so they can enjoy the benefits of the zoning, eg subdivision rights, improved capital appreciation on a bigger base.
 - 1.2.2. If you are going to rate as residential then provide all the services of residential ratepayers, in particular water supply and sewerage which would be a lot cheaper and worry free to rural ratepayers than having to maintain

their own individual systems.

1.2.3. Deciding what properties fit the description is very subjective and open to appeal, as was more than adequately demonstrated by the system so badly used last year.

1.3. Why leave the provision there if you are not going to use it, just as in your wisdom you rightly agreed not to use it last year.

Take it out now and remove the temptation to stir it up again.

2. As regards the changing of the Rural differential.

2.1. The allowance of an additional 5% in each of the next 2 years will leave the differential at 65% and only reinstates it to the 2001 level. For reasons I will outline later, even this figure is really not enough, but is at least part recognition and rectification of a misjustice.

At that time in 2001 the residential general rate was .307842 and the rural general rate 65% of this or .200617.

2.2. Whether by Council decree or otherwise, it moved to 72% in 2002, 73% in 2003, 74% in 2004 and 75% in 2005 and has remained there since.

2.3. That Rural Ratepayers have been burdened by an unjust loading to their rates is evidenced by the following statistics:

2.3.1. In the 10 years since 96/97 to 05/06, the compounded average rate increases by Sector on a base 100, have been:

Business	119.77%	therefore increased	19.77%
Residential	136.01%	"	36.01%
Rural	193.54%	"	93.54%
Non Rateable	78.39%	therefore decreased	(21.61%)

2.3.2. At the same time, the CPI (All Groups) has moved

From 969 to 1148 therefore increased 18.47%

2.3.3. Hardly seems fair, a 93% increase to rural compared to the others does it?

That's three times as much as residential and four and a bit times business!

2.3.4. And the relative movement in Capital Values for rating purposes have nothing to do with it:

	CapVal96/97	CapVal05/06	Increase
Business	4,196m	9,123m	117.42%
Residential	16,484m	35,193m	113.50%
Rural	638m	1,285m	101.41%
Non Rateable	1,149m	1,592m	38.56%

2.3.5. Based on the 2005/2006 figures, rural ratepayers numbering 1,785 represent 1.2% of total ratepayers.

Yet an analysis of the projected rates collections from Rural Ratepayers shown on Page 238 of Volume 1 shows they are expected to pay 3% of the rates, that's 2½ times more per property. Again, that hardly seems fair!

2.3.6. Do you need any further evidence that Rural Ratepayers are being unfairly and unjustly penalised?

Please tell me if you do!

Please tell me if you don't agree with me that it is unfair!

2.3.7. Adopting my recommendation won't go any where near reversing all the inequities piled on Rural Ratepayers but will go some small way to recognising the unfair burden placed on them.

2.3.8. And just in case any of you have looked at the projections on P238 of Volume 1 and think that rural rates collection as regards the old City Rural Ratepayers is dropping in 2006/2007, think again.

The 2005/2006 figure at \$4,871m included the recently introduced Banks Peninsula people. The 2006/2007 figure at \$4,550m only includes the old City ones. It's a shame we can't compare apples with apples. I wonder where the Banks Peninsula expected collection figures finally turn/show up?

Indeed the old City rural ratepayers can expect an increase of about 13% in 06/07 whereas it look like business and residential ratepayers will "only" be facing a 10% rise. Please see Pages 241 and 242 to see why I can say this.

2.4. The figures I have used have been supplied to me by Council Officers and the CPI figures downloaded from the Statistics Department Web site.

I can provide copies of the schedules I have used to arrive at my statistical data if required.

I look forward to presenting this paper in person, to discussing its contents with Councillors and a positive outcome in relation to my recommendations.

Yours sincerely,

Jim Turpin