

TO
Christchurch City Council
Submission on LTCCP

From Christchurch 2021
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CHRISTCHURCH

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1. Introduction

- 1.1. Christchurch 2021 is a local political grouping which includes members of the Labour Party and the Progressive Party, and Independent members. We are pleased to have the opportunity to make a submission on the draft Long Term Council Community Plan. Our representatives would appreciate the opportunity to speak in support of our submission at the hearings.
- 1.2. The range of Council activities is so wide that we have limited the number of issues on which we have made submissions. In some cases a submission on a particular matter may be more generally applicable.
- 1.3. We commend the Mayor for his Introduction to the plan, noting in particular his appeal to ratepayers to think not just of themselves, but of the community.

2. Our Community/Environment/Economy Today

- 2.1. We commend Council staff for the presentation of social, economic and demographic information in the section.
- 2.2. We are pleased to note the inclusion of the social deprivation index. However, the various shades of yellow used on the map make it difficult to distinguish one decile from another, and the inclusion of vast uninhabited areas of the Port Hills as Decile 1, or uninhabited Burwood Forest as Decile 9, is misleading. Restricting the census block information to inhabited areas could help correct this.
- 2.3. The importance of employment as an indicator of social well-being points to more information being provided on trends in employment, and the relative incidence of unemployment in different age and ethnic groups.
- 2.4. We were disappointed to see almost no information on Maori in this section, except for historical references and four lines on the economic role of Ngai Tahu.

2.5. Submission:

That an endeavour be made to improve the clarity of information and remedy information gaps, such as those suggested above, in the Final LTCCP.

3. Community Outcomes

- 3.1. We commend the Council for the excellent performance measures which have been proposed for the community outcomes.¹ It is pleasing that most of these are “hard” statistical measures (life expectancy, tonnes of waste to landfill, road casualties, etc) rather than “soft” measures of perceptions.
- 3.2. It will be important that these measures are reported in a manner which enables Christchurch to track progress and trends from year to year. (Tonnes of waste in any one year means nothing except by reference to past years.) The Council is being courageous in adopting hard performance measures on community outcomes. It is recognised, of course, that many of the factors that influence the trends are beyond the Council’s control, but the measures, whether they indicate favourable or unfavourable trends, can act as a spur to other sectors.

4. LTCCP Process and Presentation - Information Gaps

- 4.1. The plan is attractive in its presentation, with 60 of its 300 pages being taken up with colour photographs. However, though attractive, many of the photographs are irrelevant to the adjacent text (large dog and child to introduce the capital works programme, for example). We have no complaint about the photographs in themselves, but they appear to occupy space that would be better given over to basic information.
- 4.2. Christchurch 2021 considers that there are serious deficiencies in the information provided in the plan. In many cases, it is not possible to make an intelligent submission on an issue because insufficient information is provided. Where the Christchurch 2021 Secretary has requested additional information on behalf of our group, Council staff has willingly provided it. However, in our view, the information should have been provided to the public in the first place. Unless the Council discloses information freely, it is paying only lip service to the principle of accountability to residents and ratepayers.

¹ It appears that some of the measures may have been misplaced during type-setting. For example, the measure for commercial waste recycling appears under “Prosperous City” instead of “Natural Environment”. Similarly the excellent social indicator, “Residual income after housing costs”, appears under “Attractive and Well Designed City”, instead of “Inclusive City”.

- 4.3. The Financial Overview is deficient in the information it provides on the Council's assets, which are shown only as total assets of CCC and CCHL and realisable assets of CCC and CCHL, without any breakdown of what the assets comprise. The notes to the financial statements do not provide adequate breakdown either.
- 4.4. The Capital Endowment Fund has its own section near the end of the plan, where full details are provided, but there is no reference to it in the Financial Overview.
- 4.5. There is no reference to the Housing Development/Renewal Fund either in the Financial Overview or in the Community Support section, which embraces housing. Page 101 shows Housing to have an operating deficit of \$2.4m, which appears to be funded as part of net operational cost from rates, although we know this not to be so. We assume that the deficit arises from depreciation charges, which would be transferred to the Housing Development Fund. We assume that capital expenditure on housing will continue to be funded from the Housing Fund, but a footnote on page 101 refers misleadingly to corporate funding of capital. Confusion arises from inserting an activity funded entirely from rents into a category of activities funded from rates.
- 4.6. In various places in the plan, what should be discrete items are aggregated. For example, in the Streets and Transport section, operational expenditure on "Streets" is shown as \$54.9m. This no doubt includes street and channel cleaning, road safety, and traffic management, as well as general street and footpath maintenance, and, perhaps, on-street parking, since there is no line item for this. Revenue for on-street parking is not identified separately. There are many places where it is not possible to relate spending to objectives. For example, residents and ratepayers are not able to see, on page 155, the financial resources that will be employed by the Council to achieve the road safety objectives set out on page 151. (We note road safety capital projects are listed under Capital Works elsewhere in the plan.)
- 4.7. We note that the capital works programme is limited to three years. This appears to be inconsistent with the long-term asset renewal plans. Far less detail is given of forward capital works than in the past, especially for local projects. These are not listed in the plan, but are shown as ticks in boxes, without costs, for Community Board areas in a page available on the website.
- 4.8. The ways in which the Council finances its capital expenditure are explained under the Revenue and Financing Policy, but how this is applied is not made clear in the Council's Activities and Services sections. Footnotes to explain ambiguous terms like "capital revenues" or "vested assets" would be helpful. Inclusion of depreciation as an operating expense would assist transparency.

4.9. It is stated in the plan that one of the purposes of converting trading activities from Council units into company structures was to improve transparency. As far as transparency for the ratepayer is concerned, this purpose is not being fulfilled by the information provided in the LTTCP. The subsidiary companies of CCHL are of huge strategic and financial importance to the people of Christchurch, but no facts are provided about their revenue, expenditure and capital value. In some cases there is almost no information about key outputs and in other cases the level of the Council's shareholding is not stated. On the basis of the information in the plan, it is not possible to assess whether they are performing well or not.

4.10. Christchurch 2021 is seriously concerned about the information deficiencies in the plan. In the past much of the information which we think is needed could be sourced from the several volumes of the Corporate Plan, which we have been informed is no longer available. If, as seems likely, not even Councillors have ready access to information of this sort, the information deficiencies in the plan are even more serious.

4.11. Submission:

- (i) **That the Council accept the need to provide in the Plan sufficient information to enable residents and ratepayers to understand the financing of Council activities and to assess Council performance.**
- (ii) **That information deficiencies, such as those identified above, be remedied in the final LTCCP.**

5. Council Process for Capital Project Prioritisation

5.1. We have attempted to follow the capital projects through the Council decision making processes. It has been difficult to get information on this process and to understand the criteria the Council used for prioritising projects. It appears that projects have been prioritised by individual Councillors ranking the projects – if this is the case we believe it is a poor method for making such important decisions.

5.2. We have been unable to get a breakdown of the projects listed on pages 71-80. We assume these breakdowns were therefore not available to Councillors. We are concerned about the level of detailed information the Councillors had on each of the projects to make these decisions.

5.3. Submission: That the process for prioritisation of capital projects be clarified.

6. Fees

- 6.1. In previous annual plans and the 2004-14 LTCCP the schedule of changes to fees and charges was part of the draft plan put out for consultation. In this LTCCP no fees changes are included. In a report to Council on 30 March 2006 it was proposed that some fee changes (Schedule B) go through a separate consultative process, but to be heard at the same time as the LTCCP submissions are heard. To us it seems Council is deliberately minimising the input on fee changes. At a time when the community focus is on the LTCCP the consultation of fee changes will be notified.
- 6.2. The Council has also chosen not to consult on a number of fees (Schedule A) because "The Council has many charges, and it has been decided that they are individually below a level of significance for specific inclusion in the LTCCP." The 30 March report does not say **who** has decided these fees are not significant. Individually they may not be significant, but cumulatively and politically they are very significant. We would argue that the fees for libraries, swimming pools, golf, use of parks, wharf and slipway fees are a matter of public interest and if the fees themselves are not consulted on, then policy and price setting formula should be included in the LTCCP and have public input.
- 6.3. We do note that the swimming pool fees have a benchmark set and price setting formula given. A child's swim is meant to be 40% of the \$5 benchmark which come to \$2, but this has been put up to \$2.50 – contrary to the price setting formula. Similarly the additional child should not be raised from \$1.50 if the formula is adhered to. A school student fee is kept at \$2 so is paying less than a child!!. According to the minutes of the 30 March meeting the decision on these fees has been deferred. Hopefully these mathematical errors can be corrected before a report goes back to Council.
- 6.4. **Submission: That all fee changes should go through a special consultative procedure, and in future this should be included in the LTCCP.**

7. Rates Rise – Cumulative Increase of 28% in 3 years

- 7.1. Christchurch 2021 is concerned about the magnitude of the projected rate increases. The cumulative increase over three years is 27.83% for a \$500,000 commercial property and 30.37% for the average residential property. These increases are far in excess of any increases ratepayers in Christchurch have experienced over the last 20 years. Christchurch 2021 accepts that costs in the construction industry have risen sharply and are putting pressure on the Council's budget, as the Chief Executive points out in her introduction.
- 7.2. However, Christchurch 2021 is not convinced that adequate scrutiny has been given to the capital works programme, which in turn creates demand for large increases in operating expenditure.

- 7.3. One example is in Waste Management. In our submission on the Waste Management Plan a few months ago, we pointed out that large expenditure, both capital and operating, were proposed to deal with a tiny proportion of the waste stream. We strongly support waste minimisation at source and well planned, cost-effective recycling, but we are opposed to wasteful expenditure of public money to remedy unsustainable practices in the commercial sector.
- 7.4. There are major unexplained variations in operating expenditure. In Cultural and Learning Services, for example, expenditure on the Art Gallery rises modestly at an annual rate of 2.5% from \$7.8m in 2006-07 to \$9.9m in 2015-16. Likewise, expenditure on Libraries rises by the same modest annual rate of 2.5% from \$27.2m to \$33.8m over the ten year period. However, expenditure on museums rises from \$6.3m at an annual rate of 7.6% to \$12.2m in 2015-16. Even allowing for the planned capital development at Canterbury Museum, such an increase appears exorbitant.
- 7.5. Christchurch 2021 believes that the capital value rating system is fundamentally fair, in that rates are proportional to property value, and there is usually a reasonable degree of correlation between property value and income. However, steep rate increases put undue pressure on low-income ratepayers. For that reason it is extremely important that the Council publicise the enhanced Government rebates scheme to ensure that all qualifying ratepayers understand their eligibility and are provided with the opportunity to make an application for a rebate.
- 7.6. We note the proposals for a targeted rate for the city centre and increases in city centre parking charges. We are not convinced that this will assist business in the city. We acknowledge that past Councils have enhanced the viability of the central city by a range of infrastructural renewal and development, but as long as the Council allows apparently unrestricted development of shopping outside the city centre, its efforts to promote the city centre are likely to be ineffective.
- 7.7. Submission:**
- (i) That the Council re-examine those areas of capital and operating expenditure that have not been subjected to adequate scrutiny.**
 - (ii) That the Council publicise the rates rebate scheme and facilitate applications by low-income ratepayers.**
 - (iii) That the Council carry out a high-level policy review to consider alternative instruments to maintain the viability and the vitality of the city centre.**

8.0 Revenue and Financing Policy

- 8.1 We commend the Council for not increasing the Uniform Annual General Charge beyond \$115. Any increase in this charge would fall disproportionately and unfairly on the owners of lower value properties.
- 8.2 We observe that there appear to be anomalies in the allocation of direct and general benefits to some Council activities. However, it would be unprofitable to debate the allocations, since we agree with the funding decisions the Council has made on the basis of the allocation.
- 8.3 We note that there is some distortion of information in the tables on page 268-9 where activities funded in different ways are aggregated. This applies to Streets, where the subsidy from Transfund for the streetworks it subsidises is understated.
- 8.4 We commend the Council for adopting a single rating system (with some very minor exceptions) over the whole of its area, including Banks Peninsula. Such a system is equitable to different communities, efficient for administration, and effective in providing a high standard of services.

9.0 Partnership with Maori

- 9.1 We note The LGA 2002 requires local government to “provide opportunities for Maori to contribute to its decision making processes” (LGA 2002, S 14(1) (d)). The Council must establish and maintain processes to provide opportunities for Maori to contribute to decision making processes and consider ways in which it may foster the development of Maori capacity to contribute to the decision-making processes. (LGA 2002, S81). We would ask, how is Council implementing this section of the Act?
- 9.2 We note that where the Christchurch City Council is considering a significant proposal or decision in relation to issues, assets or other matters where one or more of the options involves land or a body of water which is, or may be, important to the relationship of Maori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora or fauna or other taonga, then the views of the Maori Liaison Subcommittee will be sought. It is our understanding that the Maori Liaison Subcommittee is not currently a functioning subcommittee of Council and has not been for sometime. Christchurch 2021 believes this subcommittee has an invaluable role to play in strengthening the City’s relationship with Maori and in doing so helping Council achieve its identified Community Outcome of, “A City of Inclusive and Diverse Communities. We encourage Council to reactivate this subcommittee and urge it not to wait until important and perhaps controversial issues arise.

- 9.3 **Submission: That the Council reconvene the Maori Liaison Subcommittee and arrange for it to meet regularly.**

10.0 Policy on Determining Significance

- 10.1 The Policy on Determining Significance is one of the most important parts of the Council's LTCCP. This policy is the ratepayer's assurance that important city assets and activities will not be altered, changed or sold without the public being given an opportunity to be consulted about the change proposed. This policy should enable satisfying local democratic decision-making. It is therefore critical to a continuing partnership of trust between Council and its community that all relevant matters that are captured by the Significance Policy are clearly set out in its new LTCCP.
- 10.2 Christchurch 2021 commends the following wording use in the Introduction of the Policy on Determining Significance, "The policy on significance ...is designed to reflect the requirements of the Act and Christchurch City Council's commitment to conducting its business in an open, transparent and democratically accountable way," Introduction, page 291. However, we have found, as explained below, that the Council has not entirely met its commitment in this draft of the Significance Policy. We argue that by not specifying the changes we have identified in the LTCCP the Council has withheld significant information from the public, thereby invalidating the Special Consultative Procedure of the 2006/2016 LTCCP in respect of these items.
- 10.3 We note that the Policy on Determining Significance has been revised since the 2004/06 LTCCP ostensibly to reflect the reorganisation of BPDC. However, we believe **there are at least five major changes to the 2004/14 policy** which are unrelated to that reorganisation. Those changes as we understand them to be are:
- (i) Under the criteria for significant decisions the level of operating expenditure has been increased from \$500,000 to \$1 million.
 - (ii) Reference to a possible change in future ownership of Jade Stadium.
 - (iii) The deletion of Red Bus Ltd and City Care from the City's list of Strategic Assets.
 - (iv) The removal of Council Housing from the list of from the list of Strategic Assets.
 - (v) The description of ratepayer holdings in the Council's Strategic Assets has been changed from simply "its equity in" to "its controlling equity".

Our Response to the Changes

- 10.4 We take no issue with the first two points above but have considerable concerns with the remaining items. These concerns relate to the LTCCP's lack of transparency and its failure to comply with the Act's legal requirement for disclosure.
- 10.5 Under "Changes to the Policy" page 291, the only reference to the alteration to the policy are said to be changes brought about by the amalgamation (sic) of BPDC, the change to the level of operating expenditure and a "refinement" of the strategic assets list, which includes the deletion of Redbus Limited and City Care Limited.
- 10.6 There is no reference at all to the Significance Policy and the changes to it in the Summary Document which is the main document the community is using to inform themselves about the LTCCP. We consider this omission to be very serious. The Council's asset holding and significant activities to which the policy refers to is of great importance to all the community.
- 10.7 The removal of Red Bus Ltd and City Care Ltd was a decision, we understand, sought from the Council by CCHL. In CCHL's view neither of these companies is considered a strategic asset because "if market conditions caused it to put them up for sale, there would not need to be public concern since there are other companies which could provide the service needed." (Council Agenda, 2.2.06) Christchurch 2021 does not accept this argument. It could be applied also to the Orion network and to Christchurch Airport, since they would find eager buyers who would continue to operate them.
- 10.8 The criteria for determining significance have been applied selectively. If the reversibility test and the precautionary principle are applied, then both City Care and Red Bus should stay on the list of strategic assets. Downgrading their classification would enable the Council to sell them, a decision very difficult to reverse and entailing significant risk for some areas of service delivery.
- 10.9 The physical assets of the water supply network and of the sewerage system are rightly regarded as strategic, yet the staff employed by City Care to operate them are regarded as non-strategic. Construction tasks such as pipe-laying are generic, but operational tasks are often highly specialist and require intimate knowledge of the assets under management. This applies particularly to the water supply, drainage and sewerage networks, with their numerous pumping stations and complex control systems. Careful management of these assets is critical to avert or manage civil emergencies.

- 10.10 Both Red Bus and City Care operate in a competitive market. It should not be assumed that the market would retain its competitive edge and quality of outputs if the publicly owned players were removed. (The history of the banking sector provides warnings in this respect.) These two Council-owned companies moderate tender prices, and provide assurance of quality, whilst returning a dividend to the Council.
- 10.11 Our perception is that, despite denials to the contrary, the intention behind the removal of City Care and Red Bus from the strategic assets list is to facilitate the sale of these enterprises at some time in the future without having to submit the proposal to the public via the Special Consultative Procedure.
- 10.12 **Submission: That the Council provide assurance to the people of Christchurch that it has no intention of selling Red Bus or City Care by restoring these companies to the list of Strategic Assets.**
- 10.13 The removal of Council Housing from the list of Strategic Assets has not been flagged at any point in the LTCCP yet it is clearly missing from the list of Strategic Assets. We have received a communication from the Mayor Garry Moore and CCC manager Roy Baker reassuring us that this deletion was unintended and will be rectified in the final LTCCP document. We are very concerned however, that an error of this magnitude could be made in such an important public document and hope that steps have been taken to prevent any such incident in the future.
- 10.14 The change in description of ratepayer holdings in the Council's strategic assets from "its equity in" to "its controlling equity" has not been stated in the Changes to Policy section. As the Council will be aware, this wording change is a significant departure from the wording in the 2004/06 LTCCP and one which alters the protection afforded to shareholders under the definition of Significance in the LGA 2002. With this change the Council could sell down its 100% shareholding in CCHL, and/or its 87% shareholding in Orion, its 75% shareholding in CIAL and its 73% shareholding in LPC to 50.1% without invoking the Special Consultative Procedure. Already we have witnessed CCHL attempting to do this very thing, possibly illegally, in our view, with its announced intention to sell 49.9% of LPC to Hutchison Port Holdings, an international port operator. Council must remember that these assets are public assets, which have been built up over many years, and their rightful owners deserve a say in any significant sell down of them, as the LG Act 2002 intended they would.
- 10.15 **Submission: That, in the definition of Strategic Assets on page 294 (and other relevant places) the words "controlling interest" or "controlling equity" be deleted and replaced with "equity in".**

10.16 We also seek the inclusion in the list of Significant Activities of two additional items which, in our view, were incorrectly omitted from both the 2004/14 and the draft 2006/16 LTCCP.

10.17 We consider that Public Rental Housing provision is such a significant activity for the CCC that it should be set out as an activity of its own. Socially it is of huge importance in the city, and the capital value is probably not far short of that of Lyttelton Port, for example. It will be recalled that historically the continued provision of this activity has been problematic in other parts of the country, which was one of the reasons for including a Significance Policy in the LGA 2002, as we understand.

10.18 Submission: That “Provision of Public Rental Housing” be included in the list of Significant Activities.

10.19 The Capital Endowment Fund is a significant financial asset of the Council, which came about from the sale of Orion’s investment in a gas company in 2001. We understand that resolutions of the Council make clear the permanent nature of the fund, but in order to protect this fund for the benefit of future citizens we believe the fund should be classified as a Strategic Asset and listed in the 2006/16 LTCCP accordingly.

10.20 Submission: That the Capital Endowment Fund be added to the list of Strategic Assets.

11.0 Proposed Civic Building

11.1 “This is a project all Christchurch can be part of ...,” Mayor Garry Moore, The Press, March 9, 2006, page A19.

11.2 The above is a sentiment to be welcomed by the public of Christchurch, that any new Civic Building will be the result of a thorough consultation process with the community who will be both the benefactors and financiers of it for many decades to come.

11.3 Unfortunately, our reading of the LTCCP has found that the public has been shut out of the first and most important step in this process of securing a new Civic Building, the decision on how the new building will be funded!

11.4 It was resolved by way of Council decision on the 9 February 2006 to:

(a) Approve option 3(a), i.e. ownership by a Council Controlled Trading Organisation whether an existing company or one to be established, with leaseback to the Council as the preferred ownership option for the new civic building and its site.

(b) Request management to implement the above.

Prior to taking this step the Council resolved at the 27 October 2005 Council meeting to:

(a) Approve the general decision path and timeframe for the New Civic Building as outlined in this report.

(b) Receive the Design Brief for the New Civic Building previously reviewed by Council Seminars on 3 December 2004 and 22 February 2005. (Public Excluded Minutes)

11.5 At some point, although we cannot determine when, the Council or management resolved not to include the Civic Building project as an item for the LTCCP because:

"It does not include funding/building new Civic Offices, as alternative avenues are being considered for this." LTCCP page 72.

11.6 We find this decision unacceptable as it amounts to Council operating behind closed doors. The development of a new Civic Building will be one of the most financially important decisions for the Council during the next ten year period and yet Council has deemed the matter not worthy of discussion with its community! We find ourselves concurring absolutely with the CEO of the Employers Chamber of Commerce:

"Whether the money comes from CCHL or somewhere else, it's still the community's money. It is very, very important the Council is open about where the new costs are coming from". Peter Townsend, The Press 2005.

11.7 By not including the project in the LTCCP, Council has effectively muzzled public debate on how much money should be spent, or what type of building should be built as the Civic Offices for Christchurch.

11.8 In addition to our concern that this significant item has not been included in the LTCCP, we are also very concerned about the potential level of debt that a CCTO will be taking on with this project. At a Council meeting on 24 February 2004, it was resolved that a total capital cost of \$53.7 million would establish a very satisfactory new Civic building. This figure included some upgrading of the current building and some land costs.

11.9 Now, we understand, the Council is seeking to establish a building costing approximately \$111 million dollars. With the paucity of information we have been provided on this project we cannot see the justification for such expenditure. Expenditure of this significance will affect the future dividends of CCHL and will in all likelihood result in a downgrade of Council's financial rating.

- 11.10 Whilst not a scientific poll, The Press survey carried out on this issue recently found that, of 230 respondents, only 10.9% supported a showpiece civic office.
- 11.11 In addition to our concerns above, we are concerned that \$3.6 million is being budgeted in this LTCCP for a new Civil Defence Building to be cost-shared with ECan. Surely, a new Civic Building costing \$111M should incorporate any new Civil Defence Building required?
- 11.12 We can find no provision in the LTCCP for the lease of the new Civic Building. We note that the budget for 2006-07 assumes the existing Civic Offices will be sold for \$11m by June 2006. We assume the cost of the lease of the existing building must be included somewhere as an operating cost. Presumably a lease for the proposed new building would cost annually about 10% of the capital cost, that is, about \$10m per year. Where is the lease cost budgeted for in the financial forecasts?
- 11.13 We are aware of the advantages that companies in general, and Council-owned companies in particular, gain from being grouped for tax purposes. However, we would urge that care be taken that this latest proposal for company ownership of a Council asset does not jeopardise the advantages of existing arrangements.
- 11.14 **Submission: That the Council provide full details of its Civic Office proposals and engage in public consultation on them.**

12.0 Reductions in Expenditure – Libraries, Community Halls, Swimming pools

- 12.1 It is disappointing to see the suggested closures of community swimming pools, libraries and community halls. At a time when the Council should be encouraging local activities to strengthen communities closing suburban facilities for relatively minor cost savings is not sensible.

13.0 How the Council works - issues of local democracy

- 13.1 The Christchurch City Council has gained a well deserved reputation throughout the country for the manner in which it has established, resourced and empowered Community Boards. Christchurch 2021 is therefore disappointed that Community Boards appear to have been sidelined in the plan.

- 13.2 There is insufficient information to make clear to the public the role that Community Boards play in the governance of the city. The full functions, terms of reference and delegations should be set out in the document.
- 13.3 To the best of our knowledge, there is no reference in the plan, either as a line item or in statement form, to the funding of Community Boards. We understand that each Community Board has been responsible in the past for allocating approximately \$500,000 per year, mainly for projects to be included in the annual plan, with a relatively small “discretionary” sum being retained for use during the year. An important policy of this sort should be included in the LTCCP.
- 13.4 We commend the Council for publishing a map of the Socialal Deprivation Index and urge that the Council accept the implications of the levels of deprivation in particular areas. The formula for Community Grants and Community Board funding needs to reflect the different social needs of each Community Board area. For example, Boards with large areas of public housing and low income housing find it difficult to fund projects in other districts of their Board area.
- 13.5 There is also lack of information about the activities of the Community Boards. A glance at the 2003 Plan revealed 6 pages of information about projects funded directly by Community Boards, and about 18 pages of capital works projects, large and small, and mainly local, most of which had been recommended by the Boards. It is recognised that some of the material from the 2003 Plan would not be appropriate in an LTCCP, but, in our view, the disregard of Community Board activities in this LTCCP fails to recognise that people relate to their Council primarily through services and projects in their own neighbourhood.
- 13.6 Christchurch 2021 considers that the loss of Standing Committees has also been a backward step for local democracy. These were abolished without consultation with the public as if it were simply an administrative matter. However, in our view, Standing Committees are an important instrument of accountability and democracy because they are open to both the media and the public.
- 13.7 We consider that the Portfolio Groups should be replaced by Standing Committees for the following reasons:
- (i) Governance functions can be exercised in more detail and beyond the global level.

- (ii) Line items in the LTCCP and Annual Plans can be analysed according to their component parts rather than general areas of policy that have either been included in the budget or rejected as a whole. Many of the general areas of policy have specific projects that warrant consideration. Alternative community or government partnerships and staging proposals could have been considered if a forum and structure allowed for this break down. For example, none of a variety of projects included in the Ihutai Trust Management Plan were considered for funding on an individual basis. Library or learning centres and swimming facilities could be provided in partnership with schools in a number of suburbs (e.g., Shirley BHS). The budget would need to include provision for the percentage of community use in the partnership.
- (iv) Committee Meetings are open to the public and accessible to community groups and individuals who want to make submissions.
- (v) The process of the Standing Committee is perceived to be transparent and democratic.
- (vi) The interaction between Community Boards and Council would be improved by having a group available to hear representations on local issues.

13.8 Submissions:

- (i) **That the LTCCP include (on page 25) the full terms of reference, delegations and funding policy for Community Boards.**
- (ii) **That the funding policy for Community Boards and for community development in general recognise areas of social deprivation.**
- (iii) **That the activities of Community Boards be given adequate coverage in the LTCCP and other Council documents**
- (iv) **That Standing Committees replace the Portfolio Groups from the start of the 2006-2007 financial year.**

14.0 Moves towards commercialisation or privatisation

- 14.1 A statement on page 22 suggests a review about how housing, water and waste services are delivered. It reads like an intention to commercialise these services, and commercialisation often results in the next step to privatisation.
- 14.2 Commercialising the supply of water in other centres has reduced rates, but greatly increased the overall costs to the ratepayer, who must pay separate water charges to a commercial enterprise. There is no community benefit in such an action. It does concern us that this suggestion is not addressed in other parts of the LTCCP, and does not appear in the summary document.

- 14.3 We are aware that some Councils have moved from rates funding of sewerage to a surcharge on water use, which would be totally contrary to the Council's policies on equity.
- 14.4 We are surprised that the Council is even contemplating these moves when there is evidence that Christchurch supplies these services more efficiently and effectively than other centres.
- 14.5 **Submission: That any intention to corporatise or commercialise the delivery of housing, water and waste services be addressed as a significant change in policy in the final LTCCP.**

15.0 Community Funding and Community Development

- 15.1 We commend the Council for maintaining the value of Community Grants in real terms over the next ten years. (Community Support budget, page 101) The average increase of about 4% per year allows for inflation and for the growth of the city.
- 15.2 We are aware of the review of community funding which the Council has initiated and had expected more reference to it in the draft LTCCP. It is entirely reasonable for the Council to do this as several of the funds or disbursement mechanisms were established many years ago to distribute funds provided by central government, and these mechanisms have lost their raison d'être now that several of the funding streams from the Government have ceased.
- 15.3 The focus on achieving outcomes from community development and community funding is to be welcomed. However, the process for achieving better outcomes should be based on a model of working alongside community groups and empowering them, rather than a heavy top-down approach.
- 15.4 **Submission: That the Council conduct the reviews of community development and community funding in close association with the groups who are delivering the services.**

16.0 Review of Community Childcare

- 16.1 We note the inescapable references to a review of early learning centres on pages 97-99 but are surprised that the purpose of the review is not defined. If the purpose is to reduce expenditure, the savings are likely to be small, as rates meet less than 25% of the cost (page 268).

- 16.2 We would hope that the purpose of the review would to increase the scope and effectiveness of pre-schools in Christchurch in association with other providers. An abundance of research is demonstrating that the pre-school years are critical to the whole of a child's – and adult's – later development. If children from dysfunctional families do not attend pre-schools regularly, they are almost doomed to repeat the poor educational and social outcomes of their parents, with all the attendant misery to the individual and cost to society.
- 16.3 **Submission: That the review of early learning centres include consideration of how the Council might contribute to an objective of 100% coverage of pre-school age children by some form of early childhood education.**

17.0 Housing

- 17.1 Reference has already been made to the lack of information in the plan about revenue, expenditure and the Housing Development Fund.
- 17.2 We are concerned that the purpose is said to be “to meet the needs of the housing market” (page 98). This was probably an inadvertent lapse into economic-think. Council housing has always had the purpose of providing affordable accommodation of a reasonable standard for those whose circumstances made it difficult for them to own their own homes or rent from private landlords. We would hope that the Council will be discussing needs with groups such as the Tenants' Protection Association in order to establish priorities for new developments. The Council has done an excellent job in the last ten years of housing people with a mental illness in what used to be regarded as elderly persons' housing. However, in some cases this has led to tensions within housing complexes, which suggests supervised or separate accommodation may need to be considered.
- 17.3 We note that the Council plans to spend \$17.6m on renewals and replacements over the next ten years. We are supportive of a renewal programme but cannot express an opinion on the appropriateness of this level of expenditure without knowing the number of units it is planned to renew or replace.
- 17.4 We are disappointed that the Council plans to build only 21 more units over the next ten years. This seems grossly inadequate at a time when home ownership is declining, property prices are soaring, and there are unmet needs for accommodation. We note that it is intended to have discussion about cooperation with central government over housing.

- 17.5 The total capital programme over ten years amounts to only \$20m. This seems very modest, as we have been informed that the Housing Development Fund stands at over \$9m and payments into it from depreciation should be \$3-4 annually, according to our rough calculations.
- 17.6 As the essence of social housing is its availability and affordability to those with a housing need, we think it is important to provide a summary of rental and allocation policies in the LTCCP. We have been supplied with detailed reports on the recent rent review. We accept the need to provide for maintenance, renewal and replacement and we are in general agreement with the Council's decision to increase rents in line with the CPI and to review rents annually. Small regular adjustments are preferable to large irregular increases.
- 17.7 **Submissions:**
- (i) **That the Council devote a separate section in the LTCCP to housing in order to provide a summary of rental and allocation policies, a breakdown of revenue and expenditure, a summary of the renewal programme, the balance in the Housing Development fund and payments to and from it.**
 - (ii) **That social agencies be invited to participate in the proposed review and that the review include an assessment of general and special housing needs.**

18.0 Bus Exchange, Bus Priorities

- 18.1 We support the provision of bus priority and the expansion of the central city bus exchange. The barrier to expanding the Christchurch public transport system is the poor reliability of the system. Buses are being held up by traffic and cannot keep to their schedules. The Council is responsible for providing infrastructure for public transport, including bus priority. It is urgent that action is taken on the three suggested routes to provide priority and thus improve the reliability of the services using these roads. Other congested roads such as Riccarton Road must follow immediately.
- 18.2 The capacity of the bus exchange also affects the reliable running of the bus services at peak times. The 'expansion' of the bus exchange is urgent and planning for this must begin immediately. It is important that the bus exchange be in the central city area, and that there is only one exchange, or if more than one they are within one minute's walk of each other. Because of the radial nature of the bus routes nearly all buses pass through the central city and easy transfer from one bus service to another is a prerequisite for improving patronage.

- 18.3 **Submission:** That the Council act promptly on bus priority measures, and expanding, and improving the efficiency of, the bus exchange.

19.0 Use of NZ Post for Council Payments

- 19.1 We note on page 86 of the LTCCP that the Council states that it “*will investigate the feasibility of outsourcing its payment transactions... ..NZ Post has an extensive network of outlets, which would give more options for ratepayers for where to pay their accounts.*”
- 19.2 We commend the Council for investigating ways of providing greater accessibility for ratepayers while seeking to lower costs for this activity. However, we have an underlying concern that behind this proposal may be a future proposal to downsize service centres with a view to centralising Council activities. We trust that this is not the case as service centres play a vital role in the relationship between the Council and its community, providing the human face of a very large and sometimes confusing bureaucracy.
- 19.3 We also note that NZ Post has been restructured in the past to a point where it did not provide good community access. This could happen again in the future if there were a change in government policy. We consider that any step in the direction of removing service centres would trigger the Council’s Significance Policy and therefore the Special Consultative Procedure prior to action being taken.