

From: Environment Canterbury
Sent: Sunday, 3 April 2022 5:00 pm
To: Have your Say
Subject: Submission on draft Annual Plan 2022/23

Anonymous User just submitted 'Draft Annual Plan 2022/23 submission' with the responses below.

First name

Stephen

Last name

Howard

Email address

Phone number

Are you submitting on behalf of an organisation?

Yes, I'm submitting on behalf of an organisation

Which organisation are you submitting on behalf of?

Keep Our Assets Canterbury

Do you wish to speak to your submission at a Council hearing?

Yes

From: Stephen Howard
Sent: Sunday, 3 April 2022 5:35 pm
To: Have your Say
Subject: Annual Plan Submission
Attachments: sent.docx

Follow Up Flag: Follow up
Flag Status: Completed

Kia ora

Please find attached our submission

Naku noa, na Stephen Howard

**Submission to Annual Plan of ECAN 2022
For
Keep Our Assets (KOA) Canterbury**

KOA Canterbury wishes to speak to this submission.

Authors

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Christchurch

Christchurch

KOA is committed to protecting the commons and public held assets. Among these are our democracy and the air, water and earth upon which we all depend for breath, drink and food. The major question that ECAN must consider in all its planning is how does the policy effect emissions and how does it drive a large reduction in those emission, while maintaining a democratic decision making approach

Three Waters Reform

Three Waters Reform is a challenge for all councils this year.

KOA rejects any proposal that leads to the privatisation of water or domestic water reticulation and we have these demands about the proposal;

- ❖ Any scheme needs a guarantee of no privatisation.
- ❖ We need to get away from the neo-liberal corporate model.
- ❖ Under the proposed model it appears like a 1990s governance model with too many layers of bureaucracy between the people and the institution. So we would prefer a
 - A flattened regional management and service delivery process
 - Assured channels of input for community comment and accountability.
 - Mandated reviews (eg 3-5 years) from an independent reviewer.
 - A Govt. Department of Water Services with a civil service ethos.
 - Equal numbers of Mana Whenua & Tauwiwi.

- Treaty guided ethos
- *Head of Dept to receive no more than 3 times the lowest paid staff person
- All staff to be at least a minimum of the Living Wage with security of employment.

A share holding model doesn't appear to be appropriate in a government body.

Public Transport

KOA sees the option one as the best option in the draft, and KOA also appreciates that ECAN has recognised the link between effective public transport and development concerns by having the one Transport and Development Committee cover both issues. One cannot run an effective public transport system while developers drive sprawl across the plain. Public transport requires concentrated hubs of development. Such development would also enable a further growth in the modern idea of a 15-minute community. We are aware of the three-month period of fare cuts for all and we request that the council considers further developments

- ❖ At the moment the Public Transport Operating Model (PTOM) severely restricts the ability of ECAN and the three councils of Greater Christchurch from developing a reliable and attractive public transport system based on public ownership and coordination between road and rail. We have repeatedly seen problems of loss of service (conditions of buses and inability to make trips) and reduction in wages leading to a shortage of drivers as a result of the commercial imperative in the PTOM. This issue should be a major focus of any ECAN led attempt to develop an effective and attractive public transport system.
- ❖ KOA also considers that public transport should be fare free for all. Fares only cover a portion of the costs of running bus. While ECAN is not responsible for the enormous spend of motorways, a sunset technology, the fixation of motorway by the agency of central government is a major taxpayer and environmental cost.
 - Other cities in the world use this model including Tallinn (Estonia), Dunkirk (France) and Chengdu (China)
 - The costs should be recouped as a transfer from central government in place of its present spend on motorways and roads. A huge reduction in single passenger automobile use is required if we are to meet our carbon emissions budgets.

Future funding for responding to climate change.

It is clear from the Three Waters Proposal from central government that both everyday local authority funding and future funding for climate response requires a reassessment of how councils are funded. It is the councils in general reluctance to increase rates that has driven much of the deferral or just ignoring of needed work

At the moment rates are basically a wealth tax (a la Picketty) on real estate. This impost has two forms, one is a flat charge per unit and the other is a charge based on the capital or land value of that unit. A unit whether home, farm or business is charged the same rate per dollar value whether it is a revenue generating business which will see rates as a business cost or a home. A multimillion-dollar unit is charged at the same rate per dollar value of the property as a three hundred thousand dollar modest dwelling. This is in contrast with the tradition of the central government income tax system which is progressive. In fact, it is worse than that if seen as a wealth tax.

To make it clear I would give an example; A young family has bought a four hundred-thousand-dollar home a couple of years ago, but their actual wealth in that home (equity) is small while their two empty-nest neighbours had bought their homes many years before and have not debt on the home. But when rated (taxed on wealth) all three homes are taxed at the same rate per dollar value of the home. But when looked at as a tax on wealth it is a much greater wealth tax on the young family than it is on their neighbours. If the neighbours were businesses it would be even more inequitable as they would be writing off at least some of the rates against business income. And it is further exacerbated with the practice of rating flat charges.

ECAN alongside central government needs to reassess how it generates the revenues required, a wealth tax is probably a good way of doing it but it should be on the actual wealth held.

The projected rates increase for 2022-23 is large 24.1% (if option one for bus fares is chosen and central government does transfer spending from motorways etc to public transport). Originally the projected increase for next year was 18.8% but the increase to 24.1% is argued as due to required standards of operation etc.

Rates income increases are estimated per district with Urban Hurunui up 26% (containing plenty of low income h/hs) as has Kaiapoi (up 25%), also Lyttleton (27%) whilst comparatively wealthy Burnside is up 27% and well to do Ashburton Rural up only 5% although in the River/Hakatere district there is a designated flood protection rate on a number of properties. There does seem to be a rates costs transfer onto the more modest homes.

However if ECAN is to take the coming emissions budgets seriously, there will need to be large changes in the ways revenue is generated for ECAN and ECAN will need to ensure that it is equitable. The present system isn't.

Recovery from the May 2021 flooding

❖ **Is borrowing and repaying through general rates the right approach for this regionally significant event?**

- It has been noticeable for some time that some farming operations gain a huge value from farming flood plains. This is especially true of some dairy units which find the heavier soils and easy access to water attractive. It is also true that some residential units gain market value from being close to rivers. Both groups have an increased risk associated with this private gain in market value on their properties.
- Alongside this is the expected increase in both frequency and seriousness of intermittent heavy rain events. The question should then be who should pay especially if the owners of these properties have deliberately made choices for private benefit while ignoring the risks.
- Where the work has a public benefit, then borrowing and rating is the right approach but where the benefit falls mainly on private business and citizens a larger share of the costs should fall on them

❖ **How else might we pay for our share of this work?**

- Where there is a large private benefit from ECAN work such as increased real-estate values or increased farm income then it is reasonable to charge more to the private beneficiaries.

- It is also important to reconsider how local government is funded, possibly with more funding coming from central government.

- ❖ How do you think recovery from flooding of this scale - events that impact state highways, bridges, rail and power for example – should be funded in the future?
 - While recovery of public assets is clearly a duty of the councils and central government depending on the situation.
 - Power companies are no longer public assets unless ECAN is planning to take ownership of them
 - The present rating system is inequitable and makes councils reluctant to raise rates to do necessary work
 - So more central government funding is necessary.

Regulation and compliance

ECAN needs to ensure that the budget for compliance and regulation is well used. There have been too many cases of breaches of resource consents with few repercussions. The Bathurst mine is one example and we hear annually that many farms are not fully compliant. Where a business refuses to comply ECAN must ensure that the environment is protected and the people are compensated for any costs

Thank you for considering this submission