

Submission to Local Government funding and financing report.

One basic conclusion in the draft is that rates have become no less affordable over the recent years.

The method used I feel is flawed. Using GNI comparative is as the report states “a blunt tool”. This tool is so blunt the conclusion is (A LOT OF PEOPLE feel) flawed and incorrect.

It is skewed by the top ten percent of earners whom have received pay rises well above the average. For most people remuneration rises have not kept up with the rises in rates. In Carterton Council rates have risen from approx. four million in 2006 to nearly thirteen million in 2019. Approximately 225%. We know of very few people whom have experienced that sort of rise in remuneration. Just look at teachers or nurses etc.

It is skewed by the increasing numbers of renters in the areas rather than dwelling owners. Using “change in rates per capita” with median incomes does not take this into account. There is no typical household.

Many aged people and others on fixed incomes in our council area have been forced to either sell and rent or to sell and move. They have no capacity to raise debt and retain, often, lifelong houses. This as a result of rates increases feeding the largess of councils.

One of the biggest problems identified by the retirement commissioner is the increasing number of people reaching retirement age and now renting rather than home owning.

A mechanism for comparison that might have more acceptability from the rank and file of earning people is to compare to a range of pay rises from average working class occupations.

Should you remove the cap on debt then the debt will continue to surge as a percentage of rates take. Also the finance costs of councils will continue to surge, especially if interest rates rise again.

The cap should remain. Even central government gives itself a lower cap.

To remove it will exacerbate the current trend in our council to continue with its largess. Overspend against budgets is now the norm. Empire building in the executive is widely felt to be out of control. Councillors are not provided with satisfactory nor full financial information.

Financial reporting to ratepayers is totally inadequate. Personally I have received on a number of occasion's totally false information from the mayor.

The costs of “hand down requirements” from central to local government need to be costed and clearly reported.

To remove the rates rebates and replace with, as I believe is suggested, a reverse mortgage scheme is a flawed and will create a bureaucratic nightmare. It will be difficult and costly to

operate. It also ignores many of the people, not old and with little or no debt, from receiving rates reductions. It will force many more into the renting market feeding the rich at the expense of the poor.

A recent ratepayers meeting on rates affordability in our area was extremely well attended and had an overwhelming conclusion. Rates rises are out of control. I suggest commissioners get out and have some meetings with ordinary ratepayers. Otherwise the results will, I fear, be met with derision.

Simon