

Rhonda Mitchell
 67A Rossall Street
 Christchurch 8014
rhondamitchell@xtra.co.nz
 021 027 80355

To: The Productivity Commission

Thank you for the opportunity to make this submission.

My submission primarily addresses question 28 and 36:

1. The unfair and unsustainable approach to domestic rating taken by the Christchurch City Council (CCC) which is enabled by current legislation, and
2. the need for Christchurch City, plus Selwyn and Waimakariri Districts (at least in part) to become a "Super City".

1. Rating

At time of the Christchurch earthquakes (September 2010) I was paying rates at \$5,000 per year.

Post the February 2011 earthquake, my home was deemed not economic to repair, forcing a rebuild. On completion of the rebuild, my **home rating doubled to \$10,000 per year, and rising**. That is **\$833.00 per month**, and **\$2,500 per quarter**.

This is an act of pure opportunism on the part of CCC, repeated all over the city, and adding insult to injury for ratepayers who lost their family home.

1.1 CCC received a massive windfall gain through this unfair rate rise on those who had no choice but to rebuild

One immediate neighbour that had to rebuild also had their rates doubled to approximately \$10,000 per year. Two other immediate neighbours did not have to rebuild, so their rates have stayed at approximately \$5,000 plus the annual increases.

Living in the same approximately 3,000sqm of land, we all receive the same services, how can such a discrepancy in our contributions be fair? This scenario is replicated all over the city.

I point out that post-earthquake, there are no new CCC facilities in my area e.g. libraries, pools, community centres, new streetscapes or layouts. It's the same as it was pre-earthquake, no CCC libraries, pools, community centres in my suburb, yet my rates have doubled.

1.2 . New build standards always increase the value of newer homes relative to older ones

Those of us who had to rebuild had to do so according to the latest building standards. Thus, our new homes are double glazed and have the latest in prescribed foundations to

cope with future earthquakes, and are of a prescribed floor height to address future flooding etc.

We had no choice but to meet those standards, which inevitably leads to a higher valued house. Owners might recoup some of the rating on sale price, but my family has no intention of willingly selling. This is intended as the long-term home for our family which we waited many post-earthquake years for.

I point out that we are still the family of four that we were pre-earthquake, when living in the villa. In fact, I believe we are less CCC provided resource-hungry now, than we were at that stage:

The children have grown up so:

- our solid waste output has reduced because nobody is in disposable nappies
- our fresh water usage has declined because nobody is in washable nappies and there are more showers and fewer baths.

The house has all modern plumbing and fixtures so our water use is more efficient.

1.3 Rate rises out of control under the Christchurch City Council Long Term Plan

The CCC last year approved a **53% increase in rates** over the next 10 years. This will compound, taking my rates to approximately **\$17,000 per year!**

Clearly this is unsustainable for ratepayers. Due to the rebuild of homes, people are now richer in asset than they might have been, but not richer in income. Insurance costs are also going up, along with the ludicrous rating increase.

Most ordinary people will not afford to live in their current home under that regime. Incomes and pensions will not automatically rise with rates. The rating approach of Christchurch City Council will lead to social engineering of suburbs and break down communities.

Further, it begs the question, is my house really worth what the CCC values it at for rating purposes? If there is no market there to buy when I need to sell because the rates payable are so high, then the irony is that it is not worth the value CCC is rating it at.

1.4 Solutions to Christchurch City Councils approach to domestic rating

1.4.1 Rein in CCC spending overall and clearly specify core functions, ensuring through legislation that Councils spending prioritises core functions

To illustrate how out of touch and insensitive to the position of ratepayers they are, the Mayor and Chief Executive were in The Press newspaper last year urging Christchurch people to come into the centre of the city to financially support our hospitality and retail businesses based there.

I can assure you, nothing would have given me greater pleasure than to spend that extra \$5,000 in shops, restaurants, cafes and bars of the central city. But I can't. Because CCC took it.

Taking money off people through excessive rating directly affects their ability to support local businesses, and local charities and sponsorships.

The over-spending at Christchurch City Council while my rates double to \$10,000 never stops. This is a Council obsessed with legacy projects and issues outside of its immediate remit, while core functions suffer.

You would have heard about the touch screen at the new Central Library. There is the covered stadium which apparently, we have to have. New streetscapes plus the new cycle lane network seem to be going ahead with a "Rolls Royce" approach: instead of simple asphaltting we are getting a complex combination of cobbles, tiles, curbing etc.

The Press on a typical day last year:

- \$9.6 million to be spent in the 2020/21 financial year reorganising the bus service
- \$1.2 million to be spent on an all-weather outdoor sports facility in Rawhiti domain
- \$335,000 to provide healthy home **advice** (i.e. not actual tangible healthy homes)

These things are all lovely to have but Christchurch ratepayers can't afford them, especially while basic functions are not being taken care of. Our roads and footpaths are often still very rough making it difficult for elderly and mobility impaired people to use them. Huge numbers of Christchurch school children do not have safe walking or scooting routes to school. Our fresh water supply became a debacle through mismanagement of infrastructure.

You would not run your family finances this way, so why is the CCC allowed to continue?

1.4.2 In the short term, cap rates on individual houses

Currently the sky is the limit on what CCC can and will take from ratepayers. They need to understand this is not a socially sustainable approach. Surely, no individual domestic residence should pay rates at more than \$5,000 per year, when each residence should be receiving the same services.

1.4.3 *In the medium to longer term, change the system of rating*

You will be acutely aware that the cost of housing is disproportionate to income all over New Zealand.

To continue with a system of rating houses based on perceived value is untenable for the population. It is a form of social engineering.

If people already in homes are seeking to downsize to more affordable homes driven by local government rating, it will exacerbate the demand for affordable homes, which are already in very short supply.

It is also acutely unfair to rate on perceived house value, with no relation to the ratepayer's income, number of residents, resource use, and service supply.

This letter illustrates the lack of common financial sense in spending, and unsustainable approach to rating of the Christchurch City Council, and I hope that you will act with urgency.

2. Sprawling dormitory suburbs in separate rating districts

Prior to the earthquakes, subdivision development in Selwyn and Waimakariri Districts began to gather pace, and this was greatly exacerbated by population movement away from the East, generated by the earthquakes.

The new subdivisions are effectively dormitories to Christchurch, as employment opportunities in the Districts do not match the local population numbers. Developments such as Pegasus Bay gained resource consent through promises which were very clearly lies at the time, that residents would be locally employed and would not be travelling into Christchurch every day.

We now have a situation where great numbers of people commute daily from the Districts into Christchurch for work. Central Government funds provide new and enhanced roading to the City, but once there it is the job of Christchurch City Ratepayers to enhance the capacity of local roads to take the traffic numbers. Added to the financial burden is destruction of communities like St Albans as they are carved apart by new arterial routes.

Waimakariri and Selwyn commuters on a daily basis travel into Christchurch where they use Christchurch ratepayers roads to drive and park on, drink fresh water provided by Christchurch ratepayers infrastructure, flush toilets with fresh water provided by Christchurch ratepayers, eat lunch in parks built and maintained by Christchurch ratepayers, dispose of their wrappers in bins provided and emptied by Christchurch ratepayers, visit recreation centres and pools built and maintained by Christchurch ratepayers. The list goes on and Waimakariri and Selwyn ratepayers are not contributing their share to Christchurch, they are simply freeloading.

2.1 Solution to sprawling dormitory suburbs in separate rating districts

Christchurch must become a Super City that includes all of these dormitory suburbs, in recognition that dwellers in dormitory suburbs are almost as heavy users of Christchurch City services as Christchurch ratepayers.

At the very least, a user-pays contribution, independently assessed, contribution must come from Selwyn and Waimakariri ratepayers to Christchurch City Council that accurately reflects the use of services and effects on amenity in Christchurch City.

ENDS