

SUBMISSION ON THE DRAFT REPORT OF THE PRODUCTIVITY COMMISSION. LOCAL GOVERNMENT FINANCING AND FUNDING.

I have read the report and wish to further submit on the following issues:

1.

The report touches on the problem of Local Authorities straying beyond their core roles and responsibilities, which was a problem raised by submitters on the terms of reference report. The loose/liberal wording in the LG Act allows TLA's to engage in pretty well any project as long as local "democratic process" is followed. The big problem is TLA's fudge and obfuscate the democratic process and press on with major projects without majority community support. Even when community feedback opposes a project, (eg 80%opposed to the Dunedin Stadium), the TLA pushes on regardless to fulfil their "vision" based on a minority of supporters.

Much of the large debt now held by the Dunedin City Council (DCC) and its holding companies, such as Aurora Energy, is due to unwise spending on non-core functions and DCC does not seem to have learnt any lessons from this! DCC now has a big backlog of core infrastructure work dating back 20 years! Holding Company Auroa Energy also carries a large debt burden due to deferred maintenance over 30 years!

Recommendation 1: Include this aspect in the final report and suggest how the LG Act can be amended to clearly define the roles of TLA's and limitations therein. Also put in place fines or other censures to penalise TLA's for straying beyond core functions.

2.

The draft report suggests that each TLA should have its own Audit and Risk Management Committee. I agree with this but such a Committee or Commission would be better placed outside the TLA to prevent internal bias. This could be an Audit Office role, especially for large projects requiring ratepayer input, such as the botched Dunedin Stadium project which left ratepayers with the whole bill of 230 plus million dollars.

Another project heading along the botched trail is the proposed Dunedin multimillion Waterfront Development, currently seeking Regional Development Fund Money, with no final plan, no final costings and vague details as to who is going to pay! Fortunately the Ministry for Infrastructure and Development is exercising caution and wants more assurances from DCC that the project is viable and that it has wide community support, which has not been reliably established, unless you accept statistically invalid biased newspaper and radio polls.

Recommendation 2: The Commission should recommend that an Audit and Risk Management Committee or Commission be set up, particularly to adjudicate for large scale peripheral projects which might place ratepayers in jeopardy where TLA debt is already high. However, this body needs to be separate form the TLA's to avoid conflict of interest and internal bias.

4. The section on Climate change is interesting and links to other sections eg Tourism and TLA Growth and Infrastructure Demands. DCC has now signed a Climate Emergency Declaration but ironically is promoting open ended tourism and population expansion even though the city is in the midst of a housing crisis, has large debt and deprived communities also at risk from sea level rise.

The problem is that growth and expansion and increased tourism add pressure to infrastructure and add to greehhouse gas emissions, thus thwarting any attempt to comply with any Climate

Emergency actions. It is no wonder that two Councillors did not support the motion, calling it ineffective and tokenism.

Recommendation 3: The Commission needs to advise Government that the present nationwide clamour to increase population and tourism will have long term damaging effects when infrastructure and housing, healthcare etc are already not adequate to cope. Short term gain will lead to long term pain if these trends continue.

Example: Just recently huge delays with cancer treatment have been revealed at Dunedin Hospital and people are dying due to lack of timely treatment. I have recently been diagnosed with cancer and face a delay of a year or more before treatment is likely. We are getting a new Hospital but there will still be insufficient funds and staff for treatments!

5.

The Commission is set to recommend that the Rates Rebate Scheme, (RRS), be discontinued and replaced with an impractical deferred payment scheme, or similar. The discussion around this is contradictory and confused. The premise that pensioners with no mortgage do not need the rates rebate, (eg My wife and I), and that there is inequality because renters are not eligible for the RRS is simplistic. The fact is that the RRS is based on low income and some pensioners with only the pension do still have mortgages and other debts and appreciate the bit of relief the RRS brings.

Perhaps low income renters should also be eligible for the RSS where rates are included in the rent as well as the AS. My son and his wife with three young children are eligible for the RRS and a modest AS for their run down old house in, (flood prone), South Dunedin, so renters should be on the same footing!

The report says that people on low incomes count every dollar and my wife and I and my son value the relief the RSS brings. Removing the RSS also disadvantages asset rich but low income homeowners many of whom are pensioners and widows or widowers.

The Commission needs to appreciate that the pension is not enough to live on by itself and I still have to work at age 70 to keep us afloat and help out our son and our grand children.

Recommendation 4: The Commission should not recommend any changes to the present RSS system which is fairly based on a low income threshold. Young home owner families on low incomes are already struggling to survive and the RSS is very welcome indeed. The Commission should recommend that low income renters also qualify for the RRS and AS as well, if their circumstances allow, rather than doing away with it!

6. The report points to the dysfunctional relationship between Central Government and TLA's and this is very obvious. There is also dysfunction between ratepayers and TLA's to add to the problem. There is a need for an impartial intermediate body to bridge the gap, so to speak. The Audit Office sort of does this at present but is ineffective and seems to overlook shonky financial practices and excessive debt levels accrued by TLA's.

Recommendation 5: The Commission needs to point out that there is too much distance between Government and TLA's. We need a robust audit and control body with real teeth and powers to rein in errant TLA's and keep them honest. This body would also listen to appeals from ratepayers who at present are brushed off by TLA's when they raise genuine concerns.

GENERAL COMMENTS AND OBSERVATIONS.

1.

The Draft Report is certainly detailed but most of the recommendations seem a bit pie in the sky and unworkable, or are not quite on point. Eg the idea for a TLA Audit and Risk Committee which could not work within a TLA and needs to be external.

2.

The Draft Report seems to be a bit removed from the real world and written by comfortably off people. It acknowledges that poor people exist but uses national income averages to gauge rates affordability when many are on below average incomes and face sharply rising living costs as well.

3.

The Draft Report covers climate change, population growth, infrastructure pressures and tourism etc but does not cover the negative synergy and contradictions that are occurring now and can only get worse. **Eg the DCC signing a Climate Emergency when it is actively promoting tourism, immigration and population growth, all of which clearly work against this. The Government is also guilty of this by promoting tourism, growth and immigration when the country clearly is stretched beyond its carrying capacity in all areas.**

3.

I observe that the Government is avoiding declaring a national climate emergency because it knows this is a futile exercise and that it will not meet required emission targets while at the same time promoting primary exports, tourism and population growth! Agricultural methane emissions and “Carbon miles” involved in exporting to distant countries and importing from same are also ignored, which makes a mockery of the whole silly scheme!

4. The Amazon Jungle, (the so called lungs of the world), are being cleared at an alarming rate to allow more farms and more population. Major powers like China, Russia and the US are not prepared to sign the Kyoto climate change protocol so it is foolish in the extreme for New Zealand with relatively miniscule greenhouse gas emissions to compromise an already weak economy in a futile attempt to get zero carbon emissions by 2050. 2050 is probably too late in any case to avoid irreversible climate effects.

3. The Draft Report shows a distinct bias towards the TLA submissions and in particular the submission by the DCC which is out to seek other ways to extract more money from its ratepayers, other than by rates, to pay for unnecessary projects. The other avenues will be rates/local taxes by another name, such as the fuel tax which DCC can and will no doubt levy in 2021. Ratepayers do not mind paying for infrastructure improvements to benefit the majority of ratepayers but object to paying for vanity projects which should be paid for by the vocal minority that demand them.

4. The Draft Report may result in some changes for the better but like rearranging deck chairs on the Titanic, real grass roots change will be very elusive. New Zealand is slipping towards third world status and faces very severe environmental and social problems with no clear way out. The Government and TLA’s tinker with climate change and pay lip service but encourage damaging activity which will obliterate any real progress with climate change mitigation. In similar fashion the tyrant emperor Nero fiddled while Rome Burned!

5. The Government sees overall growth and tourism as the solution to the decline and the Draft Report does not caution against this, which is fatal when faced with current and impending catastrophe. The country only needs one more major earthquake in a big city to cripple the economy and that could happen at any time. Scientist predict that Auckland may experience a massive

volcanic event in the not too distant future. While some might welcome such an event, the South Island might also be adversely affected and that would be bad!

6. If you have read this so far and spotted the tongue in cheek poke at Auckland above, then you score 10/10 for patience and dedication, unless you are a reading machine of course !

The End.

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