

23 March 2020



WELLINGTON

To Mayors, Chairs, Councillors and Chief Executives
All Regional, City and District Councils

Wellington Chambers
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CALL TO CONTAIN RATES RISES AND RECONSIDER CONSULTATION PROCESSES

On behalf of Federated Farmers of New Zealand I am asking all Councils to keep their ratepayers in mind when considering their draft annual plans for 2020/21 and to consider whether some consultation processes in the pipeline need to be extended and/or delayed while their ratepayers, citizens and staff guard themselves against the threat of Covid-19.

Draft annual plans currently being put out by regional, city, and district councils show some alarmingly large rates increases, some in excess of 10% and a number well over 5%. Ratepayers are facing a very difficult and uncertain time and the last thing they need to worry about right now are runaway rates increases.

Federated Farmers is deeply concerned about the serious impact of Covid-19 on our communities and on our economy. We have applauded the decisive action of central government both in terms of public health and its economic rescue package.

Despite the Government's rescue package, the economy will suffer a sharp shock and will likely enter a deep and long recession. At a time of economic downturn and uncertainty it is particularly important that councils focus on their core functions and operate as efficiently and effectively as possible to keep the rates burden down for the wellbeing of their communities. 'Nice to haves' need to be shelved.

As well as focusing on core business councils could also consider following the Government's lead and take on more debt, especially for capital investment. Most councils have little debt and have plenty of scope to borrow while remaining prudent while those that are close to their debt limits could be forgiven for breaching them at this extraordinary time.

We also note that many councils aren't planning to consult this year on their annual plans and will simply be adopting annual plans based on the numbers from their 2018-28 Long Term Plans. The environment has changed dramatically since they'd have made their decision not to consult and these councils should now urgently review their planned rates increases too.

Another serious concern we have is the ability of councils to meaningfully consult and engage with their communities on other policy and regulatory matters, including district and regional plans. We ask that Councils look to adjust their work programmes and timeframes. Assuming business as usual for these processes is unwise with the restrictions on gatherings and the simple fact that most people (both inside and outside councils) are trying to focus first and foremost on their wellbeing and will be avoiding gatherings as much as possible.

Finally, Federated Farmers will be approaching central government asking that they consider using taxpayer resources to help councils meet the costs with three waters infrastructure investment needed to comply with the Government's tougher regulation of drinking water. We will also be asking that drinking water quality be regulated at point of supply to humans rather than at source. The Three Waters Reforms look like being incredibly expensive for councils and will be a major driver behind large rates increases.

Federated Farmers' provinces will be making their own submissions on councils' specific draft annual plan consultations and I acknowledge their submissions.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Katie Milne', with a stylized flourish at the end.

Katie Milne
National President and Local Government Spokesperson