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2 April 2022

Hurunui District Council's Submission on Environment Canterbury Draft Annual Plan 2022/23 Consultation Document

Introduction

1. Hurunui District Council (HDC) thanks Environment Canterbury for the opportunity to provide comment on the Draft Annual Plan 2022/23 Consultation Document.
2. HDC seeks to be heard in support of this submission.
3. HDC would value the opportunity to work with Environment Canterbury on any matters arising from this submission.

Key themes of this submission

4. There are three topics for discussion in Environment Canterbury's Draft Annual Plan 2022/23 Consultation Document this submission addresses:
 - A new bus fare structure
 - Flood protection and recovery
 - Future funding for action in response to Climate Change.
5. HDC also provide some general comments relating to proposed rate increases.

A NEW BUS FARE STRUCTURE

6. Hurunui District is serviced by two major State Highway links and a local roading network, which facilitate the transport of people and products. Currently, no part of the roading network is serviced by the Greater Christchurch area transport services.
7. HDC understand that it does not pay a Public Transport rate, as it is not served by transport services in the Greater Christchurch area, and therefore Hurunui district ratepayers will not be impacted by the proposed bus fare structure review.
8. Should Hurunui District be served by transport services within the Greater Christchurch area in the future, an opportunity to provide feedback on any proposal would be welcomed.

Which bus fare structure would you like to see trialed?

9. Whilst HDC supports in principle the approach of a two-year trial to determine if the option supported is viable. HDC notes this is a matter for those who will be directly impacted by the proposed new bus fare structure to provide feedback and has no further comment.

FLOOD PROTECTION AND RECOVERY

10. Not only are impacts of climate change being felt across the Hurunui District, but they are also being felt across the entire Canterbury region. Extreme weather events such as drought and storm surges are examples of what we can expect to see more of. Therefore, it is important that we plan at a district and regional level as best we can to meet these challenges.
11. HDC note the May 2021 extreme weather event that led to widespread flooding and had significant impacts across the region.
12. HDC understand by carrying out flood protection work quickly the region will recover faster, and land, homes and communities will be protected from future events.

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

13. HDC understand it will cost the region \$12.2 million to meet its share of recovery work from the May 2021 significant rainfall event. With the Government's Emergency Management Agency committed to co-fund \$7.5 million, the total recovery work is estimated to be almost \$20 million.
14. HDC support the proposal to cover the costs of recovery work by borrowing over two years, with the loan being repaid through general rates over the next ten years.
15. HDC note that the loan repayment would be shown as a separate item on the rates bill.

FUTURE FUNDING FOR ACTION IN RESPONSE TO CLIMATE CHANGE

16. Responding to climate change poses a great challenge for the Hurunui District, with increased severe weather events and coastal erosion damaging significant Council infrastructure, directly impacting our communities, and ultimately increasing costs.

Would you support a levy to accelerate action in response to climate change?

17. HDC is working on a position of climate change and sustainability adaptation as time progresses. The changing climate will have a direct and indirect influence on the district's economy and the wellbeing of its residents and work is currently underway, firstly with the coastal communities to establish long term plans for the impacts on them.
18. Similarly, sustainability is becoming an increasingly significant issue for the Council's customers as environmental awareness develops throughout the community.
19. HDC will increasingly include sustainability as part of its core thought practices as it looks to develop new assets, and this can be seen in investment towards waste and recycling improvements and other property initiatives such as solar heating.
20. HDC understand there is no climate change levy discussed or being proposed at this stage. The evolving nature of this proposal, and current absence of detail does not provide any clarity for ratepayers of the Hurunui district. Such uncertainty, as to how or where funds would be directed, places extreme financial pressure on the communities we represent given current economic uncertainties linked to COVID-19.
21. HDC suggest that establishing support for such a proposal will require clear direction from the Government on climate change actions to be funded at a national, regional, and local level. Ensuring the Hurunui district has clear, measurable, and outcomes-based spending on climate change responses is important for us as a Council and for our rate payers.
22. Any future climate change expenditure will also require community consultation within the Hurunui District and direction from Environment Canterbury regarding future rate increases and funding allocations.
23. HDC suggest future climate change expenditure be charged as a Uniform Annual General Charge (UAGC).
24. HDC request any decision relating to this issue be shared by Environment Canterbury to assist with any future HDC community consultation that could, in turn, provide Environment Canterbury with clearer direction on future funding to accelerate action in response to climate change for the region.

What current or future projects or activities would you like to see funded by such a levy?

25. Climate change presents significant challenges, risks and opportunities to the Hurunui District. These changes are progressive changes that will become increasingly more predictable. Climate change is not likely to create new hazards but will exacerbate the existing hazards.
26. Whilst HDC do not yet have a clear steer from their community regarding support for a regional levy to accelerate action in response to climate change, the following initiatives are programmed in our Long-Term Plan 2021/31:
- In respect to sea level rise, HDC has introduced a new activity for Coastal Hazards. Further information will be gathered to determine what level of work is required and how this shall be funded over the medium term.
 - Work is underway on stormwater modelling to understand the impact that severe weather events could have on the District.
27. Should support for a regional levy be adopted by Environment Canterbury, funding could assist with the following scenarios:
- Should sea level rise faster and to a greater extent than predicted, then Council services could be overwhelmed through extensive flooding.
 - If climate temperature increases occur earlier than is expected, then the demand on water supplies may increase, which may result increase new infrastructure to appropriately service that increase.
 - If Hurunui District is subjected to severe weather events which cause significant damage to the Council’s infrastructure, HDC may need to divert resources and funding towards that repair.

General comments

28. HDC note Environment Canterbury are proposing \$264.02 million in total expenditure with a rates revenue increase of 24.1%, a 5.3% increase from the 18.8% signaled in the second year of their Long-Term Plan.

Hurunui District Proposed Rating Table for Environment Canterbury 2022/23

Property Type	Last Valuation	CV 2022/23* \$	CV 2021/22 \$	Rate 2022/23 \$			Rate 2021/22 \$			Movement \$		
				G	T	Total	G	T	Total	G	T	Total
	Sep-2019											
Rural		1,911,000	1,911,000	1,007.45	178.82	1186.27	815.67	174.58	990.25	191.78	4.24	196.02
Urban		340,000	340,000	225.54	17.56	243.10	175.30	18.38	193.65	50.24	(.78)	49.46

CV = Capital Value of Property
 G = General Rate
 T = Targeted Rate
 *Hurunui rate for rateable land = \$49.77 per \$100,00 CV

29. In the table above, taken from Environment Canterbury’s Draft Annual Plan 2022/23, it clearly signals owners of large land parcels will continue to pay the lion’s share of our region’s rates and therefore are the hardest hit by any rates increase. HDC request Environment Canterbury be more responsive to this group who are paying a disproportionate amount.
30. The low UAGC rate of around 10 to 2% (although increased by 55% from last year) puts more onus on those with higher capital values. HDC sets its UAGC at the highest level possible (30%), and we urge Environment Canterbury do the same, so as not to unfairly burden those who are already paying to uphold their increasingly onerous consent conditions as well as voluntarily spending on

better environmental outcomes, such as wetland rehabilitation, riparian and other planting, river protection and so on.

31. The second year of the Long-Term Plan should focus on the 'must haves' for the region. People are still feeling the impacts of COVID-19, particularly the economic uncertainties associated with recovery from a pandemic.
32. Environment Canterbury is in a privileged position whereby protecting the environment is their core business. At a time where organisations are having to trim budgets to focus on core deliverables Environment Canterbury can provide that constant for environmental protection. While other organisations are having to cut funding for biodiversity or pest control groups it is a space where Environment Canterbury can show real leadership and offer enduring funding, so the hard work achieved one year is not lost the next year.

Conclusion

33. Thank you for the opportunity to provide this submission.
34. For any clarification on points within this submission, please contact Maria Edgar on 03 314 0048 or maria.edgar@hurunui.govt.nz

Yours sincerely



Marie Black
Mayor (on behalf of the Hurunui District Council)