



ON SLOW RESIDENTS' COMMUNITY ASSOCIATION

Submission of the Onslow Resident's Community Association for the Wellington City Council 10-Year Plan 2021

The Onslow Residents Community Association represents the areas of Khandallah, Broadmeadows and Kaiwharawhara. Our purpose is to act as a conduit between the community and local authorities, represent the views and interests of our three communities, promote, develop and improve the public services and facilities for our community and foster a sense of community. We are a voice for our community.

Overview

The Onslow Residents Community Association is pleased to make a submission on the Wellington City Council 10-Year Plan. This is based upon local knowledge and communication with our residents at our Annual Meeting and through email.

We thank the contributors for producing such a quality plan. However,

We suggest it is irresponsible to propose a 48% rates rise over the first five years when very large future expenditures remain unquantified and it is a time of economic uncertainty for everyone, so we recommend a substantial reduction in these expenditures to create a fiscally responsible plan

We also wish to present our submission on the 10-Year Plan in person to Councillors in a formal Council meeting.

We will first make some general comments and then focus on the key points in the submission document. Finally, we will present recommendations for action for consideration by the Council.

Time to raise your game

The 10-Year plan sets out four community outcomes and six priority objectives before summarising the budget and getting to seven key decisions about new expenditure. The outcomes and objectives should guide the plan, but as they are neither quantified nor measurable and none of the seven key decisions is tied back to them, we see little point in raising our concerns about them.

We must get beyond marketing hype to concrete outcomes for our City and a plan to deliver them

There is no engagement on operational expenditure beyond an unexplained list of items in supporting documentation. When questioned about it, the Chief Executive claimed that many costs savings have been achieved, but we can find no evidence for them, nor any descriptions of which services have been cut to enable them. On the contrary a single page (55) explains that prior decisions remain unaltered even in the light of the glaring liabilities exposed in the plan. We find this simply unacceptable.

We want to also engage about operational expenditure, prior projects and funding options

The Plan does not address very large capital liabilities on water infrastructure (the \$0.7B funding makes no inroads into the backlog of a replacement value of \$3.9B), Let's Get Wellington Moving (\$0.27B funding out of an estimated \$1.4B) and an unknown liability called social housing "sustainability challenges", a service we are told will become insolvent from June 2023 (it also appears that only three years of the \$0.4B 10-year cost is funded). When we compare these liabilities to the \$1B of capital costs proposed in the seven key decisions, we anticipate further very large rates rises ABOVE the 48% proposed in the next five years.

Your highest priority is to define the unknown risks in this plan and remove the audit qualifications

We also caution the Council over the temptation to borrow heavily to fund capital solutions. Every capital project that goes bad instantly appears as an operational cost when it is written off or made obsolete by a replacement project, e.g. the Island Bay cycleway. Today's low interest rates become tomorrow's repayment nightmare if interest rates rise, as the Reserve Bank is cautioning.

It is high risk to rely on large capital projects and low interest rates, capital spend must be reduced

[Answers to the Questions in the Submissions Questionnaire](#)

These responses are made in our online submission also.

Contact details (in the online form only)

Our response to the seven key decisions:

1. Enhanced, the preferred option for water infrastructure, as it is prudent for a basic service, noting that this provides no funding for densification outside of the inner-city and that large liabilities remain unfunded until quantified and addressed with an acceptable plan
2. Take ownership, the preferred option for the council taking back waste water laterals
3. Finish started projects, for cycleways, as only a small proportion of residents cycle, the track record in building them is poor, and we need a lower rates increase
4. None of these options, for First to Zero to be deferred, save for future planning and measurement, as we don't know the carbon reduction return on investment, or what impact it will have, electric vehicles will shortly become cheaper (and don't exist for trucks), and we need a lower rates increase
5. Sell to support development, for the Council Precinct, with the land, including central library sold for amenity through a design competition, as we want to see a meaningful city centre square developed, not a council precinct
6. None of these options, as we cannot afford to fix the Central Library, so it should be sold for development to mitigate future infrastructure liabilities
7. Option 1, for sludge minimisation, as the preferred option disingenuously talks about "alternative funding", but this is a form of targeted rate above the 48%, which we reject.

Our feedback on these decisions is provided above.

We strongly oppose the proposed 10-year budget and we support decreasing spend in the current budget. The proposed budget demands at least a 48% increase in rates in the next five years, DOES NOT address the need for investment in our three-waters infrastructure, has too-high a debt limit and is not in any way economically sensible, but rather we consider it to be irresponsible.

Other projects: we want the Khandallah Park and Swimming Pool upgrade project to go ahead, as it is a modest investment (\$1m) in our amenities to keep them viable for another ten years or more.

What we like about the Long Term Plan

We have only found two items to like about the 10-year plan, a prudent budget for water infrastructure (until the true extent of liabilities are uncovered) and taking back waste water laterals.

Recommendations

The recommendations we make have been highlighted throughout this submission by using **emphasis** at the points where the evidence for them is discussed.

Conclusion

We refuse to indulge in the usual practice of a lolly scramble for new projects at rate payers' expense; we are the ratepayers. This 10-year plan presents risks that are larger than the seven key decisions, yet takes little action to prepare for them. Instead it proposes massive rates rises of 48% over five years, at a time when inflation is low, interest rates are low, the economic outlook uncertain and the new post-COVID normal is yet to finalise across the World. In short, this is at best irresponsible and at worst, sheer madness. Let's avoid a "Fiddling with cycleways and civic buildings while Rome burns" epitaph for this Council.

If other product and service suppliers follow your inflationary leadership, we are doomed to hyperinflation, which will set back New Zealand to the 1980s with catastrophic consequences

Wellington City Council must get back to basic service provision and meeting core amenity needs for all. If Councillors want large investment in new capabilities, they must wait until we solve our social housing and infrastructure "challenges". Given the size of the liabilities, it will be vital that the Council leverages new sources of funding for projects and ensures their future value delivery, to make them both affordable and worthwhile.

Yours faithfully

Lawrence Collingbourne, President on behalf of

Onslow Residents' Community Association