



# Is there any oversight of ratepayer costs by Porirua City Councillors?

## All rates must be set on a “FAIR” basis.

- The rating act requires that a “Fair” approach is taken when setting rates and this requirement is so that a predatory approach is not taken to disadvantage some groups and give an unfair advantage to others.
- When assessing rates there is an expectation that costs are considered for each rating group based upon a few simple calculations. Is each cost a “public” (shared cost) or a “private” (cost to those that benefit) and then variances in between?
- Ability to pay is considered based upon the Capital Value of the property and although this is often unfair, it has been accepted in law as a “Fair” basis. Councils however may not then double up and add further layers of costs to a group because they think they can pay more.
- In a similar manner, the poorest are expected to pay their “Fair” share of rates.

## Why must Councillors take a “Fair” approach.

- There are groups within our rating base who are not represented democratically, and a “Fair” approach protects their vulnerability.
- There are only 623 Rural ratepayers in Porirua city and Councillors can ignore their submissions as they are not a significant voting group at election time. Is that being fair?
- Business ratepayers generally do not get a vote that represents their contribution to the city and their vote is so small they can be and often are treated without fairness.
- Councillors can ignore these and other vulnerable groups that do not have a strong vote and for them to redress this issue is difficult as in any legal fight there is an asymmetrical advantage to Councils who fight ratepayers with little regard to costs which we end up paying.

## Current rural examples that do not appear “Fair” and concern me.

- Rural ratepayers are paying 100% of PCC costs for rural roads and this represents 50% of rural rate costs. Clearly many of these roads are used as highways for general traffic and in my calculations only half of these costs should apply to this small group.
- Councillors gave a special rural rate (lower) to the Hongoeka Community without signalling any basis for such action. (They would have benefited more from a “fair” costing of rural roads).
- Councillors gave a special rural rate to large land holdings who can claim GST as a business expense. Again, no basis was given for such action. (They would have benefited more from a “fair” costing of rural roads).



## Other issues of concern

- The Porirua Adventure Park proposal for Colonial Knob has been offered an underwriting of \$4million of ratepayer funds. Is there any security for our money? When I asked about rental costs and rates charges, there was no comment from Councillors. Does this mean they may be getting a free occupancy at ratepayer cost?
- There are current rumours that PCC may have to pay several million in costs due to mistakes on their part. I hope this is not correct but if there is a potential liability, this should be declared at an early stage.
- In the Long-Term Plan advice to Councillors was that Shopping Centre rates were “Fair”. However, my simple calculation showed they were 44% higher than those for Lynn Mall in Auckland.
- I have written to our Mayor about these matters and twice he has promised a reply but over a year later I am still awaiting that reply.

Next month I will talk about options for a better Porirua. I have set up a web site [www.iloveporirua.nz](http://www.iloveporirua.nz)

I am happy to talk to Residents Associations, Church groups, Marae, City Councillors about improving our choices.

You can email me on: [chriskb@iloveporirua.nz](mailto:chriskb@iloveporirua.nz)

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