

Tabled Information - Reference 140/13(B) - Peter Kennedy

Earthquake Strengthening Resolution

Peter Kennedy

I wish to speak on the proposal by the Wellington City Council to add \$40,000 to the Earthquake Strengthening Fund. One can only assume because of the low level of additional funding, this is to be for an added appointment to those working with the building owners in the community who need help/assistance to strengthen their buildings. If this is the case, I wish to formally lodge an objection to this proposal for additional ratepayer's funds being added to this cause. Given that funds can be given to any owner to strengthen their building, without any caveat on work being required to actually being done, I believe, is reckless, and unconstitutional. Once people receive that money there is no obligation, whatsoever to strengthen their building.

I have spoken to a number of people around New Zealand regarding this issue, and most find this situation ludicrous and absurd.

I have two proposals to counter the current way the Wellington City Council operates in "helping" building owners strengthen their buildings.

1/- When a building owner "borrows" money to strengthen their building, they are allowed to off-set part of the principle repayment of the loan against their rates bill. This would be for the length of the loan, some 20 years, but there is a fish hook. When the building is sold, destroyed by natural disaster, whatever, the Council would have redress on the money owed. It would need a small administration fee attached, and was the least favoured by those I talked too, except small business owners. Because essentially there was no exchanging of money till the very end, when businesses pay back what they owe, it could make an easy target for either central Government or local Government wanting to borrow money that essentially doesn't exit.

2/- My other proposal, is that because both central and local Governments can borrow money at relatively lower interest rate on the market, might I suggest an investigation into whether or not the Council could become the lender for those owners requiring funds to strengthen their buildings, might be appropriate. Yes there are risks, but with the right legal frame work, and mitigating circumstances, this would open up the options for many to speed up the strengthening of their buildings. This option was favoured by many of the more larger business owners, though they wondered how Council staff would get their heads around this. Most agreed that cost was the prohibitive factor in strengthening their buildings, but they also recognized sitting around not doing anything was not ideal either.

Most people recognize that something needs to be done regarding strengthening of the "Heritage Buildings" in Wellington, otherwise they will either fall into disrepair and eventually be knocked down, or they will suffer structural distress, and be bowled, as we are seeing in Christchurch, thanks to Tsar Gerry. Neither option is really acceptable, so we need to come up with viable solutions. Just chucking hard-earnt ratepayer's money at this is not a solution either.