

# MACKENZIE DISTRICT COUNCIL

## MINUTES OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 19 JUNE 2007 AT 9.00 AM

### **PRESENT:**

John O'Neill	Mayor
Crs Dave Pullen	Pukaki Ward
Barry Stringer	Pukaki Ward
John Gallagher	Opuha Ward
Evan Williams	Opuha Ward
Graeme Page	Opuha Ward

### **IN ATTENDANCE:**

Glen Innes (Chief Executive Officer)  
Jason Beck (Manager – Finance and Administration) for parts of the meeting  
Bernie Haar (Asset Manager)  
Garth Nixon (Community Facilities Manager) for parts of the meeting  
Rosemary Moran (Committee Clerk)

### **I OPENING:**

The Mayor opened the meeting and welcomed Councillors and staff.

### **II APOLOGY:**

Resolved that an apology be received from Cr McDermott.

**D Pullen/J Gallagher**

### **VI PUBLIC EXCLUDED:**

Resolved that the public be excluded from the following part of the proceedings of this meeting namely:

1. Recruitment of Chief Executive Officer
2. Township and Reserves Maintenance Contract
3. Fairlie Pensioner Housing Project (to be circulated)

<b><u>Reason for passing General subject of each matter to be considered</u></b>	<b><u>Ground(s) under this resolution in relation to each matter</u></b>	<b><u>Section 48(1) for the passing of this resolution</u></b>
1 Recruitment of Chief Executive Officer	To Protect the Privacy of Natural Persons	48(1)(a)(i) That good reason exists for not discussing the matter with the public present and is not outweighed by

the public interest

- |    |  |  |   |
|----|--|--|---|
| 2. | Township and Reserves Maintenance Contract | To protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied it | 48(1)(a)(i)<br>That good reason exists for not discussing the matter with the public present and is not outweighed by the public interest |
| 3. | Fairlie Pensioner Housing Project          |  |   |

This resolution is made in reliance on Section 48(1)(a)(i) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows: *Recruitment of Chief Executive Officer - Section 7(2)(a), Township and Reserves Maintenance Contract and Fairlie Pensioner Housing project – section 7(2)(b)(ii)*

**E Williams/S McDermott**

The Council continued in Open Meeting.

Resolved that the following decisions made with the Public Excluded be confirmed:

**1 Recruitment Of Chief Executive Officer:**

That a new Contract of Employment for the position of Chief Executive Officer be entered into with Glen Innes, for a fixed term of five years from 26 November 2007 to 25 November 2012.

The resolution was carried unanimously.

**2 Township and Reserves Maintenance Contract**

That Council accepts the tender of \$480,094.06 for Contract 1148 Township and Reserves Maintenance from Whitestone Contracting, it being the lowest priced conforming tender.

**3 Pensioner Housing**

1. That the Council charges the Chief Executive Officer with bridging the funding gap of \$35,000 with the Mackenzie Aged Persons Welfare Association or other local sources.
2. That the Council confirms the proposal to build the new pensioner housing units in Fairlie.

**B J D Stringer /E Williams**

**III REPORTS:**

**1. MANAGEMENT SUBMISSIONS TO THE 2007/08 ANNUAL PLAN:**

This report from the Manager - Finance and Administration referred to the Ashwick/Opuha Capital Rate, the Twizel Village Centre Upgrade, Tekapo Township Projects, Fairlie Pensioner Housing project, Twizel Swimming Pool Planned Maintenance and Targeted Rate for Tourism.

Resolved that the report be received.

**D Pullen /E Williams**

2. FURTHER SUBMISSIONS TO THE ANNUAL PLAN:

This report from the Manager – Finance and Administration referred to the submissions received from Housing New Zealand and Elayne Nilson-Reid.

Resolved that the report be received.

**D Pullen/E Williams**

Resolved that the late submission from Elayne Nilson-Reid be accepted.

**E Williams/J Gallagher**

Resolved that the submissions from Housing New Zealand and Elayne Nilson-Reid be considered along with all submissions to the Annual Plan 2007/08.

**J Gallagher/B J D Stringer**

3. FURTHER MANAGEMENT TEAM SUBMISSION TO THE ANNUAL PLAN:

This report from the Manager - Finance and Administration referred to Movements in the Interest Rates and Targeted Tourism Rate.

Resolved:

1. That the report be received.
2. That the Management Submission be considered along with all submissions to the Annual Plan 2007/08.

**J Gallagher/G Page**

The Mayor welcomed members of the public who attended to speak to their submissions to the Annual Plan.

1. **Lesley Fallon – Hospitality Plus:**

Lesley Fallon read her submission which is attached to the agenda and labelled *Appendix A*. She clarified that home stay operators received about \$65 per person for providing dinner, bed and breakfast. This sum represented the balance after about five lots of commission were taken from the total paid by the visitors.

2. **Julie Hadfield.**

Julie Hadfield acknowledged the need to fund the Tourism and Development Board's operations but suggested that the proposed rates would provide little incentive for new hosts to make themselves available. She said new hosts were needed desperately and business was being lost to the District because there were insufficient people willing to take visitors. She suggested that farm stays were an important icon for tourism in Fairlie and that it would be damaging to have to turn business away.

Ms Hadfield considered it appeared that the Board's operations were currently weighted towards the Pukaki Ward and until the Board directed more business towards the Opuha Ward, operators would be unwilling to pay high rates. She said that support of tourism was the responsibility of all ratepayers and everyone was happy to contribute; the small amount

saved by reducing the general rate did not outweigh the cost of the business for homestay operators that could be lost to the Opuha Ward.

She said that home stays were becoming more popular as an option for accommodation for visitors because the hosts entertained their guests. She said 95% of her business came from bus tours and organised farm stay groups. She said that she was not charged for her operation's listing on the Tourism Board's website. She advertised on the Central South Island Tourism website and was charged for that. She noted that, while she did receive some enquiries as a result of her listing on the Tourism Board's website, because of its focus on the Pukaki Ward and her situation in Albury, she did not gain bookings.

In response to a question regarding the benefits from tourism to the general ratepayers, Ms Hadfield said that an obvious one would be the choice of restaurants available to residents which would not be there if it were not for tourism.

3. **Fairlie Farm Stays - Chris Roberts and Jenny Crone**

Chris Roberts read her submission which is attached to the agenda as *Appendix B*.

Mrs Roberts said she had been operating her farm stay for about 14 years and considered it was a small business. She said that in a good month she might have about 16 bookings – that would be for one or two months in a year.

Jenny Crone said her operation was more of a hobby and bookings were sporadic.

The Mayor noted that Mrs Roberts had mentioned she was not opposed to a rate across the whole District. Mrs Roberts said she considered most farm stay hosts were more interested in supporting their local promotions groups than supporting the Board. She asked if the Council needed the Board and queried who the Board was answerable to.

The Chief Executive Officer explained that the Board was a committee of Council and as such was answerable to the Council.

He asked Mrs Roberts if she or her group had given any thought as to how a distinction might be made between a farm stay hosting a hundred guests a year and one that might host ten; and how reliable information about that might be garnered.

Ms Hadfield responded that without the people who hosted 150 people a year there would not be people to host 10 or so. Businesses at both ends of the spectrum were mutually dependent.

Mrs Crone noted that the funds generated from home stays flowed back to the community in to supermarkets, restaurants etc and she said everyone in the community benefited.

Cr Page asked if Mrs Roberts had received any benefit from the Tourism Board. She said that she was on their database and received notification of advertising opportunities etc. She said farm stay operators did not require the Board to promote them – the operators paid through the companies for whom they worked. She said the hosts were promoting themselves and did not require the services of the Board.

In response to a question regarding accounting for farm stay businesses Mrs Roberts said the farm stay operation was accounted for within the whole farm accounting system.

4. **Haikai Tane and Cheryl Miller**

Mr Tane read the submission from Watershed Systems and a further submission about rates as land taxes which is attached to the agenda as *Appendix C*.

The Manager - Finance and Administration noted the 'special study of Twizel's role in tourism' which Mr Tane had referred to in his submission and requested a copy of it.

Mr Tane said that while he was not entitled to hand out the intellectual property of the author of the study, he was happy to allow the Manager - Finance and Administration to inspect the document in his offices. He then said that for the public good he could provide a copy of the study to the Manager - Finance and Administration.

The meeting was adjourned for morning tea at 10.30 am and reconvened at 10.50 am

4. **Nicola Hornsey:**

Nicola Hornsey submitted that the definition of commercial business needed to be tightened up if people were to be levied for the activities of the Tourism Board. She suggested that at least the word *tourism* should be included in the definition. She said she was grappling with the question of how direct the benefit must be to a business to be levied a separate targeted rate.

Ms Hornsey said that she would like to see the definition changed so that operations such as the legal practice she was intending to set up, which had nothing to do with tourism and would in no way benefit from the activities of the Tourism Board, not be the subject of the targeted rate.

She said it was most unlikely that her operation would involve tourism activities.

The Chief Executive Officer explained that the Council was intending to rely on the independent data in the rating information database maintained by Quotable Value to identify commercial businesses in the District.

Ms Hornsey acknowledged that she accepted the general need for a rate to fund the Tourism Board.

The Mayor noted that the Board's activities included promotion and development.

Ms Hornsey suggested it would be good public relations to persuade those that were being targeted to pay the additional rate that there was some direct benefit for them.

5. **Murray Bell:**

Mr Bell explained the nature of his family's farm cottages operation and said he spent 8% to 10% of the turnover on its promotion. He noted that 90% of the people using the cottages were New Zealanders and mostly came from Canterbury and Otago; his family tried to keep the prices suitable for families. He said that in recent years he found it difficult to attribute any business coming via Mackenzie Marketing. He said he was not trying to 'take a swipe' at them, but the Board had certainly not been of \$500 worth of benefit. He said he would like to spend the \$500 himself.

He suggested Mackenzie Marketing could do better – using the icon of Mt Cook didn't benefit the Fairlie Basin. He suggested that his family was offering something unique which was in a different market to that offered by the wholesalers who were targeted by Mackenzie Marketing. He said it was important to realise that there were different markets for tourism in that what is good for Tekapo, Twizel and Mt Cook might not be beneficial for Fairlie. He said 90% of his visitors came for school holidays and special events such as the Easter Show and the Queens Birthday weekend car rally.

Mr Bell suggested that if the Council was intent on carrying on with the targeted rate the Board should be prepared to focus the rating more finely. He asked if some of the money could be spent promoting the Fairlie area and suggested that Board staff could be locally based.

Mr Bell proposed that a way forward be identified which recognised benefits for dollars spent and did not leave local operators feeling that they were subsidising other operators at Fairlie's expense. He noted that he considered his operation to be a farm stay offering self-contained cottages rather than a farm hosting business. He said the farm stay business was part of the farm's operation.

6. **Fairlie District Promotions Association:**

Ron Joll read a submission on behalf of the Fairlie District Promotions Association. The submission is attached to the agenda as *Appendix D*.

The Chief Executive Officer asked if the Association was fundamentally opposed to any kind of targeting or if they considered the Council had the levels of rating wrong.

Mr Joll said that \$500 was a lot for the operators of small cottages to pay and while he didn't wish to see other people paying more, he felt that a rate of \$250 for restaurants and service stations seemed to be inequitable.

He suggested that tourism benefited the whole community and asked why complicate the situation. He suggested that the current system was relatively fair. The other aspect was that the bulk of the rate for tourism supported the Mt Cook image. He said that while local businesses advertised on the Mt Cook/Mackenzie site, they did not get enquiries because people tended not to associate Fairlie with Mt Cook.

The Mayor said the Council was promoting the change to targeted rating to encourage the Board to be a bit sharper. If people were being targeted, they would expect the Board to focus on them. He said no one had suggested that the Board should be done away with. He said it was realised that if the District did not promote itself no one else would and the District was in competition for the tourist dollar with other areas.

Mr Joll accepted the Mayor's comments and acknowledged that the Board did have a major role to play. He suggested however that more benefit could be gained locally by doing simple things such as sprucing up the township and underwriting brochures which would enable some benefit to be identified for the locals. He said at present local operators felt excluded from the Board's activities.

7. **Ron Joll, Lowmere Cottage**

Mr Joll read his submission which attached to the agenda as *Appendix E*.

Cr Pullen asked if Mr Joll might be prepared to accept a different figure as a targeted rate for his property. He said he had no problem with the concept of the targeted rate but was annoyed that his part time operation would be paying \$500 while a full time commercial business would be rated only \$250.

8. **Rene Aukens**

Mr Aukens said he owned a bed and breakfast operation in Lake Tekapo. He submitted that at the moment he would prefer the Board to be funded wholly by a uniform annual charge, but in the longer term he thought a targeted rate could be introduced; however such a move would need more time to put in place.

9. **John and Margaret O'Connor:**

John O'Connor supported the concept of targeted rates but in combination with input from the general rate. His submission is attached to the agenda and marked as *Appendix F*.

Mr O'Connor supported the concept of using the Council's planning tools, ie zonings, to provide parameters for targeted rating areas. He suggested that rating small business outside those zones which wouldn't normally require consent to operate would not yield much and it would not be worth pursuing them. However substantial businesses outside the targeted zones would need resource consent to operate and therefore could be identified.

He submitted that the targeting rating process needed to be integrated with the District Plan.

9. **Michael Midgley:**

Mr Midgley read the submission on behalf of himself and Wilma van den Bosch.

He submitted that the general rate input into Tourism should be doubled because the whole District benefited from tourism. Mr Midgley said his annual bed stays numbered about 9,000; and the backpackers was full from April until November.

10. **John Campbell:**

John Campbell read his submission which proposed that the Strathconan swimming pool should be funded on a user pays system.

He suggested that if the old Fairlie Ward was to be rated for community facilities, then there should be representation for those ratepayers. The Mayor explained that the Council had the ability to identify special rating areas and it had made the pragmatic decision that the area of benefit for the Mackenzie Community Centre and the Strathconan Pool extended more or less over the area of the old Fairlie ward.

The meeting was adjourned at 12.25 pm for lunch and reconvened at 1.30 pm

11. **Fox Peak Ski Club Inc**

Grant Keeley of the Fox Peak Ski Club Inc read the Club's submission regarding maintenance of the access road along the North Opuha River Terrace for Clayton Road to the Department of Conservation car park. The submission is attached to the agenda and marked as *Appendix G*.

12 **Central South Island Tourism:**

Philip Brownie, the General Manager of Central South Island Tourism (CSIT), referred to the submission which is attached to the agenda and marked as *Appendix H*

Mr Brownie explained that CSIT was currently funded by 23% from the Timaru District Council and the balance was generated by CSIT. He said that for many years the Timaru District Council provided 100% of the funding. Following the adoption of a strong commercial focus, the business had grown to now be responsible for income streams of between \$1.5m and \$2m, CSIT had 15 employees representing eight FTEs – the staff numbers had grown from two in 1999.

He said the group mainly promoted the Timaru District and also provided some services for Waimate District. He said project work outside the region was also undertaken. He noted that the Aoraki Development Trust was responsible for business development in the region.

He said CSIT was involved in promoting and facilitating events and conferences and sought anything which might generate community benefit both social and economic. He said the events and conferences were predominantly domestic rather than international. He noted that there were currently five people organising conferences and events in Timaru whereas five years previously there had been none.

13. **Fairlie Federated Farmers:**

The Mayor welcomed Stan Taylor, Garth Hurst and Dermott O'Sullivan who presented the written submission on behalf of the Fairlie Federated Farmers. That submission referred to the Targeted Rate for Community Facilities, Works and Services Rating, the Mackenzie Tourism and Development Board, the Pukaki Airport, Real Estate, Roading, Snow, Allandale Water Scheme, Opuha Dam, Rating Comparison, Burkes Pass Fire Shed, Waste Management, Forestry and Toilets and Library.

13. **Mackenzie Tourism and Development Board:**

The Mayor welcomed Chairman of the Board Leslie O'Hara, Board member Dennis Callesen and General Manager Karen Mullaly.

Ms O'Hara spoke to her submission, which was the letter dated 15 June 2007 attached to the report from the Manager – Finance and Administration 'Management Team Submission to the Annual Plan'.

Denis Callesen noted that fourteen of the submissions received supported holding the general rate for tourism. He suggested that the proposal to differentiate the level of the rate between the Opuha and Pukaki Wards, which had been suggested at a public consultation meeting the previous week, would be a political decision.

In response to a question from Cr Pullen, Ms O'Hara said that neither Board members nor staff had had the opportunity to consult individual operators. This would have been her preferred option in an ideal world but timing had not permitted this.

Cr Pullen asked if all the operators on the Board's register had contributed to the Visitor Guide.

Ms Mullaly said that the Guide was self-funding and all the operators on the database had been invited to advertise in it.

Cr Pullen said that he had heard that some tourism operators in Twizel felt that the Board did not put enough effort into contacting them.

Ms O'Hara advised that the Board intended to review its operations.

The Mayor invited those members of the public present to ask questions, noting the amendments to the quantum of the proposed targeted tourism rate which was included in the submission from Ms O'Hara.

Sarah Wright said her farm hosting business, which she had been operating for six and a half years, would fall into the proposed category 7. She asked what benefit she could expect to received from paying \$150 per annum.

Ms O'Hara said that it was always difficult to discern where business came from. She explained that the Board's marketing staff had recently been to the Inbound Tour Operators Council trade training day in Auckland in May and also to TRENZ where they had promoted the businesses and the benefits of the attractions in the District. She acknowledged that she couldn't say that Mrs Wright's business would benefit from such activity but neither could she say that it would not. She suggested that if visitors were going to choose to have a farm stay experience, it was the Board's job to try to ensure that the Mackenzie remained competitive with other districts who were offering the same services.

Ms O'Hara granted that she could not say what Mrs Wright would get for her \$150 but assured her that, if the targeted rate was introduced, the Board would be reviewing all its activities including the website and brochure and the information which should be included in them.

Mr Callesen considered that the website was the most critical of the Board's services and he suggested that while operators would not necessarily be aware that their customers had viewed it, the key words and marketing done by the Board's staff would alone justify a \$150 contribution. His view was that small businesses were the biggest beneficiaries of the Board's work.

Chris Roberts said that the Fairlie Farm Stays did not require the Board's services – they couldn't take visitors other than those who had booked months in advance; she was booked up to 2012 and could not fit in any more.

Ms O'Hara said the Board's function was to promote the District. She had taken on board the submissions from the farm stays and recognised that although the Board could not provide precise benefits, it had a role in keeping the activity viable because if the Board did not continue to promote the District, the way would be left clear for another area such as Ashburton to make more noise and fill the gap. She said that, while it was good for farm stay hosts to have business at capacity, there would always be competition from other areas claiming they could do things better.

She said the philosophy was that all businesses should contribute to maintaining the District's image as a good place to visit.

Julie Hadfield asked if it would be possible for the businesses which attracted the greater proportion of the tourism spend could pay more than those who benefited less from the tourism spend.

Ms O'Hara suggested that everyone needed to look to the future rather than taking an easy option now. She agreed the Board's activities needed to be more transparent and consider different ways to promote the Fairlie area. She declined to make any promises but did provide an assurance that the Board would be working hard to spread business throughout the District through its marketing efforts.

Julie Hadfield said that there were a few operators who hosted more often than others and who could be willing to pay more, but that could result in the loss of some hosts and consequently some business.

Cr Page asked why the Board wanted to use the umbrella of the Council rather than follow the CSIT model which was self-supporting.

The Mayor reminded Cr Page that the Council appointed the Board.

Ms O'Hara said that for a start a certain level of funding was required to employ staff. She noted that the Board had not made a submission regarding the general rate charge, but was of the firm opinion that the entire District benefited from tourism. She said businesses such as service stations and restaurants, and the viability of the population as a whole, were heavily dependent on tourism. The Board's view was that it was the Council's responsibility to provide an amount to enable it to be viable. It would enable the Board then to work hard to raise funds. She noted that CSIT continued to receive \$43,000 from the Timaru District Council which paid its wages bill. She noted that it had taken many years of heavy reliance on Council funding for CSIT to reach the position it was now in; it had been dependent on seed funding from the Council to enable it to employ the right people in the right jobs.

Mr Callesen pointed out that while the Mackenzie District had a large tourism base it had a tiny population.

John O'Connor suggested that the net to gather the targeted tourism rate had been set too low which had resulted in a number of disgruntled people who made little income from their home/farm hosting businesses. He asked if it was legal for the Council to rate people who were not be included on Council's rating database.

The Chief Executive Officer said that the Rating Powers Act permitted properties to be rated and the rate targeted to the use a property was put to. He noted that a reasonable level of certainty was required about that. He acknowledged that an operation such as a fishing guide who was based in Temuka would fall outside the rating system and could be invited to contribute to the Board by way of a subscription. In that sense, he agreed that there were limitations in the rating system.

Philip Brownie said he had been with CSIT for two years and one of his first jobs had been to meet with the Council to clarify its expectations and define CSIT's role. He noted the benefits of developing a strong and close relationship with the Council, eg in the current year one of the community boards had offered to increase its level of funding for CSIT.

Cr Pullen asked if the Board would fold if the funding turned out to be, for instance, \$50,000 short.

Ms O'Hara said the Board was a committee of Council. It was her personal view that if there was a desire to have a stronger Board, more activity and greater benefit, then

Councillors needed to seriously look at the costs of employing personnel, what would then remain for marketing and, after that, make a decision on whether or not the Board might be viable.

Cr Williams asked if the Board could force up the rates that home hosts could get for their services.

Ms O'Hara considered that it was not the Board's role to negotiate commercial rates; rather it was to promote the District. She pointed to that if it were to be done for one sector - for example, ski fields – other groups might feel they too were not getting enough. She considered most groups would rather undertake such negotiations themselves.

Chris Roberts said her group would not expect that from the Board.

The Mayor thanked Ms O'Hara and all the submitters.

He considered that the process of considering the proposed targeted rate had been very good.

He noted that there had not been one submission asking the Council to abandon the Tourism and Development Board. The current Council and three previous councils had all supported its retention. He reiterated that it was a committee of Council with a difficult job and its members were not paid.

The meeting was adjourned at 3.00 pm.

## **V CITIZENSHIP CEREMONY.**

The Mayor welcomed candidate for New Zealand Citizenship Junko Tahira and her supporter. Ms Tahira made her New Zealand Citizenship affirmation.

The Mayor congratulated Ms Tahira as a new New Zealand citizen, presented her with her Certificate of Citizenship and a gift, and read a message from the Minister of Internal Affairs.

The Council had afternoon tea and the meeting was reconvened at 3.55 pm

## **CONSIDERATION OF PUBLIC SUBMISSIONS:**

The Council then considered the written submissions from people who had chosen not to speak to them. It then made the following responses to all of the submissions:

### **1. TARGETED RATE FOR TOURISM:**

Linda Hayman:

- Suggested that the proposed rate for secondary accommodation providers needed to be changed.

*Accepted in part.*

Alistair Smith

- Objected to the proposed rate.
- Believed that the activities of the Board have little or no effect on his business.
- Status Quo should remain.

***Not accepted***

John & Lee Stokes

Council should consider charging rate based on a percentage of turnover or taxable income.

***Accepted in part***

Serac Business Systems

- Objected to funds derived from rate going outside the region.
- Felt Fairlie District Promotion Association better fulfils need for Fairlie.
- Rate too high for small businesses and secondary accommodation providers
- Board should be self-funding

***Not accepted***

Tekapo Community Board

- Accepted need for targeted rate to provide the Tourism Board with adequate funds.
- Believed that the Council should retain the current UAC and then introduce the targeted rate over a period.
- No comment on the Primary Accommodation Providers.
- New tiers should be introduced for the Secondary Accommodation Providers.
- New tiers should be introduced for Commercial Businesses.

***Not accepted***

Claire & Dave Christian

- Totally opposed to the proposed rates.
- Rate of \$1,000 is ridiculous.
- Would be prepared to pay \$100 maximum.

***Accepted in part***

Julie Dobbs

- Concerned that a farmstay is required to pay the same rate as a major tourism based business, which is not the case.
- Suggested that they would opt out of the tourism industry if the rate was levied, which would result in cancellation of whole tours to the region.

***Accepted in part***

Clint Miles

- Believed that the flat rate should be retained.
- Council was not helping new businesses get established in the area and supporting further development.

***Not accepted***

Karl Burtscher

- Believed that flat rate was fair
- Questioned the effectiveness of the Board.

***Not accepted***

Jan Martin

- Could not afford the proposed rate as is already paying substantial percentage to agents who provide the clients.
- Stated that the Board had provided the submitter with no business.

***Accepted in part***

Lorraine and Earl Corcoran

- Proposed charge was unacceptable.
- Had had no contact with Mackenzie Tourism.

***Accepted in part***

Fairlie Farm Stays:

- If farm stays were levied many would close their doors and finish the farm stay industry in Fairlie
- Felt that the present rating system was acceptable.

***Accepted in part***

John Cassie

- Opposed the proposed rate.
- Tourism Board activities have little or no benefit to the business people of Fairlie and surrounds

***Not accepted***

Joan Gill

- Accepted that the Board needs more funding
- Proposed rate was unfair as it did not take into account the realities of operating a small business in the area.
- Believed that the current UAGC should be reinstated.
- Believed that a tourism rate for very small businesses of \$200 would be acceptable.

***Accepted in part***

Nicola Hornsey

- Commercial business should be better defined as “Commercial Tourist Businesses”

***Accepted in part***

Mary Stringer

- Agreed with the proposal.
- Felt that the Tekapo Ratepayers are substantially supporting tourism already by providing the refuse collection in the township.

***Accepted in part***

Catherine Young

- Believed that Capital Value did not necessarily reflect income from the business.
- Believed that holiday homeowners who rent out their property should be contributing.
- Reminded Council that businesses are less and less able to absorb large cost rises.
- Transparency required with regards the use of the funds and the chance for contributors to be more involved in Board strategy and planning.

***Some points accepted***

Stewart & Maria Evans

- Did not support the reduction of the UAGC.

- Stated that the proposed rating model was not fair or equitable.
- Consideration should be given to a “rate per room” with an allowance that some sectors of the accommodation market are seasonal.

***Some aspects accepted***

Elizabeth Shand

- Advocated continuation of the flat rate for all ratepayers.

***Some aspects accepted – flat rate argument not accepted***

Roy Richards

- Wanted clear guideline on what the Board can spend its money on
- Asked some questions regarding the visitor guide.

***Concerns noted. Geographic differentiation of rates not accepted***

Tui Muir

- Suggested money collected in Fairlie should stay in Fairlie and benefit Fairlie tourist development.
- Believed that some businesses benefit more directly from tourism than others but all required to pay the same proposed rate.
- Believed all ratepayers should contribute as all benefit.

***Differentiation between wards not accepted. Differentiation between tourism and other businesses accepted in part.***

Kelvin Duncan

- Suggests the definition of tourism and accommodation could be better defined.

***Concerns noted***

Robyn & Guy Warburton

- Stated that each town in the area was fundamentally different in relation to tourism.
- Questioned why the UAGC was reduced.

***Accepted in part***

Sheila Preston

- Believed there was an inequity between an accommodation provider with only one unit paying \$500 and a commercial business paying \$250.
- Suggested a General Rate plus a small bed charge system to be considered.

***Accepted in part***

Angie Taylor

- Supported a reasonable targeted rate for tourism.
- Would like to see the money stay in the District and a portion distributed to the local Promotions Groups.

***Accepted in part***

Les Blacklock

- Objected to the proposed rate.
- Suggested that Council charge for the public toilets in Fairlie and Pukaki and selling light refreshments at Pukaki to provide revenue.

***Not accepted***

Donald Bray

- Objected to proposed rates; believed that the status quo works.
- Objected to any move within Council to impose different dog registration rates for farm working dogs and more to register Jack Russells, Fox Terriers etc.

***Not accepted***

Fairlie Heritage Museum

- Concerned that the Museum would be classified as a Commercial Business and therefore liable for the proposed rate.

***Accepted***

Air Safaris & Services

- Supported the concept of rate targeting providing it was transparent.
- Need for clearly defined performance indicators for the Board, which should be reviewed annually.

***Accepted in part***

Darrel Purton

- Not against the principle but against paying the bulk of the levy.
- Has a 26 unit Motel and believed that \$40 per unit would be fair.

***Accepted in part***

Walter and Zita Speck

- Objected to the proposed rate for a number of reasons.
- Suggested the following:
  - Levy the Business and Development Tax across all businesses and operators at \$250 per operator.
  - Those businesses that utilised the Tourism Board's operations more pay via User Pays.
  - Revisit the activities and costs of the Board.

***Accepted in part***

Murray Bell

- Not against a targeted rate but it must be a positive cost/benefit for the operators
- Suggested the following:
  - The imposition of a lesser charge for the farm stay operators
  - That some of the rate should be targeted to the Fairlie area
  - That the personnel of the Board should be locally based.

***Accepted in part***

Roberta Preston

- Questioned the value of the Board in their circumstances.
- Not happy with appointment to the Board arguing that it was not democratic.
- Status Quo rating should remain.

***Not accepted***

Norman & Anne McConnell

- Prepared to pay something towards funding through the Fairlie Promotions Board.

***Accepted in part***

Claire Barlow

- It was vital to view ourselves as a "community" rather than a group of individuals.

- Although not involved with tourism, was happy to support tourism through rates.

***Accepted in part***

Graeme Lane

- Didn't agree with proposal.

***Not accepted***

George Rhind

- Opposed to the proposed rates in the current format.
- Felt that charge should be left within the General Rates.
- Suggested a Local Government Accommodation Tax to all visitors staying overnight in the District would provide more revenue than the proposed rate.

***Points noted***

Helen Mauger

- Needed to be a fairer way of achieving the Board's goals.

***Accepted in part***

Owen Hunter

- Believed that most businesses in Fairlie did not directly benefit from tourism.
- Stated that Fairlie was not a tourist town and should not be treated the same as Tekapo or Twizel.

***Not accepted***

Robin Baikie

- Objected to proposed rate

***Not accepted***

Jamie & Judy Stevenson

- Argued that Fairlie had different needs from Lake Tekapo, Mount Cook and Twizel.
- Disagreed with proposed rate as everyone in the community benefited directly or indirectly from tourism.
- Suggested that the existing UAGC should remain but maybe all businesses could be levied a flat charge.

***Not accepted***

Chris Roberts

- Concerned that imposing the rate would mean that some farm stay operations would close
- Would like to see the current rating system remain.

***Accepted in part***

Tekapo Holdings Limited

- Believed that proposed rate was seriously flawed and inequitable to the accommodation providers.
- Suggested that concern raised was from the lobby group that they should not contribute as they gain no benefit from Tourism, however there were indirect benefits for all ratepayers.

***Not accepted***

Mount Dobson Motels

- Concern expressed over the fact that this business operates only five units and expected to pay \$1,000, the same as a much larger motel business.

***Accepted in part***

Stu Gardner

- Level proposed for the targeted rate too high.

***Accepted in part***

Carolyn & Graeme Murray

- Retain the current UAGC
- Targeted rate at:
  - \$1,000 for major Tourism & Accommodation Businesses
  - \$500 for mediums sized businesses
  - \$200 for small businesses.

***Retention of current level of UAGC not accepted, other points accepted in part***

John and Margaret O'Connor

- Considered that the proposed categories were unfair
- Proposed a rating system tied to the appropriate zoning from the District Plan

***Alternative rating regime not accepted***

Sonia & Ian Callaghan

- Proposed rate was unfair to a majority of individual businesses.

***Accepted in part***

Stephen and Jenny Crone

- Didn't believe that farm stays received a service from the Tourism Board

***Accepted in part***

Michael Midgely and Wilma van den Bosch

- Supported the funding of the Tourism Board but opposed the accommodation providers being targeted
- Believed that the UAGC should be higher than that proposed

***Not accepted***

RJ & WP Huston

- Already spend money on promotion.
- Didn't believe they get anything for their rates anyway.

***Not accepted***

Lee and Frank Hocken and Karen & Malcolm MacDiarmid

- Believed the fairest way to collect money for the Tourism Board is through the UAGC as everybody benefited from a more buoyant economy.

***Not accepted***

YHA New Zealand

- Believed the whole community benefited from visitor spend.
- Levy based on Capital Value lacks equality.

***Not accepted***

Ian & Sandy Darwin

- Should remain as a charge to all ratepayers

***Not accepted***

Tourism Industry Association New Zealand

- The proposed targeted rate should be reconsidered.
- Need to collaborate with businesses beyond the tourism sector on how to implement a fair and equitable targeted rate.
- Suggested Council should examine the models from other regions.

***Rejection of targeting rate not accepted, other points accepted in part***

Lyn Campbell

- Believed that the majority of the Board's activities is focused on Mount Cook and Tekapo

***Accepted in part***

Fairlie District Promotions Association:

- Funding for tourism should come from the general rate
- Believed that the Board had a major focus on Mt Cook
- If a targeted rate was introduced, then it was important for those contribution to have a say in how the funds would be distributed and spent.

***Not accepted***

Ron Joll

- Saw no direct benefit from the type of promotion the Tourism Board ran
- Tourism had a widespread public benefit, therefore the tourism rate needed to be widely spread.

***Accepted in part***

Central South Island Tourism

- Supported the need for a specific tourism targeted rate
- Suggested that the rate for Secondary Accommodation should be reconsidered
- Suggested that there should be more categories of Commercial Business

***Largely accepted***

Richard & Lorraine Herlund

- Tourism Board would need to be accountable on how it was directly improving their business.

***Points noted***

Frank Lamming

- If Twizel businesses were contributing an extra levy, there would need to be specific projects for the money to go to Twizel and get a better profile for the town from the State highway.

***Points noted and referred to the Tourism Board***

Roland de Beer

- Supportive of the Board and the proposed rate.
- Would like Council to consider providing a percentage of the funds to the local promotions groups.

***Points noted***

#### Rural Tourism Holdings

- Hoped the targeted rate was not accepted
- Believed Fairlie is already well represented and the Council would be essentially killing an integral part of the Fairlie Tourism Industry.

***Accepted in part***

#### Jenny Rayne

- Recommended UAGC be increased to \$50.

***Raising of UAGC not accepted. Reduction of rate for farm stays accepted***

## 2 OTHER ISSUES:

#### Housing New Zealand Corporation

- Asked Council to acknowledge the importance of affordable housing and social housing and to recognise HCNZ as a key stake-holder.
- HCNZ continued to support the Council's continued commitment to the provision of pensioner housing and the completion of the Fairlie project in the 2007/80 year.
- HCNZ supported the Council's policy on pensioner housing rental.
- HCNZ continued to urge fiscal prudence on proposals that would result in rates rises.

***Change to Community Outcomes not accepted. Other points noted***

#### Fox Peak Ski Club

- The Club sought assistance from the Council with the maintenance of the road from Clayton Road to the Department of Conservation car park

***Being dealt with by staff in terms of earlier Council resolution***

#### Sherwood Hall Committee

- Stated that no rating input from Council was on hall operational and maintenance costs.
- No objection from the Chairman and the Secretary to a contribution towards the Mackenzie Community centre and the Strathconan Swimming Pool.

Resolved that the internal charges for the Sherwood Downs Hall which are applied by the Council be paid for by for by that portion of the rate and that an additional grant of \$500 be made to the Sherwood Downs Hall.

**J Gallagher/E Williams**

***Points noted***

#### Pauline Jackson

- Objected to the Fairlie Community Facilities Rate.
- States that the primary users of the facilities have not changed since the last comprehensive rates review.
- Rural roading, which was paid for by the rural ratepayers, was not subsidised by the Fairlie ratepayers.

***Not accepted***

#### Roading New Zealand

- Ask that Council considered requiring all roading and civil infrastructure contractors who worked for the Council to be accredited to Operate Safe or equivalent.

***Referred to staff***

#### Historic Places Trust

- Trust was supportive of the Council's Heritage Protection Fund of \$5,000 and requested that any unexpended funds be carried forward into the new financial year.

***Comments noted***

#### C Whitford

- Suggested that not enough money was spent on upgrading the Water Supply in Twizel.

***Point noted. Council's intentions regarding Twizel Water Supply improvements were explained in response.***

#### Fairlie Branch Federated Farmers

- Targeted Rate for Fairlie Community Facilities:
  - Opposed new rate.
  - Why should only Fairlie Ward ratepayers pay when it was part of the Opuha Ward?
  - Felt it was loading up the rates on Rural Ratepayers.
- Rural Works & Services Rates:
  - Opposed abolishing the Uniform Annual Charge.
- Roothing:
  - Considered that very little new sealing work was carried out in the Fairlie Area.
- Snow Response:
  - Disappointed with the response.
- Allandale Water Supply:
  - Thanked to Council staff for their input.
- Rural Fire:
  - Questioned need for Burkes Pass Fire Shed.
- Waste management:
  - Suggested that rural sector was paying unfair proportion.
- Forestry:
  - Financial Returns were low and Council should follow Selwyn Plantation Board.
- Toilets and Libraries
  - Should be more user pays.

***Points noted. Detailed response given in reply.***

#### Elayne Nilson-Reid

- Felt that the proposed rate was unfair as it only affected the tourism operators which had rateable property
- Felt that some commercial businesses would benefit more from tourism but paid the same rate as some who benefited little from tourism
- Suggested that a levy should be imposed on accommodation providers and tourism operator based on the number of paying customers
- Felt that there should be retrospective adjustments to rate if they were changed in future years

***Not accepted***

#### Watershed Systems

- Did not agree that tourism activities should be publicly funded
- Disputed that tourism was important to Twizel

***Not accepted***

#### Hospitality Plus

- Had misconception that the targeted rate was to fund the three visitor information centres in the area
- Believed that most properties they sent guests to did not need to be promoted.
- Believed that hosts would close their doors if the rate was imposed.

***Accepted in part***

#### Rene Auken

- Believed that the cost of the Board should be met by the General Rate.
- Believed that there was too much focus on the accommodation providers and that restaurants, supermarkets and activity providers should be called upon much more

***Not accepted***

#### Julie Hadfield

- Strongly objected to the proposed rate
- Concerned that some hosts would drop out of the farmstay programme if made to pay the \$500 and it that it would result in buses not coming to Fairlie at all.
- Believed that the Board failed to promote the District as whole – it heavily favoured Mount Cook and Tekapo.
- Suggested the following solutions:
  - That the current UAGC be retained.
  - That the current UAGC be retained and that tourist operators in the Opuha Ward be charged an extra \$15 and look at the Pukaki Ward separately.
  - Charge a rate based on the percentage where the tourist dollar was spent in the district.

***Accepted in part***

#### Mackenzie Tourism and Development Board

- Pro-forma submission to allow the Board to consider the submission received and make a recommendation to Council plus a later submission dated 15 June 2006.

***Accepted in part***

### **PUBLIC SUBMISSIONS (Continued)**

#### **14. Bill Feasy:**

The Mayor welcomed Bill Feasy, the Principal of the Twizel Area School who presented a submission seeking Council support for the upgrade of the entrance to the Twizel Community Library. The submission is attached to the agenda and marked as Appendix I.

- Asked Council to budget \$50,000 to assist in the upgrade of the entrance to the Twizel Community Library

***Request for funding not accepted at this stage.***

Resolved that the submission from the Twizel Area School seeking Council support for the upgrade of the entrance to the Twizel Community Library, be referred to the Twizel Community Board.

**B J D Stringer/G Page**

Having considered all the submissions the Council made the following decisions:

1. TARGETED TOURISM RATE

Resolved that the following targeted rates for Tourism be adopted:

Primary Accommodation Providers:

- |  |                   |
|--|-------------------|
| • Tier 1 (Capital Value greater than \$10,000,001) | \$22,500 plus GST |
| • Tier 2 (CV \$5,000,001 to \$10,000,000)          | \$5,000 plus GST  |
| • Tier 3 (CV \$2,000,001 to \$5,000,000)           | \$2,500 plus GST  |
| • Tier 4 (CV \$1,000,001 to \$2,000,000)           | \$750 plus GST    |
| • Tier 5 (CV \$500,000 to \$1,000,000)             | \$500 plus GST    |
| • Tier 6 (CV less than \$500,000)                  | \$250 plus GST    |

Secondary Accommodation Providers:

- |   |                |
|---|----------------|
| • Tier 1 (Farmstay Operations)                              | \$50 plus GST  |
| • Tier 2 (Other with Capital Value less than \$500,000)     | \$150 plus GST |
| • Tier 3 (Other with Capital Value of \$500,000 or greater) | \$250 plus GST |

Secondary Accommodation Providers can be exempt if they provide a declaration stating that they provide accommodation for less than 20 bed nights per annum.

Commercial Businesses:

- |   |                |
|---|----------------|
| • All Commercial Businesses                               | \$125 plus GST |
| • Additional Rate for Tourism Based Commercial Businesses | \$125 plus GST |

Tourism Based Businesses are defined as those specific tourism based activities, such as restaurants, cafes and ski fields.

**D Pullen/E Williams**

The Manager – Finance and Administration advised that the level of the Uniform Annual Charge for Tourism remained to be confirmed.

Motion:

That the Uniform Annual Charge for Tourism be \$21 per annum.

**B J D Stringer /G Page**

The Mayor used his casting vote against the motion which was defeated.

Resolved that further consideration of this matter be delegated to the Planning Committee at its meeting on 26 June 2007.

**The Mayor /E Williams**

TARGETED RATE FOR FAIRLIE COMMUNITY FACILITIES:

Resolved that the proposed targeted rate for Mackenzie Community Centre and the Strathconan Pool be confirmed without amendment.

**The Mayor/B J D Stringer**

AMENDMENTS TO WORKS AND SERVICES RATES:

Resolved that the proposed change to the Works and Service rating regime be confirmed without amendment.

**The Mayor/B J D Stringer**

**THERE BEING NO FURTHER BUSINESS THE  
MAYOR DECLARED THE MEETING CLOSED  
AT 8.00 PM**

**MAYOR:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

## **MACKENZIE DISTRICT COUNCIL**

### **MINUTES OF THAT PART OF A MEETING OF THE MACKENZIE DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, FAIRLIE, ON TUESDAY 19 JUNE 2007, TAKEN PUBLIC EXCLUDED PURSUANT TO THE PROVISIONS OF THE LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987**

#### **PRESENT:**

John O'Neill	Mayor
Crs Dave Pullen	Pukaki Ward
Barry Stringer	Pukaki Ward
John Gallagher	Opuha Ward
Evan Williams	Opuha Ward
Graeme Page	Opuha Ward

#### **IN ATTENDANCE:**

Glen Innes (Chief Executive Officer)  
 Jason Beck (Manager – Finance and Administration) for parts of the meeting  
 Garth Nixon (Community Facilities Manager) for parts of the meeting  
 Rosemary Moran (Committee Clerk)

#### **I RECRUITMENT OF CHIEF EXECUTIVE OFFICER:–**

This report from the Mayor sought to conclude the recruiting exercise for the position of Chief Executive Officer. The report was accompanied by a draft individual employment agreement.

##### **Resolved:**

1. That the report be received.
2. That a new Contract of Employment for the position of Chief Executive Officer be entered into with Glen Innes, for a fixed term of five years from 26 November 2007 to 25 November 2012.

**D Pullen/B J D Stringer**

The resolutions were carried unanimously.

The Mayor congratulated the Chief Executive Officer. The Chief Executive Officer thanked the Mayor and Councillors for the confidence and support given to him and said he was looking forward to the following five years. He also acknowledged the work of his staff in achieving the goals.

#### **II TOWNSHIP AND RESERVES MAINTENANCE CONTRACT**

This report from the Community Facilities Manager referred to the tenders received for Contract 1148 Township and Reserve Maintenance. An evaluation of the tenders by Peter Hall accompanied the report.

Resolved:

1. That the report be received.
2. That Council accepts the tender of \$480,094.06 for Contract 1148 Township and Reserves Maintenance from Whitestone Contract, it being the lowest priced conforming tender.

**D Pullen/E Williams**

### **III UPDATE ON PENSIONER HOUSING FUNDING:**

This report from the Manager – Finance and Administration provided an update on the costing and funding of the Fairlie pensioner housing project.

Resolved that the report be received.

**G Page/E Williams**

The Chief Executive Officer reported on a meeting he had had with representatives of Mackenzie Aged Persons Welfare and his invitation to them to enter into a partnership role with the Council and contribute to the pensioner housing project.

He expressed his confidence that a contribution would be forthcoming, but if it was not, he was sure the Council could meet the funding shortfall in other ways.

The Chief Executive Officer said that the updated proposal from the builder included a price which would be held until the end of June 2006. He said Housing New Zealand was keen for Council's lawyers to sign the contract for the project.

Cr Page said he was disappointed that there had been no political representation at the meeting with members of Mackenzie Aged Persons Welfare, and he requested that local Councillors be involved in any further representations.

The Chief Executive Officer apologised, noting that it had not been a deliberate omission; rather he had not been prepared to present the Pensioner Housing Project Update to Council without having taken some action to close the funding gap. He said he had followed up the meeting with a formal written invitation to contribute and he understood the Aged Persons Welfare Committee was to meet later in the week to discuss the issue.

He noted that if the Council chose to adopt the recommendations in the Manager – Finance and Administration's report they would be relying on staff to deliver results.

The Community Facilities Manager advised that the revised plans, ie general specifications with layout and elevations approved by Housing New Zealand were available. He said the final detailed plans would be developed when the contract had been let. That process would take into account the suggestions which had already been put forward for the new units.

Resolved:

3. That the Council charges the Chief Executive Officer with bridging the funding gap of \$35,000 with the Mackenzie Aged Persons Welfare Association or other local sources.
4. That the Council confirms the proposal to build the new pensioner housing units in Fairlie.
5. That the unconditional offer from Neil Clode of \$330,000 for the Mount Cook Road Property be accepted.
6. That the Council delegate to staff to accept any offer for Flat 3/15 Sloane Street that would net the Council at least \$100,000.
5. That the Council delegate to staff to accept any offer for Flat 2/15 Sloane Street that would net the Council at least \$86,000.

**B J D Stringer /E Williams**

The resolutions were carried unanimously

It was suggested that the group which had originally been formed to progress the pensioner housing project represent the Council at any further negotiations with Mackenzie Aged Persons Welfare.

**V OPEN MEETING:**

Resolved that the Council continue in Open Meeting.

**G Page/D Pullen**

**CERTIFIED AS CORRECT**

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**MAYOR**