



450TH MEETING OF THE
MACKENZIE DISTRICT COUNCIL

TO THE MAYOR AND COUNCILLORS OF THE MACKENZIE DISTRICT COUNCIL

Membership of the Council:

Claire Barlow (Mayor)
Cr Russell Armstrong
Cr Murray Cox
Cr Noel Jackson
Cr James Leslie
Cr Graham Smith
Cr Evan Williams

*Notice is given of an Extraordinary Meeting of the Mackenzie
District Council to be held on Wednesday, July 8, 2015, at
9.30am.*

VENUE: Council Chambers, Fairlie

BUSINESS: As per the attached agenda.

WAYNE BARNETT
CHIEF EXECUTIVE OFFICER



MACKENZIE DISTRICT COUNCIL

Agenda for Wednesday July 8, 2015, at 9.30am

OPENING AND APOLOGIES

DECLARATIONS OF INTEREST

REPORTS:

1. Long Term Plan 2015-25 - Deliberations on submissions and decisions.
2. Revenue and Financing Policy - Deliberations on submission and decisions.
3. Financial Contributions Policy - Deliberations on submission and decisions.

ADJOURNMENTS:

10.30AM	MORNING TEA
12.00PM	LUNCH
3:00PM	AFTERNOON TEA

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL

SUBJECT: LONG TERM PLAN 2015-25

MEETING DATE: JULY 8 2015

REF: PAD 15/7

FROM: TONI MORRISON ARLENE GOSS
 SENIOR POLICY PLANNER LTP PROJECT OFFICER

PURPOSE OF REPORT:

To consider and make decisions on submissions to the Long Term Plan 2015-25.

STAFF RECOMMENDATIONS:

1. That the Council receives the report.
2. That the Council deliberates on submissions received and makes decisions on the Long Term Plan 2015-2025.
3. That the Council instruct staff to prepare the Long Term Plan incorporating those decisions, and provide the Plan for auditing.

WAYNE BARNETT
CHIEF EXECUTIVE

Attachments

None.

Background

In accordance with sections 93 to 93G of the Local Government Act 2002, Council produced and made publicly available a Long Term Plan 2015-25 Consultation Document. During the consultation period Council received 184 submissions, with a further 11 submissions received after the closing deadline of noon on June 22. The Council has received copies of all submissions. A hearing was held on Monday 6 July for Council to hear from those submitters who wished to speak to their submissions.

The Council is now required to deliberate on the submissions received and make decisions. The Long Term Plan will then be finalised and audited. It is proposed that the final Long Term Plan will be presented to Council for adoption at its meeting of 4 August.

Significance of Decision Required

The decision to deliberate on public submissions and make decisions regarding the Long Term Plan is considered significant.

Issues and Options

N/a.

Recommendation

The Council is now required to make decisions on submissions, in order to enable the Long Term Plan to be finalised and prepared for auditing.

MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: REVENUE AND FINANCING POLICY
MEETING DATE: JULY 8 2015
REF: PAD 15/7
FROM: TONI MORRISON
SENIOR POLICY PLANNER

PURPOSE OF REPORT:

To consider and make decisions on a submission on the draft Revenue and Financing Policy.

STAFF RECOMMENDATIONS:

1. That the Council receives the report.
2. That the Council deliberates on the submission received and makes decisions on the Revenue and Financing Policy.
3. That the Council instruct staff to amend the Revenue and Financing Policy in accordance with its decisions on the submission.

Or

4. That the Council reject the submission on the Revenue and Financing Policy.

And

5. That the Council note that the final Revenue and Financing Policy will be presented to Council for adoption at its next meeting.

WAYNE BARNETT
CHIEF EXECUTIVE

Attachments

- Attachment A: Draft Revenue and Financing Policy
- Attachment B: Submission from Mr J Cassie

Background

The Local Government Act 2002 requires the Council to have a Revenue and Financing Policy. Such policies must be reviewed every three years, and the Council's current policy is due for review. The Council at its 31 March meeting adopted the draft Policy for a period of public consultation which ran simultaneously with the consultation on the Consultation Document for the Long Term Plan 2015-2025.

One submission has been received which addresses matters contained within the Policy. This submitter asked to be heard, and at the time of writing this paper, was scheduled to appear at the Council hearing of submissions on Monday 6 July.

In summary, the submitter considers that the capital value system of rating is unfair on some ratepayers, and that the differing values of properties now means that some ratepayers are paying excessive amounts compared to others. This leads in the submitter's view to a situation where some properties are having to subsidise others for the exact same services. The submitter seeks that the system is changed so that the general rate for services should be spread equal across all properties in the town.

The Council is asked to consider the submission and make a decision as to any amendments to the Policy that may be sought in the submission. The Policy will then be finalised and be put before the Council at its meeting on August 4th for adoption.

Significance of Decision Required

In accordance with Council's Significance and Engagement Policy, this matter has been assessed as significant because it relates to decisions on a draft policy that is supporting information for the Long Term Plan 2015-25.

Issues & Options

The options available to Council are to either:

1. Amend the Revenue and Financing Policy as a result of the submission, OR
2. Reject the submission on the Revenue and Financing Policy.

Conclusion

The Council is required to have current Revenue and Financing Policy. In accordance with the LGA, the Council reviewed its Policy and notified a revised draft for submissions. This paper seeks the Council consider and decide on the single submission received which raised matters covered in the Policy.

Appendix A - Revenue and Financing Policy

Introduction

The Local Government Act 2002 provides that a local authority must include a revenue and financing policy as part of its long-term plan.

The policy must state the funding sources for both Council's operating expenses and capital expenditure.

In determining the funding sources for each activity, in relation to each of its activities the Council must consider -

- the community outcomes to which the activity primarily contributes; and
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which the actions or inactions of particular individuals or a group contribute to the need to undertake the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

The Council must also consider the overall impact of any allocation of liability for revenue needs on the community.

The Council is able to fund operating expenditure from the following sources:

- General rates, including uniform annual general charge
- Targeted rates
- Fees and charges
- Interest and dividends from investments
- Grants and subsidies from central government and other external sources
- Other operating revenue

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. This policy explains how those decisions have been made and provides information on how operating expenditure is funded for each activity – see Group Activity Tables section.

Council usually funds capital expenditure from capital reserves. These capital reserves are built up from funded depreciation and any shortfalls in funding capital expenditure are treated as internal loans.

Other funds are available to finance capital expenditure. These other funds include:

- Borrowing
- Financial contributions levied under the Resource Management Act 1991
- Contributions towards capital expenditure from external parties, such as the NZ Transport Agency
- Proceeds from the sale of assets
- Operating surpluses

Our Approach

The Council will manage its financial affairs prudently and in a manner that promotes the current and future interests of the community. The aim of this policy is to promote consistent, prudent, effective and sustainable financial management of the Council and to fund its activities from the most appropriate source after consideration of who benefits from each activity.

The Group Activity Tables on the following pages show the rationale that Council has used to determine how the costs are funded. In general, the funding hierarchy for the activity is:

- Fees and charges
- Any other income
- Targeted rates
- General rates

In determining its selection of funding tools, the Council has been guided by the following principles.

Costs for each activity are collected unless the Council believes that to do so would not be fair or not be in the interest of residents and ratepayers or is in conflict with Council policy. As an elected representative body, the Council has the responsibility to make the final decision.

Where it is realistic to collect fees and charges for a particular activity, the Council will attempt to recover a proportion of operating costs equal to its assessment of the % of private good that the activity provides.

Given there are four distinct communities of interest in the Mackenzie, rates for general township and rural activities are targeted geographically into four works and services rates. However, the Council has assessed long term sustainable needs in relation to roading, and this activity is funded through a district wide targeted rate.

The use of a uniform annual general charge for general rates and fixed amounts for targeted rates (including works and services rates) is based upon a judgment on how regressive or progressive the incidence of rates should be.

Water and wastewater services are provided directly to rating units in defined areas of benefit, and are funded through targeted rates for each activity. The charges are further differentiated into treatment and infrastructure costs, to target those rating units receiving the service and those rating units capable of receiving the service. Apart from extraordinary usage, the services are provided equally to each property (defined as a separately used and inhabited part of a rating unit), making a fixed amount charge most appropriate.

The use of the general rate is generally reserved for activities of a district wide nature or for activities where the Council has judged that the service is better funded by way of a form of local taxation rather than a type of targeted rating.

In some instances, ratepayer sector groups may fund more of the costs of an activity than they may directly benefit from. Council has taken into account the overall impact of any allocation of liability for revenue needs on the community in its considerations. In general, operating expenditure is for the current year and will be funded over the current year. In some exceptional cases reserve funding may be used to ease and spread the rate burden. All capital expenditure is funded from capital reserves. These capital reserves are built up from funded depreciation and any shortfalls in funding capital expenditure are treated as internal loans.

Valuation System

Councils are able to rate properties based on land value or capital value. The Council has chosen to use a capital value basis for its rating system, following consideration of the following advantages and disadvantages:

Capital Value Rating	
Advantages	Disadvantages
<ul style="list-style-type: none"> It is easy to establish capital values for property. The use of this capital value reflects the ratepayers' total investment in the property. There is a larger growth factor in the rating base during the years through new development. Ratepayers understand how capital values relate to their property. In newly developing areas the ability to pay principle is more relevant, as ratepayers will not generally purchase in areas they cannot afford. Capital values reduce the need for differentials, as the market values are relative to the size, use and marketability of land and property. 	<ul style="list-style-type: none"> Capital value rating requires more frequent roll maintenance. Property improvements require a revaluation. Capital value rating is thought to be a deterrent to improvements. This could result in illegal buildings or improvements being made. There is no encouragement for landowners to develop their land. There is an assumption being made that those with the greater capital value have a greater ability to pay and as such a portion of the rates charged by way of capital value is seen as a tax, rather than a direct charge for the provision of a service.

Council's Differentials

Council's main differential is the one set for its three main hydro dams owned by Genesis Energy Limited and Meridian Energy Limited, which is described in detail in the Funding Impact Statement in the LTP. The only other differentials relate to the funding of the Council's tourism and economic development activities.

The Funding Mix

Each activity of Council has been identified and grouped with similar activities under one "significant" activity. A significant activity may not necessarily be financially significant in terms of its overall expenditure, but the significance recognises the importance of the activity to the residents and ratepayers.

The following table shows how the Group Activities are funded. Further detail is provided in the Group Activity Tables below.

Group Activity	General Rate	Targeted Rate	Fees, Charges and Other Income (incl Use of Reserves)
Governance	√	√	
Water Supply		√	√
Sewerage		√	√
Stormwater		√	√
Roading		√	√
Solid Waste	√	√	√
Building Control			√
Resource Management	√		√
Regulatory Services	√	√	√
Community Services	√	√	√
Recreational Facilities	√	√	√
Commercial Activities	√	√	√
Corporate Services	√		√

GROUP ACTIVITY TABLES

Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Governance	Democracy and consultation for Mackenzie District as a whole	Overall Benefits <ul style="list-style-type: none"> ▪ All individuals can become involved. ▪ Equitable representation and recognition of communities. ▪ Elected members are available to all ratepayers. ▪ Community board members are available to all ratepayers within the relevant urban areas. ▪ Liaison with central government and other agencies occurs on behalf of residents. ▪ Community board liaison with the District Council on issues relating to the particular urban area. 	<p>This is a core activity with a high impact on community well-being.</p> <p>The cost of the Council will be collected by way of general rate.</p> <p>The cost of the community boards will be collected as part of the works and services rate for each township.</p> <p>This activity is classified as providing 100% public benefit.</p>	Ongoing and long term	Operating Current <ul style="list-style-type: none"> ▪ All ratepayers benefit from the activities of Council, so it is appropriate to fund the activity from general rates assessed on capital value. ▪ The benefits of community boards are more localised so the township works and services rates are the more appropriate funding sources. ▪ External borrowing when specifically authorised by Council resolution.

Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Water Supply	Provision of utility services	<p>Overall Benefits</p> <ul style="list-style-type: none"> Allows community to further develop. Assists economic development of the area. Safeguards public health. Fire protection measure. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Households connected to potable water supply. Systems in place to cope with heavy draw downs by large users e.g. industrial and commercial users. Systems in place to cope with provision of water for stock and agricultural use. <p>For funding purposes, the Council believes 100% of the costs should be recovered from the beneficiaries.</p>	<p>The urban water supply activity covers the following urban areas: Twizel, Lake Tekapo, Fairlie, and Burkes Pass. There is a proposal to establish a community supply for Manuka Terrace which is presently being consulted on. This proposal is included in the LTP.</p> <p>The increased requirements to meet desired standards for drinking water and upgrade ageing infrastructure place an exceptional burden on individual townships' water supply schemes. To fund the increased costs associated with meeting standards, the Council proposes to spread the cost of the four urban water supplies across all those connected to an urban scheme, to ensure their long term sustainability. This will be done via a uniform targeted rate.</p> <p>Connection fees are charged to meet the actual costs of each new connection.</p> <p>The costs relating to the treatment of the urban water supplies will be charged as a fixed amount to those properties¹ that are physically</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> Excess water charges and recoverable services. Fixed amount per targeted rate for water treatment costs, assessed per separately used and inhabited parts of rating units that receive the service across all townships. Fixed amount targeted rate to fund water infrastructural costs assessed per separately used and inhabited parts of rating units able to connect to an urban water supply scheme within a township <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Financial contributions. Capital reserves

¹ For the purposes of this policy, references to the term 'property' mean a separately used and inhabited part of a rating unit.

			<p>connected to a supply in the district.</p> <p>The infrastructural costs relating to urban water supply, including depreciation, interest, reticulation maintenance, staff support costs etc, are charged as a fixed amount per property that have the ability to connect to an urban water supply in the District.</p> <p>All costs relating to the rural water supplies are charged a fixed amount targeted rate in accordance with the resolution of the individual water supply committees.</p> <p>Use of water meters is recognised as one of the most effective means of assisting water conservation, by valuing water and ensuring that those who use it in greater quantities are charged accordingly. Metered water connections are utilised for high users.</p>		<p>with the provisions to allow shortfalls in capital funding to be funded by internal borrowing.</p> <p>External borrowing when specifically authorised by Council resolution.</p>
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Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Wastewater	Provision of utility services	<p>Overall Benefits</p> <ul style="list-style-type: none"> ▪ Maintains sanitation which safeguards health of District. ▪ Environmental protection. ▪ Treatment process avoids significant adverse effects on land and waterbodies. ▪ Recognises cultural sensitivity and values. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> ▪ Reticulation allows removal of sewage from individual property. <p>For funding purposes, the Council believes that 100% of costs should be recovered from beneficiaries.</p>	<p>Exacerbator:</p> <ul style="list-style-type: none"> ▪ Potential for dangerous substances to be discarded through wastewater system. ▪ Urbanisation. <p>There are four separate sewerage systems within the District: Twizel, Lake Tekapo, Burkes Pass and Fairlie.</p> <p>The increased requirements to meet environmental standards and replace deteriorating infrastructure place an exceptional burden on individual townships' wastewater schemes. To fund the increased costs associated with meeting standards the Council proposes to fund all urban wastewater services across the four schemes, to ensure their long term sustainability. This will be done via uniform targeted rates.</p> <p>The costs relating to urban wastewater treatment will be charged a uniform fixed amount to all properties connected to an urban wastewater system in the district.</p> <p>All urban wastewater infrastructural costs, including depreciation, interest, reticulation maintenance, and staff support costs are charged to all properties with that have the ability to connect to an urban wastewater</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> ▪ Connection fees recover the actual cost of each new connection. ▪ Targeted rate for wastewater treatment assessed per separately used and inhabited parts of a rating unit connected to any urban wastewater system. ▪ Targeted rate for wastewater infrastructural costs assessed per separately used and inhabited parts of a rating unit able to connect to any urban wastewater scheme. ▪ Use of reserves to offset rate requirement and accrual of interest to capital reserves. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> ▪ Financial contributions. ▪ Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. ▪ External borrowing when specifically authorised by Council resolution.

			system in the district. Non-residential properties have a higher usage and are therefore charged a separate targeted rate per water closet or urinal for both infrastructural and treatment costs.		
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Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Stormwater	Provision of utility services	<p>Overall Benefits</p> <ul style="list-style-type: none"> Enhanced public health and safety. Protection of roading network. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individual property owners. Provides protection of private property. Enhanced land development / opportunities. 	<p>While it is theoretically possible to identify the private beneficiaries of any one project, it is very difficult to quantify the value of the benefit derived from each individual and as a result, the amount of benefit cannot be accurately measured and charged for.</p> <p>In the same way, while it may be theoretically possible to determine the source of the water, and thereby charge the exacerbator to control their own negative effects, in practice, this is rarely possible. In most instances, surface water accumulates from a wide range of properties, and is collected together at the lowest point.</p> <p>As a result, although most of the beneficiaries of a stormwater system could be considered private, there is no practical way of quantifying the benefit and charging for it. The service therefore defaults to being a 100% public good.</p> <p>The increased requirement to meet environmental standards for stormwater discharges place a significant burden on individual</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> The costs of operating all stormwater systems funded from a fixed amount targeted rate. Other income. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Financial contributions. Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. External borrowing when specifically authorised by Council resolution.

			townships. To fund the increased costs associated with meeting standards the Council will fund all urban stormwater systems across all urban stormwater schemes, to ensure their long term sustainability. This will be done via a uniform targeted rate per property.		
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Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Roading	Provision of utility services	<p>Overall Benefits</p> <ul style="list-style-type: none"> ▪ Universally available. ▪ Part of national network. ▪ Provides access corridors for services e.g. electricity, water, sewer and telecommunications. ▪ Provides access. ▪ Provides emergency services access. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> ▪ Individual property access ▪ High tourist traffic benefits tourism. <p>The Council's view is that the ideal split between the public and private benefits of roading is 23% to 77%. However, proxies for user charges such as Land Transport New Zealand subsidies are insufficient and Council has had to settle for a lesser split.</p>	<p>Exacerbator:</p> <ul style="list-style-type: none"> ▪ Number of vehicles and cyclists utilising local roads. ▪ Different costs incurred to maintain network particularly with heavy goods vehicles, for example those in the forestry and rural sectors. ▪ Council considers that the rural, industrial and commercial properties largely benefit from roading. ▪ Footpath network including street lighting in urban areas is essential for the social well-being of the community. ▪ Car parking places are provided to benefit individuals and commercial businesses. ▪ In order to secure long term funding sustainability and to achieve a more efficient spend of ratepayer and subsidy dollars, Council funds all of its roading activity from a targeted rate. This recognises that the roading network is open to all and the costs of maintenance are better met if they are widely spread as possible. 	Ongoing and long term.	<p>Operating Current</p> <ul style="list-style-type: none"> ▪ Targeted rates. ▪ NZ Transport Agency subsidy. ▪ Petroleum tax and other contributions. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> ▪ Annually recurring capital costs will be funded from the targeted roading rate. ▪ NZ Transport Agency subsidy. ▪ Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. ▪ External borrowing when specifically authorised by Council resolution.

Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Solid Waste	Provision of utility services	<p>Overall Benefits</p> <ul style="list-style-type: none"> Helps promote clean green environment, which is a common national initiative. Environmental protection. Enhances social responsibility. Ability to sort and recycle material at resource recovery parks. Public health. Regional waste studies undertaken on behalf of District. Prevention of leakage and environmental contamination. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals depositing solid waste. Household waste recycled/reused and/or minimised. Individuals do not have to dispose of waste. Individuals refuse collected. Controlled disposal of rubbish. <p>Benefits for future generations</p> <ul style="list-style-type: none"> Future generations do not have to clear up waste caused by previous generations. 	<p>Council provides wheelie bins for household refuse collection, and contracts out the service to a private supplier. It has determined that the costs of the wheelie bin collection should be met 100% by those able to utilise it and that the remaining costs should be met by a contribution from the General Rate which recognises a degree of public benefit in encouraging recycling and litter removal in the area. Currently the General Rate portion has been calculated at 26%.</p> <p>The full cost of the collection and disposal service is regarded as a private benefit and is met through a uniform targeted rate levied on properties within the area of benefit and those who are able to use the service. The balance comes from the General Rate.</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> General rate assessed on capital value. Targeted uniform rate assessed per separately used and inhabited part of a serviced rating unit within all urban areas for refuse collection. Fees and charges for the disposal of refuse at the resource recovery parks. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. External borrowing when specifically authorised by Council resolution.

Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Building Control	Protection of the environment	<p>Private or other sector benefits</p> <ul style="list-style-type: none"> Present and future owners of buildings and their insurance companies e.g. work is undertaken to required standards. <p>Overall Benefits</p> <ul style="list-style-type: none"> Neighbours, visitors can rely on safety standards; public safety standards on buildings are met. General advice provided to all irrespective of building. 	For funding purposes, the Council believes 100% of the costs of processing and monitoring building consents should be recovered from the consent applicants. The building consent fees are set to recover as close to 100% of the operating costs as it is possible to predict.	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> Fees and charges and other income.

Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Resource Management	Protection of the environment	<p>Overall Benefits</p> <p>Resource Management</p> <ul style="list-style-type: none"> Controls in District Plan. Contributes to sustainable use of resources. Environmental safeguards to the public as a whole e.g. consents for discharge. Contributes to protection and enhancement of environment. Planning staff available to provide advisory service. <p>District Plan</p> <ul style="list-style-type: none"> Utilised for resource management issues. Enhances public health and safety. Contributes to environmental management. Monitoring impact of development. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals who apply for consents or plan changes. <p>Inter-Generational Benefit for Future Generations</p> <ul style="list-style-type: none"> Benefits fall over life of plan. 	<p>Council has to ensure compliance with statutes specifically the Resource Management Act 1991 and other sustainable policies.</p> <p>The costs associated with District Plan review and Council initiated plan changes will be recovered from the general rate. This decision reflects that the benefits of planning accrue across the District and in different proportions to different people. The public benefit is met by way of the general rate levied on capital value.</p> <p>For funding purposes, the Council believes 100% of the costs of processing resource consents and privately initiated plan changes should be recovered from the applicants as the beneficiaries.</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> Fees and charges. General rate assessed on capital value. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. External borrowing when specifically authorised by Council resolution.

Group Activity or Sub-Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Regulatory Services	Provision of safety services	<p><u>Civil Defence</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Trained teams to react if emergency occurs. Public health and safety. Provides certainty and assurance. Recovery programmes are put in place for civil defence. <p><u>Rural Fire Control</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Trained teams to react if emergency occurs. Public health and safety. Fire stopped from spreading to residential areas. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Services able to assist out of control fire on property. <p><u>Animal Control</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Management of dogs and stock in public places and an ability to respond to community complaints. Dog owner accountability. Stock control. Provide community safety. Address nuisance of fouling. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals do not suffer nuisance or danger from stray or out of control animals. Registration allows legal ownership of 	<p>Council recognises that civil defence has a high impact on the community.</p> <p>The Council will meet the cost of civil defence from the general rate. This decision reflects the area over which the benefit is received (property and stock), which can be protected if sufficient warning is given.</p> <p>The cost of rural fire control will be funded from the rural works and services rate. This decision reflects that the service is only delivered to the rural area.</p> <p>Exacerbator – Some owners allow animals to stray and become a nuisance and/or a road safety hazard. Wandering stock issues are managed under the Impounding Act, and wandering dogs under the Dog Control Act.</p> <p>Council will charge a reasonable fee but recognises the social value of having a dog. Farm dogs create less of a nuisance than urban dogs and charges reflect this.</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> General rate assessed on capital value. The cost relating to rural fire control will be funded from the rural works and services rate Registration fees to dog owner and other income Fees and charges. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. External borrowing when specifically authorised by Council resolution.

		<p>dogs.</p> <ul style="list-style-type: none"> ▪ Designated dog exercise areas for owners use. <p><u>Sale of Alcohol and Environmental Health</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> ▪ Public health and safety. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> ▪ Individuals who apply for licenses 	<p>Its current policy is to recover 90% of the costs of the operation from dog fees and other recoveries. The public component will come from the general rate.</p> <p>For funding purposes, the Council believes 100% of the costs of processing licenses should be recovered from the applicants as the beneficiaries.</p>		
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Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Community Services	Provision of community services and promotion of community well-being	<p><u>Grants</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Increased opportunity for social interaction. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals and groups who received money. <p><u>Pensioner Housing</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Retains the character of the community and also social mix. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals who rent the properties. Access to affordable accommodation for elderly people. <p><u>Cemeteries</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Provision of burial sites. Controlled land utilisation. Recognises historic/cultural reserve needs of visitors. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Space provided for an individual and descendants. Presentable maintained grounds for family visits. <p>Benefits for future generations</p>	<p>Included in community services are grants made to groups by the District Council as a whole though the general rate and by community boards through works and services rates.</p> <p>Mackenzie like other districts has an ageing population, and there is an expectation that older people will continue be able to live in the District. Council recognises the need to retain the character of the community, which is derived from a balanced social mix.</p> <p>The Council does make a cash surplus on the operation of the facilities. The depreciation expense is funded and deposited in capital reserves. Any further surplus is offset against the general rate. Any deficits are funded by the general rate.</p> <p>The Council considers that the public input to cemeteries will be made from the general rate as it recognises the general benefit to all persons. Such benefits are best funded through a type of general rating taxation rather than a targeted charge. Fees are set to recover 70% of operational costs.</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> General rate assessed on capital value Works and services rates Rental income and other income <p>Capital – Future Generations</p> <ul style="list-style-type: none"> Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. External borrowing when specifically authorised by Council resolution.

		<ul style="list-style-type: none">▪ Records maintained for future generations.▪ Maintenance of plots.			
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Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Community Services Cont...	Provision of community services and promotion of community well-being	<p><u>Medical Centres</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Provides incentives for the medical practices to retain their service in Twizel and Fairlie. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> The medical practices which lease the medical centre buildings <p><u>Public Toilets</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Minimise adverse effects on the environment and avoid pollution. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Individuals using toilet receives benefit. Supports increase of visitors 	<p>The Council owns the medical centres in Fairlie and Twizel, and has been providing the facilities to the medical practices at a discounted rental. The High Country Medical Trust is currently constructing a new medical centre at Twizel. The Council has agreed to provide support to this and will retain a financial interest in the new building.</p> <p>Excluding depreciation, the rentals received covers most of the costs associated with the medical centres. Funded depreciation is now being introduced in a staged manner. The public share of expenditure is funded by the general rate.</p> <p>Council wants public toilet facilities to be available to all. There is a public expectation that these will be provided. The public share of the toilets will be funded by the general rate. This decision reflects the fact that the rate contribution is made for environmental and public health reasons and should be collected like a tax.</p> <p>Some public toilets have donation boxes, encouraging donations towards the cost of operating the toilets.</p>		

Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Recreational Facilities	Provision of community services and promotion of community well-being	<p><u>Swimming Pools</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> ▪ Opportunities for recreation and leisure. ▪ Enhanced health and well-being of community. ▪ Opportunity for social interaction and meetings near to where people reside. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> ▪ Individuals or groups utilising facilities e.g. pool users. ▪ Enhanced water education and leisure for individuals. <p><u>Halls and Community Centres</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> ▪ Opportunities for recreation and leisure. ▪ Enhanced health and well-being of community. ▪ Opportunity for social interaction and meetings near to where people reside. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> ▪ Individuals or groups utilising facilities e.g. hall users. 	<p>Council considers that the primary users of these facilities are the residents of the townships.</p> <p>The public share of operating the community centres and halls throughout the District will be borne by the community works and services rates. This policy recognises the varying standards each community will have for their centre or hall and the investment each community has made in the facility.</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> ▪ General rate assessed on capital value. ▪ Works and services rates. ▪ Rental income, pool charges, hall charges and other income. <p>Capital – Future Generations</p> <ul style="list-style-type: none"> ▪ Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing. ▪ External borrowing when specifically authorised by Council resolution.

Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Recreational Facilities Cont...	Provision of community services and promotion of community well-being	<p><u>Parks, Reserves and Amenity Areas</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Preserve public areas. Opportunity for social interaction. Enhance beauty and image of the District Provision for leisure and passive recreational activities for residents and tourists. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Those individuals utilising reserves. <p><u>Alps 2 Ocean Cycleway</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Opportunity for social interaction. Enhance beauty and image of the District. Provision for leisure and passive recreational activities for residents and tourists. <p>Private or other sector benefits</p> <ul style="list-style-type: none"> Those individuals utilising the cycleway. <p><u>Libraries</u></p> <p>Overall Benefits</p> <ul style="list-style-type: none"> Increases literacy and educational levels of the population. Access to information irrespective of social, 	<p>The Council considers that different communities within the District had different expectations and aspirations for their reserves. As such the Council collects the public portion of the cost of maintaining the reserves through community works and services rates.</p> <p>Some of the reserve land is leased and the private portion of funding comes from rent.</p> <p>The Council considers that the provision of the Alps 2 Ocean cycleway is of equal benefit to all ratepayers and should be funded partly by the general rate and partly from a uniform targeted rate.</p> <p>Council recognises the benefit of libraries to community well-being over the whole District. The Council has entered into agreements with Mackenzie College and Twizel Area School for the provision of community</p>		<p>Operating Current</p> <ul style="list-style-type: none"> General rate assessed on capital value. Fixed amount targeted rate for Alps 2 Ocean Cycleway assessed per separately used and inhabited parts of a rating unit.

		cultural or economic circumstances. Private or other sector benefits <ul style="list-style-type: none"> Individuals accessing books and information. Researchers. 	libraries in both Fairlie and Twizel in which the Council contributes approximately half of the operational costs through the general rates.		
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Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Commercial Activities	Economic growth for the District	<p><u>Investments</u> Overall Benefits</p> <ul style="list-style-type: none"> Increases health/wealth of District. Increases the cash reserves of the Council. <p><u>Forestry Board</u> Overall Benefits</p> <ul style="list-style-type: none"> Increases health/wealth of District. Increases the cash reserves of the Council. Increases the value of the District. <p><u>Real Estate</u> Overall Benefits</p> <ul style="list-style-type: none"> Increases health/wealth of District. Increases the cash reserves of the Council. Increases the value of the District. <p><u>Rental Properties</u> Overall Benefits</p> <ul style="list-style-type: none"> Increases health/wealth of 	<p>The investment income derived from the Council's cash and equity investments is actively used to offset the general rate requirement. This is split per rating area in proportion to the rating area's capital value as opposed to the rest of the District.</p> <p>There are no rating inputs for the Forestry Board although a rental charge is paid to Council and distributed to communities. The Council is proposing to sell two blocks of forestry land and use this money to offset the costs of infrastructure.</p> <p>There are no rating inputs for the real estate activity.</p> <p>The surpluses gained from the</p>	Ongoing and long term	<p>Operating Current</p> <ul style="list-style-type: none"> General rate assessed on capital value Targeted rates Sales of real estate, rental charged, sale of timber, interest & dividends and other income

		District. <ul style="list-style-type: none"> Increases the Cash Reserves of the Council. Increases the value of the District. 	Council's rental properties are simply used to offset the general rate.		
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Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Commercial Activities Cont...	Economic growth for the District	<u>Economic Development and Tourism</u> Overall Benefits <ul style="list-style-type: none"> Increases health/wealth of District. Increases employment opportunity and growth of business. Facilitates sustainable growth. Increase the value of the District. Private or other sector benefits. <ul style="list-style-type: none"> Increased tourism means increased sales and opportunities for the commercial sector. 	<p>Whilst bringing positive benefits to the community, tourists place additional burdens on Council infrastructure. Council has to balance this with the high impact on community well-being.</p> <p>The costs associated with Tourism and Economic development activities will be recovered partly from uniform fixed amount targeted rates across the district and fixed amount targeted rates from rating units deemed to have a wider benefit.</p>		Operating Current <ul style="list-style-type: none"> Targeted rates

Group Activity or Activity	Strategic Aim	Identified Benefits	Considerations - Supporting Transparency and Accountability of Council	Period of Benefit	Council Funding Mechanism
Corporate Services		Overall Benefits <ul style="list-style-type: none"> The efficient running of the local authority. 	<p>Council believes these costs are not related to any one activity and should be distributed throughout the activities as overheads. Income is first used to offset this expenditure.</p> <p>Such costs include: administration; information technology support; Council buildings; Chief Executive Officer's department; asset management; roading business unit; and community facilities management.</p>	Ongoing and long term	Operating Current <ul style="list-style-type: none"> Fees and charges (minimal) General rate assessed on capital value. Any balance is funded by allocation of overheads to other activities. Capital – Future Generations <ul style="list-style-type: none"> Capital reserves with the provisions to allow shortfalls in capital funding to be funded by internal borrowing External borrowing when specifically authorised by Council resolution.

Revenue & Financing Policy

Adopted by: **Council**

Adopted date:

Review date:

98



MACKENZIE DISTRICT COUNCIL

NOTICE OF SUBMISSION

To: Mackenzie District Council
PO Box 52
FAIRLIE

Phone: (03) 685-8514
Fax: (03) 685-8533

FROM: (Full Name) JOHN BRYDON CASSIE

CONTACT PERSON: (If different from above)

ADDRESS: (For Service) 54 GRAY STREET
FAIRLIE

CONTACT PHONE NO: 685 6067 **FAX/ EMAIL:** j.cassie@xtra.co.nz

1. The specific provisions of the proposal my submission relates to are as follows:

.....
.....
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.....
.....
.....
.....
.....

2. I support/ oppose these provisions: (please tick one)

I support ☐

I oppose ☐

3. The reason(s) for my submission are as follows:

CHANCES TO RATE CHARGES SYSTEM.

4. I seek the following decision from the Mackenzie District Council:

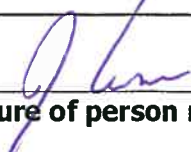
ATTACHED LETTER

5. I do or do not wish to be heard in support of my submission: (please tick one)

I do ☒ I do not ☐

6. If others make a similar submission, I would or would not be prepared to consider presenting a joint case with them at any hearing: (please tick one)

I would ☐ I would not ☐


Signature of person making submission

20-6-2015
Date

I would like to make a submission on the way residential rates are applied.

I consider that the current capital value is unfair on some rate payers.

The general rate for services should be spread equal across all properties in the town

ie: x amount of money required divided by number of properties in the town.

When the current capital system was introduced some twenty years ago the value of properties may not have differed much between different properties, but now the gap means some are paying excessive amounts compared to others.

I have included a list taking same street numbers or half from your web site.

54 Gray St.	\$3,236.50
54 School Road	\$2,026.20
53 Gall St.	\$1,698.00
27 Regent St.	\$1,821.10
26 Sloane St.	\$2,169.80
54 Denmark St.	\$ 2,128.80

You can see from this selection that with the current format some properties are having to subsidize others for the exact same services.

Thank you for your consideration

Yours faithfully

John Cassie



MACKENZIE DISTRICT COUNCIL

REPORT TO: MACKENZIE DISTRICT COUNCIL
SUBJECT: POLICY ON FINANCIAL CONTRIBUTIONS
MEETING DATE: JULY 8 2015
REF: PAD 15/7
FROM: TONI MORRISON
SENIOR POLICY PLANNER

PURPOSE OF REPORT:

To consider and make decisions on a submission on the draft Policy on Development Contributions and Financial Contributions.

STAFF RECOMMENDATIONS:

1. That the Council receives the report.
2. That the Council deliberates on the submission received and makes decisions on the Policy on Development Contributions and Financial Contributions.
3. That the Council instruct staff to amend the Policy on Development Contributions and Financial Contributions in accordance with its decisions on the submission.

Or

4. That the Council reject the submission on the Policy on Development Contributions and Financial Contributions.

And

5. That the Council note that the final Policy on Development Contributions and Financial Contributions will be presented to Council for adoption at its next meeting.

WAYNE BARNETT
CHIEF EXECUTIVE

Attachments

- Attachment A: Draft Policy on Development Contributions and Financial Contributions
- Attachment B: Submission from Mackenzie Properties Ltd

Background

The Local Government Act 2002 requires the Council to have a Policy on Development Contributions and Financial Contributions. These must be reviewed every three years, and the Council's current policy is due for review. The Council at its 31 March meeting adopted the draft Policy for a period of public consultation which ran simultaneously with the consultation on the Consultation Document for the Long Term Plan 2015-2025.

One submission has been received which addresses matters contained within the Policy. This submitter asked to be heard, and at the time of writing this paper, was scheduled to appear at the Council hearing of submissions on Monday 6 July.

The section of the attached submission that relates to the draft Policy is in paragraphs 3 - 4 on the third page. In summary, the submitter considers that the draft policy is flawed as it relies on constant revaluing of assets and on reserves balances.

Staff note that financial contributions, and the formula for calculating those contributions, were introduced into the District Plan as part of Plan Change 7. The Plan Change was adopted after a 1st schedule Resource Management Act process involving consultation and public submissions, and was implemented into the District Plan in January 2007. Because the formula is part of the District Plan, it would be necessary to introduce a further plan change if the Council wishes to reconsider the way it calculates financial contributions. The Long Term Plan is unable to make such a change to the District Plan.

The submitter asks for clarification as to whether there will be one flat rate for water, sewer and stormwater if the standardization of rates across the townships takes place, as proposed in the Consultation Document. The draft Policy shows that there is proposed to be a single rate for water, sewer and stormwater across all townships.

The Council is asked to consider the submission and make a decision as to any amendments to the Policy that may be sought in the submission. The Policy will then be finalised and be put before the Council at its meeting on August 4th for adoption.

Significance of Decision Required

In accordance with Council's Significance and Engagement Policy, this matter has been assessed as significant because it relates to decisions on a draft policy that is supporting information for the Long Term Plan 2015-25.

Issues & Options

The options available to Council are to either:

1. Amend the Policy on Development Contributions and Financial Contributions as a result of the submission, OR
2. Reject the submission on the Policy on Development Contributions and Financial Contributions.

Conclusion

The Council is required to have current Policy on Development Contributions and Financial Contributions. In accordance with the LGA, the Council reviewed its Policy and notified a revised draft for submissions. This paper seeks the Council consider and decide on the single submission received which raised matters covered in the Policy.

Attachment A

Policy on Development Contributions & Financial Contributions

1. DEVELOPMENT CONTRIBUTIONS

The Council has chosen not to levy any development contributions under the provisions of the Local Government Act 2002.

2. FINANCIAL CONTRIBUTIONS

Financial contributions are levied under the provisions of the Resource Management Act 1991 and incorporated in the relevant sections of the Mackenzie District Plan. Financial contributions are required for the purposes set out below.

2.1 Reserves Contributions

Reserves contributions for open space and recreation areas are required under the provision of the Resource Management Act 1991 and the District Plan. Under this Policy, contributions are required from all residential subdivision, regardless of zoning.

The contribution is 5% of average cash value of the allotments created, except in the rural zone, where it is limited to 5% of the average value of 1500m² of each lot.

The policy also applies to new or additional residential units and visitor accommodation.

For residential units, the contribution is based on the value of 20m² of land for each additional unit created.

For visitor accommodation, the contribution is based on the value of 2m² of land per 100m² of floor area covered.

In both areas a credit is given for any contribution made at the time of previous subdivision.

Full details are given in the Council's District Plan.

2.2 Water, Sewer and Stormwater Contributions

The Council also levies financial contributions for water, sewer and stormwater. These contributions are paid when new sections are created.

A key issue from the provisions of the District Plan is the costs of infrastructure. It is recognised that development facilitated by subdivision adds incrementally to demands on the infrastructure of the District. The Plan's rules are designed to require each new development to contribute a fair and reasonable sum towards the cost of that demand unless it is replacing an existing development. A fair and reasonable share of costs needs to recognise:

- That to manage and develop land (a natural resource) in an orderly and efficient way, it is appropriate to install public utility services (a physical resource) for whole catchments in anticipation of development.
- That there is a need to provide for people and communities' economic and social wellbeing by equitable sharing of costs of utility services over time.
- That works and the costs required for servicing specific areas or developments should be borne by the developers to the extent attributable to the development.

Subdivision of land provides a framework of services for subsequent purchasers of new allotments who have an expectation that services will be available. New subdivision may also give rise to demands for upgrading of existing services which is a direct consequence of the subdivision.

The provision of services within the subdivision is a cost recoverable from the sale of allotments and can be imposed on a subdivider at the time of subdivision development. Furthermore, where a subdivision creates a demand for

upgrading services outside of the subdivision, the Council is justified in recovering costs attributable to the subdivision itself.

Financial contributions may be required for developments as well as subdivision. For this purpose a development means the construction, erection of an industrial, service, commercial, recreational community activity or visitor accommodation with a value of \$100,000 or more, or more than one residential unit or lot.

Where adequate public utilities are already in place, it is considered appropriate to enable people and communities to provide for their social and economic benefit, that all users of public utility services (eg water supply, sewerage and stormwater drainage) contribute to these services. New ratepayers otherwise “freeload” on the value and capacity of the asset provided by earlier generations and developers. In this way the Council can confidently plan its servicing to provide for the reasonably foreseeable needs of current and future generations. Financial contributions towards existing infrastructure are based on a “recognised equity” model involving contributions by developers equivalent to the equity held by existing ratepayers in the existing utility service infrastructure. If new reticulated areas are created by the Council beyond the existing systems in any of the serviced areas, the equity formula shall apply and a new cost structure added to the newly created assets in these areas.

Contributions are set according to rules to ensure a reasonable degree of certainty for developers.

The formula used to calculate the contributions is
$$\frac{V+L}{R}$$

Where:

- V = Latest independent valuation of the water supply/sewerage system/stormwater system plus the value of any capital additions made since that time and less the value of depreciation charged since the date of the valuation.
- L = Capital reserve balance with water supply/sewerage system/stormwater system as at 1 July each year. (The reserve may be in funds or overdrawn resulting in a positive or negative balance.)
- R = Number of connectable properties (or properties for stormwater) contributing to the asset as at 1 July each year.

Schedule of Financial Contributions as at 1 July 2015 (GST excl)

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Water	4288	6312	6269	5232	6714	6520	5984	6506	6298	5940
Sewer	3706	3427	3758	3430	3398	3051	2718	3030	2947	2572
Stormwater	1039	1101	1050	764	1179	1137	732	1383	1314	1187

Policy on Development Contributions and Financial Contributions

Adopted by: **Council**

Adopted date:

Review date:

Attachment B: Submission from Mackenzie Properties Ltd

Mackenzie

it's time to talk



LONG TERM PLAN 2015-2025

SUBMISSION FORM

If you prefer, an online submission form can be filled out on our website at www.mackenzie.govt.nz

Submissions can be:

Delivered to:
Mackenzie District Council Offices,
Main Street, Fairlie, or Market Place, Twizel.
Posted to: Mackenzie District Council,
PO Box 32, Fairlie.
Faxed to: (03) 626 3333
Emailed to: submissions@mackenzie.govt.nz

Copies of the Consultation Document for the Draft Long Term Plan 2015-2025 (and supporting information) are available online or at council's offices in Fairlie and Twizel.

Submissions must be received by Council no later than 12pm on June 22, 2015

Contact Details (You must provide your contact details for your submission to be considered)

Full Name: ANDREW HOCKEN

Name of Organisation: MACKENZIE PROPERTIES LTD.

Postal Address: PO BOX 17202; GREENLANE
AUCKLAND Post code: 1546

Telephone: 021-822969 Mobile: 021822969

Email: andrew.hocken@ihug.co.nz

Hearings (Hearing of submissions will take place on Monday, July 6, 2015, in the council chambers at Fairlie)

Do you wish to present your submission to Council in person at the hearing? ☒ YES ☒ NO

Do you wish to present your submission to Council by telephone conference call at the hearing? ☐ YES ☒ NO

If you answered 'yes', the hearing will start at 9am on July 6. You will be allocated 10 minutes to speak. You do not need to read out your written submission as the councillors will have already read it. If you have chosen to present by phone, Council will make a reasonable effort to contact you at the number/s you have provided. If you are unable to speak due to unavailability, or technical issues, you might not be allocated another time.

Can you please indicate whether you would prefer to present your submission during the: ☒ MORNING ☐ AFTERNOON

Note: It is not guaranteed that every submitter will get their preferred time to present.

Key Issue: Is it Time to Sell Some Forestry Land?

Should Council sell two blocks of forestry land and put the money towards essential services? (see page 8)

☒ I prefer Option 1 - Sell two blocks of forestry land and use the proceeds, or a portion of the proceeds, to subsidise the costs of infrastructure in the towns, and roading.

☐ I prefer Option 2 - Keep things as they are. Don't sell any forestry land and wait for the trees to mature.

Why is this your preferred option?

In order to fund key infrastructure project MDC must liquidate many of its assets, especially those earning less than a 10% return. All Council owned assets should be benchmarked against this required rate of return with a view to selling them. The proceeds to be used to fund sewer, water upgrade so that Council does not need to continually tap the poor ratepayers for more \$\$ each year. Other assets to be liquidated include vacant land, funds under management with BT → what return is currently generated here? Council must stick to its core business, not try and be a developer, forestry owner, fund manager!

(Continue on last page if necessary)

Key Issue: Who Pays for Roads?

Should ratepayers meet the road funding shortfall to maintain the roads in their current state? (see page 10)

☐ I prefer Option 1 - Increase rates to maintain the roads in their current state.

☐ I prefer Option 2 - A smaller rates increase that meets some of the funding shortfall, and a corresponding reduction in the quality of the roads.

☒ I prefer Option 3 - Keep the status quo. Ratepayers will continue to fund roading at the same level as the NZTA contribution with a significant reduction in the quality of the roads. Why?

Why is this your preferred option?

Is the NZTA subsidy disappearing? Why not a 4th option? Fund roading maintenance with a corresponding reduction in Council staff numbers. It seems every year there is a continued stream of new employees at Council Finance Office. Is this necessary? Make cost savings internally; stop forcing more onto ratepayers whom have clearly had enough.

(Continue on last page if necessary)

Key Issue: Who Pays for Township Water, Sewerage and Stormwater?

Should the cost of infrastructure be paid for by each town individually or spread across the towns evenly? (see page 14)

☐ I prefer Option 1 - Spread the costs of water, sewerage and stormwater across the towns so all users pay the same for each service they use, and also put proceeds from the sale of forestry land towards these costs.

☒ I prefer Option 2 - Keep things as they are (status quo) which is towns paying for their own water, sewerage and stormwater.

☐ I prefer Option 3 - Spread the costs of town water, sewerage and stormwater across everyone in the district.

☐ I prefer Option 4 - Decide not to meet drinking water standards or upgrade water, sewerage or stormwater infrastructure in the towns that cannot afford it.

☒ I prefer Option 5 - Use funds from the sale of forestry land to subsidise the costs of water, sewerage and stormwater in the towns facing big projects in the next few years.

Why is this your preferred option?

Keep things as they are with the sale proceeds of the forestry blocks and funds under management used to pro-rata offset each towns infrastructure costs.

Twizel has paid for its fund balances and there should be used to help offset its own costs. Add in the funds referred to above and the resulting rate increase for local residents should be minimal. Stop tinkering and empire building.

As an aside your financial contribution policy remains flawed. Any policy that relies on constant revaluation of assets (appreciating) along with adding in the reserve balance will always ensure rising contributions, and not reflect demand.

If these reserve balances are merged does that mean the entire district will have 1 flat rate for water, sewer and stormwater? Presumably yes. More clarity on this would be appreciated.

(Continue on last page if necessary)

Other Matters (Please tick the boxes to identify which topic you will address in your comments below).

☐ Community Outcomes (see page 5)

☐ Disposal of Goodman's and Grampian's Bridges (see page 21)

☒ Manuka Terrace Water Supply (see page 22) ☐ Tick if you are a Manuka Terrace resident? Yes Not Required.

☒ Changing how we rate the Tekapo A Power Station. (see page 22) Long overdue. Charge them as we are rated.

☒ Changing how rates are collected for Tourism, Economic Development and Alps2Ocean. (see page 23)

☒ Other topic (Please state)

Comments:

① Manuka Terrace does not need a reticulated water supply. Many parts of Auckland, including all of Waikato Island, are not on reticulated water. They use rainfall, bore and tank water. Why is not so intent on pushing this through. It will only increase rates.

② How can it be that Meridian/Rees receive discounted rate demands with the rest of the community in effect subsidizing them. This must stop. Both companies must pay the market rate for their rates/properties. Why are the canals not rated? Meridian/Rees

Additional Comments (Please identify below any additional comments you have regarding what the Council is proposing as part of its Draft Long Term Plan 2015-2025) Core land must be rated as if it were a farm.

③ Council must ensure that all B+B's and Holiday Homes are charged the targeted rate as at present they are free-loading off commercial operators.

④ Ensure costs are controlled and that there is no empire building in Fairlie. Remember the CEO is accountable to the elected members and must be held to account for unnecessary spending/costs that result in rate increases. Inflation is currently benign!

Thankyou.  22/6/15

(Attach a separate sheet if necessary)

Privacy Act 1993

Please note that submissions are public information. The content on this form, including your personal information and submission will be made available on our website, to the media and public as part of the decision making process. Your submission will only be used for the purpose of the long term plan process. The information will be held by the Mackenzie District Council, Main Street, Fairlie. You have the right to access the information and request its correction.