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COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, April 23, 2018 7:59:27 AM
Last Modified: Monday, April 23, 2018 8:02:01 AM
Time Spent: 00:02:33
IP Address: 81.135.93.61

Page 1: Your contact details

Q1 Your details

Full Name	Andrew Scrase
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Q2 Do you wish to be heard in support of your submission? Submissions will be heard in Fairlie on Thursday 3 May 2018 and in Twizel on Friday 4 May 2018. If you wish to be heard, you will be required to keep your presentation to 10 minutes maximum. Councillors will have read your written submission prior to the hearing.

No, I do not wish to be heard in support of my submission

Q3 Where do you wish your submission to be heard?

Fairlie on 3 May

Page 2: Your submission

Q4 KEY ISSUE: ROADING - from the following options, which are described in more detail on pages 6 and 7 of the Consultation Document, which is your preference?

OPTION 1: Set aside a maximum budget of \$300,000 for each year of the plan for roading improvement projects, and borrow to fund Council's 49% share of this amount.

Q5 OTHER ISSUES: Do you have feedback on any of the other issues or projects outlined in the Consultation Document or any of the supporting documents? (note: you can upload your submission as a document if you prefer, or upload supporting documents, by going to the next question)

Yes

Q6 You can upload your submission or supporting documents here.

Submission LTP A Scrase.pdf (261.3KB)

ANDREW SCRASE

LAKE TEKAPO

SUBMISSION TO MACKENZIE DISTRICT COUNCIL IN RESPECT OF THE PROPOSED LONG TERM PLAN
2018 – 2028

ADDITIONAL COMMENTS

KEY ISSUE - AFFORDABILITY OF PROPOSED OVERALL RATES INCREASES 2018 - 2028 (page 14)

We believe the level of rates increase proposed at page 14 in the Long-Term Plan 2018 - 2018 Consultation Document (LTP - CD) is unaffordable for ratepayers in the Mackenzie.

We calculate this represents an aggregate increase of 106% on our Tekapo property's rates over the term of the plan. In fact, it may be substantially more than that once the September 2017 valuations are factored in.

With respect to the latest valuations, the LTP - CD is not clear whether the financial projections for rates increases factor in the significant increases in Capital Value seen in our area at the September 2017 QV valuation round. Table 14 shows a high value house in Tekapo at \$760,000. If 53% is added to reflect the higher capital values, the Capital Value on that property becomes \$1.1M. This makes the proposed rates increases even more unaffordable - household incomes are clearly not increasing at 8% and 7% annually.

In making these comments we note the Local Government Act 2002 requires Councils to be both, cost effective and appropriate as shown below:

Paragraph 10(1) (b) **to meet the current and future needs of communities for good-quality local infrastructure**, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

and

Paragraph 10 (2)

(a) efficient; and

(b) effective; and

(c) appropriate to present and anticipated future circumstances.

We are strongly of the view it is neither, **cost effective** or **appropriate** to ask ratepayers to fund major infrastructural spending and significant levels of deferred maintenance from rates revenue.

The rates increase proposed over the 10 years of LTP are not unaffordable for most households.

We are not sure if it is a cost-effective plan with respect to its financing (**refer KEY ISSUE - EXTERNAL DEBT**)

KEY ISSUE - EXTERNAL DEBT

At page 11, you have asked for feedback about accessing external debt to help fund Capital Works.

We are confused by the conflicting statements in your Consultation Document and the various underlying policies. At Page 15 of the Consultation Document you indicate that the projections include debt. This is in direct contrast to the Financial Strategy 2015-2025 (page 7) that states “*we do not anticipate taking on any external debt in the next 10 years*” and the External Liability Policy that states “*currently, the Council does not hold any external debt and is not proposing to incur any over the period of the Long-Term Plan 2015 - 2025.*”

In the context of our previous comments about the unaffordability of the proposed rates increases, we think it is appropriate for Council to factor in a reasonable level of debt funding for major long-term infrastructure works and also, for what appears to be a significant level of deferred maintenance. We do not think you can ask today’s ratepayers to fund long term deferred and future major capital spending from rates revenue alone

We would like to see the projections amended to reduce the level of rates increases, particularly in the second 5 years of the plan.

We would like to see projections showing difference scenarios for external debt funding of major long-term infrastructure projects. Before approving this LTP we urge Councillors to consider scenarios that reduce the proposed rates increases.

KEY ISSUE - COMMUNITY OUTCOMES (Page 16)

You have asked whether the Community Outcomes developed in 2015 remain relevant.

Yes, in principle, we support the aspirational goals as articulated. However, when prioritising spending decisions, we ask that Council focus on the provision of core services as stated in the Local Government Act 2002 (the Act).

We expect Council to prioritise spending in the core areas (a) to (d) listed at paragraph 11A of the Act.

(a) network infrastructure:

(b) public transport services:

(c) solid waste collection and disposal:

(d) the avoidance or mitigation of natural hazards:

(e) libraries, museums, reserves, and other recreational facilities and community amenities.

ANDREW SCRASE

LAKE TEKAPO

**SUBMISSION TO MACKENZIE DISTRICT COUNCIL IN RESPECT OF THE PROPOSED LONG TERM PLAN
2018 – 2028**

KEY ISSUE - TOURISM & PROMOTION CAPITAL CHARGE

On 29 January 2018 we wrote to Council expressing a range of questions and concerns about the Tourism and Promotion Charge, which is being levied as a Capital Charge. In our view this is completely inappropriate. With escalating Capital Values this Charge is unaffordable for small providers of accommodation.

This is a major issue of concern that we don't think has been adequately addressed in the Consultation Document. We have had no formal response from Council to these concerns.

KEY ISSUE - COFUNDED TOURISM INFRASTRUCTURE PROJECTS (page 10)

You have asked for views about co-funded tourism infrastructure projects. Although we agree with the importance of tourism to our area we do not support additional spending that is not directed to core activities as noted above. We suggest that in directing spending to core activities both, Residents and Tourists alike are supported.

KEY ISSUE - WORKER ACCOMMODATION (page 4)

We agree that Council should not be direct providers of accommodation as this is not a core area in the Act. However, we think Council can, and should be, more proactive and creative in respect of this key issue for the Tekapo community. It could do this through regulation and/or by offering incentives to developers of accommodation e.g.

1. Require the provision of worker accommodation for all commercial consents over a certain size
2. Free up Council land for private developers to build worker or affordable accommodation. For example, Council could offer leases on land at heavily discounted or peppercorn lease rates. Of course, there would need to be mechanisms to enforce such an arrangement.

We ask:

- How can our Tekapo community grow and prosper if we have no families who can afford to live here?
- Who is going to use the facilities such as the proposed sports fields on D'Archiac Drive if young people can't find a place to live?
- How can small business and tourism flourish as expected under the LTP if there is no accommodation for hospitality / service workers?

ANDREW SCRASE

LAKE TEKAPO

**SUBMISSION TO MACKENZIE DISTRICT COUNCIL IN RESPECT OF THE PROPOSED LONG TERM PLAN
2018 – 2028**

KEY ISSUE - COMMUNICATION FROM COUNCIL

In view of the significance of the rates increases and major plans for the next 10 years we have been disappointed with the consultation programme.

In our view having a single drop in session was inadequate to engage the community, which seems to be oblivious to the rating increases proposed.

As you have identified in the Consultation Document many are absentee owners. How has Council communicated with this group?

We are concerned that no hard copies of the Consultation Document were available in Tekapo. For ratepayers who were unable to attend the single drop in session we suggest that hard copies should have been available at the Post Shop, Supermarket or other central location.

In summary we do not think the limited consultation programme has supported the democratic process as fully as it should in accordance with the Local Government Act 2002.

Local Government Act 2002

Subpart 1—Purpose of local government

10 Purpose of local government

(1) The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

(2)

In this Act, **good-quality**, in relation to local infrastructure, local public services, and performance of regulatory functions, means infrastructure, services, and performance that are—

- (a) efficient; and
- (b) effective; and
- (c) appropriate to present and anticipated future circumstances.

Section 10(1)(b): replaced, on 5 December 2012, by [section 7\(1\)](#) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).

Section 10(2): inserted, on 5 December 2012, by [section 7\(2\)](#) of the Local Government Act 2002 Amendment Act 2012 (2012 No 93).