

# Te Manahuna Land Strategy

---

2021



**Mackenzie**  
DISTRICT COUNCIL

<b>STATUS:</b>	Adopted
<b>VERSION:</b>	20210316
<b>POLICY OWNER:</b>	General Manager Corporate Services
<b>POLICY APPROVER / S:</b>	Chief Executive Officer, The Mackenzie District Council
<b>DATE:</b>	2021-03-16

## “Fostering Our Community”

## LAND STRATEGY

<b>Purpose</b>	<p>This Land Strategy sets out the criteria the Council uses to guide decision making involving land. The strategy ensures the reasons behind the Council’s decisions are consistent, predictable, equitable, and available to the public.</p> <p>The Land Strategy is an enabling mechanism for Council to deliver on its 30-year infrastructure strategy which in turn informs the Long Term Plan and Asset Management Plans. As such, the Land Strategy is a key tool to enable the delivery of council services.</p>
<b>Date of Issue</b>	ADOPTED 16 March 2021
<b>File Retention</b>	The Mackenzie District Council Laserfiche Document Store
<b>Review</b>	Every three years at the anniversary date

## 1. Overview

Land is an intrinsic part of almost everything Council does. Land, and the management of land has a major role to play in achieving Council’s vision, community outcomes and strategic goals.

In the context of this strategy, Land includes any parcel of Council-owned land, or interest in land, potentially both within and outside the district.

Most of the land that Council owns is service property – property assets which are used to deliver council services. Council also holds non-service property, which is property owned by Council that is not used to deliver Council services e.g., a café or is leased to other parties.

The strategy for land includes the objectives for each of ten Council activities in which land plays a crucial part:

- Land and Mana whenua
- Land and Water
- Land and Solid Waste
- Land and Roding
- Land and Open Spaces
- Land and Community Facilities
- Land and Commerce
- Land and Pukaki Airport
- Land and Forestry
- Land and Investment

Over time Council has acquired a portfolio of over 350 parcels of land (excluding road reserves) that are crucial to the delivery of services to the community. They include, but are not limited to parks, reserves, public toilets, paper roads, social housing, community halls, corporate offices, landfill, water and wastewater plants, and cemeteries. Council also owns forestry land as a commercial investment providing a financial return to Council.

In addition to land council owns and uses to provide council services, council also leases approximately 60 parcels of council land and/or building to third parties, and leases land and buildings such as the pool car garage adjacent the Council office building in Fairlie.

Council can acquire and dispose of land assets in several ways and needs a formal process to test whether an acquisition, a disposal, ongoing maintenance, and management of each asset is aligned with the strategic interest of Council and the community we serve.

This strategy allows Council to review of the land portfolio using a service network approach to assess how council-owned property is performing. This strategic approach will ensure that the property portfolio is regularly reviewed against the Council's vision and to reflect the changing nature of community outcomes and activity specific objectives, with data being regularly gathered and analysed to enable informed decision-making.

## 2. Principles and Outcomes

To fully meet our regulatory and legislative obligations, both as defined in the Local Government Act, Council must align with the following key principles to achieve a high performing property portfolio. They are:

- To be transparent and democratically accountable
- To be aware of, and have regard for, community views
- To undertake commercial transactions in accordance with sound business practices
- To plan and provide for future requirements
- To manage land to meet the service delivery needs of the district
- To hold and manage land strategically
- To use land resources environmentally sustainably
- To manage and maintain land appropriately
- To minimise the risk of financial loss
- To ensure planned expenditures can be funded
- To maximise the returns from investments

Applying these principles will best deliver the right land in the right place at the right time with the following outcomes:

- Planning: Land is used to deliver Council and community outcomes
- Service delivery: Land efficiently delivers or underpins delivery of council services
- Management: Land assets and data are well-managed
- Adaptable and flexible portfolio: Land is fit for purpose and can easily adapt to the changing needs and demands of the community
- Optimisation: The land portfolio is optimised through co-location, redevelopment, acquisition and disposal that delivers value for money for the Council and the community

### 2.1 Reasons for Council to own land

Most of what council does is either on, in or under council property. Council owns property to support the delivery of services in alignment with Council's vision, strategic goals and community outcomes.

Council owned and managed property:

- to provide land to deliver Council's current and future services

- to enable the use of Council land by the community and /or community groups at an affordable cost
- to support social and economic development goals
- as part of Council’s investment portfolio

## **2.2 Land for the Future**

Land that is being held for future development should only continue to be held when the intended purpose is likely to be realised within a defined time that should have been assessed and stated at the time of purchase. Where a property fails this threshold, consideration should be given to disposing of the property with buy-back covenants in place if necessary.

Where a property is larger than required for the service for which it was acquired, opportunities should be sought to obtain a financial return from the balance of the property, either through disposal, lease or other means where it does not compromise the purpose for which the property was acquired.

## **2.3 Property development**

Council will consider becoming involved in property development where appropriate to act as a catalyst for private sector development and investment where it is considered that the level of perceived risk would otherwise deter private sector development, or to control the form, scale and timing of development.

Council will look to implement opportunities to capture value from the development of its land, including entering into joint ventures, or ground leases.

## **2.4 Guidance for Acquisition and Disposal**

The acquisition or sale of land is an important part of the property management function that enables the delivery of council services. In deciding to purchase or sell land and/or property, Council is deciding to use public money to provide a service or investment now or in the future.

Specific guidance for the sale or acquisition of property is provided by the Property Sales and Acquisition Policy.

# **3. Defining and classifying land**

Council has several requirements for categorising different types of land assets and the differing levels of strategic importance. This is necessary for Council to fully meet both the Local Government Act and the wishes of our local communities:

- To conduct Council business in an open transparent, and democratically accountable manner
- To make Council aware of, and have regard to, community views
- To ensure prudent stewardship and the efficient and effective use of resources

Council's Significance and Engagement Policy, which is part of the Long-Term Plan, and is a requirement of Section 90 of the Local Government Act, defines which assets are considered Strategic Assets.

Land assets are typically classified as CORE or NON-CORE based on the strategic importance. The following table describes the current Strategic Priorities for the different asset classes:

Priority	Asset
Recreation	Open Spaces and Public cemeteries
Land Transport	Roading, tracks and cycleways as a whole
Water Supply	Water supply as a whole
Wastewater Disposal	Wastewater drainage system as a whole
Solid Waste Management	Transfer stations and landfills
Storm water	Each storm-water drainage system as a whole

The following table classifies land into CORE and NON-CORE categories. It is important to understand that a classification of NON-CORE does not automatically mean that the relevant land should or can be disposed of, as a range of other factors are also applied in the assessment process.

Category	High level assessment	Reason for classification
Drainage & sewage	Core	Core infrastructure
Cemeteries	Core	LTP levels of service. Currently Local Authorities are the only organisations that can provide burial grounds
Public swimming pools	Core	LTP levels of service.
Public toilets	Core	Public Health Act and levels of service relating to the LTP
Solid waste	Core	Core infrastructure
Car parking	Core & non-core	LTP levels of service.
Community halls	Core & non-core	LTP levels of service.
Community centres sports & cultural	Core & non-core	LTP levels of service.
Depots	Core & non-core	Some required for cost-effective operation of services
Miscellaneous properties	Core & non-core	Levels of service (variable)
Reserves & parks	Core & non-core	LTP levels of service
Road reserve and walkways	Core & non-core	LTP levels of service
Civic buildings	Core & non-core	Office space is not core but emergency management is
Commercial buildings and land	Non-core	Not core business
Forestry	Non-core	Not core business
Motor camps	Non-core	Not core business
Pensioner flats	Non-core	Not core business
Rental houses	Non-core	Not core business
Rural leases	Non-core	Not core business

### 3.1 Looking after Land

Land should be managed and maintained to be fit for purpose and deliver affordable levels of service. As a landowner, the management of property is critical to maintaining the value of the asset and optimising its life. Council has responsibilities under legislation, including that buildings and structures meet health and safety requirements and are compliant with the Building Code. This requires robust record keeping, to be able to quickly assess the status of each building.

Data capture and management is critical to enable the ongoing assessment of council's property portfolio. Council will use a data management system for the creation, management and review of leases, land and buildings and, as an evidence base to support Council's decision-making processes. Council has delegations that support the efficient management of the portfolio.

The ongoing management of Council's property portfolio is essential to ensure that all Council properties are fit for purpose, whether in the delivery of Council activities to agreed service levels, or to maximise returns when leasing Council property to third parties. Council should as a minimum realise rentals on leased property to cover costs, but this will necessitate that the property is fit for its intended use.

To enable the property portfolio to be managed to an appropriate standard, a mechanism is in place to access funding from Capital Reserves. The purpose of this is to undertake any capital works identified through the property asset management plan, as approved by Council every third year through the Long Term Plan process. Approval of any capital projects would be guided by the Delegations Manual.

### 3.2 Criteria for Portfolio Assessment

The strategy provides a process to evaluate our property portfolio against ten key criteria:

- Strategic relevance: is the land still strategically relevant?
- Core business: does the land contribute to the core business of Council?
- Location: is the location of the land strategic?
- Suitability: Is the land suitable for delivering the service?
- Functionality: is the land in a good state and fit for purpose?
- Utilisation: are we getting the best use of the land?
- Provision: is this land the best option or are there alternatives?
- Cost efficiency: is the land cost effective?
- Return on investment: does the land provide an acceptable ROI
- Cost: is the cost of maintaining the land acceptable?

## 4. Risk Management

Risk comes in many forms, whether it is financial, through redevelopment, entering partnerships or in holding property that may be earthquake prone or subject to other hazards. There can be significant reputational, health and safety and financial risk to Council in property dealings.

Council will seek to minimise risk through the decisions it makes on the acquisition, disposal, leasing and management of property and the costs and benefits associated with each property.

The benefits and risks of owning existing properties will be assessed on a similar bases to those outlined in the Property Sales and Acquisition Policy. Ultimately, decisions will be made in accordance

## 5. Activity Objectives

The strategy for land includes the objectives for each of ten Council activities in which land plays a crucial part:

- Land and Mana whenua
- Land and Water
- Land and Solid Waste
- Land and Roothing
- Land and Open Spaces
- Land and Community Facilities
- Land and Commerce
- Land and Pukaki Airport
- Land and Forestry
- Land and Investment

Specific strategies are described in further detail below.

### 5.1 Land and Mana Whenua

Mackenzie District Council recognises the strategic importance of Maori relationship with land across the district and the core partnership with iwi under the Treaty of Waitangi / Te Tiriti o Waitangi.

Mana Whenua will be invited to provide comment and feedback on any sales of Council-owned land and any land purchases. We will ensure that Mana Whenua have the first option to buy land where possible.

Council's ongoing commitment to work in partnership with Mana Whenua is to:

- Protect and maintain the cultural values and history within the environment as defined by Mana Whenua.
- Adhere to the principles of the Treaty of Waitangi/Tiriti o Waitangi
- Ensure that culturally significant land is protected, enhanced and maintained. This includes:
  - Sacred land recognised as tapu
  - Land that has rāhui placed on it (temporary access prohibition)
  - Providing access for Maori to Council-owned land of cultural significance such as mahinga kai (food gathering sites), koiwi (burial sites).



## **5.2 Land and water**

Council manages and maintains infrastructure to deliver water services. These include water supply, stormwater and wastewater systems and networks across the district to meet legislative and statutory requirements.

The location and maintenance of water, stormwater and wastewater networks and treatment plants must protect public health and safety.

Land assets are intrinsic to strategic planning for the maintenance and replacement of water, stormwater and wastewater infrastructure.

## **5.3 Land and solid waste**

Solid waste services such as landfills, green waste and recycling centres encourage positive waste minimisation behaviour from Council and the community.

Land assets provide the location for delivery of waste services that are sustainable and can meet current and future needs of the community.

## **5.4 Land and Rooding**

The Council will optimise current land holdings and acquire additional land where required to facilitate desired outcomes on identified projects.

To maximise the use and opportunity of the road corridor in providing walking and cycleway connections in alignment with economic development objectives and opportunities.

Council will proactively seek to deliver safe cycle and walkway connections to deliver economic and community outcomes.

Provide a safe and affordable land transport network that contributes to the outcomes of the Land Transport Management Act and the objectives of the Regional Land Transport Strategy.

Council will proactively engage with the tourism sector in the delivery of cycle and walkway links across the district.

## **5.5 Land and Open Spaces**

Council recognises that public open space is integral to the district's identity and to its social, cultural, economic, and environmental well-being. The combined effects of resident and visitor growth on the future open space needs of the Mackenzie district will be significant.

Public open space is defined as any area that includes public parks and planted areas, waterways and streets that can be used for recreation or public health benefit, or to help protect the natural

landscape. This can include green space (parks), blue space (waterways and lakes) and grey space (streets, street malls or squares).

The strategic direction for the development of our Open Spaces will include:

- Acknowledging the significance of open space to the identity of the Mackenzie district, including protecting outstanding (natural and cultural) features and landscapes.
- Anticipating the increased demand for, and new pressures on, both rural and residential public open space due to population growth and demographic change in our residential and rural areas.
- Understanding that open space fulfils a range of resident and visitor needs. With a demand for diversity in open space, diminished leisure time and private open space, a variety of accessible public open space will need to be available. These also need to be equitably distributed.
- The need to accommodate cost increases recognising that competing interests for land will also affect the purchase price of potential public open space areas – especially in higher value lakeside and residential areas.
- Incorporating the impact of changing environmental costs and effects with regard to how we use our resources sustainably and plan and manage future open space.
- The need to provide for current and future public open space in the Mackenzie district.

Specific, more detailed, Open Space plans will be developed following the adoption of a Parks Strategy, a Trails Strategy, a Public Toilets Strategy, and a Playgrounds Strategy, along with the Parks and Reserves Investment Plan.

## **5.6 Land and Community Facilities**

Community Facilities refers to the district's airfields, campgrounds, community and recreation centres, sports clubs, halls, lakeside facilities, libraries, marae, medical centres, museums, trails, pensioner housing, public toilets, swimming pools and sports fields.

Many of these facilities are owned by and located on land owned by Council. A number are privately owned or owned and managed by iwi, Ministry of Education, or community organisations and private groups.

The community facility network plays an important function in:

- helping to build strong, healthy and vibrant communities
- fostering improved lifestyles and a sense of belonging and pride among the District's residents, many of whom live in remote locations
- providing places where people can connect, socialise, learn and participate in a wide range of social, cultural, artistic and recreational activities and events
- supporting economic activities and promoting socio-economic well-being
- providing important gathering points in civil defence emergencies
- enabling access to the rivers and lakes across the district

This strategy only refers to Community Facilities owned by Council.

When considering acquisition or development of community facilities Council will take into account the following criteria:

- alignment with relevant Mackenzie District Council strategies and plans

- alignment with Mackenzie District Council existing and proposed urban planning, infrastructure development, tourism and economic development, and transport networks
- alignment with national, regional, district and local strategies and plans, including code-specific national facility plans and those relating to upgrading facility networks sub-regionally, regionally and nationally
- whether current and demonstrable future needs of the community within the district or ward cannot be met by other existing community facilities
- whether the proposed acquisition complements the existing community facility network, and avoids duplication of functions
- affordability for Council and ratepayers, taking into account full life cycle costs, including maintenance, operation and replacement/renewal costs
- having regard to whether the proposed acquisition is of local, regional or sub-regional significance
- whether the proposed acquisition's location promotes maximum levels of accessibility for residents
- the degree to which the proposed investment can promote broader socio-economic and cultural benefits
- the extent to which Council can work together with others to fund, develop and operate the proposed community facility
- in cases where a partnership or grant is part of the proposal, the track record and capability of the proponent organisation.

The distribution, condition, use, management and operation of Council-owned community facilities is variable and reflects differing historic and local approaches.

## 5.7 Land and Commerce

Communities need vibrant, attractive, liveable places to attract a skilled workforce. The Mackenzie district is blessed with outstanding natural assets but these need to be balanced with a quality urban environment. Good community infrastructure along with quality commercial activity all contribute to the look and feel of the community.

Industrial and commercial land is a finite and valuable physical resource that needs to be used efficiently and effectively for employment purposes to provide for the social and economic wellbeing of the district.

The design, appearance, and suitability of commercial and industrial buildings contribute to the district's economic health through consumer appeal. The most significant commercial zones are in Fairlie, Tekapo and Twizel, but commercial zones also include smaller village commercial centres. Industrial zones also contribute to the district's economy by providing areas for employment opportunity, locally made goods and services and exportation of goods.

Council will proactively seek to retain land and buildings in each of the three town centres to better enable spatial planning outcomes in each business area and consider expanding these holdings to facilitate and manage retail, commercial and industrial development outcomes.

The aim is that the Economic Development Strategy and the District Plan will align to allow clear pathways for the development of land for business services.

Commercial land outcomes will be considered according to these principles:

- Land for business services provides a significant proportion of employment land within the district and is a key economic driver for the district economy.
- High quality urban design, and attractive amenities in our commercial and industrial areas, will help draw people to live and work in the district.
- Commercial and industrial land represents a finite and valuable physical resource that needs to be recognised and protected
- Ensure industrial land use is not diluted with non-industrial users to make the most efficient use of the industrial land
- Provide locations for industrial land uses that are unsuitable for the commercial/business centres, and also avoid non-industrial land uses establishing in industrial locations
- Address transport connectivity between industrial and commercial land and main district thoroughfares to reduce impact of residents and enhance traffic safety

## 5.8 Land and Pukaki Airport

Pukaki Airport is the air gateway to the Mackenzie district. Council will continue to own the Pukaki Airport and provide a public airport services to serve the Mackenzie for the economic and accessibility benefits. The Airport facilities contribute to the vitality and economic development of the district. They also provide a sustainable, safe, convenient, comfortable and cost effective access system for the movement of people and goods into the District.

The Airport facilities contribute to the vitality and economic development of the district by:

- Providing infrastructure to support local businesses by giving both a platform to undertake businesses in these areas, and by providing linkage to allow businesses to interact nationally
- Attracting visitors and therefore providing economic benefits to the district including infrastructure
- Enabling safe and comfortable access for people and movement of goods and services
- Increasing social cohesion and people's sense of belonging and healthy communities.

The Pukaki Airport is a strategic asset for the Council. Land within the Airport will not be sold but Council does have the potential to lease land to third parties. Council may consider land acquisition to extend the Pukaki Airport land holdings.

Council provides airport facilities to enable general users to access the Mackenzie basin. The strategic objective is to ensure the district's air transport needs are met now and well into the future.

Council provides airport facilities and infrastructure that delivers business diversity and economic growth to the district. The Airport services include a runway, fuel and communications technology.

The airport also has a strategic emergency function as a civil defence hub for people and materials.

Specific operational management details are provided in the Pukaki Airport Management Plan.

## 5.9 Land and Forestry

The Council currently owns about 1,000 hectares of commercial exotic forests largely within the Mackenzie district. These forests are all managed for financial return to benefit the district's

ratepayers. Most of the Council's forests are in larger blocks with good economies of scale, some plantations are though smaller and are less financially viable.

Where appropriate, Council may allow limited public access to certain forestry plantation land subject to:

- The need to exclude the public from the whole or parts of the plantation area when forestry operations are taking place.
- The necessity to prohibit public access to plantation areas at times of high fire risk.
- Any forestry contract or cutting rights agreement that Council, may have entered into with other parties that excludes public access.

With forests generating revenue from carbon capture and harvesting it is anticipated that Council's forests will continue to generate good returns over the next 10 to 20 years.

While the main source of income from forestry is generally from harvesting logs, there are many other benefits from planting trees, including:

- Carbon sequestration (removing carbon from the atmosphere).
- Providing shelter.
- Stabilising slopes.
- Reducing nutrient losses.
- Suppressing weeds.
- Contributing to biodiversity

Council will, through the Property and Commercial business unit, run a profitable commercial forestry business aligning with the following principles:

- Ensure Health and Safety practices are at the forefront of all forestry management decisions
- Provide a sustainable and diverse commercial forestry operation for economic and environmental benefit
- Consider acquiring or selling forests both within the Mackenzie district or outside
- Aim to limit financial risk, maximise investment and seek to create opportunities to maximise current forestry holdings
- Actively manage carbon credits to optimise returns
- Consider including different tree genetics, alternative species, and the use of new technologies and tending options

Specific operational management details are provided in the Forestry Management Plan.

## **5.10 Land and Investment**

Council's Investment Policy provides the high-level guidance for investment and recognises that, as a responsible public authority, Council investments should be low risk, and should be managed conservatively. Investment in land must be aligned with this Policy.

The overall objective for Council is to own property that is necessary to achieve its strategic plan objectives. Property ownership is periodically reviewed, assessing the benefits of continued ownership in comparison to other arrangements to deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Mackenzie District Council services.

Land investment and property portfolio management decisions will be guided by the following principles:

- To maximise current Land holding investments both for economic and wellbeing objectives
- To consider acquisition of new property to support the overall strategy of Councils wellbeing and investment objectives
- To deliver a positive impact on the economic development of the district and diversification within the community
- Align with the Economic Development Strategy and to potentially attract new businesses to the district and to increase employment
- To consider working with other organisations and businesses to provide land for social housing

END



**Mackenzie**

DISTRICT COUNCIL