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Mackenzie District Council Long Term Plan 2018-2028 Submission.

The Fairlie branch Federated Farmers recognises the constraints the council has with improving assets and controlling growth, while maintaining the rates at an affordable level. We also understand we have a small rate paying base of 4800 and external pressures from tourism which is putting pressure on the rate payer to carry the burden.

We believe there are four areas the council need to concentrate on in there long term plan and we also have concern with an area of spending which can be eliminated.

Number 1 – Roothing

Roothing is where the rural people in this district get the best value for rates and we expect the council and staff to explore all options on getting the best value for our spend. While we believe borrowing is not a desirable alternative we understand where the council is coming from. After much thought and deliberation we believe option 1 is the best choice. We believe that if we are going to have a borrowing policy for roading it is only spent on capital projects and not maintenance. It is imperative that the elected councillors keep lobbying central government and the NZTA for better funding.

Number 2 - Improving community facilities

The council has identified a number of assets that need to be improved or replaced. It is imperative that the assets like water supplies are prioritised over beautification projects. When borrowing is going to fund a large amount of these projects and the financing cost will put a burden on the rate bill which will make it harder for the council to stay below their cap on rates affordability.

The 1.1 million that the council has budgeted for the Alps 2 Ocean is a considerable amount of money in their long term budget, and while the mayor has assured us alternative sources of funding outside the district will be available this is not guaranteed which is of concern. If it is received where will the surplus money in the budget be spent? As Federated Farmers submitted three years ago you need a long term financial plan on how you are going to manage the Alps 2 Ocean cycle way.

Number 3 – Borrowing and financial management

It is most important now the council is going down the borrowing policy that staff and council are disciplined in their spending and budgeting for projects. Even though the council has set borrowing limits, as this limits their financing costs. Future staff and council can change these limits which is a concern.

The council must in their long term plans identify how they are going to repay the loans and what sections of the community will be paying the financing cost. Where borrowing has been used for projects costs must be scrutinized. We've seen other councils going down the borrowing path to the point of unaffordability.

Number 4 – Alternative sources of revenue

As identified in the long term plan and by talking to our councillors the district is under immense pressure from tourism. Although this has helped grow our district it has put pressure on our infrastructure and roads. It is no longer acceptable to not charge for the use of some of our assets eg; toilets, parking and roading

It is great to see the mayor is lobbying central government to try and get some external funding from tourists, we strongly support this and like the idea of a GST percentage take or an arrival tax at airports. For our Mayor to succeed he must encourage other councils and mayors to come on board with him. We need to be targeting campervan and bus companies to help fund some of the facilities and we need to forge a closer relationship with DOC.

Number 5 – Tourism and economic levy

The Fairlie Federated Farmer's branch have always maintained that this money can be better spent elsewhere. If the tourist businesses in our district believe they need to promote our district further it should be done off their own backs and not by the council or by the rate payers. Other businesses fund their own promotional expenses eg; farmers through their product levies, builders through there master builders levy etc. In this day and age with social media, a lot of promotional work can be done free. When the council started this promotional levy there may have been a need for it, but to continue spending when the tourists are coming in record numbers, makes no sense. As the council is always pushing about rates affordability this money affect their rate budget.

Yours sincerely

Matthew Simpson Fairlie branch Federated Farmers chairman.