



REPRESENTATION REVIEW 2021

Approved 17/05/2021

Motion 22 (2021) received in 2020 and RESOLVED that:

1. That Council approve the report 'Representation Review 2021'.
2. That Council approve the creation of an Electoral Representation Advisory Panel.
3. That Council appoint Elizabeth Hetherington as its representative on the Representation Advisory Panel.
4. That the Chair Group be authorized to appoint the balance of the Electoral Representation Advisory Panel from the Community.

**Our key
decisions**

**Ngā whakataunga
matua**



Decisions on key issues

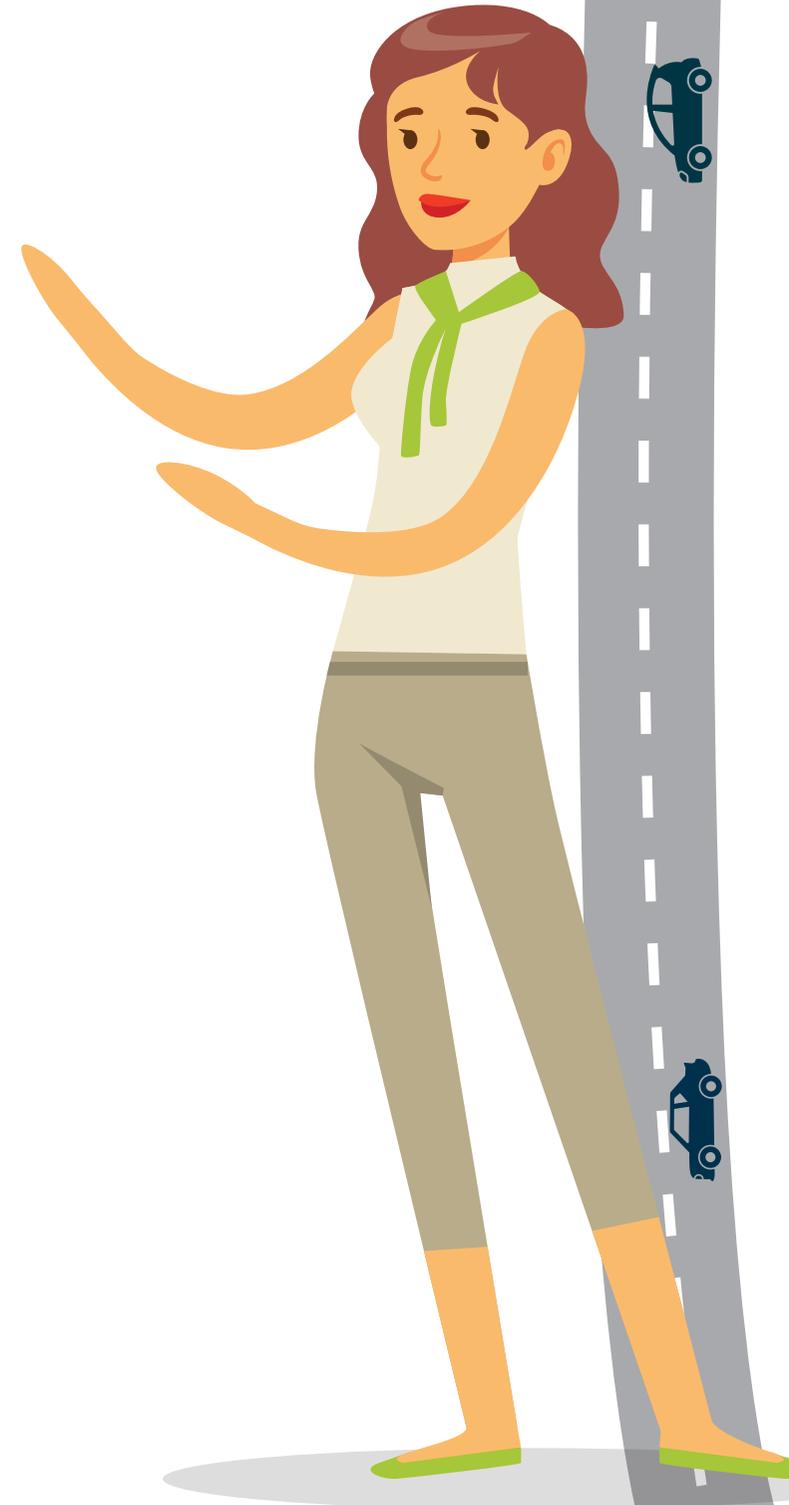
Ngā whakataunga matua

Council consulted on the Long-term Plan between 30 March and 3 May 2021.

We asked the public about 7 key areas,

- City Centre Master Plan and Urban play
- Southland Museum and Art Gallery
- Rugby Park
- Our Roadmap to Renewal
- Our other plans and activities
- Our plans for finances and rates
- Our proposals to change the way we rate

People also shared their views on a range of other topics, which Council considered.





City Centre Master Plan and Urban play

Te anga whakamua mō te rito o te tāone me ōna waahi tākaro

We asked: Should we invest more in play to make you stay?

Council has been engaging with the community on the development of a city centre master plan which will guide how it invests in improvements to the street design, furniture and facilities in the blocks between Don St, Deveron St, Esk St and Tay St. In earlier consultation on City Block, Council let the public know it would build up to \$20.8 million in the streetscape.

We anticipate \$2.2 million of this funding will come from NZTA and the final level of investment may change.

The consultants working with Council and the City Centre Governance Group have come up with six guiding principles.

- **Whakanuia ngā taitini, ngā tuakiri**
Celebrate scale and identity
- **Whakahaumanu i te hononga taiao**
Restore a healthy connection with the environment
- **Te pānukutanga mō te taurikura me te oranga tonutanga**
Move for prosperity and health
- **Karangatia te ara ki kōnei**
Promote a destination gateway
- **Ngā mahi tākaro pārekareka mō te katoa**
Urban play to make you stay
- **Hei waahi noho, he waahi hari**
A city to inhabit and enjoy

What we proposed

The master plan will help to create a vibrant city centre supporting the investment in the City Block development. Streets are for people. We want to increase foot traffic and encourage people to stay longer in the CBD.

The urban designers have noted that Invercargill has no obvious gathering space. Public feedback has confirmed Wachner Place doesn't work effectively. We see the opportunity to make the city centre attractive to people of all ages to stay and play.

We will be working on a play strategy for the whole city. We propose making provision now of \$4.9 million in order to kick-start this in the city centre. Play options could be spread out through the city centre or there could be a more formal playground like the Margaret Mahy Playground in Christchurch. We would work with Government and community funders to seek a further estimated \$1.6 million towards this work.

Our preferred option

- \$23.6 million investment of total \$27.4 million project for the city centre streetscape including urban play to make you stay
- \$1.2m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$1.2m yearly from 2025/2026 onwards
- Average rates increase = \$47.23 (year) - \$0.91 (week)

Another option

- \$18.6 million investment of total \$20.8 million project for the city centre streetscape (no investment in play)
- \$1.0m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$1.0m yearly from 2024/2025 onwards
- Average rates increase = \$36.77 (year) - \$0.71 (week)

What you told us

Ā koutou kōrero

Over half of submitters wanted Council to invest in both streetscapes and urban play. A quarter only wanted us to invest in streetscapes and 20% wanted to do nothing.



56% of 380 submissions on this topic were in favour of Council's preferred option: \$23.6 million investment in the city centre streetscape including urban play.



24% believed Council should invest only in the streetscape – a total \$18.6 million investment in a \$20.8 million project.



20% believed Council should do nothing.



What you told us

Ā koutou kōrero

Urban play

On balance the majority of people are in favour of an urban play option. Many were focused on opportunities for children, some for all people and others simply want to make the city centre an attractive place to visit for both locals and visitors.

The level of support from the business community represented by the Southland Business Chamber was higher than the average amongst all submitters, at 80% compared to 56% amongst all submitters.

Some submitters provided a range of ideas for what urban play could look like – more mentioned dispersed options than a destination playground like Margaret Mahy. Many were concerned about the weather and felt that something undercover was needed. Some mentioned integrating arts activities into the urban play. A minority felt Council ought to have clearer plans before asking for feedback.

Of those opposed to urban play, many felt it was not needed, that there were enough play places elsewhere, weather made the idea impractical or that there were other priorities. The most frequent negative response that the cost could not be justified.

Streetscape

Most recognised the importance of investing in the streetscape although some were concerned about the cost.

Submitters were divided on the issue as to whether streets are for cars or people. Many people want easier walking and cycling; others strongly want ease of use for cars maintained. Some people raised accessibility for older, disabled people and for young families – again people are divided on whether accessibility is helped through prioritising cars or people. Accessibility for people with neurodiversity was mentioned in relation to the city centre and the museum and is an issue to which consideration can be given at the design phase.

There was stronger consensus that Tay St should be kept for cars and that there is room to make Esk St more pedestrian friendly.

Many mentioned the importance of a meeting space and green areas. This was also an issue raised repeatedly through the Extra Money for City Block? consultation.

A small number were concerned that housing was missing from the plans for the city centre, which they believe is a crucial aspect of vibrancy.





Our decision

Te whakataunga

Streetscape and Urban play

We confirmed our preferred option to invest \$18.7 million to the streetscapes and an additional \$4.9 million for urban play, resulting in a total \$23.6 million of a \$27.4 million project. We will now begin scoping what urban play will look like for our city.

Since the time we consulted, the consultants working on the Streetscapes project signalled expected higher costs for completion of Stages One and Two.

In addition, the forecast subsidy from NZTA has changed to align with Council's forecast portion for Stage One, increasing slightly from \$18.6 to \$18.7 million.

Stage One (City centre – Don and Esk (Dee to Kelvin)) is forecast to cost \$17.7 million, which is within the \$18.7 million allocated by Council for this work (note that the \$18.7 million excludes the forecast portion of NZTA funding which brings the total allocation to \$20.8 million).

Stage Two (Kelvin – Tay to Don and Esk – Kelvin to Civic Administration Building) is now forecast to cost another \$11 million. We have not made additional provision for this within our budgets – we will consult further before we proceed with Stage Two.



Southland Museum and Art Gallery

Niho o te Taniwha

We've consistently heard that the Southland Museum and Art Gallery is one of the community's top priorities. He Waka Tuia, a partnership between the Southland Museum and Art Gallery Trust and the Invercargill Public Art Gallery Trust, opened last year providing a transitional hub in the city centre. To find a long-term solution for the museum is going to take time and money.

What we proposed

We estimate it will cost \$52.5 million to reopen and refurbish the museum in its current location. Council would allocate up to \$39.4 million and seek external funding for the remaining costs. This will make the Pyramid safer if there is an earthquake (67% of New Building Standards). This is a complex project which will take time to complete, particularly as there is so much construction going on in the city. The aim is for the museum to reopen in 2026.

What happens if we don't achieve the external funding required to complete the urban play space, the Southland Museum and Art Gallery or between city centre and Southland Museum and Art Gallery preferred options?

We've worked with an expert to identify conservative estimates of funding we could attract. If for any reason significantly more ratepayer funding is required, we will consult again to ask you if you want Council to contribute more funding or explore other options. Nevertheless there is still significant uncertainty as many funding agreements are not yet in place.

We could delay determining a future for the museum until after the completion of the City Block project and city centre streetscape in 2024. We could invest more in He Waka Tuia now, expanding the offering and providing arts and culture opportunities in other parts of the city. This would give us time to consider the best location for the museum in the future. However it would be likely to mean that the construction cost for a new museum would be higher.

Our preferred option

- \$39.4 million investment of total \$52.5 million project cost
- \$3.2m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$3.2 million from 2025/2026
- Average rates increase = \$124.16 (year) - \$2.39 (week)

Another option

- \$700,000 in increased operational budget for He Waka Tuia
- Impact on level of service ↑
- Cost to ratepayer - Total \$0.7m yearly from 2021/2022 onwards Plus higher cost for a new museum
- Average rates increase = \$27.48 (year) - \$0.53 (week)

What you told us

Ā koutou kōrero

Almost three quarters of submitters wanted us to reopen and refurbish the museum. 20% wanted us to wait and invest more in He Waka Tuia in the meantime. Less than one in 10 wanted us to do nothing.

72%

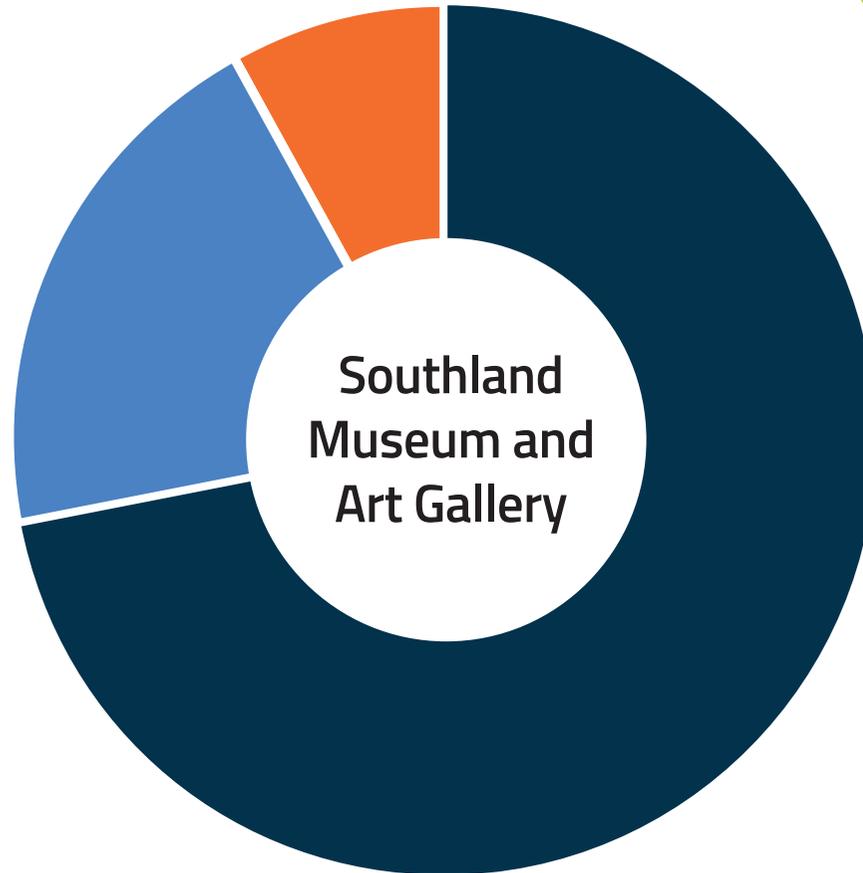
72% of the 380 submissions on the museum were in favour of Council's preferred option to invest \$39.4 million of a total \$52.5 million to make the building safe and reopen the museum.

20%

20% preferred that Council invest an extra \$700,000 a year into He Waka Tuia and explore other permanent solutions for the museum.

8%

Only **8%** believed Council should do nothing on this issue.



What you told us

Ā koutou kōrero

Southland Museum and Art Gallery

The clear message on the museum is “Get it done.” Many raised the impact on children of the museum being closed. Others were concerned that there is nowhere to take visitors. A smaller number were concerned the solution is not fully scoped and it is better to wait and get it right.

The second area of consensus is that people want the museum to remain in the park. They see many benefits to its current location, including convenience to the park for families and visitors, parking and keeping continuity with Southland’s heritage.

There is less consensus as to whether the solution for the building is right. Many recognised the heritage of the pyramid building. Some were concerned about the cost of the proposed solution, but a similar proportion believed that investment should be made in a new building.

Others believed the building is less important than the contents and have a range of suggestions from innovation, to keeping the tuatara and the seal.

Some supported a solution in the city centre, but they were outnumbered by those who were passionately opposed to a city centre solution. Some were underwhelmed by He Waka Tuia and either believe it is not necessary or not well executed. However, a small number believed it should be continued alongside the museum, perhaps with a focus on art.

A small but passionate minority believed all the expense is completely unjustified and the museum should be reopened immediately as it is.





Our decision

Te whakataunga

Southland Museum and Art Gallery

We confirmed our preferred option to invest \$39.4 million of a \$52.5 million to open an Invercargill museum. We listened to the public on how important the current location is to people and have confirmed Queen's Park remains our preferred location for the museum. However, we have also listened to people who have questioned whether we have the right solution in refurbishing and reopening the current building. We have confirmed the existing budget but allowed greater flexibility for officers to consider

whether a new build would be a better solution. They will report back on this option and if significantly more funding is required we will consult again before proceeding. We have asked that a Governance Group be formed to guide the process of opening the museum and have allowed more time for the reimagining of the museum to be completed, with the opening now forecast for 2026/2027.

In the meantime we have asked officers to work with key organisations, including Awhi Rito, the governance group for He Waka Tuia and the Invercargill Public Art Gallery to ensure that local people, including children, have a range of options to access art and artefacts and enjoy the region's taonga before the museum opens again.

Rugby Park

Te Papa Whutupaoro

Rugby Park is known as the home of rugby in Southland. Council intends to purchase Rugby Park from the Invercargill City Charitable Trust. Following a review of the future needs for a regional rectangular sports field complex, Rugby Park remains the best location for this for the next 15 years. After this time, there may be the opportunity to look at other options.

The preferred option to improve Rugby Park is presented as a staged approach. Council will fund Stage One (deferred maintenance and then strengthening) and further funding would be required for Stage Two (facility improvement).



What we proposed

A flexible facility used by more people for more activities

We propose making Rugby Park structurally safe and redesigning the northern, western and eastern areas into open green and hardstand space. This would result in a space which is more flexible for different uses into the future. There would be a reduction in fixed seating capacity of 15%. The deferred maintenance and strengthening would be completed first. Wider improvements would not be completed until external funding of approximately \$4.5 million had been secured. Stage One would be completed by 2025. Stage Two would only proceed following securing of additional funding.

Make the existing Rugby Park grandstand safe and complete deferred maintenance.

This option would make Rugby Park structurally safe and complete deferred maintenance. This is a lower cost option, which enables the park to continue to provide a venue for rugby but wouldn't have flexibility for other purposes. There would be a reduction in fixed seating capacity of 15%. This work would be complete by 2025.

Our preferred option

- \$4.9m investment (of a total \$9.4m project cost) to create a structurally sound and flexible use facility (stages One and Two)
- \$0.3m ongoing operational costs
- Impact on level of service ↑
- Level of debt ↑
- Cost to ratepayer - Total \$0.3m yearly from 2024/2025 onwards
- Average rates increase = \$13.22 (year) - \$0.25 (week)

Another option

- \$4.9m investment to make structurally sound (Stage One only)
- \$0.2m ongoing operational costs
- Impact on level of service – no change
- Level of debt ↑
- Cost to ratepayer - Total \$0.2m yearly from 2024/2025 onwards
- Average rates increase= \$9.21 (year) - \$0.18 (week)

What you told us

Ā koutou kōrero

Over half of submitters were in favor of the two-stage approach, over a quarter believed that the focus should only be on making the building safe and the rest, 20%, felt we should do nothing.



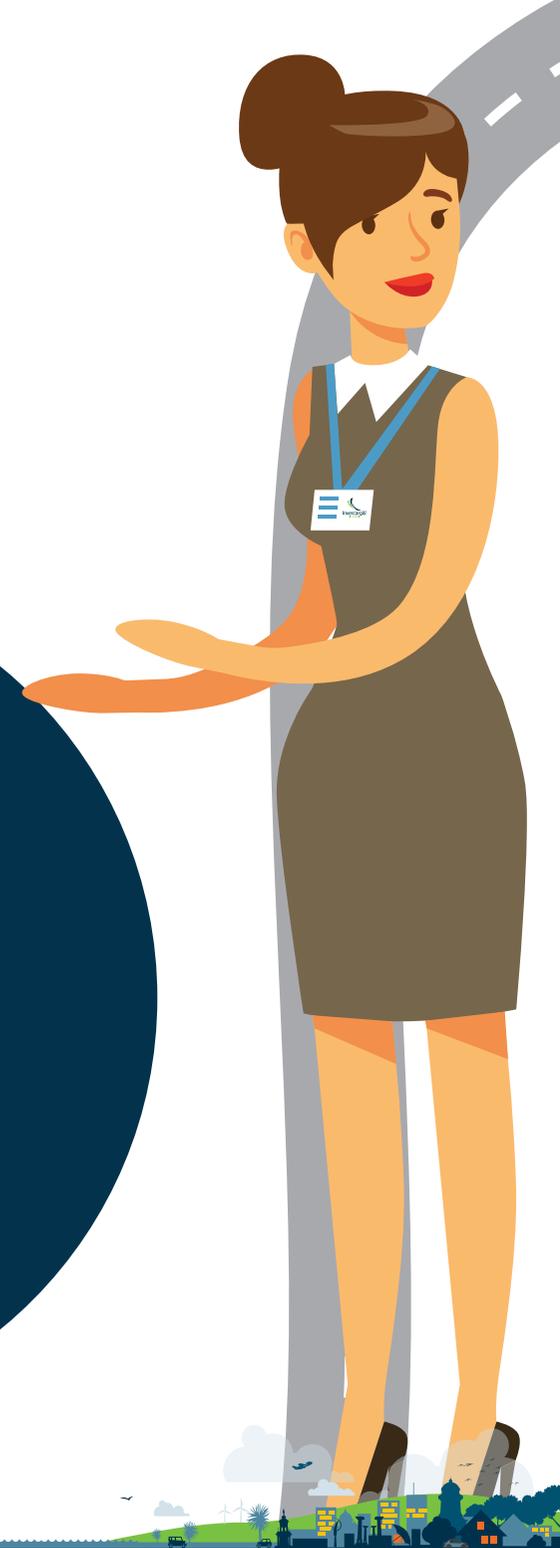
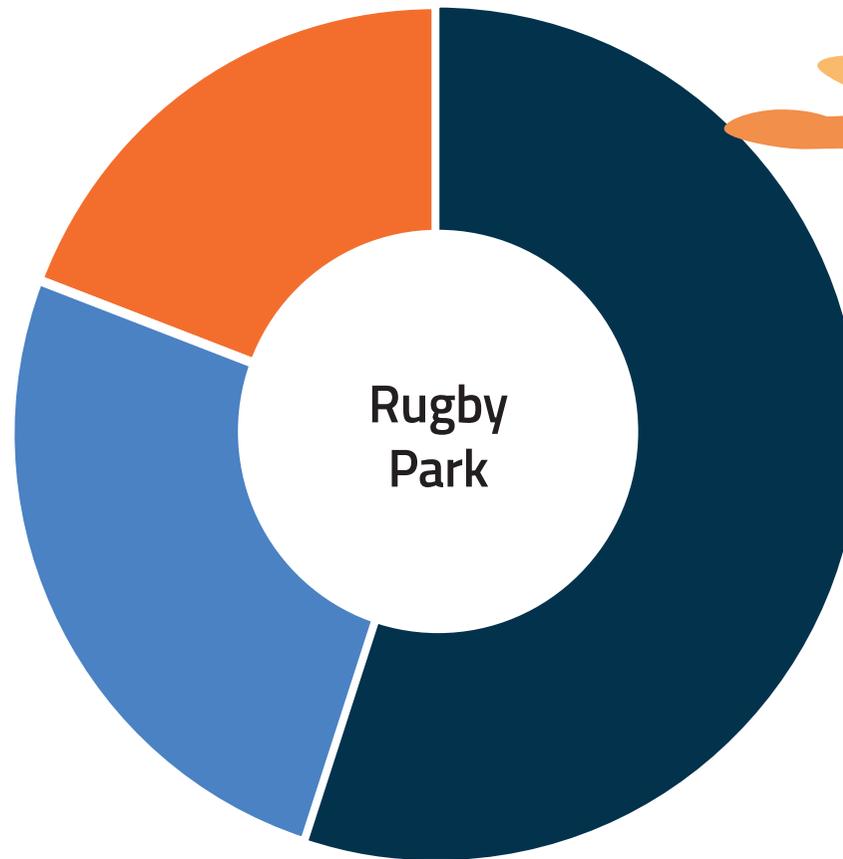
55% of the 381 people who submitted on Rugby Park were in favour of Council's two-stage approach to Rugby Park, investing \$4.9 million to make the building safe and seeking external funding to complete work to make the building into a more flexible venue.



26% believed Council should only work to make the building safe.



19% believe Council should do nothing.



What you told us

Ā koutou kōrero

Rugby Park

Views on Rugby Park were strong and divided.

A flexible approach was preferred over a maintenance-only approach, however this needed to be considered against the more complex qualitative feedback.

The most passionate views were fairly evenly balanced between rugby supporters, whose priority is heritage and getting back full use of the Park for rugby, and those who strongly believed Council should not be involved with Rugby Park and rugby should be user pays. These submitters did not understand why Council is supporting a particular sport.

Of those whose main focus appears to be rugby, maintenance is felt to be marginally more important than creating a flexible venue.

Of those who want a flexible venue, some were passionate about the opportunities it presents for other sports and events like concerts, but more were focused on either increasing revenue to reduce costs on ratepayers, or on making the best of the investment, since they believed it has to be made.

Some were concerned that the plans for a flexible venue are not fully scoped, and question the location. Some believed there are significant issues, such as

parking, which need to be addressed. Others suggested investment should be made at Surrey Park instead. Some mentioned a venue at Oreti Beach.

Some wanted the project done sooner, but more believed there are other more important priorities.



Our decision

Te whakataunga

Rugby Park

In the Consultation Document, Council's preferred option for Rugby Park was to make the building structurally safe (Stage One) and seek external funding to create a flexible-use venue (Stage Two).

While the consultation supported the Council's preferred option, there are significant concerns raised about the suitability of the venue for Invercargill conditions, the viability of the investment and the completeness of scoping of the solution. Further advice on options for

external funding is more conservative. In addition, officers recommend the completion of a full business case for operation of a flexible model prior to a decision being made.

There are essential works which must be done to make the building safe, and it is recommended that these proceed, but that further consideration is given to the future scope, business case and location of a flexible-use facility for Invercargill.

As a result we have determined to proceed with another option to invest \$4.9 million to make the building safe and to request officers to undertake further engagement with current and future users through the design process of Stage One, with a view to identifying long-term options for this venue, alongside Invercargill and the region's other venues.

Roadmap to Renewal: What you told us

He ara whakaoho, ā koutou kōrero

Council asked for feedback on its Roadmap to Renewal, which laid out the plan for strategic community projects.

Approximately a third of feedback was positive or strongly positive about the plan – this was the most common feedback by a considerable margin. These submitters were pleased to see that Council has a clearly communicated plan, which they believe will be good for Invercargill now, and for the next generation. These submitters believed the plan broadly had the right projects in the right order, although some raised one or more projects, which they had different views on.

The next most common feedback (approximately 10%) was concerned about cost. Others were concerned about whether the plan is too ambitious and/or whether Council has the capacity to deliver. Some were concerned that Council should not be spending so much on projects which are not core infrastructure, or that the level of debt funding being taken on is not acceptable. Some believed that Invercargill has an aging population and investing in projects more suitable for a younger population is misguided.

The most commonly mentioned project on the roadmap was Anderson House. The Water Tower was also frequently mentioned. People wanted these projects addressed as a priority.

Opinion was divided on Arts and Creativity Invercargill and the additional pool, with roughly equal numbers believing they should be removed or should be brought forward.

There was controversy about Surrey Park Grandstand. There was concern from many that there has not been sufficient consultation with affected groups and that Council needs to revisit this.

Some who were passionate about the museum or the CBD believed that other things should be left until these projects are completed. Those who were passionate about Rugby Park believed it should be done earlier.

For a considerable number, maintenance of the buildings Council already has was the priority and they believed new projects should not be considered until existing assets are dealt with. In comparison, a much smaller number were concerned the projects included are too conservative and not innovative enough.

A small but significant number raised climate change and wanted to see this issue considered in project planning.



Roadmap to Renewal

Our decisions

He ara whakaoho. Te whakataunga

In response to your feedback and updated information on the operating environment, we have made the following changes.

- **Anderson House** – We have increased the budget from \$900,000 to \$1.4 million in recognition of increased costs and updated information on what external funding may be available. The work on the house will be completed a year later in 2022/2023.
- **The Water Tower** – We received information that significantly more funding would be required to make the building safe. In response we have increased the budget from \$1.4 million to \$4.1 million and moved this project back for delivery in 2026/2027.
- **Surrey Park** – We listened to submitters who asked that we engage further before this work proceeds. We have retained the \$1.5 million allocation but moved this project back two years for delivery in 2023/2024.
- **Arts and Creativity Invercargill** – We have retained this project with the same budget, but recognise that as progress continues on the museum the placement of art within the museum and within the city centre is an issue which will continue to evolve.
- **Additional pool at Splash Palace** – This project remains at the same budget in the same years of the LTP and we will work with external funders nearer the time to see what opportunities for additional funding there may be.



You can see our updated version of the Roadmap to Renewal on page 8.

Other plans and activities: What you told us

Ngā mahere matua me ngā ngohe matua Ā koutou kōrero

Council asked for feedback on its other plans and activities.

The most common feedback was positive (approximately 25%). These submitters are pleased to see investment in core infrastructure, which they believe is in the right places and at an appropriate level. Some raised the importance of a steady investment in maintaining assets.

This compares to approximately 1 in 10 who were concerned about cost. This was often discussed in relation to the issue of affordability, although some question whether Council knows what is needed.

The most commonly mentioned area of infrastructure is Three Waters. The importance of prioritising an alternative water supply was most mentioned, followed by concerns about Three Waters reform and the need for improved water quality.

Roading was frequently mentioned. Some have specific concerns about quality issues, others are concerned about the frequency of roadworks.

Climate change is mentioned by a significant minority. Support for walking and cycling is the most mentioned related issue, with other mitigation measures mentioned by a few.

Recycling and waste are activities where submitters would like to see innovation.

Some Bluff residents are concerned they are not receiving the same level of service as Invercargill.

Some Otatara, Kennington and residents in other rural areas raised concerns about service provision, mostly in relation to the proposed rating changes.

For more detail on our plans for infrastructure see page 48.

Funding requests for external agencies

As part of the consultation process, Council receives a range of requests for support for external organisations and projects. Some requests are for financial grants; others are for support via staff time.

Following input from the community as part of consultation, the following initiatives were supported:

- Continued support for the Bluff Pool Trust on the basis of a revised operating model
- A financial contribution towards a role to implement the Spaces and Places Strategy
- Support for the Saving Grace community hub project in South Invercargill

For a full list of support provided to external organisations see page 133.

Finances and rates: What you told us

Te take pūtea
Ā koutou kōrero

Council asked for feedback on its plans for finance and rates, which form the core of our Financial Strategy.

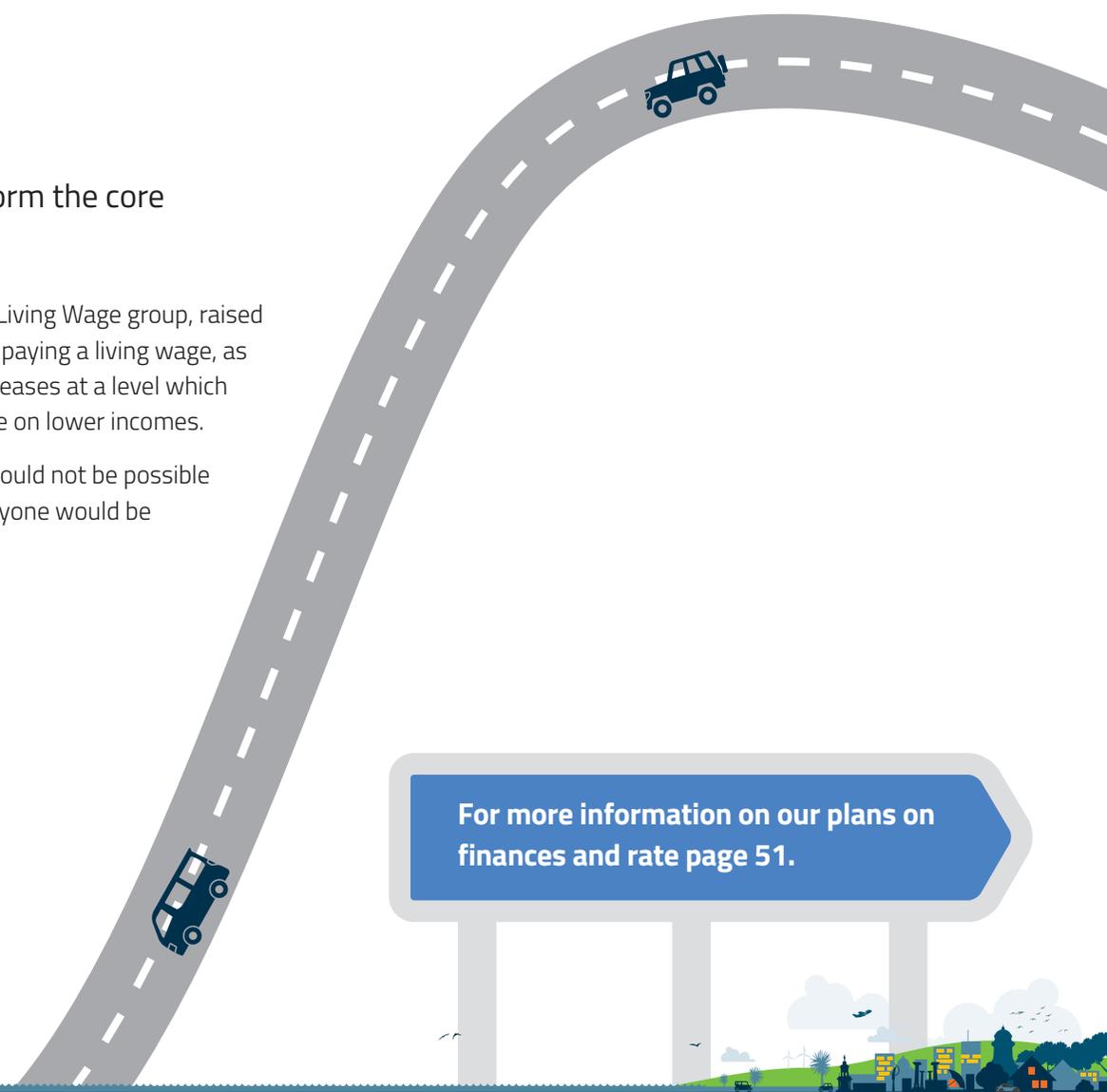
Approximately a third of submissions were positive about the plans for finance and rates. Some of those who were positive believe the increases were fair to pay for the plan; some were pleased to see overdue investment being made and others were pleased to see consistent steady rates increases.

Approximately a third were negative, believing rates are too high. The most commonly raised issue is affordability, particularly for people on fixed incomes. Others believe Council is not responsible or is trying to do too much. Some objected to the level of debt being proposed and others believed more needed to be done to seek alternative sources of revenue. The post-Covid environment was mentioned by some.

***Note:** It is important to note that in this analysis of the qualitative data, percentages are estimates and should be taken as such.

Some, including the Bluff Living Wage group, raised the importance of Council paying a living wage, as well as planning rates increases at a level which are manageable for people on lower incomes.

Many recognised that it would not be possible to set rates at a level everyone would be happy with.



For more information on our plans on finances and rate page 51.

Proposals to change the way we rate: What we proposed

Nga tono ki te panoni reiti - To matou tono

Council is proposing changes to its Revenue and Financing Policy, which sets out how we will fund our activities. One of the ways Council funds its activities is through rates. We are proposing changes to the policy for a number of reasons. These include to find a different, and we believe fairer, balance between who benefits from a service and who pays for it. We are also seeking to implement a new approach which is less complex and will result in more predictable rates increases for ratepayers.

We have changed the way the policy is structured and written to reflect the new way we have grouped our activities. Our intention has been to make this complex issue easier to understand.

We use capital value – the value of land and the improvements on the land, including buildings, fences etc - as the basis to set rates. This helps to ensure that the amount of rates you pay reflects the value of your property, which reflects how close you are to amenities and services.

(Service rates are the rates set based on the actual service provided to properties. These are for water supply, sewerage, drainage and wheelie bins. These are based on the extent of the service supplied or available. All other rates are regarded as non-service rates). Right now, residential properties make up 74% of the city's capital value but are paying 84% of the non-service rates. That means that farms and businesses are paying considerably less non-service rates than their share of the City's capital value.

We are proposing some changes to make this more balanced, as well as to ensure a more even balance of rates payments across our suburbs.

We've also seen some big changes in capital value across the city – you will have seen your revaluation notices come through the door at the end of last year.

This, together with the changes we are proposing making to rates, will mean that some properties will see noticeable changes to their rates bills.

Our proposals

Proposal 1

Reduce the number of targeted rates in order to make the rates simpler and more predictable. This means that most services will now be funded from the general rate.

Proposal 2

Change the rating differentials (this is how we spread out the rates across different types of property) to share out the cost of rates more evenly between businesses and residential property.

Proposal 3

Share out the cost of services we all use in the city centre and other areas, like street lights and footpaths. Some properties, for example in Otatara and Myross Bush haven't been rated for these previously (The way we rate for water supply, sewerage services and kerbside rubbish collection won't change).

Proposed rates changes: what we proposed

Te tono panoni reiti



Residential Lower Value

Average increase **3.7%**

2020 Valuation: \$350,000

Proposed General Rates 2021/22: **\$1,516.22**

Proposed Targeted Rates 2020/21: **\$884.35**

Our proposed changes would mean that many households with property values lower than the average will pay a lower proportion of the total rates bill. As a Council we believe this will be fairer and help some of our lower income ratepayers in these difficult times. The average increase lower value properties would see is lower than the average increase across all ratepayers.



Residential Higher Value

Average increase **5.7%**

2020 Valuation: \$465,000

Proposed General Rates 2021/22: **\$1,955.26**

Proposed Targeted Rates 2020/21: **\$884.35**

Most higher value properties will see a higher than average rates increase. As a Council we have adjusted the levels higher value properties pay to a level we believe is fairer. This also reflects the fact that some higher-value properties are in areas such as Otatara and Myross Bush, which will now pay towards the pavements and streetlights we all use across the entire city.



Lifestyle

Average increase **4.9%**

2020 Valuation: \$750,000

Proposed General Rates 2021/22: **\$2,699.73**

Proposed Targeted Rates 2020/21: **None**

Lifestyle properties are large residential properties that are not quite large enough to be farmed economically. Council's valuation service provider assesses these properties to identify which category they fall into. Most of these properties will see a small rates increase similar to the average. As these properties do not have a commercial purpose, Council wanted to ensure these properties were not impacted by the proposed changes to rates on farming properties.



Commercial/Industrial

Average increase **5.6%**

2020 Valuation: \$11,500,000

Proposed General Rates 2021/22: **\$44,084.40**

Proposed Targeted Rates 2020/21: **\$6,718.27**

Commercial properties will see an increase in rates at a level which is closer to changes in the capital value of land. We have set the rates at a level we believe is fair while still supporting business growth.



Farming/Agriculture

Average increase **6.9%**

2020 Valuation: \$5,950,000

Proposed General Rates 2021/22: **\$11,622.43**

Proposed Targeted Rates 2020/21: **None**

Farming/Agriculture has traditionally had a high level of rates reduction (known as rating differential). We have retained this reduction but at a lower level in order to more fairly spread the cost of rates across all ratepayers. This means that while farmers will see a higher than average increase in rates, they are still enjoying a significant differential providing a rate that is 50% less than the standard rates.

Proposed changes to the way we rate: What you told us

Te tono panoni reiti: Ā koutou kōrero

Council asked for feedback on its proposed changes to the rating system.

It is important to note that in this analysis of the qualitative data, percentages are estimates and should be taken as such.

Just over a third of people were positive about the proposed rating changes. The most commonly given reason was equity – they agreed with Council that the proposed changes would result in a fairer system. The most commonly supported area was the affordability proposals, which would change the balance to be paid between higher and lower value properties. Many also believed spreading out the cost of services previously paid for by targeted rates would also be fairer.

Approximately a third were negative. Most negative responses were to the proposals to change targeted rates with people not happy to pay for services they perceived they do not have the benefit of. Opposition was most strong from Kennington and farming properties. Some opposition from Otatara tended to suggest they would expect street lights and pavements to be added as a result of the changes and would be unhappy if this did not happen. It should be noted, however, that others felt this would spoil the rural environment.

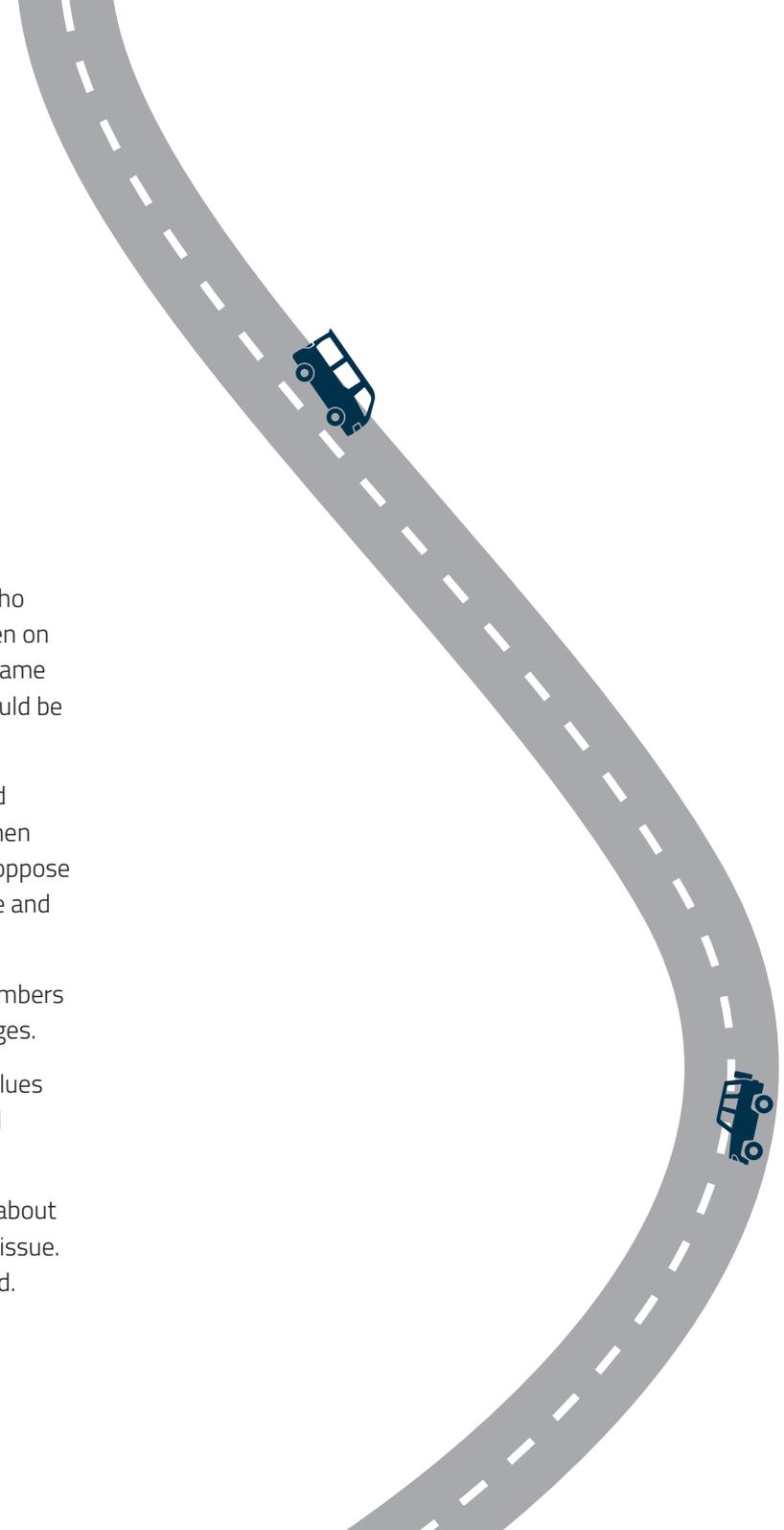
The next most common concern from those who are negative about the proposals is from those who believe that it is not equitable to reduce the burden on lower value properties as everyone receives the same services from Council. Some suggested there should be a poll tax.

Federated Farmers raised that the changes would increase burdens on rural ratepayers at a time when they have not seen capital value increases. They oppose the changes to the uniform annual general charge and the change to the targeted rates.

In contrast, the Southland Business Chamber members are broadly in favour of the proposed rating changes.

A significant minority mentioned that property values were not within their control and were not a good indicator of income in many cases.

There remains a significant amount of confusion about the rating proposals due to the complexity of the issue. A significant minority said they did not understand.



Proposed changes to the way we rate: Our decision

Te tono panoni reiti: Te whakataunga

As a result of the feedback received during the consultation process we decided to amend the proposed rating policy to include two new targeted rates to reflect the private/public benefit associated to the services and adjust the differentials to reflect the impact of those changes.

The key issues coming through the submission process associated to the proposed changes to the way we rate were focused predominately around the increased distribution of rates for the service provision of those services previously targeted in specific areas of the city. Council determined to include two new targeted rates for 75% of Stormwater and 50% of Public Transportation funding. Council has also adjusted the Farming and Lifestyle differentials on rates from 50% and 88% to 54% and 97% respectively.

The remainder of the costs remain as part of the General Rates allocation and will be distributed across the city based on the proposed rating policy as it was consulted on.

The impact of these additional changes made following consultation can be seen in the table to the right.

TABLE 3.0. SECTOR	CONSULTATION DOCUMENT – ESTIMATED AVERAGE PROPERTY RATES INCREASE	REVISED PROPOSAL - ESTIMATED AVERAGE PROPERTY RATES INCREASE
Lower Value Residential	3.7%	4.1%
Higher Value Residential	5.7%	6.2%
Lifestyle	4.9%	4.3%
Commercial/Industrial	5.6%	5.2%
Farming	6.9%	1.4%

For full information on rates, including the rating policy see page 137.

