

RUSSELL PROTECTION SOCIETY (INC)

P O Box 154
Russell, Bay of Islands

SUBMISSION TO FAR NORTH DISTRICT PLAN

Submitter Details

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Presentation of Submission

We wish to speak in front of Council in support of our submission

We would prefer to be heard at Kerikeri on Friday 7 May or Kaihohe on 6 May 2010

We do not wish to submit in Te Reo Maori

Submission

General

1. The Russell Protection Society (RPS) supports the submissions of the Russell Ratepayers and Citizens Association, the Russell Business Association and the Russell Executive.

Council's Priorities for 2010/2011

Overview

2. The RPS considers that the FNDC has a fundamental problem with its economic strategies for the future. The Council has a deserved reputation of trying to underpin the development of the Far North with the promotion of unsustainable enterprises, particularly uneconomic subdivisions that place unnecessary demands on Council's infrastructure. This "growth at any cost" strategy places unfair burdens on existing ratepayers, increases Council's indebtedness and actually retards the development of productive enterprises, especially in the tourism sector. Examples of Council's misguided policies include the rates postponement for new subdivisions and the scaling back of development contributions. This problem is compounded in the 2010/2011 Annual Plan by proposing rating increases on small scale, local enterprises that sustain the important tourism sector in places such as Russell. We seek a fundamental review of Council's economic strategies for 2010/2011 rather than continuing to simply pander for a select group of developers.

Roads and Stormwater

3. In terms of roading, Council appears to be persevering with its attempts in the longer term to help promote the subdivision of lands in the Hururu Falls area by investigating a so-called "bypass" to Paihia from Kerikeri. This represents

unsustainable and unnecessary development that will be difficult to service and place uneconomic demands on Council's infrastructure because of its isolated location. The same applies to the potential “growth area” identified for the Russell Peninsula. The supply of residential lots in the Far North far exceeds demand and has actually served to depress property values.

Water and Waste Management

4. The proposed policy to “limit the extension of both water and wastewater reticulation in line with falling demand for new development” is supported, however in the same breath the Council is proposing to commence design of the massive Bay of Islands Wastewater Treatment Plant catering for 10,000 cubic metres of wastewater per day from some 50, 000 people. In our (optimistic) projections of future population growth in the area it would only be necessary to plan for a plant that processes 4,000 cubic metres of effluent per day in order to cater for the next 20 years of growth, which is also the projected life of the plant. There is a need to rationalise these two conflicting policies.

Sustainable Environment

5. Proposed changes to the District Plan that penalise commercial activities in non-commercial areas is a misguided policy that will harm those enterprises that underpin the tourism industry in Northland. Council has previously had a policy of promoting unsustainable, large-scale “destination” types of developments along the East Coast in places like Cooper's Beach and high-rise in Paihia. These have inevitably failed, particularly during the current economic downturn, whereas the small bed and breakfast types of tourist accommodations have prospered.

6. The RPS fully supports District Plan monitoring in the sense that Council monitoring and enforcement of resource consent conditions of approval rarely, if ever, occurs and this makes a mockery of the whole consent process. It is interesting to note that the Annual Plan appears to suggest that somehow the Resource Management Act processes are seriously flawed and yet there is little attempt to be introspective and critically examine Council's role in administering the Act, particularly its lack of enforcement monitoring. This serves to call into question Council's genuine commitment to a sustainable environment for the Far North.

7. We support FNDC continuing participation in the Inter-Council Working Party on GMO Risk Evaluation & Options, however we believe that Council needs to adopt a precautionary approach by budgeting for a change to the District Plan to maintain the Far North's current status as GM-free while the working party deliberates the issue. Failure to do this will put at permanent risk our GM-free status and will serve to foreclose future economic opportunities to capitalise on this status.

Governance and Corporate

8. Council's proposed policy of reducing levels of rates debt is hard to reconcile with the figures provided in the Annual Plan. The longer-term debt level has expanded to over \$126 million, representing roughly 10% or more of the current annual rating income. This level of indebtedness is considered to be unsustainable and will serve to undermine future productive, sustainable growth of the District, particularly in the important tourism industry which requires the provision of Council funded infrastructure. Council needs to critically re-examine its projected level of

indebtedness and think very carefully about giving rating tax breaks to commercially-zoned properties and other concessions to subdividers.

9. Selling off the family silverware to address current indebtedness is also a risky policy. Much of the current “surplus” infrastructure was developed by local communities and gifted to the Council on the understanding that it would properly maintain these public assets. If these are sold off to private interests, the Council (or more likely local residents) will have to pay to use these facilities and if these represent a scarce resource in the future, then the amount of rent charged will be significant. The Annual Plan needs to contain a statement committing the Council to full consultation with the local community concerned before Council-owned assets are sold.

Council Controlled Organisations

10. It is understood that Far North Holdings is considering selling wharfs and jetty's and other assets in the coastal and marine environment that are considered to be “non-strategic”. The communities of the Far North, and the tourism industry that is so important to them, are heavily dependent on readily available access to the marine environment. These assets were generally developed by local communities and it was a breach of trust to give these to a Council commercial trading arm. This trust will be further undermined if such essential public facilities are sold off to the highest bidder. These assets need to be put back into Council ownership and maintained properly on behalf of the communities who rely on them so much.

Key Questions about Rates Policies

Commercial Issues

Question 1

11. No. Commercial properties usually occupy strategic locations that require a higher level of Council-funded service and infrastructure. Public parking, street lighting and other furniture, sidewalks, signage and other services are focussed on these areas and it is only reasonable that the appropriate land owners pay for these. The commercial zoning also confers a higher level of property rights by the community for the benefit of the private owner and it is appropriate that the community recovers this increased property value from the individual concerned by way of rates.

Question 2

12. No. Small scale enterprises on non-commercially zoned land underpin the economy of the Far North, particularly in the tourism sector in places such as Russell. These properties do not require additional Council services and their property values reflect their actual use rather than the zone that underpins it. The use of these properties are adequately controlled through provisions in the District Plan regarding traffic, noise, scale, number of people employed, etc. These “performance standards” are consistent with the Resource Management Act and if problems do arise it is generally through a lack of Council monitoring and enforcement.

Question 3

13. No. These are more properly referred to as “home occupations” and are an

integral part of the Far North culture and economy. These activities have limited property rights and represent a wise use of resources and an employment generator that should be fostered rather than discouraged through the imposition of penal rates.

Targeted Rates

Question 4

14. Targeted rates should only be imposed with the agreement of the community concerned. These should generally only be used where the commercial establishment in the area wishes to upgrade their amenities and have agreed to specific works in return for a specific commercial targeted rate. Other essential works that benefit the wider community should be funded through general rates, given the low socio-economic status of the population in the Far North.

Farmland Rates Postponement

Question 5

15. Yes, we generally support this policy as a way of protecting coastal land from inappropriate development. It is noted that interest should also be applied to the postponed rates, payable should the land owner decide to subdivide at a later stage. This will also assist in discouraging the type of unsustainable coastal development that the Far North is well known for. This serves to raise another related issue. East Coast properties generally, and Russell and surrounds specifically, have significantly higher rates in the Far North. This also promotes unsustainable development as a way of trying to offset high rates. The level of services provided to Russell do not justify such high rates. This would appear to support the case for a differential to reduce rates in areas where the level of services required does not reflect the amount of money collected by the Council.

Statement of Proposal to Amend LTCCP

Pensioner Housing

16. The RPS supports the Russell property being returned to the Duffus Trust, but is concerned that outstanding debt does not cripple the ability of the Trust to properly manage and maintain the Russell pensioner housing. We are also concerned that Council may sell other pensioner housing to private interests in a situation where existing and future tenant interests may not be fully safeguarded.

Money Matters

Operating and Capital Expenditure

17. The Annual Plan documents, particularly the Summary, are misleading in the sense that they do not really flag the alarming increase in the longer term debt. This will be a significant burden on ratepayers in the future and requires a more robust discussion of what the ramifications are. We support the Russell Executive call for a realistic debt management plan that will tie the Council to a workable strategy for recovering from this unacceptable level of debt. We also support monthly, published reports detailing Council's performance in the critical regard.

Other Matters

Unitary Authority

18. The RPS is mindful of the need for “checks and balances” in the management of our fragile Northland environment. This was highlighted for the Russell community when the FNDC acted unilaterally to illegally use the Russell landfill as a dump for the rest of the District. It was only with the timely intervention of the Northland Regional Council that this illegal activity was stopped. Similarly, the FNDC attempt to replace proper water management planning with illegal stop-gap measures during the current drought has also served to highlight the need for another level of accessible environmental authority to ensure local compliance with resource management legislation. In view of these concerns there is a need for proper debate across the District as to how current environmental safeguards will be retained or enhanced under any new regime. Our tourism economy clearly depends upon it. For these reasons the deadline for making submissions on the McKinley report should be extended and, if necessary, the Council should hold public hearings in this regard.



Signed: Bob Drey
Acting Chairperson
on behalf of the Russell Protection Society

Dated: 16 April 2010