

## **FILE**

TO: File

FROM: Chief Executive

DATE: 29 August 2006

SUBJECT: Tasman District Council – “Think District”

---

The original Tasman District Council came about by a voluntary agreement between three councils (Waimea County, Richmond Borough and Motueka Borough) on 1 April 1989. Golden Bay County Council joined the marriage effective from 1 October 1989, the date of the compulsory amalgamations of all other New Zealand councils.

Firstly, Tasman District Council comprised 17 Councillors plus a Mayor elected at large. The great majority of these new councillors were experienced councillors from the four amalgamating councils. There was an immediate political willingness to merge the three and then four council authorities, and to go forward as a combined District.

I well recall senior councillors on many occasions urging councils to “think District” and put parochialism behind you. Obviously all four councils brought differing assets and liabilities to the wedding. This aspect was downplayed.

### **Districtwide Rating**

A very early objective of TDC was to investigate, analyse and implement an equitable Districtwide rating system which would apply to all ratepayers. The four amalgamating councils had totally different rating systems, Waimea County and Golden Bay County being capital valuation based with Golden Bay having differentials as well. Motueka Borough and Richmond Borough had a land value system with still more differentials.

After much discussion and debate, Tasman District Council settled on a uniform capital value rating system to raise the general rate, accompanied by a high degree of user pays charging (wherever practicable). TDC was one of the first of the amalgamating councils to adopt a uniform rating system where all property classes in all parts of the District pay the same general rate in the dollar. Even today, many of the amalgamated councils have never managed to achieve a uniform equitable rating system. This has been a great strength to TDC when our rating has come under challenge. We have always been able to proudly say that no geographic area or particular property class pays more or less general rate than any other area property class.

A uniform annual general charge was introduced in the 1990s at \$100 per property and has gradually been increased to \$180 in 2006/2007.

## **Water and Wastewater Clubs**

These Clubs were developed in the early 1990s. They are based on the concept that user pays means that “all ratepayers receiving the same service/same benefit should pay the same amount throughout the District”. Hence, a District wide uniform pan charge to fund all wastewater schemes and the District wide water charge to fund all urban water schemes, providing a high pressure firefighting capacity.

The Club rules allowed the Club to use its combined financial muscle to undertake necessary repairs and upgrades regardless of the size of scheme or ability of a small group of ratepayers to fund the project.

Using a Districtwide approach it has been argued that while some schemes needed major maintenance upgrades immediately (for example Motueka’s wastewater pumps had to be replaced in the first couple of years of amalgamation as they had been run down and worn out) it was argued that eventually all schemes would require major maintenance/upgrades and therefore, a uniform charge was appropriate and consistent with a think District approach.

The Club rules also facilitated existing club members assist the construction of new schemes with a 33% capital subsidy. This highly innovative approach has enabled the building of the following: the Kaiteriteri Wastewater Scheme, Murchison Wastewater Scheme, Pohara Wastewater Stages 1, 2 and 3, St Arnaud Wastewater and Collingwood Water Schemes. It is very unlikely that these schemes would have been built without this 33% capital subsidy to reduce the upfront entry costs for new members.

A bulk discount scheme for all multiple pan properties was introduced in the early 1990s but this has to be supplemented by schools having a special charging formula.

The low pressure restrictor type rural schemes were kept separate from the water clubs and are operated as closed accounts.

## **River Rates**

Council adopted a Districtwide river rating system in the mid 1990s with the famous X, Y and Z differentials (essentially X is the land protected by stopbanks, Y is the land protected by other river protection works such as tree planting, Z is the balance of the District). The river rate is based on land value because the main benefit is seen as being the protection of land.

## **Stormwater Rates**

This is handled inside defined urban drainage areas with all properties paying a uniform urban drainage rate. The balance of Tasman District outside these urban drainage areas pays a much lower drainage rate to cover minor stormwater works in the balance area.

## **Pre-Amalgamation Loans**

These were levied on the Richmond and Waimea Wards to cover the cost of their pre-amalgamation loans. Richmond came to the marriage with quite extensive stormwater loans, and Waimea had loans for various wastewater schemes. In the early 2000s following the large investment in Motueka Stormwater and the move to standard Stormwater UDA Rates – the decision was made to abolish the pre-amalgamation loans – again a further step down the Think District pathway.

## **Other Targeted Rates**

Council has in more recent years consistently followed a think District approach in adopting uniform targeted rates over the whole District to cover such things as the Mapua Cleanup Rate, Regional Facilities Rate and most recently the Museum Districts Rate.

## **Accounting System – Cost Codes**

TDC from day 1 has adopted an accounting system which identifies costs against activities and outputs. The system is not geographically based and does not report cost and revenue data on a geographical basis. Council has consistently resisted requests to precisely identify, for example, if Golden Bay residents were only paying for Golden Bay based benefits and activities - this is seen as being completely alien to a think District approach as outlined above.

It is a major accounting exercise to recalculate costs and income streams on a geographic basis and for this reason is rarely attempted. Council's consistent policy in this matter has been that the various parts of the District will all require major expenditure for various problems at different times. Essentially we believe that over time this will average out and be for the greater good for the greater number in the District.

Likewise, all loans taken out by TDC are secured against all the Council assets and rates of the whole District.

Councillors will also note that their oath of allegiance is to Tasman District as a whole not to the Ward which elected them (Ward councillors will still have particular problems in their areas and will naturally wish to promote Ward solutions, however, the solution will be against a Districtwide philosophy).

### **Establishing an Identity**

The name of Tasman was not well known in 1989 to the rest of New Zealand. The Tasman electorate for central government constituency had been running for a few years, but other New Zealanders generally wondered where Tasman was.

TDC when formed immediately moved to remove all pre-amalgamation council signage and replaced it with Tasman District Council signage and letterhead, using an agreed blue and yellow distinctive colour system which has remained in place to this day.

While TDC has made steady progress in achieving national identification this has been assisted by other agencies adopting Tasman as a top of the South brand, such as the Tasman Police District, West Coast-Tasman Electorate and most recently the Tasman Makos Football franchise.

R G Dickinson  
Chief Executive

<http://tdctoday:82/Shared Documents/Meetings/Council/Full Council/Reports/2006/RCN061005 Report Think District.doc>