



NEW ZEALAND – June 2019

Contents

'ALTERNATIVE APPROACH' TO RATES NOT NEEDED AS COUNCIL MOVES MONEY AROUND.....1

'Alternative approach' to rates not needed as council moves money around

The Marlborough District Council has reduced the rates increase from 3.96 per cent to 3.65 per cent.

A curve-ball idea to use surplus funds to keep rates down has been canned as a funding reshuffle has done the job without dipping into council coffers.

The Marlborough District Council has written off a proposal to use \$500,000 of surplus reserves to reduce the expected 3.96 per cent rates increase to 3 per cent.

Instead, it has settled on a 3.65 per cent increase by moving some of its money around.

Councillor Mark Peters first suggested the "alternative approach" to keeping rates down at the 2019-20 budget meeting in February, as the council agreed a 3.96 per cent rates increase.

Peters, an accountant by trade, said the council had a "substantial" surplus of \$20.9 million from 2018, and a projected surplus of \$6.5m for 2020, which could be given back to ratepayers. His idea sparked mixed reactions from other councillors.

But council chief financial officer Martin Fletcher said the idea to reduce rates using reserves did not agree with existing policies and, if approved, would "set a precedent for using reserves to offset rates increase".

He said while the council had not approved the idea, it had managed to shave off \$316,000 by "following policies properly".

The council was installing a new resource consenting and compliance system. It decided to lump \$140,000 of staff time in with software development costs, which could be depreciated over time.

The harbourmaster's "one-off" \$155,000 project to identify the "possible catastrophic outcomes" from navigating Tory Channel and whether the council had done enough to prevent these outcomes would come from forestry and land reserves. As would the council's \$10,000 share of the Mobility Grant, to make taxis more accessible.

The budget for establishing additional Smart and Connected groups would be reduced by \$25,000. A proposal to cover the \$140,000 cost of elections from reserves was rejected.

The amended rates increase of 3.65 per cent was approved at a full council meeting on Monday, after discussions on the 118 submissions made to this year's annual plan.

The council had planned a 5.72 per cent increase as part of last year's long-term plan, but decided earlier this year to fund some upcoming projects from reserves to drop the increase to 3.95 per cent.

Inflation and capital expenditure were the two biggest drivers of this year's rates increase.

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The council would adopt this year's annual plan on June 27, with rates set to start on July 1.

WHAT ARE MY RATES FUNDING?

- Marlborough Riding for the Disabled ground maintenance: \$10,000
- Picton Little Theatre seismic assessment: \$26,000
- Marlborough Heritage Trust base funding increase: \$8600
- Edwin Fox security and weather protection: \$15,200
- Graeme Dingle Foundation Marlborough Career Navigator programme: \$12,000
- Sport Tasman base funding increase: \$5000
- Age Concern: \$5000
- D'Urville Island Stoat Eradication Trust: \$500,000 over six years
- Blenheim Community Patrol: \$4000 a year for three years
- Blenheim Business Association: \$15,000
- Marlborough Youth Trust: \$20,000
- Te Rūnanga o Rangitāne o Wairau: up to \$88,000
- Havelock Community Association: \$1452
- Disabled changing facility at Pollard Park: \$100,000
- Rai Valley Area School: \$50,000
- Whitney Street School playground: \$50,000
- Tua Marina School playground: \$40,000
- Update of Picton's strategy plan: \$200,000 over two years

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