

The use of targeted rates versus capital value general rate contributions has a big influence on farmer's contributions. Big cities, Christchurch for example tend to fund more things from the general rates than from targeted rates. Selwyn on the other hand tends to make more use of targeted rates. Libraries for instance have a fixed charge per title on all properties and when a farm has several titles most of which have no houses on them then the library rate is exempted on those titles. On the other hand if the farm has more than one house on the same title then only one charge can be made and the farmer has an advantage.

Selwyn also uses targeted rates to fund swimming pools but in this case it is based on the relative benefit to people and has a three tier structure depending on how far away you are from the facility. Funding for a plantation reserve and a potential district recreational park is on the same basis. After submissions from Selwyn Ecan changed its funding model for public transport in Selwyn from a cents in the dollar of capital value [which was its basis in Christchurch] to a targeted fixed charge for all those properties along the bus route. Thus a farm valued at say \$4m did not pay an exorbitant rate for public transport.

Development contributions for residential developments is another area. Developers pay for roads within the development, footpaths, street lights, water and sewer and small community reserves within the development and also these days fiber broadband. They do not make a contribution to the larger sports grounds and halls and community centres that are needed to service the increased population or for roading improvements outside the development itself. Councils used to be able to claim these contributions before the previous government changed the legislation in an attempt to reduce housing prices. It had no effect on the section prices in Selwyn [driven by market forces and competition] but the facilities were still needed and now had to be funded by existing ratepayers, targeted rates again or general rate contribution.

There is always a tension between core business and community building in new towns or subdivisions. Councils can provide the core infrastructure with the developers doing so within the subdivision but it can't provide what I call the heart and soul of a new community. It takes a while for new sports groups, arts groups, cultural groups to establish. In order to speed up this process councils can take some initiatives and in Selwyn this takes the form of "Meet the Street" coffee evenings where the youth council with council support provide free coffees on a certain street one evening to encourage neighbors to get to know each other.

Other events arranged are "skate jams" for younger children and their parents, drive in movies and "picnic in the park" in a number of the smaller reserves with entertainment for the whole family. There is a different need in older townships versus new towns and Selwyn has seen a significant number of new subdivisions in recent years.

How much money and effort should council spend in this activity versus its core business will be an ongoing debate.

Roading is a major expense for rural councils and rural people depend on good roads for their business and personal wellbeing as do township people. There has been much debate in recent years on the funding model with a major review by NZTA. While there is never enough money the current model of approximately 50% from NZTA [funded from the petrol tax and diesel charges] and 50% from local contributions seems to be generally accepted as a fair model and there is still the opportunity for councils to increase their non-subsidized funding if specific needs arise. Selwyn did just that a few years ago to speed up maintenance work on rural roads by putting in a special rate for a specific time frame to do the job. Transparency goes a long way to getting public acceptance.