



**Ruapehu District Council Chief Executive, David Hammond,
presentation to building sector trades and developers
Wednesday 20 June 2007.**

**NEW DISTRICT DEVELOPMENT GROUP PATHWAYS
BECOMING A BUSINESS FRIENDLY COUNCIL**

RDC – Strategic Issues with Trades Sector & Development.

As the Territorial Authority Ruapehu District Council (RDC) has asked itself hard questions about its role in the District and how we add value to the District and its residents and ratepayers.

How do we see ourselves?

In conjunction with our statutory responsibilities RDC sees itself as facilitator and manager of district growth and development. We see our role as providing and managing the regulatory framework to allow controlled development that protects the key assets and attributes that make the Ruapehu district so attractive to development. We see the Ruapehu district as a unique and desirable place that the rest of New Zealand (and the world) is rapidly waking up to.

Where are we at?

District sustainability means that there are two forces that Council needs to give attention to. The first is cost efficiency as a significant portion of the District have economic sustainability issues. The second is increasing revenue. Council is currently raising 56% of its revenue through rates and would like to target closer to 50%. That can't be done by exorbitant fees, so needs to be achieved through increasing the number of rateable units.

RDC recognises that there are a number of issues that both we and people involved in the building and property development are facing including new regulations, new requirements, and various common problems. This is happening against a background of unprecedented district growth. The District is desirable as Ruapehu is the 'best-cost' location for property located near to North Island ski fields, National Parks, rivers and mountain bike tracks. Best-cost meaning that Ruapehu is the closest location to these attractions at the best priced land for subdivision. This has forced us to change processes and increase resources to cope.

Where do we want to go?

RDC wants to develop a regulatory framework that supports district growth while remaining flexible and responsive to a changing environment and needs.

Within 12 months we want to be known as a 'business friendly council'. Our challenge is to 'catch up to the market' in planning particularly in areas such as Ohakune, and catch up to the market's expectations for quality customer service and timeliness of processing. Working against our attempts to be a 'business friendly Council' is the sheer rate of increase in processing applications. Secondly, the building accreditation process has meant a tightening of Council procedures to enable us to be an accredited building control authority under law. Without this accreditation, we will not be able to issue building consents. This change in tightening rules means we recognise is a 'shock' to the District's Trade Sector – but we have no choice.

How do we want to get there?

The only way we are going to get there is by working cooperatively with you - the building sector and your stakeholders.

Economic Activity Booming

It seems that the rest of New Zealand is beginning to discover the Ruapehu district and the amazing value, lifestyle and recreational opportunities we have. There have been six subdivisions of 20 lots or more in Ohakune alone as well as developments in Raetihi, National Park, Horopito, Raurimu, Rangataua and other Ruapehu townships. The increase in subdivision activity is matched by a massive rise in the number of building consents being issued for both residential and commercial properties. The confidence demonstrated by RAL in the future of the Ruapehu ski industry by their multi-million dollar investments has also been shown by other developers with consents for new houses worth \$16 million being lodged with council since the beginning of the year. This has more than doubled, and each requires some 11 inspections.

Indicators of growth include:

- \$19 million spent by RAL on ski fields
- Plans to spend million\$ more
- 181 new building consents since January 2007 (585 for the year).
- Value of \$15 million
- Resource Consent applications for around 300 new sections (an increase of 30% on last year).
- Complexity of Resource Consents increased.

How is council responding?

- Developing new approach and processes
- Goal of being seen as 'business friendly'
- Seeking engagement with trades sector
- Communication / Coordination / Cooperation

RDC has recognised the need to develop new approaches and processes for how it works with the trades sector and those involved in property development. Our objective is to be recognised as being a business friendly council. We want to demonstrate our willingness and desire to solve problems. To achieve this we require increased engagement with the trades sector.

Recent RDC Progress

In the 5 months since March council has already taken significant steps in implementing our new vision for the council / business relationship. These steps include:-

1. Significant improvement in processing of Resource Consents within statutory timeframe. We achieved only some 45% in 2005/06 and this has now been raised to 73%, with some quarters being at 100%. This compares to 70% average for the local government sector. We're on the right track, but we could do better and we know it.
2. Developers Code of Practice. Council is now working on developing a 'Code of Practice' to clarify for developers what the required standards are. Council believes this will save both developers and ourselves time and money.

3. We have launched a large project to develop an infrastructure plan for Ohakune to clarify future zone rules, water services and roading needs.
4. There is a lot of change internally that will increasingly come to be recognised as delivering better customer service:
 - a. Designated staff co-ordinating large projects
 - b. Streamlining of processes
 - c. Decisions taken at lower levels
 - d. Heavy emphasis on excellence in customer service to all customers
5. Parallel processing. With better systems we are processing applications with building, resource and liquor consents in a parallel way to make them faster.

Improved Communications

Council recognises its need to improve communications, particularly with the onset of the building accreditation process. We are currently in a 'messy' period as we are moving to the accreditation process without having it fully implemented as yet. It means that the Trades Sector is feeling in the dark and not sure what Council's expectations currently are. We understand that difficulty. It would be cleaner to stop all activity until a new process was in place and then introduce it. That can't happen as life carries on every day. We are asking patience as we work through, with Government accreditors, the new processes we must have in place by 30 June 2008. In the meantime, we are committed to having regular (perhaps 6-monthly) Trades Sector Forums, and releasing a newsletter called *"Nailing the Issues"*.