



Late Reports

Tararua District Council

Wednesday 31 July 2024

and

Reconvened Session on 7 August 2024

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Report

Date : 31 July 2024
To : Mayor and Councillors
Tararua District Council
From : Allie Dunn
Manager - Democracy Services
Subject : **Late Item - Extension of Delegated Authority**
Item No : **L.1**

1. Recommendation

- 1.1 *That the report from the Manager - Democracy Services dated 31 July 2024 concerning the Late Item - Extension of Delegated Authority be received.*
- 1.2 *That the Chief Executive be delegated authority to incur expenses and commit liabilities during the period 1 August 2024 to 7 August 2024 in accordance with the Council's 2021-2031 Long Term Plan and 2023-2024 Annual Plan.*

2. Reason for the Report

- 2.1 To seek an extension of the authority delegated to the Chief Executive to incur expenses and commit liabilities during the period 1 August 2024 to 7 August 2024 in accordance with the Council's 2021-2031 Long Term Plan and 2023-2024 Annual Plan.

3. Background

- 3.1 At its meeting held 26 June 2024, the Council approved extending the date to adopt the Long Term Plan 2024-34 and made a number of decisions to ensure the appropriate delegations were in place and continued to be in effect until the Long Term Plan 2024-34 was adopted on 31 July 2024.

- 3.2 With the adoption of the Long Term Plan 2024-34 now scheduled for 7 August 2024, one of the decisions made by Council is impacted due to it having effect until 31 July 2024.

4. Discussion and consideration of options

- 4.1 The following resolutions were made by Council on 26 June 2024:

“1.1 That the report from the Group Manager - Corporate & Regulatory Services dated 19 June 2024 concerning the Resolution for Delegated Authority to continue to be in effect until the 2024–2034 Long-term plan is adopted be received.

1.2 That further to its decision of 10 April 2024, to extend the date by which it would adopt the 2024-2034 Long Term Plan to not later than 30 September 2024, resolves that the following continue in effect until the 2024-2034 Long Term Plan is adopted:

1.2.1 any delegations made to give effect to the 2021–2031 Long Term Plan;

1.2.2 the 2023-2024 Annual Plan;

1.2.3 the policy on development contributions or financial contributions;

1.2.4 any fees and charges set for the 2023/24 financial year that when set were expected to expire or be replaced by 30 June 2024, and that have not already been set for the 2024/25 financial year; and

1.2.5 resolve that the Chief Executive is delegated authority to incur expenses and commit liabilities during the period 1 July 2024 to 31 July 2024 in accordance with the Council’s 2021–2031 Long Term Plan and 2023-2024 Annual Plan.”

- 4.2 The decisions numbered 1.2.1 to 1.2.4 all continue in effect until the Long Term Plan 2024-34 is adopted.

- 4.3 However, decision 1.2.5 that provides the Chief Executive with authority to incur expenses and commit liabilities until the Long Term Plan is adopted, has a set end date of 31 July 2024.

- 4.4 A new decision is required to extend this authority until the Long Term Plan is adopted on 7 August 2024.

5. Conclusion

- 5.1 Due to the extension of time required before final adoption of the Long Term Plan 2024-34, authority is required to be delegated to the Chief Executive to enable expenses to be incurred and liabilities committed until the Long Term Plan is adopted on 7 August 2024.

Attachments

Nil.



Report

Date : 6 August 2024

To : Mayor and Councillors
Tararua District Council

From : Sarah Walshe
Finance Manager

Subject : **Updated - Adoption of Long Term Plan 2024-34 and Schedule of Fees and Charges for 2024-25**

Item No : **L.2**

1. Recommendation

- 1.1 *That the report from the Finance Manager dated 05 August 2024 concerning the Updated - Adoption of Long Term Plan 2024-34 and Schedule of Fees and Charges for 2024-25 be received.*
- 1.2 *That the Council adopts the 2024-2034 Long Term Plan as follows:*
- 1.3 *That in accordance with Section 100 of the Local Government Act 2002, Council confirm the Long Term Plan budgets have been prepared based on reasonable judgement and assumptions and it considers the projected financial results over the ten year period to be financially prudent given its financial position, the cumulative surplus projected over the ten year period and its financial management policies, and*
- 1.4 *That having undertaken the Special Consultative Procedure in accordance with Sections 82, 82A and 102 of the Local Government Act 2002, Council adopt the following policies (as included in the Long Term Plan 2024/2034):*
 - a. *Revenue and Financing Policy*
 - b. *Rating Remission Policies*
 - c. *Financial Contributions Policy*
- 1.5 *That in accordance with the requirements of Sections 101A and 101B of the Local Government Act 2002, Council adopt the Financial Strategy and Infrastructure Strategy as contained in the final Long Term Plan 2024/2034, and*
- 1.6 *That pursuant to Section 93 of the Local Government Act 2002, Council adopt the Long Term Plan 2024/2034, the 2024/2025 Fees and Charges Schedule, and the Transportation and Three Waters Asset Management Plans; and*

- 1.7 *That the Chief Executive be authorised to approve any minor accuracy, grammatical or formatting amendments prior to the Long Term Plan 2024/2034 going to print.*

2. Reason for the Report

- 2.1 To present the updated 2024-34 Long Term Plan for Council adoption.
- 2.2 To review the report and adopt the Long Term Plan 2024-34, which is also the Annual Plan 2024-25, and Schedule of Fees and Charges 2024-25.

3. Background

- 3.1 At the 31 July 2024 Council meeting, the Council noted the advice received from Audit New Zealand, outlining that some matters had come up in their completion of the audit since the meeting of the Audit and Risk Committee in the previous week, that the Council needed to work through prior to adoption.
- 3.2 The Audit Director noted that those items had now been addressed and they were now able to go through the clearance process with the Office of the Auditor General and their Engagement Quality Review Director. The Audit Director noted in their advice to Council that while it did mean a delay in the adoption of the Long Term Plan, it was important to take the time to work through those issues and get them right to give the Tararua District Council the confidence of the quality of the document they were adopting.
- 3.3 Accordingly, the Council made a procedural motion to leave the items lying on table, and adjourn consideration and decision on items relating to adoption of the Long Term Plan and Setting of Rates until 7 August 2024, when Council would reconvene its meeting to make those decisions.

4. Discussion and consideration of options

- 4.1 The first change required by Audit New Zealand was around the way the financial model calculated interest. This resulted in a reduction to interests costs for the Long Term Plan.
- 4.2 The second change was around Council's depreciation. The Council had increased depreciation in accordance with advice from the Audit New Zealand team. Unfortunately, this advice was incorrect, and subsequently resulted in another correction which has now been made. This correction has increased costs.
- 4.3 As a result of both of the changes required, the financial strategy has had changes made to it. The two key changes are
- 4.3.1 rates increases have changed (detailed below); and

4.3.2 borrowing has changed from peaking at \$144 million in year 2030/31 to \$130 million in year 2030/31.

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
ARC Rates Increase	11.14%	11.61%	11.41%	6.97%	5.68%	5.11%	6.88%	6.91%	7.08%	6.75%
Updated Financial Strategy Increase	11.56%	11.64%	11.71%	6.93%	6.85%	6.19%	6.08%	5.93%	5.05%	5.48%
Actual Increase	11.09%	11.79%	11.84%	6.55%	7.16%	7.01%	4.44%	6.61%	4.85%	6.65%

4.4 There has also been an additional fee added to the Fees and Charges to reflect the fee associated with the proposals in the Keeping of Animals Bylaw, to ensure people can apply for permits / approvals from Council to keep certain animals in an urban area.

5. Conclusion

5.1 The adoption of the Long Term Plan 2024-34 and Setting of Fees and Charges for the 2024-25 financial year was left lying on the table, to be considered at the reconvened meeting of Council on 7 August 2024. This enabled changes required by Audit New Zealand to be made, and presentation of updated documents to Audit New Zealand.

Attachments

Nil.



Report

Date : 6 August 2024
To : Mayor and Councillors
Tararua District Council
From : Eleanor Roberts
Revenue Manager
Subject : **Updated - Rates Resolution for 2024-25 Financial Year**
Item No : **L.3**

1. Recommendation

1.1 *That the report from the Revenue Manager dated 05 August 2024 concerning the Updated - Rates Resolution for 2024-25 Financial Year be received.*

1.2 ***Setting the Rates for the 2024-25 Financial Year***

That the Tararua District Council resolves to set the rates under Section 23 of the Local Government (Rating) Act 2002, the due dates for payment under Section 24 of the Local Government (Rating) Act 2002 and authorise the addition of penalties for unpaid rates under Section 57 of the Local Government (Rating) Act 2002 for the year commencing on 1 July 2024 and ending on 30 June 2025 as follows:

Please note:

- *All references to sections are to sections of the Local Government (Rating) Act 2002.*
- *All amounts stated are GST inclusive.*

1.3 ***General Rate***

Pursuant to Section 13(2)(a), a general rate of \$ 0.00188794 per dollar of land value per rating unit in the district.

1.4 ***Uniform Annual General Charge***

Pursuant to Section 15(1)(a), a uniform annual general charge as a fixed amount

of \$633.65 per rating unit in the district.

1.5 Libraries Targeted Rate

Pursuant to Sections 16(3)(a) and 16(4)(a), a targeted rate as a fixed amount of \$220.62 per rating unit in the district.

1.6 Swimming Pools Targeted Rate

Pursuant to Sections 16(3)(a) and 16(4)(a), a targeted rate as a fixed amount of \$127.69 per rating unit in the district.

1.7 Specified Services Targeted Rate - Urban

Pursuant to Sections 16(3)(b) and 16(4)(a), a targeted rate as a rate in the dollar of land value for all rating units in the urban category of \$ 0.00005450 per dollar of land value.

1.8 Specified Services Targeted Rate – Industrial/Commercial – Rural

Pursuant to Sections 16(3)(b) and 16(4)(a), a targeted rate as a rate in the dollar of land value for all rating units in the industrial/commercial rural category of \$ 0.00086744 per dollar of capital value.

1.9 Specified Services Targeted Rate – Industrial/Commercial – Urban

Pursuant to Sections 16(3)(b) and 16(4)(a), a targeted rate as a rate in the dollar of capital value for all rating units in the industrial/commercial urban category of \$ 0.00114390 per dollar of capital value.

1.10 Recycling Targeted Differential Rate

Pursuant to Sections 16(3)(a) and 16(4)(b), a targeted rate, set on all rating units in the district on a differential basis as an amount per rating unit for the different categories of land as follows:

<i>Rural rating units</i>	<i>\$ 68.12</i>
<i>Urban rating units</i>	<i>\$230.69</i>
<i>Industrial/Commercial rating units</i>	<i>\$330.34</i>

1.11 Kerbside Recycling Targeted Differential Rate

Pursuant to Sections 16(3)(b) and 16(4)(b), a targeted rate, for the different categories of land as follows:

Urban rating units – an amount of \$107.86 per separately used or inhabitable part of a rating unit for urban rating units where the kerbside collection service is available.

Industrial/Commercial rating units – an amount of \$107.86 per separately

used or inhabitable part of a rating unit for Industrial/Commercial rating units where the kerbside collection service is available.

1.12 *Roading Rate - District-wide*

Pursuant to Sections 16(3)(a) and 16(4)(a), a targeted rate as a uniform rate in the dollar of \$ 0.00082928 per dollar of land value per rating unit in the district.

1.13 *Roading Rate – Fixed Rate Differential*

Pursuant to Sections 16(3)(a) and 16(4)(b), a targeted rate, set on all rating units in the district on a differential basis as an amount per rating unit for the different categories of rateable land as follows:

<i>Rural rating units</i>	<i>\$227.33</i>
<i>Urban rating units</i>	<i>\$ 35.68</i>
<i>Industrial/Commercial rating units</i>	<i>\$90.31</i>

1.14 *Roading Land Value Differential Rate*

Pursuant to Sections 16(3)(a) and 16(4)(b), a targeted rate, set on all rating units in the district on a differential basis as an amount per \$1,000 of land value for the different categories of land as follows:

<i>Dairy</i>	<i>\$ 0.41303934 per \$1,000 Land Value</i>
<i>Forestry</i>	<i>\$ 1.42672891 per \$1,000 Land Value</i>
<i>Farming (non-dairy)</i>	<i>\$ 0.14750443 per \$1,000 Land Value</i>
<i>Industrial</i>	<i>\$ 0.71768804 per \$1,000 Land Value</i>
<i>Commercial</i>	<i>\$ 0.32574475 per \$1,000 Land Value</i>
<i>Residential</i>	<i>\$ 0.02052671 per \$1,000 Land Value</i>
<i>Lifestyle</i>	<i>\$ 0.04813584 per \$1,000 Land Value</i>
<i>Other</i>	<i>\$ 0.64165332 per \$1,000 Land Value</i>
<i>Mining</i>	<i>\$ 1.52434145 per \$1,000 Land Value</i>

1.15 *Dannevirke Town Centre Refurbishment Rate*

Pursuant to Sections 16(3)(b) and 16(4)(a), a targeted rate, set of a fixed amount of \$4.90 per rating unit on every rating unit in the district where a Lump Sum Contribution has not been elected under Part 4A comprising Sections 117A to 117N and Schedule 3A and paid in full.

1.16 District Town Centre Refurbishment Rate

Pursuant to Sections 16(3)(a) and 16(4)(a), a targeted rate, set of a fixed amount of \$65.82 per rating unit on every rating unit in the district.

1.17 Water Supply Targeted Rate

Pursuant to Sections 16(3)(b) and 16(4)(b), a targeted rate set differently as follows:

- An amount of \$800.38 per separately used or inhabitable part of a rating unit which is connected to a Council operated water supply and which is not metered and charged on a volumetric basis.*
- An amount of \$400.19 on every rating unit where an ordinary supply is available but is not connected, and which is not metered and charged on a volumetric basis.*

1.18 Volumetric Water Charges - Metered Rate

Rates for metered supply pursuant to Sections 16(3)(b) and Sections 16(4)(a), and 19(2)(b) as follows:

All rating units that are metered and charged for volumetric supply

- A targeted rate charged quarterly of \$200.10 per rating unit*

All extraordinary users

For supply in excess of 80 cubic metres supplied during each consecutive three month period per separately used or inhabitable part of a rating unit a volumetric rate of \$3.95 per m3.

All large volume users

For supply of more than 2,000 cubic metres per quarter per separately used or inhabitable part of a rating unit a volumetric rate of \$2.05 per m3.

1.19 Pongaroa Water Rate

Pursuant to Section 19(2)(a), a targeted rate as an amount of \$135.07 per unit of water supplied from the Pongaroa Water Supply.

1.20 Wastewater Targeted Rate (excluding educational establishments, multiple unit residential properties and properties charged trade waste fees)

Pursuant to Sections 16(3)(b) and 16(4)(b), a targeted rate, set on a differential basis for wastewater as follows:

- An amount of \$1,024.40 per separately used or inhabited part of a rating*

unit connected to a Council operated wastewater system, and

- *An amount of \$512.20 on every rating unit where wastewater is available but is not connected.*

1.21 Wastewater multiple use (pan charge rate) - excluding educational establishments and multi-use residential properties

- *On every connected rating unit with 4 or more water closets/urinals (except for educational establishments and multi-use residential properties), an amount of \$341.43 for each water closet or urinal excluding the first 3, and excluding any in addition to 12.*
- *Note: A rating unit used primarily as a residence for one household will be treated as having only one water closet/urinal.*

1.22 Wastewater Rate - educational establishments and multi-unit residential properties

Pursuant to Sections 16(3)(b) and 16(4)(a), for educational establishments and multi-unit residential properties a targeted uniform rate of \$1,024.40 on each water closet/urinal connected to the urban wastewater system.

Educational establishments are as defined under Schedule 1, Clause 6 of the Local Government (Rating) Act 2002.

1.23 Urban Stormwater Targeted Rate

Pursuant to Sections 16(3)(b) and 16(4)(a), a targeted uniform rate of \$210.67 per rating unit on every rating unit in the Tararua District stormwater drainage area.

1.24 Due Date for Payment of Rates

All rates (except metered water rates) for the year ending on 30 June 2025 will be assessed in four equal instalments, which will become due and payable on the following due dates:

<i>Instalment</i>	<i>Due date</i>	<i>Instalment period</i>
<i>Instalment 1</i>	<i>13 September 2024</i>	<i>1 July 2024 to 30 September 2024</i>
<i>Instalment 2</i>	<i>30 November 2024</i>	<i>1 October 2024 to 31 December 2024</i>
<i>Instalment 3</i>	<i>28 February 2025</i>	<i>1 January 2025 to 31 March 2025</i>
<i>Instalment 4</i>	<i>31 May 2025</i>	<i>1 April 2025 to 30 June 2025</i>

Charges for metered water rates for the year ending on 30 June 2025 will be assessed in four instalments on meter readings, which will become due and payable on the following due dates:

<i>Instalment</i>	<i>Meters Read</i>	<i>Due date</i>
<i>Instalment 1</i>	<i>1 September 2024</i>	<i>20 October 2024</i>
<i>Instalment 2</i>	<i>1 December 2024</i>	<i>20 January 2025</i>
<i>Instalment 3</i>	<i>1 March 2025</i>	<i>20 April 2025</i>
<i>Instalment 4</i>	<i>1 June 2025</i>	<i>20 July 2025</i>

1.25 *Penalties*

That Council resolves pursuant to Section 57 and Section 58 to authorise the following penalties to be added on unpaid rates:

For all rates other than water metered rates:

- a) A penalty under Section 58(1)(a) of 10 percent on so much of any instalment that has been assessed after 1 July 2024 and which is unpaid by the relevant due date stated in 1.24 for payment, to be applied on the relevant penalty date as follows:*

<i>Instalment Due Date</i>	<i>Rates Penalty Date</i>
<i>13 September 2024</i>	<i>17 September 2024</i>
<i>30 November 2024</i>	<i>3 December 2024</i>
<i>28 February 2025</i>	<i>3 March 2025</i>
<i>31 May 2025</i>	<i>3 June 2025</i>

- b) A penalty under Section 58(1)(b) of 10 percent on so much of any rates assessed before 1 July 2024 which remain unpaid on 14 August 2024 (Arrears penalty). The penalty will be added on 16 August 2024.*
- c) A penalty under Section 58(1)(c) of 10 percent on so much of any rates to which a penalty has been added under (b) above which remain unpaid on 14 February 2025 (Arrears penalty). The penalty will be added on 17 February 2025.*

For water metered rates

- d) A penalty under Section 58(1)(a) of 10 percent on so much of any water metered rates that remain unpaid after the due date for the relevant instalment stated in 1.24.*

The scheduled dates to add the penalties to the unpaid water metered rates are as at the following dates:

<i>Instalment Due Date</i>	<i>Water Metered Penalty Date</i>
<i>20 October 2024</i>	<i>24 October 2024</i>
<i>20 January 2025</i>	<i>24 January 2025</i>
<i>20 April 2025</i>	<i>24 April 2025</i>
<i>20 July 2025</i>	<i>24 July 2025</i>

2. Reason for the Report

- 2.1 This report places before Council the necessary resolution to enable it to set the rates, due dates for payment and authorise the addition of penalties for the 2024-25 financial year.

3. Background

- 3.1 At the 31 July 2024 Council meeting, the Council noted the advice received from Audit New Zealand, outlining that some matters had come up in their completion of the audit since the meeting of the Audit and Risk Committee in the previous week, that the Council needed to work through prior to adoption of the Long Term Plan 2024-34.
- 3.2 This meant that the items relating to adoption of the Long Term Plan, and also the Setting of Rates for the 2024-25 Financial Year, were left lying on the table with those items to be adjourned to be considered when Council reconvened on 7 August 2024.
- 3.3 This delay allowed time for the required changes to be made to the Long Term Plan 2024-34, and issuing of the Audit Opinion required for adoption of the Long Term Plan.
- 3.4 Following the adoption of the Long Term Plan Year for the 2024-25 period, Council is now required to adopt the rates resolution for the 2024-25 financial year to fund Council activities for the year.

4. Discussion

- 4.1 The setting of the 2024-25 rates is consistent with the Revenue and Financing Policy adopted as part of the 2024-34 Long Term Plan, and the Funding Impact Statement adopted in Year 1 of the 2024-34 Long Term Plan.
- 4.2 The adoption of the rates resolution will enable Council to fund the activities as set out in the adopted Year 1 of the 2024-34 Long Term Plan.
- 4.3 The Council considered community views during its engagement on the 2024-34 Long Term Plan, and the Council's deliberations following that engagement is reflected in the recommendations contained in this report. More information on the Council's deliberations can be found in the agenda and minutes for the Council meeting on 19 June 2024.
- 4.4 Given the earlier deliberations, the options for the Council in relation to the rate setting decision are necessarily limited to setting the rates as recommended, or not setting the rates as recommended. Setting the rates as proposed is consistent with the Council's decisions in the LTP. Not setting the rates as proposed would have the effect that the rates could not be assessed and invoiced in accordance with the timeframes indicated in this report, impose significant administrative burden and cashflow constraints, impacting Council's ability to deliver on Year 1 outcomes.

5. Statutory Requirements

- 5.1 Under the Local Government (Rating) Act 2002, Council must set rates and due dates for payment of rates for any particular year by passing a resolution of Council.
- 5.2 This paper sets out the resolutions necessary to enable Council to set the rates under Section 23 of the Local Government (Rating) Act 2002, the due dates for payment under Section 24 of the Local Government (Rating) Act 2002 and authorise the addition of penalties for unpaid rates under Section 57 of the Local Government (Rating) Act 2002 for the year commencing on 1 July 2024 and ending on 30 June 2025.

6. Significance Assessment

- 6.1 The rates resolution is not significant in terms of Council's policy on significance and engagement policy and does not require the use of public consultation.

7. Conclusion

The Tararua District Council is required to set rates and due dates for any particular year by passing a resolution once it has adopted the Long Term Plan. Adopting the recommendations outlined in this report will fulfil these requirements and meet Council's statutory obligations.

Attachments

Nil.