



Late Reports

Tararua District Council

Wednesday 25 June 2025

Reports

L.1	Remits to Local Government New Zealand Annual General Meeting 2025	3
L.2	Pūkaha Mount Bruce Board - proposal to transfer loan to Rangitāne Tū Mai Rā Trust	21

Report

Date : 24 June 2025

To : Mayor and Councillors
Tararua District Council

From : Allie Dunn
Manager Democracy Services

Subject : **Remits to Local Government New Zealand Annual General Meeting 2025**

Item No : **L.1**

1. Recommendation

- 1.1** *That the report from the Manager Democracy Services dated 24 June 2025 concerning the Remits to Local Government New Zealand Annual General Meeting 2025 be received.*
- 1.2** *That the Council:*
- 1.2.1** *Supports / Does not support the remit on Security System Payments*
- 1.2.2** *Supports / Does not support the remit on Improving Joint Management Agreements*
- 1.2.3** *Supports / Does not support the remit on Alcohol Licensing Fees*
- 1.2.4** *Supports / Does not support the remit on Aligning public and school bus services*
- 1.2.5** *Supports / Does not support the remit on Review of local government arrangements to achieve better balance*
- 1.2.6** *Supports / Does not support the direction of travel set out in the Rates Capping AGM Paper.*

2. Reason for the Report

- 2.1** To determine Council's position on the Local Government New Zealand Annual General Meeting 2025 remits as well as the discussion paper on Rates Capping, to provide guidance to the Council's presiding delegate.

3. Background

- 3.1 In July 2025 Local Government New Zealand will hold their Annual General Meeting (AGM). As part of the AGM, the meeting will consider five remits and a discussion paper on Rates Capping Tararua District Council will be required to cast a vote in support, or not, for each remit. The vote is cast by the Council's presiding delegate and the number of votes for each Council is somewhat proportional to size.
- 3.2 This report seeks to establish the formal position of Council on each remit and the discussion paper to guide the Council's presiding delegate at the AGM in exercising their vote.

4. Discussion and Options Considered

- 4.1 A summary of the remits is presented in the following table, and full copy appended to this report:

No.	Remit Summary
1	<ul style="list-style-type: none">Security System Payments<i>That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament..</i><i>Proposed by: Far North District Council and Central Otago District Council</i><i>Supported by: LGNZ Zone 6 and Zone 1</i>
2	<ul style="list-style-type: none">Improving Joint Management Agreements<i>That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.</i><i>Proposed by: Northland Regional Council</i><i>Supported by: LGNZ Zone 1</i>
3	<ul style="list-style-type: none">Alcohol Licensing Fees<i>That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual</i>

• No.	• Remit Summary
	<p><i>inflation adjustments.</i></p> <ul style="list-style-type: none"> <i>Proposed by: Far North District Council</i> <i>Supported by: LGNZ Zone 1</i>
• 4	<ul style="list-style-type: none"> Aligning public and school bus services <i>That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services, including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that:</i> <ul style="list-style-type: none"> <i>a. councils better know their local communities; and</i> <i>b. the potential to reduce congestion from better bus services for schools; and</i> <i>c. the efficiency gains realised from integrating these two publicly funded bus services</i> <i>d. the outdated and inflexible rules of the current centralised school bus system .</i> <i>Proposed by: Nelson City Council</i> <i>Supported by: LGNZ Regional Sector</i>
• 5	<ul style="list-style-type: none"> Review of local government arrangements to achieve better balance <i>That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.</i> <i>Proposed by: Tauranga City Council</i> <i>Supported by: LGNZ Metro Sector</i>

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4.2

For each remit the Council has the option of supporting or not supporting the remit. The presiding delegate has been appointed by Council to vote on behalf of the Tararua District Council, and the guidance provided by Council will assist them in exercising their vote at the AGM.

4.3

As well as the remits being considered at the AGM, members will consider the Rates Capping AGM paper that provides an update on the Government's approach to rates capping, and seeks agreement on LGNZ's direction of travel.

5. Community Engagement

- 5.1** There are no community engagement requirements associated with this report.

6. Financial Implications

- 6.1** There are no direct financial implications related to this report.

7. Statutory Requirements

- 7.1** There are no statutory requirements related to this report.

8. Conclusion

- 8.1** The Tararua District Council needs to decide if it supports, or does not support, each of the five remits, and whether it approves the direction of travel set out in the Rate Capping AGM paper. This will provide direction to the presiding delegate as guidance for exercising the power to vote on behalf of the Council.

Attachments

- 1 [!\[\]\(c33cb967c8fc4f5e27188a389b621c8e_img.jpg\) Remits to LGNZ AGM 2025](#)
- 2 [!\[\]\(38e1383487ca0f0e9e2c9378b9dbcae7_img.jpg\) LGNZ AGM Discussion Paper re Rates Capping](#)



2025 Remits



// 01 Security System Payments

Proposed by:	Far North District Council and Central Otago District Council
Supported by:	Zone 6 and Zone 1
Remit:	<i>That LGNZ advocates for security system payments to be included as an allowance under the Local Government Members Determination, in line with those afforded to Members of Parliament.</i>

Why is this remit important?

The importance of safety for elected members has become more apparent in recent times. With an increase in animosity towards “government figures,” both online and in person, the time has come to address this. Recent examples of elected members being threatened, harassed and abused, including incidents occurring at or near their home address, highlights the need for changes to the Local Government Act to be updated. The ability for security system payments to be made as an allowance would go some way towards encouraging actual and perceived safety for existing elected members, as well as ensuring future candidates can feel safer while representing their communities.

Background and Context

Democracy worldwide is currently considered a “tinderbox” according to multiple news sites. In 2024, 37 candidates for election were murdered in Mexico. While this may seem extreme – our own Electoral Commission in NZ has a page dedicated to “security advice” for potential candidates. The rise of fringe groups, anonymity of online forums, general mistrust of government figures and polarising coverage of worldwide democratic outcomes has been creating a platform for those with singular or disaffected viewpoints. While we recognise that some of the sentiment is online, there have been instances of this spilling over into daily life for our elected members. Much of “being safe” is about “feeling safe.”

The Members of Parliament Determination 2023 (Section 48) allows for up to \$4500 to install a security system at a member’s primary place of residence, along with up to \$1000 per year to monitor this.

LGNZ’s own research carried out last year identified three quarters of elected members had suffered abuse or harassment at public meetings, a third at the supermarket or school pick up, and that half of EM’s felt it was worse than a year ago. Supporting new anti-stalking and harassment Legislation is a good start, but this is something that could immediately help our elected members to feel safer at home.

Some councils are already supporting elected members in personal safety. Central Otago District has paid for a member to install a camera at their home address where they live with young kids following an obnoxious campaign including items being left in their letterbox. There will be multiple other examples where councils are promoting personal safety, wellbeing initiatives and also installing or providing additional security measures at homes and council offices.

Far North and Central Otago Districts are just two examples of our huge, remote areas. Overnight Central Otago, all 9,968 square kilometres of it, is covered by two on-call Police officers, based 30km



apart. Feeling safe plays a big role in actual safety. Expectations of safety will be different for an older female to a young dad with kids, a large family or a person living alone, and they are also different between rural and urban areas.

This election, we want to ensure worry about how safe someone is in their own home is not a barrier to putting their hand up to fulfil a wonderful role for our communities.

How does this remit relate to LGNZ's current work programme?

Ties into the research on safety that LGNZ carried out last year, and also the support of the Crimes Legislation (Stalking and Harassment) Amendment Bill.

How will the proposing council help LGNZ to make progress on this remit?

Connect with Minister Mark Patterson (Minister for Rural Communities) for support

Investigate the possibility for a partnership with a national retailer/supplier of home security systems and/or trail cams

Timeframe - depends how quickly things could progress before the election?



// 02 Improving Joint Management Agreements

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocate to Government for: a) legislative change to make the Joint Management Agreement (JMA) mechanism more accessible for councils to use with iwi/hapū, b) for the provision of technical, legal and financial support to facilitate the use of JMAs for joint council and iwi/hapū environmental governance, and c) for a mechanism such as JMAs to be included in the Government's new resource management legislation.*

Why is this remit important?

JMAs are a valuable tool for councils and iwi / hapū to work together on environmental governance. Many councils support stronger partnerships with tangata whenua, but the statutory and practical barriers to formalising JMAs have severely limited their uptake by councils and iwi/hapū. There is thus a need to address the limitations of the current mechanism under the RMA, to make it more accessible to councils and tangata whenua, as well as to ensure a mechanism such as JMAs is included in the Government's new resource management legislation.

Recommended improvements include a) simplification or modification of the JMA statutory requirements and criteria; b) provision of a customisable JMA template and detailed guidance on when JMAs might be appropriate and how to establish them; c) explanation of the legal implications for the parties, and the Health & Safety obligations; d) making JMAs mandatory in appropriate circumstances in addition to Treaty settlements; and e) provision of funding to support iwi/hapū capacity to develop and implement JMAs.

Background and Context

JMAs under the Resource Management Act 1991 (RMA) provide for agreement between a local authority and an iwi authority and/or groups representing hapū to jointly perform or exercise any local authority functions, powers or duties under the RMA relating to a natural or physical resource.

Since inclusion as a mechanism under sections 36B-E of the RMA in 2005, only two JMAs have been established, apart from their mandatory use in some Treaty settlements.

For a JMA to be developed, the local authority must be satisfied that the agreement is an "efficient" method of exercising the function, power or duty. However, if a JMA were to require more funds and resources to support administrative costs and extra person-hours than what council would itself expend, the "efficiency" criterion might not be satisfied. Thus, "efficiency" could compel an iwi/hapū to contribute its own resources to the collaborative management process if it wished to conclude a JMA. A lack of financial resources is repeatedly identified by iwi/hapū as being the most significant barrier to their full participation under the RMA.

Another requirement of s36B is that the local authority must be satisfied that the other party to the JMA has the "technical or special capability or expertise to perform or exercise the function, power,



or duty jointly with the local authority". Many (especially unsettled) iwi/hapū are under-resourced, often having to relying on voluntary contributions of resources and expertise; thus funding and technical support may be needed to facilitate iwi/hapū participation in JMAs.

Another deterrent to JMA uptake is that the agreement can be cancelled by either party at any time. If conflict arises, the local authority will always have the "upper hand" because the function(s) shared under the JMA will revert exclusively to local authority control. More stringent cancellation requirements could be introduced that give JMA parties greater assurance of continuation.

Only those JMAs created as part of Treaty Settlements are currently mandatory for local authorities. A similar mandatory requirement under the RMA for councils to enter into JMAs in appropriate circumstances would facilitate uptake.

Currently there is very little information available on the legal implications of JMAs, and on the process and considerations for developing and implementing such an agreement. There is also no template provided for such agreements. Technical guidance from central government would further facilitate uptake.

In summary, very low uptake of JMAs reflects the high barriers to their uptake by councils and iwi/hapū. They remain a potentially useful tool if sufficient guidance, resourcing and technical support is provided, and if criteria for developing them are made more enabling.

How does this remit relate to LGNZ's current work programme?

This remit aligns with LGNZ's strategy, in particular the long-term goal that Te Tiriti partnerships between local government and Māori are authentic, strong and respected. We are not aware of any existing or planned work to advocate for improved legislative mechanisms and implementation support for Joint Management Agreements.

How will the proposing council help LGNZ to make progress on this remit?

We can provide some technical expertise to support analysis of specific options to improve how JMAs function and some advocacy support.



// 03 Alcohol Licensing Fees

Proposed by: Far North District Council

Supported by: LGNZ Zone 1

Remit: *That LGNZ advocates for the government to update the Sale and Supply of Alcohol (Fees) Regulations 18 December 2013 to account for inflation and include a mechanism for automatic annual inflation adjustments.*

Why is this remit important?

If a local council does not have a bylaw that sets alcohol licensing fees and charges it must default to the schedule of fees in the Sale and Supply of Alcohol (Fees) Regulations 2013. These default fees were set 12 years ago and, with the impact of inflation over this period, no longer enable local councils to reasonably recover the costs to administer the alcohol licensing system. This has led to increasing ratepayer subsidisation of these costs. Currently the only way that councils can increase these fees and charges is to make an Alcohol Fees Bylaw under an Order in Council associated with the Sale and Supply of Alcohol Act 2012. This is an inefficient and expensive way for councils to raise their alcohol licensing fees and charges, when this issue could be simply resolved by the government updating the schedule of fees in the Regulations.

Background and Context

Objectives relating to the setting of alcohol licensing fees were listed in the review of the Supply of Alcohol (Fees) Regulations 2013 conducted by the Ministry of Justice in 2017. These objectives include: - recovering the total reasonable costs incurred by local councils and ARLA in administering the alcohol licensing system - ensuring that those who create the greatest need for regulatory effort bear the commensurate costs.

Alcohol licensing fees and charges are intended to cover the reasonable costs of administering the alcohol licensing system via a 'user pays' approach. The fees and charges set in the Sale and Supply of Alcohol (Fees) Regulations 2013 are now 12 years out of date and have not been updated since 2013, despite two reviews of these fees conducted in 2018 and 2022 as required by section 404 of the Sale and Supply of Alcohol Act. With inflation since 2013, costs to manage alcohol licenses cannot be recovered through the fees prescribed in these Regulations. This means that every time Council processes an alcohol licence it costs more than the fee paid by the licensee and the difference must be covered by general rates.

To increase these fees and charges in their districts, local councils can make Alcohol Fees Bylaws under the Sale and Supply of Alcohol (Fee-setting Bylaws) Order 2013. However, making a bylaw is a relatively costly and inefficient way to address this issue as it involves: - time and effort to research and draft the bylaw - costs for public consultation - the need to regularly review the fees and charges set in the bylaw. A better solution would be for the government to update the fees and charges listed in the 2013 Regulations to reflect current costs. The schedule of fees in the revised Regulations should also allow for an annual CPI increase and allow cost recovery for hearings objections to District Licensing Committee decisions.



How does this remit relate to LGNZ's current work programme?

This remit sits within the Funding and Financing advocacy area within LGNZ's Advocacy Work Programme. Specifically, this relates to: - Advocating for changes to local government funding and financing - Building and working with a coalition of the willing to support LGNZ's advocacy for changes to local government funding and financing. Fees and charges are also specifically mentioned in LGNZ's funding and finance toolbox. We understand that the regulation of alcohol fees is not currently part of this Work Programme.

How will the proposing council help LGNZ to make progress on this remit?

We can provide detailed evidence of the current income received by FNDC from licensing fees based on applying the outdated fee schedule in the 2013 Regulations, compared with the costs to administer the alcohol licensing system. In summary, in the 2023/24 financial year FNDC received \$410,000 in income from licence application fees compared with costs of \$581,000. This means there was a shortfall of \$171,000 which has to be recovered from general rates. In 2023/24 licence application fees covered 71% of costs for the Council. By contrast, the 2017 Review of the 2013 Regulations reported that cost recovery across all local councils was 108%.



// 04 Aligning public and school bus services

Proposed by: Nelson City Council

Supported by: LGNZ Regional Sector

Remit: *That LGNZ advocate for the reform of the Ministry of Education funded school bus services to provide an improved service for families and to better integrate the services with council provided public transport services, including the option of Public Transport Authorities (e.g. regional and unitary councils) managing such services (with appropriate government funding), noting that:*

- a. councils better know their local communities; and*
- b. the potential to reduce congestion from better bus services for schools; and*
- c. the efficiency gains realised from integrating these two publicly funded bus services*
- d. the outdated and inflexible rules of the current centralised school bus system*

Why is this remit important?

The quality and efficiency of school and public bus services is compromised by school and public bus services being funded through two different arms of Government. Some services are funded through the New Zealand Transport Agency and councils, and others are through the Ministry of Education School Bus Transport Service. This remit proposes to align those functions by transferring the funding and management to Regional Public Transport authorities which are better placed to understand and respond to local transport needs. By improving our bus services for students, we can also reduce congestion which is noticeably less during the school holidays in towns and cities around New Zealand.

Background and Context

There are essentially two drivers for this reform. The first is that it makes no sense to have two different arms of Government separately planning and contracting publicly funded bus services. The second is that decisions about bus services are best made locally.

The co-ordination and contracting of public bus services, whether for getting students to school or for other passengers, is a complex job. Decisions about the routes, frequency, bus size and convenient bus stops are difficult, requiring the juggling the objectives of making the service as convenient as possible, maximising usage, managing costs and ensuring safety. These decisions are inherently local.

The centralised school bus transport system is a huge source of frustration to communities and councils all over New Zealand. It is governed centrally by archaic, rigid rules that date back nearly 100 years, and are unchanged to this day.



The Ministry of Education officials do the best they can within the current policy, but the system is fundamentally outdated and broken. It makes no sense for education officials to be running transport services, and it is impossible to run a community focused, flexible school transport system over thousands of schools and communities from Wellington.

One of the big opportunities of this reform is to reduce congestion by improving our bus service for students. The potential is highlighted in towns and cities all over New Zealand during school holidays when there is much less congestion. An improved bus service with timetables and routes tailored to students' needs would be a wise investment for the overall transport network.

Regional councils, unitary authorities and Auckland Transport are all public transport authorities with delegated responsibility for the development, planning and delivery of public transport services in New Zealand.

The current system has perverse incentives in that if a public transport authority uses rates to improve public transport service to an area, the Ministry of Education withdraws its service. The current system discourages councils to provide public transport services on routes and times that work for students.

Nelson/Tasman are exploring trialling the integration of the management of public and school transport services. We believe there is the opportunity to provide a more responsive service to families of school aged children, to expand our public transport network and to get efficiency gains from contracting for both types of services. If successful, the trial may result in wider reforms.

This is a significant proposal currently involving more than \$125 million of annual public expenditure on school bus services that would need to be transferred to public transport authorities. It would be a complex reform that requires careful attention to detail and consultation with parents, schools, bus service providers and councils. The prize is a better bus services in places like Nelson, less congestion on our roads and more efficient use of public money.

How does this remit relate to LGNZ's current work programme?

Transport is a critical issue facing all councils and we need to be proactively looking for way to better deliver services. This remit goes to the heart of LGNZ's vision of localism in that it proposes to localise the delivery of school bus services. This remit also compliments LGNZ's strategic relationship with Government in that it proposes reforms that improve efficiency, and is not just asking for more funding in fiscally constrained times. It also supports LGNZ's sustainability goals by providing opportunities for expansion of public transport services.

How will the proposing council help LGNZ to make progress on this remit?

Nelson City Council is keen to help advance the case for this reform. We have already engaged with the Ministry of Education, the Minister of Education and the Minister of Transport who are interested in the reforms and keen to trial this alternative approach for the delivery of school bus services. We also commit to sharing our experiences should Nelson Tasman proceed to trialling this reform.



// 05 Review of local government arrangements to achieve better balance

Proposed by: Tauranga City Council

Supported by: LGNZ Metro Sector

Remit: *That LGNZ works with the Government and Councils to review current local government arrangements, including the functions and structure of local government, to achieve a better balance between the need to efficiently and effectively deliver services and infrastructure, while enabling democratic local decision-making and action by, and on behalf of communities.*

Why is this remit important?

Efficient and effective local democracy and associated decision making is paramount.

Background and Context

A number of local government reviews undertaken previously, have concluded that the current structure and arrangement of the local government sector, is not conducive to ensuring that infrastructure and services delivered to communities, are always done so in a cost effective and efficient manner.

Current sector arrangements are a legacy, and do not always reflect how our communities have expanded, nor how modern services are delivered.

Central government is underway with key policy and legislations changes that both directly and indirectly significantly impact the local government sector. This will require an agile and well planned response by the sector.

How does this remit relate to LGNZ's current work programme?

This is an important issue for local government as the sector responds to the current central government policy and legislation changes and reforms underway. Seeks advocacy for a work programme between central government, local government and LGNZ, to undertake this review, and ensuring local communities are well considered.

This remit sits within the principles of the Local Government Act 2002 in that it would give local government a tool to provide services more efficiently. While this is not currently part of LGNZ's work programme, engaging with central government will be essential to making progress in this area.

How will the proposing council help LGNZ to make progress on this remit?

Metro sector councils will provide support and resource to participate and work on the programme established.



Rates capping AGM paper

Purpose of this paper

- To update members on the Government's approach to rates capping and seek agreement on LGNZ's direction of travel.

Recommendations

- That the AGM **approves** the direction of travel set out in this paper.
- That the AGM **notes** members will agree the next phase at a Special General Meeting after the 2025 elections (in March 2026 or earlier if needed).

Background

What is rates capping and what is being proposed?

Rates capping sets a limit on how much councils can increase rates. Often the cap is indexed to economic measures such as consumer inflation, local government inflation or population.

All rates capping policies effectively transfer local fiscal decisions from local communities to central government politicians or bureaucracies.

In August 2024, the then Local Government Minister set out a Local Government Forward Work Programme. This programme included a proposal to investigate a rates cap on "non-core" expenditure by councils. This policy was to be modelled on similar policies in Australian states New South Wales and Victoria.

The Government plans to distinguish between core and non-core spending, applying the cap only to non-core expenditure. Core services may be identified in the soon-to-be-reinstated Section 11A of the Local Government Act 2002 and new purpose of local government. It's still unclear how the Government will enable the cap to apply only to non-core expenditure as this is not a feature of other rate caps overseas. The distinction is likely to be unworkable at a practical level and generate significant bureaucracy. It is unclear for instance how support activities which are used across all councils services, such as call centres and human resource functions would be defined in such a cap.

What rates capping looks like in other countries

Rates capping looks slightly different in each jurisdiction. In NSW, rates capping extends to charges like development contributions. An independent authority decides the rates cap level and considers exemptions to it. However, in Victoria, the essential services commission provides advice to the state's Minister of Local Government who then decides the level of the rate cap.



LGNZ has engaged with local government experts from New South Wales and Victoria to understand how rates capping has affected their councils. They told us rates capping has led to negative outcomes for councils and communities, including:

- Degraded infrastructure and service delivery;
- Financial instability among councils;
- Severe infrastructure backlogs;
- Bureaucratic and expensive processes to approval rates above the cap;
- Reduced local economic growth; and
- Diminished local voice in council investment and revenue decisions.

NSW and Victoria's experience also suggests that once rates caps are in place, removing them is very challenging politically. NSW and Victorian councils also say that impacts worsen over time. Initially councils in those states were able to sell assets, and reduce services and staffing, to offset impacts of the rates cap. After several years, this is no longer an option.

LGNZ's advocacy so far

LGNZ's top advocacy priority (as set by members) is better local government funding and financing. Rates capping directly constrains local government funding and financing. Rates capping also runs counter to localism. Locally elected representatives – who are directly accountable to communities – are better placed than Wellington to make local taxation and investment decisions. Rates capping is not primarily about rates increases: it's about who decides what rates increases should be.

So far, LGNZ has communicated our views on rates capping in conversations and meetings with politicians and officials, via submissions, and through media. Some elected members around the country have publicly spoken out against the policy of their own accord.

Our advocacy needs to step up a gear

If we don't strengthen our advocacy, the Government is likely to implement rates capping. The Government is likely to introduce legislation next year. However, it is still politically possible to prevent rates capping. LGNZ successfully opposed a similar proposal in 2009. More recently, South Australia has held off a rates cap through lobbying and a strong public campaign.

Others will campaign for rates capping

Pressure group the Taxpayers Union has launched a campaign in support of rates capping that features anti-council rhetoric ("ballooning staff numbers and vanity project spending see councils delivering fewer core services"). This campaign is targeting particular councils and Mayors ahead of the local government elections.

Without balance, supportive voices will capture the public narrative around rates capping.

How we could stop rates capping



We would develop a comprehensive advocacy plan

This plan would draw on the strategies from LGNZ's 2009 advocacy and South Australia's successful campaign. We anticipate that public intensity would need to build as key policy milestones are passed (for example, when the Bill is introduced).

Being louder publicly would be essential

To argue that councils are better placed than central government to make rates decisions, we must boost public trust and confidence in local government. This would be one prong of our campaign, including highlighting popular council services and infrastructure that would be threatened by rates capping. A campaign centred on what the public would lose to a rate cap – and who has the right to decide – is more likely to succeed than one focussed on technicalities.

LGNZ sets the tone for rate capping advocacy. We know other groups and organisations oppose this policy but given this sits squarely in our space, no one will stick their neck out more than we do. Visible advocacy from LGNZ would be required to activate a "coalition of the willing".

The consequences of being louder

We also need to consider what political consequences might result from strongly and vocally opposing rates capping. Misinformation about LGNZ's political neutrality already exists. While we do (and will continue to) work closely with the Government on many other policies and portfolios, opposing specific proposals gains more attention.

However, other membership bodies talk loudly and publicly to the Government when certain lines are crossed. For example, Federated Farmers' "SOS: Save Our Sheep" campaign is aggressively calling on the Government to stop carbon forestry and preserve the sheep industry. Playing out across billboards, social media and media. It's important to note that opposing a policy does not prevent us from working constructively with the Government on other policy areas.

We need a mandate from members

The paper and the AGM 2025 vote are about confirming our direction of travel rather than agreeing explicit actions.

If the AGM agrees to the direction of travel, we will continue our current approach while developing a plan for the next phase.

That next phase would go to a Special General Meeting for approval. This SGM would be held after the 2025 elections so that we have an explicit mandate from the next triennium's members. It would potentially be held in March 2026 (or earlier if necessary).

LGNZ is clear that a mandate is needed from members to proceed with a strong public campaign.

Report

Date : 25 June 2025

To : Mayor and Councillors
Tararua District Council

From : Bryan Nicholson
Chief Executive

Subject : **Pūkaha Mount Bruce Board - proposal to transfer loan to Rangitāne Tū Mai Rā Trust**

Item No : **L.2**

1. Recommendation

- 1.1 *That the report from the Chief Executive dated 24 June 2025 concerning the Pūkaha Mount Bruce Board - proposal to transfer loan to Rangitāne Tū Mai Rā Trust be received.*
- 1.2 *That Council agrees in principle to the proposal to transfer the loan of \$1,000,000 to Rangitāne Tū Mai Rā Trust.*
- 1.3 *That the Chief Executive be delegated authority to negotiate the terms and conditions of the transfer of the loan from Pūkaha Mount Bruce Board to Rangitāne Tū Mai Rā Trust, subject to confirmation of the agreement by Council in a public excluded report.*

Executive Summary

In 2021, Council advanced a 10-year term loan of one million dollars to Pūkaha Mount Bruce Board (the Board) to support the development of an educational facility at the Pūkaha National Wildlife Centre, just south of Eketāhuna. The loan was interest bearing with the ability to charge interest from the second year. The loan was unsecured, with the option to request security.

Regrettably, the Board is facing financial difficulties and there is a risk that it will not be able to service the loan agreement for the remaining term.

Council has received a proposal from Rangitāne Tū Mai Rā Trust to take over the Board's obligations under the loan agreement for the remainder of the term. This proposal is made on the basis that no further interest will be charged over the term.

Approval in principle is sought from Council to explore the proposal to transfer the loan to Rangitāne Tū Mai Rā Trust, and for delegation to the Chief Executive to negotiate terms and conditions of this transfer, with the final agreement to be approved by Council.

It is acknowledged there will be a high public interest in this decision, so it is brought to Council in public forum, with the terms and conditions (once negotiated) to be considered and approved by Council in a later public excluded meeting.

2. Reason for the Report

- 2.1 The purpose of this report is to seek Council's approval in principle for the Chief Executive to enter negotiations to transfer the Loan Agreement from the Board to Rangitāne Tū Mai Rā Trust.

3. Background

- 3.1 On 30 October 2021 Council entered a Loan Agreement with the Board to provide a term loan facility of one million dollars (\$1,000,000). The term of this loan was 10 years, expiring on 30 October 2031.
- 3.2 The decision to grant the loan to the Board to support the development of educational and conservation premises for the Pūkaha National Wildlife Centre acknowledged the importance of the centre to the Tararua district.
- 3.3 The loan was drawn down and advanced to the Board in October 2021.
- 3.4 The loan provided that for the first 12 calendar months of the term, Council was to make a grant to the Board equal to its interest obligations, by way of set off. Thereafter, for the next two years, Council was able to charge interest after first considering the Board's financial position. After 36 calendar months, interest was to be payable at the applicable interest rate.
- 3.5 The Board was not required to make any repayments of the principal until the fifth anniversary of the loan, from October 2026.
- 3.6 Council has through its Annual Planning process made grants to the Board for interest in 2023 and 2024 financial years.
- 3.7 As part of the 2024-2034 Long Term Plan, Council consulted with the community on reducing its external grant funding and creating a contestable fund of \$100,000 that would ensure fairness and transparency in allocation of funds from Council moving forward. As a result of this, the annual grant Council had been providing

the Board of \$14,000 (excluding GST) was no longer budgeted, and the Board was directed to apply to the contestable fund once it opened for applications.

- 3.8 Council budgeted to receive interest revenue for the loan from 1 July 2024 onwards.
- 3.9 Council has invoiced the Board for \$41,440.00 in interest costs incurred in accordance with the loan agreement for the 1 July 2024 – 30 June 2025 financial year.
- 3.10 Council was made aware that the Board was facing some financial difficulties in March 2025.
- 3.11 At present, Council is an unsecured creditor, but the loan agreement gives Council the ability to request security, and security has been requested.
- 3.12 Discussions with the Board and Rangitāne Tū Mai Rā Trust have been ongoing.
- 3.13 As a result of these discussions, a proposal has been received from Rangitāne Tū Mai Rā Trust to take over the Board's obligations under the loan, on the basis that the loan agreement is varied to not include interest costs for the remaining term.

4. Financial considerations

- 4.1 To date this loan has incurred interest costs totalling \$160,081.80 (October 2021 – June 2025).
- 4.2 Council has budgeted to receive interest revenue for this loan and loan repayments in accordance with the loan agreement. Total interest revenue budgeted in the 2024-2034 Long Term Plan for the loan term was \$139,000, however updated figures based on current interest rates estimate Council should receive approximately \$187,000 over the term of the loan.
- 4.3 As part of the 2024-2034 Long Term Plan, the Board made a submission to Council to consider:
 - 4.3.1 *Reduce annual operating grant previously provided – this will be an annual \$10,000 operational expenditure increase.*
 - 4.3.2 *Staggered introduction of interest costs – this will be an operational expenditure increase based on Council's forecasted interest rates in the LTP as follows:*
 - Year 1 - \$23,550*
 - Year 2 - \$12,960*
 - Year 3 - \$4,560*
- 4.4 In the deliberations report to the Finance and Performance Committee (Deliberations on Matters Raised During Long Term Plan Consultation, 19 June

2024), officers provided elected members with the following operational impact for this proposal:

If both options proposed were approved the total operational impact would be as follows:

Year 1 - \$33,550 (0.10% rates increase)

Year 2 - \$22,960 (0.059% rates increase)

Year 3 - \$14,560 (0.035% rates increase) Years 4 to 10 - \$10,000 annually (0.022% rates increase each year)

- 4.5 The request from the Board was declined and no grants were approved for the Board, which was encouraged to make an application through the contestable process. The Board was successful in securing \$12,000 from this fund in February 2025.
- 4.6 Council has invoiced for interest costs incurred in accordance with the loan agreement totalling \$41,440 for the 1 July 2024 – 30 June 2025 financial year.
- 4.7 Estimated interest revenue remaining over the life of this loan is \$146,000 (noting this will change as a result of actual interest rates differing from those rates budgeted).
- 4.8 Not receiving interest over this period means there will be a cost incurred by Council for the remaining term equal to interest costs. Over the next six financial years, this is projected to be an average of \$25,000 per annum.

5. Significance Assessment

- 5.1 The decision is not considered significant when assessed against Council's Significance and Engagement Policy:
 - 5.1.1 It does not have a substantial tangible impact on the district, in terms of service levels and the manner in which revenue is obtained;
 - 5.1.2 The decision does not impact the level of service of a significant activity;
 - 5.1.3 Future Councils are not committed to long term interest costs of greater than 5% of Council operational costs;
 - 5.1.4 The decision does not have a new impact on Council or the rating levels of its communities (it is within Financial Strategy limit);
 - 5.1.5 The decision does not represent a new strategic direction for Council.
- 5.2 It is acknowledged there is a level of community interest in this decision.

6. Options

- 6.1 Council has two options available to it. They are:
 - 6.1.1 Accept the proposal in principle and negotiate terms and conditions with Rangitāne Tū Mai Rā Trust (noting that interest costs will be incurred by Council, and Council will seek security for the loan).
 - 6.1.2 Not accept the proposal from Rangitāne Tū Mai Rā Trust and continue to seek security and recover interest under the loan agreement from the Board.

7. Assessment of options

- 7.1 Due to the financial difficulties faced by the Board, and the position of Council as an unsecured creditor, a real risk exists that the principal amount and interest under the loan agreement may not be recovered by Council if it does not transfer the loan to Rangitāne Tū Mai Rā Trust.
- 7.2 The proposal from Rangitāne Tū Mai Rā Trust presents an opportunity to secure the principal sum Council has advanced under the loan agreement. However, accepting this proposal means Council will not be able to recover any further interest under the loan agreement. This cost will have to be incurred by Council for the remaining term.
- 7.3 Council has an obligation under the Local Government Act 2002 to make financially prudent decisions to ensure long term sustainability and responsible stewardship of public resources.
- 7.4 Council must also ensure compliance with its own funding and financial policies.
- 7.5 Accepting the proposal from Rangitāne Tū Mai Rā Trust supports prudent financial management and is compliant with Council policy by promoting the long-term interests of the community. While this may mean forgoing the interest, this option increases the likelihood of full principal repayment, which otherwise might be at risk.

8. Consultation

- 8.1 As this matter is not considered significant under Council's Significance and Engagement Policy, consultation or engagement with the community is not required and Council may decide, taking into consideration those who are affected by, interested in or likely to have a view on the decision.

9. Conclusion

- 9.1 Approving the proposal from Rangitāne Tū Mai Rā Trust in principle is financially prudent, consistent with the Local Government Act 2002, and in the long-term interests of the community.

- 9.2 By exploring the proposal to transfer the loan agreement, Council has an opportunity to negotiate security for the loan, to further safeguard its principal investment.

Attachments

Nil.