



Council Workshop Briefing Session

Notes of a workshop briefing session of the Tararua District Council held in the Council Chamber, 156 High Street, Dannevirke on Wednesday 10 June 2026 commencing at 2:22 pm.

1. Present

Mayor – Mr S M Gilmore, Crs S M Wards (Deputy Mayor), A J Amboy, C L Corlett, P A Johns, P M Naylor, E L Peeti-Webber, K E R Te Waaka, and S A Wallace

In Attendance

Ms R Bell	- RB Consulting
Mr C Haines	- Chief Executive
Ms S Lowe	- Group Manager – People, Capability and Customer Engagement
Mr H Featonby	- Group Manager – Operations
Ms J Smith	- General Counsel
Mrs B Kawana	- Corporate Planning and Reporting Advisor (online)
Mr P Wimsett	- Chief Strategic Advisor
Mrs S Walshe	- Finance and Revenue Manager
Mrs S Anthony	- Democracy Support Officer

2. Apologies

An apology from Elisabeth Kennedy was noted.

3. Reports

3.1 Revenue and Financing Policy Compliance Years 1-3 2024-34 LTP

Rebecca Bell and Sarah Walshe (Finance and Revenue Manager) presented, noting this workshop is a continuation from the 20 May workshop reviewing funding needs assessments, addressing outstanding activities not previously covered, and providing opportunity for questions and clarification from elected

members.

No changes have been made to previously discussed funding assessments, however it was advised that all items remain open for reconsideration as part of the Long-term (LTP) process. Elected members can revisit decisions if required - nothing is fully fixed at this stage.

Today's session aimed to touch on the Transport needs assessment and review the Regulatory Services Activities.

It was noted that a correction was made to the Footpaths activity following the previous workshop. The subsidy dropped down (from 75-85% to 65-75%), it was advised that this may change as we progress through the budget, this is an intuitive process and will continue to refine. The NZTA funding decision is also important to remember and will be known later this year.

A question was raised as to whether there has been any indication that the NZTA FAR (Funding Assistance Rate) will change. At this stage no, however, there is uncertainty around the overall funding envelope, which could still impact available funding. Even if FAR remains the same, NZTA could reduce total funding allocations, as seen in previous LTP cycles. This risk is heightened by NZTA's financial constraints, and a large state highway capital programme competing for funding. The FAR rate may stay stable, but overall transport funding levels remain a significant risk area.

Regulatory Group Funding Needs Assessment

This group has been split into Compliance and Monitoring, Animal Control, Building Control, District Planning and Resource Consents Planning (new).

A question was raised about a common perception from a member of the public that the Council generates a profit from animal control fees and charges, likely due to the high proportion (85–95%) attributed to this funding source. It was clarified that fees and charges actually make up 17.1% of the activity's funding, with a policy maximum of 15%. This indicates that the activity is currently not compliant with the policy, and rates are being used to cover the shortfall. It was also noted that this may need to be revisited as the process continues, particularly as stranded overheads are factored in.

Building control - officers advised that they have talked at length with Building team. Balance is covered by general fund, easily identifiable beneficiaries. Proposed slight adjustment (45-55% General Rate and 45-55% Fees and Charges to a recommendation of 50-60% General Rate and 40-50% Fees and Charges) . Cost based recovery activity, in past over estimated consent revenue, as environment changes this changes, have retained low to date. Rather than overstate this time around, set more in line with where comfortable.

Officers has been working with the building team to assess whether the current balance between rates and fees/charges is appropriate. There is significant

uncertainty due to upcoming building and local government reforms, particularly around changes to consent requirements. Potential policy changes (e.g. fewer consent requirements for smaller buildings) could reduce consent volume and fee revenue. It is unclear at this stage how these reforms will impact workloads, and detailed analysis has not yet been completed. There is recognition that reduced consenting may lower fee income, potentially increasing reliance on rates. However, compliance activity could increase, possibly offsetting reductions in consenting work. Overall, impacts are uncertain and lagged, and Council will need to monitor and reassess as reforms become clearer. Members were comfortable with the funding source adjustment.

Council is separating district planning from resource consenting activities, which were previously grouped together. This change is driven by central government's mandatory activity groupings for improved benchmarking and reporting. As a result, Council will need to restructure how activities are grouped in the LTP. Initial indication is that resource consenting may be largely (if not fully) funded by user charges, but a final recommendation is still to come. The change aligns with internal thinking and is seen as a logical and supported direction by staff. Further advice will be provided to Council on updated activity groupings and funding approaches for the separated activities. This is a required structural change, but it also aligns with best practice and internal review already underway.

It was noted that the Management recommendations (first cut) slide was there to provide context, however it is not required to discuss further.

Revenue and Financing

Financial extracts from the first three years of the 2024–34 Long-Term Plan were provided to show actual performance and compliance levels. Animal control was highlighted as an area of non-compliance, which will also be reflected in the Annual Plan 2026/27 adoption report. Most other activities are tracking close to policy limits, with the exception of transportation/roading, which is significantly under. The non-compliance (including transport/roading) was anticipated when the LTP policy limits were set. Council expected early years to show non-compliance with a transition to compliance in later years. This is due to planned adjustments, particularly increased depreciation funding over time, to bring activities back into alignment. Current non-compliance is intentional and transitional, not unexpected, with a plan to return to compliance over the life of the LTP.

Council can operate outside its policy (e.g. funding ratios) if needed, but must comply with Section 81 of the Local Government Act. This requires a clear, documented rationale, consideration of implications, a transparent decision-making process. Having this framework protects Council in case of audit scrutiny, or judicial review, where decisions could otherwise be challenged and forced to be redone. The key risk is unintentional non-compliance - decisions made without proper justification or process increase exposure to challenge and financial risk. It is possible to intentionally choose to go outside policy (e.g. increase rate funding

to maintain services during uncertainty), but must do so deliberately, be fully informed, and ensure clear documentation and governance oversight. It is not the act of deviating from policy that creates risk—it is doing so without a clear, documented, and well-considered process.

Clarification was given regarding Revenue & Financing Policy Scope - it is an important to focus on “where funding comes from”, not the total size of the budget. Funding ratios remain consistent regardless of total expenditure changes, even if a budget increases significantly, the funding proportion stays the same.

Regarding uncertainty around future years (Years 2 & 3), concern was raised about planning beyond Year 1 due to potential reforms. Some activities may not exist in Years 2 and 3, creating difficulty in decision-making. A need was identified for a plan for a 3-year period, however this is impacted by uncertainty about future structure and services due to central government reforms. It was noted that this process reflects the best information available at the time of doing the work and when decisions are adopted. That’s the basis we have to operate from. If things change in year two, three, or even later on, we don’t yet know what that will look like—but we have to proceed using the best possible position and the most current information available to us at the time.

The workshop briefing session closed at 3:08pm.