



**South Wairarapa District Council
Financial Policies Deliberations – Day 1
Minutes from 9 November 2023**

Present:	Mayor Martin Connelly, Deputy Mayor Melissa Sadler-Futter, Councillors Colin Olds, Pip Maynard, Alistair Plimmer, Kaye McAulay, Rebecca Gray (via Zoom), Martin Bosley and Aaron Woodcock.
Apologies:	Councillor Aidan Ellims.
In Attendance:	Russell O’Leary (Group Manager Planning and Environment/Acting Chief Executive), Karon Ashforth (General Manager Finance), Charly Clarke (Senior Financial Accountant) and Amy Andersen (Committee Advisor). Philip Jones (Consultant).
Conduct of Business:	This meeting was held in the Supper Room, Waihinga Centre, 62 Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 9.01am to 11:58am.

1. Karakia

Mayor Connelly opened the meeting with a karakia.

2. Apologies

COUNCIL RESOLVED (DC2023/164) to accept apologies from Cr Ellims.
(*Moved Mayor Connelly/ Seconded Cr Bosley*)

Carried

3. Conflicts of Interest

There were no conflicts of interest declared.

4. Decision Reports from Chief Executive and Council Officers

4.1 Financial Policies Deliberations Report

COUNCIL RESOLVED (DC2023/165) to receive the Financial Policies Deliberations Report.

(*Moved Mayor Connelly/Seconded Cr Maynard*)

Carried

Ms Clarke spoke to matters included in the report and noted that Council Officers will model changes discussed today in the next week for the deliberations on Thursday,

DISCLAIMER

16 November; and by the end of next week, Council Officers can make the final draft of the policies for adoption at a Council meeting (date to be confirmed).

Mr Jones reinforced that this is Council's policy – if there are changes, there must be a reason for them. Each of the targeted rates were to be reviewed, then general rates.

Council Officers and Mr Jones responded to members queries including: the response to Federated Farmers' submission; the impact of new valuations; the levels of the UAGC; the impact of carbon credits on property valuations; application of a differential on UAC; use of water tanks to reduce supply issues; water races and identification of those users.

Members noted they would like further information and modelling relating to the Federated Farmers' submission.

Council Officers delivered a presentation (please see attached) and members discussed the approach to the proposed Targeted and General Rates for modelling on 16 November, including:

Roading - Members requested information relating to a differential on forestry for the Roding targeted rate.

Footpaths – no change to approach noted.

Refuse and Recycling – no change to approach noted.

Water Supply

COUNCIL RESOLVED (DC2023/166) to agree that modelling for the 50% and 70% discount options relating to water supply connections (water supply targeted rate) would be provided at the 16 November Council meeting.

(Moved Mayor Connelly/Seconded Cr McAulay)

Carried

Against: Cr Plimmer, Cr Bosley, Cr Gray.

Meeting adjourned at 10:15am.

Meeting reconvened at 10:26am.

Wastewater – no change to approach noted.

Stormwater – no change to approach noted.

Water Races – Noted that further advice will be presented at the 16 November deliberations meeting in relation to water races / users.

DISCLAIMER

Until confirmed as a true and correct record, at a subsequent meeting, the minutes of this meeting should not be relied on as to their correctness

Economic development – Members requested further information on the inclusion of unhosted Air B&B / Book-A-Bach properties for commercial rates.

Noted by Council Officers that this would require owners to complete self-identification with some targeted work by Finance Team.

Infrastructure Resilience - Members requested further information on the SUIP – a standard definition of this was requested by members. Further modelling and information relating to this in terms of the roading, footpaths, refuse, and water services.

Noted that Remissions Policy advice will be provided in terms of how this will be applied.

UAGC and General – Members requested further information relating to a commercial differential on land on 16 November.

Next steps noted by Council Officers:

- Finance will model the AP 23/24 budgets with the current and proposed policies and present the results to Council on the 16 November.
- Council will discuss any outliers, unexpected impacts, and other issues that come out of this modelling.
- Adjustments will be indicated.
- Final Policies will be written according to direction given in this meeting
- Early 2024 the final policies will be put to Council for adoption.

Members discussed feedback relating to the Remission of Rates Policy.

6. Karakia

Mayor Connelly closed the meeting with a karakia.

Attachment - Power point presentation attached.

The meeting closed at 11:58am.

Confirmed as a true and correct record

.....(Mayor)

.....(Date)

.....(Chief Executive)

.....(Date)

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REVENUE & FINANCING REVIEW Post Consultation Deliberations

Council
9th November 2023

Chair – Name of chair



**SOUTH WAIRARAPA
DISTRICT COUNCIL**
Kia Reretahi Tātau

We've heard from our community

We received a total of 230 submissions.

17 groups/individuals spoke to their submissions at the hearings session.



Principles from the review

Current system is not fit for purpose or best practice. Status quo is not an option.

Rates are a tax on property value, NOT a value-based transaction.

Administratively simple.



Targeted rate - Roothing

A targeted rate to pay for 80% of the net cost of roading, i.e., after the subsidy from Waka Kotahi has been applied.

Who would pay?

- All rating units that are liable for general rates.

Current proposal on how would it be assessed

- 30% would be via fixed charge applied equally to each rating unit or SUIP of a rating unit
- 70% would be via a capital value-based rate
- Currently no differentials identified



Targeted rate - Footpaths

A targeted rate to pay for 90% of the net cost of Footpath maintenance and extensions, after the 50% contributions funding for new footpath costs (via the Infrastructure Reserve) has been applied.

Who would pay?

- All rating units that are liable for general rates and **within the urban boundary on the Combined District Plan.**

Current proposal on how would it be assessed

- Capital value-based rate
- Currently no differentials identified



Targeted rate – Refuse & Recycling

A targeted rate to pay for the net cost of waste and recycling, after other income, e.g., bag fees, & transfer station fees, has been applied.

Who would pay?

- All rating units that can receive waste collection services.

Current proposal on how would it be assessed

- Via fixed charge applied equally to each property that can receive waste & recycling services.
- Additional charge for each additional recycling bin.
- Currently no differentials identified



Targeted rate – Water Supply

A targeted rate to pay for the net cost of (drinking) water supply in the district, after other income, e.g., connection fees, & water usage charges, has been applied.

Who would pay?

- All rating units that can be serviced by the network.

Current proposal on how would it be assessed

- Via fixed charge applied equally to each property able to be connected to water supply, with a
- 50% discount for those not connected, i.e., “serviceable”
- Allowance of 350m³, and charge of \$1.84 per m³ over the allowance.
- Currently no inflation link on the excess charge.



Targeted rate – Wastewater

A targeted rate to pay for the net cost of wastewater (sewerage) in the district, after other income, e.g., connection fees, & septic tank disposal charges, has been applied.

Who would pay?

- All rating units that can be serviced by the network.

Current proposal on how would it be assessed

- Via fixed charge applied equally to each property able to be connected to the network, with a 50% discount for those not connected.
- Two pans (or equivalent) included, additional charge per pan after that.



Targeted rate - Stormwater

A targeted rate to pay for 90% of the net cost of stormwater drainage.

Who would pay?

- All rating units that are liable for general rates and **within the urban boundary on the Combined District Plan.**

Current proposal on how would it be assessed

- Capital value-based rate
- Currently no differentials identified



Targeted rate – Water Races

A targeted rate to pay for net cost of maintaining water races.

Who would pay?

- All rating units that have access to the Longwood and Moroa races.

Current proposal on how would it be assessed

- Land value-based rate
- Currently no differentials identified



Targeted rate – Economic Development

A targeted rate to pay for **80%** of the net cost of economic development, i.e., after other income (e.g., grants) has been applied.

Who would pay?

- All rating units identified by QV as having a **commercial** land use.

Current proposal on how would it be assessed

- Via a capital value-based rate
- **Currently no differentials identified**



Targeted rate – Infrastructure Resilience

A targeted rate to build up a reserve to help fund the cost of infrastructure repairs following damage from natural disasters.

Who would pay?

- All rating units that are liable for general rates.

Current proposal on how would it be assessed

- Via a capital value-based rate
- **Currently no differentials identified**



General rates – UAGC & General

Rates to pay for the remaining net cost of council services & facilities, i.e., after targeted rates, & other income (excluding ringfenced income such as contributions) has been applied.

Who would pay?

- All rating units except those excluded by legislation or policy.

Current proposal on how would it be assessed

- 20% to 30% (modelled on 25%) would be via fixed charge applied equally to each rating unit or SUIP of a rating unit
- Remainder would be via a capital value-based rate
- Currently no differentials identified



Confirm changes made/queries

Roading

Footpaths

Refuse & Recycling

Water Supply

Wastewater

Stormwater

Water Races

Economic Development

Infrastructure Resilience

UAGC

General Rate



Next steps

Finance will model the AP 23/24 budgets with the current and proposed policies and present the results to Council on the 16th of November.

Council will discuss any outliers, unexpected impacts, and other issues that come out of this modelling.

Adjustments will be indicated.

Final policies will be written according to direction given in this meeting.

Early 2024 the final policies will be put to Council for adoption.



Local Government Act (2002)

Section 101(3) “The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,

- a) in relation to each activity to be funded,
 - i. the community outcomes to which the activity primarily contributes; and
 - ii. the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - iii. the period in or over which those benefits are expected to occur; and
 - iv. the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - v. the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community”

