

Extra Ordinary Council Meeting

PUBLIC BUSINESS AGENDA

An Extra Ordinary Council Meeting
will be held in the Council Chamber,
Torphin Crescent, Tokoroa
on Thursday, 29 June 2023
Commencing at 9.30am

OUR VISION

“Healthy people thriving in a safe, vibrant and sustainable community.”

Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	W Machen
	Councillors	H Daine
		M Farrell
		R Garner
		T Lee
		H Nelis
		K Purdy
		M Te Kanawa
		J Teokotai
		S Wallace
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Business Support	M Booth
	Interim Executive Manager (IEM) Strategy and Transformation	D Lascelles
	Interim Executive Manager (IEM) Delivery	J Hassall
	Chief Finance Officer	W Cortesi
	Revenue Manager	M Warren
	Corporate Planning Manager	C Litchfield
	Marketing & Communications Manager	K Fabrie
	Executive Officer	J Anderson

Agenda Confirmed by:

S Law
Chief Executive

*RECOMMENDATIONS contained in reports are NOT to be construed as COUNCIL DECISIONS.
Refer to Council minutes for RESOLUTIONS.*

Order of Business

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1. Welcome / Blessing

2. Apologies / Leave of Absences

Members are requested to provide their apology or leave of absence to the Chair prior to the meeting.

3. Conflicts of Interest

Members are reminded to declare and stand aside from decision making when a conflict arises between their role as an elected member and any private or other external interest they may have.

4. Confirmation of Agenda

Recommendation:
That the Agenda, as circulated be confirmed.

5.1 Adoption of the Annual Plan 2023-24

Document Information

Report To:	Council
Meeting Date:	Thursday, 29 June 2023
Author:	Debbie Lascelles
Author Title:	Interim Executive Manager, Strategy & Transformation
Report Date:	Wednesday, 21 June 2023

Purpose

1. This report requires a decision from Council.
2. To adopt the Annual Plan 2023-24.

Recommendation

3. That Council:
 - a) Receives Report 2023-631855, Adoption of the Annual Plan 2023-24 ECM 631855.
 - b) Adopts the Annual Plan 2023-24 pursuant to section 95 of the Local Government Act 2002.
 - c) Authorises the Chief Executive to make any final editorial amendments to the Annual Plan 2023-24 document.

Executive Summary

4. Council is required to adopt the Annual Plan 2023-24, before the commencement of the year to which it relates and make the plan publicly available within one month after adoption as per the requirements of the Local Government Act 2002 (LGA), section 95 (3), and (7).
5. The draft Annual Plan 2023-24 has been consulted on as required by section 82 of the LGA.
6. Every three years the Council adopts its Long Term Plan (LTP). In years two and three of the Long Term Plan cycle the Council produces an Annual Plan.
7. The Annual Plan 2023-24 is included as an attachment to this report.
8. All the feedback from the community during the public engagement sessions and via the formal submission process has been responded to and considered.
9. Affordability is the primary reason for submitters to oppose an 18.5% rates increase.
10. Some submitters suggested options Council staff could consider addressing the ongoing operational deficit that necessitate the rate increase.
11. Work on an exhaustive range of options to address the Council's viability and sustainability will continue but mostly they should be the subject of consideration during the development of the Long Term Plan 2024-34, rather than are available for immediate execution.

12. Even with an 18.5% rates increase; further savings are required to avoid ongoing large increases in future years.
 13. To reduce the proposed rate increase would require changes/reductions to:
 - levels of service;
 - range of services;
 - the cost drivers that underpin delivery of services; and
 - modes of service delivery .
- These can only be considered during a Long Term Plan process.
14. The 18.5% factors in one year internal efficiencies that are being made. If the rate is lowered, it will result in a larger rate increase in following years and the community has been very vocal about wanting to avoid that scenario.
 15. Staff consider that the 18.5% increase is the best option for the organisation's future sustainability and to minimise ongoing impact to the community.

Context

16. Workshops with Councillors were held in January, March and April 2023 to discuss options that could address issues with South Waikato District Council's financial sustainability, specifically how to address the operating deficit that has been funded by debt in previous years.
17. Financial modelling demonstrated that if the Council was to continue, as planned, with a 10% rates increase, the operating deficit would continue to increase over time and our debt cap would be breached by the 2026-27 financial year.
18. Several options to address the issues were discussed at these workshops. These included shared services, other alternative service delivery options, business efficiencies, ceasing and reducing levels of service, asset sales and increasing fees and charges.
19. All these options have been explored. Some required significantly greater examination and would be for potentially longer term decision-making and implementation. There were no 'quick wins' of significance. In particular, asset sales and/or reductions in capital spend would make little difference to the projected operating deficit. Considerable time and effort was invested at the governance and management levels into how to address the financial challenges. The basis of the draft Annual Plan 2023-24, which was approved for public consultation at the 5 May 2023 Extra Ordinary Council meeting, represents the actions that are required to start the journey to putting the Council back on a sound financial footing.
20. Three scenarios were presented in the Consultation Document, demonstrating the impact of rates increases of 10%, 18.5% and 27% on the organisation's financial trajectory. The proposed 18.5% rates increase does not completely address the operating deficit and considerable savings will still need to be made to avoid further increases of a similar magnitude in the following years. It does, however, give the organisation time to consult with the community about which services should continue to be funded in the Long Term Plan 2024-34.
21. Consultation opened on the 12 May 2023 and closed on 9 June 2023.
22. Extensive community engagement was undertaken during the consultation period. Public meetings were held in Tokoroa, Putāruru, Tirau and Arapuni. In addition, targeted engagement sessions were held for iwi, Pasifika, older persons and the business community. Approximately 270 people attended these sessions in person.
23. Council received 88 written submissions.
24. Hearings and Deliberations were held on 16 June 2023 and ten submitters presented to Council in person.

25. While many people understood the need for Council to address its underlying financial sustainability, concern was expressed in the community about affordability and the pressure such a large increase would put on those already struggling.
26. During deliberations, the majority of Councillors acknowledged the impact that an 18.5% rates increase would have on the community, but reluctantly accepted that this option is necessary to address the financial sustainability of the Council and prevent a larger rate increase in following years.
27. A few Councillors requested that the operating deficit be funded by further efficiencies or asset sales be used to soften the rates increase.

Discussion

Operational efficiencies

28. In previous years, line-by-line operational detail was provided to Councillors for review as part of the Annual Plan process. Changes to budgeted amounts were sometimes made by Elected Members. This level of analysis and input is neither appropriate nor transparent. Accountability for financial and operational performance was obscured. Arbitrary changes to assessment of resource requirements distorted the real cost of delivery of services. Hence the approved annual plan resource requirements (budget) bore little relationship to the year end outturn and borrowings were used to mediate the deficit.
29. Governance is about setting direction, articulating a vision and identifying priorities for the organisation. Having those in place, the governing body then provides oversight and holds management to account for the delivery of these.
30. Councillors are not accountable for each general ledger line item and working at that level is detrimental to good governance. Staff are the professionals in the delivery of their service and are accountable to their managers and the Chief Executive. Staff are responsible for costing and providing budgets for the priorities that the Council wish to pursue. If the budgets or costs are higher than Council would like, the priorities need to be revisited and changed. This is the appropriate focus during the development of a Long Term Plan.
31. Staff have identified efficiencies that can be made without compromising the levels of service already agreed with the community in the Long Term Plan 2021-31. These savings were summarised and provided to Councillors at the workshops.
32. Further efficiencies will result in changes of levels of service for the community and would trigger a Long Term Plan amendment.
33. Significant savings **still need to be made**, even with the increase in rates to 18.5%. However, the community needs to be consulted about the services they are willing to reduce or cease for those further efficiencies to be made.
34. The proposed 18.5% does not fully cover the deficit. Any savings that are identified by reducing levels of service or further efficiencies now need to go towards funding the **remainder of the deficit**. Failure to do so will result in larger rate increases during the Long Term Plan 2024-34 which begins next year.

Sale of assets

35. Past Annual Plan reviews have had a primary focus on the rates increase percentage, rather than the delivery of services within the resources available (the operating budget). This has compromised the organisation's financial sustainability and contributed to the need for a large rate increase during this Annual Plan.

36. Asset sales are an example of a practice that does not address long term sustainability and will result in higher rate increases in following years.
37. Asset sales provide a one-off cash injection reducing the need to borrow. It only delays the need for a rate increase to the following year, compounding that cost with further inflation.
38. In addition, assets are part of an organisation's equity and balance the organisation's debt position. If sold and used to fund operational expenses instead of paying back debt, it only further compromises the organisation's overall financial position.
39. Balancing the books (beginning to eliminate the operating deficit) has been a focus of the Annual Plan 2023-24 process. If we do not start to address these issues now, there will be far worse increases in future years and the community has clearly stated during the consultation period, that they do not want this to occur.

Capital Programme

40. The proposed capital portfolio programme for 2023-24 including proposed carryovers was provided to Council in a workshop on 7 June 2023.
41. In response to community feedback, the programme has been stripped of anything that could be considered 'nice to have' and now consists of only those projects that are already contractually committed, are required to meet health, safety or compliance issues or are vital to support growth.
42. All other projects have been deferred and will form part of the prioritisation discussions during the Long Term Plan 2024-34.

Uniform Annual General Charge

43. Councillors requested that some thought be given to the impact of any adjustments to the Uniform Annual General Charge (UAGC).
44. The UAGC is \$342.12 for the 22-23 year and was set at 16%.
45. The proposed Annual Plan 2023-24 rates calculation includes UAGC of \$426.87 based on 16%.
46. Increasing the UAGC above 16% would shift the burden of the increases so that a greater proportion of the increase would be shouldered by the urban residential ratepayers and a lower proportion of the increase would be met by rural ratepayers.
47. The impact of a 29.5% UAGC calculation is shown below.

UAGC %	Current year 16%	2023/24 at 29.5%
Tokoroa Urban Residential		
Average Property Value	\$380,000	\$380,000
Total Annual Rates	\$2,682	\$3,496
Change per week		\$15.67
Putāruru Urban Residential		
Average Property Value	\$475,000	\$475,000
Total Annual Rates	\$2,979	\$3,774
Change per week		\$15.29
Tīrau Urban Residential		
Average Property Value	\$555,000	\$555,000
Total Annual Rates	\$3,218	\$3,993
Change per week		\$14.91
Arapuni Urban Residential		
Average Property Value	\$485,000	\$485,000
Total Annual Rates	\$3,108	\$3,912
Change per week		\$15.45
Tokoroa Ward Farm - two dwellings		
Average Property Value	\$4,917,000	\$4,917,000
Total Annual Rates	\$13,776	\$13,449
Change per week		-\$6.29
Putāruru Ward Farm - two dwellings		
Average Property Value	\$3,620,000	\$3,620,000
Total Annual Rates	\$10,373	\$10,485
Change per week		\$2.15
Tīrau Ward Farm - two dwellings		
Average Property Value	\$3,889,000	\$3,889,000
Total Annual Rates	\$11,093	\$11,115
Change per week		\$0.42
UAGC %		
	Current year 16%	2023/24 at 29.5%
Tokoroa Lifestyle		
Average Property Value	\$730,000	\$730,000
Total Annual Rates	\$2,323	\$2,737
Change per week		\$7.97
Putāruru Lifestyle		
Average Property Value	\$750,000	\$750,000
Total Annual Rates	\$2,401	\$2,813
Change per week		\$7.92
Tīrau Lifestyle		
Average Property Value	\$810,000	\$810,000
Total Annual Rates	\$2,569	\$2,961
Change per week		\$7.54

48. This essentially shifts the impacts of the increase to those with lower property values and who are often our more deprived communities. For this reason, staff have not recommended a change to the UAGC.

Financial Assistance and Payment Option

49. Councillors were advised of various financial assistance and payment options available to ratepayers and residents depending on their circumstances.
50. The maximum rates rebate is increasing from \$700 to \$750 from 1 July 2024.

51. An example of the amount of rates rebate applicants may be entitled to for the 2023-24 year when they have no dependents is below.

Household income	Level of rates								
	\$1,000	\$1,500	\$2,000	\$2,500	\$3,000	\$3,500	\$4,000	\$4,500	\$5,000
\$30,000	\$560.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
\$32,000	\$323.00	\$656.33	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
\$34,000	\$73.00	\$406.33	\$739.67	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
\$36,000	-	\$156.33	\$489.67	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
\$38,000	-	-	\$239.67	\$573.00	\$750.00	\$750.00	\$750.00	\$750.00	\$750.00
\$40,000	-	-	-	\$323.00	\$656.33	\$750.00	\$750.00	\$750.00	\$750.00
\$42,000	-	-	-	\$73.00	\$406.33	\$739.67	\$750.00	\$750.00	\$750.00
\$44,000	-	-	-	-	\$156.33	\$489.67	\$750.00	\$750.00	\$750.00
\$46,000	-	-	-	-	-	\$239.67	\$573.00	\$750.00	\$750.00
\$48,000	-	-	-	-	-	-	\$323.00	\$656.33	\$750.00
\$50,000	-	-	-	-	-	-	\$73.00	\$406.33	\$739.67
\$52,000	-	-	-	-	-	-	-	\$156.33	\$489.67
\$54,000	-	-	-	-	-	-	-	-	\$239.67
\$56,000	-	-	-	-	-	-	-	-	-

52. Council has a Rates Remission Policy that is due for review in 2024 as part of the Long Term Plan process.
53. The Rates Remission Policy currently provides relief options that include remission of penalties, assistance and relief to community, sporting and other organisations to assist in maintaining and enhancing community wellbeing and assisting with the preservation and promotion of natural and heritage assets within the district to encourage the protection of land for natural, historical or cultural purposes.
54. Council also offers a direct debit payment option for ratepayers that spreads the cost of rates over the year based on the timing request of the ratepayer. This is generally offered on a weekly, fortnightly, monthly, quarterly or annual basis.
55. In all options above, the ratepayer must contact the Council so the necessary financial assistance can be provided.
56. The overriding issue during the community consultation was one of the impact upon household budgets. This is well understood. Council will take a proactive approach to meeting with the community, community groups and individuals to raise awareness of the assistance available to households – from the rates rebate to payment plans and including potential assistance from the Accommodation Supplement for renters.

Summary

57. Affordability within the community was raised as one of the primary reasons for opposition to the proposed rate increase.
58. The majority who understood Council's financial position, however, did agree that the options to address the current situation are very limited.
59. Those with suggestions to ameliorate South Waikato District Council's financial sustainability came up with ideas that have either already been considered and actioned or are on the list to consider as part of the upcoming Long Term Plan.
60. While it is not palatable to make decisions that will cause hardship for some, unfortunately the affordability of a proposal for individuals, is not one that obviates the Council's obligations for the District as a whole. Council must also consider future generations as failing to address the financial sustainability issues at the earliest opportunity only impacts them more stringently.

61. A comprehensive range of options were considered in the lead up to the development of the draft Annual Plan 2023-24 and continue to be considered as part of the next tranche of work.
62. Councillors agree that the organisation's financial sustainability should be addressed, rather than delayed for a following year, which would cause more hardship for the community. The current proposal, though difficult now, is the best option for the community, as it avoids considerably higher adjustments at a later date.
63. The Annual Plan 2023-24 attached to this report is therefore based on the proposed 18.5% rates increase.

Linkage to Strategic Plan Priorities

64. The detail discussed in this report is aligned with the Council vision, community outcomes, Council policies and Council strategy.

Consultation & Engagement

65. There was a statutory obligation to consult with the community under section 82 of the LGA.
66. In addition to the consultation, significant community engagement was offered to raise awareness of the 2023-24 Annual Plan issues and seek feedback via less formal means than the submission process.

Risks

67. If the Annual Plan 2023-24 is not approved at this meeting, the Council will not meet its legislative requirements under the LGA and will not be able to strike a rate for 2023-24.

Significance & Engagement Policy

Significance

68. The key considerations under the Significance and Engagement Policy have been met and its statutory obligations to consult with the community under section 82 of the LGA.

Reference

Reference – Annual Plan 2023-24 Consultation Document ECM 632013

Reference – Forecast Financial Statements ECM 632027

Attachments

Appendix one: Draft Annual Plan 2023-24 ECM 614404

5.2 Adoption and Setting of Rates 2023-24

Document Information

Report To:	Council
Meeting Date:	Thursday, 29 June 2023
Author:	Wiki Cortesi and Martin Warren
Author Title:	Chief Financial Officer and Revenue Manager Interim Executive Manager,
Business Support:	Michael Booth
Report Date:	Tuesday, 20 June 2023

Purpose

1. This report requires a decision from Council.
2. To set and adopt the rates for the 2023-24 financial year.

Recommendation

3. That Council:
 - a) Receives the Adoption and Setting of Rates 2023-24 report ECM 631854.
 - b) Sets the rates as described in the Funding Impact Statement for the financial year commencing 1 July 2023 and ending 30 June 2024 as provided for in section 23 of the Local Government (Rating) Act 2002 (LG(R)A); and as provided for in section 57 and 58 of the LG(R)A.
 - c) Authorises penalties to be added to rates that are not paid by the due date as described in the Funding Impact Statement below. Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand Generally Accepted Accounting Practice and does not include depreciation and other items of a non-cash nature.
 - d) Receives the Funding Impact Statement and has it form as part of this resolution and should be read in conjunction with the maps at the end of the statement. The maps also form part of this resolution.

Executive Summary

4. The Funding Impact Statement included in this report fully describes all of Council's rates and how they are assessed and contributing. These should be read in conjunction with the maps provided and form part of this resolution.
5. Council must resolve to set the rates for the 2023-24 financial year and for penalties to be charged.
6. The final Annual Plan 2023-24 is included as an attachment to this report and the rates to be set are described in the Funding Impact Statement included within this report recommendation.

Context

7. The Funding Impact Statement included in this report fully describes all of Council's rates and how they are assessed and contributing. These should be read in conjunction with the maps provided and form part of this resolution.

The Rating Funding Impact Statement

8. Please note that the Funding Impact Statement is presented for compliance with Local Government (Financial Reporting and Prudence) Regulations 2014. The information presented is not presented in compliance with New Zealand Generally Accepted Accounting Practice (GAAP) and does not include depreciation and other items of a non-cash nature.

The Funding Impact Statement

9. This is a summary of where money will come from, for the year commencing 1 July 2023. The following rates have been set by the South Waikato District Council under the Local Government (Rating) Act 2002 (LG(R)A), on rating units in the District, for the financial year commencing 1 July 2023 and ending on 30 June 2024.
10. Note: All per unit rates are quoted inclusive of GST and rate revenue to be collected is GST exclusive. The rating system used for the general rate and some of the targeted rates is capital value, and property valuations produced by Opteon Technologies Ltd effective 1 July 2021 are used for the 2023-24 rating year.
11. It should be noted that a separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/ a person other than the owner, and who has the right to use or inhabit that portion by virtue of a tenancy, lease, license, or other agreement.
12. This definition includes separately used parts, whether actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or Long Term basis by someone other than the owner.
13. Examples of separately used or inhabited parts include:
 - a property containing two or more separately occupiable units, flats, or houses.
 - a residential, lifestyle or rural property containing separately occupiable areas with a separate business operating in that area or areas.
 - a commercial or otherwise non-residential property containing separate residential accommodation.
 - commercial premises or office blocks containing separate shops, office areas, workshops, warehouses, or other areas, each operated as a separate business in those premises.
14. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.

Limitation on uniform rates

Section 21 of the Local Government (Rating) Act 2002 puts a legislative limit on the amount of rates that can be collected from certain uniformly charged rating mechanisms. In relation to the requirements of that section, the forecast for the 2023-24 year is 16%. The maximum limit is 30%.

General Rate

15. A general rate of \$0.003057 per dollar of the rateable capital value of every separate rating unit in the District. The rate is expected to produce \$22,548,917 (excluding GST).
(Pursuant to Section 13 of the Local Government (Rating) Act 2002)

Uniform Annual General Charge

16. A uniform annual general charge of \$429.30 on every separate rating unit in the District. The rate is expected to produce \$3,613,597 (excluding GST).

(Pursuant to Section 15 of the Local Government (Rating) Act 2002)

Additional Unit Rate

17. An Additional unit rate is charged to any rating unit that has more than one separately used or inhabited part as follows:

- For each residential part of a rating unit: A targeted rate on a uniform basis of \$429.30 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$503,589 (excluding GST).
- For each non-residential part of a rating unit: A targeted rate on a uniform basis of \$429.30 on each separately used or inhabited part of a rating unit beyond the first dwelling or non-residential part. The rate is expected to produce \$86,980 (excluding GST).
- For clarification, a residential part means a self-contained house, unit, flat or similar, designed for or used primarily for residential purposes. A non-residential part means a shop, offices, workshop, warehouse, separate yard or similar, designed for or used primarily for non-residential purposes.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Water Supply Charge

Water supply - metered

18. For Rating units that are solely and exclusively supplied via a metered water supply:
- A targeted rate on a uniform basis of \$482.72 per metered supply.
 - Plus, water used in excess of 320m³ per annum on an individual metered supply shall be charged at \$1.25 m³, or where water is used in excess of 200m³ per day this shall be charged at \$1.46 m³.
 - Contiguous rating units with a single SUIP and multiple meters and total consumption less than 320m³ per annum will be charged one targeted rate of \$482.72. If consumption exceeds 320m³ in total excess consumption shall be charged at \$1.25 m³, or where water is used in excess of 200m³ per day this shall be charged at \$1.46 m³.

Water supply - partly metered or sharing a metered supply.

19. For Rating units that have a mixture of metered and non-metered water supply, or that share a metered water supply with another rating unit:
- A targeted rate on a uniform basis of \$482.72 for each separately used or inhabited part of a rating unit connected to the Council water supply.
 - Plus, for the metered supply, water used in excess of 320m³ per annum per separately used or inhabited part of a rating unit per meter connected to the Council water supply shall be charged at \$1.25 m³, or where water is used in excess of 200m³ per day this shall be charged at \$1.46 m³.

Water supply - other

20. For rating units located within any area shown on the rating maps 2592, 2595, 2589, 2591, 2587 or 2594 that have a non-metered water supply:
- A targeted rate on a uniform basis of \$482.72 for each separately used or inhabited part of a rating unit connected to the Council water supply.
 - A targeted rate on a uniform basis of \$241.36 for each separately used or inhabited part of a rating unit that is not connected to Council's water supply being 50% of the standard charge.

- For rating units located outside any area shown on the rating maps described above that are serviceable but not connected to a Council water supply:
- A targeted rate on a uniform basis of \$241.36 for each rating unit being 50% of the standard charge.
- Rates expected to produce \$3,677,717 GST exclusive from uniform targeted rates, and \$354,750 GST exclusive from charges for water used in excess of allowances.

(Pursuant to Section 16 and Section 19 of the Local Government (Rating) Act 2002)

Wastewater Disposal Charge

21. For all rating units located within any area shown on the rating maps 2593, 2588, 2590 or 2586:
22. Residential use:
- A targeted rate on a uniform basis of \$781.52 on each separately used or inhabited part of a rating unit with a residential use that has a water closet or urinal connected directly or through a private drain to a Council wastewater network.
 - Not connected: A targeted rate on a uniform basis of \$390.76 on each separately used or inhabited part of a rating unit with a residential use that is not connected to a Council wastewater network. This is 50% of the standard charge.
23. Schools:
- For land used as a school: A targeted rate on a uniform basis of \$523.62 on each water closet or urinal connected either directly or through a private drain to a Council wastewater network. School has the same meaning as contained in Clause 6 of Schedule 1 of the (LG(R)A with the exception that residential accommodation used by a school employee is not included. This is 67% of the standard charge.
24. All other non-residential use:
- A targeted rate on a uniform basis on each water closet or urinal connected either directly or through a private drain to a Council wastewater network, as shown below.
 - In respect of the first five pans and/or urinals within the rating unit, a targeted rate on a uniform basis of \$781.52 per pan. In respect of each pan and/or urinal within the rating unit in excess of five – a targeted rate on a uniform basis of \$625.21 per pan. This is 80% of the standard charge.
 - Not connected: A targeted rate on a uniform basis of \$390.76 on each separately used or inhabited part of a rating unit that is not connected to a Council wastewater network. This is 50% of the standard charge.
 - The rate is expected to produce \$6,850,989 GST exclusive.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Stormwater Charge

25. For all rating units located within any area shown on the rating maps 321, 319, 320 or 318:
A targeted rate for stormwater disposal of \$0.0003039 per \$ of the Rateable Capital Value. The rate is expected to produce \$929,835 GST exclusive.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Waste Collection Charge

26. A targeted rate for waste collection to be charged on a uniform basis at \$187.44 per separately used or inhabited part of a rating unit for rating units provided with a waste collection service. The rate is expected to produce \$1,357,444 (excluding GST).

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

District Recycling Charge

27. A targeted rate for district recycling to be charged on a uniform basis at \$54.99 on each separately used or inhabited part of a rating unit in the District.
28. Rating units with an Improvements Value of \$10,000 or less will have a targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.
29. The rate is expected to produce \$519,931 (excluding GST).

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Putāruru Business Promotions Charges

30. Council rates for the Putāruru business promotions charge in two ways, on capital value and on a uniform charge. Each method collects half the funds required for this activity.

Targeted Rate on Capital Value:

31. A targeted rate of \$0.000305 per dollar of the capital value of land on every separate rating unit located within the area shown in the Putāruru business rate area rating map.
32. The targeted rate on capital value is expected to produce \$34,160 (excluding GST) for the promotion of the Putāruru business area.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Targeted Rate on a Uniform Basis

33. A targeted rate charged on a uniform basis of \$241.00 on every separate rating unit located within the area shown on the Putāruru business rate area rating map.
34. Rating units with an improvements value of \$10,000 or less will have a uniform targeted rate of \$0.00. Improvements value is calculated as the capital value of the rating unit minus the land value of the rating unit.
35. The targeted rate on a uniform basis is expected to produce \$34,160 (excluding GST) for the promotion of the Putāruru business area.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Tīrau Ward Charge

36. A targeted rate charged on a uniform basis at \$43.31 on every separate rating unit within the Tīrau ward as defined on SWDC plan 2021. The rate is expected to produce \$38,267 (excluding GST) for the activity of the Tīrau Community Board and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Putāruru Ward Charge

37. A targeted rate charged on a uniform basis at \$33.69 on every separate rating unit within the Putāruru ward as defined on SWDC plan 2021. The rate is expected to produce \$80,240 (excluding GST) for Putāruru promotion activities and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Tokoroa Ward Charge

38. A targeted rate charged on a uniform basis at \$4.00 on every separate rating unit within the Tokoroa ward as defined on SWDC plan 2021. The rate is expected to produce \$20,640 (excluding GST) for Tokoroa promotion activities and the provision of CCTV cameras.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Hall Charges

39. A targeted rate on a uniform basis on every separate rating unit within the hall area as defined on the SWDC plan stated. The rates will be used for providing a hall in the respective area.

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

Hall Rating Area	Uniform Annual Charge GST Incl	Rate Expected to Produce GST Excl	SWDC Plan
Arapuni	\$ 111.41	\$ 16,178	2584
Lichfield	\$ 28.46	\$ 4,751	2584
Puketurua	\$ 89.77	\$ 9,445	2584
Piarere	\$ 13.83	\$ 950	2584
Tapapa-Okoroire	\$ 51.26	\$ 10,251	2584
Upper Atiamuri	\$ 258.40	\$ 7,415	2584
Waotu	\$ 66.11	\$ 7,186	2584

Hall Rating

40. Note that the Plaza in Putāruru and the Tīrau Hall are funded through General Rates and the Uniform Annual General Charge.

Clean Heat

41. A targeted rate charged on a uniform basis as show in the table below, based on the extent of service provided. The rate is calculated as cents per dollar (a percentage) of the initial cost of providing the service to a property and is charged for 9 years. Different rates apply to a property depending on the rating year in which the clean heat rate starts / started. The rate is expected to produce \$200,000 (excluding GST).

First year rated	Final rating year	Rate: cents per dollar
2023-24	2033-32	12.44248
2022-23	2030-31	12.44248
2021-22	2029-30	12.44248
2020-21	2028-29	12.58110
2019-20	2027-28	12.72321
2018-19	2026-27	12.86891
2017-18	2025-26	13.01825
2016-17	2024-25	13.17134
2015-16	2023-24	13.32829

(Pursuant to Section 16 of the Local Government (Rating) Act 2002)

42. The Clean Heat targeted rate applies to services that have been provided under Councils 'Heat Swap', 'Buy Now Pay Later' and 'Split the Bill' schemes.

Due Dates for Payment of Rates

Instalment No	Period	Invoice Date	Date for last day of payment (before penalties apply)
1	Jul – Sept 2023	1 August 2023	7 September 2023
2	Oct – Dec 2023	1 November 2023	7 December 2023
3	Jan – Mar 2024	1 February 2024	7 March 2024
4	Apr – June 2024	1 May 2024	7 June 2024

Additional Charges (Penalties)

43. An additional charge of 10% is to be added to all rates levied in respect of the 2023-24 financial year and which, although due, remain unpaid on the following dates:

Instalment No 1 7 September 2023

Instalment No 2 7 December 2023

Instalment No 3 7 March 2024

Instalment No 4 7 June 2024

44. A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2023-2024 financial year and which remain unpaid on 7 December 2023.
45. A further additional charge of 8% is to be added to all rates levied in any financial year prior to the 2023-2024 financial year and which remain unpaid on 7 June 2024.

(Pursuant to Sections 57 and 58 of the Local Government (Rating) Act 2002)

Due Dates for Payment of Invoices for Metered Water Rates

46. Invoices for rates relating to water consumed in excess of allowances as detailed in section 1.5 Water Supply will be issued separately on 31 August 2023, 30 November 2023, 28 February 2024, and 31 May 2024, with due dates for payment of 20 September 2023, 20 December 2023, 20 March 2024 and 20 June 2024 respectively.

Payment of Rates

47. Rates shall be payable at any of the following locations:

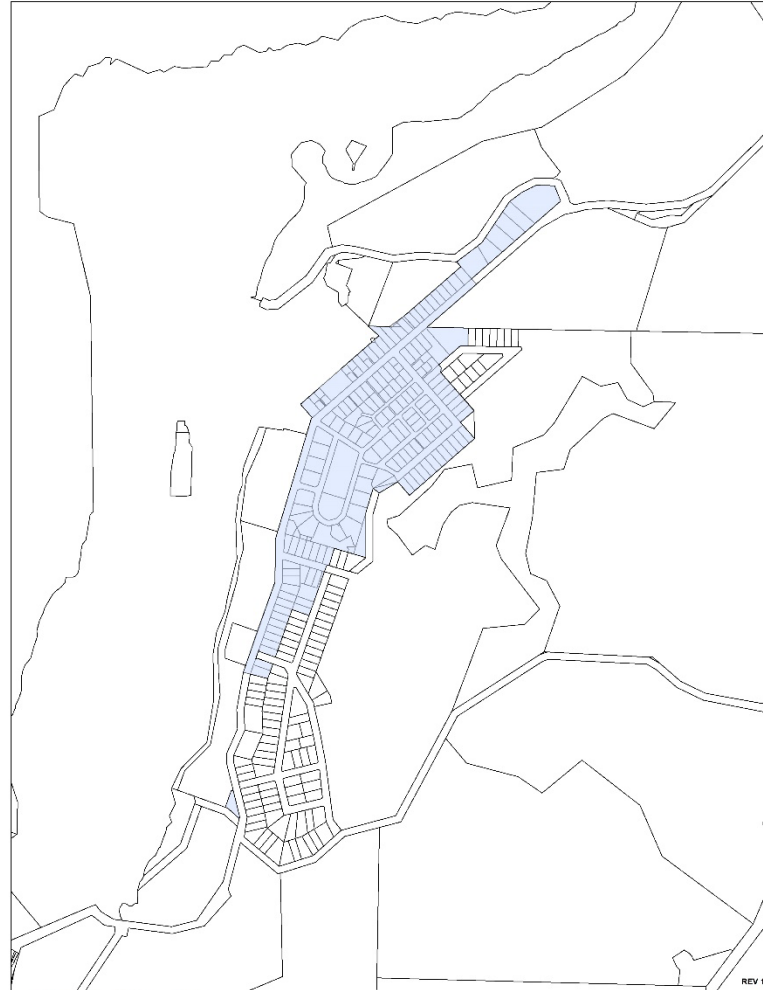
Tokoroa Office, Torphin Crescent, Tokoroa.

Putāruru Office, Overdale Street, Putāruru.

Tīrau Information Centre (The Dog), Main Road, Tīrau

48. Payment may also be made electronically via the ratepayer's banks Bill Payments system (we are pre-registered with all major banks), or by direct credit to Council's bank: BNZ 02 0464 0103382 00 (ensuring property valuation number or water account number is referenced), or by credit card (Visa or Mastercard), POLi or Real Time Debit via Council's website (www.southwaikato.govt.nz).

ARAPUNI WATER
RATING AREA 2592

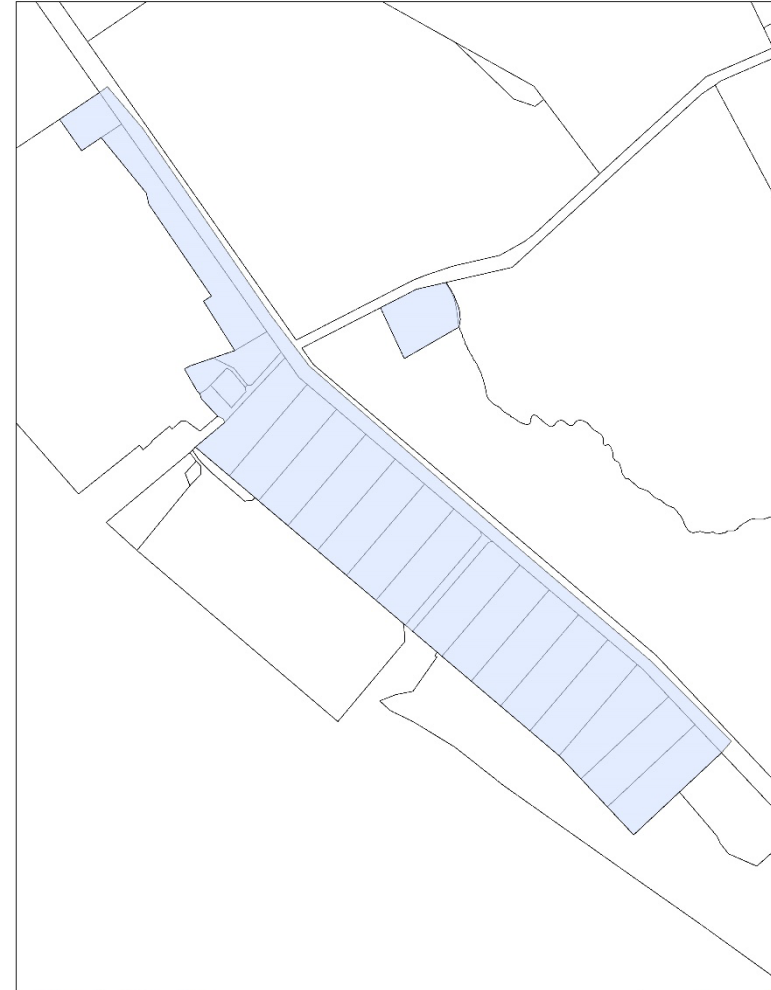


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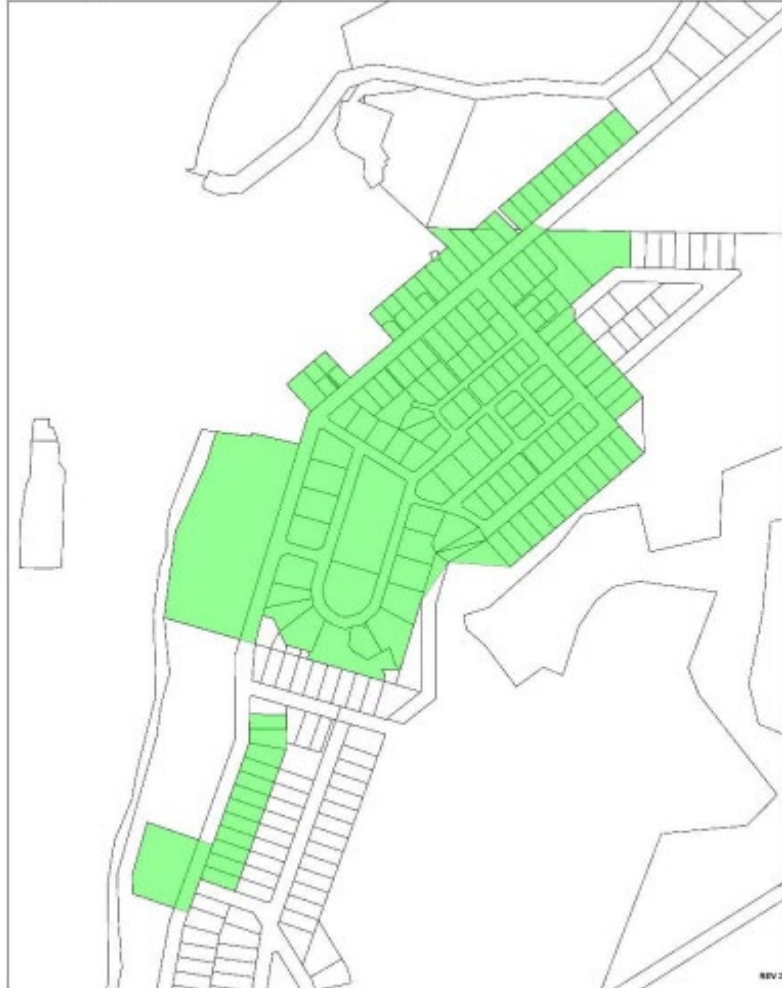
ATHOL WATER
RATING AREA 2594



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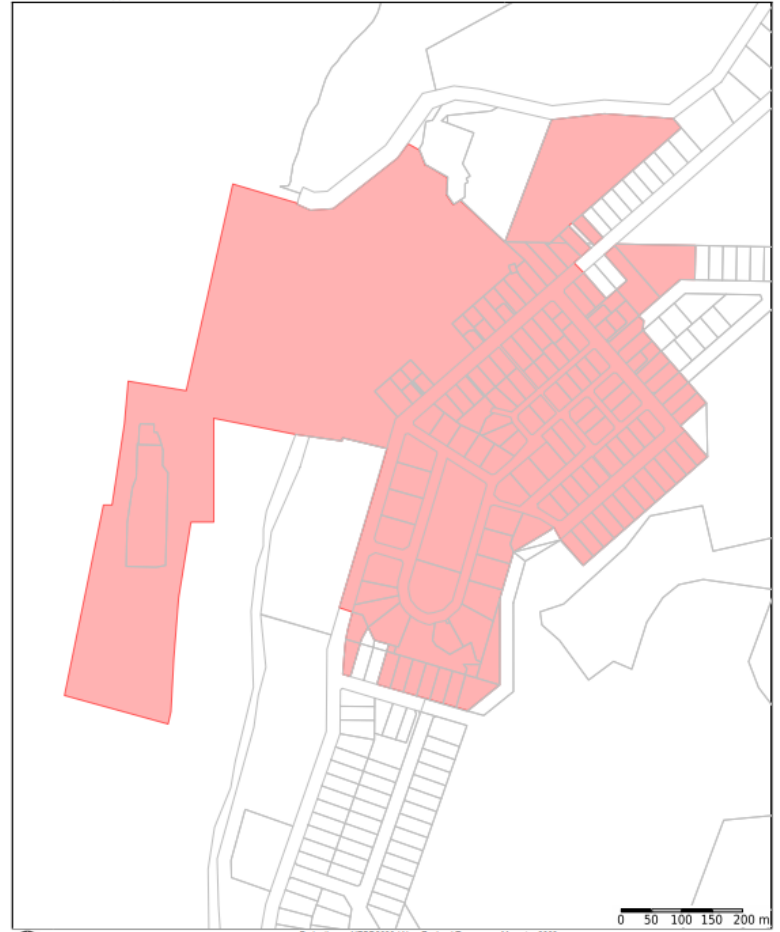
ARAPUNI STORMWATER
RATING AREA 321



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ARAPUNI WASTEWATER
RATING AREA 2593

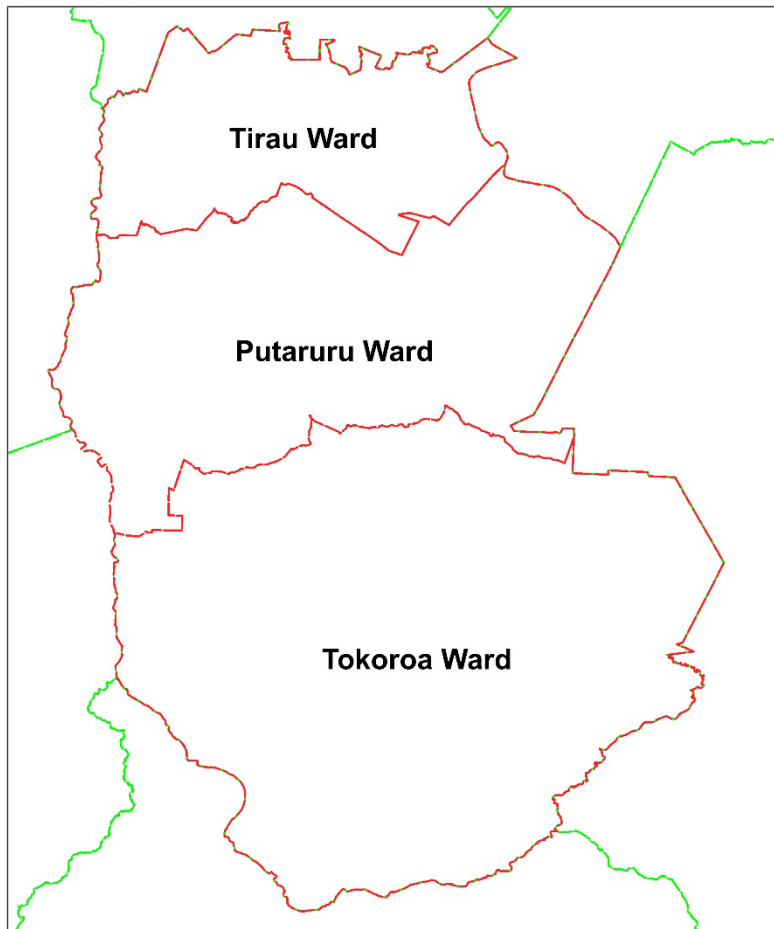
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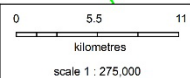
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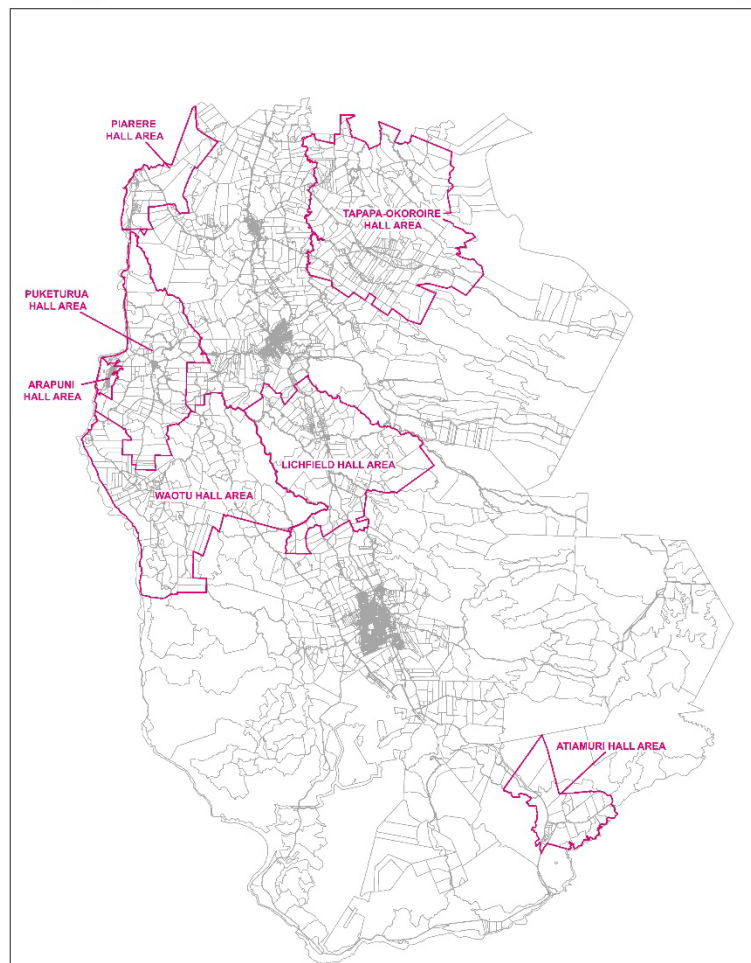
DISTRICT WARDS
SWDC 2021 BOUNDARY



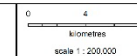
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HALL RATING AREAS 2584



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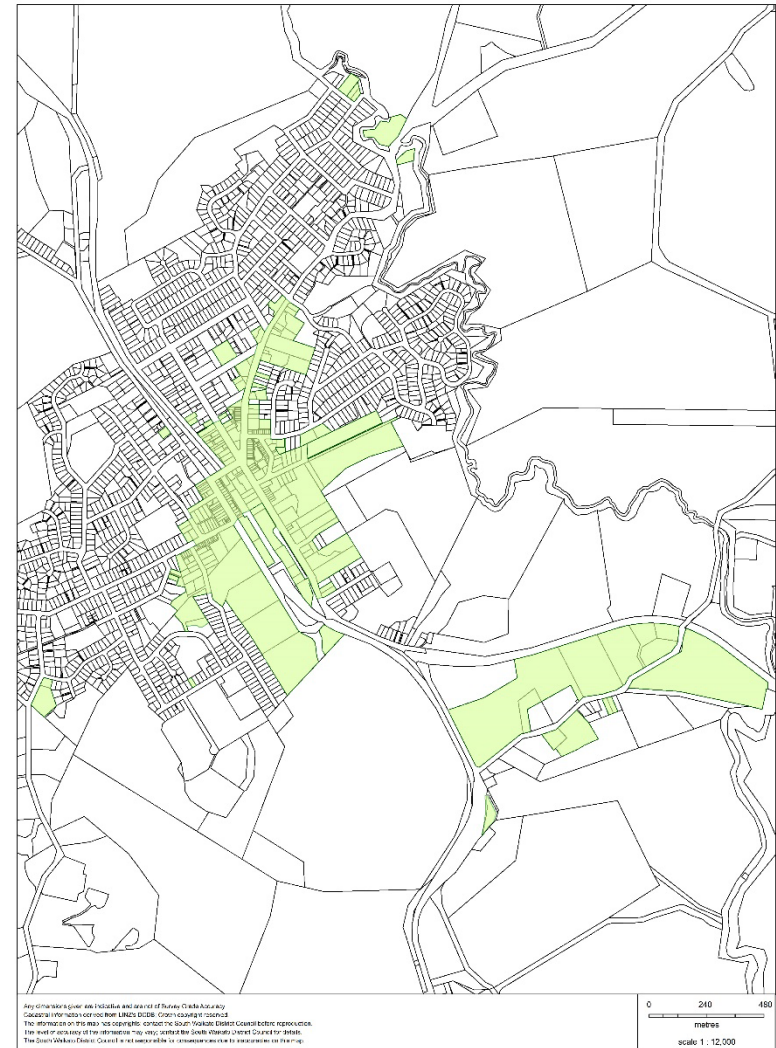


LICHFIELD WATER
RATING AREA 2595



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PUTARURU BUSINESS RATE AREA

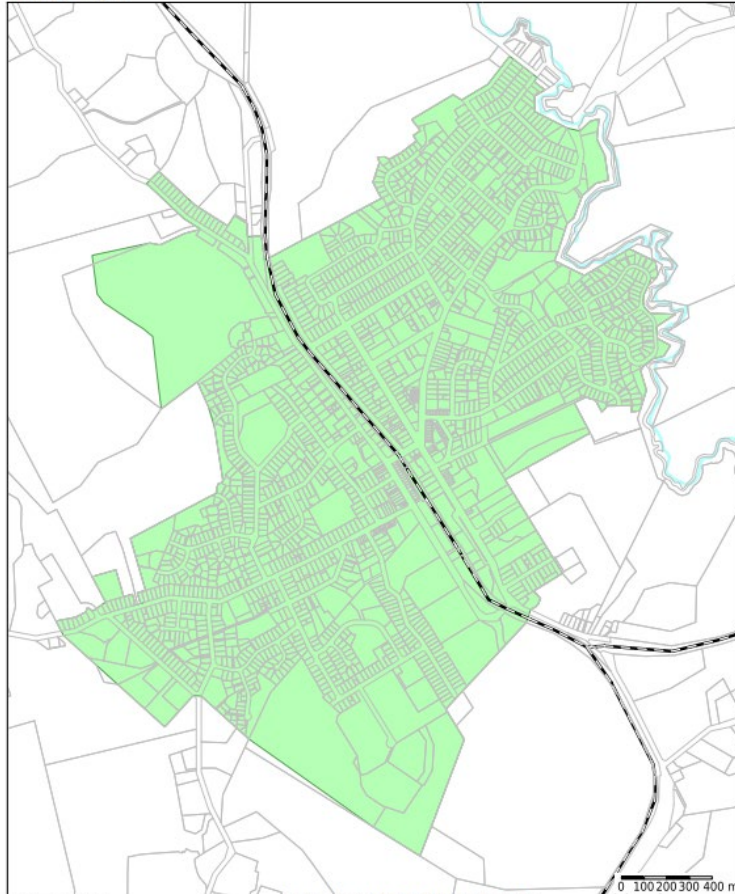


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**PUTARURU STORMWATER
RATING AREA 319**



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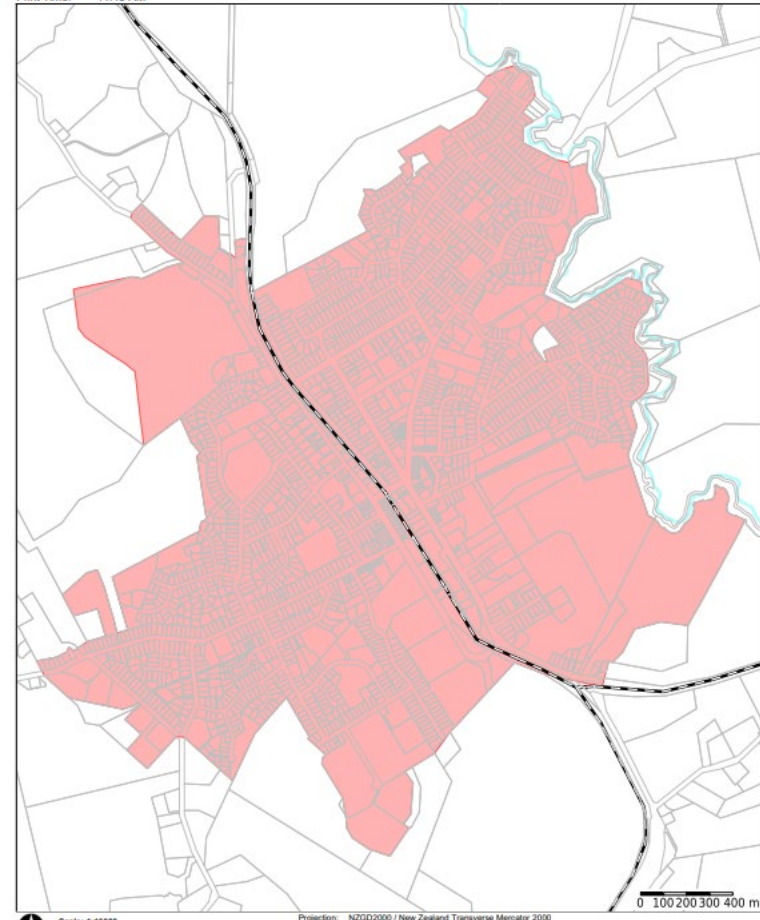
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**PUTARURU WASTEWATER
RATING AREA 2588**



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**PUTARURU WATER
Rating Area 2589**



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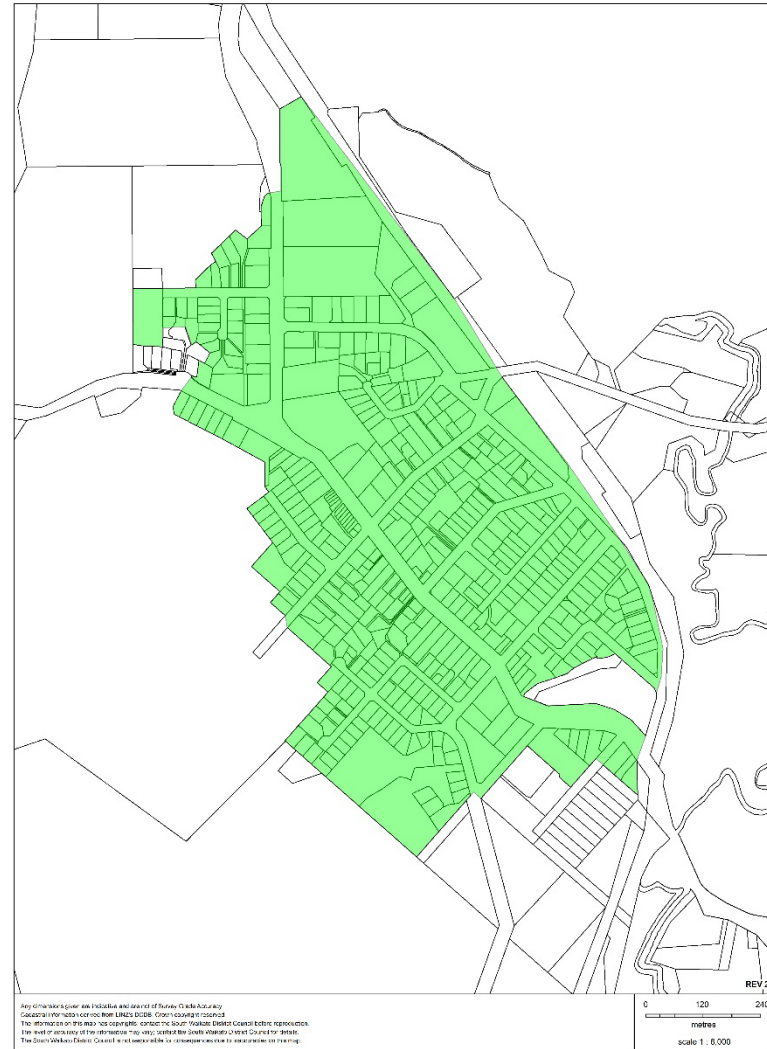
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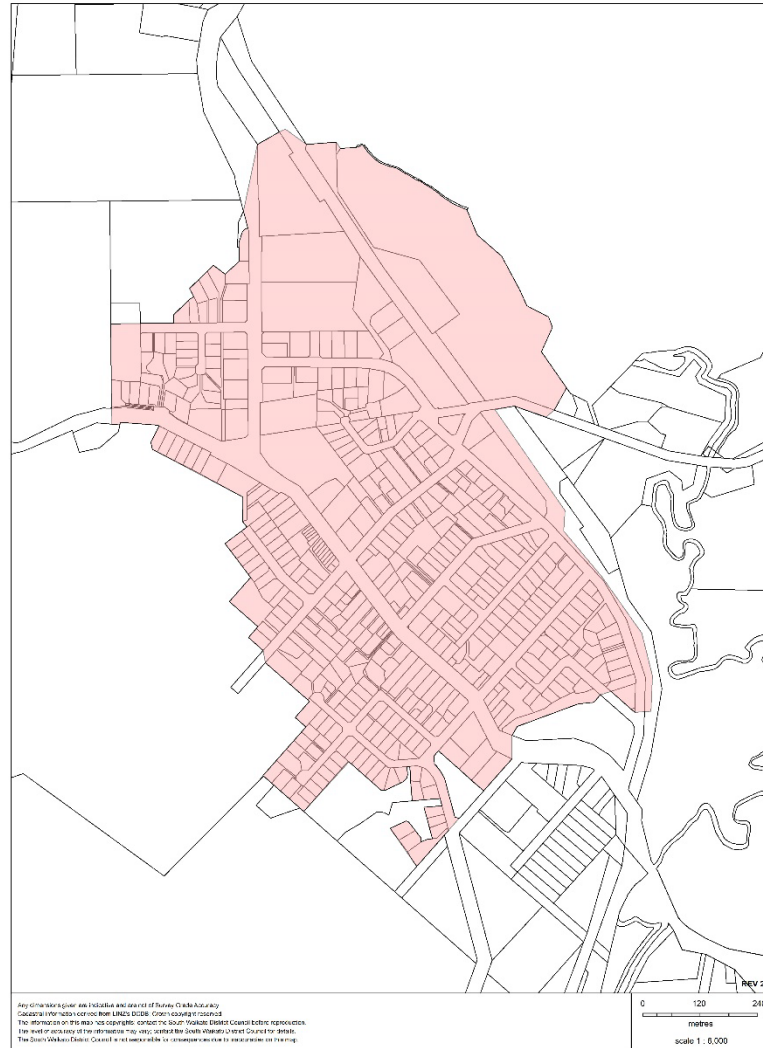
**TIRAU STORMWATER
RATING AREA 320**



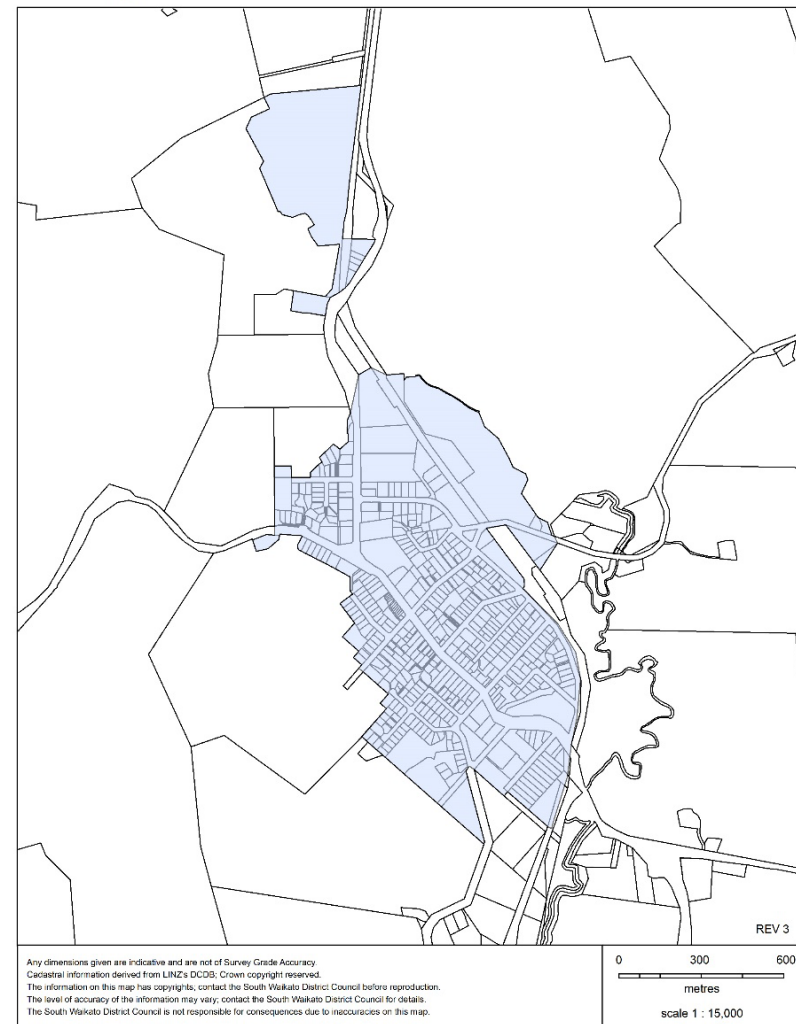
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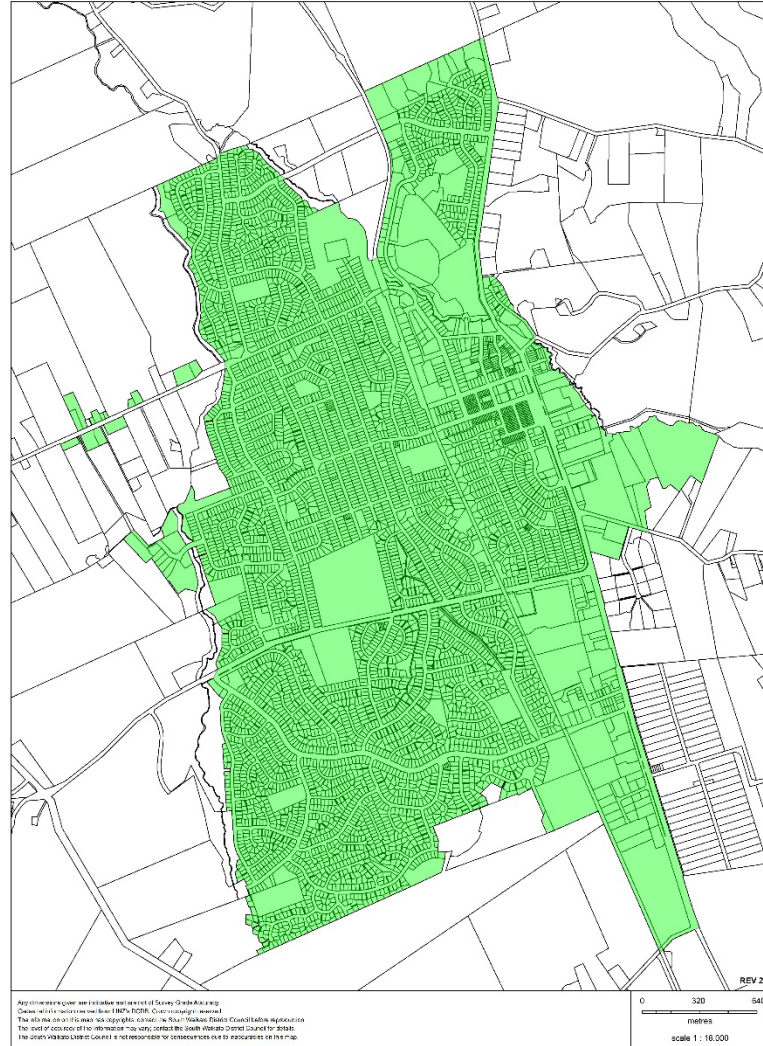
TIRAU WASTEWATER
RATING AREA 2590



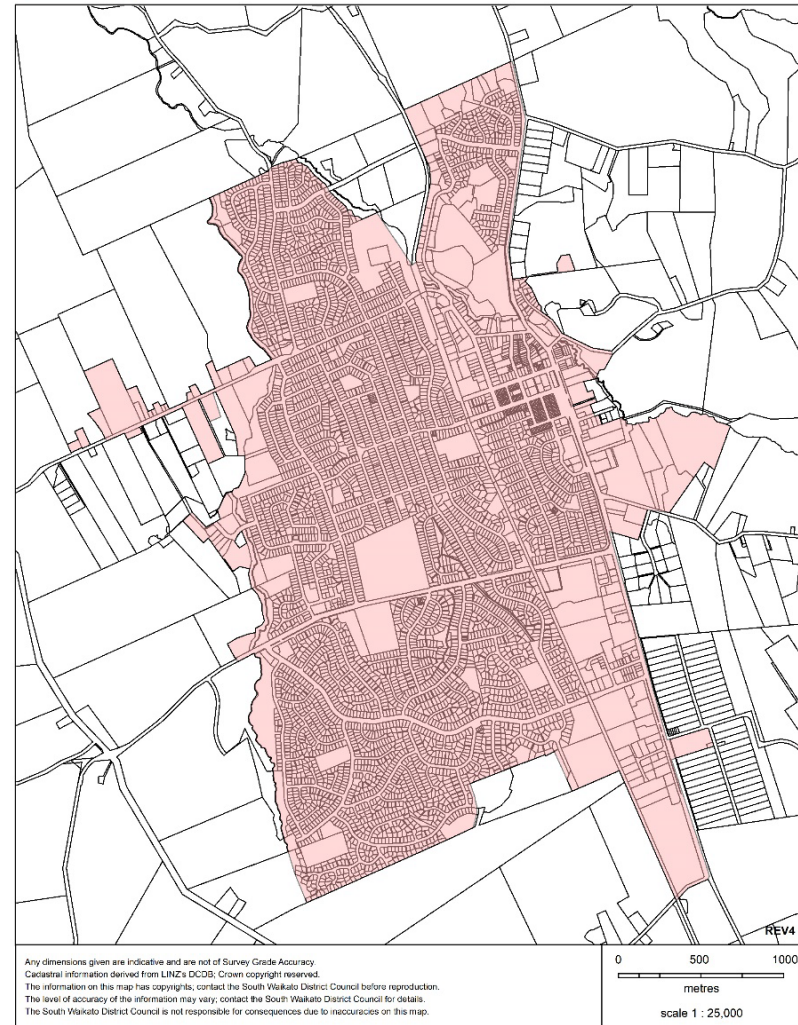
TIRAU WATER
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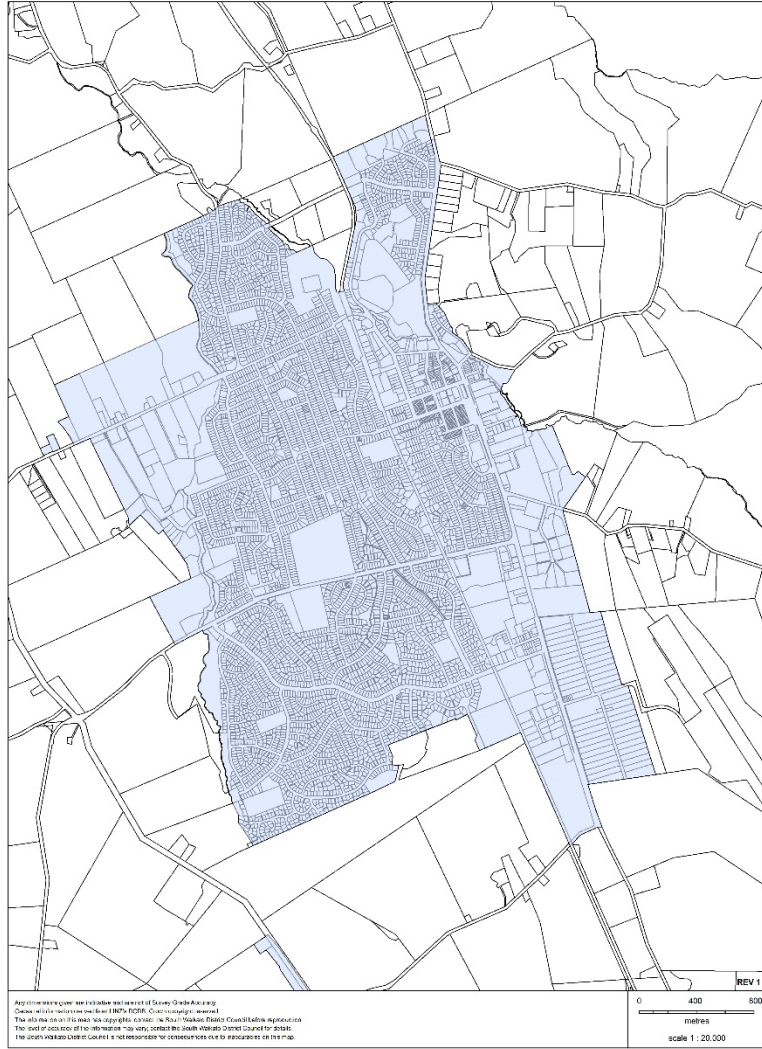
TOKOROA STORMWATER
RATING AREA 318



TOKOROA WASTEWATER
RATING AREA 2586



TOKOROA WATER
RATING AREA 2587



Linkage to Strategic Plan Priorities

49. The detail discussed in this report is aligned with the Council vision, community outcomes, Council policies and Council strategy.

Consultation & Engagement

50. There was a statutory obligation to consult with the community under section 82 of the LGA.
51. In addition to the consultation, significant community engagement was offered to raise awareness of the 2023-24 Annual Plan issues and seek feedback via less formal means than the submission process.

Risks

52. If the Rates and the setting of rates is not approved and adopted at this meeting, the Council will not meet its legislative requirements under the LGA. and will not be able to strike a rate for 2023-24.

Significance & Engagement Policy

Significance

53. Staff have considered the key considerations under the Significance and Engagement Policy and met its statutory obligations to consult with the community under section 82 of the LGA.

Attachments

Appendix one: Draft Annual Plan 2023-2024 ECM614404

Council Outcomes
Growth - Activities and strategies that facilitate sustainable economic growth and lift community pride.
Resilience - A resilient district with good infrastructure, services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.
Relationships - Strong relationships with Iwi and Māori, Pacific Peoples and community and business groups that can achieve growth and a resilient community.