

ATTACHMENTS

Ordinary Council Meeting

30 September 2024

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Attachment 1: Changes made to Long-term Plan 2024-34 during Audit

Audit NZ reviewed the Long-term Plan 2024-34 between 19 August and 13 September. Table 1 below identifies and provides details about the substantial changes made to the Long-term Plan and supporting documents and the various parts of the Long-term Plan that were amended as a result of these changes. There were a handful of minor changes such as labels on graphs and updating text which are not listed.

Table 2 includes the final changes made to the Long-term Plan based on the feedback received from the Office of the Auditor General as part of the 'hot review'.

Table 1 – Audit Changes

Change Requested	Long-term Plan Amendments Made
<p>Financial Model Variances Audit identified several variances within the financial model tables. Officers were advised and corrections were made. Given the nature of these misstatements, we have not listed them in this document.</p>	All financial tables updated as required
<p>Financial Model Variances and Supporting Documents Audit identified several variances between the financial modelling data and financial figures in supporting documents such as the Infrastructure Strategy. This was simply due to version control matters and updates.</p>	<ul style="list-style-type: none"> - Infrastructure Strategy amended with updated figures - Asset Management Plans (AMPs) updated with updated figures. Noting that AMPs will be finalised and updated to reflect final LTP adopted.
<p>Community Facilities Performance Measures Audit requested inclusion of customer satisfaction survey performance measures for the Taupō Library, Museum, Art Gallery and pools. These were previously provided for in the 2018 Long-term Plan and removed without question as part of the 2021 Long-term Plan. These surveys will be performed in real time using a straight forward system similar to other councils whereby customers will rate their experience by selecting a happy, neutral or sad emoji using an onsite tablet.</p>	Refer to pages 45 and 46 of the Long-term Plan to view these new measures.
<p>Community Leadership Performance Measure A level of service relating to the Treasury Management Policy has been in place for some time, the measure was newly created as this is a new Group of Activity for this Long-term Plan. The performance measure was questioned by Audit in terms of it being 'measurable'. Officers reflected and changed the performance measures and targets.</p>	Refer to page 57 of the Long-term Plan to view changes.
<p>NZTA Funding Council received final correspondence from NZTA confirming the indicative funding allocations for the transportation work programme on 3 September. This correspondence also advised that Council had not received funding for 'Low Risk Low Cost' (LRLC) projects.</p>	<ul style="list-style-type: none"> - Financial model updated to reflect unsuccessful funding bid. - Disclosures on page 33 and 128. - Capital Expenditure Graph updated on page 5 of Long-term Plan. - Page 8 of the Financial Strategy.

Change Requested	Long-term Plan Amendments Made
<p>As this information was received during the audit process, changes to the financial model were undertaken to reflect this. Additionally, to ensure transparency, disclosures were included in both the LTP and Infrastructure Strategy, noting the change in funding and that the Annual Plan process would look to re-prioritise projects and potential for projects to be delayed and that retaining Council's 49% share would assist with future funding requests. The approach for LRLC was the same as that adopted during deliberations and for previous LTP processes in respect of NZTA funding.</p>	<ul style="list-style-type: none"> - Financial Strategy Capital Drivers and Capital Expenditure Graph on pages 95 and 96. - Transport Asset Management Plan project figures updated and associated graphs. - Infrastructure Strategy figures and graphs relating to Transport updated.
<p>Accounting Treatment of East Urban Lands Audit questioned the accounting treatment applied to the East Urban Lands. Officers sought and received external advice that the accounting treatment for the East Urban Lands should be changed, this has been done. The notable change is that costs associated with the development of the East Urban Lands are no longer considered as capital expenditure and no longer shown in the capital expenditure tables as they have been for the Long-term Plan process, and instead are now reflected as costs in the Strategic Property Funding Impact Statement as 'Payments to staff and suppliers'.</p>	<ul style="list-style-type: none"> - To ensure transparency, a disclosure statement noting this shift has been provided on page 64 of the Long-term Plan. - Financial modelling was updated and updated financial information provided in the Long-term Plan - The 'balanced budget benchmark' adjusted as a result of this new accounting treatment. Council still meets the balanced budget benchmark.
<p>Significant Assumptions Audit requested that assumption #25 relating to income from the development and sale of surplus Council property was amended to elaborate on risks and include details on the inflows and outflow from the development and sale of Council owned property. These changes were made.</p>	<p>Refer to page 202 of the Long-term Plan to view changes.</p>
<p>Significant Assumptions Audit requested that assumption #28 relating to forecast return on investments, be amended to include expected return and elaborate on risks. These changes were made.</p>	<p>Refer to page 202 of the Long-term Plan to view changes.</p>
<p>Climate Change (Appendix 5) Audit asked that we disclose our emission reduction targets. The climate change appendix was updated to include the information on Council's webpage/Council's strategy.</p>	<p>Refer to page 151 and 152 of the Long-term Plan to view changes.</p>
<p>Development Contributions Audit NZ required clarifications on the treatment of NZTA funding for some transport projects and queried whether capital projects allocated to growth included inflation and interest rate costs.</p>	<ul style="list-style-type: none"> - Figures in Table 1 on the Development Contributions (DC) charges, Table 3 on the Total cost of capital expenditure for growth and Schedule 1 on forecasted future assets were updated. - The impact of these changes was to reduce the DC charges by between

Change Requested	Long-term Plan Amendments Made
	\$100-\$300/HUE for all catchments areas.
Accounting Policies Depreciation rates were changed which required amendments to Library books and Solid Waste in the accounting policies. These updates were made.	Table on page 10 of accounting policies updated (page 194 of the Long-term Plan).

Table 2 – Hot Review Changes

Change Requested	Long-term Plan Page Reference
Page 105 of the infrastructure strategy notes that Council does not rate-fund depreciation expenditure that would be funded by NZTA funding. For completeness, could this be reflected in the financial strategy.	The following amendment (red text) was made, refer to Page 6 of Attachment 8. <i>Council will continue to fund 100 percent of depreciation of its assets over the asset’s lifecycle. The depreciation funded is council’s share only (for example excludes NZ Transport Agency funding) and based on what is expected to be replaced. This methodology is used to achieve intergenerational equity; to ensure the consumption or wearing out of the assets used each year, is paid for by the ratepayers who are using the assets, and not by future generations.</i>
Include a new Level of Service/performance measure in the District Development Group of Activity focusing on events (cultural, sporting and others) around the district.	The Level of service and performance measure from the 2021 Long-term Plan has been reinstated. Refer to page 68 of Attachment 6.
The Council has not included a building accreditation measure in the regulatory activity.	A new performance measure has been included for level of service - we process building consents within legislative timeframes. Refer to page 53 of Attachment 6 for changes. The new performance measure will be ‘council to maintain accreditation as a building consent authority’ with targets of ‘maintain accreditation’.
Is the Council satisfied it has a reasonable plan to improve its building consent application timeliness measure?	Historically, there are a number of consents that are unable to be processed within statutory timeframes due to unforeseen circumstances and there are highs and lows in regard to workload. We will amend the target to 90% for building consents and resource

Change Requested	Long-term Plan Page Reference
	consents. Refer to changes on page 53 of Attachment 6.
Consent renewals, the Council notes in its infrastructure strategy that several resource consents are due to be renewed in the LTP period. It does not appear that the Council has disclosed a consent renewal assumption.	Significant Assumption 27 (Resource consent requirements) has been amended to disclose this. Refer to page 9 of Attachment 15.
<p>According to the audit work done on the condition and performance information of critical assets. We note that the confidence rating for key infrastructure activities is:</p> <ul style="list-style-type: none"> ❖ Transportation – one not assigned. ❖ Water reticulation – A-B ❖ Wastewater reticulation – A ❖ Stormwater reticulation – A-B ❖ Water other – A-B ❖ Wastewater other – A-B ❖ Stormwater other – B <p>The above differ from what is disclosed in the infrastructure strategy (pages 101 and 102), which show confidence ratings assigned as either B or C. How do these reconcile?</p>	We amended our overall assessment to include these ranges as proposed by Audit NZ. We also clarified with Audit NZ the difference between asset condition and asset condition data. Refer to pages 4 and 5 in Attachment 9.
Audit sought an additional sentence be included in significant assumption #25 (Income from the development and sale of surplus Council property) in regard to the uncertainty of the timing of expected income and costs.	This has been included, please refer to page 8 of Attachment 15.
The footpath service standard measured every two years – should this be reflected as not assessed in the off years. Currently target shows as 80% every year.	This has been amended. Refer to page 35 of Attachment 6.

<i>Adopted:</i>	30 June 2024
Next review date:	1 July 2027
Document number:	AXXX
Sponsor/Group:	Group Manager - Organisation Performance



RATES REMISSION AND POSTPONEMENT POLICY 2024

Purpose and scope

This policy sets out:

- the rates objectives sought to be achieved by the remission or postponement of rates
- the conditions and criteria to be met in order for rates to be remitted or postponed.

In accordance with Sections 102(3), 108, and 109 of the Local Government Act 2002.

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General

General Considerations

When considering any remission, the circumstances at the time the rates are set will be taken into consideration.

Relevant Delegations

Decisions under the rates remission and postponement policies included in this document are delegated to officers as set out in the Council’s Delegation Manual.

Review

It should be noted that all of the Rates Remission and Postponement policies included in this document are reviewed every three years in conjunction with the Long-Term Plan or can be reviewed sooner if chosen by the Council.

Note on 2024 changes

It should be noted that the rates remission and postponement policies included in this document were reviewed consulted on and updated to meet the requirements of new legislation provided for in the Local Government (Rating of Whenua Māori) Amendment Act 2021; where rates remission and postponement policies must support the principles in the preamble to the Te Ture Whenua Māori Act 1993 - *to recognise that land is taonga tuku iho of special significance to Māori people and, for that reason, to promote the retention of that land in the hands of its owners, their whānau, and their hapū, and to protect wāahi tapu: and to facilitate the occupation, development, and utilisation of that land for the benefit of its owners their whānau and their hapū.*

1. Rates Remission for Lake Taupō Lakebed and Crown owned Hydro Lakes lakebeds (with easements to carry out the electricity generation business)

1.1 Policy Objectives

- To continue to provide ratepayers with an incentive to maintain Lake Taupō and its environs in a natural state.
- To recognise the special characteristics and the immense value of Lake Taupō to the district.
- To take into consideration that whilst the hydro lakes are used for storage, retention, taking, discharge, conveyance and drainage of water for commercial purposes, they are also open to the public for enjoyment and recreational activities.
- To support the Long-Term Plan community outcomes: Vibrant places and connected communities – We connect people with nature through our reserves and public places.

1.2 Conditions and Criteria

In relation to the Lake Taupō lakebed land:

- Remission is available to rating units, which contain in full or in part the Lake Taupō lakebed, where the title for the lakebed is in private ownership.
- Remission is available to the rating unit where the owners recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to the qualifying rating unit or parts of the rating unit where the owners recognise the objectives of this policy, and the land meets the conditions and criteria.
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.

In relation to Hydro Lakes, lakebed:

- Remission is available to the land where the owners and ratepayers recognise the significance of public access to the lake and environs and manage the land as if it is a public reserve.
- 100% remission of all rates and charges shall be given to qualifying rating units and parts of rating units.
- Annual declaration forms will be issued to ensure criteria is still met and remission should still apply. The signed declaration form must be received by Council within the time frame given on the form.

