chatham islands council

Chatham Islands Council

BOARD PACK

for

Special Meeting

Thursday, 27 June 2024

10:00 am (+1245)

Held at:

Chatham Islands Council

13 Tuku Road, Chatham Islands

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AGENDA

SPECIAL MEETING

Name:	Chatham Islands Council
Date:	Thursday, 27 June 2024
Time:	10:00 am to 12:00 pm (+1245)
Location:	Chatham Islands Council, 13 Tuku Road, Chatham Islands
Board Members:	Cr Amanda Seymour, Cr Greg Horler, Cr Celine Gregory-Hunt, Cr Graeme Hoare, Cr Judy Kamo, Cr Keri Day, Mayor Monique Croon, Cr Nigel Ryan, Cr Steve Joyce
Attendees:	Ms Colette Peni, Ms Jo Guise, Ms Mereraina Hemara, Mr Paul Eagle, Ms Tanya Clifford

1. Opening Meeting

1.1 Meeting Opening

The purpose of the meeting was to adopt the CIC Long-Term Plan 2024-34 and set the 2024-25 Rates.

1.2 Apologies

2. Adoption of the Long-Term Plan 2024-34

2.1 Adoption of the Long-Term Plan 2024-34

To adopt the Long-Term Plan 2024-34.

Supporting Documents:

2.1.a	1. Adoption of the Long-Term Plan 2024-34.pdf	4

2.2 Setting the 2024-25 Rates

To set the rates for the 2024-25 year.

Supporting Documents:

2.2.a	2. Setting of the 2024-25 Rates.pdf	6

3. Close the Meeting

3.1 Close the meeting

10:00 am

Next meeting: Council Meeting - 4 Jul 2024, 9:00 am

Summarize the key decisions made and officially close the board meeting.

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Special Council Meeting
1. Adoption of the Long-Term Plan 2024-34

Date of meeting	27 June 2024
Agenda item number	1.0
Author/s	Tanya Clifford, ECan

Purpose
This report seeks the Council's adoption of the Long-Term Plan 2024-2034.

Recommendations
1) Approves the signing of the Audit representation letter and delegates to the Chair authority to sign the letter;
2) Confirms Council has achieved a balanced budget for all years of the Long-Term Plan 2024-2034, in accordance with section 100 (2) of the Local Government Act 2002. Noting undetermined future crown contributions will be revised and updated to cover any shortfalls or if funding is below expectation, expenditure will be reduced.
3) Receives the draft Long-Term Plan 2024-2034
4) Receives the Audit New Zealand Independent Auditor's Report *and*
5) Receives the audited Long-Term Plan 2024-2034
6) The Council's delegates authority to the Chief Executive to approve and action minor editorial corrections to the approved Long-Term Plan 2024-2034

Council initially received the draft Long-Term Plan 2024-2034, which included budgeted financial information, as part of the supporting information package to the consultation document in April 2024.

We consulted with our community on our key issues during May, including our reliance on external support and our infrastructure. Connected with this, Audit New Zealand also highlighted the uncertainties our funding has on our ability to invest in non-roading infrastructure and the implications of this approach.

After consultation, hearings were held, with a few minor recommendations incorporated into the Long-Term Plan 2024-2034, including the requirement to reduce expenditure, due to the annual appropriation not including inflation for the 2024/25 financial year, reducing revenue recognised by $135,000. Council ratified the rating increase approach proposed, being inflation, plus a 3.5% increase to assist with ongoing financial sustainability and to closer align with rates charged by comparative Councils over the 10-year period.

Uncertainty remains over the level of financial support being made available as part of the New Zealand Transport Agency - Waka Kotahi funding application; this will remain unknown until August 2024. Our financial assumptions have been updated to reflect the level of uncertainty.

The Local Government Act 2002, Local Government (Rating) Act 2002 and financial reporting standards have been reviewed to confirm the Long-Term Plan 2024-2034 complies with these requirements.

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Special Council Meeting

2. Setting of the 2024-25 Rates

Date of meeting	27 June 2024
Agenda item number	2.0
Author/s	Tanya Clifford, ECan

Purpose

To enable Chatham Islands Council to set the rates for the 2024/25 financial year, following the adoption of the Long-Term Plan 2024-2034. The Council now needs to formally adopt the rates resolution setting the rates for the period 1 July 2024 to 30 June 2025.

Recommendations

1) Delegates authority pursuant to the Local Government (Rating) Act 2002 to the Chief Executive to:

- **i. apply penalties (stated under resolution d) on unpaid rates in accordance with Sections 57 and 58, and**
- **ii. approve applications for rates postponement and rates remissions in accordance with Council's policy, and**
- **iii. carry out all other functions permissible under the Act that are not required to be a Council responsibility.**

2) Resolves the setting of the rates for the 2024/25 financial year and sets the following rates (including GST), pursuant to the Local Government (Rating) Act 2002 and

- **i. states due dates for payment in accordance with Section 24, *and***
- **ii. applies penalties on unpaid rates in accordance with Sections 57 and 58, on rating units for the financial year commencing on 1 July 2024 and ending on 30 June 2025.**

These rates are set in accordance with Chatham Islands Council's Long-Term Plan 2024-2034 and the Funding Impact Statement, which forms part of the Long-Term Plan 2024-2034 as follows:

a. General rates

Council will set a general rate based on the capital value of all rateable land on the islands. The general rate will be set on a differential basis based on land use. The categories and apportionment are included in the table below.

This will result in the following rates based on the assessed per $1 capital value of each rating unit:

Land Use	Differential	Rate (GST Inclusive)	Total collected
Infrastructure	5.0% of the General Rate	0.00348234	$21,932
Industrial	14.5% of the General Rate	0.00719888	$63,602
Commercial	11.0% of the General Rate	0.00293686	$48,250
Rural & Residential	69.5% of the General Rate	0.00196193	$304,851
Total general rates collected			**$438,634**

Targeted rates

Targeted rates are applied to the properties which benefit from the service provided. Targeted rates cannot be applied to purposes other than for which they were raised.

Council uses the number of connections for funding the water supply activities, a per pan rate for funding sewerage activities, and a rating unit basis for funding waste management activities and the roading activities.

Council will set targeted rates based on a variety of rating bases as follows:

Activity for setting a targeted rate	Category for setting targeted rate	Calculation factor	Factor used		Revenue sought $ 2024/25 (including GST)
Roading	The provision of a roading service.	A per rating unit charge for roading activities.	284.99	Fixed amount per unit	$152,470
Potable water supply	The provision of a public water supply service.	The number of connections for potable water supply activities – for both Kaingaroa and Waitangi connections.	924.90	Fixed amount per connection	$110,063
Wastewater	The provision of a wastewater service.	A per pan rate for wastewater activities.	961.40	Fixed amount per pan	$124,982
Waste management	The provision or availability of a waste management service.	All rating units on Chatham Islands with improvements are charged for waste management activities.	297.70	Fixed amount per rural or residential unit	$93,776
			374.80	Fixed amount per Infrastructure, Industrial or Commercial unit	$19,864
Total targeted rates collected					**$501,155**

The rating basis for each rate type has been defined and approved through the Revenue and Financing Policy adopted as part of Chatham Islands Council's Long-Term Plan 2024-34.

b. Rates by instalments

Council proposes to collect the rates in four instalments, issued on: 14 September 2024, 14 November 2024, 14 February 2025 and 14 May 2025.

c. Penalties

A penalty of 10% is added to each instalment or part thereof that is unpaid after the last date for payment. The penalty dates are 15 September 2024, 15 November 2024, 15 February 2025 and 15 May 2025. Previous year's rates that remain unpaid will have a further 10% penalty added on 7 July 2025.

These rates and penalties to be set on rating units in the region for the financial year which commences on 1 July 2024 and ends on the 30th day of June 2025.

This information is extracted from the Chatham Islands Council's Long-Term Plan 2024-2034 and complies with the revenue and financing policy.