



MINUTES

**Strategy, Finance and Risk Committee
Meeting**

Wednesday, 8 June 2022

Order of Business

1	Opening karakia	3
2	Apologies	3
3	Public forum	3
4	Acceptance of late items	5
5	Confidential business to be transferred into the open	6
6	Change to order of business	6
7	Declaration of conflicts of interest	6
	Ms Matire Duncan declared a conflict with the Ngā Pōtiki ā Tamapahore submission.	6
8	Business	6
	8.1 Hearing of submissions on the draft Rates Postponement Policy and the draft Rates Remission Policy.....	6
	8.2 Hearing of submissions on the draft Remission and Postponement of Rates on Māori Freehold Land Policy.....	6
9	Discussion of late items	6
10	Public Excluded Session	7
	11.1 Public Excluded Minutes of the Strategy, Finance and Risk Committee meeting held on 14 February 2022.....	7
10	Closing karakia	7

**MINUTES OF TAURANGA CITY COUNCIL
STRATEGY, FINANCE AND RISK COMMITTEE MEETING
HELD AT THE BOP REGIONAL COUNCIL CHAMBERS, REGIONAL HOUSE, 1 ELIZABETH
STREET, TAURANGA
ON WEDNESDAY, 8 JUNE 2022 AT 3PM**

PRESENT: Commission Chair Anne Tolley, Dr Wayne Beilby, Commissioner Shadrach Rolleston, Commissioner Stephen Selwood, Commissioner Bill Wasley, Ms Matire Duncan, Mr Te Pio Kawe, Mr Bruce Robertson

IN ATTENDANCE: Paul Davidson (General Manager: Corporate Services), Emma Joyce (Policy Analyst), Jim Taylor (Manager: Transactional Services), Coral Hair (Manager: Democracy Services), Robyn Garrett (Team Leader: Committee Support), Sarah Drummond (Committee Advisor), Anahera Dinsdale (Committee Advisor)

1 OPENING KARAKIA

Commissioner Shadrach Rolleston opened the meeting with a karakia.

2 APOLOGIES

APOLOGY

COMMITTEE RESOLUTION SFR5/22/1

Moved: Commissioner Bill Wasley
Seconded: Dr Wayne Beilby

That the apologies received from Ms Rohario Murray for absence and from Mr Bruce Robertson for lateness be accepted.

CARRIED

3 PUBLIC FORUM

The following members of the public spoke to their submissions to the draft Rates Postponement Policy, the draft Rates Remission Policy and the draft Remission and Postponement of Rates on Māori Freehold Land Policy.

(1) Rob Paterson (tabled items)

Key points

- Considered five minutes insufficient for submissions and that a 10-minute speaking time should be reinstated. Noted that options provided in the staff report should always include a 'status quo' option.

Kiwifruit Gold rates remission policy

- About 15 orchards affected in total. Noted cost of gold licence fees per hectare, general localities of the orchards, estimated yield and approximate net return per hectare.
- Noted the court review questioning the inclusion of licence value in capital valuation.

- Suggested that the value of the licences could be excluded from rates valuation, with full rates paid on the balance, until resolution of legal review. An orchardist should have to apply for any rates relief each year, including providing details of the orchard property and business operation. Considered the public had the right to know this information as it related to rates payable.
- Suggested that postponement of collection of the portion of rates attributed to the kiwifruit licences would be a preferable approach than remission.

Māori freehold land rates remission

- Unclear whether postponement was envisioned.
- Considered that the total value given for rates collected from Māori freehold land seemed light. Proposed remissions indicated a value of only 0.02% of the total rates take. Noted that the figures given for value and affected land area were confusing.
- Any remissions policy must be fair and reasonable to all ratepayers.
- Queried classification of land as undeveloped – e.g. uses such as grazing.
- Considered that a remission must be applied for every year and land ownership, size, address, valuation and remission details provided as a matter of public interest.
- Suggested that this policy should not apply to any land owned by Māori land trusts but to individual or joint/common ownership.
- Undeveloped Māori land used the same services as any other undeveloped land e.g. road access. Considered that provision of rates remission could provide a disincentive to develop the land.
- Proposed policy looked race based.

Rates postponement policy

- Noted that numbers involved could not be ascertained; could be significant increase in hardship due to effects of Covid.
- Must be genuine hardship or rezoning issues with significant rates increases for rates to be postponed.
- Application should be made each year with financial details provided, must be a stringent test. Postponed rates should be payable on death or sale of the property; TCC could lodge caveats against title to protect repayment of postponed rates with interest charged at current rates.
- Noted only one site claimable under the policy, in which the ratepayer must reside. Noted the central government rates rebate was also available.
- People might be asset rich and income poor - the policy should operate like a reverse mortgage.

Questions and discussion

- Clarified that the Rating Valuation Act 1998 did not allow postponement of rates collection while the status of gold kiwifruit licences was legally in doubt; which had led to the current remission proposal. Actual valuation of those licences was quite unusual in the first place e.g. value of apple trees not included in the capital valuation of an apple orchard.
- Council was required to review the draft Remission and Postponement of Rates on Māori Freehold Land Policy to reflect changes made at central government level. The processes required to develop Māori land were more onerous, time consuming and complicated than those for development of general land. Only charging rates on the developed part of the land and remitting rates on any undeveloped portion had enabled small developments to take place over time.

(2) George Marriott

Key points

- Submission concerned with the rates postponement policy; particularly the 5-year back charging.

- Unfortunately had missed key information in the consultation material relating to the specific group of people that Mr Marriott was part of, those moving from rural to urban zoning and rating.
- Concerned about the continued increasing payment demands and costs for Tauriko West smallholders faced. Losing a lot of lifestyle values e.g. PYO blueberry business; only option to claw back some of the lost value was to sell parts of property as sections.
- Value of selling sections compromised by increasing costs such as the proposed Infrastructure Funding and Financing (IFF) levy and the 5-year back charging of urban rates.
- Smallholders did not have the economies of scale of large developers; considered that the impact of exempting a limited number of small landowners from five years of backdated urban rates would be minimal for the council but significant for those landowners.

(3) Keith Catran

Key points

- Found the submission form slightly misleading around criteria for remission.
- Unclear about the basis for 'highest and best use of the land'; whether highest and best assumes the land had been developed or was based on potential. Important whether the basis for the rating valuation was on potential or developed land use; would be quite different figures.
- Property valued for development potential was less problematic as rates not that much more, whereas developed value would result in a significant increase.
- Rebate process was good idea, but the extra value was possibly unjust; running a rolling 5-years postponement was not warranted when there could be a long lead-in time to any development or subdivision.
- The rolling postponement process could be over a shorter period such as two or three years, and should start from time of subdivision application or on sale of the property.

Questions and discussion

- Valuations were not done by the council but by independent valuers; residential values were by market value based on sales while commercial valuations were based on best use of the land. In Tauriko West the smaller lots currently still valued in a rural context, while the larger blocks were valued as ready for development.
- The five years was intended for when land came into the city as a result of boundary movement; zoning was still rural but could be subject to either commercial or residential rates. Residential valuation was based off market value of similar small lots.
- Rural land was included in residential category; valuations reflected size of rural blocks and market sales.

(4) Lara Burkhardt, Ngā Pōtiki ā Tamapahore Trust

Key points

- An apology for the hearing but willing to answer any questions provided in writing.
- No questions were provided.

4 ACCEPTANCE OF LATE ITEMS

Nil

5 CONFIDENTIAL BUSINESS TO BE TRANSFERRED INTO THE OPEN

Nil

6 CHANGE TO ORDER OF BUSINESS

Nil

7 DECLARATION OF CONFLICTS OF INTEREST

Ms Matire Duncan declared a conflict with the Ngā Pōtiki ā Tamapahore submission.

8 BUSINESS

8.1 Hearing of submissions on the draft Rates Postponement Policy and the draft Rates Remission Policy

Staff Emma Joyce, Policy Analyst
Jim Taylor, Manager: Transactional Services

In response to questions

- The Local Government (Rating) Act 2002 specifically prohibited councils from providing any information on arrears, remissions or postponement of rates for a particular property.

COMMITTEE RESOLUTION SFR5/22/2

Moved: Commissioner Bill Wasley
Seconded: Commissioner Shadrach Rolleston

That the Strategy, Finance and Risk Committee:

- (a) Receives the verbal submissions on the draft Rates Remission Policy, the draft Rates Postponement Policy and the draft Remission and Postponement of Rates on Māori Freehold Land Policy.
- (b) Receives the written submissions on the draft Rates Remission Policy, the draft Rates Postponement Policy and the draft Remission and Postponement of Rates on Māori Freehold Land Policy.

CARRIED

8.2 Hearing of submissions on the draft Remission and Postponement of Rates on Māori Freehold Land Policy

The resolution for this item was included in the resolution for item 8.1.

9 DISCUSSION OF LATE ITEMS

Nil

10 PUBLIC EXCLUDED SESSION**RESOLUTION TO EXCLUDE THE PUBLIC****COMMITTEE RESOLUTION SFR5/22/3**

Moved: Dr Wayne Beilby

Seconded: Commissioner Bill Wasley

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
10.1 – Rating approach legal correspondence	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege	s48(1)(a) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

CARRIED

10 CLOSING KARAKIA

Commissioner Rolleston closed the meeting with a karakia.

The meeting closed at 4.03pm.

The minutes of this meeting were confirmed as a true and correct record at the Strategy, Finance and Risk Committee meeting held on 1 August 2022.

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CHAIRPERSON