

MINUTES OF COUNCIL MEETING

File Reference ECM 9542625

Meeting Date Tuesday 22 July 2025 at 1pm

Venue Council Chamber, Civic Centre, Liardet Street, New Plymouth

Members Present

Mayor Neil Holdom (Chair), Councillors Tony Bedford, Sam Bennett, Max Brough, Gordon Brown, David Bublitz, Anneka Carlson Matthews, Murray Chong, Amanda Clinton-Gohdes, Harry Duynhoven, Bali Haque, Te Waka McLeod, Dinnie Moeahu, Marie Pearce, and Bryan Vickery.

Non-Members Present

Christine Fabish (Inglewood Community Board Chair), Jonathan Marshall (Waitara Community Board Chair), Mike Baker (Puketapu-Bell Block Community Board member) Sarah Lucas (Inglewood Community Board member) and Adrian Sole (Puketapu-Bell Block Community Board Chair – via Zoom).

Jonathan Salter (Simpson Grierson)

Staff in Attendance

Gareth Green, Julie Straka, Bernie O'Donnell, Helena Williams, Jacqueline Baker, Kathryn Scown, Raymond Teunissen, Helen Gray, Annabel Dennett, Matthew Thomson, Anaru Wilkie, Aroha Chamberlain and Lisah Henry.

COUNCIL RESOLUTION

ANNUAL PLAN 2025/26 REVIEW AND CORRECTIONS

C/2025/089

ECM 9539873

The matter for consideration by the Council is the outcomes of reviews into the Annual Plan 2025/26 following the previously addressed GST issue and to address further issues highlighted by those reviews.

Council Resolution

Mayor Holdom)

Cr Duynhoven)

That having considered all matters raised in the report:

a) Council notes:

- i) Following the Annual Plan 2025/26 GST issue resolved on 1 July, I instigated an independent review of the Annual Plan alongside an internal review that was underway. The findings of these reviews have found two additional issues that should be addressed now.

- ii) Expert legal advice confirms that the rates set for this year are legally sound except for those properties on a restricted flow water supply. However, the disclosure relating to the 9.9% average residential rates is incorrect and we have inadvertently misled our community.
- iii) This is a significant failing of the organisation, which has been contributed to by a number of factors, including insufficient financial controls being in place to ensure elected members have correct and full information to support their decision making.
- iv) We need to do better and to remedy the two issues immediately, openly, with integrity and ensure this does not happen again.

b) On the basis of the above information, Council:

ISSUE 1 – RESTRICTED WATER SUPPLY RATES

- c) Note the resolution (minute C/2025/83) of the 1 July 2025 Extraordinary Council Meeting, relating to clause 3.5 Water Supply Targeted Rate (Rating units connected to a Council supply that have a restricted flow a)) did not effectively set the rate for those on a restricted flow water supply.
- d) Revoke the following words from the [abridged] minute C/2025/83 (1 July 2025):

3.5 Water Supply Targeted Rate

Pursuant to sections 16 and 19 of the Act, targeted rates for Water Supply as below

~~Rating units connected to a Council supply that have a restricted flow~~

- ~~a) — A fixed amount of \$418.00 per separately used or inhabited part of a rating unit applied to all properties that are within 100 metres of a serviceable pipeline and are not included in assessments above and are not connected to a water supply.~~

- e) Adopt the following words in substitution of the revoked words:

Rating units connected to a Council water supply that have a restricted flow

- a) A fixed amount of \$418.00 including GST per cubic metre of water.

ISSUE 2 – AVERAGE RESIDENTIAL RATES INCREASE

- f) Note that the total rates revenue outlined in the Annual Plan 2025/26 and subsequently set are legally valid. The issue with setting the Restricted Water Supply Rate is resolved by the resolutions above.
- g) Note that flaws in the model used to calculate “average residential rates increase” have been identified.
- h) Note that the disclosed average residential rates 9.9% increase was incorrect and is 12.8% for 2025/26 and that the total rates from all ratepayers increased by 9.1%.
- i) Express dismay at this situation and remains steadfast to its policy commitment on residential rates increases.
- j) Determine to apply the Rates Remission and Postponement Policies: Rates Policy 5 clause 1(c) to the following effect:
 - i) Determines that there are exceptional circumstances that mean it is in the public interest to remit a small proportion of each residential ratepayer’s general rate and that this does not create or set a precedent for future years.
 - ii) Provide an automatic rates remission for all residential ratepayers of 0.02620586 cents including GST per \$1 of residential land value.
 - iii) Note that this equates to an average of \$102 including GST per residential property with half of properties receiving a remission higher than this and half of properties receiving a remission less than this, depending on their land value.
 - iv) Note that this remission in effect results in an average residential rates increase of 9.9%, as previously anticipated.
 - v) Note that the effect of this action is estimated to cost approximately \$3.1 million GST exclusive.
- k) Note that other Council Rates Remission and Postponement Policies continue to apply for all ratepayers, including the ability for rates postponements for those in extreme financial hardship, and for rates remissions (refunds) for financial hardship as a result of rating system changes.
- l) Note that the following disclosures and comments are incorrect in the Annual Plan 2025/26 and direct that an erratum be issued so that online versions of the plan include a note stating the correct disclosure is 12.8% and not 9.9%:

- i) Introduction from the Mayor and Chief Executive (page 4)
- ii) Key changes and influences (page 6)
- iii) Financial summary (page 8)
- iv) Disclosure Statement (page 29)
- m) Instruct the Chief Executive to:
 - i) Make all efforts to reduce the \$3.1m deficit from operational savings before 30 June 2026, without compromising in any way the ability of the organisation to operate effectively.
 - ii) Provide quarterly progress updates to the Finance, Audit and Risk Committee (or its equivalent).
 - iii) Report savings options that have higher risks or impacts on the Annual or Long-Term Plan delivery, strategic framework, service levels or asset condition to Council for their determination.
- n) Notes that any funds unable to be covered by operational savings will cause a 2025/26 deficit to be funded through staged deficit recovery or incorporated into the Annual Plan 2026/27 and/or Long-Term Plan 2027-37.

NEXT STEPS

- o) Instruct that the Stage Two report of the independent review be presented to the Finance, Audit and Risk Committee for consideration for the Annual Plan 2026/27 and Long-Term Plan 2027-37; and
- p) Instruct the Chief Executive to undertake the following actions to ensure this situation does not occur again:
 - i) Undertake an independent review of all future Annual and Long-Term Plans to ensure the process and financial information are robust;
 - ii) Instruct Officers to immediately prioritise the reclassification of those properties rated as Residential but used for commercial or industrial purposes (and therefore should be classified as Commercial/Industrial properties) for the Annual Plan 2026/27.
- q) Note that the Chief Executive will be commencing immediate changes to the leadership and financial services teams of the New Plymouth District Council, in order to strengthen the financial capability of the organisation, and quality of financial advice that we receive.

A Division was called (ECM9542634)

Those voting for the motion were Mayor Holdom and Councillors McLeod, Haque, Pearce, Bennett, Vickery, Brown, Bubnitz, Duynhoven, Clinton-Gohdes, Brough, Moeahu, and Bedford.

Those voting against the motion were Councillors Chong and Carlson Matthews.

The Motion was Carried

The hui closed with a karakia at 2.48pm.