

23 February 2022



Mr John Robson

By email: fyi-request-18338-c1a6c0e0@requests.fyi.org.nz

Tēnā koe John

INFORMATION REQUEST – Stormwater Reserve - Redirection of finances

We write in response to your email dated 26 January 2022 in which you requested the following information:

Regarding the recent public statements concerning the \$29million Pacific Apartments settlement, and, in particular, the “redirection” of finances from the council’s stormwater fund, could you please advise:

- What is the current value of the stormwater fund?
- What is the total targeted rate applied to the fund (by financial year) since its inception?
- How much has been used by the Stormwater Activity (by financial year)?
- How much has been ‘redirected’ to date, and for what purpose (by financial year)?
- What further ‘redirections’ are planned, and for what purpose (by financial year)?

Given the publicly stated intent at the time of the targeted rate’s creation was that it would only be used for the Stormwater Activity, can you please advise:

- Whether there has been a formal decision to vary the intended purpose of the targeted rate?
- And, if yes, can you please provide all records (correspondence, advice, reports, etc.) relevant to that decision?

And, finally, given the recent creation of a number of targeted rates, can you please advise:

- Is it possible that these new targeted rates could themselves be ‘redirected’?
- And, if yes, what the process would be for such a redirection to occur?

We have considered your request in accordance with the Local Government Official Information and Meetings Act 1987 (“**LGOIMA**”) and respond as follows:

What is the current value of the stormwater fund?

The current value of the Stormwater Reserve is approximately \$12 million plus \$1 million assessed for the current rating year minus any expenditure this year.

What is the total targeted rate applied to the fund (by financial year) since its inception?

How much has been used by the Stormwater Activity (by financial year)?

The Stormwater Reserve was funded through the general rate from 2015 until 2021. At its inception in 2015 it was described as a stormwater levy funded through the general rate.

In 2021 the amount of budget allocated for the stormwater levy for the purposes of flood event response and flood modelling, was included in the new Stormwater targeted rate rather than the general rate.

The table in Attachment 1 (at the end of this letter) shows the amount of budget that has been allocated to the Stormwater Reserve through the general rate and the new targeted rate, and the amount of annual expenditure by year. In the last two years the interest on the Stormwater Reserve has been more than any expenditure.

How much has been 'redirected' to date, and for what purpose (by financial year)?

The Stormwater Reserve has not been redirected for any other purpose.

What further 'redirections' are planned, and for what purpose (by financial year)?

There are no plans to redirect funds from the Reserve.

Whether there has been a formal decision to vary the intended purpose of the targeted rate? And, if yes, can you please provide all records (correspondence, advice, reports, etc.) relevant to that decision?

The intended purpose of the Stormwater targeted rate has not been changed.

At the council meeting of 6 December 2021 the Commissioners, in order to mitigate the overall impact of rates liabilities on our community, agreed to reduce the future budgeted debt reduction program in the stormwater activity and redirect an equivalent debt retirement on unfunded liabilities, including weathertight claim settlements.

We have attached the relevant section 11.9 of the 6 December 2021 Council meeting Agenda as Attachment 2 at the end of this letter.

You can view the full report and the minutes, when available, from this meeting on councils website at <https://www.tauranga.govt.nz/council/about-your-council/council-meetings-agendas-and-minutes>

Given the recent creation of a number of targeted rates, can you please advise:

- **Is it possible that these new targeted rates could themselves be 'redirected'?**
- **And, if yes, what the process would be for such a redirection to occur?**

There is no intention to redirect any funds collected through targeted rates. From a Local Government Act 2002 perspective, while it is not expected that funds collected

through a targeted rate would be redirected, it is possible. Under that Act, at the very least, any reapplication of the rate proceeds would need to have been the subject of specific consultation. This consultation would need to explain why the funds were no longer needed for the intended purpose, and why the new purpose is appropriate.

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

We may publish this response on our website as your request may be of interest to others. All personal information will be removed and only the question and answers will be seen.

If you wish to discuss this decision with us, please feel free to contact the writer.

Ngā mihi



Coral Hair
Manager
Democracy Services

Attachment 1

Table 1 - Stormwater Reserve contributions and expenditure 2015 - 2022

Stormwater Reserve	2015	2016	2017	2018	2019	2020	2021	2022
Opening Balance	\$ -	\$27,539	\$2,320,719	\$4,128,170	\$6,259,381	\$7,129,688	\$9,588,363	\$11,891,962
Revenue (general rate)	\$5,000,000	\$3,400,000	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000	\$2,300,000	
Revenue (targeted rate)								\$1,000,000
Expenditure (Stormwater)	\$4,972,461	\$1,106,820	\$492,549	\$168,789	\$1,429,693	-\$158,675	-\$3,598	

11.9 Annual Plan 2022/23 Key Issues and Approach

File Number: A13073604

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Authoriser: Paul Davidson, General Manager: Corporate Services

PURPOSE OF THE REPORT

1. In accordance with the Local Government Act 2002, Council is required to produce and adopt an annual plan, by 30 June 2022.
2. This report provides an update of the Annual Plan 2022/23 key issues and proposed approach.

RECOMMENDATIONS

That the Council:

- (a) Receives the report Annual Plan 2022/23 Key Issues and Approach.
 - (b) Confirms the focus of the Annual Plan 2022/23 remains what was agreed to in the 2021-31 Long-term Plan.
 - (c) Agrees the timetable and approach for the Annual Plan.
 - (d) Agrees to redirect \$1.1m debt retirement proposed for stormwater debt in 2023 to instead retire \$1.1m of debt associated with existing unfunded liabilities
 - (e) Notes that in future Annual Plan processes the portion of stormwater debt retirement above \$1.3m per annum proposed in subsequent years of the LTP could be diverted to retire debt associated with unfunded liabilities until that debt is extinguished.
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