

Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Council will be held on:

Date: Thursday 1 August 2024
Time: 9:30 am
Meeting Room: Council Chamber and Audio-Visual Link
Venue: Municipal Building, Garden Place, Hamilton

Lance Vervoort
Chief Executive

Council *Kaunihera* OPEN AGENDA

Membership

Chairperson Mayor Paula Southgate
Heamana

Deputy Chairperson Deputy Mayor Angela O'Leary
Heamana Tuarua

Members	Cr Maxine van Oosten	Cr Geoff Taylor
	Cr Moko Tauariki	Cr Sarah Thomson
	Cr Ewan Wilson	Cr Emma Pike
	Cr Mark Donovan	Cr Anna Casey-Cox
	Cr Louise Hutt	Cr Kesh Naidoo-Rauf
	Cr Andrew Bydder	Cr Tim Macindoe
	Vacancy	

Quorum: A majority of members (including vacancies)

Meeting Frequency: Monthly – or as required

Amy Viggers
Mana Whakahaere
Governance Lead

24 July 2024

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Purpose

The Council is responsible for:

1. Providing leadership to, and advocacy on behalf of, the people of Hamilton.
2. Ensuring that all functions and powers required of a local authority under legislation, and all decisions required by legislation to be made by local authority resolution, are carried out effectively and efficiently, either by the Council or through delegation.

Terms of Reference

1. To exercise those powers and responsibilities which cannot legally be delegated by Council¹:
 - a) The power to make a rate.
 - b) The power to make a bylaw.
 - c) The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long Term Plan.
 - d) The power to adopt a Long Term Plan or Annual Plan, or Annual Report.
 - e) The power to appoint a Chief Executive.
 - f) The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long Term Plan or developed for the purpose of the Council's Governance Statement.
 - g) The power to adopt a remuneration and employment policy.
 - h) The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
 - i) The power to approve or amend the Council's Standing Orders.
 - j) The power to approve or amend the Code of Conduct for Elected Members.
 - k) The power to appoint and discharge members of committees.
 - l) The power to establish a joint committee with another local authority or other public body.
 - m) The power to make the final decision on a recommendation from the Parliamentary Ombudsman, where it is proposed that Council does not accept the recommendation.
 - n) The power to amend or replace the delegations in Council's *Delegations to Positions Policy*.
2. To exercise the following powers and responsibilities of Council, which the Council chooses to retain:
 - a) Resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
 - b) Approval of any changes to Council's vision, and oversight of that vision by providing direction on strategic priorities and receiving regular reports on its overall achievement.
 - c) Approval of any changes to city boundaries under the Resource Management Act 1991.
 - d) Adoption of governance level strategies plans and policies which advance Council's vision and strategic goals.

¹ [Clause 32, Schedule 7, Local Government Act 2002](#)

- e) Approval of the Triennial Agreement.
- f) Approval of the local governance statement required under the Local Government Act 2002.
- g) Approval of a proposal to the Remuneration Authority for the remuneration of Elected Members.
- h) Approval of any changes to the nature and delegations of the Committees.
- i) Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO, CCTO or CO.
- j) Approval of city boundary changes, including in respect of Strategic Boundary Land Use Agreements.
- k) Approval of Activity Management Plans.
- l) Sister City relationships.

Oversight of Strategies, Plans and Reports:

- Long Term Plan
- Annual Plan
- Annual Report
- Shaping Hamilton Kirikiriroa Together
- Our Climate Future
- He Pou Manawa Ora

Oversight of Policies and Bylaws:

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to officers specific to the Resource Management Act 1991*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*
- *Climate Change Policy*
- *Any Community Engagement Policies*

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1 Apologies – *Tono aroha*

2 Confirmation of Agenda – *Whakatau raarangi take*

The Council to confirm the agenda.

3 Declaration of Interest – *Tauaakii whaipanga*

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

4 Public Forum – *Aatea koorero*

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Mayor.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Council Chamber prior to the start of the Meeting. A member of the Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

Council Report

Committee: Council

Date: 01 August 2024

Author: Amy Viggers

Authoriser: Michelle Hawthorne

Position: Governance Lead

Position: Governance and Assurance
Manager

Report Name: Confirmation of the Council Open Minutes 4 July 2024

Report Status	<i>Open</i>
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Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Council confirm the Open Minutes of the Council Meeting held on 4 July 2024 as a true and correct record.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Council Open Unconfirmed Minutes 4 July 2024

Council *Kaunihera* OPEN MINUTES

Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 4 July 2024 at 9:32am.

PRESENT

Chairperson Mayor Paula Southgate
Heamana

Deputy Chairperson Deputy Mayor Angela O’Leary (via audio-visual)
Heamana Tuarua

Members Cr Maxine van Oosten (via audio-visual)
Cr Moko Tauariki
Cr Mark Donovan
Cr Louise Hutt
Cr Andrew Bydder
Cr Geoff Taylor
Cr Sarah Thomson (via audio-visual)
Cr Emma Pike
Cr Anna Casey-Cox
Cr Kesh Naidoo-Rauf (via audio-visual)
Cr Tim Macindoe

External Presenters: Clarence Susan and Naude Kotze representatives from Audit NZ

The meeting was opened with a Karakia.

11. Apologies – *Tono aroha*

Resolved: (Cr Macindoe/Cr Pike)

That the apologies for partial attendance from Cr Thomson and Cr Naidoo-Rauf, and for full absence from Cr Wilson are accepted.

12. Confirmation of Agenda – *Whakatau raarangi take*

Resolved: (Cr Hutt/Cr Taylor)

That the agenda is confirmed noting that:

- a) the late updated attachments (Item 13 Development Contributions Policy 2024/25 – Approval Attachment 3 Schedule of Assets 2024 (updated 2 July 2024), item 14 (Adoption of the 2024-34 Long-Term Plan) Attachment 5 – Volume 1 of the 2024-34 Long-Term Plan and Attachment 6 – Volume 2 of the 2024-34 Long-Term Plan) are accepted. They were circulated to Elected Members prior to the meeting under separate cover to ensure that the most up to date information to be provided;

- b) that the late attachments for item 14 (Adoption of the 2024-34 Long-Term Plan) Attachment 7 Independent Auditor's report on Hamilton City Council's 2024-34 Long-term Plan and Attachment 8 Letter of Representation for the audit of the Long-Term Plan are accepted. They were circulated to Elected Members prior to the meeting under separate cover and are attached to the minutes of the meeting as appendix 1 and 2;
- c) that the debate time for item 14 (Adoption of the 2024-34 Long-Term Plan) is increased to 3 minutes; and
- d) the order of items will be flexible to accommodate availability.

13. Declarations of Interest – *Tauaakii whaipanga*

During the public excluded Session of the meeting Cr Donovan, Cr Thomson and Cr Tauariki declared an interest in item C4 (Hamilton District Licencing Committee Appointments) they did not take part in the discussion or vote on the matter.

14. Public Forum – *AAtea koorero*

No members of the public wished to speak in the Public Forum.

15. Confirmation of the Council Open Minutes 30 May 2024

Resolved: (Mayor Southgate/Cr Casey-Cox)

That the Council confirm the Public Excluded Minutes of the Council Meeting held on 30 May 2024 as a true and correct record.

16. Confirmation of the Council Open Minutes 4 June 2024

Resolved: (Mayor Southgate/Cr Bydder)

That the Council confirm the Open Minutes of the Council Meeting held on 4 June 2024 as a true and correct record.

17. Confirmation of the Extraordinary Council Open Minutes 11 June 2024

Resolved: (Mayor Southgate/Cr Hutt)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 11 June 2024 as a true and correct record.

18. Confirmation of the Elected Member Open Briefing Notes 22 May 2024

Resolved: (Mayor Southgate/Cr Tauariki)

That the Council confirm the Open Notes of the Elected Member Briefing held on 22 May 2024 as a true and correct record.

19. Confirmation of the Elected Member Open Briefing Notes 29 May 2024

Resolved: (Mayor Southgate/Cr Donovan)

That the Council confirm the Open Notes of the Elected Member Briefing held on 29 May 2024 as a true and correct record.

20. Confirmation of the Elected Member Open Briefing Notes 19 June 2024

Resolved: (Mayor Southgate/Cr Pike)

That the Council confirm the Open Notes of the Elected Member Briefing held on 19 June 2024 as a true and correct record.

21. Chair's Report

The Mayor took her report as read and responded to questions from Elected Members concerning the Council's position on its membership with Local Government New Zealand.

Resolved: (Mayor Southgate/Cr Pike)

That the Council receives the report.

22. Growth Funding Policy 2024

The Unit Director Commercial and Analytics took the report as read.

Resolved: (Mayor Southgate/Cr Hutt)

That the Council:

- a) receives the report; and
- b) approves the Growth Funding Policy 2024 (**Attachment 1** to the staff report), to be operative from 5 July 2024.

23. Development Contributions Policy 2024/25 – Approval

The Unit Director Commercial and Analytics introduced the report, noting that there were new attachments circulated to members prior to the meeting. Staff responded to questions from Elected Members concerning potential discretion within the draft policy.

Resolved: (Mayor Southgate/Cr Macindoe)

That the Council:

- a) receives the report;
- b) approves the Development Contributions Policy 2024/25 (**Attachment 1** to the staff report); and
- c) notes that:
 - i. development contribution charges in the Development Contributions Policy 2024/25 (**Attachment 1**) are not final, and may vary from those presented in this report (**Tables 2-4**) due to, for example, final changes to the 2024-34 LTP capital programme, resolutions made at this meeting, and other minor or technical updates that are required; and
 - ii. if approved, the Development Contributions Policy 2024/25 will be operative from 5 July 2024.

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

The Corporate Planning & Advocacy Manager and the Financial Director introduced the report noting; the Draft Long-Term Plan would balance the books from Year 3; there was an unbalanced budget in Year 1 resource, and the updated to building consent processing time based on directions from Audit NZ. Audit NZ representatives noted that they had provided an unqualified audit report, and risks associated with limited head room and inflation projections.

Resolved: (Mayor Southgate/Deputy Mayor O'Leary)

That the Council:

- a) receives the report;
- b) adopts the following policies:
 - (i) Revenue and Financing Policy (**Attachment 1**);

(ii) Rating Policy (**Attachment 2**);

(iii) Rates Remissions and Postponement Policy (**Attachment 3**);

(iv) Funding Needs Analysis (**Attachment 4**); and

c) receives the Audit Opinion (**Attachment 7** of the staff report and **Appendix 1** of the minutes).

Resolved: (Mayor Southgate/Deputy Mayor O'Leary)

That the Council adopts the audited 2024-34 Long-Term Plan – Volumes 1 and 2 (**Attachments 5 and 6**), noting that minor changes will be made for formatting and accuracy purposes, including:

- a) the addition of photographs of the Maangai Maaori in Volume 1;
- b) changes to the service performance measures relating to the timeliness of processing resource and building consents in Volume 1. These will change from focusing on the average processing time (with a target of 20 days), to the percentage completed within 20 days (with a proposed target of 95%); and
- c) changes to underlying information in the outer years of the Infrastructure Strategy Volume 2 (i.e. beyond year ten of the 2024-34 Long-Term Plan).

Crs Bydder, Pike, Taylor, Donovan and Macindoe Dissenting.

The meeting was adjourned at the conclusion of the above Item from 10.37am to 10.53am.

Cr Naidoo-Rauf retired from the meeting during the above adjournment.

25. Rates Resolution to Set and Assess Rates for 2024/25

The Financial Director took the report as read.

Resolved: (Mayor Southgate/Cr Hutt)

That the Council:

- a) receives the report;
- b) approves to set and assesses the rates for the 2024/25 financial year (1 July 2024 to 30 June 2025) in accordance with the **Rates Resolution for the 2024/25 Financial Year** (as required by the Local Government (Rating) Act 2002) as set out in paragraphs 7 - 69 of the staff report and below; and
- c) approves the due dates for payments and authorises penalties to be added to unpaid rates, as set out in paragraphs 65 - 69 of the staff report and below.

GENERAL RATE

7. A general rate is set and assessed on the capital value of all rateable land.
8. General rates are set on a differential basis. The rating categories are defined in the Funding Impact Statement.
9. The differential bases are:
 - the use to which the land is put; and
 - the provision or availability to the land of a service provided; and
 - the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the operative district plan; and
 - the location of the land.
10. The total revenue sought from the general rate is \$277,267,970.

11. The general rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GENERAL RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
General Rate	Commercial	2.9765	34.53%	0.00869797	\$95,752,103
	BID Commercial	2.9765	7.14%	0.00869797	\$19,792,777
	Other	0.7400	1.84%	0.00216246	\$5,103,754
	Residential	1.0000	56.49%	0.00292224	\$156,619,336

12. Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate (General rate, UAGC and Government compliance rate) that applies to the land. This general rate revenue is included within the Residential category shown in the table above and within the targeted rates revenue where applicable.

UNIFORM ANNUAL GENERAL CHARGE

13. A Uniform Annual General Charge (UAGC) of \$749 per Separately Used or Inhabited Part of a Rating Unit (SUIP) is set and assessed on all rateable land in Hamilton.
14. The total revenue sought from the UAGC is \$54,610,714.

TARGETED RATES

15. Government compliance rate
16. The rate is set and assessed on the capital value of all rateable land in the city.
17. The rate is set on a differential basis. The rating categories are defined in the Funding Impact Statement.
18. The differential bases are:
- the use to which the land is put; and
 - the provision or availability to the land of a service provided; and
 - the activities that are permitted, controlled, or discretionary for the area in which the land is situated, and the rules to which the land is subject under the operative district plan; and
 - the location of the land.
19. The rate provides funding to the Wastewater, Water Supply, Stormwater, and Growth activities.
20. The total revenue sought is \$15,021,789.
21. The rate is set and assessed on a differential basis as follows:

SOURCE	DIFFERENTIAL CATEGORIES	DIFFERENTIAL FACTOR	PERCENTAGE OF TOTAL GOVERNMENT COMPLIANCE RATES	RATE IN THE DOLLAR OF CAPITAL VALUE (GST INCL)	RATES REVENUE (GST INCL)
Government compliance	Commercial	2.9765	34.53%	0.00047124	\$5,187,673
	BID Commercial	2.9765	7.14%	0.00047124	\$1,072,336

rate	Other	0.7400	1.84%	0.00011716	\$276,516
	Residential	1.0000	56.49%	0.00015832	\$8,485,263

22. Land described in Part 2 Schedule 1 of the Local Government (Rating) Act 2002 (broadly speaking, land owned or used by societies for arts or sports) will be assessed at 50% of the residential rate that applies to the land. This Government compliance rate revenue for these rating units is included within the Residential category shown in the table above.
23. Pool safety inspection rate
24. The rate is set and assessed on all rating units on Council's pool monitoring register where a Council inspection is required.
25. The rate is a fixed amount of \$79 per rating unit.
26. The rate provides funding to the Regulatory and Safety activity.
27. The total revenue sought is \$216,200.
28. Metered water rate
29. The rate is set and assessed for metered and restricted flow water supply to all metered rating units (as defined by Hamilton City Council's Water Supply Bylaw 2013).
30. The rate is:
 - i. a fixed amount based on the nature of the connection as follows:
 - \$518.40 for all metered rating units (except those receiving a restricted flow supply);
 - \$518.40 for those rating units receiving a restricted flow supply.
 - ii. a charge per unit of water consumed or supplied on every metered connection in accordance with the following scale:
 - All metered rating units (except those receiving a restricted supply) - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter;
 - those rating units receiving a restricted flow supply - \$2.16 per kilolitre of water supplied after the first 60 kilolitres of consumption or supply per quarter.
31. The rate provides funding to the Water Supply activity.
32. The total revenue sought is \$11,771,688.
33. Commercial and Other category non-metered water rate
34. The rate is set and assessed on non-metered Commercial and Other category (as defined for the general rate) properties which are connected to the water network, but not provided with a metered connection.
35. The rate is a fixed amount of \$518.40 per rating unit.
36. The rate provides funding to the Water Supply activity.
37. The total revenue sought is \$297,562.
38. Business Improvement District (BID) rates
39. The rate is set and assessed on all rating units defined within the BID Commercial general

rate category.

40. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy.
41. The rate is:
 - i. a fixed amount of \$252 per SUIP; and
 - ii. a rate per dollar of capital value set at \$0.00003443.
42. The rate provides funding to the Growth activity.
43. The total revenue sought is \$416,294.
44. Central city rate
45. The rate is set and assessed on all rating units defined within the BID Commercial general rate category.
46. The Business Improvement District (BID) and Central City rating areas map is shown in Schedule 1 of the Rating Policy.
47. The rate is a fixed amount of \$124 per SUIP.
48. The rate provides funding to the Transport activity.
49. The total revenue sought is \$166,750.
50. Service use water rate
51. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to our water network but are not provided with a metered connection.
52. The rate is a fixed amount of \$518.40 per SUIP.
53. The rate provides funding to the Water Supply activity.
54. The total revenue sought is \$79,772.
55. Service use refuse rate
56. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are provided with refuse collection service.
57. The rate is a fixed amount of \$223 per SUIP.
58. The rate provides funding to the Rubbish and Recycling activity.
59. The total revenue sought is \$39,165.
60. Service use wastewater rate
61. The rate is set and assessed on properties defined as Service Use Category (see Funding Impact Statement) and which are connected to the wastewater network.
62. The rate is:
 - i. a rate per dollar of land value set at \$0.00080722; and
 - ii. a rate per dollar of capital value set at \$0.00033941.
63. The rate provides funding to the Wastewater activity.
64. The total revenue sought is \$2,081,641.

DUE DATES FOR PAYMENT OF RATES

65. Rates (other than for metered water) are payable in four equal instalments.
66. The due dates for rates for the period 1 July 2024 to 30 June 2025 are as follows:

67.	Instalment 1	Instalment 2	Instalment 3	Instalment 4
	5 September 2024	28 November 2024	20 February 2025	22 May 2025

DUE DATES FOR PAYMENT OF METERED WATER RATES

68. The due dates for metered water rates for the period 1 July 2024 to 30 June 2025 are as follows:

Month of Invoice	Invoice Due Date
July 2024	20 August 2024
August 2024	20 September 2024
September 2024	20 October 2024
October 2024	20 November 2024
November 2024	20 December 2024
December 2024	20 January 2025

Month of Invoice	Invoice Due Date
January 2025	20 February 2025
February 2025	20 March 2025
March 2025	20 April 2025
April 2025	20 May 2025
May 2025	20 June 2025
June 2025	20 July 2025

PENALTIES

69. Pursuant to Section 57 and 58 of the Local Government (Rating) Act 2002, the Council authorises the following penalties:
- A penalty of 10% of the amount due and unpaid on the due date to be added on the day after the due date.
The dates on which penalties will be added are 6 September 2024, 29 November 2024, 21 February 2025, and 23 May 2025.
 - A penalty of 10% of the amount of any rates assessed in any previous year which remain unpaid on 11 July 2024 to be added on 12 July 2024.
 - A penalty of 10% of the amount of any rates assessed in any previous year for which a penalty has been added under paragraph (b) and which remain unpaid on 12 January 2025 to be added on 13 January 2025.
 - A penalty of 10% of the amount unpaid for water-by-meter rates charged to be added on the day after the due date.
 - These dates are 21 July 2024, 21 August 2024, 21 September 2024, 21 October 2024, 21 November 2024, 21 December 2024, 21 January 2025, 21 February 2025, 21 March 2025, 21 April 2025, 21 May 2025, and 21 June 2025.

END OF 2024/25 RATES RESOLUTION

26. Audit Proposal Letter for the 2023-24 and 2024-25 financial years

The Financial Director spoke to the report noting that the letter would have normally been presented to the Strategic Risk and Assurance Committee.

Resolved: (Mayor Southgate/Cr Casey-Cox)

That the Council:

- a) receives the report; and
- b) approves Mayor Southgate to sign the Audit Fee Letter for the 2023-24 and 2024-25 Annual Report (**attachment 1**) on behalf of the Council.

27. Submission to the Draft Speed Limits Rule 2024

The Network & Systems Operations Manager spoke to the report noting the impacts of the proposed rule impacted on speed limits around school and provided uncertainty for the speed management plan. Staff responded to questions from Elected Members concerning the process to manage speed limits within the city, status of a staff submission, variable speed signs, work already undertake by staff in the implementation of the current Speed Limits Rule and potential impacts of the proposed rule impacted on speed limits.

Resolved: (Mayor Southgate/Deputy Mayor O'Leary)

That the Council receives the report.

Resolved: (Mayor Southgate/Deputy Mayor O'Leary)

That the Council notes that staff will make a Staff submission to the Ministry of Transport on the Land Transport Rule: Setting of Speed Limits 2024.

Councillors Bydder, Taylor, Donovan and Macindoe Dissenting.

28. Recommendations from Open Committee Meetings

Recommendation from the Strategic Risk and Assurance Committee of 18 June 2024

Safety and Wellbeing Report - 1 February to 31 April 2024

Resolved: (Cr van Oosten/Mayor Southgate)

That the Council receives the report.

Risk Management Report

Resolved: (Cr van Oosten/Mayor Southgate)

That the Council receives the report.

Recommendations from the Strategic Growth and District Plan Committee 25 June 2024

Strategic Issues

Resolved: (Cr Thomson/Cr Taylor)

That the Council adopts the [Future Proof Strategy: Future Development Strategy update](#).

19. Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

Resolved: (Mayor Southgate/Cr Pike)

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject 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(1) of

the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 30 May 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of the Council Public Excluded Minutes 4 June 2024		
C3. Confirmation of the Elected Member Closed Briefing Notes 22 May 2024		
C4. Hamilton District Licencing Committee Appointments		
C5. Appointment of Directors - Waikato Regional Airport Limited		
C6. Confirmation of the Council Public Excluded (CE Review Committee Matters) 31 October 2023		
C7. Recommendation from the CE Review Committee		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect the privacy of natural persons	Section 7 (2) (a)
Item C5.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out commercial activities without disadvantage	Section 7 (2) (h)
	to enable Council to carry out negotiations	Section 7 (2) (i)
Item C6.	to protect the privacy of natural persons	Section 7 (2) (a)
	to enable Council to carry out negotiations	Section 7 (2) (i)

Item C7.	to protect the privacy of natural persons to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (a) Section 7 (2) (j)
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The meeting moved into a public excluded session at 11.40am.

The meeting was declared closed at 1.17pm.

Appendix 1

To the readers:

**Independent Auditor's report on
Hamilton City Council's 2024-34 Long-term plan**

I am the Auditor-General's appointed auditor for Hamilton City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's Long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 4 July 2024.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
 - long-term, integrated decision-making and co-ordination of the Council's resources; and
 - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages [XX to XX] represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

In accordance with clause 45 of Schedule 1AA of the Local Government Act 2002, the consultation document on the Council's plan did not contain a report from the Auditor-General. The consultation document is therefore unaudited. Our opinion on the plan does not provide assurance on the consultation document or the information that supports it.

Our opinion on the plan also does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matters

Without modifying our opinion, we draw attention to the following matters.

Risks associated with limited debt headroom

Page [119] outlines that the Council's financial strategy includes maintaining debt at levels close to its LGFA borrowing limits, leaving minimal available debt headroom over the 10 years of the plan. Page [123] outlines the risks associated with this strategy, which include the Council having less ability to fund unforeseen events. If unplanned operating and capital costs had to occur, the Council may reprioritise and reduce planned spending on capital projects and intended levels of service.

Uncertainty over inflation projections

Pages [136 to 138] outline the high level of uncertainty over the Council's assumed inflation projections. The Council has taken a risk averse approach to potential inflationary pressures due to the limited available debt headroom. Should actual inflation be lower than assumed, the Council will use surpluses to repay debt. Should actual inflation increase, the Council will review the appropriateness of rates, operating and capital spend to mitigate the risk of breaching the debt limit.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;

- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable estimates and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

We did not evaluate the security and controls over the electronic publication of the plan.

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour.

We have also complied with the Auditor-General's quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms*

that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

In addition to the audit of the plan, we have carried other engagements that are of an assurance nature and therefore compatible with the independence requirements. Other than these engagements we have no relationship with or interests in the Council or any of its subsidiaries.

Clarence Susan, Audit New Zealand
On behalf of the Auditor-General, Tauranga, New Zealand

Appendix 2

[HCC letterhead]

4 July 2024

Clarence Susan
Director
Audit New Zealand
PO Box 621
Tauranga 3144

Dear Clarence

Letter of representation for the audit of the long-term plan

This representation letter is given in connection with your audit, conducted on behalf of the Auditor-General, to provide a report on Hamilton City Council's (the Council's) long-term plan (LTP) for the 10 years commencing 1 July 2024.

This representation letter is provided to you in connection with your responsibility under the Local Government Act 2002 (the Act) to report on:

- whether the LTP gives effect to the purpose set out in section 93(6) of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

We understand that your audit was carried out in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we understand you took into account particular elements of the Auditor-General's Auditing Standards and International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We also understand that your audit was (to the extent that you deemed appropriate) for the purposes of expressing an opinion about whether the LTP provides a reasonable basis for long-term integrated decision-making by the Council and for accountability of the Council to the community, and whether the information and assumptions underlying the forecast information in the LTP are reasonable. We understand the audit would not necessarily disclose any or all irregularities should any exist.

We acknowledge that actual results are likely to be different from the forecast information because anticipated events frequently do not occur as expected and the variation may be material, and that you express no opinion about whether the forecasts will be achieved.

As permitted by clause 45 of Schedule 1AA of the Local Government Act 2002, we did not have our consultation document audited. We therefore acknowledge that your audit of the LTP and the opinion you express thereon, do not provide assurance on the information contained in the consultation document, or the information that supported it.

We also acknowledge that you do not express an opinion on the merits of any policy content of the LTP.

We confirm, to the best of our knowledge and belief, the following representations:

General

- 1 The Council accepts that it is responsible for the preparation of the LTP that meets the requirements of the Act.
- 2 In complying with the requirements of the Act in relation to the LTP, we have acted in such a manner and included in the LTP such detail as we consider on reasonable grounds to be appropriate.
- 3 The LTP has been prepared using the best information currently available to the Council and accordingly the forecast information included in the LTP is our best forecast of anticipated events for the 10 years commencing 1 July 2031.
- 4 The LTP has been prepared and is consistent with Council's own policies and strategies and the strategies and policies of other organisations where appropriate.
- 5 We believe the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the LTP as a whole. A list of uncorrected misstatements is attached to this representation letter.

Underlying information and assumptions

- 6 The forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted. The assumptions and information underlying the forecast information, including the assumed inflation projections, are reasonable and supportable in the context of the Council's position and have been based on the best information currently available to the Council. The assumptions are consistent among themselves, consistent with the current strategies and plans of the Council, and have been consistently applied.
- 7 All significant forecasting assumptions have been included in the preparation of the forecast information and have been clearly identified in the LTP. Where significant forecasting assumptions have a high level of uncertainty, that uncertainty has been stated

and the potential effects of the uncertainty on the forecast financial information have been provided.

- 8 The LTP includes all the items of operating expenditure and capital projects the Council reasonably expects will be done in the 10 years covered by the plan, based on the best information currently available to the Council.
- 9 The forecasts of capital expenditure and operating expenditure are supported by, and consistent with, underlying information such as asset management plans and the infrastructure strategy.
- 10 The records maintained by the Council were adequate for the preparation of the Council's LTP.
- 11 We have made available to you all supporting documentation on the information and assumptions underlying the forecast information used to prepare the LTP.
- 12 All minutes of meetings of the Council and its sub-committees held to date have been made available to you for inspection, including summaries of recent meetings for which minutes have not yet been prepared or approved.

Performance framework

- 13 The forecast information and proposed performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service. The performance measures reflect the intended levels of service for those activities the Council has chosen to carry out in response to community consultation and legislative requirements. Proposed performance targets are based on the equivalent basis of reasonable and supportable assumptions and underlying information.

Systems and processes

- 14 The Council accepts that it is responsible for establishing and maintaining systems and processes designed to provide reasonable assurance about the integrity and reliability of the forecast information. The Council has maintained effective systems and processes, and they have operated to generate accurate and reliable forecast information.

Legislative compliance

- 15 The Council accepts that it is responsible for ensuring that all applicable aspects of the Act that affect the LTP have been complied with. To the best of its knowledge, the Council has complied with all legislative requirements in the preparation of the LTP.
- 16 The Council has followed the decision-making provisions of Part 6 of the Act in making decisions about the content considered for inclusion and exclusion from the LTP.

- 17 The Council followed the special consultative procedures outlined in the Act in relation to the consultation document. All changes to the underlying information resulting from consultation have been appropriately reflected in the LTP.
- 18 We have a significance and engagement policy that outlines the Council's approach to determining the significance of proposals and decisions in accordance with section 76AA of the Act.
- 19 The Council has considered the balanced budget requirements outlined in section 100 of the Act, and is managing its revenue, expenses, assets, liabilities, and general financial dealings prudently as required by sections 101 and 101A of the Act. We have made adequate provision to meet the expenditure needs of the Council identified in the LTP.
- 20 The Council has adopted and applied the following policies in the development of the LTP:
- a revenue and financing policy that complies with section 103 of the Act and has been prepared after consideration of the matters outlined in section 101(3) of the Act;
 - a liability management policy that complies with section 104 of the Act;
 - an investment policy that complies with section 105 of the Act;
 - a policy on development contributions that complies with section 106 of the Act;
 - a policy on remission and postponement of rates on Māori freehold land that complies with section 108 of the Act; and
 - a rates postponement policy adopted under section 110 or rates remission policy adopted under section 109 of the Act.
- These policies have formed the basis for the financial parameters used in the preparation of the LTP.
- 21 All the information required by Part 1 of Schedule 10 of the Act has been included in the LTP.
- 22 All the information required by the Local Government (Financial Reporting and Prudence) Regulations 2014 has been included in the LTP.

Generally accepted accounting practice

- 23 The accounting policies applied to the forecast financial statements comply with generally accepted accounting practice and are those that the Council intends to use in the future for reporting historical financial statements. Any change in accounting policy from policies previously applied and reported in historical financial statements has been disclosed in the LTP.

- 24 The estimated effect of the revaluation of service delivery assets has been incorporated into the LTP.
- 25 The forecast financial information has been prepared and presented in accordance with PBE FRS 42 Prospective Financial Statements.
- 26 The forecast financial information has been prepared in accordance with the accounting policies.
- 27 The Council's assumption about future price changes on the forecast financial information is based on the best information currently available to the Council and is reasonable and supportable.

Publication of the LTP and related audit report on the Council's website

- 28 The Council accepts that it is responsible for the electronic presentation of the audited LTP.
- 29 The electronic version of the audited LTP and related audit report presented on the website are the same as the final signed version of the audited LTP and audit report.
- 30 We have clearly differentiated between audited and unaudited information in the preparation of the LTP on the Council's website and understand the risk of potential misrepresentation in the absence of appropriate controls.
- 31 We have assessed the security controls over audited forecast information and the related audit report and are satisfied that procedures in place are adequate to ensure the integrity of the information provided.
- 32 Where the audit report on the full LTP is provided on the website, the LTP is also provided in full.

These representations are made at your request, and to supplement information obtained by you from the records of the Council and to confirm information given to you orally.

Yours faithfully

Paula Southgate
Mayor

Lance Vervoort
Chief Executive

Unadjusted audit differences

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Revenue*	\$1,110,760	\$1,057,555	\$820,282							
Non-current liabilities	(\$1,110,760)	(\$2,168,315)	(\$2,988,597)							

Council has not recognised the funding shortfall within its LTP arising from the NZTA (New Zealand Transport Agency) 2024-27 NLTP — indicative allocations for continuous programmes. The misstatement above assumes the Council will go ahead with the relevant projects and borrow for the remaining unfunded portion.

Explanation for why not corrected: The Council considers the financial amount is not material for each individual year or in the aggregate over the 3 years.

Council Report

Committee: Council

Date: 01 August 2024

Author: Amy Viggers

Authoriser: Amy Viggers

Position: Governance Lead

Position: Governance Lead

Report Name: Chair's Report

Report Status	<i>Open</i>
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Recommendation – *Tuutohu*

That the Council:

- a) receives the report;
- b) approves the costs for Mayor Paula Southgate, Cr Tim Macindoe, and Cr Moko Tauariki, to attend the LGNZ Annual General Meeting and Conference, to be covered by the 2025 'Conference by resolution budget', covering registration costs, flights, and accommodation;
- c) delegates authority to the Climate Strategy Advisory Group, to work with key staff to develop the submission to the Ministry for the Environment;
- d) delegates authority to approve the submission to the Ministry for the Environment on the second emissions reduction plan to the Mayor and Deputy Mayor;
- e) notes that **Draft 1** of the Council's submission to the second Emissions Reduction Plan will be circulated to all Elected Members and Maangai Maaori for feedback; and
- f) notes that recommendation b) is being sought as there are no suitable Committee or Council meeting dates available to be able to consider and approve, the draft Council submissions on this discussion document before the submission closing date.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Chair's Report.



Chair's Report

1 August 2024

July has been a steady month with a number of engagements worth updating you on.

On 17 July, I met local MPs, Minister Tama Potaka and MP Ryan Hamilton to discuss Hamilton based issues. We discussed the infrastructure needs of our fast-growing city, and interest in exploring partnership opportunities to support sustained economic and prosperity. On city and regional deals, Minister Potaka indicated that more clarity should come in the next 90 days. I was particularly keen to hear about the Government's focus on crime and law and order, as a key issue for Hamiltonians. I encouraged the Ministers to advocate for Hamilton to have a seat on the newly established group tasked with looking at retail crime.

By way of an update on emergency housing, Minister Potaka noted steps taken for a new "Priority One" category for families with dependent children, to move to the top of the social housing waitlist. The Government's goal was to reduce emergency housing by 78% in 5 years, assuming no surge of new arrivals came in. The good news is that we should see a significant reduction in the use of emergency housing in motels over the next 18 months. I noted Council's strong focus on enabling development-ready land, although again the importance of partnering to meet our infrastructure need.

I received a letter from Minister Louise Upston, who noted the Government's commitment to getting people into jobs and reducing benefit dependency. Minister Upston has requested our support for reaching the Government's targets, including to "encourage local employers" to help local people into jobs, working with MSD.

On 22 July, I attended the Joint Waikato Chairs and Mayors Forum. Local water done well was a priority topic that the group continues to work through. At the meeting, I indicated that Hamilton is seeking an outcome that meets the priority needs of Hamilton and the wider region. We are open to working with all potential partners, but we recognise everyone is on a different journey, and we need to be clear what is possible, and what the priorities are in the short, medium, and longer term. As agreed by a unanimous recommendation of the Mayoral Forum, a report on the information provided to the forum and Hamilton's options, will come back to Council on 12 September for our consideration. Getting water services provision and future water investment right must be a priority, and this Council needs to form a view on the right steps forward. One of the tricky and controversial issues we will face over the next few years is volumetric charging (water meters), in line with the Government's expectations around financial sustainability and fair charging.

On 25 July, I met with the Fire and Emergency Services New Zealand Board, during their visit to Hamilton. They provided an update on fire crewing in Hamilton. I noted my expectations that resources keep up with population growth, to ensure our city is well served. I questioned them about the resourcing to service our new growth areas.

The Local Government New Zealand Annual General Meeting and conference will be held in Wellington at the end of August. Cr Tim Macindoe and Cr Moko Tauariki have expressed an interested in attending, in addition to myself. As we have resolved for the last few years, I recommend that costs be met for the three of us from the Conference by Resolution budget.

Finally, on 17 July 2024, the Ministry for the Environment released a discussion document for the Government's second Emissions Reduction Plan (ERP2). The discussion document outlines the Government's climate change strategy and approach to achieving the emissions budgets and targets. The Government is seeking feedback on the proposed actions for the ERP2 by 21 August 2024. As there are no Council or Committee meetings close to the submission closing date, I propose the Climate Strategy Advisory Group work with staff to develop the submission and that approval of the submission is delegated to Mayor and Deputy Mayor. The draft submission will be circulated to all Councillors for feedback through the process.

Paula Southgate
Mayor of Hamilton

Council Report

Item 7

Committee: Council

Date: 01 August 2024

Author: Blair Bowcott

Authoriser: Andrew Parsons

Position: General Manager Strategy,
Growth and Planning

Position: General Manager
Infrastructure and Assets

Report Name: Local Water Done Well Update

Report Status	Open
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Purpose - *Take*

1. To update the Council on progress in response to the Government's Local Waters Done Well programme and the overlaps between the waters response and the rates review that Council resolved to undertake through the development of the Long-Term Plan (LTP).
2. To seek the Council's approval to merge political oversight and engagement on waters reform and the rates review to ensure that there is a single integrated workstream addressing how the Council rates for waters and the other aspects of the general rates.

Staff Recommendation - *Tuutohu-aa-kaimahi*

3. That the Council:
 - a) receives the report;
 - b) notes the scope of work required to address the separation of waters related charges from general rates as part of Council's response to Local Water Done Well and expected economic regulation and reporting requirements;
 - c) notes the overlap between the Rates Review that Council resolved to undertake in November 2023 and February 2024, and the work required to separate waters related charges from general rates; and
 - d) approves the Waters Working Group be updated to be the Waters and Rates Working Group with Cr XX and Cr XX be added to the membership and the expanded Terms of Reference (**attachment 1** of the staff report).

Executive Summary - *Whakaraapopototanga matua*

4. During the development of the 2024-34 Long-Term Plan, the Council resolved to undertake a review of rates to inform possible changes to be introduced in the 2025/26 Annual Plan and/or a Long-Term Plan Amendment. Council is also committed to a significant work programme to respond to the Government's Local Water Done Well Programme. Both initiatives require Council to carefully consider a range of significant rates related matters, including the possible separation of waters related charges from the general rate.

5. There is an obvious inter-relationship between the emerging scope of the response to Local Water Done Well and Council's intended rates review. Indeed, the scope and potential impact of the options for separating waters related rates and charges from the general rate is considerably larger than the range of issues that were contemplated as part of the rates review.
6. Staff consider that it would be unwise to progress these two initiatives separately. It would also be difficult to deal with the way in which Council charges for water separately from the rest of the work programme that is responding to Local Water Done Well. Staff recommend dealing with rates and charges as one work-stream with input from one group of elected representatives. This has led to the recommendation to expand the scope and membership of the existing Waters Working Group to include the rates review.
7. Staff consider the matters in this report to have a low level of significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

HCC Response to Local Water Done Well

8. In April 2024 Council resolved to establish a Waters Working Group to act as a sounding board and engagement group in relation to Council's response to the Government's Local Water Done Well Programme.
9. Council appointed Mayor Southgate, Deputy Mayor O'Leary, Cr Thomson, Cr van Oosten, Cr Macindoe and Maangai Kana to the Waters Working Group.
10. As part of the response to Local Water Done Well it is increasingly clear that to comply with the new economic regulations and reporting requirements Council is likely to need to separate out water related charges from general rates. To provide the necessary level of transparency Council is likely to need to move to separate rates for each of the three waters.
11. It is also becoming evident that to secure the additional debt head room needed for infrastructure investment to accommodate expected growth, Council is likely to need to move to a Water Services Council Controlled Organisation (CCO) that owns assets and can charge directly for waters services. Whilst the ways in which a Water Services CCO will be able to charge water users is the subject of future government policy decisions, it is likely that available charging tools will not be the same as the rating tools available to Councils.
12. Council is yet to make decisions in relation to these matters. Such decisions are significant and will need to be informed by robust analysis and the consideration of meaningful options. As staff undertake that work, the Waters Working Group is providing a valuable sounding board and is ensuring that the range of options explored addresses the concerns of elected representatives.

Rates Review

13. As part of the LTP considerations, Council resolved to undertake a broad review of rates. The relevant resolutions are:

Meeting of 28 November 2023

Rating Options/Changes Working Group

Resolved: (Cr Thomson/Cr Bydder)

That the Council:

- a) *notes that in developing this long-term plan process staff and Elected Members identified a number of rates funding option that were not reasonably practicable to implement at this time.*

- b) requests staff develop a plan to:
 - i. identify the cost and implications of developing new rates (e.g. district plan changes)
 - ii. review the matters listed in C.
 - iii. workshop staff advice and provide feedback from Elected Members, as required.
 - iv. complete the process in a timely manner to allow for consultation on any proposed changes to rates and associated policies or long-term plan amendment for the 2025/26 Annual Plan.
- c) notes matters to be considered, in the context of increasing the rating base:
 - i. Underdeveloped Land – including new subdividable land and vacant land and underdeveloped
 - ii. Commercial land.
 - iii. Short-term accommodation with district plan alignment.
 - iv. Equity of rates on land with multiple separately used and inhabited parts of a rating unit.
 - v. Assessment of exceptional land use for example high users or negative impacts.
- d) notes that the above process will be completed within the existing budget.

Meeting of 20 February 2024

Comprehensive Rates Review

Resolved: (Cr Casey-Cox/Deputy Mayor O’Leary)

That the Council requests that staff include in the draft 2024-34 Long-Term Plan consultation document a section concerning the Council’s intention to undertake a comprehensive rates review, via a Working Group, in the first year of the 2024-34 Long-Term Plan which would include the assessment of the Uniform Annual General Charge (UAGC).

Staff Action: *Staff undertook to include the Rates Remissions and Postponements Policy in the matters to be considered by the Rates Working Group.*

- 14. The Rates Working Group referred to in the Minutes of the 20 February meeting has not yet been established.
- 15. Given the obvious overlap between the intended Rates Review and the rating response to Local Water Done Well, it is timely for council to consider how the political engagement and oversight of both will be undertaken, and whether the two initiatives should be combined.

Discussion – Matapaki

- 16. The current rates framework is set out in the LTP 2024/34 Funding Impact Statement. The following table shows the rates charged by HCC for the 2024/25 year and the contribution to waters activities (for each of the three waters) from each rate.

Rate	Water			Wastewater			Stormwater			Total Rates Budget
	Rates Revenue (excl GST)	% of Total Rates	% of Water Rates	Rates Revenue (excl GST)	% of Total Rates	% of Water Rates	Rates Revenue (excl GST)	% of Total Rates	% of Water Rates	
General rate (CV)	15,524,018	6.4%	53.2%	31,682,041	13.1%	81.4%	15,4115,500	6.4%	83.4%	241,102,583
UAGC (SUIP)	3,057,611	6.4%	10.5%	6,240,096	13.1%	16.0%	3,036,238	6.4%	16.4%	47,487,577
less	-2,631,782	21.5%	-9.0%	-5,964,602	48.7%	-15.3%	-2,277,273	18.6%	-12.3%	-12,249,184
remissions										
less rates & water paid for HCC owned properties				-48,623	3.7%	-0.1%				-1,297,542
Government Compliance (CV)	2,652,140	20.3%	9.1%	5,213,442	39.9%	13.4%	2,304,64	17.6%	12.5%	13,062,425
Service category wastewater rate (LV & CV)				1,811,739	100%	4.7%				1,811,739
Service category water rate (SUIP)	69,221	100.0%	0.2%							69,221
Commercial & Other water minimum (fixed rate)	258,750	100.0%	0.9%							258,750
Water by meter (fixed rate minimum charge + per kl rate)	10,236,250	100.0%	35.1%							10,236,250
Service category-refuse rate (SUIP)										32,585
BID rates										361,995
Central City rates										145,000
Pool rate										188,000
Penalties										1,462,105
Total	29,166,208	9.6%	100.0%	38,934,093	12.9%	100.0%	18,479,069	6.1%	100.0%	302,671,504
Other Charges										
Water from Hydrants	250,000									
Trade waste Income				4,965,311						
Septage Income				105,683						
TOTAL	29,416,208	9.6%		44,005,087	14.3%		18,479,069	6.0%		307,992,498

Differential categories (Gernal Rates & Govt Compliance Rates)

- Residential
- Commercial / BID Commercial
- Other (Rural)

17. The general rate, and Government Compliance targetted rate are charged on the basis of capital value with a differential. The UAGC is a charge per Separately Used or Inhabited Part of a rating unit (SUIP). The Water by Meter rate has a fixed (minimum) charge and a volumetric charge that applies to water consumed above the minimum charge.
18. General rates provide more than 80% of the revenue required for stormwater, and wastewater. Thirty-five percent of water supply costs are met from charges for metered water, with the balance coming from the general rate, UAGC and Government Compliance Targetted rate. Eleven percent of wastewater costs are met through trade waste levies.
19. The most significant rates remissions relate to the rates charged to Council owned waters utility infrastructure.
20. If Council is to separate out waters charges from the General Rate in order to respond to the expected requirements of Local Water Done Well and economic regulation, it would need to make changes to each rate that contributes to waters activities as well as to remissions and hardship policies. Council will also need to consider the rating differential impacts. The relevant rates and charges include:
 - i. General Rate
 - ii. UAGC
 - iii. Government Compliance Rate
 - iv. Commercial & Other Water Minimum Rate
 - v. Water by Meter Rate
 - vi. Service Category Rates
 - vii. Rates Remissions
 - viii. Trade Waste and other charges
21. In addition to the separation of waters rates, Council will also need to consider the possible separation of Development Contributions and Financial Contributions to be specific for each of the three waters. This work will need to include the historic reconciliation of development contributions received and what has been spent on growth related infrastructure.
22. There is an obvious inter-relationship between the emerging scope of the response to Local Water Done Well and Council's intended rates review. Indeed, the scope and potential impact of the options for separating waters related rates and charges from the general rate is considerably larger than the range of issues that were contemplated as part of the rates review.
23. Staff consider that it would be unwise to progress these two initiatives separately. It would also be difficult to deal with the way in which Council charges for water separately from the rest of the work programme that is responding to Local Water Done Well. Staff recommend dealing with rates and charges as one work-stream with input from one group of elected representatives. This has led to the recommendation to expand the scope and membership of the existing Waters Working Group to include the rates review.

Financial Considerations - *Whaiwhakaaro Puutea*

24. The cost of this activity will be met from within the existing budget allocation for Local Waters Done Well and from resources intended to support the rates review.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

25. Staff confirm that the recommendation complies with the Council's legal and policy requirements.

Climate Change Impact Statement

26. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

27. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
28. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
29. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

30. The most substantial risk facing the Council in relation to the matters addressed by this report would be failing to address the very real issues, challenges and concerns facing the Council as it responds to the Local Water Done Well programme and the known financial, borrowing and major investment challenges it faces in relation to water services and infrastructure. The recommendations in this report are intended to assist the Council to respond to these risks.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

31. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.
32. Community views and preferences are already known to the Council through specific research and previous consultation on waters delivery. Council has also received considerable rates related feedback through the development of the LTP. The recommendations of this report are intended to provide the framework that ensures that community views are addressed as the Council considers options for the future. The Council will need to consult on any proposed changes to rates that arise from this work.
33. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Waters and Rates Working Group Terms of Reference - Final, and Tracked Changes

Waters and Rates Working Group

Reports to:	The Council
Chairperson:	as appointed by Council
Membership:	as determined by Council
Meeting frequency:	As required
Quorum:	Half plus one of the number of members appointed by Council – noting that meetings of the group will be informal and no decisions will be made.

Purpose and Terms of Reference:

1. To act as a political reference group and sounding board for staff in relation to the development of HCC's response to Local Waters Done Well.
2. To act as a political reference group and sounding board for staff and Council's nominated representative in relation to the Waikato Waters Done Well initiative by the Waikato Mayors and Chairs Forum.
3. To provide insights necessary to ensure that the consideration of options for the future delivery of waters services and infrastructure developed by staff address the issues and concerns of elected representatives.
4. To act as a political reference group and sounding board for staff in relation to the Rates Review Council resolved to undertake in [date]
5. To provide insights necessary to ensure that the consideration of options for the any changes to the rating system and the possible separation of waters related charges from General Rates address the issues and concerns of elected representatives.

Delegations: None

Special Notes:

The members of the Waters and Rates Working Group are expected to develop particular insights and understanding in relation to waters and options for the future delivery of waters services and infrastructure that will help Council make timely and informed decisions. They are also expected to develop particular insights and understanding in relation to the Council's rating framework and options for changes to rates that address the concerns of members raised through the consideration of the LTP and to the possible separation of waters related charges from the General Rate.

Waters and Rates Working Group

Reports to:	The Council
Chairperson:	as appointed by Council
Membership:	as determined by Council
Meeting frequency:	As required
Quorum:	Half plus one of the number of members appointed by Council – noting that meetings of the group will be informal and no decisions will be made.

Purpose and Terms of Reference:

1. To act as a political reference group and sounding board for staff in relation to the development of HCC's response to Local Waters Done Well.
2. To act as a political reference group and sounding board for staff and Council's nominated representative in relation to the Waikato Waters Done Well initiative by the Waikato Mayors and Chairs Forum.
3. To provide insights necessary to ensure that the consideration of options for the future delivery of waters services and infrastructure developed by staff address the issues and concerns of elected representatives.
4. To act as a political reference group and sounding board for staff in relation to the Rates Review Council resolved to undertake in [date]
- 3-5. To provide insights necessary to ensure that the consideration of options for the any changes to the rating system and the possible separation of waters related charges from General Rates address the issues and concerns of elected representatives.

Delegations: None

Special Notes:

The members of the Waters and Rates Working Group are expected to develop particular insights and understanding in relation to waters and options for the future delivery of waters services and infrastructure that will help Council make timely and informed decisions. They are also expected to develop particular insights and understanding in relation to the Council's rating framework and options for changes to rates that address the concerns of members raised through the consideration of the LTP and to the possible separation of waters related charges from the General Rate.

Council Report

Item 8

Committee: Council

Date: 01 August 2024

Author: Greg Morton

Authoriser: David Bryant

Position: Policy and Bylaw Lead

Position: General Manager Business Services

Report Name: Citizens Initiated Referenda Policy Review

Report Status	Open
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Purpose - *Take*

1. To inform the Council of the Citizens Initiated Referenda Policy review options and seek approval of the one of the proposed options.

Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Council:

- a) receives the report;

Either

Option 1

- b) approves the Citizens Initiated Referenda Policy (Attachment 2) with minor amendments; and
- c) notes that at the next review of the Standing Orders the Council will consider including information on referenda, at which stage, the Citizens Initiated Referenda Policy could be revoked.

Or

Option 2:

- b) revoke the Citizens Initiated Referenda Policy, noting other avenues are available to the Community to request referenda.

Executive Summary - *Whakaraapopototanga matua*

3. The purpose of the Policy is to clarify the circumstances under which a Citizens Initiated Referenda may be held and when a request would be considered by Council. The current Citizens Initiated Referenda Policy is due for review.
4. Staff recommend two options for consideration by Council:
 - i. **Option 1:** Approve the Citizens Initiated Referenda Policy (Attachment 2) with minor amendments. At the next review of the Standing Orders Council considers including information on referenda, at which stage, the Citizens Initiated Referenda Policy could be revoked.

- ii. **Option 2:** Revoke the Citizens Initiated Referenda Policy, noting other avenues are available to the Community to request referenda.
- 5. Staff consider the decisions in this report have a low level of significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

- 6. Under the Citizens Initiated Referenda Act 2001, any New Zealand citizen can petition for a referendum by central government, however, there is no Local Government equivalent that would compel Council to undertake a referendum on a general topic.
- 7. There are specific provisions for polls/referenda which allow Council to undertake them at their own discretion, and specific provisions under the Local Electoral Act 2001 and Local Government Act 2002, but as state above none that compel Council to conduct a poll/referendum. More detail on the legal provisions are set out further in this report.
- 8. Most Councils do not have Citizens Initiated Referenda Policies, and instead rely on Standing Orders for petitions and referenda. Referenda are considered non-binding until a decision is made by Council to hold a referendum and a resolution passed to make the outcome binding.

Discussion - *Matapaki*

Council Policy

- 9. The Policy was first adopted in 2013, with this being the third review of the policy. Legislation in regard to citizens initiated referenda applies to Central Government, and there is no legislation which applies to Local Government in the same manner.
- 10. Staff note that only a small number of Councils have a policy on citizens initiated referenda, and Hamilton City Council are one of the few which do.
- 11. The trigger to initiate a citizen's initiated referenda is a minimum of 1,500 signatures of Hamilton registered voters. The outcome is non-binding unless specifically resolved to be binding. The decision to hold a referendum sits with Council. However, if Council decided to not go ahead with a referendum, the petitioners then have a further 90 days to collect a further petition with a minimum of not less than 10% of registered Hamilton voters.
- 12. To date, there has been one referendum held by Council - on the addition of fluoride in the city drinking water, this was triggered by a decision of the Council following the receipt of a 1,500 signature petition.

Local Government Referenda

- 13. Under section 9 of the [Local Electoral Act](#) 2001 (LEA) Council could call a referendum. This would require a resolution of the Council, the outcome is non-binding unless specifically resolved to be binding. The decision to hold a referendum sits with Council, there is no legislative obligation for Council to undertake a referendum as a result of a petition.
- 14. Currently it is intended that the Council Policy would trigger this process under the LEA.

Council Standing Orders

- 15. [Standing Orders](#) provide for petitions to be presented to Council, the only requirement is that these are considered and received by Council, there is no obligation attached to hold a referendum - regardless of the request made or number of signatories.

Local Government Poll on electoral system

16. [Section 29](#) of the LEA gives electors the ability to demand a poll on the electoral system. This does not extend to other topics – it is only the electoral system that this provision applies to. Staff note that at the time of writing this report a Bill is before parliament to reinstate provisions relating to polls on Maaori Wards.

Local Government Poll under the LGA 2002

17. [Subpart 2 of Schedule 3](#) to the LGA 2002 also provides for polls, these are in relation to a reorganisation scheme being proposed under that Act and only applies to the circumstances listed in [clause 23\(1\)](#) of the schedule.

Options

18. The current Policy, alongside Standing Orders provides three ways in which the community can request a referendum –
- Under Standing Orders a petition with 150 signatures can be submitted to Council for its consideration on any topic, a request for a referendum thought this avenue could be declined on the basis that it doesn't meet the requirements of the current Policy.
 - Under the current Policy the community can request a referendum with 1500 valid signatures, that Council and agree to or decline to carry out a referendum.
 - Under the current policy the community can demand a referendum, the petition must contain signatures from not less than 10% of Hamilton residents. If this occurs, the Policy indicates that Council will carry out the referendum subject some conditions (e.g. deferring/combining a referendum with another or an election process to reduce costs).
19. In addition to the above avenues available to the community, Council can resolve to hold a referendum under the LEA. The two options below are recommended to Council for consideration:

Options	Considerations
Option 1	
<p>Approve the Citizens Initiated Referenda Policy (Attachment 2) with minor amendments.</p> <p>At the next review of the Standing Orders Council considers including information on referenda, at which stage, the Citizens Initiated Referenda Policy could be revoked.</p>	<p>This option supports an empowering model of decision making with the community.</p> <p>Council is potentially committing to the cost of a referendum in certain circumstances.</p>
Option 2	
<p>Revoke the Citizens Initiated Referenda Policy, noting other avenues are available to the Community to request referenda.</p>	<p>Removes a Policy which is not required by legislation.</p> <p>Less direct avenues are still available to the Community – i.e. a petition made through Standing Orders, lobbying Elected Members on matters that they wish to put to a referendum.</p>

Financial Considerations - *Whaiwhakaaro Puutea*

Policy review

20. The review of the Citizens Initiated Referenda Policy has been completed by staff, and is a regular operating activity funded through the Long-Term Plan.

Direct costs of a referendum

21. Council can hold a poll at the same time as an election or a byelection (although if only one ward was subject to a byelection there would still be the cost of supplying documents to all electors in the city). Staff time and any campaign budget would be on top of this.
22. All of these costs for a stand-alone referendum or poll would be unbudgeted and are subject to postage increases and amount of communication and engagement with public.
23. Previous estimates for cost for a stand-alone referendum or poll for 110,000 electors is in the order of \$265,000 + GST or \$2.41 + GST per elector, noting postage costs alone were estimated at \$137,600 + GST. Previous estimates for a referendum or poll at the same time as a triennial election were approximately \$60,000 + GST.
24. Staff time and any campaign budget would be additional to this. All costs would be unbudgeted.
25. Staff emphasise that the above are previous estimates to illustrate the budget considerations if a poll or referendum were to be held. Changes in postage, material and labour costs would be advised to Council as part of any future decision making process.

Cost recovery

26. Cost recovery for referenda is uncommon, unless a council is undertaking the referendum on behalf of another organisation. Including a mandatory or optional charge for referenda could result in unintended inequity outcomes.

Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

27. Local Government does not have an equivalent to the [citizens-initiated referendum provisions that apply to central government](#) under the [Citizens Initiated Referenda Act 1993](#). Any New Zealand citizen can petition for a referendum by central government, for one of these to be held, at least ten percent of eligible voters must sign a petition supporting the proposed referendum question. For context, there were 3.5 million people enrolled to vote at the 2020 election. These referenda are non-binding, which means Central Government doesn't have to act on the result of it. Non-binding referenda can be held on any subject.
28. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.

Climate Change Impact Statement

29. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

30. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
31. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.

32. The recommendations set out in this report are consistent with that purpose.

Social

Providing more clarity around public initiated referenda will allow public to make more informed decisions around how they wish to engage with Council.

Allowing for more clarity around public initiated referenda and petitions could lead to more public engagement and feelings of social inclusion, as people are more informed of how to engage Council on topics they are passionate about.

Economic

33. Providing more clarity around public initiated referenda will allow public to make more informed around how they wish to engage with Council around economic issues.
34. Providing more clarity allows everyone, not just established business, to request a referenda on issues which affect them.
35. There are no known direct economic benefits or risks to the economy based on the options provided.

Environmental

36. Providing more clarity around public initiated referenda will allow public to make more informed around how they wish to engage with Council around environmental issues.
37. There are no known direct economic benefits or risks to the environment based on the options provided.

Cultural

38. Providing more clarity around public initiated referenda will allow all members of the public to make more informed decisions around how they wish to engage with Council.

Risks - *Tuuraru*

39. Although there are no legislative requirements to have a Citizens Initiated Referenda Policy, there is a risk in leaving the Policy as it is with no clarity in the Standing Orders. This is because there is a lack of clarity for members of the public.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

40. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
41. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - Draft Citizens Initiated Referenda Policy - Track Changes

Attachment 2 - Draft Citizens Initiated Referenda Policy - Clean version

First adopted:	26 September 2013
Revision dates/version:	August 2024Updated for Governance Structure February 2017 – 28 July 2016 / Version 2
Next review date:	August 202728 July 2019
Engagement required:	
Document number:	D-1083372
Associated documents:	
Sponsor/Group:	General Manager – Business ServicesPartnerships, Communication and Maaori

Citizens’ Initiated Referenda Policy

Ko te Puutaketanga - Purpose and scope

1. The purpose of this Policy is to clarify the circumstances under which a Citizens’ Initiated Referendum may be held ~~and to ensure that Council’s referenda processes comply with statutory requirements.~~
2. From time to time Hamilton City Council ~~will~~may hold referenda on any matter relating to either the services that are provided or that may be provided by Council, or any policy or intended policy of the Council.
3. Referenda are held ~~at the request~~by resolution of Council but may also be initiated through ~~public demand~~a petition under this policy.

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Ko te Whaanuitanga - Scope

- 3.4. This Policy applies to Hamilton City Council staff and Elected Members.

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Strategic alignment

6. This policy assists in the delivery of Council’s outcomes and goals as follows:

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Prosperous and Innovative	Outstanding City Leadership	People Love Living Here
<ul style="list-style-type: none">Hamilton has a strong, productive economy and we build on our economic strengths.We have a thriving Central Business District (CBD).It’s easy to do business here.Our city grows and prospers in a sustainable way.	<ul style="list-style-type: none">The city is led by effective, open and responsive governance.Council’s finances are sustainable for the long term.We operate efficiently and provide exceptional service.The city takes a leadership role regionally and nationally.	<ul style="list-style-type: none">Hamilton embraces the Waikato River and it is the focal point of our city.We value, preserve and protect Hamilton’s natural, green environment.Our city is attractive, well-designed and compact with outstanding architecture and distinctive public spaces.Our city is a fun place to live with a vibrant arts scene.Hamilton is a safe city.It’s easy to get around.We celebrate our people and many cultures.

~~¾ = primary contribution-~~

Ko ngaa Tikanga Whakahaerere Kaupapahere - Principles of the Policy

5. The guiding principles for this Policy are:
 - a. Council recognises the use of referenda as contributing and improving Council's decision-making through community involvement; ~~and-~~
 - b. The outcome of a Citizens' initiated referenda will be non-binding until a time where a Council decision has been made to make the referenda binding.

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Ki ngaa Tikanga- Policy

Making a request for a Citizens' Initiated Referendum

6. A Petition containing not less than 1500 signatures of residents of Hamilton City, inclusive of the principal petitioner, all being on the Electoral Roll for Hamilton City and eligible to vote, shall be presented to the Hamilton City Council advising of the petitioners' request for a referendum.
7. All petitions will be considered by ~~the appropriate Standing Committee of~~ Council, together with staff advice.
8. The subject of that petition must be considered by Council within 60 days of receipt.
9. If Council declines to hold a referendum as requested, the petitioners have a period not exceeding 90 days from the Council's decision to collect a further **petition containing signatures from not less than 10 percent (trigger level)** of Hamilton residents being on the Electoral Roll for Hamilton City and eligible to vote to demand a referendum.
10. Failure to present a further petition within the 90-day period will invalidate the request for a referendum.

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Process for a Citizens Initiated Referendum

11. The sequence of events to be followed for a public-demanded referendum is as follows:
 - a. The proposer submits a proposal for a referendum to Council and the wording of the petition to demand the referendum must be determined in conjunction with the Electoral Officer.
 - b. The proposer collects the details and the signatures for the petition in accordance with the requirements of the valid petition criteria section.
 - c. The proposer presents the completed petition to Council.
 - d. The Electoral Officer validates the petition.
 - e. On receipt of a valid petition which meets the requirements of valid petition criteria section. Council will, within fourteen (14) days, direct the Electoral Officer to initiate the referendum in accordance with the Local Electoral Act 2001. Council may decide in the interests of ~~economies cost saving~~ to delay a request for a referendum to enable two or more issues to be decided concurrently or as part of a triennial election.
 - f. The referendum then takes place using the wording from the petition.
12. Once Council has determined that a referendum is required, the provisions of the Local Electoral Act 2001 specify the detailed procedure to be followed. Council will follow the process included in the Local Electoral Act, though that process has not been restated in this Policy.
13. Council will have the right to include counter-proposals to the subject of the petition and require the two issues to be voted on jointly.

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~~15-~~

~~16. Council may, of its own volition, initiate a referendum.~~

~~17.14.~~ There shall be no restriction on the number of referenda held at any one time. No similar petition shall be put to referendum again for a period of three years unless the Council considers that there are extraordinary circumstances justifying a further petition within that period of time.

Validate petition - criteria

~~16.15.~~ The petition shall contain not more than twenty (20) eligible and original signatures per page on A4 white paper.

~~17.16.~~ Each signature shall be next to the printed name and address of the person signing, given with sufficient detail to enable that person to be identified on the Electoral Roll of Hamilton City.

18. The petition shall also include a statement that the act of signing the petition is no more or less than a request to hold a referendum on the issue.

~~19.17.~~ The petition must show the estimated cost of the referendum to the ratepayer. This estimated cost will be provided by the Electoral Officer.

~~20.18.~~ To request a referendum the petition must contain not less than 1500 signatures of residents of Hamilton City, inclusive of the principal petitioner, all being on the Electoral Roll for Hamilton City and eligible to vote (as outlined in making a request for a Citizens' Initiated Referendum section).

~~21.19.~~ To demand a referendum, the petition must contain signatures from not less than 10% (trigger level) of Hamilton residents, all being on the Electoral Roll for Hamilton City and eligible to vote (as outlined in in making a request for a Citizens' Initiated Referendum section)

Consequences of referendum

~~22.20.~~ The result of the referendum shall not be binding on the Council, but the Council shall, where legally possible, give favourable consideration to the view of the majority of valid votes cast at a referendum. Where there are legal or other constraints on the Council, the Council shall endeavour to inform the public prior to the referendum of the qualifications on its decision-making process.

~~23.21.~~ The principal petitioner may appoint up to three (3) scrutineers to observe the counting of votes and the procedures used. Any informality of procedure must be advised in writing to the Chief Executive of Hamilton City Council by the principal petitioner or one of the scrutineers so appointed within seven (7) days of the results of the referendum being declared by the Electoral Officer.

~~24.22.~~ No issue becoming the subject of a referendum will proceed or be withdrawn until the issue has been declared valid or invalid. Council may proceed with or withdraw any issue where there are legal requirements or where the Council considers that there is a good reason.

Ko te Aroturukitanga me te Whakatinanatanga Monitoring and implementation

~~26.~~ The General, City Growth will monitor the implementation of this Policy.

~~27.23.~~ The policy will be reviewed every three years or at the request of Council, or in response to changed legislative and statutory requirements, or in response to any issues that may arise.

Ko ngaa Tohutoro References

- Local Electoral Act 2001

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First adopted:	26 September 2013
Latest Revision dates/version:	August 2024
Next review date:	August 2027
Engagement required:	
Document number:	
Associated documents:	
Sponsor/Group:	General Manager – Partnerships, Communication and Maaori

Citizens' Initiated Referenda Policy

Ko te Puutaketanga - Purpose

1. The purpose of this Policy is to clarify the circumstances under which a Citizens' Initiated Referendum may be held.
2. From time to time Hamilton City Council may hold referenda on any matter relating to either the services that are provided or that may be provided by Council, or any policy or intended policy of the Council.
3. Referenda are held by resolution of Council but may also be initiated through a petition under this policy.

Ko te Whaanuitanga - Scope

4. This Policy applies to Hamilton City Council staff and Elected Members.

Ko ngaa Tikanga Whakahaerere Kaupapahere - Principles of the Policy

5. The guiding principles for this Policy are:
 - b. Council recognises the use of referenda as contributing and improving Council's decision-making through community involvement; and
 - c. The outcome of a Citizens' initiated referenda will be non-binding until a time where a Council decision has been made to make the referenda binding.

Ki ngaa Tikanga- Policy

Making a request for a Citizens' Initiated Referendum

6. A Petition containing not less than 1500 signatures of residents of Hamilton City, inclusive of the principal petitioner, all being on the Electoral Roll for Hamilton City and eligible to vote, shall be presented to the Hamilton City Council advising of the petitioners' request for a referendum.
7. All petitions will be considered by Council, together with staff advice.
8. The subject of that petition must be considered by Council within 60 days of receipt.
9. If Council declines to hold a referendum as requested, the petitioners have a period not exceeding 90 days from the Council's decision to collect a further **petition containing signatures from not less than 10 percent** of Hamilton residents being on the Electoral Roll for Hamilton City and eligible to vote to demand a referendum.
10. Failure to present a further petition within the 90-day period will invalidate the request for a referendum.

Process for a Citizens Initiated Referendum

11. The sequence of events to be followed for a public-demanded referendum is as follows:
 - a. The proposer submits a proposal for a referendum to Council and the wording of the petition to demand the referendum must be determined in conjunction with the Electoral Officer.
 - b. The proposer collects the details and the signatures for the petition in accordance with the requirements of the valid petition criteria section.
 - c. The proposer presents the completed petition to Council.
 - d. The Electoral Officer validates the petition.
 - e. On receipt of a valid petition which meets the requirements of valid petition criteria section. Council will, within fourteen (14) days, direct the Electoral Officer to initiate the referendum in accordance with the Local Electoral Act 2001. Council may decide in the interests of cost saving to delay a request for a referendum to enable two or more issues to be decided concurrently or as part of a triennial election.
 - f. The referendum then takes place using the wording from the petition.
12. Once Council has determined that a referendum is required, the provisions of the Local Electoral Act 2001 specify the detailed procedure to be followed. C.
13. Council will have the right to include counter-proposals to the subject of the petition and require the two issues to be voted on jointly.
14. There shall be no restriction on the number of referenda held at any one time. No similar petition shall be put to referendum again for a period of three years unless the Council considers that there are extraordinary circumstances justifying a further petition within that period of time.

Validate petition - criteria

15. The petition shall contain not more than twenty (20) eligible and original signatures per page on A4 white paper.
16. Each signature shall be next to the printed name and address of the person signing, given with sufficient detail to enable that person to be identified on the Electoral Roll of Hamilton City.
18. The petition shall also include a statement that the act of signing the petition is no more or less than a request to hold a referendum on the issue.
17. The petition must show the estimated cost of the referendum to the ratepayer. This estimated cost will be provided by the Electoral Officer.
18. To **request** a referendum the petition must contain not less than 150~~0~~ signatures of residents of Hamilton City, inclusive of the principal petitioner, all being on the Electoral Roll for Hamilton City and eligible to vote (as outlined in making a request for a Citizens' Initiated Referendum section).
19. To **demand** a referendum, the petition must contain signatures from not less than 10% of Hamilton residents, all being on the Electoral Roll for Hamilton City and eligible to vote (as outlined in in making a request for a Citizens' Initiated Referendum section)

Consequences of referenda

20. The result of the referendum shall not be binding on the Council, but the Council shall, where legally possible, give favourable consideration to the view of the majority of valid votes cast at a referendum. Where there are legal or other constraints on the Council, the Council shall endeavour to inform the public prior to the referendum of the qualifications on its decision-making process.
21. The principal petitioner may appoint up to three (3) scrutineers to observe the counting of votes and the procedures used. Any informality of procedure must be advised in writing to the Chief Executive of Hamilton City Council by the principal petitioner or one of the scrutineers so appointed within seven (7) days of the results of the referendum being declared by the Electoral Officer.
22. No issue becoming the subject of a referendum will proceed or be withdrawn until the issue has been declared valid or invalid. Council may proceed with or withdraw any issue where there are legal requirements or where the Council considers that there is a good reason.

Ko te Aroturukitanga me te Whakatinanatanga - Monitoring and implementation

23. The policy will be reviewed every three years or at the request of Council, or in response to changed legislative and statutory requirements, or in response to any issues that may arise.

Ko ngaa Tohutoro - References

- Local Electoral Act 2001

Council Report

Committee: Council

Date: 01 August 2024

Author: Amy Viggers

Authoriser: David Bryant

Position: Governance Lead

Position: General Manager Business Services

Report Name: 2024 LGNZ Remits for Consideration

Report Status	<i>Open</i>
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Purpose – *Take*

- To seek confirmation of the remits the Council wishes to support, or not support, at the 2024 Local Government New Zealand (LGNZ) Annual General Meeting (AGM) to be held Wednesday 21 August 2024 in Wellington.

Staff Recommendation - *Tuutohu-aa-kaimahi*

- That the Council:
 - receives the report; and
 - notes that the Council has indicated to **support/not support** the following remits, to be voted on by the presiding HCC Delegate at the 2024 Local Government NZ AGM, and that the delegate may duly take into consideration additional information received on the day to inform the final vote on behalf of the Council:
 - Representation reviews;
 - Community Services Card;
 - Local government constituencies & wards should not be subject to referendum;
 - Entrenchment of Māori ward seats for local government;
 - Graduated driver licensing system;
 - Proactive lever to mitigate the deterioration of unoccupied buildings;
 - Appropriate funding models for central government initiatives; and
 - Goods and services tax (GST).

Executive Summary – *Whakaraapopototanga matu*

- Member authorities of LGNZ (member councils) have been asked to consider eight remits submitted from zones, sector groups, or member authorities ahead of the 2024 Local Government New Zealand (LGNZ) Annual General Meeting (AGM).
- If supported at the AGM by the majority of member councils present, remits will be actioned by LGNZ.
- It is suggested that delegates have some flexibility to duly take into consideration additional information received on the day to inform the final vote on behalf of the Council.

6. The list of 2024 remits for consideration below were received by the Mayor in July 2024 and are detailed in **Attachment 1** of this report.
7. Staff consider the matters in this report to have a low level of significance and that the recommendations comply with the Council's legal requirements.

Background - *Koorero whaimaarama*

8. In 2023 the Local Government New Zealand's (LGNZ) member councils passed 11 remits. More information on the 2023 LGNZ remits can be found [here](#).
9. LGNZ provided a progress update in June 2024. Below is a copy of this update.

Remit	Progress update
Allocation of risk and liability in the building sector	LGNZ is yet to start substantive work to progress this remit. However, LGNZ did raise the issues that this remit addresses through involvement in a working group that was reviewing the building consent system in 2023.
Rates rebates	The Minister for Local Government announced an increase to the rates rebate scheme, LGNZ met Ministers Brown and Costello in early April and talked about the need for these changes to support low-income households.
Roading / transport maintenance funding	Our Transport Forum is leading work on this remit. Our submission to the draft Government Policy Statement advocated for increased investment in road maintenance.
Local election accessibility	LGNZ is yet to start substantive work to progress this remit.
Ability for co-chairs at formal meetings	Guidance on how to introduce co-chairs, which has been informed by legal advice, has been incorporated into our revised Guide to the LGNZ Standing Orders Template, which was published in early February 2024.
Parking infringement penalties	LGNZ is yet to start substantive work to progress this remit.
Rural and regional public transport	This remit is being progressed through the work that the LGNZ Transport Forum is leading. LGNZ's submission to the draft GPS Land Transport advocated for increased investment in rural and regional public transport.
Establishing resolution service	LGNZ is working on developing a resolution service into the refreshed LGNZ strategy.
Earthquake prone buildings	As championed by Manawātū District Council (the mover of this remit), a review of the current earthquake strengthening requirements has been announced. The LGNZ Policy Team has been working with Manawātū District Council and officials at MBIE to ensure the review meets the needs of local government, and that there is strong local government input into it.
KiwiSaver contributions for elected members	We have engaged with Minister Brown on this issue, and he expressed some interest in it. We have engaged Simpson Grierson to provide detailed advice on options for providing KiwiSaver contributions for elected members – including drafting of relevant legislative clauses, so that we're able to present a package of options for reform to the Government.
Scope of audits and audit fees	Part of the approach to reduce fees is to ensure that the legislative requirements and scope (and resulting repetition and complexity) of Long-term Plans and Annual Plans and reports are reduced to be better aligned with needs and cost less to audit. A workshop with

	Audit NZ, Taituarā and the Office of the Auditor General has been organised for July to review the current requirements of long-term planning and associated reporting.
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Discussion – Matapaki

- 10. Representation at the AGM and the voting entitlement of each member council is determined by their LGNZ subscription levels. Hamilton City Council can appoint up to four delegates and has six votes at the AGM.

Summary of 2024 Remits for consideration:

Representation Reviews

- 11. That LGNZ advocate for changes that support the provision of timely and accurate regional and sub-regional population data to councils for use in council representation reviews.

Community Services Card

- 12. That LGNZ advocate to Central Government to amend the Health Entitlement Cards Regulations 1993 so that the cardholder can use the Community Services Card as evidence for the purposes of accessing Council services which would otherwise rely on a form of means testing.

Local government constituencies & wards should not be subject to referendum

- 13. That LGNZ lobbies central government to ensure that Māori wards and constituencies are treated the same as all other wards in that they should not be subject to a referendum. We oppose the idea that Māori wards should be singled out and forced to suffer a public referendum.

Entrenchment of Māori ward seats for local government

- 14. That LGNZ proactively promote and lobby to entrench the Māori Wards and Constituencies for the 64 councils which currently have these, to require the support of a supermajority of parliament should either parliament or councils seek their removal.

Graduated driver licensing system

- 15. That LGNZ advocate for changes to the fee structure for driver licensing, better preparing young people for driver license testing, and greater testing capacity in key locations throughout New Zealand, in order to relieve pressure on the driver licensing system and ensure testing can be conducted in a quick and efficient manner.

Proactive lever to mitigate the deterioration of unoccupied buildings

- 16. That LGNZ advocate to Government:
 - a) for legislative change enabling local authorities to compel building owners to remediate unoccupied derelict buildings and sites that have deteriorated to a state where they negatively impact the amenity of the surrounding area.
 - b) to incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.

Appropriate funding models for central government initiatives

- 17. That LGNZ proactively promote and lobby for the development of a more equitable and appropriate funding model for central government initiatives

Goods and services tax (GST) revenue sharing with local government

18. That LGNZ be proactive in lobbying central government on sharing GST revenue with local government, derived from local government rates and service fees related to flood protection mitigation, roading, and three waters, for investment in these areas.

Financial Considerations – *Whaiwhakaaro Puutea*

19. There are no financial or budget impacts related to the decisions required in this report.

Legal and Policy Considerations – *Whaiwhakaaro-aa-ture*

20. Staff confirm that the recommendations in this report comply with the Council's legal and policy requirements.
21. Staff confirm that the recommendations in this report comply with the LGNZ Remit Policy.

Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

22. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
23. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
24. The recommendations set out in this report are consistent with that purpose.

Risks - *Tuuraru*

25. There are no known risks associated with the decisions required for this matter.

Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

26. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
27. Given the low level of significance determined, the engagement level is low. No engagement is required.

Attachments - *Ngaa taapirihanga*

Attachment 1 - LGNZ 2024 Annual General Meeting - Remits



2024 Annual General Meeting

REMITTS



Item 9

Please note that this document is not the full set of papers for this year's AGM. It just includes the remits going forward to the AGM so members can decide how they will vote on them. The full set of AGM papers will be shared no later than 10 working days before the AGM.

Attachment 1



Prioritising remits

Every year, LGNZ adopts new remits at the AGM. Each remit requires resourcing to deliver, and there is no limit to the number of remits that can be considered and passed. This means remits can create resourcing challenges, including conflict with agreed policy priorities.

LGNZ's National Council decided at its June meeting to ask the AGM to prioritise remits, to make it clearer where most resource should be directed. This will be a two-step process:

1. At the AGM, delegates will vote on remits as usual. Then, in a separate vote, they will rank successful remits in order of priority. This vote will be carried out electronically and result in a prioritised list of remits.
2. National Council will look at this prioritised list and allocate resource accordingly.
 - This will include determining where on the list the cutoff lies between a 'maximalist' and 'minimalist' approach. Depending on the nature of the remit, a 'maximalist' approach could include commissioning advice or research, or in-depth policy or advocacy work. A 'minimalist' approach could involve less resource, such as writing a letter to the relevant minister or agency.
 - Any support that proposing councils offer to deliver the remit will be considered in this decision making.

National Council will share its decision with councils, along with proposed actions.

Progress made against remits will continue to be reported in the four-monthly update to members.



Proposed Remit		Page
1.	Representation reviews	4
2.	Community Services Card	5
3.	Local government constituencies & wards should not be subject to referendum.	7
4.	Entrenchment of Māori wards seats for local government	20
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// 01

Representation reviews

Remit: *That LGNZ advocate for changes that support the provision of timely and accurate regional and sub-regional population data to councils for use in council representation reviews.*

Proposed by: Waikato Regional Council

Supported by: Zone 2

Why is this remit important?

Because local democracy relies on accurate and up to date electoral population data to ensure fair and effective representation.

Background and Context

Census and local electoral cycles are not aligned which means that census data used to inform representation reviews can be up to six years old.

This remit is flexible enough to enable advocacy that takes into account a possible move to a four-year term and possible future shifts in the way the census may be conducted in the future, including a possible replacement by the use of administrative data.

How does this remit relate to LGNZ's current work programme?

This is a critical issue for local government as it goes to the very foundation of localism. Seeks advocacy in relation to a significant issue impacting local government.

This is not currently part of the current work programme but could be linked to the Electoral Reform Working Group's look at how to best implement a four-year term.

How will the proposing council help LGNZ to make progress on this remit?

Drafting submissions and attending meetings with Statistics New Zealand amongst other things.



// 02

Community Services Card

Remit: *That LGNZ advocate to Central Government to amend the Health Entitlement Cards Regulations 1993 so that the cardholder can use the Community Services Card as evidence for the purposes of accessing Council services which would otherwise rely on a form of means testing.*

Proposed by: Palmerston North City Council

Supported by: Zone 3

Why is this remit important?

Councils are restricted from requesting a community services card as evidence of eligibility to access services. Instead Council must instead request a series of other documents from an individual to test eligibility. This creates obstacles for applicants and privacy and consistency concerns for councils.

Background and Context

The authorised uses of Community Services Cards are set out in the Health Entitlement Cards Regulations 1993 regulation 12 and restrict the purposes for which it can be used. The Regulations state that no person, other than an employee of the department or the Ministry of Health or a pharmacist or any person (other than the cardholder) mentioned in regulation 12(b) or (ba) shall demand or request a Community Services Card as a form of identification of the cardholder or as evidence that the cardholder is eligible for that Community Services Card.

People in receipt of a main benefit (e.g. Jobseeker Support, Sole Parent Support, Supported Living Payment) or receiving a Student Allowance automatically qualify for a Community Services Card. Otherwise people can apply for a Community Services Card and must meet qualifying criteria including:

- They are over 18 years of age (or over 16 years of age if enrolled in full-time tertiary study)
- They are living legally in New Zealand (or are applying for refugee status)
- They meet an income test.

Palmerston North City Council in seeking to determine a means of establishing eligibility for some council services, including social housing, found that the Community Services Card, based on its eligibility criteria, would appropriately identify eligible people. However, current regulations do not allow councils to ask if a person is a Community Services Card holder in order to establish eligibility for council services.

Cabinet has previously amended the Health Entitlement Cards Regulation 1993 and the Social Security Regulations 2018 to add public transport authorities to those able to request or demand to see a Community Services Card, and the combination SuperGold and Community Services Card, as evidence that the cardholder is eligible for public transport concessions.



How does this remit relate to LGNZ's current work programme?

This remit could increase accessibility to local government services. It also comfortably sits within the principles of the Local Government Act 2002 in that it would give local government a tool to provide services more efficiently.

How will the proposing council help LGNZ to make progress on this remit?

We can provide further legal background knowledge and research to date; and accompany LGNZ in any advocacy meetings with the Ministry or legislators.



// 03

Local government constituencies & wards should not be subject to referendum

Remit: *That LGNZ lobbies central government to ensure that Māori wards and constituencies are treated the same as all other wards in that they should not be subject to a referendum. We oppose the idea that Māori wards should be singled out and forced to suffer a public referendum.*

Proposed by: Palmerston North City Council

Supported by: Zone 3, Te Pae Tawhiti (Horizons Region, Māori ward and constituency councillors)

Why is this remit important?

It is evident that the introduction of Māori wards and constituencies empowered more Māori to nominate, stand, vote, and participate in local government.

Legislative changes will only apply to Māori wards and constituencies but not all wards and constituencies. This shows a prejudice to Māori, a complete lack of fairness and will result in further disengagement of Māori in local government. It will see the demise of Māori representation and engagement in local government.

Background and Context

Māori wards and constituencies councillors serve on district, city and regional Councils in New Zealand and represent local ratepayers and constituents registered on the Māori parliamentary electoral roll. The purpose of Māori wards and constituencies is to ensure Māori are represented in local government decision making.

In February 2021, the Government made legislative changes which would uphold local council decisions to establish Māori wards and abolish the existing law which allowed local referendums to veto decisions by councils to establish Māori wards and Constituencies. The Local Electoral (Māori Wards and Māori Constituencies) Amendment Act 2021, eliminated mechanisms for holding referendums on the establishment of Māori wards and constituencies on local bodies.

Many councils took the opportunity to make decisions about establishing Māori wards and Constituencies after the law change and as a result, the 2022 local elections saw six of the eleven regional councils (54.5%) have Māori constituencies and 29 of the 67 territorial authorities (43.3%) have Māori ward/s. Horizons Regional Council, and all seven District Councils of this region, have Māori wards.

Following the changes in legislation, there was a significant increase in Māori representation. The 2022 Local Government election saw the highest number of Māori elected members in local government, growing from 5% to 22%.



How does this remit relate to LGNZ's current work programme?

The proposed remit fits within LGNZ's stance that they too believe that Māori wards and constituencies should be treated the same as other wards in that they should not be subject to a referendum or if so, all wards should be subjected to the referendum.

Councils should be empowered to make decisions about the make-up of their representation through the Representation Review process.

How will the proposing council help LGNZ to make progress on this remit?

Palmerston North City Council and Te Pae Tawhiti already made oral and written submissions to the Justice Select Committee in June.

We also encouraged LGNZ to lead out the letter from the mayors to key ministers in May.

We are keen to support ongoing messaging, noting this remit is submitted prior to the Parliamentary decision on the proposed legislation.



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Committee Secretariat
Justice Committee
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29 May 2024

Members of the Justice Select Committee,
Re: Local Electoral Amendment Act 2024

E ngā mana e ngā reo e ngā karangatanga maha, tēnā koutou katoa.

E te tēpū whakatau o ngā whakakaupapa hou mō 'Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill' Nei rā he mihi nui ki a koutou i āta whakaaro i āta whiriwhiri i ēnei kaupapa whakahirahira e pā ana ki ngā kaunihera o te motu. Ko mātou tēnei o Te Kaunihera o Papaioea e mihi atu nei ki a koutou me te kaupapa e kawea nei e koutou. Kia kaha, kia māia kia manawanui. Anei o mātou ake whakaaro e pā ana. Nō reira tēnā koutou, tēnā koutou, tēnā tātou katoa.

Thank you for the opportunity to submit to the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill. We challenge the Select Committee to genuinely consider the feedback provided through this process. Councils do not want or need this change to occur. Our communities, and certainly Rangitāne o Manawatū our Treaty partner, are not asking for this.

Palmerston North is home to:

- near on 100,000 people of over 150 ethnicities
- one of the youngest populations with the highest number of PhDs per capita in the country

We proudly display:

- our city crest in our Council Chamber- one of we understand only four in the country which depict both Māori and Pākehā in the heraldry. Three being councils and the Crown you represent being the fourth.
- a statue of Te Peeti Te Awe Awe in the heart of our city- Te Marae o Hine The Square. Erected in 1906 jointly by city and Rangitāne leaders.

Our representation arrangements, most recently reviewed in 2021, are 1 mayor + 15 members: 2 Māori ward seats and 13 General ward seats, at-large across the city.

PNCC is committed to the principles of local government. Namely, as set out in the Local Government Act 2002 sections 4 and 81, which state we must

"... recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local

government decision-making processes... to facilitate participation by Māori in local authority decision-making processes.”

and

“establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority; and

consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.”

There are also other statutory obligations, most notably the Resource Management Act 1991, to account for the culture and traditions of Māori as it relates to the natural environment. Not to mention obligations under the Treaty of Waitangi and the Human Rights Act. These obligations alone do not adequately emphasise the foundational importance of councils’ partnership with Māori and the critical value that relationships with tangata whenua bring to local governance.

Councils have many strategic commitments that support the development of Māori capacity to participate more fully and effectively in the Council’s decision-making processes. We engage directly with tangata whenua as a part of our statutory responsibilities and as a means of giving expression to the Council’s commitment to bicultural development and responsiveness. A Māori ward is another expression of this.

PNCC is committed to its kawenata relationship with tangata whenua Rangitāne o Manawatū, who support a Māori ward for wider Māori voice at Council. In 2021 Rangitāne o Manawatū gifted names for the city-wide wards:

- Te Hirawanui General Ward: reflects the long history of partnership between the Council and Rangitāne in the founding of Palmerston North, most particularly recognising one of our Rangatira chief Te Hirawanui who coordinated and inter alia signed the deed for sale for Te Ahu a Turanga land block, of which Palmerston North became a part.
- Te Pūao Māori Ward: the heralding a new dawn, and the mouth of a river as it leads to the ocean, reminiscent of the words spoken by Rangitāne rangatira Tiweta and Mahuri to the Ngāti Upokoiri people when they invited them to take refuge in the Manawatū-- in other words signalling the opportunities to come from the Māori ward and the relationship between Māori and Local Government in the Manawatū and beyond.

On 1 May 2024, Council resolved to formally endorse this current representative structure.

PNCC wants to increase engagement with parts of the city’s community that have historically been representationally marginalised. A Māori ward ensures Māori voices will be represented at local decision-making tables. It is one tool to support democracy, which a council can use to best represent the communities it serves. Māori can stand in general wards, but the data tells us they haven’t been doing so, even in Palmerston North where STV voting and district-wide wards which should encourage diverse candidacy. Māori wards are one way to remove a structural obstacle to the choices of Māori voters. In our view, having Māori ward seats at councils to represent those on the Māori elector role is the equivalent of Māori seats in Parliament for Parliamentary elections. Participation literature repeatedly points to people being able ‘to see themselves’ in diverse candidates as a motivator for voting. Many councils chose to establish Māori wards for the 2022 elections. We then saw the highest number of Māori elected members in local government, growing from 5% to 22%, much more closely aligned to the population. It is evident the introduction of Māori wards and constituencies enabled through the 2021 legislative change empowered more Māori to nominate, stand, vote, and participate in local government.

In its report to the Māori Affairs Committee in February 2021 on the Local Electoral (Māori Wards and Māori Constituencies) Amendment Bill of the time, National Party members made their own statement, separate to the Committee report. The members noted (emphasis in bold below) that:

Rushed legislation is not good legislation.

We agree.

The [prior] law requires that when a council proposes general wards it must publicly notify its proposals and call and hear submissions. These provisions do not apply to the creation of a Māori ward under this [previous] bill. If the Government genuinely wished to align the process it would require the same legal process for creating Māori wards as for general wards.

We agree.

If Government wishes to treat Māori wards in the same way as general wards, it should seek to include Māori wards within the representation review process subject to community submissions and Local Government Commission review NOT reinstate a different process.

Representation issues are complex. They cannot be reduced to simple binary questions of yes or no. Palmerston North knows first-hand what division looks like when lobby groups from outside our community lead a poll demand.

If the Government's true intentions were to improve the representation arrangements for councils, rather than revert this legislation, they would be looking to improve it. For example, could the rules around population ratios be removed so that councils can be more responsive to the needs of their communities of interest and not limited by percentages and population ratios?

"Our 78 local councils with their 1,600 elected members, are already obliged under legislation to have improving relationships with Māori and ensure proper engagement and involvement with Māori in decision-making. Local government and iwi/hapū take those responsibilities very seriously and in good faith. How they best meet their Treaty obligations should be up to them to decide. Local government and Māori are quite capable of doing that and achieving the outcome, without the central government deciding the means."

We agree.

Local democracy is one of the two purposes of local government set out in section 10 of the Local Government Act,

"The purpose of local government is—to enable democratic local decision-making and action by, and on behalf of, communities."

Aotearoa New Zealand is a representative democracy. We elect leaders to lead. We understand well that as councillors we are democratically elected to make decisions on behalf of all of our communities, not just the majority. Local councils are well placed to make those decisions, because we consult our people and weigh up various viewpoints on an issue.

PNCC voted to establish a Māori ward for the City, in 2017 and again in 2021. Since then, every council in our Horizons region (8 councils) has established Māori wards or constituencies.

Why is the Government telling us we are not capable of making a decision we have already made twice, and must now be bound to the result of a referendum? New Zealand is a representative democracy. Referenda are usually used for consultative purposes on controversial issues. The 1993 electoral system referendum is the rare case of a binding referendum. None of the 5 citizen-initiated referenda held since 1994 have been actioned by Parliament. Why then impose a binding referendum

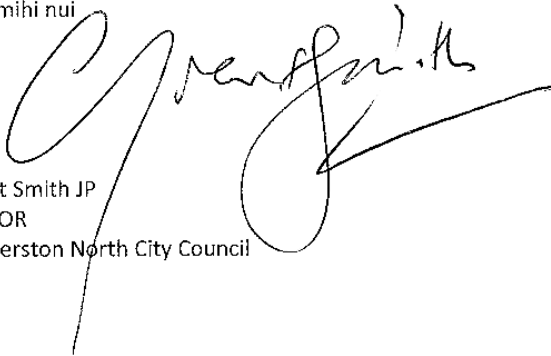
that allows people not directly affected by the result (ie. those not on the Māori electoral roll) to determine an outcome?

"Not the most important local government issue at this time when Local government is struggling on several fronts. The sector is overwhelmed and facing the most significant period of change in 30 years, and there are more pressing issues to address at this time like infrastructure, housing, transport, water, resource management, consenting processes, climate change impacts, and poor customer experiences."

We agree. The costs of polls are another unfunded mandate on councils. We have more than enough to do without distractions of fixing something that is not broken; that is in fact working well. Having a Māori ward works extremely well for Palmerston North. Why is the central government now telling us to spend more ratepayer money and time on a referendum?

We ask that the Local Electoral Act provisions with regard to the establishment of Māori wards and constituencies not be changed.

Ngā mihi nui



Grant Smith JP
MAYOR
Palmerston North City Council

29 May 2024

Submission of Te Pae Tāwhiti Rōpū

To: Justice Committee regarding the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill

Te Pae Tāwhiti Rōpū is a rōpū (group) made up of Māori Ward Councillors from the Horizons Region.

The Horizons Region is the Manawatū-Whanganui area of the lower North Island. The region is made up of eight Councils:

- Horizons Regional Council
- Palmerston North City Council
- Manawatu District Council
- Ruapehu District Council
- Rangitikei District Council
- Horowhenua District Council
- Tararua District Council
- Whanganui District Council.

All of the Councils of the Horizons Region, except Whanganui District Council, established at least one Māori ward/constituency in 2021, in time for the 2022 local elections. In October 2023, Whanganui District Council voted to establish a Māori ward for the 2025 and 2028 elections.

This submission in opposition to the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill (Bill) is based on the views of Māori Ward Councillors who belong to Te Pae Tāwhiti Rōpū.

Although we are current Councillors, we make this submission not to advocate for our personal positions on Council but for the future preservation of Māori wards and constituencies, to ensure that Māori who choose to be on the Māori electoral role, continue to have the choice of Māori representation in local government.

Introduction

We are Local Government elected members, elected to represent the best interests of Māori within our ward/constituency, and in addition we serve all constituents across the wider Districts and Region we represent. We provide a connection into Council and advocate for residents and ratepayers.

We believe that Māori have been under-represented in Local Government for far too long, and the establishment of Māori wards/constituencies at our Councils in 2021 have helped bridge this gap.

Since we were elected in 2022, we have striven to provide a voice, true representation and a Te Ao Māori view on our respective councils. We wish to emphasise that the decisions by our respective Councils to establish Māori wards/constituencies in 2021 each followed an extensive public consultation process, whereby all members of the community had an equal chance to be heard, and Councils openly debated and decided the issues.

Poll provisions, by contrast, are a “tool of the majority” and never favour minority groups such as Iwi Māori. This has been proven to be the case since 2001 under the previous Māori wards regime – with only two Councils being able to establish Māori wards prior to the 2021 Amendment Act (Waikato Regional Council in 2013 and Wairoa District Council in 2016). All 15 other initiatives to establish Māori wards were voted down by binding poll.

Bringing back the poll provisions will recreate a higher procedural standard for Māori wards than that of general or wards for “communities of interest” such as rural wards, for which Council decisions are democratically made in a representation review and cannot be subject to a binding poll. This is completely unfair and seeks to silence the voice of Māori. We believe that Māori wards and constituencies should be treated the same as all other wards and not be subject to poll provisions. Instead Local Government should be empowered to make its own decisions – not have the ability to do so taken away.

In this respect, we fully support the letter dated 20 May 2024 to the Government from the 52 Mayors and Chairs, LGNZ and Te Maruata, and agree that this legislation is a complete overreach on the Coalition Government’s part, on local decision-making.

Ultimately, given the track record of binding polls in the past, we believe the Bill will result in many Māori wards and constituencies across the country being disestablished. Not having a Māori ward or constituency will remove the option for Māori voters to choose whether to be represented by general or Māori ward councillor and we believe that any alternative mechanisms for Māori participation in Local Government would not be the same as having a dedicated seat at the decision-making table.

We fully support the Waitangi Tribunal Report dated 17 May, which found that this Bill will breach the Treaty of Waitangi and its principles, and recommended the Bill be paused for further policy development and consultation. The Tribunal findings also show that the Department of Internal Affairs advised the Minister of Local Government against this move, providing good rationale and that it is likely to breach Te Tiriti o Waitangi.

We do not agree with the Government putting its commitment to its Coalition agreement above Te Tiriti o Waitangi, and with the extremely rushed way in which the Coalition Government is progressing this change of legislation process, including only allowing 4 working days for a submission to be made.

Māori Wards Contribution to Local Government

We are opposed to this Bill because it does not honour and respect the contribution of Māori Wards to Local Government.

As Councillors of a Māori ward or constituency, we are honoured and privileged to represent Māori in our respective Councils. The participation of Māori representatives is crucial for fostering a more inclusive, equitable, and culturally responsive Council. It’s about having faces at the table that reflect their community and bringing our values, and lived and real perspectives to discussions and collective decision making.

Māori ward/constituency elected members bring valuable cultural knowledge and perspectives to Local Government, enhancing the cultural competence of Councils. This leads to:

- Better Decision-Making with diverse viewpoints contributing to robust and well-rounded policy decisions
- Cultural Responsiveness in policies and services that are more in line with to the needs and aspirations of Māori
- Social Cohesion which promotes mutual respect and understanding between Māori and non-Māori populations.

Inclusive governance that actively involves Māori can lead to improved outcomes across various sectors, such as:

- Environmental Stewardship with Māori often bringing a deeper understanding of and commitment to environmental sustainability, informed by traditional ecological knowledge
- Social Wellbeing where policies reflect Māori values and needs can contribute to healthier, more vibrant communities.

We wish to note that, while we have Councillor colleagues elected to general wards and constituencies who have whakapapa Māori, and they can also seek to bring their Māori-centric experiences to the Council table, those Councillors did not campaign to be (and may not want to be) a voice or representative for Māori on their Council. They are not and should not be expected to represent the voice of Māori in the way that we, as specifically-elected Māori Ward/Constituency Councillors, are.

Honouring Te Tiriti o Waitangi

We are opposed to this Bill because it does not honour Te Tiriti o Waitangi.

Te Tiriti o Waitangi establishes a foundational relationship between Māori and the Crown, emphasising partnership, participation, and protection. The changes enacted by the Crown in 2021 have helped ensure Māori representation in Local Government aligns with the principles of Te Tiriti by:

- Partnership - facilitating collaborative decision-making processes that involve Māori perspectives
- Participation - encouraging active Māori involvement in governance, ensuring these voices and concerns are heard
- Protection - safeguarding Māori rights and interests, particularly in areas impacting our whenua, resources, and cultural heritage.

The participation of Māori Councillors is crucial for fostering a more inclusive, equitable, and culturally responsive governance structure.

We fully support the Waitangi Tribunal Report dated 17 May. Although the Tribunal was forced to draft the Report under intense time pressure due to the imminent introduction of the Māori Wards legislation into Parliament, the report findings are comprehensive and compelling. The Tribunal found that this Bill will breach the Treaty of Waitangi and its principles, and recommended the Bill be paused for further policy development and consultation.

Poll Provisions – not compatible with complex constitutional matters

We are opposed to this bill because binding polls are not fair in practice and not compatible with complex constitutional matters such as establishing Māori wards.

The Waitangi Tribunal findings show that the Crown's own advisors on Local Government issues – the Department of Internal Affairs advised the Minister of Local Government against this move, providing good rationale and that it is likely to breach Te Tiriti o Waitangi.

Historically, providing poll provisions for Māori wards and constituencies did not deliver on the original policy intent which was to involve the community in decision making, and to support Māori communities by providing an avenue for them to demand that their Council holds a poll to establish Māori wards or constituencies.

The effects of poll provisions from 2002 to 2019 have proven to be an insurmountable barrier to establishing a Māori ward or constituency. From the 16 polls taken between 2002 and 2019 only one poll was successful (Wairoa District Council 2016). This was a Council initiated poll with 54% in favour and 46% against.

Instead of being a mechanism for community participation, they have deterred Councils and communities from proposing a Māori ward or constituency.

The Department of Internal Affairs, in advice to the Minister on this Bill, summed up the problems with poll provisions in that:

Reinstating the polls will be unpopular with many in the local government sector and Māori communities;

Since the 2021 law changes, 46 local authorities have resolved to establish Māori wards. Our understanding is that many councils previously did not seriously consider establishing Māori wards. This was because of the perception that the polls could harm community relationships, including relationships with mana whenua, and undermine social cohesion.

We anticipate most of these councils will be very concerned about the re-introduction of the polls. It is likely to discourage any other councils considering establishing Māori wards in the future. The change is also likely to be very unpopular with Māori communities, especially where wards have been established.

Before the 2021 amendments, Local Government New Zealand (LGNZ) and Taituarā – Local Government Professionals advocated strongly to remove the polls. In a 2018 letter, LGNZ noted "It is imperative that the Government act to address the unfairness created by the poll provisions and put in place a legislative framework that will enable mature and constructive conversations about options for Māori representation in local authorities".

An LGNZ survey of elected members found that, after the 2022 local elections, about 21% of members identify as Māori or are of Māori descent. This is up from 14% in the 2019 survey.

We agree with this statement from the Department of Internal Affairs.

Advice to Minister Brown from Department of Internal Affairs 5 December 2023:

The polls proved to be an almost insurmountable barrier to establishing Māori wards. Only two councils were able to establish Māori wards using the Local Electoral Act process. When polls were held, community division and animosity was common. As a result many councils

opted not to even put the option on the table because of the risk of community conflict. Similarly, mana whenua sometimes asked councils not to consider Māori wards because of the risk of a backlash against their community. The poll provisions gave no scope for councils to balance minority interests in the final decision because the poll outcome was binding, based on a straight majority. Since the poll provisions were removed, 46 councils have resolved to establish Māori wards

We agree with this statement from Department of Internal Affairs.

The Waitangi Tribunal has observed that “Alternative mechanisms for Māori participation in local government are not the same as having a dedicated seat at the council table”. A Māori ward or constituency is the only mechanism that guarantees Māori representation on the body that makes the final decisions (for example committees of council cannot adopt a District Plan or Long-Term Plan).

We agree with this statement from Department of Internal Affairs citing the Waitangi Tribunal.

The advice from the Department of Internal Affairs to Minister Brown was:

“Referendums and polls are an instrument of majority rule which can suppress minority interests. Normal lawmaking process have safeguards to make sure minority rights and interests are considered – human rights legislation, parliamentary debates and the select committee process. But referendums do not require that tabling and balancing of interests, and the outcome will depend on the majority’s perception of the minority interests.”

We completely agree with this advice and believe that the Department of Internal Affairs summed this up perfectly. The issue of representation for Māori is complex and should be decided upon locally by Councils in consultation with Iwi / Māori and its communities, not by a simple ‘yes’ or ‘no’ poll.

Further to this, the former LGNZ President Dave Cull summed up binding polls by saying:

“Of equal concern, the polls reduce a complex issue to a simple binary choice, which, by encouraging people to take sides, damages race relations in our districts. Matters of representation and relationships should be addressed in a deliberative manner that employs balanced and considered dialogue – not by poll. In fact, a poll is not necessary. Should a council resolve to establish Māori wards or constituencies, or any other ward, against the wishes of its community then the community has the option to hold that council to account at the next election – this is how representative democracy is intended to work

Again, we agree with this statement and also believe that binding polls and poll provisions in general are divisive and do nothing to enhance relationships within communities. In fact, it will do quite the opposite.

In summary, we are in opposition to the reinstatement of polls for Māori wards and constituencies and ask that this be relooked at and withdrawn.

If polls are to be implemented then we strongly urge the following to be implemented:

- That only those on the Māori roll vote in a poll. These are the only residents and ratepayers who will be affected by the outcome of the poll and therefore should have the most input into it.

- We ask that there is an increase in the petition threshold from 5% to 10% of electors to initiate a poll. Five per cent is a low threshold given the costs and impacts of polls on communities. It is therefore not unreasonable to expect a larger demonstration of a desire for a poll before undertaking one. A move to 10 per cent would align with the threshold set out in the Citizens Initiated Referenda Act 1993.
- We also recommend making the polls non-binding but require councils to give them due consideration in their decision making process. This would give the poll weight in the decision making process, but still enable these decisions to be made within the wider legal context and with due consideration of a range of relevant factors.

Cost to Ratepayers

The significant cost to ratepayers is another reason we oppose this Bill.

This change in legislation could result in up to 45 councils being required to hold a poll on Māori wards and constituencies at the 2025 elections, with the outcome to take effect in 2028. This is dependent upon what is decided by August 2024 in terms of disestablish now or ride it out until a poll in 2025. Councils throughout the country have extremely tight budgets and will need to fund the extra cost for the poll, as well as an early representation review. Many Councils are in the process of reviewing their Long Term Plan with proposed rates increases the highest ever seen. This in the midst of a cost of living crisis that will constrain Council budgets further. The cost of a poll and representation view will be dependent on the size of the council and district/region with an estimate at around \$175,000 for a poll and potential costs of up to \$170,000 for a representation review. In addition, Council staff and resource will be required.

Timing of Poll Should it Proceed

Finally, we are concerned at the timing of the proposed poll on Māori wards and constituencies. All Māori ward candidates will need to campaign for their seat, engage with Māori and participate in electioneering, while simultaneously convincing the community of the value of a Māori ward or constituency. This will be a huge undertaking and put potential Māori ward/constituency councillors to an unfair burden. The responsibility of educating the community on Māori wards will naturally fall to iwi to lead and coordinate without guaranteed resources or support.

Summary and Recommendation

In summary, Māori should be fairly represented in local government. This Bill will likely result in the disestablishment of many Māori wards and constituencies across the country. Disestablishing Māori wards and constituencies, and making them subject to a higher procedural standard than that of general or rural ward is opposed by Te Pae Tāwhiti Rōpū.

We recommend that the Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Bill not be progressed and that status quo remains.

Whilst we oppose the reintroduction of poll provisions for Māori wards and constituencies, should these be reintroduced, we recommend the following:

- Increase the petition threshold from five per cent to 10 per cent of electors to initiate a poll. Five per cent is too low a threshold given the costs and impacts of polls on communities.
- Only those registered on the Māori roll can vote on a Māori ward and constituency poll.
- Make the poll non-binding and require councils to give them due consideration.

We would like the opportunity to speak in support of this submission.

Parties to the submission:

Roly Fitzgerald

Te Pūao Māori Ward Councillor, Palmerston North City Council

Korty Wilson

Ruapehu Māori Ward Councillor, Ruapehu District Council

Justin Tamihana

Horowhenua Māori Ward Councillor, Horowhenua District Council

Nina Hori Te Pa

Horowhenua Māori Ward Councillor, Horowhenua District Council

Coral Raukawa

Tiikeitia ki Tai (Coastal) Ward Councillor, Rangitikei District Council

Piki Te Ora Hiroa

Tiikeitia ki Uta (Inland) Ward Councillor, Rangitikei District Council

Bridget Bell

Ngā Tapuae o Matangi Māori Ward Councillor, Manawatū District Council

Fiona Kahukura Hadley-Chase

Ruapehu Māori Ward Councillor, Ruapehu District Council

Channey Iwikau

Ruapehu Māori Ward Councillor, Ruapehu District Council

Naioma Chase

Tāmaki-nui-a-Rua Māori Ward Councillor, Tararua District Council

Te Kenehi Teira

Tonga Māori Councillor, Horizons Regional Council

Turuhia (Jim) Edmonds

Raki Māori Councillor, Horizons Regional Council

And from Horizons Regional Council:

Wiremu Te Awe Awe

Councillor, Horizons Regional Council.



// 04

Entrenchment of Māori wards seats for local government

Remit: *That LGNZ proactively promote and lobby to entrench the Māori Wards and Constituencies for the 64 councils which currently have these, to require the support of a supermajority of parliament should either parliament or councils seek their removal.*

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council)

Why is this remit important?

Zone 1 opposes the changes proposed to Māori wards and constituencies provisions in the Local Electoral Act 2001 (LEA), the Local Government Electoral Legislation Act 2023, and the Local Electoral Regulations 2001.

Zone 1 views are summarised below:

- a) Māori wards and constituencies are an appropriate and necessary way to deliver on Te Tiriti o Waitangi obligations — they are not a race-based selection.
- b) Reversion to a poll system to establish / retain Māori constituencies in local government is inconsistent with the national electoral system of a Māori roll and Māori seats in Parliament. There is no rational reason for the different approach.

Background and Context

The current government has agreed to amend the legislation and regulation related to the establishment and continuation of Māori wards in Aotearoa New Zealand.

The proposed changes have a major impact for the representation of Māori communities and the unique opportunities and challenges they face. It also compromises the ability of local government across the country to deliver on its Treaty of Waitangi obligations.

Zone 1 members do not support the proposed changes and have submitted their views as individual councils and the broader local government sector through LGNZ.

As discussions have developed on the proposed amendments, the need to align Māori ward representation models with parliamentary Māori electorate representation model has become evident.

How does this remit relate to LGNZ's current work programme?

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;



- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive - environmentally, culturally, economically and socially.

How will the proposing council help LGNZ to make progress on this remit?

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate, lobby, and promote the cause and case for the entrenchment of Māori ward seats in local government governance structures.



// 05

Graduated driver licensing system

Remit: *That LGNZ advocate for changes to the fee structure for driver licensing, better preparing young people for driver license testing, and greater testing capacity in key locations throughout New Zealand, in order to relieve pressure on the driver licensing system and ensure testing can be conducted in a quick and efficient manner.*

Proposed by: Ashburton District Council

Supported by: Hurunui District Council, Kaikōura District Council, Selwyn District Council, Timaru District Council, Waimakariri District Council and Waitaki District Council

Why is this remit important?

Communities across New Zealand are being impacted by excessive wait times associated with the graduated driver licensing system (GDLS). There are three stages to the GDLS, and those aged 16 or older can enter the system and undergo both theoretical and practical testing to graduate from a learner's license (accompanied driving) to a full license (license without restrictions) over the space of 24 months. Currently, across the country, demand for testing significantly exceeds testing capacity leading to negative implications for our young people, and the wider community. Action is required to ensure young people in our community can undertake testing without delay, failing to remedy this situation could result in:

- Reduced ability to access testing
- Increases in testing failure rates
- Social and economic disadvantages for young people

Background and Context

Work undertaken by Waka Kotahi and other agencies identified the need to remove barriers for young people associated with obtaining a driving license in New Zealand. Through this work, re-sit fees were identified as a potential barrier. According to Waka Kotahi data, only 53% of people on a restricted license pass their practical driving test first time around, meaning many young people trying to graduate were being financially burdened by subsequent fees in completing a re-sit.

From October 1 2023, Waka Kotahi introduced a revised fee structure for a learner's, restricted, or full license, which removed re-sit fees for drivers who failed a first or subsequent attempt. While this change makes graduation through the system more financially obtainable, it has put increased pressure on testing services as those who fail the first time are rebooking immediately. This, in combination with the shortage of assessors, is causing significant wait times across the country. The increase in wait times has multiple implications which are summarized below using national and local examples.

- **Reduced ability to access testing:** In 2020, the national average wait time to sit a restricted driving test was 16 days, this has dramatically increased to 53 days in 2023/24. Drivers in the Ashburton district are facing a 94-day delay in booking a restricted license test, with only one agent (VTNZ) being able to facilitate testing.



- Increases in testing failure rates: excessive wait times in Ashburton may be causing young people to book testing in alternative locations. According to information obtained during an Ashburton District Road Safety Co-ordinating Committee meeting, some young people from Ashburton and Timaru are travelling to the West Coast (3-5 hours away) to undertake practical testing, there is concern that completing a practical test on unfamiliar roads may lead to an increase in failure rates. Reports have also been made that the decision to remove re-sit fees has led to young drivers completing the test before they are ready, leading to multiple failed attempts.
- Social and economic disadvantages for young people: there are social and employability benefits to holding a driver's license. According to MBIE, two-thirds of all jobs advertised in New Zealand have a minimum requirement of a restricted license. The reduced ability for young people to obtain a restricted or full license may see otherwise suitably skilled candidates miss out on employment opportunities while they wait to sit and obtain the required license. This also has impacts for the community, in particular local businesses, who will potentially struggle to source young candidates for entry level roles. This is further amplified in our community where public transport is non-existent, with the only quasi-public transport available being the Mid Canterbury Connector – a locally led, volunteer driven service operating on a booked return trip service between rural communities.

Relevant legislation, policy or practice

- Land Transport Act 1998 (part 4)
- Land Transport (Driver Licensing and Driver Testing Fees) Regulations 1999.
- NZTA driving licensing fees schedule

How does this remit relate to LGNZ's current work programme?

While this is not currently part of LGNZ's work programme, engaging with central government will be essential to making progress in this area. Ensuring that the local voice is heard and understood by central agencies is the only way in which this issue will be able to be addressed. Given the impact on our young people, and the subsequent effects this has on their ability to gain independence and contribute to our communities and local economies, we believe this is a worthy project for LGNZ to drive on behalf of the sector.

How will the proposing council help LGNZ to make progress on this remit?

While changing the fee structure will help incentivise people to pass their tests on their first attempt, other changes should be made to better prepare people, particularly young people, who are trying to obtain a driver licence, and ensure there is sufficient capacity in the system.

Ashburton District Council is willing to trial/pilot the practical applications of an improved graduated driver's licensing scheme.

Our Mayors Taskforce for Jobs programme has been highly successful, working with community groups and schools to identify people who are disadvantaged in the labour market. A significant proportion of this group are seeking drivers' licences in order to improve their chances of employment. There is an opportunity to align the Mayors Taskforce for Jobs programme with an enhancement of an Ashburton based training and accreditation centre, leveraging the MTFJ programme's experience in driver licensing schemes. The goal of this would be to better prepare



young people for driver licence tests and reduce the pressure on the system imposed by people having to re-sit tests.

Ashburton District Council also proposes a pilot scheme to work with government to attract, train and supply increased numbers of examiners for the Ashburton district along with other centres throughout the country. Ashburton district would become a training region; prospective examiners would be based in the region while they train and qualify before returning to their respective regions to fill gaps and boost capability. Our region is well suited to examiner development, being close to Christchurch but more affordable and having a network of urban and rural roads.

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



Item 9

James Meager MP
Member of Parliament for Rangitata
Parliament Buildings
WELLINGTON

24 MAY 2024

Dear James

Thank you for your letter of 2 May 2024 regarding the driving licence processing delays in the Rangitata electorate. I share the frustration being experienced by people wanting to engage driver licence services only to be met with significant delays.

The Automobile Association (AA) and Vehicle Testing New Zealand (VTNZ) have been providing regulatory services on behalf of the NZ Transport Agency (NZTA) since 1999.

NZTA advises me that since the previous government's decision last year to remove the re-sit fee for theory and practical tests there has been a significant increase in demand for testing services, leading to unacceptable delays.

The inability to engage driver licence services in a timely manner is having an impact on the employability of learners and delaying their progression into the community.

NZTA and VTNZ are currently taking measures to accommodate the current high demand by re-prioritising driver testing officers to driver licencing agent sites with high booking numbers and increasing site opening hours. NZTA is aware of the urgency and my expectation that the issues be addressed promptly.

These delays across New Zealand, which follow the previous government's changes to re-sit fees, are unacceptable. I remain very concerned about these delays and am currently considering advice on options to address it, which may include reinstating a re-sit fee.

Regarding your request that NZTA remove the age limit for booking drivers licence tests, I have been advised that it is a legal requirement for applicants of driver licences to be 16 years or older.

Thank you again for writing.

Yours sincerely

Hon Simeon Brown
Minister of Transport

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand | +64 4 817 6804 | s.brown@ministers.govt.nz

Ashburton District Council Remit 2024

Attachment 1



// 06

Proactive lever to mitigate the deterioration of unoccupied buildings

Remit: *That LGNZ advocate to Government:*

- *For legislative change enabling local authorities to compel building owners to remediate unoccupied derelict buildings and sites that have deteriorated to a state where they negatively impact the amenity of the surrounding area.*
- *To incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.*

Proposed by: Gisborne District Council

Supported by: Rotorua Lakes Council, South Wairarapa District Council, Wairoa District Council, New Plymouth District Council, Napier City Council, Rangitikei District Council, Whanganui District Council, Dunedin City Council

Why is this remit important?

There is no legislation enabling councils to take proactive action on the decaying condition of vacant buildings. Intervention is only possible when buildings become so dangerous that the Building Act 2004 (BA04) allows for dangerous building notices.

The absence of enabling regulations and enforcement tools can result in derelict sites negatively affecting both neighbourhoods and city centres. The public expects their local authorities to maintain community standards and they are frequently disappointed by our inability to intervene. Especially where keystone buildings deteriorate over decades.

The economic and social consequences of unoccupied derelict buildings negatively affect local businesses, city centre revitalisation, regional economic development, and tourism activity. Negative impacts suppress local investment and the prosperity of regional centres throughout New Zealand. Legislative change to enable the remediation of decaying building conditions and unlock their economic potential is in the national interest and significant to local government as a whole.

Background and Context

Existing building legislation is too late to mitigate decaying buildings

Once a Code Compliance Certificate has been issued, there is no regulatory avenue for proactive remediation of a vacant building's decaying condition. The BA04 is silent on maintenance responsibilities until the public is likely to be harmed by unsafe building conditions.

The BA04's approach to dangerous buildings is reactive as it seeks only to remediate dangerous conditions. The impact of a deteriorating building on its surrounding environment is not taken into consideration.

Waiting until a building becomes dangerous is too late to remediate the significant economic and social effects of vacant and deteriorating buildings.



In regional centres like Gisborne, a small number of deteriorating assets can have a significant impact on surrounding businesses and perceptions of the city centre. Long-term underinvestment means significant capital is required to restore these buildings before prospective owners and/or tenants can reoccupy the space. Investment is often cost-prohibitive, leaving vital buildings empty and further deteriorating.

In May 2024, Gisborne's Mayor wrote to Government detailing the national impact of this legislative gap (letter attached). The letter's appendix, *Ten years of the National Problem*, outlines how problematic buildings are challenging local authorities throughout New Zealand.

Local authorities have developed ad hoc, imperfect solutions to address the legislative gap

Upper Hutt City Council's Unoccupied Commercial Premises Bylaw and Clutha District Council's Regulatory Bylaw both aim to prevent building deterioration. However, bylaw solutions are unenforceable without costly prosecutions that risk uncertain outcomes.

In Rotorua, where houses are problematic, rather than commercial buildings, Rotorua District Council has spent \$60,000 on consultants' reports and legal advice for a single abandoned property because it lacks the authority to require its demolition.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because it does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problems are significant, sometimes beyond repair.

Wellington City Council recently signaled its intention to remove ten buildings from its heritage list as part of a district plan review. Among those buildings were the dangerous, unoccupied Gordon Wilson Flats, a contentious feature of the Wellington skyline intended for demolition by their owner, Victoria University, due to restoration cost.

List removal failed to secure ministerial approval. However, this situation illustrates the impossible predicament faced by local authorities when heritage buildings have not been adequately maintained, and the extraordinary measures they must take when buildings have deteriorated beyond repair. Local authorities' inability to prevent the deterioration of vital assets threatens a loss of national heritage and identity through demolition. The solution must be to enable proactive measures addressing deteriorating conditions before buildings are demolished by neglect.

Mitigating the social and economic consequences of underutilised buildings urgently requires:

- A new legislative lever that will enable earlier intervention and action to remediate deteriorating building assets and or
- Collaboration between local and central government and regional providers to develop region-specific incentives encouraging the use of unproductive assets, e.g., repurposing buildings for accommodation.

How does this remit relate to LGNZ's current work programme?

Addressing the gap in building legislation and its consequences for regional economic development does not currently feature in LGNZ's broader advocacy work programme. However, LGNZ has for some time been aware of the legislative gap and advocated on this issue as it aligns with their strategic priority of focusing advocacy on the big issues impacting local government.



In 2014, LGNZ wrote to the Minister of Building and Construction suggesting the BA04 define derelict sites, which would allow for such properties to be included in their Dangerous and Insanitary Buildings Policies. LGNZ's 2015 submission to the Rules Reduction Taskforce highlighted that derelict building issues are a regular source of community distress, presenting risks to health, fire hazards, and sites for criminal behaviour. In 2022, LGNZ again proposed that the government define derelict buildings; however, attempts to meet the Minister of Building and Construction were unsuccessful.

While these efforts failed to find favour, advocacy to political leaders is urgently required because:

- Current BA04 considerations are inadequate in addressing building issues that need to be remediated before buildings become derelict.
- The Government's accelerated review of building code requirements extends to improving economic activity.
- The Government has signalled its intention to develop housing improvement strategies through a cross-government Ministerial Working Group on Housing.
- Legislative change and incentives to activate unproductive buildings and unlock regional economic improvement align with the Coalition's Decision-Making Principles A – E.

How will the proposing council help LGNZ to make progress on this remit?

Gisborne District Council will:

- Continue advocating directly to the Ministers for Building and Construction, Housing and Local Government.
- Collaborate with LGNZ, councils, Government and stakeholders to develop new legislative tools to tackle this issue, strengthening our national economic resilience.
- Share any appropriate research and development, and data analysis from our region.
- Undertake any pilot programme involving temporary rule changes or funding initiatives, such as incentivising the conversion of commercial buildings to housing.
- Identify and work with local providers and property owners on the implementation of any pilot.

2 May 2024

Hon Chris Penk - Minister for Building and Construction
Hon Chris Bishop - Minister for Housing
Hon Tama Potaka - Associate Minister Social Housing
Hon Simeon Brown - Minister Local Government



Email: christopher.penk@parliament.govt.nz, Chris.Bishop@parliament.govt.nz,
Tama.Potaka@parliament.govt.nz, Simeon.Brown@parliament.govt.nz

Cc: Dana.Kirkpatrick@parliament.govt.nz, cushla.tangaere-manuel@parliament.govt.nz

LEGISLATIVE CHANGE IS REQUIRED TO UNLOCK SUBSTANTIAL ECONOMIC AND HOUSING IMPROVEMENTS IN NEW ZEALAND'S REGIONAL CENTRE

Good morning Ministers,

I would like to bring to your attention a gap in current building legislation, which is affecting local businesses, city centre revitalisation, regional economic development and tourism activity in our region.

In short, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings.

Intervention is only possible when buildings become so dangerous that the Building Act 2004 allows for dangerous building notices. The absence of enabling regulations and enforcement tools, results in keystone buildings remaining idle and unproductive, sometimes for decades.

The attachments to this letter provide more information on the challenges facing Gisborne District Council and many other local authorities across New Zealand.

Legislative change to unlock the economic potential of underutilised and decaying buildings is in the national interest because the negative economic and social impacts created by underutilised buildings are nationally significant.

Unproductive buildings negatively impact regional prosperity throughout the country. We believe:

- New legislative tools are needed to unlock the economic potential of underutilised buildings.
- Urgent collaboration between local and central government is needed to develop a solution that will enable earlier intervention and action on commercial building issues.

15 Fitzherbert Street, Gisborne • PO Box 747 Gisborne 4040 New Zealand

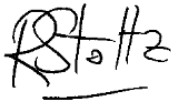
PHONE +64 6 867 2049 • FAX +64 6 867 8076 • EMAIL mayor@gdc.govt.nz • www.gdc

- Activating unproductive buildings to support regional economic development is strongly aligned with the Government's Ongoing Decision-Making Principles A – E.

As this matter is significant for local government as a whole, Council will be putting forward a remit on this matter at the upcoming LGNZ Annual General Meeting.

We look forward to working with the Government to develop new legislative tools to enable us to tackle this issue and continue to strengthen our national economic resilience.

Warm regards,



Rehette Stoltz
Mayor Gisborne District Council

Attachments:

Attachment 1 – Gisborne's Deteriorating Buildings

Attachment 2 – Problem definition: Current legislation is too late to mitigate decaying buildings

Attachment 3 – Ten Years of the National Problem

Attachment 4 – Seized buildings in Gisborne

Attachment 1 – Gisborne's Deteriorating Buildings*Main Street retail space. Corner Gladstone Rd and Peel St**Former Westlake Hotel. Corner Gladstone Rd and Peel St**Premium retail space. Peel St**Deteriorating building. Lowe St*

Main Street retail space. Gladstone Rd



Deteriorating building. Childers Rd



Masonic Hotel decaying façade. Lowe St



Masonic Hotel frontage. Gladstone Rd



Abandoned detritus. Adjacent to Masonic Hotel



Main Street building decay. Gladstone Rd



Attachment 2: Problem definition: Current legislation is too late to mitigate decaying buildings

During deliberations on the Gisborne Dangerous, Affected and Insanitary Buildings Policy 2024¹ under the Building Act 2004 (the BA04), Gisborne District Council (Council) identified inadequacies in the existing building legislation framework. Also identified were the negative impacts these deficiencies are having both regionally and nationally.

Once a code compliance certificate (CCC) has been issued, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings. Mitigation of problematic buildings is only possible when they eventually deteriorate to a condition so dangerous that BA04 provisions allow for dangerous building notices. The absence of enabling regulations and enforcement tools, in between CCC and dangerous building notices, results in essential buildings remaining idle and unproductive, sometimes for decades.

The BA04's approach to dangerous buildings is reactive. It seeks only to remediate dangerous conditions and does not consider the impact a decaying building has on its surrounding environment. This means it is both too late to remediate problematic conditions and an inadequate tool to address the significant economic effects caused when buildings become locked in a deterioration spiral. In Gisborne's case, deteriorating conditions negatively impact surrounding businesses and perceptions of the city centre, affecting a decline in economic activity. As regional economies underpin national economic prosperity,² the negative impact of underutilised buildings has a ripple effect on the national economy.

As a building's condition declines, the required investment in its essential maintenance and works (e.g. earthquake strengthening and cosmetic upkeep) decreases. The deteriorating condition of commercial buildings is particularly problematic in regional city centres, as this inefficient use of key placemaking assets contributes to poor amenity.

In regional centres, where the *heart of the city* is comprised of only a handful of buildings, even a small number of deteriorating assets can have a significant impact. A prolonged lack of maintenance requires significant investment to get a building back up to scratch before prospective owners and/or tenants can once again operate out of it. The required work is often cost-prohibitive, and vital buildings can remain empty, which leads to further deterioration.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because the current BA04 legislation does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problem is significant. We can only intervene when buildings have decayed to such a condition that they are likely to harm the public.

The public expects their local authorities to prevent city centre building deterioration, and they are frequently disappointed by our inability to intervene. Regional communities such as Gisborne, where the problem is acutely felt, are unable to prevent the gradual decline of their city centres. Without a legislative tool enabling the remediation of inactive buildings, and no central Government solution either, Council cannot achieve its aspiration of maintaining a

¹ Gisborne Dangerous, Affected and Insanitary Buildings [Policy](#) 2024.

² Hon Steven Joyce (2016) *Regions lead recovery from Global Financial Crisis*. This Beehive [Release](#) emphasises the instrumental role regional economies, including Gisborne, played in leading New Zealand's economic recovery from the Global Financial Crisis.

high-quality urban environment that capitalises on heritage, tourism, and lifestyle to attract economic investment and development.

The Problem in Gisborne

Gisborne's Central Business District (CBD) contains several **vacant** and **underutilised buildings** that have been **neglected for long periods**.³ Their deteriorating aesthetic condition **negatively affects the city's appearance, impacting tourism experiences and suppressing local utilisation, economic growth**, and community wellbeing.

Deterioration of Buildings: A lack of basic maintenance has led to the disrepair of unoccupied buildings in Gisborne. This includes premium ground-floor retail spaces on Gladstone Road, Gisborne's main street (see **Attachment1 – Gisborne's Deteriorating Buildings**).

Negative Community Impact: Reduced vibrancy in the CBD has suppressed community utilisation and local commerce,⁴ making it less attractive to new businesses and shoppers. This decline in activity fosters increased incidences of vandalism and the impression of an unsafe CBD.

Homelessness Consequences: The declining condition of city buildings leads to squatters occupying vacant buildings, resulting in litter, sanitation issues, and antisocial behaviour adversely affecting adjacent businesses, some of which are rate-paying owner-occupiers. Council increasingly incurs the financial burden of cleanup and the disassembly of homeless encampments in conjunction with the Police.

Economic Investment Deterrence: Visible city centre decline creates the perception of an economically depressed area and discourages economic investment from outside the region, weakening local economic resilience. Decreased revenue from idled assets reduces the likelihood that owners of earthquake-prone buildings will fund reinforcement works, threatening key buildings with demolition.

Suppressed Tourism and Economic Growth: Tourism, a vital part of Gisborne's economy, is growing slower than the national average,⁵ limiting regional employment opportunities. The declining state of Gisborne's CBD negatively impacts tourists' experiences in our region, which challenges the Government's recent commitment to support tourism.⁶ A vibrant and welcoming city centre is essential for creating positive visitor experiences, as it influences overall impressions of a place.⁷ However, buildings becoming locked into a spiral of declining

³ In June 2007, Gisborne witnessed a 1.3% decline in retail sales despite national economic growth accelerating to 2.6%. In the same period. The number of commercial permits issued in Gisborne also fell by 13%. In December 2008, Gisborne experienced the largest quarterly decline in retail sales at a time when national retail sales were trending upward. Commercial building consents dropped by 6.1% in the same quarter. Sources: The National Bank Regional Trends Economics reports, February 2007, February 2008. In the wake of the global financial crisis, Council's 2010/11 Annual [Report](#) identified Gisborne's retailers among those most affected by economic conditions at the time.

⁴ Over 55% of Gisborne employment is currently located outside of land zoned for business.

⁵ The tourism sector contributed \$56.3 million to Gisborne GDP in 2022, accounting for 2.3% of the region's economic output and 7.1% of total annual employment. In 2022, total tourism spending in Gisborne was down 0.1% year on year, while national tourism spending increased by 1.4% in the same period. In the 10-year period 2012-2022, Gisborne has experienced only 1.8% annual employment growth, lagging 2.1% national growth. Sources: Trust Tairāwhiti (2023) [Draft Destination Management Plan](#) utilising data retrieved from Infometrics.co.nz; Infometrics (2023) *Tairāwhiti at a Glance: 2022* retrieved from Infometrics.co.nz on 7 March 2023.

⁶ Acknowledging tourism is the second biggest contributor to New Zealand's recent economy, the Tourism Minister, Hon. Matt Doocey, recently affirmed government commitment to supporting the growth of tourism and hospitality operators. Source: Hon Matt Doocey (2024) *Tourism data shows determination of sector*. Beehive [Release](#).

⁷ The Ministry of Business, Innovation and Employment [Destination Management Guidance](#) emphasises that supporting infrastructure and amenities are essential to cultivating compelling visitor experiences.

investment and physical deterioration presents a significant barrier to regional aspirations for a vibrant, thriving city that is a destination for business, employment, and tourism.

Figure 1 - the old Masonic Hotel greets cruise-ship tourists walking from Gisborne's port to the city centre.



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The Problem nationwide

Gisborne is not the only region with declining, under-utilised buildings. Provincial areas are experiencing a downward spiral in the status of city centre vitality when compared to major urban areas.⁸ Unoccupied buildings are contributing to this decline. They pose safety risks and affect community well-being, property values, and public perception of city centres around the country.

Attachment 3 – Ten Years of the National Problem outlines how issues with idle, unproductive buildings have become a nationwide concern in the last decade. Neglected heritage buildings face significant challenges as councils struggle to intervene where *demolition by neglect*⁹ becomes irreversible. The lack of clear criteria for identifying and addressing derelict properties hinders councils' ability to take proactive measures to remediate these buildings as they deteriorate.

Legislative Inadequacies Prevent a Proactive Approach

1. Building Maintenance Responsibility

- After local authorities have issued code compliance certificates and no further building work is required, building maintenance is the responsibility of property owners.
- Local authorities have no means to enforce minimum maintenance standards for dormant or underutilised buildings, even in cases where buildings are left to decay.
- The absence of any tool to encourage proactive maintenance means local authorities can be left with unsightly buildings, often in prominent locations. This creates a cycle of declining investment that negatively impacts regional prosperity.
- Gisborne has five large, central buildings locked in an ongoing legal dispute between the Police and silent offshore owners. This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions.

2. The Building Act 2004 Does Not Adequately Consider Remediation

- The BA04 enables local authorities to compel remediation via dangerous or insanitary building notices only when building issues become so dangerous, they may harm occupants or the public.
- These notices are a last resort. They cannot address situations where buildings essential to a city's social, cultural and economic fabric decay due to neglect. This is because the BA04 does not consider the negative consequences experienced during a building's decline when its conditions are deteriorating but not yet dangerous.
- Councils can intervene when there is evidence of infestation or fire risk; however, the threshold for action is high.¹⁰

⁸ Aigwi, I., et al. (2019). A performance-based framework to prioritise underutilised historical buildings for adaptive reuse interventions in New Zealand. *Sustainable Cities and Society*, 48, 101547-101547.

⁹ Dunedin City Council defines *demolition by neglect* as a building being allowed to deteriorate to the point that demolition becomes necessary, or restoration becomes economically unreasonable. In some cases, building owners may allow this to happen to bypass heritage protections and the substantial financial investment to enable ongoing use. Source: Dunedin City Council's 15 May 2023 [Agenda](#).

¹⁰ [Newshub](#). (2022). Call for law change as councils say there is an increasing problem of derelict, unoccupied houses.

- Neglected heritage buildings are particularly vulnerable to becoming dangerous and, in instances of continued neglect, demolition.¹¹ Heritage New Zealand Pouhere Taonga recently requested Council policy¹² encourage heritage building owners to undertake preventative maintenance and upgrades to conserve their essential heritage character. However, BA04 considerations do not provide any mechanism for local authorities to encourage such action. Therefore, any suggestion or encouragement of proactive maintenance via a dangerous building policy would be unenforceable under the current BA04 considerations.
- In cases where heritage buildings have been neglected, the costs associated with restoration or repurposing can be prohibitive for building owners. Lotteries funding is not always readily available¹³ and heritage funding prioritises category-one buildings. Not all vital buildings are so categorised, and few buildings in Gisborne meet eligibility requirements.

Solution needed: Legislative Change

Activating unproductive buildings to unlock regional economic improvements aligns with the Coalition's Decision-Making Principles A – E:

- **Principled** decisions based on sound policy principles and economic efficiency;
- **Focused** on improving productivity and economic growth to increase prosperity, and enhance housing affordability, efficiency and effectiveness.
- Stopping interventions that aren't delivering **Results**.
- **People-focused** public services will be designed around the needs of public and tourist users. The Government will be **accountable** for clear public service targets and regular progress reporting on these objectives.

Proactive remediation measures do not sit comfortably within the BA04 framework because it was not designed to address the problem of inactive buildings and the associated economic consequences. Fixing the problem requires:

- a lever compelling proactive remediation of deteriorating city centre assets and or
- incentivising the utilisation of unproductive assets.

Examples of proactive legislative tools for unlocking the potential of unproductive buildings can be found in both the United Kingdom and the Republic of Ireland.

United Kingdom's Town and Country Planning Act 1990

The UK mitigates unproductive buildings via Section 215,¹⁴ which enables Local Planning Authorities to:

- take proactive steps towards sustainable regeneration of local areas, including conditions that adversely affect the amenity of the surrounding area
- consider local circumstances, such as site conditions and impact on the surroundings
- require a broad scope of works, including painting, external repairs, demolition and re-building

¹¹ The Ministry of Culture and Heritage identified late requests to 'save' buildings are commonly requested at the last possible moment due to communities not seeking remediation until a building is under threat of demolition. Source: Ministry for Culture and Heritage. (2018). *Strengthening protections for heritage buildings: Report identifying issues within New Zealand's heritage protection system*.

¹² HNZPT (2023) [submission](#) (Page 51) on the Gisborne District Council Dangerous Buildings Policy 2024.

¹³ Lottery Environment and Heritage Committee year on year funding [declined](#) by 46% in the 2023/24 financial year.

¹⁴ Town and Country Planning Act 1990 Section 215 [Best Practice Guidance](#) and [Act](#).

- use Section 215 notices in conjunction with other powers, such as repair notices for heritage-listed or dangerous buildings.

'Amenity' is a broad concept not formally defined in the legislation. This means assessment is a matter of degree. A clear and well-presented case that stresses the adverse impact of the site on the local street scene has proven more effective than a technical definition of 'loss of amenity'.

The Republic of Ireland Derelict Sites Act 1990

Ireland mitigates unproductive buildings with the Derelict Sites Act,¹⁵ which defines *derelict sites* and makes local authorities responsible for dealing with them. Derelict sites are defined as detracting from the amenity, character or appearance of the neighbourhood with:

- structures in a ruinous, derelict or dangerous condition
- land or structure condition that is neglected, unsightly or objectionable
- deposits or collections of litter, rubbish, debris, or waste.

Under the legislation, local authorities can mitigate problems by:

- prosecuting owners who do not comply with notices
- making compulsory land purchases
- carrying out necessary work and recovering cost.

Proactive Measures to Mitigate Inactivity would not conflict with the New Zealand Bill of Rights 1990 (BORA)

BORA protects human rights and fundamental freedoms; however, it does not provide for a general right to privacy or property enjoyment. BORA protections are subject to reasonable limitations where they are demonstrably justifiable in a free and democratic society.¹⁶ Indeed, the Justice Minister, Hon Paul Goldsmith, has indicated the government wishes to strike an appropriate balance between individual rights and the public interest.¹⁷

Therefore, it is reasonable to expect that the public interest should be safeguarded from neglected buildings and the significant negative impacts they have on our communities' life, livelihood, and economic output.

The [New Zealand Bill of Rights \(Right to Lawfully Acquired Property\) Amendment Bill](#) (introduced into Parliament on 27 July 2023) proposes reasonable compensation for property owners when deprived of the right to own and use lawfully acquired property. Enabling local authorities to encourage and or incentivise remediation or utilisation of vacant buildings would not conflict with this amendment, should it become law.

Alignment with improving housing availability

The Minister of Housing, Hon Chris Bishop, seeks to fix the housing crisis by increasing supply through the removal of barriers to construction. The Minister's recent Cabinet Briefing Paper *Fixing the housing crisis*¹⁸ outlines a programme to lift productivity, wages and ultimately national income by unleashing urban growth. The briefing paper identifies that:

- New Zealand's houses are among the world's least affordable due to persistent undersupply
- unaffordable housing has far-reaching social and economic consequences.

¹⁵ Republic of Ireland Derelict Sites [Act](#) 1990.

¹⁶ New Zealand Bill of Rights Act 1990, [Section 5: Justified limitations](#)

¹⁷ [RNZ](#) (2024) Bill of Rights won't stop gang patch ban - Justice Minister

¹⁸ Hon Chris Bishop (2024) *Fixing the Housing Crisis* [Cabinet Paper](#).

- increasing housing supply and lowering housing costs will improve the living standards of all New Zealanders and lift productivity and wages by allowing more workers to live and work in cities.

Council agrees with the Minister's assessment that fixing the housing crisis will involve collaborative actions across Government and by different Ministers.

Gisborne is currently experiencing a critical housing shortage while city centre buildings deteriorate due to a lack of investment. There is an opportunity for the Government to address the housing shortage by incentivising building owners to repurpose buildings for accommodation before they decay beyond repair.

As an example, in 2017, the city of Vancouver introduced an [empty homes tax](#). Which currently charges owners three per cent of a property's value if it remains unoccupied for more than six months. Since inception, the number of vacant properties in Vancouver has decreased by 54% and CAD\$142 million has been raised for the city's housing initiatives.¹⁹

Figure 2 - Trends in Vancouver's Declared Vacant Properties 2017 – 2022. Source: City of Vancouver



¹⁹ Housing Vancouver. (2023). Empty Homes Tax Annual [Report](#) 2023. City of Vancouver.

Attachment 3 – Ten Years of the National Problem

27 February 2013: Upper Hutt City Council adopted an Unoccupied Commercial Premises [Bylaw](#) that aims to prevent unoccupied commercial premises from falling into disrepair by setting standards for the maintenance of unoccupied commercial premises. By requiring commercial premises be maintained to an immediately tenantable standard, the bylaw attempts to address issues such as rubbish, boarded windows, vermin and overgrown foliage. However, at best, this is a half-measure because it does not address utilisation and investment issues, which are the underlying cause of cosmetic conditions.

A fundamental problem with use of bylaws is unless new regulation enables fines, enforcement requires a prosecution. This would be cost-prohibitive with no guarantee of success or remediation of problematic conditions. This would waste a lot of time and resources that ratepayers expect to be well-utilised elsewhere.

2014: Following discussion with a number of councils, including discussion at an LGNZ Rural and Provincial Sector meeting, LGNZ wrote to the Minister of Building and Construction asking that the Government provide councils with powers to deal with problems created by derelict buildings to combat demolition by neglect. Specifically: "That a definition for derelict sites and homes be developed and included in the Building Act. This would enable Territorial Authorities to include such properties in their Dangerous and Insanitary Buildings Policy and update their procedures to respond in a timely and cost-effective manner to the needs of their community." However, as [reported](#) in Dunedin City Council's 15 May 2023 Agenda, the MBIE response was this was not a priority at the time.

22 April 2014: South Wairarapa District Council identified derelict commercial [buildings](#) as a problem that did not qualify as dangerous or unsanitary. The inability to take proactive remediation action has resulted in a perception of Featherston's town centre as unattractive and run-down.

4 May 2015: LGNZ's [submission](#) to the Rules Reduction Taskforce highlights that councils regularly face derelict building issues with requests for action coming from many sources, including neighbours and health officials. Buildings in serious disrepair cause neighbours distress, are a risk to health, a potential fire hazard, and are sites for criminal activity. However, councils have limited powers to remediate derelict properties. Over a period of five years, Rotorua District Council has spent more than \$60,000 on consultants' reports and legal advice for a single abandoned property because they lack the authority to require its demolition.

1 August 2016: The Christchurch City Development Forum, made up of city councillors and the business community, [urged](#) Christchurch City Council to develop an incentivisation policy to encourage owners to develop their derelict sites. Frustrating city revitalisation efforts are buildings that remain in limbo due to unresolved intentions or insurance disputes. High-profile heritage buildings are also part of the concern. However, despite derelict buildings being dangerous, unsanitary and an eyesore the city council had limited powers to deal with them.

21 October 2016: Stuff.co.nz reporting [highlights](#) that shuttered, deteriorating buildings are frustrating towns around the country, with Councils in these towns having found there is virtually nothing they can do legally about it. South Wairarapa District Council found that despite complaints that problematic buildings were holding the town back, there was no effective legal remedy. While the council can take the owners of these buildings to court under the Resource Management Act for loss of amenity, it is a subjective rather than objective issue, making it challenging to win in court. Additionally, even if they did win, taking someone to the Environment Court is expensive, with potential costs ranging from \$60,000 to \$100,000. Enforcement remains difficult even after winning a case. In Rotorua, the problem is with houses

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rather than commercial buildings, but the issue remains the same. Derelict sites have potential fire risks, and the impact of these structures negatively impacts the value of surrounding properties. These abandoned buildings are eyesores; however, what is considered offensive is debatable under the law.

19 May 2017: Christchurch City Council outlines their [plan](#) for tracking derelict CBD sites they consider a barrier to the regeneration of the city centre. The plan of action seeks to address concerns about the sites, to improve investor confidence and to create a more positive impression of the central city. The third and final phase of their plan (to be used only as a last resort) involves joint action by agencies with enforcement and land acquisition powers. **This plan illustrates the problem: without legislative change, local authorities cannot prevent buildings from deteriorating to such a condition that outside agencies are required to facilitate collaborative solutions.*

16 June 2021: In the wake of a derelict house fire that destroyed a neighbouring house and damaged two others in Wellington, experts [question](#) why only a limited number of buildings meet strict criteria for dangerous or insanitary criteria. Otago University housing expert researcher Dr Lucy Telfar-Barnard said the bar was set too high for a dangerous or insanitary building. Regarding derelict houses, Victoria University Professor of Building Science Robyn Phipps says: "It's a ticking time bomb."

23 April 2022: Local authorities called for a change in the law to address the problem of derelict and unoccupied houses. In Whanganui, absentee owners are responsible for 10% of the derelict CBD buildings, committing to *demolition by neglect*. Litigating problem buildings is cost-prohibitive, and the bar is extremely high. Councils are completely powerless if a building simply looks terrible. As a result, LGNZ has [proposed](#) that the government define derelict buildings so that action can be taken. Stuart Crosby, LGNZ president, has highlighted that this problem is growing and needs to be addressed.

12 May 2022: Clutha District Council [identified](#) that its staff do not currently have the necessary tools to deal with abandoned buildings that become a target for vandals or unsightly in a town's main shopping street or issues of excessive waste and vegetation growth on private property.

May 2022: Dunedin City Council reports* that In May 2022, another attempt by LGNZ to meet the Minister of Building and Construction regarding derelict sites was unsuccessful. *Recounted in Dunedin City Council's 15 May 2023 [Agenda](#).

February 2023: As part of its submission to the Environment Select Committee on the Natural and Built Environment Bill and Spatial Planning Bill, DCC requested* the inclusion of "provisions in the NBEA to explicitly enable the management of neglected heritage buildings where a lack of maintenance is having an adverse effect on the structural stability, weather tightness, or long-term retention of a scheduled heritage building (aka demolition by neglect). This is urgently necessary for DCC (and other territorial authorities) to take actions to save heritage buildings where neglect has not yet progressed to a point of no return". *Reported in Dunedin City Council's 15 May 2023 [Agenda](#).

15 May 2023: Dunedin City Council (DCC) [identifies](#) that demolition by neglect is an issue in cities across New Zealand, yet is not regulated nor specifically referred to in either the Resource Management Act 1991, the Building Act 2004 or the Local Government Act 2002. DCC reports demolition by neglect is an issue for historic buildings that require significant investment to enable ongoing use. DCC asserts that, in the absence of legislative change, incentivisation is required to help motivate building owners to maintain buildings.

9 August 2023: The Press [reports](#) that the absence of legislation dealing with derelict properties has resulted in a derelict Christchurch property that, despite significant decay, does not meet the threshold for action.

6 September 2023: Considering lower rates for businesses and higher rates for vacant land, Wellington City Councillors express [frustration](#) with the inability of local authorities to target underutilised land due to it being too difficult to define: "It's deeply frustrating ... we can't make people do more with their land."

8 February 2024: Homeless persons squatting in a derelict building near Point Chevalier's town centre raise well-being and safety [concerns](#). Local businesses report daily harassment from intoxicated individuals and an increase in shoplifting, which they attribute to the squatters.

8 April 2024: Wellington City Council aims to remove ten buildings from the heritage list as part of its district plan review, utilising a 2012 amendment to the Resource Management Act (RMA) amendment aimed at ensuring more housing intensification in the country's largest cities. Among the ten buildings are the dangerous, unoccupied Gordon Wilson Flats. Considered unsafe due to potential earthquake and wind damage and empty since 2012, the flats have become a contentious feature of the Wellington skyline.

This move by Wellington City Council illustrates the extraordinary measures local authorities must take when buildings have deteriorated beyond repair resulting in a loss of national heritage and identity. The solution must be to enable proactive measures that address deteriorating conditions before buildings reach this level of decay.

Attachment 4 - Seized buildings in Gisborne

For almost a decade, five prominent Gisborne buildings have been the subject of an ongoing legal dispute between the Police and silent offshore owners. One of these buildings is Gisborne's finest, the heritage-listed [Masonic Hotel](#), and another features prominently in the Gisborne skyline (Figures 13 and 14, overleaf).

In 2016, Singaporean national Thomas Cheng was arrested in Gisborne for the importation and supply of methamphetamine. The Police subsequently obtained restraining orders over six commercial properties in Gisborne as part of a wider investigation into alleged tax evasion and money laundering by Cheng's father, William Cheng, and stepmother Nyioh Chew Hong, who live in Singapore.

An investigation into the "complex" ownership structure of the buildings saw restraining orders placed on associated bank accounts along with nine other buildings across Whanganui, Te Puke, Pahiatua, Timaru, and Gisborne. In 2020, the Police applied for the forfeiture of these buildings and associated bank accounts. The courts have recently declared the buildings to be beyond the reach of the drug investigation. However, legal proceedings continue to restrain the buildings.

In 2023, the Wellington High Court [ruled](#) that Cheng Jnr does not hold an interest in or have effective control of Cheng Snr's property. Therefore, the properties are not subject to forfeiture relating to Cheng Jnr's drug crimes. However, as the Police have appealed the ruling, the buildings remain in limbo, further complicated by possible [tax-evasion and money laundering](#) by Cheng Snr and Ms Hong.

Council has found it impossible to address building issues via Cheng Snr's New Zealand representatives. Cheng Snr is likely reluctant to undertake works without knowing what percentage of the buildings he will retain. The Police will not do anything as they are temporary custodians ill-equipped to deal with building remediation and unsure what percentage of the buildings they will retain.

This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions. Council has issued one seized building with a dangerous building notice; however, as ownership is contested, mitigation of dangerous conditions is not easily progressed. The restrained buildings, including the Masonic Hotel, continue to decline but are a long way from becoming Dangerous. Continued attempts by Council to engage building owners have met with little success.

Seized building: Gisborne's Masonic Hotel (now closed) prior to its decline. 46 Gladstone Rd



Seized building (left). 200 Gladstone Road.





// 07

Appropriate funding models for central government initiatives

Remit: *That LGNZ proactively promote and lobby for the development of a more equitable and appropriate funding model for central government initiatives.*

Proposed by: Northland Regional Council

Supported by: Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

Why is this remit important?

The constant reprioritisation of funding has a major impact on the ability of local government to provide quality infrastructure and services to the communities they are legally obliged to serve.

The development of a more equitable and appropriate funding model for central government initiatives would mitigate the risks and challenges the current funding model creates.

Background and Context

The reprioritisation of spending from community needs and services, to the implementation of central government policy and regulation, continues to be a major challenge for many councils.

Experience to date has shown that the current funding model needs to be reviewed and improved, to better reflect the community and operational realities of local government.

Zone 1 members firmly believe that central government should fully fund initiatives they wish to implement, or provide funding to local government in situations where they are required to implement a central government initiative.

How does this remit relate to LGNZ's current work programme?

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive – environmentally, culturally, economically and socially.



How will the proposing council help LGNZ to make progress on this remit?

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate the case for the development of an improved equitable funding model for central government initiatives.



// 08

Goods and services tax (GST) revenue sharing with local government

Remit: *That LGNZ be proactive in lobbying central government on sharing GST revenue with local government, derived from local government rates and service fees related to flood protection mitigation, roading, and three waters, for investment in these areas.*

Proposed by: Northland Regional Council

Supported by: LGNZ Zone 1 (Northland Regional Council, Far North District Council, Whangarei District Council).

Why is this remit important?

Local government faces funding and resourcing challenges due to current funding models. The sharing of GST revenue derived from local government rates and service fees related to flood protection, roading, and three waters, would allow for increased spending and investment in these areas.

Background and Context

S&P Global Ratings note that local government rates have not increased, as a percentage of the economy, in the past 100 years – compared with central government taxation which has gone up 200% in the same period.

This funding gap presents many challenges for local government and its ability to provide infrastructure and services to its communities.

Member councils of Zone 1 have not lobbied central government individually to date. However, there was full support for the position of LGNZ given on the matter on 27 February 2024.

This proposal seeks to elevate the matter and make it a high priority for LGNZ to lobby, with a view to achieve, the diversion of GST revenue for localised investment in flood protection mitigation, roading, three waters, and the related capital expenditure and debt servicing.

How does this remit relate to LGNZ's current work programme?

This proposal aligns with LGNZ's policy that states:

- Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
- Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action.

In accordance with LGNZ's strategy, this proposal would strengthen local government as a whole to support our communities to thrive – environmentally, culturally, economically and socially.



How will the proposing council help LGNZ to make progress on this remit?

Northland Regional Council, with the support of Far North District Council and Whangarei District Council, will advocate, lobby, and promote the case for the sharing of GST revenue with local government from the areas noted in this proposal.

Resolution to Exclude the Public

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

The general subject 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(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Council Public Excluded Minutes 4 July 2024) Good reason to withhold) information exists under) Section 7 Local Government) Official Information and) Meetings Act 1987	Section 48(1)(a)

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
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