

## Notice of Meeting:

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

**Date:** Tuesday 26 June 2018  
**Time:** 9.30am  
**Meeting Room:** Council Chamber  
**Venue:** Municipal Building, Garden Place, Hamilton

Richard Briggs  
Chief Executive

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## Council – 1/2 OPEN AGENDA

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### Membership

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr D Macpherson
	Cr G Mallett
	Cr A O’Leary
	Cr R Pascoe
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr R Hamilton

**Quorum:** A majority of members (including vacancies)

**Meeting Frequency:** Monthly – or as required

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Lee-Ann Jordan  
Governance Manager

**20 June 2018**

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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 Council:
  - 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, including the 30-Year Infrastructure Strategy.
  - 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 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.
  - d) Adoption of governance level strategies, plans and policies which advance Council's vision and strategic goals.
  - 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.

**Oversight of Policies:**

- *Corporate Hospitality and Entertainment Policy*
- *Delegations to Positions Policy*
- *Elected Members Support Policy*
- *Significance and Engagement Policy*

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**1 Apologies**

**2 Confirmation of Agenda**

The Council to confirm the agenda.

**3 Declaration of Interest**

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**

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 three 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 6439.

# Council Report

**Committee:** Council **Date:** 26 June 2018  
**Author:** Claire Guthrie **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Confirmation of Council Open Minutes - 24 May 2018

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation

That the Council confirm the Open Minutes of the Council Meeting held on 24 May 2018 as a true and correct record.

## Attachments

Attachment 1 - Council Open Unconfirmed Minutes - 24 May 2018

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## Council

### OPEN MINUTES

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Minutes of a meeting of the Council held in Council Chamber, Municipal Building, Garden Place, Hamilton on Thursday 24 May 2018 at 9.30am.

#### PRESENT

Chairperson	Mayor A King
Deputy Chairperson	Deputy Mayor M Gallagher
Members	Cr M Bunting
	Cr J R Casson
	Cr S Henry
	Cr D Macpherson
	Cr G Mallett
	Cr A O'Leary
	Cr R Pascoe
	Cr P Southgate
	Cr G Taylor
	Cr L Tooman
	Cr R Hamilton

In Attendance:

- Richard Briggs – Chief Executive
- Lance Vervoort – General Manager Community
- Jen Baird – General Manager City Growth
- Chris Allen – General Manager City Infrastructure
- Riki Manarangi – Corporate Policy Specialist
- Stafford Hodgson – Senior Strategic Policy Analyst
- Debra Stan-Barton – Project Manager, Regulatory Efficiency and Effectiveness Programme
- Peter Skilton – Project Advisor, Regulatory Efficiency and Effectiveness Programme
- Blair Bowcott – Executive Director Special Projects
- Ken Cunningham – Strategic Land Manager
- Muna Wharawhara – Amorangi Maaori
- Greg Carstens – Acting Unit Manager, Economic Growth and Planning
- Kelvin Powell – City Safe Unit Manager
- Julie Sanderson – Team Leader, Business Systems and Excellence
- Fraser McNutt – Acting Unit Manager, Planning Guidance
- Justine Allen – Manager Civic and International Events
- Chad Hooker – Director of Operations, Waikato Stadium
- Brendan Stringer – Legal Services and Governance Officer

Race Loudon – Chief Executive Somerset Brewing Company

*Tame Pokaia carried out a blessing and the Venerable Paul Weeding carried out a reading to open the Council Meeting.*

**1. Apologies**

**Resolved:** (Crs Henry/Macpherson)

That the apologies from Crs Casson, Mallett and Bunting for early departure are accepted.

**2. Confirmation of Agenda**

**Resolved:** (Mayor King/Cr Casson)

That the Agenda is confirmed noting the following;

- a) that debate will be 2 minutes with an extension of 1 minute if required;
- b) Item 21 (*Licence to Occupy - Somerset Brewing Company Ltd*) is to be taken after Item 16 (*Electricity Easement – Hamilton Zoo*) to accommodate external presenters;
- c) Item C5 (*FMG Stadium Waikato – Proposed Development*) is moved into the open section of the meeting; and
- d) that the Chair's report will include verbal updates on Hamilton's Age-Friendly City confirmation, the 9<sup>th</sup> Floor Balustrade and a report back from the Chengdu Delegation.

**3. Declarations of Interest**

No members of the Council declared a Conflict of Interest.

**4. Public Forum**

There were no public forum speakers.

**5. Confirmation of Council Open Minutes - 19 April 2018**

**Resolved:** (Mayor King/Cr Casson)

That the Council confirm the Open Minutes of the Council Meeting held on 19 April 2018 as a true and correct record.

**6. Confirmation of Extraordinary Council Open Minutes - 26 April 2018**

**Resolved:** (Mayor King/Cr Bunting)

That the Council confirm the Open Minutes of the Extraordinary Council Meeting held on 26 April 2018 as a true and correct record.

**7. Confirmation of Council Open Minutes - 10 May 2018**

**Resolved:** (Mayor King/Cr Casson)

That the Council confirm the Open Minutes of the Council Meeting held on 10 May 2018 as a true and correct record.

**8. Confirmation of Elected Member Briefing Notes - Open - 26 April 2018**

**Resolved:** (Mayor King/Deputy Mayor Gallagher)

That the Council confirm the open notes of the Elected Member Briefing held on 26 April 2018 as a true and correct record.

**9. Confirmation of Elected Member Briefing Notes - Open - 1 May 2018**

**Resolved:** (Mayor King/Deputy Mayor Gallagher)

That the Council confirm the open notes of the Elected Member Briefing held on 1 May 2018 as a true and correct record.

**10. Chair's Report - 24 May 2018**

Mayor King took his report as read. He provided a verbal update on Hamilton becoming the first city in New Zealand to become part of the Global Network for Age- Friendly Cities and Communities. The Mayor acknowledged staff and Dame Peggy Koopman-Boyden for their work to achieve this milestone. He also noted that the 9<sup>th</sup> Floor Balustrade project would not proceed due to the proposed cost.

The Deputy Mayor Gallagher and Cr Pascoe and the Civic Events Manager provided a verbal report on the recent delegation to Chengdu, China.

**Resolved:** (Mayor King/Deputy Mayor Gallagher)

That the Council:

- a) receives the report;
- b) notes staff will report on the Western Town Belt Master Plan process at the June 2018 Community and Services Committee meeting; and
- c) approves the deferral of Te Rapa Sportsdrome and the Memorandum of Understanding with the Exscite Trust report and the Founders Theatre report until the Council meeting of 6 September 2018; and
- d) approves 50% of the cost of the LGNZ 2018 Conference registration fee for any Elected Member attending the conference from the budget '*Conferences by Resolution*'.

**11. Chief Executive's Report – Maaori Representation Review Report Deferral**

The report was taken as read. The Governance Manager responded to questions from the Elected Members on reasons for the report's deferral and the future consultation process. It was noted that to ensure meaningful engagement with Maaori Council was required to comply with legislative requirements.

**Resolved:** (Mayor King/Cr Bunting)

That the Council notes that the staff report on Maaori representation options is deferred to August 2018.

**12. Class 4 Gambling Venue Policy - Deliberation and Adoption Report**

The Corporate Policy Specialist took the staff report as read and responded to questions from Elected Member on the types of organisations who own pokie machines and the requirements for the distribution of proceeds.

**Motion:** (Mayor King/Cr Macpherson)

That the Council:

- a) receives the report; and
- b) approves the proposed Class 4 Gambling Venue Policy for adoption.

**Amendment:** (Crs O'Leary/ Southgate)

That the Council:

- a) receives the report; and
- b) no amendments are made to the existing Class 4 Gambling Venue Policy.

**The Amendment was put.**

**Those for the Amendment:** Councillors Pascoe, Mallett, Tooman, O'Leary, Casson, Henry, Southgate and Taylor.

**Those against the Amendment:** Mayor King, Deputy Mayor Gallagher, Councillors, Macpherson and Hamilton

**The Amendment was declared carried.**

**The Amendment then became the Substantive Motion and was then put.**

**Those for the Substantive Motion:** Councillors Pascoe, Mallett, Tooman, O'Leary, Casson, Henry, Southgate and Taylor.

**Those against the Substantive Motion:** Mayor King, Deputy Mayor Gallagher, Councillors, Macpherson and Hamilton.

**The Substantive Motion was declared carried.**

**Resolved:** (Crs O'Leary/ Southgate)

That the Council:

- a) receives the report; and
- b) no amendments are made to the existing Class 4 Gambling Venue Policy.

**13. Dangerous and Insanitary Buildings Policy - Deliberation and Adoption Report**

Corporate Policy Specialist took the staff report as read and responded to Elected Members questions on staff resourcing needed to implement this policy. It was explained that the Council could not legally access buildings for inspection unless a complaint was received.

**Resolved:** (Crs Casson/Taylor)

That the Council approves the proposed Dangerous and Insanitary Buildings Policy for adoption.

**14. Regulatory Efficiency and Effectiveness Programme (REEP)- 10-Year Plan Funding**

The Project Manager, Regulatory Efficiency and Effectiveness Programme, spoke to the staff report. She, and the Chief Executive, responded to questions from Elected Members on the purpose and value of the future funding, process improvements and efficiencies that have been identified to date, the impact on the Operative District Plan, and processes to engage with developers. It was confirmed that there were staff resourcing issues in this area of Council which was a problem nationally.

**Resolved:** (Mayor King/Cr Taylor)

That Council receives the report.

**Crs O'Leary, Henry and Southgate Dissenting**

**15. Delegations under the Housing Accords and Special Housing Areas Act**

The Acting Planning Guidance Unit Manager took the staff report as read. It was clarified that other territorial authorities have Elected Members on their Accord Territorial Authority (ATA) Panels. In response to Elected Member questions it was noted that a conflict of interest would need to be declared if an Elected Member, who was interested in sitting on the ATA Panel or as an Independent Hearings Commissioner for a qualifying development, had expressed views about the development during a Council decision making process as this could lead to a risk of judicial review.

**Motion:** (Crs Macpherson/O'Leary)

That the Council:

- a) receives the report;
- b) establishes an Accord Territorial Authority Panel (ATA Panel) as per Section 89, HAASHA and delegates decision-making powers on notified Qualifying Development (QD) applications to it (Option 2 of this report);
- c) requests the Chief Executive prepares a report for the Council setting out the terms of reference and membership of the ATA panel for the Council to approve at 26 June 2018 Extraordinary Council meeting, noting that any councillor who is a member of the Panel must be RMA accredited.

**Amendment:** (Crs Pascoe/Casson)

That the Council:

- a) receives the report;
- b) delegates decision-making powers on notified Qualifying Development (QD) applications to a panel of Resource Management Act (RMA) accredited Commissioners (**Option 1** of this report); and
- c) approves the changes to the Independent Hearings Commissioners' Panel's Terms of Reference in the Council's Governance Structure, as set out in Attachment 1 to this report.

**The Amendment was put.**

**Those for the Amendment:** Councillors Pascoe, Mallett, Tooman, Casson and Southgate.

**Those against the Amendment:** Mayor King, Deputy Mayor Gallagher, Councillors O'Leary, Macpherson, Henry, Bunting, Taylor and Hamilton.

**The Amendment was declared lost.**

**The Motion was then put and declared carried.**

**Resolved:** (Crs Macpherson/O'Leary)

That the Council:

- a) receives the report;
- b) establishes an Accord Territorial Authority Panel (ATA Panel) as per Section 89, HAASHA and delegates decision-making powers on notified Qualifying Development (QD) applications to it (Option 2 of this report);
- c) requests the Chief Executive prepares a report for the Council setting out the terms of reference and membership of the ATA panel for the Council to approve at 26 June 2018 Extraordinary Council meeting, noting that any councillor who is a member of the Panel must be RMA accredited.

#### **16. Electricity Easement - Hamilton Zoo**

The General Manager Community and the Strategic Land Manager took the staff report as read. In response to Elected Members questions it was clarified that WEL had recommended putting the power lines underground.

**Resolved:** (Mayor King/Cr Hamilton)

That the Council approves:

- a) an easement to WEL Networks for the transmitting and/or conveying electricity, telecommunications and computer media underground over approximately 130m<sup>2</sup> of Council owned land (Lot 1 DP 429730) subject to:
  - i. An easement Survey Plan being approved by Land Information New Zealand.
  - ii. WEL Networks being responsible for the payment of costs associated with surveying the easement area and the undergrounding of the cables.
  - iii. WEL Networks being responsible for its own legal costs associated with the easement document.
  - iv. Staff agreeing to the alignment of the undergrounding of the WEL Networks cables.
  - v. Council being responsible for its own legal costs associated with the easement document.
  - vi. Council being responsible for a electricity connection from a WEL Networks Ltd pillar box to adjacent Council owned zoo facilities.
- b) delegates to the Chief Executive to sign all documentation relating to the easement document, with costs to be met by WEL and the Council as per paragraphs 16-18 of this report.

*Cr Bunting retired from the meeting (12.24pm) during the above item. He was not present when the matter was voted on.*

## 21. Licence to Occupy - Somerset Brewing Company Ltd

The staff report was taken as read.

**Resolved:** (Mayor King/Cr Casson)

That the Council approves:

- a) a Licence to Occupy to Somerset Brewing Company Ltd for an area of approximately 10m<sup>2</sup> over Council land (Lot 4 DPS 14250) subject to:
  - i. Somerset Brewing Company Ltd being responsible for all costs associated with the preparation of the Licence to Occupy documentation.
  - ii. The engineering plans being acceptable to Council.
  - iii. Somerset Brewing Company Ltd being responsible for reinstating the affected ground area to its original state following the laying of the pipe underground.
- b) delegates the Chief Executive to sign all documentation relating to the Licence to Occupy, noting that all costs associated with this matter will be borne by Somerset Brewing Company Ltd.

## 17. Open Air Burning Bylaw – Review

The Corporate Policy Specialist took the report as read and confirmed that public consultation was not required if the only amendments were to bring the Policy into line with the new Act.

**Resolved:** (Mayor King/Cr Hamilton)

That the Council:

- a) receives the report; and
- b) requests staff to bring a revised Open Air Burning Bylaw to the 2 August 2018 Council meeting for adoption.

**18. Online Voting Trials - Local Electoral Matters Bill**

Governance staff took the report as read. They responded to questions from elected Members concerning:

- The national working group investigating the feasibility of online voting
- Possible voter subsets
- Risks to Council including costs and online security
- Timing of legislation
- Potential next steps

**Motion:** (Crs O'Leary/Henry)

That the Council:

- a) confirms its interest in exploring participation in an online voting trial for the 2019 local authority elections.
- b) requests the Chief Executive and Electoral Officer to further investigate the considerations and costs of undertaking an online voting trial of the following subset(s) of voters:
  - whole of city and voter subset(s) staff believe are feasible.
- c) notes that staff will:
  - i. provide updates to Elected Members on the matters in paragraph 2(d); and
  - ii. present a further report for a decision by the Council on whether to undertake an online voting trial for the 2019 local authority elections.
- d) notes that paragraphs 2(a)-(c) above does not commit the Council to participating in a trial for online voting at the 2019 elections.
- e) notes that an online voting trial is conditional upon:
  - i. the Local Electoral Matters Bill being enacted;
  - ii. regulations being made under the Local Electoral Regulations 2001 authorising the Council to undertake a trial of online voting;
  - iii. technical compliance protocols for a trial (including security and assurance) being developed by the Department of Internal Affairs and implemented and reviewed by the Electoral Officer and staff;
  - iv. agreement with the Waikato Regional Council and Waikato District Health Board on the allocation of costs for undertaking a trial;
  - v. agreement with a provider to undertake the trial on behalf of the Council; and
  - vi. the Council resolving to undertake a trial of online voting in accordance with regulations.

**AND**

- f) that the Council requests the Chief Executive to draft a submission to the Justice Commission on the Local Electoral Matters Bill to bring back to the Extraordinary Council meeting on 26 June 2018.

**Amendment:** (Deputy Mayor Gallagher/Cr Tooman)

That the Council:

- a) confirms that it is not interested in exploring participation in a trial for online voting at the 2019 local authority elections; and
- b) requests the Chief Executive to draft a submission to the Justice Committee on the Local Electoral Matters Bill to bring back to the Extraordinary Council meeting on 26 June 2018.

**The Amendment was put.**

**Those for the Amendment:** Mayor King, Deputy Mayor Gallagher, Councillors Mallett, Tooman, Casson and Taylor.

**Those against the Amendment:** Councillors Pascoe, O'Leary, Macpherson, Henry, Southgate and Hamilton.

**The Amendment was declared equal and the Chair used his casting vote to declare the Amendment carried.**

**The Amendment became the Substantive Motion and was then put.**

**Those for Substantive Motion:** Mayor King, Deputy Mayor Gallagher, Councillors Mallett, Tooman and Casson.

**Those against the Substantive Motion:** Councillors Pascoe, O'Leary, Macpherson, Henry, Southgate, Taylor and Hamilton.

**The Substantive Motion was declared lost.**

***The meeting adjourned 1.22pm to 2.07pm.***

*Cr Pascoe retired from the meeting during the adjournment.*

**19. Council's Draft 2 Submission to the Local Government (Community Well-being) Amendment Bill**

The staff report was taken as read.

**Resolved:** (Mayor King/Cr Mallett)

That the Council:

- a) receives the report;
- b) approves Council's **Draft 2** submission to the Local Government (Community Well-being) Amendment Bill;
- c) notes the approved submission will sent to the Parliament's Governance and Administration Committee by 25 May 2018; and
- d) notes the approved submission will then be uploaded to Council's website.

**Cr Mallett Dissenting.**

*Cr Macpherson (2.12pm) re-joined the meeting after the above item. He was not present when the matter was voted on.*

*Deputy Mayor Gallagher (2.18pm), and Cr Hamilton (2.18pm) re-joined the meeting after the above item. They were not present when the matter was voted on.*

*The following publicly excluded item, C5 (FMG Stadium Waikato – Proposed Development), was moved into the open session of the meeting.*

**C5. FMG Stadium Waikato - Proposed Development**

Director of Operations, Waikato Stadium, spoke to the staff report. In response to questions from Elected Members, he clarified some of the contract clauses, involving term length and costs.

**Resolved:** (Mayor King/Cr Casson)

That the Council:

- a) receives the report; and
- b) delegates authority to the Chief Executive to execute the final commercial agreement with the Chiefs Rugby Club Limited as per paragraphs 11-15 of this report.

**20. Resolution to Exclude the Public**

**Resolved:** (Mayor King/Deputy Mayor Gallagher)

**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 Council Public Excluded Minutes - 19 April 2018	) Good reason to withhold information exists under Section 7 Local Government	Section 48(1)(a)
C2. Confirmation of Extraordinary Council Public Excluded Minutes - 10 May 2018	) Official Information and Meetings Act 1987	
C3. Confirmation of Elected Member Briefing Notes - Closed - 17 April 2018		
C4. Confirmation of Elected Member Briefing Notes - Closed - 1 May 2018		

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

**The meeting went into a public excluded session at 2.16pm.**

**The meeting was declared closed at 2.18pm.**

# Council Report

**Committee:** Council **Date:** 26 June 2018  
**Author:** Rebecca Watson **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Confirmation of Elected Member Briefing Notes - Open - 22 May 2018

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation

That the Council confirm the open notes of the Elected Member Briefing held on 22 May 2018 as a true and correct record.

## Attachments

Attachment 1 - Elected Member Briefing Notes - Open - 22 May 2018

## Elected Member Briefing Notes –22 May 2018 – Open

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<b>Time and date:</b>	22 May 2018 at 2.50pm
<b>Venue:</b>	Committee Room 1, Hamilton City Council
<b>In Attendance:</b>	Mayor King, Crs Tooman, Mallett, Henry, Casson, Bunting, Hamilton, Southgate, Macpherson, Taylor, O'Leary
<b>Apology for Full Session:</b>	Deputy Mayor Gallagher, Cr Pascoe
<b>Apologies for lateness/early departure:</b>	Cr O'Leary

### Discussion

The briefing session covered Seddon Park and West Town Belt Masterplan, and Development Contributions in an open session.

There were a number of key points arising from the discussions:

#### 1. Seddon Park and West Town Belt Masterplan

*(Presentation was provided)*

The General Manager Venues, Tourism and Major Events introduced the CEO of Northern Districts Cricket Association (NDCA) who spoke to the presentation. The CEO of NDCA identified that the sport of cricket was undergoing significant growth, particularly women's cricket, and that there was a need for a community cricket centre. He highlighted that currently there were very limited training areas for elite, youth and women's cricket teams.

A concept for a proposed cricket ground was presented, showing features such as beautification of the area, fan/spectator areas and a café on site, as well a proposal to turn part of Bryce Street back into green space.

Elected Members asked questions in relation to the following:

- Geotechnical work that has been completed on the section of Bryce Street proposed to be closed
- Funding of the potential work
- Process for road closures and evolution into green space.

#### 2. Development Contributions

*(Presentation was provided)*

The Acting Unit Manager, Economic Growth and Planning, and the Senior Strategic Policy Analyst spoke to the presentation, outlining major changes to the draft Development Contributions Policy suggested after the written and verbal submissions with public.

*Staff undertook to provide figures to Elected Members around the impact of the removal of the CBD remission both immediately and over a 2-year period.*

Elected Members asked questions in relation to the following:

- Legalities of refunds on Development Contributions
- Process for adding extra bedrooms to existing properties
- Criteria for bedrooms
- Options for measuring demand for resources
- Options for indexing and capping
- Splitting development costs between growth and service areas.

# Council Report

Item 7

**Committee:** Council  
**Author:** Amy Viggers  
**Position:** Committee Advisor  
**Report Name:** Confirmation of Elected Member Briefing Notes - Open - 7 June 2018

**Date:** 26 June 2018  
**Authoriser:** Becca Brooke  
**Position:** Governance Team Leader

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<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation

That the Council confirm the open notes of the Elected Member Briefing held on 7 June 2018 as a true and correct record.

## Attachments

Attachment 1 - Elected Member Briefing Notes - Open - 7 June 2018

## Elected Member Briefing Notes – 7 June 2018 – Open

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<b>Time and date:</b>	7 June 2018 at 3.00pm
<b>Venue:</b>	Council Chamber, Hamilton City Council
<b>In Attendance:</b>	Mayor King, Crs Tooman, Mallett, Henry, Casson, Hamilton, Southgate, Macpherson and O’Leary.
<b>Apology for Full Session:</b>	Deputy Mayor Gallagher, Crs Bunting, Pascoe and Taylor.

### Discussion

**1. Te Awa Lakes Special Housing Area**  
*(Presentation was provided)*

The briefing session covered a presentation from Perry’s Group regarding an update on the Te Awa Lakes Special Housing Area.

# Council Report

Item 8

**Committee:** Council **Date:** 26 June 2018  
**Author:** Rebecca Watson **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Confirmation of Elected Member Briefing Notes - Open - 12 June 2018

<b>Report Status</b>	<i>Open</i>
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## Staff Recommendation

That the Council confirm the open notes of the Elected Member Briefing held on 12 June 2018 as a true and correct record.

## Attachments

Attachment 1 - Elected Members Briefing Notes - Open - 12 June 2018

## Elected Member Briefing Notes – 12 June 2018 – Open

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<b>Time and date:</b>	12 June 2018 at 9.37am
<b>Venue:</b>	Committee Room 1, Hamilton City Council
<b>In Attendance:</b>	Mayor King, Deputy Mayor Gallagher, Crs Tooman, Mallett, Henry, Casson, Bunting, Hamilton, Southgate, Macpherson, O'Leary, Pascoe
<b>Apology for Full Session:</b>	Cr Taylor
<b>Apologies for lateness/early departure:</b>	Cr Casson

### Discussion

The briefing session covered NPS-UDC Monitoring Assessment to March 2018 in an open session.

There were a number of key points arising from the discussions:

#### 1. NPS-UDC Monitoring Assessment

*(Presentation was provided)*

The Senior Strategic Policy Analyst, Economic Growth and Urban Policy spoke to the presentation, highlighting that the NPS-UDC model enables growth to be tracked, particularly in comparison to other urban areas and allows visibility over whether Council policies are enabling or restraining growth.

Elected Members asked questions in relation to the following:

- Availability of information in the NPS-UDC report to the public
- Geographical split of growth figures
- Impact of investment properties on rent rises
- Average rent costs versus average mortgage costs
- Impact of Loan Valuation Ratio on market prices
- Impact of seismic ratings and new office buildings on occupancy rates in office space in the CBD
- Whether Gross Domestic Product figures could be added to future reports
- Timing lag between consents and developments starting and whether this information could be added to the report as well
- Infrastructure availability.

# Council Report

Item 10

**Committee:** Council **Date:** 26 June 2018  
**Author:** Nicolas Wells **Authoriser:** Jen Baird  
**Position:** Strategic Property Unit Manager **Position:** General Manager City Growth  
**Report Name:** Transfer of Easement - Gifting of Land - Shakespeare Avenue

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To seek the Council's approval to transfer an easement in favour of Hamilton City Council from one parcel of land owned by Te Runanga o Kirikiriroa to another parcel of land owned by Te Runanga o Kirikiriroa.

## Staff Recommendation

2. That the Council:
  - a) approves the partial surrender of the encumbrance over the land described first in the schedule and the contemporaneous registration of a new encumbrance (with identical terms to the existing encumbrance) over the land described second in the schedule; and
  - b) delegates the Chief Executive to give effect to this resolution.

### SCHEDULE

**FIRST** All that land contained in Certificate of Title 241894 South Auckland Registry legally described as Lot 100 Deposited Plan South Auckland 6684 comprising 498 square metres more or less and physically located at 14 Shakespeare Avenue, Hamilton (shown in pink on Attachment 1).

**SECOND** All that land contained in Certificate of Title SA41B/835 South Auckland Registry legally described as Part Lot 37 Deposited Plan South Auckland 6684 comprising 1,529 square metres more or less and physically located at 13 Shakespeare Avenue, Hamilton (shown in green on Attachment 1).

## Discussion

3. On 3 July 2014 the Council agreed to gift two small parcels of residential land to Te Runanga o Kirikiriroa ("TROK"). The land is shown in pink and blue on Attachment 1.
4. The two land parcels were small, vacant, not required for any particular Council purpose, and previous attempts to sell them had been unsuccessful.
5. On 3 July 2014 the Council resolved to gift the land to TROK to facilitate the construction of a 64 unit community housing project. A link to the staff report recommending the gifting is [here](#).

## Item 10

6. While the resolution did not specify a requirement for security over the land, the staff report to the Council recommended an encumbrance was registered requiring the land to be utilised for construction of community housing.
7. If TROK did not complete the development as planned the land was to be returned to the Council – unless it was transferred to another registered provider of community housing.
8. Although six units have been completed, the TROK development has subsequently faltered, with funding and project management problems resulting in no further construction. Attachment 2 is a letter from TROK detailing the history of the development.
9. The Council has now been approached by Nga Rau Tatangi Limited, an associated party of TROK that has been charged with delivering the development, seeking to restructure the arrangement with the Council.
10. Their proposal is that one of the blocks of gifted land (shown in pink on Attachment 1), together with adjoining land owned by TROK, will be sold for residential development. This new development will not necessarily be for community housing purposes. A release of the encumbrance registered against the title by Council will be required for this to occur.
11. TROK will use the money from the sale of this land to reduce debt and provide the funding to complete the community housing project on the remainder of their land on the west side of Shakespeare Avenue - including the remaining parcel of land provided by Council (shown in blue on Attachment 1).
12. In order to obtain the Council's consent to this transaction, Nga Rau Tatangi Limited is offering (on behalf of TROK), to provide a new encumbrance over an additional parcel of land held by TROK (shown in green on Attachment 1). This encumbrance will require the completion of the community housing project, or else allow for the return of the land to the Council.
13. While the outcome to date is disappointing, from the Council's perspective the alternative proposal is fundamentally sound and will leave the Council in a slightly better position than previously, as the security offered is over a greater area of better quality land. TROK proposes to rearrange the security held by the Council, but not to reduce the value of that security.
14. The TROK proposal falls clearly within the spirit of the original gift – to facilitate the delivery of additional community housing units in an economically and socially deprived area of the city.
15. Staff recommend uplifting and transferring the easements as described in the resolution and detailed above.

### Options

16. No options are available for Council to consider because without uplifting and transferring the easements the original intent of the 2014 gifting will not be achieved.

### Financial Considerations

17. There are no financial implications to the Council of the staff recommendation.

### Legal and Policy Considerations

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

### Risks

19. If the Council declines to uplift and transfer the easements there is a risk that TROK will be unable to sell the land and proceed to complete the social housing development on their remaining land.

20. If the easements are not rearranged the land to be sold may remain vacant and undeveloped even if TROK are able to find alternative funding to complete their development on the west side of Shakespeare Avenue.

## **Significance & Engagement Policy**

### **Significance**

21. 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.

### **Engagement**

22. Given the low level of significance determined, the engagement level is low. No engagement is required.

## **Attachments**

Attachment 1 - Shakespeare Avenue - Aerial Photograph

Attachment 2 - Letter from Te Runanga O Kirikiriroa 31 May 2018





**Hamilton City Council**

Te kaunihera o Kiriikiriroa

Disclaimer: Hamilton City Council does not guarantee that the data shown on this map is 100% correct.

Shakespeare Avenue

Scale :- 1 : 2052

Date :- 07/06/2018



**TE RŪNANGA O KIRIKIROA**

Po Box 19165  
 Hamilton  
 Ph: (07) 846 1042  
 Fax: (07) 846 7156  
 E-mail: marsha@terunanga.org.nz



31 May 2018

Kia ora Nicolas,

Re: Ngā Rau Tātangi Limited / Hamilton City Council Encumbrance at Shakespeare Avenue, Hamilton

I hope this finds you well.

Please find below, background information regarding why and how Te Rūnanga o Kirikiriroa became involved in social housing development, the challenges we have had and why it is now necessary to look at options regarding an encumbrance removal/transfer.

#### Background

In 2014, Te Rūnanga o Kirikiriroa began to explore the idea of completing a social housing development. With its 25+ years of social service provision, the organisation fully understood both the dire consequences of inadequate and insufficient housing – and the benefits (both tangible and intangible) of home ownership. As such, Ngā Rau Tātangi (NRT) was established as a subsidiary entity with Te Rūnanga remaining the parent body.

In March 2014, negotiations between Te Rūnanga o Kirikiriroa and Waikato-Tainui took place and the land was successfully purchased. Furthermore, the project was also supported by the local hapū, Ngāti Wairere who named the project Te Tātua o Wairere (or Wairere Village).

With the acquired land, NRT endeavoured to complete an ambitious social housing development consisting of 62 homes (of mixed tenure) in Enderley - the lowest socio-economic area in Hamilton city. The development would build communities through the creation of small 'villages'. These villages would include two, three and four-bedroom homes accommodated by a mixture of families, couples and single people. Community gardens, fruit trees and communal areas would enhance the village feel and, provide opportunities for neighbours to get to know each other. The social housing component would occur via rental of the two bedroom homes. Whilst Kaumatua were a particular focus, these homes were not necessarily exclusive to Kaumatua (although consideration of the aged and less physically able, were taken into consideration during the two-bedroom house designs).

This project was an extremely ambitious one for NRT. Whilst the Rūnanga had achieved success with a smaller 14 unit build for Kaumatua housing (in collaboration with Rauawaawa Kaumatua Charitable Trust), this development was far larger and more complex than both NRT and the Rūnanga ever fully anticipated.

At the same time, the drive to support low to middle income families into their own homes was extremely compelling, to the extent that the organisation went one step further and established Rezlub – a steel framing business. Again, the intentions were incredibly well-intended in that Rezlub would provide apprenticeships to young people and a potential means towards full time employment, whilst also supporting the build related to the Ngā Rau Tatangi development.

#### Challenges

Both ideas were excellent, that is the social housing development and the steel framing business. However, the initiatives were not without their challenges. Huge consultantancy costs, time delays, poor advice, conflicting expertise, separation of building consents and subsequent unit titles (that were originally all placed together under one-two unit titles), additional infrastructure and civil works, all contributed to unanticipated, and, significant additional costs.

In order to resolve many of the above issues, in December 2017 the decision was made to bring NRT back under the parent body, Te Rūnanga o Kirikiriroa. Rezlub was formally closed, all operational components of NRT were transitioned back to the Rūnanga and in order to reduce debt, the decision was made to sell two parcels of land – one at Tennyson Road and the other at Shakespeare Ave. The decision to sell these specific blocks were because the other parcels have pre-sold agreements in place.

A Working Party consisting of the new Chief Executive, Board Members and Yvonne Wilson (CEO Waikato Housing Hub who has been sub-contracted in to transition NRT operations to the Rūnanga), have been charged with looking at four key priorities related to the development – transitioning NRT to the Rūnanga, maintaining Charitable Housing Regulatory Authority (CHRA) status, selling two parcels of land, and analysing options regarding the remaining parcels of land. In relation to the fourth priority, options include selling the land to 'like-minded' organisations that will complete a social housing development, going into partnership with a 'like-minded' organisation, and determining other options to complete a 'pared down' version. Whilst no firm decision has yet been made, it seems clear that the Board would like to complete this project, in some form.

The Rūnanga has definitely learnt lessons 'the hard way' and clearly now understands the magnitude of a development of this scale. Disestablishment of the NRT Board, transition of the development to the parent body, selling parcels of land have all been difficult but necessary decisions to make.

At the same time, there has been some success. There are eight completed homes and alongside the original vision, this 'village' is building a positive and connected community. The sale of Shakespeare Avenue will reduce debt, enable the completion of Stage 1 and potentially enable a pared down version of the development. Transferring/removing the encumbrance to make this happen, would be an excellent solution.

We ask that you give this matter serious consideration and look forward to hearing from you in due course Nicolas.

Ngā mihi,



Andrea Elliott-Hohepa  
Chief Executive  
Te Rūnanga o Kirikiriroa Charitable Trust Inc

# Council Report

**Committee:** Council **Date:** 26 June 2018  
**Author:** Richard Briggs **Authoriser:** Lee-Ann Jordan  
**Position:** Chief Executive **Position:** Governance Manager  
**Report Name:** Cost Savings for the 2018-28 10-Year Plan

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To inform Council of the high-level approach proposed to achieve savings contained in the draft 2018/2028 10 Year Plan.
2. To seek Council's in principle support for this approach.

## Staff Recommendation

3. That the Council:
  - a) receives the report;
  - b) endorses the approach highlighted in this report for achieving \$94m in savings as forecast in the 10-Year Plan; and
  - c) requests the Chief Executive report to the Finance Committee with an update on progress by December 2018.

## Executive Summary

3. This report provides a high-level overview of the key opportunities available to Council to realise significant savings over the 2018-28 10-Year Plan period. These savings can be achieved but implementation of savings initiatives will require a partnership approach and support between senior leadership and elected members.
4. The draft 2018-28 10-Year Plan budget approved in December 2017 for the purposes of preparing the draft 10 Year Plan, included \$58m in savings over the period of the plan. At that Council meeting, the Mayor challenged the Chief Executive to increase these savings to over \$135m for the 10-year plan period. This additional challenge was issued informally and not codified in the draft budget. A \$3m budget was put forward to achieve the \$58m savings and ultimately the \$135m 'Mayoral Challenge'.
5. During Council's deliberations meeting on the draft 10 Year Plan the \$58m savings target was increased to \$84m (un-inflated and \$94m inflation-adjusted) and the amount for resources to drive these savings was reduced to \$1m.
6. The background context for these savings is strong, Council has a number of actions and initiatives underway and the organisation has been challenging conservative local government practices.

7. The approach outlined in this report seeks to identify solutions to these challenges and potentially deliver significant savings over the 10-year period of the plan.
8. It also highlights opportunities that exist to leverage alternative engagement and partnership models, new technologies, and smarter, more enabling ways of working as an organisation. The approach outlined in this report is not about tightening belts or restructuring – it's about thinking differently.
9. Four key areas are identified to deliver \$105m in savings by 2028.
10. Reimagining the way in which Council works with and on behalf of our communities requires an accompanying awareness of the need for a shift in our risk profile. Regular reporting to Finance Committee on progress against the savings target will be a feature of the proposed approach.
11. This report also addresses Audit New Zealand's request for more information on how the \$94m of savings built into the draft 2018-28 10 Year Plan will be achieved.
12. Staff consider the matters in this report have low significance and that the recommendations comply with the Council's legal requirements.

## Background

13. **The 2018-28 10-Year Plan**
14. The draft 2018-28 10-Year Plan included \$58m in savings over the period of the plan. The Plan was developed on a conservative basis and included within it was a budget of \$3m for additional resource (staff and contractors) to deliver these savings.
15. In addition to the \$58m included within the draft 10-year plan the Mayor challenged the Chief Executive to increase the savings by a further \$5m in year 2, and further \$5m in year 3, with total savings flattening from year 3 at \$15m per annum. The additional 'mayoral challenge' savings were not included in the draft plan (i.e. financial statements) but were referenced in the introduction to the draft budget report in December 2017. If these savings were banked they would have increased the total savings target in excess of \$135m for the 10-year period.
16. The \$3m budget for resourcing noted above was to also unlock the additional 'mayoral challenge' savings target.
17. During the 10-Year Plan deliberations meeting on 31 May 2018 the budgeted savings increased by a further \$26m, increasing the total savings target from \$58m over the period of the plan to \$84m (un-inflated and \$94m inflated).
18. The decision to increase the savings target by \$26m was a compromise between the initial \$58m and the 'mayoral challenge' amount. At the 31 May 2018 meeting the \$3m budget to deliver the savings was reduced accordingly, going from \$3m to \$1m.

19. The \$84m is a cumulative un-inflated savings and represents an annual savings of \$10m from year 6 (2023/24). The amount, once inflated, increases to \$94m over the period of the plan.

2018/2028 10 Year Plan Council Savings Target (\$000)	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28	10 Year Total
Annual savings in operating expenses (un-inflated)	\$4,000	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$0	
Annual savings in operating expenses (inflated)	\$4,000	\$2,044	\$1,044	\$1,067	\$1,092	\$1,117	\$0	\$0	\$0	0	
Cumulative Savings (un-inflated)	\$4,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$84,000
Cumulative Savings (inflated)	\$4,000	\$6,132	\$7,312	\$8,536	\$9,828	\$11,170	\$11,440	\$11,730	\$12,020	\$12,330	\$94,498

20. The draft 10-Year Plan contains Hamilton City Council’s largest capital programme ever, totalling \$2b over 10 years; a broad breakdown is as follows:
- \$250m Level of Service
  - \$582m Renewals
  - \$1.2b Growth.
21. During the deliberations meeting on 31 May 2018, the financial strategy was modified, making maximising the use of debt a priority, rather than balancing the books over two years. This modification responded to the community’s feedback that the proposed rates increases were too high.
22. This policy change has resulted in a significant loss of flexibility around Council’s financial options (refer paragraph 24 below) and therefore more constraints on decision making. There is now also a high degree of sensitivity to the impact of external factors especially changes in revenue (and changes to growth where it affects revenue).
23. For the new financial strategy to be effective all savings targets must be achieved and monies saved must not be used for new or improved service levels. The savings must also be permanent, this also means any unbudgeted cost increases need to be ring-fenced and tracked separately from savings achieved.
24. Key impacts of the new financial strategy are:
- Significantly reduced ability to respond to opportunities, e.g. property purchases outside budgets, as debt capacity has significantly reduced.
  - Revenue is critical and any reduction creates pressure on our debt to revenue percentage requiring the deferring of capital expenditure and a balancing of any subsidy impact.
  - Inability to absorb any significant and negative changes to underlying assumptions without modifying the capital programme.
25. **Local Government – it’s time to do it differently**
26. In some quarters, local government could be perceived as insular, inefficient and bureaucratic. There are limited large scale examples of collaboration between local government entities (outside of amalgamations) or with the private sector. What examples exist are largely in the more commercially focused areas of local government. Recently however there have also been some good examples at Hamilton City Council of collaboration with central government agencies (e.g. Housing Infrastructure Fund and Rototuna indoor recreation centre).

27. The local government environment encourages (and Hamilton is no exception):
- risk aversion;
  - artificial and self-imposed constraints (rules, bureaucracy) which limit creativity, agility and innovation;
  - under-investment in new technology;
  - resistance to change and different ways of thinking;
  - patch protection; and
  - myth.
28. For these reasons, many proposals either fail to make the light of day or don't meet the standards set by Elected Members due to their risky nature.
29. The public nature of local government also contributes to risk aversion as there is the real risk that staff morale and engagement will be impacted negatively by open discussion of innovative or new ideas. It should be noted that this risk was addressed in the revised recommendation for the re-imagining local government proposal as part of the 31 May 2018 meeting; the recommendation was updated so that any review would specifically address staff morale and engagement.
30. Hamilton City Council is lean, however that is not to say it is optimally efficient. There is a critical point where a lean organisation starts becoming unproductive as staff attempt to do the same thing, generally in the same way, but by cutting corners. Additionally, those initiatives that require investment to realise significant savings are often overlooked or not explored.
31. There needs to be an intervention to disrupt the status quo approach, as without an intervention the marginal benefits of 'leaning' an organisation reduce over time. The risk is that costs start creeping back in, morale is significantly weakened and organisational capability diminishes.
32. Local government is heavily regulated which reduces flexibility and adds cost - because of this compliance requirements increase at the expense of service.
33. The way that the Council engages with the community, against a background of low trust, is critical.
34. It could be argued that given the low level of true community engagement we are only 'guessing' really about the level of services our communities expect. These 'guesses' thus further contribute to unnecessary costs by delivering the wrong mix of services.
35. The other aspect to consider is the growing and forever changing expectations of the community. The global environment is changing rapidly and the services our communities expect are changing faster than our bureaucracy allows. The ways that communities engage with their cities is changing but the way we engage is not.

## The Response

36. We need to re-imagine, reconsider and disrupt the way we operate. Belt tightening (doing business the same but leaner) won't address the challenges noted above. A fundamental rethink needs to happen.
37. **What must we preserve?**
38. There are certain areas that must be protected:
- The safety and wellbeing of staff and the community.
  - Communication channels.
  - The democratic process, and the right for elected members to govern.

39. **Who is best to deliver services to the community?**
40. Hamilton City Council is unusual when compared to other councils to the extent that we do (or don't in this case) contract out services.
41. We have a water maintenance and renewals business in house (City Delivery), we have an inhouse parks team (City Parks), and we run our own pools and libraries where other Council have opted for other delivery mechanisms.
42. We need to consider who is best to deliver these services and consider what delivery basis best suits our needs and that of the community (e.g. in-house, contracting out, partnering and alliance models).
43. There are opportunities to share risk, drive innovation and possibly share in the financial benefits that third party organisations can deliver. The current Infrastructure Alliance provides a good example of where Council has partnered with the private sector to achieve great outcomes for the community and for staff.
44. Section 17a of the Local Government Act 2002 requires the cost-effectiveness of current arrangements for delivering services. However, like all regulation it does not encourage innovation and consequently could drive decision making aligned to old established business models. Transformational change requires thinking outside the box.
45. Out of the box thinking could drive us to work closer with the private sector with social responsibility ideals, community groups, social enterprises and quasi-government entities (e.g. Council Controlled Organisations). These are untested partnerships. We need to be cognisant of the failures of other local authorities in this area and be prepared to learn from their mistakes.
46. We need to continue to work closer with government to better leverage existing funders like NZTA and build partnerships like the one we have with the Ministry of Education for indoor recreation in Rototuna.
47. **How do we get services levels right?**
48. Our engagement with the community needs to improve. While our current engagement is genuine it is insufficient to provide the confidence that we fully understand our communities' needs and expectations. Typical local government models of consultation and engagement are ignored, in the main, by the public. We also don't know, for the most part, how our communities would or could help or partner with us to deliver services if given the opportunity. Momentum is one example of community partnership and a few other opportunities were presented by submitters during the 10-Year Plan.
49. A key part of meeting our challenges is to better understand the needs and expectations of our communities. This may involve direct engagement with community groups. It may also require our providers and suppliers to have direct relationships with communities to be able to adapt levels of service more appropriately and responsively.
50. **What we are working on now to encourage necessary change?**
51. *High Performance Organisation Programme – "Connected"*
52. We have implemented 'Connected' - Council's High Performance Organisation programme. The programme seeks to connect all employees to Council's strategy to deliver community outcomes through a focus on strategic execution, high-performance culture, clear leadership expectations, staff capability and performance management.

53. Connected is developing a different way of thinking, which will see a breakdown of silos and improved working together. The benefits of this programme - greater efficiency and increased capacity and capability - will come through a much stronger organisational focus on direct lines of sight between our activities and our community outcomes. It will assist in discouraging bureaucracy.
54. *Smart Hamilton/Innovation*
55. Smart Hamilton is also about thinking differently about how we deliver the business of Council. Easy to say, harder to do. However, there is a real awareness (internally and externally) that by taking up opportunities afforded by innovation, insight and technology that we are currently not leveraging, we will be able to work with the community and industry to improve our community's wellbeing.
56. The focus has been on developing an approach within Council and on engaging with industry:
- \$50k (\$35k externally sponsored) has now been allocated to 11 ideas from staff that fundamentally 'rethink' how some activities are being delivered or that introduce new thinking to Council functions.
  - We have collaborated with Wintec on Customer Journey Mapping which has resulted in significant savings – the same outcome and quality expected from the original \$50k budget has been delivered for \$10k.
57. Council has already seen the benefits of leveraging smart technology – our LED street lighting is one example, the transport operations centre is another. During the draft 10 Year Plan hearings we heard about innovations being employed by developers overseas such as innovations for closed water systems which recycle water and provide heating and cooling.
58. Smart technologies can realise significant and sustainable savings, minimise Council's investment by enabling our customers, and support strong environmental outcomes.
59. *Influencing with the Government*
60. We have built a robust network within Government at both an agency level and the Ministerial level. We are using these networks to advance Council's ambitions. This engagement has focused on alternative funding opportunities (mainly the Housing Infrastructure Fund and Special Purpose Vehicles), rail, and affordable housing (including special housing areas).
61. Our networks to date could potentially result in significant financial savings to Council e.g. the Housing Infrastructure Fund, if approved, delivering \$65m saving in interest over 10 years.
62. *Capital Delivery Group*
63. As noted the 10-year plan capital programme, at over \$2b, is the largest this Council has ever put forward to the community. At the time Hamilton City Council is planning this programme, a number of other councils, particularly growth councils, are completing their own ambitious capital programmes. Central government is also investing heavily in a New Zealand wide capital programme over a similar period.
64. We need to think differently to deliver our programme but we also need take a leadership role in managing the market risk associated with the broader New Zealand wide competition for contractors; including materials and skilled resource.

65. A new structure for the execution of our capital programme is being developed and is about to be rolled out to meet these challenges. Resource will be moved across from other groups to enable this new structure which, once created, will take a holistic approach to scheduling, prioritisation, quality and cost management. It will include portfolio management and strategic procurement capability and carefully monitor the timing of individual project start-dates to keep within the prescribed maximum debt to revenue ratio of 230% established in the financial strategy.
66. The group could potentially achieve significant savings through better, council-wide management of the capital programme leading to: individual cost savings; innovative contracts (e.g. bundling over multiple years and with other councils); other means of achieving outcomes (e.g. through Private Development Agreements with developers); and an overall focus on the numbers (critical for staying within the new financial strategy).
67. *H3 Review*
68. During 2017 a Section 17a review was undertaken for the H3 Business Unit. This review was reported to Council on 8 February 2017 and recommended that a Council Controlled Organisation (putting H3 into a separate Council owned company) was the best vehicle for delivering this service. The recommendation was premised on the basis that Council would lose any financial benefits of moving the operation to a private entity. At the time of the report the Chief Executive recommended not making a decision.
69. Since then Council staff have considered other more innovative structures that could achieve the efficiencies possible from private sector involvement while also maintaining financial benefits for Council. This opportunity involves testing a non-binding expression of interest with the market, seeking to understand whether the private sector could deliver these services more efficiently, and whether they could share any financial upside with Council (an alliance model of sorts). This approach requires signoff from Council.
70. H3 continues to operate under a semi-commercial model as per the Council resolution of 24 August 2017.
71. *Local Authority Shared Services (LASS) and other Council Relationships*
72. Through our engagement with LASS we have challenged the entity to be bolder and more innovative in achieving savings for the region. Significant savings, and community benefits, can be achieved through LASS.
73. We also believe there are significant opportunities for working directly with councils in the Waikato and outside the Waikato. These opportunities are continually under review.
74. *Alternative Contracting*
75. We have already started using alternative contracting mechanisms, for example, the Infrastructure Alliance that has delivered savings through collaboration and innovative solutions. Stronger partnerships can provide win-win opportunities that result in cheaper and better services for the community.
76. Such arrangements are dependent on an acceptance of different risks and changes in control - matters that have proved in the past to be road blocks to exploring new ideas. These roadblocks need to be overcome; through smart contracting and clear reporting significant savings can be achieved.

77. *Review of Community Engagement*
78. Staff commenced the Engagement Project in August 2017. The objective of the project is 'by June 2019 we will be having conversations with our communities, connecting in ways they want, to gain an understanding of their views so we make informed decisions about our city infrastructure and services'.
79. There are four components to the project:
- building an engagement framework;
  - better stakeholder identification;
  - identify the right channels and tools; and
  - improved use of information.
80. **What are the benefits of encouraging change?**
81. How we are operating now is unsustainable in the long term.
82. Changing how we think and do business will have a number of benefits:
- Greater engagement with the community – leading to a better understanding of community expectations and the community's understanding about the costs of services.
  - More efficient delivery of the right services, in the right places at the right time.
  - Cost advantages through better engagement with partners.
  - More effective delivery of the capital programme, including cost efficiencies.
  - Removing bureaucracy leading to a leaner organisation achieved through alternative innovative partnerships (with the private sector, social enterprises and community groups) and moving administration to those entities.
83. **What are the numbers?**
84. The savings target as a percentage of total costs is 3% of the \$3b in operating expenses we have budgeted over the next ten years.
85. Total savings \$94m (inflated) over 10 years as follows:

2018/2028 10 Year Plan Council Savings Target (\$000)	Year 1 18/19	Year 2 19/20	Year 3 20/21	Year 4 21/22	Year 5 22/23	Year 6 23/24	Year 7 24/25	Year 8 25/26	Year 9 26/27	Year 10 27/28	10 Year Total
Annual savings in operating expenses (un-inflated)	\$4,000	\$2,000	\$1,000	\$1,000	\$1,000	\$1,000	\$0	\$0	\$0	\$0	
Annual savings in operating expenses (inflated)	\$4,000	\$2,044	\$1,044	\$1,067	\$1,092	\$1,117	\$0	\$0	\$0	0	
Cumulative Savings (un-inflated)	\$4,000	\$6,000	\$7,000	\$8,000	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$84,000
Cumulative Savings (inflated)	\$4,000	\$6,132	\$7,312	\$8,536	\$9,828	\$11,170	\$11,440	\$11,730	\$12,020	\$12,330	\$94,498

## The Savings

86. **How will the savings be delivered?**
87. We have identified \$105m savings in four main areas:
- 10 Year Savings**
- |                                     |       |
|-------------------------------------|-------|
| a. Headcount Management             | \$39m |
| b. Alternative Delivery Models      | \$11m |
| c. Reducing Bureaucracy             | \$9m  |
| d. Optimising the Capital Programme | \$46m |

88. *Headcount Management*

89. Managing headcount through optimising recruitment (effectively delaying replacing staff referred to as achieving the vacancy factor). Council delivered \$3.1m in savings by optimising recruitment for the current year (2017/18). Priority will be given to recruiting staff that have a revenue stream to support costs e.g. capital project delivery, increased developer funded activity.

90. This approach has proved successful to date but has certain risks. As morale improves, turnover reduces (which is a good outcome) but the opportunity to manage recruitment (and savings through the vacancy factor) reduces. The approach also places greater pressure on staff that remain.

91. These savings are 'point in time' savings and will need to be 're-saved' each year. However, given past performance we have a high degree of confidence that this can be achieved.

92. The amount used in this report is the inflated impact of the vacancy factor for the 2017/18 period.

93. *Alternative Delivery Models*

94. Direct savings possible through alternative service delivery. As noted in this report, there are savings that could be gained from looking at alternative delivery models, better understanding community expectations and encouraging a more informed and engaged community.

95. The amount estimated in this model is untested and as such is conservative, but achievable. The estimated savings start at \$250k, increasing by \$250k per annum until year 5 then flat-line for the remaining 10 years saving \$11m in total over 10 years.

96. These savings could arise through contracting out, alliancing or otherwise partnering parts of Council operations. Any decision in this regard may require Council approval; as such the quantum of savings that can be achieved is dependent on Council's appetite for such an approach.

97. *Removing Bureaucracy*

98. This is changing the way we think about delivering services - removing unnecessary processes that slow down decision making and service delivery will lead to lower costs.

99. Through this work stream Council could become a far leaner organisation (without the adverse impacts mentioned earlier) and as such also reduce overhead costs, be more agile and deliver services faster.

100. Estimated savings start at \$150k, increasing by \$150k per annum saving \$7.75m in total over 10 years. While untested and as such conservative, the estimated savings are achievable.

101. *Optimised Capital Programme*

102. Optimised capital programme will lead to a lower capital spend and savings in borrowing and depreciation costs.

103. The establishment of the Capital Delivery Group can reduce the cost of our capital programme by delivering the \$2b programme approximately 9% cheaper - saving \$30m in interest, \$15m in depreciation and \$143m in debt.

104. The savings identified in this model are untested and as such conservative, but achievable. The estimate savings start at 5% of the capital programme in year one, increasing to 7.5% savings in year two and three and then increasing, and holding at 10% over the remaining 10 years. Total savings is \$45m over the 10 years.

105. Any cost drivers to the capital programme that are outside our control and which may erode the capital programme efficiencies will need to be monitored and reported. Examples of such cost drivers include any legislation change, standards changes (such as seismic and impacts of Havelock North), cost of finance, accelerated land costs etc.

106. *Total Savings as follows:*

INFLATED	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	TOTAL
Vacancy factor	-3,376	-3,506	-3,626	-3,749	-3,850	-3,942	-4,060	-4,183	-4,300	-4,435	-39,027
Alternate models	-250	-511	-783	-1,067	-1,365	-1,396	-1,430	-1,466	-1,502	-1,541	-11,313
Reducing Bureaucracy	-150	-307	-470	-640	-819	-1,005	-1,201	-1,407	-1,623	-1,850	-9,472
Additional interest savings	-213	-783	-1,464	-2,132	-2,821	-3,400	-3,828	-4,410	-5,143	-5,963	-30,157
	-3,989	-5,107	-6,343	-7,589	-8,855	-9,743	-10,519	-11,466	-12,568	-13,789	-89,968
Depreciation savings	-177	-525	-800	-1,142	-1,463	-1,712	-1,949	-2,234	-2,567	-2,876	-15,444
<b>Total Operating Savings</b>	<b>-4,166</b>	<b>-5,631</b>	<b>-7,143</b>	<b>-8,731</b>	<b>-10,318</b>	<b>-11,455</b>	<b>-12,468</b>	<b>-13,700</b>	<b>-15,134</b>	<b>-16,665</b>	<b>-105,412</b>
<b>Reduced net capex spend</b>	<b>-8,778</b>	<b>-16,811</b>	<b>-14,156</b>	<b>-16,202</b>	<b>-15,026</b>	<b>-12,007</b>	<b>-12,115</b>	<b>-14,382</b>	<b>-17,172</b>	<b>-16,489</b>	<b>-143,137</b>

107. Savings identified are based on 10-Year Plan budgets and assumptions for inflation and interest rates. The benefits of capital savings are assumed across all capital budgets and are adjusted for consequential changes in capital revenue and depreciation. Depreciation is calculated at a depreciation rate of 1.6% (equivalent to our average depreciation rate in 2018/19).

## Budget and Reporting

108. The budget for this review is \$500k in each of years one and two of the draft 10-Year Plan. It is envisaged that a senior staff member will be seconded to the Chief Executive's Office to lead this review.

109. The Chief Executive will report to the Finance Committee on a six-monthly basis. The purpose of the reporting will be to update Elected Members on progress on the programme and on savings to date. Any decisions outside the Chief Executive's delegation will go to Council or the appropriate committee for approval.

## Risks and Opportunities

### Risks

110. The new Financial Strategy for this 10-year plan is very different from the previous plan. It is more sensitive to movements in assumptions (e.g. growth, revenue, inflation and interest rates) – the impact of which could negate any savings achieved.

111. Any movements in assumptions together with any increases in factors outside of Council's control, such as legislation and standards changes, could negate any savings, and/or change the timing of individual projects in order to meet the new Financial Strategy.

112. A large portion of savings will be achieved through re-imagining, reconsidering, and disrupting usual approaches to generate ideas that are innovative and, potentially, untried delivery options. As such there will be a change in the risk profile of Council. Council may, at their discretion, decide not to progress with any or all options put to them.

113. Staff engagement has already been impacted through discussion around the size of the savings identified and the potential for job impacts. The senior leadership team have been talking to staff about this proposal. This initial approach is designed around innovation and transformation drivers rather than generating savings through restructuring. A robust communication plan is being implemented to ensure this understood.

114. This report has been prepared at this in time in part to address concerns Audit New Zealand have that Council may be locking in savings that show a better than actual financial forecast, and that in so doing, may misrepresent its financial performance to the community.
115. This report shows that these savings are real and achievable. In accepting this report, Elected Members are committing in principle to the approach necessary to make them happen.
116. The auditors will meet with the Office of the Auditor General a few days prior to the 10-Year Plan adoption meeting of 28 June 2018 to consider whether the Audit Opinion on the 10-Year Plan should specifically draw the savings proposal to the attention of readers. If Council do not support this approach then there is a risk that the Audit Opinion would be negatively tagged. A negative opinion will have a flow on effects to other areas such as our credit rating.

#### **Opportunities**

117. The assumptions used in the preparation, in the view of the author, are conservative. There are opportunities for increased savings (dependent on the boldness of initiatives and on support for the initiatives by Council).

#### **Legal and Policy Considerations**

118. Staff confirm that the recommendations in this report comply with the Council's legal and policy requirements. Significance & Engagement Policy.

#### **Significance & Engagement Policy**

##### **Significance**

119. Staff considered the key considerations under the Significance and Engagement Policy and have assessed that the matters in this report have a low level of significance.

##### **Engagement**

120. Staff recommend that no engagement on this matter is required. Matters in this report will be subject to approved delegations or decision-making processes (and as such will include assessment of significance and engagement considerations as required).

#### **Attachments**

There are no attachments for this report.

# Council Report

Item 12

**Committee:** Council  
**Author:** Fraser McNutt  
**Position:** Unit Manager Planning Guidance

**Date:** 26 June 2018  
**Authoriser:** Jen Baird  
**Position:** General Manager City Growth

**Report Name:** Delegations under the Housing Accords and Special Housing Areas Act

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To seek Council's approval to delegate decision-making powers on notified Qualifying Development (QD) applications to an Accord Territorial Authority Panel (**ATA Panel**) as per the Terms of Reference attached.

## Staff Recommendation

2. That the Council:
  - a) receives the report;
  - b) establishes an Accord Territorial Authority Panel (ATA Panel) with the Terms of Reference set out as Attachment 1 to the report; and
  - c) delegates its powers and functions under the Housing Accords and Special Housing Areas Act 2013 (the **HASHAA**) authority to the Chief Executive to be exercised, in accordance with the Terms of Reference (attachment 1 of this report).

## Executive Summary

3. The Minister of Housing and Urban Development has recently approved Jebson Place as Hamilton's first special housing area (SHA) under the Housing Accords and Special Housing Areas Act 2013 (HASHAA or the Act).
4. As soon as a SHA is established, a resource consent application (called a Qualifying Development (QD) under HASHAA) can be lodged with the Council to develop land within the SHA for predominantly residential purposes. The HASHAA consent process is a deliberately condensed version of the more familiar process under the Resource Management Act 1991 (RMA).
5. With its truncated timeframes and limited participation, the HASHAA consent process lends itself to delegations to ensure the Council can conduct its responsibilities, duties and powers under the Act effectively and efficiently.

6. The following was resolved at the 24 May 2018 Council Meeting:

*That the Council:*

- a) *receives the report;*
  - b) *establishes an Accord Territorial Authority Panel (ATA Panel) as per Section 89, HAASHA and delegates decision-making powers on notified Qualifying Development (QD) applications to it (Option 2 of this report); and*
  - c) *requests the Chief Executive prepares a report for the Council setting out the terms of reference and membership of the ATA Panel for the Council to approve at 26 June 2018 Extraordinary Council meeting, noting that any councillor who is a member of the Panel must be RMA accredited.'*
7. Staff have therefore prepared the necessary terms of reference for an ATA Panel as requested, set out as Attachment 1 of this report.

### Structure of this report

8. This report covers the following matters:
- Context and background
  - Delegations under the HASHAA
  - The HASHAA consent process
  - Significance and Engagement Policy – including engagement with Tauranga City Council and Queenstown Lakes District Council.

### Context and background

9. The purpose of the HASHAA is “to enhance housing affordability by facilitating an increase in land and housing supply...”
10. The [Hamilton Housing Accord](#) was signed by Mayor King and the then Minister of Building and Construction in December 2016. The Accord, via SHAs, enables the Council to use the provisions of the HASHAA to advance housing supply in areas that the Council would consider suitable for housing in Hamilton. Subsequently, the Council approved the [SHA Policy](#) in August 2017, and called for expressions of interest for potential SHAs. In response to Council’s recommendation, the Minister has considered and gazetted Jebson Place as Hamilton’s first SHA.
11. As soon as a SHA is established, a consent application can be lodged with Council under the HASHAA to develop land within the SHA for predominantly residential purposes (referred to as a qualifying development (QD)). The HASHAA consent process is a deliberately condensed version of the more familiar process under the RMA.
12. Council resolved at its meeting of 24 May 2018 to pursue an Accord Territorial Authority Panel (ATA Panel or the Panel) noting that any councillor who is a member of the Panel must be RMA accredited. Hamilton City Council, as per the Ministry for the Environment’s website, has no current local body Elected Members accredited as RMA commissioners, although it is noted that Councillor Southgate is listed under Waikato Regional Council with her accreditation expiring on 30 June 2018.
13. If a quorum for an ATA Panel could not be established the terms of reference have provided an alternative as per point 7 of the terms attached to this report and iterated below.

14. If a quorum of three members cannot be established to form an individual ATA Panel to hear and determine a matter within an acceptable timeframe, the General Manager City Growth will advise the Chief Executive who will, under delegated authority, take the steps necessary to have the matter heard and determined by one or more of the RMA commissioners named in the Terms of Reference.

### Delegations under the HASHAA

15. Council's Delegations to Officers Specific to the Resource Management Act 1991 (Delegations Policy) records Council's delegations to its Chief Executive of certain statutory responsibilities, duties and powers. The HASHAA commenced in September 2013. The Delegations Policy was approved by Council three months later in December 2013 and subsequently a revised version has been adopted by the current Council. The HASHAA forms part of the suite of statutory responsibilities, duties and powers that the Council has delegated to its Chief Executive.
16. Council's delegations to its Chief Executive are subject to the overriding condition, recorded in Schedule 2 of the Delegations Policy, that the Chief Executive may refer any matter arising from those delegations back to Council for decision if he considers it appropriate to do so.
17. Section 76(2)(d) of the Act allows the Chief Executive to, in turn, delegate responsibilities, duties and powers relating to the Act's resource consent process to Council officers. Any delegations from the Chief Executive to officers are codified in a management policy issued by the Chief Executive.

### The HASHAA consent process

18. The HASHAA resource consent process is, as already noted, a condensed version of the more familiar resource consent process under the RMA. In summary, the HASHAA resource consent process consists of the following key steps:
- i. The applicant lodges a resource consent application with Council for a QD under section 25 of the Act (not the alternative section 88 of the RMA). This starts the condensed process under the HASHAA rather than the traditional process under the RMA.
  - ii. Council decides, under section 27 of the Act, whether or not the application is complete. If the application is considered complete, Council accepts the application as lodged and starts to process, consider and decide the application.
  - iii. Council can request further information from the applicant under section 28 of the Act to help it consider and decide the application.
  - iv. Council can only notify the application, under section 29(3) of the Act, to:
    - Owners of land adjacent to the application site;
    - Waikato Regional Council;
    - Infrastructure providers with assets on or adjacent to the application site; or
    - Requiring authorities with designations on or adjacent to the application site.

who have not otherwise given their written approval to the QD. Council must, under section 29(4) of the Act, make its notification decision within 10 working days of the application being lodged.
  - v. Only persons who have been notified can make a submission on the application under section 29(7) of the Act.
  - vi. Council can only hold a hearing on the application under section 30 of the Act if submissions have been made on the application and submitters have asked to be heard.
  - vii. If a hearing is held, it must commence no later than 20 working days and be completed within 30 working days after the closing date for submissions.

- viii. Council must decide the application, having regard to criteria listed in section 34(1) of the Act noted below. The criteria are ranked in order of importance. Primary importance is placed on the purpose of the Act. The purpose and principles of the RMA are of secondary importance as per s34(1).
- (a) the purpose of this Act;
  - (b) the matters in [Part 2](#) of the Resource Management Act 1991;
  - (c) any relevant proposed plan;
  - (d) the other matters that would arise for consideration under:
    - (i) [sections 104 to 104F](#) of the Resource Management Act 1991, were the application being assessed under that Act;
    - (ii) any other relevant enactment (such as the [Waitakere Ranges Heritage Area Act 2008](#)):
  - (e) the key urban design qualities expressed in the Ministry for the Environment's *New Zealand Urban Design Protocol (2005)* and any subsequent editions of that document.
- ix. Section 34(2) of the Act prohibits the Council from granting consent for a QD unless it is satisfied that sufficient and appropriate infrastructure will be provided to support the QD. In every other case, the Council may exercise its discretion to grant or decline the application under section 36(1) of the Act.
- x. The Council can, under section 36(2) of the Act, impose conditions if it decides to grant resource consent for the QD.
- xi. A right of appeal to the Environment Court against Council's decision exists only for QDs of four or more storeys. Only the applicant and submitters (if any) can exercise this right under section 79 of the Act.

## Financial Considerations

19. Commissioner costs are all charged back to the applicant at 100% cost recovery (\$150/hour).
20. The current [Local Government Members \(2017/18\) \(Local Authorities\) Determination](#) 2017 sets out the hourly rates payable to elected members taking part in a hearing as a member of an ATA Panel. This remuneration covers a hearing arising from:
  - A resource consent application under subpart 2, Part 2 of the HASHAA; or
  - A request for a plan change/variation to a proposed plan under subpart 3 of Part 2 of the HASHAA.
21. The hourly rate is \$100/hour for a member acting as a chairperson, and \$80/hour for an 'ordinary member' of an ATA Panel.
22. The Determination sets out an exhaustive list of what constitutes 'hearing time' that a member can claim for:
  - i. Conducting a hearing;
  - ii. Informal deliberations to decide the outcome of a hearing;
  - iii. Participating in an official group site inspection related to the hearing;
  - iv. Determining a resource consent application where a formal hearing does not take place; and

- v. Up to a maximum of the aggregate of the time referred to in paras (i) and (ii) above for:
- Preparing for a hearing; and
  - Participating in an inspection of a site for the purpose of a hearing (other than under (iii) above).

### **Legal and Policy Considerations**

23. The legal implications of not appropriately managing the decision-making process for a notified consent are significant. A party may seek judicial review through the High Court should they find reason.

### **Cultural Considerations**

24. Under an ATA Panel, outside of the local authority representative, the remainder are persons who, collectively, have knowledge of and expertise in relation to planning, design, and engineering and appropriate knowledge and experience relating to the Treaty of Waitangi (Te Tiriti o Waitangi) and tikanga Maaori (Maaori customary values and practices).

### **Risks**

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

### **Significance & Engagement Policy**

#### **Significance**

26. 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 medium level of significance.

#### **Engagement**

27. The report writer has contacted Tauranga City Council and Queenstown Lakes District Council to query how they have dealt with their own delegations for s89/90:
- Tauranga District Council uses a panel of Hearings Commissioners as it does for RMA matters (noting that they have four current certificate holders who are elected members).
  - Queenstown Lakes District Council uses an ATA Panel where a councillor is involved in conjunction with Commissioners. Only RMA-accredited councillors are on the Panel (noting also that they have six current certificate holders who are elected members).

### **Attachments**

Attachment 1 - Accord Territorial Authority Panel - Terms of Reference

## Accord Territorial Authority Panel ("ATA Panel")

**Reports to:** Council

**Chairperson:** As appropriate

**Membership – no fewer than three sitting at any one time (including the Chairperson, if required):**

Any Hamilton City Councillor who is a Ministry for the Environment accredited RMA Commissioner

Sitting in combination with not less than two of any of the following individuals:

Simon Berry  
Murray Kivell  
Rebecca Macky  
Russell De Luca  
Richard Knott  
Alan Withy  
Alan Bickers  
Mark Farnsworth  
Loretta Lovell

**Meeting frequency:** As required

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**Purpose:**

To undertake certain hearings and regulatory functions under the Housing Accords and Special Housing Areas Act 2013 ('HASHAA').

**Pursuant to s90 of HASHAA Council delegates to the ATA Panel its functions and powers as an authorised agency under the following Terms of Reference:**

**Terms of Reference:**

1. Council hereby establishes an Accord Territorial Authority Panel (ATA Panel) comprised of the individuals listed above.
2. Establishing the membership of each individual ATA Panel to hear and determine the matters set out in clause 4 is hereby delegated to the General Manager City Growth.
3. Membership shall be comprised of individuals drawn from the list of available members set out above, and shall include 1 Hamilton City Councillor who is a Minister for the Environment accredited RMA commissioner.

4. Each individual ATA Panel selected in accordance with clause 2 shall have the power to hear and decide any of the following HASHAA matters:
  - a. An application for a resource consent or change to conditions of resource consent; or
  - b. A Notice of Objection
5. Each individual ATA Panel shall have all the functions and powers under the HASHAA relevant to the matter to be heard from the date of selection being confirmed by the General Manager City Growth until the date the final decision is delivered by the ATA Panel.
6. Each individual ATA Panel shall have the power to select a hearings chairperson; and give the chair person, if one is selected, a casting vote.
7. If a quorum of three members cannot be established to form an individual ATA Panel to hear and determine a matter within an acceptable timeframe, the General Manager City Growth will advise the Chief Executive who will, under delegated authority, take the steps necessary to have the matter heard and determined by one or more of the above approved RMA commissioners.

**Special Notes:**

- The Commissioners' decisions are reported to Council for information and monitoring of the District Plan and Special Housing Area Policy

# Council Report

Item 13

**Committee:** Council **Date:** 26 June 2018  
**Author:** Lee-Ann Jordan **Authoriser:** David Bryant  
**Position:** Governance Manager **Position:** General Manager Corporate  
**Report Name:** Notice of Motion from Cr Casson in relation to the 9th floor balustrade

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. A Notice of Motion was received by the Chief Executive on 22 May 2018 seeking to revoke in full a resolution from the Council meeting of 16 November 2017.
2. The resolution in question relates to the 9<sup>th</sup> floor balustrade (Attachment 1).
3. The Notice of Motion received is consistent with Standing Order 3.8.1 which allows Council to revoke or alter all or part of resolutions previously passed at meetings.

## Attachments

Attachment 1 - Notice of Motion from Cr Casson in relation to the 9th floor balustrade

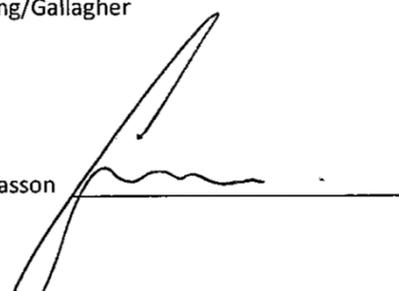
I would like to put a motion to Council meeting on 31 May 2018 as follows:

That the Council revoke the resolution of Council made at the 16<sup>th</sup> November 2017 Ordinary Council meeting that:

**"Council approves up to \$25,000 for the replacement of the 9th floor deck balustrade with safety glass".**

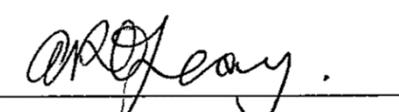
Moved by: Mayor King/Gallagher

Moved: CR James Casson

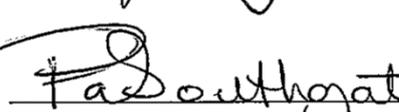


Signed by elected members:

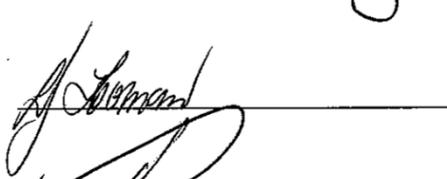
CR Angela O'Leary



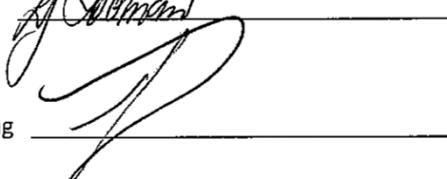
CR Paula Southgate



CR Leo Tooman



CR Mark Bunting



# Council Report

Item 14

**Committee:** Council **Date:** 26 June 2018  
**Author:** Lee-Ann Jordan **Authoriser:** David Bryant  
**Position:** Governance Manager **Position:** General Manager Corporate  
**Report Name:** Notice of Motion from Cr O'Leary in relation to online voting

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. A Notice of Motion was received by the Chief Executive on 28 May 2018.
2. The motion in question relates to online voting (Attachment 1).
3. The Notice of Motion received is consistent with Standing Order 3.9.1 which allows Council to revoke or alter all or part of resolutions previously passed at meetings.

## Attachments

Attachment 1 - Notice of Motion from Cr O'Leary in relation to online voting

Received Monday 28 May 2018

Notice of Motion under Standing Orders 3.9.1

For Council Meeting ~~5 June 2018~~  
26th June 2018.

Dated 28 May 2018

That the Council:

- a) confirms its interest in exploring participation in an online voting trial for the 2019 local authority elections and;
- b) requests the Chief Executive to further investigate the considerations and costs of undertaking an online voting trial for whole of city and options for a sub-set of voters for the 2019 local authority elections and;
- c) report back to Council on 2 August 2018 for further consideration noting that any online trial would be conditional on the following;
  - i. an online voting trial is conditional upon the Local Electoral Matters Bill being enacted;
  - ii. regulations being made under the Local Electoral Regulations 2001 authorising the Council to undertake a trial of online voting;
  - iii. technical compliance protocols for a trial (including security and assurance) being developed by the Department of Internal Affairs and implemented and reviewed by the Electoral Officer and staff;
  - iv. agreement with the Waikato Regional Council and Waikato District Health Board on the allocation of costs for undertaking a trial;
  - v. agreement with a provider to undertake the trial on behalf of the Council; and the Council resolving to undertake a trial of online voting in accordance with regulations;
  - vi. Council resolution to proceed.
- d) That the Council requests the Chief Executive to draft a submission to the Justice Committee on the Local Electoral Matters Bill.

Moved: O'Leary/Bunting

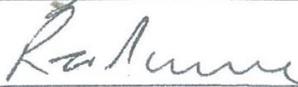
Councillor Angela O'Leary



Councillor Mark Bunting



Councillor Rob Pascoe



Councillor Siggie Henry



Councillor

Paula Southgate



# Council Report

Item 15

**Committee:** Council **Date:** 26 June 2018  
**Author:** Amy Viggers **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Recommendation from Growth and Infrastructure Committee - Central City Parking Trial

<b>Report Status</b>	<i>Open</i>
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1. To seek Council's approval for a recommendation from the Growth and Infrastructure Committee at its meeting on 29 May 2018, in respect of a Central City Parking Trail.
2. The 29 May 2018 Growth and Infrastructure Committee agenda and minutes available via the following link:

[http://www.hamilton.govt.nz/our-council/Council\\_meetings\\_and\\_public\\_information/meetings-and-minutes/Pages/default.aspx](http://www.hamilton.govt.nz/our-council/Council_meetings_and_public_information/meetings-and-minutes/Pages/default.aspx)

## Recommendation

That the Council approves the current Central City Parking Trial continue for a further 12 months until 30<sup>th</sup> June 2019, with staff to report back to Council by April 2019 with an updated review of the trial.

## Attachments

There are no attachments for this report

# Council Report

Item 16

**Committee:** Council **Date:** 26 June 2018  
**Author:** Amy Viggers **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Recommendation from Community and Services Committee - Regional Community Facilities Funding Framework

<b>Report Status</b>	<i>Open</i>
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1. To seek Council's approval for a recommendation from the Community and Services Committee at its meeting on 7 June 2018, in respect of a Regional Community Facilities Funding Framework.
2. The 7 June 2018 Community and Services Committee agenda and minutes available via the following link:

[http://www.hamilton.govt.nz/our-council/Council\\_meetings\\_and\\_public\\_information/meetings-and-minutes/Pages/default.aspx](http://www.hamilton.govt.nz/our-council/Council_meetings_and_public_information/meetings-and-minutes/Pages/default.aspx)

## Recommendation

That the Council that works with the Mayoral Forum to explore the development of a Regional Facilities Contestable Fund relating to the direct provision of funding for facilities with cross-boundary benefits.

## Attachments

There are no attachments for this report

# Council Report

Item 17

**Committee:** Council **Date:** 26 June 2018  
**Author:** Amy Viggers **Authoriser:** Becca Brooke  
**Position:** Committee Advisor **Position:** Governance Team Leader  
**Report Name:** Recommendation from Community and Services Committee - Clarence Street Theatre Trust

<b>Report Status</b>	<i>Open</i>
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1. To seek Council's approval for a recommendation from the Community and Services Committee at its meeting on 7 June 2018, in respect of Clarence Street Theatre Trust.
2. The 7 June 2018 Community and Services Committee agenda and minutes available via the following link:

[http://www.hamilton.govt.nz/our-council/Council\\_meetings\\_and\\_public\\_information/meetings-and-minutes/Pages/default.aspx](http://www.hamilton.govt.nz/our-council/Council_meetings_and_public_information/meetings-and-minutes/Pages/default.aspx)

## Recommendation

That the Council approves the unbudgeted funds of \$28,615.88 + GST be paid to the Clarence Street Theatre Trust towards roof repairs.

## Attachments

There are no attachments for this report

# Council Report

Item 18

**Committee:** Council  
**Author:** Amy Viggers  
**Position:** Committee Advisor  
**Report Name:** Recommendation from Community and Services Committee - Open Spaces Provision Policy

**Date:** 26 June 2018  
**Authoriser:** Becca Brooke  
**Position:** Governance Team Leader

<b>Report Status</b>	<i>Open</i>
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1. To seek Council's approval for a recommendation from the Community and Services Committee at its meeting on 7 June 2018, in respect of the Open Spaces Provision Policy.
2. The 7 June 2018 Community and Services Committee agenda and minutes available via the following link:

[http://www.hamilton.govt.nz/our-council/Council\\_meetings\\_and\\_public\\_information/meetings-and-minutes/Pages/default.aspx](http://www.hamilton.govt.nz/our-council/Council_meetings_and_public_information/meetings-and-minutes/Pages/default.aspx)

## Recommendation

That the Council approves the Open Spaces Provision Policy.

## Attachments

There are no attachments for this report

# Council Report

<b>Committee:</b>	Council	<b>Date:</b>	26 June 2018
<b>Author:</b>	Becca Brooke	<b>Authoriser:</b>	Lee-Ann Jordan
<b>Position:</b>	Governance Team Leader	<b>Position:</b>	Governance Manager
<b>Report Name:</b>	Local Government New Zealand (LGNZ) Annual General Meeting 2018 - Remits for Consideration.		

<b>Report Status</b>	<i>Open</i>
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## Purpose

- To seek approval for those remits Council wishes to support at the 2018 Local Government New Zealand (LGNZ) Annual General Meeting (AGM) to be held in Christchurch on Sunday, 15 July 2018.

## Staff Recommendation

- That the Council:
  - receives the report;
  - approves the following remits to be **supported/not supported** by Council's delegate at the 2018 Local Government NZ AGM:
    - Drug testing in the community
    - HCV – Rural Roads Policy
    - Heritage Buildings
    - Climate Change – advocate to banks
    - Climate Change Adaptation Fund
    - Local Alcohol Policies
    - Biofuels
    - Walking the talk – single use plastics
    - A mandatory register of cooling towers
    - Copper in brake pads
    - Reducing the waste stream
    - Tyres stewardship

## Executive Summary

- Member authorities of LGNZ (member councils) have been asked to consider a number of remits submitted from zones, sector groups, or member authorities ahead of the LGNZ AGM.

4. If supported at the AGM by the majority of member councils present, remits will be actioned by LGNZ.
5. Representation at the AGM and the voting entitlement of each member council is determined by their LGNZ subscription levels. Hamilton City Council's appointed representatives at the AGM are determined by the Mayor.
6. Mayor Andrew and Deputy Mayor Gallagher are not able to attend the AGM, consequently Mayor Andrew has appointed Cr Southgate to be Council's presiding delegate and vote on behalf of Hamilton City Council. Cr Southgate will vote on each remit in accordance with the resolutions made by Council at this meeting.
7. Crs Pascoe and O'Leary have been appointed as alternate delegates. Crs Bunting and Henry have been noted as observers.
8. The list of 2018 remits for consideration below were received by the Chief Executive and the Mayor on 12 June 2018 and are detailed in Attachment 1 of this report. The LGNZ Remit Policy can be found [here](#).

## Discussion

### 9. Remits for Consideration:

#### **i. Drug testing in the community**

That LGNZ works with Central Government to develop a nationally consistent regime of wastewater testing, to enable a solid basis for drug use in our communities.

#### **ii. HCV – Rural Roads Policy**

That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient use of the transport network over both Local Roads and the State Highway network.

#### **iii. Heritage Buildings**

That LGNZ lobbies for greater support for, and protection of, heritage buildings via the following mechanisms:

- Revision of the Building (Earthquake-Prone Buildings) Amendment Act to change the '25% building work' clause instead to trigger earthquake strengthening once a threshold of '25% of the Capital Value or \$200,000 whichever is the greater' is reached to make this a more equitable provision for regional centres.
- An increase in the heritage fund.
- Provision of tax relief for heritage building upgrades

#### **iv. Climate Change – advocate to banks**

That LGNZ, consistent with the Local Government Position Statement on Climate Change 2017 and the Local Government Leaders' Climate Change Declaration 2017, advocate to all major banks that they transition away from investments in fossil fuel industries, and consider opportunities for long-term investments in low- or zero-carbon energy systems.

#### **v. Climate Change Adaptation Fund**

Following on from the findings and recommendations of the Climate Change Adaptation Technical Working Group, that LGNZ calls on central government to establish a Climate Change Adaptation Fund to improve local level and community participation in responding to climate change.

**vi. Local Alcohol Policies**

That LGNZ seeks the Government’s agreement to:

- amend the Sale and Supply of Alcohol Act 2012 so that Local Alcohol Policies can more accurately reflect local community views and preferences; and
- review policy levers it can apply to reduce alcohol-related harm that will complement LAP provisions established by TLAs and include consideration of mechanisms for addressing the density and location of off-licensed premises.

**vii. Biofuels**

That LGNZ encourages the Government to investigate options to support the use of biodiesel such as financial incentives; tax offsets; subsidies to bio-diesel manufacturers; and/or subsidies to renewable fuel manufacturers; and/or subsidies at the pump, in order to support the valuable New Zealand industries developing alternative and low carbon fuels.

**viii. Walking the talk – single use plastics**

That LGNZ asks central government to urgently develop and implement a plan to eliminate the use of single-use plastic bags and plastic straws; and

That LGNZ encourage member councils take steps to phase out the use of single-use plastic bags and straws at Council facilities and events.

**ix. A mandatory register of cooling towers**

That LGNZ acknowledges the potentially fatal risks posed by legionella bacteria in industrial water cooling towers used for air conditioning and manufacturing;

That LGNZ asks central government to resume its work related to reducing the risks posed by legionella bacteria in industrial water cooling towers. This could include:

- Amending the Building Act 2004 and/or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 to collect information for a mandatory register of cooling towers and a mandatory testing and reporting regime;
- Providing enforcement powers to councils to address the risks associated with cooling towers such as requiring regular testing, reporting and compliance with specified standards under Building Warrant of Fitness certification; and
- Requiring medical professionals to report cases of legionellosis (Legionnaires Disease) to local District Health Boards’ Medical Officers of Health (as is required with Campylobacter outbreaks).

**x. Copper in brake pads**

That LGNZ calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads to reduce contaminants in our urban waterways.

**xi. Reducing the waste stream**

That LGNZ asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 - 6), to reduce New Zealand's waste by:

- adopting a New Zealand-wide strategic approach to the collection, and processing of recyclable materials within New Zealand;
- reviewing the New Zealand Waste Strategy and align, where practicable, with the "Local Government Waste Management Manifesto" to set a clear programme for action;
- expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills;
- officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring;
- establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and
- declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams.

**xii. Tyres stewardship**

That LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres.

**Risks**

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

**Significance & Engagement Policy****Significance**

11. 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.

**Engagement**

12. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments**

Attachment 1 - 2018 LGNZ AGM Remits for Consideration

Who's  
putting local  
issues on  
the national  
agenda?

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# 2018 Annual General Meeting

## Remits

# 1

## Drug testing in the community

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**Remit:** That LGNZ works with central government to develop a nationally consistent regime of waste water testing, to enable a solid basis for testing drug use in our communities.

**Proposed by:** Tasman District Council

**Supported by:** Waitomo District Council  
Ruapehu District Council  
Bay of Plenty Regional Council  
Nelson City Council  
Upper Hutt City Council  
Far North District Council

### Background information and research

#### 1. Nature of the issue

- a. The technology exists now to test wastewater for the use of drugs which gives a very straight forward comprehensive picture on the drug use in respective communities. This has been trialled currently with three communities in New Zealand and in each community a different drug has shown as the major issue. Where councils or communities would like to apply these tests, a consistent methodology will enable decision makers within those communities to determine the best course of action.
- b. This will allow for the best utilisation of resources within the community to test for drugs. The aim is to provide all relevant services with the ability to identify the use of illegal and harmful substances and identify the practices to reduce harm.

#### 2. Background to its being raised

- a. We are all familiar that from time to time, issues with the use of illegal drugs cause particular problems within our communities. Currently one drug that is causing significant concern is methamphetamine. However, we shouldn't assume that this is the only problem drug or in the future the problem drug may be different.
- b. Testing wastewater is a straightforward and effective way to demonstrate the scale and nature of problems with illegal drugs within our communities.

- c. The impacts of drivers being affected by methamphetamine have been raised within our community recently. However, there is wide spread evidence of this drug causing significant harm to families and communities. The simple straightforward test of this nature would be highly beneficial for use in communities when wanting to identify the scale and nature of this problem.

**3. New or confirming existing policy**

This is a new policy.

**4. How the issue relates to objectives in the current Work Programme**

This does not relate to the current work programme.

**5. What work or action on the issue has been done on it, and the outcome**

Three communities have trialled the technology and the primary drugs they detected are Christchurch (MDMA), Rosedale, North Shore (cocaine) and Whangarei (methamphetamine).

**6. Any existing relevant legislation, policy or practice**

Not that I am aware of.

**7. Outcome of any prior discussion at a Zone or Sector meeting**

This has not been discussed at Zone or Sector meetings.

**8. Evidence of support from Zone/Sector meeting or five councils**

This has the support of the six mayors listed above.

**9. Suggested course of action envisaged**

Developing nationally consistent regime for testing wastewater for illegal or harmful drugs.

# 2

## HCV – Rural roads policy

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**Remit:** That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient use of the transport network over both Local Roads and the State Highway network.

**Proposed by:** Ruapehu District Council

**Supported by:** Zone Three

### Background information and research

#### 1. Nature of the issue

The following issues have been identified:

- a) The current Road User Fees and Charges regime incentivises the shortest transport distance from Gate to Port or processing plant of primary produce without assessment of the most economic, efficient and sustainable transport route.
- b) This does not enable efficiency in the use of the transport network nor take into account resilience and safety.

#### 2. Background to its being raised

The cost of maintaining and renewing local road infrastructure has a significant impact on a territorial authority's budget decisions within its LTP. The consumption of low strength pavements on low volume rural road networks is not well considered by HCV fleet managers when route planning and pricing for harvesting aggregates, forests or other high intensity produce from the primary sector.

The Road Controlling Authorities Forum made up of NZTA and representatives from TA's and associated NGO's have funded Research and produced Guidelines to assist Funding Policy Decision makers in Local Government. It is considered that more can be done at a National Funding Policy level to promote efficient and effective use of limited resources for Land Transport.

**3. New or confirming existing policy**

New - Policy goal – That price incentives are in place to ensure the most economic use of the transport network.

**4. How the issue relates to objectives in the current Work Programme**

This issues relates to LGNZ's strategic priority one<sup>1</sup> regarding infrastructure and specifically around the policy priorities, actions and projects for transport. These include:

- Government Policy Statement for Land Transport 2018 and National Land Transport Programme presented to councils in an integrated manner for LTPs which addresses sector needs including freight, regional growth and tourism.
- Ongoing advocacy for new funding models for transport.
- Integrate policy positions from Mobilising the Regions including: integrated transport planning and decision making models into the above.

**5. What work or action on the issue has been done on it, and the outcome**

A large proportion of pavement consumption on local roads occurs on low volume roads, caused almost entirely from commodity cartage. The Special Interest Group – Low Volume Roads (SIG-LVR) of the Road Controlling Authorities Forum (NZ) (RCA Forum) has sought to provide a process for:

- Calculating pavement consumption on low volume roads caused by industrial land-use.
- Allocating the cost to industrial ratepayers, in an equitable way, using rules prescribed by local government legislation.

This work is now in circulation is being considered as one of the tools to equitably fund transport demands on Local Roads.

References

[http://rcaforum.org.nz/sites/public\\_files/images/160429-Notes%20of%20290416%20forum.pdf](http://rcaforum.org.nz/sites/public_files/images/160429-Notes%20of%20290416%20forum.pdf)

[https://rcaforum.org.nz/sites/public\\_files/images/Guidelines equitable funding pavement maintenance LVR-July 2017.pdf](https://rcaforum.org.nz/sites/public_files/images/Guidelines equitable funding pavement maintenance LVR-July 2017.pdf)

**6. Any existing relevant legislation, policy or practice**

Land Transport Management Act 2003

- This governs the issuing of the GPS, the requirement that NZTA report annually on the use of funds from the land transport fund (including the contribution to the GPS outcomes and objectives) and the compliance of RLTP with the GPS.

Local Government Act 2002

- This specifies the LTP process and the inclusion of key roading funding and planning information as a mandatory activity.

**7. Suggested course of action envisaged**

That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient, safe and resilient use of the transport network over both Local Roads and the State Highway networks.

**8. Discussion and conclusion**

For example; The full cost of government afforestation incentives are not taken into full account when calculating Return on Investment. In the case of forest harvest today, the incentives for investment were made in the 1990's in the national interest (primary exports and carbon agendas) and in many cases the costs today largely fall on property with higher capital values.

A potential exists to introduce road pricing to incentivise the best use of transport resources and provide for economic growth and productivity in the rural provincial sector.

In order to allow for more informed and effective decisions, the transport sector needs to be incentivised to use the best possible transport routes that are proven the safest most efficient and sustainable use of the network.

It is therefore recommended that LGNZ pursue an investigation into Road Pricing that can inform NZTA and the Ministry of Transport when considering any review of funding tools for New Zealand's transport infrastructure.

# 3

## Heritage buildings

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**Remit:** That LGNZ lobbies for greater support for, and protection of, heritage buildings via the following mechanisms:

- Revision of the Building (Earthquake-Prone Buildings) Amendment Act to change the '25% building work' clause instead to trigger earthquake strengthening once a threshold of "25% of the Capital Value or \$200,000, whichever is the greater" is reached to make this a more equitable provision for regional centres.
- An increase in the heritage fund.
- Provision of tax relief for heritage building upgrades

**Proposed by:** Whanganui District Council

**Supported by:** Zone Three

### 1. Background information and research

#### 1. Nature of the issue

The following issues have been identified:

- a. The current Building (Earthquake-Prone Buildings) Amendment Act (the Act) contains a clause where any work that reaches 25% of the current Capital Value (CV) of the building subsequently triggers the need to earthquake strengthen the entire building. This has a significant impact on smaller centres with low CVs (e.g. where values can be below \$100,000). This poses an imminent and real threat to heritage buildings and the future character of New Zealand's town centres.
- b. Earthquake strengthening deadlines are approaching and regional centres in particular may struggle to undertake this work. This is because there is not the same economic return for these improvements. More funding is required to ensure that this can be delivered on time.
- c. There is no tax relief available for earthquake strengthening costs. This is a deterrent for delivering on this important safety and preservation work.

#### 2. Background to its being raised

New Zealand's heritage buildings are a critical reminder of our past. Regardless of size or splendour even unassuming pubs and shops in the smallest of towns are slowly earning respect

and recognition for their reflection of our heritage and their important historical insight. This is true irrespective of whether this is a nostalgic nod to memories of youth or a more significant need for heritage preservation. If we lose these then we lose the valuable visual reminders which mark our unique identity as a country – and once these are gone, they are gone. This recognition has been the impetus for successful rejuvenation efforts throughout the country, for example, along the Otago Rail Trail where redundant buildings have been given a new lease of life – which has translated into economic benefit for new business ventures, while adding significantly to the tourism experience. These opportunities should be encouraged and incentivised by government and strongly supported by LGNZ.

Amendment to the Act

- Whanganui’s Earthquake-Prone Buildings Community Taskforce (the Taskforce) submitted on the Proposals for Earthquake-Prone Buildings Regulations in 2016.
- Part of this submission focused on the trigger point for earthquake strengthening of an entire building. This had been set at 25% of the current CV – meaning that in instances where a building has had an ‘earthquake strength assessment’ carried out then once the 25% threshold is reached through building work of any kind then complete earthquake strengthening is required.
- As a result, despite the legislation not requiring earthquake strengthening for many years, once this point is reached then the building owner or tenant is effectively penalised for what might amount to just a minor upgrade.
- The Taskforce challenged this clause and instead recommended that it be reworded so that work that reaches 25% of the CV, or a value of \$200,000 (whichever was the greater) become the trigger point instead.
- This is because most buildings outside of the major cities have low CVs. This is largely due to the age of the buildings and the nature of small town demand for retail and upper-storey living (with many of these CVs being below \$100,000).
- As a result, even small scale building work such as \$25,000 for a new bathroom or internal wall construction could enact this clause.
- Although the Taskforce’s submission received support from other communities it did not result in the requested changes to the legislation being made.
- The Taskforce has suggested that if the clause remains in its current form then it could cause a large number of heritage buildings (particularly in regional centres) to become dilapidated, and ultimately lost. This runs counter to the intent of the legislation and an urgent review of the determination is requested.

Increase in the heritage fund

- Heritage EQUIP provides grants for both retrofitting and major works<sup>2</sup>.
  1. Retrofit grants are designed to support smaller scale seismic strengthening projects. These are to address specific aspects of the building or to provide retrofit solutions for common hazards. They provide up to 50% of costs – up to a maximum of \$25,000.

2. Major works grants are for comprehensive seismic strengthening solutions including large-scale or staged projects. These provide up to 50% of costs, with no upper limit to the grant application.
- In 2016 the government announced a new \$12M fund to support earthquake strengthening work on privately owned heritage buildings where seismic upgrades were required.
- Although this was initially limited to only Category 1 and 2 listed buildings, this has since been broadened to other buildings on local council heritage registers.
- While the initial \$12M pool was a welcome funding mechanism for building owners, it is claimed that additional support will be required as earthquake strengthening deadlines approach.

#### Tax relief

- It is considered that commercial building owners should be allowed tax relief for earthquake strengthening costs.
  - IRD currently provides no tax relief for expenditure.
  - It is claimed that this discourages investment – especially for older buildings.
  - The government could assist with the affordability of strengthening costs by allowing building owners to expense their construction costs by one of two ways:
    1. Allowing the cost of strengthening to be treated as an expense in the year in which the costs occur, with the deduction ring-fenced to rental income activity. This would allow owners to claim the tax benefit of the expenditure and would provide a real incentive to owners to carry out the strengthening.
    2. In lieu of the above option not being adopted then building owners should be allowed to capitalise the strengthening costs separately – with those costs depreciated or amortised over a period of, for example, 10 years. Although the first option is preferred and offers more benefit to owners, the second option would still allow the recovery of some tax relief over a defined period.
3. **New or confirming existing policy**

These changes would build on and support existing policy. Tax relief advantages would require new provisions.
  4. **How the issue relates to objectives in the current Work Programme**

The current LGNZ work programme identifies the implementation of earthquake prone buildings regulations as a strategic policy priority under *Housing and Building*.
  5. **What work or action on the issue has been done on it, and the outcome**

The Taskforce has advocated strongly for the needs of regional New Zealand in relation to heritage and earthquake strengthening. Supplementary research alongside its submission suggests that the following outcomes are possible without intervention:

- Buildings will not be renovated until the very last moment. As a result, deterioration in the integrity of the building is likely to be significant and could lead to the building becoming unsalvageable.
- Buildings will slowly deteriorate – becoming even less attractive to rent. This will have an impact on regional town centres.
- Buildings are likely to be abandoned once the earthquake strengthening deadline is reached – particularly in the case of overseas landlords where the cost of either clearing the site or strengthening will far exceed the value left in the property.
- The 25-year strengthening timeframe allowed in the legislation for Zone B areas (such as Whanganui) is now seriously reduced in efficacy because of the '25%' clause.

**6. Any existing relevant legislation, policy or practice**

- Building (Earthquake-Prone Buildings) Amendment Act
- Income Tax Act 2007

**7. Outcome of any prior discussion at a Zone or Sector meeting**

This remit was presented to the Zone Three meeting on 20 April 2018. It was moved by Cr Helen Craig (Whanganui) and seconded by Mayor Don Cameron (Ruapehu). It was supported by all member councils:

- Central Hawke's Bay District Council
- Hastings District Council
- Hawke's Bay Regional Council
- Horizons Regional Council
- Horowhenua District Council
- Manawatu District Council
- Napier City Council
- New Plymouth District Council
- Palmerston North City Council
- Rangitikei District Council
- Ruapehu District Council
- South Taranaki District Council
- Stratford District Council
- Taranaki Regional Council
- Tararua District Council
- Wairoa District Council

In addition, Rangitikei District Council has acknowledged its specific endorsement of this remit.

**8. Suggested course of action envisaged**

It is recommended that:

- a) The Act be amended to allow for work up to 25% of the CV, or \$200,000, whichever is the greater.
- b) The Heritage Fund be increased to adequately meet demand.
- c) That IRD reviews its provisions in relation to tax relief for earthquake strengthening of heritage buildings with a view to introducing this assistance.

**9. Discussion and conclusion**

***“Heritage buildings keep our history alive, telling the story of our past and giving perspective for today. Heritage buildings provide both private and public value throughout New Zealand.”***

(credit Heritage Equip website: [heritageequip.govt.nz](http://heritageequip.govt.nz))

These recommendations are based on the value of heritage and the importance of ensuring that the rules are applied in a fair and equitable way, regardless of whether you live in a major city or a smaller regional centre. The current Act does not offer this even-handedness – meaning that those in smaller centres with low CVs can be charged with responsibility for full earthquake strengthening as a result of only small scale building works. A minor reframing of the Act to set a cost threshold of up to \$200,000 would ensure that a more equitable approach could be applied nationwide, without unduly penalising regional New Zealand where the economics of building conversion are not the same. By not addressing this discrepancy heritage buildings may miss out on investment and upgrades – eventually becoming rundown and potentially lost.

The value of heritage preservation is further championed through a request to increase the Heritage Fund. This boost would provide greater opportunity for more building owners to receive a subsidy so that requisite strengthening work can be undertaken. It would also mean that government could better manage the influx of applications that are likely to be submitted as deadlines approach. It is considered that this assistance will be particularly important for regional New Zealand where there is not the same economic return for this kind of work. Although building owners are generally passionate about restoration, with costs being so high and returns so low it is possible that many buildings will be left abandoned and ultimately demolished due to a lack of financial viability. Related to this is the concern that councils will then be burdened with the cost of demolition and rates arrears. Furthermore, removal of heritage buildings will irreparably impact on town streetscapes – resulting in less attractive replacement structures (or building gaps) and generating a loss of character, community and cultural identity.

Investment can similarly be encouraged through the provision of tax relief to support heritage building owners. Although this would have minimal financial impact on the government it would

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have a significant effect on the retention and strengthening of earthquake-prone heritage buildings. It is recommended that this review occur as soon as possible to mitigate the size of this issue as a growing number of older buildings increasingly require investment.

**Item 19**

**Attachment 1**

# 4

## Climate change – advocate to banks

---

<b>Remit:</b>	That LGNZ, consistent with the Local Government Position Statement on Climate Change 2017 and the Local Government Leaders' Climate Change Declaration 2017, advocate to all major banks that they transition away from investments in fossil fuel industries, and consider opportunities for long-term investments in low- or zero-carbon energy systems.
<b>Proposed by:</b>	Greater Wellington Regional Council
<b>Supported by:</b>	Greater Wellington Regional Council Porirua City Council Carterton District Council Masterton District Council Kapiti Coast District Council Palmerston North City Council

### Background information and research

#### 1. Nature of the issue

Climate change has been described as “a slow motion disaster that will change our lives, the economy, and our planet for ever”. The previous Parliamentary Commissioner for the Environment Dr Jan Wright said that climate change is “by far New Zealand’s worst environmental problem”. The effects of climate change are already being felt globally and in New Zealand through: increased frequency of extreme weather events including storms, cyclones, tornadoes and droughts; wildfires; and rising sea levels.

Climate Change will have major impacts on areas of responsibility of local government. Over the next few decades, tens of thousands of New Zealanders will be displaced from their homes by threatened inundation by rising sea levels. Local government has the responsibility to manage, at regional, city and district levels, land use planning including requirements for coastal protection or managed retreat to ensure future residential and business development and infrastructure is located away from areas that will be inundated. Local government therefore has a very high interest in measures being taken to reduce emissions of greenhouse gases, in accordance with NZ’s commitments under the Paris Agreement of 12 December 2015, and subsequent commitments by the Government.

**2. Background to its being raised**

Greater Wellington Regional Council has recently updated its Treasury Risk Management Policy and has included a section:

**“5.3 Investments in fossil fuels** The Council has a policy to divest from any direct investment in fossil fuel extraction industries and investigate existing non direct investment, with a view to preventing future investment where practical”.

The Council’s Treasurer has taken the opportunity to advise banks of this policy as part of Council’s on-going commitment to reducing carbon emissions and promoting this to the wider community. It has also advised the banks that as part of its on-going due diligence into this matter, it will continue to monitor the banks it transacts with to ascertain what they are doing to assist with reducing and discouraging the on-going use and investment in fossil fuel industries.

**3. New or confirming existing policy**

Local Government recognises, as stated in the Local Government Position Statement on Climate Change, 2017, and the Local Government Leaders’ Climate Change Declaration, 2017, that we must act on climate change now to avoid future risk. Local authorities have accepted that they are at the frontline of climate change adaptation and have a role to play in mitigation, and that their responsibilities will grow in addressing climate change as both anticipated and unforeseen problems are revealed. Local government has a strong interest in the impacts of climate change and what can be done to mitigate those impacts.

Support for this remit will reinforce the Local Government Leaders’ Climate Change Declaration 2017, which included: “A clear and consistent pathway toward a low carbon and resilient future needs to provide certainty for successive governments, businesses and communities to enable transformative decisions and investments to be made over time”.

**4. How the issue relates to objectives in the current Work Programme**

LGNZ has climate change as a project in its Work Programme.

This remit relates to the following objectives of the project:

- a. Climate Change Action: “Actions to reduce emissions”
- b. A Collaborative Approach: “A collaborative and joint response to climate change, including a clear pathway to a low carbon economy”
- c. Key work streams: “Mitigating the impacts of climate change”
- d. Supporting work: “The sector will contribute to the Productivity Commission’s inquiry into NZ’s transition to a low-emissions economy”.

**5. What work or action on the issue has been done on it, and the outcome**

On 19 October 2016, the NZ\$30 billion NZ Super Fund announced changes to become more resilient to climate change investment risk under a new strategy announced by the Guardians of New Zealand Superannuation.

CEO Adrian Orr said climate change was a material investment issue with risks for long-horizon investors. "In coming years the global energy system will transition away from fossil fuels. Some assets we invest in today may become uneconomic, made obsolete or face a dwindling market."

"Climate change, and the coming transition to a low-carbon energy system, also present investment opportunities for long-term investors that we intend to capture". Mr Orr said the strategy represented a significant and fundamental shift for the NZ Super Fund.

The New Zealand Super Fund has set an example for banks and other investment fund managers. The effect of this remit will be to reinforce to major banks the strategic importance and benefits of a shift of investments away from fossil fuel industries and towards long-term investments in low- or zero-carbon energy systems.

The banks that Council deals with have a range of appetites in terms of dealing with climate change issues, with them all formally acknowledging the issues of climate change.

The four Australian banks that Council deals with all have exposures in the billions of dollars to the coal mining sector. They all have some statement on environmental/climate/sustainability on their websites and in their financial statements. They all support the position on climate change and the need to reduce greenhouse gases.

Westpac is a leader having been recognised as the world's most sustainable bank in 2016 for the ninth time and has a focus on energy efficient lending, and is the only bank to publish its exposures to both the fossil fuel and clean tech/environmental service sectors.

Kiwibank has little or no exposure to direct lending to fossil fuel industries as its focus is primarily on residential lending. They provide sustainable energy loans and their guiding principles espouse an ethical approach to their products and services.

The LGFA, while having not having a formal policy on climate change, is presently considering one as part of its work programme. They have no investments in fossil fuel industries.

**6. Any existing relevant legislation, policy or practice**

The current Government announced shortly after it took office in November 2017 that it will introduce a Zero Carbon Bill with the objective of NZ becoming a net zero-emissions economy by 2050. It will also establish an independent Climate Commission to set five-yearly carbon budgets and a Green Investment Fund to direct investment towards low-emission industries.

This remit could make an important contribution to assisting the Government to meet the objective of a net zero-emissions economy by 2050, by encouraging banks to divest from

investments in fossil fuel industries and instead direct investment to low- or zero-carbon energy systems.

**7. Outcome of any prior discussion at a Zone/Sector meeting**

The proposal for this Remit was discussed at the first Greater Wellington Region Climate Change Working Group meeting on Friday 16 March 2018, which included representatives of all 9 councils within the Greater Wellington Region. There was strong support for the remit from the councils. The next Zone 4 Meeting is not until after the deadline for submission of remits for the 2018 AGM of LGNZ, so it was agreed that Greater Wellington Regional Council will send the proposed remit to all councils within Zone 4 seeking their support. (Note: this paragraph will be updated once replies have been received from all councils and before the date for submission of 21 May 2018)

**8. Evidence of support from Zone/Sector meeting or five councils**

Can be found in folder in I drive.

**9. Suggested course of action envisaged**

The following action is envisaged, if this remit is passed:

- e. The President of LGNZ will write to the NZ Local Government Funding Agency, and all major banks in NZ which manage investment funds on behalf of local authorities, to advocate that they transition away from investments in fossil fuel industries and consider opportunities for long term investments in low- or zero-carbon energy systems.

# 5

## Climate Change Adaptation Fund

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<b>Remit:</b>	Following on from the findings and recommendations of the Climate Change Adaptation Technical Working Group, that LGNZ calls on central government to establish a Climate Change Adaptation Fund to improve local level and community participation in responding to climate change.
<b>Proposed by:</b>	Christchurch City Council
<b>Supported by:</b>	Metro Sector Hutt City Council Selwyn District Council

### Background information and research

#### 1. Nature of the issue

The impacts of climate change will be experienced New Zealand-wide with increased frequency and intensity of extreme events such as flooding, droughts, and increased coastal inundation. Over the past year this has been felt particularly keenly by local government in coastal areas. Adaptation to climate change is a necessary and ongoing process for decisions relating to infrastructure, urban development, biodiversity and land and water management.

The cost and affordability of adaptation for communities, businesses and councils is a significant issue. Some of the rationale for establishing an Adaptation Fund are as follows:

1. Responding to climate change is a significant and nation-wide issue

Climate change will touch all communities and impact on all councils throughout New Zealand. It will impact on many council roles, services and infrastructure. For some communities and councils these impacts will be significant.

2. Disproportional impacts and costs

The impacts and costs of adapting to climate change will not be felt evenly across the county. Often the most vulnerable communities are hardest hit. Many councils will have limited ability to adequately anticipate and respond to changes brought on by climate change, further raising inequalities. For some councils the costs will be beyond their means.

3. Cost is a barrier to proactive responses

For many communities and councils the cost of proactively responding to climate change is a significant barrier. While it is often more cost-effective to adopt proactive solutions, the up-front costs mean that only reactive, higher cost responses are taken. New Zealand will miss opportunities to save costs and be more exposed to higher cost recovery pathways.

In their Stocktake Report (2017), the Climate Change Adaptation Technical Working Group identified the cost and/or funding of adaptation is a key barrier for councils, and communities, in being able to implement adaptation measures in their areas.

4. Cost can be a barrier to fulfilling legal responsibilities

Councils have specific roles and legal responsibilities under the Resource Management Act 1991 and the Local Government Act 2002 to consider the impacts of climate change and the needs of future generations that may not adequately be fulfilled, or fulfilled in a timely manner, because of cost. Up-front costs can be barrier to long-term decision making and costs on future generations are heavily discounted, meaning future costs are poorly recognised and rarely managed. The impact is that we have an “adaptation deficit” where future generations will disproportionately carry the cost of the impacts of climate change.

5. Complementary to other approaches

A Climate Change Adaptation Fund is complementary to other actions and proposals of Local Government New Zealand and the Government, described below in the New or Confirming Existing Policy section. The Fund would help unlock opportunities to collaborate and share learnings across communities and could leverage other private and public investments in adaptation research and the practical implementation of solutions.

Funding can provide an incentive for communities to adapt and ensure that costs of adaptation are equitable. It will also enable more effective conversations to be had with communities around adaptation as funding is a significant barrier in willingness to adapt.

2. **New or confirming existing policy**

A useful precedent for this is the International Adaptation Fund, which helps developing nations better understand and proactively respond to climate risks. This fund provides a way for relatively well-resourced countries and organisations to support those most at risk. In a similar way a New Zealand Climate Change Adaptation Fund could also leverage support from private and public organisations to help our most vulnerable communities.

A useful example is the Civil Defence and Emergency Management Resilience Fund, which was established by the Government in 2011. This well-subscribed fund supports worthwhile education, capacity building and monitoring projects across the spectrum of natural hazards, but mostly, earthquake, flood, tsunami related projects. However, climate change adaptation is currently poorly resourced through this fund as the fund itself has a limited scope and very limited resources, especially considering that New Zealand’s economy is one of the most

vulnerable economies in the world to natural hazards. Consequently, current funds are insufficient and limited in focus to support critical and large scale adaptation projects needed to adequately prepare New Zealand for climate change. A contestable New Zealand Climate Change Adaptation Fund would be an important way to address these barriers and vulnerabilities.

**3. How the issue relates to objectives in the current Work Programme**

This remit supports and confirms LGNZ's specific policy priority on seeking clarification from central government on funding for climate change adaptation.

More generally, climate change is a key area of work for LGNZ. For example, LGNZ's Policy Statement (2017) and its Climate Change Plan on a Page stated 'All local authorities (city, regional, district and unitary councils) are at the front line of climate change adaptation' . In addition, LGNZ has catalogued the pervasive impacts of climate change for local government roles and responsibilities, with a key focus on adaptation.

Supporting the development of a Climate Change Adaptation Fund will encourage dialogue on funding options, which LGNZ seeks through its Environmental policy priority. This would help to support the critical need for proactive collaboration between central and local government, and between city, district and regional councils.

The remit also supports the LGNZ Climate Change Project which promotes a collaborative approach to address the risks, challenges and opportunities of climate change. This includes local government requiring central government to establish adaptation funding for councils to access.

**4. What work or action on the issue has been done on it, and the outcome**

As noted above, the Government's Climate Change Adaptation Technical Working Group has recently completed its Stocktake Report, focusing on how New Zealand can build resilience to rising sea levels, a warmer climate, extreme weather and other impacts of climate change. We understand a second report is underway, which will consider how New Zealand can effectively adapt to the impacts of climate change, in which recommendations will be made to central government. The report was expected to be completed in March 2018 but at the time of writing, had not yet been released publicly.

A research paper has also recently been completed on The Case for new Climate Change Adaptation Funding Instruments, which outlines some guiding principles and design issues in establishing an adaptation fund. The paper has key linkages with the work carried out by the Technical Working Group, and identified further areas for investigation in subsequent research.

In July 2017, the former Parliamentary Commissioner for the Environment, Dr Jan Wright, released the report Stepping stones to Paris and beyond: Climate change, progress and predictability. Amongst its many recommendations, the report calls for the government to focus on adapting to climate change, noting its inevitability. It states that 'New Zealanders have an expectation that central government will provide financial assistance for those affected by

natural disasters' and notes 'it is not too soon to consider the economic and fiscal risks of sea level rise, and to include the forward liability into planning and investment decisions.' Dr Wright's report was well-received, however at the time the Government opted not to action its recommendations.

At a regional level, councils are considering adaptation funding as part of their own individual climate change policies. For example:

- f. Hawke's Bay Regional Council has completed initial work on developing a contributory fund for adaptation actions in the Clifton to Tangoio Coastal Hazard Strategy 2120.
- g. Christchurch City Council is in the early stages of engaging with the Southshore and South New Brighton communities around responding to the effects of climate change. Funding of adaptation actions will be a critical component of the project.

Although work is happening at a regional level, central government leadership and action is required.

**5. Any existing relevant legislation, policy or practice**

As noted above, local councils are primarily acting alone with respect to climate change adaptation funding, with some guidance from LGNZ's policy work in this space. Central government action may stem from the Technical Advisory Group's second report, which is expected to be publicly released soon.

**6. Outcome of any prior discussion at a Zone/Sector meeting**

Supported

Moved/Seconded: A.Turner/R. Wallace

**7. Evidence of support from Zone/Sector meeting or five councils**

Can be found in folder in I drive.

# 6

## Local Alcohol Policies

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<b>Remit:</b>	That LGNZ seeks the Government's agreement to: <ul style="list-style-type: none"><li>• amend the Sale and Supply of Alcohol Act 2012 so that Local Alcohol Policies can more accurately reflect local community views and preferences.</li><li>• review policy levers it can apply to reduce alcohol-related harm that will complement LAP provisions established by TLAs and include consideration of mechanisms for addressing the density and location of off-licensed premises.</li></ul>
<b>Proposed by:</b>	Christchurch City Council and Napier City Council
<b>Supported by:</b>	Metro Sector Hutt City Council

### Background information and research

#### 1. Nature of the issue

Strong community concern about the effects of the increasing number of alcohol sale outlets in many communities resulted in changes to the Sale and Supply of Alcohol Act in 2012 which devolved responsibility for alcohol policy-making from a central body to local government. The 2012 legislation enables each territorial authority to develop a Local Alcohol Policy (LAP) in order to control where and when alcohol can be sold. As designed, LAPs can:

- restrict the granting of new licences in a community (or across the district);
- restrict the location of new premises with respect to proximity to other premises or sensitive sites;
- set maximum trading hours of alcohol sales from outlets e.g. pubs, night clubs, restaurants, sports clubs, supermarkets and bottle stores;
- identify conditions able to be placed on licences to minimise alcohol-related harm.

However, a LAP is only one of 11 criteria that a District Licensing Committee must have regard to in its decision-making and currently the provisions do not apply to existing licenses (apart from provisions reducing the maximum trading hours). Whilst a District Licensing Committee could impose conditions on a new licence to reflect the provisions of LAP, the LAP provisions do not automatically apply.

The biggest difficulty is the wide ground on which a LAP can be appealed and the costs councils face in defending appeals and subsequent legal avenues available to appellants. The promises of increased community input through the adoption of a LAP is largely to be realised.

The “reasonableness” test able to be applied to LAP provisions via an appeal, largely renders local preferences ultra vires. Community preferences need to be based on robust foundation evidence, which can be difficult to obtain. There is also no ability to include a “sinking lid” provision as there is with regard to Class 4 Gaming policies.

While the ability to establish a local alcohol licensing framework has been devolved to councils, it has not been accompanied by the required authority and resources. As a result, the majority of LAPs so far developed have been appealed by alcohol industry groups and, in most cases, have resulted in adopted LAPs which closely align with national legislation.

As Alcohol Healthwatch states, ‘the devolution of policy-making to local governments with limited financial and personnel resources to fight appeals appears to have been, in the most part, an impossible ask’. The lack of provisions within many of the adopted LAPs (and the requirement for District Licensing Committees to only have regard to an LAP in decision-making) creates a significant burden on communities to be involved in individual licensing decisions.

No council would advocate for a LAP process that is not fair, appropriate and robust, but the current ability for appellants to endlessly challenge a community’s preferences regarding the sale of alcohol is untenable.

## **2. Background to its being raised**

From 2012 to 2017, the Christchurch City Council followed the current provisions of the Sale and Supply of Alcohol Act 2012 to introduce a LAP in Christchurch. Once a provisional LAP was adopted and notified, 19 appeals were filed. There were also eight interested parties. At considerable expense, the Council entered into a mediation process with all 19 appellants and eventually resolved 17 of the 19 appeals. Following conclusion of the mediation process, one appellant filed judicial review proceedings against the Council in relation to the failure to take into account an implied planning consideration. Ultimately the judicial review proceedings were successful. Following those proceedings, with the effluxion of time and no end date in sight, the Council decided to abandon its LAP process.

Overall, the Council’s costs were in the order of \$1.1 million. The majority of costs were incurred during the mediation process, judicial review proceedings and during the preparation for the appeals.

Suggested actions are as follows:

1. Review the Sale and Supply of Alcohol Act to ensure community views are able to be reflected in a LAP
  - repeal or review section 81 of the Sale and Supply of Alcohol Act 2012; and/ or
  - add a new subclause to section 4 of the Sale and Supply of Alcohol Act 2012 (the Object of the Act) “the views and preferences of communities regarding local alcohol licensing matters are appropriately responded to”.
2. Request the Government explore policy levers to address alcohol-related harm that are available to it but that aren’t able to be included in a LAP. These include:
  - review of the minimum age for purchasing alcohol
  - consideration of minimum pricing
  - consideration of changes to the taxing of alcohol

- consideration of providing funding to local authorities to offset the cost of LAP development

**3. How the issue relates to objectives in the current Work Programme**

This issue relates to LGNZ's Social Issues portfolio, which is:

*Working alongside central government and iwi to address social issues in our communities including an ageing population, disparity between social groups, housing (supply and quality) and community safety.*

It can be said that good alcohol policy plays a strong role in preserving and improving community safety.

The issues with establishing LAPs have been identified by other councils, which we understand are also planning on submitting draft remits to the LGNZ Annual General Meeting on this issue.

**4. Any existing relevant legislation, policy or practice**

The Sale and Supply of Alcohol Act 2012 provides for councils to develop a LAP if they wish. The Act details the matters able to be addressed through a LAP, which are limited to maximum opening hours and location of licensed premises as well as providing for the requirement of one-way-door provisions for on-license premises and special conditions to apply.

The Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill (No 2) is currently before the House. This Bill addresses an anomaly in the current Act that effectively provides existing use rights for licences in place before a LAP is adopted and makes the introduction of amended trading hours through a LAP problematic. The Alcohol Regulatory and Licensing Authority (ARLA) has overturned the introduction of amended trading hours via LAPs on the basis they can't be applied to all licenses on an equal basis - due to existing licenses not being covered until renewal is required.

The Bill will address the practical issue of introducing new maximum trading hours but does not address the lack of weight able to be given to community preferences in an LAP or the seemingly low bar for reasonableness being applied by ARLA when considering appeals.

**5. What work or action on the issue has been done on it, and the outcome**

As noted above, the Sale and Supply of Alcohol (Renewal of Licences) Amendment Bill (No. 2) is currently before the House. However, from the Christchurch City Council's point of view, the Bill doesn't adequately address the lack of weight that can be given to community preferences in an LAP or the definition of 'reasonableness' of appeals.

**6. Outcome of any prior discussion at a Zone/Sector meeting**

Supported – suggested wording amended to ensure any changes to the Act deal with the proliferation of off-licenses as the LAP is not working. This amendment has been made.

Moved/Seconded: A.Turner/R.Wallace

# 7

## Biofuels

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<b>Remit:</b>	That LGNZ encourages the Government to investigate options to support the use of biodiesel such as financial incentives; tax offsets; subsidies to bio-diesel manufacturers; and/or subsidies to renewable fuel manufacturers; and/or subsidies at the pump, in order to support the valuable New Zealand industries developing alternative and low carbon fuels.
<b>Proposed by:</b>	Christchurch City Council
<b>Supported by:</b>	Metro Sector Hutt City Council Selwyn District Council

### Background information and research

#### 1. Nature of the issue

With the decrease of global oil prices, and All-of-Government contracts negotiated on behalf of councils for the supply of diesel, the price councils now pay for diesel is substantially lower than the price of alternative fuels, such as biodiesel. While the lower cost of diesel is beneficial to councils and other consumers in the short- to medium-term, it is at the expense of the development of alternative fuels and associated technologies, and is acting against councils' activities in other areas to reduce emissions.

#### 2. Background to its being raised

In November 2017, Christchurch City Council's Infrastructure, Transport and Environment Committee received a deputation from a biofuel supplier in New Zealand, which raised concerns about the impact of lower diesel prices on the alternative fuels industry. Following the deputation, the Committee requested that the Council write to the Minister for Greater Christchurch Regeneration, Hon Dr Megan Woods, to raise the issue. The letter invited the Government to consider potential solutions to support the use of bio-diesel and alternative fuels through mechanisms such as tax offsets, financial incentives for using bio-diesel, a subsidy to bio-diesel manufacturers, and or subsidies at the pump.

At the time of writing, the Christchurch City Council had not received a response from the Minister. Further interest from LGNZ in this area may stimulate further discussion or action in this area.

**3. How the issue relates to objectives in the current Work Programme**

This issue is very connected with LGNZ's Climate Change Project, as increasing the amount of alternative fuels used will meaningfully contribute to the reduction of emissions. The proposed remit is also aligned with the 2017 Local Government Leaders' Climate Change Declaration, where signatories committed to 'encourage Government to be more ambitious with climate change mitigation measures.'

**4. What work or action on the issue has been done on it, and the outcome**

The most recent work carried out by central government organisations relating to biofuels relates to information provision. The Energy Efficiency and Conservation Authority has a repository of information on its websites relating to biofuel and bioenergy, providing information for drivers, businesses, researchers and biofuel producers on its website. In addition, the Ministry of Business, Innovation and Employment publishes standards for biofuel quality requirements on its website.

**5. Any existing relevant legislation, policy or practice**

There is no existing relevant legislation, policy or practice on this matter, likely driven by the perceived lack of need and therefore the diminished commercial viability of biofuels at this stage.

Previously, the Biodiesel Grants Scheme ran from 1 July 2009 to 30 June 2012. The Scheme aimed to kick start the biodiesel production industry in New Zealand. With the decreased cost of diesel, the commercial viability of biofuels was diminished, and the fund was discontinued.

**6. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

# 8

## Walking the talk – single use plastics

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**Remit:**

- That LGNZ asks central government to urgently develop and implement a plan to eliminate the use of single-use plastic bags and plastic straws.
- That LGNZ encourage member councils take steps to phase out the use of single-use plastic bags and straws at council facilities and events.

**Proposed by:** Christchurch City Council

**Supported by:** Metro Sector

**Background information and research**

**1. Nature of the issue**

The environmental impact of single-use plastics has been well-traversed. Many studies and media reports have documented the risk to birds and sea-life and the proliferation of plastic-derived toxins and micro-particles in the seas, lakes and rivers from plastic bags that have been improperly disposed of.

It is estimated that New Zealanders use 1.6 billion single-use plastic bags each year, with each bag used for an average of 12 minutes before being disposed of. Plastic straws are similarly ephemeral, with an estimated 541 million straws thrown away by New Zealanders each year.

The extent of the issues posed by single-use plastic bags and plastic straws is such that a multi-pronged approach is required from central government, local councils, and citizens and should focus on limiting the use of single-use plastics and promoting responsible recycling.

**2. How the issue relates to objectives in the current Work Programme**

This issue relates to LGNZ's third policy priority, Environment:

*Leading, in collaboration with others, the challenge of enhancing environmental qualities, protecting freshwater resources and biodiversity and addressing the impacts of climate change and other threats.*

As noted above, single-use plastics present real risks to New Zealand's water quality, biodiversity, and water-based fauna in particular. Reducing the use of single-use plastics, even

in a non-regulatory sense, will go a long way to reduce the volume of plastic waste that ends up in our waterways.

**3. What work or action on the issue has been done on it, and the outcome**

It is noted that a number of Mayors and Councillors from across the country were signatories to the aforementioned petition delivered to Parliament in February 2018.

Prior to this, in July 2017, LGNZ wrote to the previous Associate Minister for the Environment, Hon Scott Simpson, calling for the Government to introduce a levy on single use plastic bags. The letter was based on a remit to the 2015 LGNZ Annual General Meeting, which was supported by 89 percent of councils. This was intended to deter people from using single-use plastic bags, and was intended to, in time, reduce the number of bags that needed to be produced.

At the time, the then Associate Minister maintained his stance against a legislative approach, and instead undertook to establish a working group to explore options for reducing plastic bag consumption.

It is apparent that the plan to establish the working group was overtaken by the subsequent Foodstuffs and Progressive Enterprises announcements that they would be phasing out single-use plastic bags by the end of 2018.

At a local level, the Christchurch City Council received a staff report in 2016, further to a 1,500+ signature strong local petition that called on the Council to ban single-use plastic bags. The staff recommendations, later resolved by Council, encouraged the Council to champion non-regulatory initiatives, such as:

- a. Taking a leadership role by reducing where the Council itself uses plastic bags, such as in libraries and at Council-run events
- b. Expanding community education about alternatives
- c. Advocating to central government for a national response

Staff advice was that non-regulatory initiatives were preferable to a regulatory approach due to the limitations of the bylaw-making powers available to the Council and the practical difficulties of enforcing any bylaw banning single-use plastic bags. It was also determined that if regulatory reform was to occur, broader, nationwide action would be more appropriate as the issue is a matter of concern for the whole country.

**4. Any existing relevant legislation, policy or practice**

Single-use plastic bags

The Associate Minister for the Environment, Eugenie Sage, has recently requested advice from officials on banning plastic bags, after a 65,000 signature-strong petition was delivered to Parliament in February 2018. The timeframe for when the Minister will consider this advice is

not yet known, nor are the options or next steps. It is suggested that LGNZ continues to push for central government action in this space, to maintain the momentum that has gathered to date.

New Zealand's two largest supermarket chains, Foodstuffs and Progressive Enterprises, are leading non-regulatory efforts to reduce the use of single-use plastic bags, announcing last year that they plan to phase out all single-use plastic bags in their respective New World and Countdown supermarkets by the end of 2018. Other large retailers, such as Bunnings, have adopted similar approaches by choosing to phase out plastic bags based on community interest.

In conjunction with the Packaging Forum, supermarkets are also continuing to promote a soft plastics recycling scheme, initiated in 2015 with support from the Government's Waste Minimisation Fund.

Following a Council decision in 2016, the Christchurch City Council has opted to take a non-regulatory approach to reducing the use of single-use plastic bags in Christchurch by:

- a. reducing the number of plastic bags it uses itself at Council-run events and at libraries;
- b. expanding its community education about waste minimisation;
- c. working proactively with retailers; and
- d. including more environmental considerations in its procurement policy.

#### Plastic straws

It's estimated that over 800 straws are given out weekly by some bars and restaurants, and Sustainable Coastlines has stated previously that straws, or parts of straws, are one of the top five items found during beach clean ups.

Non-regulatory approaches are underway to reduce the use of plastic straws. Examples include:

- a. Wellington City Council, which has been working with local communities and Sustainable Coastlines to raise awareness of the impact of plastic straws, with the aim of reducing usage overall.
- b. Mackenzie District Council, which has been driving a change of habit by encouraging local hospitality operators to provide straws only on-request.
- c. Industry-led initiatives, such as that led by Hospitality NZ, which is encouraging bars and restaurants to stop offering straws automatically with every drink; and switch to biodegradable paper or reusable straws where possible.

#### **5. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

# 9

## A mandatory register of cooling towers

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**Remit:**

1. That LGNZ acknowledges the potentially fatal risks posed by legionella bacteria in industrial water cooling towers used for air conditioning and manufacturing;
2. That LGNZ asks central government to resume its work related to reducing the risks posed by legionella bacteria in industrial water cooling towers. This could include:
  - Amending the Building Act 2004 and/or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 to collect information for a mandatory register of cooling towers and a mandatory testing and reporting regime.
  - Providing enforcement powers to councils to address the risks associated with cooling towers such as requiring regular testing, reporting and compliance with specified standards under Building Warrant of Fitness certification.
  - Requiring medical professionals to report cases of legionellosis (Legionnaires Disease) to local District Health Boards' Medical Officers of Health (as is required with Campylobacter outbreaks)..

**Proposed by:** Christchurch City Council

**Supported by:** Metro Sector  
Hutt City Council  
Selwyn District Council

### Background information and research

**1. Nature of the issue**

Every few years Legionnaires' disease dominates headlines for a period as another "outbreak" occurs. In order to assist preventing such outbreaks we propose a mandatory nation-wide register of cooling towers to be updated annually, and overseen by the Ministry of Health via District Health Boards.

Regulatory action is required to help combat instances of legionellosis from water-based sources. Mandatory testing and reporting regimes will help building owners and authorities to ascertain the health of specific water cooling towers and will enable early intervention if

unacceptable levels of legionella bacteria are found to be present. A mandatory register of water cooling towers' locations will help healthcare professionals to isolate sources of legionellosis outbreaks, and will aid them to reach potentially affected individuals and communities in a timely manner.

## **2. Background to its being raised**

Legionella bacteria from the wet surfaces of water cooling towers, evaporative condensers (cooling plant) and scrubbers can cause a pneumonia called Legionnaires' disease, which is often severe and can be fatal. Although this is a nationwide issue, this issue is of particular concern to Christchurch City Council after in 2005, an outbreak of 19 cases of Legionnaires' disease (legionellosis) led to the deaths of three Christchurch citizens. The subsequent coronial investigation into their deaths in 2007 recommended better regulation of industrial, water-based cooling towers, with monthly testing and a mandatory register of cooling towers' locations to help pin-point sources of legionella bacteria more readily. The Ministry of Business, Innovation and Employment undertook to act on these recommendations at the time. However work to establish a testing regime and register seems to have been paused recently.

Outbreaks of legionellosis in New Zealand are sporadic but the disease's impact is often severe. Approximately 240 people contract legionellosis each year. This figure includes people who contract legionellosis from soil or potting mix, as well as those who contract the disease from water-based sources. One-third of patients with legionellosis become unwell enough to warrant admission to intensive care units<sup>1</sup>. The medical and social cost of the disease is consequently high.

Citizens are becoming increasingly aware of the risks posed by handling soil or potting mix after a number of well-publicised cases of legionellosis. However, the spread of the disease from water-based sources is more difficult to avoid or mitigate against, due to the comparatively 'invisible' nature. The spread of legionella from water-based sources is more insidious than cases caused by exposure to potting mix. This is because the source of the bacteria is not as readily identifiable by health professionals during a routine examination and patients can sometimes be misdiagnosed with other respiratory infections.

## **3. What work or action on the issue has been done on it, and the outcome**

As noted above, the Coroner made a number of recommendations to the Ministry of Health, District Health Boards and to the Government as part of their 2007 investigation into the deaths of three Christchurch residents from legionellosis:

*To the Ministry of Health and District Health Boards:*

- (i) *That the Legionellosis case definition for New Zealand be reviewed in light of the testing methods now available.*

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<sup>1</sup> <https://www.nzdoctor.co.nz/in-print/2014/november-2014/5-november-2014/legionnaires%E2%80%99-disease-likely-not-just-a-canterbury-phenomenon.aspx>

- (ii) *That appropriate samples where clinically indicated be collected for Legionella culture and PCR testing from suspected Legionellosis cases. Bronchial washing, bronchoalveolar washing lavage, pleural fluid, sputum, or lung tissue specimens are regarded as appropriate samples for Legionella culture and PCR testing. All these clinical samples where available should be forwarded to the Legionella Reference Laboratory for purposes of national surveillance of the disease.*
- (iii) *That if they have not already done so, District Health Boards consider including the urinary antigen test in the range of tests for Legionellosis.*

*To the Government through its appropriate Departments and Ministries: - that it gives consideration to legislation and/or regulatory amendments to achieve the following outcomes:*

- (i) *That the owners and/or operators of all cooling towers be required to register the towers with their Territorial Authorities.*
- (ii) *That Territorial Authorities create and maintain a single database of all cooling towers for heating and ventilating systems for both commercial and industrial processes.*
- (iii) *That all cooling towers, whether commercial or industrial, be brought within the Compliance Schedule/Building Warrant of Fitness regime administered by Territorial Authorities.*
- (iv) *That cooling towers be classified as a separate class of specified system for the Compliance Schedule/Building Warrant of Fitness regime.*
- (v) *That it be mandatory for all new and existing cooling towers to comply with AS/NZS 3666 or other comparable standard and that NZS 4303 no longer be optional for any towers, with pre 2004 towers that do not now comply being required to up-grade within a specified period.*
- (vi) *That testing for Legionella be undertaken at least monthly to AS/NZS 3896 and AS 4276.3.1 by an IANZ biologically accredited laboratory.*
- (vii) *That it be mandatory for the laboratories to notify Legionella test results greater than, or equal to, 100 cfu/ml within 48 hours to the local Medical Officer of Health, and the required control strategy from Table 3.1 of AS/NZS 3666.3 be implemented by the owner or operator.*
- (viii) *That Territorial Authorities and Medical Officers of Health be given powers to audit testing and test results and to ensure that appropriate corrective action is taken following results that do not meet the standard.<sup>2</sup>*

From our understanding, these recommendations have not been substantively addressed by central government in the 10 years since the Coroner's findings were released. In 2015, the Ministry of Business, Innovation and Employment stated that cooling towers were covered by Health and Safety guidelines and that it was up to councils to create their own registers<sup>3</sup>.

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<sup>2</sup> FINDING OF CORONER T L SAVAGE IN THE MATTER of Inquests into the Death of ROSS ANDREW HERN, PETER RUSSELL JONES, VALMAI MARJORIE FINLAYSON (April 2008)

<sup>3</sup> <https://www.radionz.co.nz/news/national/290386/still-no-action-on-coroner-s-legionnaires-call>

In 2015 Auckland Council introduced its own bylaw that requires all industrial cooling towers to be registered, tested and regularly maintained. One of the purposes of the [Property Maintenance and Nuisance Bylaw](#) is to:

*c) protect, promote and maintain public health and safety by requiring all industrial cooling tower water systems in Auckland to be registered with the council and regularly tested and where appropriate maintained to mitigate against the risk of exposure to Legionella bacteria often linked to outbreaks of Legionnaire's disease.*

Given the bylaw was introduced relatively recently, its efficacy is not yet widely known. It must be noted that for some councils, the cost and resource required to introduce a bylaw to address the risks of industrial cooling towers may be prohibitive. In addition, councils will need to ensure that any bylaws are consistent with and do not supercede the requirements of the relevant legislation (e.g. the Building Act 2004 or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005).

**4. Any existing relevant legislation, policy or practice**

The Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 refer to mechanical ventilation and air conditioning systems in the definition of 'specified systems'. Under the Regulations, if a building has a 'specified system', the relevant Building Consent Authority will issue a Compliance Schedule that sets out the inspection, testing and maintenance requirements for the system. Building owners must maintain the systems in accordance with the Compliance Schedule, issuing a Building Warrant of Fitness to the Territorial Authority each year confirming that this has been done. The Regulations go some way in addressing the risks of ventilation and air conditioning systems harbouring bacteria, such as legionella, however industrial cooling towers are not included as a specified system and are therefore not subject to a compliance schedule. Industrial cooling towers are instead governed by Health and Safety at Work legislation, which is less prescriptive in its approach and does not require Compliance Schedules to be adhered to in the same way.

**5. Outcome of any prior discussion at a Zone or Sector meeting**

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

# 10

## Copper in brake pads

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<b>Remit:</b>	That LGNZ calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads to reduce contaminants in our urban waterways.
<b>Proposed by:</b>	Environment Canterbury
<b>Supported by:</b>	Regional Sector

### 1. Background information and research

#### 1. Nature of the issue

Many urban centres have some level of waterway degradation as a result of urbanisation. Stormwater runoff is the major source of copper and other metals.

A necessary part of any water quality measurement strategy is to reduce or eliminate contaminants at the source. Some sources can be managed at a regional or local level with bylaws and district plans, however, the control mechanisms available to a local authority are not sufficient to tackle copper. The remit seeks central government action.

#### 2. Background to its being raised

Research and modelling from various parts of New Zealand indicates that brake pads are the dominant source of copper in urban waterways. Many brake linings contain copper or bronze chips or powder to improve braking properties and provide mechanical strength. The debris worn from brake linings may be retained within the brake pad housing or released onto the road. Brake pad dust is frequently washed from wheels into the storm water network when a vehicle is cleaned.

Research shows that end-of-pipe stormwater treatment practices such as treatment basins, swales and filters are insufficient to achieve the outcomes sought. Therefore, councils across New Zealand see a need for national-scale mechanisms to take the most effective action to remove copper from stormwater.

#### 3. New or confirming existing policy

In 2010, both Washington and California passed legislation-requiring brake pads sold or installed to have reduced levels of copper and other heavy metals. There is no such legislation in New Zealand.

**4. How the issue relates to objectives in the current Work Programme**

The issue fits under LGNZ's priority 3 – Environment: leading, in collaboration with others, the challenge of enhancing environmental qualities, protecting freshwater resources and biodiversity and addressing the impacts of climate change and other threats.

The issue fits within water 2050 Work stream 2: Water Quality.

**5. What work or action on the issue has been done on it, and the outcome**

The Christchurch City Council, Environment Canterbury and the Canterbury Water Management Strategy's Christchurch Melton Zone Committee are closely collaborating to improve water quality outcomes. These groups have worked together to investigate the issue and possible solutions. More detailed analysis is available should it be required.

Wet weather data that is available – from limited monitoring that has occurred during wet weather and from research by NIWA, Canterbury University and other centres – indicated that copper concentrations in storm water runoff are two to ten times in Canterbury land and water regional plan water quality standard. Research elsewhere suggests that it will be the case for most large urban centres.

Modelling software developed at the University of Canterbury was used in a study of urban catchment in Christchurch. It defined large carparks and highly trafficked roads as primary contributors of total suspended solids, and highly trafficked roads and industrial carparks as primary contributors of copper. Modelling also showed:

- Removal of copper contributors onto roads and carparks via implementation of copper-free brake pads is predicted to have significant reduction (78%) on catchment copper loads.

Copper free and low-copper brake pads are available for sale in New Zealand but there is no one source of information in New Zealand and there are varying prices and quality for all brake pads. Unlike in the US and Europe there is no requirement for labelling. As an importer of brake pads, New Zealand could easily achieve a 'quick win' for water quality by restricting imports to low copper or copper free brake pads with no significant implications for New Zealand industries. The United States Environment Protection Agency (in 2015) committed to reduce copper in brake pads to less than 0.5 percent by 2025.

**6. Evidence of support from Zone/Sector meeting or five councils**

Environment Canterbury proposed the remit at the 4 May Regional Sector meeting and sought support from members. The remit is:

LGNZ calls for central government to introduce legislation to limit or eliminate the copper content of vehicle brake pads.

The remit was supported unanimously by the members present.

**7. Suggested course of action envisaged**

That LGNZ work with central government to raise the issue and advocate for legislation change.

# 11

## Reducing the waste stream

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**Remit:** That LGNZ asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 - 6), to reduce New Zealand's waste by:

1. adopting a New Zealand-wide strategic approach to the collection, and processing of recyclable materials within New Zealand;
2. reviewing the New Zealand Waste Strategy and align, where practicable, with the "Local Government Waste Management Manifesto" to set a clear programme for action;
3. expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills;
4. officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring;
5. establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and
6. declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams.

**Proposed by:** Wellington City Council and Christchurch City Council

**Supported by:** Zone Four

### Background information and research

#### 1. Nature of the issue

On 1 January 2018, a Chinese ban on foreign waste came into effect, meaning that all plastic, slag, unsorted waste paper and textile products that were once sent to China for processing needed to be sent somewhere else. The change in policy, made by the Chinese government for environmental reasons, has had a significant impact on global recycling processing companies, which have had to find alternative processing facilities (generally shifting operations to South East Asia). The issue being the low prices paid for the product

In the New Zealand context, it is estimated that seven of the 41 million kilograms of plastic waste exported from New Zealand to other countries in 2017 was sent to China (with the

balance being sent Hong Kong (13.5m kilogram), Indonesia, Thailand, Malaysia and Vietnam (19 million kilograms))[1].

At the time, the Ministry for the Environment provided a statement noting that options included finding alternative markets for these materials overseas, or improving on-shore processing. While committed to the idea of increasing processing of recyclable materials in New Zealand, the Associate Minister for the Environment, Hon Eugenie Sage, has so far declined the suggestion of using Ministry for the Environment funds to build a recycling processing facility in New Zealand, suggesting instead that funding other companies that are already doing this work would be preferable. However, processing recyclables is a low margin business built on the economies of scale, which cannot readily be achieved in New Zealand.

With a council-by-council approach to solid waste collection, processing and disposal, it is unlikely that the necessary economies of scale needed to profit from recyclables processing in New Zealand can be achieved. Central government direction is required to develop a New Zealand-wide approach to recyclables processing.

## **2. How the issue relates to objectives in the current Work Programme**

Waste minimisation, including through recycling and reduction in waste to landfill, is a key aspect of addressing the risks of climate change, which is a key area of work for LGNZ.

LGNZ Climate Change Project promotes a collaborative approach between local and central government to address the risks, challenges and opportunities of climate change. As noted above, local government is unlikely to achieve the required economies of scale to improve the volume of recyclables processed in New Zealand, given the council-by-council model of contracting services relating to recyclables. Therefore, a national approach is warranted.

## **3. What work or action on the issue has been done on it, and the outcome**

Some smaller scale recyclables processing plants are already operating in New Zealand, such as Flight Plastics in Lower Hutt, which processes PET plastic from plastic bottles, recycling it into punnets for fruit and other similar products. The \$12 million plant was opened in August 2017 with the aid of a \$4 million grant from the Government's Waste Minimisation Fund, which made it a more feasible proposal. Smaller operators have contested the economic realities of establishing similar infrastructure for other types of plastics.

WasteMINZ, New Zealand's largest representative body of the waste, resource recovery, and contaminated land sectors is working with councils and the Ministry for the Environment to understand the impact of the Chinese policy change; the availability of other markets for recyclables processing; and the potential for increasing recyclables processing in New Zealand. Christchurch City Council's Solid Waste Manager has been invited to a summit on the issue, held in May, which may inform the next steps and an approach to central government.

**4. Any existing relevant legislation, policy or practice**

Collecting solid waste is a core requirement for councils, set out in the Local Government Act 2002. However, how waste is collected; whether recyclables are separated; and how waste is processed is up to councils to decide.

**5. Outcome of any prior discussion at a Zone/Sector meeting**

Remit supported as package that dealt with Climate Change

The following documents may be requested from LGNZ for further background:

- Local Government Waste Manifesto (WasteMINZ)
- Rebooting Recycling – What Can Aotearoa Do? (WasteMINZ)

# 12

## Tyres stewardship

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<b>Remit:</b>	That LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres.
<b>Proposed by:</b>	Palmerston North City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### Proposal

The proposal put forward is “that LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres”.

#### Background

Under the Waste Minimisation Act 2008, the Minister for the Environment can declare a product to be a priority product. When this happens, a product stewardship scheme becomes mandatory and the priority product must be managed through accredited product stewardship schemes. No products have been designated as priority products by any Minister for the Environment, and thus far only voluntary product stewardship schemes exist in New Zealand.

There are three criteria which must be met for the Minister to declare a priority product:

- the product will or may cause significant environmental harm when it becomes waste, or
- there are significant benefits from reduction, reuse, recycling, recovery, or treatment of the product, and
- the product can be effectively managed under a product stewardship scheme.

In 2012 an industry-led Tyrewise initiative was developed to provide a framework for the development of a stewardship programme. In 2018 the Tyrewise model was broadly endorsed by the Local Government Waste Management Manifesto, developed by the Territorial Authority Forum, a local government group representing 64 city and district councils.

In 2014 the Ministry for the Environment consulted on *Priority waste streams for product stewardship intervention: A discussion document*. In the Foreword to this document, the then Minister for the Environment, Hon Amy Adams noted that:

[s]ince passing the WMA five years ago, the Government has encouraged voluntary product stewardship efforts as a first priority. Over this time, 11 voluntary product stewardship schemes have been accredited by the Minister for the Environment. Nearly 34,000 tonnes of waste per year is being diverted from landfill for recycling or safe destruction under these schemes. This is an excellent start,

but in quantity is equivalent to only 1.4 per cent of the total waste stream going to disposal facilities which pay the waste disposal levy. There is an opportunity to foster greater progress in waste minimisation and resource reuse through improved producer responsibility. In my view, the time has come to consider appropriate mandatory approaches for selected priority waste streams.”

The priority products proposed in the discussion document were:

1. electrical and electronic equipment
2. tyres
3. agricultural chemicals and farm plastics
4. refrigerants and other synthetic greenhouse gases.

Pages 19-22 of the Government’s 2014 discussion document, addressing the proposed tyre scheme, are attached to this report. Around 70% of submitters on the discussion document were in favour of tyres being a priority for the Government to consider regulatory interventions.

In 2015, the Waste Minimisation Fund was targeted at applications that would help solve the end-of-life tyre problem in New Zealand. Nine projects received \$18.7 million from the Waste Minimisation Fund, for a variety of projects aiming to collect, shred, and recycle tyres.

No further action was taken by the 2014-2017 National-led Government towards the declaration of tyres as a priority product under the Waste Minimisation Act.

The establishment of a tyre stewardship fund is included in the Coalition agreement between Labour and New Zealand First. In January 2018 Hon Eugenie Sage, the Associate Minister for the Environment, confirmed the new government’s intention to consider product stewardship schemes as part of a review of the implementation of the Waste Minimisation Act.

#### **Discussion**

The Ministry for the Environment has shown that there is both the demonstrated need for measures to address the tyre problem, and also widespread industry support for a mandatory product stewardship scheme. The Tyrewise initiative makes a strong case for the viability of a mandatory scheme, and this approach is endorsed by local government experts.

Under the Waste Minimisation Act 2008, the Government is able to declare tyres as a priority product. This declaration would require the development of a mandatory product stewardship scheme. A mandatory stewardship scheme would provide a comprehensive approach to tyre waste, and be a significant development for New Zealand.

While the mechanism for a mandatory product stewardship scheme currently exists under the Waste Minimisation Act 2008, the Council notes that a review of the implementation of this Act has been signalled by the Government. The current remit proposal, therefore, simply requests that the Government urgently develops a comprehensive and mandatory product stewardship programme for tyres.

This remit proposal meets the LGNZ requirement of relevance to local government as a whole. It also meets the second LGNZ requirement as it addresses a major policy issue.

# Council Report

**Committee:** Council **Date:** 26 June 2018  
**Author:** Scott Copeland **Authoriser:** David Bryant  
**Position:** Procurement Manager **Position:** General Manager Corporate  
**Report Name:** Change to Contract 16433 - Finance Project Lead 2018-28 10-Year Plan

<b>Report Status</b>	<i>Open</i>
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## Purpose

1. To seek approval to increase the Approved Contract Sum for existing Contract 16433 with SH Halliwell trading as Working Smarter (SHH) for work as the Financial Project Lead for the 2018-28 10-Year plan process, in accordance with Council's Delegations to Positions Policy.

## Staff Recommendation

That the Council:

- a) receives the report; and
- b) approves an increase to the Approved Contract Sum for Contract 16433 to \$275,000.00 (previously approved as \$240,000.00).

## Discussion

2. Contract 16433 engages Stephen Halliwell (trading as Working Smarter) to work as the Financial Project Lead for the 2018-28 10-Year plan process.
3. This contract was awarded to Mr Halliwell in May 2017 as a direct appointment under CE delegation. Mr Halliwell was chosen due to his extensive experience in supporting Hamilton City Council (HCC) with the development of previous 10-Year Plans and his knowledge of HCC operations gained while working on projects over a number of years including Section 17a reviews, and whilst covering various vacant Finance leadership roles pending recruitment of permanent staff.
4. The current contract has an Approved Contract Sum of \$240,000.
5. The contract term expires in September 2018 to allow completion of the 2018-28 10-Year plan process post adoption. This involves activities such as ensuring key policies and strategies are implemented and any changes to financial reporting requirements are made (see point 8).

6. Since Contract 16433 was awarded, there have been a number of factors that have driven an increase in the scope and quantum of work over and above that first envisaged for Mr Halliwell to complete. Factors affecting the increased scope and quantum include:
  - A more complex 10-Year Plan programme than first anticipated.
  - Assistance with the Financial Strategy and Revenue taskforce established after the contract was awarded and attendance at additional briefings.
  - A rates review that was more complex than first anticipated as well as the development and modelling of alternative rating tools.
  - Additional expert support and guidance for Finance staff working on a more complex 10-Year Plan.
  - Additional expert liaison with external parties relating to audit reviews and legal assessments of draft policy options.
7. Costs incurred by Council under Contract 16433 as at the end of May 2018 amount to \$230,500.
8. Further work is required during June 2018 and July 2018 to enable the completion of the 2018-28 10-Year plan. This relates to:
  - Updating and finalising all financial information following decisions made by Council during deliberations.
  - Updating and finalising all Council financial and rating policies required by legislation to support the adoption of the Plan.
  - Finalising the rating resolution required to enable Council to strike the new rates for the 2018/19 year.
  - Liaising with Audit NZ to answer all queries associated with their audit of the Plan.
9. This work was included in the original scope for the contract and will incur further costs to Council resulting in the Approved Contract Sum being exceeded.
10. As the Chief Executive only has delegated authority to approve increases up to the value of \$250,000, Council approval is sought for an increase to the Approved Contract Sum for Contract 16433, from \$240,000 to \$275,000.

### **Financial Considerations**

11. The total costs of the contract extension is up to \$35,000.00.
12. Existing budgets are sufficient to cover the proposed increase to Contract 16433.

### **Legal and Policy Considerations**

13. Staff confirm that an increase to the approved contract sum complies with the Council's legal and policy requirements.

### **Risks**

14. There is no known risk associated with Council approving the proposed increase to Contract 16433.
15. There is some risk to Council if continuity of expert advice is not maintained until the 10-Year Plan process is completed.

## **Significance & Engagement Policy**

### **Item 20**

#### **Significance**

16. Staff considered relevant factors under the Significance and Engagement Policy and have assessed that the matters in this report have a low level of significance.

#### **Engagement**

17. Given the low level of significance, no engagement on this matter is required.

#### **Attachments**

There are no attachments for this report.

## 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 Elected Member Briefing Notes - Closed - 22 May 2018	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Confirmation of Elected Member Briefing Notes - Closed - 12 June 2018	)	

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 enable Council to carry out negotiations to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (i) 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)