

Document No: A474818

Report To: Council



Meeting Date: 30 June 2020

Subject: **Declaration of Members' Conflicts of Interest**

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

- 2.1 **Conflicts of Interest**
- 2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.
- 2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:
- ensure members are not affected by personal motives when they participate in local authority matters; and
 - in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).
- 2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.
- 2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.
- 2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.
- 2.7 **Declarations of Interests and Conflicts**
- 2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests

to declare. Some elected members may not have any, other elected members may have many.

- 2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.
- 2.10 These declarations should be clear as to whether there is just an "interest" with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a "conflict of interest" in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a "conflict of interest" at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

Mayor Robertson will invite elected members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Name:	
Item of Business on the Agenda:	
Reason for Declaration:	
Is this Declaration – <ul style="list-style-type: none">• Interest Only• Conflict of Interest	



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968

- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."

3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?

3.10 Further guidance is provided in the booklet “Guidance for members of local authorities about the Local Authorities (Members’ Interests) Act 1968” which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council’s business where staff do not set out to provide pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is “bias” or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where: -

- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council’s debate); or
- The member has a close relationship with an individual or organisation affected by the matter.

3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: “Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?” If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council’s decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy – 23 February 2013

4.1 The following is an extract from the Procurement Policy:

2.1.11 Conflicts of Interest

WDC procurement process will be conducted with a spirit of probity demonstrating:

- *integrity;*
- *honesty;*
- *transparency;*
- *openness;*
- *independence;*
- *good faith; and*
- *service to the public.*

A conflict of interest occurs where:

A member's or official's duties or responsibilities to Council could be affected by some other interest or duty that the member or official may have.

The other interest or duty might exist because of:

- *holding another public office;*
- *being an employee, advisor, director, or partner of another business or organisation;*
- *pursuing a business opportunity;*
- *being a member of a club, society, or association;*
- *having a professional or legal obligation to someone else (such as being a trustee);*
- *owning a beneficial interest in a trust;*
- *owning or occupying a piece of land;*
- *owning shares or some other investment or asset;*
- *having received a gift, hospitality, or other benefit from someone;*
- *owing a debt to someone;*
- *holding or expressing strong political or personal views that may indicate prejudice or predetermination for or against a person or issue ; or*
- *being a relative or close friend of someone who has one of these interests, or who could otherwise be personally affected by a decision of Council*

A relative or close friend includes:

- *For matters covered by the Local Authorities (Members' Interests) Act 1968, the interests of a spouse, civil union partner, or de facto partner must be considered.*
- *Generally, the interests of any relative who lives with the member or official (or where one is otherwise dependent on the other) must be treated as being effectively the same as an interest of the member or official.*
- *For other relatives, it will depend on the closeness of the relationship, but it will usually be wise not to participate if relatives are seriously affected*
- *Where Council's decision or activity affects an organisation that a relative or friend works for, it is legitimate to take into account the nature of their position or whether they would be personally affected by the decision.*

Examples of potential conflicts of interest include:

- *conducting business on behalf of Council with a relative's company;*
- *owning shares in (or working for) particular types of organisation that have dealings with (or that are in competition with) Council;*

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- *deliberating on a public consultation process where the member or official has made a personal submission (or from making submissions at all, in areas that directly relate to the entity's work);*
- *accepting gifts in connection with their official role; or*
- *influencing or participating in a decision to award grants or contracts where the member or official is connected to a person or organisation that submitted an application or tender.*

All elected members, WDC staff or advisers involved in a procurement process are required to declare any other interests or duties that may affect, or could be perceived to affect, their impartiality. WDC will then decide the steps necessary to manage the conflict, having regard to any relevant statutory requirements. WDC will maintain a register of declarations of conflicts of interest that records any conflicts of interest and how they will be managed.

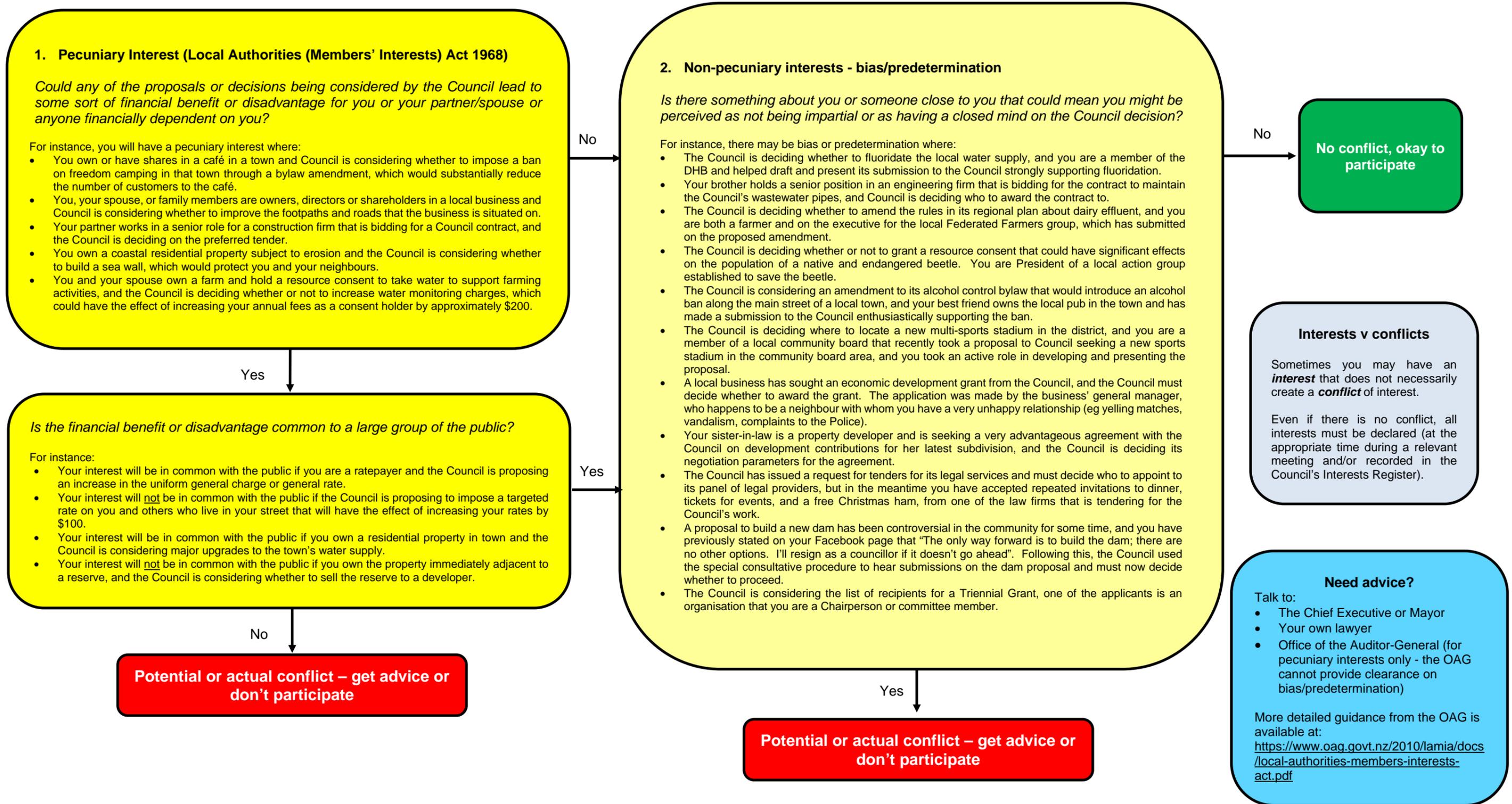
An annual update of the register will be coordinated and maintained by the Executive Office.

Under no circumstances will a procurement process allow as an outcome of that process a circumstance where Council elected members, WDC staff or advisers to receive preferential treatment.

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.



Remember: If in doubt, stay out!

Document No: A474717

Report To: Council



Meeting Date: 30 June 2020

Subject: Mayor's Report

The Investigator's Report on the alleged breaches of the Council's Code of Conduct by the Mayor was received by the Chief Executive last week and copied to elected members.

The Investigator found one breach by the Mayor, but ruled that this breach did not reach the threshold of materiality.

The Investigator's Report notes the Mayor's wish to promote changes in governance at our Council. Specifically, the Investigator noted my "... concern to foster improvements in governance, including the better use of Council committees and the need to be transparent and accountable about declaring and managing conflicts of interest."

Members know my views on committees. I prefer the sub-committees of Council to be smaller and focused, rather than being committees of the whole of Council. This includes the Audit and Risk Committee and the Chief Executive Performance Review Committee that is about to be established.

Members know my views on transparency.

On the matter of declaring and managing conflicts of interest, I am concerned that standards under the Code of Conduct and / or the law are not being met.

The Code of Conduct informs members on how to deal with Conflicts of Interests in Section 8. There is specific legislation on this matter – The Local Authorities (Members' Interests) Act 1968. There is also advice from the Office of the Auditor General to assist members in public office on how to deal with conflicts of interest, whether they are to do with pecuniary interests or non-pecuniary interests.

Elected members will be aware that the Office of the Auditor General wrote in 2019 to the then Mayor and Deputy Mayor advising that the Office was of the opinion that they had breached Section 6 of the Local Government (Members' Interests) Act. The breach occurred when they participated in decisions made to allocate funding to promote the Timber Trail. They failed to declare interests, which were of a pecuniary nature.

Officers provided advice on this matter to the Audit and Risk Committee meeting of 13 August 2019. The paper notes: "The investigation and subsequent findings of the OAG, in relation to the breach of Section 6 of the Act, has highlighted the importance for Elected Members to comply with the rules, and for Council to ensure its procedures and practices regarding the declaration of any conflicts of interest are robust and adhered to."

At our last meeting on 26 May 2020 the Council resolved to grant \$15,000 in funds to an organisation promoting the Timber Trail as part of the Annual Plan deliberations. The matter was specifically discussed. My view is that a conflict should have been declared once again.

As a result of ongoing questions around what constitutes conflicts of interest, I have asked the Chief Executive to invite the Auditor General's office to brief elected members on this topic.

A handwritten signature in blue ink, appearing to read "John Robertson".

JOHN ROBERTSON, QSO

MAYOR

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 26 MAY 2020 AT 9.00AM

PRESENT: Mayor John Robertson, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Allan Goddard, Lisa Marshall, Janene New and Sue Smith

IN ATTENDANCE: Kahu Te Kanawa, Ngati Rora (Audio via Zoom)
Katrina Winn (NZ Women)
Chris Ions, Paul Le Miere and Hilary Walker, Federated Farmers (via Zoom)

Chris Ryan, Chief Executive; Michelle Higgie, Manager – Governance Support; Murugupandian Pandi, Information Technology Administrator; Alister Duncan, General Manager – Business Support (via Zoom for part only); Tony Hale, General Manager – Infrastructure Services (via Zoom for part only) and Helen Beaver, General Manager – Community Services (via Zoom for part only);

1. Council Prayer

2. Deputation: Kahu Te Kanawa (Ngatai Rora) – Te Kuiti Pedestrian Rail Overbridge
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Council received an audio deputation from Kahu Te Kanawa via Zoom on the Te Kuiti Pedestrian Rail Overbridge.

Katrina Winn entered the meeting at 9.10am

Resolution

The Deputation from Kahu Te Kanawa be received.

Robertson/Marshall Carried

3. Deputation: Katrina Winn (NZ Women)

Council received a deputation from Katrina Winn (NZ Women) and the setting of rates in light of COVID-19.

Katrina Winn left the meeting at 10.42am.

Resolution

The Deputation from Katrina Winn (NZ Women) be received.

Robertson/Whitaker Carried

4. Deputation: Waitomo Branch of Federated Farmers

Council received a deputation via Zoom from Chris Ions (Waitomo Branch President), Dr Paul Le Miere (Regional Policy Manager) and Hilary Walker (Senior Regional Policy Advisor) of Federated Farmers regarding the setting of rates for the 2020/2021 financial year.

Resolution

The Deputation from Federated Farmers be received.

Robertson/Smith Carried

5. Declarations of Member Conflicts of Interest

Members declared interests/conflicts of interest in regard to the Agenda as set out in the table below:

Deputy Mayor Whitaker

Item of Business on Agenda	Reason for Declaration	Interest / Conflict
• Receipt of Brook Park Incorporated Society Minutes	Trustee on Brook Park Incorporated Society	Interest – No Conflict

Cr Brodie queried when bias/pre-determination conflict should be made and requested clarification from the Mayor.

The Mayor clarified that declaring any conflict of interest is the responsibility of each individual elected member.

6. Verbal Reports: Individual Councillor Roles and Responsibilities

The Mayor and Councillors gave verbal reports on their individual Council roles and responsibilities as follows:

Cr Goddard

- Civil Defence
- Destination Pureora

Cr New

- Game On Charitable Trust
- Rural and Provincial Sector
- Sister City
- Momentum Waikato Vital Signs Meeting
- Legendary Te Kuiti
- Te Kuiti Foodbank
- Otorohanga District Development Board
- Te Waka

Cr Brodie

- Tainui Wetere Domain Board Meeting
- Biodiversity National Policy Statement Meeting
- Momentum Waikato Vital Signs Meeting
- Pulse Checks through Legendary Te Kuiti

Deputy Mayor Whitaker

- Brook Park
- Legendary Te Kuiti
- Te Kuiti Foodbank
- Shopping for Vulnerable People in District
- Provision of Essential Services

Cr Smith

- Rural and Provincial Sector Meeting
- Te Anga Hall (into recession)
- Legendary Te Kuiti – support with Te Waka Survey
- Waitomo Museum
- Supporting Vulnerable People in District (shopping, etc.)
- Sharing Council information through Te Waitere Boat Club

Cr Marshall

- Te Kuiti Community House
- Housing Portfolio
- Provision of Essential Service (business)
- Essential Service (distance learning through School)
- Support whanau who lost a family member during Level 4 Lockdown
- Collecting and delivery of kai to vulnerable
- Pulse Checks through Legendary Te Kuiti
- Te Kuiti Community House
- Number 12 - Check

Resolution

The verbal reports be received.

Robertson/New

Carried

7. Mayor's Report: 26 May 2020

Council considered the Mayor's Report prepared for the 26 May 2020 Council Meeting. The Mayor expanded verbally on his report and answered Members questions.

Resolution

The Mayor's Report for the 26 May 2020 Council Meeting be noted.

Robertson/Goddard

Carried

8. Confirmation of Minutes – 25 February 2020

Resolution

The Minutes of the Waitomo District Council meeting of 25 February 2020 be confirmed as a true and correct record subject to the correction of the spelling of Kevin Ikin's name for the Sister City item of business.

Whitaker/Brodie Carried

9. Receipt of Unconfirmed Audit, Risk and Finance Committee Minutes – 11 February 2020

Resolution

The Unconfirmed Minutes of the Waitomo District Council Audit, Risk and Finance Committee meeting of 11 February 2020 be received.

Robertson/Whitaker Carried

10. Receipt of Brook Park Incorporated: Minutes – 2 March 2020

Council considered a business paper presenting the 2 March 2020 Brook Park Incorporated Society Meetings.

The Deputy Mayor expanded verbally on the business paper and answered Members questions. Gone very quiet due to COVID-19.

Resolution

The Brook Park Incorporated Society Minutes of 2 March 2020 be received.

Whitaker/New Carried

11. Governance Statement Review

Council considered a business paper presenting Council's Governance Statement for review and adoption.

Resolution

- 1 The business paper on Governance Statement Review be received.
- 2 The draft Governance Statement be adopted without the inclusion of Member photographs and with the following corrections:
 - Remove the Home Phone number for Deputy Mayor Whitaker as it is no longer in use.
 - The addition of Councillor New on the Citizen Awards Working Party.
 - The addition of Councillor New as Council's representative on the Game On Charitable Trust.
 - Note the current vacancy on the North King Country Development Trust.

Goddard/Whitaker Carried

12. Local Government Funding Agency Changes to Foundation Policies

Council considered a business paper seeking approval to execute legal documents proposed by the Local Government Funding Agency which give effect to changes to the LGFA's foundation policies and documents.

The General Manager – Business Services expanded verbally on the business paper and noted the error in paragraph 5.3 which should have referenced Section 4 and not paragraph 3.19.

Resolution

- 1 The business paper on Local Government Funding Agency Changes to Foundation Policies be received.
- 2 Council approve execution of the following Deeds making changes to the Local Government Funding Agency foundation policies:
 - Amendment and Restatement Deed (Notes Subscription Agreement).
 - Amendment and Restatement Deed (Guarantee and Indemnity).
 - Amendment and Restatement Deed (Multi-issuer Deed).
- 3 Authority to execute the three Deeds on Council's behalf is delegated to the Mayor and Deputy Mayor.

Whitaker/Goddard Carried

13. Civic Financial Services Ltd - 2020 Annual General Meeting

Council considered a business paper informing that the Annual General Meeting of the Civic Financial Services Limited is scheduled for Friday 19 June 2020 for which Council needs to either appoint a WDC representative to attend or appoint a Proxy.

The Chief Executive expanded verbally on the business paper advising that Council's historical stance is to support re-standing members where they have the Board's support.

Resolution

- 1 The business paper on Civic Financial Services Limited – Notice of Annual General Meeting be received.
- 2 Council delegate to the Chief Executive the appointment of an appropriate person, as Proxy for the Waitomo District Council Proxy at the 2020 Civic Financial Services Ltd Annual General Meeting, noting that Waitomo District Council has no matters it wishes to be raised at the meeting.

Marshall/Smith Carried

14. Approval of Alternate Local Controllers for the Waitomo District

Council considered a business paper seeking Council's approval to authorise all Waikato Region Tier 2 Local Controllers to be alternative local controllers for the

Waitomo District in accordance with the decision by the Waikato Civil Defence and Emergency Management Group Joint Committee.

Councillor Goddard, as Council's Civil Defence Portfolio holder, expanded on the business paper explaining the three Levels as Level 1 – acting at a Regional level, Level 2 – acting for 1 or more Councils, and Level 3 acting for 1 Council only.

Resolution

- 1 The business paper on Approval of Alternate Local Controllers for the Waitomo District be received.
- 2 Council confirm that any Tier 2 Local Civil Defence Controllers appointed by another territorial authority in the Waikato Region are also appointed by Waitomo District Council to act as a Local Civil Defence Controller when required under the Civil Defence Emergency Management Act 2002 in accordance with the decision by the Waikato Civil Defence and Emergency Management Group Joint Committee.
- 3 Council confirm any Tier 2 Local Civil Defence Controllers appointed by another territorial authority in the Waikato Region and appointed to act as a Local Civil Defence Controller in Waitomo District will hold the powers delegated by Waitomo District Council to the Local Civil Defence Controller currently in the Delegations Register.

Goddard/Robertson Carried

15. Draft 2020/21 Fees and Charges Schedule for Adoption

Council considered a business paper presenting the draft 2020/21 Fees and Charges schedule for adoption.

The Chief Executive and General Manager – Infrastructure Services expanded verbally on the business paper and answered members' questions.

Councillor New requested that Council publicise very clearly the reasons for the \$0.10 increase in the price of WDC Refuse Bags.

Resolution

- 1 The business paper on Draft 2020/21 Fees and Charges schedule for adoption be received.
- 2 Council adopt all fees and charges referred to in Document No A464142 to become effective on 1 July 2020.

Brodie/Whitaker Carried

16. Te Kuiti Pedestrian Overbridge Replacement Project – Finalisation of Concept Design

Council considered a business paper setting out the confirmed proposed design elements following a process for obtaining public feedback on Council's preferred design concept for replacement of the Te Kuiti Pedestrian Overbridge.

Council noted the deputation made earlier in this meeting from Kahu Te Kanawa on behalf of Ngati Rora.

The Chief Executive expanded verbally on the business paper and answered members' questions.

Resolution

- 1 The business paper on Te Kuiti Pedestrian Overbridge Replacement Project – Finalisation of Concept Design, be received.
- 2 Council notes the information provided for public feedback on the proposed design concept for the Te Kuiti Pedestrian Overbridge Replacement Project.
- 3 Council notes and endorses the feedback submission received from Ngati Rora representatives in support of the proposed bridge design concept, including naming the replacement bridge Te Ara Tika.
- 4 Council notes the revised timetable for completion of the project, the risks to be managed in adhering to that, and the next steps towards implementation of the preferred design concept, incorporating the additional architectural elements outlined in this business paper and business paper (Doc A463978) to the 25 February 2020 Council meeting.
- 5 An Open Day be arranged once procurement arrangements are in place to assist Waitomo District Council's communication of project details and implementation timetable, to interested members of the public.

Robertson/Brodie Carried

17. Provision of Council Services and Operations during COVID-19

Council considered a business paper providing a briefing on the provision of Council services and operations (including response and recovery services) during the COVID-19 Alert Levels.

The Chief Executive expanded verbally on the business paper advising that this business paper buildings on the report made to the Audit Risk and Financial Committee on 5 May 2020 in respect to the provision of Essential Services during the Lockdown. The Chief Executive also informed Council that during the Covid-19 restrictions, there were a number learnings made regarding levels of service which would be considered in developing the 2021-2031 10 Year Plan.

Resolution

- 1 The business paper on Provision of Council Services and Operations during COVID-19 be received.
- 2 Council expressed a vote of thanks to the Chief Executive and his Team in the exemplary effort made to provide business continuity during the Covid-19 Levels 4 and 3.

Goddard/New Carried

18. Vibrant Safe Waitomo – Recovery Response

Council considered a business paper providing a brief on a proposal under consideration by the Vibrant Safe Waitomo Regional Coalition to temporarily change its focus to recovery in response to the Covid-19 Pandemic.

The General Manager – Community Services expanded verbally on the business paper and answered members' questions.

The Chief Executive reiterated that the use of Vibrant Safe Waitomo to expedite the recovery phase of Covid-19 has many benefits and efficiencies to the Waitomo District in that it is already in existence, it has a local focus and is ready to provide a joined up response plan.

Resolution

- 1 The business paper on Vibrant Safe Waitomo – Recovery Response be received.
- 2 Council support the proposal under consideration by the Vibrant Safe Waitomo Regional Coalition to temporarily change its focus to recovery in response to the COVID-19 Pandemic.

New/Smith Carried

19. Adoption of Road Map Work Programme for the period May 2020 to June 2021

Council considered a business paper presenting for consideration and adoption, the Road Map Work Programme, revised as a result of the known implications of Covid-19.

The Chief Executive informed Council that as a result of the interruptions to the work plan caused by Covid-19, further revisions of timelines will likely be required.

Councillor Goddard suggested that as part of the Community Development Fund Policy review scheduled in the Road Map, that Council consider a temporary change of focus to recovery when considering the Policy Review.

Resolution

- 1 The business paper on Adoption of Road Map Work Programme for the period May 2020 to June 2021 be received.
- 2 The Road Map Work Programme for the period May 2020 to June 2021 (Doc A465704) be adopted.

New/Goddard Carried

The meeting adjourned at 12.20pm and reconvened at 12.31pm.

20. Adoption of Exceptions Annual Plan 2020/2021

Council considered a business paper –

- a) Presenting the draft Exceptions Annual Plan 2020/21 for Council's consideration and adoption as per Section 95 of the Local Government Act 2002; and
- b) Setting the rates for the 2020/21 financial year pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002 (LGRA 2002).

The Chief Executive expanded verbally on the business paper reiterating that the business paper and draft Exceptions Annual Plan as presented is the result of the work undertaken by the Council since November 2019.

Council worked through the business paper and draft Exceptions Annual Plan on a page by page basis considering matters as they were raised.

The meeting adjourned at 2.00pm and reconvened at 2.15pm

MOTION

- 1 The business paper on Adoption of Exceptions Annual Plan 2020/21 be received.
- 2 Council adopt the Exceptions Annual Plan 2020/21 document.
- 3 The Chief Executive be authorised to make any final editorial amendments to the Exceptions Annual Plan 2020-21 document and any changes directed by the Council at this meeting.
- 4 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges and instalment due dates for the 2020/21 financial year commencing 1 July 2020 and ending on 30 June 2021 as follows: (as per business paper)

Whitaker/Brodie

ALTERNATIVE MOTION

- 1 The business paper on Adoption of Exceptions Annual Plan 2020/21 be received.
- 2 The Chief Executive be instructed to amend the draft Exceptions Annual Plan 2020/21 as follows:
 - Remove from Investment Income the forecast of a dividend from Inframax Construction Limited.
 - Amend the proposed salaries/wages budget from an increase over current year to no increase over current year
 - Remove the budget line item of \$190,000 with respect to Business Continuity Plans.
- 3 The Chief Executive be instructed to present a revised draft Exceptions Annual Plan 2020/21 requiring a rate take that achieves a total rate requirement of \$20,534M.

Robertson/

ALTERNATIVE MOTION LOST – No seconder

AMENDMENT TO ORIGINAL MOTION

- 1 The business paper on Adoption of Exceptions Annual Plan 2020/21 be received.
- 2 Council adopt the Exceptions Annual Plan 2020/21 document subject to removal of the budgeted \$400,000 dividend income from Inframax Construction Ltd
- 3 The Mayor and Chief Executive be authorised to make any final editorial amendments to the Exceptions Annual Plan 2020-21 document and any changes directed by the Council at this meeting.
- 4 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges and instalment due dates for the 2020/21 financial year commencing 1 July 2020 and ending on 30 June 2021 as follows: (as per business paper)

Whitaker/Brodie Carried

MOTION CARRIED

Resolution

- 1 The business paper on Adoption of Exceptions Annual Plan 2020/21 be received.
- 2 Council adopt the Exceptions Annual Plan 2020/21 document subject to removal of the budgeted \$400,000 dividend income from Inframax Construction Ltd
- 3 The Mayor and Chief Executive be authorised to make any final editorial amendments to the Exceptions Annual Plan 2020-21 document and any changes directed by the Council at this meeting.
- 4 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges and instalment due dates for the 2020/21 financial year commencing 1 July 2020 and ending on 30 June 2021 as follows:

1. GENERAL RATE

A General Rate set under section 13 of the Local Government (Rating) Act 2002 (LGRA) made on every rating unit across the District, assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The General Rate will contribute to the funding of:

- Governance: Leadership and Investments
- Leased Reserves
- Other Land and Buildings
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Aerodrome
- Public Amenities
- Parks & Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Community Support
- District Development
- Emergency Management
- Compliance
- Waste Minimisation
- Resource Management

Requirement in 2020/21 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.17435	6,072

2. UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District, set under Section 15(1)(b) of the LGRA. The UAGC will contribute to the funding of:

- Governance: Leadership and Investments
- Parks and Reserves
- District Libraries
- Aquatic Centre
- Arts, Culture and Heritage
- Other Land and Buildings
- Public Amenities
- Leased Reserves
- Elderly Persons Housing
- Community Halls
- Cemeteries
- Aerodrome
- Community Support
- Emergency Management
- Compliance
- Resource Management
- Waste Minimisation
- Subsidised Roothing

Requirement in 2020/21 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the district	\$718	4,092

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

3 TARGETED RATES

Targeted Rates are set on categories of land defined by some factor, such as geographic location or provision of service. The titles of 'Targeted Rate' (TR) and 'Targeted Fixed Rate' (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Targeted Services TFR, Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, Te Kuiti Urban Stormwater TFR and targeted rate, and the Marokopa Community Centre TFR.

The following location definitions for the respective rating areas will apply:

Te Kuiti Urban	All rating units situated within the Te Kuiti Urban Ward (Refer to Revenue and
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Rating Area	Financing Policy for further details)
Te Kuiti Urban and Periphery Rating Area	All rating units situated within a 5km radius, all around, from the Information Centre (deemed to be the centre of town), in Te Kuiti. (Refer to Revenue and Financing Policy for further details)
Rural Rating Area	All rating units situated within the Rural Ward (Refer to Revenue and Financing Policy for further details)
Piopio Township	All rating units connected or with the ability to connect to the Piopio Sewerage System (Refer to Revenue and Financing Policy for further details)
Piopio Wider Benefit Rating Area	All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIP's connected or with the ability to connect to the Piopio Sewerage System) that are deemed to indirectly benefit from the Piopio Sewerage reticulation network. (Refer to Revenue and Financing Policy for further details)
Marokopa Community Centre Rating Area	Any separately used or inhabited part of a rating unit within the defined Marokopa Community Centre area (as contained in the Revenue & Financing Policy)

3.1 Targeted Services TFR

A Targeted Services TFR set under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the District, differentiated by rating areas, to part fund the Unsubsidised Roothing Activity and part fund the Aquatic Centre Activity. The rating areas for the purpose of assessing the Targeted Services TFR will be the Te Kuiti Urban and Periphery Rating Area and Rating Units in the District not in the Te Kuiti Urban and Periphery Rating area.

Requirement in 2020/21 (incl. GST)

Targeted Services (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti Urban and Periphery Rating Area	\$141	337
Rating Units in the District not in the Te Kuiti Urban and Periphery Rating Area	\$34	112

3.2 Piopio Retirement Village Contribution TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Inc. through the remission of service charges.

Requirement in 2020/21 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$24	18

3.3 Rural Stormwater TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2020/21 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$11	39

3.4 Te Kuiti Urban Stormwater TFR and Targeted Rate.

- (i) Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the Te Kuiti Urban Rating Area to partly fund the Urban Stormwater Activity.
- (ii) Council set a Targeted Rate under section 16 of the Local Government (Rating) Act 2002 to partly fund the Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2020/21 (incl. GST)

Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$167	303

Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.03480	161

3.5 Marokopa Community Centre TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 assessed per separately used or inhabited part of a rating unit within the defined Marokopa Community Centre Rating Area.

Requirement in 2020/21 (incl. GST)

Marokopa Community Centre (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Marokopa Community Centre Rating Area	\$22	5

3.6 Water Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 for Water Supply differentiated on the basis of supply area. The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti / Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2020/21 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$664	\$332	1,405
Piopio	\$916	\$458	231
Maniaiti / Benneydale	\$916	\$458	111
Mokau	\$916	\$458	204

3.7 Extraordinary Water Supply Rate

Council set a TR under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area, for

any rating unit situated in Te Kuiti, Piopio, Maniaiti / Benneydale or Mokau that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw). The rates are:

Requirement in 2020/21 (incl. GST)

Water Supply Rate (TR)	2020/21 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$2.77
Piopio	\$3.03
Maniaiti / Benneydale	\$3.34
Mokau	\$4.44
Total Revenue Requirement (\$000)	1,026

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti /Benneydale	Jul – Dec 2020 Jan – Jun 2021	15 th of the month following invoice

3.8 District Wide Benefit Rate for Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the water supply activities.

Requirement in 2020/21 (incl. GST)

District Wide Benefit Rate for Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$46	217

3.9 Sewerage Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the District, with liability calculated based on whether the SUIP is connected to the sewerage network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2020/21 (incl. GST)

Sewerage (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Maniaiti / Benneydale	\$894	\$447	101
Te Waitere	\$894	\$447	15
Te Kuiti	\$894	\$447	1,527
Piopio	\$894	\$447	194

3.10 Sewerage rates for non-residential properties in Te Kuiti

For all non-residential properties in Te Kuiti, Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per SUIP set on a differential basis based on the following Categories

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Base Charge:

Requirement in 2020/21 (incl. GST)

Non- Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$447	\$447	93
Category 2	\$447	\$447	20
Category 3	\$894	\$447	16

Pan Charge:

Requirement in 2020/21 (incl. GST)

Non- Residential Targeted Rate (TFR)	Number of pans	Charge per pan (Pan Charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$626	64
Category 2	5-10 Pans	\$268	3
	Over 10 Pans	\$179	22
Category 3	5th pan and over	\$626	38

3.11 Trade Waste Contribution TFR

Council set a Trade Waste Contribution TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network.

Requirement in 2020/21 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$37	176

3.12 District Wide Benefit Rate for Sewerage

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the sewerage activities.

Requirement in 2020/21 (incl. GST)

District Wide Benefit Rate for Sewerage (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$49	232

3.13 District Rooding Rate

Council set a District Rooding targeted rate under section 16 of the Local Government (Rating) Act 2002 as a rate per \$100 of capital value on every rating unit across the District to part fund Subsidised Rooding (part of Roads and Footpaths Activity).

Requirement in 2020/21 (incl. GST)

District Rooding Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
All rating units in the District	0.16553	5,765

3.14 Solid Waste Collection Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2020/21 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$61	124
Waitomo	\$67	45
Piopio	\$135	32
Mokau	\$141	44

3.15 Solid Waste Management Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit District wide to part fund the activity of Solid Waste Management.

Requirement in 2020/21 (incl. GST)

Solid Waste Management (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$131	742

3.16 District Development Rate

Council set a District Development Targeted Rate under section 16 of the Local Government (Rating) Act 2002 as a rate per \$100 of capital value differentiated between Commercial and Industrial Businesses, and Rural Businesses, to part fund Economic Development, Visitor Information Centre, District and Regional Promotion and Event Co-ordination activities.

Requirement in 2020/21 (incl. GST)

District Development Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Commercial and Industrial Businesses	0.05077	198
Rural Businesses	0.00889	198

4 RATES PAYMENTS

Rates will be payable in four equal instalments with the due dates for payments being:

1st Instalment	31 August 2020 (Monday)
2nd Instalment	30 November 2020 (Monday)
3rd Instalment	26 February 2021 (Friday)
4th instalment	31 May 2021 (Monday)

Note

The due date for payment of each instalment is the last working day in each of the months specified above. Rates payments will be allocated to the oldest debt first.

5. RATES REMISSIONS AND POSTPONEMENTS

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and LGRA (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations, Organisations Providing Care for the Elderly, Clubs and Societies, Council Properties, Maori Freehold Land, Penalties, Rates and/or penalties following a Rating Sale or Abandoned Land Sale, New Residential Subdivisions, Financial Hardship, Land Affected by Natural Calamity and New Businesses. The estimated value of these remissions is \$383,500 for the 2020/21 year.

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

6. PENALTIES

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 4 percent (4%) on any part of Instalment 1 that has been assessed for the financial year commencing 1 July 2020 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty date below:

Instalment 1 3 September 2020

- (b) A penalty charge of 10 percent (10%) on any part of Instalment 2, Instalment 3 or Instalment 4 that has been assessed for the financial year commencing 1 July 2020 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 2 3 December 2020
Instalment 3 3 March 2021
Instalment 4 3 June 2021

- (c) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2020 that remains unpaid on 1 January 2021, to be added on 7 January 2021.
- (d) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

Whitaker/Brodie Carried

Mayor Robertson voted against the resolution and requested his opposition be noted in the Minutes.

21. Motion to Exclude the Public

Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the Manager – Governance Support and General Manager – Business Support having relevant knowledge, remain in attendance to assist Council with its decision making.
- 3 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 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. Waikato Local Authority Shared Services Ltd – Draft Statement of Intent for 2020/21	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)
2. Inframax Construction Ltd – Draft Statement of Intent for Year Ending 30 June 2021	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(d)

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 or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.

Robertson/Smith Carried

The Chief Executive and Information Technology Administrator left the meeting at 3.28pm.

22. Consideration of Public Excluded Items for the purpose of making information Public following Council’s decision taking

Resolution

Following consideration and decision taking of items of business with the public excluded, Council agreed that the following information be made public:

1. Waikato Local Authority Shared Services Ltd – Draft Statement of Intent for 2020/21

Council’s Resolution only be made public as follows:

Resolution

- 1 *The business paper on draft Statement of Intent be received.*
- 2 *The draft Statement of Intent for the year ending 30 June 2021, be received.*

Confidential Confidential

Confidential Confidential

Confidential

Document No: A473996

Report To: Council



Meeting Date: 30 June 2020

Subject: Local Government New Zealand – 2020 Annual General Meeting: Remits

Purpose of Report

- 1.1 The purpose of this business paper is to -
- (a) Inform Council of the process for submitting remits for consideration at the 2020 Local Government New Zealand (LGNZ) Annual General Meeting (AGM) as a result of the Covid-19 pandemic.
 - (b) To formalise Council's responses to remits proposed by Waikato District Council and Hamilton City Council.
 - (c) To consider all of the remits received and approved by LGNZ for consideration at the 2020 LGNZ AGM.

Commentary

2.1 LGNZ REMIT POLICY

- 2.2 Proposed remits, other than those relating to the internal governance and constitution of LGNZ, should address only major strategic "issues of the moment". They should have a national focus articulating a major interest or concern at the national political level.
- 2.3 LGNZ's Remits Screening Policy includes the criteria that remits must have formal support from at least one Zone or Sector Group meeting, or five councils, prior to their being submitted, in order for the proposer to assess support and clarity of the proposal.

2.4 LGNZ REMIT PROCESS

- 2.5 Normally, LGNZ calls for remits in late March with a closing date in late May to enable any remits proposed by a council to be considered at a Zone and/or Sector meeting to gain the required support prior to being lodged with LGNZ. LGNZ then screens the received remits and those that are accepted are then published prior to the LGNZ AGM which is usually convened in July each year. It is rare for individual councils to make remits directly to LGNZ.
- 2.6 Due to the criteria of the Remits Screening Policy, remit issues are predominantly raised by individual councils at Zone and/or Sector Group Meetings, and if supported, are taken forward by that Zone or Sector Group.
- 2.7 The 2020 LGNZ AGM scheduled for July 2020 was postponed and the LGNZ Annual Conference cancelled due to Covid-19. The AGM has now been re-scheduled to be convened in Wellington on Friday 21 August 2020.

2.8 Due to the Covid-19 Level 4 Lockdown and Level 3 restrictions, there has been no opportunity for councils to refer remits to a Zone or Sector Group meeting to gain the necessary support. Therefore councils with remits have lobbied other councils to gain the required support.

2.9 ZONE 2 REMITS

2.10 Council received remits from Waikato District Council and Hamilton City Council seeking support. These remits were circulated to Council via email seeking feedback to enable Council's support or opposition to the proposed remits to be provided within the required timeline. The shortened timeline as a result of Covid-19 did not allow Council to consider these remits formally prior to the submission deadline.

2.11 The remits received from Waikato District Council and Hamilton City Council were:

Waikato District Council	Meeting Quorums - Remote (audio/visual) attendees
Hamilton City Council	1 GST on Rates
	2 CE Remuneration
	3 Four Year Terms
	4 Affordable Housing

2.12 The feedback received via email from Councillors is summarised as follows:

Remit	Robertson	Whitaker	New	Marshall	Goddard	Brodie	Smith
Quorum when attending remotely	Support	Support	Support	Support	Support	Support	Support
GST on Rates	Neutral	Neutral	Neutral	Neutral	Neutral	Oppose	Oppose
CE Remuneration	Oppose	Oppose	Oppose	Oppose	Oppose	Oppose	Oppose
Four Year Terms	Neutral	Support	Oppose	Support	Support	Support	Support
Affordable Housing	Neutral	Support	Neutral	Support	Neutral	Support	Support

1	<p>Quorums</p> <p>It enables the opportunity, but leaves it for each Council to take it up or not. Seems reasonable as we have an option and that may be useful in the future.</p>
2	<p>GST on Rates</p> <p>On GST and lengthening terms, I am neutral. Happy to go either way if Councillors feel strongly. These have been around for years, and Government is not going to do anything about them based on local government remits, as they both have much larger implications. The Productivity Commission report on Local Government funding commented on the GST issue, but did not carry this through.</p> <p>GST on Rates, has been discussed previously but not sure to what level. I suspect all GST revenue is well allocated and the future funding of the COVID largesse will require even more funds going into Govt. coffers. Oppose</p> <p>Neutral -as I don't believe it would ever get support from Central Government especially now.</p> <p>Won't happen as too complicated and no attempt to do anything other than a universal charging system has succeeded</p>
3	<p>CE Remuneration</p> <p>I have real concerns about HCC proposed remit on the setting of remuneration packages of CE's by an independent Wellington authority, and have earlier today</p>

	<p>expressed these to the region's Mayors. Two (Toby and Sandra) so far have come back also opposing this one, so I do not expect it to get support in the region. I recommend we oppose this. It would take away one of the key roles of the governance team at a Council – that of setting CE remuneration packages, and turn it into a difficult bureaucratic process. To me it also begins a slippery slope – next step is a Wellington authority getting involved in the appointment process.</p> <p>CE Remuneration, is a bit 'left field' and I think it should stay there. Oppose.</p> <p>The Council needs control of this.</p>
4	<p>Four Year Terms</p> <p>On GST and lengthening terms, I am neutral.</p> <p>Four Year terms, is worth exploring further but does have complications with Plan cycles. Support.</p>
5	<p>Affordable Housing</p> <p>On the housing uplift in value and taxing this, this is not relevant to Waitomo and most rural and provincial areas – I recommend we let City Councils and the unusual ones like Queenstown argue the case, and just remain neutral ourselves.</p> <p>Is worth closer investigation as that could unearth other options that hadn't previously been considered. Support</p> <p>Support - on the condition it only enables Councils to impose if they want to.</p>

2.13 On the basis of the above feedback, Waikato District Council was informed that Council supports its remit to enable members attending meetings remotely to count for quorum purposes.

2.14 Hamilton City Council was advised that Council supports and opposes it proposed remits as follows:

GST on Rates	Neutral (do not believe LG lobbying will make a difference)
CE Remuneration	Oppose
Four Year Terms	Support
Affordable Housing	Support (on the condition it only enables and does not impose)

2.15 As a result of the support and feedback Hamilton City Council received to its Affordable Housing remit, they joined with Christchurch City Council to prepare a final draft, broadening the remit. This final draft, as well as calling for inclusionary zoning, calls for a working group to be formed on affordable housing, comprising councils, LGNZ, iwi, Central Government, community housing providers, etc. and for a National Policy Statement on affordable housing to be developed. The final draft also confirms (as requested through the feedback provided) that inclusionary zoning would be an option only for councils' and not compulsory and therefore addresses the concern raised by Council.

2.16 2020 LGNZ REMITS

2.17 LGNZ has now distributed the eleven (11) remits received and approved for consideration at the 2020 LGNZ AGM.

2.18 The Zone 2 remits are included, with the exception of Hamilton City Council's Chief Executive Remuneration remit which did not gain the required support. Copies of the remits are attached to and form part of this business paper as follows:

- 1 Public Transport Support
- 2 Housing Affordability
- 3 Returning GST on rates for councils to spend on infrastructure
- 4 Natural hazards and climate change adaptation
- 5 Annual regional balance of transfers

- 6 Local Government electoral cycle
- 7 Water bottling
- 8 Quorum when attending local authority meetings
- 9 Use of macrons by local authorities
- 10 Rates rebates for low income property owners
- 11 Local Government's CO2 emissions

Recommendation

3.1 It is recommended that Council resolve its support/opposition to the remits so that the Mayor and Chief Executive can vote accordingly at the LGNZ AGM.

Suggested Resolutions

- 1 The business paper on Local Government New Zealand – 2020 Annual General Meeting: Remits be received.
- 2 Council support/oppose remits to be considered at the Local Government New Zealand Annual General meeting as follows:

Remit	Support / Oppose	Comments
1 Public Transport Support		
2 Housing Affordability	Support	Supported on the basis it is optional and not compulsory
3 Returning GST on rates for councils to spend on infrastructure	Neutral	WDC does not believe Local Government lobbying will make a difference
4 Natural hazards and climate change adaptation		
5 Annual regional balance of transfers		
6 Local Government electoral cycle	Support	
7 Water bottling		
8 Quorum when attending local authority meetings	Support	
9 Use of macrons by local authorities		
10 Rates rebates for low income property owners		
11 Local Government's CO2 emissions		

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Attachments: 2020 LGNZ Remits

Who's
putting local
issues on
the national
agenda?

**We are.
LGNZ.**

Te Kāhui Kaunihera o Aotearoa.

2020 Annual General Meeting

Remits

1

Public transport support

Remit:	That LGNZ: <ul style="list-style-type: none"> • Acknowledges the Government for its recognition during COVID-19 of public transport as an essential service; • Acknowledges the strong financial support provided by the Government through Waka Kotahi NZTA during the COVID-19 Alert Levels, that enabled councils to continue to provide public transport for people providing essential services and transport for the public to receive essential services up to 30 June 2020; • Recognises that councils will continue to be under significant financial pressure to maintain the viability of public transport under current FAR rate settings for many months during the recovery phase from COVID-19; and • Calls on the Government to work with councils to maintain the financial viability of public transport during the recovery phase of COVID-19.
Proposed by:	Greater Wellington Regional Council
Supported by:	LGNZ Regional Sector

Background information and research

1. Nature of the issue

The Remit is important as an acknowledgement to the Government from the Local Government sector for the strong support for public transport during the response to the COVID-19 pandemic emergency, and to reinforce the need for ongoing support during recovery from COVID-19 to ensure the financial viability of public transport in councils across New Zealand.

The Remit meets the tests for acceptance of a proposed Remit to the LGNZ AGM in that it addresses a major strategic “issue of the moment”, and it has a national focus articulating a major interest and concern at the national political level.

2. Background to its being raised

This Remit gives deserved acknowledgement to the Government for its strong support of public transport during the response phase to the COVID-19 pandemic emergency. We know from experience in China that recovery of patronage on public transport has been slow following the passing of the worst of COVID-19. The recovery phase from COVID-19 in New Zealand may take many months, and even years, based on current projections.

The Government through Waka Kotahi NZ Transport Agency (NZTA) required and funded the delivery of public transport (as an essential service) throughout the Alert Levels.

NZTA has also funded:

- The shortfall in revenue for bus, ferry and train operations;
- The additional costs that resulted from COVID-19 such as cleaning, stickers and advertising collateral; and
- The Total Mobility Service receiving a full subsidy for a taxi service up to \$80 /trip until the end of June.

As at 11 June, we do not know what financial support will be available from the Government through NZTA for public transport beyond financial year 2020/2021. This Remit is calling for the Government to continue to work in partnership with councils to ensure the ongoing viability of public transport in the regions, cities, towns and communities across New Zealand.

3. New or confirming existing policy

This issue is not currently covered by existing LGNZ policy.

It is new policy, in so far as it relates to COVID-19 and the associated ongoing financial viability of public transport. One possible tool could be an increase in the appropriate Financial Assistance Rate (FAR) during the Recovery Phase from COVID-19.

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

The issue directly relates to Issue “1. Infrastructure and Funding” of LGNZ’s “The six big issues for New Zealand councils, Our work, Our policy priorities”:

<https://www.lgnz.co.nz/our-work/ourpolicy-priorities/the-six-big-issues/>

This also indirectly relates to LGNZ’s social priorities, as it is vital that public transport continues to be available to those in our communities who rely on it.

5. What work or action on the issue has been done and what was the outcome

Because of the speed by which the pandemic has become an issue, no work has been undertaken on this issue by either LGNZ or the proposer. Current government support has primarily been concerned with the need to sustain public transport through the immediate response or emergency phase. This Remit is concerned with the sustainability of public transport during the recovery and rebuild phase's post-COVID-19.

6. Any existing relevant legislation, policy or practice

- Land Transport Management Act 2003 , no 118 (as at 22 October 2019):
<http://www.legislation.govt.nz/act/public/2003/0118/77.0/DLM226230.html>
- Draft Government Policy Statement on Land Transport, 2021/22 – 30/31 including Outcome “Inclusive Access” (which includes “access to work, education and healthcare”), and Outcome “Resilience and security” (which includes “recovering effectively from disruptive events”):
<https://www.transport.govt.nz/multimodal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>
- National Action Plan 3 “Unite Against COVID-19”, as of 23 April 2020, National Crisis Management Centre:
<https://uniteforrecovery.govt.nz/assets/resources/legislation-and-key-documents/COVID19-National-Action-Plan-3-as-of-22-April-extended.pdf>

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

Zone and Sector Meetings have not been held during COVID-19 Alert Levels.

8. Suggested course of action envisaged

That the President of LGNZ write to the Minister of Transport and the Minister of Local Government, to convey the Remit and seek a meeting with the Ministers to discuss a joint work programme between the Government and councils (through LGNZ) on policy to maintain the financial viability of public transport during the recovery phase of COVID-19.

2

Housing affordability

- Remit:** *That Local Government New Zealand (LGNZ):*
- *Calls on the Government to introduce legislation that would fully enable councils to address housing affordability in their communities through a range of value uplift and capture tools, one such tool being 'inclusionary zoning';*
 - *Seeks to establish a working group on affordable housing, comprising of relevant/affected councils, central government (MHUD, Kāinga Ora, MSD), iwi, and the community housing sector; and*
 - *Advocates to central government for an affordable housing National Policy Statement to be developed.*
- Proposed by:** Hamilton City Council and Christchurch City Council
- Supported by:** Tauranga City Council; Tasman District Council; Waipa District Council; South Waikato District Council; and Waitomo District Council

Background information and research

1. Nature of the issue

Many towns and cities in New Zealand are grappling with how to provide more affordable housing – dwellings that are affordable to buy or rent for households on low to median incomes with secure tenure.

A more joined-up response is necessary. This remit therefore calls for:

- A working group on affordable housing be established, comprising of relevant/affected councils, LGNZ, central government (MHUD, Kāinga Ora, MSD), iwi and the community housing sector; and
- LGNZ to advocate to central government for an affordable housing National Policy Statement to be developed.

The remit also covers one specific proposal: inclusionary zoning.

Councils need more tools to enable them to respond to housing needs in their communities. One such tool is inclusionary zoning that seeks land or financial contributions from developers being vested to nominated housing land trusts.

While this is not commonplace in New Zealand currently, it is widespread in other major housing hotspots around the world including in parts of the United Kingdom, Australia and the United States.

The term inclusionary zoning refers to district plan rules that require a portion of new land development to be retained as affordable housing for people on low-to-moderate incomes. The theory of inclusionary zoning is that when land is up-zoned (for example, from rural to residential), it creates a significant uplift in value, and the community should share in the benefit of that uplift. This value uplift is enabled through council planning processes, including but not limited to private plan changes, granting of resource consents or council-initiated district plan rezoning under the Resource Management Act (RMA) process.

As an example of inclusionary zoning, a council's district plan could require that land developers provide 5 per cent of titled sections from up-zoned land or on a specific unit threshold of consented residential development, or the equivalent monetary value, to a community housing trust. This land would then be retained on behalf of the community in perpetuity and used for affordable housing.

It is critical that government reinstate the ability to secure financial contributions as one of the options for local government funding for securing and providing a basis for a monetary contribution. This remit supports the Resource Legislation Amendment Act 2017 (RLAA) and its proposal to repeal the current provisions which stop the ability to secure contributions after April 2022.

An early form of inclusionary zoning was central to the early success of the Queenstown Lakes Community Housing Trust (QLCHT), enabling it to grow its housing stock significantly since it was established in 2007. Inclusionary zoning was a key tool for the Queenstown Lakes District Council (QLDC), utilised primarily for the period from 2006 through to 2013, ensuring that the Council could negotiate the inclusion of affordable housing through the planning process.

Although QLDC's first inclusionary zoning plan change was settled in July 2013, Queenstown was subject to legal challenges in the Environment Court, High Court and Court of Appeal by some land developers during the period 2009-2013 on its plan change to add a set of objectives, policies and rules into its district plan. The settlement forced the Council to make its inclusionary zoning provisions a matter of assessment, rather than rule-based and mandatory, reducing the effectiveness of these provisions in addressing the District's severe housing affordability issues. Today these provisions represent an inclusionary zoning opportunity that was not completely realised, having achieved only piecemeal and limited further contributions, facilitated through non-mandatory schemes and with limited certainty going forward.

Because of continuing acute housing affordability issues, the QLDC intends notifying new inclusionary zoning provisions in the next stage of its district plan review and is anticipating the same legal challenges and likely lengthy and costly appeals process.

The housing affordability challenge is wide ranging and complex. Inclusionary zoning is not the sole answer. However, it is a vital tool in enabling councils to secure a longer-term supply of land or funds in partnership with registered housing trusts and that legislation is needed to ensure inclusionary zoning can be applied consistently across the regions and minimise the risk of legal challenge.

For the avoidance of doubt, this remit proposes that councils have the clear legal opportunity in legislation to pursue inclusionary zoning. It would not be mandatory.

2. Background to its being raised

The Queenstown Lakes Community Housing Trust

In 2007, QLDC recognised a serious lack of affordable housing in its district and acted by forming the QLCHT. The trust is an independent, not-for-profit, community-owned organisation that maintains a strong relationship with the Council, with a shared goal of creating decent, secure housing for the community. The consensus to establish the QLCHT and develop planning tools to deliver affordable housing were two of 34 action items set out in the 2005 'Housing Our People in our Environment' strategy, a significant milestone of council commitment to address its housing issues with local leadership, and central government participation and investment.

The Trust operates across the housing continuum. As at June 2019, it had assisted 130 households into their assisted ownership programmes, ten into rent-to-buy schemes and 34 into affordable rental properties. The Trust has over 600 households on its waiting list and has set the goal of providing 1,000 homes over the next ten years. This goal was reaffirmed through the October 2017 Mayoral Housing Affordability Task Force report.

QLDC negotiated its first inclusionary zoning agreement with a developer over 15 years ago. This resulted in a cash payment of over \$5 million, which enabled the trust to buy a large piece of land and build its first development in an affordable subdivision of Queenstown. Since then, subsequent agreements with developers have delivered residential land valued at over \$12 million to the Trust, with some further cash contributions.

This remit suggests that the approach taken by QLDC has been one of the few effective approaches in the country in capturing and retaining value uplift for delivery as affordable housing.

Proposed National Policy Statement on Urban Development 2019 (NPS-UD)

Although the proposed NPS-UD looks at providing for intensification and a range of housing typologies, density and variety to support housing capacity assessments, the policies are not generally focused on housing affordability, despite this being an essential part of providing for peoples wellbeing in the proposed Objective O2 of this NPS.

Establishment of the Waikato Community Lands Trust

A housing stocktake, carried out by the Waikato Regional Housing Initiative in 2018, found that Hamilton was the third least affordable house market in New Zealand, with a median house price of 6.8 times the average household income. Three times the median income is considered affordable.

In 2019, Hamilton City Council approved the establishment of the Waikato Community Lands Trust to help address housing affordability – a community owned trust with the purpose of holding land in perpetuity to provide access to affordable housing for the benefit of the community (like the QLCHT model). Hamilton City Council also committed an initial \$2 million to the Trust as a seed funding for purchasing land. However, for the trust to grow its capacity and build a sustainable, long-term model going forward, inclusionary zoning provisions will be needed.

Other councils

While we understand that other councils are interested in exploring the use of inclusionary zoning, few have the appetite for the risks of legal challenge through the Environment Court, High Court, and Court of Appeal that QLDC faced. However, if there were an acceptable pathway that councils could follow to enable their implementation of a local housing strategy, founded on a robust needs assessment, which allowed inclusionary zoning as one of their tools, many are likely to consider such a path. The lack of enablement to local government was raised as the primary barrier to wider uptake at the 25 February LGNZ Housing Symposium.

Challenges to implementing inclusionary zoning

At present, councils that introduce inclusionary zoning provisions into their district plan open themselves up to legal challenge. The risk of lengthy and expensive legal challenges is a key barrier to councils adopting inclusionary zoning as a housing affordability lever.

The risk of legal challenge can be seen from the Queenstown example. In 2010, the QLDC inclusionary zoning requirements were challenged in the Environment Court. The outcome of the initial legal challenge was favourable for the Council and housing trust. The Court decided that the inclusionary zoning provisions were allowed under the RMA because they were a way for the Council to 'mitigate' the impacts of its policy to protect the area's unique landscape by constraining land use (which is critical for tourism and economic development in the area but puts pressure on land prices).

Appeals to the High Court and Court of Appeal by a small set of developer appellants during the period 2009-2013 on its plan change to add a set of objectives, policies and rules into its district plan were focused only on whether affordable housing was an RMA matter. The successive rulings in council's favour affirmed that in the specific case of QLDC's tourism-based economy focused on protecting the outstanding natural landscapes of the district, housing affordability was in fact a matter within scope of resource management, and therefore, application of district plan provisions. However, the substantive case of whether the specific rules and implementation provisions were correct was never heard by any Court.

Therefore, a cloud remains as to whether the specific mandatory tools designed by QLDC for implementation through a local housing trust would comply with the RMA. The settlement forced the Council to make its inclusionary zoning provisions a matter of assessment, rather than rule-based and mandatory, reducing the effectiveness of these provisions in addressing the District's severe housing affordability issues.

QLDC is currently considering further provisions for delivery of affordable housing through its District Plan Review. Clear legal authority from central government to enable councils to address affordable housing would assist both QLDC, Hamilton City Council, and likely any Council around New Zealand which has the local mandate to develop and implement its local housing plan.

3. New or confirming existing policy

This is a new policy.

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

Affordable and healthy housing are key ingredients to promoting wellbeing in local communities. LGNZ has recognised housing affordability as a key issue and its National Council agreed that housing should be a 2018 priority topic. As part of its Housing 2030 Project workstream, LGNZ currently has two separate working groups – the Supply Working Group and Social and Community Housing Working Group.

5. What work or action on the issue has been done and what was the outcome

Community Housing Aotearoa (CHA) has outlined in its submissions to central government on the Urban Development Bill the need for councils to have clear enabling authority to implement tools locally such as inclusionary zoning. The reason CHA supports this approach is that it supports local strategies between councils and community housing providers across the country to combine local land value uplift with investment through philanthropic channels, blended with central government investment (such as the Income Related Rent Subsidy for social housing or Progressive Homeownership fund) to deliver locally-relevant housing solutions. CHA will continue to work with councils and Local Government New Zealand on the enabling approach to see this tool work for councils that choose to utilise it.

6. Any existing relevant legislation, policy or practice

The RMA enables district plans to explore inclusionary zoning policies to a limited degree but only if councils retain the ability to seek and secure financial contributions. However, without a legislated mandate for affordable housing and in the absence of legislation like the Housing Accord and Special Housing Areas Act (2013) (HASHAA) which is now rescinded, this still comes with uncertainty and relies on individual councils making a strong demonstrable evidence-based case for its own housing need and has a risk of legal challenge.

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

Not possible in the revised timeframes.

8. Suggested course of action envisaged

We assume that, by August's LGNZ AGM, it will be too late to alter the proposed NPS-UD, although it may be possible to make changes at the time of any subsequent amendment. Instead, the remit calls for LGNZ to advocate for there to be a National Policy Statement specifically focused on affordable housing.

This remit also encourages a working group be formed, comprising of relevant/affected Councils, central Government (MHUD, Kāinga Ora, MSD), iwi, and the community housing sector. The group would work on the inclusionary zoning proposals set out in this remit, and work in partnership on other means of addressing the affordable housing challenge, leading to the delivery of the proposed National Policy Statement.

3

Returning GST on rates for councils to spend on infrastructure

- Remit:** That Local Government New Zealand (LGNZ) request that the Government use the appropriate mechanisms to enable the 15 per cent Goods and Services Tax (GST) charged on rates be returned to councils to spend on local or regional infrastructure projects.
- Proposed by:** Hamilton City Council and New Plymouth District Council
- Supported by:** Auckland Council; Christchurch City Council; Tauranga City Council; Nelson City Council; Tasman District Council; Gisborne District Council; Waipa District Council; Waikato District Council; and South Waikato District Council

Background information and research

1. Nature of the issue

Whereas GST is not applied on the vast majority of other taxes, it is applied on rates. This causes hundreds of millions of dollars per year to leave the area in which they were generated and go to central government, whilst driving up rates.

One option, of course, would be not to levy this 'tax on a tax'. The option proposed in this remit is that LGNZ negotiate with central Government for this sum to be returned to councils for them to spend directly on local or regional infrastructure. This option has been proposed by – amongst others – respected economist Shamubeel Eaqub.

As well as, we believe, being a fairer and more rational system, this would provide much needed support to councils, whilst ensuring the money is ringfenced to be spent on infrastructure projects of local, regional and national benefit, thus helping to address New Zealand's longstanding infrastructure challenge.

2. Background to its being raised

In 2017, a remit from Gisborne District Council proposing that a proportion of all GST be returned to the region in which it was generated, for councils to use on servicing visitor infrastructure was supported at LGNZ's Annual Conference, although subsequent discussions with the Government did not prove fruitful.

Three years on, with pressure on local government greater than ever following the COVID-19 outbreak, we think the time is right to raise a similar issue. This remit has also been developed noting that the need for investment in New Zealand's infrastructure, particularly in its three waters infrastructure, is ever clearer.

3. New or confirming existing policy

The proposed remit would be consistent with LGNZ's position, as voted through at Annual Conference in 2017, that some GST should be returned to the local or regional level. However, the exact focus of this remit is different.

The issue around GST was also raised by LGNZ in its February 2015 Funding Review discussion paper, as well as in their submission to the New Zealand Productivity Commission's Local Government Funding and Financing Inquiry that commenced in July 2018.

Hamilton City Council also raised the issue of investigating use of various financing tools that are linked to the growth and development in a council's administrative area in its submission to the Productivity Commission's Local Government Funding and Financing Inquiry. The submission noted that "this could involve councils receiving a set portion of the Government's GST 'take' from their administrative area, or alternatively, a set amount of the total 'spend' in a council's administrative area that is captured as an additional levy to the current GST component, potentially in the form of an increase to the GST rate. Such funding streams should be dedicated to core infrastructure maintenance and enhancement".

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

The remit is broadly consistent with existing LGNZ policy, but with a slightly different focus.

5. What work or action on the issue has been done and what was the outcome

No formal work undertaken.

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

Not possible in the revised timeframes.

4

Natural hazards and climate change adaptation

- Remit:** That central government undertakes, in collaboration with all of local government, a comprehensive review of the current law relating to natural hazards and climate change adaptation along New Zealand's coastlines, and coordinates the development of a coastline strategy for the whole of New Zealand which would cover: the roles and responsibilities of territorial authorities, regional councils and central government; greater direction on an integrated approach; and development of principles for “who pays”.
- Proposed by:** Hauraki District Council
- Supported by:** Hawke’s Bay Regional Council, Thames-Coromandel District Council; Napier City Council; Hastings District Council; and Northland Regional Council.

Background information and research

1. Nature of the issue

Central government has provided guidance to local government on how to apply a risk-based adaptive approach to planning for climate change in coastal communities. Many councils are now following this guidance and working with their communities using adaptive planning approaches. As these councils look ahead to how adaptive approaches can be implemented, they are encountering limitations in existing legislation and a lack of guidance from central government on the legalities and practicalities of doing so.

Councils report difficulty in determining their respective roles (territorial and regional) and who should do what in the area of managing the risks of natural hazards arising from climate change. Furthermore, they note that there is a lack of direction over who pays for what and who owns/maintains/is liable for any assets that may be required.

Councils also have many unanswered questions around how a managed retreat option should be implemented. For example, where managed retreat is identified as a preferred adaptation option, how should this be undertaken, by who, where should costs fall, whether compensation is payable and if so by whom?

Furthermore, councils see difficulties in how adaptive approaches can be implemented through statutory documents such as District and Long Term Plans, especially as councils are being asked to plan at least 100 years into the future using adaptive approaches which may require rapid implementation (eg in response to a ‘trigger’ event). This combination of long timeframes, deep uncertainty, and potentially rapid action is not well provided for by these documents.

2. Background to its being raised

Beginning in 2014, Hawke's Bay councils (Napier City Council; Hastings District Council; and Hawke's Bay Regional Council) and tangata whenua partnered to develop a Coastal Hazards Strategy that was ultimately the first project of its type to follow the approaches set out in the Ministry for the Environment's coastal hazards guidance (the Guidance). The councils and tangata whenua are now working on the implementation phase of the strategy.

Hauraki District Council are working with Waikato Regional Council, Waikato District Council and Iwi to prepare a community plan (Wharekawa Coast 2120) for the western Firth of Thames area, using a similar approach to the Hawke's Bay Coastal Strategy, and following the Guidance. Hauraki District Council is aware of other work of this nature being undertaken in the Waikato region by Thames-Coromandel and Waikato District Councils, in the Wellington region, and scoping is underway for work in the Northland region.

All of these projects recognise the importance of regional and territorial authorities working collaboratively with their communities to respond to increasing natural hazard risks in coastal areas, due to climate change. These projects are at different stages of development, but eventually will all be facing the same implementation issues.

3. New or confirming existing policy

This remit is a new policy.

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

This remit raises issues around how local government can practically implement approaches and responses to natural hazards risks in coastal areas developed under the Guidance. These issues are related to LGNZ's policy priorities: Climate Change and Environment (Natural Hazards). In particular, the topics of community resilience and climate future fit, as well as LGNZ's climate change project.

5. What work or action on the issue has been done and what was the outcome

The Ministry for the Environment recently published a case study on challenges with implementing the Hawke's Bay Coastal Strategy. This case study highlights many of the issues identified by this remit and provides more detailed analysis.

The Wharekawa Coast 2120 Joint Working Party (comprising elected members and iwi representatives) recently considered a paper on project implementation funding issues. Discussions regarding this information, and other papers reviewing Deep South Science Challenge research, prompted the preparation of this remit.

Also of relevance to the issues raised by this remit is the Productivity Commission's recent local government funding and financing inquiry.

6. Any existing relevant legislation, policy or practice

The following legislation is considered relevant to the remit: Resource Management Act 1991 and New Zealand Coastal Policy Statement 2010, Local Government Act 2002, Public Works Act 1981, and Building Act 2004.

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

This has not been discussed at zone or sector meetings to date.

8. Suggested course of action envisaged

LGNZ works with central government to prepare a nationwide coastal strategy that provides further direction on an integrated approach to climate change adaptation issues including:

- a. The roles and responsibilities of territorial and regional councils;
- b. How managed retreat should be implemented including funding arrangements and whether compensation is payable and if so by whom;
- c. A protocol for considering how costs for adaptation actions should be allocated both between local government itself (territorial and regional councils), between local and central government, and between public and private beneficiaries;
- d. How adaptive planning approaches should be implemented, for example by providing better linkages between LGA and RMA processes or by potentially new natural hazard risk management and climate change adaptation-specific legislation; and
- e. How councils could be supported to implement appropriate restrictive zoning behind defensive measures to respond to 'moral hazard' issues.

5

Annual regional balance of transfers

Remit:	That LGNZ work with Treasury, Statistics New Zealand and other government agencies to develop an annual regional balance of transfers to show how much each region contributes in taxes and how much each region receives in government funding.
Proposed by:	New Plymouth District Council
Supported by:	Thames-Coromandel District Council; South Taranaki District Council; Hastings District Council; Rangitikei District Council; and Rotorua Lakes Council.

Background information and research

1. Nature of the issue

Regional New Zealand often questions whether the government returns more or less to the region than it receives in tax and other revenue sources. This remit proposes that LGNZ work with relevant government agencies – particularly Treasury and Statistics New Zealand – to develop an annual publication of a regional balance of transfers outlining the inwards and outwards flow of money between the region and the government.

As with many regions, Taranaki has perceived that it has received low investment from government compared to the amount of tax paid by the region. Various attempts have been made to provide an estimate of the gap, however obtaining regional financial information from government agencies has proved difficult. Many agencies cannot provide breakdowns of expenditure and collection of revenue is difficult to obtain at a regional level.

A regional balance of transfers would provide transparency for all of New Zealand and promote more open democracy where inclusiveness and accountability is strengthened. It would enable better performance measurement and the assessment of outputs in a community against that of other regions and New Zealand.

2. Background to its being raised

Attempts to get a clear picture of a regional balance of transfers – identifying what is paid to and received from central government – have been unsuccessful. There is great inconsistency in reporting and data collection between government agencies and a general unwillingness to be open and transparent in what is spent in regions.

Official Information Act requests often generate responses such as “our information is not structured in such a way that would enable the questions to be answered”.

It is recognised that a full set of actual data may not be able to be provided and assumptions will need to be made in some situations, such as when making “overhead allocations” to the regions for national costs of government.

In recent years there has been a greater focus on measuring the performance of local authorities but not of the performance of central government. A regional balance of transfers would be one factor to help measure equity and the performance of government.

A balance of transfers would also go a long way to build trust in government through transparency and accountability of where public money is spent and where it has come from and in decision-making. This data would also be able to be used by government ministers to help monitor the performance and of their portfolios in an open and consistent manner.

According to Treasury, an objective of the Government “is to continually improve public confidence in the tax system and Inland Revenue. The system should help people meet their obligations, be fair, and inspire confidence. The Government is committed to raising revenue in ways that meet these objectives”. It is believed that the gathering and reporting of a regional balance of transfers would greatly assist government in this aim.

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

This remit is related to the LGNZ and New Zealand Initiative work on localism whereby this data would help ensure that power and authority flows up from citizens and communities, not down from the government.

LGNZ has led the way in the assessment of council performance through the successful CouncilMARK™ programme that provides qualitative assessment of council performance across a wide range of facets. This remit would help LGNZ to do the same for our communities when considering central government performance and equity.

This remit would also contribute to LGNZs six big issues for New Zealand councils – particularly infrastructure and funding, social and economic.

4. What work or action on the issue has been done and what was the outcome

Attempts have been made to gather the required information from government agencies to create a regional balance of transfers. This has been unsuccessful as the data is apparently not gathered.

5. Any existing relevant legislation, policy or practice

The remit seeks LGNZ to work with Treasury, Statistics New Zealand and other government agencies to develop a regional balance of transfers to show how much each region contributes in taxes and how much each region receives in government funding. To be successful, this would require directives to all government agencies to gather data and give it to either Treasury or Statistics New Zealand to compile and report on.

6. Suggested course of action envisaged

This remit suggests that LGNZ work with Treasury, Statistics New Zealand and other government agencies to develop an annual regional balance of transfers that show how much each region contributes in taxes and how much each region receives in government funding. This is likely to require government Ministers to give such a directive.

6

Local Government electoral cycle

Remit:	That the local government electoral cycle be extended from three to four years.
Proposed by:	Northland Regional Council; Rotorua Lakes Council; Whanganui District Council; and Hamilton City Council.
Supported by:	Hastings District Council; Palmerston North City Council; Napier City Council; Manawatū District Council, South Taranaki District Council, Rangitīkei District Council

Background information and research

1. Nature of the issue

The election cycle, or term of office, refers to the number of years an elected representative serves between local government elections. In New Zealand, the length of the term of office of a local government elected representative is three years. At a meeting of Northland Regional Council on 18 February 2020, it was agreed to seek formal support for this remit from Zone One as a pre-requisite for proposing at the LGNZ 2020 AGM.

2. Background to its being raised

Northland Regional Council's remit background

Advocates for extending the election cycle to four years would say that a longer electoral term:

- Promotes longer term thinking and decision-making by councillors. An example of this would be a longer electoral cycle would encourage councillors to lengthen their investment horizon when making financial investment decisions;
- Allows for more time to implement a local government vision by extending the productive working time of a council and reducing councillor turnover;
- Gives more time for new councillors to learn and conduct their duties thereby increasing councils' overall productivity as councillors spend more time governing and less time campaigning;
- Reduces voter fatigue and in turn may result in increased voter turnout;
- Reduces the administration costs of setting up and inducting a new council thereby increasing operational efficiency – particularly of governance staff;

- Provides more opportunity to direct energy and provide certainty for longer term planning and more significant activities such as large capital projects;
- More stable decision-making framework for council through greater opportunity for long term planning;
- Enables implementation of longer term council policies within a single term of office;
- Less pressure on new councillors to get up to speed;
- Longer terms have the potential to be more conducive to stable governance; and
- Provides cost savings by reducing the number of elections. The cost of the last election was approximately \$180,000 – a four year cycle would save this complete amount each third electoral cycle.

Opponents would say that:

- A longer electoral term is a barrier to participation as potential councillors must make a longer commitment to their term in office;
- There is additional expense to educate the public of the change as New Zealanders are very accustomed to three year electoral cycles for both local and national government;
- The shorter term enforces more accountability on elected representatives who face getting voted out if they don't perform as expected;
- Elected representatives must engage more frequently with constituents as they seek to stay top of mind for the next election;
- A longer term may be seen by some as reducing accountability as the community must wait a year longer to judge their council's performance through the voting process; and
- A longer time between elections gives voters less opportunity to express their opinions on the performance of their elected officials.

Extending the local government electoral cycle from three to four years would result in local government and central government elections being held in the same year once every three years. If this was considered to be an issue, then the central government electoral cycle could also be extended to four years. Similar advantages and disadvantages to the change would apply.

Rotorua Lakes Council remit background

By international standards, New Zealand's three- year electoral cycle is short. Far more jurisdictions have a four-year term for central government and in most cases, the length of term of office of local government will be the same as that of their central government.

Madden (2013, July 16) notes that "New Zealand is the only liberal democratic country with a unicameral system and a three-year term. Other unicameral democracies with proportional electoral systems – such as Israel, Sweden, Norway, Denmark and Finland, have four year terms."

Boston et al. (2019) state “For decades, numerous politicians, civic leaders and academics have supported extending the term of Parliament to four years. It has been argued that a modest extension of this nature would enhance the capacity for governments to undertake thoroughgoing policy reforms in a more careful, considered, evidence-informed manner...”

The members of the Constitutional Advisory Panel (2013, November) found that while a reasonable proportion of people supported a longer term, others felt that “elections are the best means for voters to hold government to account and should not be made less frequent.”

Those in favour of a four-year term provided the following reasons for their support:

- The ability to take more time to develop and implement policy could result in the public having better information about the intention of policy, to weigh the pros and cons and see results.
- The three-year term was seen as reducing certainty as policies are perceived to change every three years.
- Conversations regularly highlighted that any extension to the term of Parliament would need to be counter-balanced by mechanisms to improve law-making and accountability.

An Australian report (Bennett, 2000) promoting four-year terms for the House of Representatives provided a list of benefits that supporters for a four-year term claim.

Those of relevance to New Zealand Central and Local government include:

- Longer terms would encourage governments to introduce policies that were long-term rather than merely politically expedient.
- Longer terms would enhance business confidence.
- Over time money would be saved by having fewer elections.
- Australians dislike the frequency they are required to vote.
- Longer periods between elections would raise the standard of political debate.

Boston et al. (2019) note that any reforms to the electoral cycle would require public endorsement via a referendum and that the main political challenge would be convincing the public of the desirability of change. They also point to the two referenda held in New Zealand in 1967 and 1990 on increasing the parliamentary term, which were both heavily defeated. The Constitutional Advisory Panel (2013, November).

While achieving public support for change would be a challenge, another commentator (Singh, S., 2019) notes that the composition of New Zealand has changed dramatically since the two referenda. He points out that New Zealand’s migrant population has significantly increased and that “to many...who have lived overseas and seen a five-year parliamentary term, the idea of a three-year cycle, is an intriguing deviation from an experience they have understood as normal.”

While the case for changing the electoral cycle for central government may be stronger, discussion by elected members in local government in New Zealand supports a change to a four-year term for local government also. Their comment is included below.

- The new norm is that there is an expectation that central and local government will work together in partnership. The current three-year electoral cycle is unbalanced. In addition, generally seven out of every ten years is an election year for either local or central government. This is disruptive and short-term political decision-making results.
- In local government, a longer electoral cycle would enable new councillors to be better educated and informed on long term, infrastructure and financial planning. Currently the importance of the Long Term Plan window (ten years) is not well understood in the sector.
- Short-term political decision-making by local government results in uncertainty and a lack of investor confidence. This is also detrimental to the new partnership approach that councils are seeking to develop with their local investors and stakeholders.

Dr Mike Reid notes that for a four-year term for local government to be acceptable to New Zealand citizens, there must be an adequate accountability framework to protect communities. He notes that if local government was to move to a four-year term, there must be a way for citizens to call a new election should the governing body become inoperable. An accountability framework could include a recall provision which would, on the basis of a petition signed by a sufficient number of residents, force a new election, as argued for in the LGNZ manifesto in 2017.

7

Water bottling

Remit:	That LGNZ works with the Government to: <ol style="list-style-type: none"> 1. Place a moratorium on applications to take and/or use water for water bottling or bulk export; 2. Require and enable regional councils to review inactive water bottling consents, with a view to withdrawal of the consent and discourage consent 'banking'; 3. Undertake an holistic assessment of the potential effects of the current industry, its future growth and the legislative settings that enable Councils to effectively manage those effects; and 4. Initiate a comprehensive nationwide discussion on the issue of water bottling and implement any changes to legislation and policy settings as required.
Proposed by:	Queenstown-Lakes District Council
Supported by:	Greater Wellington Regional Council; Tauranga City Council; Thames-Coromandel District Council; Upper Hutt City Council; and Waitaki District Council.

Background information and research

1. Nature of the issue

The water-bottling industry in New Zealand is young and relatively unregulated. A comprehensive review of legislation and policy needs to be developed in order to fully understand and address its potential effects on community wellbeing and resilience.

The sustainability of water bottling and its associated implications for global plastic waste, local property rights and Māori freshwater rights need to be considered. The effects of climate change on groundwater systems are not yet well understood. Further research is required.

The implications of 'banking' water-bottling consents needs to be fully explored. The amount of water bottled reaches 157.8 million litres annually (as at January 2018), however there are consents available to extract 71.575 million litres of water per day for both bottled water and for mixed uses. The consequences of rapid uptake and growth in the industry are unknown, but could artificially raise land values and make access to water unaffordable.

Therefore, where water is unlikely to be bottled, consents should be available to be reviewed, or in the case of mixed-use consents, water bottling removed as a purpose of the water take.

It is timely to reconsider legislation and policy, given many catchments are nearing their allocation limits and the National Policy Statement for Freshwater Management is under development.

It is important to note that the intent of this remit is not to impact existing water-bottling operations, nor to make judgements on the merits or otherwise of the industry. The focus of this remit is on obtaining a comprehensive understanding of the industry, its potential for growth, the range of externalities such growth may cause and the policy and legislative settings required to address this.

2. Background to its being raised

The Industry

Large-scale water bottling is a relatively new industry in New Zealand. As a result, there is no clear policy governing the use of water for bottling, and the industry is not specifically regulated. Managing the effects of the industry requires the alignment of a range of interdependent policies and legislative tools that determine who can access water, for what purpose and under what conditions. A review is required to understand how best to co-ordinate these tools.

The value proposition of water bottling has resulted in the 'banking' and sale of water bottling consents, raising the value of land and effectively creating an unregulated market for water. This can lead to confusion between these outcomes and s122(1) RMA which states that a resource consent is neither real nor personal property. This issue is exacerbated by increasing demand for water, the fact that many catchments are at or approaching full allocation, and the extent to which some regional plans enable existing water consents to be varied to enable water bottling. As the future utilisation of water will become increasingly competed for, understanding what our communities' priorities for this resource are must be fully debated and understood.

Any review needs to also consider the value and reliance placed on consents by owners and operators, and the impact on established property rights, which will need to be addressed.

Overseas Interests

Since 2013, New Zealand Trade & Enterprise (NZTE) has invested in eight water bottling companies through its Focus 700 Group programme, to support the growth of water exports. Although NZTE no longer encourages the sale of NZ's water, it does facilitate the sale of land for the holders of water permits. It is worth noting that certain provisions of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) make it unclear whether NZ drinking water suppliers can be prioritised to ensure NZ communities will always have access to affordable clean drinking water.

Under the OIA foreign investment in NZ's water cannot be managed effectively as water is not defined as a 'sensitive' asset. Treasury has confirmed that our existing free trade agreements do not allow the creation of new classes of sensitive assets.

Therefore, foreign investment in water bottling can only be limited where the water is to be extracted from sensitive land and only if the 'good character' or 'benefit to NZ' tests are not met.

In 2018 Land Information New Zealand (LINZ) Minister Eugenie Sage was unable to decline Cresswell NZ's application to purchase of sensitive land for a water bottling plant. She stated that the provisions of the Overseas Investment Act prevented her declining the application. Subsequently, the government has proposed amendments to the OIA6 that (if enacted) will allow applications involving the extraction of water for bottling to be declined if they are likely to result in a negative impact on water quality or sustainability.

Community Sentiment and Maori Cultural Values

New Zealand has demonstrated community concern in relation to water bottling in recent years, presenting petitions and participating in protests on a number occasions.

On the matter of water export and Maori cultural values, Ngati Awa has appealed the Environment Court Decision arguing that the application is "for too much water to be sold too far away" (at [35]). Their position is that in these circumstances te mauri o te wai and their tangata whenua right to act as kaitiaki of the water are lost.

Waste and Plastic

On the matter of plastic production, it is unclear under which vehicle this can be managed. In the Minority Judgement of the Environment Court against Cresswell NZ (10 December 2019), Commissioner David Kernohan found (at [346]) that "the pollution created from the production and specifically end use disposal of plastic water bottles does not meet the objectives and policies of the RMA". However, the Majority of the Court found that the end uses of the water which involved putting the water in plastic bottles were found to be "ancillary activities which are not controlled under the Regional Plan" and that there had been "no suggestion that control of such activities comes within the ambit of the functions of the regional council under s30RMA" (at[64]).

Impact on Local Government

The effects of the water bottling industry on local councils, as water suppliers and as the owners of transport networks, may be significant and there are a number of examples of this being the case. However, their ability to submit and appeal may be limited by notification provisions.

There are currently three appeals before the High Court. These challenge applications for consent in Belfast and Otakiri and deal with questions related to the allocation of water for water bottling including the ability to consider the effects of plastic bottle production as an end-use of water, the effects of water export on te mauri o te wai and kaitiaki rights under Te Tiriti and the correct process for changing the purpose of a water take.

A levy on water bottling is a response to perceived issues of fairness but this policy could itself have unintended consequences if implemented in isolation and without an assessment of the kind proposed by this remit.

QLDC is therefore proposing comprehensive policy and legislation based on consultation with councils and the community.

3. New or confirming existing policy

This Remit represents a new policy position for LGNZ and for central government.

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

This remit could accelerate the debate on water allocation and highlight any issues within the RMA and/or the NPS-FM. This could significantly influence the existing LGNZ programme of work in relation to strategic and policy advice to Central Government.

The results may feed into Stage 2 of the reform of the RMA as well as LGNZ's Water 2050 project which could lead to changes that ensure communities are resilient in the face of climatic changes that will impact productive land and water bodies, including sources of drinking water.

The following matters may be raised in delivery of the current work programme in relation to this remit:

Resource Management Act

- Adding consideration of the effects of plastic production to the RMA as a Part 2 matter of national importance.
- Adding effects on Climate Change to the RMA as a Part 2 matter of national importance.
- Greater use of regional councils' powers under s30 RMA to allocate water amongst competing activities with a view to:
 - Zoning water and controlling its use in the same way land use is controlled.
 - Using water allocation as a tool to incentivise resilience and sustainable outcomes.
 - Protecting our deep, clean aquifer water for domestic and community supply.
- Reviewing the provisions governing the variation and transferability of water permits and the effects of those on consent holders' rights as well as the possibility for unregulated water markets.

National Policy Statement on Freshwater Management Development

- Redefining 'efficient allocation' in the draft NPS-FM and regional plans so that when councils are deciding "how to improve and maximise the efficient allocation of water" and identifying in "methods to encourage the efficient use of water"¹² within regional plans, it is clear they are seeking to not only maximise jobs and minimise 'waste', but also to maximise the wider economic, social, cultural, environmental and health benefits of water allocation.
- Re-wording Policy 4 of the draft NPS-FM and the policies for implementing integrated management of land and freshwater (at 3.4 (1) to (4))¹³. The proposed approach is one directional, considering only the effects of land use on fresh water. Rewording these policies may lead to more efficient and sustainable allocation of water.

5. What work or action on the issue has been done and what was the outcome

QLDC wrote to Minister Parker in February requesting a moratorium on new and existing water bottling consents. This was written in support of an initial proposal by Upper Hutt City Council.

6. Any existing relevant legislation, policy or practice

Existing legislation, policy and practice reflects a complex landscape where far greater alignment is required if effective regulation and understanding is to be achieved.

There is some concern that a levy implemented in isolation may not address the issues that communities and local councils will be faced with if the industry grows. Concerns have also been raised that a levy may incentivise or prioritise the grant of water bottling consents as a result of the revenue stream that would be created.

Section 30 RMA 14 provides regional councils with the power to add rules to their plans to allocate water amongst competing activities, in much the same way as district councils can zone land and prioritise, discourage, prohibit or otherwise control different land uses. This power has not been exercised to any great extent to date. Regional Councils have preferred to allocate water on a 'first complete application, first assessed' basis in line with case law, and to grant consent as long as the water 'take' is sustainable and the purpose reflects efficient use. However, in theory, regional councils could undertake a broader assessment of the effects of using water for bottling, and then either prioritise, discourage or prohibit water bottling (across whole catchments or for specified water bodies or depths).

Christchurch's ground water zones are by and large fully allocated and new applications to take water are prohibited. Consent holders have been applying to Environment Canterbury to vary existing industrial and irrigation consents to enable water bottling. There is no ability to use s127 due to the activity being outside the scope of the original applications.

The process being used to vary the consents involves the grant of a new 'use' consent. Whether this process is lawful under the RMA and the Canterbury Land and Water Regional Plan, will be determined by the Court. This highlights the difficulty for planners implementing resource management provisions that are unclear and inadequate in terms of managing the allocation of water in fully allocated catchments. Three consents have been varied in this way and a fourth is being processed.

Plan changes of this nature would come at significant cost to the ratepayer and could not be implemented quickly. Signalling such a plan change might trigger a wave of applications. Therefore, and given that this is an issue that will affect all councils (albeit in different ways), the best way forward is likely to be a moratorium on new consents followed by a review or discussion covering the matters set out below. Any significant policy changes could be required to be implemented via Schedule 1 and an amendment to the NPS-FM, but only if a clear problem is identified and only after consultation with LGNZ and Councils.

The Overseas Investment Amendment Bill (No 3) also references water bottling and this is now with the Select Committee Finance and Expenditure (submissions closing 31 August 2020). Currently the Amendment Bill reads that if overseas investment in sensitive land involves the extraction of water for bottling or other extraction in bulk for human consumption, then an additional factor of the benefit to NZ test would be whether the overseas investment is likely to result in a negative impact on water quality or sustainability. If enacted this would not apply to all investments in water bottling plants by overseas interests.

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

Not considered by a Zone or sector meeting.

8. Suggested course of action envisaged

That LGNZ works with the Government to:

- Place a moratorium on applications to take and/or use water for water bottling or bulk export;
- Require and enable regional councils to review inactive water bottling consents, with a view to withdrawal of the consent and discourage consent 'banking';
- Undertake a holistic assessment of the potential effects of the current industry, its future growth and the legislative settings that enable Councils to effectively manage those effects.
- Initiate a comprehensive nationwide discussion on the issue of water bottling and implement any changes to legislation and policy settings as required.



Quorum when attending local authority meetings

Remit: That LGNZ requests central government amend legislation to enable elected or appointed members, connecting remotely to a public council meeting, be included in the quorum. This would provide an option for local authority meetings to be held completely remotely, if required.

Proposed by: Waikato District Council

Supported by: Hamilton City Council; Hauraki District Council; Thames-Coromandel District Council; Taupō District Council; Ōtorohanga District Council; South Waikato District Council; Waipa District Council; and Waitomo District Council.

Background information and research

1. Nature of the issue

Prior to the COVID-19 pandemic, legislation required that members had to be physically present at a meeting to be included in the quorum. Under the LGNZ template Standing Orders, members attending by audio or audio-visual means can participate and vote on matters presented at meetings.

To enable public meetings to continue during COVID-19, the COVID-19 Response (Urgent Management Measures) Legislation Act 2020 (the COVID-19 Act) amended sections of the Local Government Act 2002 (LGA) and Local Government Official Information and Meetings Act 1987.

These amendments included:

- Local authority or committee members who join a meeting by audio or audio-visual means were counted for the purpose of a quorum.
- Open public meetings to be livestreams, where reasonably practicable to do so.
- Provide either an audio or video recording, or written summary, of the open public meetings on the local authority's website as soon as practicable after the meeting.

For many councils, this has provided an opportunity to adopt an innovative approach to hold public meetings, resulting in benefits for local government democratic processes, financial and resource efficiencies and environmental improvements (detailed further below).

This remit requests that the legislative amendments introduced for COVID-19 are retained (beyond the term of the Epidemic Preparedness (COVID-19) Notice 2020) as an option for local authorities to adopt via their Standing Orders.

For clarity, the remit:

- Contemplates that:
 - Members attending meetings by audio or audio-visual link are still entitled to participate and vote on agenda items; and
 - Requests to attend a meeting by audio or audio visual link should still be made to the Chairperson, for his/her approval, prior to the meeting, as detailed in the LGNZ template Standing Orders;
- Does not propose that meetings where a quorum (or more) of members attends remotely become the only or dominant means to hold local authority meetings; simply that this is retained as an option for each council to consider using via its Standing Orders; and
- Supports the retention of the COVID-19 LGOIMA amendments to protect transparency and public access to local authority meetings.

2. Background to its being raised

The LGA was amended in 2014 to enable members to join a meeting by audio or audio-visual link, subject to certain procedural requirements being met and the local authority's Standing Orders permitting such remote attendance. However, only members physically present are to be counted toward the meeting's quorum. For council meetings, this requires:

- Half of the members to be physically present (if the number of members, including vacancies, is even); or
- A majority of members to be physically present if the number of members (including vacancies) is odd.

The COVID-19 Act was enacted in response to the restrictions imposed on the New Zealand population, including travel prohibition and social distancing. The COVID-19 Act's amendments to the LGA and LGOIMA (noted above) meant public meetings could be undertaken entirely by remote means (ie audio or audio-visual), subject to certain requirements to protect public access and transparency of local authority meetings. In particular, all members of a local authority or committee could attend remotely and be included in the quorum for a meeting (rather than having to be physically present at a specified meeting venue). These legislative amendments will be repealed on the expiry or revocation of the Epidemic Preparedness (COVID-19) Notice 20201.

The remit's proposal is made in a climate of uncertainty about the long-term impacts of the global pandemic, including financially for communities and councils alike, as well as the opportunities and flexibility that the legislative amendments have brought for local authorities and their respective communities in relation to public meetings.

3. New or confirming existing policy

This remit supports LGNZ's existing policy framework around local democracy and the environment, in particular. No new policy work is required.

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

The remit supports some of LGNZ's key policy priorities:

Local democracy

- Remote meetings help with LGNZ's goals of reinvigorating local democracy and modernising local government legislation.
- Wider public access to local authority and committee meetings, with potential of a significant increase in members of the public able to view livestreamed coverage compared to travelling to attend a meeting. This is a particular benefit for local authorities with large geographic boundaries or that have a significant rural resident population.
- The wider reach of livestreamed meetings also enhances community engagement and understanding of local government, which may have a positive effect on voter participation at local authority elections.
- The public still being able to participate in open public meetings, if required, via audio-visual tools available.
- Supporting more diversity in representation as this would facilitate people who are unable to travel or be present in person because of workload, family commitments, disability or other factors.

Climate change

- Enabling members and communities to adapt towards a low carbon economy through reduction in travel.

5. What work or action on the issue has been done and what was the outcome

With the advance of COVID-19 Act changes, local authorities have been required to implement, and benefitted from, innovative ways to continue holding public meetings while maintaining the public's access to local government decision-making. This has been able to be achieved at minimal cost to local authorities, which may not otherwise be in a position to put in place more high-tech options for live-streaming of meetings from council offices. As a result, for some councils, returning to a requirement for a quorum to be physically present at all meetings will be a 'step backwards'.

In addition to the advantages already canvassed, providing an option for local authorities to have a quorum (or more) of members attending meetings remotely has resulted in:

- More efficient use of members' time (eg reduction in travel required) for their other roles and responsibilities; and
- Reduced operating costs associated with holding public meetings at council premises.

6. Any existing relevant legislation, policy or practice

The current, temporary legislative framework that has enabled greater utilisation of remote meetings has been noted above. The remit proposes that the legislative amendments to the LGA and LGOIMA are embedded permanently, with each council having the option of incorporating this framework in its Standing Orders (similar to that contemplated under clause 25A(1)(a), Schedule 7, LGA).

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

The issues in this remit have been discussed at the Waikato Mayoral Forum.

8. Suggested course of action envisaged

LGNZ is to:

- Work with central government and relevant stakeholders to advocate for legislative changes to the LGA and LGOIMA, enabling a quorum (or more) of members to attend a public local authority meeting remotely; and
- Update the Standing Orders template to reflect the proposed legislative changes, which each local authority can adopt as an alternative option to holding 'in person' meetings.

9

Use of macrons by local authorities

Remit:	That LGNZ work with central government to put in place a simplified process for the addition of macrons to council names if requested by that council or its community.
Proposed by:	Waipa District Council
Supported by:	Zone Two

Background information and research

1. Nature of the issue

Waipā is proposing that LGNZ work with central government to address the issue of the use of macrons by local authorities through legislative or other reform. Local authorities are corporate bodies created by statute under the Local Government Act 2002 (LGA), the legal names are listed in Schedule 2 of the LGA which can only be changed through rather complex legislative processes. Councils are not able to have trading names in the way that companies do, but some councils use a 'trading name' for the name or brand that the council prefers to operate under, which is different from the legal name in the LGA.

This is not uncommon, for instance, Kapiti Coast District Council trades as the Kāpiti Coast District Council, the Rotorua District Council trades as the Rotorua Lakes Council and the Manawatū-Whanganui Regional Council trades as the Horizons Regional Council.

There are some particular situations where Council needs to use its legal names (eg legal proceedings, contracts, invoices, etc) but other than that, it can use a trading name, for example for branding and signage.

2. Background to its being raised

To date, changes to local authority names to include macrons have resulted from applications to the New Zealand Geographic Board, which can alter the name of a district if the local authority consents to (third parties can apply), or requests the alteration. There is no fee for the request but a council will incur costs in preparing an application by undertaking research and preparing evidence to support the application (such as evidence of consultation with local Iwi).

Consideration of applications can take one to two years and involve the Geographic Board undertaking consultation on the matter. Any opposition is referred to the Minister for Land Information for decision. If the application is successful, then there will be a formal change in name for the district and the Government is obligated to instigate an Order in Council process to change the name in Schedule 2 of the LGA.

There are three councils which have gone through this process in the last two-three years. The Manawatū-Whanganui Regional Council applied to change its own name (to include the macron and adding an 'h' in to "Whanganui"). The two other changes for Ōpōtiki and Ōtorohanga District Councils resulted from applications by the Office of Treaty Settlements as part of settlement agreements with local Iwi.

Other councils, including Waipā use macrons but for which there is no macron in the legal name, as follows:

- Kaikōura District Council;
- Kāpiti Coast District Council;
- Rangātīkei District Council;
- Taupō District Council; and
- Whakatāne District Council.

There are other councils which could include macrons but which do not currently use them and for which there is no macron in their legal name. For this reason, Waipā District Council considers that this matter has implications for the local government sector as a whole and that it would not be efficient or cost effective for councils to individually go through the legislative processes to change a name. Perhaps the use of a macron could be managed at a national level through a change for example to the LGA.

3. Suggested course of action envisaged

Based on legal advice from Simpson Grierson, there are five potential options for addressing this issue at a national level as follows:

- Option 1: New Zealand Geographic Board could proactively change the names of districts and regions.
- Option 2: The Minister of Local Government could recommend local authority name changes that involve the addition of the macron (no legislative reform required for either of these options).
- Option 3: Parliament could amend Schedule 2 of the LGA to change all local authority names that should include macrons.
- Option 4: Parliament could amend Schedule 2 of the LGA to change the names of self-elected local authorities who wish to include macrons in their names.
- Option 5: Parliament could insert a new section in the LGA to provide that use of a local authority name, or a district or region name, with the addition of a macron, is lawful and will not invalidate any action.

There are a number of advantages and disadvantages associated with each of these options. It is more appropriate that LGNZ assess the options and any other possible options and explore them further with central government. Waipā District Council passed the following resolution at its meeting on 31 March 2020 in relation to using a macron and in particular to a proposed LGNZ Remit:

That –

- a) The ‘Use of Macron in Local Authorities Names’ report (document number 10374311) of Jennie McFarlane, Legal Counsel be received;
- b) Council adopt a trading name of “Waipā District Council” incorporating the use of a macron to reflect correct pronunciation, which may be used in all circumstances other than when the legal name of Council under the Local Government Act 2002 and other local government legislation is required to be used;
- c) Council approve taking a remit to the next Annual General Meeting of Local Government New Zealand (LGNZ), whenever that is held, requesting that LGNZ work with central government to address the use of macrons and changes to the names of local authorities, through legislative or other reform, in the interests of the local government sector and the wider community, in accordance with the process required by LGNZ for remits;
- d) Council to approve seeking support at the next Zone Two meeting or directly, from other local authorities in New Zealand for the proposed remit as required by the LGNZ remit process; and
- e) Council undertake further consultation with Waikato Tainui.

10

Rates rebates for low income property owners

Remit: That the Government lift the level of rates rebates available for low and fixed income property owners – with yearly increases taking into account the cost for inputs into local government services.

Proposed by: Whanganui District Council

Supported by: Palmerston North City Council; Napier City Council; Manawatū District Council; South Taranaki District Council; and Rangitikei District Council.

Background information and research

1. Nature of the issue

The following issues have been identified:

- (a) The level of rates rebates for low and fixed income property owners as a proportion of rates has gradually reduced for those on low and fixed incomes.
- (b) This level of support has not kept pace with the cost of living and provides significant financial hardship for some members of the community.
- (c) This level of support has not kept pace with the benchmark for council costs and provides significant financial hardship for some members of the community.

2. Background to its being raised

The rates rebate scheme is a partial refund for people who pay rates to their council, providing financial relief for low income residents who own their own home. This is funded by central government through the Department of Internal Affairs. A person who directly pays local authority rates, and meets the household income criteria, is currently eligible for a rates rebate of up to \$640.

In 2006 the rates rebate was significantly increased and over the last decade there have been incremental yearly adjustments, however, these have lagged behind CPI increases. A further small boost to the scheme was introduced in 2019 – lifting the rate from \$630 to \$640 and the income abatement threshold from \$25,180 to \$25,660.

As local authority costs have increased above that of inflation, this has resulted in local authorities either needing to increase rates or reduce existing levels of service. The effect of this is that, over time, the level of rates rebates as a proportion of the total local authority rates has significantly decreased.

This issue is of particular concern for low and fixed income property owners who may be experiencing housing stress, notwithstanding the fact that they may own their own family home mortgage-free (eg superannuitants).

As at 2 March 2020 the Department of Internal Affairs had approved payments for 103,367 applications – a total of \$60,201,285 (GST inclusive).¹

Table 1: Increase in rates rebate, CPI and local authority costs from 2010 to 2020

Year	Max Rebate	% Change	CPI (Stats NZ)	Difference between CPI and Max Rebate increases	Benchmark for local authority costs (Berl)	Difference between local authority costs and Max Rebate increases
2010/11	\$ 570	3.64%	5.35%	-1.72%	2.28%	1.36%
2011/12	\$ 580	1.75%	9.51%	-7.76%	3.05%	-1.30%
2012/13	\$ 590	1.72%	7.23%	-5.51%	1.94%	-0.21%
2013/14	\$ 595	0.85%	1.64%	-0.79%	1.68%	-0.83%
2014/15	\$ 605	1.68%	3.80%	-2.12%	2.09%	-0.41%
2015/16	\$ 610	0.83%	4.28%	-3.45%	1.29%	-0.47%
2016/17	\$ 610	0.00%	1.74%	-1.74%	1.49%	-1.49%
2017/18	\$ 620	1.64%	1.48%	0.16%	1.88%	-0.25%
2018/19	\$ 630	1.61%	1.67%	-0.05%	2.77%	-1.16%
2019/20	\$ 640	1.58%				

3. New or confirming existing policy

This remit would build on existing policy and would require the level of rates rebate to increase, with yearly adjustments taking into account the cost increases for inputs into local government services.

¹ <https://www.stuff.co.nz/national/119883361/productivity-commission-recommends-scrapping-rates-rebate-scheme>
Retrieved 12 March 2020.

The Productivity Commission suggests that: “the rates rebate scheme is poorly targeted and unfair”. It recommends that it be replaced with a national rates postponement programme, or that the scheme at least shift to being online. Local Government Minister Nanaia Mahuta has indicated that the government is carefully considering the recommendations.

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

‘Social’ is one of LGNZ’s five policy priorities. This focuses on disparity, housing issues and ageing communities:

“Social: Working alongside central government and iwi to address social issues and needs in our communities, including an aging population, disparity between social groups, housing (including social housing) supply and quality, and community safety.”

5. What work or action on the issue has been done and what was the outcome

This remit was originally prepared in 2018 and submitted for consideration. The LGNZ Remits Committee reviewed this and referred it instead to officials to raise with the Productivity Commission as part of the review of local government funding.

The Productivity Commission has since recommended that the government remove the rates rebate system and replace it with a national scheme for postponing rates. The Commission considered that central government is in the best position to tackle pressures on low-income households facing high housing pressures and the current scheme is inequitable, as well as administratively ‘cumbersome’ and modest in its approach (amounting to little over \$12 a week).

This has not found favour with many groups – particularly those who advocate for older New Zealanders. For example, the national president of Grey Power has stated that the organisation “absolutely disagreed” with abolishing the scheme. In addition, a local association (Tauranga and Western Bay of Plenty) submission to the Commission recommended a resetting of the maximum rebate to restore it to previous levels and to align this with cost of living increases. This suggested a maximum rebate of \$1,000 – indexed each year by the average rate increase across the country.

6. Any existing relevant legislation, policy or practiceRates Rebate Act 1973

- Provides for a rates rebate on local council rates by a specified amount each year, dependant on income.
- Since 2008 the specified amount has been adjusted each year through Orders in Council.
- 2019/20 – Maximum rebate - \$640.

Accommodation Supplement

- Available for very low incomes.

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

With the relevant Zone meeting postponed, support was sought from councils directly. The following councils endorse this remit:

- Palmerston North City Council;
- Napier City Council;
- Manawatū District Council;
- South Taranaki District Council; and
- Rangitikei District Council.

8. Suggested course of action envisaged

That LGNZ pursue an increase in the rates rebate for low income property owners and that this should match ongoing cost increases for local government.

9. Discussion and conclusion

The affordability of rates is not just a question of the quantum of rates and charges but also the ratio of rates and charges relative to income. The rates rebate scheme was introduced in 1974 and was designed to provide assistance to low income residential ratepayers. Over the longer term the quantum of the rates rebate has generally matched CPI, however, this ignores the fact that local authority core inputs are rising well above those of core inflation. Furthermore, over time the Act has not kept pace with the changing nature of tenure or technology. It is requested that the Government lift the level of rates rebates available for low and fixed income property owners.

11

Local Government's CO2 emissions

Remit:	That the Government implement an independent scheme, based on the United Kingdom model operated by the Department of Business, Energy and Industrial Strategy, to measure and report on carbon emissions at a district level.
Proposed by:	Whanganui District Council
Supported by:	Palmerston North City Council; Napier City Council; South Taranaki District Council; Hastings City Council; and Horizons Regional Council.

Background information and research

1. Nature of the issue

The following issues with the current system have been identified:

- There is no national standard for reporting on carbon emissions at a district or regional level.
- The system lacks incentives, structures and information sharing mechanisms that would enable and encourage local government authorities, regional economic development agencies and individual businesses to:
 - Identify best practice in similar regions; and
 - Undertake targeted work that prioritises the reduction of their CO2 emissions.
- The proposal that large energy users publish Corporate Energy Transition plans as outlined in MBIE's Discussion Document: *Accelerating Renewable Energy and Energy Efficiency*, will only address these concerns to a limited degree.

2. Background to its being raised

New Zealand is committed to both domestic and international climate change progress. As a party to the United Nations Framework Convention on Climate Change (UNFCCC) and the Kyoto Protocol, progress towards meeting our commitments is documented in New Zealand's National Communication and Biennial Reports.

These summarise New Zealand's domestic greenhouse gas emissions profile, climate change policies and measures, our support for developing countries, and progress on implementing our obligations under the UNFCCC. At present, New Zealand is not meeting its international targets and further actions need to be taken.

A feature of our national psyche is the pride New Zealanders place on performing above our weight in the sporting arena. There is significant, untapped potential for the nation's competitive streak to be harnessed in pursuit of fulfilling our climate change mitigation ambitions. Developing and reporting on an externally administered measure of each district's progress in reducing its climate impact in terms of CO2 outputs is one such way of doing this.

3. New or confirming existing policy

The remit may require minor amendment to the Local Government Act to ensure that information that is needed for calculations to be made is required to be produced at specified intervals.

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

This remit directly aligns with LGNZ's 'Environment' policy priority. In particular, it supports the Climate Change Project and is related to Outcome three: "A local government view on emission reduction targets for New Zealand, and how to achieve these."

It assists with the following project deliverable: "Support councils to take action to mitigate the impacts of climate change, and encourage greater action by their communities on contributing to the reduction of greenhouse gas emissions."

5. What work or action on the issue has been done and what was the outcome

No work has been undertaken specifically on this. However, the proposed model recommends use of the United Kingdom's approach, which is administered by the Department of Business, Energy and Industrial Strategy:

<https://www.gov.uk/government/statistics/uk-local-authority-and-regional-carbon-dioxide-emissions-national-statistics-2005-to-2017>

The United Kingdom Greenhouse Gas inventory (GHGI) is compiled annually and reported on an end-user basis using international best practice guidance, drawing on a variety of National Statistics and sector specific data sources.

This is a technically complex statistical analysis which individual local authorities would be unable to replicate, but provides consistent inventories and emissions projections of greenhouse gases and air quality pollutants.

The credibility of the report allows the results to be reported each year to the UNFCCC and the European Monitoring Mechanism Regulation (MMR). It is also used to assess compliance with the United Kingdom's domestic and international emissions.

The model has been used since 2005 and provides: "an important body of information [for] local authorities (LAs) and other relevant organisations to help identify high emitting sources of CO2 and energy intensive sectors, monitor changes in CO2 emissions over time and to help design carbon reduction strategies." (Local and Regional Carbon Dioxide Emissions Estimates for 2005–2017 for the UK Technical Report:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/812146/Local_authority_CO2_technical_report_2017.pdf)

Over the period for which this model has been used, and where figures are currently available (2005-17), emissions have decreased in all regions of, and for all 391 local authorities, in the United Kingdom. A scan of local authorities suggests that performing well on these measures is a key ambition that drives decision-making for many of these bodies.

6. Any existing relevant legislation, policy or practice

- Local Government Act 2002.
- Climate Change Response Act 2002.
- Climate Change Response (Zero Carbon) Amendment Act 2019.

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

With the relevant Zone meeting postponed, support was sought from councils directly. The following councils endorse this remit:

- Palmerston North City Council;
- Napier City Council;
- South Taranaki District Council;
- Hastings District Council; and
- Horizons Regional Council.

8. Suggested course of action envisaged

That a suitable government department be tasked with:

- (a) Analysing and publishing each district's carbon emissions, in order to provide the most reliable and consistent possible breakdown of CO2 emissions across the country; and
- (b) Publishing interactive local authority level emissions maps that allow users to zoom in to any district and see the emissions for the area, as well as identify the significant point sources. Such maps should be possible to filter by different sectors, to view how emissions have changed across the time series so that areas of best practice can be identified.

This system would provide incentives, structures and low cost information sharing mechanisms that would enable and encourage local government authorities, regional economic development agencies and individual businesses to identify best practice in similar regions or businesses. It would also encourage them to undertake targeted work to reduce their CO2 emissions.

9. Discussion and conclusion

This proposal aligns with New Zealand's international commitments, our national direction and LGNZ's work programme in terms of the mitigation of climate change. It is a system that has been shown to have positive benefits in the United Kingdom and leverages existing characteristics of New Zealanders to achieve these collective goals.

Remits not going to AGM

The Remit Screening Committee's role is to ensure that remits referred to the AGM are relevant, significant in nature and require agreement from the membership. In general, proposed remits that are already LGNZ policy, are already on the LGNZ work programme or technical in nature will be referred directly to the National Council for their action. Remits that fail to meet criteria will be declined.

1. Chief Executive remuneration

Remit: That LGNZ works with central government to investigate the potential of a centralised and independent organisation (such as the State Services Commission or the Remuneration Authority) to establish recommended remuneration levels/packages of local government chief executives.

Proposed by: Hamilton City Council

Supported by: Tauranga City Council; Waipa District Council; Tasman District Council; and Napier City Council.

Recommendation: That the remit is referred to the National Council for consideration.

2. Loans for low cost housing

Remit: That the Government provide interest-free loans to support the delivery of new low cost housing by relevant agencies, including councils, and that central government consider any additional mechanisms that would support councils and other relevant community agencies to respond to the housing crisis.

Proposed by: Whanganui District Council

Supported by: Palmerston North City Council; Napier City Council; Manawatū District Council; South Taranaki District Council; and Hastings District Council.

Recommendation: That the remit is declined on the basis that it is largely the same as the social housing remit adopted in 2019.

Document No: A470294

Report To: Council



Meeting Date: 26 May 2020

Subject: North King Country Development Trust – Resignation of Brian Hanna

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to formally receive the resignation of Brian Hanna as a Trustee on the North King Country Development Trust, appointed jointly by the Mayors of the Otorohanga and Taupo District Councils with the support of the Waitomo District Council.

Background

- 2.1 The North King Country Development Trust (the Trust) was established by the Waitomo and Otorohanga District Councils (as Settlor) in 1993 to administer a Trust Fund (resultant of the reforms to the electricity industry) for the benefit of only those residents living within the area over which the former Waitomo Electric Power Board was authorised to supply electricity, and for the purpose of assisting to stimulate economic growth within the North King Country region.
- 2.2 The Trust is overseen by a board consisting a minimum of six trustees who meet on a monthly basis, and each year the Trust makes funding available for the promotion of economic well-being within the region through application for either an interest-free loan or a grant.
- 2.3 The Trust is incorporated as a Board under the Charitable Trusts Act 1957 for the purpose of applying the Trust Fund for or toward charitable purposes and in particular industrial development charitable purposes.
- 2.4 The Settlers of the Trust were the Waitomo and Otorohanga District Councils.
- 2.5 The Trust Deed (Part 2, Clause 1(a)) names the Appointers for the Trust as:
 - (a) The Mayors or Chairman, as appropriate, of the Otorohanga, Waitomo and Taupo District Councils – who may appoint two Trustees,
 - (b) The Maniapoto Maori Trust Board – which may appoint one Trustee,
 - (c) The Waikato Bay of Plenty Branch of the New Zealand Society of Accountants – who may appoint one Trustee
 - (d) The Board of Directors of Waitomo Energy Services Limited (The Lines Company) – which may appoint one Trustee
 - (e) The Hamilton District Law Society – who may appoint one Trustee
- 2.6 Trustees are appointed for a term of four years but are re-eligible for reappointment upon expiry of their term.

Commentary

- 3.1 Historically the Otorohanga, Waitomo and Taupo District Councils' appointees have been either Mayors or Chief Executives from the Councils, but there is nothing within the Trust Deed requiring an appointee to be either an employee or elected member of the Councils.
- 3.2 Prior to the 2019 Triennial Election, the two Trustees appointed by the Councils were Brian Hanna and Max Baxter. Brian Hanna's four year term was due to finish mid-2020.
- 3.3 Council was kept apprised of the Trust's activities at monthly Council Meetings via the "Verbal Reports: Individual Councillor Roles and Responsibilities".
- 3.4 Although the Trust Deed states the Councils Appointers as "The Mayors or Chairman", historically, the elected Council in its entirety has reviewed the appointed Trustees immediately following each Triennial Election as part of the roles and responsibility considerations. This occurred again at the November 2019 meeting following the 2019 Triennial Elections.

3.5 COUNCIL MEETING – 26 NOVEMBER 2019

- 3.6 As Brian Hanna was not re-elected to the Council, at the Council meeting on 26 November 2019, feedback was sought from the Council as follows:
 1. Does the Council wish to replace Brian Hanna as the appointee to the NKCDT as one of the Councils (Waitomo, Otorohanga and Taupo) two Appointees?
 2. If No, then Brian Hanna would need to be approached to ascertain his willingness to remain on the Trust as one of the Councils appointees.
 3. If Yes, does the Council have a preferred replacement Appointee for recommendation to the Otorohanga and Taupo District Councils to replace Brian Hanna?

- 3.7 At that meeting Council resolved:

North King Country Development Trust

- (a) *Council recommend to Otorohanga and Taupo District Councils that Brian Hanna not be replaced as one of the Councils' appointees to the North King Country Development Trust.*
- (b) *Brian Hanna be approached to ascertain his willingness to remain on the Trust for the balance of the current four year term as one of the Councils' appointees.*
- (c) *An approach be made to Otorohanga and Taupo District Councils to support the appointment.*

3.8 COUNCIL MEETING – 25 FEBRUARY 2020

- 3.9 At the Council meeting on 25 February 2020, Council was informed that Brian Hanna had been approached regarding Council's preference that he continue on as a Council representative on the NKCDT until the end of his current term (which was to finish mid 2020), subject to approval from Otorohanga and Taupo District Councils, and that Brian had confirmed that he was willing to do so.

3.10 OTOROHANGA AND TAUPO DISTRICT COUNCILS SUPPORT

3.11 On 2 March 2020, confirmation was received from both Mayor Max Baxter and Mayor David Trewavas, both fully supporting Brian Hanna remaining as a Trustee appointed by the Councils jointly.

3.12 The Mayor and Councillors were advised of this support by way of email on 2 March 2020.

3.13 RESIGNATION OF APPOINTED TRUSTEE

3.14 On 24 March 2020, WDC was informed of Brian Hanna's resignation from the Trust following a meeting of the Appointors on 18 March 2020. A copy of Brian Hanna's resignation is attached to and forms part of this business paper.

Suggested Resolutions

- 1 The business paper on North King Country Development Trust – Resignation of Brian Hanna be received.
- 2 Council receive the resignation of Brian Hanna from his role as a Trustee on North King Country Development Trust as appointed jointly by the Otorohanga and Taupo District Mayors with the support of the Waitomo District Council.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Attachment: Resignation from North King Country Development Trust – Brian Hanna

From: Brian Hanna <brian@hanna.net.nz>
Sent: Tuesday, 24 March 2020 2:02 PM
To: Chris Ryan <Chris.Ryan@waitomo.govt.nz>
Subject: FW: Resignation

FYI

From: Brian Hanna [<mailto:brian@hanna.net.nz>]
Sent: Tuesday, 24 March 2020 2:01 p.m.
To: 'mayor@waitomo.govt.nz' <mayor@waitomo.govt.nz>; Max Baxter (max@otodc.govt.nz) <max@otodc.govt.nz>; 'mayortrewavas@taupo.govt.nz' <mayortrewavas@taupo.govt.nz>
Subject: FW: Resignation

Hi Mayors John, Max and David,

No doubt you are all caught up in the current situation of Covid 19, which is occupying everyone's minds currently. It definitely will change the status quo for some time.

Thank you for your phone call last Thursday John regarding your meeting of Appointers for the North King Country Development Trust, and you're reporting on a meeting arranged by Mr Darrow TLC chairman. Your summary of the meeting was that after Mr Darrow addressed the meeting, the appointers no longer had confidence in myself as Chair and would seek my resignation.

I offer my resignation with immediate effect, and thank those of you who I have worked with over the past 9 years.

I am proud of our achievements over this time.

Over this time period we have invested \$1,408,847 in economic development for our catchment region in grants and loans. Loans have made up \$579,435 of this amount, of which all are secured, and approx. \$350,000 have been repaid. At the same time we have grown our capital from \$3,676,853 in 2011/2012 yr. to \$3,847,191 in 2018/2019 yr.

We have always held a strong ethos that this is public money owned by the community, and should be grown prudently and safely.

John, you commented that Mr Darrow's desire is for the Trust to have a more aggressive, higher return (and higher risk) investment strategy. I can only imagine TLC's reaction if we had invested in such a strategy, and seen the effect of a 30-50% loss in investment value that has occurred over past few weeks.

I am frankly appalled by this entire process. This cloak and dagger witch-hunt may be appropriate in a corporate Auckland world, but is totally out of step when dealing with a group of volunteers doing their best to serve their community.

My many years of governance has taught me that if you are unhappy with a situation, or wish to push a change of strategy or direction - you sit down and discuss this with those that are governing at the time. Mr Darrow has ignored numerous invites to meet with the Trust, preferring to work behind the scenes - discrediting firstly our accountant representative Amanda Murray (who has also resigned), and now myself. I reiterate again Ms Murray has carried out the role of treasurer/ financial reporting as the Accountant society representative, just as all her preceding accounting representatives over the past 27 years, and just as Joe Cammock, the appointee for the Law society does regarding Legal services. This was the intention of the settlors, as the provision was very specific in the way the settlors allowed for this in the Trust Deed.

I wish the Trust all the best for the future.

Kind Regards,
Brian Hanna

Brian Hanna
160 Tate Road
R.D 2,
Te Kuiti 3982
ph 07 8787227
Mob 021 726282
email brian@hanna.net.nz

Document No: A473100

Report To: Council Meeting



Meeting Date: 30 June 2020

Subject: Reappointment of Gareth Green to Waikato Local Authority Shared Services Board

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to seek support for the reappointment of Gareth Green to the Waikato Local Authority Shared Services (WLASS) Board.

Background

- 2.1 WLASS started a transformation project including a change to the structure of the Company's Board in 2019, where it reduced the number of board members from 12 directors (each council appointing a director) to six directors.
- 2.2 The appointment of the directors to the Board under the new structure is as follows:
 - a. An Independent Director
 - b. One may be appointed by the Waikato Regional Council
 - c. One may be appointed by Hamilton City
 - d. One may be appointed by Waikato and Waipa District Councils
 - e. One may be appointed by Thames-Coromandel, Hauraki and Matamata-Piako District Councils
 - f. One may be appointed by Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils
- 2.3 The new Board structure took effect on the 1 July 2019.

Commentary

- 3.1 The WLASS Constitution specifies a three-year term for directors with a maximum of six years consecutively.
- 3.2 Transition arrangements were included in the WLASS constitution to provide consistency of representation and continuity of knowledge, by staggering the appointment / reappointment of two board members each year.
- 3.3 The first two appointment / reappointment cycles, June 2020 and June 2021 are based alphabetically for the originally appointed board members. The independent

member and final council appointed director are scheduled for appointment / reappointment in June 2022.

- 3.4 Gareth Green was appointed as a director by Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils and is one of the two Board members scheduled for reappointment in June 2020.
- 3.5 Gareth has confirmed his willingness to be reappointed as the Director appointed by Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils and seeks Council's endorsement.
- 3.6 Gareth and the Board have functioned well over the last twelve months during the transformation of WLASS.

Analysis of Options

- 4.1 Council has three options
 1. Endorse the reappointment of Gareth Green.
 2. Propose an alternative candidate, then canvas the Otorohanga, South Waikato, Taupo and Rotorua District Councils for support to appoint the alternative candidate.
 3. Do nothing and accept the majority decision of the Otorohanga, South Waikato, Taupo and Rotorua District Councils.
- 4.2 It is anticipated that Options 1 and 3 will result in Gareth Green being reappointed.
- 4.3 Option 2 would require identifying a suitable candidate and then canvassing the Otorohanga, South Waikato, Taupo and Rotorua District Councils to support the appointment of the alternative candidate.
- 4.4 This could take some time and result in the WLASS Board operating for a period of time with five directors. The delay in appointing a director will not interrupt the operation of the Board as the Constitution enables the Board to operate with a minimum of three directors.

Considerations

- 5.1 **RISK**
- 5.2 There is minimal risk associated with reappointing Gareth Green, a director of WLASS.
- 5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 5.4 Support of Gareth Green's reappointment to the WLASS Board consistent with Council's plans and policies.
- 5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 5.6 Under the Significance and Engagement Policy 2014 this matter is of low significance.

Recommendation

- 6.1 It is recommended that Council support the reappointment of Gareth Green to the Waikato Local Authority Shared Services Board.

Suggested Resolutions

- 1 The business paper on Reappointment of Gareth Green to Waikato Local Authority Shared Services Board be received.
- 2 Council support the reappointment of Gareth Green to the Waikato Local Authority Shared Services Board and notify Waikato Local Authority Shared Services of its decision.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

12 June 2020

Attachment(s): 1 Reappointment Gareth Green (A473101)

To	Tanya Winter – CE, Otorohanga District Council Geoff Williams – CE, Rotorua Lakes Council Ben Smit – CE, South Waikato District Council Chris Ryan – CE, Waitomo District Council
Cc	Gareth Green – CE, Taupo Lakes District Council
From	Peter Stubbs – Chair, WLASS
Date	3 June 2020
Memo Title	Reappointment of Gareth Green to the WLASS Board

Background

As you know, as part of the WLASS transformation the company's board reduced from twelve to six members including an independent director and five shareholding council representatives. This took effect from 1 July last year.

Gareth Green, Chief Executive of Taupo Lakes District, sits on the WLASS Board representing your council.

Under the Constitution (Clause 13.6) Gareth must resign his position on the Board on 30 June 2020 but may be reappointed by the councils he represents for a further period of three years.

The relevant clauses in the constitution are appended.

Purpose & Confirmation

I am aware that Gareth has spoken with each of you on this matter. Please can you obtain any necessary approvals within your council and confirm in writing that your council supports Gareth's reappointment to the WLASS Board for a further period of three years. Can we please have your response by 26 June.

Thank you

Peter Stubbs
WLASS Chair

Extract from WLASS' constitution as it relates to the appointment of Directors

13.1 Number of directors

The board shall consist of not less than three (3) and not more than eight (8) directors, of whom:

- a. one shall be appointed by unanimous resolution of the Council Representative Directors, and must be Independent;*
- b. one may be appointed by Waikato Regional Council;*
- c. one may be appointed by Hamilton City Council;*
- d. one may be appointed by the Waikato and Waipa District Councils;*
- e. one may be appointed by the Thames-Coromandel, Hauraki and Matamata-Piako District Councils;*
- f. one may be appointed by the Otorohanga, Waitomo, South Waikato, Taupo and Rotorua District Councils; and***
- g. [the appointments under 13.1 b. – f. above, collectively being referred to as the Council Representative Directors]*
- h. any other appointments shall be by special resolution of the shareholders.*

...

13.6 Tenure of office

13.6.1:

Other than as set out under 13.6.2, all Board terms are three years. Any Board member may be reappointed for a further term but can serve only a maximum of six years consecutively.

13.6.2:

To ensure continuity of knowledge, Board terms will initially be staggered such that:

- a. on 30 June 2020, two of those persons appointed under 13.1 b. – f. shall resign (to occur in alphabetical order with reference to surname); and*
- b. on 30 June 2021, a further two of those persons appointed under 13.1 b. – f. (not being those who resigned on 30 June 2020) shall resign (to occur in alphabetical order with reference to surname); and*
- c. on 30 June 2022, the person appointed under 13.1 a. and the remaining person appointed under 13.1 b. – f., who has not previously resigned under a. or b. of this clause, shall resign.*

13.6.3:

Notwithstanding anything else in this clause, each director of the company can only hold office until:

- a. Removal: removal in accordance with the constitution; or*
- b. Vacation of office: vacation of office pursuant to section 157 of the Act; or*
- c. Insolvency: an arrangement or composition with creditors made by him or her; or*
- d. Absence from meetings: vacation of office resulting ipso facto from being absent without permission of the board from 3 consecutive meetings of the board; or*
- e. Resignation: written notice of resignation to the address for service of the company.*

Document No: A473032

Report To: Council Meeting



Meeting Date: 30 June 2020

Subject: Notification of Special General Meeting of New Zealand Local Government Funding Agency

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of a Special General Meeting of the New Zealand Local Government Funding Agency (LGFA) to be convened on 30 June 2020.

Background

- 2.1 Council joined the LGFA on 10 April 2017 as a non-shareholding LGFA Guarantor.
- 2.2 This enables Council to borrow funds from LGFA. LGFA provides the majority of Council's borrowing requirements.

Commentary

Note: Council is a non-shareholding LGFA Guarantor and therefore has no voting rights. The proposed changes to the Foundation Policies have no impact on Waitomo District Council's ability borrow from LGFA or the borrowing covenant applied to that borrowing.

- 3.1 The Special General Meeting is scheduled for the 30 June 2020 at 2:00 pm via Zoom.
- 3.2 The order of business is:
 1. Change to Foundation Policies
 2. General Business
- 3.3 The proposed change to the Foundation Policies relates to the Net Debt/Total Revenue Foundation Policy Financial Covenant (the Covenant).
- 3.4 The proposed change is to increase the Covenant from the current 250% to 280%, which applies to Local Authorities with long-term credit ratings of 'A' equivalent or higher.
- 3.5 However, such Local Authorities will not be required to comply with the revised Covenant until the financial year ending 30 June 2026. Until that date, such Local Authorities must comply with the covenants set out in the table below:

Alternative Net Debt / Total Revenue Covenant	
Financial Year Ending	Net Debt / Total Revenue
30 June 2020	<250%
30 June 2021	<300%
30 June 2022	<300%
30 June 2023	<295%
30 June 2024	<290%
30 June 2025	<285%

- 3.6 From the Financial Year ending 30 June 2026, the Covenant will be 280% for those Local Authorities with a long-term credit rating of 'A' equivalent or higher.
- 3.7 The proposed change is to provide greater financial flexibility and borrowing capacity for such Local Authorities as a result of the short-term impacts of COVID-19 and the medium-term structural changes to the Local Government sector to meet additional demand for infrastructure investment.
- 3.8 The proposed changes only apply to Local Authorities with a long-term credit rating of 'A' equivalent or higher. As at 12 May 2020, thirty (30) Local Authorities were required to meet the Foundation Policy Financial Covenants. The other thirty-seven Local Authorities are required to meet the more restrictive lending policy financial covenants.
- 3.9 LGFA has undertaken scenario testing to determine the potential additional borrowing as a result of the proposed change to the Foundation Policy Financial Covenants and has concluded that the proposed changes do not incur significant additional risk for shareholders or guarantors of LGFA. This is because the probability of a default by a Local Authority remains low, and if a default did occur, then the probability of recovery of loans owing to LGFA remains high.

Suggested Resolution

The business paper on Notification of Special General Meeting of New Zealand Local Government Funding Agency be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

11 June 2020

Attachment(s): 1 Notice of Special General Meeting (A473034)
 2 LGFA Amended Foundation Policy June 2020 (A473035)

**NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
NOTICE OF SPECIAL GENERAL MEETING**

Notice is given that a special meeting of shareholders of New Zealand Local Government Funding Agency Limited ("**Company**" or "**LGFA**") will be held virtually on **30 June 2020** commencing at **2:00pm**. The board of the Company has called this special meeting in accordance with clause 15.2(a) of the Company's constitution.

BUSINESS

1. CHANGES TO FOUNDATION POLICIES

In accordance with clause 5.1(c) of the SHA, to approve, by way of Ordinary Resolution, the amendments to the foundation policies of the Company ("**Foundation Policies**") as explained in the Explanatory Note.

2. GENERAL BUSINESS

To consider such other business as may properly be raised at the meeting.

Please refer to the explanatory note that accompanies this notice of meeting.

VIRTUAL MEETING

With measures to contain the spread of COVID-19 expected to remain in place for some time, the board of the Company has made the decision to hold this meeting as a virtual meeting, in accordance with clause 14.1(b) of the Company's constitution.

All shareholders will be able to participate in the meeting via an internet connection (using a computer, laptop, tablet or smartphone). In order to participate remotely you will need to join via Zoom:

Zoom Meeting ID: 957 7175 6899

Meeting Password: 843766

If you have any questions, or need assistance with the online process, please contact Jane Phelan.

Shareholders will be able to vote on the resolution and ask questions by using their own computer or mobile devices.

Shareholders will still be able to appoint a proxy to vote for them, as they otherwise would, by following the instructions on the proxy form.

By order of the board:



Craig Stobo, Chairman

12 May 2020

ORDINARY RESOLUTIONS: *Ordinary resolutions are resolutions approved by a simple majority of more than 50% of the votes of the shareholders entitled to vote and voting at the special general meeting.*

SHAREHOLDERS ENTITLED TO ATTEND AND VOTE: Pursuant to section 125 of the Companies Act 1993, for the purposes of voting at the special general meeting, those registered shareholders of the Company as at 9.00am on Tuesday 30 June 2020 shall be entitled to exercise the right to vote at the meeting.

CAPITALISED TERMS: Unless otherwise defined in this notice, capitalised terms have the meanings given to them in the Shareholders' Agreement dated 7 December 2011 (as amended and restated from time to time) ("SHA").

EXPLANATORY NOTE

CHANGES TO FOUNDATION POLICIES

This resolution seeks shareholders' approval for amendments to the Foundation Policies of the Company.

The Foundation Policies of the Company are set out in schedule 1 to the SHA. In summary, as relevant for the proposed resolution, clause 5.1(c) of the SHA provides that neither the Board nor any shareholder shall take or permit any action to cause any alteration to any of the Foundation Policies unless it is approved by Ordinary Resolution of the Company's shareholders.

The proposed changes to the Foundation Policies requiring shareholder approval by Ordinary Resolution relate to a change to the Net Debt / Total Revenue foundation policy financial covenant.

Proposed Change

The proposed change is to increase the Net Debt / Total Revenue foundation policy financial covenant from the current 250% to 280%, which applies to Local Authorities with a long-term credit rating of 'A' equivalent or higher.

However, such Local Authorities will not be required to comply with the revised Net Debt / Total Revenue foundation policy financial covenant until the financial year ending 30 June 2026. Until that date, such Local Authorities must comply with the Net Debt / Total Revenue foundation policy financial covenants set out in the table below:

Alternative Net Debt / Total Revenue Covenant	
Financial Year ending	Net Debt / Total Revenue
30 June 2020	<250%
30 June 2021	<300%
30 June 2022	<300%
30 June 2023	<295%
30 June 2024	<290%
30 June 2025	<285%

Then from the Financial Year ending 30 June 2026 the Net Debt/Total Revenue foundation policy financial covenant will be 280% for such Local Authorities with a long-term credit rating of 'A' equivalent or higher.

The proposed change is to provide greater financial flexibility and borrowing capacity for such Local Authorities as a result of the short-term impacts of COVID-19 and the medium-term structural changes to the local government sector to meet additional demand for infrastructure investment.

Local Authorities are faced with short-term revenue uncertainties as a result of the impact of COVID-19 on the New Zealand economy. This will impact both rates revenue and non-rates revenue for many Local Authorities and a recent Department of Internal Affairs Report projects revenue shortfalls of between 2.3% and 11% in the 2020-21 financial year.¹

The foundation policy and lending policy financial covenants were incorporated into the Foundation Policies in 2011 and have not subsequently been amended. Since 2011, Local Authorities have faced increased borrowing requirements to finance additional infrastructure to meet population growth, climate change and water quality issues. Central Government has also called upon Local Authorities to assist with additional infrastructure investment in the near term as part of the economic relief package post COVID-19.

The proposed changes only apply to Local Authorities with a long-term credit rating of 'A' equivalent or higher. As at 12 May 2020 thirty Local Authorities were required to meet the foundation policy financial

¹ DIA Local Government Sector COVID-19 Financial Implications Report 2 –4 May 2020

covenants. The other thirty-seven Local Authorities are required to meet the more restrictive lending policy financial covenants.

LGFA has undertaken scenario testing to determine the potential additional borrowing as a result of the proposed change to the foundation policy financial covenants and has concluded that the proposed changes do not incur significant additional risk for shareholders or guarantors of LGFA. This is because the probability of a default by a Local Authority remains low and if a default did occur then the probability of recovery of loans owing to LGFA remains high.

LGFA has discussed the proposed changes with both S&P Global Ratings Australia Pty Limited and Fitch Australia Pty Limited who provide a credit rating on LGFA. Both agencies were supportive verbally of the proposed change and S&P Global Ratings Australia Pty Limited provided their support in writing.²

² S&P Global Ratings Bulletin "New Zealand Local Government Funding Agency Ltd Ratings Can Tolerate Higher Council Leverage Limits. 5 May 2020

Foundation Policies

(Clause 5.1 of the Shareholders' Agreement)

All foundation policies may be reviewed annually by Principal Shareholders at the annual meeting of Shareholders. Any alteration requires approval pursuant to clause 5.1.

Credit Risk

Lending Policy

All Local Authorities that borrow from the Company will:

- Provide debenture security in relation to their borrowing from the Company and related obligations, and (if relevant), equity commitment liabilities to the Company and (if relevant) guarantee liabilities to a security trustee approved for the Company's creditors.
- Issue securities (bonds / FRNs / CP) to the Company and/or enter into facility arrangements with the Company.
- Comply with their own internal borrowing policies.
- Comply with the financial covenants outlined in the following table, provided that:
 - Unrated Local Authorities or Local Authorities with a long-term credit rating lower than 'A' equivalent can have bespoke financial covenants that exceed the:
 - Lending policy covenants outlined in the following table with the approval of the Board;
 - Foundation policy covenants outlined in the following table with the approval of an Ordinary Resolution.
 - Local Authorities with a long-term credit rating of 'A' equivalent or higher:
 - will not be required to comply with the lending policy covenants in the following table; and
 - can have bespoke financial covenants that exceed the foundation policy covenants outlined in the following table with the approval of an Ordinary Resolution: and in any event, will not be required to comply with the Net Debt / Total Revenue foundation policy covenant outlined in the following table until the financial year ending 30 June 2026. Until that date, such Local Authority must comply with the Net Debt / Total Revenue covenant set out in the table entitled "Alternative Net Debt / Total Revenue Covenant" below.
 - Any Board or Ordinary Resolution approval of bespoke financial covenants will only be provided after a robust credit analysis and any approval must also include bespoke reporting and monitoring arrangements.
- If the principal amount of a Local Authority's borrowings, or the Company's commitment under a facility agreement with a Local Authority, is at any time greater than NZD 20 million, be a party to a deed of guarantee and an equity commitment deed (in each case in a form set by the Company).

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Financial covenant	Lending policy covenants	Foundation policy covenants
Net Debt / Total Revenue	<175%	<250280%
Net Interest / Total Revenue	<20%	<20%
Net Interest / Annual Rates Income	<25%	<30%
Liquidity	>110%	>110%

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Alternative Net Debt / Total Revenue Covenant	
Financial Year ending	Net Debt / Total Revenue
30 June 2020	<250%
30 June 2021	<300%
30 June 2022	<300%
30 June 2023	<295%
30 June 2024	<290%
30 June 2025	<285%

Total Revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non government capital contributions (e.g. developer contributions and vested assets).

Net debt is defined as total debt less liquid financial assets and investments.

Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).

Financial covenants are measured on Council only basis and not consolidated group basis, unless requested by a Local Authority and approved by the Board.

During the initial three years of operation the Auckland Council will be limited to a maximum of 60% of the Company's total Local Authority (including CCOs (as defined below)) assets. After three years Auckland Council will be limited to a maximum of 40% of the Company's total Local Authority (including CCO) assets.

No more than the greater of NZD 100 million or 33% of a Local Authority's or CCO's (as defined below) borrowings from the Company will mature in any 12 month period.

Subject to implementation of any amendments or other actions considered necessary, advisable or expedient by the Board and the approval of the Board in relation to the relevant CCO (as defined below) (which may be a Council-Controlled Trading Organisation), an approved CCO may borrow from the Company provided that:

- The CCO is a "council-controlled organisation" as defined in section 6 of the Local Government Act 2002, where the CCO is a company in which equity securities carrying at least 51% or more of the voting rights at a meeting of the shareholders of the CCO are held or controlled, directly or indirectly, by one or more Local Authorities (respectively, a "CCO" and each such Local Authority being a "CCO Shareholder");
- Each CCO Shareholder provides a guarantee in respect of the CCO in favour of the Company and/or there is sufficient uncalled capital in respect of the CCO to meet the financial obligations of the CCO;
- Each CCO Shareholder provides equity commitment liabilities to the Company, guarantees liabilities to a security trustee approved for the Company's creditors, and provides debenture

security for its equity commitments to the Company and guarantee liabilities to the security trustee;

- Each CCO Shareholder complies with Lending policy financial covenants, Foundation policy financial covenants or other financial covenants required by the Board (if any); and, in the case of a CCO Shareholder with a long-term credit rating of 'A' equivalent or higher, until the financial year ending 30 June 2026, the Net Debt / Total Revenue covenant in the table entitled "Alternative Net Debt / Total Revenue Covenant" above.
- The CCO complies with any covenants required by the Board; and
- If required by the Board, the CCO will grant security in favour of the Company (which may be subject to any intercreditor arrangements acceptable to the Board).

Where the Company agrees to provide funding to the CCO, it must within 90 days of receiving annual financial covenant reporting from a CCO Shareholder (in its capacity as a borrower) report to the Shareholders' Council, holders of ordinary shares in the Company and any Local Authority guarantors of the Company's liabilities as to whether that CCO Shareholder has complied with its financial covenants on an individual and consolidated group basis.

Notwithstanding the definition of "CCO" set out above, the Board may not approve a CCO to borrow from the Company unless 100% of the equity securities carrying voting rights at a meeting of shareholders of the CCO are held or controlled, directly or indirectly, by one or more Local Authorities and the Crown (if applicable).

Cash and Liquid Investment Policy

The Company will only invest in NZD senior debt securities, money market deposits and registered certificates of deposits within the counterparty limits outlined in the following table.

New Zealand Local Authority and CCO securities are excluded from the Company's cash and liquidity portfolio.

Counterparty ¹	S & P Credit Rating or equivalent (Short-term / long-term) ²	Maximum % Limit (Total Cash + Liquid Assets)	Minimum % Limit (Total Cash + Liquid Assets)	Maximum New Zealand Dollar counterparty Limit (millions) ³	Maximum term (years) ⁴
Category 1: NZ Government or RBNZ ⁵	N/A	100%	20%	Unlimited	No longer than the longest dated LGFA maturity on issue
Category 2	A1+ / AAA	80%	N/A	300	3
Category 3	A1+: A1 / AA+	80%	N/A	200	3
	A1+: A1 / AA	80%	N/A	200	3
	A1+: A1 / AA-	80%	N/A	200	3

¹ Category 2, 3, 4 and 5 counterparties do not include the RBNZ or the NZ Government.

² Short term rating applies for all securities with a maturity date of 365 days or less.

³ If the counterparty credit rating is downgraded below the allowed limit, LGFA has 30 days to sell the security.

⁴ Maximum term applies from the date of settlement.

⁵ At least 20% of the portfolio must be held at the RBNZ or invested in NZ Government securities.

Category 4	A1: /A+, NZ Registered Bank	60%	N/A	200	3
Category 5	A1: /A+ Other Issuers	10%	N/A	50	1

The maximum individual counterparty limit (excluding the NZ Government) cannot be greater than 100% of Accessible Capital. Accessible Capital is defined as issued and paid capital plus retained earnings plus issued and unpaid capital plus outstanding borrower notes.

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Derivative Policy

Unless explicitly approved otherwise by the Board, all derivative transactions must be transacted with New Zealand Debt Management as counterparty.

Market Risk

The Company's total 12 month forecast portfolio PDH (Partial Differential Hedge) Limit is \$100,000⁶.

The Company's total portfolio Value at Risk (VaR) daily limit is \$1,000,000⁷.

Foreign exchange risk policy

The Company will take no foreign exchange risk.

Operational Risk

Unless explicitly approved otherwise by the Board, the Company will outsource the following functions to New Zealand Debt Management as follows:

- Hedging – New Zealand Debt Management is the LGFA interest rate swap counterparty.

Dividend policy

The policy is to pay a dividend that provides an annual rate of return to Shareholders equal to the Company's cost of funds plus 2.00% over the medium term, recognising that, to assist in the start-up period, the initial expectation is for no dividend for the part period to 30 June 2012, and for a dividend equal to 50% of the target dividend in the two periods to 30 June 2014 to be paid. Thereafter, the intention is to pay at least the full target dividend until the target dividend return is achieved as measured from commencement, including consideration of the time value of money at the target annual rate of return.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

⁶ PDH risk measures the sensitivity of a portfolio to a one basis point change in underlying interest rates. For example a PDH of \$100,000 means that the portfolio value will fall by \$100,000 for a one basis point fall in interest rates.

⁷ VaR measures expected loss for a given period with a given confidence. For example, 95% confidence, daily VaR of \$1,000,000 means that it is expected that the portfolio will lose \$1,000,000 on 5% of days. i.e. 1 day in 20 the portfolio value will decrease by \$1,000,000.

Document No: A473022

Report To: Council Meeting



Meeting Date: 30 June 2020

Subject: **Setting Audit Fees for Years Ending 30 June 2020, 2021 and 2022**

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council an alternative fee structure for Audit Fees for the financial years ending 30 June 2020, 2021 and 2022.

Background

- 2.1 The Audit, Risk and Finance Committee at its meeting of 5 May 2020 considered a business paper which included the appointment and engagement of an Auditor to conduct audits for the financial years ending 30 June 2020, 2021 and 2022.
- 2.2 The Office of the Auditor-General (OAG) proposed to appoint Bruno Dente of Deloitte Limited. Deloitte submitted to Waitomo District Council (WDC) a proposal to conduct the audit of WDC on behalf of the Auditor-General including the audit fees for each year.
- 2.3 Subsequent to Deloitte's submitting the proposal to WDC, the OAG issued a directive that any new audit contracts would have any increase capped at 1.5% for audit of the financial year ending 30 June 2020.
- 2.4 Deloitte's were requested to review the proposed fees in line with the directive from the OAG.

Commentary

- 3.1 The Auditor-General appoints all auditors of public entities and reviews fees proposed by the Auditor. Below is an extract from the Controller and Auditor-General's "Councillors' Guide to the Auditor-General".

"Appointing auditors and monitoring audit fees

The Auditor-General appoints auditors to carry out annual audits. These auditors are appointed from a group of about 50 audit service providers. For councils, the main audit service providers are Audit New Zealand, Ernst and Young, and Deloitte.

Most audits are allocated directly to an auditor, but from time to time an audit is subject to a competitive tender.

Although Audit New Zealand is organised and operates along the lines of a private sector professional services firm, it is not a profit-making business. It is expected to

break even. Its audit fees are used as a benchmark for maintaining reasonable fees among all auditors who do work on the Auditor-General's behalf.

The Auditor-General monitors audit fees to ensure that fees are based on realistic hours (that is, hours that reflect the nature and extent of work required), an appropriate audit team mix, and charge-out rates that are in line with market rates. The aim is for fees that are fair to the public organisations and also provide a fair return to the auditors for the work they are required to do to meet the Auditor-General's auditing standards.

The allocation of audits and fee-setting and monitoring systems are independently reviewed annually to ensure that they are carried out with due probity and objectivity.”

3.2 The audit fees submitted by Deloitte (and approved by the OAG) reflect the increase in the total number of audit hours required to complete audits. The main drivers for the additional hours, and in turn additional fees, are the result of changes to reporting standards and the assessment of the fair value of assets, including WDC's 100% shareholding in Inframax Construction Limited. These changes have resulted in the audit becoming a much larger job of work than historically. The increase in hours reflects the actual hours Deloitte required to complete WDC's 2018/2019 Audit, which was the first audit completed under the new reporting standards.

3.3 The revised fees are scheduled below -

Year ending 30 June	2020	2021	2022
Original Schedule of Fees (inc GST)	177,238	180,958	184,828
Alternative Schedule of Fees (inc GST)	160,376	189,389	193,259

3.4 The Alternative Fees Schedule transfers the increase in costs of the additional hours required to complete the audit from year one to years two and three of the contract.

Analysis of Options

4.1 Council has two options:

- Select Original Schedule of Fees or
- Select Alternative Schedule of Fees

4.2 Over the three years of this audit appointment, the total fees are the same.

Considerations

5.1 **RISK**

5.2 There is no risk in selecting either of the Schedule of Fees.

5.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

5.4 Either option is consistent with Council's plans and policies.

5.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 5.6 Under the Significance and Engagement Policy 2014 this matter is of low significance and the expenditure has been budgeted for in the 2020/2021 Exceptions Annual Plan.

Suggested Resolutions

- 1 The business paper on Setting Audit Fees for Years Ending 30 June 2020, 2021 and 2022 be received.
- 2 Council select the Original Schedule of Fees and Deloitte's be notified of Council's decision.

OR

Council select the Alternative Schedule of Fees and Deloitte's be notified of Council's decision.



ALISTER DUNCAN
GENERAL MANAGER – BUSINESS SUPPORT

11/06/2020

Attachment(s): 1 Councillors' Guide to the Auditor-General (A473024)



Councillors' guide to the Auditor- General

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Councillors' guide
to the
Auditor-General

September 2019

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Introduction

E ngā mana, e ngā reo, e ngā karangarangatanga maha o te motu, tēnā koutou.

This booklet is for the elected members of councils and for new members in particular. It gives an overview of my role and also outlines the kinds of interaction you can expect with me and with my staff.

Elected members are ultimately responsible for what a council does, how it does it, and the consequences of those decisions.

Our job is to ensure that councils are accountable to, and subject to the scrutiny of, local communities. We also aim to improve trust in government, including local government, and to promote value in spending.

We mainly do this by carrying out annual audits of councils and the organisations that councils control. Our interest is in providing the independent assurance that communities need about whether councils are operating as they planned to, and properly accounting for their use of public money.

We are mindful of the importance of trust and confidence to the effective operation of all levels of government – central and local. In that regard, how elected members are seen to conduct themselves can be just as important, if not more so, to the public as the performance of the council. For example, a perceived conflict of interest can be just as damaging as an actual one. Your auditor's findings and recommendations will be invaluable to you.

I trust that the content of this booklet will also be of use to you.

Nāku noa, nā John



John Ryan
Controller and Auditor-General

23 September 2019

The Auditor-General at a glance

The Controller and Auditor-General – more commonly known as the Auditor-General – is an officer of Parliament who audits all of New Zealand’s public organisations.

The Auditor-General has a Deputy who is also an officer of Parliament. The Deputy can perform all the functions and exercise all the powers of the Auditor-General.

As an officer of Parliament, the Auditor-General is independent of the Executive Government and cannot be directed by them in how to do the job or what to do.

The position of Auditor-General has been in place in New Zealand since the 1840s. The current role and functions are set out in the Public Audit Act 2001.

The Governor-General appoints the Auditor-General on the recommendation of the House of Representatives for a once-only seven-year term.

As an officer of Parliament, the Auditor-General is independent of the Executive Government. The Government cannot tell the Auditor-General what to do or how to do it.

This independent status, as set out in the Public Audit Act, ensures that the Auditor-General’s investigations and views about the use of public money are objective and free from political influence. Having an impartial and independent “public watchdog” to provide a check on government spending is important.

The Auditor-General's staff work in two business units: the Office of the Auditor-General (the OAG) and Audit New Zealand. We call the whole organisation "the Office".

By law, the Auditor-General is responsible for auditing about 3500 organisations, including:

- councils and council-controlled organisations;
- government departments;
- Crown entities;
- schools, universities, and polytechnics;
- district health boards;
- port and airport companies;
- State-owned enterprises;
- Crown Research Institutes;
- electricity distribution companies; and
- licensing trusts.

Collectively, we call these “public organisations”.

The work of the Auditor-General is designed to give assurance to Parliament, public organisations, and the public that public organisations are fairly reflecting the results of their activities in their annual reports.

The Auditor-General and their staff may carry out inquiries into issues that arise from their audit work, a written concern, or a request for an inquiry. The Auditor-General is not obliged to act on a request. The final decision on whether to carry out an investigation into any particular issue rests with the Auditor-General. Sometimes, this will result in a major inquiry and public report, such as *Inquiry into the procurement of work by Westland District Council at Franz Josef*, published in March 2019.

No other organisation has the overview of the whole public sector that the Auditor-General has.

Additionally, the Auditor-General keeps an eye on whether public organisations are carrying out their activities effectively and efficiently, and on matters of waste, probity, legislative compliance, and financial prudence in the public sector.

The Auditor-General reports findings and makes recommendations so that those with responsibility for making improvements can take action. This includes highlighting examples of good practice that can help improve public sector governance, management, and performance.

The Auditor-General does not have the power to enforce recommendations or to change or overturn decisions made by others. However, the independent and objective nature of the Auditor-General's work, the scrutiny by Parliament that it supports, and the ongoing contact between public organisations and the Auditor-General's staff sees most recommendations acted on.



Our reports are available on the Auditor-General's website at oag.govt.nz/reports.

The Auditor-General's work

The Auditor-General's work fulfils two statutory functions:

- the audit function; and
- the Controller function.

The audit function

The audit function involves:

- annual audits;
- audits of councils' long-term plans and consultation documents;
- performance audits;
- reviews of Auckland Council's service performance;
- inquiries;
- good practice guidance; and
- other assurance services.

Annual audits

About 88% of the Auditor-General's work involves carrying out annual audits of the financial and service performance information of public organisations.

Each year, the Auditor-General's appointed auditors and their teams audit each public organisation's accountability information, such as its annual report.

In carrying out the audit function, the Auditor-General's staff and appointed auditors apply audit procedures set out in *The Auditor-General's Auditing Standards*. These standards are based on the ethical and professional standards issued by the External Reporting Board, with additional standards that are unique to the public sector audit environment in New Zealand.

During an annual audit, the appointed auditor:

- examines a public organisation's financial statements, service performance information, and other information that must be audited;
- assesses the results of that examination against a recognised framework (usually generally accepted accounting practice); and
- forms and reports an audit opinion.

An annual audit provides a high, but not absolute, level of assurance about whether a public organisation's financial statements comply with generally accepted accounting practice and fairly reflect its financial position and its financial performance for the year. The auditor evaluates the overall adequacy of all the accountability information.

An audit of the annual accountability statements of a public organisation results in two kinds of report. One is the audit report (including the audit opinion) that is included in the public organisation's published annual report. The other is a report to the public organisation's governing body and/or managers on matters arising from the audit.

The published audit report gives readers assurance about the reliability of the public organisation's annual accountability information.

Councils' long-term plans and consultation documents

Every three years, councils are required to prepare a long-term plan (LTP). The LTP is the main way for councils to describe the services they plan to provide, the community outcomes they plan to contribute to, and the forecast cost of those services. LTPs must include the council's financial strategy and infrastructure strategy.

Consultation with communities is an important step in making sure that the LTP is the right one for the community and councils are required to produce a consultation document for their LTPs.

The Local Government Act 2002 requires each consultation document to contain an audit report from the Auditor-General providing an opinion on:

- whether the consultation document achieves its purpose; and
- the quality of the information and assumptions underlying the information provided in the consultation document.

We audit each council's consultation document to determine whether it provides an effective basis for consultation, with a particular emphasis on whether it fairly represents the matters a council proposes to include in its LTP. We determine whether the consultation document identifies and explains the main issues and choices facing a council and the consequences of those choices for rates, debt, and levels of service provided. We also audit each council's underlying supporting information, to determine its reasonableness.

The purpose of an LTP is, broadly, to describe the council's proposed 10-year activities and community outcomes in an integrated and co-ordinated way, and provide a basis for accountability to the community. In doing so, it should outline the financial and service delivery circumstances that the council faces and the proposed response to those circumstances. Our role is to assess, and provide an opinion on, whether the LTP achieves this purpose. Again, we audit and provide an opinion on the underlying supporting information, to determine its reasonableness.

Performance audits

In carrying out performance audits, the Auditor-General gives Parliament independent assurance about the performance and accountability of public organisations, including councils. Under section 16 of the Public Audit Act, the Auditor-General may at any time examine:

- the extent to which public organisations are carrying out their activities effectively and efficiently;
- public organisations' compliance with their statutory obligations;
- any act or omission of public organisations, to determine whether waste has resulted, may have resulted, or may result; and/or

- any act or omission showing or appearing to show a lack of probity or financial prudence by public organisations or one or more of their members, office holders, and employees.

The aim of a performance audit is to assure Parliament, public organisations, and the public that public organisations are delivering what they are required to. The Auditor-General reports both good and poor performance, and often highlights aspects of performance that apply to the wider public sector.

Performance audits usually result in a report that is presented to Parliament. As soon as the report is tabled in the House, a copy is published on the Auditor-General's website and an email link to the document is sent to website subscribers. Under Standing Orders, a performance audit report will be referred to the Finance and Expenditure Committee. If the Finance and Expenditure Committee refers the report to another select committee, the Auditor-General will offer a briefing on the report to the relevant select committee(s).

Reviews of Auckland Council's service performance

The Local Government (Auckland Council) Act 2009 requires the Auditor-General, from time to time, to review the service performance of the Auckland Council and each of its council-controlled organisations. We aim to carry out one of these reviews at least annually.

Our reports about these reviews are likely to be of interest to all councils.

The final decision on whether to carry out an investigation into any particular issue rests with the Auditor-General.

Inquiries

The Auditor-General may carry out an inquiry into any matter concerning a public organisation's use of its resources. An inquiry might involve looking into financial, accountability, governance, or conduct issues. The concerns might have arisen in the course of the Auditor-General's work or have been raised by a member of the public,

a member of Parliament, a select committee, or another organisation. The final decision on whether to carry out an inquiry rests with the Auditor-General.

An inquiry might cover questions such as whether the public organisation:

- applied its resources effectively and efficiently;
- complied with its legal obligations;
- acted honestly and with integrity in its dealings; and
- managed its finances prudently.

When a matter is referred to the Auditor-General, they and their staff decide whether to carry out an inquiry and determine its scope. The Office may decide not to look into it (for example, because the Auditor-General is not the appropriate authority to do so), or might refer it to the appointed auditor to consider during the next annual audit of the public organisation, or might consider the matter when planning performance audits.

The Auditor-General decides what information to report, based on its relevance, and taking into account principles of fairness and natural justice.

Good practice guidance

The Auditor-General also publishes good practice guidance to help public organisations develop effective systems, policies, and procedures.

Our current good practice guidance covers a range of topics, including guidance for members of councils about the Local Authorities (Members' Interests) Act 1968, conflicts of interest, charging fees for public sector goods and services, and procurement.

Other assurance services

The Auditor-General's staff advise and provide assurance to public organisations about a range of matters. They also advise public organisations on matters of accountability information, in order to improve the quality of the information available to Parliament and the public.

At the request of a public organisation, the Auditor-General can provide other auditing or assurance services, such as providing assurance about tendering or contract procedures.

The Controller function

The Controller function supports the constitutional principle that the Government cannot spend without the consent of Parliament.

Under this function, the Auditor-General provides independent assurance to Parliament that the expenses and capital expenditure of government departments and officers of Parliament are lawful and within the scope, amount, and period of the appropriation or other statutory authority given by Parliament. This function does not apply to councils.

The Local Authorities (Members' Interests) Act 1968 and other conflicts of interests

The Local Authorities (Members' Interests) Act 1968

The Auditor-General has responsibilities under the Local Authorities (Members' Interests) Act 1968 (the Act), which applies to councils and a range of statutory bodies.

The Act helps protect the integrity of council decision-making by ensuring that elected members are not affected by personal financial motives when carrying out their role.

Under the Act an elected member cannot:

- enter into contracts with their council worth more than \$25,000 in a financial year, without approval from the Auditor-General (a **breach of the rule results in a disqualification from office**); or
- discuss or vote on matters before their council in which they have a direct or indirect pecuniary (financial) interest, other than an interest in common with the public (**it is an offence for a member to breach this provision, and, if convicted, they automatically vacate office**).

The Auditor-General's role in administering the Act includes:

- deciding applications for approval of contracts worth more than \$25,000 in a financial year;
- providing guidance to council members and officers, to help them comply with the Act in particular situations; and
- investigating and prosecuting alleged offences against the Act.

You can find out more about the Act in our publication *Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968*.

Other conflicts of interests

The Act is a small subset of the law about conflicts of interests that apply to council members, and only applies to financial conflicts of interest. The body of law on non-financial conflicts of interest has been developed by the courts over a long period of time, and applies to council members when they are making certain decisions.

As noted above, the Auditor-General has a specific role in relation to financial conflicts of interest that are regulated by the Act. The Auditor-General does not have the same statutory role for non-financial conflicts of interest – only the courts can determine whether the law has been breached in any particular instance and what the consequence should be.

However, as part of the Auditor-General's broader mandate we can look into matters of probity involving a member of a council and the use of council resources, which could include examining whether a member had a non-financial conflict of interest and how the member and council had managed that.

You can find out more about conflicts of interests in our publication *Managing conflicts of interest: Guidance for public entities*. We also discuss non-financial conflicts in *Guidance for members of local authorities about the Local Authorities (Members' Interests) Act 1968* (see part 5 of the guidance).

Both of these documents are on our website: www.oag.govt.nz

What the Auditor-General cannot do

No private organisations

The Auditor-General cannot inquire into private organisations, including organisations that may have received funding from a public organisation.

However, the Auditor-General can look at the activities of a public organisation that is contracting with or directly funding a private organisation, and how the public organisation has monitored the private organisation's use of public funds.

No policy decisions

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- dependence on fees from the organisation.

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Document No: A474392

Report To: Council



Meeting Date: 30 June 2020

Subject: Waitomo District Youth Council 2020 Work Programme

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council the Waitomo District Youth Council will be in attendance at 11.45am to present their 2020 Work Programme.

Commentary

- 2.1 The 2018-2028 WDC Long Term Plan speaks to the continued support of Waitomo District Youth. Community Development strategic goals include supporting youth development opportunities and initiatives.
- 2.2 Attached to and forming part of this business paper is a copy of the Waitomo District Youth Council 2020 Work Programme for Councils information.
- 2.3 Members of the Youth Council will be present at the Council meeting to discuss the Youth Council activities that have taken place to date, as outlined in the Work Programme, and intended events and projects planned for the year.

Suggested Resolution

- 1 The business paper on Waitomo District Youth Council 2020 Work Programme be received.

A handwritten signature in blue ink, appearing to read "Clowdy Ngatai", with a circular flourish at the end.

CLOWDY NGATAI
COMMUNITY DEVELOPMENT COORDINATOR

JUNE 2020

Attachment: 1. Waitomo District Youth Council 2020 Work Programme



Waitomo District Youth Council
2020 Work Programme

Waitomo District Youth Council 2020 Work Programme

Date	Activity / Promo	Where	Responsibilities /Actions
January 2020	<p>New Members</p> <p>Engage with all Waitomo District Secondary school Principals and SMT to promote the Youth Council within the schools/kura</p> <p>Nomination forms sent to each school/kura, follow up emails sent out to all schools/kura</p> <p>Completed</p>	Schools and Kura	<p>Mayor Robertson Cr L. Marshall Cr J. New</p> <p>Community Development Coordinator</p>
June 2020	<p>Communications</p> <p>CDC to engage the nominated candidates</p> <p>Introduce a communication platform for the students to have informal meetings and ask questions.</p> <p>Start profiles for community introduction</p> <p>Completed</p>	Messenger	<p>WDYC</p> <p>Mayor Robertson Cr L. Marshall Cr J. New</p> <p>Tuia Member 2020</p> <p>Community Development Coordinator</p>
16 June 2020	<p>Formal Induction of the 2020 WDYC and Planning</p> <p>Induction</p> <p>Photos and Social Media Release to be prepared</p> <p>Media Release for the local Paper - Tō tātou reo, ki tua – Our voice, your future</p> <p>Completed</p>	Council Chambers	<p>WDYC</p> <p>Mayor Robertson Cr L. Marshall Cr J. New</p> <p>Tuia Member 2020</p> <p>Youth INTact</p> <p>Lead of Communications and Engagement</p> <p>Community Development Coordinator</p>

Date	Activity / Promo	Where	Responsibilities /Actions
<p>26, 27, 28 June 2020</p> <p>4-9pm on Fri and Sat</p> <p>10-4 on Sunday</p>	<p>Battle of the Towns</p> <p>Theme: Tō tātou reo ki tua – Our voice, your future</p> <p>Meeting with</p> <p>Proving a proactive weekend long activity schedule for young people that promotes:</p> <ol style="list-style-type: none"> 1. Friday - Sustainable living 2. Saturday - Community connection 3. Sunday - Host responsibility <p>Acknowledgement of rangathai:</p> <p>Kai tahi</p> <p>Presentation of Taonga (Battle of the towns Trophy) to the winning Valley.</p>	<p>Maniapoto Whanau Ora Centre</p> <p>Travel</p>	<p>WDYC Members</p> <p>Mayor Robertson</p> <p>Tuia Member 2020</p> <p>Youth INTact</p> <p>Number 12</p> <p>Te Kuiti High School</p> <p>Te Wharekura o Maiapoto</p> <p>Piopio College</p> <p>Lead of Communications and Engagement</p> <p>Community Development Coordinator</p>
<p>30 June 2020</p>	<p>Introductions to Council</p> <p>Formal Introductions to the Elected Members</p>	<p>Council Chambers</p>	<p>GM - Community Services</p> <p>Community Development Coordinator</p>
<p>5 July 2020</p>	<p>Youth Leadership</p> <ol style="list-style-type: none"> 1. Team building 2. Pushing boundaries 3. Leadership skills 	<p>Team Building</p>	<p>WDYC Members</p> <p>Cr L. Marshall</p> <p>Tuia</p> <p>Community Development Coordinator</p>
<p>September 2020</p>	<p>Arts Competition (Collab with #12)</p> <p>Competition for Young people 16-24 to submit the photo that represents coming out of life in lockdown</p>	<p>On-line</p>	<p>WDYC Members</p> <p>Lead of Communications and Engagement</p> <p>Community Development Coordinator</p>

Date	Activity / Promo	Where	Responsibilities /Actions
16-20 November 2020	<p><i>Conditional on a successful application to the CCS funds – application made to the June funding pool by MFVIN.</i></p> <p>Art Exhibition (Collab with VFM)</p> <p>Working with Violence Free Maniapoto and The Waitomo Arts Society to provide an exhibition dedicated to recovery.</p> <p>16.11.20 – Installation of the arts 17.11.20 - Exhibition opening, 17.11.20 – Day Exhibition 17.11.20 – Night show - Paint Vine 18.11.20 – Day Exhibition 18.11.20 - Night show - Family Portraits 19.11.20 – Day Exhibition 19.11.20 – Night show - Theatre show 20.11.20 – Day Exhibition 20.11.20 – De – installation of Exhibition</p> <p>Media Release</p>	Les Munro Centre	Mayor Robertson Cr L. Marshall Cr J. New Tuia Member 2020 Youth INTact Lead of Communications and Engagement Community Development Coordinator

Document No: A474062

Report To: Council



Meeting Date: 30 June 2020

Subject: Waitomo Sister City Incorporated –
Memorandum of Understanding

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council for consideration a draft Memorandum of Understanding between Waitomo District Council and Waitomo Sister City Incorporated.

Background

- 2.1 On 22 March 1994 the Council established a Waitomo Sister City Committee (WSCC). At that time, the WSCC comprised of the Mayor, the Chief Executive, Customer Services Executive and such members of the public as may from time to time be agreed.
- 2.2 At the same Council meeting a Terms of Reference for the WSCC was adopted as follows:

Terms of Reference (Approved by Council 22.3.94 Min No. 99/94)

- To develop and maintain a meaningful and beneficial sister city relationship with Tatsuno in Japan.
 - To prepare a sister city agreement outlining the respective responsibilities and obligations of the Waitomo District Council and the Tatsuno Town Council for consideration.
 - To prepare an annual budget setting out the desired initiatives and expenditures for the consideration of the Waitomo District Council.
 - To identify key sectors in the Sister City relationship and develop interest in contact and exchanges between Waitomo and Tatsuno.
 - To liaise actively with community groups and organisations, providing encouragement to develop a rapport with a similar organisation or group of people in Tatsuno.
 - To prepare the details of desired points of contact or exchanges with Tatsuno and the existing potential it has to provide an enriched cultural experience for the residents of Waitomo District.
- 2.3 A Sister City relationship was formed on 30 March 1995 with the signing of a formal Agreement by Waitomo District Council (WDC) and the Tatsuno Township on behalf of their communities. The Agreement was later signed in Tatsuno on

the 26 April 1995. This Agreement outlines key factors such as the promotion of friendship and goodwill along with the endeavour to encourage an understanding and awareness of the separate cultures and the exchange of ideas and people between the communities.

- 2.4 The relationship with the Tatsuno International Association has been led by the WSCC. There have been varied levels of membership and association to external supporting groups over the years as a means of enhancing the Sister City relationship.
- 2.5 At its meeting of 31 July 2018, Council considered a review of the Waitomo Sister City relationship delivery model and agreed to include a project in the Road Map Work Programme to investigate future delivery options.
- 2.6 Following the review, and at its 27 November 2018 meeting, Council resolved to support the disestablishment of the Waitomo Sister City Committee upon the successful establishment of a Sister City Incorporated Society.
- 2.7 The Waitomo Sister City Incorporated Society was incorporated on 17 July 2019 under the Incorporated Societies Act 1908.

Commentary

- 3.1 At its meeting of 25 February 2020, Council considered a draft Memorandum of Understanding between Waitomo District Council and the newly formed Waitomo Sister City Incorporated Society.
- 3.2 Council resolved to invite the Waitomo Sister City Incorporated Society to Worksop the Memorandum of Understanding between the Society and Council.
- 3.3 A Workshop was scheduled for 10 March 2020, however due to unforeseen circumstances this Workshop was cancelled. Re-scheduling of the Workshop was delayed due to COVID-19 control measures.
- 3.4 A new Workshop date of 18 June 2020 was agreed, with representatives from the Society and Council meeting to review and discuss the draft Memorandum of Understanding.
- 3.5 Attached to and forming part of this business paper is a copy of the draft Memorandum of Understanding, as agreed by both parties on 18 June 2020.
- 3.6 Council's consideration of the draft Memorandum of Understanding is required.

Considerations

4.1 **RISK**

- 4.2 There is no identified risk in Council confirming its support of the Memorandum of Understanding between Waitomo District Council and Waitomo Sister City Incorporated.

4.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

4.4 The consideration of the proposal received from Waitomo Sister City Incorporated is undertaken in accordance with Council's existing plans and policies.

4.5 SIGNIFICANCE AND COMMUNITY VIEWS

4.6 This decision is not a significant decision in terms of Council's Significance and Engagement Policy.

Suggested Resolutions

1. The business paper Waitomo Sister City Incorporated – Memorandum of Understanding be received.
2. Council adopt/not adopt the draft Memorandum of Understanding between Waitomo District Council and Waitomo Sister City Incorporated.



HELEN BEEVER

GENERAL MANAGER – COMMUNITY SERVICES

June 2020

Attachments: 1. Draft Memorandum of Understanding (Doc # A473985)

DRAFT MEMORANDUM OF UNDERSTANDING

Between

Waitomo District Council

and

Waitomo Sister City Incorporated

DRAFT

MEMORANDUM OF UNDERSTANDING

PARTIES:

Between: **WAITOMO DISTRICT COUNCIL**, having its registered offices at Queen Street, Te Kuiti, ("WDC")

And: **WAITOMO SISTER CITY INCORPORATED** having its registered offices at Waitomo District Council, Queen Street, Te Kuiti, ("Society")

Sister City Agreement – Waitomo District Council and the Town of Tatsuno

In 1995 a Sister City Agreement between Waitomo District Council and Tatsuno Town Council was signed (Agreement).

This Agreement bound commitment of a friendship between the district and people of Waitomo District and the town and people of Tatsuno, Nagano, Japan. It was agreed the mutual desire for both communities was to promote friendship and goodwill; to encourage understanding and awareness of the separate cultures and to encourage the exchange of ideas and people.

To attain the objectives of the two authorities it was agreed:

- A Sister City relationship be established between the two communities with each party positively promoting the relationship.
- Changes in the office of Mayor and of elected members of either communities would not affect the Agreement.
- Waitomo District Council and the Tatsuno Town Council would consult on a continuing basis to ensure the best methods of achieving the objectives and engender sufficient action to ensure a viable Sister City link.
- The Sister City link would not impose a financial burden on either community. To ensure equity and balance, official delegation visits would be by mutual consent. In principle, each delegation would pay its own travel expenses between Waitomo and Tatsuno and accommodation expenses but costs of official functions would be met by the host community. Cultural, sporting, education and other groups would all meet their own expenses except where the host organisation agreed to extend hospitality.

Background

- A. WDC is a territorial authority constituted under the Local Government Act 2002 and an approved organisation controlling community infrastructure planning under the Local Government Act 2002.

WDC is committed to building relationships through the Sister City relationship. WDC will work closely with Tatsuno Town Council and Waitomo Sister City Incorporated to foster links between the communities, organisations and businesses.

WDC recognises the Sister City relationship relies on a network of Volunteers from the community, working with WDC to strengthen the relationship with the people of Tatsuno, facilitating official delegation visits, education exchanges and other important initiatives.

- B. The Society was incorporated on 17 July 2019 under the Incorporated Societies Act 1908.

The purposes of the Society are:

- To identify key sectors in the Sister City relationship and develop interest in contact and exchanges between Waitomo and Tatsuno.
- To liaise actively with community groups and organisations, providing encouragement to develop a rapport with a similar organisation or group of people in Tatsuno.
- To prepare the details of desired points of contact with Tatsuno and the existing potential it has to provide an enriched cultural experience for the residents of Waitomo District.
- To facilitate the relationship between the Waitomo District Council, Waitomo Community and local Waitomo District schools.

C. The parties are entering into this Memorandum of Understanding (MOU) to record the roles and responsibilities of each party.

THE PARTIES HEREBY AGREE:

1. Understanding

1.1 The parties agree to:

- (a) support each other to deliver the objectives of the Sister City relationship;
- (b) be open, honest and constructive in all dealings with each other and to act in good faith at all times;
- (c) act in good faith in meeting their responsibilities under this MOU and in resolving any differences;
- (d) resolve issues as they arise in a manner that maintains the integrity, professionalism and statutory accountabilities of each party.

2. Obligations of Waitomo Sister City Incorporated Society

2.1 The Society agrees to:

- (a) act voluntarily to foster and encourage exchanges of people and culture through existing sister city relationships, in line with the Tatsuno/Waitomo 1995 signed Agreement;
- (b) support the WDC to maintain and foster a meaningful and beneficial Sister City relationship with Tatsuno;
- (c) in conjunction with WDC foster the relationship with Sister Cities New Zealand;
- (d) seek additional funding to enhance delivery of the service provided to WDC;
- (e) ensure any contribution received from Tatsuno and/or WDC is applied for the purpose of which it is received;
- (f) hold Society meetings as required, whereby proposed activities being undertaken by the Society are discussed, agreed and acted upon. Minutes of those meetings will be provided to WDC by the Society;
- (g) encourage youth activity aimed at fostering community and international relationships;
- (h) disseminate information gathered from local and international sources; and

- (i) be responsible for facilitating and arranging an exchange program and homestay with host schools annually, which will include:
 - (i) providing sufficient funds and resourcing to facilitate the exchange programme from the time the students arrive and depart from the school(s);
 - (ii) arranging the provision of return transport from Auckland to the host school(s);
 - (iii) arrange homestays for Tatsuno students;
 - (iv) arrange gifts, significant to the Waitomo District, for exchange visitors.

2.2 The Society also agrees to:

- (a) achieve the objectives:
 - (i) in accordance with the terms of this MOU;
 - (ii) with all due care, skill, promptness and diligence;
 - (iii) in a professional and timely manner.
- (b) comply with all laws and regulations relevant to the objectives.

3. Obligations of Waitomo District Council

3.1 WDC agrees to:

- (a) in conjunction with the Society foster the relationship with Sister Cities New Zealand;
- (b) provide a meeting room in which the Society can hold their meetings;
- (c) support communications between the Society, WDC and the Tatsuno Town Council;
- (d) in consultation with the Tatsuno International Association and the Society, maintain the Japanese Garden;
- (e) store, honour and display the taonga (gifts) that are exchanged as part of the Sister City relationship;
- (f) arrange an introduction meeting for visiting students with His Worship the Mayor;
- (g) provide funding by way of a WDC Grant, as approved by Council, to support delivery of the service provided to WDC;
- (h) forward any contribution received by WDC from Tatsuno, to the Society for the purpose of the Sister City relationship. The contribution will be applied for the purpose of which it is received.

4. Confidentiality

4.1 The Society acknowledges that WDC is subject to the Local Government Official Information and Meetings Act 1987, the Privacy Act 1993 and the Public Records Act 2005 (collectively the "Acts"); and this MOU, and the Society is likely to be subject to the Acts.

5. Communications

5.1 Communication on all matters relating to this MOU, to performance and to activities undertaken in terms thereof, will be made via the following representatives:

For WDC

Name: Helen Beever
Position: General Manager – Community Services
Email: helenb@waitomo.govt.nz
Phone: 07 878 0883

For the Society

Name: Janis MacDonald
Position: Chairperson
Email: rossandjanis@xtra.co.nz
Phone: 027 696 7122

- 5.2 All official information requests received that relate to this MOU are to be forwarded to WDC to address and respond pursuant to the Local Government Official Information and Meetings Act 1987.

6 Term of MOU

- 6.1 The term of this MOU will continue until terminated by either party upon six months notice, and will be reviewed in June 2021.

7. Liability

- 7.1 Neither party shall be liable to the other for any costs, liability, damages, loss, claims or proceedings of whatever nature arising out of this MOU and neither party shall be liable to the other for any loss of profit, loss of business or consequential loss of that party, howsoever caused.
- 7.2 The parties also agree that it is not the intention for any of the Terms and Conditions of this MOU to be legally binding on either or both parties.

8 Disputes

- 8.1 If a dispute arising out of this MOU occurs between the parties, then the parties will in good faith try to resolve that dispute. This process may also include mediation.
- 8.2 If the dispute is not resolved within twenty (20) working days from the date the dispute was advised in writing, then the dispute shall be referred to arbitration in accordance with the Arbitration Act 1996.

9 General

- 9.1 No party will have authority to act in the name or on behalf of or otherwise to bind the other in any way (including but not limited to the making of any representation or warranty, the assumption of any obligation or liability and the exercise of any right or power).
- 9.2 The parties do not intend for this MOU to create a legally enforceable agreement.

Signed by **WAITOMO DISTRICT COUNCIL**

Signed by **WAITOMO SISTER CITY
INCORPORATED**

Signature

Signature

Name of authorised signatory

Name of authorised signatory

Position

Position

Date

Date

DRAFT

Document No: A474386	
Report To:	Council
	Date: 30 June 2020
	Subject: Vibrant Safe Waitomo – COVID-19 Recovery Response and Amendments to the Regional Coalition Terms of Reference
	Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to brief Council on the Vibrant Safe Waitomo recovery response and amendments to the Regional Coalition Terms of Reference.

Background

- 2.1 Endorsement of the Safe Communities initiative by both Council and the Waitomo District communities provided the platform and the mandate for a new journey of delivery for the Waitomo District Council (WDC). This journey commenced in July 2018.
- 2.2 The Waitomo District community confirmed, through the development of the Long Term Plan 2018-2028 that the creation of prosperous and safe communities was important.
- 2.3 A focus was therefore placed on forming partnerships with key stakeholders to support implementation of the internationally recognised Safe Communities model.
- 2.4 The Vibrant Safe Waitomo Regional Coalition was duly formed, and a Terms of Reference agreed and endorsed by all parties.

- 2.5 The Terms of Reference state:

“Vibrant Safe Waitomo aims to improve the quality of life of the Waitomo community and visitors to the district through its actions.

The purpose of the Regional Coalition is to enable a cross disciplinary approach to delivering increased positive safety outcomes for those that live and work within our communities.

The Regional Coalition will achieve this through ongoing leadership and governance of Vibrant Safe Waitomo to ensure a coordinated approach is taken in the delivery of services and contracts within our communities.”

- 2.6 The Vibrant Safe Waitomo Strategy 2019-2024 has been developed by the Regional Coalition, providing a road map to collectively address community safety issues in the Waitomo District.
- 2.7 The Strategy confirms four key themes:
1. Whanau/Families
To support and foster a caring and safe place to live for every resident
 2. Mahi/Workplaces
To support and enable economic development with a clear agenda on health and safety

3. Hakinakina/Recreation
To foster community connection through providing safe and stimulating environments
 4. Kotahitanga/Connected Leadership
To provide stewardship to manage meaningful partnerships within the community
- 2.8 The Regional Coalition agree an Annual Action Plan and associated activities that align with the strategic framework of Vibrant Safe Waitomo.

Commentary

- 3.1 At its meeting of 26 May 2020, Council discussed and endorsed a temporary change of focus for Vibrant Safe Waitomo to that of recovery in response to the COVID-19 pandemic.
- 3.2 It was noted by Council that the Vibrant Safe Waitomo framework provides an established governance structure to support the local recovery effort including the cultural, emotional and physical wellbeing of our residents and our communities.
- 3.3 The temporary change of focus was subsequently discussed and endorsed by the Vibrant Safe Waitomo Regional Coalition at its meeting of 4 June 2020.
- 3.4 The Vibrant Safe Waitomo Regional Coalition Terms of Reference was amended to include reference to the temporary change of focus, as follows:

*"As a result of the 2020 COVID-19 pandemic a temporary focus to be responsive using a joined-up strength based approach to recovery will be incorporated into the 2020/2021 Vibrant Safe Waitomo Action Plans.
It is acknowledged that in unprecedented circumstances such as this the ability to be quick to adapt in order to be responsive is critical."*
- 3.5 Membership of the Regional Coalition was also discussed with agreement reached to invite representation from the Regional Management Committees, Te Waka, Hamilton and Waikato Tourism, Sport Waikato and Legendary Te Kuiti to join the Coalition in support of the recovery focus.
- 3.6 A copy of the amended Vibrant Safe Waitomo Regional Coalition Terms of Reference is attached to this business paper for Council's reference.
- 3.7 Finalisation of the 2020/2021 Action Plan is underway.

Suggested Resolution

The business paper on Vibrant Safe Waitomo – COVID-19 Recovery Response and Amendments to the Regional Coalition Terms of Reference be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

June 2020

Attachment: Vibrant Safe Waitomo Regional Coalition Terms of Reference

Vibrant Safe Waitomo Regional Coalition

Terms of Reference

Purpose

Achieving community safety involves building strong, cohesive, vibrant and participating communities. A safe community is one in which all sectors of the community work together to promote safety. This includes forming partnerships, managing risks, educating and informing and increasing overall safety in the community.

Vibrant Safe Waitomo aims to improve the quality of life of the Waitomo community and visitors to the district through its actions.

The purpose of the Regional Coalition is to enable a cross disciplinary approach to delivering increased positive safety outcomes for those that live and work within our communities.

The Regional Coalition will achieve this through ongoing leadership and governance of Vibrant Safe Waitomo to ensure a coordinated approach is taken in the delivery of services and contracts within our communities.

Temporary Focus

As a result of the 2020 Covid-19 pandemic a temporary focus to be responsive using a joined up strength based approach to recovery will be incorporated into the 2020/2021 Vibrant Safe Waitomo Actions Plans.

It is acknowledged that in unprecedented circumstances such as this that the ability to be quick to adapt in order to be responsive is critical.

Vision

To create safe and vibrant communities where people want to live, work and do business.

Mission

To initiate valued and meaningful partnerships with those that have a vested interest in our communities and increase positive outcomes for those that live and work within its bounds.

Values

- 1) Transparency of systems and processes
- 2) Strong leadership
- 3) Joined up - collaborative approach
- 4) People focused - respectful and holistic
- 5) Community focused
- 6) Sustainable approach to delivery

Scope

Priority sectors that support the promotion of safety in order to reduce harm and injury include, but are not limited to:

- 1) Drug and Alcohol Programmes
- 2) Workplace Safety

- 3) Crime Prevention
- 4) Education and Employment
- 5) Transport and Roads
- 6) Urban Safety
- 7) Positive Early Intervention
- 8) Environment - Built and Natural
- 9) Home Safety
- 10) Public Health

Membership

The Vibrant Safe Waitomo Regional Coalition will comprise, but not be limited to:

- 1) Waikato District Health Board
- 2) Accident Compensation Corporation
- 3) New Zealand Police
- 4) Ministry of Education
- 5) Fire and Emergency New Zealand
- 6) Maniapoto Maori Trust Board
- 7) Ministry of Social Development
- 8) Oranga Tamariki Ministry for Children
- 9) Health Promotion Agency
- 10) Waikato Regional Council
- 11) Integrated Safety Response
- 12) Representative for MP for Taranaki-King Country
- 13) Waitomo District Council
- 14) Legendary Te Kuiti
- 15) Sport Waikato
- 16) Hamilton and Waikato Tourism
- 17) Te Waka
- 18) Regional Management Committees

NOTE: Due to the VSW Temporary Focus on recovery in response to the Covid-19 Pandemic, additional representation may be required.

Coalition Roles and Responsibilities

The Vibrant Safe Waitomo Regional Coalition is responsible for:

- 1) Providing regional political support
- 2) Provide sector knowledge and be able to make decisions on behalf of the agency they represent
- 3) Providing sector knowledge to support the positive implementation of Vibrant Safe Waitomo
- 4) Contribute to local, regional and national discussions about Waitomo community safety, injury and crime prevention needs
- 5) Providing feedback on issues, concerns and data collection
- 6) Providing feedback on reports including the Accreditation Report
- 7) Supporting stakeholders and local contractors to enable successful delivery of programmes
- 8) Maintaining at all times the focus of the Coalition on the agreed scope, outcomes and benefits
- 9) Implementing and measuring the objectives and strategies of the strategic plan
- 10) To advocate and support those organisations operating in the field, at a local level, providing a range of support services

The membership of the Vibrant Safe Waitomo Regional Coalition will commit to:

- 1) Fostering collaboration
- 2) Having a sound understanding of the Vibrant Safe Waitomo work plan
- 3) Attending all scheduled Coalition meetings (approximately four per year). In the event a member is unavailable to attend a scheduled meeting, the member will arrange for a Proxy to attend
- 4) Wholeheartedly championing the Vibrant Safe Waitomo approach

- 5) Sharing all communications and information across all Coalition members
- 6) Notifying members of the Coalition, as soon as practical, if any matters arise which may be deemed to affect the delivery of the Vibrant Safe Waitomo approach
- 7) Be available to attend and participate in accreditation process and ceremony
- 8) Treating sensitive material discussed in meetings with respect and confidence

Responsibilities - Operational

Waitomo District Council is responsible for:

- 1) Building on existing services and networks in a manner that meets local needs
- 2) Promotion of Vibrant Safe Waitomo activities at a national level
- 3) Contributing to the development of opportunities for collaborative projects under the umbrella of Vibrant Safe Waitomo

Coalition Meetings

The Vibrant Safe Waitomo Regional Coalition will meet quarterly. If required, additional meetings will be arranged outside of these times.

- 1) Meetings will be held in the Waitomo District Council Chamber
- 2) Waitomo District Council will provide secretariat support
- 3) The quorum for the Coalition meetings is 6 members
- 4) Meetings will be chaired by the Mayor or delegated alternate

Decision Making

All decisions must be proposed for approval by a member of the Coalition and seconded by another. Once a decision has been proposed the Coalition will reach final decision by way of verbal consensus.

Where there is no decision by consensus the Chairperson may call for a show of hands or other such method to count votes for and against. In such cases the Chairperson should consider what changes could be made to the recommendations to ensure a consensus decision, including deferring the decision to allow for further considerations at a later meeting.

Conflicts of Interest

A conflict of interest could arise if a member's duties or responsibilities to the Vibrant Safe Waitomo Regional Coalition were affected by some other entity or duty which the member may have.

On an on-going basis, each member must disclose any conflict or potential conflict of interest to the Chairperson and follow directions of the Chairperson to manage the relevant conflict.

Review of Terms of Reference

This Terms of Reference will be reviewed annually. The first review is due in March 2020.

Once adopted this Terms of Reference may only be amended, varied or modified after consultation and in agreement with the Vibrant Safe Waitomo Regional Coalition members.

Document No: A474517

Report To: Council



Date: 30 June 2020

Subject: Vibrant Safe Waitomo COVID-19 Recovery Response - Community Partnership Fund

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present to Council for consideration an amendment to the Community Partnership Fund criteria and timeline, to align with the Vibrant Safe Waitomo temporary focus on COVID-19 recovery response.

Background

- 2.1 A Community Development Fund Policy (the Policy) was first adopted by Council in August 2009. The Policy is reviewed on a three-yearly basis to align with development of Council's 10 Year Plan. The last Policy review was completed to take effect from 1 July 2018 to align with the 2018-2028 10 Year Plan.
- 2.2 The following grants collectively make up the Community Development Fund:
 - Discretionary Grant
 - Triennial Grant
 - Provision of Services Grant
 - Community Partnership Fund
 - Community Halls Grant
- 2.3 At its meeting of 26 May 2020, Council considered a business paper providing a brief on a proposal to temporarily change the focus of Vibrant Safe Waitomo to that of recovery in response to the COVID-19 Pandemic.
- 2.4 Council supported the proposal and agreed that, as part of the upcoming CDFP review, Council consider a temporary change of focus to recovery when considering the Policy review.
- 2.5 A next review of the Policy in its entirety is included in Council's Road Map Work Programme with a workshop scheduled September 2020 to commence the review. That Policy review will inform development of the 10 Year Plan 2021–2031 and the Policy adopted as a result of that review will take effect from 1 July 2021.

Commentary

- 3.1 As per the current Policy, the Community Partnership Fund aims to "help our community help itself" by offering access to seed funding and in-kind support to groups and organisations in developing new community initiatives.
- 3.2 As outlined in the Policy, of particular interest for Council are those projects and initiatives that have strong links to the Safe Communities framework.

- 3.3 The Community Partnership Fund is distributed once per annum, with an option of a second round if required. The general timetable is as follows:

	Advertising	Applications close and are considered	Announcements and Funding Allocation
Round 1	September	October	November
Round 2	February	March	April

- 3.4 In recognition of Council's support of Vibrant Safe Waitomo's temporary change in focus to COVID-19 recovery, Council may wish to consider bringing forward this year's Community Partnership Fund timeline, with advertising to commence in July 2020 and consideration of applications to take place in August 2020.
- 3.5 Council may also wish to consider clarification of the Community Partnership Fund criteria in that applications for projects and initiatives of a capital and non-capital nature will be accepted for consideration.
- 3.6 Councils guidance is sought.

Considerations

4.1 **Risk**

- 4.2 No significant risks have been identified.

4.3 **Consistency with Existing Plans and Policies**

- 4.4 This decision is consistent with existing plans and policies.
- 4.5 The policy is consistent with the Council's vision of creating a better future with vibrant communities and thriving business.

4.6 **Significance and Community Views**

- 4.7 This decision is not a significant decision in terms of Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on Vibrant Safe Waitomo COVID-19 Recovery Response - Community Partnership Fund be received.
- 2 Council approve/not approve a revised 2020 Timeline for the Community Partnership Fund.
- 3 Council approve/not approve that applications to the 2020 Community Partnership Fund of either a capital or non-capital nature will be accepted for consideration.



HELEN BEEVER

GENERAL MANAGER – COMMUNITY SERVICES

Document No: A474209

Report To: Council



Meeting Date: 30 June 2020

Subject: Progress Report: Civil Defence Emergency Management Joint Committee Minutes

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the Civil Defence Emergency Management (CDEM) Joint Committee meeting of 9 December 2019.

Background

- 2.1 The Waikato Civil Defence Emergency Management (CDEM) Group is a consortia of local authorities, emergency services, lifeline utilities, welfare organisations, Government departments and non-government organisations.
- 2.2 The role of the group is to work in partnership with communities ensuring effective and efficient delivery of emergency management within the Waikato region.
- 2.3 The Waikato CDEM Group boundary is based largely on Waikato Regional Council's boundary. The CDEM Group area covers approximately 24,000 square kilometres of the central North Island extending from Mt Ruapehu in the south to Port Jackson (at the tip of the Coromandel Peninsula) in the north.
- 2.4 Eleven local authorities within the Waikato region have joined together to establish a CDEM Joint Committee. Each council is represented by one elected member who is the Mayor/Chair or delegated elected representative.
- 2.5 The Waikato CDEM Joint Committee member Councils comprise; Waikato Regional Council, Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, South Waikato District Council, Taupo District Council, Thames-Coromandel District Council, Waikato District Council, Waipa District Council and Waitomo District Council.
- 2.6 The Joint Committee works together to minimise the potential effects of emergencies, prepare the people to respond to emergencies and help the community to recover as quickly as possible following an emergency.

Commentary

- 3.1 Attached to and forming part of this business paper are the minutes of the Committee meeting convened on 9 December 2019.

Suggested Resolution

The Progress Report: Civil Defence Emergency Management Joint Committee Minutes be received.

A handwritten signature in blue ink, appearing to read 'H. Beever'.

HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

June 2020

Attachment: 1. Joint Committee Minutes – 9 December 2019

Waikato Civil Defence and Emergency Management

Group Joint Committee

MINUTES

Date: Monday, 9 December, 2019, 10:03 am

Location: Te Puia Room, Genesis Building
Bryce Street
Hamilton

Members Present: Cr H Vercoe (Waikato Regional Council)
Cr M Bunting (Hamilton City Council)
Cr P Buckthought (Hauraki District Council)
Cr K Tappin (Matamata Piako District Council)
Cr A Williams (Otorohanga District Council)
Cr T Lee (South Waikato District Council)
Cr A Park (Taupō District Council)
Cr S Christie (Thames - Coromandel District Council)
Cr L Brown (Waipa District Council)
Cr A Goddard (Waitomo District Council)

Others Present: L Cavers - Chair - Co-ordinating Executive Group (CEG)
S Vowles - Senior Regional Emergency Management Advisor - National
Emergency Management Agency
J Snowball - Group Controller - Waikato Group Emergency Management
Office
M Bang - Team Leader Western Waikato Group Controller - Waikato Group
Emergency Management Office
M Meads - Independent contractor to the Waikato Group Emergency
Management Office
B Kiely - Assistant Area Commander - Fire and Emergency NZ
Inspector K Thornton - District Operations Manager - Waikato - NZ Police
G Talbot - Group Recovery Manager - Waikato Group Emergency
Management Office
V Oosthoek - Waikato Civil Defence Emergency Management Officer -
Matamata Piako District Council
J Regler - Administrative Coordinator - Waikato Group Emergency
Management Office
W Allan – Controller and CEG Member - Waipa District Council
S McLeay - Acting Democracy Advisor

1. **Apologies**

CD19/37

Moved by: Cr T Lee

Seconded by: Cr L Brown

RESOLVED (SECTION A)

That the apologies of Cr Smith for absence; Cr Buckthought for lateness and Cr Bunting for early departure be accepted.

The motion was put and carried

2. **Election of Chair**

The report was presented by L Cavers. Cr Vercoe was nominated for the position of Chair by Cr Christie. The nomination was seconded by Cr Bunting. There were no other nominations. Voting unanimously supported the appointment. Cr Vercoe was declared Chair.

Cr Vercoe nominated Cr Park as Deputy Chair. The nomination was seconded by Cr Lee. There were no other nominations. Voting unanimously supported the appointment. Cr Park was declared Deputy Chair.

CD19/38

Moved by: Cr S Christie

Seconded by: Cr T Lee

RESOLVED (SECTION A)

1. **That the report 'Election of Chairperson and Deputy Chairperson 2019-2022 Triennium' (Waikato Civil Defence and Emergency Management Joint Committee 9 December 2019) be received.**
2. **That pursuant to clause 25 of schedule 7 of the Local Government Act 2002, Waikato Civil Defence and Emergency Management Joint Committee (WCDEMJC) adopts system B as the voting procedure for the election of the Chair and Deputy Chair of WCDEMJC.**
3. **That in the event of a tie, the tie shall be resolved by way of random selection of names from a hat.**
4. **That Cr H Vercoe be appointed the Chair of Waikato Civil Defence Emergency Management Joint Committee for the 2019-2022 triennium.**
5. **That Cr A Park be appointed the Deputy Chair of Waikato Civil Defence Emergency Management Joint Committee for the 2019-2022 triennium.**

The motion was put and carried

3. Confirmation of Agenda

CD19/39

Moved by: Cr H Vercoe

Seconded by: Cr A Park

RESOLVED (SECTION A)

That the agenda of the meeting of the Waikato Civil Defence and Emergency Management Joint Committee of 9 December 2019, as circulated, be confirmed as the business of the meeting.

The motion was put and carried

4. Disclosures of Interest

There were no disclosures of interest.

5. Minutes of Previous Meeting

CD19/40

Moved by: Cr A Goddard

Seconded by: Cr T Lee

RESOLVED (SECTION A)

That the minutes of the previous meeting of the Waikato Civil Defence and Emergency Management Joint Committee held on 2 September 2019 be received and accepted as a true and accurate record.

The motion was put and carried

6. Financial Year 2020 / 2021 Budget

The report was presented by the Group Controller Waikato (J Snowball).

CD19/41

Moved by: Cr M Bunting

Seconded by: Cr S Christie

RESOLVED (SECTION A)

- 1. That the report 'Group Emergency Management Office Budget - FY 2020 / 2021' (Waikato Civil Defence Emergency Management Joint Committee 9 December 2019) be received.**
- 2. That the Waikato Civil Defence Emergency Management Office Budget for the financial year 2020 / 2021 be approved.**

The motion was put and carried

Cr Buckthought joined the meeting at 10.25am.

7. Monitoring and Evaluation Report

The report was presented by independent contractor to the Waikato Civil Defence Emergency Management Office (M Meads).

CD19/42

Moved by: Cr A Park

Seconded by: Cr K Tappin

RESOLVED (SECTION A)

That the report 'Waikato CDEM Group monitoring and evaluation assessment' (Waikato Civil Defence Emergency Management Joint Committee 9 December 2019) be received.

The motion was put and carried

8. Induction

The report was presented by the Team Leader Western Group Controller (M Bang) and Group Manager and Controller (J Snowball).

Cr Bunting left the meeting at 10.57am.

CD19/43

Moved by: Cr L Brown

Seconded by: Cr A Park

RESOLVED (SECTION A)

That the report 'Joint Committee induction' (Waikato Civil Defence Emergency Management Joint Committee 9 December 2019) be received.

The motion was put and carried

9. Group Work Plan - Progress Report on Priority 1 Actions

The report was presented by the Group Controller Waikato (J Snowball).

CD19/44

Moved by: Cr S Christie

Seconded by: Cr T Lee

RESOLVED (SECTION A)

That the report 'Group Work Plan – Progress towards completion of priority 1 actions' (Waikato Civil Defence Emergency Management Joint Committee 9 December 2019) be received.

The motion was put and carried

10. National Emergency Management Agency Update

The report was presented by the Senior Regional Emergency Management Advisor - National Emergency Management Agency (S Vowles).

CD19/45

Moved by: Cr A Goddard

Seconded by: Cr T Lee

RESOLVED (SECTION A)

That the report 'Update on the formation of the National Emergency Management Agency' (Waikato Civil Defence Emergency Management Joint Committee 9 December 2019) be received.

The motion was put and carried

The meeting was closed at 12.30pm.

Document No: A473994

Report To: Council



Meeting Date: 30 June 2020

Subject: **Progress Report: Property Divestment – Old Ministry of Works Building**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on the divestment of the old Ministry of Works building in Queen Street, Te Kuiti ('the Building').

Background

- 2.1 The Building was built around 1909 and once held a Historic Places Category 2 listing. This was removed after the Historic Places Trust believed the Building to have been demolished.
- 2.2 Waitomo District Council was gifted the Building, exclusive of land, in 1987 by the Ministry of Works.
- 2.3 The conditions of the gifting were:
 - WDC would be responsible for all maintenance and ongoing cost from the date of the gifting (26/08/1987),
 - WDC would be responsible for the payment of all rates, charges and power and other local body charges from that date, and
 - WDC agree to move the building if required to do so after 31 December 1995. This was to allow for a new courthouse and parking should it be required.
- 2.4 After gifting, the Building was leased to the Te Kuiti Historical Society.
- 2.5 In November 2011, it was identified the Building needed extensive repair work. At that time, Council decided that the Building had reached the end of its useful life and no more money was to be spent on it.
- 2.6 During the 2012-22 LTP a submission was received which offered finance to help restore the building on the condition that WDC and the community match the funding proposal. The Submitter was advised that Council would not support this, but would delay contacting the Crown regarding removal to allow the community time to match the proposal. No further correspondence was received from the Submitter.
- 2.7 The Te Kuiti Historical Society and the Genealogy Group vacated the building as it was no longer required.

- 2.8 As previously discussed with Council, the building was in poor repair and would require a large investment to restore the building to a habitable state.
- 2.9 At a Council meeting on 27 November 2018, Council considered proposed options for the Building and verbally agreed to a proposal by an Interested Party to relocate and renovate the Building at the Matangi Factory site for a nominal sale price. Council noted specifically that if the building was either demolished by Council, or if Council relocated the building to another site and renovated it, there would be a significant cost to WDC's ratepayers.
- 2.10 Following confirmation from the Interested Party that Resource Consent had been granted by Waikato District Council to relocate and renovate the Building, Council at a meeting on 28 May 2019, agreed to the sale of the Building for a nominal price of \$1 including GST, on the condition that its relocation to the Matangi Factory site and renovation occurred at no cost to the Council. Again, it is reiterated that if Council was to renovate, demolish or remove the Building itself, there would have been a considerable cost incurred.

Commentary

3.1 PROGRESS AS AT 19 JUNE 2020

- 3.2 Following Council approval to sell the Building at its May 2019 meeting, an agreement for sale and removal was entered into between the parties. A house removal company initially began preparation works for relocation of the Building in August 2019, but that progress was delayed due to other committed workloads and the final preparation was carried out in early 2020, albeit delayed again due to the impact of Covid-19. That preparation work took approximately two months.
- 3.3 The Building was removed in early June 2020 and the works to tidy up the site is now underway. This is expected to be completed by the end of June 2020.
- 3.4 The site restoration involves the removal of the Building's concrete foundations, and some timber framing. A section of timber fence is also to be constructed to the rear of the site. The erection of this fence was a requirement of the Ministry of Justice. Finally the site will be levelled off and re-grassed.
- 3.5 Once the site restoration has been completed the land will be returned to the Crown.

Suggested Resolution

The Progress Report: Property Divestment – Old Ministry of Works Building be received.



TONY HALE
GENERAL MANAGER – INFRASTRUCTURE SERVICES

30 June 2020

Document No: A472322

Report To: Council



Meeting Date: 30 June 2020

Subject: Waikato and Bay of Plenty Waste Liaison Group – Submission to “Managing the trade in plastic waste: New Zealand’s approach to implementing amendments to the Basel Convention”

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with a copy of the Waikato & Bay of Plenty Territorial Authority Waste Liaison Group’s (WBoP Group) submission to the Ministry for the Environment’s proposed amendments to the implementation of the Basel Convention in Aotearoa New Zealand.

Background

- 2.1 The Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal was adopted on 22 March 1989 by the Conference of Plenipotentiaries in Basel, Switzerland, in response to a public outcry following the discovery in Africa and other parts of the developing world, of deposits of toxic wastes imported from abroad. The Convention entered into force in 1992, and was ratified in New Zealand in 1994. As of October 2018, 186 states and the European Union are parties to the Convention.
- 2.2 On 10 May 2019, New Zealand, along with approximately 180 other countries, agreed to amend the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal. Subsequently, New Zealand became a signatory of the Basel Convention Plastic Waste Amendment.
- 2.3 The Basel Convention is intended to protect both human health and the environment from the adverse effects of hazardous waste. The agreed amendment sought to better regulate global trade in plastic waste, recognizing the long-term environmental and potential human health impacts of plastic materials.
- 2.4 New international requirements under the Basel Convention for the trade in plastic waste come into effect on 1 January 2021. The Ministry for the Environment is now consulting on the proposed changes to the national imports and exports process for plastic waste, to align New Zealand with the international agreement.
- 2.5 Under these amendments, imports and exports of most mixed plastics will require a permit. Imports and exports of separated plastic waste suitable for recycling and mixtures of PET, PE and PP, will not require a permit.
- 2.6 There are two proposals outlined by the Ministry for the Environment (MfE). Both proposals would amend the Imports and Exports Order to include mixed plastic waste in the permitting system. However, they differ on whether to have specifications for separated plastic waste. The proposed options are:

- **Option 1** – Permits for mixed plastic waste, **without** specifications for imports and exports of separated plastic waste.
- **Option 2** – Permits for mixed plastic waste, **with** specifications for imports and exports of separated plastic waste (such as a specific maximum rate for contamination).

3.1 The WBoP Group has identified a loophole in both of the options proposed by MfE, of non-specification of contamination rate, which the WBoP Group believes could result in poor performance. Therefore, in its submission, the WBoP Group has proposed a third option (**Option 3**) which addresses this inadequacy. In the proposed Option 3 the WBoP Group recommends that contamination rates need to be set for all plastic bales. A ban on the export of co-mingled bales containing plastics 3, 4, 6 and 7 by 2021 is also recommended.

2.7 Waitomo District Council is a member of the WBoP Group and this submission has been prepared as a Group submission rather than an individual Council submission. Submissions closed on 22 May 2020.

Commentary

3.1 The overarching objective of the Basel Convention is to protect human health and the environment against the adverse effects of hazardous wastes. The most effective step we can take toward human and environmental health is to prevent waste in the first instance. Shifting away from the hard to recycle plastic was one of the key recommendations given in the Rethinking Plastics report, which can be achieved in part by strategic implementation of the Basel Amendment. If implemented strategically, the annexes to the Basel Convention will improve the environmental and social impacts of international plastic waste trade.

3.2 In light of this, the WBoP Group has decided to propose an **Option 3** – as both of the options proposed by MfE do not specify a contamination rate for mixed plastic bales thus creating a loophole which could result in poor performance. While there is currently variation on the contamination levels of bales, the information the WBoP Group is working off suggests that plastics 3, 4, 6 and 7 make up only 0.6 percent of a mixed plastic bale; and a bale of mixed plastic could be sent off shore as a bale of plastics 1, 2 and 5 with an 8.6 per cent contamination rate to avoid the need for an export permit. The WBoP Group recommends that contamination rates need to be set for all plastic bales for export.

3.3 The WBoP Group also recommend that under the Basel Amendment, Aotearoa New Zealand should ban the export of co-mingled bales containing plastics 3, 4, 6 and 7 and allow only co-mingled bales of plastics 1, 2, 5 by 2021. Currently there are no markets for household packaging made from plastics 3, 4, 6 and 7 whether co-mingled or source separated, whilst there are markets both in New Zealand and offshore for some colours of plastics 1 and 2, and markets for all colours of plastics 5.

3.4 By banning co-mingled bales of mixed plastics containing plastics 3, 4, 6 and 7 this will encourage more and more councils to focus their recycling on collecting plastics 1, 2 and 5, where there is strong demand and the option of onshore processing. It will send a clear message to industry to consider switching to packaging which is more readily recyclable. It will also provide greater flexibility to recyclers as they will not require permits for mixed plastic bales and they can focus their efforts on reducing gross contamination in co-mingled bales of plastics 1, 2 and 5.

- 3.5 It is the WBoP Group's opinion that the proposed legislative changes can only be fully effective if undertaken alongside the implementation of other key changes to how waste resources are managed and therefore valued.
- 3.6 Overall, the WBoP Group recommends prioritising circular economy principals for waste prevention, including:
- The restriction of the types of plastic permitted for use in Aotearoa New Zealand to those with the highest recyclable value such as Clear PET 1, HDPE 2 and PP 5. Due to failing markets, most councils already do not collect plastics 3, 4, 6 and 7 so these are being sent to landfill. These low-quality plastics should thus be banned, or other disincentives should be placed on the use of these materials.
 - A comprehensive labelling system to help consumers understand the recyclability of packaging. This will increase the quality of our recycling.
 - Standardising recycling across the country to increase the quality of our recyclables.
 - Increasing the landfill levy and applying to landfills other than class 1 as per international best practice, incrementally over time to reach \$140 per tonne.
 - Advancing product stewardship schemes.
 - Implement recycled content requirements to support recovered materials markets.
- 3.7 Without these tools in place, it is likely that the impact of the Basel Amendment will be limited and will be unfairly distributed, with Local Authorities (and therefore ratepayers) and processors feeling most of the burden.
- 3.8 There would be little to no direct financial impact on the Waitomo District Council as only plastics 1 and 2 are collected. Further down the track, should Council commence collection of plastics 5, then there may be some financial impact. The level of impact is not known as this is not a service we currently provide.
- 3.9 A potential indirect financial impact could be the transference of costs from our contractors should they incur administrative costs as a direct result of the amendments.

Suggested Resolution

The business paper on the Waikato and Bay of Plenty Waste Liaison Group Submission to "Managing the trade in plastic waste: New Zealand's approach to implementing amendments to the Basel Convention" be received.



PARVA ZAREIE
MANAGER – WASTE MINIMISATION

Attachment: Final draft Waikato/Bay of Plenty Waste Liaison Group Submission to Ministry for the Environment consultation on "Managing the trade in plastic waste: New Zealand's approach to implementing amendments to the Basel Convention" (A471904).

File No:
Document No:
Enquiries to: Valerie Bianchi



4 May 2020

Private Bag 3038
Waikato Mail Centre
Hamilton 3240, NZ

Ministry for the Environment
PO Box 10362
WELLINGTON 6143

waikatoregion.govt.nz
0800 800 401

Email: basel@mfe.govt.nz

Dear Sir/Madam

Waikato and Bay of Plenty Waste Liaison Group Submission to “Managing the trade in plastic waste: New Zealand’s approach to implementing amendments to the Basel Convention”

Thank you for the opportunity to submit on the proposed “Managing the trade in plastic waste: New Zealand’s approach to implementing amendments to the Basel Convention”. Please find attached the Waikato and Bay of Plenty Waste Liaison Group (the TA Waste Liaison Group’s) staff submission regarding these documents. Please note due to tight timeframes this is a staff only submission. Individual councils may also be submitting to this consultation.

Should you have any queries regarding the content of this document please contact Valerie Bianchi, Education Projects Advisor, Education Team directly on (07) 859 0515 or by email Valerie.bianchi@waikatoregion.govt.nz.

Regards,

Valerie Bianchi
Education Projects Advisor

Submission from the TA Waste Liaison Group on the “Managing the trade in plastic waste: New Zealand’s approach to implementing amendments to the Basel Convention”

Summary

1. We appreciate the opportunity to make a submission on the **“Managing the trade in plastic waste: New Zealand’s approach to implementing amendments to the Basel Convention”**.
2. The Ministry for the Environment’s waste work programme has signalled progress towards waste minimisation and transition to a circular economy. The Waikato and Bay of Plenty Waste Liaison Group (the TA Waste Liaison Group) continues to support this work.
3. Aotearoa New Zealand’s implementation of the Basel Amendment should support a strategic vision to eliminate waste and support a circular economy.
4. We are concerned that Options 1 and 2 outlined by MfE do not specify a contamination rate for mixed plastic bales thus creating a loophole. proposes a third option to address these issues which is banning the export of commingled bales containing plastics 3,4,6 and 7 by Jan 2021 and only permitting source separated bales of plastics 1,2,3,4,5 and 6 and commingled bales with combinations of plastics 1,2 and 5. This third option has support from the recycling industry as it eliminates the need to apply for an export permit for a mixed plastic bale and thus a 4-6 month wait time.
5. A compulsory national recycling standard should be introduced in 2022 which sets a contamination rate for bales of plastic whether sold offshore or locally. This would reduce the overall contamination in bales without requiring export permits to be issued. Councils could build their contracts with recyclers a requirement on contamination rates in bales and then a national validation process wouldn’t be required.
6. We look forward to future consultation process to incorporate the proposed amendments into relevant statutes and would welcome the opportunity to comment on any issues explored during their development.

Submitter details

Waikato Regional Council
Private Bag 3038
Waikato Mail Centre
Hamilton 3240

Contact person:

Valerie Bianchi
Education Projects Advisor, Education Team
Email: Valerie.bianchi@waikatoregion.govt.nz
Phone: (07) 859 0515

Introduction

Established in 1992, the purpose of the Waikato & Bay of Plenty Waste Liaison Group is to provide a forum for Waikato and Bay of Plenty regions to come together to discuss shared waste minimisation objectives and achieve waste minimisation, recycling and better management of solid waste through the sharing of information and experiences between district and city council officers, and to coordinate activities

between councils and external organisations where appropriate. Since 1992 the group has been expanded to include councils beyond the two regions. We have a great opportunity between the regions of the North Island to prevent waste and minimise the environmental and social harm from waste through partnership.

The objective of this group is, in part, to prepare recommendations and submissions that reflect the collective agreement of the Waste Liaison Group in regards to significant waste minimisation, management and recycling issues. We cannot aim to grow healthy environments and people in our own boundaries at the expense of those in other countries. Therefore, we wish to engage in the decision-making process around implementing the amendments to the Basel Convention.

As part of the Waste Liaison Group, contributors to this submission include:

Valerie Bianchi (Education Projects Advisor, Waikato Regional Council)

Victoria Moyle (Waste Minimisation Officer, South Taranaki District Council)

Brent Aitken (Asset Manager Solid waste & Stormwater, Taupo District Council)

Nigel Clarke (Manger Solid Waste, Whakatane District Council)

Parva Zareie (Manager – Waste Minimisation, Waitomo District Council)

Phil Burt (Infrastructure and Maintenance Operations Manager, South Waikato District Council)

Commentary

The overarching objective of the Basel Convention is to protect human health and the environment against the adverse effects of hazardous wastes. The most effective step we can take toward human and environmental health is to prevent waste in the first instance. Shifting away from hard to recycle plastic was one of the key recommendations given in the Rethinking Plastics report, which can be achieved in part by strategic implementation of the Basel Amendment. If implemented strategically, the annexes to the Basel Convention will improve the environmental and social impacts of international plastic waste trade.

Preferred solution

A. Specify contamination rate

Both options proposed by MfE don't specify a contamination rate for mixed plastic bales thus creating a loophole which could result in poor performance. While there is currently variation on the contamination levels of bales, the information we are working off suggests that that plastics 3,4,6 and 7 make up only 0.6 percent of a mixed plastic bale; and a bale of mixed plastic could be sent off shore as a bale of plastics 1,2 and 5 with an 8.6 per cent contamination rate to avoid the need for an export permit. We recommend that contamination rates need to be set for all plastic baes for export.

B. Ban the export of comingled bales of plastics 3,4,6 & 7 and allow comingled bales of 1,2 &5 only

Under the Basel Amendment Aotearoa New Zealand should ban the export of commingled bales containing plastics 3,4,6 and 7 and allow commingled bales of plastics 1,2,5 only by 2021. Currently there are no markets for household packaging made from plastics 3,4,6 and 7 whether commingled or source separated, whilst there are markets both in New Zealand and offshore for some colours of plastics 1 and 2, and markets for all colours of plastics 5.

By banning commingled bales of mixed plastics containing plastics 3,4,6 and 7 this will encourage more and more councils to focus their recycling on collecting plastics 1,2 and 5 where there is strong demand and the option of onshore processing. It will send a clear message to industry to consider switching to packaging which is more readily recyclable. It will also provide greater flexibility to recyclers as they won't need to apply for a permit for a mixed plastic bale and can focus their efforts on reducing gross contamination in commingled bales of plastics 1,2 and 5.

C. Prioritise other strategic steps

It is our opinion that the proposed legislative changes can only be fully effective if done alongside the implementation of other key changes to how we manage and therefore value our waste as a resource.

Overall, we recommend prioritising circular economy principals for waste prevention, including:

- MfE should restrict the types of plastic permitted for use in Aotearoa New Zealand to those with the highest recyclable value such as Clear PET 1, HDPE 2 and PP 5. Due to failing markets, most councils already do not collect plastics 3, 4, 6 & 7 so these are being sent to landfill. These low quality plastics should thus be banned or other disincentives should be placed on the use of these materials.
- A comprehensive labelling system to help consumers understand the recyclability of packaging. This will increase the quality of our recycling.
- Standardising recycling across the country to increase the quality of our recyclables.
- Increasing the landfill levy and applying to landfills other than class 1 as per international best practice, incrementally over time to reach \$140 per tonne.
- Advancing product stewardship schemes.
- Implement recycled content requirements to support recovered materials markets.

Without these tools in place, it is likely that the impact of the Basel Amendment will be limited and will be unfairly distributed, with Local Authorities (and therefore ratepayers) and processors feeling most of the burden.

Consultation questions

1. Have you been affected by the changes to importing countries' specifications? If so, how?

Since the introduction of China's National Sword Policy in 2017, international recycling and reprocessing markets have changed significantly. There are fewer countries buying materials for recycling and there is increased competition between sellers of materials. This makes it a highly competitive and often unpredictable market. The current global COVID-19 pandemic has further increased the pressure on the industry and is posing an immediate risk to recycling markets as countries restrict import and export activity through their borders. Due to the global impact of COVID-19 on oil prices, virgin resin has become much more affordable for plastic production. This combined with the over-supply of mixed plastics in the market has resulted in a sharp decline in the price for recycled mixed plastics. This development has caused further concern for the reliability of markets for importing of mixed plastic recyclables. According to WasteMinz, sixty per cent of TAs only accept plastics 1 and 2 due to these factors.

2. Do you have any concerns about New Zealand implementing the Basel Amendments? Please explain.

Concern 1: Sending recycling off shore

The Technical Guidelines of the Basel Convention notes that the two main technological routes for plastic waste recovery are mechanical recycling and incineration with energy recovery, followed by landfilling. While the Basel Convention Amendments aim to encourage trade in high value plastics for recycling, plastics still may be processed overseas via a method that we see as unfavourable for Aotearoa New Zealand, such as waste to energy. Many of our communities and councils have concern that about the environmental and social implications of incineration, thus sending low quality plastics offshore presents a "not in my backyard" situation. The Basel Convention reduces some of the negative effects caused by hazardous waste, but the fact remains that recycling causes residual waste, air pollution and carbon

emissions from transportation. Implementing the Basel Amendment should include strategic thinking about how to encourage onshore markets which will reduce global environmental impact.

Concern 2: Minimising contamination levels

We are concerned with the lack of clarity around definitions included in the amendment which could lead to greater harm and contamination levels. As per the information provided on page 15 of the consultation document, terms such as “environmentally sound manner” and “almost free from contamination” present an opportunity for loopholes if not effectively and consistently defined and applied. We would recommend that, even in the absence of these terms being effectively defined globally, it would be prudent for Aotearoa New Zealand to define these terms for our national use. Without defining a contamination rate, having a system of validating the contamination of a bale and/or restricting what types of material can be included in a bale, there is no incentive to reduce contamination of bales.

Concern 3: Operational implications

The operational implications of the changes proposed will vary across different companies and councils but are most likely to be felt by businesses who collect low value plastic materials for recycling. The additional administration, expense and delays of attaining Environmental Protection Authority permits for import or export may decrease the value of these materials even further. This is why we support banning the export of low quality plastics, which industry partners have reported as a preferable option.

3. Do you have a preference between option 1 and option 2 to implement the Basel Amendment?

We prefer an option which will increase quality and viability of Aotearoa New Zealand recycling. Thus, we have proposed an alternative option to 1 & 2. Option 1 provides the greatest flexibility but does not go far enough to decrease contamination. Option 1 also does not incentivise recyclers to look for on shore markets for recycling. Option 2 would appear to increase the quality of recycling but the timeframe of implementing option 2 is too short given the need for establishing appropriate contamination levels and setting up a validation process. This option could potentially increase the costs of exporting recycling offshore due to the additional administration costs and delays in getting permits. Both options don't specify a contamination rate for mixed plastic bales thus creating a loophole which could result in poor performance.

Alternatively, New Zealand should require under the Basel Amendment that the export of plastics 3, 4, 6 & 7 in commingled bales is banned by 2021. Recyclers wouldn't need to apply for a mixed plastic export permit as they would only be baling coloured PET, coloured HDPE and PP in their mixed plastic bales. Following on from this, a compulsory national recycling standard could be introduced in 2022 which sets a contamination rate for bales of plastic whether sold off shore or locally. This would reduce the overall contamination in bales without requiring export permits to be issued. Councils should then build their contracts requiring reporting contamination rates in bales. This would also mean a national validation process would not be required.

4. Do you think a validation process is needed for exports of separated plastic waste? Could this be part of your industry's practices (eg, quality checks of bales before export)?

We have concerns about the feasibility of compliance with the criteria required to get a permit for export of materials beyond the initial application. Where permits are valid for a year, there is seemingly an opportunity for exporters to send non-compliant materials once the initial application has been approved.

There is also a concern surrounding the overall effectiveness of relying on a permit process to enact our obligations under the Basel Amendments. Namely, the permit process appears to allow the export of separated plastics even when it does not meet the given specifications, which indicates that this is largely an administrative process that may take more time, without clear improvements to our recycling system.

Further, it remains unclear on what basis export permits will be granted for mixed plastics in relation to specified levels of contamination or other factors.

DRAFT

Document No: A474716

Report To: Council



Meeting Date: 30 June 2020

Subject: Adoption of Road Map Work Programme for the period June 2020 to June 2021

Purpose

- 1.1 The purpose of this business paper is to present to Council for consideration and adoption, the Road Map Work Programme, further revised as a result of the implications of Covid-19 for the period June 2020 to June 2021.
- 1.2 The Road Map Work Programme as at 30 June 2020 (Doc A472779) is enclosed separately and forms part of this business paper.

Commentary

- 2.1 The Road Map sets out work programmes identified to date for period leading up to adoption of the next (2021-2031) 10 Year Plan (10YP) in June 2021.
- 2.2 In addition to projects relevant to the development of the 10YP and required by legislation, there are a number of other projects that must also occur over this period. Some of these non-10YP commitments are of importance to the functional roles of Council which feed into the decision making process.
- 2.3 The Road Map details identified projects of work, including a brief commentary for each project and indicative timelines for completion. As Council is well aware, other projects of work will arise over time which will need to be tested against this Road Map Work Programme and in particular WDC's organisational capacity to identify priority ranking against the already established work programme.
- 2.4 Of specific importance in this version of the Road Map programme, is the influence Covid-19 has had on the entire WDC organisation. A new Section Two has been included in the Road Map to provide some context in respect to Covid-19 impacts and implications.
- 2.5 The Road Map is a 'living document' and as such is subject to change, both through further planning required for certain work streams and also by way of Council review as other issues arise over time which affect priorities.
- 2.6 This Road Map includes -
 - Projects which commenced prior to the current financial year and are continuing across financial years.
 - Projects required by Legislation.
 - Projects required as part of the development of the 2021-2031 LTP.

- Projects identified by the Elected Council and requested for inclusion in the Road Map.
 - Projects identified in the draft Exceptions Annual Plan 2020/21
- 2.7 The Road Map is updated and re-presented to Council in full for review on a “needs” basis. Subject to how many variations are required. As well as any variations made resulting from new projects identified throughout a financial year, a fully revised Road Map is presented to Council following adoption of either an EAP or an LTP.
- 2.8 In the periods between considering a fully revised Road Map, a Monitoring Schedule is presented to Council on a quarterly basis. The Monitoring Schedule is a direct extract from the Road Map of the Key Milestones for the current year and includes the indicative timeframes and a commentary on progress for each project of work.

Suggested Resolutions

- 1 The business paper on Adoption of Road Map Work Programme for the period June 2020 to June 2021 be received.
- 2 The Road Map Work Programme for the period June 2020 to June 2021 (Doc A472779) be adopted.



MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

Separate Enclosure: Road Map Work Programme as at 30 June 2020 (Doc A472779)

Document No: A474777	
Report To:	Council
	Meeting Date: 30 June 2020
	Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose of Report

- 1.1 The purpose of this business paper is to enable the Council to consider whether or not the public should be excluded from the consideration of Council business.
- 1.2 The Council may choose to consider any of the items in the public portion of the meeting.

Commentary

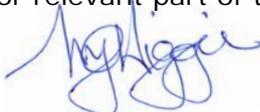
- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives Council the right by resolution to exclude the public from the whole or any part of the proceedings of any meeting, only on one or more of the grounds contained within that Section.

Suggested Resolutions

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded and the reason for passing this resolution in relation to each matter, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter
1. Code of Conduction Investigation	To maintain the effective conduct of public affairs by protecting members or employees of the Council in the course of their duty, from improper pressure or harassment (s 7(2)(f)(ii)).

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 the public.


 MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT