



PALMERSTON NORTH CITY COUNCIL

AGENDA COUNCIL

9AM, MONDAY 25 JUNE 2018

**COUNCIL CHAMBER, FIRST FLOOR, CIVIC ADMINISTRATION BUILDING
32 THE SQUARE, PALMERSTON NORTH**



MEMBERSHIP

Grant Smith (Mayor)

Tangi Utikere (Deputy Mayor)

Brent Barrett

Susan Baty

Rachel Bowen

Adrian Broad

Gabrielle Bundy-Cooke

Vaughan Dennison

Lew Findlay QSM

Leonie Hapeta

Jim Jefferies

Lorna Johnson

Duncan McCann

Karen Naylor

Bruno Petrenas

Aleisha Rutherford

Agenda items, if not attached, can be viewed at:

pncc.govt.nz | Civic Administration Building, 32 The Square
City Library | Ashhurst Community Library | Linton Library

Heather Shotter

Chief Executive, Palmerston North City Council

Palmerston North City Council

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Private Bag 11034, 32 The Square, Palmerston North



COUNCIL MEETING

25 June 2018

ORDER OF BUSINESS

NOTE: The Council meeting coincides with the extraordinary meeting of the Arts Culture and Heritage Committee meeting. The format for the meeting will be as follows:

- Arts, Culture and Heritage Committee will open and adjourn immediately to resume following Council.
- Council will open, conduct its business and then close.

1. Apologies

2. Notification of Additional Items

Pursuant to Sections 46A(7) and 46A(7A) of the Local Government Official Information and Meetings Act 1987, to receive the Chairperson's explanation that specified item(s), which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded, will be discussed.

Any additions in accordance with Section 46A(7) must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

Any additions in accordance with Section 46A(7A) may be received or referred to a subsequent meeting for further discussion. No resolution, decision or recommendation can be made in respect of a minor item.

3. Declarations of Interest (if any)

Members are reminded of their duty to give a general notice of any interest of items to be considered on this agenda and the need to declare these interests.

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|-----------|--|---------|
| 4. | Tribute - Patrick James Kelly | Page 9 |
| 5. | Presentation - Queen's Birthday Honours | Page 11 |
| 6. | Confirmation of Minutes
"That the minutes of the ordinary meeting of 28 May 2018 Part I Public be confirmed as a true and correct record." | Page 13 |

REPORTS

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| 7. | Adoption of the 10 Year Plan (Long-term Plan) 2018-28, including the Financial and Infrastructure Strategies | Page 31 |
| | Memorandum, dated 7 June 2018 from the Head of Community Planning, Andrew Boyle. | |
| 8. | Setting of Rates for 2018/19 | Page 39 |
| | Memorandum, dated 15 June 2018 from the Strategy Manager Finance, Steve Paterson. | |
| 9. | Adopting Amendments to the Treasury Policy and Resolutions to Authorise Borrowing | Page 51 |
| | Memorandum, dated 15 June 2018 from the Strategy Manager Finance, Steve Paterson. | |
| 10. | Consideration of support for remit proposals to the Local Government New Zealand AGM. | Page 55 |
| | Memorandum, dated 30 May 2018 from the Strategy & Policy Manager, Julie Macdonald. | |

- 11. Review of Representation Arrangements** Page 125
Memorandum, dated 7 June 2018 from the Legal Counsel, John Annabell.
- 12. Elected Member Expense Policy - Adoption** Page 135
Memorandum, dated 12 June 2018 from the Finance Manager, Stuart McKinnon.
- 13. Council Work Schedule** Page 143

RECOMMENDATIONS FROM COMMITTEE MEETINGS

- 14. Presentation of the Part I Public Committee of Council Recommendations from its 28 May 2018 Meeting** Page 145
“That the Committees recommendations be adopted or otherwise dealt with.”
- 15. Presentation of the Part I Public Committee of Council Recommendations from its 11 June 2018 Meeting** Page 151
“That the Committees recommendations be adopted or otherwise dealt with.”
- 16. Presentation of the Part I Public Community Development Committee Recommendations from its 6 June 2018 Meeting** Page 155
“That the Committees recommendations be adopted or otherwise dealt with.”
- 17. Presentation of the Part I Public Sport and Recreation Committee Recommendations from its 6 June 2018 Meeting** Page 157
“That the Committees recommendations be adopted or otherwise dealt with.”
- 18. Presentation of the Part I Public Planning and Strategy Committee Recommendations from its 6 June 2018 Meeting** Page 159

“That the Committees recommendations be adopted or otherwise dealt with.”

19. Presentation of the Part I Public Finance and Performance Committee Recommendations from its 18 June 2018 Meeting

Page 161

“That the Committees recommendations be adopted or otherwise dealt with.”

20. Exclusion of Public

To be moved:

“That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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	Ground(s) under Section 48(1) for passing this resolution
21.	Minutes of the ordinary meeting - Part II Confidential - 28 May 2018	For the reasons setout in the ordinary minutes of 28 May 2018, held in public present.	
22.	Rotation of Trustees on Council Controlled Organisations	Privacy	s7(2)(a)

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

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne

Wilson), General Manager, Marketing and Communications (Sacha Haskell), and Communications Advisor (name) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council's Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Acting Governance and Support Team Leader (Stuart McKinnon) and Committee Administrators (Penny Odell and Rachel Corser), because of their knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

[Add Council Officers], because of their knowledge and ability to assist the meeting in speaking to their report and answering questions, noting that such officer will be present at the meeting only for the item that relate to their respective report.

[Add Third Parties], because of their knowledge and ability to assist the meeting in speaking to their report/s [or other matters as specified] and answering questions, noting that such person/s will be present at the meeting only for the items that relate to their respective report/s [or matters as specified].

PRESENTATION

TO: Council

MEETING DATE: 25 June 2018

TITLE: Tribute - Patrick James Kelly

RECOMMENDATION(S) TO COUNCIL

1. That the Council notes, with respect, the passing of Patrick (Pat) Kelly.

SUMMARY

The Mayor will pay tribute to Patrick (Pat) James Kelly, former Palmerston North City Councillor, who recently passed away.

ATTACHMENTS

NIL

PRESENTATION

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation - Queen's Birthday Honours

RECOMMENDATION(S) TO COUNCIL

1. That Council note that congratulations will be conveyed on behalf of the Council to the local recipients of the Queen's Birthday Honours 2018.

SUMMARY

The Mayor will refer to the local recipients of the Queen's Birthday Honours.

ATTACHMENTS

NIL

PALMERSTON NORTH CITY COUNCIL

Minutes of the Council Meeting Part I Public, held in the Council Chamber, First Floor, Civic Administration Building, 32 The Square, Palmerston North on 28 May 2018, commencing at 9.02am

Members Present: The Mayor (Grant Smith) (in the Chair) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Apologies: Councillor Gabrielle Bundy-Cooke.

71-18 Apologies

Moved Grant Smith, seconded Tangi Utikere.

RESOLVED

1. That Council receive the apologies.

Clause 71-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

72-18 Confirmation of Minutes

Moved Grant Smith, seconded Tangi Utikere.

RESOLVED

1. That the minutes of the extraordinary meeting of 14 May 2018 Part I Public be confirmed as a true and correct record.

Clause 72-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

REPORTS

73-18

Caccia Birch - Lagoon Embankment Upgrade

Memorandum, dated 9 May 2018 from the Parks & Property Manager, John Brenkley and the Senior Property Assets Officer, Jocelyn Broderick.

Moved Grant Smith, seconded Aleisha Rutherford.

RESOLVED

1. That Council receive this memorandum regarding upgrading the Hokowhitu Lagoon embankment.
2. That Council decide not to add a new capital works programme estimated at \$90,000 for this upgrade and be presented for consideration as Council undertakes its final 2018 – 28 10 Year Plan deliberations.

Clause 73-18 above was carried 8 votes to 7, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Rachel Bowen, Adrian Broad, Lew Findlay QSM, Jim Jefferies, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Against:

Councillors Brent Barrett, Susan Baty, Vaughan Dennison, Leonie Hapeta, Lorna Johnson, Duncan McCann and Karen Naylor.

74-18

Options to Provide Additional Dog Waste Bags and Bins in City Public Spaces

Report, dated 17 April 2018 from the Parks & Property Manager, John Brenkley.

Moved Leonie Hapeta, seconded Duncan McCann.

RESOLVED

1. That Council include a new capital item in its final 2018 – 28 10 Year Plan deliberations to purchase and install 17 new bins are purchased to supplement the existing number bins along the walkway network at a cost of \$25,500.

Clause 74-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

75-18

Elected Member Development Policy and Changes to Delegation Manual

Memorandum, dated 27 April 2018 from the Deputy Mayor, Tangi Utikere.

Moved Vaughan Dennison, seconded Aleisha Rutherford.

RESOLVED

1. That the Elected Member Development Policy (attached as Councillor Development and Training Policy) be adopted, and come into effect on 1 July 2018.
2. That, with effect from 1 July 2018, a new clause 190 and heading be added to the Council's *Delegations Manual*, as follows:

"Mayor, Deputy Mayor and Chairperson of the Finance and Performance Committee

190 With regard to an elected member conference and training opportunity:

- 190.1 The Mayor, acting conjointly with the Deputy Mayor or, if one of those is unavailable, then the other acting conjointly with the Chairperson of the Finance and Performance Committee, has delegated authority to decide whether any elected member or members should attend and, if so, whom.
- 190.2 This authority may be exercised only where a particular conference and training opportunity is available in New Zealand and the total cost of such opportunity for any elected member attending or participating does not exceed \$2,000.00 GST exclusive for that member.
- 190.3 Any approval given and any recording and reporting must be in accordance with both the Council's Elected Members' Expenses Policy and with the Elected Member Development and Training Policy or, if either or both of those policies have been superseded, then with the replacement or equivalent policy or policies."

Clause 75-18 above was carried 12 votes to 0, with 3 abstentions, the voting being as follows:

For:

Councillors Brent Barrett, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Abstained:

The Mayor (Grant Smith) and Councillors Susan Baty and Tangi Utikere.

76-18

Approval of Council Submission on the Local Electoral Matters Bill

Memorandum, dated 15 May 2018 from the Legal Counsel, John Annabell.

Moved Grant Smith, seconded Aleisha Rutherford.

RESOLVED

1. That the Council approve the attached submission on the Local Electoral Matters Bill and submit it to the Justice Committee of Parliament.

Clause 76-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

77-18 Rescind 'Policy on the Appointment of Directors to Outside Organisations
Memorandum, dated 1 May 2018 from the Governance & Support Team Leader, Kyle Whitfield.

Moved Vaughan Dennison, seconded Susan Baty.

RESOLVED

1. That the policy entitled: 'Policy on the Appointment of Directors to Outside Organisation' is rescinded.

Clause 77-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

78-18 Conference Opportunity - LGNZ Housing Symposium 2018
Memorandum, dated 14 May 2018 from the Committee Administrator, Penny Odell.

Moved Susan Baty, seconded Grant Smith.

RESOLVED

1. That Council approve the attendance of up to 16 elected members to attend, with expenses paid, the LGNZ Housing Symposium 2018 being held in Wellington on 28 June 2018.
2. That registrations of interest be invited from elected members wishing to attend, with expenses paid, and advise the Committee Administrator, Penny Odell, by 12 noon Friday 1 June 2018.

Clause 78-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

79-18 Council Work Schedule

Moved Grant Smith, seconded Tangi Utikere.

RESOLVED

1. That the Council receive its Work Schedule dated May 2018.

Clause 79-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

RECOMMENDATIONS FROM COMMITTEE MEETINGS

80-18 Planning and Strategy Committee Part I Public - 7 May 2018

Consideration was given to Planning and Strategy Committee recommendations as appended to these minutes.

Moved Duncan McCann, seconded Aleisha Rutherford.

RESOLVED

1. That clause 30-18 1a of the Committee's recommendations be adopted.

Clause 80.1 above was carried 14 votes to 1, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Against:

Councillor Vaughan Dennison.

Moved Duncan McCann, seconded Aleisha Rutherford.

2. That the remainder of clause 30-18 of the Committee's recommendations be adopted.

Clause 80.2 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Moved Duncan McCann, seconded Aleisha Rutherford.

3. That clause 32-18 of the Committee's recommendations be adopted.

Clause 80.3 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian

Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

81-18 Community Development Committee Part I Public - 7 May 2018

Consideration was given to Community Development Committee recommendations as appended to these minutes.

Moved Aleisha Rutherford, seconded Rachel Bowen.

RESOLVED

1. That clause 11-18.1 of the Committee's recommendations be adopted.

Clause 81.1 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Moved Aleisha Rutherford, seconded Rachel Bowen.

2. That the remainder of the Committee's recommendations be adopted.

Clause 81.2 above was carried 9 votes to 6, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Adrian Broad, Vaughan Dennison, Jim Jefferies, Duncan McCann, Aleisha Rutherford and Tangi Utikere.

Against:

Councillors Rachel Bowen, Lew Findlay QSM, Leonie Hapeta, Lorna Johnson, Karen Naylor and Bruno Petrenas.

82-18 Planning and Strategy Committee Part I Public - 4 December 2017

Consideration was given to Planning and Strategy Committee recommendations as appended to these minutes.

Moved Duncan McCann, seconded Aleisha Rutherford.

RESOLVED

1. That the Committee's recommendations be adopted.

Clause 82-18 above was carried 14 votes to 0, with 1 abstention, the voting being as follows:

For:

Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

Abstained:

The Mayor (Grant Smith).

83-18 Sport and Recreation Committee Part I Public - 14 May 2018

Consideration was given to Sport and Recreation Committee

recommendations as appended to these minutes.

Moved Leonie Hapeta, seconded Duncan McCann.

RESOLVED

1. That the Committee's recommendations be adopted.

Clause 83-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

84-18 Audit and Risk Committee Part I Public - 21 May 2018

Consideration was given to Audit and Risk Committee recommendations as appended to these minutes.

Moved Vaughan Dennison, seconded Bruno Petrenas.

RESOLVED

1. That the Committee's recommendations be adopted.

Clause 84-18 above was carried 13 votes to 0, with 2 abstentions, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas and Aleisha Rutherford.

Abstained:

Councillors Tangi Utikere and Leonie Hapeta.

EXCLUSION OF PUBLIC

85-18 Recommendation to Exclude Public

Moved Grant Smith, seconded Tangi Utikere.

RESOLVED

"That the public be excluded from the following parts of the proceedings of this meeting listed in the table below.

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	Ground(s) under Section 48(1) for passing this resolution
18.	Minutes of the extraordinary meeting - Part II Confidential - 14 May 2018	For the reasons setout in the extraordinary minutes of 14 May 2018, held in public present.	
19.	Appointment to the Globe Theatre Trust Board	Privacy	s7(2)(a)
20.	Presentation of the Part II Confidential Economic Development Committee Recommendations from its 14 May 2018 Meeting		
21.	Presentation of the Part II Confidential Sport and Recreation Committee Recommendations from its 14 May 2018 Meeting		
22.	Presentation of the Part II Confidential Finance and Performance Committee Recommendations from its 21 May 2018 Meeting		

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 the relevant part of the proceedings of the meeting in public as stated in the above table.

Also that the persons listed below be permitted to remain after the public has been excluded for the reasons stated.

Chief Executive (Heather Shotter), Chief Financial Officer (Grant Elliott), General Manager, City Enterprises (Ray McIndoe), General Manager, City Future (Sheryl Bryant), General Manager, City Networks (Ray Swadel), General Manager, Customer Services (Peter Eathorne), General Manager, Libraries and Community Services (Debbie Duncan), Human Resources Manager (Wayne Wilson), General Manager, Marketing and Communications (Sacha Haskell), and Communications Advisor (name) because of their knowledge and ability to provide the meeting with advice on matters both from an organisation-wide context (being members of the Council's Management Team) and also from their specific role within the Council.

Legal Counsel (John Annabell), because of his knowledge and ability to provide the meeting with legal and procedural advice.

Governance and Support Team Leader (Kyle Whitfield) and Committee Administrators (Penny Odell, Carly Chang and Rachel Corser), because of their

knowledge and ability to provide the meeting with procedural advice and record the proceedings of the meeting.

Clause 85-18 above was carried 15 votes to 0, the voting being as follows:

For:

The Mayor (Grant Smith) and Councillors Brent Barrett, Susan Baty, Rachel Bowen, Adrian Broad, Vaughan Dennison, Lew Findlay QSM, Leonie Hapeta, Jim Jefferies, Lorna Johnson, Duncan McCann, Karen Naylor, Bruno Petrenas, Aleisha Rutherford and Tangi Utikere.

The public part of the meeting finished at 9.49am

Confirmed 25 June 2018

Mayor

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 28 May 2018

TITLE: Presentation of the Part I Public Planning and Strategy Committee Recommendations from its 7 May 2018 Meeting

Set out below are the recommendations only from the Planning and Strategy Committee meeting Part I Public held on 7 May 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

30-18 Draft Palmerston North Animals and Bees Bylaw 2018 - Deliberations on Submissions and adoption of the Bylaw

Memorandum, dated 28 March 2018 from the Policy Analyst, Ann-Marie Mori.

The **COMMITTEE RECOMMENDS**

1. That clause 8.7 of the bylaw be amended to read:

8.7 Every person who keeps cats must ensure:

 - a. Cats over six months of ages are microchipped and registered with the New Zealand Companion Animals Register, or other Council approved microchip registry.
2. That clause 8.7 of the bylaw be amended to read:

8.7 Every person who keeps cats must ensure:

 - b. Cats over six months are desexed (unless kept for breeding purposes and are registered with a nationally recognised cat breeders' body including New Zealand Cat Fancy Ltd and Catz Inc.).
3. That a new clause 8.8 is added, reading 'Clause 8.7 applies to all cats born after 1 July 2018.'
4. That clause 3.1 be amended to read 'This Bylaw comes into forces on 1 July 2018.'
5. That the Mayor and Chief Executive write to the appropriate government minister to request a review of the powers Councils have, to enforce bylaws such as the Animals and Bees Bylaw.

6. That the Council confirms that the Palmerston North Animals and Bees Bylaw 2018 is the most appropriate form of bylaw and does not give rise to any implications under the NZ Bill of Rights Act 1990.
7. That the Council adopts the draft Palmerston North Animals and Bees Bylaw 2018 and draft Palmerston North Animals and Bees Bylaw 2018 Administration Manual, as attached as Attachment 2, subject to amendments.
8. That the Chairperson and Deputy Chairperson of the Planning and Strategy Committee be given delegated authority to approve minor amendments to the draft Palmerston North Animals and Bees Bylaw 2018 and draft Palmerston North Animals and Bees Bylaw 2018 Administration Manual prior to publication.

32-18 Draft Traffic and Parking Bylaw 2018 - Deliberations on Submissions

Memorandum, dated 9 March 2018 from the Policy Analyst, Peter Ridge.

The COMMITTEE RECOMMENDS

1. That section 2.5 of the draft Palmerston North Traffic and Parking Bylaw 2018 Administration Manual be amended to read 'No person may park a vehicle on or overhanging any footpath or any special vehicle lane, including a cycle lane.
2. That the Council adopts the Palmerston North Traffic and Parking Bylaw 2018 and Palmerston North Traffic and Parking Bylaw 2018 Administration Manual, as shown in attachments 1 and 2 of the report titled "Draft Traffic and Parking Bylaw 2018 – Deliberations on Submissions" and dated 9 March 2018, subject to amendment.
3. That the Council amends the Palmerston North Signs and Use of Public Places Bylaw 2015 and Palmerston North Signs and Use of Public Places Bylaw 2015 Administration Manual by making the changes shown as tracked changes in the documents attached as attachments 3 and 4 to this report.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 28 May 2018

TITLE: Presentation of the Part I Public Community Development Committee Recommendations from its 7 May 2018 Meeting

Set out below are the recommendations only from the Community Development Committee meeting Part I Public held on 7 May 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

11-18 Review of City Ambassadors Trial

Report, dated 20 April 2018 from the Manager - Community Engagement, Ian Littleworth and the Safe Communities Coordinator, Zoe Kavanagh.

The **COMMITTEE RECOMMENDS**

1. That the report Review of City Ambassadors Trial be received.
2. That subject to funding through the 10 Year Plan the City Ambassadors Initiative continue on an ongoing basis over the summer period (December to March) with a dual focus of city safety and city vibrancy
3. That as part of its 2018/28 10 Year Plan deliberations Council give considerations to including Funding of \$34,000 per annum for the City Ambassador initiative.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 28 May 2018

TITLE: Presentation of the Part I Public Planning and Strategy Committee Recommendations from its 4 December 2017 Meeting

Set out below are the recommendations only from the Planning and Strategy Committee meeting Part I Public held on 4 December 2017. These recommendations were intended to go to the Council meeting of 21 December 2017 to be approved but were inadvertently not approved by Council hence being brought forward to this meeting.

The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

81-17 Opportunities to address unsecured roaming dogs

Report, dated 20 November 2017 from the Head of Environmental Protection Services, Graeme Gillespie.

The COMMITTEE RECOMMENDS

1. That the level of service for the after-hours Animal Control Service be increased, on a trial basis for 4 months, to enable roaming dog notifications to be responded to. It be noted that a maximum of 1 hour will be spent on dealing with each individual notification.
2. It be noted that the cost of the trial for the 4 month period will be \$6,000. This will be funded from the approved operating budget for Animal Control Services for 2017/18.
3. That the results of the trial be reported back to the Planning and Strategy Committee for consideration in June 2018.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 28 May 2018

TITLE: Presentation of the Part I Public Sport and Recreation Committee Recommendations from its 14 May 2018 Meeting

Set out below are the recommendations only from the Sport and Recreation Committee meeting Part I Public held on 14 May 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

18-18 Fitzherbert Park - Cricket Ground Enhancements Update

Memorandum, dated 26 April 2018 from the Parks & Property Manager, John Brenkley.

The **COMMITTEE RECOMMENDS**

1. That Council note Programme 1342 Fitzherbert Park Cricket Ground Enhancements may not be delivered in 2017/18 given that external funding from the Manawatu Cricket Association may not be secured.

19-18 Memorial Park Capital Budget Priorities 2018-2028

Report, dated 30 January 2018 from the Leisure Assets Planner, Jason Pilkington.

The **COMMITTEE RECOMMENDS**

1. That Council endorse the priorities for the capital works programme at Memorial Park for the 2018 to 2028 years, as stated in Table 2, Section 4.7 of the report titled Memorial Park Capital Budget Priorities 2018-28.
2. That the Table 2 priorities, budget estimates, and timings be referred to the 2018-28 10 Year Plan final deliberation process including bringing the funding for the Splash Pad at Memorial Park forward by one year – from the 2019/20 financial year to the 2018/19 financial year.
3. That Council, upon adoption of the 10 Year Plan and provided that the Memorial Park Capital Development Programme remains significantly unchanged, directs the Chief Executive to apply to external funders for an additional \$250,000 in funding for the Splash Pad at Memorial Park.
4. That Council directs the Chief Executive to use the necessary discretion to decide the amount of each application to the various Trusts.

20-18 Campbell Street Campervan Carpark Trial

Report, dated 9 April 2018 from the Leisure Assets Planner, Jason Pilkington.

The **COMMITTEE RECOMMENDS**

1. That Council adopt the Campbell Street Campervan Carpark as a permanent inner City carpark for self-contained campervans.
2. That Council approves dedicating a further three carparks as available for self-contained campervans at the existing Campbell Street carpark site.

21-18 Palmerston North Self-Contained Campervan Dump Stations

Report, dated 11 April 2018 from the Leisure Assets Planner, Jason Pilkington.

The **COMMITTEE RECOMMENDS**

1. That Council consider developing two new self-contained campervan dump stations during final 10 Year Plan deliberations (as Programme 1535 - City-Wide - Campervan Dump Stations).

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 28 May 2018

TITLE: Presentation of the Part I Public Audit and Risk Committee Recommendations from its 21 May 2018 Meeting

Set out below are the recommendations only from the Audit and Risk Committee meeting Part I Public held on 21 May 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

12-18 Delegations Manual - Amendment to Powers of Chief Executive

Memorandum, dated 4 May 2018 from the Business Development Executive, Fiona Dredge.

The **COMMITTEE RECOMMENDS**

1. That Council approves the following changes to the Delegations Manual:
 - a. Addition to clause 140 with definitions for “Capital New Budget” and “Capital Renewal Budget” as set out in Appendix 1; and
 - b. Replacement of existing clauses 204, 207, 208 and 209 with those set out in Appendix 1.

ATTACHMENTS

Nil

MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Adoption of the 10 Year Plan (Long-term Plan) 2018-28, including the Financial and Infrastructure Strategies

DATE: 7 June 2018

AUTHOR/S: Andrew Boyle, Head of Community Planning, City Future

RECOMMENDATION(S) TO COUNCIL

1. That the 10 Year Plan (Long-term Plan) 2018-28, including the Financial and Infrastructure Strategies, as updated from the Committee of Council meeting of 11 June 2018 be adopted.
2. That the Council acknowledge the 10 Year Plan budget includes a deficit of \$2.4 million for the 2020/21 financial year and resolves this outcome is financially prudent having regard for the matters contained in Section 100 of the Local Government Act 2002.
3. That the adoption of the 10 Year Plan 2018-28 be confirmed as a significant decision and that the Council confirm it has developed the Plan in compliance with the decision making and consultation requirements of the Local Government Act 2002.
4. That the Mayor, Deputy Mayor, Chair of Finance and Performance and Chief Executive be given delegated authority to approve the final 10 Year Plan document for publication.
5. That the Chief Executive be given delegated authority to authorise payments to Council Controlled Organisations and other external organisations generally in accordance with their respective Statements of Intent.

1. ISSUE

The Council is to adopt its 2018-28 10 Year Plan (Long-term Plan), including the Financial and Infrastructure Strategies. This is a significant decision so the Council has to confirm it has appropriately observed the decision making and consultation provisions (particularly Sections 77, 78, 80, 81 and 82) of the Local Government Act.

The Plan cannot be adopted without an Audit Report so on 11 June the Committee of Council approved the 10 Year Plan for referral to Audit.

Audit NZ reviewed the Plan and will issue an unqualified audit report provided that no changes are made to the Plan, other than the minor changes that were identified as part of the audit process (see section 3 of this report).

The adoption of the 10 Year Plan does not automatically authorise the actions in the Plan so an additional recommendation is included to enable the Chief Executive to enable payments to be made to external organisations (especially the Council Controlled organisations) generally in accordance with their Statements of Intent, noting that some Statements of Intent are yet to be finalised.

2. BACKGROUND

The Plan has been developed through a comprehensive process involving:

- setting new Vision, Goals and Principles
- revising all Council's strategies, including the Financial and Infrastructure Strategies
- developing and revising the plans and policies that deliver on the strategies
- reviewing and updating Asset Management Plans
- reviewing the levels of service provided by Council
- preparing budgets
- extensive community consultation
- deliberations on community feedback
- audit process.

3. REVISIONS MADE TO 10 YEAR PLAN DOCUMENT PRESENTED TO COMMITTEE OF COUNCIL, 11 JUNE 2018

The following changes have been made in light of the Audit review and comments made at the Committee, plus minor text improvements from officers:

- Added the Mayoral and Chief Executive Foreword (attached as Appendix 1).
- Added Te Reo text to the major headings and section dividers.
- Added information on the most recent results for the Activity KPIs (from the 2016/17 Annual Report).

- Clarified the targets for traffic accident trends (year on year and five year rolling average) to show that decreases in numbers are expected.
- Added a footnote explaining why Council's KPI for processing building and resource consent applications is less than 100% within statutory timeframes:

"In setting these targets the Council acknowledges that a small number of applications will not be processed within statutory deadlines. This is because some complex consent issues cannot be resolved within statutory timeframes. Also consent applications come in peaks and troughs and, although Council continually monitors resourcing needs and works with other Councils to help manage peak demands, it is not always possible to meet these peaks without over-resourcing for more normal demand."

- Added a footnote to the stormwater consents KPI to clarify that *"Council holds only consents associated with construction and maintenance of stormwater facilities. There are no specific stormwater discharge consents."*
- Updated the relevant financial figures and tables throughout the document to reflect changes made at Committee. These revisions do not change the Council's financial position.
- Revised the performance measure tables for the CCOs to reflect the updated Statements of Intent from the CCOs, which are still in draft. The Statements of Intent will be adopted by Council in August. These changes include the new KPI for the Regent on increasing audience numbers as requested by Council.
- Revised the introduction to the Village Planning section. It now reads:

"The City Council is helping the residents of three villages – Ashhurst, Bunnythorpe and Longburn – in its area to do Village Planning.

Ashhurst has been part of the city since 1989. Bunnythorpe and Longburn joined the city in 2012 through a boundary change adjustment with Manawatu District Council.

Village planning outlines the type of village that residents want to live in and shows how this could be achieved by residents, Council and other organisations.

Village Planning is "work in progress" and it is up to the residents of each village as to how they want any Village Plans to be finalized and used.

This section in the 10 Year Plan shows the Council's current understanding of the villages' desired outcomes. It then lists the Council programmes that will help achieve this."

- Minor formatting fixes through the document.

Page cross references will be included when the Plan is finalised.

4. BALANCED BUDGET

Section 100 of the Local Government Act requires councils to ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.

If a council determines that it is prudent not to have a 'balanced budget' (i.e. an operating surplus is not required), it must make a formal decision to that effect. The decision must be a prudent one and have included consideration of levels of service and useful lifespan of assets. There are grounds for not having a surplus every year to avoid building up unnecessary cash reserves. Council's asset management plans ensure the Council is appropriately planning for renewals and its financial strategy is to make adequate financial provision to fund renewals from rates revenue. Council is making provision to fund between \$19.8 million and \$27.2 million per annum for capital renewals throughout the 10 years of the Plan.

The Council's Prospective Statement of Comprehensive Revenue and Expense (as in the 10 Year Plan) shows that after including capital revenue of between \$11.9m and \$33.6 million p.a. there is a surplus of between \$1.4 million and \$26.9 million p.a. projected throughout the 10 years of the Plan with the exception of 2020/21 when a deficit of \$2.4 million is projected. The deficit is considered to be immaterial in the scale of the overall position forecast for the 10 years. Council interprets the position to mean it is projected to have a 'balanced budget' throughout this period. However it is still required to pass a resolution addressing this balanced budget requirement. As mentioned above, the surpluses are calculated after including capital revenue. Capital revenue includes grants and subsidies and development contributions (that fund capital expenditure) and the value of assets that are vested in the council following subdivision (and this is non-cash revenue).

5. NEXT STEPS

The Plan will be implemented and monitored.

It will be published and made available on the Council's website. Council's Plans (eg Active Citizenship Plan, Biodiversity Plan and Safe Communities Plan etc) will be updated to reflect the approved actions in the 10 Year Plan.

Rates will be set for 2018/19. A separate report to the Council meeting covers this.

6. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	Yes
--	-----

If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	
Are the decisions significant?	Yes
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	Yes
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. Appendix 1: Mayoral and Chief Executive Foreword for 10 Year Plan  

Andrew Boyle
**Head of Community
Planning**

Palmerston North City Council: Finalised 10 Year Plan

Mayor/CEO Foreword

In March of this year, we released the Palmerston North City Council draft 10 Year Plan, laying out an ambitious vision for the future of our city, and a roadmap for making that vision a reality. We asked for your input as a community, to help refine the Plan, and to ensure we would be steering in a direction the people of Palmerston North wanted to go.

The response from residents was tremendous. We received more than 700 submissions and comments, through letters, emails, social media and face-to-face community feedback sessions, addressing all aspects of the 10 Year Plan. Our thanks go to each and every resident and organisation who participated. Your submissions reflect a community which agrees that we ought not to let Palmerston North's future be determined by others, but that we should take responsibility for shaping it ourselves.

It has been hugely encouraging to see that, on the whole, you back our vision for Palmerston North, and the concept of "Small city benefits; Big city ambition". You recognise that our lifestyle, our diversity and vibrancy are great strengths, and that as a city we have the potential to truly prosper in the years ahead, if we make the right decisions today.

The largest single investment in the Plan, the Wastewater Treatment Plant, was almost universally supported, with residents absolutely backing the necessity of future-proofing our core infrastructure for a growing population. Support was also strong for the Plan's other major catalyst projects, with clear recognition of the value of investing in sustainable growth, revitalising the city centre and enhancing the Manawātū River network. Alongside that broad support, the detailed feedback, questions and considerations you raised in relation to each project will be carried forward into their individual planning processes.

You also gave us clear feedback on areas where you thought the plan could be improved, and we've made some changes as a result. The draft Plan proposed setting market rents for new tenants in Council-owned community housing, and using the revenue to build around 20 additional units to increase the number of people who can access that housing. Overwhelmingly, your submissions opposed that idea, in favour of retaining subsidised rents for all community housing. So we've adjusted the Plan to reflect those views, and we'll explore other options for adding to our social housing stock.

We've also taken on board your feedback regarding affordability and our proposal to make savings through accelerating debt repayment. As a result, we've delayed those additional repayments to begin in year four, rather than year one, which enables us to reduce the originally proposed rates rises in the first three years, while still saving \$8.4 million in interest over the period.

We believe this finalised 10 Year Plan unlocks opportunities through strategic investment and sustainable management of our resources, while balancing affordability for ratepayers of today and future generations.

The majority of the Plan is dedicated to 'business as usual' infrastructure and services – the roads, water supply, wastewater, stormwater, sports facilities, parks and reserves that all make our city

tick. Our strategy is to ensure Palmerston North remains an environment that enables outstanding quality of life, while providing a robust foundation for business investment and population growth.

The investments we're making in this 10 Year Plan will support and magnify the investment that Government and the private sector are also making in this city. Over the next five years or so, over a billion dollars will come into the city and region for infrastructure. As a major freight and logistics hub for the lower North Island, we already shift six times the freight of Taranaki and two and half times as much as Wellington. Developing our infrastructure will enable even greater opportunity in this critical sector.

Smart planning means this infrastructure will contribute to liveability as well as prosperity. The Government has committed to progressing the Regional Ring Road in parallel with construction of the Manawatū Gorge replacement. This will be a game-changer, not only making it easier to move freight through the region, but also easing congestion and making our city more liveable.

A thriving Palmerston North is also attracting investment into distinctive future-focussed industries. Through the Food HQ initiative, centred on a new facility being constructed at Massey University, we are leading the way in agri-food science and technology and agri-tech for New Zealand. With \$250 million set to be invested in Food HQ over the next 20 years, and the innovative energy of more than 4,000 researchers, scientists and educators behind the project, Palmerston North is on track to be the Southern Hemisphere's powerhouse in this increasingly vital food sector.

Over the next 10 years, as technology, demographics and the nature of work continue to evolve rapidly, New Zealand's regional cities have an unprecedented opportunity to grow and flourish. The ones that succeed will be those cities that embrace change and seize their opportunities with confidence and self-belief.

Palmerston North has tremendous advantages as we head into the next decade. Our foundations are robust, and our momentum is strong. With this 10 Year Plan, developed together, we've set a course for the future that we can all be proud of.

On behalf of everyone at Palmerston North City Council, we thank you for your contribution to the 2018-2028 Ten Year Plan. Now it's time for us to put it into action.

Grant Smith
Mayor

Heather Shotter
Chief Executive

MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Setting of Rates for 2018/19

DATE: 15 June 2018

AUTHOR/S: Steve Paterson, Strategy Manager Finance, City Corporate

RECOMMENDATION(S) TO COUNCIL

1. That the resolution to set the rates for the 2018/19 year (attached as Appendix One) be adopted.
2. That it be noted that the setting of rates is a significant decision within the parameters of the Local Government Act 2002 and that it is satisfied there has been compliance with the decision-making and consultation requirements of the Act.

1. ISSUE

Section 23 of the Local Government (Rating) Act 2002 prescribes that the rates must be set by resolution of the Council and be in accordance with the relevant provisions of the Funding Impact Statement (contained within the 10 Year Plan or Annual Plan) for the year.

Rates are the Council's principal source of revenue. It is important that rates be set in the timeframes outlined so that Council will have the ability to fund its approved budget. The rates outlined in the attached resolution are calculated to generate the rates revenue for 2018/19 as outlined in the Council's 2018-28 10 Year Plan to be formally adopted on 25 June 2018.

The recommendations assume the Council will have adopted the 2018-28 10 Year Plan earlier in the meeting.

2. BACKGROUND

On 11 June the Committee of Council recommended the approval of the 2018-28 10 Year Plan for audit review. The Plan determines the net revenue to be sought from ratepayers to fund operations and new programmes for the 2018/19 year.

The rates to be set are designed to cover a net sum of external income for the City Council of \$94.5 million (plus GST) plus a sum to cover rates for Council owned properties as approved by the adoption of the 10 Year Plan.

The resolution *attached* (**appendix one**) outlines the details of the rates to be set. Rates throughout the report and the resolution are GST inclusive unless stated otherwise.

The following table demonstrates the changes for the Uniform Annual General Charge and the fixed amounts for services:

	2017/18 GST incl.	2018/19 GST incl.
Uniform Annual General Charge	\$630	\$690
Water Supply	\$273	\$256
Kerbside Recycling	\$128	\$126
Rubbish & Public Recycling	\$60	\$69
Wastewater disposal	\$246	\$256
Wastewater pan charge	\$246	\$256
Metered water charge(p cu metre)	\$1.173	\$1.1845

The budgeted revenue from the Uniform Annual General Charge plus the Rubbish & Recycling fixed charges represents 26% of total rates revenue (including metered water charges) compared with a band of 25 to 26% over the last five years and the legislative maxima of 30%.

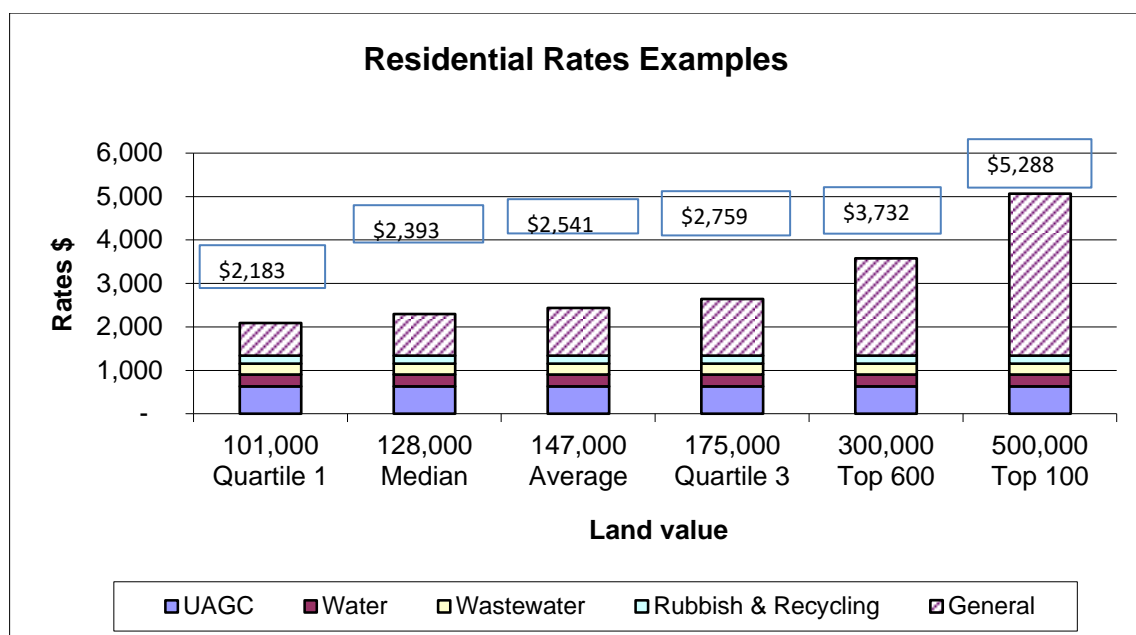
Information about the structure of the rates assessed by broad differential grouping is attached as **appendix two**.

Appendix three shows graphically by broad differential grouping the land values and the impact on the distribution of the general rate and total rate for 2018/19 compared with 2017/18. It shows there will be minimal change between the two years.

Examples of the rates which will be assessed are shown below:

	Land Value	Actual Rates 2017/18	Proposed Rates 2018/19
Single unit residential			
Average	147,000	2,433	2,541
Median	128,000	2,292	2,393
Quartile 1	101,000	2,090	2,183
Quartile 3	175,000	2,642	2,759
Two unit residential			
Average	160,000	3,867	4,008
Median	139,000	3,627	3,759
Quartile 1	113,000	3,331	3,449
Quartile 3	185,000	4,152	4,306
Non-residential			
Average	574,000	14,559	15,249
Median	315,000	8,412	8,826
Quartile 1	180,000	5,208	5,479
Quartile 3	640,000	16,125	16,886
Rural & semi-serviced (5ha or more)			
Average	643,000	1,606	1,716
Median	350,000	1,188	1,280
Quartile 1	235,000	1,025	1,109
Quartile 3	680,000	1,658	1,771
Rural & semi-serviced (between 0.2 & 5ha)			
Average	224,000	1,455	1,559
Median	220,000	1,442	1,545
Quartile 1	180,000	1,305	1,402
Quartile 3	260,000	1,578	1,687
Miscellaneous			
Average	395,000	4,440	4,677
Median	235,000	2,921	3,090
Quartile 1	113,000	1,763	1,880
Quartile 3	475,000	5,199	5,471

The following graph shows a further breakdown of the makeup of single unit residential rates for the various land value levels. At the head of each column it shows the total rates for each land value level.



The City was last revalued for rating purposes in September 2015 and these values will continue to be the base for setting and assessing general rates for 2018/19.

The Government's rates rebates scheme for residential home owners on lower incomes has provided much needed assistance. 1989 city ratepayers have received a total of \$1.13 million from the scheme during 2017/18 to date. Each year the Government updates the qualifying criteria for the scheme by a CPI adjustment.


3. NEXT STEPS

The recommended actions in this report are of a machinery nature to implement the decisions incorporated in the 10 Year Plan. Although machinery, they are significant and must be passed in the form outlined.

Once adopted Council staff will complete the administrative actions necessary to assess rates on individual properties then deliver rates assessments and invoices for the first instalment on 1 August 2018.

As usual a ratepayer newsletter will be produced and distributed as part of the rates package. Publicity will be given to the availability of the rates rebate scheme.

ATTACHMENTS

1. Appendix 1 - rates resolution 2018/19
Appendix 2 - structure of rates revenue 2018/19
Appendix 3 - comparison by differential category [↓](#) 

Steve Paterson
Strategy Manager Finance

Palmerston North City Council

Resolution to Set Rates for the 2018/2019 year

The Palmerston North City Council resolves to set rates for the financial year commencing on 1 July 2018 and ending on 30 June 2019 in accordance with the Rating Policies and Funding Impact Statement contained in its 2018-28 Ten Year Plan as follows:

1 Details of rates to be set**Notes**

- *All rates and charges shown are inclusive of Goods and Services Tax.*
- *References to the 'Act' relate to the Local Government (Rating) Act 2002.*

1.1 Uniform Annual General Charge

A Uniform Annual General Charge of \$690 on each rating unit pursuant to section 15 of the Act.

1.2 Water Supply Rates

A targeted rate for water supply, set under section 16 of the Act, of:

- \$256 per separately used or inhabited part of a residential rating unit which is connected to a Council operated waterworks system. This charge is not made where water supply is invoiced on the basis of water consumed.
- \$256 per rating unit for all other rating units which are connected to a Council operated waterworks system. This charge is not made where water supply is invoiced on the basis of water consumed.
- \$128 per rating unit which is not connected to a Council operated waterworks system but which is serviceable (i.e. within 100 metres of such waterworks system) and the Council would allow a connection.

Instead of the above targeted rates for metered water supply, targeted rates set under sections 16 and 19 of the Act, of \$1.1845 per cubic metre of water supplied to any rating unit that is invoiced on the basis of water consumed plus a fixed amount of \$212.75 per metered connection.

1.3 Wastewater Disposal Rates

A targeted rate for wastewater disposal, set under section 16 of the Act, of:

- \$256 per separately used or inhabited part of a residential rating unit which is connected to a public wastewater drain.
- \$256 per rating unit for all other rating units which are connected to a public wastewater drain.
- \$256 per pan (i.e. water closet or urinal) for all pans in excess of three for non-residential rating units connected to a public wastewater drain.
- \$128 per separately used or inhabited part of a residential rating unit which is not connected to a public wastewater drain but which is serviceable (i.e. within 30 metres of such a drain) and the Council would allow the connection.
- \$128 per rating unit for all other rating units which are not connected to a public wastewater drain but which is serviceable (i.e. within 30 metres of such a drain) and the Council would allow the connection.

1.4 Rubbish and Recycling Rates

1.4.1 Kerbside Recycling

A targeted rate for kerbside recycling set under section 16 of the Act of:

- \$126 per separately used or inhabited part of a rating unit for residential properties receiving the Council's kerbside collection service.
- \$126 per rating unit for non-residential and rural/semi-serviced properties receiving the Council's kerbside collection service.

Where ratepayers elect, and the Council agrees, additional levels of service may be provided. These additional services could be by way of provision of more recycling bins or more frequent service. Each additional level of service will be charged a rate of \$126. This may include charges to non-rateable rating units where the service is provided.

1.4.2 Rubbish and Public Recycling

A targeted rate for rubbish and public recycling set under section 16 of the Act of \$69 per separately used or inhabited part of each residential rating unit and \$69 per rating unit for all other rating units. Rating units which are vacant land will not be liable for these rates.

1.5 Warm Palmerston North

A targeted rate set on all properties that have benefited from the installation of insulation through the Warm Up Palmy Home Insulation Scheme. The rate is calculated as a percentage of the service amount (the cost of the installation) until the service amount and the costs of servicing the serviced amount are recovered. For 2018/19 the rate will be 16%.

1.6 General Rate

A general rate pursuant to section 13 of the Act set on all rateable land on the basis of land value and assessed differentially (based on land use) against each property group code at the rate of cents in the dollar set down in the following schedule:

Differential Group		Differential Factor (expressed as % of Group Code MS)	Rate (cents in \$ of LV)
Code	Brief Description		
R1	Single unit residential	Balance (approx. 78)	0.7782
R2	Two unit residential	120	1.1903
R3	Three unit residential	130	1.2895
R4	Four unit residential	140	1.3887
R5	Five unit residential	150	1.4879
R6	Six unit residential	160	1.5870
R7	Seven unit residential	170	1.6862
R8	Eight or more unit residential	180	1.7854
MS	Miscellaneous	100	0.9919
CI	Non-residential (Commercial/Industrial)	250	2.4798
FL	Rural & Semi-serviced (5 hectares or more)	15	0.1488
FS	Rural & Semi-serviced (0.2 hectares or less)	51	0.5059
FM	Rural & Semi-serviced (between 0.2 & 5 hectares)	36	0.3571

2. Due Dates for Payment of Rates

Rates (other than metered water targeted rates) will be payable at the offices or agencies of the Council in four quarterly instalments on 1 August 2018, 1 November 2018, 1 February 2019 and 1 May 2019.

The due dates (i.e. final day for payment without incurring penalty) shall be:

Instalment One	31 August 2018
Instalment Two	30 November 2018
Instalment Three	28 February 2019
Instalment Four	31 May 2019

3. Due Dates for Payment of Metered Water Targeted Rates

Properties which have water provided through a metered supply will be invoiced either monthly or two monthly at the discretion of the Council.

The due date for metered water targeted rates shall be the 20th of the month following invoice date as follows:

Monthly invoicing					
Instalment	Date meter read & invoice issued	Due date	Instalment	Date meter read & invoice issued	Due date
1	June 2018	20 July 2018	7	December 2018	20 January 2019
2	July 2018	20 August 2018	8	January 2019	20 February 2019
3	August 2018	20 September 2018	9	February 2019	20 March 2019
4	September 2018	20 October 2018	10	March 2019	20 April 2019
5	October 2018	20 November 2018	11	April 2019	20 May 2019
6	November 2018	20 December 2018	12	May 2019	20 June 2019

Two monthly invoicing					
Linton, East & North Rounds			Ashhurst, South West, PNCC & Central Rounds		
Instalment	Date meter read & invoice issued	Due date	Instalment	Date meter read & invoice issued	Due date
1	June 2018	20 July 2018	1	July 2018	20 August 2018
2	August 2018	20 September 2018	2	September 2018	20 October 2018
3	October 2018	20 November 2018	3	November 2018	20 December 2018
4	December 2018	20 January 2019	4	January 2019	20 February 2019
5	February 2019	20 March 2019	5	March 2019	20 April 2019
6	April 2019	20 May 2019	6	May 2019	20 June 2019

4. Penalties on Unpaid Rates (excluding metered water)

A penalty charge of 10% will be added on the following dates to any portion of an instalment remaining unpaid after the due dates:

Instalment One	3 September 2018
Instalment Two	3 December 2018
Instalment Three	1 March 2019
Instalment Four	3 June 2019

Any penalty charge imposed on the outstanding first instalment will be automatically remitted provided payment of the full year's rates is made by 30 November 2018.

A penalty charge of 10% will be added to any outstanding rates (including penalties) assessed in previous years and remaining outstanding at 2 July 2018 (penalty applied on 3 July 2018) and again on 3 January 2019.

Penalties will not be applied to the metered water targeted rate.

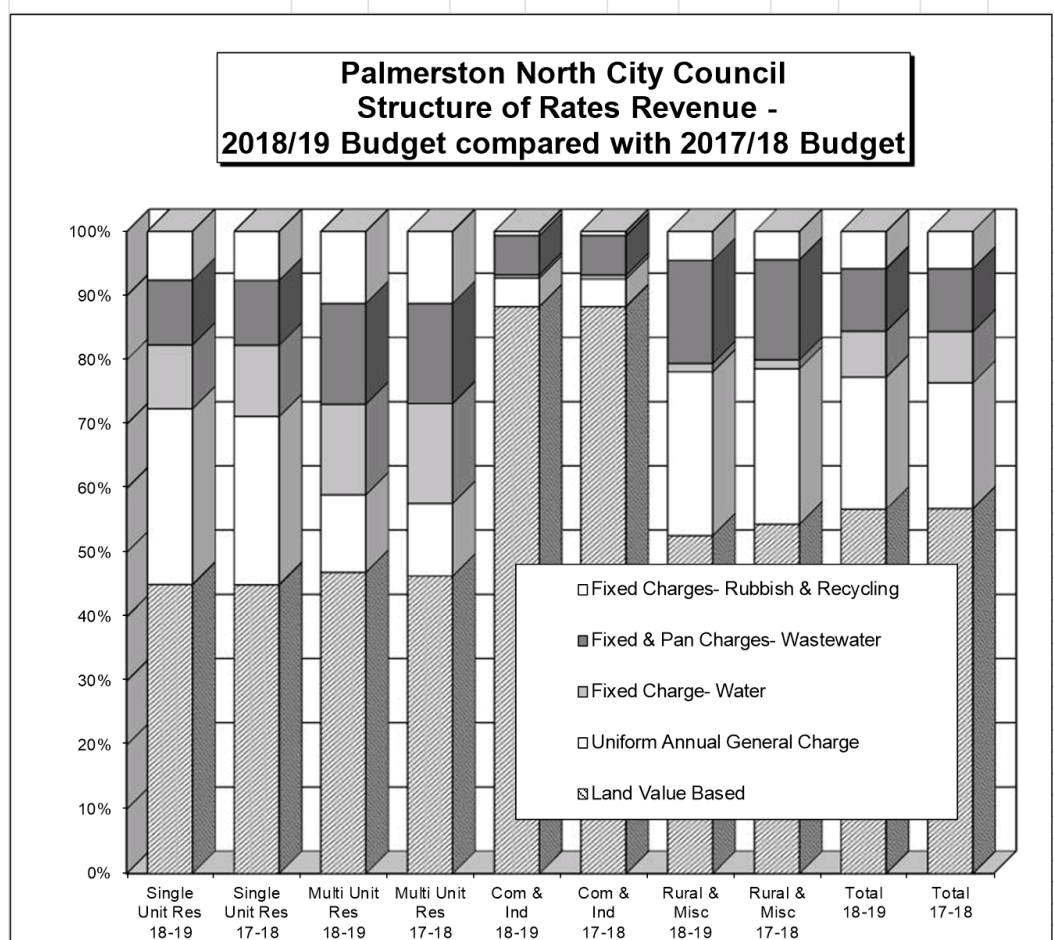
25 June 2018

Appendix Two

Palmerston North City Council

Analysis of Structure of Rates Revenue - 2018/19 Budget

	Single Unit		Multi Unit		Non Residential		Rural & Misc.		Total	
	\$ooo	% of Total	\$ooo	% of Total	\$ooo	% of Total	\$ooo	% of Total	\$ooo	% of Total
Land Value Based	30,135	45.0	2,604	46.9	24,343	88.3	3,868	52.7	60,950	56.8
Uniform Annual General Charge	18,317	27.4	669	12.1	1,228	4.5	1,873	25.5	22,087	20.6
Fixed Charge- Water	6,664	10.0	784	14.1	141	0.5	96	1.3	7,685	7.2
Fixed & Pan Charges- Wastewater	6,742	10.1	871	15.7	1,685	6.1	1,181	16.1	10,479	9.8
Fixed Charges- Rubbish & Recycling	5,071	7.6	621	11.2	170	0.6	328	4.5	6,190	5.8
	66,929	100.0	5,549	100.0	27,567	100.0	7,346	100.0	107,391	100.0

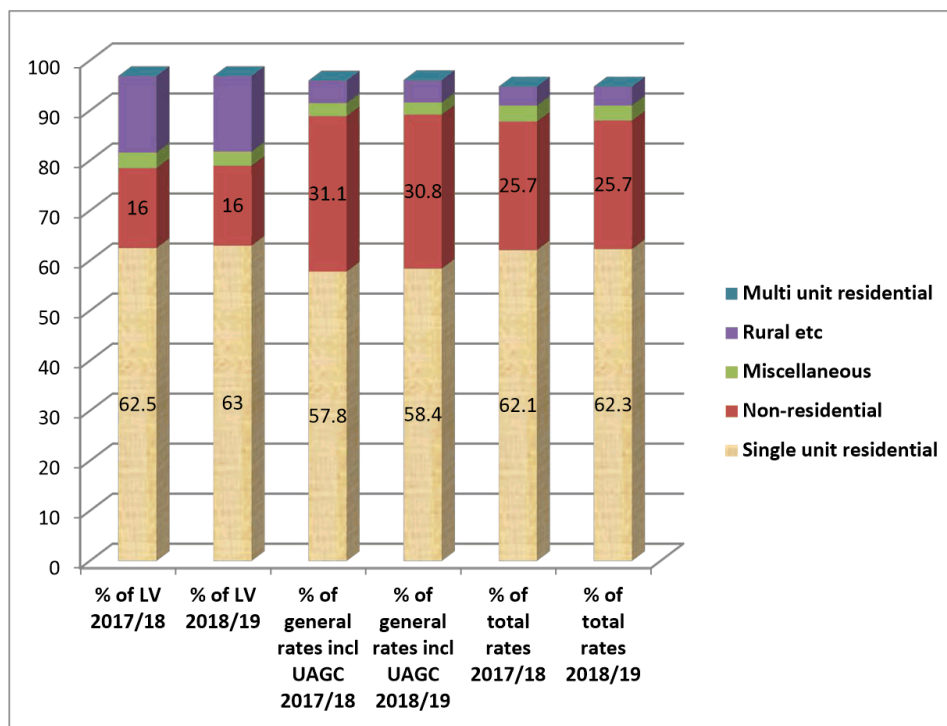


Note – this analysis of the rates revenue structure excludes budgeted revenue from metered water (\$2.08m plus GST and \$1.98m plus GST for 2018/19 and 2017/18 respectively)

Appendix Three

Palmerston North City Council

Comparison by Differential Category of Land Values, General Rates (incl. UAGC) & Total Rates for 2018/19 with 2017/18



MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Adopting Amendments to the Treasury Policy and Resolutions to Authorise Borrowing

DATE: 15 June 2018

AUTHOR/S: Steve Paterson, Strategy Manager Finance, City Corporate

RECOMMENDATION(S) TO COUNCIL

1. That the Treasury Policy (incorporating the Liability Management and Investment Policy) adopted on 21 December 2017 be amended to increase the borrowing limit for net external debt as a percentage of total revenue from 175% to 200% to reflect the increased limit adopted as part of the Financial Strategy incorporated in the 2018-28 10 Year Plan.
2. That Council authorises the Chief Executive to borrow, in accordance with delegated authority, up to \$39 million ("the Borrowing") of additional term debt by way of bank loan or loans or credit facilities or other facilities or the issue of stock for the Borrowing secured by the Debenture Trust Deed.
3. The purpose of the Borrowing is the carrying out or continuing of programmes identified in the 2018-28 10 Year Plan for the 2018/19 year.
4. The security for the Borrowing may be the charge over rates under the Debenture Trust Deed if the Chief Executive considers appropriate.
5. The benefits of the Borrowing are that it will enable the Council to carry out the programmes identified in the 10 Year Plan while spreading the costs for those programmes over time to recognise future benefits. The risk is that interest rates may vary in the future resulting in higher debt servicing costs to the Council.
6. For the reasons set out in this report the Council has determined, that, having regard to the Council's financial strategy, in the particular circumstances it is prudent and reasonable to enter into the proposed borrowing.
7. The raising of the Borrowing will comply with the Council's Liability Management Policy.
8. The Council note that the decision to borrow up to \$39 million is a significant decision within the parameters of the Local Government Act 2002 and is satisfied that there has been compliance with the decision-making and consultation requirements of the Act.

1. ISSUES

1.1 Treasury Policy

Council's most recent Treasury Policy (incorporating the Liability Management and Investment Policy) was adopted on 21 December 2017. It needs to be updated to include the updated net debt to revenue ratio borrowing limit as contained in the 2018-28 10 Year Plan.

1.2 Borrowings for 2018/19

The Council's 2018-28 10 Year Plan incorporates provision for raising \$39m of additional debt during the 2018/19 year based on an assumption that the total debt outstanding as at 1 July 2018 will be \$106m and that there will be capital expenditure (new) of \$48m undertaken during 2018/19. It assumes existing and new debt will be serviced at an average of 5.7% per annum and that new borrowings will be raised progressively during the year.

The Council's borrowing is governed by the Local Government Act 2002 (the "Act") and the Liability Management Policy the Council has adopted. Previous legislation required the Council to specifically resolve if it wished to borrow. The Act is silent on these matters except that clause 32 of schedule 7 provides that the Council may not delegate the power to borrow money other than in accordance with the 10 Year Plan. It is considered prudent to have the Council specifically authorise the proposed borrowings each year by way of resolution and the Council's Liability Management Policy provides that such a resolution is required. From time to time during the year it will also be necessary to re-finance present borrowings.

2. BACKGROUND

2.1 Treasury Policy

Council's most recent Treasury Policy was adopted on 21 December 2017. Specific borrowing limits are outlined in clause 3.6.1 of the policy. The present limit for net external debt as a percentage of total revenue is 175%. The policy contains a note indicating the Council is considering increasing the limit during the development of its 2018-28 10 Year Plan. The updated Financial Strategy (which forms part of the 2018-28 10 Year Plan) includes an updated ratio of 200%. This needs to be reflected in the Treasury Policy.

2.2 Borrowings for 2018/19

In preparing the Council's 10 Year Plan, the Council's long and short term expenditure and funding requirements have been considered and the Council has

adopted a Financial Strategy and a Liability Management Policy with regard to borrowing to meet its funding requirements. These considerations are retained in the 2018-28 10 Year Plan.

The Council has entered into a Debenture Trust Deed which provides a charge on Council's rates and rates revenue in favour of Covenant Trustee Services Ltd as trustee for the various lenders who may be granted security under it by the Council.

The Council's 2018-28 10 Year Plan provides for the following:

- Forecast term liabilities of \$106m as at 1 July 2018
- Additional debt of \$39m being raised during 2018/19
- Forecast total term liabilities of \$145m as at 30 June 2019
- Total capital expenditure of \$74.1m during 2018/19 (\$47.9m of which is new capital work).

Additional debt is raised only as required and will be dependent on a number of key factors such as progress with the capital expenditure programme and the timing of the receipt of subsidies, grants and development contributions.

To enable the approved capital programme to be funded it is important that officers have clear delegated authority to raise the approved sums when appropriate.

The Council's Liability Management Policy prescribes that the Council considers the following to be prudent borrowing limits:

- Net debt as a percentage of total assets not exceeding 20%.
- Net debt as a percentage of total revenue not exceeding 200% (assuming this is adopted as outlined in recommendation 1)
- Net interest as a percentage of total revenue not exceeding 15%
- Net interest as a percentage of annual rates income not exceeding 20%.

As part of the process of deciding whether to approve borrowings which would result in the ratios being exceeded the Council will have particular regard for the principles of financial management contained in the Act.

The proposed borrowing, if obtained within the range of rates currently available to the Council, will be within the target limits contained within the Financial Strategy. After raising the Borrowing, and assuming an average interest rate of 5.7% for additional borrowing is achieved, the following estimates of borrowing ratios will apply for the 2018/19 year:

	Limits	Projection for 2018/19
Net Debt : Total Assets	< 20%	8.8%
Net Debt : Total Revenue	< 200%	118%
Net Interest : Total Revenue	< 15%	5.9%
Net Interest : Annual Rates Income	< 20%	7.7%

The ratios are within the limits provided for in the policy.

Provision is made for a total interest expense of \$7.28m during 2018/19 approximately \$1.1m of which relates to the additional debt. The full year servicing cost of the additional debt (at 5.7% pa) would be \$2.2m.

3. NEXT STEPS

3.1 Treasury Policy

Once approved the policy document will be updated, published and provided to interested parties including banks and credit agencies.

3.2 Borrowing for 2018/19

After considering the issue it is recommended the Council formally approve the borrowings to enable the capital expenditure plans approved for 2018/19 in the 2018-28 10 Year Plan to be funded. The recommendation is to approve additional borrowings of up to \$39m (i.e. \$38.7m rounded upward) to accommodate any possible variations in the expenditure for the 2017/18 year and therefore the levels of capital expenditure carry forward.

ATTACHMENTS

NIL

Steve Paterson
Strategy Manager Finance

MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Consideration of support for remit proposals to the Local Government New Zealand AGM.

DATE: 30 May 2018

AUTHOR/S: Julie Macdonald, Strategy & Policy Manager, City Future

RECOMMENDATION(S) TO COUNCIL

1. That Council supports/does not support remit proposal 1. Drug testing in the community.
 2. That Council supports/does not support remit proposal 2. HCV [Heavy Commercial Vehicle] – Rural roads policy.
 3. That Council supports/does not support remit proposal 3. Heritage buildings.
 4. That Council supports/does not support remit proposal 5. Climate change adaptation fund.
 5. That Council supports/does not support remit proposal 6. Local alcohol policies.
 6. That Council supports/does not support remit proposal 7. Biofuels.
 7. That Council supports/does not support remit proposal 8. Single-use plastics.
 8. That Council supports/does not support remit proposal 9. A mandatory register of cooling towers.
 9. That Council supports/does not support remit proposal 10. Copper in brake pads.
 10. That Council supports/does not support remit proposal 11. Reducing the waste stream.
-

1. ISSUE

At the LGNZ AGM in July the Mayor will be asked to vote on behalf of Palmerston North City Council in support of remits made by other Councils. The purpose of this memo is to provide the background material available to Council to assist it to decide whether or not to support each remit at the AGM.

There has not been sufficient time to provide any further analysis from a Palmerston North City Council perspective about each remit, but the appropriate staff will be available at the Council meeting to answer any questions Councillors may have.

2. BACKGROUND

There are 12 remit proposals being put forward to the LGNZ AGM. The details provided by LGNZ and the proposing Councils are in Attachment 1. Attachments 2 and 3 are the supporting information provided by LGNZ for remit 11 (reducing the waste stream).

The following table describes the action proposed by each remit, and notes where the Palmerston North City Council has already provided its support.

	Remit	Proposed action
1	Drug testing in the community	Developing nationally consistent regime for testing wastewater for illegal or harmful drugs.
2	HCV [Heavy Commercial Vehicles] - Rural roads policy	That LGNZ pursue investigation of a Road Pricing Policy Statement for Land Transport to incentivise route selection for HCV's that encourages the most economically efficient use of the transport network over both Local Roads and the State Highway network.
3	Heritage buildings	<p>It is recommended that:</p> <ul style="list-style-type: none"> a) The Act be amended to allow for work up to 25% of the CV, or \$200,000, whichever is the greater. b) The Heritage Fund be increased to adequately meet demand. c) That IRD reviews its provisions in relation to tax relief for earthquake strengthening of heritage buildings with a view to introducing this assistance. <p><i>Note: The PNCC supported this remit at the Zone 3 meeting.</i></p>

4	Climate change – advocate to banks	<p>The President of LGNZ will write to the NZ Local Government Funding Agency, and all major banks in NZ which manage investment funds on behalf of local authorities, to advocate that they transition away from investments in fossil fuel industries and consider opportunities for long term investments in low- or zero-carbon energy systems.</p> <p><i>Note: The PNCC already decided to endorse this remit proposal at the 23 April Council meeting.</i></p>
5	Climate change adaptation fund	<p>Following on from the findings and recommendations of the Climate Change Adaptation Technical Working Group, that LGNZ calls on central government to establish a Climate Change Adaptation Fund to improve local level and community participation in responding to climate change.</p>
6	Local alcohol policies	<ol style="list-style-type: none"> 1. Review the Sale and Supply of Alcohol Act to ensure community views are able to be reflected in a LAP <ul style="list-style-type: none"> – repeal or review section 81 of the Sale and Supply of Alcohol Act 2012; and/ or – add a new subclause to section 4 of the Sale and Supply of Alcohol Act 2012 (the Object of the Act) “the views and preferences of communities regarding local alcohol licensing matters are appropriately responded to”. 2. Request the Government explore policy levers to address alcohol-related harm that are available to it but that aren’t able to be included in a LAP. These include: <ul style="list-style-type: none"> - review of the minimum age for purchasing alcohol - consideration of minimum pricing - consideration of changes to the taxing of alcohol - consideration of providing funding to local authorities to offset the cost of LAP development.
7	Biofuels	<p>That LGNZ encourages the Government to investigate options to support the use of biodiesel such as financial incentives; tax offsets; subsidies to bio-diesel manufacturers; and/or subsidies to renewable fuel manufacturers; and/or subsidies at the pump, in order to support the valuable New Zealand industries developing alternative and low carbon fuels.</p>

8	Single-use plastics	<ol style="list-style-type: none"> 1. That LGNZ asks central government to urgently develop and implement a plan to eliminate the use of single-use plastic bags and plastic straws. 2. That LGNZ encourage member councils take steps to phase out the use of single-use plastic bags and straws at council facilities and events.
9	A mandatory register of cooling towers	<ol style="list-style-type: none"> 1. That LGNZ acknowledges the potentially fatal risks posed by legionella bacteria in industrial water cooling towers used for air conditioning and manufacturing; 2. That LGNZ asks central government to resume its work related to reducing the risks posed by legionella bacteria in industrial water cooling towers. This could include: <ul style="list-style-type: none"> • Amending the Building Act 2004 and/or the Building (Specified Systems, Change the Use, and Earthquake-prone Buildings) Regulations 2005 to collect information for a mandatory register of cooling towers and a mandatory testing and reporting regime. • Providing enforcement powers to councils to address the risks associated with cooling towers such as requiring regular testing, reporting and compliance with specified standards under Building Warrant of Fitness certification. • Requiring medical professionals to report cases of legionellosis (Legionnaires Disease) to local District Health Boards' Medical Officers of Health (as is required with Campylobacter outbreaks).
10	Copper in brake pads	That LGNZ work with central government to raise the issue and advocate for legislation change.
11	Reducing the waste stream	<p>That LGNZ asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 -6), to reduce New Zealand's waste by:</p> <ol style="list-style-type: none"> 1. Adopting a New Zealand-wide strategic approach to the collection, and processing of recyclable materials within New Zealand;

		<ol style="list-style-type: none"> 2. Reviewing the New Zealand Waste Strategy and align, where practicable, with the “Local Government Waste Management Manifesto” to set a clear programme for action; 3. Expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills; 4. Officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring; 5. Establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and 6. Declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams. <p>Attachments 2 and 3 provide background material for this remit.</p>
12	Tyres stewardship	<p>That LGNZ requests that the Government urgently implements a comprehensive and mandatory product stewardship programme for tyres.</p> <p><i>This remit was proposed by Palmerston North City Council.</i></p>

1. NEXT STEPS

Once the Council has determined whether to support any or all of the remit proposals being put to the July AGM, the Mayor will vote accordingly.

2. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	
If Yes quote relevant clause(s) from Delegations Manual <Enter clause>	
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative	No

procedure?	
Is there funding in the current Annual Plan for these actions?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. LGNZ AGM Remits 2018 [!\[\]\(448bd415caa8b52d2aeb4d58499267b2_img.jpg\) !\[\]\(23be4c52910c50d5908bb101588c4f4e_img.jpg\)](#)
2. Remit 11 Supporting information A [!\[\]\(5dc449795a3a9c8d29c257423584cf78_img.jpg\) !\[\]\(4b7fb8a3e9c3712ee79f95e386b5ecd4_img.jpg\)](#)
3. Remit 11 Supporting information B [!\[\]\(348b5f08c0a9aee916460ca5f8ad2999_img.jpg\) !\[\]\(5b1a514e7f27fbd3f661e6a3500c4f68_img.jpg\)](#)

Julie Macdonald
Strategy & Policy Manager

Who's
putting local
issues on
the national
agenda?

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2018 Annual General Meeting

Remits

1

Drug testing in the community

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

Proposed by: Tasman District Council

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

Background information and research

1. Nature of the issue

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

2. Background to its being raised

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

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

3. New or confirming existing policy

This is a new policy.

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

This does not relate to the current work programme.

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

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

6. Any existing relevant legislation, policy or practice

Not that I am aware of.

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

This has not been discussed at Zone or Sector meetings.

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

This has the support of the six mayors listed above.

9. Suggested course of action envisaged

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

2

HCV – Rural roads policy

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

Proposed by: Ruapehu District Council

Supported by: Zone Three

Background information and research

1. Nature of the issue

The following issues have been identified:

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

2. Background to its being raised

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

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

3. New or confirming existing policy

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

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

This issues relates to LGNZ's strategic priority one¹ regarding infrastructure and specifically around the policy priorities, actions and projects for transport. These include:

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

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

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

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

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

References

http://rcaforum.org.nz/sites/public_files/images/160429-Notes%20of%20290416%20forum.pdf

https://rcaforum.org.nz/sites/public_files/images/Guidelines_equitable_funding_pavement_maintenance_LVR-July_2017.pdf

6. Any existing relevant legislation, policy or practice

Land Transport Management Act 2003

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

Local Government Act 2002

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

7. Suggested course of action envisaged

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

8. Discussion and conclusion

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

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

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

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

3

Heritage buildings

Remit:	<p>That LGNZ lobbies for greater support for, and protection of, heritage buildings via the following mechanisms:</p> <ul style="list-style-type: none"> • Revision of the Building (Earthquake-Prone Buildings) Amendment Act to change the '25% building work' clause instead to trigger earthquake strengthening once a threshold of "25% of the Capital Value or \$200,000, whichever is the greater" is reached to make this a more equitable provision for regional centres. • An increase in the heritage fund. • Provision of tax relief for heritage building upgrades
Proposed by:	Whanganui District Council
Supported by:	Zone Three

1. Background information and research

1. Nature of the issue

The following issues have been identified:

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

2. Background to its being raised

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

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

Amendment to the Act

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

Increase in the heritage fund

- Heritage EQUIP provides grants for both retrofitting and major works².
 1. Retrofit grants are designed to support smaller scale seismic strengthening projects. These are to address specific aspects of the building or to provide retrofit solutions for common hazards. They provide up to 50% of costs – up to a maximum of \$25,000.

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

Tax relief

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

3. New or confirming existing policy

These changes would build on and support existing policy. Tax relief advantages would require new provisions.

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

The current LGNZ work programme identifies the implementation of earthquake prone buildings regulations as a strategic policy priority under *Housing and Building*.

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

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

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

6. Any existing relevant legislation, policy or practice

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

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

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

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

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

8. Suggested course of action envisaged

It is recommended that:

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

9. Discussion and conclusion

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

(credit Heritage Equip website: heritageequip.govt.nz)

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

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

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

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

4

Climate change – advocate to banks

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

Background information and research

1. Nature of the issue

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

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

2. Background to its being raised

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

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

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

3. New or confirming existing policy

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

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

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

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

This remit relates to the following objectives of the project:

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

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

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

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

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

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

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

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

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

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

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

6. Any existing relevant legislation, policy or practice

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

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

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

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

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

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

Can be found in folder in I drive.

9. Suggested course of action envisaged

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

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

5

Climate Change Adaptation Fund

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

Background information and research

1. Nature of the issue

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

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

1. Responding to climate change is a significant and nation-wide issue
Climate change will touch all communities and impact on all councils throughout New Zealand. It will impact on many council roles, services and infrastructure. For some communities and councils these impacts will be significant.
2. Disproportional impacts and costs
The impacts and costs of adapting to climate change will not be felt evenly across the country. Often the most vulnerable communities are hardest hit. Many councils will have limited ability to adequately anticipate and respond to changes brought on by climate change, further raising inequalities. For some councils the costs will be beyond their means.
3. Cost is a barrier to proactive responses

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

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

4. Cost can be a barrier to fulfilling legal responsibilities

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

5. Complementary to other approaches

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

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

2. **New or confirming existing policy**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

5. Any existing relevant legislation, policy or practice

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

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

Supported

Moved/Seconded: A.Turner/R. Wallace

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

Can be found in folder in I drive.

6

Local Alcohol Policies

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

Background information and research

1. Nature of the issue

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

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

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

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

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

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

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

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

2. Background to its being raised

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

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

Suggested actions are as follows:

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

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

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

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

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

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

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

4. Any existing relevant legislation, policy or practice

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

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

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

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

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

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

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

Moved/Seconded: A.Turner/R.Wallace

7

Biofuels

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

Background information and research**1. Nature of the issue**

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

2. Background to its being raised

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

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

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

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

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

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

5. Any existing relevant legislation, policy or practice

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

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

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

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

8

Walking the talk – single use plastics

Remit:

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

Proposed by: Christchurch City Council

Supported by: Metro Sector

Background information and research

1. Nature of the issue

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

4. Any existing relevant legislation, policy or practice

Single-use plastic bags

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

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

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

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

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

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

Plastic straws

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

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

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

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

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

9

A mandatory register of cooling towers

Remit:

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

Proposed by: Christchurch City Council

Supported by: Metro Sector
Hutt City Council
Selwyn District Council

Background information and research

1. Nature of the issue

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

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

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

2. Background to its being raised

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

Outbreaks of legionellosis in New Zealand are sporadic but the disease's impact is often severe. Approximately 240 people contract legionellosis each year. This figure includes people who contract legionellosis from soil or potting mix, as well as those who contract the disease from water-based sources. One-third of patients with legionellosis become unwell enough to warrant admission to intensive care units¹. The medical and social cost of the disease is consequently high.

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

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

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

To the Ministry of Health and District Health Boards:

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

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

**We are.
LGNZ.**

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

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

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

From our understanding, these recommendations have not been substantively addressed by central government in the 10 years since the Coroner's findings were released. In 2015, the Ministry of Business, Innovation and Employment stated that cooling towers were covered by Health and Safety guidelines and that it was up to councils to create their own registers³.

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

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

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

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

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

4. Any existing relevant legislation, policy or practice

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

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

Remit supported as package that dealt with Climate Change

Moved/Seconded: A.Turner/G.Brownless

10

Copper in brake pads

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

1. Background information and research

1. Nature of the issue

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

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

2. Background to its being raised

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

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

3. New or confirming existing policy

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

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

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

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

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

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

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

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

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

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

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

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

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

The remit was supported unanimously by the members present.

7. Suggested course of action envisaged

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

11

Reducing the waste stream

Remit:	<p>That LGNZ asks central government to address the China National Sword issue (action 1) and implement the local government waste manifesto (actions 2 - 6), to reduce New Zealand's waste by:</p> <ol style="list-style-type: none"> 1. adopting a New Zealand-wide strategic approach to the collection, and processing of recyclable materials within New Zealand; 2. reviewing the New Zealand Waste Strategy and align, where practicable, with the "Local Government Waste Management Manifesto" to set a clear programme for action; 3. expanding the Waste Disposal Levy and progressively raise the levy rate in order to reduce total waste to landfills; 4. officially adopting the National Waste Data Framework and oversee its implementation to enable better planning and monitoring; 5. establishing a container deposit scheme in consultation with local government in order to lift recycling rates; and 6. declaring tyres, e-waste, agricultural chemicals and plastics, as priority products under the Waste Minimisation Act 2008, to address problem waste streams.
Proposed by:	Wellington City Council and Christchurch City Council
Supported by:	Zone Four

Background information and research**1. Nature of the issue**

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

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

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

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

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

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

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

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

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

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

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

4. Any existing relevant legislation, policy or practice

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

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

Remit supported as package that dealt with Climate Change

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

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

12

Tyres stewardship

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

Background information and research

Proposal

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

Background

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

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

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

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

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

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

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

The priority products proposed in the discussion document were:

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

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

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

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

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

Discussion

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

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

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

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



REBOOTING RECYCLING WHAT CAN AOTEAROA DO?

A DISCUSSION PAPER PRESENTED BY
THE WASTE MANAGEMENT INSTITUTE
OF NEW ZEALAND (WASTEMINZ)



SUMMARY POINTS

THE MARKET FOR **RECYCLED MATERIALS HAS COLLAPSED** BECAUSE CHINA IS, IN EFFECT, SHUTTING OUT OUR RECYCLABLES

MANY COUNCILS AND RECYCLING OPERATORS IN NEW ZEALAND ARE **STRUGGLING TO COPE** DUE TO THE LACK OF MARKETS AND LOWER INCOME

ACTION IS REQUIRED – THIS ISSUE WILL NOT RESOLVE QUICKLY OR BY ITSELF

THE CURRENT CRISIS IS ULTIMATELY A RESULT OF THE WAY WE MANAGE MATERIALS BEING **FUNDAMENTALLY BROKEN**. SHORT-TERM FIXES, WHILE IMPORTANT, WILL NOT BE ENOUGH

THIS IS A GREAT CHANCE TO MOVE TO A **BETTER MODEL**, ONE THAT WORKS

MOVING TO A BETTER MODEL WILL REQUIRE EVERYONE TO **WORK TOGETHER**

GOVERNMENT MUST CONSIDER **SHORT-TERM ACTIONS** INCLUDING ENABLING ACCESS TO LEVY FUNDING, COMMUNICATIONS AND GETTING BETTER DATA

GOVERNMENT MUST ALSO CONSIDER **MEDIUM TO LONG-TERM ACTIONS** THAT WILL START TO BUILD A **CIRCULAR ECONOMY**. ACTIONS LIKE REVISING THE NATIONAL WASTE STRATEGY, CHANGES TO THE WASTE DISPOSAL LEVY, PRODUCT STEWARDSHIP AND DESIGN, BUILDING DATA SYSTEMS, GOOD PRACTICE GUIDANCE, COMMUNICATIONS AND POSITIVE PUBLIC PROCUREMENT.

ALL ACTIONS PROPOSED CAN BE ACHIEVED **WITHIN CURRENT LEGISLATION**. SIMILARLY, THE **FUNDING MECHANISMS ALREADY EXIST**.

Acknowledgements Our thanks to Eunomia Research & Consulting for their assistance in developing this discussion document.

MAY 2018



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What exactly is the problem?

In simple terms, the international market for recycled materials has collapsed because China is no longer accepting the quantity of material for recycling that they used to.

Plastic, paper, and metal collected for recycling is traded internationally as a commodity. Historically China has been the largest buyer for this material and purchased over 50% of all the world's recyclables.¹

In July of 2017, China announced restrictions on the import of 24 types of material into the country. The new policy was termed 'National Sword'. National Sword has now been replaced by 'Blue Sky' which essentially extends the restricted imports policy.

The part of the policy that has created issues in the recycling industry are new strict standards for mixed paper and mixed plastic. These materials can still theoretically be imported into China, but they are required to have very low levels of contamination – 0.5%. The majority of kerbside recycling systems are not able to produce levels of contamination this low (around 2-4% is typical).

So, while China has not directly banned imports of recyclable materials, National Sword/Blue Sky has had the effect of drastically reducing demand in the biggest market. The reduction in demand has seen prices for these and related grades of material fall dramatically. Sellers of these commodities have sought other markets, but there is not sufficient capacity currently in the plants outside of China to process all the materials. This has meant stockpiles are building up and some material may not be able to find an end market.

Unless solutions are found urgently, material collected for recycling could end up being landfilled.

This would damage the public trust in our kerbside recycling systems that has been built up over many years.

¹ <https://www.pri.org/stories/2018-01-01/mountains-us-recycling-pile-china-restricts-imports>. Velis C.A. (2014). Global recycling markets - plastic waste: A story for one player - China. Report prepared by FUELogy and formatted by D-waste on behalf of International Solid Waste Association - Globalisation and Waste Management Task Force. ISWA, Vienna, September 2014.

What effect has it had in New Zealand?

New Zealand can process approximately half of the paper and cardboard that is collected here but only a small proportion of the plastic – with no significant local processing of 3-7 plastics. Like most other countries with kerbside recycling, New Zealand has sent a lot of its collected recyclables to China, in particular, mixed paper and mixed plastic.

Paper and plastics are usually two of the most valuable kerbside commodities for recyclers in terms of revenue. Paper because it makes up the largest amount by weight (40-50%) and plastic because some grades can command high prices. The large falls in price, and the difficulty in finding markets for these grades of material is therefore severely affecting the economic viability of local collections.

A recent survey of councils and recycling operators² found that:

Four of the nine operators surveyed are stockpiling mixed plastics 3-7

82% of the councils surveyed indicated that they have been affected by the Chinese restrictions and are selling 3-7 plastics at a lower price, stockpiling, or struggling to find new buyers.

Although the issue with mixed paper is less pronounced, 40% are still indicating they are having to sell mixed paper at a lower price, stockpiling, or struggling to find new buyers.

The situation has now reached a critical point; our recycling system is in crisis!

This raises the spectre that recyclable materials going to landfill could be the next step.

² WasteMINZ March 2018. Responses were received from 38 councils, and nine recycling operators.

What is likely to happen next?

It is not expected that market prices and demand will return to pre-National Sword levels in the foreseeable future.

The restrictions that China has imposed are due to expire at the end of 2018, however just as 'Blue Sky' replaced 'National Sword' in March this year, it is likely that there will be further extensions of the restrictions. These moves by the Chinese are officially "To protect China's environmental interests and people's health"³, but it is also believed that the move is designed to encourage the development of higher levels of their own domestic recycling. The latest policy changes are part of a history of China having to deal with significant quantities of contaminated material coming into the country.⁴

It remains to be seen to what degree processors outside of China scale up to process the material that is looking for a market. Some scaling up will almost certainly occur, but it is unlikely to match the capacity of China. The risk for other processors scaling up is that it is unknown whether and to what degree China could relax restrictions in the future. There is also a risk for sellers that alternative markets to China could start to impose stricter standards if they receive too much contaminated material like China had been.

What is the industry in New Zealand doing about it?

Since the restrictions were announced, recyclers and councils have been managing the issues to the best of their abilities at an individual level. This has included efforts to reduce contamination and improve material quality, seek new markets, stockpile materials and renegotiate contracts to share risk.

In early May 2018 a group of key stakeholders from New Zealand's recycling sector met to share their experiences and to provide information which has helped to inform this discussion document.⁵ While a wide range of interests and views were represented, there was general agreement on the following:

The current system is fundamentally broken. It relies on councils and recyclers reacting to and cleaning up whatever materials producers decide to put on the market. It requires enormous effort to achieve good clean streams of useable material – and this is not always possible. There is therefore too much cost and not enough value for the present model to be sustainable. It has only worked up until now because China was taking the environmental impacts – which they are no longer prepared to do.

The present model is far too supply driven. Materials are collected because there is a public desire for recycling. But the materials collected are not necessarily those for which there is demand. This is notably the case for 3-7 grade plastics.

There will be some significant short-term pain for the industry, but the stark reality of the situation is also a unique driver to change the system to a more viable and more circular model.

³ WTO Notification G/TBT/N/CHN/1211 18 July 2017

⁴ The most notable of these was the 'Green Fence' initiative in 2010 which placed similar but not as strict conditions on recycling imports and which led to a fall in the market at that time.

⁵ Participants included: Ministry for the Environment, Northland Waste, OJTI, EnviroWaste, Countdown/Progressive, Smart Environmental, Whangarei District Council, Auckland Council, Visy, Reclaim, O-I Glass, Christchurch City Council, Wellington City Council, Waste Management, WasteMINZ, Eunomia Research & Consulting.

Change will not be able to be achieved by operators and councils working alone. It will require a collaborative approach involving operators, councils, producers and brand owners, and the community, with central government as the key enabler.

There is no single measure that will deliver the change that is needed. It will take a suite of well-designed initiatives that support each other to move us forward. Some of these actions need to happen immediately, others will take longer to put in place.

What needs to happen in the short term?

In the short term (by the end of 2018), the main issue that needs to be addressed is to improve the quality of recycling that is collected. This means reducing the amount of contamination so materials have a higher value.

Actions that could potentially be taken to improve the quality of recycling (within the current kerbside collection model) are:

Undertake more sorting at kerbside. This helps make sure contamination is removed before the material is bulked. It also educates the public as non-recyclable material is left behind.

Avoid collecting glass together with other recyclables - because if glass breaks it contaminates the other materials. This could mean introducing separate glass collection, not collecting glass, or setting up bottle banks to take glass.

Reduce the compaction ratios on collection vehicles to reduce glass breakage, and make materials easier to separate.

Slow down sorting lines at material recovery facilities and/or put more staff or machinery on the lines to reduce contamination and improve quality.

Engage and educate the public to reduce the contamination they put in the bin.

Stop collecting certain grades of material for which there are insufficient markets (like 3-7 plastics).

Send mixed grades of sorted material back through sort lines to further reduce contamination to a level that enables the product to be sold, or split out grades that may have a value on their own.

Gather better data to understand the exact nature of the issues and better target solutions.

Most of these actions will come at a cost, which is not insignificant. In the short-term, to support the industry, the following measures are suggested:

Access to Funding

Establish a Minister-initiated funding stream from the Waste Minimisation Fund which would be left open for an interim period. The fund would be open specifically for councils and operators to address issues in respect of recycling, avoiding materials going to landfill, or defaulting on contracts. The purpose of the fund would not simply be to subsidise existing collections but to take specific actions, such as those noted above, to address critical recycling issues. Applications to the funding stream would be considered on a case by case basis.

Use of Levy Funds

Allow councils to spend their levy funds (for an interim period only) on approved actions that are not in their Waste Management and Minimisation Plans, but that are targeted at addressing issues of recycling quality and avoiding sending recycling to landfill.

Communications

Give consideration to a Minister-initiated public awareness programme focussed on reducing contamination in recycling. The focus of the programme would be educating households to only put in their recycling bins items that they are certain are recyclable. This would be a short-term measure and would not remove the need for a more comprehensive longer-term public awareness programme.

Commission an initial data gathering exercise

While individual operators have reasonable data, there is no reliable industry-wide data. This is needed to enable quantitative assessment of the situation and establish a baseline, so the effectiveness of actions can be measured. Better industry data will be important to inform any decisions on the allocation of funding as well as strategic industry decisions. Key data that is not presently available that a study should aim to gather could include:

How much of each commodity is actually sent to China from NZ? Now and historically?

How much of each commodity is processed in NZ and what is the local capacity?

What have been the actual price impacts in the different markets by commodity? What is the likely impact of these on service viability?

The level of contamination in sorted recyclables: Mixed paper & Mixed plastic. i.e. how far off 0.5% are we for each type of recycling system (Commingled; Glass out; Kerb sort)?

What are the things that are creating the contamination in each system that makes it difficult to reach the threshold? – i.e. following on from above, what is the actual problem in each type of system, and what are the specific actions to address them?

This package of short-term measures will assist the industry to respond effectively in a coordinated fashion and ensure that disruptions to household recycling services are minimised.

What needs to happen in the medium to long term?

As noted above, the current issues with recycling are not merely short-term problems but are a result of the way we deal with materials in our economy being fundamentally broken. While there are some things we need to do immediately, we also need to start building a world-class recycling system. The following actions will be important to facilitate this and help transition to a more circular economy. While work on most of these actions should begin straight away, they are likely to take time to put in place and to deliver results.

Revise the New Zealand Waste Strategy

There are a range of possible actions that the Government could take (some of which are set out in this document as priorities). It makes sense to set these within a clear strategic framework. The current New Zealand Waste Strategy 2010 (NZWS) sets no goals, targets, timetables, actions, or responsibilities. This means it does not provide a basis for action or investment in the sector. A review of the NZWS is therefore very timely.

In this context a clear and comprehensive waste strategy would:

Provide clarity to the sector on the Government's priorities and timeframes.

Provide a clearer strategic direction for investment of waste levy funds, in particular into optimisation of kerbside systems nationally, integrated recovery infrastructure and aligned communications.

Encourage more joint working and investment in regional planning and infrastructure.

Create greater certainty for the private sector to facilitate investment in key infrastructure and services.

Better Data

New Zealand has very poor data on the amount of material that is collected for recycling, what that material actually is, and what happens to it. We also have limited knowledge of how much of each type of material is put onto the market and the pathways that each material follows, including how much of each is recovered, how much is disposed of and how it is disposed of.⁶

While snapshot studies can give us some insight (as suggested for the short-term measures), there is a need to understand the flows of material on an ongoing basis, so we can track trends and measure the effect of policy and market changes.

Waste Disposal Levy

Key changes to the waste levy will make recycling and recovery alternatives more cost competitive and provide a source of funding for investment in resource recovery infrastructure.⁷ Any direction of funds towards infrastructure should follow a clear investment strategy. The investment strategy should:

Include a focus on developing on-shore options for processing and adding value to materials.

Recognise regional infrastructure development needs (possibly through regional waste infrastructure plans, that give effect to the national strategy).

Product Stewardship and Design

At present, companies can place products on the market with little consideration of, or responsibility for, what happens to them once they have been used. This is at the root of the problem the recycling industry is currently facing.

A long-term solution must involve manufacturers and distributors having greater responsibility for products through their life cycle. This will help incentivise better design and material choices, ensure appropriate funding is in place to enable effective recycling and help New Zealand move towards a circular economy.

⁶ Ministry for the Environment. 2017. *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

⁷ Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy, Potential Impacts of Adjustments to the Current Levy Rate and Structure*

The different types of product stewardship programmes include advance disposal fees, deposit refund systems, licensing fees or material recovery notes. Schemes can also be voluntary or mandatory. Consideration should be given to the most appropriate types of scheme for each product or material type, as well as the designation of priority product status for the most problematic material types.

Where voluntary schemes or agreements are adopted, careful design of the scheme will be required otherwise they won't solve anything. For example, a voluntary agreement establishing targets for the recyclability of packaging (as has been mooted in other countries) should consider the following:

Focusing just on recycling can mean options higher up the waste hierarchy such as reduction or reuse are not properly incentivised.

Voluntary commitments are just that. Such commitments have been made in the past and not met.⁸ Any future commitments need to have consequences for those who don't meet them, otherwise they are simply a theoretical exercise.

Recyclability claims need to be evidence-based and paired with standardised on-pack labelling to enable consumers to make informed decisions.

Recyclability targets need to be paired with requirements for manufacturers and brand owners to specify minimum recycled content in products (to create market pull through).

Where possible, on-pack labelling should clearly show levels of recycled content to help consumers make informed choices.

Ultimately, consideration may also need to be given to other measures such as actively restricting the use of products or materials for which there is no viable recovery pathway (such as some types of plastic).

New Zealand has appropriate provision within the Waste Minimisation Act for both voluntary and mandatory product stewardship schemes. No

⁸ For example: <https://www.smh.com.au/environment/australian-packaging-industry-falling-short-of-recycling-goal-may-cut-target-20150702-gi39h0.html>

new legislation should be required to introduce these measures.

Good Practice Guidance

Councils around the country who offer kerbside recycling systems are faced with an array of choices as to what the best form of service is. Councils do not always have the technical knowledge to understand the longer-term impacts of their choices. The result is that often the lowest cost or most convenient services are the ones that get chosen. These do not always deliver the best long-term value. Identifying best practice and providing clear guidance and specifications for councils who are procuring kerbside systems would improve the quality of service and materials collected, increase standardisation (resulting in clearer education messages, and cheaper service delivery), reduce procurement and contract management costs, and reduce risks in the industry.

National Communications

Presently it is up to each council and/or recycling operator to develop and deliver their own communications to households. This results in a wide variation in the effectiveness, quality and content of messages.

There is an opportunity to greatly improve engagement of householders not only to recycle better but to encourage reuse and reduction of waste. A more holistic national approach to communications (aligned with best practice collections) will allow more consistent and effective messages to be delivered, reduce duplication of effort in developing resources and programmes, and mean that resource can be targeted at getting the messages into the community.

Positive Government Procurement

One of the most positive things that government (both local and central) could do is to stimulate demand for recycled materials through their own procurement. Local and central government are huge consumers. Specifying recycled or refurbished items would stimulate market demand, create new consumer norms, and help to create economies of scale for producers

using reclaimed resources. This would, in turn, help these producers to access wider markets. Procurement could cover for example:

Use of sourced recycled paper for offices.

Use of sourced recycled tissue for public conveniences.

Street furniture made from New Zealand sourced recycled soft plastics.

Roading using recycled materials (concrete, rubber, plastic).

Reused and refurbished office furniture.

Use of composts and soil amendments from New Zealand sourced reclaimed materials on parks and gardens.

Appropriate standards and guidelines would have to be developed for procurement of a range of different types of materials and items.

Conclusions

The collapse in international recycling markets has left the recycling sector in New Zealand in a vulnerable position. Without decisive action to address the issue, recyclable material could be sent to landfill, councils and communities will suffer financially, and operators could go out of business.

Action from the government is urgently needed. There are some things that need to happen immediately, including enabling access to funding, and facilitating national communications and data. There are also some things that will take longer, but that will help build a more robust system and deliver a more circular economy. These actions include revising the national waste strategy, changes to the waste disposal levy, product stewardship and design, building data systems, good practice guidance, ongoing communications and positive public procurement.

While there is a lot to do, everything that has been set out in this discussion paper can be achieved using existing funding sources and legislation. The sector is engaged and willing to work with the government to ensure these things happen.

Finally, this crisis also represents an opportunity: The opportunity to build a new system that can deliver better outcomes for our communities, our environment, and our economy.

Together we can reboot recycling and create a circular economy for Aotearoa.



LOCAL GOVERNMENT WASTE MANAGEMENT MANIFESTO

DEVELOPED BY THE TERRITORIAL
AUTHORITY FORUM, A SECTOR
GROUP OF WASTEMINZ

SUMMARY POINTS

REVIEW THE NEW ZEALAND **WASTE STRATEGY**
TO SET A CLEAR PROGRAMME FOR ACTION

EXPAND THE **WASTE DISPOSAL LEVY** AND PROGRESSIVELY RAISE
THE LEVY RATE TO REDUCE TOTAL WASTE TO LANDFILL BY UP TO
3.5 MILLION TONNES PER ANNUM

OFFICIALLY ADOPT THE NATIONAL **WASTE DATA** FRAMEWORK
DEVELOPED BY WASTEMINZ AND OVERSEE ITS IMPLEMENTATION
TO ENABLE BETTER PLANNING AND MONITORING

INTRODUCE A **CONTAINER DEPOSIT SCHEME** TO LIFT RECYCLING
RATES FROM 45-58% TO BETWEEN 79% AND 82%

DECLARE **TYRES, E-WASTE, AGRICULTURAL CHEMICALS
AND PLASTICS** AS PRIORITY PRODUCTS, TO ADDRESS
PROBLEM WASTE STREAMS

About the TA Forum

The Territorial Authority (TA) Forum is an officer led Sector Group of WasteMINZ. It is made up of 64 city and district councils from around New Zealand. The TA Forum was established to create consistency and efficiency amongst territorial authorities through sharing knowledge and best practice.

Acknowledgements

Our thanks to Eunomia Research & Consulting for their assistance in developing this manifesto.

JANUARY 2018



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Introduction

Waste is a significant issue for local government to deal with. However, a lack of supporting Government policy and action has constrained councils' ability to address waste issues effectively. This manifesto sets out the waste management actions which the TA Forum considers that the Government should prioritise. These actions will enable real reductions in waste to landfill and reduce the costs borne by councils and their communities.

Why recycling and waste reduction matters

In New Zealand, we generally manage waste responsibly to avoid the worst waste management outcomes. However, waste also represents a huge opportunity for New Zealand, which we have barely begun to take advantage of.

Waste is the result of an unsustainable, linear use of materials. Taking action on waste can drive transformation back up the value chain and bring about significant positive changes throughout the economy, and ultimately move us towards a more circular model. Well considered waste policy has the potential to bring benefits across a wide spectrum of activity from reducing greenhouse gas emissions by avoiding waste in the first place, through to job creation and cleaner waterways.

Reducing waste and making full use of the value of materials will lead to the following positive outcomes for New Zealand:

Reduced greenhouse gas emissions through reduced virgin resource use, as well as less emissions from landfill.

More efficient industries and services that use less materials in the first place – improving our competitiveness.

Improved soil quality from use of organic waste, improving our farm productivity and improving water quality as a result of better soil moisture retention and the need to use less fertilisers.

A reduced reliance on importing materials and on fluctuating commodity markets.

An increase in economic activity and jobs as a result of materials being diverted from unproductive landfill to productive local industries.

The priorities that are set out in the following pages are only some of the areas that the Government can take action on to reduce waste, but they are ones that will have the most impact in setting us on the right path, towards a circular economy.

The suggested priorities are all well proven and well researched, and are possible to deliver with the provisions already available in legislation. All that is required is decisive action.

The need for a strategic approach

What is it?

There has been a lack of clear strategic direction to shape and guide action and investment in the waste sector. The current New Zealand Waste Strategy 2010 (NZWS) presents two guiding principles but sets no goals, targets, timetables, actions, or responsibilities.

Given the range of possible actions that the Government could take (some of which are set out in this document as priorities), it makes sense to set these within a clear strategic framework. Revision of the New Zealand Waste Strategy is therefore considered timely.

What would it achieve?

Revising the New Zealand Waste Strategy to set a more comprehensive programme of action would:

Provide clarity to the sector on the Government's priorities and timeframes.

Facilitate TAs in developing their Waste Management and Minimisation Plans (WMMPs), which must have regard to the strategy, and help align actions regionally and nationally.

Provide a clearer strategic direction for investment of waste levy funds.

Encourage more joint working and investment in regional planning and infrastructure.

Create greater certainty for the private sector to facilitate investment in key infrastructure and services.

How should it work?

A revised waste strategy should have the following features to give clear direction:

A clear set of goals and objectives.

Measurable and time-bound targets.

Identify the specific policies and actions that will deliver the targets, goals and objectives.

Identify the roles and responsibilities for key parties (TAs, regional authorities, industry, community sector, product stewardship and industry organisations etc.), including any regulatory provision necessary for full participation.

Identify and establish funding mechanisms (including waste levy funding) that will enable delivery of the targets, goals, and objectives by the key parties.

Establish mechanisms for monitoring and reporting on outcomes.

Key actions for Central Government

The content and direction of the strategy is the prerogative of the Government to determine in partnership with the sector. However, from a council perspective, the TA Forum considers that the following elements are logical parts of any strategy moving forward:

Priority 1: Changes to the Waste Disposal Levy

Priority 2: Better Waste Data

Priority 3: Container Deposit Scheme

Priority 4: Mandatory product stewardship for key products

Each of these is expanded on in the following sections.

PRIORITY 1

Changes to the Waste Disposal Levy

What is it?

New Zealand has a levy on every tonne of waste that is disposed of at Class 1 landfills. The levy has been applied at a rate of \$10 a tonne since it was first introduced in 2009.

Despite having a levy in place, the amount of waste sent to landfill in New Zealand has grown by 35% since 2009¹. It is clear that, in its current form, the waste levy has not been effective in promoting the reduction of waste to landfill and in achieving the aim of the Waste Minimisation Act, which is to "...encourage waste minimisation and a decrease in waste to disposal..."².

The main reason the levy has not been effective is that the rate is very low – one of the lowest of any country with a landfill levy. Another challenge is that the levy is currently only charged on the waste going to Class 1 landfills – which is only about 30% of the waste that is disposed to land. The other 70% goes to Class 2-4 landfills (which are supposed to accept less harmful waste, and which have lower environmental standards), or is disposed of on farms.

International evidence is clear that extending the levy to cover all types of disposal, and raising the rate of the levy (particularly on the type of waste that should go to Class 1 landfills), can generate substantial reduction in waste to landfill. The levy is the single most powerful tool available to Government to reduce waste and improve resource efficiency and recovery.

What would it achieve?

Recent work commissioned by a consortium of councils and, waste and recycling companies showed that there would likely be substantial benefits to New Zealand from a well-designed levy regime.³ The study suggests extending the levy to all classes of fill and raising the rate for 'active waste' to \$140 a tonne would, by 2025:

Reduce total waste to landfill by 3.5 million tonnes with over half of this reduction coming from Class 1 landfills.

Raise an additional \$170 million per annum in revenue that could be applied to waste minimisation projects and strategic regional infrastructure.

Create up to 9,000 additional jobs.

Result in net benefit to the New Zealand economy of up to \$500 million per annum.

The study results are consistent with experience from the UK, Europe and Australia where similar levy structures and rates have been put in place.

There is widespread agreement in the sector on the need to broaden the levy to encompass different types of landfill, and while there is general agreement that the levy should go up, there is less consensus on what the rate should be, and how quickly it should go up, as well as concern in some regions on the potential impacts locally.

¹ Based on data from Ministry for the Environment (2017) *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

² Waste Minimisation Act Section 3

³ Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy. Potential Impacts of Adjustments to the Current Levy Rate and Structure*

How should it work?

There will need to be further work to determine the precise structure that will deliver the best outcomes for New Zealand, including mitigating any potential negative outcomes. As articulated by the study mentioned on the previous page, there will need to be a package of elements that together provide a sound basis for action. These elements include:

Extending the levy to all fill types, so waste can't 'escape' the levy and to improve data.

Differential rates for key waste types (such as 'active' and 'inert' waste), to enable appropriate management of waste types.

A substantial increase in the 'active' rate, to drive waste from disposal to recovery.

Escalating to the target rates over time, to give industry time to respond and invest.

Comprehensive monitoring and enforcement, to avoid illegal disposal.

Targeted spending of levy income, to provide diversion opportunities through locally appropriate infrastructure and support the intent of the Act.

Key actions for Central Government

There are adequate provisions in the WMA 2008 to make all the necessary changes to the levy that would deliver the benefits noted previously. Regulation under the Act will, however, be required to bring some of the actions into force.

To put in place an optimal structure for the Waste Disposal Levy the following key steps will likely be required:

- 1 Undertake further work to understand the potential costs and benefits in more detail. In particular, where these costs and benefits will fall. This includes the costs and benefits from levy charges as well as allocation of funds. Key areas to understand further include:
 - a Impacts on industry sectors
 - b Impacts on local government
 - c Impacts in different parts of the country
 - d Climate change and other environmental impacts.
- 2 Develop draft proposals for a revised levy regime taking account of the cost-benefit profile.
- 3 Undertake consultation on draft proposals.
- 4 Finalise levy design and implement new regime.

PRIORITY 2

Better Waste Data

What is it?

New Zealand lacks comprehensive, reliable waste data⁴. We have good data on the quantity of material that goes to Class 1 (levied) disposal sites, and most councils hold reasonable data on the waste that they manage through their services and facilities. But there is very poor data on the total amount of waste generated, the amount of material that goes to Class 2-4 disposal sites and farm dumps (together about 70% of all material disposed to land), material that is collected or managed by private operators, and material that is recycled and recovered. This means that our overall understanding of waste flows is severely limited.

New Zealand already has a National Waste Data Framework (WDF)⁵, which provides a series of protocols for gathering consistent data. This is beginning to be implemented by a range of councils around the country. However, participation is voluntary, the WDF currently only covers waste going to levied disposal sites, and there is no mechanism to compile data on a regional or national basis.

What would it achieve?

Better waste data will have a significant positive effect across all aspects of the sector. It will allow councils, the private and community sectors, and Government to benchmark their performance, identify areas where performance could be improved, plan with greater confidence, and to monitor and measure the effectiveness of actions.

⁴ Ministry for the Environment (2017) *Review of the Effectiveness of the Waste Disposal Levy 2017*. Wellington: Ministry for the Environment

⁵ The WDF was developed with support from the Waste Minimisation Fund and TAs, and led by WasteMINZ

How should it work?

A national system for gathering and sharing waste data should be established. The system should have the following features:

Utilise the existing Waste Data Framework developed by WasteMINZ to provide the foundation for gathering data and expand it (as planned, when it was initially developed) to cover non-levied sites and recovered materials.

Local authorities continue to have primary responsibility for gathering waste data in their district.

Regional bodies are established to administer waste operator licensing schemes, gather data from these schemes and compile data on a regional level.

Central government should compile regional data to develop a national picture and make data available for benchmarking and policy purposes.

Key actions for Central Government

To establish a national waste data system the Government should:

- 1 Require (under section 37 of the WMA) the Waste Data Framework to be used by TAs for compiling and reporting data.
- 2 Develop and implement regulations under Section 86 of the WMA to provide a mechanism for requiring reporting of recovered material data.
- 3 Establish a platform for key parties to enter data into, compile data, and make aggregated data available.
- 4 Work with councils, industry, and regional government/agencies to facilitate the development of a national waste data system that will meet the needs of the sector at large.

PRIORITY 3

Container Deposit Scheme

What is it?

A container deposit scheme (CDS)⁶ is where consumers pay a deposit when they purchase a drink from a store and then receive it back when they return the container to an official collection point.

The amount of the deposit is usually quite small (10 cents for example), but it is enough to provide an incentive for people to return the containers. If a consumer chooses not to return the empty container, they lose the deposit.

The concept is similar to the old bottle deposit schemes that used to operate in New Zealand except that it would apply to a range of containers, not just glass bottles.

What would it achieve?

Places with container deposit schemes achieve very high recycling rates, in the order of 80–90 per cent of all drink containers. The schemes also help to reduce the impact of litter on the environment, particularly the marine environment.

A recent independent cost-benefit analysis commissioned by Auckland Council found the following benefits from introducing a CDS in New Zealand:⁷

Overall benefits would be three to six times greater than costs.

Recycling rates would be improved from 45–58% to between 79% and 82%.

Councils could expect to save in the order of \$12.5 million–\$20.9 million per annum in kerbside collection costs.

Councils could avoid further costs in the order of \$4.2 million–\$8.1 million per annum, through reduced landfill disposal and litter cleanup costs.

Other potential benefits would accrue to the environment, job creation, and increased public engagement.

How should it work?

The precise structure for the CDS will need to be determined through consultation. However, the fundamental features of the scheme should include:

Coverage of a wide range of drink containers from small cans through to tetra-paks and large 3-litre containers.

Producers add a refundable charge (for example 10 cents) to each container which is passed on to retailers.

Consumers pay the charge when they purchase the product.

Consumers take back the empty container to a drop off point and receive back the full amount of the deposit.

An example of how a scheme could work is shown in the diagram on page 10.

For more detail on how a CDS scheme could work, refer to the reports by Envision⁸ and/or Auckland Council⁹.

⁶ CDS is often referred to by other names such as Deposit Refund Systems (DRS) or Container Deposit Legislation (CDL)

⁷ Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017

⁸ Envision (2015) *The InCENTive to Recycle: The case for a container deposit system in New Zealand*

⁹ Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017



Indicative Container Deposit System Model

Key actions for Central Government

The legislative basis for introducing a CDS is provided in the product stewardship provisions of the Waste Minimisation Act 2008 (WMA). Key actions would include:

- 1 Undertake appropriate consultation.
- 2 Declare beverage containers a priority product.
- 3 Decide the key features of the scheme such as the level of the deposit, the containers it is applied to, and the responsibilities of key parties.
- 4 Enact required regulation to ensure participation and lawful compliance of participants.
- 5 Set up the necessary administrative structures and infrastructure.

PRIORITY 4

Mandatory Product Stewardship

What is it?

Product Stewardship schemes are well established around the world and are particularly effective tools for managing problematic waste streams. They place responsibility on the producers and sellers for managing products at the end of their life.

There are two types of schemes: mandatory product stewardship, and voluntary (industry or company led) schemes. New Zealand has provision for both types of product stewardship schemes in the WMA, but to date, the Government has only accredited voluntary schemes. While voluntary schemes are appropriate for some products, other products may require mandatory schemes to be effective.

Mandatory schemes are necessary where either the industry does not want to act, or where only certain companies within the industry are willing to act, and other companies can get the benefits of a scheme without having to pay the costs (referred to as 'free riders').

What would it achieve?

It is proposed that mandatory schemes be set up for the following key waste streams:

Tyres

E-waste¹⁰

Agricultural chemicals and plastics

Each of these waste streams is extremely problematic in New Zealand. They have been identified by stakeholders as priorities¹¹, and significant research has been undertaken into

these issues and on the viability of mandatory schemes. In addition, the tyre industry has been supportive of mandatory product stewardship and have actively sought its introduction.

Introducing mandatory product stewardship schemes for these products would dramatically improve the management of these waste streams, avoid negative environmental impacts associated with their improper disposal, and shift costs to the producers and consumers, thus reducing costs to councils and communities.

How should it work?

Each of the schemes would need to be established independently. Key features are noted below:

Tyres. The scheme should broadly follow the Tyrewise model which has been developed and consulted on by industry.¹² The preferred scheme should apply to all pneumatic and solid fill tyres, including off the road (OTR) and aircraft tyres; and a fee placed on all tyres at the point of import covering collection, tracking and processing of end-of-life tyres.

E-Waste. The scheme should draw on the work done to date by the MfE and stakeholders. Key features of a scheme should include: advance recycling fee applied to each electrical or electronic item at point of purchase, industry management responsible for establishing collection networks (which could include retail outlets), consumers drop off end-of-life electronics at no charge, the fee covers collection, responsible recovery or disposal, and administration.

¹⁰ The definition of e-waste will be important. For the purposes of this document e-waste is assumed to refer to any item with a battery or an electrical plug.

¹¹ Ministry for the Environment (2015) *Priority waste streams for product stewardship intervention: Summary of submissions*.

¹² Tyrewise Working Group (2014) *Tyrewise Scoping Report 4: What might a future programme look like?* Report for Ministry for the Environment

Agricultural chemicals and plastics. The scheme should draw on the work done by Environment Canterbury¹³ (and supported by the Waste Minimisation Fund). While this work did not identify a mandatory product stewardship scheme (as this was not within its scope), it did examine the feasibility of various approaches. Key features should include comprehensive coverage, a single point of contact and cost-effective operation.

Key actions for Central Government

The legislative basis for introducing schemes for these waste streams is provided in the product stewardship provisions of the Waste Minimisation Act 2008 (WMA). Prior to this, key actions would include:

- 1 Review the work already undertaken for each product type, take account of new information and address any information gaps.
- 2 Undertake appropriate consultation as required.
- 3 Declare each of the above items as priority products under section 9 of the WMA.
- 4 Develop schemes for each of the priority products.
- 5 Accredited the schemes under section 15 of the WMA.

¹³ Environment Canterbury (2017) *New Zealand Rural Waste Minimisation Project Milestone 5 Phase iii: Implementation of preferred options & communications strategy*. Prepared by True North Consulting / Cherry Red Consulting, 12 May 2017



Key Reference Documents

Container Deposits

Envision (2015) *The InCENTive to Recycle: The case for a container deposit system in New Zealand*

Preston Davies (2017) *Cost-benefit analysis of a Container Deposit Scheme*. Report for the Auckland Council, August 2017

Waste Disposal Levy

Eunomia Research & Consulting (2017) *The New Zealand Waste Disposal Levy, Potential Impacts of Adjustments to the Current Levy Rate and Structure*

Waste Data

Waste Management Institute New Zealand (2015) *New Zealand Waste Data Framework Volume One: Definitions and Protocols for Waste to Disposal Facilities Volume Two: Definitions and Protocols for Information about Waste Services and Facilities*. Prepared by Eunomia Research & Consulting Ltd and Waste Not Consulting Ltd, August 2015.

Waste Planning

Ministry for the Environment (2010) *The New Zealand Waste Strategy*

Product Stewardship

SLR, *E-waste Product Stewardship Framework for New Zealand*, June 2015

e-Day Trust (2017) *eWaste Manifesto*

Environment Canterbury (2017) *New Zealand Rural Waste Minimisation Project Milestone 5 Phase iii: Implementation of preferred options & communications strategy*. Prepared by True North Consulting / Cherry Red Consulting, 12 May 2017

KPMG (2015) *Waste Tyres Economic Research Report 3: Intervention options to promote investment in onshore waste tyre recycling*. Report for Ministry for the Environment

Ministry for the Environment (2015) *Priority waste streams for product stewardship intervention: Summary of submissions*

MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Review of Representation Arrangements

DATE: 7 June 2018

AUTHOR/S: John Annabell, Legal Counsel, City Corporate

RECOMMENDATION(S) TO COUNCIL

1. That the attached Discussion Document be approved and be released for community consultation for a period of one month commencing Friday 29 June and closing Monday 30 July 2018, with the Mayor and Deputy Mayor being authorised to make final changes to the Discussion Document of an editorial nature.
2. That submissions be invited on the Discussion Document and an opportunity be provided for submitters to speak to their submission, if they wish, at an Extraordinary meeting of the Council to be held at 9.00 am on Monday 13 August 2018, and that meeting make a preliminary decision on representation matters.
3. That the Council's formal proposal for representation arrangements be finalised at the Council meeting to be held at 9.00 am on Monday 27 August 2018.
4. That the Chief Executive be authorised to make all necessary arrangements for consultation as outlined in this memorandum.

1. ISSUE

The Council is required to finalise its representation proposal by early September 2018. That proposal will cover matters including whether or not a ward system should be used for electing councillors, the number of councillors, and whether or not a community board or boards should be established.

Matters already decided for the next elections include the continued use of the Single Transferable Voting (STV) electoral system and the non-introduction of Māori ward or wards, the latter being the outcome from the Māori ward poll held in May 2018.

2. BACKGROUND

The Council is required by the Local Electoral Act 2001 (the Act) to review its representation arrangements at least once every six years, the last review being carried out in 2012. This review must include the following:

- The number of elected members (within the legal requirement to have a minimum of six and a maximum of 30 members, including the Mayor).
- Whether the elected members (other than the Mayor) should be elected city-wide, or whether the city will be divided into wards for electoral purposes, or whether there will be a mix of “city-wide” and “ward” representation.
- If election by wards is preferred, then the boundaries and names of those wards and the number of members that will represent each ward.
- Whether to establish communities and have community boards and if so how many, their boundaries and membership and whether to subdivide any community for electoral purposes.

The Council must follow the procedure set out in the Act when conducting a review, and should also follow guidelines published by the Local Government Commission. The Act gives the public the right to make written submissions to the Council, and be heard if desired. There is also a right of appeal to any decisions on the above to the Local Government Commission, which will make a binding decision on the appeal.

The Council last commenced a representation review in 2012 when the present arrangements were decided upon by the Local Government Commission. The Commission’s decision followed three phases of community consultation. The first phase was at the discretion of the Council, with the two later phases following statutory processes. These phases included:

- In the first phase, submissions were invited on a broad range of options.
- In the second phase, submissions were invited on the Council’s formal representation proposal.
- In the third phase, appeals and objections were invited on the Council’s proposals which were amended as a result of submissions received. The appeals and objections were then considered by the Local Government Commission.

The Council’s present representation arrangements have been in place for the last two local government elections.

The detailed options open to the Council reviewing its representation arrangements are described in the background above and also in the attached Discussion Document. The

consultation proposed in this memorandum is not mandatory, but is highly desirable given the importance of decisions to be made and, in the event of any appeal being made to the Local Government Commission, the outcome of this consultation may assist the Commission in making a final decision.

3. NEXT STEPS

If approved, a consultation process will be undertaken from late June and in July 2018, based on the Draft Discussion Document attached. There will also be an opportunity for submitters to speak to their submissions at an Extraordinary Council meeting proposed to be held on 13 August 2018. That meeting will also need to make preliminary decisions on the matters at issue, so that a formal decision can be finalised at the Council meeting to be held on 27 August 2018.


An indication of the Council's preferences will need to be made at the 13 August meeting. Particularly if a ward system is proposed to be introduced, so that appropriate maps can be prepared and relevant statistical data obtained and analysed, and to ensure that the proposed outcome will result in fair representation.

Following the Council's formal decision on representation, there will be further opportunities for people to make submissions on the proposal. These provide the Council with an initial opportunity to review its formal arrangements, and then for its reviewed arrangements to be appealed to the Local Government Commission.

4. COMPLIANCE AND ADMINISTRATION

Does the Council have delegated authority to decide?	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. Discussion Document and Submission Form for Review of Representation Arrangements [↓](#) 

John Annabell

Legal Counsel



DISCUSSION DOCUMENT AND SUBMISSION FORM FOR REVIEW OF REPRESENTATION ARRANGEMENTS

INTRODUCTION

The Council is required to review its representation arrangements for its elections to be held in October 2019. The issues include whether voting should be city-wide or by wards, the number of Councillors, and whether any Community Board(s) should be established. The Council has already decided that the Single Transferable Voting (STV) electoral system will be used, whilst the outcome of the Māori ward poll means that a Māori ward/s cannot be established.

As part of the review process, the Council now invites you to have your say. The issues, together with some of the options, are outlined in this paper. A submission form is also attached.

BACKGROUND

The Council's present political structure is based on the Council comprising a Mayor and 15 Councillors elected on a city-wide basis. There are no community boards. These arrangements were decided by the Local Government Commission in 2013.

In reviewing representation arrangements, the Council must provide for effective representation of communities of interest and fair representation of electors. The term "community of interest" is not defined in the Local Electoral Act 2001 and therefore may mean different things to different people. For fair representation, there is a requirement that if wards are established, the variation of residents to councillors for each ward should be no greater than 10 percent unless such arrangement is approved by the Local Government Commission.

HOW SHOULD COUNCILLORS BE ELECTED?

There are three options for electing Councillors:

- Councillors to be elected on a city-wide basis, which means all voters can vote for the full number of Councillors.
- Councillors to be elected on a ward basis, in which the City is divided into geographical areas called wards. Voters in a ward can only vote for Councillors standing in that ward.
- Councillors to be elected on a mixed basis, in which some of the Councillors are elected on a city-wide basis and other Councillors are elected on a ward basis.

People who favour a city-wide system for electing Councillors say ...

- Ward boundaries in a city like Palmerston North are arbitrary and it is difficult to identify distinctive physical boundaries that separate different communities in the city.

- Residents are interested in the future of the whole city. Therefore all voters should be able to vote for all Councillors.
- Legislation requires Councillors to make a pledge to act in the best interests of Palmerston North City, rather than any part of the city.
- City-wide voting will not stop Councillors helping local people with local issues and holding local community meetings.
- City-wide campaigning need not be that costly, and if candidates campaign through local newspapers or online they get city-wide coverage anyway.
- Voters want to be able to vote who they think are the best candidates, irrespective of where they are standing.

People who favour a ward system for electing Councillors say...

- Voting for Councillors by ward is better because it gives a more even spread of Councillors across the city. City-wide voting could lead to Councillors coming from one particular part of the city.
- Wards are more likely to be better representative of different types of communities within the city.
- Residents are more likely to know a local Councillor they can contact if they need to.
- A ward system may encourage more people to stand for Council because it may not cost as much to campaign.
- A ward system makes it easier for new candidates to make names for themselves by becoming involved in local schools or community groups. City-wide voting may favour those whose names are well known.
- The number of candidates in a ward election is likely to be much smaller than in a city-wide election, so voters are able to make a more informed choice.

Alternatively, people who favour a mixed system do so as they see it as a means of combining the advantages of both systems. That is, for a Council comprising 15 members, seven members might be elected on a city-wide basis whilst the other eight Councillors might be elected across a number of wards.

WHAT WARD OPTIONS ARE THERE FOR ELECTING COUNCILLORS?

There are many possible options for electing Councillors on a ward basis. These include:

- An option based on five wards, with the boundaries being as they were as at 1 July 2012 but with adjustments to ensure that the 10 percent requirement is met. In particular, this would mean shifting parts of Papaioea Ward to another ward or wards.
- Two wards, comprising a central urban ward including most of the urban population, and a surrounding rural ward, which would include the townships of Linton, Longburn, Bunnythorpe and Ashhurst.
- Two wards, but based on dividing the city either east and west or north and south.
- 15 wards, with each ward generally having a focus on a local primary school or relevant community centre.
- Some other options(s) which might be suggested by submitters.

The above options could also be incorporated in a mixed system, in which some of the Councillors are elected city-wide and the rest on the basis of wards.

With regard to setting ward boundaries, the chosen boundaries will need to recognise communities of interest, avoid splitting communities of interest, and if possible meet the requirements of the 10 percent rule. Otherwise approval of the Local Government Commission would be necessary.

HOW MANY COUNCILLORS SHOULD THERE BE?

There are three options:

- The number of Councillors should remain as present (currently 15).
- The number of Councillors should be increased (up to 29, excluding the Mayor).
- The number of Councillors should be decreased (down to five, excluding the Mayor).

The Council currently consists of a Mayor and 15 Councillors. The Council has been this size since 1989.

The main advantage of a larger Council is that there is a greater number of Councillors to share the workload. This workload includes membership of various committees and other groups, as well as liaising with members of the public. A larger Council also allows for more diversity of Councillors and encourages a greater variety of ideas and suggestions.

A smaller Council, on the other hand, might be able to function more efficiently and with fewer committees. There will be the possibility for more consensus in making decisions and Council meetings may be briefer. A smaller Council may also be more focussed on major strategic issues affecting the city.

SHOULD THE COUNCIL ESTABLISH COMMUNITY BOARD(S)?

Under the Local Electoral Act, the Council is required to consider whether or not a community board or boards should be established within the City. A community board can comprise between four and twelve members. At least half of those members must be non-Councillors, who are elected at the same time as the Council elections. The remaining members are City Councillors, appointed by the Council.

The City does not have any community boards at present, although there was an Ashhurst Community Board for several years following the 1989 elections. A community board may have its own budget for spending on facilities and activities in its own area, and can be given decision-making powers by the Council. A separate rating area may also be established, so that the costs associated with each community are paid by that community rather than spread across the City as a whole.

A principal advantage of a community board is that a board can help communication between the community and Councillors, as well as focus on more local issues. A possible disadvantage is

that it is hard to know if a community board's view reflects those of people who live in the area. However, all residents of a community can attend meetings, where there would usually be an opportunity for public comment.

NEXT STEPS

Submissions are invited from Friday 29 June through to Monday 30 July 2018. Persons wishing to speak in support of their submission will have an opportunity to do so at an extraordinary Council meeting to be held at 9.00 am on Monday, 13 August 2018. That meeting is also expected to further consider the issues and make recommendations to the Council meeting to be held on Monday 27 August 2018. From these two meetings, the Council's decisions will be represented in a formal proposal of representation arrangements.

Following that, there will be a further opportunity for public submissions on the Council's formal proposal together with hearings, before a final Council decision, after which there is a right of appeal to the Local Government Commission.

SUBMISSION FORM AND FURTHER INFORMATION

A submission form is attached.

For further information please contact:

John Annabell
Legal Counsel
City Corporate
Palmerston North City Council

Phone: (06) 356 8199

Email: john.annabell@pncc.govt.nz

Information and an online submission form is also included on the Council's website, www.pncc.govt.nz/consultations

For detailed information on the representation reviews, visit the Local Government website at www.lgc.govt.nz



SUBMISSION ON REVIEW OF REPRESENTATION ARRANGEMENTS

Please forward or post your
submission by
Monday 30 July 2018 to:

**Governance Team Leader
Palmerston North City Council
Private Bag 11-034
PALMERSTON NORTH 4442**

Email:
submission@pncc.govt.nz

Preferred Title: Mr / Mrs / Miss / Ms / Other

Name:.....

Organisation:

Address:.....

.....

.....

.....

Phone:

(Home)

(Work)

(Mobile)

Email:.....

Signature:.....

Please tick the box if you wish to speak to this submission before Council at a meeting to be held at 9.00 am on Monday 13 August 2018:

☐

For further information:

Visit our website: pncc.govt.nz/consultations

Email us: john.annabell@pncc.govt.nz

Telephone us: (06) 356 8199

SUBMISSIONS CLOSE ON MONDAY 30 JULY 2018

PLEASE NOTE:

- Submissions will not be returned, so if you want a copy please keep one.
- As required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as being publicly available, including their placement on the Council's website. You can request your contact details (but not your name) to be regarded as confidential by ticking the following box:

Withhold my contact details (but not my name)

☐

[illegible]

- Please attach additional information if you wish.
- As stated on the front of this form, all submissions are made available to the public.

MEMORANDUM

TO: Council

MEETING DATE: 25 June 2018

TITLE: Elected Member Expense Policy - Adoption

DATE: 12 June 2018

AUTHOR/S: Stuart McKinnon, Finance Manager, City Corporate

RECOMMENDATION(S) TO COUNCIL

1. That the amendments to the "Elected Members' Expenses Policy' (as attached) be approved.

1. ISSUE

An updated "Elected Members' Expenses Policy" has been updated and included as a draft for consideration. This includes reference to the new clause 190 of the Council's Delegations Manual, acknowledgement of a Deputy Mayor's expense section, and minor updates to the vehicle mileage and taxi components for elected members.

2. BACKGROUND

At the May 2018 Council meeting, Council approved the "Elected Members' Professional Development Policy". This introduced a new clause 190 to the Council's Delegations Manual which now requires an update to the "Elected Members' Expenses Policy". It is prudent to also update other sections of the Policy, as appropriate, at the same time.

The four changes are:

1. Inclusion of a Taxi Charge card provision for Elected Members
2. The Deputy Mayor is currently provided with an office within the CAB and it is appropriate to include a section which accurately reflects expenses/allowances provided to that role.
3. Clarification of vehicle mileage payable to a Elected Member whilst undertaking Council business.

PALMERSTON NORTH CITY COUNCIL

4. Inclusion of a reference to clause 190 of the Council's Delegations Manual under the 'Conference Courses Seminars and Training Expenses' section.

3. NEXT STEPS

Upon adoption, the "Elected Members' Expenses Policy" (as attached) will be updated with effect from 1 July 2018.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide? If Yes quote relevant clause(s) from Delegations Manual	Yes
Are the decisions significant?	No
If they are significant do they affect land or a body of water?	No
Can this decision only be made through a 10 Year Plan?	No
Does this decision require consultation through the Special Consultative procedure?	No
Is there funding in the current Annual Plan for these actions?	Yes
Are the recommendations inconsistent with any of Council's policies or plans?	No

ATTACHMENTS

1. Draft Elected Member Expenses Policy  

Stuart McKinnon
Finance Manager

Elected Members' Expenses Policy - Commencing 1 July 2018

Introduction

This policy sets out the rules for the payment of allowances and the claiming of expenses by elected members and their spouses/partners.

Contact person for queries: Governance and Support Team Leader
Phone: 356 8199 x 7106

Authentication of Expense Reimbursements and Allowances

From time to time elected members incur expenses on the Council's behalf, which need to be reimbursed. This reimbursement and the use of Council supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.

Costs for expenses must have a justifiable Council business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects.

The process for reimbursement of claims includes the following principles:

- Any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy;
- Expense claims are approved by the Governance and Support Team Leader. Full original receipts are required; and
- Reimbursements will be made electronically into a nominated bank account.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.

The Council's internal audit work programme includes sampling expense claims and allowances paid to Elected Members and staff.

All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

DEFINITIONS

"Actual" means as evidenced by the original receipt attached to the claim form.

"Reasonable" means that it is within the amount specified by this policy or as deemed reasonable by the Mayor and/or Chief Executive.

"Council business" includes: formal council meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.



PALMERSTON NORTH CITY COUNCIL

"Remuneration Authority" is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

Allowances and Expenses by Elected Members

All Elected Members

Expense/Allowance	Description
Taxis	<p>Taxis may be used for Council business, instead of private vehicles or public transport, for the following reasons:</p> <ul style="list-style-type: none"> • Safety/security reasons; • When Elected Members are on official Council business or at an official event; and • When travelling outside Palmerston North if a taxi is the most appropriate form of transport. <p>Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective option.</p> <p>All Elected Members are provided with a Taxi charge card, which should be used for planned travel within New Zealand.</p>
Travel and attendance at conferences/seminars/training programmes	<p>All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at these events, held both within New Zealand and overseas, subject to:</p> <ul style="list-style-type: none"> • Related expenditure being accommodated within existing budgets; and • The appropriate approvals as outlined in this policy. <p>Expenses excluded are: purchases from hotel mini-bars, charges for in-room movies, newspapers, laundry and other miscellaneous costs.</p> <p>Travel and accommodation arrangements for elected members are to be made by Council staff with the Council's preferred travel agents, at the most economic cost available (when possible) at the time of booking, unless all travel costs are being met privately or by an outside party. Staff should consider cost efficiency and environmental efficiency of travel.</p> <p>If an elected member opts to arrange their own travel, they are entitled to be reimbursed at the rate of the most economic cost of travel available to council staff, or the actual cost of travel (whichever is lower)</p> <p>No financial provision is to be made for a spouse or partner of an elected member attending any conference or training opportunity,</p>

Expense/Allowance	Description
	other than for the Mayor's spouse or partner attending a conference in association with the Mayor.
Air travel	All elected members are entitled to utilise domestic air travel for Council related travel, where travel by air is the most cost effective travel option. Travel will be by economy class except where exceptional circumstances arise.
Private accommodation provided by friends/relatives	Payment of \$75.00 per night when staying in private accommodation, to cover accommodation and breakfast. It is intended that at least a portion of this allowance is paid to the accommodation provider.
Parking expenses	The Council provides elected members with car parking exemption cards. The expectation is that these will be used only for council business.
Subscriptions	Expenses in respect of subscriptions to organisations will be reimbursed to or paid on behalf of an elected member where, in the opinion of the Chief Executive, membership would assist the elected member in carrying out their duties.

Mayor

Expense/Allowance	Description
Car	The Mayor will be provided with a vehicle that will also be available for his/her private use. A deduction will be made from his/her salary as determined by the Remuneration Authority. The Mayor will not be able to claim for vehicle mileage.
Car parking	Use of an assigned car park in the Civic Administration Building in addition to a car parking exemption card.
Travel and conferences, courses and seminars	<p>The prior approval of the Chief Executive is required for travel within New Zealand or Australia for: Council business; attendance at conferences/courses/training events/ seminars; other purposes associated with the position of Mayor.</p> <p>Expenses relating to the Mayors partner/spouse attending functions with the Mayor on official invitations are covered under this policy.</p> <p>The prior approval of the Council is required for all international travel (with the exception of Australia), where costs or partial costs are paid for by Council funds.</p>
Airline club	Given frequent travel requirements for the role, payment of an Air New Zealand Koru Club subscription.
Entertainment and hospitality	The Mayor holds a credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.

Expense/Allowance	Description
	All expenditure on this card is approved by the Chief Executive.
Provision of Equipment/Services	<p>The Provision of:</p> <ul style="list-style-type: none"> - Mobile Phone; - Computer and/or tablet; and - An internet connection. <p>In addition, the Council pays in full the Mayor's:</p> <ul style="list-style-type: none"> - Home telephone rental, and associated toll charges; and - Monthly cellphone based rental, and all associated call charges.

Deputy Mayor

Expense/Allowance	Description
Car parking	Use of an assigned car park in the Civic Administration Building in addition to a car parking exemption card.
Entertainment and hospitality	<p>The Deputy Mayor holds a credit card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure on this card is approved by the Chief Executive.</p>
Provision of Equipment/Services	<p>The Provision of:</p> <ul style="list-style-type: none"> - Mobile Phone; - Computer and/or tablet; and - An internet connection. <p>In addition, the Council pays in full the Deputy Mayor's:</p> <ul style="list-style-type: none"> - Monthly cellphone based rental, and all associated call charges.

Councillors

Expense/Allowance	Description
Conferences, courses, seminars and training	<p>The conference, course, seminar or training event must contribute to the Councillor's ability to carry out council business.</p> <p>Attendance at these events must be approved in accordance with the process as set out in clauses 172 or 190 of the Council's Delegations Manual.</p> <p>Cost of telephone calls made from accommodation landlines, may be refunded as follows:</p> <ul style="list-style-type: none"> • Cost of one call per night can be claimed; and

Expense/Allowance	Description														
	<ul style="list-style-type: none">Costs of calls in contacting constituents may be refunded provided the call is for the business of the Council.														
Vehicle mileage	<p>The vehicle mileage allowance payable to a member whilst undertaking Council Business is:</p> <ul style="list-style-type: none">73 cents per kilometre for the first 10,000 kilometres for which the allowance is payable; and81 cents per kilometre for electric vehicles; and37 cents for any distance over 10,000 kilometres for which the allowance is payable.														
Communications Allowance	<table><tr><th>Particular</th><th>Amount</th></tr><tr><td>Internet</td><td>\$400.00</td></tr><tr><td>Personal Computer, laptop or tablet (if not council supplied)</td><td>\$200.00</td></tr><tr><td>Multi-functional printer</td><td>\$40.00</td></tr><tr><td>Mobile Phone</td><td>\$150.00</td></tr><tr><td>Mobile Phone Allowance (if not council supplied)</td><td>\$400.00</td></tr><tr><td>Total Allowable Allowance</td><td>\$1,190.00</td></tr></table>	Particular	Amount	Internet	\$400.00	Personal Computer, laptop or tablet (if not council supplied)	\$200.00	Multi-functional printer	\$40.00	Mobile Phone	\$150.00	Mobile Phone Allowance (if not council supplied)	\$400.00	Total Allowable Allowance	\$1,190.00
Particular	Amount														
Internet	\$400.00														
Personal Computer, laptop or tablet (if not council supplied)	\$200.00														
Multi-functional printer	\$40.00														
Mobile Phone	\$150.00														
Mobile Phone Allowance (if not council supplied)	\$400.00														
Total Allowable Allowance	\$1,190.00														
Travel Time Allowance	A travel time allowance is not payable to elected members.														
Other	Other expenses will be reimbursed to or paid on behalf of elected members where in the opinion of the Chief Executive such expenses are justified.														

GENERAL

This policy will apply from 1 July 2018.

The amounts payable as an allowance in this policy shall be adjusted automatically if changes to any of these amounts are made by the Remuneration Authority.

COMMITTEE WORK SCHEDULE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Council Work Schedule

RECOMMENDATION(S) TO COUNCIL

1. That the Council receive its Work Schedule dated June 2018.

ATTACHMENTS

1. Council Work Schedule  

COUNCIL

WORK SCHEDULE – JUNE 2018

Item No.	Estimated Report Date	Subject	Officer Responsible	Current Position	Date of Instruction/ Point of Origin
1	June 2018	Award of Contract 3458 - Road Maintenance, Resurfacing and Rehabilitation 2017-2021	General Manager City Networks		29 May 2017 Clause 81-17 part II
2	August 2018	Review of Capital Programmes	Chief Financial Officer		16 October 2017 part II Clause 152-17
3	May 2018	Options to enhance the Hōkōwhitu Lagoon embankment at Caccia Birch House.	General Manager, City Networks		Arts, Culture and Heritage 13 November 2017 Clause 30.4
4	May 2018	Review of Dog Waste Bins and Dispensers	General Manager, City Networks		26 February 2018 Clause 3-3 and 3-4
5	June/ September 2018	Library of the Future and Refurbishment Project – Update	General Manager Libraries and Community Services	Briefing to be held in early September	16 October 2017 Part II Clause 153-17
6	August 2018	Master Plan for Cultural/Civic Precinct	General Manager, City Future		30 April 2018 Part II Clause 64-18

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Committee of Council Recommendations from its 28 May 2018 Meeting

Set out below are the recommendations only from the Committee of Council meeting Part I Public held on 28 May 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

N/A **Deliberations on Public Consultation on the Consultation Document and Supporting Information for the Proposed 2018-28 Long-term Plan, Council's Strategies and Plans, Financial and Infrastructure Strategies, Revenue and Financing Policy and Development Contributions Policy.**

Memorandum, dated 2 May 2018 from the Head of Community Planning, Andrew Boyle.

The COMMITTEE RECOMMENDS

1. That the submissions and comments received on the consultation material for the Proposed Long-term Plan (10 Year Plan), Financial and Infrastructure Strategies, Revenue and Financing Policy, Development Contributions Policy, Significance and Engagement Policy, City Development Strategy, Economic Development Strategy, Creative and Liveable Strategy, Connected Community Strategy, and Eco City Strategy be received (separately circulated).
2. That the officer comments made in response to the issues raised during the Long-term Plan and Strategy consultation and attached as Appendix 1 be received.
3. That the Chief Executive be instructed to prepare a draft of the final Long-term Plan for consideration by the Committee of Council on 11 June 2018 and that it incorporate:
 - 3.1 Programme 228 – That \$1,000,000 from Strategic Capital Ring Road be deferred from 2018/19 to year 2 – 2019/20.
 - 3.2 That the proposed carry forwards and budget changes as attached in appendix 2 as well as revised timing for Whakarongo growth programmes 144, 716, 717, 1000 and

1004.

- 3.3 That the Chief Executive identify Footpath Maintenance Opex as a specific programme in the LTP 2018/28.
- 3.4 Any amendments as a result of public consultation or referral of items to the Long-term Plan from Council Committees (Appendix 3) as determined by the Committee of Council.
- 3.5 That outstanding debt will be repaid over the remaining useful life of the asset funded over a maximum term of thirty years.
- 3.6 That the Chief Executive be directed to commission a independent comprehensive review of the rating system up to \$50,000, to be reported back in 2020 to allow time for public consultation on any subsequent changes prior to preparation of the ten year plan 2021-31.
- 3.7 That market rents are not introduced for Council's housing tenants and the current policy of subsidising rents continues.
- 3.8 That the Chief Executive reports back on the alternative options for the provision of additional social housing units.
- 3.9 In regard to submission 11, that it be noted that Chief Executive is investigating a concept plan for play activity in The Square (under the City Centre Framework) in preparation for the next LTP considerations.
- 3.10 That such a concept plan be reported back to the Council with a view to funding the development as part of the 2019/20 Annual Budget considerations.
- 3.11 That for City Centre Streetscape, Programme 243 (Main Street East including the Urban Bus Terminal) be brought forward one year such that the order of progress in Streetscape plan is Programme 244 (Square East, commencing Year 1), Programme 243 (Main Street East, commencing Year 2), Programme 1400 (Broadway, commencing Year 3) in the 2018 - 2028 Long Term Plan.
- 3.12 That the Chief Executive provides a report outlining how the budget for the renewal of Assets is applied, including when undertaking Capital New Programmes.
- 3.13 That programme 1525 Te Manawa – Investigations and 000 in 2018/19. Following initial investigations and planning, the Chief Executive to report back to Council on the budget requirements to deliver Option A or B.

- 3.14 To provide a Capital Grant of \$15,000 in 18/19 to Victoria Esplanade Scenic Railway to support a deviation on the railway track behind CET Wildbase Recovery Centre provided this can be achieved without impact on the bush remnant.
- 3.15 Instructing the Chief Executive to ask staff to form a Esplanade Users Group.
- 3.16 That programme 114 be increased by \$12,000 for the 2018/19 year specifically for the installation of 6 new bike racks to be installed at Victoria Esplanade.
- 3.17 That the Chinese Garden, Mini Putt and Camellia Walk proposals be referred to the Esplanade Masterplan for further consideration and a report back on costs and feasibility.
- 3.18 That the Chief Executive be directed to develop an Urban Cycle Network Development masterplan.
- 3.19 That the Council support the Bainesse and District Community Development Trust proposal for a City to Sea Rail Trail shared pathway, subject to funding.

That the meeting extend to 6.00pm.

- 3.20 That programme 1095 'PN - Bunnythorpe Cycle Pedestrian Pathway' in the amount of \$2.833m be revised to an 'Urban Cycle Network Development' programme, to be delivered as \$1.433m in Year 2 (2019/20) and \$1.4m in Year 3 (2020/21) of the 2018-2028 LTP; and that the Bunnythorpe Cycle Pedestrian Pathway be deferred to Year 4 (2021/22) and considered in the next Long Term Plan.
- 3.21 That programme 1358 Footpath Extension include consideration of a separated path on Old West Road, and that the Chief Executive seek funding from NZTA for this as a State Highway Safety Footpath Project.
- 3.22 40 Additional car parks into Bill Brown Park in year three for \$100,000.
- 3.23 Additional car parking into Kelvin Grove Community Centre to the value of \$100,000. Spread over year 3 and 4.
- 3.24 Bring forward Programme 1174 (Outdoor Gyms) \$122,000 to Year 2018/19, add \$125,000 to Years 2020/21, 2022/23, 2024/25, and 2026/27, and delete from Year 2023/24 to enable construction of Outdoor Gyms every 2nd year.

- 3.25 Programme 1265 – Pitt Park – Move budget from Opex to Capex.
- 3.26 (CN-159) Kelvin Grove Road (Stoney Creek Road to Henaghans Road) – Safety Improvements of 5 dips (subject to external funding) \$3million to be included in year 5.
- 3.27 That the Globe Theatre operational grant be increased by
- 3.28 To provide a Capital Grant of \$20,000 2018/19 to the NZ Rugby Museum to support their cataloguing/conservation work.
- 3.29 To provide a capital grant of \$300,000 over 3 years (2018/19, 2019/20, 2020/21) to All Saints Church.
- 3.30 To establish a programme to provide an increase of \$50,000 p/a in the Fee for Service Grants.
- 3.31 To establish a programme to increase the Community Development Small Grants Fund by \$30,000 p/a, and to review the extent of the scope of the fund so that all community groups apart from those who receive a Fee for Service contract are able to apply as part of the policy review.
- 3.32 That the Heritage fund is reduced to \$50,000 in the first three years.
- 3.33 That programme 1439 'Culture/Heritage - Urban Eels Project Contribution' be adjusted to \$22,000 in Year 1 and \$148,000 in Year 2 the 2018/28 LTP, and that the CE be directed to work with Horizons Regional Council and approach the Freshwater Improvement Fund for increase project co-funding.
- 3.34 The \$20,000 be allocated for the Railway Wheels on Railway Land project in the 2018/19 year.
- 3.35 That programme 367 – Public Sculptures/Art Funding be adjusted to be \$50,000 per year for the first 5 years.
- 3.36 Submission 449: Square Edge Toilets on Level 2. Asking for Chief Executive to bring forward 50% of toilets renewal budget \$90,000 into 2018/19 year.
- 3.37 The 10 Year Plan confirms the additional grant to remunerate Regent Theatre Trust Board, Caccia Birch Trust Board and Globe final Statements of Intent this grant is to be shown as not adjusted for inflation.
- 3.38 That Council develop two new self-contained campervan dump stations (as programme 1535 – City Wide – Campervan Dump Stations) at a cost of \$60,000 each for years 2019/20 and

2023/24.

- 3.39 That Council note: Memorial Park - That the Table 2 priorities, budget estimates, and timings include bringing the funding for the Splash Pad at Memorial Park forward by one year – from the 2019/20 financial year to the 2018/19 financial year.

That the Memorial Park Capital Development Programme remains significantly unchanged and directs the Chief Executive to apply to external funders for an additional \$250,000 in funding for the Splash Pad at Memorial Park.

- 3.40 That programme 1249 'Arapuke Forest Park -Contribution to Manawatu Mountain Bike Club' be increased to \$50,000 per annum in each of years 1 - 4 of the 2018/28 LTP.
- 3.41 That the Chief Executive include a request for \$35,000 for lighting of the skating rink at Memorial Park in the priorities for external funding.
- 3.42 That submission 297 be referred to the Chief Executive, to investigate opportunities for community use of the St Marks Church site, and reported back to the Community Development Committee.
- 3.43 That programme 1161 be renamed to 'Te Papaioea History Celebration'.
- 3.44 That a "Via Recreativa" type event be considered by Palmy Unleashed with a view to undertake a trial.

That the meeting be extended to 5:00pm.

- 3.45 That the Chief Executive report back to Council on the findings from other Territorial Authorities across Aotearoa who have trialed kerbside organic waste collection, with options around implementation.
- 3.46 That a new capital item be added to purchase and install 17 new bins to supplement the existing number of bins along the walkway network at a cost of \$25,500.
- 3.47 Programme 1060 Storm Water Improvements that the Chief Executive to undertake an impact assessment on future flooding risks across the city. Further modelling and investigation work will be undertaken this year to identify mitigation measures across the city with the potential to reduce flooding risks including creating detention areas in public space as well as additional large capacity drains. This

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work will identify a multimillion dollar programme of work which will be shared with Council as part of the 2021/31 LTP process with a view to getting agreement on the scope and investment in large scale storm water improvement works to be implemented across the city.

- 3.48 New programme up to \$25,000 towards accommodation (subject to Chief Executive approval of the lease and location) for the set-up of FarmCave in year 1.
- 3.49 Ensuring that the Chief Executive collaborates with Utility companies – Data, Power and Phone within existing budgets.
- 3.50 That a new programme of debt repayment be introduced from year 4 to reduce the debt to revenue ratio to 200% by year 10.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Committee of Council Recommendations from its 11 June 2018 Meeting

Set out below are the recommendations only from the Committee of Council meeting Part I Public held on 11 June 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

11-18 Approving the 2018-28 Long-term Plan for Audit (including the Financial and Infrastructure Strategies), Revenue and Financing Policy, Development Contributions Policy, and Significance and Engagement Policy

Memorandum, dated 4 June 2018 from the Head of Community Planning, Andrew Boyle.

The **COMMITTEE RECOMMENDS**

1. That the Chief Executive specify ratepayer investment of \$210K into Programme 1567 for Year 1.
2. That the 2018 Vision, Goals and Principles (separately attached as appendix 1) be adopted.
3. That the 2018 Development Contributions Policy (separately attached as Appendix 3) be adopted.
4. That the Significance and Engagement Policy be amended (separately attached as Appendix 4) to reflect the Council's new Vision, Goals and Strategies.
5. That the Revenue and Financing Policy, as shown in the draft of the Long-term Plan (separately attached as Appendix 2), be adopted.

The **COMMITTEE RESOLVED**

6. That the 2018-28 Long term Plan be approved for referral to Audit.
7. That the final audited 2018-28 Long term Plan be considered for adoption at a meeting of the Council on 25 June 2018.

12-18

Adoption of Council strategies as the foundation of the 10 Year Plan

Memorandum, dated 24 May 2018 from the Strategy & Policy Manager, Julie Macdonald and the City Planning Manager, David Murphy.

The COMMITTEE RECOMMENDS

1. That the City Development Strategy, Economic Development Strategy, Creative and Liveable Strategy, Connected Community Strategy, and Eco City Strategy, as adopted by Council on 5 March 2018, are adopted as the foundation documents for the 2018-28 10 Year Plan.
2. That the following Council documents are rescinded at 30 June 2018:
 - Active Recreation Strategy
 - Arts Strategy
 - Biodiversity Strategy
 - Economic Well-being Strategy
 - Events and Festivals Strategy
 - Heritage Strategy
 - Integrated Transport Strategy
 - Māori Community Strategy
 - Residential Growth Strategy
 - Rural Residential Land Use Strategy
 - Retail Strategy
 - Industrial Land Use Strategy
 - Safe City Strategy
 - Social Strategy
 - Social Housing Strategy
 - Sustainable City Strategy
 - Sustainable Practices Strategy
 - Urban Design Strategy
3. That all plans under the five strategies be updated to reflect the Council decisions made during the 10 year plan deliberations to provide the detailed direction for Council activities over the next three years.
4. That the relevant priorities from the five strategies form the basis for the funding decisions made under the Community Funding Policy.
5. That the Social Housing Guidelines (consulted on through the 10 Year Plan process as the 'Council Housing Rental Guidelines') be updated to reflect the Council decisions made during the 10 year plan deliberations.

13-18

2017 Asset Management Plan Review

Memorandum, dated 25 May 2018 from the Special Projects Manager, Phil

Walker.

The **COMMITTEE RECOMMENDS**

1. That the asset management plans for Property, Recreational & Community Facilities, Roading & Parking, Rubbish & Recycling, Stormwater, Wastewater and Water Supply (as represented by the Executive Summaries attached) be endorsed and that in doing so the following be noted:
 - That the plans have been prepared in a manner which reflects current best practice
 - That the plans have been peer review by a qualified external reviewer (AECOM) who has concluded that they are overall of a high standard
 - That the plans were used to inform the preparation of the draft 30 Year Infrastructure and Financial Strategies, the Development Contributions works schedule as well as the budgets and programmes incorporated in the proposed 10 Year Plan 2018-28 and they are formulated using consistent key forecasting assumptions regarding asset life, levels of service and city growth.
2. That any minor amends to the Asset Management Plans be approved by the Mayor and Deputy Mayor.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Community Development Committee Recommendations from its 6 June 2018 Meeting

below are the recommendations only from the Community Development Committee meeting Part I Public held on 6 June 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

15-18 Draft CBD Amenity Bylaw - confirmation of direction

Memorandum, dated 18 May 2018 from the Policy Analyst, Peter Ridge.

The COMMITTEE RECOMMENDS

1. That Palmerston North City Council does not pursue a CBD Amenity Bylaw.

16-18 Palmerston North Disability Reference Group - Endorsement

Memorandum, dated 15 May 2018 from the Community Liaison Team Leader, Peter Grey.

The COMMITTEE RECOMMENDS

1. That the memorandum *Palmerston North Disability Reference Group - Endorsement* be received.
2. That Council confirm the establishment of a Disability Reference Group and formally endorse the attached terms of reference.
3. That expressions of interest for an Elected Member to be on the Disability Reference Group be forwarded to Penny Odell to be approved by the Chair and Deputy Chair of the Community Development Committee.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Sport and Recreation Committee Recommendations from its 6 June 2018 Meeting

Set out below are the recommendations only from the Sport and Recreation Committee meeting Part I Public held on 6 June 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

29-18 Proposal to licence Pascal Street Community Trust to occupy part of Awapuni or Alexnader Parks for a Community Garden

Report, dated 15 May 2018 from the Senior Property & Parks Planner, Aaron Phillips and the Community Advisor, Julia Panfylova.

The **COMMITTEE RECOMMENDS**

1. That Palmerston North City Council, in the report *Proposal to Licence Pascal Street Community Trust to occupy part of Alexander or Awapuni Parks for a Community garden*, dated 15 May 2018, as the administering body of Alexander Park, authorises the licence of approximately 5,000 square metres of Alexander Park (as part of Part Lot 1 DP 6888) to Pascal Street Community Trust.
2. That Council note that while Alexander Park is not a reserve under the Reserves Act 1977, it was treated as if it was a reserve in terms of the process to consider granting a licence to occupy and therefore the requirements of Section 4 of the Conservation Act 1987 have been satisfied in relation to consultation with Iwi over granting a licence.
3. That Council note that while Alexander Park is not a reserve under the Reserves Act 1977, it was treated as a reserve in terms of the process to consider granting a licence to occupy and the requirements of Sections 119 and 120 of the Reserves Act 1977 have been satisfied in relation to public notification prior to the resolution to enter into a licence at Alexander Park.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Planning and Strategy Committee Recommendations from its 6 June 2018 Meeting

Set out below are the recommendations only from the Planning and Strategy Committee meeting Part I Public held on 6 June 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

38-18 Draft Palmerston North Dog Control Policy 2018 - Deliberations on Submissions and Adoption of Policy

Memorandum, dated 22 May 2018 from the Policy Analyst, Ann-Marie Mori.

The COMMITTEE RECOMMENDS

1. That the Council adopts the draft Palmerston North Dog Control Policy 2018 as attached as Attachment 2 and as amended.
 - a. That Clause 19f in the Palmerston North Dog Control Policy 2018 be deleted.
2. That should the Council agree that the 12 month trial (included in Attachment 2) to allow dogs on-leash in the Central Business District (CBD), then the trial is subject to the following conditions:
 - a. The ability to exclude dogs from certain events in the CBD;
 - b. The right to exclude identified dogs from the CBD should issues arise such as failure to remove dog faeces, fighting or aggression, or excessive barking;
 - c. That dogs are not brought into the CBD on extendable leads/leashes;
 - d. That Council reserves the right to end the trial for any reason and will communicate this to the public in the event this occurs.
3. That the Chief Executive engage with Sport Manawatu, to communicate with sporting codes in Palmerston North regarding the control of dogs on Palmerston North City Council sporting grounds.
4. That the Chairperson and Deputy Chairperson of the Planning and Strategy Committee be given delegated authority to approve minor amendments to the draft Palmerston North Dog Control Policy 2018 prior to publication.

39-18

Results of the after hours response to roaming dog notifications trial

Report, dated 14 May 2018 from the Head of Environmental Protection Services, Graeme Gillespie.

The **COMMITTEE RECOMMENDS**

1. That the level of service for the after-hours Animal Control Service be increased to enable roaming dog notifications to be responded to with a maximum of 1 hour spent on dealing with each individual notification, as from 1 July 2018.
2. Note that in terms of the cost of the increased level of service, being \$12,000 pa, there is sufficient budget available in the proposed 2018/28 budgets.

ATTACHMENTS

Nil

RECOMMENDATIONS FROM COMMITTEE

TO: Council

MEETING DATE: 25 June 2018

TITLE: Presentation of the Part I Public Finance and Performance Committee Recommendations from its 18 June 2018 Meeting

Set out below are the recommendations only from the Finance and Performance Committee meeting Part I Public held on 18 June 2018. The Council may resolve to adopt, amend, receive, note or not adopt any such recommendations. (SO 3.18.1)

47-18 Palmerston North Airport Ltd - Final Statement of Intent for 2018/19

Memorandum, dated 5 June 2018 from the Strategy Manager Finance, Steve Paterson.

The **COMMITTEE RECOMMENDS**

1. That the Palmerston North Airport Ltd Statement of Intent for 2018/19 be endorsed.

48-18 Approval to Write Off Uncollectible Balances

Memorandum, dated 15 May 2018 from the Financial Accountant, Keith Allan.

The **COMMITTEE RECOMMENDS**

1. That the Committee recommends Council approve the write off of bad debts totalling \$44,857.05 (including GST) with removal from the accounts receivable ledger.

49-18 Fees & Charges - Confirmation Following Public Consultation

Memorandum, dated 8 June 2018 from the Strategy Manager Finance, Steve Paterson.

The **COMMITTEE RECOMMENDS**

1. That the submission from Aokautere Land Holdings Ltd be received and the officer's comments in response, as outlined in Attachment A of the memorandum dated 8 June 2018 entitled 'Fees and Charges –

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Confirmation Following Public Consultation' be noted.

2. That the fees and charges for Planning & Miscellaneous Services, as scheduled in Attachments B and C of the memorandum dated 8 June 2018 entitled 'Fees and Charges – Confirmation Following Public Consultation', be approved, effective from 1 July 2018.
3. That the fees and charges for Trade Waste Services, as scheduled in Attachment D of the memorandum dated 8 June 2018 entitled 'Fees and Charges – Confirmation Following Public Consultation', be approved, effective from 1 July 2018.
4. That the Chief Executive review the sign farm sites.

50-18 Papaioea Place Housing Redevelopment Construction Programme

Memorandum, dated 11 June 2018 from the Parks & Property Manager, John Brenkley.

The **COMMITTEE RECOMMENDS**

1. That the Construction Programme for the Papaioea Place Housing Redevelopment Project be Received.

ATTACHMENTS

Nil