



PAPAIOEA
PALMERSTON
NORTH
CITY

PALMERSTON NORTH CITY COUNCIL

AGENDA

STRATEGY & FINANCE COMMITTEE LATE ITEM

9AM, WEDNESDAY 10 MAY 2023

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

MEMBERS

Vaughan Dennison (Chair)
Karen Naylor (Deputy Chair)
Grant Smith (The Mayor)

Mark Arnott
Brent Barrett
Low Findlay (QSM)
Patrick Handcock
(ONZM)
Leonie Hapeta

Lorna Johnson
Orphée Mickalad
William Wood
Kaydee Zabelin

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

Waid Crockett

Chief Executive | PALMERSTON NORTH CITY COUNCIL

STRATEGY & FINANCE COMMITTEE MEETING

10 May 2023

ORDER OF BUSINESS

12. Remit to Local Government New Zealand 2023 Annual General Meeting

Page 5

Memorandum, presented by Hannah White, Democracy & Governance Manager.

Reason for lateness:

The remit was received after the Agenda was published.

Reason for urgency:

New Plymouth District Council have requested a response by Friday 12 May 2023.

MEMORANDUM

TO: Strategy & Finance Committee

MEETING DATE: 10 May 2023

TITLE: Remit to Local Government New Zealand 2023 Annual General Meeting

PRESENTED BY: Hannah White, Democracy & Governance Manager

APPROVED BY: Donna Baker, Acting Chief Executive Unit Manager

RECOMMENDATION(S) TO COUNCIL

1. That Council endorse/ does not endorse the 2023 remit proposal from New Plymouth District Council (Attachment 1).
-

1. ISSUE

- 1.1 New Plymouth District Council has requested that Palmerston North City Council support its remit to the Local Government New Zealand (LGNZ) Annual General Meeting (AGM).
- 1.2 New Plymouth District Council's remit requests that LGNZ advocate for an increase in Government funding for state highway and local road maintenance budgets and consider and pursue other avenues, including the Office of the Auditor General, to seek resolution of the issues facing the country in relation to the systemic rundown of national roading infrastructure.
- 1.3 Remits are due to Local Government New Zealand by 5pm Friday 24 May 2023. New Plymouth District Council has requested an indication of support or feedback by 12 May.
- 1.4 Due to timing of receipt of the request, it is being brought to Committee for consideration. The recommendation of Committee will not be confirmed by Council until after the due date. Consequently, the Committee must be confident that its position will be adopted by Council.

2. BACKGROUND

- 2.1 For a remit to be put forward at the AGM, it must meet the National Council's screening policy which states:
 - The remit is relevant to local government as a whole, not just a single zone, sector or council.

- The remit relates to significant matters, including constitutional and substantive policy, rather than matters that can be dealt with administratively.
- The remit concerns matters that cannot be addressed through channels other than the AGM.
- The remit does not deal with issues that are already being actioned by LGNZ. This covers work programmes underway as part of LGNZ's strategy.

2.2 A remit must also be supported by either an LGNZ zone, sector, or five member councils.

3. NEXT STEPS


- 3.1 The Mayor will inform New Plymouth District Council of the decision to support or otherwise.
- 3.2 The LGNZ AGM will be held on 26 July 2023.
- 3.3 Should this remit proposal gain sufficient support to be put to the meeting, the Mayor as presiding delegate will vote according to the position of Council.

4. COMPLIANCE AND ADMINISTRATION

Does the Committee have delegated authority to decide?	No
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?	No
Are the recommendations inconsistent with any of Council's policies or plans?	No
The recommendations contribute to Goal 5: A Driven & Enabling Council	
The recommendations contribute to the achievement of action/actions in Governance and Active Citizenship	
The action is: N/A	
Contribution to strategic direction and to social, economic, environmental	Consideration of remits to the Local Government New Zealand Annual General Meeting is one way by which Council contributes to the national policy conversation in the local government sector.

and cultural well-being	
-------------------------	--

ATTACHMENTS

1. New Plymouth District Council - Transport Funding Remit proposal [↓](#)


Council Proposing Remit: New Plymouth District Council
Contact Name: Mayor Neil Holdom
Phone: 0272845875
Email: neil.holdom@npdc.govt.nz

Remit - Roading/Transport Funding

- 1) Publicly lobby all political parties to increase Crown funding for state highway and local road maintenance budgets.
- 2) Consider and pursue other avenues including the Office of the Auditor General to seek resolution of the issues facing the country in relation to the systemic rundown of our national roading infrastructure.

Who Support the Proposed Remit

TBC

Why is this remit important?

The current state of national highways is unacceptable. Sufficient increase in funding is required to achieve a national average for remaining seal life of no less than 3.6 years (pre 2010 levels) across the state highway network. This needs to be done within the next 10 years, in partnership with councils, and with corresponding asset health improvements on local roads, to ensure the safety of all New Zealanders. Other avenues to seek resolution from include the Auditor-General, relevant Ministers and the Transport and Infrastructure Select Committee.

Background and Context

Waka Kotahi's maintenance and renewal programme has clearly been insufficient to maintain asset health measured via the average remaining seal life. There are numerous media reports about the issues being faced across New Zealand.

Graph 1 (attached) shows the average remaining seal life of state highways by region. This information was obtained under the Official Information Act 1982 from Waka Kotahi. It shows the significant decline in the average seal life of state highways. Nationally, the average remaining life in 2010 was 3.6 years. In 2018 this declined to around 1.8 years and remains steady. However, at a regional level there are large discrepancies.

In 2010 every region had an average remaining life of between 2.9 and 4.4 years (a range of 1.5 years difference). By 2023 the range was from -0.6 to 3.3 years (a range of 3.9 years). With four regions having a seal age of less than one year, including Hawkes Bay which recorded its seventh year with an average of less than zero.

The issue Nationally, is predominately with chipseal roads rather than asphalt mix, with some exceptions. In 2023, across chipseal roads, five regions have an average remaining life of less than one year, with Hawkes Bay's roads again below zero. Within asphalt roads, Southland set an unfortunate record with an average remaining life of -2.5 years. Graph 2 (attached) shows the average remaining life of different surface types by region today.

Last year LGNZ commissioned Infometrics to undertake a report into trends in road transport funding.¹ That report noted that funding for roads per kilometre travelled only increased by 0.8% p/a in the five years to 2021, whilst construction costs increased 1.1% p/a in the same five years. That report ended its analysis in 2021. With considerable cost inflation over the past two years and decreased land transport revenue due to Covid, it is almost certain that the funding gap has grown even further. Inflation for Heavy and Civil Engineering Construction peaked at 15.1% pa in the September 2022 quarter².

That increased funding gap to roads is likely to result in even further pressure on state highway maintenance and lifespans. The national stabilisation of the average remaining life of state highways may falter in the coming years, seeing further downward movement. Such a decrease will see more parts of the state highway network fail.

This year the Government is developing its next Government Policy Statement on Land Transport (the GPS). The GPS sets the funding buckets for Waka Kotahi. Influencing the development of the next GPS is one key way in which to ensure regional state highways do not continue to deteriorate. The Land Transport Management Act specifically states the Minister must regard the views of LGNZ. This remit therefore proposes a position for LGNZ.

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

Following the commissioning, and consequent results of the Infometrics report, there is further work to be done to ensure New Zealand's roading infrastructure reaches an acceptable quality level. LGNZ need to have input into the development of the next GPS and undertake a much wider advocacy role by:

- Seeking further investigations from the Auditor-General on state highway maintenance and asset management practices. This will build on the 2020 investigation into the Network Outcomes Contracts³ which highlighted poor performance measures for network performance.
- Meeting with relevant Ministers (including Transport, Infrastructure and Finance) on the issues with the funding, renewals and asset management of state highways to highlight the outlined issues.
- Meeting with the Transport and Infrastructure Select Committee and its members at appropriate times to highlight these issues, such as during the annual review of Waka Kotahi.

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

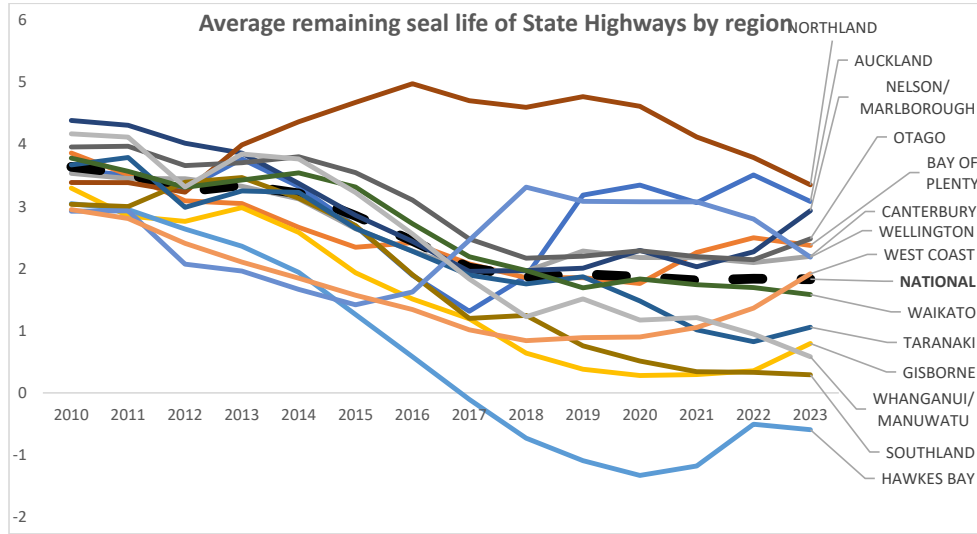
New Plymouth District Council would be available in an advocacy/committee member capacity to provide input and feedback as LGNZ undertake the tasks outlined in this remit.

¹ <https://www.lgnz.co.nz/assets/PDFs/Analysing-trends-in-road-transport-funding-November-2022.pdf?vid=3>

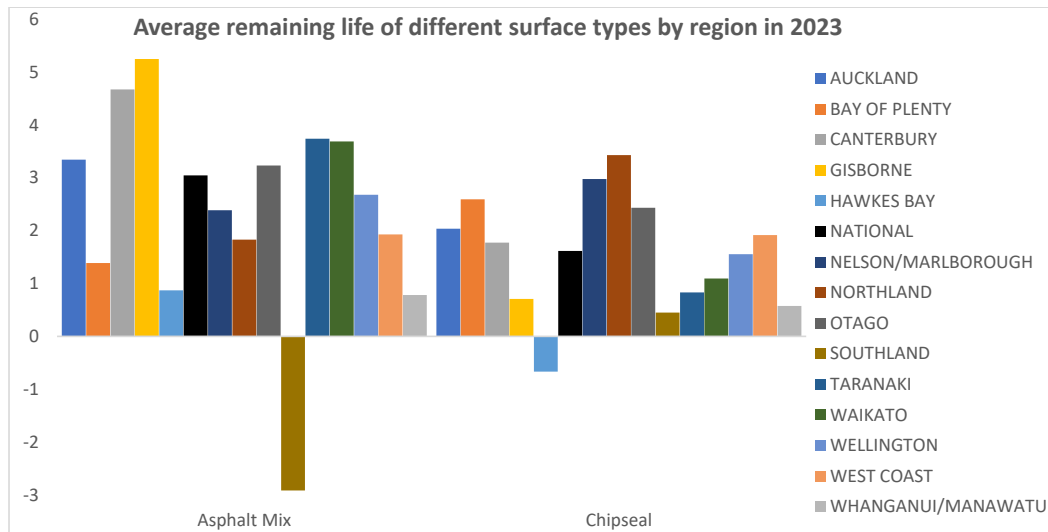
² <https://www.stats.govt.nz/information-releases/business-price-indexes-december-2022-quarter/>

³ <https://oag.parliament.nz/2020/nzta-contracts>

Graph 1



Graph 2



References

- ¹ <https://www.lgnz.co.nz/assets/PDFs/Analysing-trends-in-road-transport-funding-November-2022.pdf?vid=3>
- ¹ <https://www.stats.govt.nz/information-releases/business-price-indexes-december-2022-quarter/>

¹ <https://oag.parliament.nz/2020/nzta-contracts>