AGENDA

COUNCIL MEETING

Wednesday, 29 January 2020, 9.00am

Council Chambers
Council Office
William Street
Paeroa
Membership

Mayor
D A Adams

Councillors
Cr P G Anderson
Cr R D T Broad
Cr P D Buckthought
Cr C A Daley
Cr R G E Garrett
Cr B J Gentil
Cr R Harris
Cr S Howell
Cr P A Milner
Cr D Smeaton
Cr A M Spicer
Cr J R Tilsley
Cr R L Wilkinson

Executive Leadership
L D Cavers
D Peddie
A de Laborde
P Thom
S Fabish

Public Distribution
Paeroa Office/Library
Plains Area Office
Waihi Area Office/Library

Chief Executive
L D Cavers
Ngà Karakia Timatanga (opening)

May peace be widespread
May the sea be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

Kia tau te rangimarie
Kia whakapapa pounamu te moana
Hei huarahi ma tatou i te rangi nei
Aroha atu, aroha mai
Tatou i a tatou katoa
Hui e! Taiki e!

Whakataoka te hau ki te uru,
Whakataoka te hau ki te tonga.
Kia mākinakina ki uta,
Kia mātaratara ki tai.
E hī ake ana te atākura he tio,
he huka, he hauhunga.
Haumi e! Hui e! Taiki e!

Karakia Whakamutunga (closing)

Restrictions are moved aside
So the pathways is clear
To return to everyday activities
Join Gather Intertwine!

Kia whakai-ria te tapu
Kia wātea ai te ara
Kia turuki whakataha ai
Haumi e. Hui e. Taiki e!

Get ready for the westerly
and be prepared for the southerly.
It will be icy cold inland,
and icy cold on the shore.
May the dawn rise red-tipped on ice,
on snow, on frost.
Join! Gather! Intertwine!
# COUNCIL AGENDA

**Wednesday, 29 January 2020 – 9.00am**

*Council Chambers, Council Office, William Street, Paeroa*

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<td>CEO Monthly Report for January 2020 (2703215)</td>
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</table>
HAURAKI DISTRICT COUNCIL MEETING

MINUTES OF A MEETING OF THE HAURAKI DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON WEDNESDAY, 11 DECEMBER 2019 COMMENCING AT 9.00 AM

PRESENT

D A Adams (His Worship the Mayor), Cr P A Milner (Deputy Mayor), Cr P G Anderson, Cr R D T Broad, Cr P D Buckthought, Cr C A Daley, Cr R G E Garrett (9.00am-2.40pm), Cr B J Gentil, Cr R Harris, Cr S Howell, Cr D Smeaton, Cr A M Spicer, Cr J R Tilsley and Cr R L Wilkinson

IN ATTENDANCE

Messrs L D Cavers (Chief Executive), A de Laborde (Group Manager - Engineering Services), D Peddie (Group Manager - Corporate Services), P Thom (Group Manager - Planning & Environmental Services), S B Fabish (Group Manager - Community Services), D Varcoe (Community Services Manager), C Moore (Senior Project Manager), J McIver (Community Engagement Manager), P Matthews (Parks and Reserves Manager), A Chwesik (Community Facilities Manager), Ms K McLaren (Community Engagement Officer), Mrs J Nelson (Strategic Planning Manager), Mrs K Wickliffe (Library – Team Leader), Mrs T Casey (Strategic Planner) and Ms C Black (Council Secretary)

Karakia timatanga

Cr Spicer opened the meeting with a karakia.

APOLOGIES

There were no apologies.

LATE ITEMS

Pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the Chairperson called for late items to be accepted.

RESOLVED

THAT pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, the following late items be accepted for discussion.

- ‘It’s Not OK’ Waihi and Waihi Beach Campaign

The item was not on the agenda because the item was not available at the time of the agenda deadline.

Discussion on the item could not be delayed because the groups wished to secure funding support prior to the commencement of the campaign over the Xmas break.

C19/443 Milner/Spicer CARRIED
DECLARATIONS OF INTERESTS

Cr Spicer and Cr Gentil declared a conflict of interest in the Late Item – It’s Not OK Campaign and took no part in the discussion on the item.

Cr Smeaton declared a conflict of interest regarding any discussion and decisions made regarding the Paeroa Re-Use Centre.

CONFIRMATION OF COUNCIL MINUTES – (27-11-19) (2685088)

RESOLVED

THAT the minutes of the meeting of the Hauraki District Council held on Wednesday, 27 November 2019 are received and confirmed as a true and correct record.

C19/444 Wilkinson/Gentil  CARRIED

PLANNING AND ENVIRONMENTAL SERVICES REPORT - NOVEMBER 2019 (2687836)

The Group Manager – Planning and Environmental Services presented the monthly planning regulatory report to November 2019.

RESOLVED

THAT the report be received.

C19/445 Milner/Buckthought  CARRIED

HEARING COMMITTEE INDEPENDENT COMMISSIONERS - 2019 (2687835)

The Group Manager – Planning and Environmental Services presented a report which sought Council approval that commissioners be appointed to the Hearings and Judicial Committee to decide and consider resource management and regulatory matters.

RESOLVED

THAT the report be received.

C19/446 Milner/Anderson  CARRIED

RESOLVED

THAT pursuant to Section 34A of the Resource Management Act, 1991 and Clause 32(5) of Schedule 7 of the Local Government Act 2002, Mary Carmine, Gill Leonard and Austin Rattray be appointed as Commissioners to the Hearings and Judicial Committee of Council to decide on Resource Management and regulatory matters while they remain accredited under section 39B of the RMA, and

THAT pursuant to clause 32(5) of schedule 7 of the Local Government Act 2002, the Council delegates to the Chair of that Hearings and Judicial Committee to determine when Mary Carmine; Gill Leonard and Austin Rattray will be required to act in that role.

C19/447 Spicer/Broad  CARRIED

2019-20 FIRST QUARTER NON-FINANCIAL PERFORMANCE RESULTS COUNCIL (2687848)

The Strategic Planner presented the report on the first quarter non-financial performance results.
RESOLVED
THAT the report be received.
C19/448 Adams/Howell CARRIED

POWER LIGHTING NGATEA (2688376)
The Group Manager – Engineering Services and Senior Project Manager presented a report which sought approval to appoint the preferred tender NPE Tech for contract no. HDC 00481 Ngatea Stage 3 – power and street lighting.

RESOLVED
THAT the report be received.
C19/449 Broad/Daley CARRIED

RESOLVED
THAT NPE Tech be awarded contract HDC 00481, and
THAT the Council approve the appointment of NPE Tech for contract no. HDC – 00481 Ngatea Stage 3 Power and Street lighting Tender at a cost of $160,566.88, and
THAT the Council approve a contingency amount of approximately 10% ($16,000).
C19/450 Broad/Harris CARRIED

CONTRACT 00370 MAHUTA ROAD (2688426)
The Group Manager – Engineering Services and the Senior Project Manager presented a report which sought approval to appoint Broadspectrum Limited for contract no. HDC – 00370 Mahuta Road – Slip Repair and Construction work at a cost of $260,084.52 plus a 10% contingency.

RESOLVED
THAT the report be received.
C19/451 Adams/Buckthought CARRIED

RESOLVED
THAT the Council approve the appointment of Broadspectrum for contract no. HDC – 00370 Mahuta Road – Slip Repair and Construction work at a cost of $260,084.52 excluding GST, and
THAT the Council approve a contingency amount of approximately 10% or $26,000.
C19/452 Daley/Anderson CARRIED

Noted:
Cr Smeaton abstained from voting.
Cr Garrett and Cr Harris voted against the motion.
The Strategic Planner presented a report which provided the members with a summary of the results from the triennial satisfaction and perception survey undertaken in July/August 2019.

RESOLVED

THAT the report be received.

C19/453 Spicer/Tilsley CARRIED

The report included the results to the annual service questions, as well as the results to the additional triennial questions.

PRESENTATION: 2019 TRIENNIAL SATISFACTION SURVEY (#2698453)

Natalie Richards of Versus Research was in attendance and presented an analysis of the triennial survey results of the 2019 triennial satisfaction and perception survey, carried out by Versus Research on the Council’s behalf.

The meeting adjourned at 10.42am.

The meeting reconvened at 11.00am

RESOLVED

THAT the Council endorses the 2019 triennial satisfaction survey results and approves the release of the results to the public.

C19/454 Milner/Anderson CARRIED

LOCAL DECLARATION OF STATE OF EMERGENCY 2019 (2687905)

The Group Manager – Community Services and Development presented a report which sought Council to approve the delegation of the Deputy Mayor and Chairperson of the Emergency Management Committee to have authority to make a local declaration of a state of emergency and give notice of transition into recovery if the Mayor is unavailable.

RESOLVED

THAT the report be received.

C19/455 Buckthought/Wilkinson CARRIED

RESOLVED

THAT in the Mayor’s absence or unavailability, firstly, the Deputy Mayor and secondly, the Chairperson of the Emergency Management Committee can make a local declaration of state of emergency and/or give notice of transition into recovery.

C19/456 Buckthought/Garrett CARRIED
COMMUNITY INITIATIVES REPORT - DECEMBER 2019 (2687692)

The Community Engagement Officer presented the monthly activity report on Community Initiatives to December 2019.

RESOLVED

THAT the report be received.

C19/457 Tilsley/Daley CARRIED

Delegation to Approve Requests for Financial Assistance

The approval of Council was sought that Ward Committees Chair’s and one other Ward member be given delegated authority to approve funding applications up to $300.00 from the Ward’s Community Assistance Funds.

RESOLVED

THAT Council approve a delegation to the Ward Committees to approve funding applications up to $300 to be funded from the Ward Community Assistance Funds, and

THAT the relevant Ward Chair and one other Ward member be given delegation to approve funding applications.

C19/458 Wilkinson/Broad CARRIED

COMMUNITY RECREATION REPORT - DECEMBER 2019 (2687715)

The Community Services Department staff presented the monthly activity report covering district libraries, parks and reserves and sports facilities.

RESOLVED

THAT the report be received.

C19/459 Wilkinson/Harris CARRIED

PRESENTATION: PAEROA RE-USE CENTRE (#2695736)

Cr Smeaton in support of Paeroa Re-Use Centre members, Alli Mitchell and Catherine Lucas were in attendance and presented a PowerPoint presentation on the current activities and initiatives being undertaken by the Paeroa Re-Use Centre group in which to achieve waste minimisation.

The meeting adjourned at 12.25pm
The meeting reconvened 1.00pm

COMMUNITY FACILITIES REPORT - DECEMBER 2019 (2687822)

The Community Services Manager presented the facilities monthly activity report to December 2019.

RESOLVED

THAT the report be received.

C19/460 Spicer/Garrett CARRIED
CEO MONTHLY REPORT - DECEMBER 2019 (2687974)

The Chief Executive presented his monthly report to December 2019. The report updated on staff changes within the organisation and on the Waikato Regional Council committee structure for the 2019-2011 triennium.

The members and staff were wished a merry xmas and best wishes for the new year.

RESOLVED

THAT the report be received.

C19/461 Tilsley/Wilkinson  CARRIED

LATE ITEM

Request for Financial Assistance – ‘It’s Not OK’ Campaign – Waihi / Waihi Beach (2690357)

The ‘It’s Not Ok’ Waihi and Waihi Beach Committee has requested a financial contribution towards a four-week media campaign to be run over Christmas.

RESOLVED

THAT the correspondence from the ‘It’s Not Ok’ Waihi and Waihi Beach Committee be received.

C19/462 Anderson/Tilsley  CARRIED

The total amount for the campaign is $1,100 including GST. Hauraki Family Violence Intervention Network has offered to pay $500 towards this campaign and the Mayor has offered $350.00 from the Mayoral Fund. The Committee have requested the consideration of the Waihi Ward to fund the remaining balance of $250.00.

RESOLVED

THAT a grant of $250.00 be contributed from the Waihi Ward Community Assistance Fund to the ‘It’s Not Ok’ Waihi and Waihi Beach Committee in support of their four-week media campaign to be held over the Christmas period.

C19/463 Howell/Anderson  CARRIED

Noted: The members considered it would be worthwhile extending the campaign throughout the district and suggested wider publicity be considered in future for the initiative via Councils’ Social Strategy for the 2020 year.
Matters to be taken with the Public Excluded

The public be excluded from the following parts of the proceedings of this meeting.

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:

<table>
<thead>
<tr>
<th>Item No.</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) Under Section 48(1) for the Passing of this Resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bradford Street, Waihi Reconstructions – Property Valuations</td>
<td><strong>Section 7(2)(i)</strong> Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations. and <strong>Section 7(2)(a)</strong> – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>2</td>
<td>Ngatea Streetscape Kerb Procurement Report</td>
<td><strong>Section 7(2)(i)</strong> Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>3</td>
<td>HDC 00482 Wastewater Master Planning Tender Report</td>
<td><strong>Section 7(2)(i)</strong> Prejudice to Commercial Position/Negotiations To enable the local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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<td></td>
<td>Appointment of Tenderer for Kaimanawa Reservoir</td>
<td>Section 7(2)(i) Prejudice to Commercial Position/Negotiations</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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<tr>
<td>C19/464</td>
<td>Harris/Daley</td>
<td>CARRIED</td>
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</tbody>
</table>
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

C19/473 Smeaton/Spicer CARRIED

Karakia Whakamutunga

Cr Spicer closed the meeting with a karakia at 2.55pm.

CONFIRMED

D A Adams
Mayor
29 January 2020
HAURAKI DISTRICT COUNCIL

HEARINGS AND JUDICIAL COMMISSIONERS

MINUTES OF A MEETING OF THE HEARINGS AND JUDICIAL COMMISSIONERS HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON WEDNESDAY, 23 OCTOBER 2019 COMMENCING AT 9.00AM.

PRESENT
Commissioner - P A Milner (Chairperson) and Commissioner - A Spicer

IN ATTENDANCE
Mrs W Harris (Senior Planner), Mr M Sexton (Dog Control Officer) and Ms C Black (Council Secretary)

KARAKIA TIMATANGA
The Chair opened the meeting with a karakia at 9.00am.

APOLOGIES
There were no apologies.

LATE ITEMS
There were no late items.

DECLARATIONS OF CONFLICTS OF INTEREST
There were no conflicts of interest.
Matters to be taken with the Public Excluded

RESOLVED

THAT the public be excluded from the following parts of the proceedings of this meeting.

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:

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<td>1</td>
<td>Notice Under Section (31) Dog Control Act 1996 ACT (1996) Dangerous Dog Appeal</td>
<td><strong>Section 7(2)(a)</strong> – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
</tbody>
</table>

HJC19/24 Spicer/Milner CARRIED
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

HJC19/27 Milner/Spicer CARRIED

The meeting closed at 9.50am.

CONFIRMED

P A Milner
Chairperson
HAURAKI DISTRICT COUNCIL

HEARINGS AND JUDICIAL COMMITTEE

MINUTES OF A MEETING OF THE HEARINGS AND JUDICIAL COMMITTEE HELD IN THE OHINEMURI ROOM, WILLIAM STREET, PAEROA ON WEDNESDAY, 27 NOVEMBER 2019 COMMENCING AT 8.30AM

PRESENT
Cr P A Milner (Chairperson), Cr A Spicer (Deputy Chairperson) and Mayor, D A Adams

IN ATTENDANCE
Messrs P Thom (Planning & Environmental Services), Mrs W Harris (Senior Planner), Mr M Sexton (Dog Control Officer) and Ms C Black (Council Secretary)

APOLOGIES
There were no apologies.

LATE ITEMS
There were no late items.

DECLARATIONS OF CONFLICTS OF INTEREST
There were no conflicts of interest.
### Reasons for Matters to be taken with the Public Excluded

**RESOLVED**

THAT the public be excluded from the following parts of the proceedings of this meeting.

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<td>1</td>
<td>Notice to Fix: Non Complying Retaining Wall</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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<td>2</td>
<td>Injuries sustained to Dog Owner</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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</table>
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

HJC19/32 Spicer/Milner CARRIED

The meeting closed at 8.49am.

CONFIRMED

P A Milner
Chairperson

16 December 2019
HAURAKI DISTRICT COUNCIL
HEARINGS AND JUDICIAL COMMITTEE

MINUTES OF A MEETING OF THE HEARINGS AND JUDICIAL COMMITTEE HELD IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON MONDAY, 16 DECEMBER 2019 COMMENCING AT 9.00AM

PRESENT
Cr P A Milner (Chairperson), Cr A Spicer (Deputy Chairperson) and Mayor D A Adams

IN ATTENDANCE
Ms Stephanie Philcox (Brookfield’s Lawyers – Counsel on behalf of HDC), Mr P Thom (Group Manager Planning & Environmental Services), Mrs W Harris (Regulatory Services Manager), Mr M Sexton (Dog Control Officer) and Ms C Black (Council Secretary)

KARAKIA TIMATANGA
Cr Adams opened the meeting with a karakia.

APOLOGIES
There were no apologies.

LATE ITEMS
There were no late items.

DECLARATIONS OF CONFLICTS OF INTEREST
There were no declarations.

CONFIRMATION OF MINUTES
RESOLVED
THAT the minutes of the meeting of the Hearings and Judicial Committee held on Wednesday, 27 November 2019 are received and confirmed as a true and correct record.

HJC19/33 Milner/Spicer CARRIED
## Matters to be taken with the Public Excluded

**RESOLVED**

That the public be excluded from the following parts of the proceedings of this meeting.

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:

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<tr>
<td>Item 1</td>
<td>APPLICATION UNDER SECTION (71) DOG CONTROL ACT (1996) FOR RELEASE OF DOG</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
</tr>
<tr>
<td>Item 2</td>
<td>NOTICE UNDER SECTION (33A) DOG CONTROL ACT (1996) MENACING DOG</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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<tr>
<td>Item 3</td>
<td>APPLICATION FOR DOG NUMBER DISPENSATION – SECTION 4.2 Hauraki District Council Dog Control Bylaw</td>
<td>Section 7(2)(a) – Protect the privacy of natural persons, including that of deceased natural persons.</td>
<td>Section 48(1)(a) That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</td>
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HJC19/34 Adams/Spicer **CARRIED**
RESOLVED

THAT the public be re-admitted to the meeting and that the business in committee discussed be confirmed.

HJC19/40 Milner/Adams CARRIED

The meeting closed at 12.40pm.

CONFIRMED

P A Milner
Chairperson
FOR DECISION
MŌ TE WHAKATAUNGA

TO Mayor and Councillors

AUTHOR Adrian de Laborde
Group Manager Engineering Services

FILE REFERENCE Document: 2702098
Appendix A: Included
Appendix B: Included
Appendix C: Included

PORTFOLIO HOLDER/S Councillor Harris
3 Waters portfolio

MEETING DATE Wednesday, 29 January 2020

SUBJECT Compensation claim for lost grazing

SUMMARY TE WHAKARĀPOPOPOTANGA

The Council has received a request for compensation for lost income and costs incurred because of a loss in grazing due to actions by the Council.

The decision is not considered to be a significant decision.
RECOMMENDATION | TE WHAIKUPU

THAT the report be received.

THAT the Council:
a) approves the payment of the Claimant’s claim for compensation for $3,831 without prejudice.

OR

b) does not approve the claim for compensation

OR

c) approves a partial payment of the Claimant’s claim for compensation for [$] without prejudice.

THAT, should the Council approve compensation, the Council approves expenditure of [$] from the Stormwater activity in the 2019/20 financial year, and that this unbudgeted expenditure be funded from Stormwater Whiritoa Other Account.

THAT the Council considers these decisions to be insignificant under its Significance and Engagement Policy 2017.

1 PURPOSE | TE ARONGA

Mrs Tipene of 1638 SH 25, Whiritoa (the Claimant) has made a claim against the Council for compensation for loss of income and costs incurred because of work undertaken by the Council. This report provides context to the claim and seeks guidance from the Council.

2 BACKGROUND | TE KŌRERO Ā MUA

Mrs Lynnette Tipene and her partner, Mr Ces Sturmy, live at 1683 SH25 in Whiritoa (the Site – see figure 1) and have done so for many years. They are not the landowners. In March 2018 a significant weather event resulted, we believe, in a slip upstream of the Site. From what we could ascertain at the time, this then broke and a large volume of silt washed down the stream and filled in the watercourse that runs through the site. This stream forms part of our stormwater network and as such, we then cleaned the silt from the stream and deposited it adjacent to the stream with the intention of removing it. We have not removed this material yet.

Following receipt of the initial letter (Appendix A), I spoke to Mrs Tipene on the phone and asked for additional details for the basis of the claim. I subsequently received a second letter (Appendix B). I decided that it would be better to meet on site to better understand the basis of their claims. At this meeting (29 November 2019), they raised some other issues that they wanted compensation for so I requested that they detail these for me. I received this on 13 January 2020 (Appendix 3). I indicated to them that I would present their requests to the Council for consideration.
3 THE ISSUES | NGĀ TAKE

Mr Sturmy usually runs 12 sheep on the site. He purchases them as lambs, raises them and subsequently sells them. The proceeds are then used to purchase further lambs. Last year he received poor prices for the sale of the stock. The allegation being made – and the basis for the compensation claim – is that the loss in income is directly attributable to the poor condition of the stock. The claim is that the poor condition of the stock is as a result of a loss in grazing due to the silt stockpiled on the land. Figure 2 shows the location of the stockpiles and figure 3 is a photo of the stockpiles taken from the upstream (northern) boundary.

A desktop study shows that the grazing area of the Site (excluding the residential area and sheds) is approximately 22800m². The area of the stockpiles is approximately 170m². This represents a loss of potential grazing area of approximately 0.75%.

The claim for compensation has 2 parts:

1. $1,331 for the loss of income due to poor condition of stock and subsequent reduced income from sales
2. $2,500 for “additional losses of production and costs in maintaining the weeds etc around and on the mounds of dirt”.

The total compensation claim is thus for $3,831. There is some uncertainty as to what comprises the second claim as it seems to include components of the first claim. If the percentage of grazing land “lost” was applied to their claim it would amount to $9.98.

The stockpiles were not initially removed as Mr Sturmy had indicated that he wanted the material to be deposited on his paddocks. This was not done and I was only made aware of this in August 2019 (prior to the request for compensation). We were on site at an adjacent property investigating the wastewater overflow and Mr Sturmy approached us. At this meeting
he claimed that the stockpiles were contaminated and I then indicated that we would not spread it on his paddocks but will arrange for it to be removed in the dry season and apologised for it not having taken place earlier.

![Figure 2: Stockpiles shown on eastern boundary adjacent to stream.](image)

![Figure 3: Stockpiles](image)
3.1 Authority to award compensation

The HDC Delegations Manual permits the Chief Executive to make award of up to $20,000 if time constraints do prevent referral to the Council or a Committee of Council. As this is not the case, the Council is required to consider the matter. The relevant clause is shown below.

5.2.3.4 Claims against Council - Settlement
Settlement of claims against Council up to a limit of $20,000 in accordance with a recommendation from Council’s insurers, or on advice from Council’s legal advisor/s, where time constraints do not permit the matter to be referred to a meeting of Council or the relevant Committee.

4 OUR OPTIONS | NGĀ KŌWHIRINGA A MĀTOU

Staff have identified the following options for the Council to consider:
- Council can pay either or both of the compensation amounts
- Council can deny the request for compensation.

These options and their advantages and disadvantages are outlined below.

4.1 OPTION 1: Pay compensation

| ABOUT THIS OPTION |
| The Council can decide to pay compensation for the loss experienced on sales for the stock and / or loss of production and maintenance costs. |

| ADVANTAGES | DISADVANTAGES |
| None | 1. Sets precedence |
| | 2. Cost to ratepayers |

| FINANCIAL COSTS |
| Whole of life costs | One off operating cost: $1,331, or $2,500 or $3,831 |
| Budget source | Stormwater / Whiritoa / Other |
| Changes to budgets | In order to accommodate these costs there will not need to be changes to budgets however it is an unbudgeted operational cost |
| Impact on the Council’s debt | There is no impact on the Council’s debt. |
| Potential impact on rates | There will be no impact on rates. |

4.2 OPTION 2: No compensation

| ABOUT THIS OPTION |
| The Council can choose not to pay compensation. The compensation claims are not clear and no supporting evidence has been provided as requested. |

| ADVANTAGES | DISADVANTAGES |
| 1. No precedence set | None |
| 2. No cost to ratepayers | |

| FINANCIAL COSTS |
| | |


5 PREFERRED OPTION | TE KŌWHIRINGA MATUA

Staff and the portfolio holder recommend proceeding with option 4.2 – Not to Pay compensation.

5.1 ALIGNMENT AND ACCOUNTABILITY CHECK

<table>
<thead>
<tr>
<th>STRATEGIC DIRECTION</th>
<th>The preferred option IS consistent with the Council’s strategic direction.</th>
</tr>
</thead>
<tbody>
<tr>
<td>LONG TERM PLAN / ANNUAL PLAN ALIGNMENT</td>
<td>The preferred option IS consistent with the long term plan and/or annual plan programmes and budgets.</td>
</tr>
<tr>
<td>POLICIES, BYLAWS AND PLANS ALIGNMENT</td>
<td>The preferred option IS consistent with the Council’s other strategies, policies, bylaws and plans.</td>
</tr>
<tr>
<td>SIGNIFICANCE ASSESSMENT</td>
<td>The decision IS NOT considered significant under the Council’s Significance and Engagement Policy 2017.</td>
</tr>
<tr>
<td>IMPLICATIONS FOR MĀORI</td>
<td>The decision DOES NOT involve a significant decision in relation to land or a body of water.</td>
</tr>
</tbody>
</table>

5.2 ENGAGING WITH OUR COMMUNITIES

Staff consider that the Council does have enough of an understanding on community views and preferences. The level of engagement considered appropriate for this matter, at this point in time, is to inform (i.e. one-way communication disseminating information) the Claimant of the outcome.

5.3 ASSESSING THE RISKS

Staff have identified the following risks associated with the recommended option.

<table>
<thead>
<tr>
<th>Description of risk</th>
<th>Level of risk</th>
<th>How we could soften the risk</th>
<th>Risk remaining</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threat to take legal route</td>
<td>Low</td>
<td>Nil</td>
<td>Low</td>
</tr>
</tbody>
</table>

Whole of life costs | None
Budget source | None
Changes to budgets | None
Impact on the Council’s debt | None
Potential impact on rates | None
Description of risk | Level of risk | How we could soften the risk | Risk remaining
---|---|---|---

6 **NEXT STEPS | TE ARA KI MUA**

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Action</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>31 January</strong></td>
<td>Notify Claimant of the outcome</td>
<td>I will write to Claimant and notify them of the outcome of the Councils decision. If this includes payment of compensation then I will arrange for this to occur.</td>
</tr>
</tbody>
</table>

**Approval**

| Prepared by | Adrian de Laborde | Group Manager Engineering Services |
| Approved by | Adrian de Laborde | Group Manager Engineering Services |
APPENDIX A

29 October 2019

1638, SH 25,
R.D.1,
Whangamata, 3691

Mr Adrian de Laborde
Group Manager
Engineering Services
Hauraki District Council
P. O. Box 17
Paeroa, 3640

Dear Mr de Laborde

Re: Letter dated – 29 September 2019

We are writing to claim from the council the 10% increase on the $1,100 for lost income as we had to sell off our animals twelve (12) weeks earlier as they were in very poor condition. We felt really embarrassed to have taken them to the sale yards in the condition that they were in.

The reason for this, is that the Council dug out their drain at the above property and left 200 cubic metres plus of dirt spread along the paddock covering the grass that the animals should have been fattening up on.

Payment of the above amount - $1,100 to be made to L. Tipene at the above address or deposited into the following Bank Account Number: BNZ, Whangamata – 02 1254 0006319 000. Payment to be made within 30 days or 10% surcharge will apply.

We look forward to hearing from you.

Yours faithfully

Lynette Tipene
APPENDIX B

3 December 2019

1638, SH 25,
R.D.1,
Whangamata, 3691

Mr Adrian de Laborde
Group Manager
Engineering Services
Hauraki District Council
P. O. Box 17
Paeroa, 3640

Dear Mr de Laborde

Re: Letter dated – 29 October 2019

As previous letter we are writing again to claim from the council the 10% increase of $1,210 for lost income as we had to sell off our animals twelve (12) weeks earlier as they were in very poor condition. We felt really embarrassed to have taken them to the sale yards in the condition that they were in.

The reason for this, is that the Council dug out their drain at the above property and left 200 cubic metres plus of dirt spread along the paddock covering the grass that the animals should have been fattening up on.

Payment of the above amount - $1,210 to be made to L. Tipene at the above address or deposited into the following Bank Account Number: BNZ, Whangamata – 02 1254 0006319 000. Payment to be made within 30 days or 10% surcharge will apply.

We look forward to hearing from you.

Yours faithfully

Lynette Tipene
Dear Mr de Laborde

Re: Letter dated – 29 October 2019

As previous letters we are writing again to claim from the council the 10% increase of $1,331 for lost income as we had to sell off our animals twelve (12) weeks earlier as they were in very poor condition. We felt really embarrassed to have taken them to the sale yards in the condition that they were in.

The reason for this, is that the Council dug out their drain at the above property and left 200 cubic metres plus of dirt spread along the paddock covering the grass that the animals should have been fattening up on.

Payment of the above amount - $1,331 to be made to L. Tipene at the above address or deposited into the following Bank Account Number: BNZ, Whangamata – 02 1254 0006319 000. Payment to be made within 30 days or 10% surcharge will apply.

Additional to the above claim we are also going to be placing a claim for the amount of $2,500 for additional losses of production and costs in maintaining the weeds etc around and on the mounds of dirt.

We look forward to hearing from you.

Yours faithfully

Lynette Tipene
Decision Report

To: Mayor and Councillors

From: Adrian de Laborde
Group Manager Engineering Services

Date: Friday, 17 January 2020

File reference: Document: 2702143
Appendix A: Trust Presentation (Airwatch)

Portfolio holder: Councillor Garrett (alternative Portfolio holder)

Meeting date: Wednesday, 29 January 2020

Subject: Request for Financial Assistance: Paeroa Reuse Centre

Recommendation:

THAT the report be received, and

THAT the Council not approve the funding application

OR

THAT the Council provide funding of $20,000 for 3 financial years to the Paeroa Reuse Centre, and

That the Council requires the Paeroa Reuse Centre to provide the Council with a 6 monthly financial and performance report, failing provision of such, the funding may be withheld, and

THAT the Council approve the preparation of the terms and conditions of a short term loan of $40,000 to the Paeroa Reuse Centre for a period not exceeding 31 December 2020, and

THAT the terms and conditions of this loan be provided to the Council for consideration once they have been prepared.

1 Purpose

The Paeroa Reuse Centre Trust gave a presentation to the Council on 11 December 2019. In this presentation they outlined their financial strategy and their intention to apply to the Council for financial support during the establishment of the operation. This report details their request and asks for Council consideration of the funding request.
The matter or suggested decision does involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

A report, presented to the Council on 26 September 2018, discussed the establishment of the Paeroa Reuse Centre. The report did not seek funding, however the council did acknowledge that there was likely to be a future funding request. The below is an extract from the Council meeting indicating the Council’s support for the initiative and acknowledgement that there is likely to be a future funding request.

HAURAKI RE-USE CENTRE (2453443)

The Infrastructure and Planning Manager presented a report which sought a decision whether or not to support the concept of a re-use centre in Paeroa based on the model the Seagull Centre employs in Thames.

RESOLVED

THAT the report be received.

C18/505 Tregidga/Spicer CARRIED

There was unanimous support for the initiative.

RESOLVED

THAT Council supports the concept of the Paeroa Re-use Centre initiative and that Cr Smeaton and Cr Milner work with the Paeroa Re-use team to establish the reuse centre.

C18/506 Tregidga/Spicer CARRIED

RESOLVED

THAT the Council acknowledge that, while no funding request has been made, there is likely to be a future request for funding for the initiative.

C18/507 Tregidga/Spicer CARRIED

Subsequently to this, the Paeroa Reuse Centre (RUC) group has established a Trust to take the project forward.

3 Issue and options

The Paeroa Reuse Centre Trust (the Trust) has worked with Sarah Gibb, funding advisor from Community Waikato. She has provided the Trust with quite a lot of free assistance in terms of goal setting, policies and planning. These are quite advanced and were presented to the Council on 11 December 2019. The Trust has prepared a set of financial forecasts for the next 3 years (see table 1). Additionally, the Trust have identified sources of income to assist with the establishment of the RUC (Table 2).
The Trust have requested that HDC provide a $60,000 grant to the Trust for a 3 year period ($20,000 per year).

In addition to this the Trust has requested that HDC provide them with a “liquidity loan” for the period 12 March 2020 to 30 June 2020 of $40,000. The Council’s investment Policy clause 4(b) has reference with regard to providing the loan. The loan would meet the criteria of being with in the “advance(ment) of its broader social and other policy objectives”.

*Investment Policy 4(b)*

The Council may, in its discretion, acquire investments of up to $500,000, that depart from Investment Policy 4(a) where it considers that the departure would advance its broader social or other policy objectives.

I believe it would be prudent to extend this loan period to 31 December 2020. The terms and conditions of the loan will be finalised prior to issue of the loan.

Should the Council resolve to provide the Trust with a grant then it is expected that the Trust will be required to provide the Council with a 6 monthly progress and financial report for the duration of the grant period.

<table>
<thead>
<tr>
<th>Cost item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-site preparation</td>
<td>40,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>- (not included in total below)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fencing &amp; site preparation</td>
<td>60,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Buildings, shipping containers</td>
<td>50,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Ute &amp; 2 trailers</td>
<td>15,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Office equipment, wifi, power, lease</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Project dev manager salary</td>
<td>25,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Operations manager</td>
<td>25,000</td>
<td>50,000</td>
<td>50,000</td>
</tr>
<tr>
<td>Site staff + K Saver + ACC</td>
<td>25,000</td>
<td>25,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Volunteer expenses</td>
<td>6,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>H &amp; S equipment</td>
<td>3,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Resource consent</td>
<td>5,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Insurance, fees, financial, administration</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Marketing, promotion, education</td>
<td>7,000</td>
<td>7,000</td>
<td>7,000</td>
</tr>
<tr>
<td>Repair café, tools</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Vehicle expenses</td>
<td>7,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Repairs &amp; maintenance</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>250,000</td>
<td>115,000</td>
<td>115,000</td>
</tr>
</tbody>
</table>

**Summary**

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital expenses</td>
<td>127,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Staff expenses</td>
<td>81,000</td>
<td>80,000</td>
<td>80,000</td>
</tr>
<tr>
<td>Other expenses</td>
<td>42,000</td>
<td>33,000</td>
<td>33,000</td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>250,000</td>
<td>115,000</td>
<td>115,000</td>
</tr>
</tbody>
</table>

Compare above totals with previous budget total expenses

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>WMF application 24 May 2019</td>
<td>231,758</td>
<td>113,878</td>
<td>113,878</td>
</tr>
<tr>
<td>TW application 12 Jun 2019</td>
<td>207,001</td>
<td>131,254</td>
<td>113,878</td>
</tr>
</tbody>
</table>

**TABLE 1: PAEROA REUSE CENTRE EXPENDITURE 3 YEARS**
<table>
<thead>
<tr>
<th>Cost item</th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-project income</td>
<td>2,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>-(not included in total below)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Donations</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>Contracts WMF</td>
<td>150,000</td>
<td>50,000</td>
<td>-</td>
</tr>
<tr>
<td>Grants (TW, LRF, Lotteries)</td>
<td>47,000</td>
<td>15,000</td>
<td>25,000</td>
</tr>
<tr>
<td>Grants (HDC)</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Fundraising events</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>Enterprise/Sales</td>
<td>20,000</td>
<td>40,000</td>
<td>60,000</td>
</tr>
<tr>
<td>Membership fees</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Sponsorship</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td><strong>Total income</strong></td>
<td><strong>250,000</strong></td>
<td><strong>138,000</strong></td>
<td><strong>118,000</strong></td>
</tr>
</tbody>
</table>

Request HDC to provide liquidity loan 1 March to 30 June of $40,000

**TABLE 2: PAEROA REUSE CENTRE INCOME 3 YEARS**

The Council can choose either to provide funding as requested or to deny the funding request. I believe that our communities have an expectation on the Council to provide waste minimisation leadership and supporting and funding this initiative is providing that leadership.

4 **New deliverable**

The Local Government Act 2002 now requires that all local government deliverables (whether it be an activity, service, project, programme, grant or involve any other form of expenditure) must align to the purpose of local government as outlined in Section 10 of the Local Government Act.

For the Council’s information, the decision involves a new expenditure or other deliverable. It is therefore considered to be aligned with the purpose of local government as it provides:

- *local public service*

5 **Significance and Engagement Assessment**

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

The level of engagement considered appropriate for this matter, now, is to inform (i.e. one-way communication disseminating information) the Paeroa Reuse Centre committee of the Council’s decision.

6 **Budget Implications**

The $60,000 grant is currently unfunded. Should the Council resolve to provide funding of $20,000 per year over a 3-year period (this financial year being the first) to the Trust, staff will then include the 2nd year in the Annual Plan for 2020 – 21 and the operational budget for the
first year of the Long Term Plan 2021 - 31. This will be included in the Solid Waste Minimisation | Recycling Initiatives | Donations and Grants budget.

The solidwaste activity will incur an unfunded $20,000 deficit this financial year if the grant is approved.

The terms and conditions of the loan will be presented to the Council for approval at a later Council meeting.

In addition to the tenure of the loan Council will need to make a determination in relation to whether interest will be charged and if so at what rate. Someone will also need to formalise the arrangement with the trust.

The government is currently reviewing the Waste Minimisation Levy. If they increase it as expected, then the Council’s portion of this levy will increase and may be used to offset this additional cost. At this stage we do not know if this will proceed and if it does what the additional income will be. A separate report will be presented to the Council at this meeting to discuss the likely impacts of this change.

7 Recommendation

The following recommendations are made:

1. That the Council provide funding of $20,000 for 3 financial years to the Paeroa Reuse Centre.
2. That the Council requires the Paeroa Reuse Centre to provide the Council with a 6 monthly financial and performance report, failing provision of such, the funding may be withheld, and
3. That the Council approve the preparation of the terms and conditions of a short term loan of $40,000 to the Paeroa Reuse Centre for a period not exceeding 31 December 2020, and
4. That the terms and conditions of this loan be provided to the Council for consideration once they have been prepared.

Adrian de Laborde
Group Manager Engineering Services
Decision Report

To: Mayor and Councillors
From: Adrian de Laborde
Group Manager Engineering Services
Date: Friday, 17 January 2020
File reference: Document: 2701694
Appendix A: Proposed Activity Management Policy (included)
Portfolio holder: Mayor Adams
Meeting date: Wednesday, 29 January 2020
Subject: Approval of Draft Activity Management Policy 2021 - 24

Recommendation:
THAT the report be received, and
THAT the Council the proposed Activity Management Policy 2021 – 24 be adopt and replace the Asset Management Policy (2010)

1 Purpose
The Council is required under section 101B of the Local Government Act 2002 to prepare an Infrastructure Strategy, which includes Asset or Activity Management Plans (AMPs). These AMPs set out how we are going to manage our various activities. The Activity Management Policy provides the boundaries and principles under which these must be developed. This report presents the Draft Activity Management Policy to the Council for consideration.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

We are currently reviewing our Asset Management Plans as part of the Long Term Plan process and thus it is an appropriate time to review the Policy.
3 Issue and options

The proposed policy has a number of changes to the current Policy.

These include:
1. Change in the name of the policy from Asset to Activity Management Policy. This change in name will see a change in name of the Asset Management Plans to the name Activity Management Plans.
   a. This name change is proposed for the following reasons
      i. NZTA refer to Activity Management Plans and thus we are required to align our Land Transport AMP to this terminology
      ii. The term better describes the whole of the activity and does not just focus on the “asset” component of the activity
      iii. The change is common across local government.
2. Section 1
   a. Inclusion of environmental wellbeing
   b. Separation of Community Facilities into Community Facilities and Community Recreation
   c. Inclusion of Pensioner Housing
   d. Inclusion of Sports Fields
   e. Separation of Parks and Reserves into Non-Recreation Reserves and Recreation Reserves
3. Section 2
   a. The name “Asset Management Plans” has been changed to “Activity Management Plans”
4. Section 3
   a. Revised definitions
5. Section 6
   a. The strategic direction has been updated to include the 4 well beings as per S10(1)(b) of the Local Government Act 2002
6. Section 7
   a. The Principles have been revised to include causer pays, affordability, cultural well being
7. Section 9
   a. A target level of Asset Management Maturity has been included. This is an indication that we need to continually improve our level of maturity of asset management.
8. Section 10
   a. The wording has been changed to “no longer than 3 years” from “minimally after a period of 3 years”. This is to set a firm timeframe for review.
9. Section 11
   a. The Roles and Responsibilities have been updated to better reflect the responsibilities and an additional role has been included (Community Services Manager

The balance of the draft Policy remains unchanged.

4 Significance and Engagement Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.
5 **Budget Implications**

The approval of the Activity Management Policy 2021 – 24 does not directly have any budget implications but sets the boundaries and principles that will guide the development of the Activity Management Plans and hence will affect future budgets.

6 **Recommendation**

That the Council accept the proposed Activity Management Policy 2021 – 24 and that it supersede the Asset Management Policy (2017)

Adrian de Laborde

*Group Manager Engineering Services*
Appendix A:
2021 - 24
Activity Management Policy

our home, our future
tō tātou rohe kāinga, tō tatou ao tūroa
## Contents

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1. Policy Overview and Context

The Hauraki District Council (HDC) manages its physical assets on behalf of its community to ensure that the assets meet the needs of the community and are capable of providing services required to underpin the social, economic, environmental and cultural wellbeing of the communities.

HDC is committed to sustainable appropriate asset management practices based on the principles of the Local Government Act (2002) and the International Infrastructure Management Manual.

Council’s present groups of assets and activities, as detailed in the Hauraki Long Term Plan, that are subject to asset / activity management planning are:

- Network Services
  - Land Transport
  - Water Supply
  - Wastewater
  - Stormwater
  - Waste Management
  - Land Drainage and Flood Protection
  - Hauraki Rail Trail

- Community Facilities
  - Community Halls
  - Pensioner Housing
  - Property (Overhead activity but asset based)
  - Public Toilets
  - Cemeteries
  - Non-Recreation Reserves

- Community Recreation
  - Libraries
  - Swimming Pools
  - Sports Fields
  - Recreation Reserves

This Policy sets out the requirements for appropriate management of these assets and activities.

2. Purpose and Scope

All local authorities have responsibility for, or take responsibility for, the delivery of many services to their communities. In general terms these are either activity based (e.g. regulatory services and community development) or asset based (e.g. infrastructure assets and community facilities). For all of the Council’s asset based activities it has developed Activity Management Plans (AMPs) as the base documents for all long term planning for the assets and the services they deliver. These plans are continually reviewed and used as working documents, and are comprehensively reviewed as part of the Hauraki Long Term Plan development.
This Policy gives guidance and direction to the development of these AMPs for staff and sets the appropriate level of asset management or Maturity Index for each asset or activity.

3. Definitions

Activity Management (AM) - the systematic and coordinated activities and practices of an organisation to optimally and sustainably deliver on its objectives through the cost-effective lifecycle management of assets and associated activities.

Activity Management Plan (AP) - Long-term plans (usually 10-20 years or more for infrastructure assets) that outline the activities and programmes for each service area and resources applied to provide a defined level of service in the most cost effective way.

Appropriate Activity Management Practice - the level of AM practice development (aware-advanced) which is considered optimal for the specific organisation.

Asset - An item, thing or entity that has potential or actual value to an organisation (such as plant, machinery, buildings, etc.)

International Infrastructure Management Manual (IIMM) - The IPWEA manual that sets the standard of asset management for New Zealand.

4. Supporting documents

This policy is underpinned by two key documents. The implementation of this policy must be in accordance with these documents. These documents are:


5. Policy Statement

The Council will manage the District Council’s assets and deliver associated activities in a cost effective, sustainable, well planned and coordinated manner to provide agreed levels of service. The Council will use Asset and Activity Management Plans (AMPs) as the means to fulfil its statutory obligations for compliance with the Local Government Act 2002, Resource Management Act 1991, Building Act 2004, Land Transport Management Act 2003, Health Act 1956 and the requirements of the Office of the Auditor General for its assets and activities.

6. Strategic Direction

This policy recognises the Hauraki District Council’s Strategic Direction, in particular, the Council Mission which is to:

1. actively provide leadership to and advocate for the community
2. provide for the economic, social, cultural and environmental wellbeings of our communities
3. foster open-minded and two-way communication with the community
4. ensure the sustainable use and management of resources for the benefit of all who live in, work in and visit the Hauraki District

5. Principles

The Council will adhere to the following core principles in the planning and decision making related to the creation, acquisition, operation, maintenance, renewal and disposal of infrastructure assets:

- Achievement of the Council’s strategic outcomes
- Transparency
- Accountability
- Economic, cultural, social and environmental sustainability
- Continuous improvement
- Customer and stakeholder focus
- Causer / user pays balanced against ability to pay
- Optimisation of life cycle costs
- Risk basis.

6. Objectives

The objectives for asset management planning and practices are to:

- Ensure that Council services and infrastructure assets are provided in a sustainable manner with appropriate levels of service.
- Ensure that Council infrastructure assets are managed in accordance with statutory and regulatory requirements.
- Ensure an appropriate lifecycle approach is taken for all decisions on infrastructure assets.
- Ensure that management of assets be in a systematic process to guide planning, acquisition, operation and maintenance, renewal and disposal of the required assets.
- Ensure that the Council has regard to iwi, community and relevant stakeholders associated with the delivery of services and the management of infrastructure assets.
- Ensure that the delivery of services is sustainable in the long term and delivers on Council’s economic, environmental, social, and cultural objectives.
- Ensure that the Council’s service delivery is optimised to manage related risks.

7. Level of Asset Management

The Council uses the International Infrastructure Management Manual (IIMM) as the basis for asset management, for assessing asset maturity and for continual improvement. The IIMM uses the following Asset Maturity Index (AMI) (Table 1) to identify the various levels of asset management. An appropriate level of asset management (indicated by the AMI) should be used for each activity or asset. Table 1 identifies the appropriate level of asset management adopted by the Hauraki District Council\(^1\). Continual asset management improvements aim to generally raise the level of

\(^1\) The baseline appropriate level of asset management was identified in the Waugh report titled Hauraki District Council: Selecting the Appropriate AM Level dated 30 June 2009
asset management over time. This is reflected in the Target Asset Maturity Index in table 1.

Various components within each asset or activity may be at a higher or lower level of Maturity, but the overall Maturity Index must minimally meet the threshold identified in table 1.

Each AMP and AP will identify the Maturity Index of the separate components of the management of the asset or activity.

**Table 1: Maturity Index and Level of Asset Management for Each Activity**

<table>
<thead>
<tr>
<th>Asset / Activity</th>
<th>Previous Asset Maturity Index</th>
<th>Target Asset Maturity Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Transport</td>
<td>Intermediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Water</td>
<td>Intermediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Wastewater</td>
<td>Intermediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Stormwater</td>
<td>Core</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Land drainage and flood protection</td>
<td>Intermediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Waste Management</td>
<td>Intermediate</td>
<td>Intermediate</td>
</tr>
<tr>
<td>Hauraki Rail Trail</td>
<td>Core</td>
<td>Core</td>
</tr>
<tr>
<td>Community Facilities</td>
<td>Core / Intermediate</td>
<td>Core / Intermediate</td>
</tr>
<tr>
<td>Community Recreation</td>
<td>Core / Intermediate</td>
<td>Core / Intermediate</td>
</tr>
</tbody>
</table>

*Table 1: Maturity Index for each activity*

(Document M1501333) and adopted by the Council for the Asset Management Policy 2010.
8. Policy Review

This Policy should be reviewed no longer than 3 years from the date of approval and at least 6 months prior to the adoption of the Hauraki Long Term Plan.

9. Roles and responsibilities

<table>
<thead>
<tr>
<th>Role</th>
<th>Responsibility</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>Responsible for ensuring that the policy is implemented</td>
</tr>
<tr>
<td>Group Manager Engineering Services;</td>
<td>Overall responsibility for ensuring the development of activity management policies, plans and procedures.</td>
</tr>
<tr>
<td>Group Manager Community Services and Development</td>
<td>Responsibility for overseeing the implementation of activity management policy, review of activity management outcomes and ensuring alignment with the Council’s strategic direction across all assets.</td>
</tr>
<tr>
<td>Asset Manager</td>
<td>Responsibility for developing and maintaining asset lifecycle plans and ensuring appropriate budget provisions are made for activity management. Responsibility for stakeholder engagement, delivery of work and improvement programmes and reporting.</td>
</tr>
<tr>
<td>Infrastructure Systems and Planning Manager</td>
<td>Responsible for maintaining asset data and providing relevant information to Activity Managers to inform decision-making.</td>
</tr>
<tr>
<td>Community Services Manager</td>
<td></td>
</tr>
<tr>
<td>Asset Engineer</td>
<td>Identification of maintenance, renewal and disposal requirements for assets.</td>
</tr>
</tbody>
</table>

Outside expertise is used as required and utilised from time to time at an asset management development team, departmental or individual asset manager level to assist with matters as identified at those levels. This can be for peer review, specialist knowledge, resourcing and other identified matters.

10. Document Management and Control

<table>
<thead>
<tr>
<th>Title:</th>
<th>DRAFT Activity Management Policy 2021-24</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sponsor:</td>
<td>Approved By:</td>
</tr>
<tr>
<td>Adrian de Laborde</td>
<td>Hauraki District Council</td>
</tr>
<tr>
<td>Adopted:</td>
<td>Review Date:</td>
</tr>
<tr>
<td>File Ref:</td>
<td>Version:</td>
</tr>
<tr>
<td>2</td>
<td>M</td>
</tr>
</tbody>
</table>

Property of Hauraki District Council
For more information:

- **W** www.hauraki-dc.govt.nz
- **E** info@hauraki-dc.govt.nz
- **P** 07 862 8609 or 0800 734 834 (from within District)

Visit us at one of our offices:

- **Paeroa:** 1 William Street
- **Ngatea:** 84 Orchard West Road
- **Waihi:** 40 Rosemont Road
Decision Report

To: Mayor and Councillors

From: Infrastructure Systems and Planning Manager

Date: Wednesday, 15 January 2020

File reference: Document: M 2701064
Appendix A: Letter from Waste Management

Portfolio holder: Councillor Duncan Smeaton

Meeting date: Wednesday, 29 January 2020

Subject: ETS increase

Recommendation:
THAT the report be received, and
THAT Council implement the increased ETS costs immediately.

1 Purpose

The purpose of the report is for Council to provide a recommendation for implementing an increase on fees immediately or in the new financial year in the light of them having been increased as recently as May 2019.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

The New Zealand Emissions Trading Scheme (NZ ETS) is the Government’s main tool for meeting domestic and international climate change targets. The scheme aims to encourage people to reduce greenhouse gas emissions.
How the NZ ETS works
The NZ ETS puts a price on greenhouse gas emissions.

It creates a financial incentive for:

- businesses to reduce their emissions
- landowners to earn money by planting forests that absorb carbon dioxide as the trees grow.

One emission unit, the New Zealand Unit, represents one metric tonne of carbon dioxide or carbon dioxide equivalent (i.e., the amount of another greenhouse gas that does as much damage as one tonne of carbon dioxide).

The Government gives eligible foresters units for carbon dioxide that is absorbed by their trees. The foresters can sell these units on the NZ ETS market. Businesses with surrender obligations (legal obligations to hand over units) must purchase enough units to cover their emissions. These units are then surrendered to the Government.

For example, a business emitting 2,000 tonnes of greenhouse gases would need to purchase 2,000 emission units on the NZ ETS market. If the emitter reduced their emissions by 500 tonnes of greenhouse gases, they would only need to purchase and surrender 1,500 units.

It is up to the emitter to decide whether they wish to reduce their emissions or purchase units. The price which the emitter pays for units, sometimes called the carbon price, is set by supply and demand. Where demand for units increases and supply remains constant, the price of units will generally increase. The price will decrease where there is an abundant supply of units.

How NZU trading can take place

3 Issue and options

Due to international agreements and changes to the Emissions Trading Scheme, NZ Carbon Units (NZUs) are now priced at over $25 per unit, with surrender obligations at 1:1.

On 1 January 2019 Waste Management passed on approximately 68% of this cost onto Council’s disposal rate, and have been absorbing the remaining amount.

Unfortunately, it is not viable for them to continue to do so. They have sent out a notice that from 1 January 2020 they will be adding the remaining cost to their disposal rate.
This will mean a total increase of $6 per tonne, and will apply to general and special waste disposal. This will raise the costs according to the table below.

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Was</th>
<th>Now</th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$85</td>
<td>$91</td>
</tr>
<tr>
<td>Special</td>
<td>$179</td>
<td>$195</td>
</tr>
<tr>
<td>MRP*</td>
<td>$251</td>
<td>$257</td>
</tr>
</tbody>
</table>

*MRP – Mixed Recycle Product, waste containing more than 50% mixed recyclables, i.e. plastics 3-7, as these go to landfill.

4 Budget Implications

There is no budget for this increase as Council does not rate for this. Funds are generated by the gate fees and bag sales.

Based on last year’s tonnages, the additional cost for the remainder of this financial year is in the order of $15,610.

5 Recommendation

The ETS fees increased by $6/t at the landfill gate as of 1 January 2020. Council has no budget for this as it’s user pays, not rated. Fees & charge were increased was recent as May 2019. And also noting that other levies are also set to increase in the near future. E.g. waste levy, and additionally the Government has proposed doubling the cap on the price businesses pay for emissions, lifting the emissions price cap in the ETS to $50 per tonne of emissions.

Staff are seeking a recommending that Council implement the increased ETS costs of $6/ton immediately.

Steve de Laborde
Infrastructure Systems and Planning Manager
Appendix A: Letter from Waste Management
10 December 2019

Hauraki District Council
P O Box 17
Paeroa 3640

Dear Hauraki District Council

Re: Charges at Tirohia Landfill

Thank you for continuing to be a valued Waste Management customer.

Like all businesses, we regularly review our costs and wherever possible identify efficiencies to mitigate increases, however this is sometimes unavoidable.

Due to international agreements and changes to the Emissions Trading Scheme, NZ Carbon Units (NZUs) are now priced at over $25 per unit, with surrender obligations at 1:1.

On 1 January 2019 we passed on approximately 68% of this cost onto council’s disposal rate, and have been absorbing the remaining amount.

Unfortunately, it is not viable for us to continue to do so. Please accept this letter as notice that from 1 January 2020 we will be adding the remaining cost to your disposal rate.

This will mean a total increase of $6 per tonne, and will apply to general and special waste disposal. Please view further details contained within the attached updated price list.

We appreciate the excellent relationship we continue to have with council, and look forward to working with you in 2020.

Kind regards

Ivan Venter
Branch Manager

Waste Management NZ Limited
**Tirohia Landfill Price List – Effective 1 January 2020**

<table>
<thead>
<tr>
<th>Waste Type</th>
<th>Charge (per tonne)</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Waste</td>
<td>$91.00</td>
</tr>
<tr>
<td>Special Waste</td>
<td>$195.00</td>
</tr>
<tr>
<td>MRP (Mixed recyclable product)²</td>
<td>$257.00</td>
</tr>
</tbody>
</table>

All prices exclude GST.

²Waste containing more than 50% mixed recyclable product. Assessment of material may be made at point of disposal and waste type adjusted accordingly.
# Decision Report

**To:** Mayor and Councillors  
**From:** Infrastructure Systems and Planning Manager  
**Date:** Wednesday, 15 January 2020  
**File reference:** Document: 2700826  
Appendix A: Waikato & BOP TA Waste Liaison draft submission  
Appendix B: Reducing waste: a more effective landfill levy summary  
**Portfolio holder:** Councillor Duncan Smeaton  
**Meeting date:** Wednesday, 29 January 2020  
**Subject:** Waste Levy - Waikato & BOP TA Waste Liaison draft submission

## Recommendation:

THAT the report be received, and

THAT the Council support the Waikato & BOP TA Waste Liaison draft submission to *Reducing Waste: a more effective landfill levy*.

### 1 Purpose

The purpose of the report is to introduce the Council to the proposed waste levy changes, discuss the likely impacts and to seek the Council’s support for Waikato and Bay of Plenty Waste Liaison draft submission to the government discussion paper: *Reducing Waste: a more effective landfill levy*.

The matter or suggested decision does not involve a new activity, service, programme, project or other deliverable.

### 2 Background

The landfill levy was introduced in 2009 under the Waste Minimisation Act 2008 (the WMA). The levy rate was set at $10 per tonne, and applies to municipal landfills that take household waste.

Money raised by the levy is used to fund investment through territorial authorities (50 percent) and waste minimisation projects, including through the contestable Waste Minimisation Fund (WMF). The Ministry for the Environment (MfE) also retains a portion for collecting and administering the levy and waste minimisation projects.
How The Landfill Levy Revenue Is Currently Spent.
Waste minimisation projects and the WMF
Since its first funding round in March 2010, the WMF has invited applications through 14 funding rounds. Approximately $112.46 million has been distributed through the WMF to the 219 projects approved for funding. The WMF is currently a contestable fund, which generally has an annual funding round. It supports projects that promote or achieve waste minimisation, including:
   a) short-term projects (feasibility studies and capability building efforts)
   b) longer term projects (which include projects that are based on established work and/or require multiple years for delivery of outcomes).

Territorial local authorities
Under the WMA, territorial local authorities are required to use the levy funding they receive ‘on matters that promote or achieve waste minimisation’, and ‘in accordance with its waste management and minimisation plan’. Each territorial authority must create, maintain and review a waste management and minimisation plan that details planned projects and activities. These plans must be revised at least every six years, meaning most councils will be adopting their third-generation plans in around 2022/23.

The 2017 Review of the Effectiveness of the Waste Disposal Levy reported that the levy collector distributed $46.1 million to the 67 territorial authorities across New Zealand during the current review period (2013/14 to 2015/16). $50.3 million was distributed between 2016/17 and 2018/19. Funding is apportioned based on the population in each territorial authority.

The existing levy, at $10 per tonne, is too low, and too narrow in coverage to achieve its objectives of raising revenue to promote and achieve waste minimisation and increasing the cost of waste disposal to recognise the environmental, social and economic costs. The levy only applies to municipal landfills (i.e., those that accept household waste)

3 Issue and options
The Government is proposing to increase the landfill levy and apply it to more types of waste. The levy is currently $10 per tonne of waste which is low by international standards. The levy is only charged at landfills that take household waste, accounting for around only 40% of total waste sent to landfill.

Increasing the levy will better reflect the full environmental, social and economic costs of waste disposal and encourage materials to be reused and recycled rather than sent to landfill.

The Government is also proposing to collect better data about waste.

Four options are proposed for phasing in levy changes:
   A. increasing the rate for municipal (class 1) landfills before expanding to additional sites (starting 1 July 2020) (option A – “increase then expand”)
   B. increasing the rate for municipal landfills at the same time as expanding to additional sites (starting 1 July 2021) (option B – “increase and expand”)
   C. first expanding to additional sites in 1 July 2021, followed by increases to the rate for municipal (class 1) landfills from 2022 (option C – “expand then increase”).
   D. an alternative ‘expand then increase’ option where higher rates are reached for municipal landfills by 2023 (option D – “expand then higher increase”).
Proposed changes to levy rate and coverage

**Increase the levy for landfills that take household waste**
They, the Government, propose increasing the levy rate in stages from the existing $10 per tonne to $50 or $60 per tonne by 2023.

**Apply the levy to more landfills**
They propose applying the levy to all landfills, except cleanfills or farm dumps.

This includes landfills taking construction and demolition waste, industrial waste, and those that take largely inert materials like rubble and soils. For these landfill types, the levy would be either $10 or $20 per tonne of waste disposed.

The proposed changes would be phased in so businesses, councils and the Government have time to get ready for them. The table below shows four options for levy rates and phasing.

<table>
<thead>
<tr>
<th>Landfill types</th>
<th>A (Increase then expand)</th>
<th>B (Expand and increase)</th>
<th>C (Expand then increase)</th>
<th>D (Expand then higher increase)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Municipal landfills (class 1)</td>
<td>$20 1 July 2020</td>
<td>$20 1 July 2021</td>
<td>$30 1 July 2022</td>
<td>$30 1 July 2022</td>
</tr>
<tr>
<td></td>
<td>$30 1 July 2021</td>
<td>$30 1 July 2022</td>
<td>$50 1 July 2023</td>
<td>$60 1 July 2023</td>
</tr>
<tr>
<td></td>
<td>$50 1 July 2022</td>
<td>$50 1 July 2023</td>
<td>$50 1 July 2023</td>
<td>$50 1 July 2023</td>
</tr>
<tr>
<td>Industrial fills (class 1) and Construction and demolition fills (class 2)</td>
<td>$20 1 July 2021</td>
<td>$20 1 July 2021</td>
<td>$10 1 July 2021</td>
<td>$10 1 July 2021</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$20 1 July 2023</td>
<td>$20 1 July 2023</td>
</tr>
<tr>
<td>Contaminated soils and inert materials (managed and controlled fill sites; class 3 and 4)</td>
<td>$10 1 July 2023</td>
<td>$10 1 July 2023</td>
<td>$10 1 July 2023</td>
<td>$10 1 July 2023</td>
</tr>
</tbody>
</table>

Proposals for improved waste data

Proposals to improve the data collected and provided to government include:

- establishing a central record of landfills, cleanfills and transfer stations,
- collecting data on materials disposed of at landfills, cleanfills and transfer stations; including overall waste quantities, the amount of material diverted away from landfill, and the source of materials landfilled and diverted,
- requiring councils to report how they spend levy revenue they receive, and their performance in achieving waste minimisation.

4 Significance and Engagement Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.
5  Budget Implications

Council will incur the additional cost at the landfill gate. However, this increase will be incorporated in the fees and charges at the RTGs and increased bag costs. The increase has no effect on the rates and is only proposed to take effect in the 2021/22 financial year. Unlike the $6 increase in the ETS levy which took effect on 1 January 2020, these costs need to be implemented forthwith. This will increase the bag cost from $2.80 to $2.90 (GST incl). This is discussed in a separate paper to Council.

For example, a rubbish bag that would currently retail for $2.90 (GST included) could retail for $3.80 under the maximum proposed rate of a $60/tonne levy regime.

The table below shows the incremental cost increase of the bags by applying Option B and also indicating the $60 maximum, so 2023 would be either of those two values shown. The same method will be applied to increasing the fees and charges at the RTS gate.

<table>
<thead>
<tr>
<th></th>
<th>Current (excl GST)</th>
<th>Proposed</th>
<th>% Increase</th>
<th>$ increase</th>
<th>Rate</th>
<th>GST incl</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-paid Bag ($2.90 ETS &amp; GST incl)</td>
<td>$2.52</td>
<td>$2.65</td>
<td>5%</td>
<td>$0.13</td>
<td>$20/ton</td>
<td>$3.10</td>
<td>2021</td>
</tr>
<tr>
<td>Pre-paid Bag</td>
<td>$2.65</td>
<td>$2.85</td>
<td>7%</td>
<td>$0.20</td>
<td>$30/ton</td>
<td>$3.30</td>
<td>2022</td>
</tr>
<tr>
<td>Pre-paid Bag</td>
<td>$2.85</td>
<td>$3.17</td>
<td>11%</td>
<td>$0.33</td>
<td>$50/ton</td>
<td>$3.70</td>
<td>2023</td>
</tr>
<tr>
<td>Pre-paid Bag</td>
<td>$2.85</td>
<td>$3.24</td>
<td>14%</td>
<td>$0.39</td>
<td>$60/ton</td>
<td>$3.80</td>
<td>2023</td>
</tr>
</tbody>
</table>

6  Recommendation

The Government is proposing to increase the landfill levy and apply it to more types of waste. The levy is currently $10 per tonne of and is only charged at landfills that take household waste, accounting for around only 40% of total waste sent to landfill.

HDC belong to the Waikato and Bay of Plenty TA Waste Liaison Group. This group is collectively preparing one submission, the draft of which is shown in Appendix A. Amongst the other propositions in the submission, the draft is proposing to use **Option B (expand and increase)**.

This is noted as a staff submission as the turnaround time given by the MfE was not enough for the staff of the TA's to consider and bring it to their respective Council meetings.

The recommendation is:

THAT the Council support the Waikato & BOP TA Waste Liaison draft submission to *Reducing Waste: a more effective landfill levy*

Steve de Laborde
Infrastructure Systems & Planning Manager
Appendix A: Waikato & BOP TA Waste Liaison draft submission
Appendix B: Reducing waste a more effective landfill levy summary
8 January 2020

Ministry for the Environment
PO Box 10362
WELLINGTON 6143

Email: LandfillLevyConsultation@mfe.govt.nz

Dear Sir/Madam

Waikato and Bay of Plenty TA Waste Liaison Group Submission to Reducing Waste: a more effective landfill levy

Thank you for the opportunity to submit on the proposed Reducing Waste: a more effective landfill levy. Please find attached the Waikato and Bay of Plenty TA Waste Liaison Group (TA Waste Liaison Group) staff submission regarding these documents. Some individual councils will be submitting to the consultation in addition to this.

Should you have any queries regarding the content of this document please contact Valerie Bianchi, Education Projects Advisor, Education Team directly on (07) 859 0515 or by email Valerie.bianchi@waikatoregion.govt.nz.

Yours sincerely
On behalf of the Waikato and Bay of Plenty Waste Liaison Group
Valerie Bianchi
Education Projects Advisor
Waikato Regional Council
Submission from the Waikato and Bay of Plenty TA Waste Liaison Group on the Reducing Waste: a more effective landfill levy

Summary

1. We appreciate the opportunity to make a submission on the Reducing Waste: a more effective landfill levy.

2. We support the work MfE is doing in transitioning New Zealand toward a circular economy. The proposed expansion and increase of the landfill levy provides a clear signal from central Government that the current levy system does not sufficiently account for the impact of waste on the environment. The Waikato and Bay of Plenty TA Waste Liaison Group (the TA Waste Liaison Group) continues to support this work.

3. We recognise that disposal to landfills is increasing and this is not sustainable. New Zealand’s waste disposal levy is currently too low and narrowly applied to incentivise waste reduction. For example, in the Waikato Region it is estimated that 25.9% of municipal waste is putrescible. Landfilling is currently cheaper than municipal organics collection despite the environmental benefit that composting offers in reducing greenhouse gas emissions, and providing nutrients back to the soil while diverting from landfill where it cannot provide any further benefit.

4. It is important to note that the proposed changes to the waste levy will have impacts on and be impacted by existing legislation. It is important that there is alignment across the legislation to avoid untended consequences or perverse outcomes. In particular, the Litter Act, ETS Trading Scheme, Zero Carbon Act and RMA may all be affected by and affect changes to the waste levy.

5. To enable an increase to the levy to be most effective, alternatives to disposal must be readily available and easily accessible for communities. A waste levy increase should be combined with support for infrastructure, education, and strategic transition to circular economy.

6. TAs need support for changes in data collection requirements, adequate time to make changes, and support to uphold communication about the changes to the public.

7. Farm dumps a major concern, but these need to be addressed in conjunction with enhancing rural services, such as mandatory product stewardship.

8. Overall, we recommend:
   - The greatest change in waste prevention will be derived from a transition to a circular economy model;
   - An increase and expansion to the landfill levy in order to disincentivise waste production and incentivise resource recovery;
   - Banning or regulating certain products that cannot be circularised;
   - Mandatory economic instruments, such as deposit refund or product stewardship schemes, to encourage circular business practices for problem waste items;
   - National strategies to support waste prevention, including for infrastructure;
   - Comprehensive data collection to drive and monitor progress; and
   - Providing ongoing funding that enhances waste prevention such as for education, programming, and monitoring; and infrastructure.

9. We look forward to future consultation process to incorporate the proposed amendments into relevant statutes and would welcome the opportunity to comment on any issues explored during their development.

Introduction

Established in 1992, the purpose of the Waikato & Bay of Plenty TA Waste Liaison Group is to provide a forum for Waikato and Bay of Plenty regions to come together to discuss shared waste minimisation objectives and achieve waste minimisation, recycling and better management of solid waste through the sharing of information and experiences between district and city council officers, and to coordinate activities between councils and external organisations where appropriate. We have a great opportunity between the regions of the North Island to prevent and divert waste from landfill through shared infrastructure and programmes due to our connections.

The objective of this group is, in part, to prepare recommendations and submissions that reflect the collective agreement of the Waikato & Bay of Plenty TA Waste Liaison Group in regards to significant waste minimisation, management and recycling issues.

As part of the TA Waste Liaison Group, members of this submission include:

- Pat Cronin (Waikato District Council)
- Nigel Clarke (Manager, Solid Waste, Whakatāne District Council)
- Brent Aiken (Asset Manager Solid Waste/Stormwater, Taupō District Council)
- Valerie Bianchi (Education Projects Advisor, Waikato Regional Council)

Commentary

Overall, we see the increase and expansion of the waste levy should play a critical role in our transition to a circular economy and meeting the resource recovery challenges currently faced by Aotearoa New Zealand. The points of difference in opinion among the TA Waste Liaison Group with regard to the waste levy have been more around the mechanism of the levy setting. We are still striving for the same intent and outcomes which is to transition to a circular economy, prevent waste, improve data collection, mitigate for perverse behaviours, and continue education.

Our current system of take – make – dispose needs to fundamentally change to better support our relationship with our environment and our obligation to the current and future generations. For any changes to be effective, alternatives to disposal must be readily available and easily accessible for communities. This includes infrastructure, continuing education, product stewardship and an adequate waste levy which all circularise our economy.

Despite three-yearly statutory reviews on the effectiveness of the levy, there have been no changes to the levy rate of $10 per tonne since implementation in 2008. This is contrary to achieving the purpose of the levy under the Act, to encourage diversion of waste from landfill. In fact, the document for this consultation shows that waste to municipal landfills has risen by 48% in the last decade.

A key rationale for increasing the levy is the anticipated effect that higher disposal costs will have on producer and consumer behaviour. While an increase of the levy to $50 or $60 per tonne appears significant, the actual daily impact of the change at a household level is a matter of cents. While the change may lead to some awareness raising and a level of behaviour change, many households will absorb the cost and continue to direct their waste to landfill. There has been an indication that a waste levy of $140 a tonne will produce the best waste prevention results.
The levy should be set high enough to act as a mechanism to stimulate the circular economy. This will likely mean a period of time where higher volumes continue to go to landfill as society adjusts to designing waste out of the system. For example, construction and demolition waste is currently very high at roughly 30% of the waste we send to landfill in the region. Better design in the associated industries could mean that buildings are made to be dismantled into valued and recoverable resources, thus eliminating waste altogether. This will only happen with appropriately created mechanisms and incentives.

We cannot continue on the trajectory of waste and carbon generation that we are currently on. Designing systems that **prevent** both is the only way to ensure the wellbeing and health of our environment and people.
Consultation questions

1. Do you agree the current situation of increasing amounts of waste going to landfill needs to change?

We agree that systems need to change to better support our relationship with our environment and our obligation to the current and future generations. At present we are operating in an economy where we do not pay the true environmental price for our actions. Our current model of take – make – dispose does nothing to incentivise waste prevention as we know that when our economy does better our waste to landfill increases. There need to be alternatives in place to drive waste prevention and better support of reuse, recycling and recovery of waste within Aotearoa New Zealand rather than sending offshore. Supporting a suite of complimentary systems, such as mandatory product stewardship, education, infrastructure and data collection, as well as increasing and expanding the levy beyond $10 a tonne will help to eliminate and divert materials being wasted.

2. Do you have any comments on the preliminary Review of the effectiveness of the waste disposal levy outlined in appendix A?

The Review of the effectiveness if the waste disposal levy highlights the lack of robust data available and the need to collect more data from a wider range of waste disposal classes in order to (a) quantify waste disposal and (b) encourage waste reduction.

The review should analyse the implications of China’s and other countries recycling import restrictions, as well as the Basel Convention amendment 2019 controlling exports of plastic and other hazardous wastes and how these have and will influence future markets.

3. Do you think the landfill levy needs to be progressively increased to higher rates in the future (beyond 2023)?

Yes, the landfill levy should be progressively increased to higher rates beyond 2023 determined by evidence based decision making. The optimal levy rate has been suggested to be $140 per tonne for active waste, $15 per tonne for inert waste and an incineration rate of $40 per tonne. Once an increase is put in place, regular reviews informed by robust data of the levy system should be undertaken to inform if the levy rate is effective. The scenarios in the present consultation propose varying levy rates for different classes of landfill, so the levy differential would need to be assessed and adjusted accordingly based on waste minimisation and levy avoidance data.

We support an ongoing raising of the levy in gradual increments signaled well in advance over a longer time period. Whilst the levy is currently reviewed every 3 years it is noted that councils operate a long term plan on a 10 year timeframe so it would be helpful for local government and business alike if the Ministry for the Environment also developed a longer term plan or forecast for waste minimisation and levy increases.

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4. **Do you support expanding the landfill levy to more landfills, including:** i. waste disposed of at industrial monofills (class 1) ii. non-hazardous construction, demolition waste (eg, rubble, concrete, plasterboard, timber) (class 2) iii. contaminated soils and inert materials (class 3 and 4) (whether requiring restrictions on future use of site or not)?

There are diversion and minimisation opportunities for all classes of landfills. The Waste Liaison Group agrees on extending the landfill levy to all class 1-4 landfills. There was debate among the TA Waste Liaison group around class 5 landfills as extending the levy reduces the risk of unintended consequences such as waste being disposed of inappropriately to avoid the levy. However, there is little diversion potential with class 5 materials as disposal of class 5 will be mainly for purposes of earthworks associated with development and remediation and overburden stripping.

The TA Waste Liaison group agrees that any scenario will have unintended consequences and mitigation of those should be planned for.

5. **Do you think that some activities, sites, or types of waste should be excluded from being classified as disposal facilities subject to the landfill levy, including:** i. cleanfills (class 5) ii. farm dumps iii. any others (eg, any exceptional circumstances)? If so, please specify.

The categories of landfill in the consultation document and that are proposed to be included or excluded from the levy are based on the descriptions in the Technical Guidelines for Disposal to Land4. For the waste levy to be effectively extended, it is recommended that these guidelines are formally adopted by the Ministry for the Environment prior to the expansion of coverage of the levy. Whilst some regional councils have already aligned their definitions of clean fills and other classes of fills to the Technical Guidelines, others have not. We support the Technical Guidelines for Disposal to Land becoming a regulatory document for district planning purposes as having a consistent approach to definitions of fill sites will mitigate the potential for inconsistency across the country.

We also support the definitions from the Technical Guidelines for Disposal to Land to be used in the Emission Trading Scheme (ETS) to ensure consistency across legislation. Given that methane generated at landfills contribute significantly to carbon emissions, there is the opportunity to enhance the effectiveness of the ETS in relation to landfills by using this measure in conjunction with the levy. We recommend that any increases to the ETS are synchronised with the changes proposed to the landfill levy, to measurably reduce environmental impacts on both the emissions and disposal fronts.

There was debate among the TA Waste Liaison Group about whether class 5 landfills should be excluded from the levy. We acknowledge that there is currently limited data available on the number and location and cleanfills and for this reason we strongly encourage the Ministry to establish and enable programmes of work to identify and register clean fills in conjunction with investigation on how they can be monitored and how levy avoidance could be mitigated.

**Exclusions**

**Legacy Landfills**

Under the current Waste Minimisation Act 2008, waste generated due to a natural disaster such as an earthquake can qualify for a waste disposal levy exemption. However, a coastal landfill is exposed due to

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rising sea levels or flood waters, such as occurred with Fox River, or that needs to be relocated as a preventative measure would not currently qualify for an exemption as climate change is a foreseen event.

We recommend that the Waste Minimisation Act 2008 should be amended to allow for an exemption if waste from a closed landfill is uncovered due to sea level rise and/or flooding or if a landfill needs to be relocated due to sea level rise. Firstly, there is no opportunity to minimise or reduce that waste. Secondly, with changing population patterns and the drift from rural to urban living many rural councils will have a much smaller rate payer base now than they had in the past and it may place an overly high burden on existing ratepayers. Finally, in some instances the waste may have already been subject to a levy.

Farm dumps
Farm dumps are essentially an unlined class 1 landfill. They are a large source of contaminant waste that is disposed of within the Waikato and Bay of Plenty Regions and are typically close to waterways where there is high risk of discharge to surface water and groundwater. For example, in 2016 Waikato Regional Council responded to compliance event where a farm dump containing chemicals and their containers was found to be located within 50 metres of a tributary of the Waihou River. This required some extensive remediation which involved Waikato Regional Council, Waipa District Council and the landowner all sharing costs of approximately $25,000. Other councils have reported farm dumps comprising significant tonnages of waste in one instance of up to 20,000 tonnes of waste per annum. In such a situation the farm dump may be operating as an unlicensed landfill on rural land.

The levy system might not be the right tool for dealing with farm dumps as we don’t actually want to encourage them at all by allowing them to operate within the levy system. It is important that the risk to the environment that farm dumps pose needs to be managed through an NES. This would ideally mean they are prohibited through such regulation.

One interim option for farm dumps might be an annual fee. While it would be very difficult (and sending the wrong message) to administer a per tonnage levy it may be possible to apply an annual fee for any farmer with an open/active farm dump. The fee could be initially set low but with the intention of gradually increasing it as more rural waste options become available as currently there are not many well supported solutions for dealing with rural waste. The aim would be that farm dumps would be gradually discouraged through an increasing fee structure as alternative options become available including silage wrap being included as a priority product under the proposed Priority Waste Stream for Product Stewardship Intervention. Eventually farms dumps could be prohibited under the above mentioned NES.

We are mindful of the need to increase and improve waste services to the rural sector in conjunction with any regulation or legislation that represents a change to current waste management practices. Establishing effective product stewardship schemes and increased waste levy funding to other classes of landfill could assist that.
6. **Do you have any views on how sites that are not intended to be subject to a levy should be defined (eg, remediation sites, subdivision works)?**

Most TA Waste Liaison Members support the intention that the expanded levy would only cover sites acting as managed or controlled fills\(^5\) where the primary purpose is the permanent disposal of unwanted materials. There are valid reasons why someone might be using fill for geotechnical purposes or as part of a site development or remediation where fill is not being disposed of as a waste. However, we do not support the site remediation exclusion example provided of *the infilling of a quarry after it ceases operation* as this is going to mostly involve receipt of payment by the quarry operator and would result in many managed and controlled fill sites from being excluded from the levy. However, one justifiable exclusion for infilling a quarry could be where that material was overburden from the wider site but that would fall under the definition of cleanfill/virgin excavated soil anyway.

We also suggest that should any waste to energy plants be established, they should also be subject to a levy. Waste to energy encourages continued linear behaviour of buy – use - throw away and do not support a circular economy, as well other negative issues.

7. **Do you prefer the proposed rate for municipal (class 1) landfills of: i. $50 per tonne ii. $60 per tonne iii. other (please specify eg, should the rate be higher or lower)?**

We believe that the levy rate needs to be considerably higher than $50 - $60 per tonne if we are to see waste diversion and minimisation outcomes maximized. Best practice has signalled a levy rate of $140 a tonne\(^6\). Whether the levy is set at $50 or $60 a tonne in the next three years should not get in the way of a rate being established that will support effective waste prevention.

8. **Do you think that the levy rate should be the same for all waste types? If not: i. should the levy be highest for municipal landfills (class 1)? ii. should the levy be lower for industrial monofills (class 1) than municipal landfills (class 1)? iii. should the levy be lower for construction and demolition sites (class 2) than municipal landfills (class 1)? iv. should the levy be lowest for contaminated soils and other inert materials (class 3 and 4)? v. should a lower levy apply for specified by-products of recycling operations?**

In principal, a higher levy should apply to waste that has alternative options for waste reduction, recovery, reuse and recycling. There is a good case for setting a similar levy for Class 1 and 2.

The levy should be lower for Class 3 and 4 as there are less options available for avoiding disposal. However, the levy fee should still be set at a level that is sufficient to encourage alternative options such as onsite management such as encapsulation, covering under carparks or building platforms or a tier 2\(^7\) risk assessment in order to reduce the need to remove soils on site where the tier 2 risk

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\(^5\) Predominantly clean fill material that may also contain inert construction and demolition materials and soils from sites that may have contaminant concentrations in excess of local background concentrations, but with specified maximum total concentrations that will not restrict future landuse.


\(^7\) Site-specific or ‘Tier 2’ assessment in contaminated site practice is using site-specific information to modify the generic assumptions used for the SGV derivation; this will more accurately estimate a person’s exposure and therefore the risk to human health for the particular situation.
assessment indicates that a higher contaminant concentration will not pose an increased risk to human health if it remains on site. Therefore, consideration of a higher rate than $10 is appropriate but the rate should not be set as high as Class 1 and 2. This is because in many cases, leaving the material on site is not possible due to the size of the site and the geotechnical unsuitability of the soil material (in a lot of cases it is the top soil that is mostly contaminated which is the soil that is least suitable for building on), and therefore disposal to a controlled fill or managed fill site is the only option.

This however, doesn’t apply to those inert fill materials such as concrete and bricks etc. which often go to controlled fill and managed fill sites. There is a case for applying a higher levy to those types of fill material which are essentially inert construction and demolition waste (Class 2) as it is often quite possible to re-purpose these materials. This could however, get complicated for administering as they would need to be weighed out separately and often they may arrive together mixed with soil material. This may drive a more responsible separation of materials prior to transport and disposal if these are required to be levied at a different rate.

The intent of a lower levy for specified by-products of recycling operations is clear, but it is possible that this could be open to misuse and would need to be carefully monitored and audited which could increase administrative costs. It may be better to use the collected levy to provide ways of better supporting recycling operations through other mechanisms.

If different rates are put in place, mitigation measures need to be put in established in conjunction to avoid perverse outcomes. In addition, alignment needs to be made between waste levy regulation and other legislation that can support enforcement.

9. **Do you support phasing in of changes to the levy, and if so, which option do you prefer – increase then expand (option A); expand and increase (option B); expand then increase (option C); expand then higher increase (option D); or none of the above?**

A number of implementation options are possible for the levy with MfE outlining 4 suggested options in the consultation document with a wider number of options presented in the report *Estimates of extending and raising levy analysis* by NZIER for the Ministry for the Environment. The merits of each option are mixed so the Ministry should consider some key principals and put measures in place to mitigate any negative outcomes. The key concerns for Regional Councils and TAs is their ability to implement changes in time; and mitigation measures are in place to prevent potential perverse outcomes from levy avoidance disposal behaviour.

**Timing**

If the levy is initially only increased, then most councils would be able to incorporate this into their annual and long-term planning processes by July 2021. However, if an increase was planned for July 2020 i.e. **Option A** councils would need a minimum of 3 months notice or longer in order to be able to incorporate that increase into their budgetary processes.

If the levy is expanded a longer lead-in time would be needed.

Changes that some councils would need to make if the levy was expanded include:

- Redefining existing landfill classes to make sure they comply with the definitions in Technical Guidelines for Disposal to Land.
• Changing or amending software used at weighbridges to comply with any data reporting requirements
• Creating reporting processes for reporting on data from transfer stations. Currently at least 15 transfer stations which process more than 1,000 tonnes per annum do not have a weighbridge so some councils may need to install weighbridges. Other councils have unmanned transfer stations and fills.

Many rural councils have only a part time FTE allocated to the waste portfolio, yet many rural councils have multiple transfer stations servicing small communities. For example, Thames Coromandel has 7 transfer stations and a Solid Waste Contract Manager shared between Thames Coromandel and Hauraki Districts.

A National Waste Data Framework would also need to be agreed upon to ensure that data was reported in a consistent manner.

There is concern from councils that regardless of which option is chosen the Ministry will not provide sufficient lead-in time for councils to make a smooth transition. For options B, C, and D most councils would need a minimum of 12 months to implement any expansion once the Ministry had finalized the exact details i.e. reporting categories etc. and 18 months from the date of any initial announcement.

Perverse outcomes
We are strongly concerned at the potential for levy avoidance behaviour in particular inappropriate disposal of waste at landfills with cheaper disposal fees, to farm dumps or through fly tipping. Remediation of these events are a detriment to our environment, expensive to manage and time consuming. For example, last year, Waikato Regional Council, Thames Coromandel District Council and Land Transport NZ were involved in an incident with historic dumping of asbestos oyster/mussel trays on the Thames Coast (Manaia) coast line which was exposed with recent storm weather conditions over the past couple of years. This also involved massive resources to test the trays and verify the asbestos, the contracting of suitably qualified asbestos removal companies with associated health and safety (SHE) administration, contract drafts etc. An increase and expansion of the waste levy is fully supported, but complimentary measures need to be in place to prevent waste going to the wrong class of landfill and to prevent waste disposed of on farm dumps or through illegal dumping. For example, the Litter Act currently not well utilised as it is impractical to enforce.

10. Do you think any changes are required to the existing ways of measuring waste quantities in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009?

We recommend some more specific conversion factors be developed as the application of the levy across Classes 1,2,3 and 4 will require more specific identification and quantification of different waste streams meaning more accurate conversion factors are required.

11. Do you think any changes are required to the definitions in the Waste Minimisation (Calculation and Payment of Waste Disposal Levy) Regulations 2009?

The definition of a disposal facility should be made more specific to align with the current 5 classification system.
12. What do you think about the levy investment plan?

The TA Waste Liaison Group supports the development of a levy investment plan and agree with the six priorities listed in the consultation document, but note that:

The six priorities listed are very broad and could encompass almost any project so more detail guidance could add a strategic lens. In 2013, the Ministry developed a framework for assessing waste streams by priority. The tool assessed different waste types using three criteria – risk of harm, quantity of waste, and benefits from minimisation – and developed a simple rating for each waste type. The creation of an investment plan could include such a framework to determine expenditure priority.

We support the proposal to invest in measures to combat inappropriate forms of disposal, and would like to see local authorities enabled to use part of their Waste Minimisation Fund allocation to increase monitoring and enforcement action following fly-tipping. However, monitoring and enforcement of the levy, including measures to combat inappropriate forms of disposal (littering, fly tipping, illegal dumping); and data on waste quantities and composition, behaviour or economic incentives may not strictly meet the criteria under the existing wording of the Waste Minimisation Act as Section 32 1a states that levy expenditure must be spent on matters to promote or achieve waste minimisation.

Two additional priorities also include:

- initiatives that have the potential to prevent waste being created in the first instance i.e. waste avoidance. For example, the redesign of products; and
- ongoing education and behaviour change initiatives. For example, the funding of programs such as Para Kore Marae Incorporated and Enviroschools. Public understanding and support of waste minimisation and the circular economy is crucial to the success of other waste minimisation initiatives. If Aoteaora New Zealand is transitioning to a circular economy and is serious about environmental risk and climate change, then this type of learning should be part of the national education curriculum.

The TA Waste Liaison Group also suggests that the WMF should have the flexibility to address past as well as future waste issues. To date, WFM has been future facing and hasn’t been amenable to addressing legacy issues such as farm dumps.

We ask the Ministry for the Environment to also consider placing a climate lens over the levy investment plan, prioritising projects and initiatives that have a clear climate change mitigation or adaptation focus in line with the Zero Carbon Act, which allows decision-makers to make specific considerations to climate impacts. In particular, both construction and demolition waste and organic waste including both food and biosolids make a significant contribution to the total tonnage of waste to landfill and contribute significantly to methane emissions from landfill. These have huge diversion potential and a combination of increasing the levy while investing in projects which aim to circularise these waste types could have very positive outcomes for waste and methane prevention.

If the levy revenue is to increase, this should be protected and spending should be linked to the waste investment plan rather than being used for other purposes.

Administration

The TA Waste Liaison Group suggests that the levy fund could be administered by a decentralised waste authority. This would allow funding to be distributed without political intervention so that there could be
long term strategic direction for efficient and effective spending of the levy on projects that support a circular economy and product stewardship.

**Discrete v ongoing funding**

The consultation document suggests that levy funding should primarily be discrete rather than ongoing; and that levy funding should be directed to initiatives that need capital at the start to cover setup costs that might otherwise be uneconomical, but over time can become self-sustaining.

A number of TAs use waste minimisation funding for waste minimisation staff or to fund educational programs such as Enviroschools, Para Kore Marae Incorporated, and/or Waste Free Parenting workshops. Whilst the programs remain the same, the participants change as new children and new parents learn about waste minimisation. Equally some programs may never become self-sustaining until compulsory product stewardship schemes are implemented. Some councils also use waste levy funding for e-waste, hazardous chemical and farm chemical collections which are ongoing.

**50% funding split**

Local councils are uniquely placed to reach and understand the needs of local communities and influence behaviour, regularly consulting with and engaging ratepayers as well as working alongside industry where possible. A number of councils have set up their own waste minimisation funds which businesses and community groups can apply to for smaller scale projects. These smaller funds are an excellent resource for community that support local solutions.

We note that the current 50% split to TAs on a per head of population basis has left smaller councils at a disadvantage. Some smaller councils, such as Waitomo with 9,000 residents, have very high overseas visitor numbers (for example approximately half a million yearly in Waitomo) and these councils are struggling to provide the infrastructure required from their rates and waste levy funding. Other smaller councils have geographical challenges in terms of distance from markets or have a number of smaller communities where there need to replicate services and cannot benefit from the economies of scale that larger councils can. We suggest a review of how the 50% of council funding is shared and suggests that a more equitable approach would be to allocate a minimum level of levy funding per council thus enabling even smaller councils to implement effective programs to promote and achieve waste minimisation.

We also raise the issue that although regional councils have the responsibility for managing discharges to land from waste disposal facilities, they do not receive WMF funds to assist with this; and instead have to compete for contestable funds. We believe that there is scope for some of the fund to be available to Regional Councils for collaborative and cross-boundary projects; which could include legacy farm dumps and practical alternatives to support farmers. Regional Councils will also have more of a role to play in environmental monitoring, compliance and enforcement and should be supported to do this adequately.

**Transparency**

We are of the opinion that central government should consider the implementation of a governing body to oversee the investment, implementation and future management of new infrastructure resulting from levy spend. As private industry has previously controlled waste diversion industry they have therefore also controlled markets and their availability. A governing body to control any future industry and markets would mean that less profitable recyclables still get recycled, pricing could be fixed and markets could be available to all irrespective of diverted amounts and distance.
The consultation document proposes mandatory reporting from local authorities to the Ministry on their levy expenditure but does not mention mandatory reporting back on Ministry expenditure. We call for transparency from the Ministry for the Environment on what the remaining 50 per cent of waste levy funding is invested in. In particular timely reporting on what projects have been funded and whether the project achieved its goals or not is appropriate.

13. If the Waste Minimisation Act 2008 were to be reviewed in the future, what are the changes you would like a review to consider?

As noted previously under question 5 - Exclusions, the TA Waste Liaison Group recommends that the Waste Minimisation Act 2008 should be amended to allow for an exemption if waste from a closed landfill is uncovered due to sea level rise and/or flooding or if a landfill needs to be relocated due to sea level rise. Firstly, there is no opportunity to minimise or reduce that waste. Secondly, with changing population patterns and the drift from rural to urban living many rural councils will have a much smaller ratepayer base now than they had in the past and it may place an overly high burden on existing ratepayers.

Secondly, the wording of the Act may need to be amended to allow monitoring and enforcement of the levy; data on waste quantities and composition; ongoing behaviour change and education; and economic incentives eligible to be funded by the levy. The specified rate of levy (section 27) will need to be amended to align with the outcome of the current levy expansion proposal. There also needs to be amendment to section 32 relating to Spending of levy money by territorial authorities and also section 33 (secretary spending of levy instead of TAs in certain circumstances and also section 37. In summary, there needs to be more specificity around what the levy can be spent on and there needs to be accountability and reporting requirements.

14. Do you agree that waste data needs to be improved?

The TA Waste Liaison Group strongly agreed that waste data needs to be improved and a national waste data framework implemented so that data currently collected can be accurately aggregated at a national level. 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.

New Zealand lacks comprehensive, reliable waste data. 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, 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.

Three key actions are required to improve waste data

- Require (under section 37 of the WMA) the Waste Data Framework to be used by TAs for compiling and reporting data.
- Develop and implement regulations under Section 86 of the WMA to provide a mechanism for requiring reporting of recovered material data.
• Establish a platform for key parties to enter data into, compile data, and make aggregated data available which will support both MfE and local government's data needs.
• Establish data standardization so there is consistency and ease of data analysis

15. If the waste data proposals outlined are likely to apply to you or your organisation, can you estimate any costs you would expect to incur to collect, store and report such information? What challenges might you face in complying with the proposed reporting requirements for waste data?

The TA Waste Liaison Group acknowledges every council will face its own unique challenges in complying with the data reporting requirements.

The current reporting system lies heavily on reported the amount of diverted waste, however, in many projects implemented by local authority WLF spend this is hard to measure, for example school and other educational programmes. Further thought is needed on how to measure the success of such programs.

Should the National Waste Data Framework (NWDF) become a requirement, territorial authorities (and other parties) will require assistance on its implementation and use. Any such implementation would require changes to council facilities recording including weighbridge software, internal reporting methods – including reports to council and possibly council plans, and reporting to MfE. Any changes to the current system will require resources for training, online reporting facilities (both for reporting to and from local councils), and reporting templates. Whakatāne District Council recently looked at implementing the NWDF at their transfer station and found that trying to class the NWDF source of mixed loads creates many issues for data reporting. Thus any changes would require considerable resources. Consideration should be given whether to use levy revenue to help implement any data requirements for territorial authorities.

The TA Waste Liaison Group also suggests Central government should also consider a national educational campaign on levy changes which makes it clear that these changes are not local authority changes, but national ones. In effect any extra levy is going to increase local authority rates. Ratepayers will therefore believe the changes are a result of local council decisions and it needs to be made clear that this is not the case.

The Waikato and Bay of Plenty Waste Liaison Group are currently working on a project to implement cross-regional waste operator licensing and data recording. This project could be used as a learning experience, pilot project or even expanded to accommodate future levy reporting requirements.

Overall it is anticipated that TAs will need time and funding for reporting, implementation and monitoring; and some TAs might need to employ a staff member to carry out their council's waste portfolio with the expansion of this work.

16. What are the main costs and benefits for you of the proposals to increase the levy rate for municipal landfills, expand the levy to additional sites and improve waste data?

Costs

As previously discussed, costs to councils could be incurred such as setting up weigh bridges, employing additional staff, and costs associated with data collection and reporting. For example, Taupō District Council currently has 5 facilities without any measuring capability, apart from when it is transferred to
final disposal. There are thus price implications for exiting services such as kerbside collections in addition to gate prices. Extra cost will have to be placed on refuse bags or bins funded by either user pays or rates, so time will be needed to determine the best way to deal with the increase in cost.

There could be increased costs for enforcement in the short term if implementation of the levy results in unintended consequences such as an increase in fly tipping and other unauthorised and inappropriate disposal methods. This is why maximum benefit will be realised through setting the levy rate across different landfill classes in a way that minimises this from happening and also by using the levy effectively to develop supporting technologies that reduce the need for waste disposal.

**Benefits**

One of the anticipated benefits relate to better long term environmental outcomes. If the waste levy is set high enough to inspire systems change and mitigation measures are in place to cope with perverse behaviours, then reduced discharge to the environment will put us in a better position to sustainably manage our natural and physical resources.

Additional funding is a clear benefit as this money can support innovation, education and infrastructure that will prevent waste. An increase in available data would allow a more precise waste assessment and clearer picture of waste flows within the district. This allows the identification of new diversion opportunities.

In order to ensure the successfulness of expanding the levy, the proposed Priority Waste Stream for Product Stewardship Intervention should be extended to include treated timber as a priority product which is currently a significant contributor to landfill waste. Currently there is little incentive for the development of processing technologies for CCA treated timber waste or for replacing CCA treatment with alternative treatments that pose less risk to the environment.

**17. Additional Comments**

**Alignment across Legislation**

It is important that there is alignment across legislation. In particular the TA Waste Liaison Group has concerns over the effectiveness of the Litter Act given that an increase in illegal dumping and fly tipping may occur. Many councils have found it very difficult to enforce the provisions of the Litter Act as it currently stands, as there is a high threshold for the evidence required to issue an infringement, and the cost of chasing fines often outweighs the fine itself. On this basis, it is necessary to review the Litter Act in line with the introduction of the expanded waste levy to enable more effective enforcement.

Furthermore, councils will need to be well resourced to carry out the regular monitoring that will be necessary to minimise instances of illegal dumping. While the Ministry’s proposals suggests that enforcement activities can be funded through the council allocation of the WMF, bylaws for this types of enforcement would be established under the Litter Act, not the Waste Management Act 2008 (WMA) to which the fund relates.
Reducing waste: a more effective landfill levy

Summary document
New Zealand’s waste problem

New Zealand has a waste problem. We lag behind other countries in our reuse and recycling rates, and are disposing of more and more waste into landfill. We have one of the highest rates of per capita waste production in the developed world.

We have limited infrastructure (such as recycling facilities) for processing waste materials within New Zealand. We used to send products like plastics and paper overseas for recycling but other countries are increasingly placing restrictions on the waste they will accept.

We have limited data on waste and recycling. This makes it difficult to identify opportunities to reduce waste and measure how well we are doing at reducing waste.

New Zealanders have recognised our waste problem and its effects on the environment, and want to see improvements. Local government has called for change. A 2018 Ministry for the Environment survey showed we rank waste as one of the three most important challenges facing our country in the next 20 years.

**Amount of waste disposed of at levied landfills in New Zealand**

Note: This graph shows waste disposed of at landfills subject to the levy (currently class 1 landfills that receive household waste and other waste types). Not all landfills in New Zealand are subject to the levy, with the country’s total waste tonnage likely to be more than double what is shown in the graph.
The landfill levy

Much more could be done to reduce waste and reverse recent trends. We need to provide the right infrastructure, services and incentives so sending waste to landfill is no longer the cheapest and easiest option.

We have the opportunity to change how we do things and the Waste Disposal Levy (‘landfill levy’) is an important tool to help us:

- create an economic disincentive to producing and disposing of waste
- raise revenue to invest in waste minimisation, including local infrastructure for materials reprocessing
- make alternatives like reuse and recycling more competitive (as landfilling becomes more expensive).

We already have a landfill levy but it’s too low and applies to too few landfills to be working well.

What is being proposed?

The Government is proposing to increase the landfill levy and apply it to more types of waste.

The levy is currently $10 per tonne of waste which is low by international standards. The levy is only charged at landfills that take household waste, accounting for around only 40% of total waste sent to landfill.

Strong calls to increase the levy and expand its coverage have come from local government. The Tax Working Group, the Organisation for Economic Co-operation and Development (OECD), and the New Zealand Productivity Commission have also made similar calls.

Increasing the levy will better reflect the full environmental, social and economic costs of waste disposal and encourage materials to be reused and recycled rather than sent to landfill. This will help make our economy more efficient and help create jobs.

The Government is also proposing to collect better data about waste.

<table>
<thead>
<tr>
<th>Proposed changes to levy rate and coverage</th>
<th>Proposals for improved waste data</th>
</tr>
</thead>
</table>
| **Increase the levy for landfills that take household waste**  
- We propose increasing the levy rate in stages from the existing $10 per tonne to $50 or $60 per tonne by 2023.  
**Apply the levy to more landfills**  
- We propose applying the levy to all landfills, except cleanfills or farm dumps.  
- This includes landfills taking construction and demolition waste, industrial waste, and those that take largely inert materials like rubble and soils. For these landfill types, the levy would be either $10 or $20 per tonne of waste disposed.  

The proposed changes would be phased in so businesses, councils and the Government have time to get ready for them. The table opposite shows four options for levy rates and phasing. |
| Proposals to improve the data collected and provided to government include:  
- establishing a central record of landfills, cleanfills and transfer stations  
- collecting data on materials disposed of at landfills, cleanfills and transfer stations; including overall waste quantities, the amount of material diverted away from landfill, and the source of materials landfilled and diverted  
- requiring councils to report how they spend levy revenue they receive, and their performance in achieving waste minimisation. |
The levy will be invested in achieving a low-waste future for New Zealand

A low-waste future for New Zealand is one where less waste is produced and where significantly more materials are reused and recycled rather than going to landfill. It requires targeted investment, including to develop large-scale resource recovery infrastructure. New Zealand needs to deal with its own waste rather than relying on sending it overseas.

Investment is needed at every stage of a product’s lifecycle, from more thoughtful product design that considers how products will be disposed of at the end of their lives, to comprehensive and accessible recycling services for a wide range of waste. Investment might include:

- increased on-shore processing and manufacturing capacity for plastics, paper and glass
- investment in improving the quality of our recycling commodities (such as better systems for collecting and sorting materials)
- investment in new services such as kerbside collection of organic materials like food and green waste.

There is already a broad waste reduction programme underway. This includes the design of a modern Container Return Scheme, the recent ban on single-use plastic shopping bags and developing regulated product stewardship schemes. Work is also in progress to improve New Zealand’s resource recovery and recycling sector in response to international restrictions on exporting waste.

Improving the effectiveness of the landfill levy is a major part of this wider work programme. The Government’s proposals to increase the levy and expand its coverage would significantly grow levy revenue from approximately $30 million currently to around $220–$250 million per annum by 2023. We intend to develop an investment plan to ensure this levy revenue is spent where it can be most effective.
What will this mean for me or my business?

The direct costs of an expanded and increased levy will be borne by landfill operators, who are likely to pass these costs on to customers. Landfill operators are likely to adjust their pricing and practices in different ways.

In general, the impact on individual households or businesses is likely to be at the low end of the scale, while larger producers of waste may be more exposed to any cost increases.

Below are two examples of how costs may change under a new levy regime.

1. **Domestic rubbish bag**

   **NOW**
   at $10/tonne levy
   1 bag = 6.5 cent levy

   **PROPOSED**
   at $60/tonne levy
   1 bag = 39 cent levy

   Councils may pass on cost increases by raising the cost of a domestic rubbish bag.

   Using the above example, a rubbish bag that currently retails for $2.50 (GST included) could retail for $2.83 under the maximum proposed rate of a $60/tonne levy regime.

   This example assumes that the council passes the higher levy cost directly to the purchaser; that the levy rate reaches $60 per tonne, which is the maximum rate proposed; and that an average-sized rubbish bag weighs 6.5kg.

2. **Waste from a house build and demolition**

   The landfill levy could increase the levy-related costs of disposing waste from the average house build from less than $10 at present to between $70 and $75.

   Currently, the levy-related cost of disposing waste from a house demolition is estimated to be around $25. This could rise to between $280 and $300 under the proposed levy rates (with opportunities to minimise or avoid these costs if more construction materials are recovered).

Having your say

The Government is interested in your views about the proposals summarised in this document.

To read about the proposals in more detail, download the consultation document from our website at: www.mfe.govt.nz/consultations/landfill-levy.

Submissions close at 5pm on Monday 3 February 2020.

You can make a submission in two ways:

   This is our preferred way to receive submissions.

2. Write your own submission by answering the questions in the consultation document.

   Post your submission to:
   Landfill Levy Consultation
   Ministry for the Environment
   PO Box 10362
   Wellington 6143.

   Email your submission (as a PDF or Word document) to:
   LandfillLevyConsultation@mfe.govt.nz

Direct any queries to:
LandfillLevyConsultation@mfe.govt.nz

Timeline

- November 2019 – February 2020
  Public consultation on levy and data proposals

- Mid–2020
  Final policy decisions made

- Mid–late 2020
  Regulations made and notified (ie, published in the Gazette)

- Mid–2020 – mid–2023
  Landfill levy changes proposed to take effect (actual dates depend on final policy decisions)

- July 2021
  Waste data improvements proposed to take effect

- By July 2023
  By this date, all new levy rates are proposed to be in place
1 Summary

This report summarises performance and issues in the Waste Management work area. The body of the report refers to November and December 2019.

2 General

These months have, once again been without any major incidents. The weight of refuse going to landfill has varied in November from both kerbside and our RTS sites. This is reflected in the graphs further down in this report.

The Kerbside measure of waste going to landfill for the month of November was 7.1kg/person, an increase from last month’s 6.4kg/person and is not on target of 6.2kg/person.

The kerbside measure of waste going to landfill for the month of December was 6.7 kg/person, a decrease from last month’s 7.1kg/person and is not on target of 6.2kg/person.

The Total refuse going to landfill is still below and within the target for 2022, there was an increase for the month of November. The target is 26.3kg/person/month with November being 20.5kg/person. December being 21.9kg/per person.
3 Transport Tonnages:

Tonnage transported from the Paeroa & Waihi transfer stations to the landfill at Tirohia.

Both Paeroa and Waihi tonnages have increased for the month of November. This is reflected across the data in this report.
4 Diversion

The graph below shows the weight in tons, of each waste stream coming from the three source areas managed in the contract, namely Kerbside collections, Paeroa & Waihi Refuse Transfer Stations (RTSs). It shows the current month plotted against the previous month for easy comparison.

Some of the terminology used in the waste stream requires an explanation:

- Recycling: Mixed cardboard, plastics, aluminium, etc., from a Kerbside Wheelie Bin.
- Glass: As it says, but sorted into clear, green and brown.
- Cardboard: Cardboard on its own, not mixed, from RTSs.
- Commingle: The same as recycling, but from the RTSs.
- Green Waste: As it says and includes the category Mulch.
- Refuse: None of the above, everything that goes to landfill.

For the month of November, a total of 26.8% of solid waste collected was diverted from Landfill and the month of December a total of 25.5%, a slight decrease from August which was 28.5%. We have noticed that diversion at the kerb (48.7%) is always better than the RTSs. Paeroa is at 4.7% and Waihi 17.4%. The assumption is, that most of the recycling is picked up with the kerbside collection.

Waste Minimisation Targets

On the following page are the graphs representing the waste stream going to landfill, compared to the targets set for 2022 in the Waste Minimisation Plan.

Also shown and compared are the volumes of refuse and recycling generated from the various sources, namely: Kerbside collection, Paeroa RTS and Waihi RTS.

The calculations for the graphs were based on the following information:

- Rated properties: 6,800 (rated for solid waste)
- District Population: 19,950 (Strat Planning, 1 Jul 2018)
- Applied Kerbside Population: 17,000 (assuming 2.5 people/property)
### HDC Waste Summary for 2019

#### 2022 Targets

<table>
<thead>
<tr>
<th>Kg/Person/Yr</th>
<th>Kerbside</th>
<th>Total</th>
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</thead>
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#### Diversion

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<th>Recycling (t)</th>
<th>Total (t)</th>
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<tr>
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<td>124.6</td>
<td>639.1</td>
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<td>478.2</td>
<td>153.7</td>
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<td>Mar</td>
<td>507.0</td>
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<td>402.8</td>
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<td>450.3</td>
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<tr>
<td>Jun</td>
<td>329.3</td>
<td>128.1</td>
<td>447.3</td>
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<tr>
<td>Jul</td>
<td>367.4</td>
<td>123.8</td>
<td>490.2</td>
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<tr>
<td>Aug</td>
<td>363.5</td>
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</tr>
<tr>
<td>Sep</td>
<td>338.0</td>
<td>126.9</td>
<td>464.9</td>
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<tr>
<td>Oct</td>
<td>387.9</td>
<td>137.7</td>
<td>525.7</td>
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<tr>
<td>Nov</td>
<td>409.5</td>
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<tr>
<td>Dec</td>
<td>436.3</td>
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#### Recycling

<table>
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<tr>
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<th>Kerbside</th>
<th>Paeroa RTS</th>
<th>Waihi RTS</th>
<th>Total (t)</th>
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<td>10.6</td>
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<td>124.6</td>
</tr>
<tr>
<td>Feb</td>
<td>116.4</td>
<td>9.6</td>
<td>33.5</td>
<td>159.5</td>
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<td>15.1</td>
<td>18.5</td>
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<tr>
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<td>11.3</td>
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<tr>
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<td>107.7</td>
<td>8.1</td>
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</tbody>
</table>

#### Refuse

<table>
<thead>
<tr>
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<th>Kerbside</th>
<th>Paeroa RTS</th>
<th>Waihi RTS</th>
<th>Total (t)</th>
</tr>
</thead>
<tbody>
<tr>
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<td>249.1</td>
<td>162.6</td>
<td>514.5</td>
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<td>Feb</td>
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<td>232.9</td>
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<td>478.2</td>
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<tr>
<td>Mar</td>
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<td>165.0</td>
<td>157.9</td>
<td>436.3</td>
</tr>
</tbody>
</table>

#### Population Data used:
- Properties Rated: 6800 (properties)
- Kerbside Population: 17000 (2.5 P/prop)
- District Population: 19950 (1 July 2018)
5 Capital Works:

Paeroa RTS Site:
- Planning nearly complete
- Survey data complete;
- KTB Planning to proceed with Resource Consent
- Installation of cameras

Waihi RTS Site:
- Planning complete
- Quotes for almost all components received.
- Resealing complete;
- Civil work design complete.
- Survey and Scala tests complete.
- Next phase – upgrading the scrap metal area.
- Installation of cameras

6 Financial Comment:

There is no financial statement for this month. Currently, there is nothing out of the ordinary to comment on.

7 Paeroa Reuse Centre:

HDC obligations for the establishment of the Re-use Centre, include obtaining a resource consent to lift part of the site out of the Paeroa Inundation Zone. The resource consent application has been submitted. Once the consent has been obtained work on elevating the ground can commence.

Quotes & procurement for the other areas where HDC has made a commitment, are being worked on and are as follows:
- Installation of a toilet & shower facility in the existing building, this includes new wastewater & water connections.
- Erection of a fence separating the RTS activities from the Re-use Centre,
- Purchase of a shipping container for SEL to use for storage in compensation for the building given to the Re-use Centre to use.
- And finally re-contouring the site for maximum use.

That concludes this report

Steve de Laborde
Infrastructure Systems & Planning Manager
Information Report

To: Mayor and Councillors
From: Infrastructure Systems and Planning Manager
Date: Wednesday, 22 January 2020

File reference: Document: M 2699470
Appendix A: Extent of the Land Drainage & Flood Protection Activity.
Appendix B: Analysis of Mechanical Cleaning

Portfolio holder: Councillor Phillip Buckthought
Meeting date: Wednesday, 29 January 2020

Subject: District Drainage Activity Report
To 31 December 2019

Recommendation:
THAT the report be received.

Operations Notebook

- 3km of drains have been sprayed in this financial year. There has been 3kms of drains machine cleaned so far this financial year. The spraying of drains will increase as the weather stabilises.
- While minor work has been done, the full Mechanical cleaning programme is yet to get underway.
- Minor maintenance has been undertaken in all districts.
- Routine inspections of floodgates, culverts and pump stations were checked and cleared as required.
- 30 approximate man-hours were spent on pump screen cleaning during November. No screen cleaning occurred in December.

Capital Works
The capital works consist of assessing and raising stopbanks and refurbishing pumps and pump screens.

Stopbanks:
All of our primary stopbanks from Waitakaruru to Miranda North in the Western plains and the secondary stopbanks on the high level drains of the Eastern Plains, known as The Terraces, are being assessed.

Progress to date:
- The survey and design has been completed.
- The resource consent application submitted.
- The Ecology Assessment completed and submitted
- Imported material volumes & first order costs calculated.

We are currently waiting for the draft conditions of the resource consent for cleaning the Hot Springs and Karito Canals to be issued for us to comment on, we’re expecting these towards the end of January/early February.

The Borrow Pit dig for the foreshore stopbanks is getting underway, this will take 3-4 months to complete and is a permitted activity, i.e. no resource consent required.
Financial Comment
There is nothing significant to report on the finances yet. There have been a few minor expenses, however most are expected to start occurring from January. The wind over the previous couple of months has delayed any spraying efforts.

Mechanical Cleaning Programme:
This is a work in progress and will continue to be “under construction” for a few years still, until all the drains have been cleaned in a complete rotation.

This programme is following the same principles that were used by the Drainage Manager in the late 90’s. While those were managed within a spreadsheet, the developing programme is stored and managed by the asset management system. The system stores the historical information about the drain’s maintenance, such as the date, length cleaned, the total cost and cost per meter, against each drain.

Being able to know this information allows maps such as shown in Annexure B to be produced, which enables drain inspections for condition and performance to be targeted to the drains that haven’t been cleaned for 6 years or more.

This information then enables decisions to be made to produces the following year’s annual mechanical cleaning programme. It is also used for budget planning. As mentioned, there is still some work and refinement to be done until the system can automatically choose about 50% of the drains to clean.

Ground verification is still required to assess whether a drain needs cleaning. There are also those drains that need more frequent cleaning, sometimes every year, others can go longer than the nominal 6 years without a clean.

That concludes this report.

Steve de Laborde
INFRASTRUCTURE SYSTEMS AND PLANNING MANAGER
Appendix A – Extent of the Land Drainage & Flood Protection Activity.
Appendix B – Analysis of Mechanical Cleaning (Example: WPDD)
HAURAKI DISTRICT COUNCIL
WESTERN PLAINS DRAINAGE DISTRICT

MINUTES OF A MEETING OF THE WESTERN PLAINS DRAINAGE DISTRICT COMMITTEE HELD
IN THE COUNCIL CHAMBERS, WILLIAM STREET, PAEROA ON TUESDAY, 3 DECEMBER 2019
COMMENCING AT 11.00AM

PRESENT
Messrs B A Carter (Chairperson), B Keane, G Laurich, P A Leonard, H
van Eyk, R D Young and Cr P Buckthought (Council Representative)
and Cr R Garrett (alternative representative)

IN ATTENDANCE
Robert Hicks, Brendan Manning (WRC Works Supervisor - Projects &
Compliance), Cr R Harris, Mr S de Laborde (Infrastructure Systems &
Planning Manager) and Ms C Black (Council Secretary)

APOLOGIES

RESOLVED

THAT the apology of Peter Paterson be received and sustained.

WPDD19/23 Johnstone/Keane CARRIED

LATE ITEMS

CONFIRMATION: WESTERN PLAINS DRAINAGE DISTRICT COMMITTEE MINUTES (03-10-19)
(2665556)

RESOLVED

THAT the minutes of the meeting of the Western Plains Drainage District Committee held on
Thursday, 03 October 2019 be taken as read and confirmed.

WPDD19/24 Buckthought/Keane CARRIED

MATTERS ARISING FROM THE MINUTES

Corrections as noted.

Waikato Regional Council – Update

- Phillips Road – replacement of bearings on pumps.
- Structural auditing – Appletree – large amount of silt there on internal drains.
- Cut silage on foreshore stopbank – this will be used to upgrade stopbank.
- Awaiti Canal – third of way through desilting. Starting on Ngarua Canal 03
  December.
- Reviewing stopbank valuations.
- Maukoro line – 2 x culverts – 1 culvert has a weir in the culvert so this has been
  removed. This will assist in getting water away from stopbank.
- Cutting hay for bales to be used on the Maukoro stopbank later this month.
- Drains have all been sprayed.
- Robinsons floodgate has been completed.
Bristle Grass Eradication

Brian Pirie raised issue regarding the importance that the bristle grass eradication programme is stepped up by WRC as it has been noted that there is prolific growth in some areas on stopbanks and roadsides.

Fish Friendly Pump Trial

Brendan Manning stated that they will be trialling fish friendly pumps in 2020.

Rules – WRC Controlling Cattle in Waterways

Brendan Manning reiterated the need for farmers to report any breaches observed as regards to cattle in waterways.

The Regional Council’s new structure is focussed on addressing rivers and drainage.

Members raised their concern that there was no consultation pre-election with key stakeholders (land drainage committees) on the proposed new structure and believed the new structure does not allow for local representation of key stakeholders.

WAIKATO REGIONAL COUNCIL - COMMITTEE STRUCTURE

RESOLVED

THAT the Western Plains Drainage Committee have serious concerns that no consultation was undertaken with stakeholders (drainage committees) as regards to the WRC committee structure as it relates to drainage and flood protection of the Hauraki Plains, and

THAT the Western Plains District Drainage Committee recommends to the Hauraki District Council that it communicate their concerns to WRC, and

THAT local representation on the WRC stakeholders working group is requested.

WPDD19/25 Carter/Laurich CARRIED

Muggeridge Pump Station Project

Robert Hicks updated on the Muggeridge project. The project has been put on hold until there is an acceptable tender.

Abolishment of Catchment Committees

Members also raised their concerns regarding the WRC’s decision to abolish catchment committees. Robert Hicks and Conal Buchanan were members of these committees.

RESOLVED

THAT Robert Hicks and Conal Buchanan be thanked for their efforts on behalf of the Hauraki Plains region in relation to the catchment committee representation and support ongoing dialogue with WRC in relation to the abolishment of catchment committees.

WPDD19/26 Buckthought/Carter CARRIED
DISTRICT DRAINAGE REPORT (SEPTEMBER AND OCTOBER) AND FINANCIAL REPORT (FOR THE 4 MONTHS TO 31 OCTOBER 2019) (2613944)

RESOLVED

THAT the Drainage Report (September and October) and the financial report on the operations of the Western Plains District Drainage Area for the (for the 4 months to 31 October 2019) are received.

WPDD19/27 Keane/van Eyk CARRIED

Chemical spraying

There were no drains sprayed in September or October, however, localised spraying was completed around the pump stations during both months.

Machine cleaning

2.8km of drains have been machine cleaned in the finance year to the end of October.

Maintenance/Fencing/Culverts

Routine maintenance items were undertaken.

Pump operation

Regular inspection runs were undertaken in this period. Pump hours for September were 1262 hours and for October were 936 hours.

The summary for the year to date was attached.

There were 60 man-hours spent on weed screen cleaning in September and 34 man-hours were spent in October.

Floodgates

Floodgate inspections were completed.

Stopbanks

No maintenance was carried out in September and October. Page 2 M 2683640 WPDD Drainage Report September and October 2019.

Capital Works

The capital works consist of assessing and raising stopbanks and refurbishing pumps and pump screens.

Stopbanks:

Hot Springs and Karito Canals progress to date:
- The survey and design has been completed.
- The resource consent application submitted.
- Imported material volumes & first order costs calculated.
The next steps in the process are to procure contractors to haul material, place and shape it. There is no consent required to maintain a stopbank, so all that work can continue. However, cleaning the drain and placing the material on the bank not receiving imported material is what the resource consent is for and work in that area has halted until Council receive the consent.

The Regional Council has responded to HDC application, requesting further information:

*Please provide an ecological assessment that considers what aquatic life may be present at the sites, the effect the works will have on the habitat and aquatic life and provisions for actions such as fish recovery.*

WRC end their request by informing HDC that its application requires to be assessed on more stringent rules too.

*Finally, your activity has been assessed as falling under rule 4.3.4.4 (discretionary) rather than 4.3.6.2 (controlled). Please provide any additional assessment that is required for assessment under this rule.*

It should be noted by Council that the result of the fish study could affect when Council are allowed to do the instream works. The image attached explained the possible options. Council has initiated the fish study and is waiting for the results.

**GENERAL BUSINESS**

**MEMBERS’ COMMENTS**

Harry van Eyk asked if his submission to Lisa Moore would get into briefing paper for LTP.

Gavin Laurich – at the end of Hopai Road the road drain is overflowing. He asked that staff come out to his property to review the situation. Flaps are shutting down and he is taking on other farmer’s water. Gavin would like to dig out toe drain. The Drainage Overseer and Infrastructure Systems & Planning Manager will investigate.

Steve de Laborde suggested Gavin does not do this – WRC is under control of water runoff. Steve and the Drainage Overseer will visit Gavin’s property to discuss matter further. This visit to include Chairperson, Brian Carter also.

Mangawhero Flume – Ross Young is satisfied with the repair of the flume.

Robert Hicks updated the Committee on the Waikato Regional Council ruling on cleaning of drains in relation to fish protection.

Cr Harris thanked all the members for their involvement into the operation of the Western Plains Drainage District and wished them well for the xmas break and new year.

The meeting closed at 1.00pm.

CONFIRMED

B A Carter  
Chairperson

4 February 2020
HAURAKI DISTRICT COUNCIL

TARAMAIRE DRAINAGE DISTRICT INTERIM COMMITTEE

MINUTES OF A MEETING OF THE TARAMAIRE DRAINAGE DISTRICT (INTERIM) COMMITTEE HELD IN THE COUNCIL CHAMBERS, NGATEA SERVICE CENTRE, ORCHARD WEST ROAD, NGATEA ON THURSDAY 03 DECEMBER 2019 COMMENCING AT 10.00am

PRESENT
Cr P Buckthought (Interim Committee Chairperson), C Chisholm (10.15am-11.05am), Andrew Davis, Matthew Davis, Bruce Levers, John Gasson, S Crooymans and Cr P Buckthought (Council Representative)

IN ATTENDANCE
Cr R Garrett (alternate Council representative), B Manning (WRC Works Supervisor - Projects & Compliance), S de Laborde (Infrastructure Systems and Planning Manager) and Ms C Black (Council Secretary)

APOLOGIES

RESOLVED

THAT the apology of Dennis Thompson, Clive Roberts and Ray August be received and sustained.

TDD19/02 Garrett/Davis CARRIED

LATE ITEMS

There were no late items.

Cr Buckthought chaired the meeting in the absence of the interim Chair, Cliff Chisholm.

Cr Buckthought continued as interim chair.

Waikato Regional Council Update

Brendan Manning introduced himself to the Committee and explained what his role was at the Waikato Regional Council.

DRAINAGE REPORT AND FINANCIAL REPORT – AUGUST 2019 (2641100)

The Infrastructure Systems and Planning Manager presented the activity report on the operations of the Taramaire Drainage District to December 2019.

RESOLVED

THAT the report be received.

TDD19/02 Davis/Levers CARRIED

Floodgates

Bruce Levers stated that he was dissatisfied that his drain heading toward his property is blocked. He asked that the structure of this drain be reviewed.

Steve Crooymans asked where is the mouth of the stream. Brendan Manning explained where it was and how the mouth of the stream is determined by WRC.
The Infrastructure Systems and Planning Manager and Drainage Overseer will visit Bruce Levers property to investigate. Bruce Levers equested that (North Drain) be cleaned.

Financial Statement

Bruce Levers stated that he did not believe the drains have ever been sprayed but vegetation is generally not a problem.

The Infrastructure Systems and Planning Manager explained the maintenance programme generally. He advised he will be inspecting drains and floodgates with the drainage overseer in the near future and invited members to provide input to staff if they believed maintenance was needed.

Cr Buckthought explained that mechanical cleaning will be undertaken every 5 years.

Cr Buckthought explained the process of advising Council of any issues farmers have within the Taramaire district.

GENERAL BUSINESS

Members Comments:

Bruce Levers asked why his rates had a 250% increase in 2 years. He believed that Council were to work with ratepayers to look at a ‘fair’ rate.

Steve de Laborde – noted Bruce Levers area was incorrect in the rating system. Bruce asked what his rate increase should be.

Maintaining stopbanks levels.

Andrew Davis requested that a breakdown be provided to the members. Questioned the rating structure.

The Infrastructure Systems and Planning Manager explained how rates are calculated.

Cr Buckthought states he will work with Steve de Laborde and Adrian de Laborde to review how Bruce Levers rates are calculated.

John Gasson asked Steve de Laborde to explain the GIS plan of the drainage network that was provided.

Steve de Laborde showed members where all Taramaire district drains were on the GIS map.

Installation of Culverts

Permission to install a culvert – under bylaw. Permission needs to be sought from Council. Need to review size of culvert etc then it needs to be programmed into works programme. Significant works need to be included into the LTP.

Steve Crooyman – approval for him digging a drain. He asked if he could undertake this work himself. Steve de Laborde said he must not undertake this work himself.

Noted: It was requested that Steve de Laborde find out how/if Steve Crooymans can become a ‘certified’ contractor for Council to be able to dig out drains.

Cliff Chisholm asked about (d) and (f) rating. Steve de Laborde explained that (d) is part an (f) is full rate.
Steve de Laborde advised he would visit Cliff’s property and assess it.

Cr Buckthought suggested he and staff will go through each property and look at the fairness of rating.

John Gasson as regards to a review of pipes, culverts etc, requested that a plan of these assets be provided to the members.

The meeting closed at 11.05am.

Cr P Buckthought
(Interim) Chairperson
Information Report

To: Mayor and Councillors
From: Water Services Manager
Date: 6 January 2020
File reference: Annexure A – Abatement Notice & Warnings – Documents 2702240 and 2702243
Portfolio holder: Councillor Harris
Meeting date: Wednesday, 29 January 2020
Subject: Water Services - Monthly Activity Report for November and December 2019

Recommendation:
- THAT the report be received

Summary

This report summarises performance and issues in the Water Services work area. The body of the report refers to the November and December works.

WATER SUPPLY

Water Networks Operations Notebook

Various water mains renewals are underway in:
- Opatito Rd - Paeroa
- Kennedy St – Paeroa - complete
- Pouarua North Rd – Plains
- Orchard West Rd – Plains
- Final connection to Raroa Rd – Paeroa
- Junction Rd – Paeroa

Work is being undertaken to reduce water loss in the Waihi network. Flow data suggest that there is a leak in Waikino. Finding the leak has been problematic. Leak detection using sound correlation pods is being trialled. The first trial picked up a main break in Regent Street Waihi, the water was running into the
stormwater network and therefore difficult to detect. The acoustic equipment seems to be effective and consideration is given to procure a set.

Water Treatment Operations Notebook

- Tetley’s Quarry water level is at 65%. This is a good sign in mid-summer, as it means we are unlikely to run empty before the rains return.
- Cameras have been installed in all of the water treatment plants; Waitakaruru Water Treatment Plant(WTP) cameras need to be connected to the Kerepehi Control Room still.
- The Advanced Oxidation Process to treat the taste and odour problems in Waihi and Paeroa WTP’s has been switched on. The Walmsley River supply to Waihi WTP has been switched off, so this plant is only being fed by the worse-tasting and –smelling Ohinemuri River. We have had one complaint about taste at Waihi, but it was while the AOP system was off. No complaints have been sent through to the Treatment Team since then.
- Four incidents were investigated, and are under review before their final reports are submitted to the DHB: Positive *E. coli* result at Kaimanawa WTP; Low chlorine concentration at Kerepehi WTP; Data loss at Paeroa WTP; Low chlorine concentration at Waitakaruru WTP.
- A new Treatment Technician joined the team in December.
- A war-gaming scenario was conducted, simulating a break in the raw water line between the Pekapeka Intake on the Waihou River and Kerepehi WTP. The conclusion was that it will not be possible to repair the pipe before the reservoirs ran empty. This highlight the criticality of this asset and the options to improve our resilience are being investigated. Some improvements were identified that will be implemented to reduce the downtime in such an event.
- Paeroa WTP’s Hot Water Tank began leaking. A temporary repair was done, and a more permanent solution will be sought.

January/February Planned Works

- Water main replacements: Junction Rd, Thorpe St, Russell St, Larson Road Waikino, SH2 Ngatea, Waikino Bridge, Consols Street – Waihi.
- Dead end flushing of water mains to start
- Longer term repairs to Hot Water Tanks
WASTEWATER

Networks Operations Notebook

- Whiritoa dry weather overflows – WRC has issued a formal warning and a cover letter stating that they will not be prosecuting Hauraki District Council for the events of 14/15 July and 2 October. See Annexure A for a copy of the WRC correspondence.
- Two dry weather overflows occurred in December. Rata Lane, Paeroa – Projectworx (company installing fibre) had thrust through our wastewater and stormwater line allowing the waste to discharge into an open drain. WRC attended site and took samples. Second overflow was at 11 Ainslie and was caused by wet wipes. It discharged via the gully trap at #11.
- 10 Multismart unit have been purchased with delivery expected end of January to allow more pump stations to be automated and put on SCADA
- 2 additional Ultrasonic level sensors have been purchased to be paired up with the Multismarts above. Additional stock will be obtained when it is available
- Dean Cres pump purchased and installed – Station now has 2 pumps therefore reducing risk to the environment.
- Ramarama Pump switchboard Health and Safety emergency works were undertaken to provide better protection from live wires for those using station.
- Hayward Road pump station pump purchased & installed. Existing pump developed a large fault which made it uneconomic to repair
- Kerepehi Domain PS pump replacement. Existing pump had small diameter discharge which made it prone to blockages. New pump purchased matches size of discharge pipework. New guide rails will also be installed at this site at time of installation.

Treatment Operations Notebook

- The following 8 consent exceedances were recorded in November:
  - Kerepehi STP:
    - Escherichia coli (E.coli)
    - Dissolved Aluminium (at Tanners Pond)
  - Ngatea STP:
    - Carbonaceous Biochemical Oxygen Demand (cBOD₅)
    - Escherichia coli (E.coli)
  - Paeroa STP:
    - Total Ammoniacal-Nitrogen
  - Turua STP:
    - Total Ammoniacal-Nitrogen
  - Waihi STP:
    - Total Kjeldahl Nitrogen (TKN)
    - Total Ammoniacal-Nitrogen
- The following 9 consent exceedances were recorded in December:
  - Kerepehi STP:
- Total Suspended Solids (TSS)
- *Escherichia coli* (*E.coli*)
- Dissolved Aluminium (at Tanners Pond)

  - Ngatea STP:
    - Total Suspended Solids (TSS)
    - *Escherichia coli* (*E.coli*)
  - Turua STP:
    - Total Suspended Solids (TSS)
    - *Escherichia coli* (*E.coli*)
  - Waihi STP:
    - Total Kjeldahl Nitrogen (TKN)
    - Total Ammoniacal-Nitrogen

- Consultation on the Whiritoa Wastewater Treatment plant consent is ongoing. The application has been submitted to Waikato Regional Council for consideration.
- The Wet Wipes campaign is still running and the public responded positively.
- There has been an outbreak of Avian Botulism in the Waikato Region. We are liaising with Fish and Game to try and manage the spread of the disease amongst the birds on our wastewater ponds.

### January / February Planned Works

- Taylors Ave overflow: - install catch-pit on HDC lot as proposed to WRC to prevent overflow leaving site to neighbours. Includes other solids sieving and containment bunding and isolation fencing.
- Continue repairs and maintenance at WWTP’s around sensor renewal and calibration, vulnerable wiring and similar housekeeping issues.
- Electricians to check Junction Road PS to ensure that proposed Vortex pump can run on current electrical switchgear. Get automated generator system operational at the pump station.
- Maintenance on Waitakaruru pressure pump network
- Preventative network cleaning about pit rim walkway sewers as they are building up with leachate encrustation and solids in low lying dips.
- Complete pump station site audits for the rest of the district.
STORMWATER

Operations Notebook

- SW connection and cesspits at 11 Taylors Ave have been installed to decrease ponding issues
- Storm event on 15 October caused widespread issues in Paeroa and on the Plains. While no habitable floor levels were reported as having flooded there were numerous calls regarding flooded garages. Setting minimum floor levels for garages to protect them from flooding is something that should be considered by Council going forward.
- Regular stormwater drain maintenance programme completed
- 5 Brenan Place, Paeroa – Owners have approached HDC regarding the stormwater pump that was installed on their property 3 or 4 years ago. The pump was incorrectly installed on a strip of land that the neighbouring property owns and maintains and it is hooked into the power for #5. It was intended that the pump be owned by the property owner but no formal paper work was ever completed with the owners. There have been several issues with the pump and the owners are extremely unhappy with the thought that it was meant to be private. Staff will be considering options for stormwater in this area and provide further details in the next report.

January / February Planned Works

- Installation of 70m of stormwater at Pipiroa Road. This work will complete the piping of the stormwater in the existing residential area road frontage.
- Consent compliance reports
- Receive design and seek quotes for drain retaining wall replacement – beside drive of 33 Arney St Paeroa
- Seek landowner consents for storm water bubble up catch-pit lead connection at 475 Hauraki Rd / 14 Waihou St, Turua.
- Tech Services to seek landowner consents for storm water inlet lead connection at rear of 40 Thames Rd.
- Continue to review “Council” drains that should be on the GIS system in Kerepehi and Whiritoa – keep marking up plans to show additional significant drains and overland flow paths and known localised minor ponding areas that will be recommended to be added to GIS.
- Install new grated manhole lid required at #59 Marlin Rd Whiritoa.
- Obtain quotations for Walker St Waihi storm water scour remediation gabion design
- Install drain at 76 Kontiki Rd, Whiritoa.

Water Restrictions

The river level in the Walmsley has dropped to below consent limits and extraction from this source was stopped in December. Waihi is currently supplied from the Ohinemuri supply. River levels are low and very close to a consent reduction stage. Demand is also very close to treatment capacity. It is therefore difficult to maintain reservoir storage levels. Water restrictions have
therefore been implemented. There is currently a total water ban in place in Waikato.

River levels in the rest of the district is also very low and ground moisture levels were about 30-50 mm less than normal across the district in the first week of January. Water restrictions to other areas might become a necessity in the rest of the district.

Water restrictions are reviewed on a weekly basis by the Group Manager Engineering Services.

**Water Sector Coordinating Entity**

A Water Sector Coordinating Entity (SCE) has been established that would be called upon in a national emergency.

The objective of this group includes:

- Effective management of emergency’s that impact on national and regional disruption of water supplies
- The mitigation of threats to the public
- Keeping government informed of the developing situation.

An SCE role does not replace the need for Lifelines. The need to coordinate the interaction between differing utilities at a local level will always be required. Where the SCE adds additional value is:

- Coordinating a response if an event affects multiple water utilities and a single common water contact is required
- Assisting water utilities in an emergency with locating resources i.e. personnel, specific pipe fittings, emergency chemical dosing
- Passing logistics information on to MCDEM
- Technical liaison to MCDEM

The activation of the SCE would be by requested from any of the following when an emergency has or will likely have a major effect on the public:

- National Crisis Management Centre (Beehive) Lifeline Utility Coordinator
- MCDEM Duty Officer
- Lifelines Controller (National or Regional)

The Water Services Manager have been selected to be part of this team of seven people from across the Water Sector.

**Recommendation**

- THAT the report be received.

EJ Wentzel

WATER SERVICES MANAGER
23 December 2019

Hauraki District Council
Attn: Langley Cavers
PO Box 17
Paeroa 3640

Dear Langley

Formal Warning 15(1)(b) RMA – wastewater discharge between 14 - 15 July 2019

I am writing to inform you of the outcome of the investigations into the alleged breaches of the Resource Management Act at 76 Kon Tiki Road, Whiritoa on 14 -15 July and 2 October 2019. These breaches relate to the unlawful discharge of contaminants, namely human sewage, onto land where it may enter water namely ground water and did enter an unnamed tributary.

The investigation into the discharge that occurred between 14 and 15 July 2019 established the discharge resulted from a blockage at the Mako Avenue pump station. This was aggravated by the fact there were no alarm system/s to notify Hauraki District Council of a possible fault. The discharge occurred from two manholes located at 76 Kon Tiki Road, Whiritoa, from where it travelled across the residential section and into an unnamed tributary.

Although there was an initial delay in attendance, a contributing factor to delay was found to be the result of an external after hours call taker who incorrectly coded the incident. We understand appropriate feedback will be provided and systems amended to avoid the risk that this will re-occur.

Once Hauraki District Council staff were advised, we note the incident was attended within an hour and the discharge ceased soon after. Further efforts to mitigate the environmental effects of the discharge were not taken until the following day (16 July 2019) when lime and soil was placed over the areas where sludge from the discharge was evident.

Analysis of samples taken on the day from the property were found to be heavily contaminated with Faecal Coliforms and E-Coli. As a result of this, the levels of contamination within the unnamed tributary were also elevated. An upstream water sample was also taken on 15 July 2019 that excluded the treatment plant or farm animals as a possible source of contamination in the tributary.

Section 15(1)(b) of the Resource Management Act 1991 places restriction on the discharge of contaminants onto land where they may enter water. The Council considers that the discharge identified above was in contravention of s 15(1)(b).

The overall circumstances of the incident have been considered, and whilst there was the option of a more serious consequence being applied for this breach, it has been decided on this occasion to issue Hauraki District Council with a formal warning for the discharge of 14 - 15 July 2019. Please refer the attached formal warning document number EAC6838.
An investigation into the incident on 2 October 2019 was also completed. This indicated the discharge occurred as a result of a pump failure. On attendance the pump was restarted ceasing the discharge. Once the discharge was ceased, the area was disinfected and covered in topsoil to reduce further contamination and address health and safety risks.

It is acknowledged that since the prior incident in July, Hauraki District Council had installed a smart meter and ultrasonic sensor which enables the pump to be monitored and send alarms if a pump fault occurs. However, when installed the sensor was found to be faulty and a new part was ordered. It was during this period, that this incident occurred.

Taking all circumstances into consideration, it has been decided no further action will be taken in regard to this second incident.

We acknowledge further improvements have been made with the replacement of the two pumps at the Mako Avenue pump station and have been advised of other improvements throughout the reticulation systems operated in the Hauraki District Council. While acknowledging this, we wish to stress there is an expectation that appropriate infrastructure will be in place to best avoid the risk of such waste water discharges, and that there are systems (including adequately trained and resourced personnel) in place to monitor and manage the infrastructure to ensure that is the case.

Please note the above non compliances will now form part of the formal history of compliance of Hauraki District Council, and as such will be taken into account should further breaches of the Act be identified.

If you have any queries regarding this matter please contact me on 0800 800 401 or Michaela.glaspey@waikatoregion.govt.nz.

Yours faithfully

Michaela Glaspey
Investigator
# Formal Warning

**To:** Hauraki District Council  
**Address:** PO Box 17  
Paeroa 3640  

**Date Of Birth:** N/A

You are considered to have contravened the Resource Management Act 1991 (RMA), as follows:

**Section of RMA Contravened:** Section 15(1) being an offence against section 338(1)(a) of the RMA.

**Nature of Breach Resulting in Formal Warning:** Contravened Section 15(1)(b) of the Resource Management Act 1991 in that you permitted the discharge of a contaminant, namely human sewage, onto land, where it may enter water, namely ground water and an unnamed tributary, where that discharge was not expressly allowed by a national environmental standard or other regulations, a rule in a regional plan, or a resource consent.

**Location:** 76 Kon Tiki Road, Whiritoa  
**Date of Offence:** Between 14 July 2019 and 15 July 2019  
**File No:** 60 41 02IN1  
**Warning No:** EAC6838

The circumstances of the offence have been considered and it is deemed appropriate to deal with this matter by way of formal warning.

**You are formally warned as a result of the above offence.**

Please note that this formal warning now establishes, or contributes to, a history of non-compliance associated with the entity named in this formal warning. It will be considered and may be referred to should further breaches against the RMA be detected in the future.

If you wish to raise any matter relating to circumstances of the alleged offence, you should do so by writing to the council officer who issued the formal warning at the address shown on the covering letter of this notice within 14 days of receipt of this warning.

**Signature of Enforcement Officer:**

Michaela Glaspey  
**Waikato Regional Council**

**Date of Issue:** 20 December 2019
IMPORTANT INFORMATION

It is important to note that offences against the RMA can be dealt with by other measures such as infringement notice, or in more serious cases, by way of prosecution.

Infringement notices issued under the RMA carry penalties of between $300 and $1000.

Penalties available to the Court when dealing with RMA prosecutions include:
- in the case of a ‘natural’ person, to imprisonment for a term not exceeding 2 years or a fine not exceeding $300,000;
- in the case of a person other than a natural person (such as a company), to a fine not exceeding $600,000.

Under the Resource Management Act, “Person” is defined as including the Crown, a corporation sole, and also a body of persons, whether corporate or unincorporate.
1 Introduction

This report provides the latest information on the Hauraki District Council’s Transportation activities for the period ending 31 December 2019.

2 Discussion

2.1 Operational Activities

2.1.1 Key Operational Achievements

A summary of operational maintenance work and activities done during the month of October 2019 is given below:
- Ongoing cyclic maintenance activities.
- Pavement repairs on sealed roads
  - Arawa St
  - Hauraki Rd
  - Huirau Rd
  - Maratoto Rd
  - Mill Rd
  - Oparia Rd
  - Rotokohu Rd
  - Komata Reefs Rd
Robinson Rd
Silkerton Rd
Thorn Rd

- Continuing work on traffic signs and sight rails.
  - Pipiroa Rd
  - Bob Shaw Rd
  - Cadman Rd
  - Kaikahu Rd
  - Mcduff Lane
  - Toomey St
  - Ferry Rd (Komata)
  - Kaihere Rd
  - Kenny St
  - Lambert St
  - Waikumete Rd
  - Kerepehi Town Rd
  - Benner Dr
  - Dent St
  - Ferry Rd (Plains)
  - Old Netherton Rd
  - Parfitt Pl
  - Roberts St
  - Rotokohu Rd

- Rural roadside mowing and weed spraying.

Update on installation of streetlights in Kaiaua:
1. All infrastructure installed.
2. Power connections to be done by Counties Power

2.2 Capital Projects

2.2.1 Key Capital Project Achievements

Table 1 below shows the progress on the main capital projects scheduled for the 2019/20 financial year.

<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reseals – 2019/20</td>
<td>80%</td>
<td>Reseals commenced in November. 34km of 47km completed before the end of December. Pre-seal repairs for 2020/21 underway.</td>
</tr>
<tr>
<td>Pavement Rehabilitation – 2019/20</td>
<td>95%</td>
<td>Construction of Pavement Rehabilitation sections on Old Tauranga Rd, Central Rd South and Kaihere Rd are completed.</td>
</tr>
<tr>
<td>Budget, Programs and Projects</td>
<td>Progress % complete</td>
<td>Comments / explanations (if off track)</td>
</tr>
<tr>
<td>-----------------------------------</td>
<td>---------------------</td>
<td>---------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Pavement Rehabilitation – 2020/21</td>
<td>50%</td>
<td>Old Tauranga Road, Kaihere Road and Central Road construction complete. Designs for Awaiti West Rd, East Coast Rd and Pipiroa Rd Rehabilitation projects are nearly complete, and are currently programmed for construction in 2020/21</td>
</tr>
</tbody>
</table>
| Minor Improvements (2019-20)     | 20%                 | Selected Projects to date:  
  - Waharau bridge abutment protection (resiliency) – construction completed  
  - Station Rd/SH25 intersection pedestrian crossing progressing to construction.  
  - Waitete Rd footpath between Kimberley and Rata Streets design reviewed.  
  - Top 11 Safety Risk roads – low cost treatments of 4 roads designed and under review.  
  - Potential bridge replacement project being investigated – Mahuta Rd North Bridge no. 2.  
  - Network wide assessment and making safe of slips on unsealed roads – consultant appointed and design work progressing.  
  - Waitete Rd North hill section corridor improvements – under investigation  
  - Ongoing footpath safety improvements linked to footpath renewal projects  
  - Slips along Awaiti Canal Rd – investigation  
  - Preventative maintenance on Komata Reefs Rd – investigation  
  - Signage to indicate the end of maintained network – under investigation  
  - Warning signage at Kindy’s and Playcentres – to be implemented  
  - New Kea crossing at school in Coronation Rd – investigation underway  
  - Potential upgrades to existing Kea Crossings in Turua and Norwood Ave – investigation |
### Ward Projects 2019/20

<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Whiritoa streetlighting upgrade – investigation underway to confirm need. Budget will allow one additional street light install this financial year.</td>
<td></td>
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<tr>
<td>Package of edge lines and centrelines to be implemented district wide as part of annual remark – reviewed and ready to be issued to contractor.</td>
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<tr>
<td>Speed limit bylaw review (speed management) – on hold pending further confirmation on regional approach.</td>
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<tr>
<td>Hauraki/Huirau intersection widening project – design review by Technical Services. Land take negotiations to commence.</td>
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<tr>
<td>Kerepehi Town Rd Footpath – Work on entranceways for 25, 71 and 73 to be done as part of the project as previous footpath renewal projects resulted in vehicle scrape issues at these entrances. Contractor being appointed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kerb and Channel projects in Ngatea –</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Kohunui Str K&amp;C extension designed and ready for construction through maintenance contract, <strong>reduced length and scope to fit budget.</strong> Further stormwater improvements works will be required as a second stage to the project.</td>
<td></td>
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</tr>
<tr>
<td>Request for K&amp;C next to stop bank on River Rd received from WRC. Rough Order cost of $15k. Tentative indications that WRC will fund 50% of the project. Approval</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Budget, Programs and Projects

<table>
<thead>
<tr>
<th>Budget, Programs and Projects</th>
<th>Progress % complete</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>from Council will be required.</td>
</tr>
<tr>
<td>Paeroa Ward projects:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Thames Rd - Raroa Rd to</td>
<td>contractor appointed</td>
<td></td>
</tr>
<tr>
<td>Station Rd – Arney St,</td>
<td>contractor appointed</td>
<td></td>
</tr>
<tr>
<td>Raroa Rd, Paeroa – Arney St</td>
<td>Footpath Renewal</td>
<td>(eastern side): design 80% completed.</td>
</tr>
<tr>
<td>(eastern side): design 80%</td>
<td>Currently in</td>
<td>funding for K&amp;C renewal.</td>
</tr>
<tr>
<td>completed.</td>
<td>discussion with NZTA</td>
<td></td>
</tr>
<tr>
<td>Currently in discussion</td>
<td>regards to funding</td>
<td></td>
</tr>
<tr>
<td>with NZTA with regards to</td>
<td>K&amp;C renewal.</td>
<td></td>
</tr>
<tr>
<td>funding for K&amp;C renewal.</td>
<td>o Opatito Rd, Paeroa - Footpath Renewal (Jokers Bakery (SH2) to Deale St): on hold.</td>
<td></td>
</tr>
<tr>
<td>o Opatito Rd, Paeroa -</td>
<td>Footpath Renewal</td>
<td></td>
</tr>
<tr>
<td>Footpath Renewal (Jokers</td>
<td>(western side): design</td>
<td></td>
</tr>
<tr>
<td>Bakery (SH2) to Deale St):</td>
<td>80% completed.</td>
<td></td>
</tr>
<tr>
<td>on hold.</td>
<td>Currently in</td>
<td></td>
</tr>
<tr>
<td>o Arney St, Paeroa -</td>
<td>discussion with NZTA</td>
<td></td>
</tr>
<tr>
<td>Footpath Renewal (western</td>
<td>regards to funding</td>
<td></td>
</tr>
<tr>
<td>side): design 80% completed.</td>
<td>K&amp;C renewal.</td>
<td></td>
</tr>
<tr>
<td>o Willoughby footpath</td>
<td>design completed.</td>
<td></td>
</tr>
<tr>
<td>renewal – design completed.</td>
<td>Water pipe renewal</td>
<td></td>
</tr>
<tr>
<td>completed.</td>
<td>to be coordinated.</td>
<td></td>
</tr>
<tr>
<td>o Queen Str Footpath renewal-</td>
<td>completed. As-buills</td>
<td></td>
</tr>
<tr>
<td>completed.</td>
<td>and RAMM update</td>
<td></td>
</tr>
<tr>
<td>Cost reconciliation to be</td>
<td>outstanding.</td>
<td></td>
</tr>
<tr>
<td>completed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Waihi Ward - Johnson Str</td>
<td>Parking design</td>
<td></td>
</tr>
<tr>
<td>Parking design cancelled and</td>
<td>changed to Haszard Str, as St John’s Ambulances bought a new property. – on hold.</td>
<td></td>
</tr>
<tr>
<td>changed to Haszard Str, as</td>
<td>St John’s Ambulances</td>
<td></td>
</tr>
<tr>
<td>St John’s Ambulances bought</td>
<td>bought a new property. – on hold.</td>
<td></td>
</tr>
<tr>
<td>a new property. – on hold.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Waihi Ward – Selection of</td>
<td>footpaths renewals in Whiritoa completed. Further construction on pram crossings to be done in February 2020.</td>
<td></td>
</tr>
<tr>
<td>footpaths renewals in</td>
<td>Whiritoa completed.</td>
<td></td>
</tr>
<tr>
<td>Whiritoa completed. Further</td>
<td>construction on pram</td>
<td></td>
</tr>
<tr>
<td>construction on pram crossings to be done in February 2020.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>o Waihi Ward – Consol Street</td>
<td>footpath preliminary</td>
<td></td>
</tr>
<tr>
<td>footpath preliminary design</td>
<td>completed. Consol</td>
<td></td>
</tr>
<tr>
<td>completed.</td>
<td>Street footpath</td>
<td></td>
</tr>
<tr>
<td></td>
<td>preliminary design</td>
<td>completed.</td>
</tr>
</tbody>
</table>
### Budget, Programs and Projects

<table>
<thead>
<tr>
<th>Project</th>
<th>Ward</th>
<th>Comments / explanations (if off track)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bridge and Structures Component Replacement</td>
<td>District</td>
<td>Design inspections completed and design of package of high priority works progressing. Selected projects to be implemented during current LTP.</td>
</tr>
<tr>
<td>Bradford Street Extension</td>
<td>District</td>
<td>Design complete. One Land purchase agreement signed, two yet to be returned. Once land agreements received, the contract can be advertised for construction. Construction may need to be deferred until the summer of 2020/21 due to land purchase delays.</td>
</tr>
<tr>
<td>Mahuta Rd North Underslip</td>
<td>District</td>
<td>Contractor appointed. Construction to be completed in March 2020</td>
</tr>
</tbody>
</table>

**Progress Key:**
- **Red** = Off track / behind schedule / over budget
- **Orange** = Rescheduled
- **Yellow** = Off track but will be back on track soon
- **Green** = On track
- **Blue** = Completed

### 2.2.2 Key Capital Projects Planned for January 2020

The work scheduled for December 2020 is shown in Table 2 below.

The capital programme for the financial year is shown in Appendix A attached.

**Table 2: Capital Work Programme for January 2020**

<table>
<thead>
<tr>
<th>Project</th>
<th>Ward</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pavement Rehabilitation – 2020/21</td>
<td>District</td>
<td>Designs to continue</td>
</tr>
<tr>
<td>Sealed Road Resurfacing – 2019/20</td>
<td>District</td>
<td>Reseals to continue in Paeroa in January 2020</td>
</tr>
<tr>
<td>Minor Improvements (2019/20)</td>
<td>District</td>
<td>Project designs to continue. Quotes for selected projects being requested.</td>
</tr>
<tr>
<td>Mahuta Rd North</td>
<td>Plains</td>
<td>Preconstruction meeting with appointed contractor.</td>
</tr>
<tr>
<td>Ward projects</td>
<td>Wards</td>
<td>Paeroa Ward – Thames Rd footpath award. Waihi Ward – Whiritoa footpath renewal project construction to continue Plains Ward – Kerepehi Town Rd footpath contractor to be appointed</td>
</tr>
</tbody>
</table>
2.2.3 Key Issues and Risks
The following major risks associated with the capital programme have been identified.

Table 3 – Capital Programme Risks

<table>
<thead>
<tr>
<th>Issue or Risk</th>
<th>Budget implications</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Delivery of Capital programme due to lack of resources</td>
<td>High</td>
<td>External project managers appointed.</td>
</tr>
</tbody>
</table>

3 Conclusion and Recommendation

In conclusion it is noted that all major projects are progressing and that maintenance activities are implemented on a monthly basis.

It is hereby recommended:

THAT the report be received

Lukas de Haast
TRANSPORTATION MANAGER
## Appendix A

### Capital Works Programme

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Reseal Contract</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xx</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pavement Rehabilitation designs and tender</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xx</td>
<td>xxxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor Improvements</td>
<td>Individual projects progressing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ward projects</td>
<td>Individual projects progressing</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mahuta Rd North Underslip</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xx</td>
<td>xxxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Bradford Str Extension</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xx</td>
<td>xxxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
<tr>
<td>Structures Component Replacements</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
<td>xxx</td>
</tr>
</tbody>
</table>
Decision Report

To: Mayor and Councillors

From: Group Manager Corporate Services

Date: Monday, 6 January 2020

File reference: Document: 2697320
Appendix A: 2697320
Appendix B: 2697323

Portfolio holder: Mayor Adams

Meeting date: Wednesday, 29 January 2020

Subject: Review of section two of the Delegations Manual - January 2020

Recommendation:
THAT the report be received, and
THAT the 2020 review of section two of the Delegations Manual (as amended) be adopted; and
THAT section two of the Delegations Manual be updated to reflect the proposed amendments contained in attachment A and B; and
THAT the manual be updated as and when the Chief Executive alters or adds sub-delegations as authorised in the Manual.

1 Purpose

To update section two of Council’s operative delegation’s manual as it pertains to procurement.

The matter or suggested decision does not involve a new activity, service, programme, project, expenditure or other deliverable.

2 Background

As the Council needs to delegate certain powers and duties to the Chief Executive and staff, and the Chief Executive needs to be able to sub-delegate certain powers and duties to other
members of staff the Delegations Manual is a necessary part of the day to day operations of Council.

Reviews of the Delegations Manual are required on a regular basis to take into account on-going changes to legislative requirements, operating procedures, staff structures etc. The Hauraki District Councils Delegations Manual last received a full review in 2015. Since then the Council has adopted a new Procurement Policy in April 2019.

3 Issue and options

The adoption of the new Procurement Policy in 2019 created a misalignment with sections of the delegation’s policy in terms of financial thresholds. This review not only corrects these misalignments but introduces a proposal to continually improve the efficient and effective running of Council as well as clarifying a number of areas of ambiguity within the current policy, these include:

1. Aligning the approval for exemptions from the procurement policy contained within the delegations Policy to the financial levels contained in the Procurement Policy.
2. Allowing for out of cycle budget approval by the Chief Executive – this is an additional financial delegation given to the Chief Executive by the Council (with covenants) to enable effective and efficient delivery of the Council’s decisions (including the budget decisions contained in the Annual Plans and Long Term Plans) and clear accountability and lines of responsibility.
3. Amending the wording in the special provisions section of the financial delegations to include projects approved by Council resolution that were not previously listed in an LTP or Annual Plan.
4. Amending the Financial Delegation limits for members of the ELT. Current thresholds are outdated and unintentionally create an impediment for efficient running of the organisation in relation to procurement. To this end we are proposing the following amendment in financial delegations to members of the ELT.

<table>
<thead>
<tr>
<th>ELT Member</th>
<th>Existing financial delegation</th>
<th>Proposed financial delegation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CEO (1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Long Term Plan; Annual Plan Works or Works approved via Council Resolution Subject to specifications</td>
<td>$500,000</td>
<td>$1 million</td>
</tr>
<tr>
<td>- Emergency Situations</td>
<td>$300,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>$100,000</td>
<td>$250,000</td>
<td></td>
</tr>
<tr>
<td>GM – Engineering Services(1)</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>GM – Community Services and Development(1)</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>GM – Corporate Services(1)</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>GM – Planning and Environmental Services (1)</td>
<td>$50,000</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

Appendix A contains excepts from section two of the Delegation Manual for which amendments are proposed. All substantive changes have been highlighted in [red print] to allow Councillors to identify these.
4 Significance and Engagement Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

The level of engagement considered appropriate for this matter, at this point in time, is to inform (i.e. one-way communication disseminating information) staff internally.

5 Budget Implications

There are no budget implications arising from this report.

6 Recommendation

Staff recommend that Council adopt the Draft 2020 Delegations Manual as attached in Appendix A for immediate implementation and use. As with previous versions staff also recommend that the manual be updated progressively as any additions or alterations to sub-delegations are made by the Chief Executive; as authorised in the manual.

Duncan Peddie
Group Manager Corporate Services
Appendix A: Proposed amendments to section two of the Delegations Manual

2 Purchase of Goods

The Hauraki District Council has a decentralised purchasing system which allows for managers to be responsible for purchasing decisions. Various levels of authority with defined financial limits are required to ensure control over expenditure.

2.1 Delegation

That pursuant to Schedule 7, clause 32 of the Local Government Act 2002, and all other powers thereunto enabling, the delegations listed below are hereby approved with immediate effect, subject however to the following limitations:

Conditions of Expenditure:

1. Before exercising any of the powers given by any delegation, every officer must be satisfied that full allowance has been made for the proposed expenditure in the approved estimates. The only exception to this requirement is the Chief Executive out-of-cycle budget approval delegation which is covered separately in the manual.

2. Contracts will only be entered into in order to carry out the functions and activities of the Department for which the Group Manager concerned has responsibility.

3. Officers shall incur expenditure only within accounts for which they have authority to operate.

4. From time to time, management may delegate the task of purchasing standard items to their employees providing all other conditions on expenditure are adhered to.

5. A Purchase Order as required by Council’s purchasing processes must be supplied to the supplier in all events. Where purchases are made using a Goods Purchase Order, accounts for payment will need to be authorised by the Manager responsible, and go through a strict control process before payment is approved.

6. Petty cash is available from the Corporate Services team, and in area offices and libraries, for use in purchasing small items (such as milk, stamps) on request. A receipt is required for all purchases.

7. All C&M staff, without a financial delegation to purchase goods listed elsewhere under this policy, are delegated the authority to make purchases in line with the financial limits set up for their purchasing cards.

8. Goods and Services Tax: All amounts specified in any part of this Delegations Manual are exclusive of GST.

9. To make such payments of a non-contractual nature as are required by statute or are necessary to maintain the effective functioning of the Council including, but not limited to, payroll, remittances to Inland Revenue Department, and investments of Council funds, and repayment of borrowings:
10. All purchases shall be made in accordance with the Council’s Procurement Policy with the exception of the following situations:

a) Council has approved an exemption from the Procurement Policy procedures for procurement over $250,000 or where the risk is considered to be greater than moderate risk.
   i) In order to seek approval for an exemption an Authorised Purchasing Officer must submit a request for procurement exemption form satisfying their Group Manager and the Chief Executive, that the recommended purchasing process is appropriate to the circumstances and will result in a cost effective purchasing option for the Council.
   ii) Exemptions under this category from the purchasing provisions in the Procurement Policy shall be approved only by formal Council resolution.

b) The Chief Executive or a Group Manager (subject to financial delegation limits) have approved an exemption from the Procurement Policy procedures for procurement up to $250,000 and considered either low or moderate risk.
   i) In order to seek approval for an exemption an Authorised Purchasing Officer must submit a request for procurement exemption form, satisfying the Chief Executive or Group Manager that the recommended purchasing process is appropriate to the circumstances and will result in a cost effective purchasing option for the Council.
   ii) Approved exemptions under this category from the purchasing provisions in the Procurement Policy shall be reported to the next available Executive Leadership Team meeting. These will in turn be reported to the Audit Committee on a six monthly basis.

2.2 Chief Executive

The Chief Executive is empowered to enter into any contract for the purchase of materials or goods required by the Council, or for the engagement of services, or for any purchase connected with the day to day administration or daily functions of the Council up to the limits shown in the following schedule:

2.2.1 Schedule: Chief Executive

<table>
<thead>
<tr>
<th>Position</th>
<th>Contracts Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief Executive</td>
<td>250,000</td>
</tr>
</tbody>
</table>

Chief Executive Special Provisions:
- Long Term Plan; Annual Plan Works or Works approved via Council Resolution Subject to specifications (1) $1million
- Emergency Situations (2) $500,000
- Delegations to Temporary Positions (3) $1,000

1. Long Term Plan; Annual Plan Works or Works approved via Council resolution: Where works are specified in the long term plan; annual plan or approved via Council resolution,
public tenders have been called, the tender is acceptable, and the tender is within the financial allocation (or for roading contracts the preferred tender complies with New Zealand Transport (or for Agency (NZTA) Competitive Pricing Procedures), then the Chief Executive shall have authority to let the contract up to $1 million in value subject to reporting to the next available Council or appropriate committee meeting of their actions.

2. **Emergency Situations:** In an emergency situation, the Chief Executive can enter into contracts up to a combined total amount of $500,000 for each event. Emergency situations are where the occurrence of any emergency situation makes it necessary to incur expenditure outside of any approved spending programme to prevent or reduce the likelihood of either a life-threatening situation or the occurrence of major damage, (environmental or health, which is both likely and imminent. For clarity the event could be a natural event such as a weather event or a non-natural event such as a major factory fire producing toxic run off. All such contracts shall be reported to the first available meeting of the Council or an appropriate committee.

3. **Temporary Positions:** The Chief Executive may delegate to temporary positions not already disclosed in the Delegations Manual to a maximum of $1,000 and subject to no delegation under this provision contradicting any other provision in the Delegations Manual.

4. **Out-of-Cycle Financial Delegation**
   This section sets out the additional financial delegation given to the Chief Executive by the Council to enable effective and efficient delivery of the Council’s decisions (including the budget decisions contained in the Annual Plans and Long Term Plans); and clear accountability and lines of responsibility as provided for in the Local Government Act 2002 and other legislation.

**Definitions**

**Operating Expenditure (OPEX)**
All expenditure which does not meet the criteria for CAPEX must be classified as OPEX.

**Capital expenditure (CAPEX)**
Expenditure that results in the creation of a new asset, or increases the total useful life or capacity provided by an existing asset (i.e. improves an existing asset) is CAPEX. To be classified as an asset, expenditure must meet all of the following criteria: it generates access or rights to future benefits.

- It must be controlled by the Council and the transaction giving the Council control must have occurred.
- It must be capable of reliable measurement

**Operating Expenditure**
Council approves the following financial delegation to the Chief Executive with the covenant there is monthly reporting to Council of all over-expenditure and unbudgeted expenditure within the delegation. Once reported and approved by Council the cumulative expenditure against these limits will be reset to zero:

- Authority to allow for variations within a business unit, overhead unit or activity budget, also known as reallocation of budgets (with the exception of the interest and depreciation budget and associated expenditure).
- Authority to over expend on operating expenditure, excluding interest and depreciation, to a maximum across all overhead units of $100,000 [being finance, human resources, and the like]. In calculating potential overspend forecast underspend in other operating units and the level of applicable financial reserves shall be taken into account.
Authority to over expend on operating expenditure, excluding interest and depreciation, to a maximum cumulative increase across all Activities of $250,000. In calculating potential overspend, forecast underspend across all activities and the level of financial reserves shall be taken into account.

Council approves a dispensation to the Chief Executive financial delegation allowing over expenditure without further approval for the following budget:
- Building control
- RMA Implementation

Council approves a dispensation to the Chief Executive financial delegation allowing over expenditure without further approval to carry out prosecutions or defended hearings initiated by Council. Any such expenditure will be reported to the next Council meeting.

**Capital Expenditure**

Authority to over expend on capital expenditure to a maximum cumulative increase across all activities of $250,000. In the process of approving/declining such expenditure the overall external debt position and the forecast external debt of Council and level of any applicable financial reserves and publicised future capital works programmes shall be taken into account.

Appendix B to this paper provides a flow diagram as to how this out of cycle financial delegation would operate.

### 2.5 Engineering Services Department

#### 2.5.1 Schedule: Group Manager - Engineering Services

Subject to conditions on expenditure set out above, the Group Manager - Engineering Services is empowered to enter into contracts, and approve payments arising out of contracts entered into, for the purchase of materials, goods or services required by the Council, or for the construction of new works approved by the Council, up to the limits shown in the following schedule:

<table>
<thead>
<tr>
<th>Position</th>
<th>Contracts Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager - Engineering Services</td>
<td>100,000</td>
</tr>
<tr>
<td>Group Manager - Engineering Services Special Provisions</td>
<td></td>
</tr>
<tr>
<td>■ Long Term Plan; Annual Plan Works or Works approved via Council Resolution Subject to specifications (1)</td>
<td>500,000</td>
</tr>
</tbody>
</table>

1. Long Term Plan; Annual Plan Works or Works approved via Council resolution: Where works are specified in the long term plan; annual plan or approved via Council resolution, public tenders have been called, the tender is acceptable, and the tender is within the financial allocation (or for roading contracts the preferred tender complies with New Zealand Transport (or for Agency (NZTA) Competitive Pricing Procedures), then the Group Manager - Engineering Services shall have authority to let the contract up to $500,000 in value subject to reporting to the next available Council or appropriate committee meeting of their actions.
2.6 Community Services Department

2.6.1 Schedule: Group Manager - Community Services and Development

Subject to conditions on expenditure set out above, the Group Manager - Community Services and Development is empowered to enter into contracts, and approve payments arising out of contracts entered into, for the purchase of materials, goods or services required by the Council, or for the engagement of services necessary for the Council’s purposes or for the construction of new works approved by the Council, up to the limits shown in the following schedule:

<table>
<thead>
<tr>
<th>Position</th>
<th>Contracts Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager - Community Services and Development</td>
<td>100,000</td>
</tr>
</tbody>
</table>

2.7 Corporate Services Department

2.7.1 Schedule: Group Manager - Corporate Services

Subject to conditions on expenditure set out above, the Group Manager - Corporate Services is empowered to enter into contracts, and approve payments arising out of contracts entered into, for the purchase of materials, goods or services required by the Council, or for the engagement of services necessary for the Council’s purposes or for the construction of new works approved by the Council, up to the limits shown in the following schedule:

<table>
<thead>
<tr>
<th>Position</th>
<th>Contracts Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager - Corporate Services</td>
<td>100,000</td>
</tr>
</tbody>
</table>

2.8 Planning and Environmental Services Department

2.8.1 Schedule: Group Manager - Planning and Environmental Services

Subject to conditions on expenditure set out above, the Group Manager - Planning and Environmental Services is empowered to enter into contracts, and approve payments arising out of contracts entered into, for the purchase of materials, goods or services required by the Council, or for the engagement of services necessary for the Council’s purposes or for the construction of new works approved by the Council, up to the limits shown in the following schedule:

<table>
<thead>
<tr>
<th>Position</th>
<th>Contracts Amount $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Manager - Planning and Environmental Services</td>
<td>100,000</td>
</tr>
</tbody>
</table>
Information Report

To: Mayor and Councillors
From: Group Manager Corporate Services
Date: Wednesday, 22 January 2020
File reference: Document: 2703366
Appendix A: 2703375 - FENZ Consultation Document
Appendix B: 2703380- LGNZ Draft Submission

Portfolio holder: Mayor
Meeting date: Wednesday, 29 January 2020
Subject: Fire and Emergency NZ (FENZ) Funding Consultation

Recommendation:
THAT the report be received.

1 Summary

Fire and Emergency NZ (FENZ) is consulting on how it should be funded in the future. One of its proposals is that FENZ responses to property fires could be funded by councils collecting a levy on property values on behalf of FENZ. LGNZ is making a submission highlighting the potential issues with using this method.

2 Background

Currently FENZ is mostly funded (85%) by way of a levy on building insurance. The majority of FENZ’s activity is responding to medical emergencies, and vehicle accidents. Responding to building fires is now a smaller part of FENZ’s business but the building insurance levy funds most of FENZ’s activity. The funding review is intended to address this inequity and other funding issues.

3 Content

One of the suggestions in the consultation document is that councils should collect a levy on properties on behalf of FENZ.
Local Government NZ (LGNZ) is making a submission to the consultation document.

Their main concerns addressed in LGNZ’s draft submission relate to the proposal that councils collect the levy.

The main concerns are:
- That the FENZ levy will be seen as part of rates, and councils will have no control over the quantum of the levy.
- How much of FENZ’s activity be funded by a property levy
- That there will be a lack of accountability from FENZ to businesses/householders if the FENZ levy is seen as just another part of council rates.
- How will the cost of collection be shared.
- How non-rateable properties will be treated (esp. government owned properties such as hospitals and schools
- That councils will have no say how the levy is structured which could add to councils’ collection costs.

4 Conclusion

Councillors should be aware that FENZ is proposing that councils should collect part of FENZ’s revenue.

Duncan Peddie
Group Manager Corporate Services
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Message from Hon Tracey Martin

Minister of Internal Affairs

Fire and Emergency New Zealand is a relatively new organisation, being an amalgamation of the former rural and urban fire authorities and the national body for all fire and emergency services in New Zealand. Since it was established in 2017, New Zealanders have started to see the benefits of a unified fire and emergency service.

The coordination involved in the Tasman wildfire, which saw Fire and Emergency deploy firefighters and equipment from the length and breadth of the country, is a good example of the strength of the new organisation.

When I became Minister in 2017, Fire and Emergency was less than six months old and in the process of preparing to set a new levy under the provisions in the Fire and Emergency New Zealand Act 2017. It was apparent to me that there were some issues with the new levy model and that some property owners were facing substantial possibly unfair levy increases.

In initiating a review of the funding model for Fire and Emergency, while its current funding is set and level of reserves are strong we have an opportunity to take a clean-slate approach to funding this new organisation rather than simply stick with the model we’ve had historically.

The services that Fire and Emergency provides are essential to the ongoing safety of New Zealanders. That is why it is important for the Government to ensure that the organisation has a stable and secure source of funding both in the short and long term. At the same time, we want to ensure that the funding regime reflects costs, benefits and peoples’ ability to pay.

The purpose of this review is to see if there are more suitable options for funding Fire and Emergency than the current levy on property insurance. We are taking a fresh look at the options and talking to a wide range of people and organisations to ensure we understand both the benefits and challenges in any potential funding model. We want to hear what you think about the best way to fund our fire and emergency services.

Hon Tracey Martin
Minister of Internal Affairs
Executive Summary

Fire and Emergency New Zealand provides fire and emergency services 24 hours a day, seven days a week, from 652 fire stations across New Zealand. Fire and Emergency responds to incidents through a mixed model that includes 1800 career fire fighters concentrated in urban areas, 11,800 volunteers all over New Zealand, and through partnerships with other agencies.

Fire and Emergency is mainly funded through a levy on commercial and residential property, and motor vehicle insurance. Internationally, there is a growing trend to move away from insurance-based funding models for fire and emergency services. This is likely due to the inherent limitations of insurance-based approaches.

The Government is reviewing how Fire and Emergency is funded to consider better ways to fund such an important organisation so that it can remain responsive and fit for purpose in future. The Government is interested in:

- your views on ways to fund Fire and Emergency;
- understanding the value New Zealanders receive from Fire and Emergency; and
- how to best share Fire and Emergency's costs between those who benefit.

The first phase of the review is about collecting information. This feedback will be used to develop a preferred approach for Cabinet consideration. Any changes will take time to implement. We will be consulting again in phase two of the review on the impacts on businesses and households. We want to ensure the system is fair and affordable for everyone.

This review is only considering the funding options for Fire and Emergency. It is not considering wider changes to the Fire and Emergency Act, Fire and Emergency’s structure, nor funding options for other emergency services such as ambulance services. Fire and Emergency’s existing funding arrangements will remain in place during the review.
Chapter 1: Background and scope of review

We want to hear from you
The Government is reviewing the way Fire and Emergency New Zealand is funded. We want to find out whether there are more suitable options than the current approach, which is based on a levy paid on insurance contracts.

Background
The Fire and Emergency Act came into force in July 2017. It established Fire and Emergency from the amalgamation of the former New Zealand Fire Service Commission, the National Rural Fire Authority, twelve enlarged rural fire districts and 26 territorial rural fire authorities.

Fire and Emergency is almost entirely funded by a transitional levy on property insurance. The transitional levy continues much of the levy regime that funded the New Zealand Fire Service Commission under the Fire Service Act 1975, with an increased levy rate to fund the transition to a unified organisation, and to reflect Fire and Emergency’s new functions. Under the Fire and Emergency New Zealand Act as it currently stands, the current regime will apply until 1 July 2024.

A levy is:
A charge imposed on a group of individuals or organisations (e.g. an industry) as a proxy for the individuals or individual organisations who directly receive or would benefit from the good, service or regulation.

An updated and modernised insurance-based levy regime is authorised under the Fire and Emergency Act and will come into effect on 1 July 2024 if no other action is taken. While the funding regime was reviewed as part of the reforms that led to this new regime, the only options considered at that time were variations on the existing insurance-based model.

Purpose of review
The purpose of the review is to identify whether more suitable options exist for funding Fire and Emergency than an insurance-based levy. The Government has commissioned the Department of Internal Affairs (DIA) to undertake the review under the direction of the Minister of Internal Affairs. The Government's objective is to ensure that Fire and Emergency can continue to deliver the fire and emergency services that New Zealanders need and expect into the future.

The review is working within the existing principles set out in the Fire and Emergency Act. These principles state that Fire and Emergency’s funding should be Stable, Universal, Equitable, Predictable and Flexible. There is more information in Chapter Three on how these principles will guide our thinking on future fit for purpose funding models.

Broader review timeline
The review of Fire and Emergency’s funding regime is proceeding in two phases.

- **Phase One (March 2019 – February 2020):**
  This phase looks at the high-level ways to fund Fire and Emergency and seeks views from the public and stakeholders.

- **Phase Two (March 2020 onwards):**
  The Government will select the preferred funding model for Fire and Emergency.

Phase Two will include assessing the options and analysing feedback, and further consultation on the details of any new model. There will also be further consultation on the levy rate and how it should be applied before any changes to the levy occur.
**What this consultation is not about**

We are seeking views on approaches to fund Fire and Emergency at this stage, not the level of funding itself. The following is outside the scope of the review:

- Fire and Emergency’s expenditure;
- Fire and Emergency’s operations;
- legislative settings not related to funding Fire and Emergency;
- funding arrangements for other emergency services; and
- funding Fire and Emergency predominantly through general taxation.

**How to respond to this consultation**

Anyone can make a submission. You do not need to respond to all our consultation questions. Feel free to limit your responses to those topics of most relevance or interest to you.

Submissions can be emailed to: firefundingreview@dia.govt.nz

Alternatively, submissions can be posted to:

Fire Funding Review
Department of Internal Affairs
PO Box 805
Wellington 6140

The review team will be conducting a series of open meetings, and meetings with targeted stakeholder groups, on this discussion document.

See our website for more information: www.dia.govt.nz/firefundingreview

**Use and release of information**

The information provided in submissions will be used to inform DIA’s policy development process, and will inform advice to the Minister of Internal Affairs on progressing changes to the Fire and Emergency funding model. DIA intends to upload PDF copies of submissions received to its website at www.dia.govt.nz.

DIA will consider you to have consented to uploading by making a submission, unless you clearly specify otherwise in your submission.

If your submission contains any information that is confidential, or you otherwise wish us not to publish, please:

- indicate this on the front of the submission, with any confidential information clearly marked within the text; and
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under the Official Information Act 1982. Please set out clearly in the cover letter or e-mail accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. DIA will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

**Private information**

The Privacy Act 1993 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including DIA. Any personal information you supply to DIA in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to the Fire and Emergency funding model review. Please clearly indicate in the cover letter or e-mail accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that DIA may publish.
Chapter 2: Why is the funding model being reviewed?

The Government wants to ensure Fire and Emergency can continue to deliver the fire and emergency services that New Zealanders need and expect. To do this, Fire and Emergency must have a stable and secure funding model. At the same time, the costs associated with this need to be shared in a way that is fair and affordable for households and businesses.

Given the limitations with insurance-based models and the recent amalgamation of services to create a single agency in Fire and Emergency, there is an opportunity to consider how to fund fire and emergency services in New Zealand. This could align New Zealand with other overseas jurisdictions that have moved away from an insurance-based approach.

Benefits of insurance-based system

There are a number of benefits to our insurance-based system:

• the system is established and works well to fund Fire and Emergency;
• people understand and are used to working with the current system;
• moving to a new system would involve some costs and risks, and a degree of uncertainty;
• insurance levels are relatively stable year to year, but can change over time; and
• insurance, where available, generally reflects value.

The current insurance-based funding model has limitations

Any insurance-based levy system will have limitations:

• property owners who do not insure still benefit from Fire and Emergency’s services, ‘freeriding’ on those who do insure;
• levels of insurance are market-driven and can change over time, and do not necessarily match the benefit that Fire and Emergency’s services provide;
• charging a levy on insurance increases the overall cost of insurance, which may stop some people from getting insurance;
• levy systems can be complex to administer for insurers;
• the complexity of insurance contracts can result in similar properties paying different amounts; and
• the commercial sensitivity of insurance contracts can prevent information about some of these limitations being shared with the Government. This can make it hard to know how significant these problems are based on the information available.

Many international jurisdictions have moved away from using an insurance-based model to fund fire services

Several Australian states have fire services that were initially formed and funded through an insurance-based levy like New Zealand’s fire services.

Queensland, South Australia, Western Australia, and Victoria have moved away from an insurance-based model to a property-value based model. These states collect the levy through local councils. Some of these states include variable charges in their levy calculations – these can be based on location, size, or use of the property. These models include an allowance for the value of building contents that is calculated on the value of the property.

New South Wales and Tasmania both have an insurance-based model; New South Wales has previously considered moving to a property-based model but deferred the transition due to implementation issues, and Tasmania is considering a move to a property-based model. Northern Territory funds its fire service entirely from Commonwealth funds.

South Australia and Tasmania are the only Australian states that collect a fire levy on motor vehicles – South Australia collects a rate of levy dependent on the value of the vehicle as part of the vehicle licensing fee, and Tasmania collects a flat fee as part of vehicle licensing.
Some American states have composite models that fund fire services through a combination of charges. For example, districts in Washington State and Florida fund their fire services through a property tax, a Fire Benefit Charge (a service-benefit charge on properties based on size and use rather than value), fees and permits, and some government funding.

The options in this discussion document are similar to funding models used overseas. However, fire services in overseas jurisdictions may have different functions and responsibilities.

More detailed information on funding regimes in other jurisdictions is attached at Appendix A.

The current transitional funding model was never intended to be long term

The legislative changes in the 2017 Fire and Emergency Act included changes to the insurance-based levy regime to update and modernise it. These proposed changes have not yet taken effect and a transitional funding model is operating until 2024. This transitional model is not intended to fund Fire and Emergency in the long term, and the updated approach in the Fire and Emergency Act only considered new ways to fund Fire and Emergency under an insurance-based levy.

The proposed new levy regime under the Fire and Emergency Act, although more equitable than the levy system that came before it, still contains the inherent limitations of an insurance-based model. In addition, initial work done on the impact of moving to this model indicated that there could be substantial increases for some property holders and businesses.

For example, those that insure older buildings currently pay a levy calculated on the indemnity value (i.e. the present day or market value) of the building, rather than the sum insured or replacement value in the insurance policy which is typically higher. Under the Fire and Emergency Act 2017, it was proposed that the levy would be calculated on the sum insured not the indemnity value. So, for some owners of older buildings (large and small) the annual levy paid may increase significantly under the proposed new approach. Policyholders with "split perils" policies1 would be affected in a similar way by the proposed changes from charging the levy based on fire cover to sum insured. This could affect their profitability or could result in a decision to reduce their insurance cover.

In looking for better ways to fund Fire and Emergency, the Government is aware of the need to consider the costs in moving to a new system, both in terms of how it is set up and administered, and in how affordable the new model is for everyone.

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1. Some policyholders, generally those with large buildings or property portfolios, insure for a lower sum against fire damage, than for other risks such as earthquake or severe weather. This arrangement is known as a 'split perils' policy.
Chapter 3: What is Fire and Emergency and what does it do?

What Fire and Emergency does
Fire and Emergency New Zealand protects lives, limits injuries, and protects property, land and the environment. It also works with communities to reduce the likelihood of unwanted fires and consequences from emergencies. Fire and Emergency is connected to all communities throughout New Zealand to undertake prevention and response work. It must be ready for any emergency or incident, so it can respond quickly and effectively.

New Zealand’s integrated approach to emergency management can be described by the four areas of activity, known as the ‘4 Rs’; Risk reduction, Readiness, Response, and Recovery.

Tasman wildfires

One of New Zealand’s largest wildfires in the last 50 years broke out in Pigeon Valley in the Tasman area on Tuesday, 5 February 2019. Twenty-three helicopters, two fixed-wing aircraft and more than 150 firefighters fought the blaze at its peak. Fire and Emergency brought firefighters, trucks and equipment from the length and breadth of the country.

Fire and Emergency worked closely with others including the Ministry of Civil Defence and Emergency Management, the New Zealand Defence Force, New Zealand Police, the Ministry for Primary Industries and local government with more than 50 people planning and managing the operation.

Firefighters from a range of backgrounds worked together to protect homes and stop the spread of the fire, using skills and tactics honed on overseas deployments. With accommodation in short supply, Fire and Emergency’s Urban Search and Rescue teams constructed a camp providing tents, cots and washing facilities for up to 100 people per night.

Fire and Emergency needs to maintain the capacity to respond across New Zealand while attending large-scale incidents like this one. The ability of Fire and Emergency to surge its capacity to meet any situation that may arise is essential to the safety of New Zealanders.

Risk Reduction
An increasing focus of Fire and Emergency is to prevent fire and incidents involving hazardous substances from occurring in the first place. Fire and Emergency personnel work with New Zealanders, businesses and communities on awareness, education and adopting safer practices.

The number of fires in buildings has decreased over time. This is due to a combination of more fire-resistant building materials, changes to building codes brought about by partner agencies, and fire education by Fire and Emergency and its partner agencies.
Fire and Emergency New Zealand Funding Review – Consultation document

Readiness
Fire and Emergency needs to be ready to respond when and where an emergency may occur. Fire and Emergency must have distributed services spread throughout the country to ensure it is ready to respond. Fire and Emergency also assesses major risks in an area and makes plans to protect people and key assets.

Being ready means being able to quickly increase its capacity to respond when large or multiple incidents occur. This ensures both an adequate response to the incident, and cover for the rest of New Zealand during the same time.

Response
Fire and Emergency responds to incidents through a mixed model that includes 1800 career fire fighters concentrated in urban areas, 11,800 volunteers all over New Zealand, and through partnerships with other agencies.

These partnerships include NZ Police, ambulance services, civil defence and other emergency services, Department of Conservation and the NZ Defence Force. Fire and Emergency also works with the private sector including rural and forestry sectors, industry brigades and other fire related businesses.

Firefighters spend increasing amounts of time on non-fire emergencies such as natural disasters, medical call outs, floods, spills of hazardous substances and motor vehicle incidents.

Recovery
Fire and Emergency supports New Zealanders following emergencies in partnership with other agencies. This includes providing support to victims and communities immediately after an incident and helping to get them back to ‘business as usual’.

Hazardous substance incident closes State Highway One

A large truck and trailer carrying a range of hazardous substances hit a bank and rolled onto its side at Pukerua Bay, North of Wellington, in the early hours of Friday 19 October 2018. The incident blocked State Highway One in both directions. State Highway One was closed until around 9pm causing considerable disruption to commuter traffic and commercial road users.

The nature of the incident meant the safety of firefighters, other responders and the public had to be given priority. Fire and Emergency NZ personnel from Porirua, Plimmerton, and Johnsonville and the Hazardous Materials Command Unit from Wellington attended the incident.

Working with Mainfreight, Responsible Care NZ, NZ Police, Wellington Free Ambulance, Porirua City Council, the Environment Protection Authority, a tow salvage company and crane operators, the incident was brought to a safe conclusion with no injuries reported.
**A snapshot of Fire and Emergency NZ**

**Fire and Emergency NZ’s primary funding sources (total $624m)**

- **Commercial Levy**: 52.3%
- **Residential Levy**: 33.4%
- **Other**: 6.1%
- **Other revenue**: 1.1%
- **Govt Contribution**: 0.3%
- **Interest**: 0.3%

**Fire and Emergency NZ’s primary expenditure (total $617m)**

- **Employee & Volunteer Benefits**: 61%
- **Depreciation**: 12%
- **ICT**: 6%
- **Operational clothing and equipment**: 6%
- **Fleet (excl. depreciation)**: 4%
- **Other**: 11%

*2020/21 year

**Fire and Emergency’s responses**

*Total incidents attended: 79,921* including...

- **Medical emergencies**: 13,640
- **Structure fires**: 5,202
- **Motor vehicle incidents**: 9,982
- **Vegetation fires**: 4,416
- **Hazardous substance emergencies**: 832

*2018/19 year

**Fire stations by region**

- Te Hiku: 117
- Ngā Tai ki te Puku: 101
- Te Ūpoko: 161
- Te Ihu: 169
- Te Kei: 104
- **TOTAL**: 652

**Fire stations by type**

- Composite
- Career
- Rural
- Volunteer
Chapter 4: Options for feedback

The key question the Government is seeking to answer is:
How to best split the cost of funding Fire and Emergency between those who would benefit (e.g. businesses and households, urban, rural and remote communities, and motorists), given the different level of benefit they receive from Fire and Emergency?

What principles will be used to assess the options?
The funding principles set out in the Fire and Emergency Act 2017 have been retained for the review. These are:

(a) a stable source of funding to support Fire and Emergency in the performance of functions and duties and exercise of powers under this Act:

(b) universal, so that Fire and Emergency’s costs are generally shared among all who benefit from the potential to use Fire and Emergency’s services:

(c) equitable, so that policyholders should generally pay a levy at a level commensurate with their use of, or benefit from the potential to use, Fire and Emergency’s services and with the risks associated with the activities that policyholders carry out (but without strict apportionment according to use, benefit, or risk having to be observed):

(d) predictable, so that policyholders and levy payers are able to predict the amounts that they will need to pay and Fire and Emergency is able to predict how much levy income it will receive:

(e) flexible, so that the levy can adapt to—

(i) changes in the use, benefit, or risk associated with those who benefit from the potential to use Fire and Emergency’s services; and
(ii) variations in Fire and Emergency’s costs; and
(iii) changes to the expectations of the Crown and the strategic needs of Fire and Emergency.

QUESTIONS:

1. Are there other principles the Government should consider?

2. Which of the principles is/are the most important to you, and why?

Initial options have been chosen to address the issues with an insurance-based approach, based on the principles of the Fire and Emergency Act:

- Universal – insurance coverage is market based and is not universal;
- Equitable – there is a potential mismatch between insurance cover and the benefit from Fire and Emergency’s services; and
- Stable – insurance coverage can change over time.

Predictability and Flexibility can generally be built into any funding model. They will be important considerations in later phases of the review when looking at the design of the preferred approach.

No one option needs to be the sole basis for funding Fire and Emergency. It may be best to fund it based on a mixed option approach, to reflect the benefit that different sectors of New Zealand receive from Fire and Emergency’s services. Caps and exemptions for certain kinds of property are an option available to limit the impact of the levy in some circumstances.

Most New Zealanders are not involved in an incident in any given year. This does not mean they do not benefit from Fire and Emergency’s network coverage and readiness. Fire and Emergency’s services also have a wider benefit to communities and the environment. Consistent with the universal principle, funding for Fire and Emergency should reflect both the indirect and direct benefits and these costs should be shared as broadly as possible.

To reflect the possibility of a mixed option approach, options have been split out for businesses and households, and motorists. We have also included some options around other potential sources of funding including Crown or local government funding.

**Businesses and households**

Businesses and households benefit from Fire and Emergency:
- responding to incidents with fire prevention or suppression, or incidents involving hazardous substances;
- risk reduction and fire safety work through reduced risk of incident; and
- readiness as Fire and Emergency’s network and capacity allow it to respond in a timely way across New Zealand.

Options for businesses and households:
- **Insurance-based approach** – a levy charged on the value of property insured (including both building and contents). This is the status quo.
- **Property based approach** – a charge based on property data held by local authorities, such as value or size.
- **Property and use-based approach** – a charge based on property data held by local authorities, such as value or size, alongside considering how the property is used (e.g. the contents of buildings).

**QUESTIONS:**

3. Do you agree with the summary of benefits to businesses and households?

4. Which option do you prefer and why?

5. What are the likely issues or challenges with implementing these options?

6. Is there another option or options the Government should consider?

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<table>
<thead>
<tr>
<th>Option</th>
<th>Universal</th>
<th>Stable</th>
<th>Equitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance (status quo)</td>
<td>✗</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>About 85 to 87% of property is insured</td>
<td>Insurance levels are relatively stable year to year, but can change over time</td>
<td>Insurance, where available, generally reflects value (but also appetite for risk)</td>
</tr>
<tr>
<td>Property based</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Almost 100% for buildings, but unclear on contents</td>
<td>Property numbers are slowly increasing</td>
<td>(when combined with a cap on residential households)</td>
</tr>
<tr>
<td>Property and use</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>Almost 100% of buildings and contents</td>
<td>Property numbers are slowly increasing</td>
<td>(when combined with a cap on residential households) Adjustments for usage can allow for greater equity</td>
</tr>
</tbody>
</table>
**Motorists**

**Motorist benefits from Fire and Emergency:**
- responding to incidents to rescue people trapped because of transport or other accidents and getting traffic moving again;
- protecting the safety of persons and property endangered by transport incidents including those involving hazardous substances; and
- readiness as Fire and Emergency is often first on the scene at motor vehicle incidents to aid those involved.

**Options for motorists:**
- **Insurance-based approach** – a levy charged on the value of vehicle insurance. This is the status quo.
- **Vehicle licencing-based approach** – a charge collected alongside the annual motor vehicle licencing fee.
- **Transfer from land transport revenue** – transferring funds from the land transport revenue which is funded by taxes on petrol, Road User Charges and motor vehicle licensing and registration fees. The land transport revenue already provides some funding for road safety but does not provide funding to Fire and Emergency.

**How do the options compare?**

<table>
<thead>
<tr>
<th>Option</th>
<th>Universal</th>
<th>Stable</th>
<th>Equitable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insurance (status quo)</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>About 93% of motorists</td>
<td>Insurance levels are relatively stable</td>
<td>(when combined with a cap per vehicle)</td>
</tr>
<tr>
<td>Licencing</td>
<td>✔️</td>
<td>✔️</td>
<td>✔️</td>
</tr>
<tr>
<td></td>
<td>Over 98% of vehicle registrations are renewed annually</td>
<td>Vehicle numbers are slowly increasing</td>
<td>(when combined with a cap per vehicle)</td>
</tr>
<tr>
<td>Land transport revenue</td>
<td>✔️</td>
<td>✔️</td>
<td>✗</td>
</tr>
<tr>
<td></td>
<td>Indirectly almost 100% of motorists</td>
<td>There are competing priorities on land transport revenue</td>
<td>Cannot cap contribution via land transport revenue. Land transport revenue is already fully committed to funding transport projects</td>
</tr>
</tbody>
</table>

**QUESTIONS:**

7. Do you agree with the summary of benefits to motorists?

8. Which option do you prefer and why?

9. What are the likely issues or challenges with implementing these options?

10. Is there another option or options the Government should consider?
Other potential sources of funding

Other/wider benefits from Fire and Emergency:

- responding to incidents and getting traffic moving again or communities back to “business as usual”;
- responding to large-scale incidents typically provides a wider benefit than to directly affected properties;
- medical responses reduce risk for individuals and communities from harm; and
- fire permits and evacuation plans help reduce risk to individuals and the environment.

Other potential sources of funding:

- **Crown direct contribution** – the Crown currently contributes $10 million per year to support Fire and Emergency’s non-fire related work. This amount is periodically reviewed.

- **Local authority contribution** – local authorities could provide some support to reflect Fire and Emergency’s wider benefits for local communities. This could be an in-kind contribution (e.g. collecting the levy on Fire and Emergency’s behalf or providing the data if a property based approach is preferred).

- **Fire and Emergency charging for some services** – Fire and Emergency does not charge for assisting with evacuation plans. For discrete services like this, Fire and Emergency could charge a fee to reflect the direct benefit from its services. Nuisance charges for events such as repetitive false call-outs could also be considered.

How do the options compare?

These options would potentially be secondary sources of funding to recognise the wider benefit Fire and Emergency provides.

Collection mechanisms for levy

Depending on which option or options make up the preferred approach, there are options for collecting Fire and Emergency funding.

Under an insurance-based approach, insurers would continue to collect the levy on Fire and Emergency’s behalf. The costs of setting up and administering the current system are passed on to consumers through their insurance contracts.

If vehicle licensing is preferred for motorists, then the logical collection agent would be the New Zealand Transport Agency.

If funding moved to a property based approach, the levy could be collected by local authorities alongside rates or via a purpose built central collection agency (e.g. Fire and Emergency could be responsible for collecting its own funding) using local authority information.

There would be costs for Fire and Emergency and the collection agent associated with moving to a new funding model. These would include set up costs and ongoing administrative costs. There may also be costs or issues associated with the ownership and upkeep of property data.

**QUESTIONS:**

14. Which option do you think is the most suitable and why?

15. What do you like and/or dislike about the different collection mechanism options?
Consultation approach

The review team will be conducting a series of open meetings, and meetings with targeted stakeholder groups, on this discussion document.

See our website for more information:
www.dia.govt.nz/firefundingreview
## Appendix A: Funding models in overseas jurisdictions

**Northern Territory:** Fire and emergency services are funded directly from the State consolidated fund.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
<th>Motor vehicles</th>
<th>Fixed charges</th>
<th>Variable charge factors</th>
<th>Exemptions or discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Northern Territory Police, Fire and Emergency services.</td>
<td>No charge</td>
<td>No charge</td>
<td>No charge</td>
<td>N/A</td>
</tr>
</tbody>
</table>

**South Australia:** Largely funded through the Emergency Services Levy (ESL) which is collected by local government.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
<th>Motor vehicles</th>
<th>Fixed charges</th>
<th>Variable charge factors</th>
<th>Exemptions or discounts</th>
</tr>
</thead>
</table>
| Sector operates under the guidance of the South Australia Fire and Emergency Services (SAFECOM) Board. Agencies are the Country Fire Service, the Metropolitan Fire Service and State Emergency Service. | Levy paid with vehicle registration. Rate of levy depends on value of the vehicle. | Fixed charge ($50 in 2016/17) charged equally on all properties with exceptions for community use ($20) and those in Regional Area 3 ($0) | Based on:  
- **Capital Value** - value of the property as determined by the Valuer-General.  
- **Area Factor** - Four areas given an area factor based on level of emergency service provision. Metro areas have highest factor of 1 and rural the lowest of 0.1.  
- **Land-use factor** - properties are divided into 7 land-use categories and given a land-use factor. Commercial and industrial properties have higher factors than residential or special community use  
- **Prescribed levy factor** - Set annually by the SA govt and charged equally over all properties. | Concessions available for pensioners and people receiving some Centrelink payments. These are made by a reduction to the prescribed levy factor and/or a concession of up to $46. |
**Australian Capital Territory**: Fire and Emergency Services Levy (FESL) collected by local government funds around 90%, user charges fund around 8% and the remainder comes from other revenue.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
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<th>Exemptions or discounts</th>
</tr>
</thead>
</table>
| FESL funds ACT Fire and Rescue, State Emergency Services, and Ambulance Services. | No charge | Residential and rural properties are charged a fixed levy ($336 in 2018). | FESL for commercial properties is calculated on:  
• **Average Unimproved Value** (AUV) of the property, and a **marginal rating factor** which relates to the position of the properties AUV within 3 bands ($1-$300k, $300k-$2m, $2m+). | Pensioners eligible for a rates rebate will receive a rebate on the levy capped at $98. |

**Western Australia**: Largely funded through the Emergency Services Levy (ESL) which is collected by local government. Around 10% of funding from government.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
<th>Motor vehicles</th>
<th>Fixed charges</th>
<th>Variable charge factors</th>
<th>Exemptions or discounts</th>
</tr>
</thead>
</table>
| Department of Fire and Emergency Services is a govt department headed by a Commissioner. The levy funds the: Career Fire and Rescue Service, Volunteer Fire and Rescue Service, Local govt bush fire brigades, Volunteer State Emergency Service units, Volunteer Marine Rescue Service, Volunteer Fire and Emergency Service units. | No charge. | People who live in a location categorised as Pastoral/rural areas or mining tenants pay a fixed rate of $71 and no variable charges. | Variable charge based on:  
• **Location** - 6 areas with rates set according to services available to them, with properties with more services available to them paying a higher rate.  
• **Gross rental value** (GRV) - as calculated by the Valuer General at Landgate, this is an accepted measure for calculating what a property is worth and generally an indication of the owner’s capacity to pay. | Minimum and maximum thresholds set for all property types and areas to ensure the charge does not go beyond what is reasonable and fair. Pensioner and senior rebates are also available. |
**Queensland:** Emergency Management Levy (EML) collected by local government funds around 75%, with the remainder made from government contributions, direct user charges, and grants.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
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</tr>
</thead>
</table>
| Queensland Fire and Emergency Services (QFES) is the primary provider of fire and emergency services. The Rural Fire Service is the volunteer arm of the QFES operating in areas where there is no urban fire service coverage. | No charge | Some rural districts are charged an annual 'rural fire levy' (between $12-$60) as well as the EML to contribute to small volunteer fire services in certain districts. | Variable charge based on:  
- **Levy Class** - five classes where properties are categorised based on the kind of fire services provided in their area. Classes with greater fire service provision are charged more.  
- **Levy group** - properties are classed into 16 levy groups based on the use of the property. Each of these 16 groups has an EML rate for each levy class. Group 1 is largely vacant land, Group 2 is largely single residences, and Groups 3-16 are commercial properties increasing in size and risk factors. | Some property types in Levy Class E (located in rural areas) are not included in the EML, e.g. cemetery, library. A 20% discount is available for pensioners and repatriation health card owners. |

**New South Wales:** Around 75% funded through a levy on property insurance collected by insurers, 10% from increased stamp duty revenue from insurance levy and the remainder from local and state government.

<table>
<thead>
<tr>
<th>Fire and Emergency structures</th>
<th>Motor vehicles</th>
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<th>Variable charge factors</th>
<th>Exemptions or discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fire and Rescue NSW, NSW Rural Fire Service and NSW State Emergency Service.</td>
<td>No charge.</td>
<td></td>
<td></td>
<td>2009/10 data suggested 5% of home owners don't have building insurance and 36% of households did not take out contents insurance. There is an Insurance Monitor appointed to hold insurance companies to account.</td>
</tr>
</tbody>
</table>
**Tasmania:** Around 45% funded through a Fire Service Contribution (FSC) collected by local government, 20% from Insurance Fire Levy collected by insurance companies, 9% from Motor Vehicle Levy, and the remainder from contributions from State and Federal government and revenue received from the State Fire Commission (through user charges and provision of training services).

<table>
<thead>
<tr>
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<th>Variable charge factors</th>
<th>Exemptions or discounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Fire Commission</td>
<td>Flat fee</td>
<td>Residential</td>
<td>FSC is based on:</td>
<td>There is a minimum levy which is adjusted with the CPI ($39 in 2017/18). Pensioners and health card holders receive discounts on their FSC. The FSC does not apply to a broad range of land including that owned by local council, the Crown, most Government Business Enterprises or to Commonwealth land, to which a fire protection services agreement applies. The Motor Vehicle Levy doesn’t apply to caravans, horse floats, motorcycles or trailers.</td>
</tr>
<tr>
<td>responsible for the Tasmania Fire Service, and funds the State Emergency Service.</td>
<td>collected as part of registration fee. $17 per vehicle in 2017/18</td>
<td>and rural properties are charged a fixed levy ($336 in 2018).</td>
<td>• <strong>Land Rating</strong> which represents the type of fire service the area receives, and • <strong>Assessed value of the property.</strong></td>
<td></td>
</tr>
</tbody>
</table>

Insurance Fire Levy: Only applies to businesses, not households. The rate of the levy depends on the nature of the business.
**Washington State**: Funding ratios vary by district, but for example, one district received about 48.5% of funding from a Fire Benefit Charge (FBC), 42.5% from property tax, 1.5% from transport fees, 5.5% from government contracts and the remainder from permits, fees and other revenue.

<table>
<thead>
<tr>
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</tr>
</thead>
</table>
| Regional Fire Authorities operate in districts/ counties. | No charge | No charge | Fire Benefit Charge = property size x 18 x category factor x response factor x discount x hazard factor.  
- **Property size** is the square footage of each property.  
- **Category factor** - properties generally categorised into one of four (residential, mobile homes, apartments and commercial).  
- **Response factor** - the ‘cost per gallon’ of providing fire services.  
- **Discounts** - reductions for the elderly; properties with sprinklers; alarms and other factors.  
- **Hazard factor** (only included in a couple of districts) - the degree of risk caused by the use, processing, or storage of hazard materials within a building. The hazard factor reflects the need for larger and/or more specialised response forces. | Properties owned by religious organisations used for religious services are exempt from the FBC. Other common exemptions are public schools (because they already pay a per student stipend for fire services), federal property, and entities who contract with the fire service. All districts have discounts for the elderly and certified sprinkler systems. Some districts also provide discounts for properties with monitored fire-alarm systems and discounts for auxiliary structures like barns or storage sheds used in agricultural operations. |
**Florida**: Varies, but Districts that use assessments usually fund 30-50% of their budget through them, with the remainder coming from property tax.

<table>
<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>District brigades.</td>
<td>No charge</td>
<td></td>
<td>Assessment example: Gainesville - 'Factored Fire Protection Units' (FFPU) are used as a proxy for fire-fighting resources required to provide fire protection to a particular building. Fire assessment charges are based on its number of FFPU. FFPU are calculated using a property's hazard classification, its total square footage and historical demand for fire services.</td>
<td>There is an elderly discount and a low-income discount available. There is also a 10% discount available for properties with approved automatic sprinklers.</td>
</tr>
</tbody>
</table>

**Denmark**: 2/3s of Danish municipalities are covered by a private Multinational organisation ‘Falck’. Falck contracts with the local government of each municipality, charging annually for full coverage of a district (regardless of the number of incidents). The remainder are funded by local government.

<table>
<thead>
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</tr>
</thead>
<tbody>
<tr>
<td>Falck operates internationally, operating across four business areas: Emergency, Assistance, Healthcare and Safety Services. Fire services fall within 'Emergency', but Denmark is the only jurisdiction where they provide public firefighting brigades (elsewhere they provide industrial fire brigades).</td>
<td>No charge</td>
<td>No charge</td>
<td>No charge</td>
<td>N/A</td>
</tr>
</tbody>
</table>
This work is licensed under the Creative Commons Attribution 4.0 licence. In essence, you are free to copy, distribute and adapt the work as long as you attribute the work to the Department of Internal Affairs (and abide by the other licence terms – see the plain English licence terms at creativecommons.org/licenses/by/4.0). Please note that neither the DIA logo nor the New Zealand Government logo may be used in any way which infringes any provision of the Flags, Emblems, and Names Protection Act 1981 – attribution to the DIA should be in written form and not by reproduction of the DIA logo or New Zealand Government logo.
Fire and Emergency New Zealand (FENZ) is undertaking a consultation process to seek initial views from the public on preferred options for how fire and emergency services should be funded in the future. The consultation document can be downloaded from https://www.dia.govt.nz/firefundingreview#dd. The deadline for submissions is February 5, 2020.

The review is the first phase of a two phase process expected to be completed by 2024 and the implementation of a new funding model. The phases are:

- Phase One (March 2019 – February 2020) involves the publication of this consultation document and seeks feedback on high-level ways to fund Fire and Emergency services, without considering matters of detail or implementation; and
- Phase Two (March 2020 onwards) will involve consultation on the preferred funding model (as selected by the Government) and will seek feedback on the levy rate and how it should be applied (matters of detail) before any changes to the levy occur.

The creation of FENZ has highlighted the historic shortcomings with the current insurance-based funding model for fire and emergency services, particularly its lack of universality and the fact that some sectors, which benefit directly from the service, such as motorists, do not contribute in proportion to the cost. The Government’s challenge is to find a funding model that allocates cost in accordance with beneficiary in a way that free-riding is minimalised.

Two significant principles guide LGNZ’s response to the consultation paper:

- **Beneficiary pays**: that funding should be linked as strongly as practicable with the sectors that benefit from the services provided by Fire and Emergency New Zealand; and
- **Accountability**: that it is clear to those who pay fire service levies that they are administered directly by FENZ itself. Using proxy agencies to collect the levy on its behalf undermines that accountability and reduces the level of scrutiny that public organisations need to build and maintain community trust.

The direct beneficiaries of FENZ’s services

As the consultation document makes clear, a broad range of sectors directly benefit from the activities provided by FENZ, let alone the benefits that accrue to New Zealand as a whole.
As the document notes, in the 2018/2019 year, FENZ attended 79,921 incidents, the major ones involving:

- Medical emergencies;
- Structure (building) fires;
- Vegetation fires;
- Hazardous substances and emergencies; and
- Motor vehicle incidents.

In giving effect to the benefit principle, we would expect each of these sectors to contribute to the cost of fire and emergency services. In some cases, such as motorists and property owners, it is practical and efficient to apply a direct levy. In other cases, such as medical emergencies and hazardous substance emergencies, the contribution should come from taxpayers through the appropriate vote, such as Health and Environment. Further work is required on matters such as:

- Estimate the relative shares that property owners, road users, and other sectors should contribute based on the share of resources allocated to each.
- Establish a property data base for businesses and households, and a central collecting agency. The current valuation roll will be helpful but should be supplemented by additional information to assess specific use and risk.
- That groups of properties are weighted according to their specific risk profiles, and a mechanism to address affordability adopted.

Who should pay?

The consultation document outlines a number of options on which it seeks submitter’s views as well as inviting submitters to put forward other options.

- **Businesses and households:** LGNZ’s preference is for the proportion of FENZ’s income to be drawn from the business and household sector to be based on property value and use. This would require FENZ to develop its own database of valuation and use. The existing valuation data held by councils will be helpful but not sufficient.
- **Motorists:** The consultation paper suggests two options involving levies charged on vehicle insurance or vehicle licensing. Of the two options, LGNZ’s preference is for a charge to accompany annual vehicle licensing.
- **The Crown:** Fire and emergency services are not limited to structure fires and accidents. The consultation paper notes that 17 per cent of incidents attended involve medical emergencies as well as call-outs related to hazardous substances. Both are examples of a generic public benefit received from the work of the agency, and justify an annual contribution from taxpayers through the Government’s annual budgetary process.

Collection mechanisms

Since the benefit of FENZ services is spread over a number of distinct sectors, there cannot be a single collection mechanism, as the ideal funding model will involve a number of levies. A levy paid when vehicles are registered meets the principle of universality and simplicity, as it could involve an annual transfer from NZTA. A benefit received from businesses and households should be funded through a levy administered directly by FENZ.
The consultation paper asks whether a property based levy could be collected by local authorities on behalf of FENZ. LGNZ would not support that option for the following reasons:

- It diminishes public accountability and scrutiny as business and householders are unlikely to distinguish the relative share of their property taxes going to their council from FENZ. Any concerns people have about the level of property taxes will inevitably be raised with the local authority, not FENZ;
- Property taxes are not set on a consistent basis. Some councils set their rates on land value, others on capital or improved value. Many will employ a combination of both the unimproved and improved value while most employ a range of targeted rates, which are unlikely to be a relevant basis to set levies related to fire risk. In some cases, uniform charges make up a considerable share of a council's income. If a levy was collected by councils on the basis of each council's rating policies, the result would be inconsistent with the equity principle set out in the consultation document; and
- Local government's rating base is far from universal. Certain categories of property are non-rateable while others have mandatory rating discounts. In addition, councils may have their own policies for remitting rates under specific circumstances. Added to this, Crown land is non-rateable. Consequently, requiring council to collect a property levy would fail the test of universality and require complex arrangements to "fill the gaps".

A sustainable property levy that meets the principles set out in the discussion paper, will need to be specifically designed for that purpose, and to ensure appropriate public scrutiny and accountability, be levied directly by FENZ itself.

LGNZ will be submitting to the FENZ consultation document prior to the deadline on 5 February. Please forward any high level observations to Mike Reid at mike.reid@lgnz.co.nz by Tuesday 3 February.

Mike Reid
Principal Policy Advisor
Local Government New Zealand
**Decision Report**

To: Mayor and Councillors

From: Strategic Planning Manager

Date: Wednesday, 8 January 2020

File reference: Document: 2690675

Portfolio holder: Mayor

Meeting date: Wednesday, 29 January 2020

Subject: Workshop Schedule - Long Term Planning 2021-2031

---

**Recommendation:**

THAT the report be received, and

THAT the workshop for 5 February 2020 be removed from the workshop schedule; and

THAT the workshop schedule for the 2021 long term planning process from July 2020 to December 2020 is approved as follows:

<table>
<thead>
<tr>
<th>Date</th>
<th>Forum</th>
<th>Topic</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday 21 July 2020</td>
<td>Council workshop</td>
<td>• Introduction to LTP budget workshop and scene setting&lt;br&gt;• The financial picture&lt;br&gt;• First review of draft activity proposals &amp; budgets</td>
</tr>
<tr>
<td>Wednesday 22 July 2020</td>
<td>Council workshop</td>
<td>• First review of draft activity proposals &amp; budgets continued.</td>
</tr>
<tr>
<td>Wednesday 21 October 2020</td>
<td>Council workshop</td>
<td>• Second review of activity budgets and impacts including revised activity proposals and budgets.&lt;br&gt;• Revised strategic picture&lt;br&gt;• Financial picture &amp; funding impacts&lt;br&gt;• Infrastructure strategy recommendations&lt;br&gt;• Key consultation issues &amp; choices</td>
</tr>
<tr>
<td>Wednesday 18 November</td>
<td>Council workshop</td>
<td>• Final community engagement. Discussing community engagement approach.</td>
</tr>
</tbody>
</table>
1 Purpose

The purpose of this item is to seek the Council’s approval of a long term planning process workshop schedule from April 2020 to December 2020.

2 Background

Council is well underway preparing for the Long Term Plan 2021. A number of workshops have already taken place since the election, with additional workshops programmed already for between now and April 2020.

The Council has traditionally made use of workshops for a number of reasons:
• providing sufficient time for staff and elected members to familiarise themselves with requirements, content, expectations and views before a recommendation is considered
• enabling staff and elected members to identify and work through issues and risks earlier in the process
• supports elected members collaborating to identify solutions and prioritising those solutions, rather than receiving staff recommendations in a formal meeting environment
• spreading the workload across the year
• providing ‘alignment check points’ along the way to a) ensure staff have interpreted what you’ve told us correctly and b) provide the opportunity for staff to go away and model the implications of your decisions

No decisions can be made at workshops, and the result of any guidance provided can only be decided upon at subsequent Council meetings (in accordance with its decision-making obligations).

3 2021 long term planning Workshop Schedule

A previous report to Council indicated the LTP Council workshop programme up until April 2020. Most of these workshops have already taken place, however there are two workshops scheduled for the 5th February and the 19th February.

Wednesday 5th February - Staff are expecting there is now no need to hold the workshop on the 5th February, as this content will be able to be addressed in conjunction with the workshop on the 28th January. This date will be removed from Elected Members calendars.

Wednesday 19th February – This date will be for the Council to workshop options for a development contributions policy. Only approx. 3 hours will be required for this workshop. Calendars will be updated to reflect this reduction in time.

This report presents a draft workshop programme for the remainder of 2020, post April.

The workshops from July 2020 – December 2020 cover:
• Council’s first review of the draft activity budgets and proposals
• Council’s second review of draft activity budgets and proposals
• The financial impact of budgeting and proposals
• Infrastructure strategy recommendations
• Key consultation issues & choices
• Final community engagement approach

The Council approval is sought to hold these workshops.
3.1 Delegations to Committees and additional Council meetings

As part of the LTP budgeting process, there are several committees that have delegations to review and recommend to Council on the budget for their activities and the priorities for expenditure.

The following committees have delegation in this regard:

- Community Growth Committee
- Drainage Committees

Further meetings will be set up with the community growth committee and drainage committees to review relevant budgets as part of the budgeting rounds. Where possible, the review of the budgets will occur during official committee meeting dates. In instances where the committee do not meet within a given timeframe, an additional meeting may be booked.

The Audit & Risk Committee will also be reviewing budget reports separately to the workshops indicated at certain points throughout the budgeting process.

3.2 Proposed 2021 long term planning workshop schedule

<table>
<thead>
<tr>
<th>Stage</th>
<th>Timeframe</th>
<th>Workshops</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td><strong>Let’s get started</strong></td>
<td>Completed</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4 December 2019: Long term planning introduction (held)</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td><strong>What’s changed since we last talked?</strong> How does that affect what we deliver?</td>
<td>Now – April 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>12 December 2019: Direction setting briefing (held)</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td><strong>Let’s recheck our goals</strong> Have they changed?</td>
<td>Aug 2019 – March 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>28 January 2020 Direction setting in action (Expected to be from 9am-2pm)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>19 February 2020: Development Contributions Policy Workshop (Expected to be from 9am-12pm)</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td><strong>Time to make a plan</strong> What do we need to do to achieve those goals?</td>
<td>Feb 2020 – Oct 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>22 + 23 April 2020: What implementing the Council direction means for services and funding (Expected to be 9am-2pm)</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td><strong>Better cost that out</strong> Get out the calculator and budget!</td>
<td>Mar 2020 – Nov 2020</td>
</tr>
<tr>
<td></td>
<td></td>
<td>21 July 2020 22 July 2020 First cut of budgets and funding arrangements (Expected to be 9am-2pm)</td>
</tr>
<tr>
<td>Step</td>
<td>Description</td>
<td>Dates</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>7</td>
<td>How’s it stacking up? Will it work? Are our proposals financially viable? Does it pass the audit bar?</td>
<td>Aug 2020 - March 2021</td>
</tr>
<tr>
<td>8</td>
<td>Let’s run it by our people Do our proposals work for our communities?</td>
<td>Feb – June 2021</td>
</tr>
<tr>
<td>9</td>
<td>Okay, lock it in! Let’s make our final decision, adopt this thing and spread the word.</td>
<td>June – July 2021</td>
</tr>
<tr>
<td></td>
<td>Action stations Get delivering on those plans!</td>
<td>July 2021</td>
</tr>
</tbody>
</table>

The proposed schedule is indicative - the timing of individual workshops may change as the project proceeds. Any shifts in direction arising from the Council’s early workshops may result in changes to the workshop schedule. It is envisaged that individual workshops may be cancelled if they are no longer required.

### 4 Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

Community engagement is not considered appropriate for this matter, at this point in time.

### 5 Budget Implications

No additional budget implications are identified.

### 6 Recommendation

It is recommended that the Council approve the workshops noted for the period July 2020 to December 2020.

Jolene Nelson
STRATEGIC PLANNING MANAGER
Decision Report

To: Mayor and Councillors
From: Strategic Planning Manager
Date: Wednesday, 15 January 2020
File reference: Document: 2684068
Appendix A: Summary of consultation principles

Portfolio holder: Mayor
Meeting date: Wednesday, 29 January 2020
Subject: Review of the Council’s Significance and Engagement Policy

Recommendation:
THAT the report be received, and
THAT the Council approve that its Significance and Engagement Policy be reviewed, and
THAT the review be undertaken by the end of July 2020 in accordance with the timeframes outlined in the report, and
THAT a working party be established to discuss the details of the Significance and Engagement Policy consisting of the Deputy Mayor and the Ward Chairs.

1 Purpose
The 2021 long term planning project includes reviewing the Council’s Significance and Engagement Policy (SEP). This report provides an overview of the SEP requirements and a proposed review programme.

2 Background
2.1 What is a Significance and Engagement Policy?
The SEP is a legislative requirement of the Local Government Act 2002 (LGA02)\(^1\). At its simplest, the SEP therefore has two main parts.
1. Defining what matters are significant to the Council and its communities, and

2. Defining how and when the Council will engage with its communities.

The SEP in effect should provide a local (i.e. district, city or regional) application of the Council’s decision-making and engagement obligations.

2.2 Policy on community engagement

By engagement, we generally mean the participation of people in our decision-making processes from informing or communicating to them about something at one end of the spectrum, through to handing over decision-making at the other end (see figure 1 below).

<table>
<thead>
<tr>
<th>Inform</th>
<th>Consult</th>
<th>Involve</th>
<th>Collaborate</th>
<th>Empower</th>
</tr>
</thead>
<tbody>
<tr>
<td>One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.</td>
<td>Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.</td>
<td>Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.</td>
<td>Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.</td>
<td>The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.</td>
</tr>
</tbody>
</table>

Figure 1: The spectrum of community engagement

In short, the engagement policies state that Council will:

a) consult on matters when it is legally required to, and

b) engage (in the broader sense) on all other issues requiring a decision on a case by case basis. The more significant an issue, the greater the need for community engagement.

There is no policy on how the Council will engage but examples of forms of engagement that may be used are included.

2.3 Assessing significance

The SEP is also a means of letting the public know what decisions or matters the Council (and its communities) consider to be particularly important and how the Council will go about assessing the importance of matters.

The current SEP sets out matters to be considered when assessing significance as well as guidance thresholds including financial amounts.

2.4 Applying the policy

This is important as the Council is legally required to consider whether a matter is significant in various steps of its decision-making processes and if so, apply different approaches or standards. Likewise, it must also consider the views and preferences of those who are likely to be affected by or have an interest in a matter when making decisions, and what its SEP says about when and how it will engage on such matters.
A summary of the SEP must be included in the Council’s long term plans.

2.5 Review requirements

The Council’s first (and current) SEP became effective on 1 December 2014. It is available for viewing at https://www.hauraki-dc.govt.nz/assets/council_documents/Policies/Significance-Engagement-Policy-2017.pdf. The LGA02 does not require the Council to review its SEP within any defined timeframes. Rather it provides for the Council to amend its adopted policy from time to time\(^2\). The Council’s own SEP however identifies a review timeframe of 2020.

2.6 Consultation requirements

If amending its policy, the Council must consult on it before adoption unless it considers that it already has sufficient information on community views and preferences. For the purposes of planning the review, it is assumed that it may require consultation.

3 Issues

There are a number of matters that should be considered when deciding whether to review the SEP.

3.1 The return of community wellbeing

The repurposing of local government to – again – promoting the wellbeing of its communities, means that local authorities are required to consider the *current and future social, economic, environmental or cultural wellbeing* of their communities when assessing the significance of a matter, both now and in the future, not just the *district or region* more generally. This means each of the community wellbeing in its fuller sense is to be considered.

The implications of this change should be assessed and provided for in the SEP review.

3.2 Specific engagement obligations

3.2.1 Contribution to decision-making processes by Māori

The Council is required to:

1. maintain processes to provide opportunities for Māori to contribute to the Council’s decision-making processes
2. consider ways in which it may foster the development of Māori capacity to contribute to those decision-making processes
3. provide relevant information for the above purposes.

It must also set out the steps that it intends to take to foster the development of Māori capacity (as per the second item above) in its long term plans. Defining these steps has in the past been done separate to the preparation of the SEP, however as the two concern engagement, they are closely related.

The Hauraki Treaty settlements will inevitably result in changes to the way we engage with Hauraki Iwi. The SEP and processes for Māori contribution to decision-making should reflect these changes once known.

\(^2\) Local Government Act 2002, section 76AA(4).
3.2.2 Consultation requirements

The SEP does not take away the Council’s obligations to fulfil other consultation requirements. It should in fact help give effect to them. Two key sets of requirements to be aware of are:
1. the consultation principles for how the Council should consult – these are summarised in Appendix A.
2. specific circumstances which require specific consultation processes under a range of different pieces of legislation.

3.2.3 Other engagement requirements

A range of other statutes place other engagement requirements on councils at the involvement and collaboration part of the spectrum such as the Hauraki Gulf Forum (established under the Hauraki Gulf Marine Park Act 2000) where the Council partners with Tangata Whenua, government ministries and other local authorities, and the Ngāti Koi Domain Co-Governance Committee (established under the Ngāti Tara Tokanui deed of settlement and settlement legislation pertaining to Ngāti Koi Domain).

3.3 Engagement in practice

The Council regularly engages on matters other than statutory requirements or on issues on which a decision is required.

The way the Council has been engaging with its communities, particularly in how it consults and informs, has been evolving over the last few years. For example, we are seeing greater use of plain English, Te Reo Māori, online feedback tools, social media, verbal feedback opportunities and proactive information dissemination.

It is timely for the SEP to be assessed as to its fitness for purpose and how much it provides for current practice.

3.4 Resident satisfaction

In 2019, the Council surveyed residents about – amongst other things – their satisfaction with the way the council engages. In summary, the survey found the following.

| Residents who agreed that the Council does a good job of informing them about their decisions | 58%  | (a 7% decrease in agreeance from 2018) |
| Residents who agreed that the Council provides enough opportunities to have their say about Council matters | 60%  | (similar to 2018) |
| Residents who agreed that the Council understands the needs of residents | 58%  |
| Residents agreed that the Council listens to the concerns of its residents | 56%  | (a 4% decrease on 2018 results) |
| | 57%  | (a significant decrease from 73% in 2018) |
Overall satisfaction for the consultation and engagement from Council on its major policies and strategies

The majority of satisfaction with Council’s consultation and engagement is due to the Council providing them with plenty of information (43%), offering the public opportunities to talk (15%). Those who were satisfied still felt there was limited information available (13%).

The majority of residents’ dissatisfaction is due to the Council not engaging with the public (25%), having not heard anything from the Council (20%), and poor communication (17%).

This indicates that there is scope for improvement in satisfaction levels.

3.5 Resident preferences

We also surveyed residents about their engagement preferences. This can inform how we might best meet our residents’ preferences for how they would receive information from and engage with us.

Preferred method for engaging with the Council:

The majority of residents prefer to engage with Council through face to face contact (55%) but generally not through public meetings (12%) or specific drop in sessions (5%). Residents also prefer contacting Council on the phone (45%). At a lower level, 26% of residents prefer engaging with Council through email, 18% through the Council’s website, 13% on Facebook, and 12% in public meetings. Only 4% prefer to engage by making submissions to consultation documents.

Use of social media:

Sixty-seven per cent of residents do use a form of social media to get their information, while 33% do not. Almost all residents aged 16-39 use a form of social media (94%) while only 44% of residents aged 60 years and older use a form of social media. It is also interesting to note that females are more likely to use a form of social media (73%) compared to males (62%).

Readership of newspapers:

The majority of residents regularly read the Hauraki Herald (66%), while 58% of residents read other local papers. A further 15% of residents don’t read any newspaper regularly.

Listening to radio:

Eighty-two per cent of residents listen to the radio.

3.6 Significance thresholds

Some aspects of the significance assessment policy have not changed for some time and may warrant a refresh. For example, the current policy has had a significance threshold of $1,000,000 in unbudgeted expenditure since 2006. In this example, it may be appropriate to review whether the threshold is still reflective of today’s dollar values as the Local Government Consumer Price Index increased by just under 35% between 2006 and 2017.
4 Options

Staff request a decision from the Council on whether to proceed with reviewing the SEP or not.

4.1 Reviewing the SEP

Reviewing the SEP would allow for changing legislative requirements and council intents to be clearly considered and provided for. It would also provide for a check on whether the current SEP is fit for purpose.

Staff recommend completing an SEP review by July 2020 in order to inform 2021 long term planning process. A programme for review to meet this timeframe could be as follows.

<table>
<thead>
<tr>
<th>Stage</th>
<th>Commences</th>
<th>Completion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Programme and governance oversight arrangements confirmed</td>
<td>29 January 2020</td>
</tr>
<tr>
<td>2.</td>
<td>Staff assessment of need for changes</td>
<td>January 2019</td>
</tr>
<tr>
<td>3.</td>
<td>Consider issues and options</td>
<td>March 2020</td>
</tr>
<tr>
<td>4.</td>
<td>Assess whether more information on community views and preferences is needed</td>
<td>March 2020</td>
</tr>
<tr>
<td>5.</td>
<td>Prepare recommendations and draft policy</td>
<td>April 2020</td>
</tr>
<tr>
<td>6.</td>
<td>Consultation – if appropriate</td>
<td>May 2020</td>
</tr>
<tr>
<td>7.</td>
<td>Policy adoption</td>
<td>July 2020</td>
</tr>
</tbody>
</table>

Should the Council proceed with a review, staff request a decision from the Council on how it wishes to provide governance oversight of the SEP review. According to the Council’s delegations, the adoption of the policy itself cannot be delegated.

A SEP review would be funded through existing budget and has been programmed into organisational work programmes.

4.2 Not reviewing the SEP

There is no statutory ‘prod’ to review the SEP and a review would involve staff time and some costs. However, by not reviewing the SEP, there is a risk that it will not align to recent statutory changes and will not align to Council expectations and practices.

5 Significance and Engagement Assessment

This decision does not trigger the Significance and Engagement Policy Assessment Tool and therefore is not considered significant under the Significance and Engagement Policy 2017.

The level of engagement considered appropriate for this matter, at this point in time, is to not engage on the decision to review the SEP. However, the programme for review does allow for a decision to be made on consulting on the draft SEP as per the LGA02.

6 Budget Implications

The cost of reviewing the SEP is provided for within existing Strategic Planning operating budgets.
7 Recommendation

Staff recommend that Council support the review of the Significance and Engagement Policy 2017 and that a working party be established with the Deputy Mayor and the Ward Chairs to discuss the details of the policy prior to Council consideration.

Jolene Nelson
STRATEGIC PLANNING MANAGER
Appendix A: Summary of local government consultation principles

A consultation process should be undertaken in such a way that meets the needs and preferences of those who may wish to share their views to the extent that is practicable and appropriate.

This would first require an understanding of:
1. the various persons who will or may be affected by, or have an interest in the decision or matter. This may include geographical communities and communities of interest.
2. their preferences and needs for receiving information and providing feedback.

In most cases are unlikely to be homogenous in their needs and preferences, and the Council should demonstrate its awareness of the various communities who may wish to share views and how they wish to be engaged.

From this, the Council must then identify how it will meet the following consultation requirements:
- **access to information** - providing the persons noted above with reasonable access to relevant information in a manner and format that is appropriate to their preferences and needs
- **encouraging the sharing of views** - encouraging those persons to present their views to the Council
- **the purpose of consultation** - providing clear information to those who are invited or encouraged to present their views on the purpose of the consultation process and the scope of the decisions to be made following the consultation process
- **opportunity to present views** - providing persons who wish to have their views considered with a reasonable opportunity to present their views in a manner and format that is appropriate to their preferences and needs
- **having an open mind** - receiving the views presented with an open mind and giving them due consideration
- **information on decisions made** - providing those who present their views with access to a clear description or record of the decisions made and reasons for those decisions
- **consulting with Māori** – ensuring that the Council has processes in place for consulting with Māori to meet the above requirements.

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3 s.82(1)(a)