



**Far North
District Council**



Te Kaunihera o Tai Tokerau ki te Raki

AGENDA

Ordinary Council Meeting

Thursday, 12 August 2021

Time: 10.00 am
Location: Council Chamber
Memorial Avenue
Kaikohe

Membership:

Mayor John Carter - Chairperson
Cr Ann Court
Cr David Clendon
Cr Dave Collard
Cr Felicity Foy
Cr Mate Radich
Cr Rachel Smith
Cr Kelly Stratford
Cr Moko Tepania
Cr John Vujcich

COUNCIL MEMBERS REGISTER OF INTERESTS

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Hon Mayor John Carter QSO	Board Member of the Local Government Protection Programme	Board Member of the Local Government Protection Program		
	Carter Family Trust			
Deputy Mayor Ann Court	Waipapa Business Association	Member		Case by case
	Warren Pattinson Limited	Shareholder	Building company. FNDC is a regulator and enforcer	Case by case
	Kerikeri Irrigation	Supplies my water		No
	District Licensing	N/A	N/A	N/A
	Ann Court Trust	Private	Private	N/A
	Waipapa Rotary	Honorary member	Potential community funding submitter	Declare interest and abstain from voting.
	Properties on Onekura Road, Waipapa	Owner Shareholder	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Property on Daroux Dr, Waipapa	Financial interest	Any proposed FNDC Capital works or policy change which may have a direct impact (positive/adverse)	Declare interest and abstain from voting.
	Flowers and gifts	Ratepayer 'Thankyou'	Bias/ Pre-determination?	Declare to Governance
	Coffee and food	Ratepayers sometimes 'shout' food and beverage	Bias or pre-determination	Case by case
	Staff	N/A	Suggestion of not being impartial or pre-determined!	Be professional, due diligence, weigh the evidence. Be thorough, thoughtful, considered impartial and balanced. Be fair.
	Warren Pattinson	My husband is a builder and may do work for Council staff		Case by case
Ann Court - Partner	Warren Pattinson Limited	Director	Building Company. FNDC is a regulator	Remain at arm's length
	Air NZ	Shareholder	None	None

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Warren Pattinson Limited	Builder	FNDC is the consent authority, regulator and enforcer.	Apply arm's length rules
	Property on Onekura Road, Waipapa	Owner	Any proposed FNDC capital work in the vicinity or rural plan change. Maybe a link to policy development.	Would not submit. Rest on a case by case basis.
David Clendon	Chairperson – He Waka Eke Noa Charitable Trust	None		Declare if any issue arises
	Member of Vision Kerikeri	None		Declare if any issue arises
	Joint owner of family home in Kerikeri	Hall Road, Kerikeri		
David Clendon – Partner	Resident Shareholder on Kerikeri Irrigation			
David Collard	Snapper Bonanza 2011 Limited	45% Shareholder and Director		
	Trustee of Te Ahu Charitable Trust	Council delegate to this board		
Felicity Foy	Flick Trustee Ltd	I am the director of this company that is the company trustee of Flick Family Trust that owns properties Seaview Road – Cable Bay, and Allen Bell Drive - Kaitaia.		
	Elbury Holdings Limited	This company is directed by my parents Fiona and Kevin King.	This company owns several dairy and beef farms, and also dwellings on these farms. The Farms and dwellings are located in the Far North at Kaimaumau, Bird Road/Sandhills Rd, Wireless Road/ Puckey Road/Bell Road, the Awanui Straight and Allen Bell Drive.	
	Foy Farms Partnership	Owner and partner in Foy Farms - a farm on Church Road, Kaingaroa		
	Foy Farms Rentals	Owner and rental manager of Foy Farms Rentals for 7 dwellings on Church Road,		

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		Kaingaroa and 2 dwellings on Allen Bell Drive, Kaitaia, and 1 property on North Road, Kaitaia, one title contains a cell phone tower.		
	King Family Trust	This trust owns several titles/properties at Cable Bay, Seaview Rd/State Highway 10 and Ahipara - Panorama Lane.	These trusts own properties in the Far North.	
	112 Commerce Street Holdings Ltd	Owner of commercial property in Commerce Street Kaitaia.		
	Foy Property Management Ltd	Owner of company that manages properties owned by Foy Farms Rentals and Flick Family Trust.		
	Previous employment at FNDC 2007-16	I consider the staff members at FNDC to be my friends		
	Shareholder of Coastline Plumbing NZ Limited			
Felicity Foy - Partner	Director of Coastal Plumbing NZ Limited			
	Friends with some FNDC employees			
Mate Radich	No form received			
Rachel Smith	Friends of Rolands Wood Charitable Trust	Trustee		
	Mid North Family Support	Trustee		
	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member		
	Vision Kerikeri	Financial Member		
Rachel Smith (Partner)	Property Owner	Kerikeri		
	Friends who work at Far North District Council			
	Kerikeri Cruising Club	Subscription Member and Treasurer		
	Vision Kerikeri	Financial Member		
	Town and General Groundcare Limited	Director, Shareholder		
Kelly Stratford	KS Bookkeeping and Administration	Business Owner, provides book keeping, administration and development of	None perceived	Step aside from decisions that arise, that may have conflicts

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
		environmental management plans		
	Waikare Marae Trustees	Trustee	Maybe perceived conflicts	Case by case basis
	Bay of Islands College	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Karetu School	Parent Elected Trustee	None perceived	If there was a conflict, I will step aside from decision making
	Māori title land – Moerewa and Waikare	Beneficiary and husband is a shareholder	None perceived	If there was a conflict, I will step aside from decision making
	Sister is employed by Far North District Council			Will not discuss work/governance matters that are confidential
	Gifts - food and beverages	Residents and ratepayers may 'shout' food and beverage	Perceived bias or predetermination	Case by case basis
	Taumarere Counselling Services	Advisory Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
	Sport Northland	Board Member	May be perceived conflicts	Should conflict arise, step aside from voting
	He Puna Aroha Putea Whakapapa	Trustee	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Kawakawa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	Whangaroa Returned Services Association	Member	May be perceived conflicts	Should conflict arise, step aside from voting should they apply for funds
	National Emergency Management Advisor Committee	Member		Case by case basis
	Te Rūnanga ā Iwi o Ngāpuhi	Tribal affiliate member	As a descendent of Te Rūnanga ā Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā Iwi o	Declare a perceived conflict should there appear to be one

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
			Ngāpuhi Council relations	
	Te Rūnanga ā Iwi o Ngāti Hine	Tribal affiliate member	Could have a perceived conflict of interest	Declare a perceived conflict should I determine there is a conflict
	Kawakawa Business and Community Association	Member		Will declare a perceived conflict should there appear to be one
Kelly Stratford - Partner	Chef and Barista	Opua Store	None perceived	
	Māori title land – Moerewa	Shareholder	None perceived	If there was a conflict of interest I would step aside from decision making
Moko Tepania	Teacher	Te Kura Kaupapa Māori o Kaikohe.	Potential Council funding that will benefit my place of employment.	Declare a perceived conflict
	Chairperson	Te Reo o Te Tai Tokerau Trust.	Potential Council funding for events that this trust runs.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Te Rarawa	As a descendent of Te Rarawa I could have a perceived conflict of interest in Te Rarawa Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga o Whaingaroa	As a descendent of Te Rūnanga o Whaingaroa I could have a perceived conflict of interest in Te Rūnanga o Whaingaroa Council relations.	Declare a perceived conflict
	Tribal Member	Kahukuraariki Trust Board	As a descendent of Kahukuraariki Trust Board I could have a perceived conflict of interest in Kahukuraariki Trust Board Council relations.	Declare a perceived conflict
	Tribal Member	Te Rūnanga ā-Iwi o Ngāpuhi	As a descendent of Te Rūnanga ā-Iwi o Ngāpuhi I could have a perceived conflict of interest in Te Rūnanga ā-Iwi o Ngāpuhi Council relations.	Declare a perceived conflict

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
John Vujcich	Board Member	Pioneer Village	Matters relating to funding and assets	Declare interest and abstain
	Director	Waitukupata Forest Ltd	Potential for council activity to directly affect its assets	Declare interest and abstain
	Director	Rural Service Solutions Ltd	Matters where council regulatory function impact of company services	Declare interest and abstain
	Director	Kaikohe (Rau Marama) Community Trust	Potential funder	Declare interest and abstain
	Partner	MJ & EMJ Vujcich	Matters where council regulatory function impacts on partnership owned assets	Declare interest and abstain
	Member	Kaikohe Rotary Club	Potential funder, or impact on Rotary projects	Declare interest and abstain
	Member	New Zealand Institute of Directors	Potential provider of training to Council	Declare a Conflict of Interest
	Member	Institute of IT Professionals	Unlikely, but possible provider of services to Council	Declare a Conflict of Interest

Far North District Council
Ordinary Council Meeting
will be held in the Council Chamber, Memorial Avenue, Kaikohe on:
Thursday 12 August 2021 at 10.00 am

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1 KARAKIA TIMATANGA – OPENING PRAYER**2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST**

Members need to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to review the matters on the agenda and assess and identify where they may have a pecuniary or other conflict of interest, or where there may be a perception of a conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the meeting or of the relevant item of business and refrain from participating in the discussion or voting on that item. If a Member thinks they may have a conflict of interest, they can seek advice from the Chief Executive Officer or the Team Leader Democracy Support (preferably before the meeting).

It is noted that while members can seek advice the final decision as to whether a conflict exists rests with the member.

3 DEPUTATION

KERRY SHANTA - FOOTPATH FROM AHIPARA TO KAITAIA.

DENNIS CORBETT - BROWNLIE PROJECT

4 NGĀ KŌRERO A TE KOROMATUA / MAYORAL ANNOUNCEMENTS

5 NOTICE OF MOTION**5.1 NOTICE OF MOTION - KAIMAUMAU ROAD****File Number: A3310921**

I, Councillor Mate Radich, give notice that at the next meeting of Council to be held on 12 August 2021, I intend to move the following motion:

MOTION

That the Far North District Council:

- a) place speed bumps on the tar seal in the village of Kaimaumau.**
- b) remove all illegal obstacles (road tyres, signs, rocks) obstructing this road immediately.**

TAKE / RATIONALE

I, among other Councillors have been to Kaimaumau Road on numerous occasions. Residents have for a long time, been unhappy with the service from Council along their road. Residents have protested for some time and implemented road-blocks to demonstrate their frustrations. From one of the many meetings I took to put this notice of motion to Council for consideration.

I commend this Notice of Motion to Council.

ĀPITIHANGA / ATTACHMENTS

- 1. Notice of Motion - Cr Mate Radich - A3310916** [↓](#) 

27/7/2021

(To Shaun Clarke: E.E.O. Far North District Council.

(Motion: For the Next FNDC Meeting.

① That the FNDC place speed bumps on the Tarseal in the Village of Kau Ma Ma Ma.

② Kau Ma Ma Ma Road is deemed a public road under Central FNDC. That Council remove all illegal obstacles (Road Tyres, Signs, Rocks,) obstructing this road immediately.

(= Moved by MATE Radich (FNDC councillor Teffiker Ward).

Mate Radich

6 CONFIRMATION OF PREVIOUS MINUTES

6.1 CONFIRMATION OF PREVIOUS MINUTES

File Number: A3052380

Author: Marlema Baker, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

PURPOSE OF THE REPORT

The minutes are attached to allow Council to confirm that the minutes are a true and correct record of previous meetings.

RECOMMENDATION

That Council confirm the minutes of the Council meetings held 24 June 2021 and 1 July 2021 are a true and correct record.

1) BACKGROUND

Local Government Act 2002 Schedule 7 Section 28 states that a local authority must keep minutes of its proceedings. The minutes of these proceedings duly entered and authenticated as prescribed by a local authority are prima facie evidence of those meetings.

2) DISCUSSION AND OPTIONS

The minutes of the meetings are attached.

Far North District Council Standing Orders Section 27.3 states that no discussion shall arise on the substance of the minutes in any succeeding meeting, except as to their correctness.

Reason for the recommendation

The reason for the recommendation is to confirm the minutes are a true and correct record of the previous meetings.

3) FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or the need for budgetary provision as a result of this report.

ATTACHMENTS

1. 2021-06-24 Council Minutes - A3250819  
2. 2021-07-01 Council Minutes - A3267300  

Compliance schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

Compliance requirement	Staff assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This is a matter of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	This report complies with the Local Government Act 2002 Schedule 7 Section 28.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	It is the responsibility of each meeting to confirm their minutes therefore the views of another meeting are not relevant.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no implications for Māori in confirming minutes from a previous meeting. Any implications on Māori arising from matters included in meeting minutes should be considered as part of the relevant report.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example, youth, the aged and those with disabilities).	This report is asking for minutes to be confirmed as true and correct record, any interests that affect other people should be considered as part of the individual reports.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or the need for budgetary provision arising from this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

**MINUTES OF FAR NORTH DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON THURSDAY, 24 JUNE 2021 AT 10.00 AM**

PRESENT: Mayor John Carter (HWTM), Deputy Mayor Ann Court, Cr David Clendon, Cr Dave Collard, Cr Felicity Foy, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania, Cr John Vujcich

IN ATTENDANCE: Adele Gardner (Te Hiku Community Board Chairperson), Belinda Ward (Bay of Islands-Whangaroa Community Board)

STAFF PRESENT: Shaun Clarke (Chief Executive Officer), William J Taylor, MBE (General Manager Corporate Services), Dean Myburgh (General Manager District Services), Andy Finch (General Manager Infrastructure and Asset Management), Darren Edwards (General Manager Strategic Planning and Policy)

1 KARAKIA TIMATANGA – OPENING PRAYER

His Worship the Mayor commenced the meeting with the Council prayer.

2 NGĀ WHAKAPĀHA ME NGĀ PANGĀ MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

APOLOGY

RESOLUTION 2021/41

Moved: Mayor John Carter
Seconded: Cr Dave Collard

That the apology received from Councillor Mate Radich be accepted and leave of absence granted.

CARRIED

3 NGĀ TONO KŌRERO / DEPUTATION

Nil

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 5.1 document number A3052372, pages 12 - 33 refers.

RESOLUTION 2021/42

Moved: Mayor John Carter
Seconded: Cr Rachel Smith

That Council confirm the minutes of the Council meeting held 13 May 2021 as a true and correct record.

CARRIED

5 REPORTS

5.1 PETITION FROM MARGO TAITUHA AND GEOFF REID - STOP THE SEAWALLS AND DREDGING

Agenda item 6.1 document number A3212375, pages 34 - 155 refers.

RESOLUTION 2021/43

Moved: Mayor John Carter

Seconded: Cr Felicity Foy

That Council receive the petitions from Margo Taituha and Geoff Reid – ‘Stop the Seawalls and Dredging’.

CARRIED

Attachments tabled at meeting

- 1 Tabled Document - Action Stations Seawall Petition extract from web

5.2 ADOPTION OF THE 2021-31 LONG TERM PLAN

Agenda item 6.2 document number A3223043, pages 156 - 161 refers.

RESOLUTION 2021/44

Moved: Mayor John Carter

Seconded: Cr Ann Court

That Council:

- a) **adopts the Revenue and Financing Policy contained in the final 2021-31 Long Term Plan.**
- b) **adopts the Financial Strategy and Infrastructure Strategy contained in the final 2021–2031 Long Term Plan.**
- c) **adopts the 2021–2031 Long Term Plan as amended in accordance with the decisions made at the Deliberations meeting held on 13 May 2021 and the final changes notified by Audit New Zealand.**
- d) **adopts the ML21/2 policy (Māori Freehold Land used for the purposes of Papakāinga or other housing purposes subject to occupation licenses or other informal arrangements) as amended.**
- e) **authorises the Chief Executive Officer to approve any minor accuracy, grammatical or formatting amendments prior to the Long-Term Plan 2021– 2031 and associated documents being published or uploaded onto the Far North District Council website.**

CARRIED

Note: The Mayor acknowledged and thanked Elected Members and staff for the hours and amount of work that has gone into completing the 2021-2031 Long Term Plan.

5.3 SETTING OF RATES, DUE DATES AND PENALTIES FOR 2021-2022

Agenda item 6.3 document number A3217445, pages 162 - 171 refers.

RESOLUTION 2021/45

Moved: Mayor John Carter

Seconded: Cr Ann Court

That, pursuant to Section 23 of the Local Government (Rating) Act 2002 (the Act), Council sets the rates as described below for the year commencing 1st July 2021 and concluding 30th June 2022;

All rates are shown inclusive of GST

GENERAL RATE

General Rate

Differentiated on the basis of land use set on all rateable land

Differential	Basis	Rate
General Differential	Per \$ of Land Value	\$0.0046648
Commercial Differential	Per \$ of Land Value	\$0.0128282

Uniform Annual General Charge (UAGC):

A UAGC of \$450.00 per Separately Used or Inhabited Part (SUIP) on every rateable Rating Unit

TARGETED RATES

ROADING RATES

Uniform Roading Rate

A Uniform Targeted Rate of \$100 per Separately Used or Inhabited Part (SUIP) on every rateable Rating Unit

Differential Roading Rate

Differentiated on the basis of land use set on all rateable land

Differential	Basis	Rate
Residential	Per \$ of Land Value	\$0.0001041
Lifestyle	Per \$ of Land Value	\$0.0001130
Farming General	Per \$ of Land Value	\$0.0001243
Horticulture	Per \$ of Land Value	\$0.0000776
Dairy	Per \$ of Land Value	\$0.0001803
Forestry	Per \$ of Land Value	\$0.0019579
Commercial	Per \$ of Land Value	\$0.0002810
Industrial	Per \$ of Land Value	\$0.0003402
Mining/Quarry	Per \$ of Land Value	\$0.0087814
Other	Per \$ of Land Value	\$0.0001935

Ward Services Rate

Differentiated on the basis of location set on all rateable land in the identified wards

Differential	Basis	Rate
BOI - Whangaroa Ward	Per SUIP	\$327.60
Te Hiku Ward	Per SUIP	\$288.40

Kaikohe - Hokianga Ward	Per SUIP	\$373.90
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Stormwater Rate

10% of the required funding for stormwater is from general rates and the remaining 90% is set on the basis of capital value on all rateable property identified in the rating area maps for the listed urban communities;

Ahipara	Haruru Falls	Kaikohe	Kawakawa
Awanui	Hihi	Kaimaumu	Karikari
East Coast	Houhora/Pukenui	Kaitāia	Kerikeri/Waipapa
Kohukohu	Ōkaihou	Paihia/Te Haumi	Taupō Bay
Moerewa	Ōpononi/Ōmāpere	Rāwene	Tauranga Bay
Ngāwhā	Ōpua/Ōkiato	Russell	Whangaroa/Kāeo

Basis	Rate
Per \$ of Capital Value	\$0.0002787

DEVELOPMENT RATES**Paihia CBD Development Rate**

Differentiated on the basis of land use set on all rateable land identified in the rating area maps

Differential	Basis	Rate
General Differential	Per SUIP	\$18.00
Commercial Differential	Per SUIP	\$56.00

Kaitāia BID Rate

Commercial rating units defined in the rating area map	Basis	Rate
	Per \$ of Land Value	\$0.0013551

BOI Recreation Centre Rate

Rating Units defined in the rating area map	Basis	Rate
	Per SUIP	\$5.00

PRIVATE ROADING RATES**Hupara Road Sealing Rates**

Rating Units defined in the rating area map	Basis	Rate
	Per SUIP	\$661.73

SEWERAGE RATES

Separate sewerage rates are set for each sewerage scheme on every rating unit that is connected to each scheme or to which the scheme is “available”.

The additional pan rate is set on the basis of the third and subsequent water closet or urinal within the rating unit. A rating unit used primarily as a residence for a single household will be treated as having a single pan.

Ahipara Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$269.73
Available	Per Rating Unit	\$269.73
Additional Pan Rate	Per additional pan	\$161.84

East Coast Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$244.41
Available	Per Rating Unit	\$244.41
Additional Pan Rate	Per additional pan	\$146.65

Hihi Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$467.74
Available	Per Rating Unit	\$467.74
Additional Pan Rate	Per additional pan	\$280.64

Kāeo Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$587.14
Available	Per Rating Unit	\$587.14
Additional Pan Rate	Per additional pan	\$352.28

Kaikohe Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$183.02
Available	Per Rating Unit	\$183.02
Additional Pan Rate	Per additional pan	\$109.81

Kaitiāia and Awanui Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$189.62
Available	Per Rating Unit	\$189.62
Additional Pan Rate	Per additional pan	\$113.77

Kawakawa Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$392.13
Available	Per Rating Unit	\$392.13
Additional Pan Rate	Per additional pan	\$235.28

Kerikeri Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$698.57
Available	Per Rating Unit	\$698.57

Additional Pan Rate	Per additional pan	\$419.14
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Kohukohu Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$570.13
Available	Per Rating Unit	\$570.13
Additional Pan Rate	Per additional pan	\$342.08

Ōpononi Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$251.54
Available	Per Rating Unit	\$251.54
Additional Pan Rate	Per additional pan	\$150.92

Paihia Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$391.95
Available	Per Rating Unit	\$391.95
Additional Pan Rate	Per additional pan	\$235.17

Rangiputa Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$210.23
Available	Per Rating Unit	\$210.23
Additional Pan Rate	Per additional pan	\$126.14

Rāwene Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$455.90
Available	Per Rating Unit	\$455.90
Additional Pan Rate	Per additional pan	\$273.54

Russell Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$392.48
Available	Per Rating Unit	\$392.48
Additional Pan Rate	Per additional pan	\$235.49

Whangaroa Sewerage Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$477.95
Available	Per Rating Unit	\$477.95
Additional Pan Rate	Per additional pan	\$286.77

Whatuwhiwhi Sewerage Capital Rate

Differential	Basis	Rate
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Connected	Per SUIP	\$258.42
Available	Per Rating Unit	\$258.42
Additional Pan Rate	Per additional pan	\$155.05

Sewerage Public Good Rate is set on every rating unit in the district

Per Rating Unit	\$15.00
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District Wide Sewerage Operating Rate is set on every rating unit connected to a sewerage scheme

Operating Rate	Basis	Rate
Connected (All schemes)	Per SUIP	\$617.07
Additional Pan Rate	Per additional pan	\$370.24

WATER RATES

Separate water rates are set for each water supply scheme differentiated on the basis the supply or availability of supply to each scheme.

Kaikohe Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$225.62
Available	Per Rating Unit	\$225.62

Kaitiāia Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$260.86
Available	Per Rating Unit	\$260.86

Kawakawa Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$334.37
Available	Per Rating Unit	\$334.37

Kerikeri Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$135.59
Available	Per Rating Unit	\$135.59

Ōkaihau Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$272.47
Available	Per Rating Unit	\$272.47

Omāpere/Ōpononi Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$528.98
Available	Per Rating Unit	\$528.98

Paihia Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$178.63
Available	Per Rating Unit	\$178.63

Rāwene Water Capital Rate

Differential	Basis	Rate
Connected	Per SUIP	\$318.96
Available	Per Rating Unit	\$318.96

Water Public Good Rate is set on every rating unit in the district

Per Rating Unit	\$15.00
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District Wide Water Operating Rates

The District wide operating rates are assessed on the basis of the quantity of water supplied as recorded by meter.

Metered Supply rate (all schemes)

Operating Rate	Basis	Rate
Potable Water	Per m ³ Supplied	\$3.43
Non-potable Water	Per m ³ Supplied	\$2.23

Non Metered Water Supply Rate (Includes 250 M³ Supply)

Operating Rate	Basis	Rate
Potable Water	Per SUIP	\$1,084.14
Non-potable Water	Per SUIP	\$784.45

DRAINAGE RATES are set on all rateable land in the relevant drainage area

<i>Kaitiāia Drainage Area</i>	<i>Basis</i>	<i>Rate</i>
Area of land within the defined rating area	Per hectare	\$9.60

<i>Kaikino Drainage Area (as defined in the FIS)</i>		
Differential	Basis	Rate
Differential A	Per hectare	\$19.22
Differential B	Per hectare	\$9.61
Differential C	Per hectare	\$3.21

<i>Motutangi Drainage Area (as defined in the FIS)</i>		
Differential	Basis	Rate
Differential A	Per hectare	\$90.07
Differential B	Per hectare	\$45.04
Differential C	Per hectare	\$15.04

<i>Waiharara Drainage Area (as defined in the FIS)</i>		
Differential	Basis	Rate
Differential A	Per hectare	\$21.66
Differential B	Per hectare	\$10.83
Differential C	Per hectare	\$3.62

And that, pursuant to Section 24 of the Act and with the exception of the targeted rates set for the supply of water pursuant to Section 19 of the Act, Council charges the rates for the 2021-2022 rating year by way of four equal instalments. Each instalment to be paid on or before the due dates set out below;

<i>Rate Instalment</i>	<i>Due Date</i>	<i>Penalty Date</i>
<i>First Instalment</i>	<i>20 August 2021</i>	<i>27 August 2021</i>
<i>Second Instalment</i>	<i>22 November 2021</i>	<i>29 November 2021</i>
<i>Third Instalment</i>	<i>21 February 2022</i>	<i>28 February 2022</i>
<i>Fourth Instalment</i>	<i>20 May 2022</i>	<i>27 May 2022</i>

And that, pursuant to Sections 57 and 58 of the Act and with the exception of the targeted rates set for the supply of water pursuant to Section 19 of the Act, Council imposes the following penalties:

A ten percent (10%) penalty on any portion of any instalment of rates assessed in the 2021-2022 financial year that is not paid on or by the due date for payment as detailed above. This penalty will be added on the penalty dates detailed above;

And that the water meters be read and invoiced on a six-month cycle, or more often if required, and the subsequent invoices become due for payment set out overleaf.

And that, pursuant to Sections 57 and 58 of the Act, Council imposes the following penalties in respect of targeted rates set for the supply of water pursuant to Section 19 of the Act:

A ten percent (10%) penalty on any portion of the rate for the supply of water charged pursuant to Section 19 of the Act, as separately invoiced, that is not paid on or by the due date for payment as set out below;

Scheme	1 st Invoice	Due Date	Penalty Date	2 nd Invoice	Due Date	Penalty Date
Kaikohe	Nov-21	20/12/2021	27/12/2021	May-22	20/06/2022	27/06/2022
Kaitiāia	Aug-21	20/09/2021	27/09/2021	Feb-22	21/03/2022	28/03/2022
Kawakawa	Jul-21	20/08/2021	27/08/2021	Jan-22	21/02/2022	28/02/2022
Kerikeri	Sep-21	20/10/2021	27/10/2021	Mar-22	20/04/2022	27/04/2022

Ōkaihau	Jul-21	20/08/2021	27/08/2021	Jan-22	21/02/2022	28/02/2022
Ōmāpere/ Ōpononi	Jul-21	20/08/2021	27/08/2021	Jan-22	21/02/2022	28/02/2022
Paihia	Oct-21	22/11/2021	29/11/2021	Apr-22	20/05/2022	27/05/2022
Rāwene	Jul-21	20/08/2021	27/08/2021	Jan-22	21/02/2022	28/02/2022

And that, pursuant to Section 88 of the Act, Council set Postponement Fees as provided for in the relevant Rates Postponement Policies;

FEES IN RESPECT OF POSTPONED RATES

Pursuant to Section 88 of the Local Government (Rating) Act 2002, Council will charge a postponement fee on all rates that are postponed under any of its postponement policies.

The Postponement fees are as follows:

- Application Fee: \$300
- Administration Fee: \$50 per year
- Financing Fee on all Postponements: Currently set at 3.00% pa but may vary to match Council's average cost of funds. At Council's discretion all these fees may be added to the total postponement balance.

CARRIED

5.4 NORTHLAND INC SHAREHOLDING

Agenda item 6.4 document number A3225999, pages 172 - 219 refers.

RESOLUTION 2021/46

Moved: Mayor John Carter

Seconded: Cr Moko Tepania

That Council:

- agrees to purchase 40 shares in Northland Inc Limited from Northland Regional Council at a value of \$2 per share and authorises the Chief Executive Officer to sign the Share Sale and Purchase Agreement (Attachment One) and Share Transfer Form (Attachment Two) to execute the purchase on 1 July 2021.
- authorises His Worship the Mayor to sign the Northland Inc Limited Shareholder Agreement (Attachment Three) which includes the Constitution of Northland Inc Limited.
- authorises the establishment of a Joint Regional Economic Development Committee with Northland Regional Council and Kaipara District Council, pursuant to clause 30(1)(b) and 30A of Schedule 7 of the Local Government Act 2002.
- adopts the Terms of Reference for the Joint Regional Economic Development Committee (Attachment Four), delegates those responsibilities and duties to the Joint Regional Economic Development Committee and acknowledges that this fulfils the requirements of 30A(1).

- e) appoints Councillor Vujcich and Councillor Clendon as Council's representatives on the Joint Regional Economic Development Committee and appoints Councillor Collard as the alternative elected member.
- f) appoints Deputy Mayor Court as the shareholder representative for Northland Inc Limited delegating all necessary authority to represent the Council's interest including but not limited to exercising the Council's vote as a shareholder of Northland Inc Limited at all shareholder meetings and in regard to any shareholder resolutions.

CARRIED

6 NGĀ KŌRERO A TE KOROMATUA / MAYORAL ANNOUNCEMENTS

- Jeffrey Devine, Roding Manager - Northland Transport Alliance, provided an update on the Northland Transport Alliance.

At 11:07 am, Mayor John Carter left the meeting and Deputy Mayor Ann Court took the Chair. At 11:08 am, Mayor John Carter returned to the meeting and resumed as the Chair.

At 11:25 am, Cr Kelly Stratford left the meeting. At 11:27 am, Cr Kelly Stratford returned to the meeting.

- Councillor Tepania and Councillor Smith provided an update on Mayor's Taskforce for Jobs Network and Young Elected Members Committee.
- Mayor Carter provided an update on Te Oneroa-a-Tōhe Board who are going through consultation the speed restrictions on 90 Mile Beach.
- A report on the remits will be presented at next week's Council meeting.
- Councillor Collard provided an update on his Civil Defence portfolio and thanked Councillor Stratford for the Tsunami Warning system.
- Councillor Stratford provided an update on National Emergency Management Agency and the conference that she attended.
- Mayor Carter acknowledged that each Elected Member spent up to 1500 hours on the Long Term Plan.
- Mayor Carter is working with Dover Samuels and Minister Willie Jackson on Significant Natural Areas.

7 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

Councillor Stratford closed the meeting with a karakia.

8 MEETING CLOSE

The meeting closed at 11.45 am.

The minutes of this meeting will be confirmed at the Ordinary Council meeting to be held on 12 August 2021.

.....
CHAIRPERSON

**MINUTES OF FAR NORTH DISTRICT COUNCIL
ORDINARY COUNCIL MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON THURSDAY, 1 JULY 2021 AT 1.01 PM**

- PRESENT:** Mayor John Carter (HWTM), Cr Ann Court, Cr David Clendon, Cr Dave Collard, Cr Felicity Foy, Cr Mate Radich, Cr Rachel Smith, Cr Kelly Stratford, Cr Moko Tepania, Cr John Vujcich
- IN ATTENDANCE:** Mike Edmonds (Kaikohe-Hokianga Community Board Chairperson via Microsoft TEAM's), Adele Gardner (Te Hiku Community Board Chairperson), Frank Owen (Bay of Islands-Whangaroa Community Board Deputy Chairperson), Andy Nock (Chief Executive Officer – Far North Holdings Limited), Chris Galbraith (General Manager - Far North Holdings Limited), Irwin Wilson (Business Development Manager - Far North Holdings Limited)
- STAFF PRESENT:** Shaun Clarke (Chief Executive Officer), Janice Smith (General Manager Corporate Services - Acting), Dean Myburgh (General Manager District Services), Andy Finch (General Manager Infrastructure and Asset Management), Roger Ackers (General Manager Strategic Planning and Policy - Acting)

1 KARAKIA TIMATANGA – OPENING PRAYER

His Worship the Mayor commenced the meeting with the Council prayer.

2 DEPUTATION

- Danny Simms representing Doubtless Bay Promotions Inc., presented on the proposed expansion of the Mangonui Heritage Precinct.
- The Mayor acknowledged representatives Andy Nock, Chris Galbraith and Irwin Wilson from Far North Holdings Limited for the work undertaken to date on the Ngawha Innovation and Enterprise Park.
- Andy Nock (Chief Executive Officer - Far North Holdings) provided an update presentation on the Paihia Waterfront Redevelopment.

Attachments tabled at meeting

- 1 Deputation Notes - Danny Simms - Mangonui Heritage Precinct
- 2 Deputation - Danny Simms - Map of Mangonui Heritage Precinct
- 3 Presentation - Danny Simms - Mangonui Heritage Precinct
- 4 Presentation - Far North Holdings Limited - Paihia Waterfront Development

3 REPORT

3.1 FAR NORTH HOLDINGS - PAIHIA WATERFRONT DEVELOPMENT

Agenda item 6.5 document number A3244613, supplementary agenda pages 4 - 16 refers.

RESOLUTION 2021/47

Moved: Mayor John Carter
Seconded: Deputy Mayor Ann Court

That Council:

- a) **notes the routine review of the Far North Holdings Limited Statement of Intent which was considered at the 16 June 2021 Assurance Risk and Finance Committee.**

<u>In Favour:</u>	Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Moko Tepania and John Vujcich
<u>Against:</u>	Cr Kelly Stratford
	CARRIED
b) notes the critical infrastructure at risk on Paihia Waterfront and the value of the Provincial Growth Funding (\$8m) to support a solution.	
<u>In Favour:</u>	Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich
	CARRIED
c) notes the inclusion of Council budget (\$5,845,158) in the Long Term Plan to support this development and that this is a pre-condition of MBIE funding.	
<u>In Favour:</u>	Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich
	CARRIED
d) confirms that it does not intend to intervene in FNHL's delivery of the Paihia Waterfront joint PGF/Council funded project as planned.	
<u>In Favour:</u>	Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford and John Vujcich
<u>Abstained:</u>	Cr Moko Tepania
	CARRIED

4 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND DECLARATIONS OF INTEREST

Nil

5 NGĀ KŌRERO A TE KOROMATUA / MAYORAL ANNOUNCEMENTS

- Acknowledged Frank Owen, Bay of Islands-Whangaroa Community Board Deputy Chair for his attendance and acknowledged that today is his birthday today.
- Notified the Councillors of Cr Tepania's resignation from the Northland Adventure Experience Board and that Councillor Clendon would be appointed at the meeting on 12 August 2021 when a report will be presented at the Council meeting.
- The Mayor and Cr Radich provided an update on Te Oneroa-a-Tōhe Beach Board and the speed review.
- Cr Radich provided an update on the ownership of Kaimaumau Road. Two surveyors have looked into this issue separately and both agree that the road is not a private road.
- The Mayor is continuing to work with Central Government Ministers on Significant Natural Areas.
- The Mayor explained that there is a lot of action around the central government reforms with building, resource management and climate change and that he will do his best to provide updates.
- The Mayor noted his disappointed in the Department of Internal Affairs and their advertising/education of the Three Waters Reform.

- The Mayor noted that a paper that has been circulated to the Councillors on the Future of Local Government.

6 CONFIRMATION OF PREVIOUS MINUTES

6.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 5.1 document number A3246610, pages 12 - 22 refers.

RESOLUTION 2021/48

Moved: Mayor John Carter

Seconded: Cr John Vujcich

That Council confirm the minutes of the Council meeting held on 20 May 2021 as a true and correct record.

CARRIED

7 REPORTS CONTINUED

7.1 KŌKIRI AI TE WAKA HOURUA STRATEGY (SPORT NORTHLAND)

Agenda item 6.1 document number A3259832, pages 23 - 65 refers.

RESOLUTION 2021/49

Moved: Cr Rachel Smith

Seconded: Cr Kelly Stratford

That Council supports in principle the Kōkiri ai Te Waka Hourua Regional Sports, Active Recreation and Play Strategy to allow time to plan how this strategy will be resourced and implemented.

CARRIED

7.2 SUBSOIL LEASE TO FNHL - THE STRAND, RUSSELL

Agenda item 6.2 document number A3243165, pages 66 - 78 refers.

RESOLUTION 2021/50

Moved: Cr Mate Radich

Seconded: Cr Dave Collard

That the Far North District Council:

- a) grants consent, pursuant to the Local Government Act 1974, to Far North Holdings Limited, for a new lease of the subsoil beneath The Strand, Russell; and that,
 - i) Term: 14 years
 - ii) Annual Rental: \$1.00 plus GST (if any)
 - iii) Expiry Date: 30 June 2035
 - iv) Renewal: Nil

CARRIED

Note: request a report be provided to the Bay of Islands-Whangaroa Community Board with practical solutions to address any health and safety issues and to prevent parking at the fill point locations.

7.3 PROPOSAL TO CONSTRUCT AN EROSION PROTECTION STRUCTURE ON COUNCIL OWNED RESERVE, OMAPERE

Agenda item 6.3 document number A3243104, pages 79 - 218 refers.

RESOLUTION 2021/51

Moved: Cr John Vujcich

Seconded: Cr Dave Collard

That Council:

- a) **approves the construction of, and associated occupation with, an erosion protection structure on Far North District Council owned local purpose reserved legally described as Lot 5 DP196729; and**
- b) **approval is provided subject to a memorandum of encumbrance being recorded on the titles of Lot 1 DP196729 and Lot 1 DP310507 and that the encumbrance records the agreement that the owners of those properties:**
 - i) **bear full responsibility for the maintenance, repair, removal of the seawall (if required) during its lifetime, and end of its lifetime.**
 - ii) **incur cost of the agreement construction and registration against title.**
 - iii) **notify FNDC of any variation or modification of the erosion protection structure**

To avoid doubt, approval is given both within Council's capacity as the administering body of the reserve and an affected person within the meaning of Section 95 of the Resource Management Act 1991.

CARRIED

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Moko Tepania and John Vujcich

Abstained: Cr Kelly Stratford

Note: need to include climate change and erosion as part of the Reserves and Parks Policy review.

At 2:30 pm, Cr Kelly Stratford left the meeting. At 2:32 pm, Cr Kelly Stratford returned to the meeting.

7.4 ELECTED MEMBER CONFERENCE ATTENDANCE REPORT - 2021 COMMUNITY BOARDS CONFERENCE

Agenda item 6.4 document number A3196920, pages 219 - 230 refers.

RESOLUTION 2021/52

Moved: Cr Rachel Smith

Seconded: Cr Moko Tepania

That Council note the report entitled 'Elected Member Conference Attendance Report – 2021 Community Boards Conference'.

CARRIED

Note: Mike Edmonds (Kaikohe-Hokianga Community Board Chairperson) attendance costs to the Elected Member Conference was covered by Community Boards Executive Committee (CBEC).

At 2:36 pm, Cr Dave Collard left the meeting. At 2:38 pm, Cr Dave Collard returned to the meeting.

7.5 REMITS FOR CONSIDERATION AT 2021 LGNZ AGM

Agenda item 6.6 document number A3259790, Supplementary Agenda pages 17 - 99 refers.

RESOLUTION 2021/53

Moved: Mayor John Carter

Seconded: Cr Kelly Stratford

That the Far North District Council:

a) supports the following 2021 Local Government New Zealand Remits:

i) Rating Value of Forestry Land

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith and Moko Tepania

Against: Crs Kelly Stratford and John Vujcich

CARRIED

ii) Funding of Civics Education

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich

CARRIED

iii) Election Participation

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich

CARRIED

iv) Carbon Emission Inventory Standards and Reduction Targets

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich

CARRIED

v) Liability - Buildings Consent Functions

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich

CARRIED

i) Tree Protection

In Favour: Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich

CARRIED

At 2:40 pm, Mayor John Carter left the meeting and Deputy Mayor Ann Court took the Chair. At 2:42 pm, Mayor John Carter returned to the meeting.

8 INFORMATION REPORTS

8.1 COUNCIL ACTION SHEET UPDATE JULY 2021

Agenda item 7.1 document number A3246243, pages 231 - 241 refers.

RESOLUTION 2021/54

Moved: Mayor John Carter

Seconded: Cr Moko Tepania

That Council receive the report Action Sheet Update July 2021.

CARRIED

8.2 ROAD CONTROLLING AUTHORITIES FORUM - DEPUTY MAYOR ANN COURT

Agenda item 7.2 document number A3250439, pages 242 - 245 refers.

RESOLUTION 2021/55

Moved: Cr Ann Court

Seconded: Mayor John Carter

That Council receive the report Road Controlling Authorities Forum - Deputy Mayor Ann Court.

CARRIED

Note: The Chief Executive Officer and Deputy Mayor to continue investigating the possibility of creating a video/film on roading issues in the Far North District.

8.3 CEO REPORT TO COUNCIL 01 MARCH 2021 - 30 APRIL 2021

Agenda item 7.3 document number A3207496, pages 246 - 287 refers.

RESOLUTION 2021/56

Moved: Mayor John Carter

Seconded: Cr Ann Court

That Council receive the report CEO Report to Council 01 March 2021 - 30 April 2021.

CARRIED

The meeting was adjourned from 3.26 pm to 3.33 pm.

At 3:29 pm, Cr Mate Radich left the meeting.

9 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RESOLUTION 2021/57

Moved: Mayor John Carter

Seconded: Cr Moko Tepania

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

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Confirmation of Previous Minutes - Public Excluded	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - 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 under section 6 or section 7
9.2 - Award of the Russell Landfill Operations, Waste and Recycling Contract	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - 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 under section 6 or section 7

9.3 - Audit New Zealand Fraud Questionnaire for Governance - May 2021	<p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - 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 under section 6 or section 7</p>
CARRIED		

At the conclusion of the public excluded session the meeting confirmed that decisions and information discussed with the public excluded would remain in public exclusion.

10 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

Cr Rachel Smith closed the meeting with a karakia/prayer.

11 MEETING CLOSE

The meeting closed at 4.18 pm.

The minutes of this meeting will be confirmed at the Ordinary Council meeting to be held on 12 August 2021.

.....
CHAIRPERSON

7 REPORTS

7.1 COUNCILLOR MATE RADICH-FORMAL REMOVAL FROM INFRASTRUCTURE COMMITTEE

File Number: A3308147

Author: Aisha Huriwai, Team Leader Democracy Services

Authoriser: William J Taylor MBE, General Manager - Corporate Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Council with an opportunity to re-consider positions for Councillors at Council Committee meetings.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- Council established 5 Committees at its 19 December 2019 Council meeting.
- At the meeting Councillors were appointed to Committees.
- Councillor Radich has informally said he would like to resign from the Infrastructure Committee.
- Infrastructure Committee Chair, noting his absence from meetings, has requested his resignation from the Committee be formalised.

TŪTOHUNGA / RECOMMENDATION

That Council update the Infrastructure Committee Terms of Reference to remove Councillor Mate Radich from the Infrastructure Committee.

1) TĀHUHU KŌRERO / BACKGROUND

Committee Chairpersons run meetings in an inclusive manner and, when present, allow Community Board Chairpersons to speak and contribute to Committee meeting discussions regardless of formal membership.

Councillor Mate Radich was appointed to the Assurance, Risk and Finance and Infrastructure Committee. He has requested to be removed from the Infrastructure Committee and remain on the Assurance, Risk and Finance Committee.

The Infrastructure Committee Chair, in supporting his request, noted Cr Radich's absence and requested his formal removal from the Infrastructure Committee at the 21 July 2021 Infrastructure Committee meeting.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The changes in Committee membership recommended in this report are considered immaterial to quorum. If approved, the Committee membership will be as follows:

Strategy and Policy Committee (Quorum: 5 out of 9 members)

Cr Rachel Smith (Chairperson)	Cr David Clendon (Deputy Chairperson)
Mayor John Carter	Deputy Mayor Ann Court
Cr Dave Collard	Cr Felicity Foy
Cr Moko Tepania	Cr John Vujcich
Bay of Islands-Whangaroa CB Chair	

Regulatory Compliance Committee (Quorum 4 of 8 members)

Cr Kelly Stratford (Chairperson)	Cr Dave Collard (Deputy Chairperson)
Mayor John Carter	Deputy Mayor Ann Court

Cr David Clendon

Cr Rachel Smith

Cr John Vujcich

Bay of Islands-Whangaroa CB Chair

Infrastructure Committee (Quorum 5 of 9 members)

Felicity Foy (Chairperson)

Deputy Mayor Court (Deputy Chair)

Mayor John Carter

Cr Dave Collard

Cr Rachel Smith

Cr John Vujcich

Cr Kelly Stratford

Te Hiku CB Chair

Kaikohe-Hokianga CB Chair

Assurance, Risk and Finance Committee (Quorum 4 of 10 members)

Cr John Vujcich (Chairperson)

Bruce Robertson (Deputy Chairperson)

Mayor John Carter

Cr Mate Radich

Cr Rachel Smith

Cr Kelly Stratford

Cr Moko Tepania

Kaikohe-Hokianga CB Chair

Te Hiku CB Chair

Take Tūtohunga / Reason for the recommendation

To formalise a request from Councillor Radich to be removed from the Infrastructure Committee.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications and need for budgetary provision in adjusting the Committee membership as requested.

ĀPITI HANGA / ATTACHMENTS**Nil**

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This matter is of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The Local Government Act prescribes how and who can be appointed to committees, of which this report complies with.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	This report includes the request of a Community Board Chairperson.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water.	There are no implications for Māori.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	There are no identified persons affected by this decision.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications or need for budgetary provision.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

7.2 2021 MEETING SCHEDULE AMENDMENT**File Number: A3305256****Author: Rhonda-May Whiu, Elected Member Administrator****Authoriser: William J Taylor MBE, General Manager - Corporate Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

To seek Council's approval to amend the meeting schedule for 2021, to spread the four Committee meetings (excluding the Executive Review Committee) out from two days to two weeks.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- During a 2021 Mid-Term Governance Review elected members expressed a desire to spread out the Committee meetings over a two-week period.
- Committee meeting (excluding Executive Review Committee) dates are moved to cover four days over two weeks starting in the October Committee meeting cycle.
- Workshop time slots have been requested for the morning before each Committee meeting session.
- There are a few clashes that this report provides options to accommodate:
 - Strategy and Policy Committee will follow the Executive Review Committee on 12 October.
 - Strategy and Policy Committee will be on the morning of 24 November followed by Infrastructure Committee due to a regional elected member event on 23 November.
- An additional Council Meeting to be held on 21 October for Representation Arrangements Deliberations.

TŪTOHUNGA / RECOMMENDATION

That Council adopt the amended 2021 calendar as attached.

1) TĀHUHU KŌRERO / BACKGROUND

Council held a mid-term Governance Review Workshop on 30 June 2021. Feedback was given that there are often workshop discussions, or briefings related to Committees that require more time. Committee Chairs (three of four that were present) requested the four committees currently held over a two-day period, in the same week, in the six weekly cycle be moved to a one committee per day on Tuesday and Wednesday over the two weeks. Committee meetings will be held in the afternoons following a morning workshop session when available or required.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS**PROPOSED NEW COMMITTEE SCHEDULE (over two weeks)**

Strategy and Policy Committee	Tuesday Week 1 (of two week cycle)
Infrastructure Committee	Wednesday Week 1 (of two week cycle)
Regulatory and Compliance Committee	Tuesday Week 2 (of two-week cycle)
Assurance, Risk and Finance Committee	Wednesday Week 2 (of two-week cycle)

CURRENT COMMITTEE SCHEDULE (all in the same week)

Strategy and Policy Committee	Tuesday morning
Regulatory and Compliance Committee	Tuesday afternoon
Infrastructure Committee	Wednesday morning

Assurance, Risk and Finance Committee	Wednesday afternoon
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Calendar conflicts:

- Strategy and Policy Committee will follow the Executive Review Committee on 12 October.
- Strategy and Policy Committee will be on the morning of 24 November followed by Infrastructure Committee due to a regional elected member event on 23 November.

Take Tūtohunga / Reason for the recommendation

Changes are proposed from the October Committee meeting cycle to avoid a conflict with a Community Board meeting and allow enough time to publicly notify in alignment with legislation.

The attached changes result in an additional day added to the Elected Member calendar. Half a day additional time on 12 October and a potential half day for a hearing being moved from 13 October to 15 October.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Costs for supporting these meetings are covered within operational budgets.

ĀPITI HANGA / ATTACHMENTS

1. **2021 Formal Meeting Calendar Midterm Review Update - A3321945** [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This matter is of low significance.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The relevant legislation as referenced in the report is the Local Government Act 2002 and the Local Government Official Information and Meetings Act 1987.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	Community Boards are responsible for setting their own meeting schedule.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	There are no particular implications for Māori.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	This report does not have any implications on persons identified in legislation.
State the financial implications and where budgetary provisions have been made to support this decision.	Financial implications are covered within operational budgets.
Chief Financial Officer review.	This report has not been reviewed by the Chief Financial Officer

2021 Formal Meetings Update																
2021																
	August			September			October			November			December			
Sat																Sat
Sun	1															Sun
Mon	2	PAG	GSAG							1						Mon
Tue	3									2						Tue
Wed	4	KHCB		1	KHCB					3	KHCB	CBEC	1	WKSHP	ARF	Wed
Thu	5	BWCB		2	BWCB	MTFJ				4	Council	CBEC	2	BWCB		Thu
Fri	6			3			1	Te Maruata		5			3	National Council		Fri
Sat	7			4			2			6			4			Sat
Sun	8			5			3			7			5			Sun
Mon	9			6			4			8	CE NTA	PAG GSAG	6			Mon
Tue	10	ERC	WKSHP	7	S&P	REG	5	THCB		9	THCB		7			Tue
Wed	11	CBEC	RTC	8	INF ARF	CDEM	6	KHCB		10	Workshop	CDEM	8	KHCB	RTC	Wed
Thu	12	Council	CBEC	9	Workshop		7	BWCB		11	BWCB		9	Workshop		Thu
Fri	13			10			8	National Council		12			10	Te Maruata		Fri
Sat	14			11			9			13			11			Sat
Sun	15			12			10			14			12			Sun
Mon	16	Drainage		13			11			15			13			Mon
Tue	17			14	ERC	WKSHP	12	ERC & SPP		16	ERC		14			Tue
Wed	18	Workshop		15			13	WKSHP	RTC	17	CB Workshop		15	Workshop		Wed
Thu	19	Workshop		16	CB Workshop		14	Hearings		18	Workshop		16	Council	MTFJ	Thu
Fri	20			17			15	Hearings		19			17			Fri
Sat	21			18			16			20			18			Sat
Sun	22			19			17			21			19			Sun
Mon	23			20			18			22			20			Mon
Tue	24	THCB		21			19	WKSHP	REG	23	Zone 1		21			Tue
Wed	25	Workshop		22	Workshop		20	WKSHP	ARF	24	SPP	INC	22			Wed
Thu	26	Workshop		23	Council		21	WKSHP	Council - Rep arr	25	Workshop	R&P	23			Thu
Fri	27	National Council		24			22			26	R&P		24			Fri
Sat	28			25			23			27			25	Christmas Day		Sat
Sun	29			26			24			28			26			Sun
Mon	30	Mayoral Forum		27			25	Labour Day		29	Mayoral Forum		27	Christmas Holiday		Mon
Tue	31			28			26	Hearings		30	WKSHP	REG	28			Tue
Wed				29	Workshop		27	Council - Adopt AR	YEM				29			Wed
Thu				30	Workshop		28	Dec of Independence	YEM				30			Thu
Fri							29	YEM HUI					31			Fri
Sat							30	YEM HUI								Sat
Sun							31									Sun
	August			September			October			November			December			

Conflicts

13 October - Rep review hearing clash pm moved to 15 October

23 November - Zone 1/Norhtland fwd together clash Moved SPP Committee to 24 November AM

7.3 2021 REPRESENTATION ARRANGEMENTS REVIEW**File Number: A3240077****Author: Caroline Wilson, Manager - District Administration****Authoriser: William J Taylor MBE, General Manager - Corporate Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

This report recommends that Council adopts an initial proposal as outlined in the recommendation, with a formal consultation process to occur from 20 August to 1 October 2021.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Councils are required to undertake a representation arrangements review at least once every 6 years, or if Māori wards/constituencies are introduced;
- The last review was undertaken in 2015 with minimal changes made from the previous 2009 review;
- Informal feedback has indicated some communities of interest required reviewing along with the number of councillors.

TŪTOHUNGA / RECOMMENDATION

That the Far North District Council, in accordance with sections 19H and 19J and clauses 1 and 2 of Schedule 1A of the Local Electoral Act 2001, adopts the following as its initial proposal for the review of representation arrangements for at least the 2022 triennial local elections:

- a) The Far North District Council to comprise the Mayor elected at large and 10 councillors elected under the ward system, specifically 6 general ward councillors and 4 Māori ward councillors.
- b) The Far North District Council be divided into 4 wards, these being:
 - i) Kaikohe-Hokianga General Ward (represented by 1 general ward councillor), comprising the area in the proposed Kaikohe-Hokianga General Ward map as shown on Attachment 1.
 - ii) Te Hiku General Ward (represented by 2 general ward councillors), comprising the area in the proposed Te Hiku General Ward map as shown on Attachment 2.
 - iii) Te Pēwhairangi ki Whangaroa General Ward (represented by 3 general ward councillors), comprising the area in the proposed Te Pēwhairangi ki Whangaroa General Ward map as shown on Attachment 3.
 - iv) Ngā Tai o Tokerau Māori Ward (represented by 4 Māori ward councillors), comprising the whole of the district in the proposed Māori Ward map as shown on Attachment 4.
- c) The Bay of Islands-Whangaroa name be changed to Te Pēwhairangi ki Whangaroa being the Māori name for Bay of Islands–Whangaroa.
- d) The Māori ward be named Ngā Tai o Tokerau.

- e) **The above general wards are the current ward areas with the exception of the Kaikohe-Hokianga and the Te Pēwhairangi ki Whangaroa ward boundaries to be altered as follows:**
- **Meshblock 0037202 be added to the Te Pēwhairangi ki Whangaroa General Ward from the Kaikohe-Hokianga General Ward.**
 - **Meshblock 0036401 be added to the Te Pēwhairangi ki Whangaroa General Ward from the Kaikohe-Hokianga General Ward.**
 - **Meshblocks 0034600, 0034800 be added to the Te Pēwhairangi ki Whangaroa General Ward from the Kaikohe-Hokianga General Ward.**
- f) **The number of Māori ward councillors complies with Schedule 1A of the Local Electoral Act 2001,**
- g) **The Far North District Council be divided into 3 subdivided communities, these being:**
- (i) **Kaikohe-Hokianga Community subdivided into:**
- 1) **Kaikohe Subdivision comprising the area in the proposed Kaikohe Subdivision map as shown on Attachment 5.**
 - 2) **North Hokianga Subdivision comprising the area in the proposed North Hokianga Subdivision map as shown on Attachment 6.**
 - 3) **South Hokianga Subdivision comprising the area in the proposed South Hokianga Subdivision map as shown on Attachment 7,**
- being the existing community board and subdivision areas with the exception of the Kaikohe-Hokianga Community Board subdivision boundaries to be altered as follows:**
- a. **Meshblocks 0032600, 0033200, 0033100, 0032700, 0033000 be added to the Kaikohe Subdivision from the South Hokianga Subdivision**
 - b. **Meshblocks 0039200, 0039500, 0040501, 0040502, 0040601 and 0040602 to be added to the South Hokianga from the Kaikohe Subdivision**
- (ii) **Te Hiku Community subdivided into:**
- 1) **Doubtless Bay Subdivision comprising the area in the proposed Doubtless Bay Subdivision map as shown on Attachment 8.**
 - 2) **Kaitāia Subdivision comprising the area in the proposed Kaitāia Subdivision map as shown on Attachment 9.**
 - 3) **North Cape Subdivision comprising the area in the proposed North Cape Subdivision map as shown on Attachment 10.**

- 4) Whatuwhiwhi Subdivision comprising the area in the proposed Whatuwhiwhi Subdivision map as shown on Attachment 11.**

being the current community board and subdivision areas with the exception of the Te Hiku Community Board subdivision boundaries to be altered as follows:

- a. Meshblock 0012701 be added to the Whatuwhiwhi Subdivision from the North Cape Subdivision**

(iii) Te Pēwhairangi ki Whangaroa Community subdivided into:

- 1) Kawakawa-Moerewa Subdivision comprising the area in the proposed Kawakawa-Moerewa Subdivision map as shown on Attachment 1.**
- 2) Kerikeri Subdivision comprising the area in the proposed Kerikeri Subdivision map as shown on Attachment 13.**
- 3) Paihia Subdivision comprising the area in the proposed Paihia Subdivision map as shown on Attachment 14.**
- 4) Russell-Ōpua Subdivision comprising the area in the proposed Russell-Ōpua Subdivision map as shown on Attachment 15.**
- 5) Waipapa Subdivision comprising the area in the proposed Waipapa Subdivision map as shown on Attachment 16.**
- 6) Whangaroa Subdivision comprising the area in the proposed Whangaroa Subdivision map as shown on Attachment 17.**

being the existing community board and subdivision areas with the exception of the Te Pēwhairangi ki Whangaroa Community Board subdivision boundaries to be altered as follows:

- a. Meshblock 0047701 be added to the Kawakawa-Moerewa Subdivision from the Russell-Ōpua Subdivision**
- b. Meshblocks 0046100, 0046400, 0046700, 0046801, 0047801 be added to the Russell-Ōpua Subdivision from the Kawakawa-Moerewa Subdivision**
- c. Meshblocks 4009371, 4009372, 0043905, 0044701 be added to the Kerikeri Subdivision from the Whangaroa Subdivision**
- d. Meshblocks 0033600, 0033800, 0043902, 0043904, 0043905, 0043907, 0044003, 0044004, 0044005, 0044008, 0044503, 0044504, 0044505, 0044506, 0044507, 0044508, 0044603, 0044604, 0044605, 0044606, 0044607, 0044608, 0044609, 0044701, 0044703, 0044801, 4007581, 4007583, 4008359, 4008360, 4008361, 4009371, 4009372, 4010073,**

4011285, 4011286, 4011319 be added to the Waipapa Subdivision from the Kerikeri Subdivision**h) There be 19 community board members, being:****(i) 7 members elected from the Te Pēwhairangi ki Whangaroa Community Board comprising:**

- 1) Kawakawa-Moerewa Subdivision – 1 member**
- 2) Kerikeri Subdivision – 2 members**
- 3) Paihia Subdivision – 1 member**
- 4) Russell-Ōpua Subdivision – 1 member**
- 5) Waipapa Subdivision – 1 member**
- 6) Whangaroa Subdivision – 1 member**

and 1 member of the Council representing the Te Pēwhairangi ki Whangaroa Ward appointed to the community board by Council

(ii) 6 members elected from the Kaikohe-Hokianga Community Board comprising:

- 1) Kaikohe Subdivision – 3 members**
- 2) North Hokianga Subdivision – 1 member**
- 3) South Hokianga Subdivision – 2 members**

and 1 member of the Council representing the Kaikohe-Hokianga Ward appointed to the community board by Council

(iii) 6 members elected from the Te Hiku Community Board comprising:

- 1) Doubtless Bay Subdivision – 1 member**
- 2) Kaitāia Subdivision – 3 members**
- 3) North Cape Subdivision – 1 member**
- 4) Whatuwhiwhi Subdivision – 1 member**

and 1 member of the Council representing the Te Hiku Ward appointed to the community board by Council

i) The reasons for the boundary alterations to the wards and community board subdivisions are:

(i) the adjustments ensure that communities of interest that were split are now rectified

(ii) in rectifying the communities of interest, the adjustments largely comply with section 19V Local Electoral Act 2001 (the fair representation criteria) with the exceptions of:

- Te Hiku General Ward
- North Cape Subdivision of the Te Hiku Community Board
- Whangaroa Subdivision of Te Pēwhairangi ki Whangaroa Community Board
- Russell-Ōpua Subdivision of Te Pēwhairangi ki Whangaroa Community Board
- South Hokianga Subdivision of Kaikohe-Hokianga Community Board
- Kaikohe Subdivision of Kaikohe-Hokianga Community Board

(iii) the affected meshblocks are contiguous, have no physical divisions and are similar to the surrounding land.

AND THAT the formal, legislative consultative process and the following timetable be adopted.

Council Resolution (Initial)	12 August 2021 (last legal date 31 August 2021) (section 19H, LEA)
Public Notice	20 August 2021 (within 14 days of resolution) (section 19M, LEA)
Public Submission Period	20 August to 1 October 2021 (six weeks) (section 19M, LEA)
Submissions Heard	14-15 October 2021 (section 19M, LEA)
Council Resolution (Final)	4 November 2021 (section 19N, LEA)
Public Notice	12 November 2021 (within 6 weeks of close of submissions) (section 19N, LEA)
Public Objection Period	12 November to 13 December 2021 (one month) (section 19N, LEA)
Forward Material to LGC	By 24 December 2021 (if required) (section 19Q, LEA)

Note that if section 19V Local Electoral Act 2001 has not been complied (+/- 10% rule), the matter is treated as an objection and automatically referred to the Local Government Commission for determination, such determination to be made by 10 April 2022.

AND THAT the hearing of any representation arrangements review submissions received be heard by Council on 14-15 October 2021.

1) TĀHUHU KŌRERO / BACKGROUND

The Local Electoral Act (LEA) requires every local authority to undertake a representation arrangements review at least once every six years, or if Māori wards/constituencies are introduced. Council undertook its last representation arrangements review in 2015 and is therefore required to undertake its next review in 2021.

For the 2015 review, following the receipt of 8 submissions, the initial proposal became the final proposal and as no appeals were received, became the basis of election for the 2016 and 2019 triennial elections.

The current representation arrangements are:

- Mayor elected at large;
- 9 councillors elected from 3 wards (4 from the Bay of Islands-Whangaroa Ward, 2 from the Kaikohe-Hokianga Ward and 3 from the Te Hiku Ward);
- 19 community board members elected from 3 subdivided community boards (7 from the Bay of Islands-Whangaroa Community Board, 6 from the Kaikohe-Hokianga Community Board and 6 from the Te Hiku Community Board).

Council has previously considered two other representation issues, the choice of electoral system and Māori representation. Council resolved on 13 August 2020 to change to the single transferable voting electoral system. It further resolved on 4 May 2021 to establish one or more Māori wards for the 2022 and 2025 triennial elections.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

DISCUSSION

Legislative Requirements

Part 1A of the LEA sets out the requirements for a representation arrangements review. Issues that a local authority are required to consider include:

- whether councillors (other than the Mayor) are to be elected by electors of the district as a whole (at large), by electors of two or more wards, or in some cases by a mix of electors of the district (at large) and by electors of wards;
- the proposed number of councillors to be elected in each category (at large/ward/mixture - if applicable);
- the proposed name and boundaries for each ward;
- whether there should be communities and community boards, and if so, the nature of a community and structure of a community board;
- whether one or more communities should be constituted;
- whether any community board should be abolished or united with another community;
- whether the boundaries of a community should be altered;
- whether a community should be subdivided for electoral purposes;
- the number of members of a community board (including the number elected and appointed);
- whether members of a community board to be elected by electors of a community as a whole, or by electors of two or more subdivisions, or by electors of each ward (if community comprises two or more wards);
- the name, boundaries and number of members of each subdivision of a community (if adopted).

Key Principles

In undertaking a representation arrangements review, the following key principles are required to be considered:

- communities of interest
- effective representation
- fair representation

The Local Government Commission Guidelines on undertaking a representation arrangements review contains the following information:

Communities of Interest

- not defined in legislation
- essential part of review process
- can mean different things to different people
- is an area where one feels a sense of belonging

- is an area where one looks for social, service and economic support
- sense of belonging can be influenced by geographic features such as a roading network
- community of interest can be identified by access to goods and services needed every day
- rohe, takiwā area of tangata whenua may also be factors

Defining characteristics may include:

- sense of community and belonging
- similarities in demographic, socio-economic and/or ethnic characteristics
- similarities in economic activities
- dependence on shared facilities (schools, recreational, retail, cultural)
- physical and topographical features
- history of area
- transport and communication links communities of interest may change over time
- must be able to be defined as a single geographical area ie a physical boundary must be able to be defined

Effective Representation

- once communities of interest have been defined by geographical boundaries, need to consider how these communities will be most effectively represented
- does each community of interest require separate representation?
- can communities of interest be grouped together to achieve effective representation?
- is effective representation best achieved by an at large system, a ward system or a mixed system?
- if at large - how many members would provide effective representation for the district as a whole?
- if wards - how many members for each ward would provide effective representation?
- should there be communities and community boards?
- ward boundaries to coincide with mesh block boundaries

Fair representation

- population equity (plus/minus 10% of average representation) – applies to wards and subdivisions of community boards.

Process

The process to follow when undertaking a representation arrangements review is:

1. identify the district's communities of interest;
2. determine the effectiveness of members by looking at the overall number of members, the number of members elected from general and Māori wards and whether they represent the district as a whole or from wards or by a mixture, in order that members are effective (are able to listen to and represent constituents effectively);
3. investigate whether there should be community boards, and if so, the number, boundaries, number of members, whether they be subdivided etc;
4. determine that members fairly represent their constituents by ensuring the average population ratio is no more than a +/- 10% variance.

Communities of Interest

The district's land use is predominantly rural with supporting service towns. The largest residential concentrations are Kaitāia, Kaikohe and Kerikeri.

The decision to implement Māori wards for the 2022 and 2025 elections requires the establishment of one or more Māori wards in addition to general wards. Council recommended adopting one district-wide Māori ward for the 2022 elections, with a possible review of arrangements ahead of the 2025 elections.

The proposed name for the Māori ward is Ngā Tai o Tokerau and like the Māori ward arrangement, there is a possibility of a review of this ahead of the 2025 elections.

The currently named Bay of Islands-Whangaroa community board expressed a strong desire to change their name to one more reflective of its Māori origins. Council recommended adopting Te

Pēwhairangi ki Whangaroa as a direct translation. In all other respects (except for those already mentioned in the report) there are no other changes – this is simply a name change.

The district is currently divided into three wards and Council considers that the current ward boundaries still largely reflect the district's communities of interest (Te Pēwhairangi ki Whangaroa, Kaikohe-Hokianga and Te Hiku). It is recommended that the three current wards become three general wards, with some minor boundary alterations as follows:

Current Ward	New Ward	Reason for change	Affected Meshblocks
Kaikohe-Hokianga	Te Pēwhairangi ki Whangaroa	Moved Ngapipito into Kawakawa-Moerewa subdivision as a community of interest and to balance numbers	0037202
Kaikohe-Hokianga	Te Pēwhairangi ki Whangaroa	Group Waimate North as a community of interest and moved into Paihia subdivision	0034600, 0034800
Kaikohe-Hokianga	Te Pēwhairangi ki Whangaroa	Group Pakaraka as a community of interest and moved into Paihia subdivision	0036401
Entire Far North District	Ngā Tai o Tokerau	One new Māori ward covering the entire far north district.	All meshblocks within the Far North district

The district is also currently divided into three subdivided community boards (Te Pēwhairangi ki Whangaroa, Kaikohe-Hokianga and Te Hiku), which Council still considers appropriate. However, the subdivision boundaries within each of the community boards are recommended to be slightly modified, as follows:

Current Subdivision	New Subdivision	Reason for change	Affected Meshblocks
Kawakawa-Moerewa	Russell-Ōpua	Moved Maromaku and Waiomio as communities of interest and to balance numbers from the Taumāre move	0046100, 0046400, 0046700, 0046801, 0047801
Kaikohe	South Hokianga	Balance numbers taken for Ōkaihou	0039200, 0039500, 0040501, 0040601, 0040502, 0040602
Kerikeri	Waipapa	Created a new subdivision for Waipapa as its own community of interest	0033600, 0033800, 0043902, 0043904, 0043905, 0043907, 0044003, 0044004, 0044005, 0044008, 0044503, 0044504, 0044505, 0044506, 0044507, 0044508, 0044603, 0044604, 0044605, 0044606, 0044607, 0044608, 0044609, 0044701, 0044703, 0044801, 4007581, 4007583, 4008359, 4008360, 4008361, 4009371, 4009372, 4010073, 4011285, 4011286, 4011319
North Cape	Whatuwhiwhi	Group Awanui as a community of interest	0012701
Russell-Ōpua	Kawakawa-Moerewa	Moved Taumāre as a community of interest	0047701
South Hokianga	Kaikohe	Group Ōkaihou as a community of interest	0032600, 0033200, 0033100, 0032700, 0033000
Whangaroa	Kerikeri	Sandys Road, Pungaere Road added to Kerikeri as a community of interest	4009371, 4009372, 0043905, 0044701 (these may remain in the Kerikeri Subdivision should the new Waipapa Subdivision not proceed)

Community board subdivision boundaries are able to be altered in a representation review under section 19J(2)(c) LEA.

Effective Representation

- The Far North's estimated resident population at 30 June 2020 was 71,050, 25,000 of this being the Māori electoral population (MEP) and 46,050 being the general electoral population (GEP).

- The estimated resident population has increased by approximately 10,000 since the last review in 2015. It is considered that an additional councillor (10 councillors up from 9, plus the Mayor) would better provide effective representation to constituents (access and availability, councillor workload etc).

The number of Māori and general councillors is determined by a formula set in legislation that depends on the total number of councillors, the MEP and the GEP of the district. The recommended addition of one councillor would result in 6 general ward councillors and 4 Māori ward councillors.

- When applying the fair representation criteria ('plus or minus 10% rule') to the proposed three general wards, each general councillor must represent between 6,907 and 8,442 population. As it is proposed there be one district-wide Māori ward, the fair representation criteria would not apply to the Māori ward.

- Council also considers that 19 community board members also provides effective representation (access and availability) to local communities.

Fair Representation

The requirement that the average number of resident population to councillors (for wards) and for community board members (for subdivisions) cannot exceed +/- 10% must be taken into account when undertaking a representation arrangements review.

The latest population estimates (as at 30 June 2020) confirm that two of the three general wards comply with the fair representation criteria as follows:

General and Māori Wards					
Ward	General Electoral Population	Number of Councillors	Average	Māori Electoral Population	% Variation
Te Hiku General	13,260	2	6,630		-13.61%*
Te Pēwhairangi ki Whangaroa General	25,160	3	8,387		+9.27%
Kaikohe-Hokianga General	7,630	1	7,630		-0.58%
Ngā Tai o Tokerau Māori Ward		4		25,000	N/A
Total	46,050	10		25,000	

GEP: 46,050 / 6 councillors = 7,675 (+/- 10% = 6,907-8,442)

Māori councillors (4) elected from one district-wide ward.

*To comply with the fair representation criteria, this would have resulted in splitting communities of interest. Council believes this is not a desirable outcome and is supported by section 19V(3)((ii) of the Local Electoral Act 2001.

Community Boards				
Community Board	Subdivision	General Electoral Population	Number of Members	% Variation
Te Hiku	North Cape	3,250	1	-12%

	Whatuwhiwhi	3,620	1	-1.97%
	Doubtless Bay	4,010	1	+8.58%
	Kaitiāia	11,280	3	+1.81%
Te Pēwhairangi ki Whangaroa	Whangaroa	4,160	1	-11.6%
	Kerikeri	10,180	2	+8.16%
	Waipapa	4,800	1	+2%
	Paihia	5,030	1	+6.88%
	Russell-Ōpua	4,210	1	-10.53%
	Kawakawa-Moerewa	4,560	1	+3.1%
Kaikohe-Hokianga	North Hokianga	2,490	1	+6.3%
	South Hokianga	4,660	2	-12.35%
	Kaikohe	8,800	3	+10.34%

Te Hiku Community: 22,160 / 6 members = 3,693 (+/- 10% = 3,323-4,062)

Te Pēwhairangi ki Whangaroa Community: 32,940 / 7 members = 4,705 (+/- 10% = 4,234-5,175)

Kaikohe-Hokianga Community: 15,950 / 6 members = 2,658 (+/- 10% = 2,392-2,923)

In most cases the need to address known issues (or feedback from our communities, community boards and council on communities of interest) has required balancing the numbers resulting in some minor non-compliance with the +/- 10% rule. Council believes they can justify being marginally outside of the +/- rule in these cases so as not to split communities of interest (section 19V(3)(ii) of the Local Electoral Act 2001).

Māori Wards – Additional Context

The decision to adopt one or more Māori wards for the 2022 and 2025 elections was made on 4 May 2021.

Creating the most meaningful model for Māori representation at the Council table requires a high degree of engagement and consultation with our MOU partners, iwi leaders and wider Māori community. Within the timeframes under the legislation, this engagement has largely not been able to be undertaken.

We have, however, been able to have a discussion with some of our iwi chairs and MOU partners in lieu of other engagement opportunities. The general view of those we were able to talk to is that one district-wide Māori ward for the 2022 elections is a useful starting point. One Māori ward would comprise the entire Far North district and all 4 Māori councillors would be elected by those on the Māori electoral roll within the district.

The benefit of one district-wide ward is that it is simple to understand for voters, and, recognising that many Māori identify with more than one iwi, it does not split communities of interest / tribal affiliations.

A possible concern with one district-wide ward is that balanced geographical distribution of Māori councillors might not be achieved, potentially resulting in a cluster of Māori councillors from one part of the district. This may, or may not, be an issue and only time will tell (post elections).

Our regional counterparts (Northland Regional, Whangarei District and Kaipara District Councils) are also adopting one Māori ward/constituency for their own representation arrangements consultation.

It should be noted that whilst it is proposed to adopt one Māori ward for 2022 elections there will be an opportunity post-election to discuss the most effective representation model for Māori ahead of the 2025 election, should it be seen as required and subject to any major shift in electoral roll changes that could occur following the Māori option in 2024.

An alternative exploration undertaken by officers was to attempt to divide the Far North district into two wards, following (where possible) iwi and hapū boundaries - thus creating a north Māori ward and a south Māori ward structure. The available resources to Council to draw such boundaries are the Te Puni Kōkiri iwi maps, which Council recognises is not necessarily seen as an authoritative source by iwi themselves. This is a large and complex discussion that Council has not been able to be undertaken within the timeframes and there are concerns that this model is unlikely to be acceptable to the wider Māori population.

Finally, the purpose of the representation review is to establish the representation arrangements for the next election. For clarity, any changes to ward boundaries from a rating perspective will take effect from 1 July 2023 in accordance with the section 43 of the Local Government Rating Act.



















Take Tūtohunga / Reason for the recommendation

Taking into account feedback from our communities, community boards, and Council, it is recommended to progress to formal consultation with this initial proposal. The initial proposal addresses the matter of communities of interest and effective representation whilst having a justified rationale for slight deviations from the +/- 10% rule.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no budgetary considerations as a result of this report.

ĀPITIHINGA / ATTACHMENTS

1. Proposed Kaikohe-Hokianga General Ward Map - A3279760 [↓](#) 
2. Proposed Te Hiku General Ward Map - A3279772 [↓](#) 
3. Proposed Te Pēwhairangi ki Whangaroa General Ward Map - A3279773 [↓](#) 
4. Proposed Ngā Tai o Tokerau Māori Ward - A3280826 [↓](#) 
5. Proposed Kaikohe Subdivision Map - A3279761 [↓](#) 
6. Proposed North Hokianga Subdivision Map - A3279762 [↓](#) 
7. Proposed South Hokianga Subdivision Map - A3279768 [↓](#) 
8. Proposed Doubtless Bay Subdivision Map - A3279765 [↓](#) 
9. Proposed Kaitiāia Subdivision Map - A3279758 [↓](#) 
10. Proposed North Cape Subdivision Map - A3279764 [↓](#) 
11. Proposed Whatuwhiwhi Subdivision Map - A3279770 [↓](#) 
12. Proposed Kawakawa-Moerewa Subdivision Map - A3279772 [↓](#) 
13. Proposed Kerikeri Subdivision Map - A3279766 [↓](#) 
14. Proposed Paihia Subdivision Map - A3279769 [↓](#) 
15. Proposed Russell-Ōpua Subdivision Map - A3279759 [↓](#) 
16. Proposed Waipapa Subdivision Map - A3279771 [↓](#) 
17. Proposed Whangaroa Subdivision Map - A3279763 [↓](#) 
18. Proposed General Wards Map - A3289192 [↓](#) 
19. Proposed Subdivisions Map - A3289229 [↓](#) 

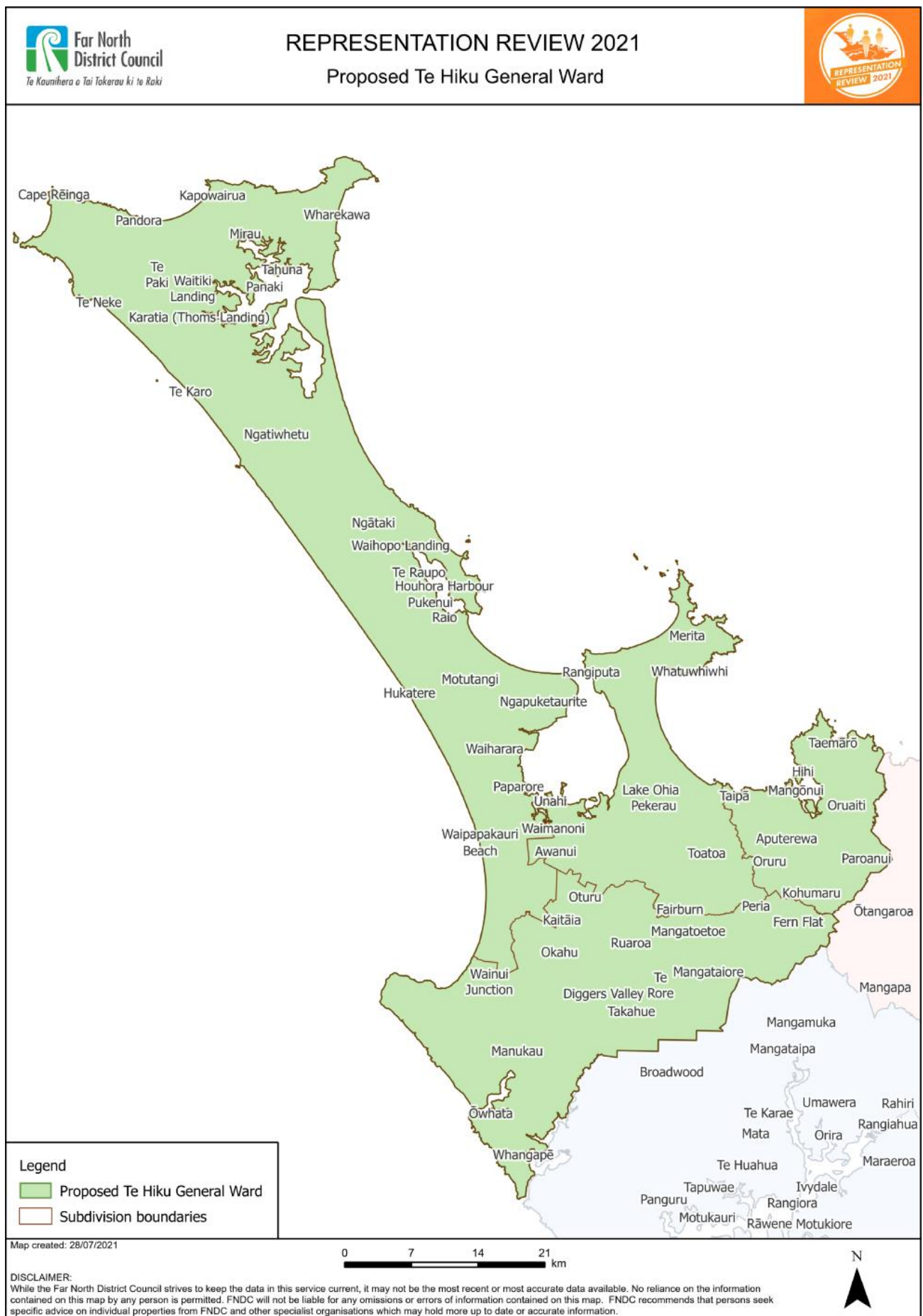
Hōtaka Take Ōkawa / Compliance Schedule:

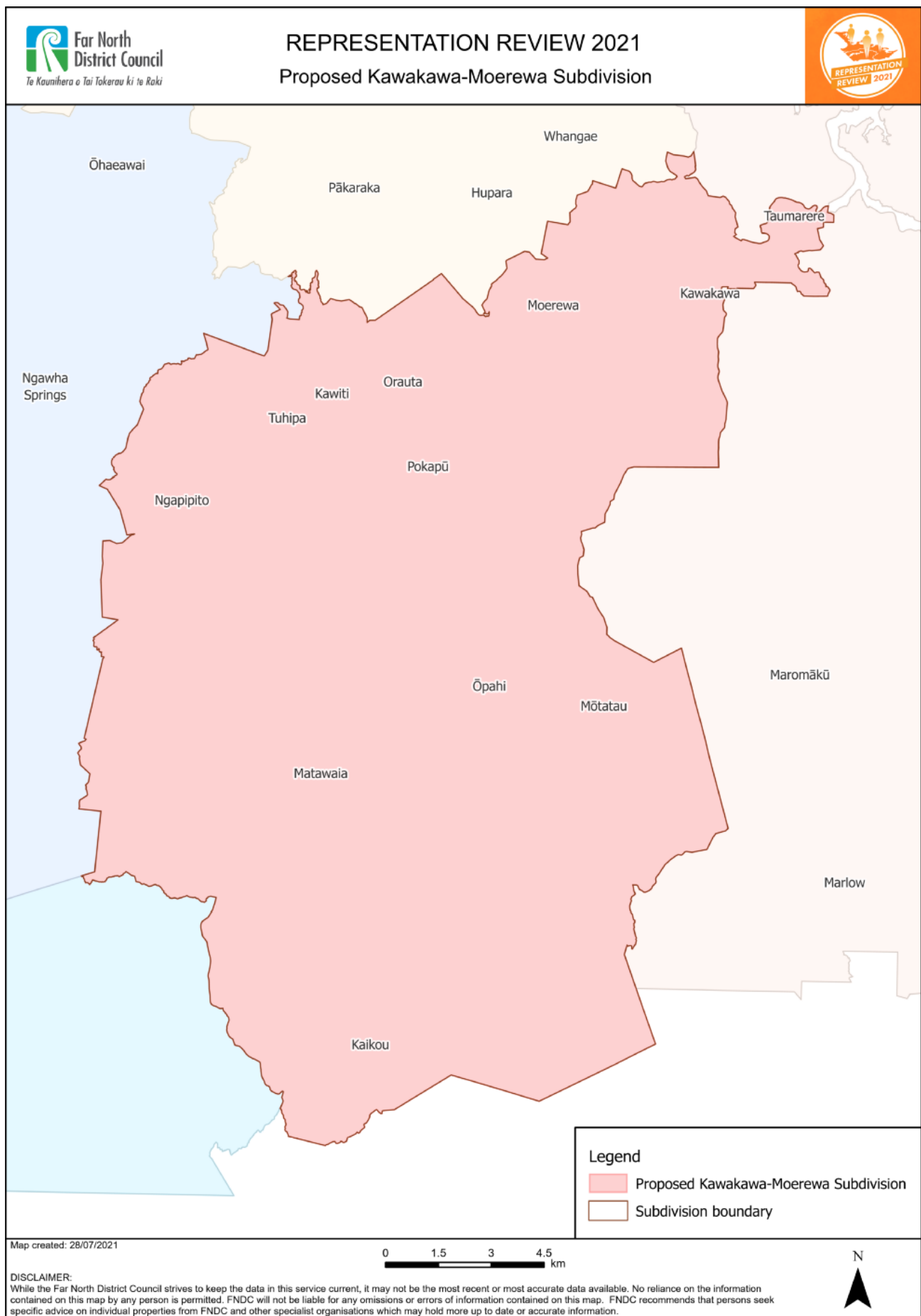
Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

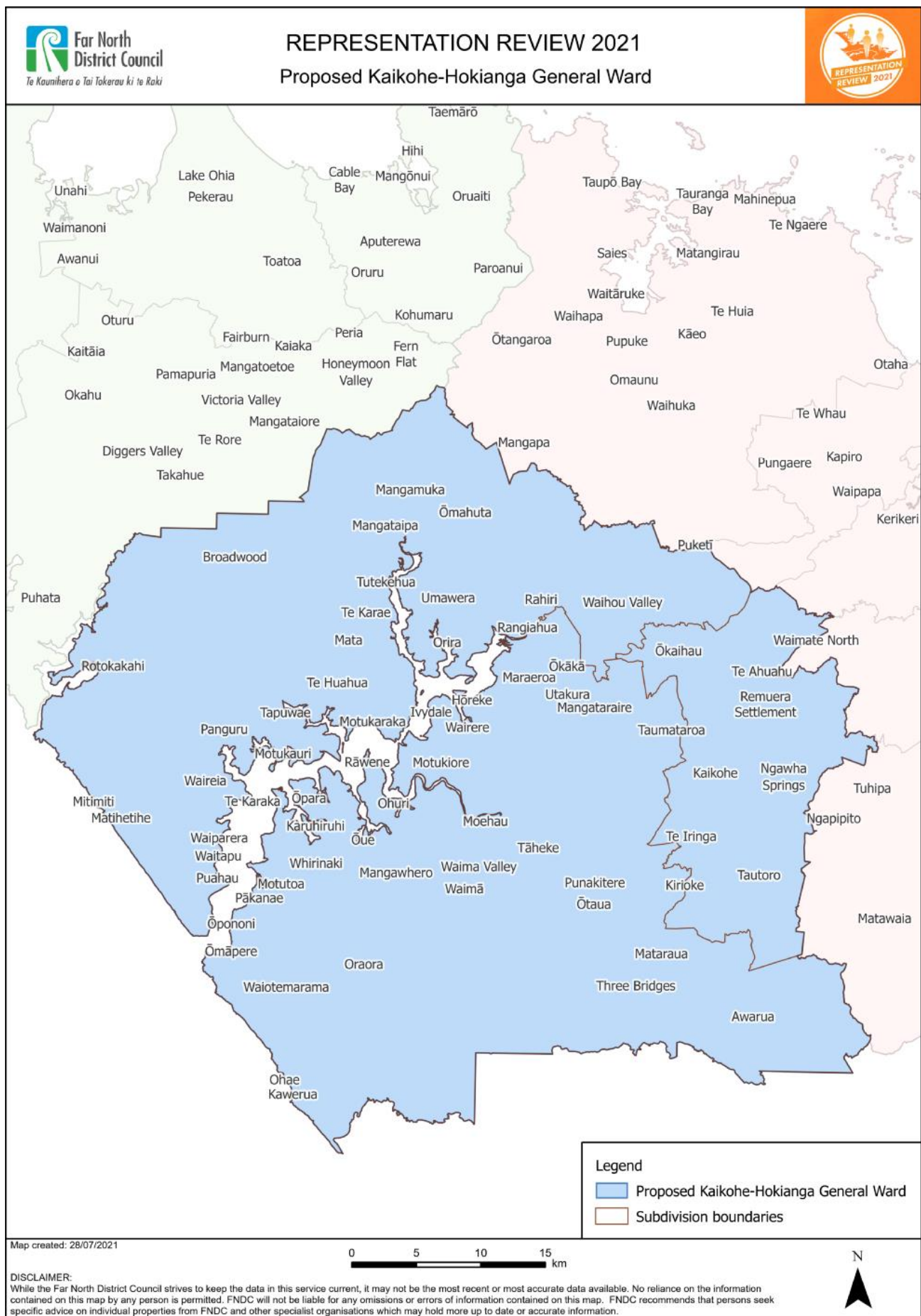
1. A local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

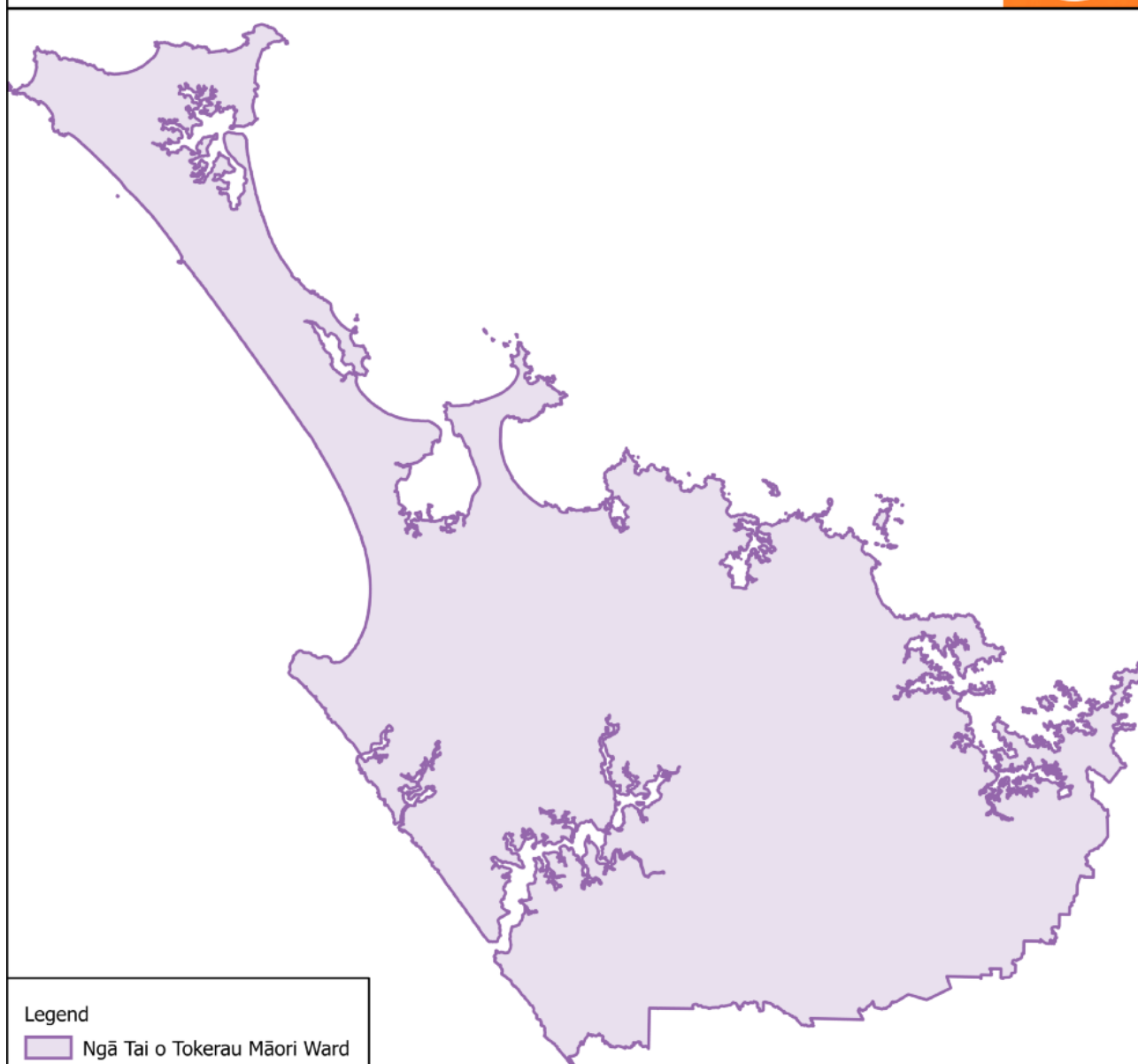
He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This report has a low degree of significance. Whilst consultation is legislatively required, it does not meet any of the additional thresholds that would make it significant. [It should be noted that the level of community interest is not yet understood – the informal engagement on representation arrangements led to 171 responses].
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	Local Electoral Act, Local Government Act.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	It has district wide relevance. Community boards have been consulted twice in developing the initial proposal with Council, and community board chairs have been invited to every workshop with Council since 24 June 2020 (along with deputy chairs leading into the last two rounds of workshops in 2021).
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The establishment of Māori wards has a significant impact on Māori and is in line with the principles of Te Tiriti o Waitangi - Protection, Partnership and Participation. Engagement with iwi leaders and MOU partners took place over many weeks once Council made its decision on 4 May 2021 through email and planned workshops. Due to the time constraints (Council having made its decision very late within the legislative timeframes) it was not possible to undertake the full engagement on the matter of establishing one or more Māori wards. It is therefore recommended in the initial proposal to adopt one district-wide Māori ward for the 2022 elections, with stakeholder engagement occurring in 2023 to determine whether more than one Māori ward will be the best solution for the Far North.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to	There are no persons (other than those identified already) who are likely to be particularly affected by the representation review.

their views or preferences (for example – youth, the aged and those with disabilities).	
State the financial implications and where budgetary provisions have been made to support this decision.	The remuneration for elected members is set by the Remuneration Authority so there are no new budgetary implications as a result of the representation review. Budget has been set aside in this financial year to run communications and engagement initiatives to ensure that our communities are informed of the changes – being the representation review, the electoral system and the establishment of Māori wards.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.









Legend

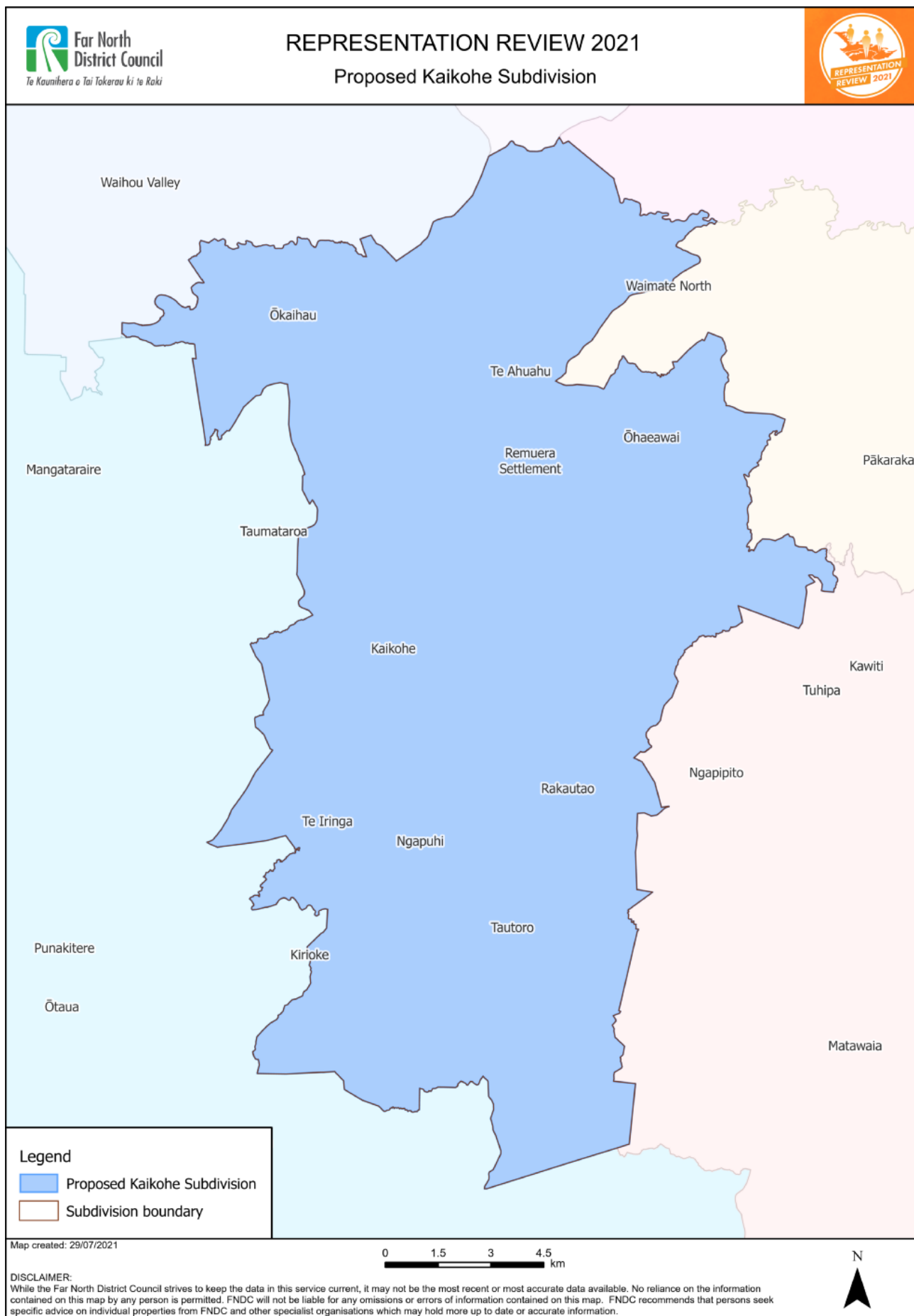
 Ngā Tai o Tokerau Māori Ward

Map created: 29/07/2021

0 10 20 30 km

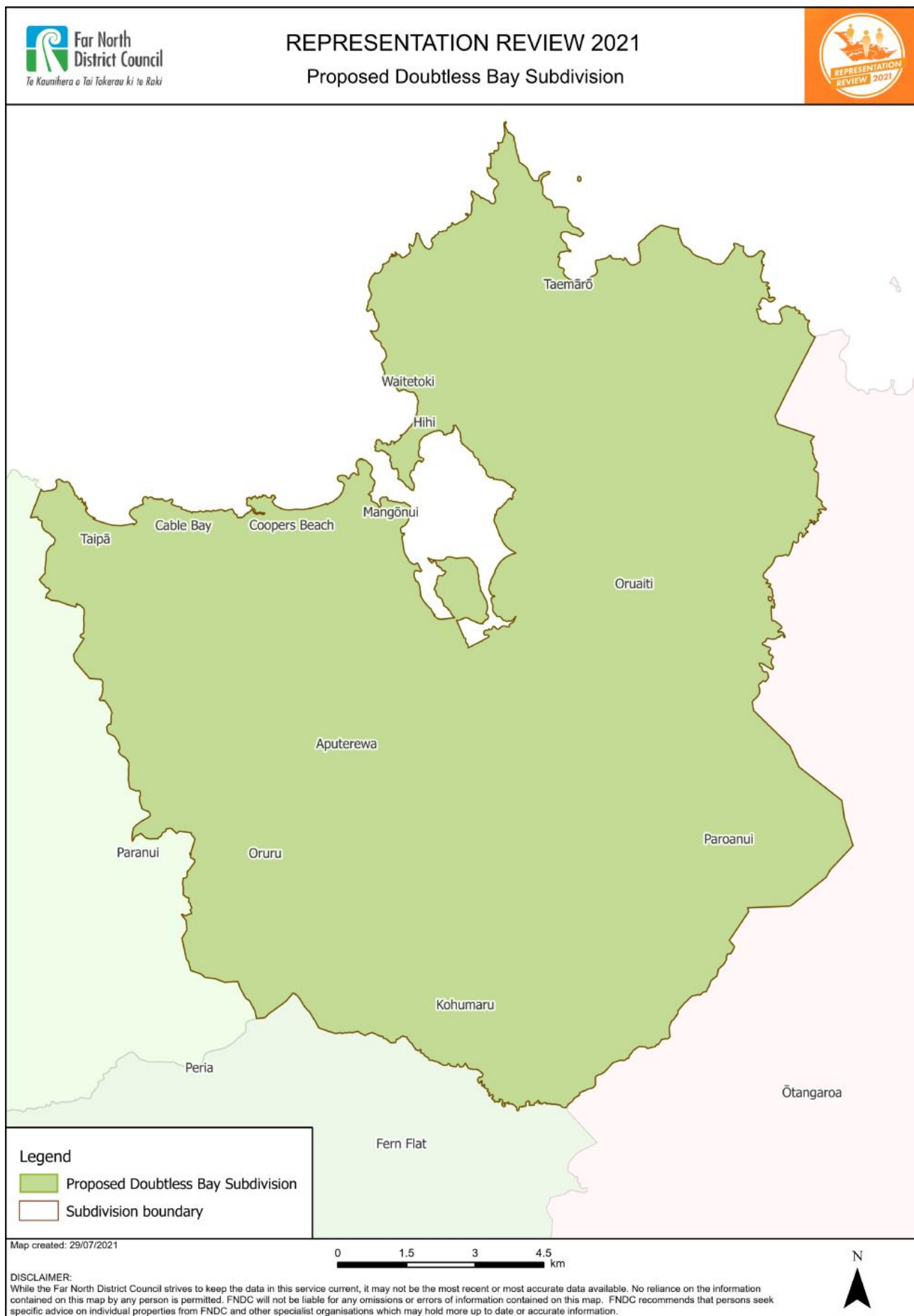


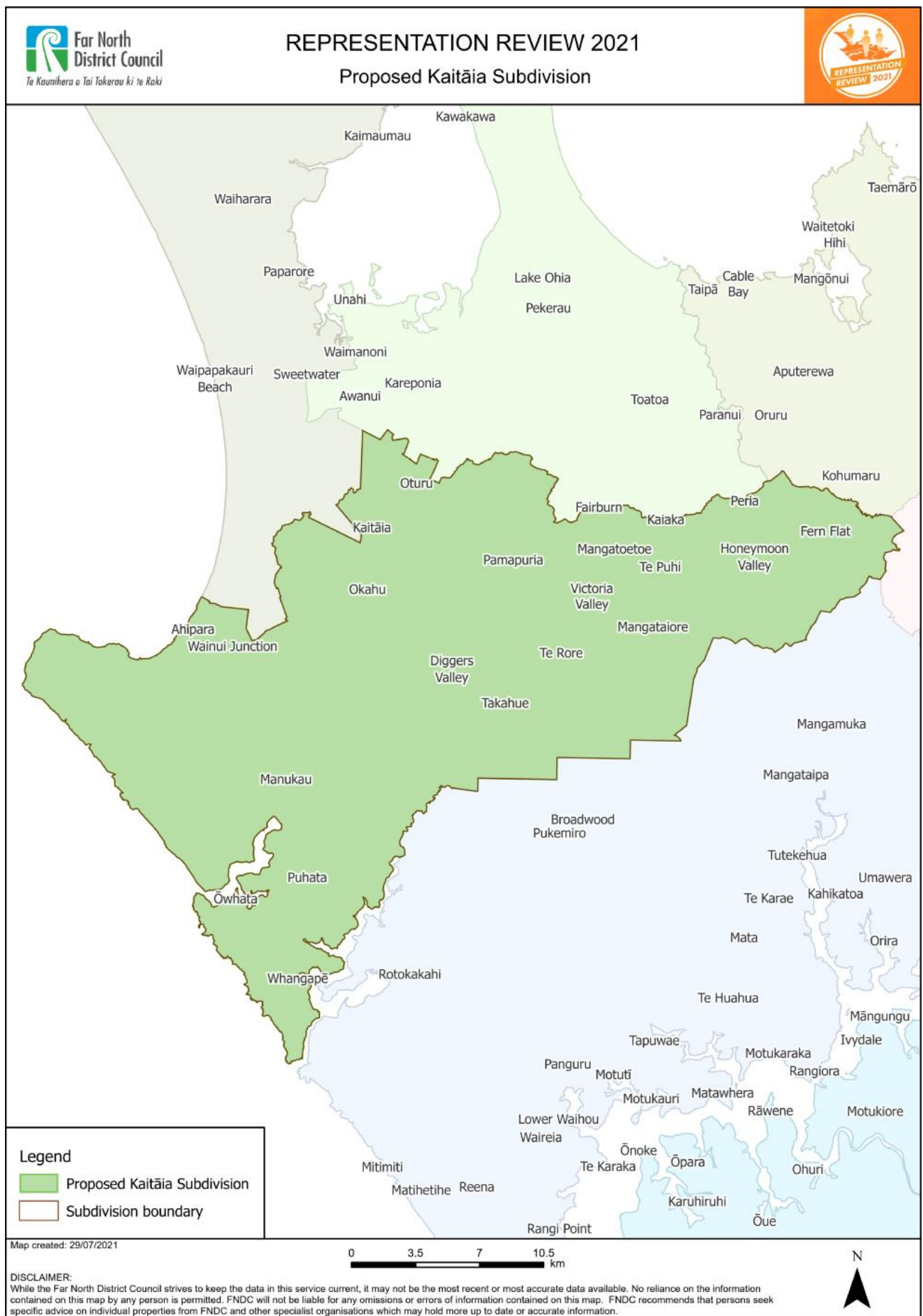
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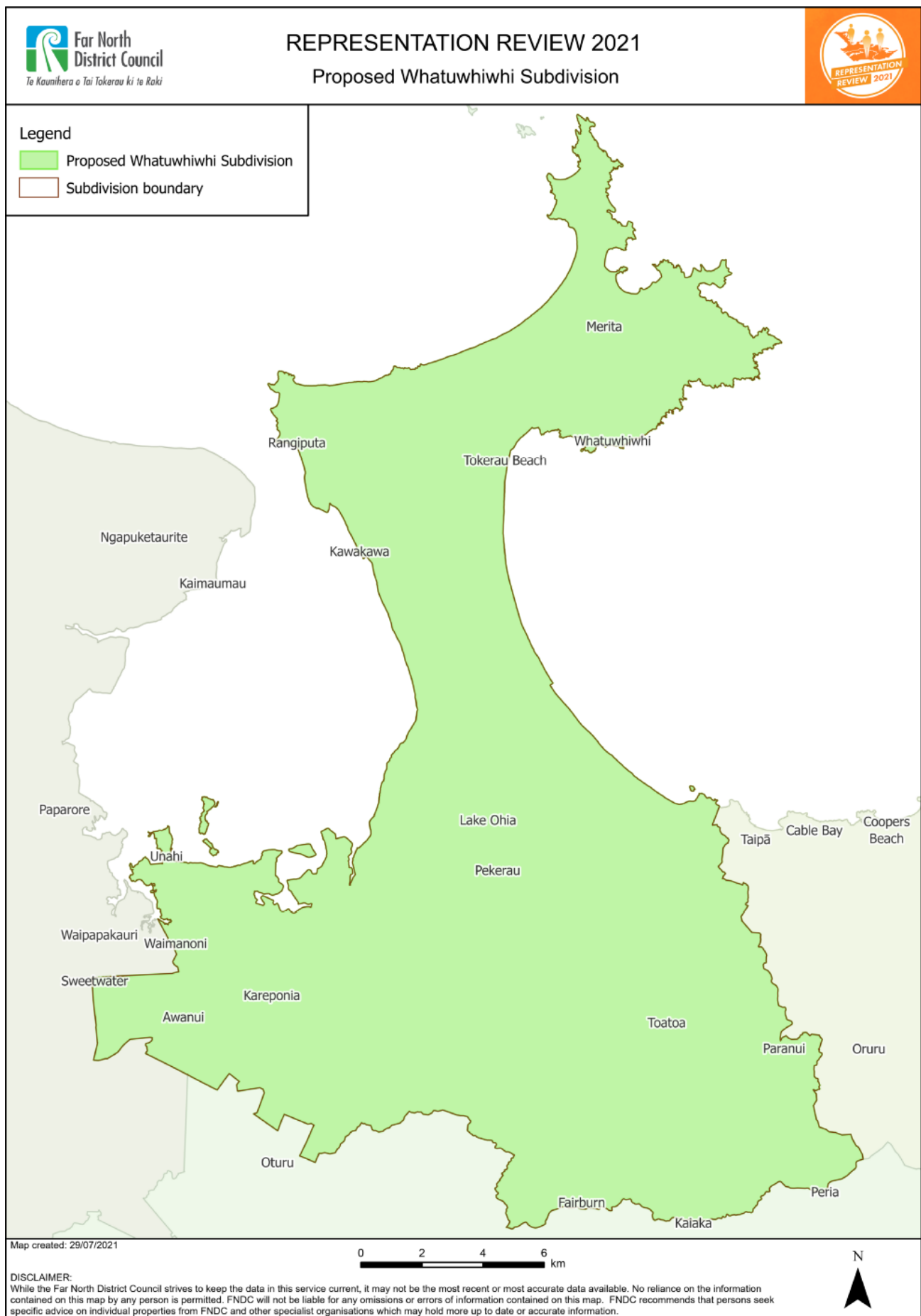


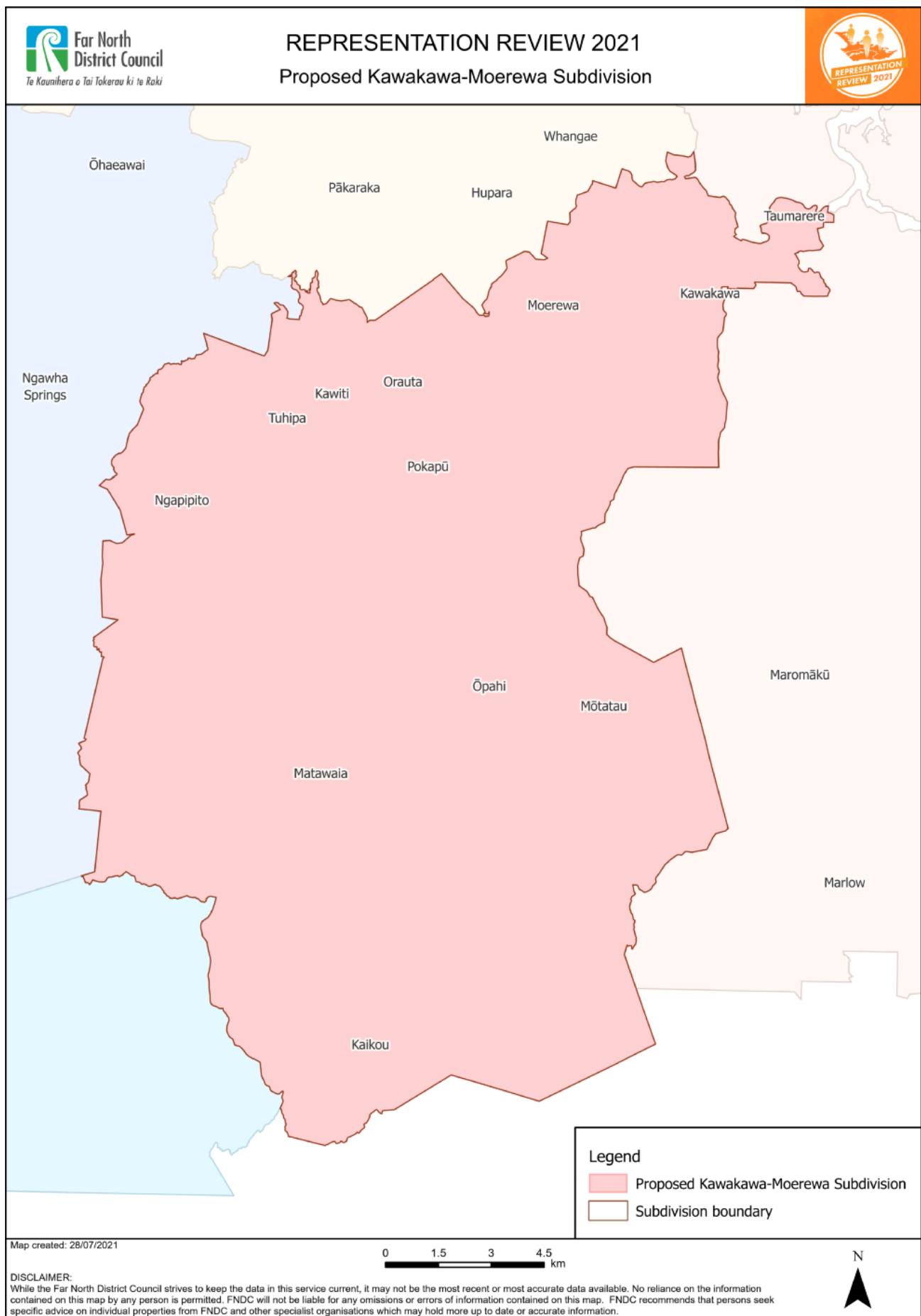


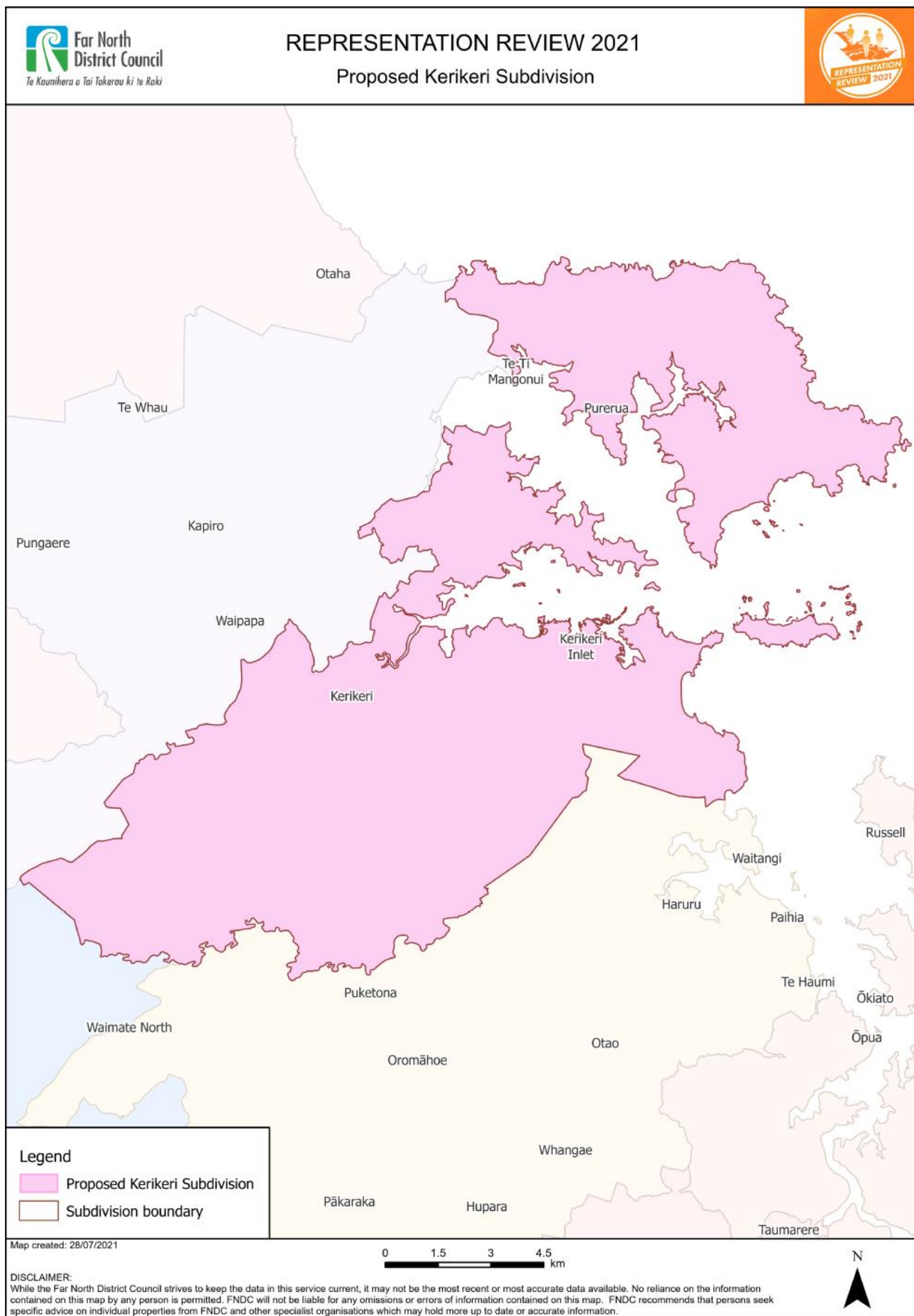




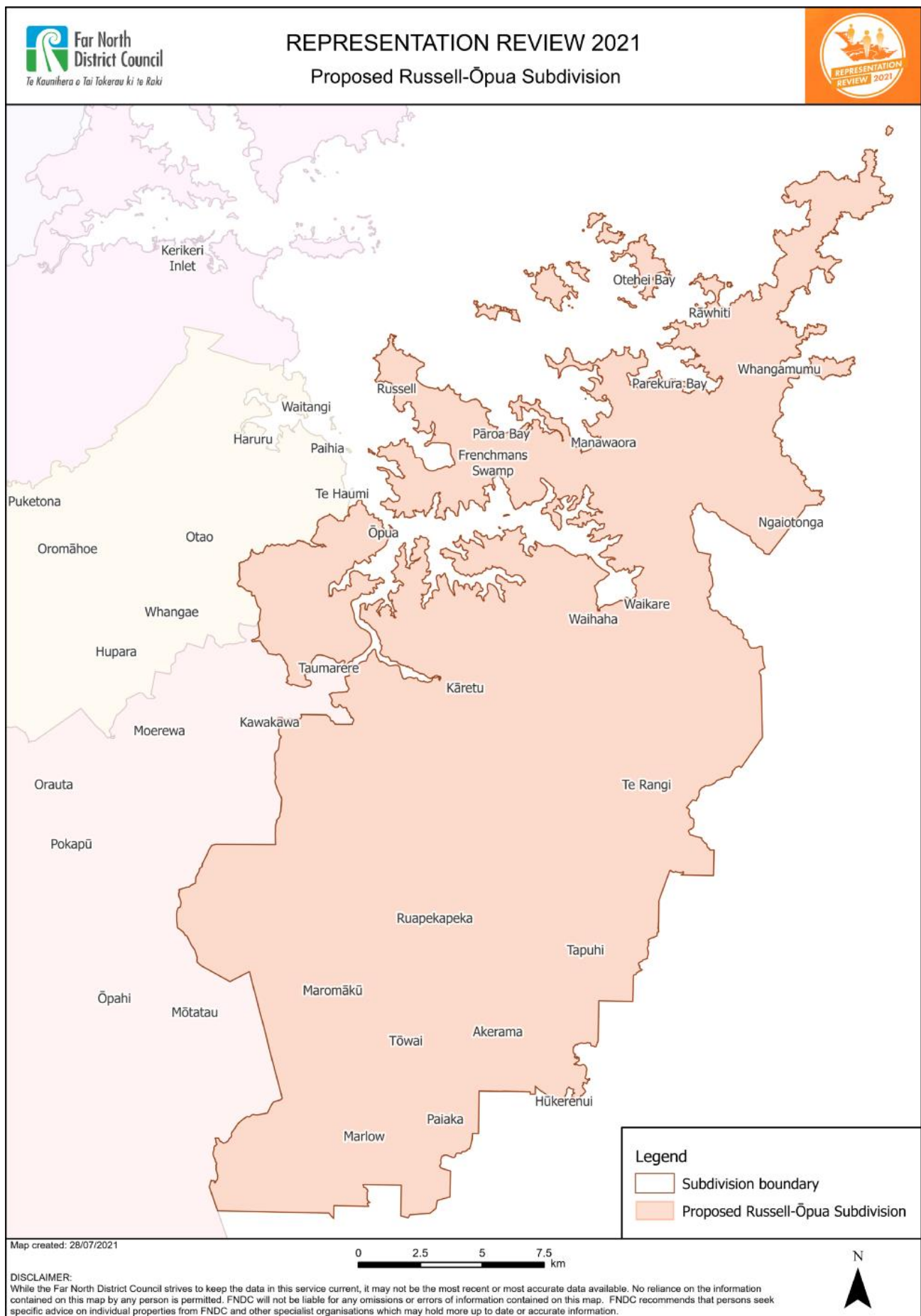


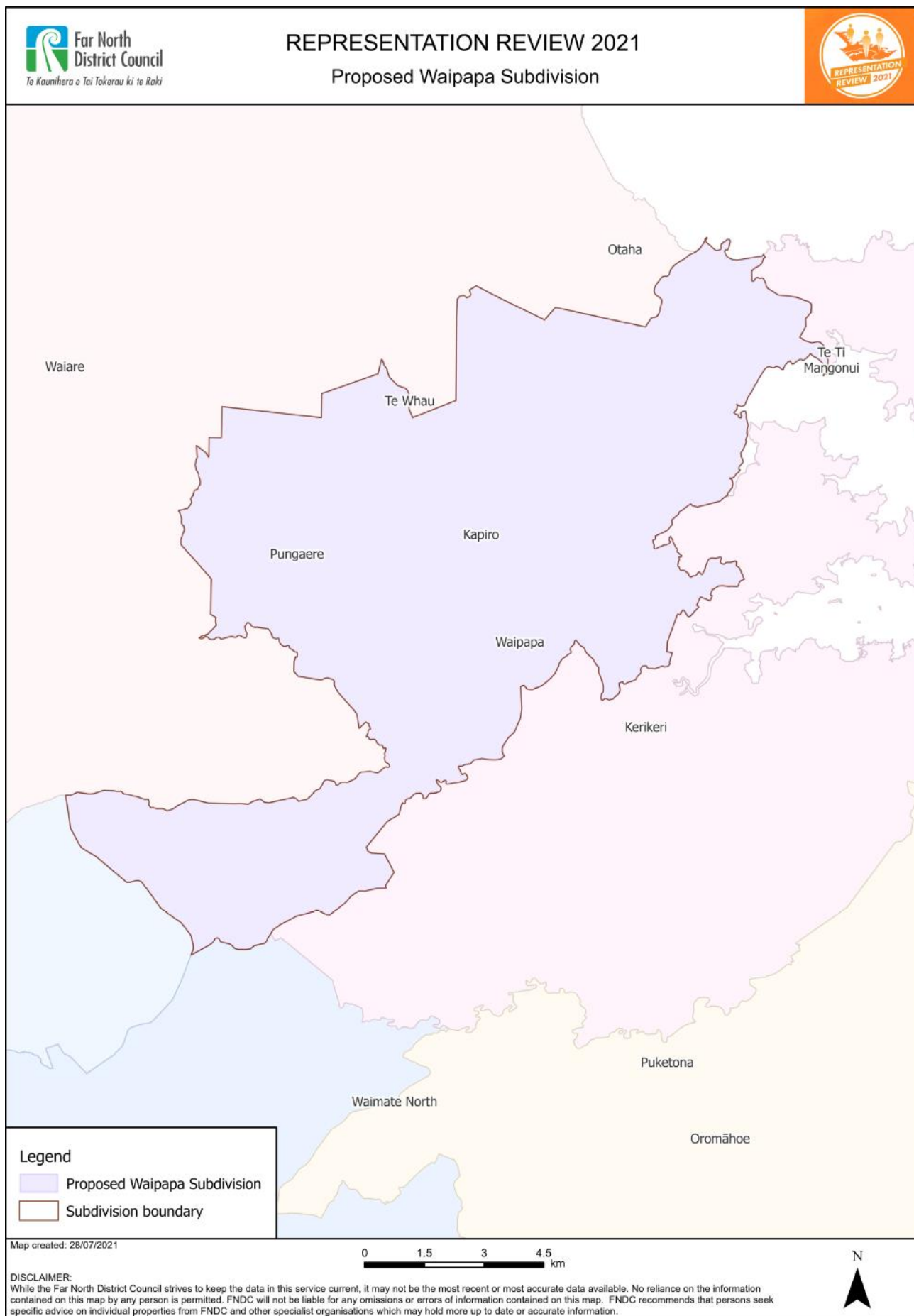




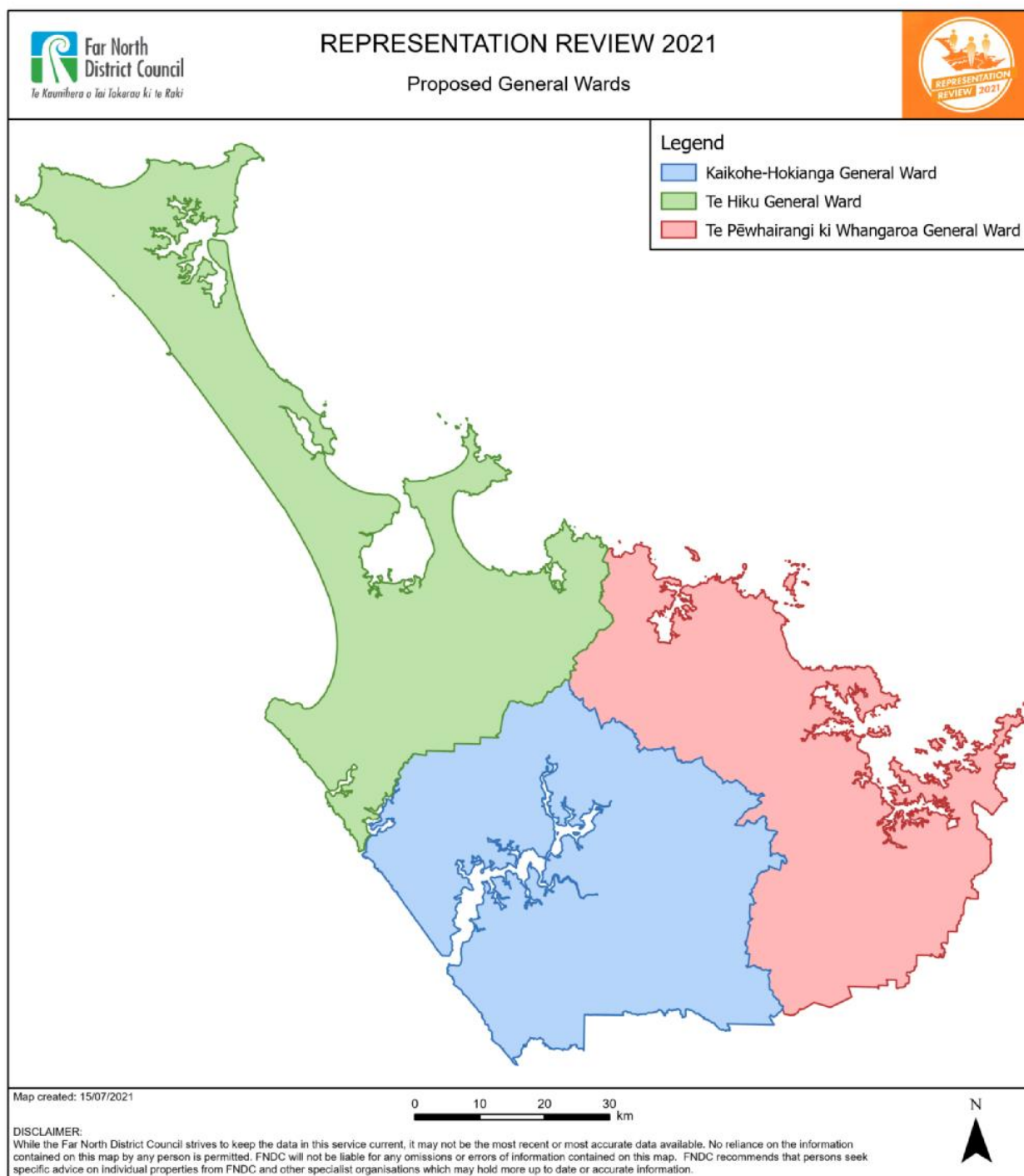






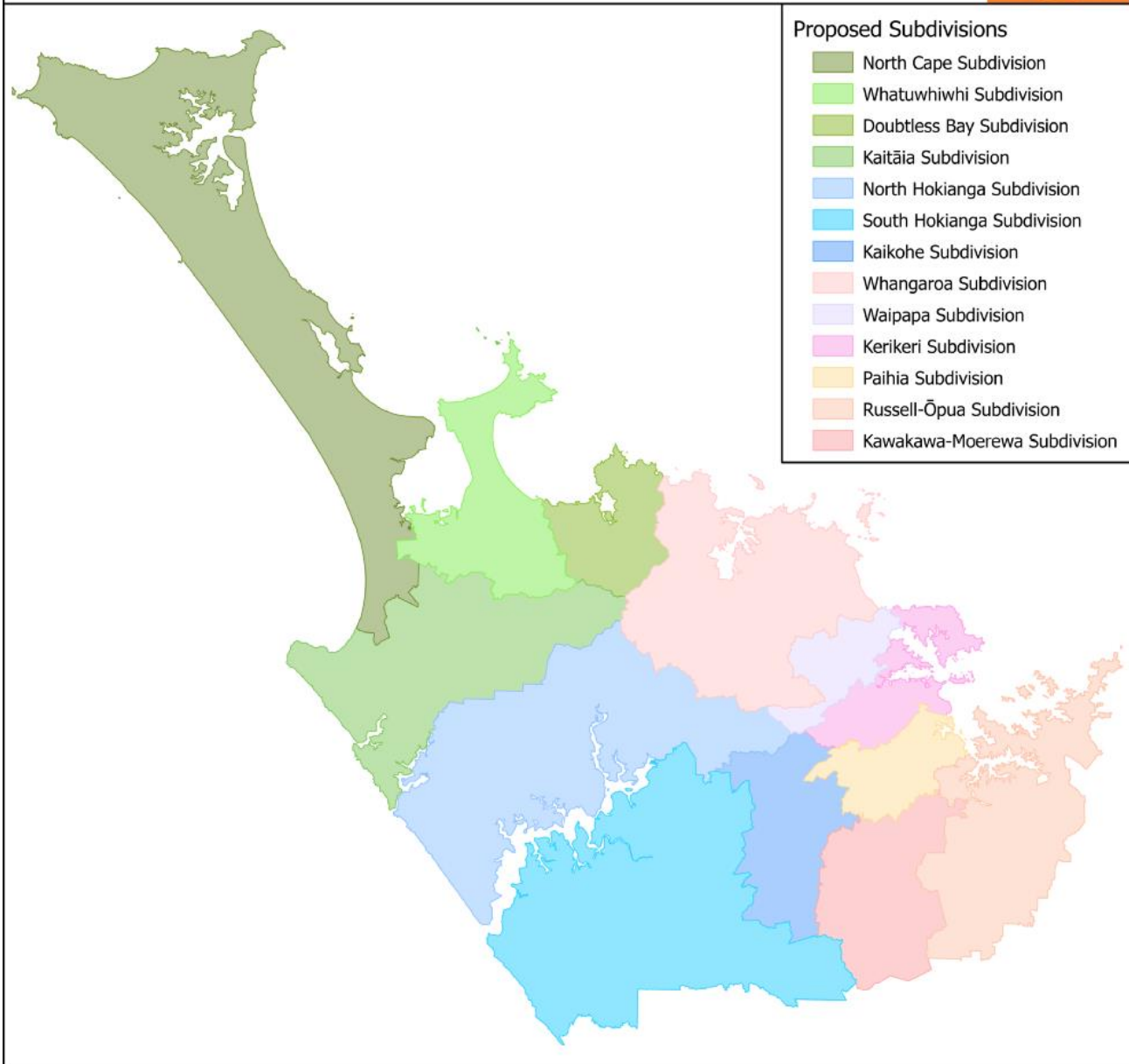






REPRESENTATION REVIEW 2021

Proposed Community Board Subdivisions



Map created: 29/07/2021

0 10 20 30 km



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7.4 KOUTU MANGEROA PICNIC AREA ENCROACHMENT**File Number: A3264735****Author: Louise Wilson, Team Leader - Monitoring****Authoriser: Janice Smith, Chief Financial Officer****TAKE PŪRONGO / PURPOSE OF THE REPORT**

To seek approval of the recommendation that the Koutū Mangeroa Picnic Area be managed by Kaitiaki Agreement

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

In April 2021 Council Monitoring Officers responded to a complaint that an area of unformed road known as Koutū Picnic Area was being used illegally as a campground. A site visit was carried out which confirmed the presence of illegal structures and signage relating to a campground. The kaitiaki occupiers have been mowing and maintaining the picnic area.

The Monitoring Team and the Northern Transport Alliance (NTA) seek direction from Council about the future use of the picnic area. Staff recommend that Council support Option 1 and engage with kaitiaki occupier to formalize a Kaitiaki Agreement. Further, that Council assist kaitiaki to obtain the necessary consents to legalise the use of the Koutū Picnic Area as a campground.

TŪTOHUNGA / RECOMMENDATION

- a) That Council engage with the kaitiaki of the Koutū Mangeroa Picnic Area to formalise a Kaitiaki Agreement for the lawful use of the area as a campground.
- b) That Council engage with the kaitiaki to obtain the necessary consents under the Resource Management Act, Local Government Act and Health Act to facilitate the lawful use of the area as a campground.

1) TĀHUHU KŌRERO / BACKGROUND

In April 2021 Council Monitoring Officers responded to a complaint that an area of unformed road known as Koutū Picnic Area was being used illegally as a campground (see fig.1 below). A site visit was carried out which confirmed the presence of illegal structures and signage relating to a campground. The kaitiaki occupiers have been mowing and maintaining the area (fig.4).



Fig.1 Location of area of unformed road known as Koutū Picnic Area



Fig.2 Signage relating to illegal campground



Fig.3 Illegal Structures



Fig.4 The site has been mowed and maintained by kaitiaki occupiers

Timeline of Events Relating to Koutū Mangeroa Picnic Area

11 Dec 2014

Council resolved

“THAT the person responsible for the structures on Koutū Point unformed legal road be given 21 days to have them removed;

AND THAT failure to do so will result in Council issuing a Trespass Notice to this person and having the structures removed at the occupier’s expense (as per Policy #5108 - 2014 - Encroachments on Council Administered Land).”

A trespass notice was duly served on the occupier and he was given 21 days to remove all structures from the Reserve.

Reports from community members and the NZ Police indicated that a land occupation was to be undertaken by the occupier and supporters, and matters could become unpleasant.

10 June 2015

Then Chief Executive Officer (Acting) Colin Dale met with the occupier and their legal representatives to endeavour to achieve an amicable outcome. The outcome of this meeting was that the family and hapū, with Council's assistance, convene a public meeting in Opononi to get the views of the wider community.

23 October 2015.

Approximately fifty people attended the public meeting chaired by Mark Ambler (elected from the floor). FNDC representatives, Chief Executive Officer (Acting), Colin Dale, George Swanepoel (Legal Counsel), Phill Grimshaw (Manager Strategic Iwi Relationships), and Mike Colebrook (Manager Facilities Operations) briefed the meeting on the history of the encroachment and Council's obligations under Local Government legislation, to address the public complaints that had been received.

Members of Ngāti Korokoro outlined their claim under the Treaty of Waitangi, and advised that by June 2016, they would have proof showing hapū ownership.

Colin Dale confirmed that Council was happy for the Treaty claim to progress as it was the correct and lawful process, but on receipt of the complaints regarding illegal structures, illegal camping, and other health and safety concerns, it had to act to protect the wider community.

The meeting then agreed that the whānau and Council had heard the arguments raised by the hapū and wider community, and that the parties concerned should continue to sit around the table, talk and resolve their concerns (Council Report A1647876)

May 2016

Phil Grimshaw and George Swanepoel met with occupier Syd Mathews and it was agreed:

1. That although council was happy for Mr Mathews to be the caretaker of the block it has to be open to all the public and that accosting and abuse of members of the public was not acceptable.
2. That Mr Mathews would remove the signs and that Council would assist with the removal of the container and the porta cottage.
3. Council would explore the installation of toilets as the place is popular with freedom campers.
4. Council would look at some type of secure post box where campers could leave a koha which would help Syd pay for the maintenance of the area.

May 2016 – Present

The conditions of the informal Agreement were not progressed, and no formal Kaitiaki Agreement was finalised. The occupation of the area diminished without further action from FNDC. Due to staff changes and an absence of complaints, enforcement of the removal of the encroachment did not occur.

Treaty Claim

Independent historical research commissioned by FNDC and conducted by Schwarz Consultancy Ltd concluded the Koutū block was a private transaction between Māori and European settlers and did not find anything untoward that would suggest a Treaty claim was appropriate. In addition, land vested in Council is not Crown land for the purposes of Treaty settlements.

Public Use and Legislation

The site is currently advertised on the internet and social media as a campground. Figure 5 is a screen snip from <https://nzcamping.com/camp-directory/camp-listing/north-island/far-north/Koutū-mongero/>.

> KOUTU MONGERO <



CONTACT INFORMATION

Address:

Koutu Point Road, Opononi, Far
North, North Island



DESCRIPTION:

4km north of Opononi turn off SHwy12 onto Koutu Loop Road. The camping and picnic area is 3km from the highway. This is no frills camping on a grassy plateau, surrounded on 3 sides by the Hokianga Harbour, with superb views. You will need to be fully self-contained as the only facilities are some picnic tables. There is no water, or power but there is a long drop toilet. There is a boat ramp nearby. Camping costs \$10 per night per van and can be put in the honesty system at the small shed at the entrance. Big area of sites. Sid and Donna live at 825 Koutu Loop Rd which is the first house on the road from the main road.



Categories: **Campground**

Figure.5 The picnic area is advertised as a campground on the internet

The site is public land, so it is desirable to maintain public access and enjoyment of the picnic area. However, Section 357 of the Local Government Act (LGA) provides that it is an offence to encroach on a road for example by erecting buildings or fences. Council has received multiple complaints since 2016 regarding the encroachment preventing access to the picnic area.

Council's Monitoring and Compliance Team and the Northern Transport Alliance (NTA) seek Council's direction on options to resolve the encroachment and address complainants' concerns.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Council Monitoring Staff have met with Northern Transport Alliance (NTA), Te Hono and Legal staff to identify options for the future use of the Koutū picnic area. It is noted that the unformed road is not required for roading purposes. However, any alternative use of public land requires elected member direction. The options are as follows.

- Option 1 Engage with kaitiaki occupier to formalize a Kaitiaki Agreement and seek necessary consents to legalise campground; or
- Option 2 Take enforcement action to remove illegal structures and prevent campground use; or
- Option 3 Investigate changing status of area from road to reserve

Option 2 is not recommended because:

- Enforcement action is unlikely to resolve the demand for campervan parking at the picnic area. Even if encroachments are removed it is likely that campervans would still use the area. Complaints from Koutū Point residents about camping at the site would not necessarily be resolved.
- Enforcement action may alienate the kaitiaki who have been maintaining the area. This is not consistent with Treaty of Waitangi principles of Tino Rangatiratanga and Partnership.
- Enforcement Action would not provide for the ongoing maintenance of the area. NTA have no interest in or budget for maintaining the picnic area.

Option 3 is not recommended because:

- Changing the status of the land would require a formal legal process of road stopping.
- Reserve status would not resolve the demand for campervan parking in the area.
- Changing status of the land to Reserve would not provide for the ongoing maintenance of the area. There is no budget in the LTP for additional reserve maintenance.

Take Tūtohunga / Reason for the recommendation

Option 1 is the preferred option because:

- The Kaitiaki Agreement can document Council's expectations relating to public access and maintenance of the area.
- Council can work with kaitiaki to assess compliance with the requirements of the Resource Management Act 1991 (RMA), s.120B of the Health Act 1956 (Campground Regulations) and s.357 LGA. It is likely that resource consent and health licensing would be required.
- If compliance is achieved, the Kaitiaki Agreement can provide for both campervan parking and public access to the coast. Resource consent and health licensing conditions would also apply.
- An agreement would recognise the role of local kaitiaki and be the focus for constructive dialogue between Council and the kaitiaki occupier. This aligns with the Treaty of Waitangi principles of Tino Rangatiratanga and Partnership.
- Other government agencies, for example the Department of Conservation (DOC) have kaitiaki Agreements delegating functions to community groups. For example, the management of the Urupukapuka Island campground by hapū from the Bay of Islands/Rāwhiti area.
- Enforcement action to remove structures and exclude kaitiaki is likely to result in ongoing conflict and occupations. If the kaitiaki were not permitted to occupy and maintain the area it is unlikely to be maintained by NTA and public amenity would be reduced.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

Council will need to fund technical and legal support to assess whether the proposed campground can achieve compliance with the requirements of the Resource Management Act 1991 (RMA), 120B of the Health Act 1956 and LGA. This process would have similar budget and staff capacity implications as an enforcement proceeding.

ĀPITI HANGA / ATTACHMENTS

Nil

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and

- c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.

2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	Medium – The occupation of the Koutū picnic area previously received media attention and was the subject of a public meeting. The future management of public land may be of interest to the community.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	There is no budget for the management of this area of unformed road. It is likely that resource consent under the RMA and a license under the Health Act will be required before the area can lawfully be used as a campground.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	District Wide Relevance This report will be of interest to the Kaikohe-Hokianga Community Board.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	This report has considered how kaitiaki Māori can be included in decision making about the future use of the Koutū Picnic Area. This aligns with the principles of Tino Rangatiratanga and Partnership.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	Potentially affected parties include residents of Koutū Point, hapū, kaitiaki, and members of the public wanting access the picnic area and coastline. NTA does not consider themselves affected as they have no plans for the unformed road.
State the financial implications and where budgetary provisions have been made to support this decision.	As covered in report. Financial implications of Option 1 are similar to Options 2 and 3.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report

7.5 APPOINTMENT OF DIRECTOR TO THE BOARD OF NORTHLAND ADVENTURE EXPERIENCE LIMITED 2**File Number: A3307299****Author: Kim Hammond, Meetings Administrator****Authoriser: Aisha Huriwai, Team Leader Democracy Services****TAKE PŪRONGO / PURPOSE OF THE REPORT**

To formally appoint Councillor David Clendon as Councillor Moko Tepania's replacement as the Far North District Council representative on the Northland Adventure Experience Board.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Far North District Council (FNDC) has 16 shares or 8% shareholder of Northland Adventure Experience Limited 2 (NAX)] and has a right to appoint a director to the NAX Board.
- His Worship the Mayor (HWTM) was previously appointed to the board but resigned on 30 June 2020.
- Councillor Moko Tepania was the appointed as director at the Council meeting held 30 July 2021 but has recently chosen to stand down due to conflicting commitments.
- It is now proposed that Councillor David Clendon be appointed as director on the NAX Board.

TŪTOHUNGA / RECOMMENDATION**That Council:**

- a) formally note the resignation from Councillor Moko Tepania from the Northland Adventure Experience Limited Board,**
- b) appoint Councillor David Clendon as a Director on the Northland Adventure Experience Limited Board;**
- c) agree to indemnify Councillor Clendon for professional negligence as a director when acting in good faith in his capacity as a director.**

1) TĀHUHU KŌRERO / BACKGROUND

NAX is a special purpose project company originally incorporated to complete a joint application to the Provincial Growth Fund (PGF) by Council, the Bay of Islands Vintage Railway Trust (BOIVRT) and the Pou Herenga Tai Twin Coast Cycle Trail Trust. The initial application for funding was for the construction of a permanent cycle trail and restoration of the railway line between Opuā and Taumarere.

At the Council meeting on 13 December 2019, Council resolved the formation of NAX Ltd as set out below.

RESOLUTION 2018/66**That Council**

- a) agrees to the incorporation of a registered limited liability company and the holding of 24% of the shares in NAX Ltd and approves the company applying for charitable status.
- b) Council approve the appointment of His Worship the Mayor as “John Carter” to be appointed a director in the first instance, noting the indemnity of Far North District Council once the appointment to NAX Ltd is made.
- c) Clauses a) and b) are subject to the approval and adoption of a shareholders agreement/constitution which clearly identifies that the voting rights reflect the proposed shareholding
- d) notes that
 - i) there will be no costs to council except to establish a company
 - ii) there will be no automatic transfer of ratepayers sourced funding to the Bay of Islands Vintage Railway Trust on completion of the company
 - iii) the company may not expose the Council to financial liabilities without agreement
 - iv) no assumptions are made at this point about utilisation of Far North District Council workforce for project management by NAX Ltd.

Crs Ann Court and Felicity Foy requested their votes against the motion be recorded.

CARRIED

The shareholders are:

- BOIVRT with 68 shares or 34% of shares,
- Nga Tangariki o Ngati Hine Trust with 66 shares or 33% of shares,
- Pou Herenga Tai Twin Coast Trail Charitable Trust with 50 shares or 25% of shares and
- Far North District Council with 16 shares or 8% of shares.

His Worship the Mayor was originally appointed as the director for the Far North District Council, however resigned on 30 June 2020. At the Council meeting on 30 July 2020 Council resolved to replace His Worship the Mayor with Councillor Tepania as director.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Given Council's shareholding in this entity it is important that Council continues to be involved and have oversight in the operations. Appointing a director also gives Council the opportunity to help vote on matters.

It is understood that Cr Clendon is willing to fill this position, if this is no longer the case or Councillors believe there is someone better placed to fill this role Council can move an amendment or alternative motion to suggest an alternative.

Take Tūtohunga / Reason for the recommendation

Council is a shareholder of NAX and has a vested interest in the cycle trail which may be impacted decisions made by the board, due to this Council should therefore be represented on the NAX Board.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The Local Government Act 2002 Section 43 provides indemnity for Councillors and members of the local authority where they are acting in good faith in pursuance (or intended pursuance) of the responsibilities or powers of the local authority.

This covers committees, community boards and other sub-ordinate decision-making bodies of the local authority. NAX doesn't meet that definition therefore Council's indemnity insurance will not extend cover to Councillor Clendon as a director of the company - unless NAX (the company) secures professional indemnity insurance for its directors, any indemnity provided by Council would be a cost to the ratepayers.

ĀPITIHANGA / ATTACHMENTS**Nil**

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This issue is of low significance under the Significance and Engagement Policy and requires
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The Local Government Act 2002, section 43 – Certain Members Indemnified, applies to the decision recommended in this report.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	This decision is of local relevance, however, sits under Council's delegations to make the decisions. Local Board input has not been sought on this issue.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	Ngati Hine are included as part of the shareholders agreement given the historical and cultural significance of the land and marine areas the Taumarere to Opuia rail corridor traverses.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	Not applicable.
State the financial implications and where budgetary provisions have been made to support this decision.	There are no financial implications associated with this report.
Chief Financial Officer review.	The Chief Financial Officer has not reviewed this report.

7.6 POU HERENGA TAI TWIN COAST CYCLE TRAIL BYLAW REVIEW**File Number: A3307827****Author: Briar Macken, Planner****Authoriser: Darren Edwards, General Manager - Strategic Planning and Policy****TAKE PŪRONGO / PURPOSE OF THE REPORT**

The purpose of this report is for Council to agree the Pou Herenga Tai - Twin Coast Cycle Trail Bylaw should continue with amendment.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- The Pou Herenga Tai – Twin Coast Cycle Trail Bylaw (Bylaw) is due for review by 08 September 2021.
- The Bylaw aims to protect public health and safety, minimise nuisance, and minimise damage to the Cycle Trail.
- A bylaw is still the most appropriate way to address the regulation of the Cycle Trail.
- The Bylaw is no longer an appropriate form because it is not certain (clear), and it is not consistent with relevant laws and legislation.
- The Bylaw should continue with amendment.
- This report was presented to the Strategy and Policy Committee meeting on 20 July 2021. The Strategy and Policy Committee makes the following recommendation to Council.

TŪTOHUNGA / RECOMMENDATION

That Council:

- a) agree, under section 155(1) of the Local Government Act 2002, that a Bylaw is the most appropriate way of addressing problems related to the Pou Herenga Tai - Twin Coast Cycle Trail.
- b) agree, under section 155(2) of the Local Government Act 2002, that the current Pou Herenga Tai - Twin Coast Cycle Trail Bylaw is not the most appropriate form because:
 - i) it is not consistent with relevant laws and legislation
 - ii) it is not certain.
- c) agree, the Pou Herenga Tai - Twin Coast Cycle Trail Bylaw be continued with amendment to:
 - i) ensure consistency with relevant laws and legislation
 - ii) improve certainty
- d) note, that under section 155(2) of the Local Government Act 2002, a full analysis of any implications regarding the Pou Herenga Tai - Twin Coast Cycle Trail Bylaw under the New Zealand Bill of Rights Act 1990 cannot be completed until the amendments to the bylaw have been written.
- e) agree that a draft policy for the Pou Herenga Tai Twin Cost Cycle Trail Bylaw be presented to the Strategy and Policy Committee in the first quarter of 2022 prior to consultation.

1) TĀHUHU KŌRERO / BACKGROUND

The Pou Herenga Tai – Twin Coast Cycle Trail Bylaw (Bylaw) was made on 08 September 2016. Under section 158 of the Local Government Act 2002, the Bylaw is due for review by 08 September 2021. The Council is required under section 160 of the Local Government Act 2002 to consider whether the Bylaw:

- is still the most appropriate way of addressing the perceived problems with respect to the cycle Trail
- is still the most appropriate form of bylaw
- gives rise to any implications under the New Zealand Bill of Rights Act 1990.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

Problems to be addressed

The Determination Report (15 June 2016)¹ stated that “A bylaw is the most appropriate way of managing the Trail because there is no single regulatory instrument for the management of the use of the Trail which is on private land, Crown land, road reserve, and land vested under the control of the Council”.

The following problems were identified:

- Protecting public health and safety including:
 - restricting access to cyclists and pedestrians
 - prohibiting motorised vehicles
 - control of dogs
 - control of horses.
- Protecting the public and adjoining landowners from nuisance
- Minimising damage including:
 - restricting horses.

A review of RFS data and internal consultation with Council and Pou Herenga Tai – Twin Coast Cycle Trail Trust staff has not identified any additional problems relating to the Cycle Trail.

Review findings

The review identified that a bylaw is still the most appropriate way to address the following problems relating to the Cycle Trail:

- Protecting public health and safety including:
 - restricting access to cyclists and pedestrians
 - control of dogs.
- Protecting from nuisance including:
 - control of stock
 - control of camping.
- Minimising damage including:
 - restricting construction or earthworks.

Therefore, the Bylaw is still the most appropriate way of addressing those problems with respect to the Cycle Trail.

However, the review identified that the form of the Bylaw is no longer appropriate.

A bylaw is not the most appropriate way to address problems relating to:

- the control of litter
- protecting the environment on or near the Cycle Trail.

Some provisions in the Bylaw are not certain. Therefore, amendments are required to improve clarity particularly regarding:

- the definition of the Cycle Trail
- the areas of the Cycle Trail which are already covered by existing legislation.

The Bylaw is not consistent with relevant laws and legislation including but not limited to:

- Dog Management Bylaw
- Solid Waste Bylaw

¹ [Pou Herenga Tai - Twin Coast Cycle Trail Bylaw Determination Report June 2016](#)

- Land Transport Rules
- Freedom Camping Act 2011
- Local Government Act 2002
- removing reference to revoked bylaws.

This report considers what other options for the form of the bylaw may be more appropriate.

Option One: The Bylaw continues with amendment (recommended option).

The Bylaw stays in force and amendments are made to ensure the Bylaw:

- is consistent with relevant laws and legislation
- has improved clarity and certainty.

Consultation is required on the proposed amendments.

Advantages and disadvantages of amending the Bylaw

- Advantages
- Bylaw will align with relevant laws and legislation
 - Bylaw will allow for easier enforcement of provisions
 - Bylaw will have improved clarity and certainty

- Disadvantages
- Implementation costs (likely to be minor)

Option Two: Status Quo: The Bylaw continues without amendment

The Bylaw stays in force with no changes.

Consultation is required on continuing the bylaw without amendment.

Advantages and disadvantages of the status quo

- Advantages
- No change management process required
 - No implementation costs required
- Disadvantages
- Bylaw is not consistent with relevant laws and legislation
 - Bylaw does not easily enable Council staff to enforce certain provisions
 - Potential for reputation risk as Bylaw is not effective nor certain.

Option Three: Do nothing: Allow the Bylaw to auto revoke

Allowing the Bylaw to auto-revoke and not implementing another viable option to protect public health and safety along the Cycle Trail is not a reasonably practicable option.

Take Tūtohunga / Reason for the recommendation

A bylaw is still the most appropriate way of addressing the problems with the Cycle Trail.

A new form of bylaw is needed to ensure the Bylaw:

- is consistent with relevant laws and legislation
- is certain (clear).

Next Steps

If Council agrees with the recommendation, a new form of bylaw will be drafted and is planned to be presented to the Strategy and Policy Committee early 2022.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

The cost of consulting on continuing the Bylaw with amendment will be met from existing operation budgets.

ĀPITI HANGA / ATTACHMENTS

1. Review Research Report - Pou Herenga Tai - Cycle Trail - A3221774  
2. Pou Herenga Tai - Twin Coast Cycle Trail Bylaw 2016 - A2674350  
3. Pou Herenga Tai - Twin Coast Cycle Trail Bylaw 2016 - Schedule 1 - A1777664  

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	In line with the Significance and Engagement Policy the recommendation to continue the bylaw with amendment will have little effect on financial thresholds, ratepayers, specific demographics or levels of service. The recommendation is consistent with existing plans and policies and we already consulted on the original bylaw. Therefore, the level of significance is low.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	The Local Government Act 2002, sections 145, 146, 155 and 160 applies to the decision recommended in this report.
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	As the recommendation is to continue a bylaw, the Community Boards views have not been sought.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	Seeking the views and input of iwi in the development of bylaws is integral. Māori will be given an opportunity to contribute during the early engagement and consultation stage of the bylaw development process.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	Affected and interested parties will be given an opportunity to share their views and preferences during the consultation phase including: <ul style="list-style-type: none"> • Community groups concerned about the Cycle Trail in their community • Pou Herenga Tai – Twin Coast Cycle Trail Trust • Northern Transport Alliance

	<ul style="list-style-type: none">• Neighbouring property owners
State the financial implications and where budgetary provisions have been made to support this decision.	The cost of consulting on retaining the current bylaw will be met from existing operation budgets.
Chief Financial Officer review.	The Chief Financial Officer has reviewed this report.

1 Purpose

To describe and discuss the review of the Pou Herenga Tai – Twin Coast Cycle Trail Bylaw (2016).

2 Context

The New Zealand Cycle Trail project (Nga Haerenga) is a New Zealand Government initiative, co-funded with local councils to build and operate a network of cycle trails or 'Great Rides' throughout the country. Pou Herenga Tai – Twin Coast Cycle Trail (Cycle Trail) is an 87 km cycle trail starting at Opuia on the east coast and traversing across to the Hokianga Harbour on the west coast.

The Council's Pou Herenga Tai – Twin Coast Cycle Trail Bylaw (Bylaw) was made on 08 September 2016. Under section 158 of the Local Government Act 2002, the Bylaw is due for review by 08 September 2021. The Council is required under section 160 of the Local Government Act 2002 to consider whether the Bylaw:

- is still the most appropriate way of addressing the perceived problem with respect to the cycle Trail
- is still the most appropriate form of bylaw
- gives rise to any implications under the New Zealand Bill of Rights Act 1990.

3 Problem definition

3.1 Original problem statement

The original determination report to Council (15 June 2016)² stated that "A bylaw is the most appropriate way of managing the Trail because there is no single regulatory instrument for the management of the use of the Trail which is on private land, Crown land, road reserve, and land vested under the control of the Council".

However, in the same determination report the following problems were also mentioned:

- Protecting public health and safety including:
 - restricting access to cyclists and pedestrians
 - prohibiting motorised vehicles
 - control of dogs
 - control of horses
- Protecting the public and adjoining landowners from nuisance
- Minimising damage including:
 - restricting horses.

These problems are reflected in the Bylaw *clause 4* which states the purpose of the Bylaw is to:

- protect, promote and maintain the safety of people using the Trail or working and living in proximity to the Trail
- protect from nuisance those using the Trail or working and living in proximity to the Trail
- minimise damage to the Trail
- protect and maintain the natural and wildlife values and habitats in the vicinity of the Trail.

3.2 Other problems relating to the Cycle Trail not currently controlled or addressed by the Bylaw

A review of RFS data and internal consultation with Council and Pou Herenga Tai – Twin Coast Cycle Trail Trust staff has not identified any additional problems relating to the Cycle Trail.

3.3 Scope

In scope

Problems relating to the Pou Herenga Tai – Twin Coast Cycle Trail which are a function of Council to control or address.

² [Pou Herenga Tai - Twin Coast Cycle Cycle Trail Bylaw Determination Report June 2016](#)

Out of scope

- All other recreation grounds, reserves, shared paths or roads in the Far North District as these are (or are planned to be) regulated by other policy instruments.
- Parts of the Cycle Trail which cross a road, as roads are regulated by the Land Transport Act 1998.

4 Council's role relating to the Cycle Trail

Nga Hereanga was initially a central government initiative to create one consistent and continuous cycle path the length of New Zealand. However, central government consultation identified that utilising, upgrading and extending existing paths was more financially viable. Therefore, central government provided funding to local authorities to develop suitable cycle trails in their districts.

Under section 10 of the Local Government Act 2002, the purpose of local government is to "... promote the social, economic, environmental, and cultural wellbeing of communities, in the present and for the future". The use of the Cycle Trail can have a positive effect on a community's wellbeing through direct impacts, such as affecting the physical health of people by encouraging active movement and affecting economic wellbeing by encouraging tourism.

The Council is responsible for the ongoing maintenance of the Cycle Trail as an asset. The Council has a service level agreement with the Pou Herenga Tai Twin Coast Cycle Trail Trust who undertake operational management of the Cycle Trail.

4.1 Local Government Act 2002

Council can make a bylaw under section 145 of the Act for the following purposes:

- protecting the public from nuisance
- protecting, promoting, and maintaining public health and safety
- minimising the potential for offensive behaviour in public places.

Under section 146 (b) (vi) Council can also make a bylaw for the purpose of:

"managing, regulating against, or protecting from, damage, misuse, or loss, or for preventing the use of, the land, structures, or infrastructure associated with reserves, recreation grounds, or other land under the control of the territorial authority".

Whilst the Cycle Trail crosses land that is not owned by Council, easement agreements have been put in place which state that property owners need to adhere to any policy instrument relating to the Cycle Trail. It is therefore reasonable to categorise the Cycle Trail as infrastructure associated with land under the control of Council.

4.2 Land Transport Act 1998

The Cycle Trail crosses and utilises land that is road and therefore Council can make a bylaw under section 22AB for multiple reasons including but not limited to:

- restricting the use of motor vehicles on unformed legal roads for the purposes of protecting the environment, the road and adjoining land, and the safety of road users
- prescribing the use of roads and cycle tracks, and the construction of anything on, over, or under a road or cycle track
- prohibiting or restricting parking on specified roads or parts of a road.

5 Review of Bylaw

5.1 Protecting public health and safety

Restricting access to cyclists and pedestrians

The aim of the Cycle Trail is to provide a safe space for cyclists and pedestrians. Due to the Cycle Trail being quite narrow in places and made from loose material, motorised vehicles were perceived to be a risk to the safety of cyclists and pedestrians. Therefore, the Bylaw prohibits motorised vehicles from entering the Cycle Trail.

RFS data shows that there have been a few incidences where people in motorised vehicles have been using the Cycle Trail, resulting in a 'near miss' with a cyclist. The RFS data supports the perceived problem that motor vehicles on the Cycle Trail may be unsafe for pedestrians and cyclists.

However, more research is required to identify why vehicles have been using the Cycle Trail. For example, does signage need to be improved or are people wilfully ignoring the Bylaw and why?

Given that the Cycle Trail crosses different types of land ownership, and that motorised vehicles may cause harm to cyclists and pedestrians, a bylaw remains an appropriate regulatory tool for restricting access to motorised vehicles on the trail.

Control of dogs

To protect the safety of both cyclists and dogs, the Bylaw stipulates that dogs are allowed on the Cycle Trail only when on a leash. RFS data and internal consultation identified incidences of dogs attacking users of the Cycle Trail. All dog attacks were from dogs not on a leash. The data supports the perceived problem that uncontrolled dogs can cause harm to the public.

Since implementing the Bylaw, the Council made the Dog Management Bylaw and Dog Management Policy in 2018. The Cycle Trail Bylaw is not consistent with the dog management policy instruments which do not allow dogs on the trail where the Cycle Trail passes through private land.

Duplicating regulation across multiple policy instruments does not follow best practice guidelines. Therefore, the clauses in the Bylaw relating to dogs should be revoked, and dog regulation should remain in the Dog Management Bylaw.

Control of horses

Cyclists may scare horses, especially where the Cycle Trail is quite narrow, leading to potential harm to all users of the Cycle Trail. Horse hooves may cause damage to the Cycle Trail as the surface of the Cycle Trail is not suitable for horse use. Therefore, the Bylaw restricts access to the Cycle Trail for horses. As an outcome of consultation, the Bylaw allows horse trekking events to be held four times per year with the consent of Council.

There is still hesitancy to give consent for horse events due to managing the health and safety of other users of the Cycle Trail, managing potential nuisance such as ensuring the opening and closing of gates, managing horse excrement on the Cycle Trail, and managing any potential damage to the Cycle Trail caused by horse hooves.

Further research is required to ensure that the Bylaw is in the appropriate form to manage the potential impact of horses to the Cycle Trail and its users.

5.2 Protecting from nuisances

Control of stock

Stock wandering on the path can be a safety issue for cyclists but also a nuisance for users of the path and neighbouring landowners. Controlling stock is a responsibility of landowners to maintain their property and fences, but also for users of the Cycle Trail to keep gates closed. The Bylaw includes multiple provisions to prevent wandering stock.

RFS data and internal consultation supports the perceived problem of wandering stock. However, more research is required to identify the causes of wandering stock for example, are communication tools regarding the closing of gates sufficient to enable public compliance.

The issue of wandering stock can be enforced under the Impounding Act 1955. However, Council does not have the resources (e.g., cattle truck, sufficient access to the Cycle Trail) to be able to enforce under the Impounding Act 1955.

The Bylaw regulates the use of the Cycle Trail and requires property owners to gain consent from Council, before using the Cycle Trail as a stock race. There have been incidences of neighbouring property owners using the Cycle

Trail as a path for moving stock, leading to damaged plants etc. More research is required to ensure that appropriate mechanisms are put in place to enable ongoing communication with property owners regarding the provisions in the Bylaw.

More research is required to identify the most appropriate way to manage and regulate the issue of stock of the Cycle Trail.

Control of Camping

To prevent nuisance to both users of the Cycle Trail and neighbouring residents, camping is prohibited along the Cycle Trail.

The Reserves Act 1977 prohibits camping in any reserve, therefore any components of the Cycle Trail which are on land designated as reserve can be regulated by the Reserves Act 1977.

The Freedom Camping Act 2011 defines freedom camping as camping within 200m of a motor vehicle accessible area, or the mean low-water springs line of any sea or harbour, or on or within 200m of a formed road. Much of the Cycle Trail is on or within 200m of a motor vehicle accessible area or a formed road. Council can restrict or prohibit freedom camping on council-controlled land under the Freedom Camping Act 2011.

Therefore, a bylaw (made under the Freedom Camping Act 2011) is an appropriate regulatory tool to prohibit camping along the Cycle Trail.

5.3 Minimising damage to the Trail

The Bylaw prohibits damage to the Trail. The Bylaw minimises unintentional damage from neighbouring property owners by requiring consent for activities such as establishing a new driveway or path that crosses the Cycle Trail.

The Cycle Trail is considered infrastructure associated with land under the control of Council. Council has the power to recover for damage by wilful or negligent behaviour under section 175 of the Local Government Act 2002. However, bylaws can act as a deterrent and therefore just having a bylaw in place can prevent damage and be used as another tool to protect Council's asset.

Therefore, a bylaw remains an appropriate regulatory tool for preventing and enforcing incidences of damage.

5.4 Protecting the environment

Council does not have the power to make a bylaw protecting the environment under the Local Government Act 2002. Therefore, a bylaw is not the most appropriate regulatory tool for protecting the environment.

The Bylaw should be amended to remove the purpose of the Bylaw (4.1 (d)) which states "Protect and maintain the natural and wildlife values and habitats in the vicinity of the Trail".

5.5 Is the bylaw certain?

In determining if a bylaw is the appropriate form of bylaw, the bylaw needs to be certain e.g., it uses clear wording so people will understand what they are required to do.

Some of the language used in the bylaw is outdated and inconsistent with modern legislative drafting styles. There are several provisions in the bylaw that are unclear, for example, the meaning of the Cycle Trail as outlined in the Bylaw. The Bylaw refers to the map provided in Schedule 1 which does not give any definitive land markings. The maps should be updated to provide a clearer definition as to the area in which the Bylaw applies. The Bylaw states that the Cycle Trail is subject to existing laws where the path is within a Roadway. This component of the Bylaw is unclear. Roadway is not a definition commonly used in other legislation, although is defined in the Land Transport Rules. The Cycle Trail crosses land that is defined as road and therefore subject to regulation under the Land Transport Management Act 2003 and the Land Transport Act 1998. It could therefore be that these are the existing laws the Bylaw was referring to.

So that the public can easily interpret the Bylaw, the Bylaw needs to be amended to ensure ease of understanding and clarity, particularly where the Bylaw risks contradicting existing legislation.

5.6 Alignment with other relevant laws and legislation

The Bylaw refers to Council's *Control of the Use of Public Places Bylaw* which has been revoked. The Bylaw will need to be amended to ensure that the Bylaw aligns with Council's current policy instruments.

The Bylaw allows for the use of *wheeled recreation devices* and *mobility devices* on the Cycle Trail. Definitions for these devices and motorised vehicles are copies from Land Transport Rules that are in the process of being amended. To ensure consistency across policy instruments and to avoid any confusion, the Bylaw definitions should align with Land Transport Rule definitions by cross-referring to them, not copying them. This will ensure that when the Rules are amended the content of the bylaw will continue to be correct. (To illustrate, Waka Kotahi are currently consulting on new definitions for some types of vehicles (e.g., e-skateboards, powered unicycles, hoverboards and a range of mobility devices— see the *Accessible Streets* rules package³.)

To protect public health and safety and to minimise nuisance, consent from Council is required for any event held on the Cycle Trail. The components regarding events need to align with Council's other Bylaws. For example, the Solid Waste Bylaw requires events to have a Waste Management and Minimisation Plan.

The Bylaw prohibits littering on the Cycle Trail. Litter and littering in general are regulated by the Litter Act 1979. Litter Control Officers have the power to issue an infringement notice under the Litter Act 1979, whereas a bylaw made under the Local Government Act 2002 requires prosecution to enforce. Therefore, Council staff enforce littering under the Litter Act 1979. Duplicating regulation across multiple policy instruments does not follow best practice guidelines. Therefore, a bylaw is not the most appropriate regulatory tool for preventing and enforcing incidences of littering and clauses referring to littering should be revoked.

The Land Transport Act 1998 gives Council the power to make a bylaw for several reasons which may apply to the Cycle Trail. The Land Transport Act 1998 includes powers to issue infringement notices for certain offences which may allow for easier enforcement of the Bylaw. More research is required to identify if the Bylaw should also be made under the Land Transport Act 1998.

6 Discussion

6.1 Is a bylaw still the most appropriate way to address the regulation of the Cycle Trail in the Far North District?

The review has identified that a bylaw is still the most appropriate way to address the following problems relating to the Cycle Trail:

- Protecting public health and safety including:
 - restricting access to cyclists and pedestrians
 - control of dogs
- Protecting from nuisance including:
 - control of stock
 - control of camping.
- Minimising damage including:
 - restricting construction or earthworks.

A bylaw is not the most appropriate way to address problems relating to

- the control of litter
- protecting the environment on or near the Cycle Trail.

³ [Accessible Streets Rule Package - Waka Kotahi](#)

6.2 Is the bylaw the most appropriate form of bylaw?

The form of a bylaw is about its content and how it is drafted. A bylaw will be appropriate if it:

- deals with the identified problems
- meets the objectives it is intended to achieve
- is certain, e.g. it uses clear wording so people will understand what they are required to do
- is enforceable and able to be implemented and administered effectively and efficiently
- considers the relationship of Māori to land, water, sites, wāhi tapu, valued flora and fauna and other taonga
- complies with all relevant laws and legislation.

The costs and benefits of a bylaw also need to be considered and the form of a bylaw will be appropriate if the benefits outweigh the costs.

The Bylaw has provisions which deal with the identified problems. However more research is required to identify:

- why motorised vehicles are accessing the Cycle Trail
- whether the Bylaw appropriately manages the potential impact of horses to the trail and its users
- the causes of wandering stock

Some provisions in the Bylaw are not certain. Therefore, amendments are required to improve clarity particularly regarding

- the definition of the Cycle Trail
- the areas of the Cycle Trail which are already covered by existing legislation or bylaws.

The Bylaw is not consistent with relevant laws and legislation including but not limited to:

- Dog Management Bylaw
- Solid Waste Bylaw
- Land Transport Rules
- Freedom Camping Act 2011
- Local Government Act 2002
- removing reference to revoked bylaws.

Therefore, the Bylaw is not the most appropriate form of bylaw and should be amended.

6.3 Does the Bylaw give rise to any implications under the New Zealand Bill of Rights Act 1990?

As the Bylaw is not the most appropriate form of bylaw a full assessment under the New Zealand Bill of Rights Act 1990 is not currently possible.

However, the only rights or freedoms under the Bill of Rights Act potentially engaged by the Bylaw are likely to be the rights to freedom of movement in relation to the restriction of access to the Cycle Trail for motorised vehicles and dogs. Limitations on these rights must be no more than is reasonably necessary to achieve the purpose of the Bylaw. The Bylaw limits these rights only to the extent that they create a danger to health and safety or a nuisance to others or the public generally.

Therefore, the Bylaw does not raise any implications under and is not inconsistent with the Bill of Rights because any limitations of rights are justified.

7 Conclusion

A bylaw is the most appropriate way to regulate the use of the Cycle Trail to protect public health and safety, and minimise nuisance and damage. The Bylaw needs to be amended to ensure that the Bylaw is easily understood and aligns with relevant laws and legislation.



FAR NORTH DISTRICT COUNCIL

POU HERENGA TAI - TWIN COAST CYCLE TRAIL BYLAW 2016

Pursuant to Section 145 of the Local Government Act 2002 and every other enabling power and authority.

To come into force:	01 October 2016
For the purpose of:	The purpose of this Bylaw is to regulate the use of the <i>Pou Herenga Tai - Twin Coast Cycle Trail</i> , to protect, promote and maintain the health and safety of cycle trail users, to protect from nuisance those using the Trail and to minimise damage to the Trail.
To be reviewed by:	01 October 2021

I N D E X

Clause

01	Title
02	Meaning of Trail
03	Commencement and Application
04	Purpose
05	Interpretation
06	Use of the Trail
07	Access To and Over the Trail
08	Offences
Schedule	Maps 1, 1A, 1B, 1C

TITLE

- 1.1 The Bylaw shall be known as the Far North District Council *Pou Herenga Tai - Twin Coast Cycle Trail*.

2. MEANING OF TRAIL

- 2.1 For the purposes of this Bylaw, the Trail means the path formed by or on behalf of the Far North District Council along the route delineated on the maps in Schedule 1 of this Bylaw, whether on private land, Crown land, Road, or land vested in or under the control of the Council, that is intended for the use of cyclists but which may also be used by Pedestrians, riders of Mobility Devices, riders of Wheeled Recreational Vehicles and includes:

- (a) All the land within 2.5 metres on either side of the centre-line of the formed path or such appropriate lesser distance where the path is less than 5 metres wide; and
- (b) Every bridge, culvert and ford within the Trail;

But subject to existing laws where the path is within a Roadway.

3. COMMENCEMENT and APPLICATION

- 3.1 This Bylaw shall come into force on 01 October 2016 and applies to all parts of the Trail.

4. PURPOSE

- 4.1 The purpose of this Bylaw is to:

- (a) Protect, promote and maintain the safety of people using the Trail or working and living in proximity to the Trail; and
- (b) Protect from nuisance those using the Trail or working and living in proximity to the Trail; and
- (c) Minimise damage to the Trail; and
- (d) Protect and maintain the natural and wildlife values and habitats in the vicinity of the Trail.

5. INTERPRETATION

- 5.1 In this Bylaw, unless inconsistent with the context:

“Authorised officer” means an officer appointed by Council to consider and make decisions on applications made under this Bylaw.

“Council” means the Far North District Council and any warranted officer delegated to carry out the duties of administration and enforcement of the General Bylaws of the Council.

“Cycle”

- (a) means a Vehicle that has at least one wheel and that is designed primarily to be propelled by the muscular energy of the rider; and

- (b) includes a power-assisted cycle; and
- (c) includes a unicycle.

“Cyclist” is a person who rides a Cycle.

“Driveway” includes, but is not limited to, a place used as a vehicle entrance to or exit from land fronting a Road.

“Mobility Device” means a Vehicle that:

- (a) Is designed and constructed (not merely adapted) for use by persons who require mobility assistance due to a physical or neurological impairment; and
- (b) Is powered solely by a motor that has a maximum power output not exceeding 1,500 W.

“Moped” has the same meaning as in Section 2(1) of the Land Transport Act 1998

“Motorcycle” has the same meaning as in Section 2(1) of the Land Transport Act 1998

“Motor Vehicle” has the same meaning as in Section 2(1) of the Land Transport Act 1998, but does not include a Mobility Device or a Wheeled Recreational Device.

“Offence” means an offence against this Bylaw and includes any failure to comply with any part of this bylaw.

“Pedestrian” means a person on foot and includes a person in a wheelchair not propelled by mechanical power and a person in or on a contrivance equipped with wheels or revolving runners that is not a Vehicle.

“Road” has the same meaning as in section 315(1) of the Local Government Act 1974.

“Roadway” means that portion of the Road used for the time being for vehicular traffic in general.

“Stock” includes any horse, cattle, sheep, goat, pigs, deer, alpaca or llama or other hoofed animals.

“Trail” means the Pou Herenga Tai - Twin Coast Cycle Trail and has the same meaning given in clause 2.1 of this Bylaw.

“User” means a person that uses the Trail and includes a Pedestrian, a Cyclist, the rider of a Mobility Device or the rider of a Wheeled Recreational Device.

“Vehicle” has the same meaning as in section 2(1) of the Land Transport Act 1988.

“Wheeled recreational device”

- (a) means a Vehicle that is a wheeled conveyance (other than a Cycle that has a wheel diameter exceeding 355 mm) and that is propelled by human power or gravity; and
- (b) includes a conveyance to which are attached one or more auxiliary propulsion motors that have a combined maximum power output not exceeding 300 W.

5.2 In this Bylaw words in the singular include the plural and words in the plural include the singular.

6. USE OF THE TRAIL

6.1 The Trail may be used at the same time by Cyclists, Pedestrians, riders of Mobility Devices and riders of Wheeled Recreational Devices.

6.2 Subject to clause 6.3, no person shall drive a Motor Vehicle, motorcycle or moped on or along the Trail except:

- (a) to cross the Trail at an angle to the edge of the formed path on the Trail when on, entering, or exiting a Driveway; or
- (b) to carry out construction, maintenance, repair or replacement work on or in the vicinity of the Trail, which has been authorised by the Council; or
- (c) if that person is authorised by the Council to drive a Motor Vehicle on the Trail.

6.3 No person shall stop, stand or park a Motor Vehicle within 500mm of the edge of the formed path on the Trail without the prior written approval of the Council.

6.4 No person shall use the Trail for an organised event, including a race or time trial, without the prior written consent of the Council. This consent is required for any event, and an application shall be accompanied by health and safety plans, traffic management plans, details of marshals and any other appropriate information if requested by Council to support the application.

6.5 A User must at all times keep to the left side of the formed path on the Trail so that oncoming or following Users can pass on their right.

6.6 No User shall obstruct the entrances or exits to the Trail or unduly impede the passage of a User along the Trail.

6.7 At any time when there is not sufficient daylight to render clearly visible a cyclist or vehicle at a distance of 100 metres, a cyclist must use a steady or flashing forward-facing white or yellow light and a steady or flashing rear-facing red light which are sufficiently brilliant to be visible in normal atmospheric conditions for a distance of at least 100 metres.

6.8 All Cyclists and riders of Mobility Devices must when within any unlit Tunnels on the Trail use the lights described in clause 6.7 at any time of the day or night.

6.9 No person shall ride, lead or take any horse or horse and cart on the Trail unless:

- (a) it is for the purpose of crossing the Trail at right angles to the edge of the formed path on the Trail; or
- (b) it is an organised and advertised horse trek; such horse treks to occur no more than four (4) times in each calendar year with the consent of Council;
- (c) with the consent of Council.

6.10 Where the Trail is used as a Stock race, Stock shall have right of way.

- 6.11 Subject to clause 6.11 Stock are only permitted on the Trail under the following conditions:
- (a) to cross the Trail at right angles to the edge of the formed path or farm lane on the Trail for the purposes of entering or exiting private property via a Driveway; or
 - (b) if the Trail is within Road, in accordance with the Council's *Control of the Use of Public Places Bylaw* or any Bylaw made in substitution thereof; or
 - (c) with the prior written agreement of Council; or
 - (d) as set out in the access or agreement of licence, lease or easement between landowners and Council as duly notified.
- 6.12 No owner of a dog, or person in possession of a dog, shall allow that dog to enter onto or remain on any part of the Trail, unless that dog is on leash and under control at all times.
- 6.13 No User shall wilfully leave open any gate or make a gap in a fence for the purpose of permitting or causing any Stock to stray or wander on to the Trail or otherwise wilfully cause any Stock to stray or wander onto the Trail.
- 6.14 No User shall leave any litter or rubbish on the Trail.
- 6.15 No User shall be permitted to leave the Trail and enter private land adjoining the Trail, other than the owner(s) of such private land or any person(s) having the agreement of the landowner(s) to do so.
- 6.16 No User shall place or leave on the Trail any object, materials or thing that may obstruct or in any way interfere with the passage of Users along the trail, unless authorised by the Council and then only in accordance with such conditions imposed under that approval.
- 6.17 No User shall do or cause or permit to be done any act whatsoever by which any damage is caused to the Trail. Such damage includes:
- (a) interfering with, harming or killing any wildlife natural features, plants, trees or shrubs or removing any soils, sand or naturally occurring materials on or near the Trail; or
 - (b) interfering with any ornament, statue, building, structure, fence, gate or facilities on the Trail; or
 - (c) polluting, defacing, disfiguring, or applying graffiti, posters or advertising signs or sign of any description on or to any part of the Trail.
- 6.18 No User shall wilfully or negligently cause or allow any oil, or any liquid likely to create a danger to Users, to escape onto any part of the Trail including any part having a sealed or paved surface.
- 6.19 No User shall:
- (a) light any fire on the Trail; or
 - (b) erect a tent, gazebo or similar device on the Trail; or
 - (c) camp overnight on or beside the Trail.

7. ACCESS TO AND OVER THE TRAIL

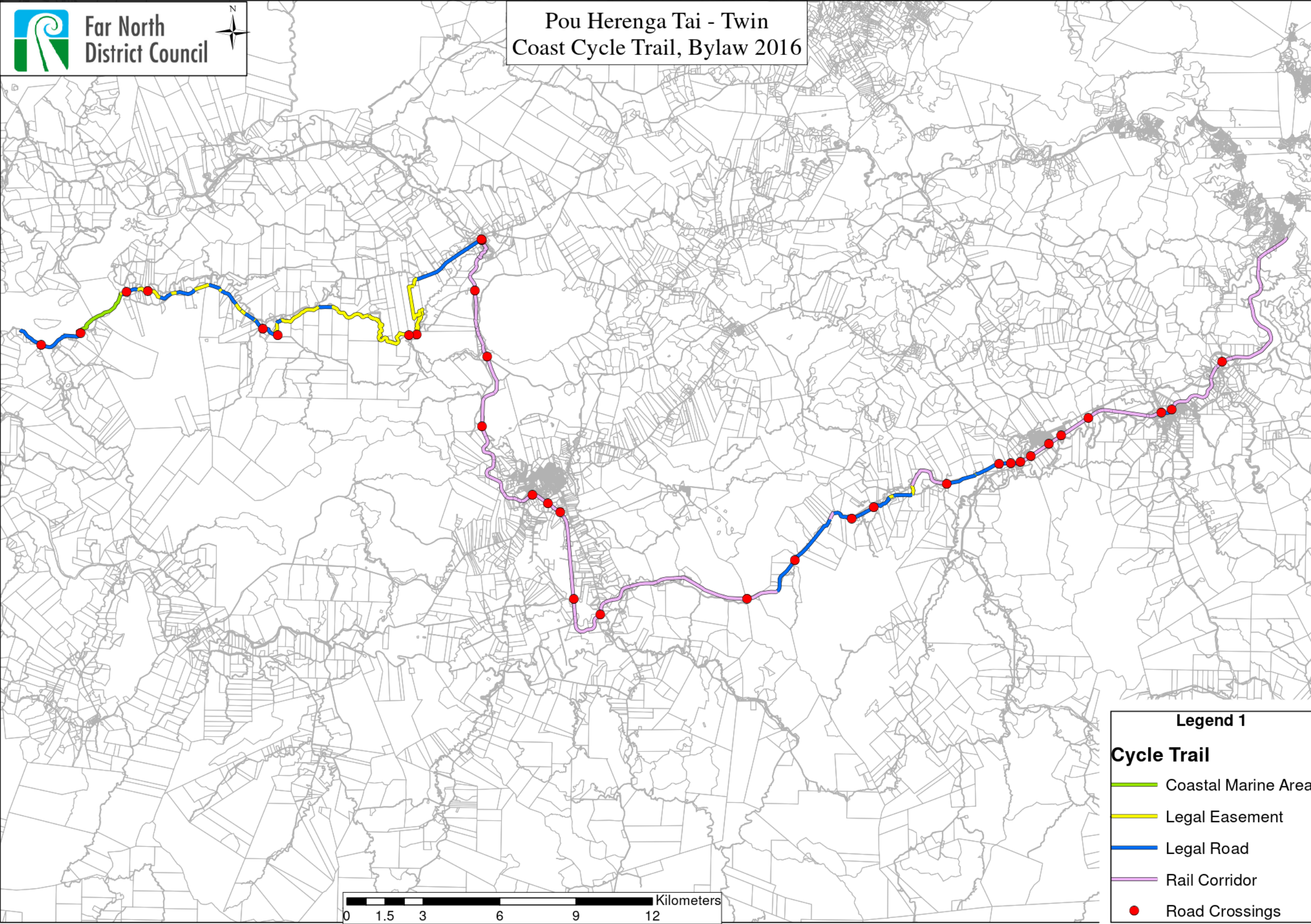
- 7.1 Except with the consent of the Council no person shall establish a new Driveway or path that:
- (a) Crosses the Trail, or provides access to and from the Trail; and
 - (b) Is used or available for use by Cyclists, Pedestrians, riders of Mobility Devices, riders of Wheeled Recreational Devices or drivers of Motor Vehicles.
- 7.2 In granting consent under clause 7.1 of this Bylaw, the Council may impose such conditions as it thinks fit for the protection and safety of Users.

8. CONSENTS

- 8.1 This clause relates to the provisions set out in clauses 6 and 7 which provide for consent to be obtained for particular use of the Trail.
- 8.2 Every person requesting consent shall complete an application form and submit it to an authorised officer of the Council for consideration.
- 8.3 Council will decide whether any further supporting information or any landowner's consent is required and inform the applicant accordingly.
- 8.4 Subject to clause 8.5, if landowner's consent is required Council will take steps to advise such landowner of the nature of the application and endeavour to procure a decision from such landowner.
- 8.5 Council may in its discretion decline the application without reference to any landowner but where it has decided that landowner's consent is required and such consent is declined, it must decline the application.

9. OFFENCES

- 9.1 Every person who breaches this Bylaw commits an offence under section 239 of the *Local Government Act 2002* and is liable on summary conviction to a fine not exceeding \$20,000.00 under section 242(2) of the *Local Government Act 2002*.
- 9.2 The Council may apply to the District Court under section 162 of the *Local Government Act 2002* for an injunction restraining a person from committing a breach of this Bylaw.



8 INFORMATION REPORTS

8.1 THREE WATERS REFORM

File Number: A3301784

Author: Andy Finch, General Manager - Infrastructure and Asset Management

Authoriser: Shaun Clarke, Chief Executive Officer

TAKE PŪRONGO / PURPOSE OF THE REPORT

The purpose of this report is to update Council on the status of the Government's 3 Waters Reform proposal.

WHAKARĀPOOTO MATUA / EXECUTIVE SUMMARY

- The Three Waters reforms have been emerging since 2017.
- Government have released a number of documents outlining the case of change and the potential benefits to the national and local economy .
- These financial benefits are directionally accurate for the Far North.
- Other factors will need also need to be considered, particularly around local voice, governance and consultation.
- A final opt in/opt out decision paper will be brought to Council later this year.
- This report has been written based on information released by Government to the end of July 2021.
- All information released by Government is publicly available on Department for Internal Affairs web site.

TŪTOHUNGA / RECOMMENDATION

That Council:

- a) notes that participation in the Government's Three Waters Reform is currently voluntary with the ability for Councils to "opt out" of the reform process.**
- b) notes that the Memorandum of Understanding with Government which provides for FNDC to be part of the Three Waters reform process expired on 30 June 2021.**
- c) notes the Three Waters report.**

1) TĀHUHU KŌRERO / BACKGROUND

The Three Waters Review was established in mid-2017 by Government as a cross-agency initiative led by the Department of Internal Affairs (DIA) to identify the challenges facing NZ's Three Waters systems and to develop recommendations for system-wide performance improvements.

In September 2019, Government agreed to create a new water services regulator to administer and enforce the new drinking water regulatory system, while contributing to improved environmental outcomes from wastewater and stormwater networks. Taumata Arowai became a new Crown entity in March 2021. Taumata Arowai is set to become the dedicated water services regulator for New Zealand when the Water Services Bill passes, expected to be in the second half of 2021.

In July 2020, Government initiated the Three Waters Reform Programme. This is a three-year programme to reform Local Government Three Waters service delivery arrangements. Currently 67 different Councils own and operate the majority of drinking water, wastewater and stormwater services across New Zealand. Local Government is facing urgent challenges in the provision of these

services including funding infrastructure deficits, complying with safety standards and environmental expectations, building resilience to natural hazards and climate change, and supporting growth.

The stated objectives of the reforms are:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water, wastewater and stormwater systems.
- ensuring robust safeguards against privatisation.
- ensuring all New Zealanders have equitable access to affordable Three Waters services and that the water services entities will listen, and take account of, local community and consumer voices.
- improving the coordination of resources, planning, and unlocking strategic opportunities.
- ensuring the overall integration and coherence of the wider regulatory and institutional settings.
- increasing the resilience of Three Waters service provision to climate change and natural hazards.
- moving Three Waters service delivery to a more financially sustainable footing and addressing the affordability and capability challenges faced by small suppliers and local authorities.
- improving transparency about, and accountability for, the planning, delivery and costs of Three Waters services.
- undertaking the reform in a manner that enables local government to continue delivering on its placemaking role and broader “wellbeing mandates”.

In August 2020, Far North District Council (FNDC) signed a memorandum of understanding (MoU) with the Chief Executive of the Department of Internal Affairs to voluntarily participate in good faith in the first phase of the government’s Three Waters reforms (Attachment 1). In exchange, FNDC was provided with \$11.796M in stimulus funding and required to provide information to the government to assist it to compile an evidence base around the reforms. FNDC has met the requirements of the MoU which expires on 30 June 2021.

Government has collected extremely detailed information from local government on the state of Three Waters assets and compiled a number of Cabinet papers and technical reports to make the case for amalgamation of councils’ Three Waters functions into a small number (3 to 5) of large water entities. This information was supplied via a pre-formatted template completed by each Local Authority late December 2020 and early January 2021. It is expected that Government will require this template to be refreshed annually.

On 2 June 2021 Government released seven reports from the Water Industry Commission of Scotland (WICS 4 reports), Farrierswier (1 Report), and Deloitte (2 reports) which government consider make a compelling case for change. A summary of these reports has been provided by Government (Attachment 2).

The key findings were:

- An investment requirement for New Zealand’s Three Waters services over the next 30+ years of between \$120bn - \$185bn without reform.
- Efficiencies in the range of 45% over the 30-year period could be achieved through the reform process.
- The Reforms could result in an additional 5,800 to 9,300 jobs and increase in GDP of between \$14b to \$23b in NPV terms over 30 years.
- Evidence and modelling suggest between one and four entities would provide the most efficiencies.

On 30 June 2021 Government released a further tranche of information, providing additional information on the proposed reform programme along with details of the potential impacts of the reforms on individual Local Authorities (Attachments 3 and 4).

In summary:

- the establishment of four, publicly-owned water services entities to provide safe, reliable and efficient Three Waters services –with protections against future privatisation.
- the entities come into effect on 1 July 2024.
- the entities will own and operate Three Waters infrastructure on behalf of territorial authorities, including transferring ownership of Three Waters assets.
- independent, competency-based boards to govern each entity.
- a suite of mechanisms to protect and promote iwi/Māori rights and interests.
- an economic regulatory regime to protect consumer interests and provide strong incentives for performance.
- stewardship arrangements for the new system to ensure it adapts to shifts in national objectives and priorities and remains fit for purpose.

For FNDC, Government have produced a summary financial dashboard of the potential benefits of reform (Attachment 5):

- Council is graded as “exceeding expectations” in terms of Operating Performance
- The average cost of 3 water services to households would decrease from the current figure of \$1,120 annually to \$800 in FY2051 under reform proposals and increase to \$8,690 if Council opted out of the reforms.
- Current Council debt is \$48m; this potentially would be transferred to the entity along with \$15m of revenue.
- GDP and employment would grow under reform.
- Modelling suggests that there is a very low probability that Far North residents would not be better off under a successful implementation of the proposed reforms to the Three Waters in New Zealand. They will likely be considerably better off financially.
- Residents in Far North District would therefore be more able to afford initiatives to respond to climate change, enhancing seismic resilience and iwi and Māori aspirations –these potential benefits have not been incorporated into the modelling.
- Amalgamation offers other benefits to residents of Far North District. These include an improved:
 - environment,
 - level of water quality,
 - level of resiliency, and
 - ability to respond to growth.

On 15 July 2021, Government announced details of a package of \$2.5 billion to support the sector through the transition to the new water services delivery system (Attachment 6).

1. Support for local government to invest in communities’ wellbeing.

- This part of the investment totals \$2 billion, with \$500 million being available from 1 July 2022
 - Funding will be available to:
 - support communities to transition to a sustainable, low-emissions economy, including by building resilience to climate change and other hazards
 - support the delivery of infrastructure and services that enable housing development and growth and/or support local placemaking and improvements in local wellbeing.
- FNDC’s allocation of this fund has been announced at \$35,175,304. This would not be available to FNDC if Council opted to withdraw from the reform process

- Councils will need to engage with iwi/Māori in determining how to use their funding allocation.
2. The second financial component is targeted support to ensure no councils are financially worse off as a result of transferring their Three Waters assets. This is designed to protect councils from any material negative financial consequences of the asset transfer.
- As well as dealing with stranded overheads, this will preserve councils' future borrowing capacity where this is negatively affected by the loss of water services.
 - This will be funded by the new water service entities and be available once the entities have been stood up in July 2024.
 - DIA will carry out a process with each council to sort this out over the next 18 months.
3. The third financial component is cover of reasonable transition costs. This is intended to make sure council service delivery (including of water services) during transition isn't compromised by the work needed to make the transition happen.
- This will cover extra costs incurred by councils around the transition to the new entities. These costs will be paid for by the Crown, through a combination of in-kind and cash components. LGNZ will work through the proposed approach with DIA.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

This report has been written based on information released by Government on the Three Waters reforms to the end of July 2021. There are still significant unknowns and detail to be worked through by Government. It is anticipated that further information will be released incrementally through to the end of September 2021.

The proposals form part of a package of service reforms being either implemented or proposed by Government. LGNZ have prepared a graphic that demonstrates the extent of the reforms and the potential impact upon Local Authorities and communities (Attachment 7). The analysis of this wider reform programme is beyond the scope of this paper.

The Three Waters portfolio for the Far North comprises:

1. Water Supply

- eight potable water schemes.
- 346 km of water mains.
- 10,189 connected properties (100% Metered).
- asset value \$74.576m (June 2020).

2. Wastewater

- fifteen wastewater treatment plants.
- 432 km of sewer pipe.
- 11,620 connected properties.
- asset value \$142.716m (June 2020).

3. Stormwater

- 132 km of pipes.
- 2,983 manholes.
- 40km of lined and unlined channels.
- asset value \$89.222m (June 2020).

Total asset value potentially to be transferred to the new entity \$306.514m (June 2020)

Council have commissioned a review of Government's summary financial dashboard of the potential benefits of reform to FNDC as detailed in Attachment 5. This has been undertaken by Morrison Low

through the auspices of LGNZ (Attachment 8). The report reviews the underlying analysis and assumptions made by Government detailed in their summary financial dashboard.

The financial and affordability assessments provided by Government outlining the case for change for Three Waters has a number of assumptions which are open to challenge, particularly around specific metrics. However, these metrics are directionally accurate in terms of the potential financial and affordability benefits to the Far North.

In broad terms the Government have considered two scenarios in their modelling:

- aggregation of Three Waters services into four water services entities and the associated reforms to the regulatory, governance, management, resourcing, and policy direction that support improvements ('the whole reform package').
- no aggregation of Three Waters services and although in this scenario some reform takes place, for example, decisions already made to introduce a drinking water regulatory system and environmental standards, the wider reforms are not as extensive as in the former scenario.

The key assumptions that drive potential household costs are:

- investment – this is the single biggest driver of household cost in the Government model. Due to the ways its calculated at a national level and allocated at entity level and council level it is difficult to understand the impacts it makes on the difference on the household charges under the two scenarios. Any change at the national investment figure will have a material impact on household charges in both scenarios.
- debt/revenue – the difference between the treatment of debt in the councils and the entities means that it is likely to overstate the size of the difference in charges between council and the water service entity.

The impact of these are so significant that all other assumptions have minimal impact on household costs.

In summary:

- the Government analysis may overstate investment needs for Far North, particularly for the ten-year period to 2031.
- notwithstanding the above, the analysis is directionally consistent with trends that have been observed in our detailed Three Waters work elsewhere in the country.
- based on the Government modelling, there are likely to be financial benefits for ratepayers in the Far North District if water reform proceeds and Far North District council joins the reforms.

However, in addition to affordability there are other implications that will need to be considered by Council:

- ensuring all communities have both a voice in the system and influence over local decisions.
- ensuring effective representation on the new water service entities' oversight boards so that there is strong strategic guidance from, and accountability to, the communities they serve, including iwi/mana whenua participation.
- ensuring effective assurance that entities, which will remain in public ownership, cannot be privatised in future.
- ensuring Councils' plans for economic development and growth, as reflected in spatial plans, district plans or LTPs, are appropriately integrated with water services planning.
- ensuring appropriate consultation with iwi and local communities,
- ensuring Council retains expert in-house resource to actively influence the outcomes to be achieved by the new entity.

There will be a number of risks that would fall to Council should it elect not to opt into the reforms. Not least the new water regulator, Taumata Arowai, will have significant powers to enforce not only

current water and wastewater standards, but also enhanced standards being proposed, including the Water Services Bill 2020 and the National Policy Statement for Freshwater Management. These enhanced standards will have significant affordability issues for the Far North.

The Three Waters reform process has been gathering pace as the year progresses and this acceleration will continue. Later this year a paper will be brought to Council requesting a final opt in/opt out decision. This future paper will lean heavily on the information provided in this report but will be supplemented by further information as it is released by Government. This information is publicly available on the Department of Internal Affairs website.

Significant staff resources will be required to manage the reform process going forward, particularly if a future decision is made to opt into the reform process. This will impact upon the ability to deliver business as usual across the whole of Council.

Whilst the general principles and structure of the reform will be available at the time the decision needs to be made, most of the practical detail around the new water entities may not be available.









Take Tūtohunga / Reason for the recommendation

To provide current information regarding the proposed Three Waters reforms, noting that a final opt in/opt out decision will be required later in the year.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications directly flowing from this information report.

ĀPITIHINGA / ATTACHMENTS

1. Far North DC - MoU - DIA CE signed, 27 Aug - A3302096 [↓](#) 
2. Advancing the evidence base background and faqs - A3302095 [↓](#) 
3. Three Waters Reform Programme Overview - A3 - 30 June 2021 - A3302576 [↓](#) 
4. Transforming the system for delivering three waters services - the case for change and summary of proposals - 30 June 2021 - A3302577 [↓](#) 
5. FNDC Dashboard - A3302578 [↓](#) 
6. Three Waters Reform Programme Support Package Information and Frequently Asked Questions (FAQs) - A3302579 [↓](#) 
7. Reform A3 - A3302580 [↓](#) 
8. Three Water Review of WICS LGNZ Far North - A3318691 [↓](#) 

Hōtaka Take Ōkawa / Compliance Schedule:

Full consideration has been given to the provisions of the Local Government Act 2002 S77 in relation to decision making, in particular:

1. A Local authority must, in the course of the decision-making process,
 - a) Seek to identify all reasonably practicable options for the achievement of the objective of a decision; and
 - b) Assess the options in terms of their advantages and disadvantages; and
 - c) If any of the options identified under paragraph (a) involves a significant decision in relation to land or a body of water, take into account the relationship of Māori and their culture and traditions with their ancestral land, water sites, waahi tapu, valued flora and fauna and other taonga.
2. This section is subject to Section 79 - Compliance with procedures in relation to decisions.

He Take Ōkawa / Compliance Requirement	Aromatawai Kaimahi / Staff Assessment
State the level of significance (high or low) of the issue or proposal as determined by the Council's Significance and Engagement Policy	This report has high significance having implications for the entire Far North.
State the relevant Council policies (external or internal), legislation, and/or community outcomes (as stated in the LTP) that relate to this decision.	N/A
State whether this issue or proposal has a District wide relevance and, if not, the ways in which the appropriate Community Board's views have been sought.	The issue has District wide significance. The issue falls outside of Community Board delegations.
State the possible implications for Māori and how Māori have been provided with an opportunity to contribute to decision making if this decision is significant and relates to land and/or any body of water. State the possible implications and how this report aligns with Te Tiriti o Waitangi / The Treaty of Waitangi.	The DIA have undertaken to ensure that engagement with Maori is undertaken and appropriate.
Identify persons likely to be affected by or have an interest in the matter, and how you have given consideration to their views or preferences (for example – youth, the aged and those with disabilities).	All residents.
State the financial implications and where budgetary provisions have been made to support this decision.	As detailed in the report.
Chief Financial Officer review.	This report has been reviewed by the Chief Financial Officer

Memorandum of Understanding Three Waters Services Reform

Between the Sovereign in right of New
Zealand acting by and through the
Department of Internal Affairs and
Far North District Council

PURPOSE

This Memorandum of Understanding (Memorandum) sets out the principles and objectives that the Parties agree will underpin their ongoing relationship to support the improvement in three waters service delivery for communities with the aim of realising significant public health, environmental, economic, and other benefits over the medium to long term. It describes, in general terms, the key features of the proposed reform programme and the Government funding arrangements that will support investment in three waters infrastructure as part of the COVID 19 economic recovery.

BACKGROUND

Over the past three years central and local government have been considering solutions to challenges facing the regulation and delivery of three water services. This has seen the development of new legislation to create Taumata Arowai, the new Water Services Regulator, to oversee and enforce a new drinking water regulatory framework, with an additional oversight role for wastewater and stormwater networks.

While addressing the regulatory issues, both central and local government acknowledge that there are broader challenges facing the delivery of water services and infrastructure, and the communities that fund and rely on these services. There has been regulatory failure, underinvestment in three waters infrastructure in parts of the country, and persistent affordability challenges, and additional investment is required to increase public confidence in the safety of drinking water and to improve freshwater outcomes. Furthermore, investment in water service delivery infrastructure is a critical component of a collective response to climate change and increasing resilience of local communities.

The Parties to this Memorandum consider it is timely to apply targeted infrastructure stimulus investment to enable improvements to water service delivery, progress reform in partnership, and ensure the period of economic recovery following COVID-19 supports a transition to a productive, sustainable economy. Additional funding will be subject to Government decision-making and reliant on the Parties demonstrating substantive progress against the reform objectives. The quantum, timing, conditions, and any other information relating to future funding will be advised at the appropriate time but will likely comprise additional tranches of funding and more specific agreement to key reform milestones.

The reform process and stimulus funding, proposed by Government, is designed to support economic recovery post COVID-19 and address persistent systemic issues facing the three waters sector, through a combination of:

- stimulating investment, to assist economic recovery through job creation, and maintain investment in water infrastructure renewals and maintenance; and
- reforming current water service delivery, into larger scale providers, to realise significant economic, public health, environmental, and other benefits over the medium to long term.

There is a shared understanding that a partnership approach will best support the wider community and ensure that the transition to any eventual new arrangements is well managed and as smooth as possible. This requires undertaking the reform in a manner that enables local government to continue and, where possible, enhance delivery of its broad “wellbeing mandates” under the Local Government Act 2002, while recognising the potential impacts that changes to three waters service delivery may have on the role and functions of territorial authorities.

PRINCIPLES FOR WORKING TOGETHER

The Parties shall promote a relationship in their dealings with each other, and other Parties related to the three waters services reform, based on:

- mutual trust and respect; and
- openness, promptness, consistency and fairness in all dealings and communication including through adopting a no-surprises approach to any matters or dealings related to the reform programme; and
- non-adversarial dealings and constructive problem-solving approaches; and
- working co-operatively and helpfully to facilitate the other Parties perform their roles; and
- openly sharing information and analysis undertaken to date on the state of the system for delivering three waters services and the quality of the asset base.

This Memorandum is intended to be non-binding in so far as it does not give rise to legally enforceable obligations between the Parties.

REFORM OBJECTIVES AND CORE DESIGN FEATURES

By agreeing to this Memorandum, the Parties agree to work constructively together to support the objectives of the three waters service delivery reform programme.

The Parties agree that the following objectives will underpin the reform programme and inform the development of reform options/proposals:

- significantly improving the safety and quality of drinking water services, and the environmental performance of drinking water and wastewater systems (which are crucial to good public health and wellbeing, and achieving good environmental outcomes);
- ensuring all New Zealanders have equitable access to affordable three waters services;
- improving the coordination of resources, planning, and unlocking strategic opportunities to consider New Zealand's infrastructure and environmental needs at a larger scale;
- increasing the resilience of three waters service provision to both short- and long-term risks and events, particularly climate change and natural hazards;
- moving the supply of three waters services to a more financially sustainable footing, and addressing the affordability and capability challenges faced by small suppliers and councils;
- improving transparency about, and accountability for, the delivery and costs of three waters services, including the ability to benchmark the performance of service providers; and
- undertaking the reform in a manner that enables local government to further enhance the way in which it can deliver on its broader "wellbeing mandates" as set out in the Local Government Act 2002.

In addition to these objectives, the Parties recognise that any consideration of changes to, or new models for, water service delivery arrangements must include the following fundamental requirements and safeguards:

- mechanisms that provide for continued public ownership of water service delivery infrastructure, and protect against privatisation; and
- mechanisms that provide for the exercise of ownership rights in water services entities that consider the interests and wellbeing of local communities, and which provide for local service delivery.

The Parties also recognise the reform programme will give rise to rights and interests under the Treaty of Waitangi and both Parties acknowledge the role of the Treaty partner. This includes maintaining Treaty settlement obligations and other statutory rights including under the Resource Management Act 1991 and the Local Government Act 2002. The outcome of discussions with iwi/Māori will inform design of appropriate mechanisms to reflect Treaty interests. This will include clarity of roles and responsibilities.

The Parties agree to work together to identify an approach to service delivery reform that incorporates the objectives and safeguards noted above, and considers the following design features as a minimum:

- water service delivery entities, that are:
 - of significant scale (most likely multi-regional) to enable benefits from aggregation to be achieved over the medium to long-term;
 - asset owning entities, with balance sheet separation to support improved access to capital, alternative funding instruments and improved balance sheet strength; and
 - structured as statutory entities with appropriate and relevant commercial disciplines and competency-based boards;
- delivery of drinking water and wastewater services as a priority, with the ability to extend to stormwater service provision only where effective and efficient to do so; and
- publicly owned entities, with a preference for collective council ownership;
- mechanisms for enabling communities to provide input in relation to the new entities.

The Parties acknowledge that work will also be undertaken to develop a regulatory framework, including mechanisms to protect the interests of consumers.

FUNDING ARRANGEMENTS

The Government has indicated its intention to provide funding to stimulate investment to enable improvements in water service delivery, support economic recovery and progress Three Waters Services Reform. The quantum of funding available for the Council (and each participating Council) will be notified by Government prior to signing this Memorandum.

Funding will be provided as soon as practicable following agreement to this Memorandum and the associated Funding Agreement and Delivery Plan. The Delivery Plan will need to show that the funding is to be applied to operating or capital expenditure on three waters service delivery (with the mix to be determined by the Council) that:

- supports economic recovery through job creation; and
- maintains, increases and/or accelerates investment in core water infrastructure renewals and maintenance.¹

The Delivery Plan will be based on a simple template and will include a summary of projects, relevant milestones, costs, location of physical works, number of people employed in works, reporting milestones and an assessment of how it supports the reform objectives set out in this Memorandum.

The Delivery Plan will be supplied to Crown Infrastructure Partners, and other organisations as agreed between the Parties, who will monitor progress of application of funding against the Delivery Plan to ensure spending has been undertaken consistent with public sector financial management requirements.

Agreement to this Memorandum and associated Funding Agreement and Delivery Plan are required prior to the release of Government funding. The Council will have the right to choose whether or not they wish to continue to participate in the reform programme beyond the term of the Memorandum.

FUTURE AGREEMENTS

The Parties may choose to enter other agreements that support the reform programme. These agreements will be expected to set out the terms on which the Council will partner with other councils to deliver on the reform objectives and core design features, and will include key reform milestones and detailed plans for transition to and establishment of new three waters service delivery entities.

PROGRAMME MANAGEMENT

The Government will establish a programme management office and the Council will be able to access funding support to participate in the reform process.

The Government will provide further guidance on the approach to programme support, central and regional support functions and activities and criteria for determining eligibility for funding support. This guidance will also include the specifics of any information required to progress the reform that may be related to asset quality, asset value, costs, and funding arrangements.

TERM

This Memorandum is effective from the date of agreement until 30 June 2021 unless terminated by agreement or by replacement with another agreement related to the reform programme.

¹ Maintains previously planned investment that may have otherwise deferred as a result of COVID-19.

INTERACTIONS, MONITORING, INFORMATION AND RECORDS

The Parties nominate the following representatives to act as the primary point of communication for the purposes of this Memorandum and any other purpose related to the reform programme.

Government's representative	Territorial Authority's representative
Allan Prangnell threewaters@dia.govt.nz CC. Chief Legal Advisor Legal.notices@dia.govt.nz	Shaun Clarke, Chief Executive shaun.clarke@fndc.govt.nz

It is the responsibility of these representatives to:

- work collaboratively to support the reform objectives;
- keep both Parties fully informed;
- act as a first point of reference between Parties and as liaison persons for external contacts; and
- communicate between Parties on matters that arise that may be of interest to either party.

If the contact person changes in either organisation, the other party's contact person must be informed of the new contact person immediately and there should be an efficient transition to ensure the momentum of the reform process is not undermined.

CONFIDENTIALITY

Neither of the Parties is to disclose, directly or indirectly, any confidential information received from the other party to any third party without written consent from the other party, unless required by processes under the Official Information Act 1982 or the Local Government Official Information and Meetings Act 1987 (whichever applies), or under a Parliamentary process- such as following a Parliamentary question, in which case the relevant party is to inform the other party prior to disclosure. Protocols will be established to enable exchange information between Councils where that is consistent with progressing reform objectives.

DISPUTE RESOLUTION

Any dispute concerning the subject matter of this document is to be settled by full and frank discussion and negotiation between the Parties.



SIGNED by The Sovereign in right of New Zealand
acting by and through the Chief Executive of the
Department of Internal Affairs

Date 27 August 2020



SIGNED by
Hon John Carter, Mayor

on behalf of
Far North District Council

Date 26 August 2020

Shaun Clarke Digitally signed by Shaun Clarke
Date: 2020.08.26 12:31:31
+12'00'

SIGNED by
Shaun Clarke, Chief Executive

on behalf of
Far North District Council

Date 26 August 2020

Witness signature

Emma Healy Digitally signed by Emma Healy
DN: cn=Emma Healy, c=Far North District
Council, ou=Chief Executive Office,
email=emma.healy@fndc.govt.nz, c=NZ
Date: 2020.08.26 12:03:19 +12'00'

Witness name

Emma Healy

Witness occupation

Executive Officer

Witness address

4 Cochrane Drive, Kerikeri

Date 26 August 2020

Advancing the evidence base: background and FAQs

Background

- Throughout the reform programme the local government sector and mana whenua have sought assurances around the evidence base for the three waters reform based on up-to-date, relevant data.
- These four reports provide detailed evidence, at a national scale, of the challenges that our communities face under the current three waters arrangements, and the opportunities that arise from providing these services in a different way.
- They contribute to, rather than provide, the full picture.
- What the reform proposals mean for individual local authorities/areas will become available in the coming months.
- The Water Industry Commission for Scotland (WICS) report is based on data and information provided by councils through the Request for Information process.
- Local government and mana whenua have consistently sought assurance that data and modelling are sound and grounded in the New Zealand context. This is provided by two independent reviews of the approach used by WICS.
- It is important to remember that the reform programme, and these reports, take a long-term view.
- The reports build on earlier analysis. They indicate that the magnitude of the affordability challenges is greater than first thought.
- However, the reports also assess the opportunities for regional economies, industry and jobs presented through the reforms.

About the Reports

Phase two analysis – advancing the evidence base

- The Department of Internal Affairs, with oversight by the Joint Central/Local Government Steering Committee, is releasing a second tranche of evidence-based reports, commissioned to inform the case for change for the Three Waters Reform Programme.
- This analysis further demonstrates the need for reform and its potential benefits and addresses key questions raised by local government members through recent engagements.
- The analysis uses the Rfi data provided by councils and publicly available information, including international benchmarks, to undertake economic analysis of reform options.

- This information release provides national-level analysis on the case for change and focuses on the size of infrastructure investment need into the future, and how reform options could help us meet this in a more affordable way – **WICS Phase 2**.
- The release includes two independent reviews of the WICS Phase 2 methodology and assumptions to ensure it is fit-for-purpose in a New Zealand context – undertaken by **Farrierswier** and **Beca**.
- The release also contains a broader economic analysis on the potential impacts of reform on the economy and workforce – **Deloitte report**.
- This national level information release is just one part of a series of information packages the Department will provide to support understanding of the potential impacts and opportunities of reform at a national and local level.
- What the reform proposals mean for individual local authorities/areas will become available in the coming months.

Background on Phase 1 information

- In December 2020 the Department of Internal Affairs (the Department) released a package of information on the case for change, commissioned as part of the Three Waters Reform Programme.
- This early analysis was conducted by the Water Industry Commission for Scotland (WICS), a respected three waters economic regulator familiar with the New Zealand context and with experience of water services reform in the United Kingdom and parts of the European Union.
- The Phase 1 report was high level and directional in nature as it used publicly accessible council information. Several limitations were noted at the time, including not accounting for population growth. However, the report was valuable in providing an early indicative view on the size of New Zealand's three waters infrastructure deficit and the potential benefits of reform.
- Local government representatives expressed concerns over the validity of parts of this analysis, particularly the size of the investment deficit and potential efficiencies of scale, and its applicability in the New Zealand context. This led to a Request for Information from councils on their three waters assets and services.

The RfI process

- In late 2020/early 2021 councils undertook a request for information (RfI) as part of the Three Waters Reform Programme.
- This RfI provided up-to-date and more detailed information at a local level to inform further economic analysis, and other commercial and financial analysis as part of the reform programme.
- This process represents a major undertaking by the local government sector to improve the state of knowledge and understanding about three waters assets, network performance, service delivery costs, commercial arrangements, and future investment requirements.

- Given the timeframes with which councils had to complete the RfI, not all information provided could be audited or fully researched. To reflect this, the Department and WICS asked councils to apply confidence grades to their raw data.
- This will of course mean there is variability across the country in this foundational data, and it should be treated as indicative and reflective of the point in time at which it was commissioned and provided.
- The analysis has also been informed by emerging draft long-term plans that councils have been producing during this period.

Key findings

WICS Phase 2

- The WICS Phase 2 report builds on the findings of the earlier report to provide a more up-to-date analysis. The key findings of the report are in three parts:
 1. The modelling indicates a likely range for future investment requirements at a national level in the order of **\$120 billion to \$185 billion**. This investment is estimated as necessary for New Zealand to meet current levels of compliance that water utilities in the United Kingdom achieve with EU standards over the next 30 years. These standards are assessed by WICS (and confirmed by Beca) to be broadly comparable with equivalent New Zealand standards.
 2. WICS assesses the scope for efficiency by looking at the performance of regulated water utilities in the United Kingdom and making adjustments to take account of factors specific to the New Zealand context. It demonstrates that **New Zealand's Three Waters sector is in a broadly similar position to Scotland in 2002**, in terms of relative operating efficiency and levels of service. In just under two decades, Scottish Water has lowered its unit costs by 45% and closed the levels of service gap on the best-performing water companies in the United Kingdom. **WICS considers that New Zealand can achieve similar outcomes to Scottish Water over a longer period (30 years)**.
 3. WICS has analysed around 30 possible aggregation scenarios, reflecting the large number of possible number and boundary configurations. The WICS analysis shows that **scenarios ranging from one to four entities provide the greatest opportunities** for scale efficiencies and related benefits in terms of improved levels of service and more affordable household bills (when compared against the likely outcomes 'without reform').

Farrierswier independent review of WICS findings

- Farrierswier find that the overall approach WICS takes to its analysis should give reasonable estimates in terms of **direction** and **order of magnitude**.
- They note that there are certain limitations associated with the analysis which decision-makers should be mindful of, which relate to estimating the level of future investment requirements and potential efficiency savings that could be realised, particularly given differences in the nuances of the New Zealand regulatory and policy context.

- While their review highlights several limitations associated with the analysis, they note that these are inherent and to be expected in modelling of this kind. Farrierswier also find that WICS' approach to addressing these limitations appears reasonable.
- Farrierswier notes that the approach WICS takes to assessing the potential efficiency gains appears reasonable but care needs to be taken in translating overseas experience into a New Zealand context. They agree with WICS on the factors that will promote efficiency gains in the water sector, including the quality of management, clear policy priorities, and an appropriate economic regulatory regime.
- Farrierswier also explored the relevant literature to test whether any concerns arise that amalgamation might lead to water entities becoming large enough that diseconomies of scale may emerge. Their view is that the amalgamation scenarios under consideration – with entity sizes that do not exceed 2 million connected citizens – **do not appear to include entities of a size that give rise to concerns about diseconomies of scale.**

Beca independent review of WICS findings

- Beca reviewed the standards and practices in the United Kingdom three waters industry and their relevance to New Zealand given WICS has used United Kingdom data and benchmarks as part of its analysis.
- The Beca report considers that, on balance, the forecasts from WICS modelling may underestimate the estimated investment requirements and timeframes, **suggesting that WICS modelling of future investment may be conservative.**

Deloitte industry development study and economic impact assessment

- Deloitte has undertaken a comprehensive study of the economic impacts of reform and the implications for affected industries. Key findings in their report include:
 - **The reform is forecast to impact every corner of the economy and is estimated to increase Gross Domestic Product (GDP) by \$14.4 billion to \$23 billion in present value terms over the next 30 years** when compared to the likely outcomes without reform. In relative terms this increased economic activity equates to an average increase in GDP of 0.3% - 0.5% per annum.
 - **Every region is expected to be positively impacted by reform in terms of GDP and employment growth.**
 - **Reform is expected to support significant job creation across the economy.** Relative to the counterfactual, the reforms are estimated to result in an extra 5,800 to 9,300 additional FTE jobs between 2022 and 2051.
 - Average real annual wages are expected to increase by 0.16% - 0.26% over the period from 2022 to 2051. The increase in real wages mainly reflects a **projected increase in labour productivity.**
 - **The additional jobs are expected to be spread across a broad range of sectors.** Over 30 years significant growth of up to 80% is anticipated in the water sector workforce, presenting significant opportunities for employment growth, specialisation and increased career opportunities. As with any change

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process of this scale and significance there are likely to be changes in the configuration of jobs in the water sector and its supply chain in the short to medium term.

- The report highlights a wide range of **opportunities and challenges for the implementation of the reforms relating to the workforce, supply chain, management of the capital investment programme, innovation and productivity.**

Frequently Asked Questions

When will councils receive council-specific analysis and Cabinet decisions?

Cabinet is expected to take and communicate decisions on key design features of the new water services entities (including the numbers and boundaries of these entities) over the coming months.

Once these decisions have been taken, the Department will provide councils with a package of information to help their communities understand the local implications of the proposed reforms.

How is this information base informing advice to Government on reform proposals?

The analysis by the Water Industry Commission (WICS) for Scotland is helping to inform decisions around the optimal number and boundary of water service entities. While an important input, it has been considered alongside analysis of other factors, including community of interest considerations, alignment with regulatory catchments and rohe/takiwā.

Two independent reviews were commissioned to provide assurance regarding the robustness of the WICS modelling and its appropriateness as a basis for policy advice:

- Farrierswier reviewed the methodology and underpinning assumptions applied by WICS and found that the overall approach WICS took to modelling the potential impact of amalgamation of water entities and associated reforms should give reasonable estimates of the direction and scale of impacts.
- Beca reviewed the standards and practices that apply in the United Kingdom three waters industry and how relevant these are for a New Zealand context, given WICS has used United Kingdom data and benchmarks to assess the future investment requirement for New Zealand. The Beca report considers that, on balance, the forecasts from WICS modelling may underestimate the investment requirements and timeframes, suggesting that WICS modelling of future investment may be conservative.

How do the WICS Phase 2 estimates of future investment requirements compare with its earlier analysis?

The full investment requirement estimated by WICS in its Phase 1 study is between \$70 and \$96 billion. This compares to an investment requirement anticipated by the Phase 2 analysis of between \$120 billion and \$185 billion.

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It is important to note that while the investment figures commonly quoted from the WICS Phase 1 analysis identify a \$27 to \$46 billion range, this only represents the investment likely to be required to upgrade the existing asset base. It does not include the costs associated with maintaining and refurbishing existing or new assets over the 30-year period, which WICS estimated would cost an additional \$43 to \$50 billion.

The Phase 2 analysis builds on the earlier work by making use of more up-to-date information collected from councils through the substantive Request for Information process conducted in late 2020 and makes allowance for population growth and council-reported rates of connection. The Phase 2 figures estimate the costs of upgrading the existing asset base at between \$57 to \$100 billion and of maintaining and refurbishing existing or new assets at between \$63 to \$85 billion.

What do these documents tell us about why reform is needed?

WICS analysis demonstrates the affordability challenges that local authorities are likely to face in the absence of reform. The cost increases that households are likely to experience without reform will be significant, and likely unaffordable for smaller and more remote communities. In rural councils, average household costs would need to increase by between three and 13 times current costs. For provincial councils the increase is expected to be between two and eight times, while for metropolitan councils it is between 1.5 and seven times current costs.

The Deloitte work demonstrates the potential economic benefits that reform enables by addressing the systemic challenges within the sector, including the affordability challenges faced by councils. By enabling investment to be delivered at a faster and more efficient rate, reforms are forecast to enable an increase in Gross Domestic Product (GDP) by \$14 billion to \$23 billion over the next 30 years.

What do these documents tell us about the impacts of reform and how these are distributed across NZ?

The Deloitte analysis shows that while the economic impacts are distributed differently depending on the relative size, labour market and industry structure of regions, *every* region is expected to be positively impacted by reform in terms of GDP and employment growth.

In particular, many rural and provincial areas are expected to enjoy the highest economic impact relative to their current levels of GDP and employment. This is consistent with the evidence from reforms overseas which shows that reform provides greater opportunities for investment to maintain and refurbish water infrastructure, much of which tends to be located close to communities (e.g. underground pipes).

Metropolitan areas experience significant increases in employment and GDP, and while these are relatively lower when compared to current economic activity for these areas, they represent a large share of the national benefits (for instance Auckland's increase in GDP represents 27% of the total increase across the country).

What impact are the reforms likely to have on local water bills/affordability of world class three waters services?

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The WICS analysis provides us with a better understanding of how future water service bills might compare in scenarios with or without reform, under a range of different aggregation scenarios. Without reform, councils will still be required to meet the same future investment requirements associated with meeting regulatory standards. Average household costs will need to increase to address historic underinvestment and enable compliance with these standards. WICS' analysis shows that these price increases would be far lower as a result of reform.

Results of selected WICS aggregation scenarios

Scenario	Without reform*			With reform		
	Lowest average household bill in 2051	Highest average household bill in 2051	Variance in bills	Lowest average household bill in 2051	Highest average household bill in 2051	Variance in bills
13 entities	\$1,900	\$13,900	730%	\$1,200	\$3,600	300%
5 entities				\$800	\$1,800	230%
4 entities				\$800	\$1,600	200%
3 entities				\$800	\$1,600	200%
2 entities				\$1,000	\$1,600	160%

What is the estimated economic impact of proceeding with the reforms

The reforms are forecast to impact every corner of the economy and could see Gross Domestic Product (GDP) expand by \$14 billion to \$23 billion over the next 30 years. This represents 4.4 per cent to 7.1 per cent of the total New Zealand economy. In relative terms, this increased economic activity equates to an average increase in GDP of 0.3 per cent to 0.5 per cent per annum.

The benefits of reform are widespread, with all regions, and in particular provincial and rural areas, expected to experience significant increases in GDP compared to current levels.

The reforms are expected to support additional jobs across the economy. Relative to the likely outcomes without reform, New Zealand could have on average an additional 5,900 to 9,300 full-time equivalent (FTE) jobs between 2022 and 2051.

How will reform impact on the water sector workforce?

Total employment within the water sector is expected to increase by up to 80 per cent over the medium to longer term as a result of the proposed reforms. However, the composition of the water sector is expected to change, particularly over the transition period. Over time, as investment in more efficient systems and processes for delivering the three waters takes effect, and as the sector matures, the workforce is likely to become more specialised with more attractive career pathways.

How will the proposed reforms impact the wider employment outlook?

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Reform is expected to support significant job creation across the economy, resulting in an extra 5,800 to 9,300 additional jobs over the next 30 years. Average real annual wages are expected to increase by 0.16% - 0.26% over the same period, reflecting an increase in productivity and higher skilled employment opportunities.

The additional jobs are expected to be spread across a broad range of sectors and regions. Consistent with the evidence from reforms carried out overseas, Deloitte estimates that employment in many rural and provincial areas is likely to increase at a higher rate relative to the national rate of increase. This reflects the increase in opportunities for investment to maintain and refurbish water infrastructure that is located closer to the communities it serves.

Why are we using a Scottish regulator to inform a New Zealand reform?

The Water Industry Commission for Scotland (WICS) is a respected three waters economic regulator, familiar with the New Zealand context and with experience of water services reform in the United Kingdom and parts of the European Union. WICS particular set of skills and experience is particularly valuable in New Zealand due to the relative lack of maturity in the water services sector.

A key policy consideration throughout the reform process is that proposed new service delivery arrangements must take into account New Zealand communities' conditions and circumstances. The Department and the Steering Committee have benefited from the experience and support of WICS in understanding the economic costs, benefits and likely efficiency gains possible under various reform scenarios.

The reviews conducted by both Farrierswier and Beca also provide further assurance that the approach is robust and appropriate for the New Zealand context. Furthermore, the Department's policy advice has examined other reform models including Tasmania, Australia and experience in other parts of the United Kingdom.

What has been done to ensure that the WICS analysis is relevant for New Zealand?

The two independent reviews conducted by Farrierswier and Beca have commented on the extent to which different parts of the WICS analysis are relevant for a New Zealand context.

Farrierswier have reviewed WICS' efficiency assumptions and the potential for these to be realised in a New Zealand setting and agree with WICS on the key factors that will promote efficiency gains in the water sector, including around good quality governance and management, clear and effective policy direction, and economic regulation. Farrierswier also agree with WICS that reform provides significant opportunities to improve the efficiency of the future New Zealand water industry. They note that there are several factors that may lead to the New Zealand water industry experiencing lower levels of operating efficiency than the United Kingdom, including low levels of productivity growth, high construction costs and skills constraints. These factors are being considered by Department of Internal Affairs officials as part of work to ensure the wider industry is able to gear up to play its part to support the reform objectives.

Beca reviewed the standards and practices that apply in the United Kingdom three waters industry and how relevant these are for a New Zealand context, given WICS has used United Kingdom data and benchmarks to assess the future investment requirement for New Zealand.

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Beca consider that, on balance, the forecasts from WICS modelling may underestimate the estimated investment requirements and timeframes due to differences in governance arrangements, consideration of iwi goals and aspirations, seismic and resilience risk, and lack of good quality information on asset, particularly those underground. This suggests that WICS modelling of future investment may be conservative.

What are the limitations on achieving the proposed efficiencies through reform?

Both WICS and Farrierswier note that the ability for new water services entities to realise the efficiency gains possible through reform depends on several preconditions being met. These include that:

- most councils opt into the reform programme
- the entities have effective governance arrangements
- the entities will be able to attract and retain appropriately skilled management
- policy decision-making on water quality and other matters is effective
- effective economic regulation and other governance reform is established
- the entities have access to the necessary resources to
 - fund establishment
 - make the required expenditures to achieve efficiencies

The Government is actively considering each of these preconditions as it decides on its preferred reform approach.

Do the proposed reforms have a ‘tipping point’ where diseconomies of scale kick in?

Farrierswier has reviewed relevant studies on the economies of scale associated with three waters services and concluded that:

“the amalgamation scenarios that DIA is considering do not appear to include entities of a size that give rise to concerns about diseconomies of scale (i.e. as being too large)”

A new system for three waters service delivery

DIAGRAM 1
JUNE 2021

1. A CASE FOR CHANGE

This Government has ambitions to significantly improve the safety, quality, resilience, accessibility, and performance of three waters services, in a way that is efficient and affordable for New Zealanders. This is critical for:

- public health and wellbeing;
- environmental outcomes;
- economic growth and employment;
- housing and urban development;
- adapting to the impacts of climate change;
- mitigating the effects of natural hazards.

Government also wants to ensure it delivers on Treaty-related obligations, including by improving outcomes for iwi/Māori in relation to three waters service delivery.

Integral to this is effective infrastructure delivery, underpinned by an efficient, high-performing, financially-sustainable, and transparent three waters system.

2. KEY DESIGN FEATURES

Maintaining local authority ownership of water services entities;

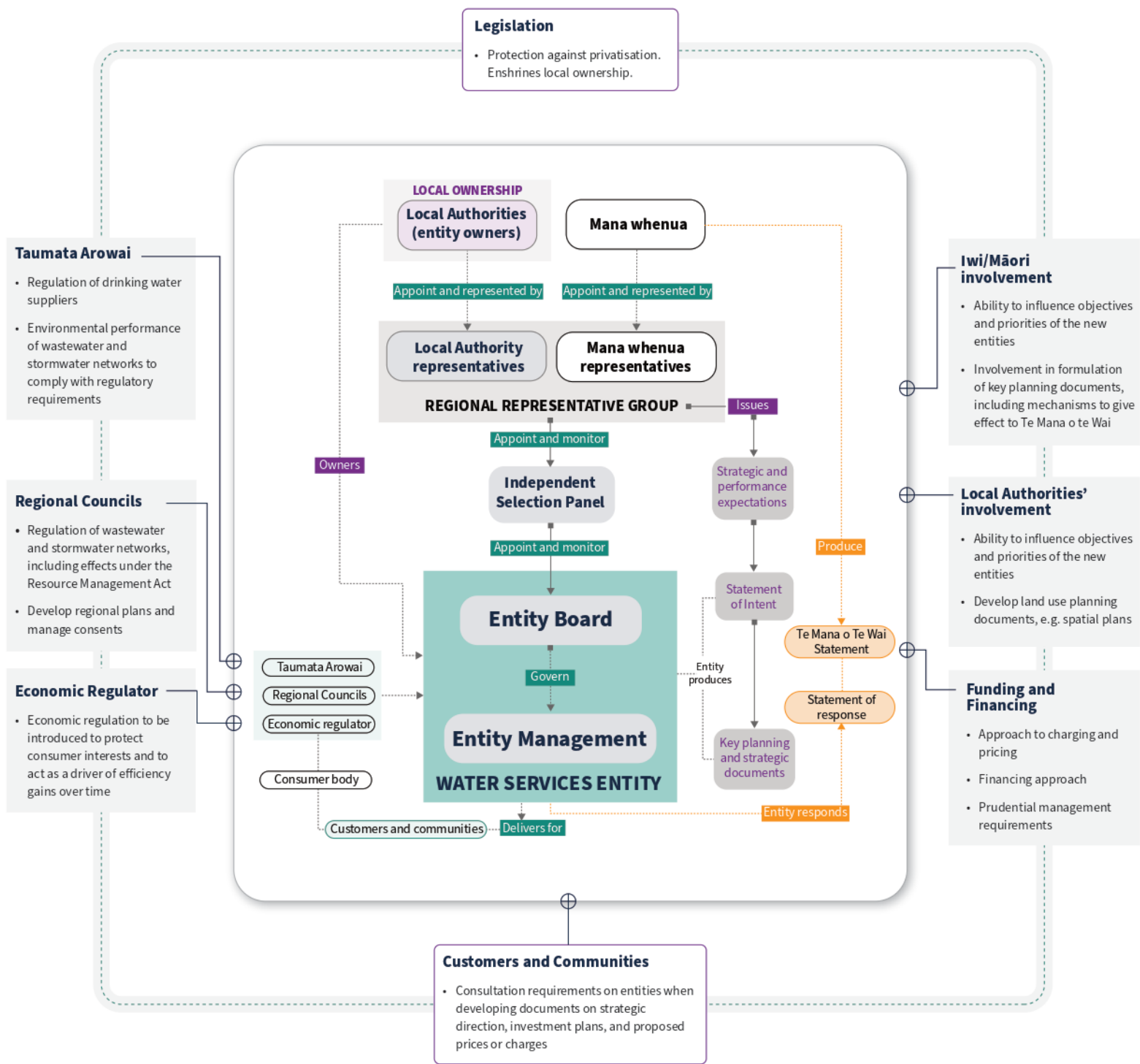
Protecting against privatisation;

Retaining influence of local authorities and mana whenua over strategic and performance expectations;

Providing the necessary balance sheet separations from local authorities; and

An integrated regulatory system.

3. A NEW WATER SERVICES SYSTEM



4. OBJECTIVES FOR THE CROWN/MĀORI RELATIONSHIP

Enabling greater strategic influence to exercise rangatiratanga over water services delivery.

- A Integration of iwi/Māori rights and interests within a wider system.
- B Reflection of a holistic te ao Māori perspective.
- C Supporting clear account and ensure roles, responsibilities, and accountability for the relationship with the Treaty partner.
- D Improving outcomes at a local level to enable a step change improvement in delivery of water services for iwi/Māori.

5. A PARTNERSHIP-BASED REFORM

- Government will continue to work in partnership with iwi/Māori and local authorities.
- A large scale communication effort is required to ensure local government support reform.
- Further decisions are yet to be taken by Cabinet on the arrangement for transition to, and implementing, the new system.

A new system for three waters service delivery

The number and boundary of entities needs to balance scale with other factors

DIAGRAM 2
JUNE 2021

1. FACTORS CONSIDERED TO DETERMINE NUMBER AND BOUNDARIES

- A range of factors have been analysed to help determine how many entities there should be, and their boundaries:
- A** Potential to achieve scale benefits from a larger water service delivery entity to a broader population/customer base.
 - B** Alignment of geographical boundaries to encompass natural communities of interest, belonging and identity including rohe/takiwā.
 - C** Relationship with relevant regulatory boundaries including to enable water to be managed from source to the sea - ki uta ki tai.
- Applied economic analysis, informed by international evidence, provides further confidence that each entity would need to serve a connected population of at least 600,000 to 800,000 to achieve the desired level of scale.

The preferred approach is to create four new water services entities, and to enable all communities to benefit from reform.

2. PROPOSED BOUNDARIES

- Government has agreed to a preferred set of entity boundaries. However, the Government remains interested in continuing discussion with local government and iwi/Māori most affected by the proposed boundary choices. In particular:
- 1 South Island entity**

Whether there should be a single entity covering the whole of the South Island, or instead take an approach that uses the Ngāi Tahu takiwā.
- 2 Taranaki region**

Which entity would include the Taranaki region, taking into account ki uta ki tai, whakapapa connections, and economic geography/community of interests.
- 3 Hauraki Gulf**

Whether to include other districts surrounding the Hauraki Gulf, enabling a more integrated approach to the management of the Hauraki Gulf marine catchment.

The map highlights the recommended boundaries.

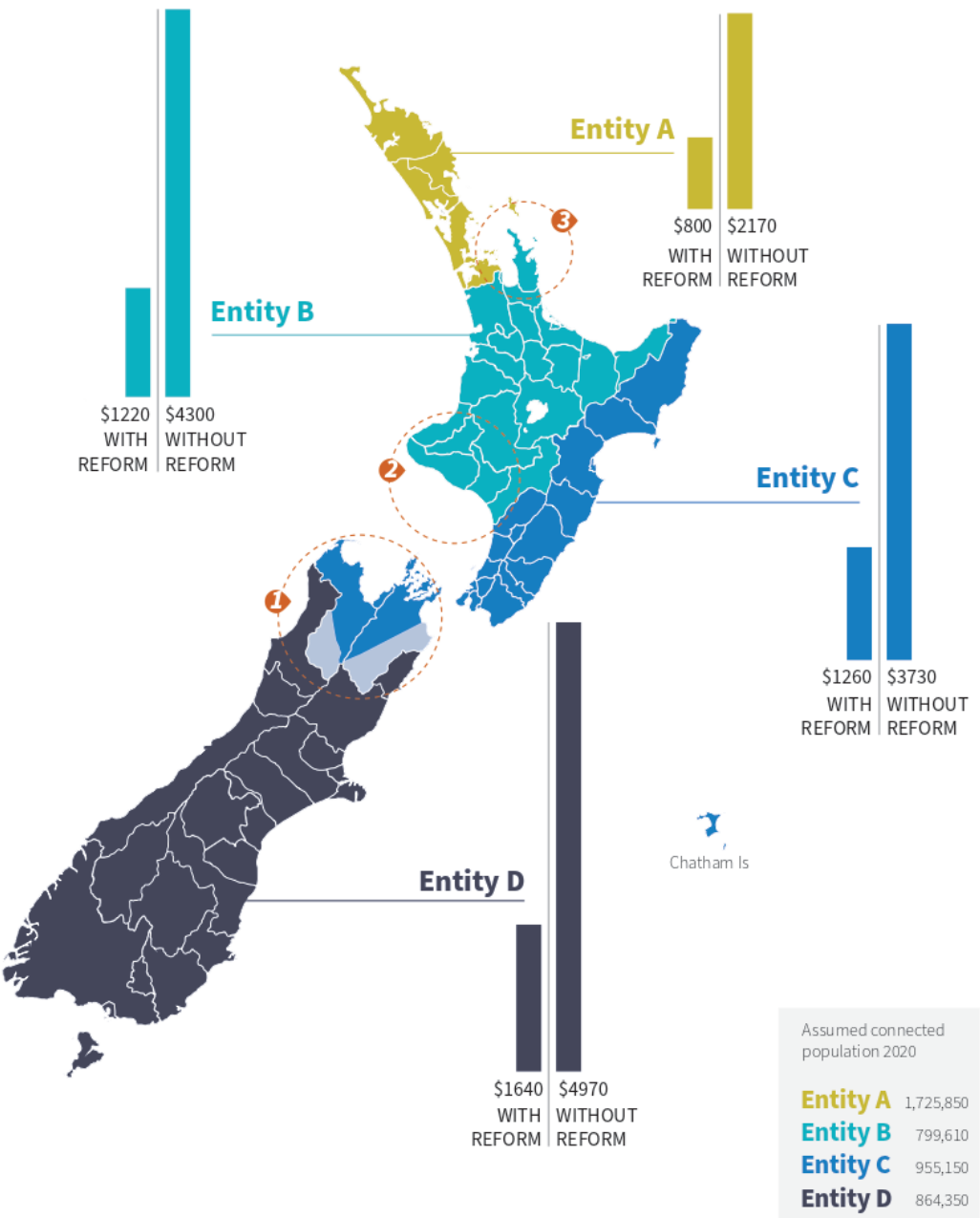
3. OUR INTENTION IS THAT ALL COMMUNITIES BENEFIT FROM REFORM

Latest estimates indicate that the amount of investment required to:

- provide for future population growth
- replace and refurbish existing infrastructure
- upgrade three waters assets to meet drinking water and environmental standards

Is in the order of
\$120 billion to \$185 billion
over the next 30 to 40 years.

4. PROJECTED HOUSEHOLD COSTS 2051



The figures presented above for household bills with and without reform set out what an average household would be likely to pay for three waters services in 2051, in today's dollars, based on analysis by the Water Industry Commission for Scotland.

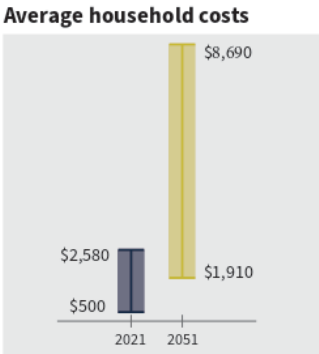
A weighted average figure is presented for household bill estimates without reform, to account for the wide variance between council pricing policies. This weighted average figure reflects the proportion of the connected population that resides in each council area relative to neighbouring councils within the relevant water services entity.

5. POTENTIAL IMPACTS

Difference in household costs

Average household costs for most councils on a standalone basis in 2051 are likely to range from between \$1,910 to \$8,690.

The scale of investment required between now and 2051, would require average household costs to increase by between three to 13 times in real terms for rural councils, between two and eight times for provincial councils and between 1.5 and seven times for metropolitan councils.



Current household costs

Currently there are a wide range of current (2019) average household costs.

	LOW	HIGH	MEDIAN	MEAN
Metro	\$500	\$1,920	\$1,050	\$1,120
Provincial	\$610	\$2,550	\$1,120	\$1,300
Rural	\$210	\$2,580	\$1,340	\$1,390

Source: Water Industry Commission for Scotland Analysis 2021

Current costs are not necessarily a good reflection of what funding is required to meet the full costs of economic depreciation (that is, to provide resources for asset maintenance and renewal).

Potential economic impact of reform

The economic impact assessment estimates the impact of a material step up in investment in connection with reform, relative to the level of investment that might be expected in the absence of reform.

Change relative to counter-factual, 2022-2051

Net change in GDP p.a. over 30 years	▲	0.3% to 0.5%
Present value increase in GDP	▲	\$14b to 23b
Average increase in FTEs	▲	5,850 to 9,260
Increase in average wages	▲	0.2% to 0.3%
Present value increase in taxes	▲	\$4b to \$6b

Source: Deloitte Three Waters Reform Economic Impact Assessment 2021

Transforming the system for delivering three waters services

The case for change and summary of proposals

June 2021



**Te Tari Taiwhenua
Internal Affairs**

New Zealand Government

Introduction

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements in a way that improves health and wellbeing outcomes to benefit all communities in New Zealand. The Government's objectives from this programme are to:

- improve the safety, quality, and environmental performance of water services;
- ensure all New Zealanders have access to affordable three waters services;
- move the supply of three waters services to a more financially sustainable footing, and address the affordability and capability challenges that currently exist in the sector;
- improve transparency about, and accountability for, the delivery and costs of three waters services;
- improve the coordination of resources and unlock opportunities to consider New Zealand's water infrastructure needs at a larger scale and alongside wider infrastructure and development needs;
- increase the resilience of three waters service provision to both short and long-term risks and events, particularly climate change and natural hazards;
- provide mechanisms for enabling iwi/Māori rights and interests.

The last 12 months have involved an intense phase of policy advice, commercial, legal and analytical work, engagement with local government and iwi/Māori. This work has been progressed through a constructive partnership-based approach with the local government sector, under the oversight of a joint central-local government steering committee.

An integrated and extensive package of reform

The Government has decided, based on the substantial work undertaken over the past year, to pursue an integrated and extensive package of reform to the current system for delivering three waters services and infrastructure. The package comprises the following core components:

- establish four statutory, publicly-owned water services entities to provide safe, reliable and efficient water services
- enable the water services entities to own and operate three waters infrastructure on behalf of local authorities, including transferring ownership of three waters assets and access to cost-effective borrowing from capital markets to make the required investments
- establish independent, competency-based boards to govern each water services entity
- set a clear national policy direction for the three waters sector, including expectations relating to the contribution by water services entities to any new spatial / resource management planning processes
- establish an economic regulation regime, to ensure efficient service delivery and to drive the achievement of efficiency gains, and consumer protection mechanisms

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- develop an industry transformation strategy to support and enable the wider three waters industry to gear up for the new water services delivery system.

Continuing to work in partnership with the three waters sector to support a smooth transition

The Government will continue to work closely with its local government and treaty partners on some of the details to give the reforms the best chance of success, to ensure the new water service entities can efficiently and effectively commence operations by no later than 1 July 2024.

Further details on the proposed approach to transition will be made available in the coming weeks, including a three waters reform support package for councils and their communities.

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Case for change

This document has been prepared to summarise the case for reforming service delivery arrangements and explain the key features of the Government's proposed system for water services delivery.

A successful New Zealand needs a thriving three waters system

The three waters system is critical for the health and wellbeing of New Zealand. It is significant for upholding te mana o te wai, the functioning of society, the health of the environment, and the performance of the economy.

With \$54.6 billion in assets and 4,900 council staff, supporting the delivery of services to 4.3 million customers, our three waters sector is easily one of the country's most significant infrastructure sectors, with activity that touches on every corner of the economy.

The majority (85%) of New Zealanders receive their three waters services from their council (local or unitary authorities). A significant number of mostly smaller private and community-based suppliers also supply drinking water to small and rural populations, including on marae.

The three waters infrastructure network consists of infrastructure and processes used to collect, store, transmit through reticulation, treat, and discharge three waters. The infrastructure is complex and expensive, and much of it is underground.

The three waters sector is facing a significant crisis and will continue to suffer from a series of challenges without necessary action

It has become clear that New Zealand's three waters sector is facing a significant crisis, and will continue to do so without major, transformational reform.

While there are pockets of good performance, in many parts of the country communities cannot be confident that their drinking water is safe, that the three waters sector is achieving good environmental outcomes, that it can accommodate population and housing growth, that the rights and interests of iwi/Māori are being upheld, and that climate change and natural hazard risks are being successfully managed.

The challenges the three waters sector faces in delivering health, customer and environmental outcomes and the sheer size of the infrastructure deficit that has developed, are symptomatic of a wider systemic failure underpinning the way three waters services are currently delivered.

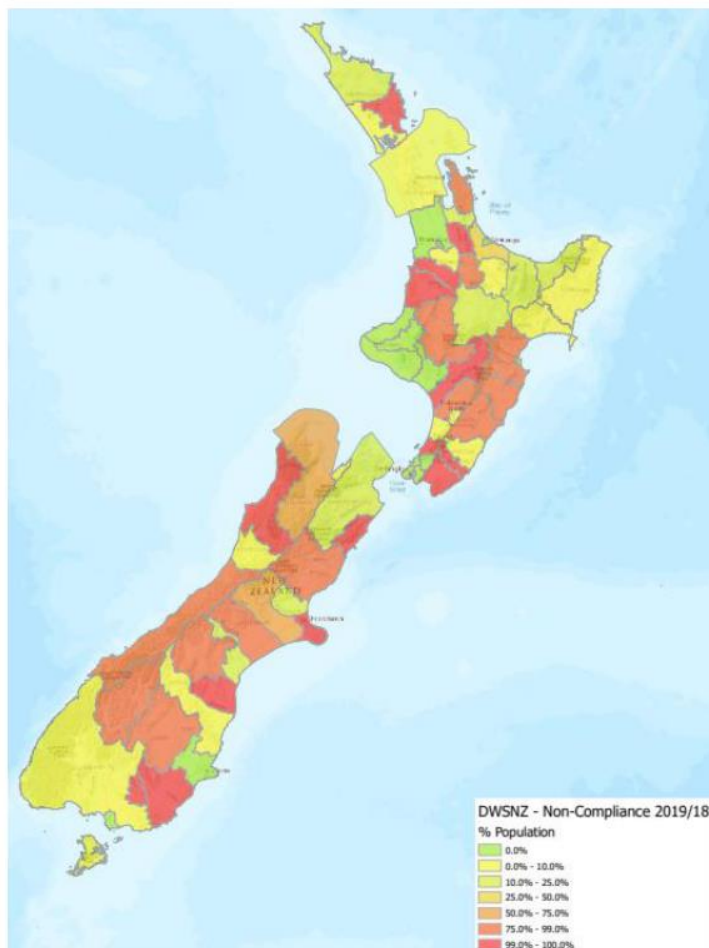
Significant investment is needed across the country to address the issues. Without a national, co-ordinated approach, the costs to householders will be high.

Poor compliance with drinking water standards

Access to safe drinking water and sanitation is considered a basic human right. However, many New Zealanders cannot be confident that their drinking water is safe.

Water suppliers' compliance with drinking water standards varies significantly across the country. The map below outlines the percentage of the population within each local authority area that is served by supplies that are non-compliant with the drinking water standards, as reported by the Ministry of Health.¹

Figure 1: Map of compliance with Drinking Water Standards New Zealand



Source: Beca, using data from the Ministry of Health Annual Report on Drinking Water Quality 2018-2019

The Ministry of Health also reports that there were 22 permanent and 18 temporary boil water notices in place for the whole of the reporting period (2018-2019), affecting roughly 40,000 people.

¹ Ministry of Health (2020). Annual Report on Drinking-water Quality. Available at <https://www.health.govt.nz/system/files/documents/publications/annual-report-drinking-water-quality-2018-2019-25june2020.pdf>

Poor health outcomes

One in five New Zealanders are supplied with drinking water that is not guaranteed to be safe from bacterial contamination, according to the Ministry of Health². A study in 2010 estimated that around 35,000 cases of acute gastrointestinal illness were contracted from reticulated drinking water each year.³ These numbers are likely to be an underestimation of the true incidence of illness due to the large number of visitors in small, non-compliant townships and/or the under-reporting of waterborne illnesses.

The health impacts of a failing three waters system has significant flow-on impacts from an economic perspective:

- Cases of water-borne gastrointestinal illnesses have been calculated to have cost New Zealanders \$496.1 million over 40 years, principally in terms of health care and lost productivity⁴
- In 2006, the Ministry for the Environment estimated that water-borne disease cost New Zealand \$25 million a year⁵
- The economic cost of the Havelock North outbreak to the country was calculated to be \$21 million.⁶

Specific cases of water contamination in recent years have also dented public confidence in the system for delivering three waters services and exposed the systemic issues facing the sector. The Havelock North tragedy was the largest recorded outbreak of waterborne disease in the country, killing four people and causing illness in 5,500 of the town's 14,000 residents. Recent infrastructure failures in Wellington and the discovery of elevated levels of lead in the water supply in Dunedin are more recent and tangible examples of the potential challenges we will continue to face across the country under the current system for delivering three waters services.

A large, accumulated infrastructure deficit

The Office of the Auditor General (OAG) reported in 2017 that local authorities are not investing enough in three waters assets, indicating that assets could be deteriorating to an extent that they are unable to meet the levels of service that their communities expect.⁷

² Ministry of Health (2020). Annual Report on Drinking-water Quality. Available at <https://www.health.govt.nz/system/files/documents/publications/annual-report-drinking-water-quality-2018-2019-25june2020.pdf>

³ Moore, et al., Cost Benefit Analysis of Raising the Quality of New Zealand Networked Drinking Water (LECG, 2010), 6. <http://srgexpert.com/wp-content/uploads/2018/02/cba-raising-quality-of-networked-drinking-water-jun20101.pdf>

⁴ Moore, et al., Cost Benefit Analysis of Raising the Quality of New Zealand Networked Drinking Water (LECG, 2010), 159. <http://srgexpert.com/wp-content/uploads/2018/02/cba-raising-quality-of-networked-drinking-water-jun20101.pdf>

⁵ Ministry for the Environment, Proposed National Environmental Standard for Sources of Human Drinking-Water: Resource Management Act Section 32: Analysis of the Costs and Benefits (Ministry for the Environment, March 2007), <https://www.mfe.govt.nz/sites/default/files/nes-drinking-water-section-32-mar07.pdf>

⁶ Government Inquiry into Havelock North Drinking Water, Report of the Havelock North Drinking Water Inquiry: Stage 2 (Department of Internal Affairs, December 2017), 33. [https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/\\$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf)

⁷ Controller and Auditor - General. Introducing our work programme - Water management. October 2017 ISBN 978-0-478-44275-5, paras 2.9 - 2.11. Available at <https://oag.parliament.nz/2017/water-management/docs/water-management.pdf>

More recent analysis by the Water Industry Commission for Scotland (WICS), based on information provided by local authorities through the Request for Information process undertaken in late 2020, suggests that there has been systematic under-funding of economic depreciation by local authorities in New Zealand. This is shown in Table 1 below:

Table 1: Economic depreciation spent on three waters infrastructure by local authority groups.

Local authority group	Average annual spend per connected resident (based on Annual Reports from 2015 onwards)	WICS assessed economic depreciation per connected resident	% of economic depreciation
Metro	NZ\$124	NZ\$267	46%
Provincial	NZ\$128	NZ\$254	50%
Rural	NZ\$158	NZ\$253	63%
Larger rural (>10,000 residents)	NZ\$153	NZ\$237	65%
Smaller rural	NZ\$163	NZ\$266	61%

Source: Water Industry Commission for Scotland, 2021.

WICS estimates that between **\$120 billion to \$185 billion** of investment will be needed over the next 30 years to address this renewals backlog (i.e., replace and refurbish existing infrastructure), upgrade three waters assets to meet drinking water and environmental standards, and provide for future population growth.⁸ WICS reports that these figures are likely to underestimate the real cost of lifting the performance of our three waters infrastructure.

Box 1: Independent review of WICS assumptions underpinning investment estimates⁹

Beca has reviewed the standards and practices that apply in Scotland and their relevance for New Zealand. The analysis confirms that WICS' estimates are likely to be conservative as these do not include certain factors unique to New Zealand such as giving effect to iwi / Māori aspirations and building seismic resilience.

Poor customer outcomes

There is no globally consistent set of performance measures for evaluating the performance of three waters delivery systems.¹⁰ In New Zealand, this problem is compounded by the lack of high-quality information generally about the state and performance of three waters networks, which in itself reflects the challenges facing the sector.

⁸ Water Industry Commission for Scotland (2021). Economic analysis of water services aggregation: Final report. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/wics-final-report-economic-analysis-of-water-services-aggregation.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/wics-final-report-economic-analysis-of-water-services-aggregation.pdf)

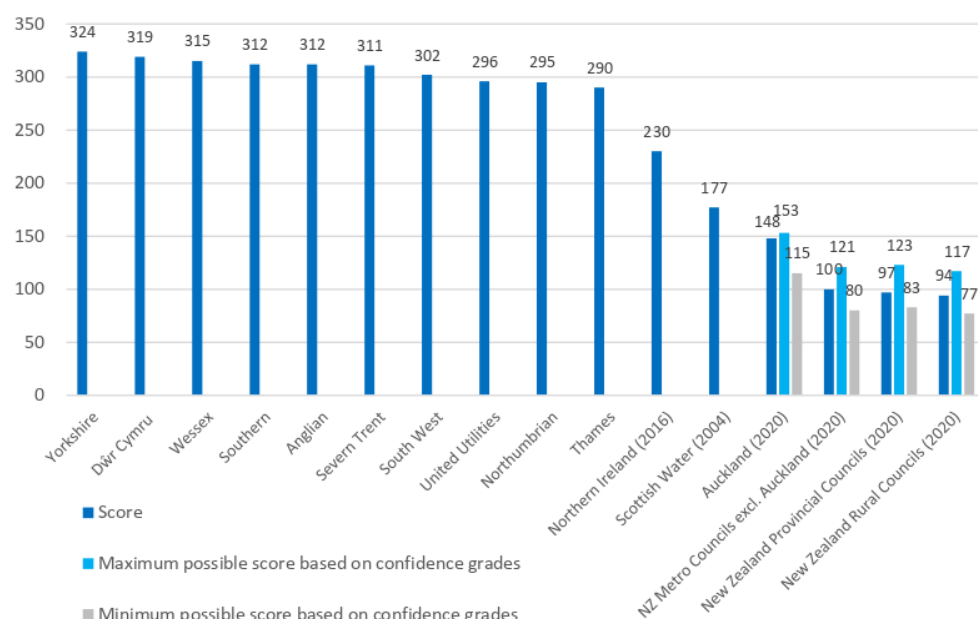
⁹ Beca (2021). Review of assumptions between Scotland and New Zealand three waters systems. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/becca-report-dia-three-waters-reform-wics-modelling-phase-2.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/becca-report-dia-three-waters-reform-wics-modelling-phase-2.pdf)

¹⁰ The closest measures used in New Zealand would be those used in the Water New Zealand National Performance Review, which helps to provide a basis for comparisons between different parts of the country.

WICS has used a performance measurement tool (the Overall Performance Assessment) developed by the water regulator in England and Wales (Ofwat) to measure the performance of water utilities on areas significant to customers (e.g. service disruptions, response to complaints). Based on WICS' comparison¹¹ of New Zealand local authorities at an aggregate level with regulated water utilities in the United Kingdom (see Figure 2), it is clear that:

- New Zealand has a long way to go, to catch up with the performance of more mature systems overseas
- We are at a starting position similar to Scottish Water, before the Scottish reforms. In the last two decades, Scottish Water has been able to close the performance gap and is now among the top-performing water services providers in the United Kingdom.

Figure 2: Comparison of New Zealand local authorities' Overall Performance Assessment scores with those of UK water utilities



Source: Water Industry Commission for Scotland, 2021

Poor environmental outcomes

Wastewater discharge

Discharges from wastewater treatment plants are harming the environment in many parts of New Zealand, particularly where multiple plants are scattered across a catchment or are operating poorly.

¹¹ The WICS assessment is indicative only as, like the Water New Zealand survey, it is based on the submissions of only a subset of local authorities in response to the Department's request for information (albeit a large subset representing over 80% of the population), and the assessment also relies on council's self-reporting. Unlike the Water New Zealand survey, there was no audit process for the RfI.

Resource consents are required for the discharge of treated wastewater from treatment plants in all regions. A report in 2019¹² found that nearly a quarter of wastewater treatment plants are currently operating on expired consents. Moreover, there is a bow wave of treatment plants that will require reconsenting in the next decade, with almost 35% of all treatment plants (comprising 110 plants) currently going through or expected to go through a resource consenting process in the next 10 years.

These discharges can also cause health problems if they contain bacterial pathogens such as *E. coli* or *Campylobacter*, or protozoan pathogens such as *Cryptosporidium* or *giardia*.

Stormwater overflows

In urban areas, stormwater overflows are the main contributor to poor water quality, as a result of the greater proportion of impervious surfaces that increase the volume and speed of contaminant run-off. While there is a growing recognition and effort towards managing stormwater quality, this is not yet widespread. Of the 41 stormwater service providers contributing to the 2020/2021 National Performance Review, 26 (63%) had stormwater catchment management plans, and 23 (56%) were monitoring stormwater quality.¹³

As with treatment plants, formal actions in response to stormwater consent breaches are rare, but they are gradually increasing over time. One important difference from wastewater treatment discharges is that stormwater discharges are not always consented.

Other challenges facing stormwater systems are maintenance, resilience, and climate change. There is currently a lack of consistent information about the condition of stormwater infrastructure, and also about the impact of climate change and other natural hazards, to which stormwater systems are particularly susceptible.

Lack of resilience

New Zealand is facing threats to our water security. Climate change is bringing greater variation and extremes in our climate. Rural and urban areas across the country are experiencing more flooding and droughts. Water shortages disproportionately affect small, rural, and/or vulnerable communities, iwi/Māori, and households that depend on rainwater tanks.

Although estimates of water loss for water supplies without universal metering have a wider margin for error, it is estimated that 21% of water supplied to networks is lost on the way to its end use. This is more than the combined volume of water supplied by Christchurch City and Wellington Water. Opportunities for reducing water loss exist in at least 83% of serviced districts.¹⁴

The amount of water lost through networks is increasing. The median annual real water loss per property has increased by 44% in the last five years.

¹² GHD-Boffa Miskell (2019). National Stocktake of Municipal Wastewater Treatment Plants. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/\\$file/Report-1-National-Stocktake-of-Municipal-WWTPs.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/$file/Report-1-National-Stocktake-of-Municipal-WWTPs.pdf)

¹³ Water New Zealand (2021). National Performance Review 2019-20. Available at <https://www.waternz.org.nz/NationalPerformanceReview>

¹⁴ Water New Zealand (2021). National Performance Review 2019-20. Available at <https://www.waternz.org.nz/NationalPerformanceReview>

Water leakages and losses can contribute to water shortages, especially in dry years, and potentially can lead to water restrictions and disruption of supply. Because of leakages and losses, water takes, and water storage must also be greater than they would otherwise need to be.

Poor outcomes for iwi/Māori

Māori express a relationship with water as kaitiaki. Māori do not distinguish their rights and interests in freshwater from the three waters; they are viewed as a connection to the water environs and its systems. This holistic approach highlights the important connection between the review of three waters service delivery arrangements and other work programmes underway across government, particularly those that relate to resource management and freshwater allocation.

Water can be a taonga of particular significance and importance to Māori, and the Crown has a duty to protect iwi/Māori rights and interests under the Treaty of Waitangi / Te Tiriti o Waitangi (the Treaty / Te Tiriti), and existing and subsequent Treaty settlements. The Crown has responsibilities under the principles of Te Tiriti to protect such a relationship and allow for an appropriate exercise of tino rangatiratanga alongside kāwanatanga. The Crown also has broad responsibilities to protect taonga, the exercise of tino rangatiratanga and kāwanatanga, and the principles of Te Tiriti.

A clear concern from iwi/Māori is that the system for delivering three waters needs to uphold, align and integrate with Te Tiriti and Te Mana o te Wai.

In addition, iwi/Māori have roles within the current three waters service delivery system that will need to be acknowledged. They are suppliers and/or recipients of water services (particularly to rural marae, papakāinga, and rural communities), and are often members of communities that are underserved by the existing three waters service delivery system, and who receive poor quality three waters services or none at all.

The causes of New Zealand's three waters challenges are rooted in the way the system is currently designed

As the challenges and issues noted above show, many of New Zealand's communities are dealing with unacceptable outcomes from their three waters services. The Government has identified and is seeking to address four root causes that contribute to these persistent and systemic problems.

Limited opportunities to achieve benefits from scale

Most local authorities in New Zealand currently serve 100,000 or fewer connected ratepayers, and this creates significant inefficiencies within the system for delivering three waters, including:

- a lack of strategic and co-ordinated asset planning at a regional or greater level
- limited opportunities to consider catchment-level outcomes
- a lack of funding and pipeline certainty to create competitive pressures in the supply chain
- the lack of capacity and capability that tends to be associated with larger-scale entities
- a lack of innovation

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- a lack of career pathways and opportunities for the workforce to specialise; and
- wide variation in water charges, particularly for vulnerable communities.

Achieving our ambitions for reform requires entities to have a sufficient asset and customer base to be financially sustainable, operate at an economically efficient scale, and enable prices to be affordable and levels of service to be broadly comparable.

We have drawn on international expertise and available empirical evidence¹⁵ to analyse the benefits of aggregation, including considering the scope for efficiency gains. This analysis took account of the potential for efficiency gains across financing costs, operating expenditure and capital expenditure.

International evidence indicates each entity would need to serve a connected population of at least **600,000 to 800,000** to achieve the desired level of efficiency. Below this point, water services providers may find it difficult to fully realise the efficiency benefits that have been shown to be possible in other jurisdictions.

The main benefits of scale relate to:

- improved access to capital markets and borrowing at a greater level than local authorities can achieve – as a result of having stronger balance sheets, and independent professional governance and management
- shifting the provision of water services onto a more financially sustainable footing – by leveraging scale to strategically plan, procure and manage three waters infrastructure and service delivery, delivering operating efficiencies, and adopting more flexible funding and pricing mechanisms to address geographical, climate risk and intergenerational equity considerations
- improving sector capacity – by providing sufficient scale to encourage strategic workforce planning, and provide the required depth of governance, management and specialist technical skills and experience

¹⁵ See for instance:

- Klien (2017). Global study on the aggregation of Water Supply and Sanitation Utilities. <https://openknowledge.worldbank.org/bitstream/handle/10986/27981/119098-WP-P159188-PUBLIC-ADD-SERIES-50p-stat-analysis-24-8-2017-13-34-31-W.pdf?sequence=1&isAllowed=y>
- Ferro, Lentini, and Mercadier (2011). Economies of Scale in the water sector: a survey of the empirical literature. <https://iwaponline.com/washdev/article-abstract/1/3/179/28777/Economies-of-scale-in-the-water-sector-a-survey-of?redirectedFrom=fulltext>
- González-Gómez and García-Rubio (2008). Efficiency in the management of urban water services. What we have learned after four decades of research. https://www.researchgate.net/publication/23565871_Efficiency_in_the_management_of_urban_water_services_What_have_we_learned_after_four_decades_of_research
- Independent Pricing and Regulatory Tribunal (2007). Literature Review: Underlying costs and industry structures of metropolitan water industries. https://www.ipart.nsw.gov.au/files/sharedassets/website/trimholdingbay/final_report_-_literature_review_-_underlying_costs_and_industry_structures_of_metropolitan_water_industries_-_september_2007.pdf

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- regulatory burden and benchmarking performance of providers – including the ability to adequately benchmark performance across a smaller number of providers without imposing significant costs (relative to the costs associated with benchmarking the performance of a large number of entities with insufficient scale).

A further benefit of scale relates to the potential to spread costs over a larger population base, assisting in ensuring an acceptable level of service can be delivered affordably in smaller, rural communities.

A significant affordability challenge

As already noted, WICS analysis using information collected from local authorities on their assets, finances, and connected properties, indicates a likely range for future investment requirements in three waters at a national level in the order of \$120 billion to \$185 billion (see Figure 3 for a breakdown).

Figure 3: Estimated future capital investment requirement for three waters infrastructure



Source: Water Industry Commission for Scotland, 2021

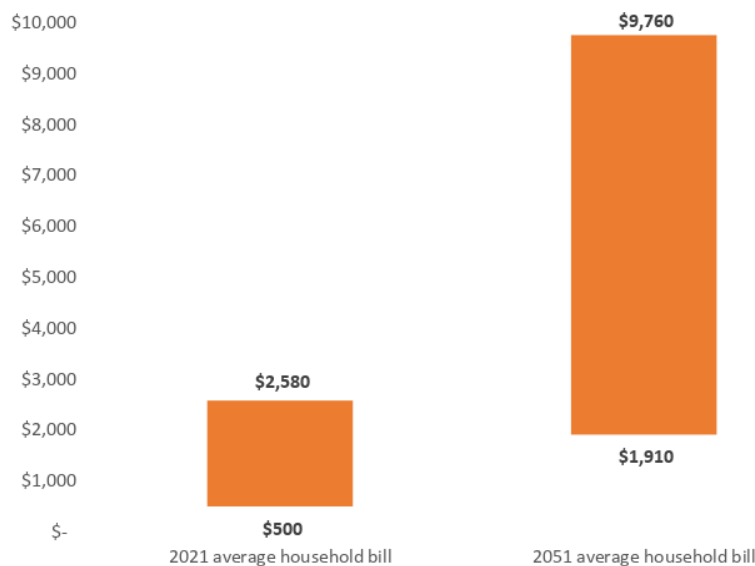
As illustrated in Figure 4 overleaf, meeting these costs will be challenging for most local authorities, with average household bills needing to increase significantly.¹⁶ Without reform, the real cost increases to households of meeting the required investment would be significant, and likely unaffordable for many smaller communities and low-income customers.

¹⁶ The average household cost figures for 2051 are charted up to the 75th percentile to account for large variances in the data collected from local authorities.

For rural local authorities, average household costs in 2019 ranged from less than \$500¹⁷ per annum to \$2,600 per annum, with a median of \$1,300. To meet the investment required, average household costs would need to increase by between three and 13 times in real terms. For some small, rural local authorities, average household costs in 2050 could reach as high as \$9,000 in today's dollars and would be unaffordable for many households.

The situation is not much better for larger provincial and metropolitan local authorities. Average household bills (in 2019) for provincial local authorities ranged from around \$600 to \$2,550, with a median of \$1,120. By 2050, these bills would need to increase by between two and eight times to meet the required investment. Similarly, average household bills across metropolitan local authorities would need to increase by between 1.5 and seven times. In some metropolitan areas, bills could reach between \$1,700 and \$3,500 per annum in today's dollars.

Figure 4: Average household bills in 2021 compared with 2051 without reform



Source: Water Industry Commission for Scotland, 2021

These findings are consistent with analysis undertaken independently by the following local authorities:

- **Otago/Southland.** Potential future average charges for three waters services across the region is estimated to more than double over the next 10 years from \$1,300 to almost \$3,000¹⁸
- **Hawkes' Bay.** Average three water rates could increase to over \$3,500 and \$4,000 for households in Central Hawke's Bay and Wairoa respectively.

¹⁷ Current costs are not necessarily a good reflection of the true economic costs of service delivery, as evidence suggests many councils do not fully cover economic depreciation through current charges.

¹⁸ Morrison Low (2021). Otago Southland Three Waters: Issues and principles. Available at (pages 39 to 68) <https://www.goredc.govt.nz/assets/documents/meetings/2021/20210309-Council-agenda.pdf>

The expected increases do not only impact on rural and provincial areas. In Auckland, recent announcements have signalled water charges will increase by 7 per cent in 2022, followed by a 9.5 per cent increase each year up to 2029.¹⁹

Clearly, the costs of accessing safe, clean and environmentally friendly three waters services are projected to increase significantly and would have an impact on the cost of living for New Zealanders, especially lower income households.

Misaligned incentives for critical water infrastructure decisions

Local authority service providers operate in a political environment, in which investment decisions are made by elected representatives who have a duty to consider broader community interests (for example, other investment priorities and affordability of rates increases) and a constrained financial environment, in which the main funding and financing mechanisms are via ratepayers and council borrowing.

These factors combine to limit the level of three waters investment, for example due to:

- covenants imposed by lenders which limit the debt to revenue ratios that councils can maintain while achieving a good credit rating and cost-effective financing
- varying attitudes to debt and rates increases across communities
- financially constrained households (such as ratepayers on low incomes), especially in areas with higher levels of deprivation
- misaligned incentives, and a lack of management focus, connected with an operating environment in which three waters is just one aspect of the broader responsibilities that councils have and services that communities require.

Recent reviews into the delivery of three waters infrastructure in Wellington,²⁰ the West Coast,²¹ Hawkes' Bay²² have arrived at similar conclusions regarding the challenges associated with three waters service delivery and infrastructure provision in the current local government operating environment.

Lack of effective oversight and stewardship for the three waters sector

New Zealand has 67 local authority (or council-controlled organisation) suppliers, 20 district health boards (noting the Government's recent announcements of major reform in this area, including to create one national health organisation with four regional divisions), 16 regional councils, and seven government ministries that have a role in relation to the supply of safe drinking water.²³

¹⁹ Watercare (2021). Water and wastewater prices to increase from 1 July 2021 Available at <https://www.watercare.co.nz/About-us/News-media/Water-and-wastewater-prices-to-increase-from-1-Jul>

²⁰ Wellington City Council (2020). Mayoral Taskforce on the Three Waters report Available at <https://wellington.govt.nz/-/media/environment-and-sustainability/water/files/2020/mayoral-taskforce-three-waters-taskforce-report.pdf?la=en&hash=3B3EC07C7DFBC70020C610AB8372E37FEB2C537E>

²¹ Tonkin & Taylor (2020). Three Waters Service Delivery Review.

²² Morrison Low (2020). Hawkes' Bay Three Waters: Business case of three waters service delivery options. Available at <https://www.hb3waters.nz/assets/Uploads/HB-3-Waters-Delivery-Detailed-Analysis-29.07.20-Full-Report.pdf>

²³ Department of Internal Affairs (2017). Report of the Havelock North Drinking Water Inquiry, Stage 2. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/\\$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf)

The dispersed nature of the roles and responsibilities within the system, being spread across many agencies, means no one is responsible for monitoring or overseeing the performance of the whole system.

While the Government is already taking steps to strengthen the regulatory environment – through the creation of Taumata Arowai and the introduction of the Water Services Bill – this is focusing on improving the quality of the three waters, and other gaps remain around how the performance of the system and its outcomes for customers are regulated.

In addition, existing water service providers are not subject to even a basic form of economic regulation, such as information disclosure. This has hampered the quality of information about, and an understanding of, the condition of three waters assets and the performance of water networks.

The lack of effective oversight and stewardship arrangements, and weaknesses in the regulatory environment, only serve to compound the challenges noted above with how the system is currently designed.

Without good quality information, there is a lack of transparency about fundamental elements of the three waters system – such as the costs and performance of services, asset condition, and required investment – that makes it difficult for customers and communities to hold water services providers to account for performance.

A changing regulatory context will help, but the operating environment for many local authorities will continue to be challenging

The policy landscape will change significantly with the establishment of Taumata Arowai and the introduction of a new water services regulatory framework. It will take some time to implement the new regulatory regime, but it can be expected to provide much greater assurance that drinking water is safe and that drinking water standards are being complied with. Key features of the new regulatory framework include:²⁴

- all drinking water suppliers, except domestic self-suppliers, will have a duty to consistently provide safe drinking water
- stronger requirements on water suppliers to manage risks to drinking water safety
- strong compliance, monitoring and enforcement actions for Taumata Arowai
- new national environmental standards for wastewater discharges and overflows, with new obligations on network operators to manage risks to people, property and the environment
- new requirements for reporting on the performance of wastewater and stormwater networks.

These regulatory changes will increase the pressure on local authorities to raise current levels of investment in three waters infrastructure and services. Shifting public perceptions around access to safe drinking water and environmentally friendly wastewater and stormwater practices and tougher resource management consent requirements will only serve to amplify the regulatory pressure, and will be key drivers of investment.

²⁴ These features are contained in the current draft of the Water Services Bill being considered by the Health Select Committee and are subject to change when reported back to the House later this year.

Without reform, local authorities will need to make increasingly difficult decisions about how they meet this challenge, including through future rates rises, higher levels of borrowing, and scaling back or delaying other investment priorities.

Local authority responsibilities under provisions in the Water Services Bill

Local authorities (and other water suppliers) will face significant duties and obligations for drinking water when the Water Services Bill and associated regulations are enacted. A summary of these obligations is outlined in Table 2 below.

Under the proposed service delivery reforms, these responsibilities and obligations would transfer to the new water services entities, meaning local authorities (and their officers, employees and agents) would cease to face these obligations.

Table 2: Local authority responsibilities under provisions in the Water Services Bill

Local authorities as suppliers of water services	General obligations of local authorities
<ul style="list-style-type: none"> • Duty to provide safe drinking water and meet drinking water standards, and clear obligations to act when water is not safe or fails to meet standards • Key provisions include: <ul style="list-style-type: none"> ○ Suppliers need to register with Taumata Arowai ○ Local authority suppliers will need a drinking water safety plan and a source water risk management plan ○ Water suppliers must give effect to Te Mana o te Wai • Taumata Arowai will have significant compliance and enforcement powers, including powers to direct suppliers and enter into enforceable undertakings with suppliers • Officers, employees and agents of suppliers will have a duty to exercise professional due diligence • Complying with these new requirements is expected to require significant capital and operating expenditure by local authorities (including paying levies to Taumata Arowai for operation of the regulatory system) 	<ul style="list-style-type: none"> • Local authorities will have a duty to ensure communities have access to drinking water if existing suppliers face significant problems in complying with drinking water standards including: <ul style="list-style-type: none"> ○ Requirements to work with suppliers and consumers to identify solutions ○ Intervention responsibilities if a supplier is unable to meet standards, including potentially taking over management and operations of private or community supplies • In rural communities, this could represent a significant risk (contingent liability) for local authorities • Local authorities will be required to make assessments of drinking water, wastewater and sanitary services to ensure communities have access to safe drinking water • Local authorities will need to assess drinking water services available to communities at least once every three years, including private and community supplies (excluding domestic self-supplies)

It will be challenging for many suppliers to comply with these new obligations, particularly those suppliers that are being brought into the regulatory system for the first time. The WICS estimate of future investment requirement already presented in this paper signals the likely scale of the challenge facing water suppliers. Local authorities will also face an added burden given they will have a duty to intervene on behalf of those suppliers that are unable to meet their obligations under the new regulatory environment.

Transformative change is required, not piecemeal solutions

The nature and extent of the challenges facing the system, and the root causes of these problems, mean we cannot expect the current system of service delivery to respond to meet these challenges – particularly in the comprehensive, widespread and sustained manner that is required. Most councils and communities will not have the funding, or the operational capacity, to eliminate the infrastructure deficit and meet future growth requirements.

Experience over the past 30 years also indicates that widespread improvements, particularly through voluntary change and collaboration, are unlikely.

The Government has developed a package of reform interventions that collectively seeks to address the root causes of our three waters crisis.

The following are the key components of the Government's reform package:

- Three waters services are aggregated into four large-scale, multi-regional entities
- Water services entities, governed by competency-based, independent, professional boards, that will assume ownership of three waters assets and have greater capacity to finance investment
- Clear national policy direction is provided for the three waters sector
- Economic regulation to provide greater transparency about the costs and performance of three waters services and infrastructure, and to strengthen accountability for performance
- Development of an industry transformation and workforce transformation strategy to support and enable the wider three waters industry to 'gear up' and play its part in the reformed service delivery system
- The introduction of mechanisms that protect and promote the rights and interests of iwi/Māori in the new three waters service delivery system.

Further detail on each of these components of the reform package are provided below. A brief summary of some of the alternative options considered is provided in Appendix 1.

Aggregation of water services delivery

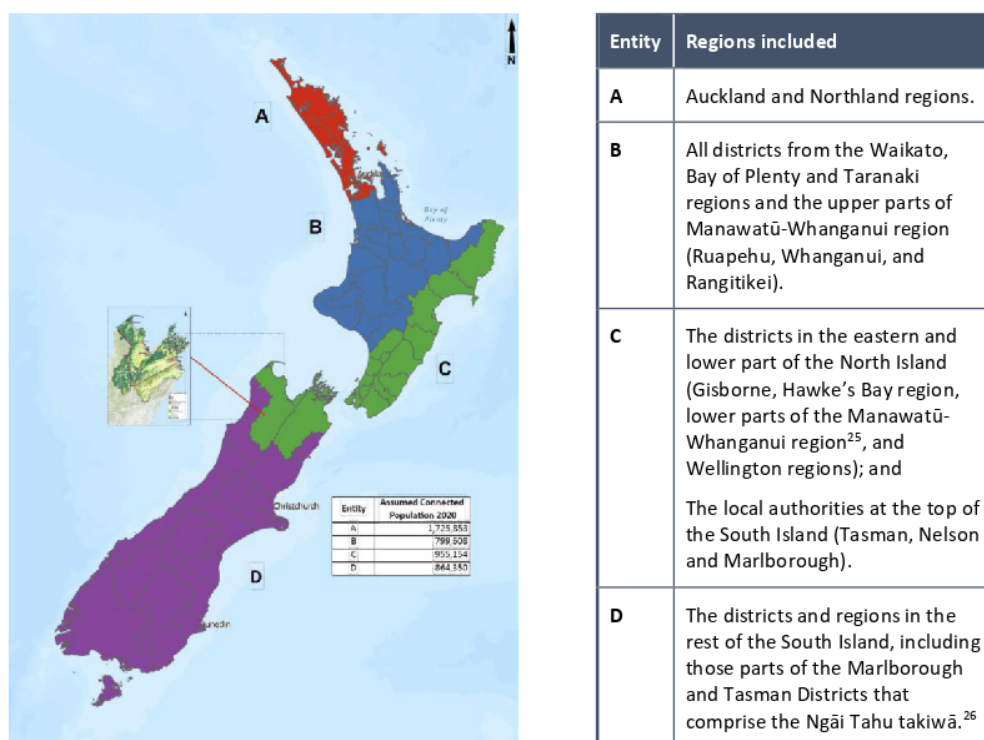
The Government has considered a range of factors to determine how many entities into which it should aggregate water services delivery, and their boundaries. The key considerations have been to establish entities that:

- have a sufficient asset and customer base to be financially sustainable, operate at an economically efficient scale, and deliver water services at an affordable price

- operate effectively in relation to water catchments and achieve desired environmental outcomes, which is dependent on containing entire catchments within the boundaries of entities. This will enable effective catchment planning and management of associated infrastructure
- engage meaningfully with iwi/Māori to inform understanding of Treaty rights and interests. This includes, but is not limited to understanding of rohe/takiwā boundaries and the importance of considering a Te Ao Māori expression of kaitiakitanga through ki uta ki tai – the passage of water from the mountains and great inland lakes, down the rivers to hāpua/lagoons, wahapū/estuaries, and to the sea
- understand and reflect relevant community interests, particularly where there are existing economic or functional relationships or a shared identity between neighbouring communities
- have access to a skilled local workforce.

The Government considers that the option comprising of four entities, with the configuration as presented in Figure 5, achieves an optimal balance of the factors described above.

Figure 5: Proposed boundary configuration for new water services entities



²⁵ This includes Horowhenua, Manawatu, Palmerston North and Taranaki.

²⁶ Adjustments will be made to this boundary to correspond to the Ngāi Tahu takiwā rather than conforming to local authority boundaries.

This configuration has several advantages, including that it:

- results in broadly even populations served outside of the 'northern entity', enabling each entity to realise the opportunities associated with scale
- combines all districts in the Waikato and Bay of Plenty into a single entity, recognising the significant relationships that exist between these councils and leveraging work undertaken to date towards reform
- aligns catchments in the central North Island, in particular from the Taupō district through the Waikato region
- recognises whakapapa linkages between the North and South Islands, including iwi boundaries that span the two islands.

Under this configuration, the Hauraki Gulf marine area spans the boundaries of the two upper North Island entities and will require them to collaborate with the relevant regional councils on an integrated catchment management approach to the Hauraki Gulf.

The Government intends to continue discussions with those local authorities and iwi/Māori that are most affected by the proposed boundaries, to inform final decisions on the boundaries of the new entities. These decisions will be considered by Cabinet in September 2021.

Design of the new water services entities

The new entities will need to be set up for success with a clear purpose and objectives, and the appropriate functions, operating principles, governance and accountability arrangements to support the achievement of these. The new water services entities would be statutory entities, established in legislation.

Purpose, objectives and operating principles

The purpose of the new water services entities is to provide safe, reliable and efficient water services.

The water services entities would have objectives that flow from this purpose, relating to:

- delivering water services, and related infrastructure, in an efficient and financially sustainable manner
- operating in accordance with best commercial and business practices
- acting in the best interests of consumers and communities, in the present and for the future
- giving effect to Te Mana o te Wai (to the extent that Te Mana o te Wai applies to the duties and functions of the entities)
- delivering and managing water services in a sustainable and resilient manner, which seeks to address climate risks and mitigate the negative effects of natural hazards
- protecting and promoting public health and the environment
- supporting and enabling housing and urban development.

To guide and inform how the water services entities deliver their objectives and functions, entities would be required to adhere to operating principles that relate to:

- developing and sharing capability and technical expertise – both internally, and across the wider three waters, development control, and land-use planning sectors
- being innovative in the design and delivery of water services and infrastructure
- being open and transparent – including in relation to the calculation and setting of prices, determining levels of service, and reporting on performance
- partnering and engaging early and meaningfully with Māori, local government and communities
- cooperating with, and supporting, other water services entities and infrastructure providers, local authorities, and the transport sector – including in relation to infrastructure planning, and development control and land-use planning processes
- understanding, supporting and enabling matauranga Māori and tikanga Māori and kaitiakitanga to be exercised –both within the entities and when engaging with iwi/ Māori.

Scope of services – two or three waters

The reforms are an opportunity to achieve a step change in the performance of the stormwater system, by:

- bringing together the delivery of drinking water, wastewater and stormwater to enable the new water services entities to adopt an integrated and holistic approach managing catchments, particularly in urban areas
- leveraging the scale and financial capacity of the new entities to address the growing challenges associated with the stormwater system as a result of the continuing expansion of urban areas, increasing frequency of high-intensity rainfall events, and a growing awareness of the environmental impact of stormwater run-off on fresh and coastal water bodies
- allowing an increase in investment, capability and capacity to lift the performance of stormwater systems, ensure they are resilient, reduce impacts on water quality, enable delivery of large scale housing projects and adapt to long-term challenges like climate change
- providing the opportunity to co-ordinate and align stormwater management functions across the current system to enable a shift from the current reactive approach to management of the stormwater system.

Further detailed work is required to ensure that the transfer of stormwater responsibilities recognises the complicated array of legislative provisions and assets, and the policy and planning framework. These reforms are an opportunity to develop a much clearer legislative, policy and operational framework, to ensure accountabilities are clear, and there are robust arrangements in place for the maintenance, operation, and funding of stormwater system in the future. This work will be informed by advice from a 'stormwater technical working group' – comprising experts from central and local government, iwi/Māori, and the water sector, and with an independent chair.

While the issues are complex, the inclusion of stormwater within the scope of water services entities is not without precedent. Similar approaches have been followed in other jurisdictions; for example, Melbourne Water manages bulk stormwater infrastructure.

Ownership, accountability and charging arrangements

The ownership and accountability arrangements for the new entities are set out in Table 3 below. This design will create entities with the right oversight, governance, management and controls, that are best placed to provide the level of focus and independence required to deliver the objectives of reform. It will also enable local authorities and iwi/Māori who have an interest in the outcomes from the three waters system to have appropriate roles and influence within the three waters system. The structure of the new water services entities is illustrated in Figure 6.

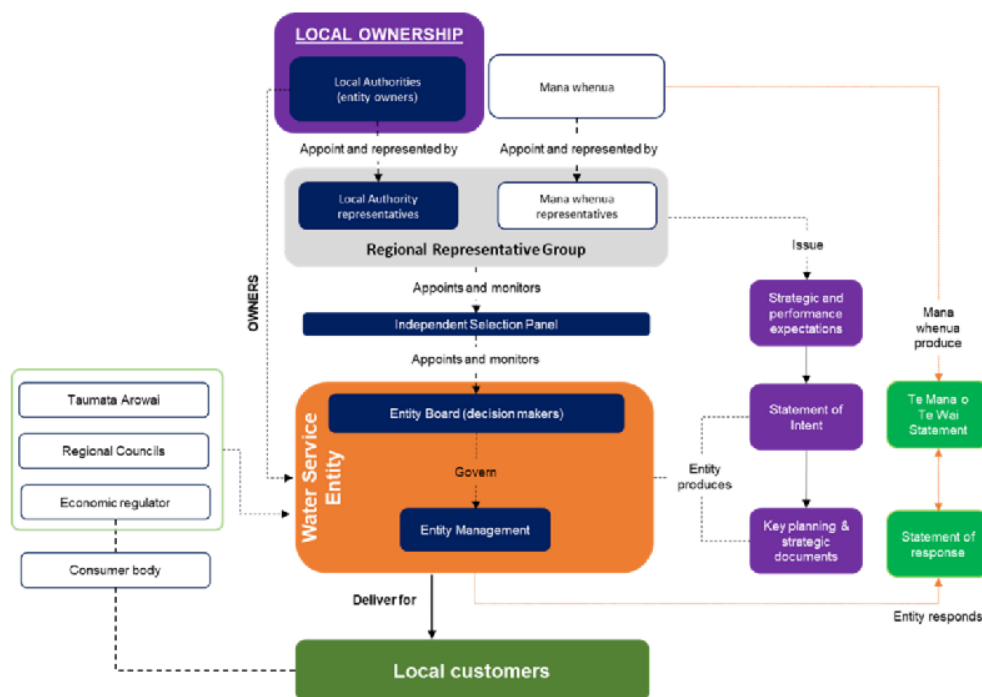
Table 3: Key design features of the new water service entities

Theme	Design features	Contribution to objectives
Ownership of the entities	<ul style="list-style-type: none"> • Local authorities are the ‘owners’ of the entity, on behalf of their communities • Mana whenua have a joint oversight role • Protections in legislation against privatisation 	<ul style="list-style-type: none"> • Local authorities and mana whenua have ability to influence key decisions that affect them • Three waters assets and service delivery remains in public ownership
Governance of the entities	<ul style="list-style-type: none"> • Entities will be governed by independent boards, with the relevant competencies in delivering and managing three waters or similar network infrastructure and other appropriate skills • Each entity will have a Regional Representative Group²⁷ that provides for representation of the local authority ‘owners’ of the entity and of mana whenua, with mana whenua and local authorities represented on a 50:50 basis • The regional Representative Group will issue a Statement of Strategic and Performance Expectations to inform the entity’s direction 	<ul style="list-style-type: none"> • Entities are independently and professionally run • Ability for local authorities and mana whenua to influence decisions

²⁷ Regional Representatives would be elected members (or a relevant and appropriately qualified senior council officer) and iwi/Māori representatives.

Theme	Design features	Contribution to objectives
Appointing board members	<ul style="list-style-type: none"> An independent selection panel will appoint board members The Regional Representative Group will appoint members to the Independent Selection Panel 	<ul style="list-style-type: none"> Entities are operationally and financially independent from local authorities
Ownership of three waters infrastructure	<ul style="list-style-type: none"> Entities will assume ownership of three waters infrastructure and service delivery arrangements, as well associated debt and revenue Entities must be able to borrow in their own right, independent of local authorities 	<ul style="list-style-type: none"> Entities have financial capacity to meet the infrastructure deficit and future investment needs Balance sheet separation
Consumer and community influence	<ul style="list-style-type: none"> Entities will be required to engage with consumers and communities on key strategies and plans that affect them Entities will be required to establish a consumer forum 	<ul style="list-style-type: none"> System for delivering three waters services is responsive and accountable to consumers and communities
Charging	<ul style="list-style-type: none"> Each entity will be required to be transparent in how they calculate and set prices, and must engage with consumers and communities on proposed prices and charges Entities will be enabled to use a range of charging instruments, many of which are already used by local authorities currently, including fixed and, volumetric charges During the transition to the new delivery arrangements, it is anticipated that consumers would continue to be charged on a similar basis to their existing arrangements, at least in the initial years of the entities' operations 	<ul style="list-style-type: none"> Entities are operationally and financially independent from local authorities Entities have financial capacity to meet the infrastructure deficit and future investment needs

Figure 6: Water services entity structure



Protections against privatisation

The Government has been clear that continued public ownership of water services and infrastructure is a bottom line. The reform package includes a series of proposals that together help safeguard against future privatisation, making it more difficult to privatise than under the current arrangements. Key protections include:

- requiring that any proposal for privatisation be (1) endorsed by the Regional Representative Group by at least a 75 per cent majority (including by mana whenua representatives) and (2) put to a referendum so that the public can have its say on whether this should occur. The referendum would require 75 per cent or more votes in favour of the proposal for it to proceed, at which point it would go through the legislative and select committee processes, which would provide a further democratic protection.
- legislative provisions specifying that local authorities that constitute each water services entity would be the owners of the entity;
- no provision for financial recognition of ownership, including no shareholdings and a prohibition on dividends (these features would make divestment difficult without significant reconstitution of the entities and legislative change);
- mana whenua involvement in oversight and representing 50 per cent of Regional Representative Group;

- statutory restrictions on sale or transfer of material, strategic water assets, similar to the current approach in the Local Government Act 2002, which prevents local authorities from selling or disposing of strategic assets or the infrastructure necessary for providing water services; and
- a robust regulatory environment that includes Taumata Arowai, regional councils, an economic regulator, and likely consumer forum. These regulatory mechanisms would not be appropriate in the private sphere and likely to be unattractive.

More broadly, reform provides an opportunity to improve the level of service for more remote communities, within which Māori are overrepresented. The flow-on improvements to the natural environment will directly affect iwi/Māori as it will improve the mauri of waterways and the wider environment, and this will improve the wairua of mana whenua.

Relationship to resource management reform

Three waters service delivery reforms are part of a wider, interconnected programme of reforms. In addition to the implementation of the three waters regulatory reforms and establishment of Taumata Arowai, there are proposed changes to the resource management system.

In the new system for delivering three waters services, local government will continue to have primary accountability for urban and land-use planning.

The water services entities will be required to identify and make provision for infrastructure to support growth and development identified in relevant plans. This will enable them to service demand for new strategic capacity, including meeting the three waters needs of all new housing development, and commercial and industrial customers.

When providing new infrastructure, the entities will need to work with urban and land use planning authorities, and other infrastructure providers, to ensure that the delivery of infrastructure is sequenced and supports committed development, to minimise the likelihood of redundant assets.

In parallel with the resource management reforms, it is likely that the water services entities will have a statutory obligation to support an integrated planning approach. These obligations would ensure that urban planning authorities, the new water services entities, and other infrastructure providers, coordinate the planning and delivery of the right infrastructure, at the right time, in accordance with commitments in agreed urban growth strategies, and spatial and implementation plans (including those provided for under the new resource management system).

Protecting and promoting iwi/Māori rights and interests in the new three waters service delivery model

Reform of the system for delivering three waters, and the introduction of new legislative, governance and management arrangements to deliver water services, provides an opportunity to include mechanisms for the recognition of iwi/Māori rights and interests in the new three waters system. The reform package includes the following mechanisms for protecting and promoting iwi/Māori rights and interests in the new three waters service delivery model:

Table 4: Mechanisms to protect and promote iwi/Māori rights and interests

Mechanisms	Impacts
Statutory recognition of the Treaty of Waitangi and Te Mana o te Wai in legislation	Requiring that the conduct of the entities and other participants in the system for delivering three waters, upholds the principles of Te Tiriti, including through building the capacity of iwi/Māori to participate in the system
A mana whenua representative group at the strategic level of the new water services entities exercising greater tino rangatiratanga than the current system allows, which has equal rights to local authorities, and a kaupapa Māori selection method for this group	Iwi/Māori play a role in providing strategic influence and oversight for the new water services entities
Te Mana o te Wai statements, which would be issued to the entity by mana whenua, and to which the entity board would be required to respond	Enable mana whenua to express kaitiakitanga in the new system, with the onus of response sitting with the water services entity
Requirements that the board of each entity, collectively, has competence relating to the Treaty of Waitangi, mātauranga Māori, tikanga Māori, and te ao Māori	The water services entities have the competency to embed Te Mana o te Wai as an objective of the entity and to uphold the principles of Te Tiriti across all its activities
Requirements that the board of each entity includes members with specific expertise in supporting and enabling the exercise of mātauranga Māori and tikanga Māori and kaitiakitanga with respect to the delivery of water services	The water services entities have the competency to embed Te Mana o te Wai as an objective of the entity and to uphold the principles of Te Tiriti across all its activities
Requirements that the entities fund and support capability and capacity of mana whenua to participate in relation to three waters service delivery	Ensuring that iwi, hapū and Māori are provided with reasonable financial and non-financial support to participate fully and meaningfully in the system for delivering three waters and to undertake the roles envisaged for them

Clear national policy direction and stewardship

The Inquiry into Havelock North Drinking Water ²⁸ did not only identify challenges with the way local authorities are currently set up to deliver three waters services. It also identified inadequacies in national policy and stewardship of the sector as contributing factors to the Havelock North tragedy.

These stewardship challenges need to be addressed, to ensure the benefits of reform are fully realised and sustained over time, and that the new system can adapt, and remain fit for purpose.

Government policy statement

As part of its stewardship of the three waters system, the Government will introduce a Government Policy Statement (GPS) as an enduring and transparent mechanism for:

- providing high-level strategic direction to the new water services entities
- informing and guiding the decisions and actions of water services entities in fulfilling their statutory purpose and objectives
- conveying any Government expectations in relation to Māori interests, partnering with Māori, and protections for Māori interests
- providing certainty to everyone operating in the three waters system and receiving services from the entities about the outcomes the new entities are expected to deliver.

When an entity makes decisions on three waters investment, they will be required to give effect to the strategic priorities set out in the GPS.

Stewardship of the new service delivery system

Over the transition phase, the Department of Internal Affairs will continue to support the Minister for Local Government and the group of Three Waters Ministers on the significant policy and legislative design choices to come. The Department will also undertake some stewardship functions during the transition phase, including monitoring progress towards establishment.

The Department will also lead further work, across the Government agencies with an interest in the three waters system, to develop an approach to organising stewardship arrangements for the system over the longer-term. A range of options would be explored through this work, including formal mechanisms for collaboration, coordination, and accountability across the many policy and regulatory agencies that have a role in the system.

Establishment of an economic regulation regime and mechanisms for consumer protection

Economic regulation and consumer protection are a critical part of the overall reform package, but detailed proposals will be developed over a slightly longer timeframe.

²⁸ Government Inquiry into Havelock North Drinking Water, Report of the Havelock North Drinking Water Inquiry: Stage 2 (Department of Internal Affairs, December 2017), 33.
[https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/\\$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Report-Havelock-North-Water-Inquiry-Stage-2/$file/Report-Havelock-North-Water-Inquiry-Stage-2.pdf)

Evidence from overseas jurisdictions, and other utility sectors in New Zealand shows that economic regulation can be effective in protecting and enhancing the long-term interests of consumers. Economic regulation will also help to address the current information constraints within the sector, making performance information available so consumers, communities and other stakeholders can hold suppliers to account for the quality of their services and the prices they charge.

The Government has agreed, in-principle, to the introduction of an economic regulation regime in a reformed New Zealand three waters sector. At the minimum, this will include an information disclosure regime that publishes information relating to the performance of the new water services entities.

The Ministry of Business, Employment and Innovation are undertaking further work to develop an appropriate economic regulation regime. explore and consult on the options for an appropriate economic regulation and consumer protection regime. This work will also include the development of advice and proposals relating to consumer protection mechanisms for the new three waters system, including for example disputes resolution, protections for vulnerable consumers and transparency around price-setting.

The Ministry of Business, Employment and Innovation intends to consult publicly on options for economic regulation and consumer protection mechanisms in **October 2021**, with a view to informing decisions in time for the new economic regulatory regime to 'go live' at the same time as the new water services entities are established and commence operations.

Development of an industry and workforce transformation strategy

An industry transformation strategy is required to support and enable the wider three waters industry to 'gear up' and play its part in the reformed service delivery system.

There are significant additional challenges facing the three waters sector that will not be addressed solely through the service delivery reforms. These include matters such as workforce availability, supply chain logistics, and construction sector capacity.

The purpose of the industry transformation strategy is to:

- provide a holistic assessment of the existing constraints, challenges, and opportunities involved in delivering the reform objectives
- identify practicable solutions to the constraints, challenges, and opportunities, and a system for prioritising the delivery of these solutions
- successfully address the infrastructure funding 'deficit' and unlock increased productivity in the sector.

Reform can provide significant health, environmental, economic and other wellbeing benefits

Analysis commissioned by the Department, in partnership with the Steering Committee, and information from overseas jurisdictions that have undertaken reform²⁹, indicates that a number of significant benefits can be realised through reform. The main benefits are as follows:

²⁹ For example, Victoria and Tasmania in Australia; England, Wales and Scotland.

Improving health and environmental outcomes

Reform is expected to facilitate a material improvement in health and environmental outcomes. This conclusion is informed by international evidence that suggests that water service entities are likely to be in a stronger position to meet new drinking water and environmental standards because of the reforms. The combination of a stronger regulatory framework and structural and governance reform has been shown to both strengthen the incentives on water service providers to improve service standards and strengthen the capacity of those providers to deliver improvements.³⁰

A further benefit of reform, particularly for urban water outcomes, is the improved ability for water service entities to address contamination of urban streams through sewer overflows and other unauthorised discharges and stormwater run-off. Improved management and investment, as well as the ability to plan on a catchment level, will enable water service entities to better manage contamination and erosion, with flow-on benefits for receiving urban water environments.

Delivering economic benefits to all corners of the economy

Analysis by Deloitte shows that reform will impact every corner of the economy, and could see GDP expand by \$14 billion to \$23 billion over the next 30 years.³¹ This represents a 4.4% to 7.1% increase in the size of the New Zealand economy and an average increase in GDP per annum of between 0.3% to 0.5%.

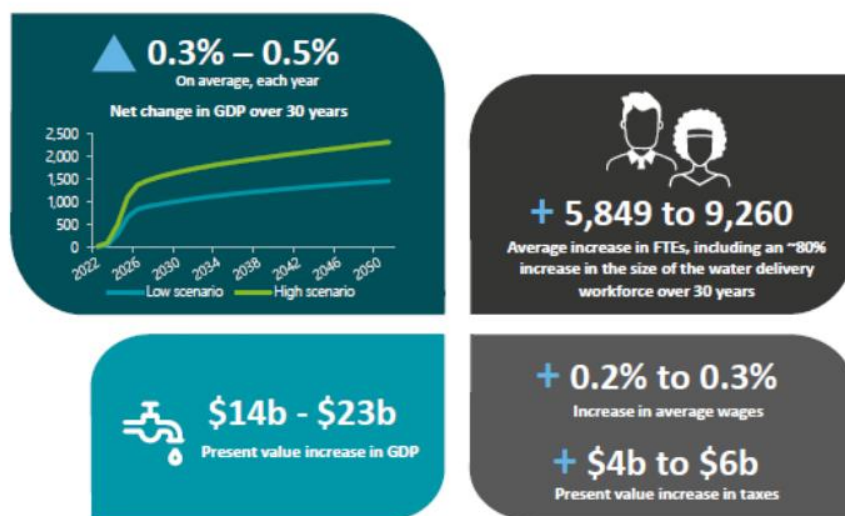
Reform is also expected to unlock an additional 5,800 to 9,300 jobs, with the water sector workforce expected to grow by 80% over the next 30 years. Deloitte anticipate that reform will change the composition of jobs in the water sector, with the likelihood of some jobs being replaced over time. However, the reform provides significant opportunities for career advancement, including greater levels of specialisation and a lift in average wages.

The widespread nature of the economic impacts underline the critical role that the water sector plays in the national and regional economy, as it cuts across many sectors. A lift in investment in the water sector therefore has multiple flow-on benefits for other parts of the economy.

³⁰ Frontier Economics (2019). Review of experience with aggregation in the water sector. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/\\$file/Frontier-Economics-review-of-experience-with-aggregation-in-the-water-sector.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/$file/Frontier-Economics-review-of-experience-with-aggregation-in-the-water-sector.pdf)

³¹ Deloitte Access Economics (2021). Industry Development Study and Economic Impact Assessment. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/deloitte-report-industry-development-study-&-economic-impact-assessment.pdf)

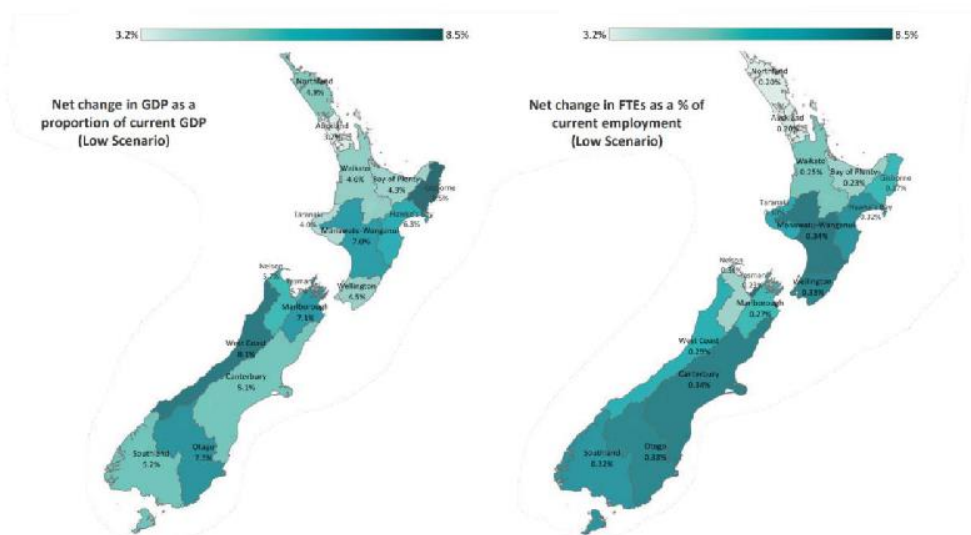
Figure 7: Summary of the potential economic benefits of reform



Source: Deloitte Access Economics, 2021

Every region in New Zealand will be positively impacted by reform but not all will be affected equally (see Figure 8). Most rural and provincial regions are estimated to benefit more than the national average through reform, experiencing larger increases in economic activity in relative terms. Metropolitan regions are also forecast to experience large increases in GDP and employment in absolute terms, particularly Auckland.

Figure 8: Regional impacts of reform on GDP and employment



Source: Deloitte Access Economics, 2021

Enabling efficiencies and lower operating costs, by consolidating administration and overhead costs, and improving organisational capabilities.

Consolidating administration and overhead costs, and improving organisational and technical capability, can enable more efficient delivery and lower the operating costs of providing water services. While some of those cost savings would be balanced against increases in capital expenditure to address the likely backlog of under investments, the cost savings attributable to those financial efficiencies could result in lower water charges, relative to what they would otherwise have been.

Significant improvements in efficiency have been achieved in overseas jurisdictions that have pursued reform of a similar nature to that proposed in New Zealand.

- In Australia, the Productivity Commission found that service delivery reform has helped to improve efficiency and deliver significant benefits for water users and communities³²
- Frontier Economics, in its review of the experience with water services aggregation in Australia, Great Britain, Ireland and New Zealand (Auckland and Wellington) finds that there is “strong and consistent evidence” that reforms have led to significant improvements in productivity and efficiency³³
- Farrierswier, in its review of WICS methodology, comments on the potential that exists for efficiency gains from amalgamating water services in New Zealand and notes significant improvements are possible through aggregation and associated reforms, including improving the ability to attract and retain skilled management and staff, more effective procurement functions, asset level optimisation and reduction in corporate overheads and duplicative functions³⁴
- WICS reports that Scottish Water has been able to reduce its operating costs by over 50% since reform, while improving levels of service to customers and absorbing the new operating costs associated with its investment programme³⁵
- A report for the United Kingdom water trade association found that reform of the water industry in England resulted in annual productivity growth of 2.1% or 64% over 24 years when adjusted for service quality improvements.³⁶

³² Productivity Commission (2021). National Water Reform 2020: Productivity Commission Draft Report. Available at <https://www.pc.gov.au/inquiries/completed/water-reform-2020/draft/water-reform-2020-draft.pdf>

³³ Frontier Economics (2019). Review of experience with aggregation in the water sector. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/\\$file/Frontier-Economics-review-of-experience-with-aggregation-in-the-water-sector.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-documents/$file/Frontier-Economics-review-of-experience-with-aggregation-in-the-water-sector.pdf)

³⁴ Farrierswier (2021). Review of methodology and assumptions underpinning economic analysis of aggregation. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf)

³⁵ Water Industry Commission for Scotland (2021). Supporting Materials Part 2: Scope for Efficiency. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/wics-supporting-material-2-scope-for-efficiency.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/wics-supporting-material-2-scope-for-efficiency.pdf)

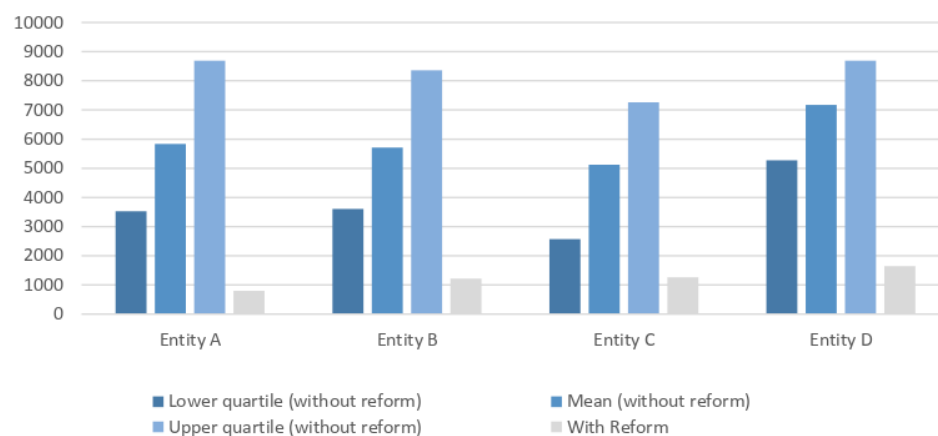
³⁶ Frontier Economics (2017). Productivity improvement in the water and sewerage industry in England since privatization. Available at <https://www.water.org.uk/wp-content/uploads/2018/11/Water-UK-Frontier-Productivity.pdf>

Delivering cost savings from households and communities

WICS analysis indicates that, with reform, the net present cost of serving each connected citizen is likely to reduce by between \$500 to \$1,000 depending on the entity (in relative terms this equates to a reduction of between 45% to 49%).³⁷

Figure 9 below summarises the impacts reform could have on the average costs of providing three waters services per household in 2051. The distributions of costs without reform demonstrate a significant variance across neighbouring councils, with smaller rural and provincial councils in particular likely to face significantly high costs on a per-household basis. Notably the potential costs under reform demonstrate that ALL councils stand to benefit from reform.

Figure 9: Comparison of average costs per household in 2051 without and with reform



Box 2: Independent review of WICS methodology³⁸

Farrierswier reviewed the methodology and assumptions underpinning WICS analysis to ensure this represented a reasonable basis for informing policy advice to ministers. They concluded that the overall approach adopted by WICS should give reasonable estimates in terms of direction and order of magnitude of the potential impacts of reform. This means we can have confidence that the WICS results are representative of the likely scale of benefits reform could provide.

The Farrierswier review notes several limitations associated with the kind of analysis WICS has undertaken but also concludes that these limitations are inherent and to be expected when projecting economic outcomes over a 30-year period based.

³⁷ Water Industry Commission for Scotland (2021). Supporting Materials Part 3: Costs and Benefits of Reform. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/wics-supporting-material-3-costs-and-benefits-of-reform.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/wics-supporting-material-3-costs-and-benefits-of-reform.pdf)

³⁸ Farrierswier (2021). Review of methodology and assumptions underpinning economic analysis of aggregation. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/farrierswier-three-waters-reform-programme-review-of-wics-methodology-and-assumptions-underpinning-economic-analysis-of-aggregation-released-june-2021.pdf)

Farrierswier also considered the potential that exists for efficiency gains or losses in New Zealand and the ways in which these could be realised. They agree with WICS that a package of reform – which includes structural aggregation, strengthened governance, effective compliance and enforcement with water quality and environmental regulation and the introduction of economic regulation – should provide significant opportunities for efficiency gains.

Farrierswier also explored the relevant literature to test whether any concerns arise that amalgamation might lead to water entities becoming large enough that diseconomies of scale may emerge. Their view is that the amalgamation scenarios that the Government has considered – with entity sizes that do not exceed two million connected citizens – do not include entities of a size that give rise to concerns about diseconomies of scale.

Enabling more consistent water charges, with the ability to harmonise tariffs across much larger areas.

A common feature of many water service reforms has been a move to harmonise tariffs across the new service areas. In Scotland, which has one national provider, there is agreement that similar properties should pay the same amount for water services. In Auckland, when Watercare was established, all water charges were harmonised so that each community paid the same \$1.30 per unit for water services across Auckland. This process meant tariff reductions ranging from 0.6 per cent in Manukau City to 62.9 per cent in the rural Rodney District.

WICS analysis of current average costs for households indicates a variance of over 1200% (between a \$210 to \$2,580 average cost per household). Over time, this is estimated to reduce to a variance of around 200% with reform (between an \$800 to \$1,640 cost per household in 2051).³⁹

While aggregation overseas has sometimes been associated with an increase in average customer bills, this has been accompanied by improvements in service standards. In particular, more remote areas have benefited from access to a broader funding base and investment that may not otherwise have been possible.

Increased financial capacity and capability, with stronger, more flexible and resilient balance sheets, greater access to capital, and a more reliable investment pipeline.

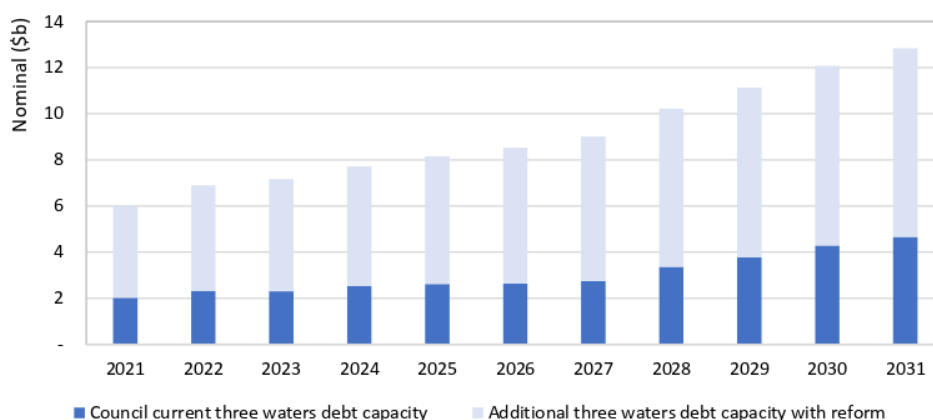
More customers, a larger revenue catchment, balance sheet separation and economic regulation will provide water service providers with stronger balance sheets and greater flexibility to direct significant investment to where it is needed. A stronger balance sheet means greater investment can be made in all communities throughout New Zealand. This would improve the resilience of new water service providers, enabling them to finance the required catch-up investment, and respond to short-term shocks like earthquakes, and long-term challenges like climate change.

³⁹ Water Industry Commission for Scotland (2021). Supporting Materials Part 3: Costs and Benefits of Reform. Available at [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/wics-supporting-material-3-costs-and-benefits-of-reform.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/wics-supporting-material-3-costs-and-benefits-of-reform.pdf)

Engagement with credit rating agency Standard & Poor's has confirmed that under the new system and entity design arrangements, the water services entities would be deemed as financially and operationally separate from local authorities, ensuring their ability to borrow on similar terms to other utilities and operate on a financially sustainable basis over time. The rating of the water entities will reflect a variety of factors but are expected to achieve issuer ratings similar to that of councils.⁴⁰

Initial analysis shows that with balance sheet separation and appropriate credit worthiness, water entities can achieve higher leverage ratios than councils, creating additional debt capacity following reform of between \$4b-\$8b over the 2021 to 2031 period (see **Error! Reference source not found.**). We note that the conservative assumptions utilised means this may be understating the additional debt capacity for water investment following reform. International experience demonstrates that regulated water utilities are able to leverage up to 8 times water revenue while retaining an issuer rating similar to that of councils.

Figure 10: Comparison of current council three waters debt capacity and additional debt capacity for new water services entities following reform



Assumptions:

- Council three waters debt capacity assumes debt limit of 4x
- Water services entity debt capacity assumes debt limit of 6x
- Additional debt capacity is then water services entity debt capacity less council debt capacity

Source: DIA analysis based on RfI data and Draft 2021-2031 Long Term Plans

Initial feedback from capital markets participants has indicated that the credit profile of the water services entities would make them an attractive proposition to capital markets investors (i.e. issuers of debt, bonds etc). The water entities would join a suite of large, highly rated New Zealand borrowers (NZDMO, Kāinga Ora, LGFA and Auckland Council) who access the capital markets in volume and would increase New Zealand's presence in international capital markets providing a wider benefit to New Zealand borrowers.

⁴⁰ The final credit rating of the entities will reflect a variety of factors including fiscal and economic performance, and the effectiveness of the government's institutions.

Strong balance sheets and economic regulation means investment pipelines can be established with more confidence for a longer horizon and supports the development of programmes of work. Certain investment pipelines and programmes of work will give the sector the certainty needed to invest, supporting greater sector capacity and efficiencies over time.

Creating large scale providers with strong balance sheets would also contribute positively to the supply of housing by enabling water infrastructure to be provided to new developments, which has been a big constraint for debt-limited councils in high-growth areas.

Opportunities to take a strategic and coordinated approach, to consider infrastructure needs at a larger scale and in the context of wider catchment outcomes.

Currently within any catchment there could be several district and city councils, all making individual decisions to fund and upgrade water infrastructure. In the context of the significant wastewater investment programme required over the next 10 years, increases in scale create an opportunity to consider the best investment across boundaries. This could also enable new water services entities to rationalise existing water infrastructure and invest in new infrastructure where it can make the most impact.

Larger service providers can also unlock strategic opportunities to take a more coordinated approach, and consider our infrastructure needs at a larger scale. This has been the case in Auckland, where Watercare is building the \$1.2 billion Central Interceptor to improve the quality of Auckland waterways. It is unlikely this would have been possible under the previous seven Auckland councils.

Building technical capabilities, with access to a larger, more specialist workforce, and the ability to innovate and make use of new technology.

Increasing the size and scale of water service providers would enable the industry to build technical capability and attract talent. Watercare and Wellington Water demonstrate the lift in capability that is possible with larger providers. Larger providers can attract and retain specialist staff, such as microbiologists, water engineers, data specialists, and dedicated community engagement staff, and provide career pathways for people entering the water industry.

As noted above water entities will support more certain investment pipelines and greater use of programmes of work. Watercare has demonstrated some of the benefits associated with these elements, however, there are still improvements that can be driven through greater certainty of investment. International precedent suggests this could have substantial benefits for sector capacity and efficiency generation.

Reform would improve financial flexibility for the local government sector, freeing up significant borrowing capacity for non-water investment

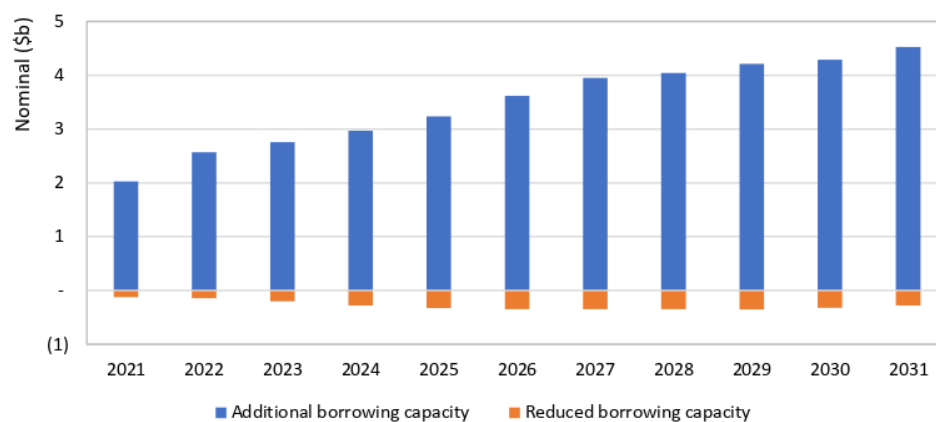
Engagement with credit rating agency Standard & Poor's has indicated that it is unlikely that any local authority will suffer a credit rating downgrade as a result of the transfer of water services to water entities. The engagement also suggests that for some local authorities the transfer may support a credit rating upgrade immediately following the transfer.

As a general observation three waters assets are more highly leveraged than other council assets, and a transfer of three waters assets and liabilities would tend to improve a local authority's debt to revenue ratio.

DIA have estimated that cumulatively, the additional borrowing capacity associated with non-water investment for all local authorities could represent approximately \$2.5 billion by FY24 and \$4.0 billion by FY31 (see Figure 11). This reflects information provided in the RfI and current draft long-term plans.

Additional borrowing capacity could either be utilised by councils to support additional investment that improves the wellbeing of their communities or improving the credit rating and reducing the council cost of capital with a commensurate reduction in rates.

Figure 11: Impact on council borrowing capacity for non-water investment following the transfer of water assets



The additional borrowing capacity for each council can only be determined following a detailed financial audit of council three water services to identify the associated debt and revenue.

As the graph shows, there are a small number of councils that could experience a slight reduction in non-water related borrowing capacity following the transfer of water assets. The Government is committed to working with all councils during the transition period to ensure that councils are “no worse off” as a result of the transfer.

Transition process and areas for further work

Implementing these reforms will be a highly complex and challenging process, involving a range of transition activities and tasks, and the management of a number of significant risks. The key activities relate to:

- establishing the new entities, including setting up governance and organisational structures;
- managing staff transfer and recruitment processes

- ensuring the components of the reforms that recognise iwi/Māori rights and interests are implemented effectively – including in relation to the proposed role of the mana whenua representative group
- ensuring local authorities are continuing to deliver water services (and to invest in those services and infrastructure) until the new entities become operational
- managing the transfer of assets and liabilities between local authorities and the new entities – including identifying the assets and liabilities to be transferred
- managing local authority transition activities that contribute to the establishment and operation
- establishing technical structures, policies and procedures, which ensure there is no disruption to water services through transition (this includes policies relating to asset management/planning, operations management, regulatory functions and delivery/procurement)
- preparing the new entities to undertake communications, customer services and community engagement
- preparing the new entities to have the necessary functions relating to financial and treasury, charging and pricing, legal, risk, insurance, data, digital and information technology systems and processes, to successfully deliver water services.

There are no examples in New Zealand of an amalgamation of this scale and complexity, although a number of New Zealand amalgamations, and overseas water reforms, were reviewed, as were other significant reform processes, such as the current health reform process. The New Zealand amalgamations include that of Auckland Council, Fire and Emergency New Zealand and Te Pūkenga/New Zealand Institute of Technology. We have also considered water reform in Tasmania and Scotland and New Zealand electricity reform.

The success of the reforms will be dependent on having a highly collaborative, partnership-based approach with local authorities and iwi/Māori. Local authorities and iwi/Māori participation in the transition process will be critical to ensuring all interests are recognised in decision making, important knowledge and expertise is well-utilised, and the water services entities are set up for success.

Appendix 1: Selection of alternative options that have been considered

Sector-led reform

While some regions have undertaken investigations of local service delivery reform options (e.g. the Hawke's Bay, Otago/Southland, Manawatū-Whanganui), limited progress has been made, and there are statutory barriers to aggregation of service delivery that are likely to limit the potential benefits of sector-led reform.

Continuing with a sector-led approach would require a significant, coordinated approach to reform, of a scale and extent not previously seen. There are no guarantees that reforms would be delivered consistently across the country, or the new service delivery models would meet the Government's objectives and achieve similar benefits to the large-scale, asset-owning entities that feature in the proposed approach.

It is also not clear if sector-led reform under existing legislation would deliver the kind of transformation required to address the root causes of the challenges the sector is facing. It is likely that councils would need to establish multi-regional providers as council-controlled organisations (CCOs) as provided for through the Local Government Act 2002. This approach would have some limitations, including that:

- current provisions in the Local Government Act are not fit for this purpose, and present barriers to reform. It is likely to take as long to redesign and amend the existing legislative provisions, as it would to create bespoke provisions in new legislation (including some form of economic regulation)
- establishing CCOs requires the agreement of all councils, each of which would need to undertake public consultation. This would take time and creates uncertainty about the outcome
- if the new entities were CCOs, this is likely to have implications for financing arrangements. They may not be sufficiently separate from local government to borrow at similar rates as other utilities, for example.

National three waters fund

Officials have considered the option of establishing a national three waters fund, similar to the National Land Transport Fund⁴¹ that the New Zealand Transport Agency administers. This could have the potential to provide a new dedicated fund for three waters improvements, while also incentivising some voluntary service delivery improvements.

However, there are fundamental challenges with establishing a national three waters fund, and this approach would not deliver the broader benefits associated with creating larger scale water service providers.

⁴¹ The National Land Transport Fund collects levies and charges applied to users of the transport system and distributes this to councils on the basis of a funding allocation formula that is decided by the New Zealand Transport Agency. Councils bid for funding from the national fund by preparing regional transport plans that need to reflect government policy priorities and are required to meet some of the costs through locally raised revenue (through rates, development contributions etc).

The main challenges relate to the sources and administration of funding. The National Land Transport Fund is sourced from road users through various charges, with local government contributing co-investment in addition to this (sourced largely from rates). However, water services are delivered locally and subject to different rating policies. There is no consistent user charge regime in place that would be amenable to a centralised collection of revenue. There are several theoretical revenue collection mechanisms that could be explored, for instance implementing a national or local levy, although all options have significant operational inefficiencies.

A newly created national fund would also require machinery to administer it, either through the creation of a separate function within an existing entity or a completely new entity altogether. This adds to the costs and complexity associated with the fund.

More importantly, even if the operational and administrative challenges noted above were addressed, a national fund would fail to address the other root causes we have identified, and any lift in investment levels would occur within a system that will continue to struggle from a lack of scale, accountability and operational independence.

Regulatory reform only

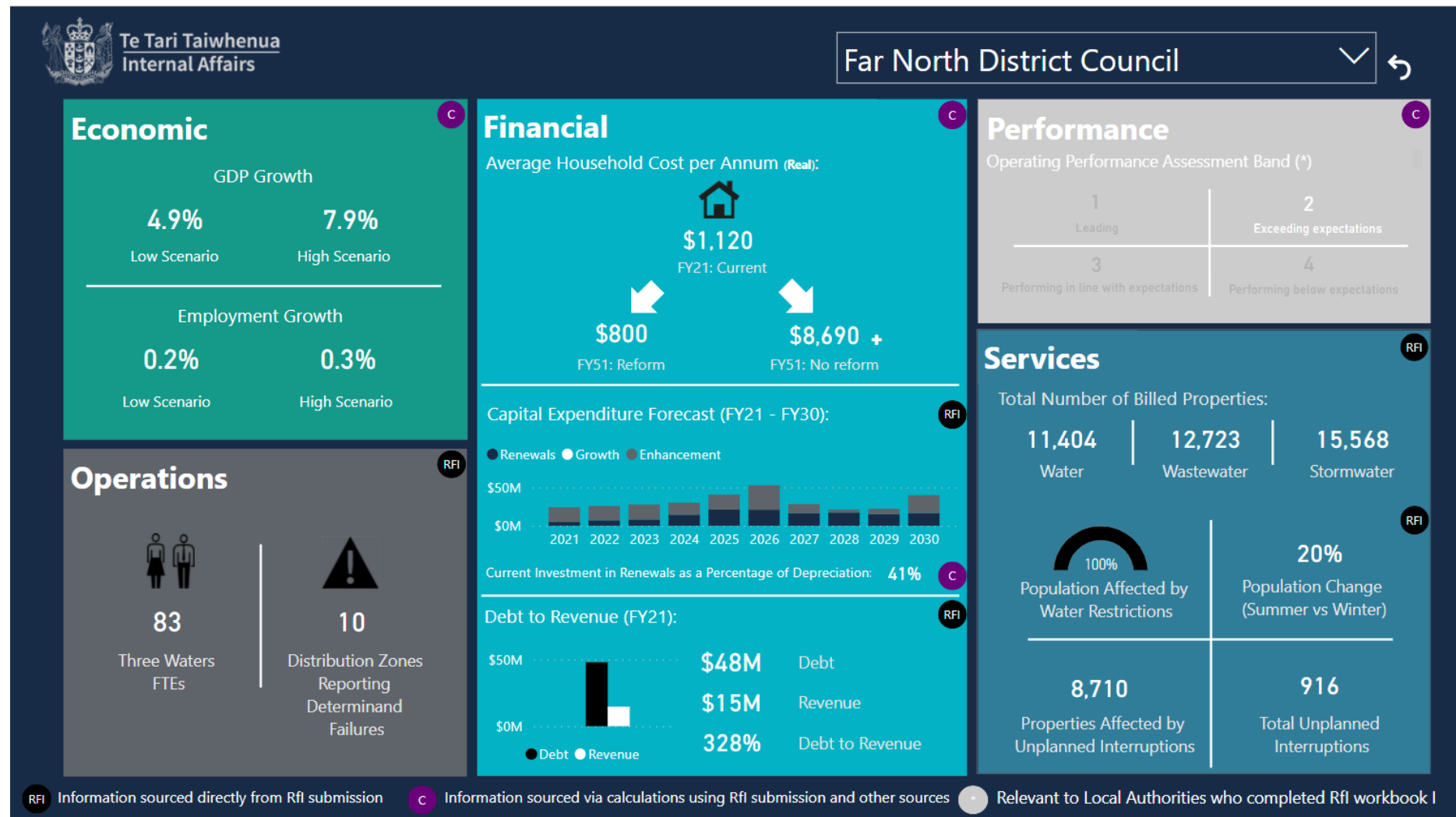
Officials have also examined the extent to which outcomes, objectives, and 'strategic shifts' can be achieved through regulatory reform alone.

This would require a coordinated change in the regulatory system to strengthen the consideration of environmental impacts alongside the increased focus on public health that Taumata Arowai would bring. It would also require the introduction of economic regulation of local authority service provision, including much more stringent performance measurement, information disclosure, and protections for consumers than is currently the case.

This approach, on its own, is unlikely to incentivise service delivery reforms or enable scale benefits to be achieved. In particular, it is unlikely to encourage widespread transfer of asset ownership into standalone three waters providers, which is one of the key contributing factors to the benefits associated with reform.

Asset-owning entities have greater flexibility to borrow against their balance sheets, greater access to capital, and long-term funding certainty, and can use this certainty to develop a reliable infrastructure pipeline that builds supplier capability and capacity. Shared service models, which do not involve asset ownership, have a number of shortcomings in comparison. Wellington Water, for example, is still subject to decisions of council owners who retain asset ownership and have different views on relative priorities and charging which limit Wellington Water's ability to plan and invest strategically in its network.

While regulatory reform alone would not be sufficient to achieve the outcomes Ministers are seeking, it will form an important part of the overall reform pathway. Examples of successful international reforms indicate that a combination of quality and economic regulation, better governance models, and aggregation is a common approach, which is likely to lead to the best outcomes. As noted above, it is anticipated that a system of economic regulation will be developed, in addition to the creation of Taumata Arowai (the drinking water quality regulator).



15 July 2021

Three Waters Reforms Programme – Support package

Summary

The Government has developed, in close partnership with Local Government New Zealand, a package of \$2.5 billion to support the sector through the transition to the new water services delivery system, and to position the sector for the future. This package will ensure that local authorities are supported through the transition process, the financial impacts of reform are managed and importantly, all councils and communities will transition to the new system for delivering three waters services in a better position than where they are now.

There are two broad components to this support package:

- \$2 billion of funding to invest in the future of local government and community wellbeing, while also meeting priorities for government investment (the “better off” component)
- \$500 million to ensure that no local authority is financially worse off as a direct result of the reform (the “no worse off” component).

The better off component of the support package, which comprises \$1 billion Crown funding and \$1 billion from the new water services entities, is allocated to territorial authorities on the basis of a nationally consistent formula that takes into account population, relative deprivation and land area. This formula recognises the relative needs of local communities, the unique challenges facing local authorities in meeting those needs, and differences across the country in the ability to pay for those needs. Territorial authorities will be able to use this funding to support the delivery of local wellbeing outcomes associated with climate change and resilience, housing and local placemaking.

The no worse off component of the support package comprises an estimated \$500 million contribution from the new water services entities to ensure that no local authority is in a materially worse position financially to continue to provide services to its community as a direct result of the reform. This includes an up to \$250 million provision to support councils to meet the unavoidable costs of stranded overheads associated with the transfer of water assets, liabilities and revenues. The remainder of the no worse off component will be used to address adverse impacts on the financial sustainability of territorial authorities.

Initial analysis indicates that the vast majority of councils are likely to be financially better off through the reforms. Councils likely to suffer adverse financial impacts are primarily those with a low level of water debt to revenue and a high level of non-water debt to revenue. The Department will undertake further work with councils during the transition period to understand the potential financial impacts at a local level, including through undertaking the associated due diligence process.

In addition to the support package, the Government expects to meet the reasonable costs associated with the transfer of assets, liabilities and revenue to new water services entities, including staff involvement in working with the establishment entities and transition unit, and provision for reasonable legal, accounting and audit costs. There is an allocation for these costs within the \$296 million tagged contingency announced as part of the 2021 Budget Package for transition and implementation activities. This allocation is additional to the \$2.5 billion support package.

The Department of Internal Affairs is continuing to work with Local Government New Zealand to develop the process for accessing the various components of the support package outlined above, including conditions that would be attached to any funding. More information and guidance will be made available in the coming months.

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Better off funding allocation

Council	Allocation
Auckland	\$ 508,567,550
Ashburton	\$ 16,759,091
Buller	\$ 14,009,497
Carterton	\$ 6,797,415
Central Hawke's Bay	\$ 11,339,488
Central Otago	\$ 12,835,059
Chatham Islands	\$ 8,821,612
Christchurch	\$ 122,422,394
Clutha	\$ 13,091,148
Dunedin	\$ 46,171,585
Far North	\$ 35,175,304
Gisborne	\$ 28,829,538
Gore	\$ 9,153,141
Grey	\$ 11,939,228
Hamilton	\$ 58,605,366
Hastings	\$ 34,885,508
Hauraki	\$ 15,124,992
Horowhenua	\$ 19,945,132
Hurunui	\$ 10,682,254
Invercargill	\$ 23,112,322
Kaikoura	\$ 6,210,668
Kaipara	\$ 16,141,395
Kapiti Coast	\$ 21,051,824
Kawerau	\$ 17,270,505
Lower Hutt	\$ 38,718,543
Mackenzie	\$ 6,195,404
Manawatu	\$ 15,054,610
Marlborough	\$ 23,038,482
Masterton	\$ 15,528,465
Matamata-Piako	\$ 17,271,819
Napier	\$ 25,823,785
Nelson	\$ 20,715,034
New Plymouth	\$ 31,586,541
Opotiki	\$ 18,715,493
Otorohanga	\$ 10,647,671
Palmerston North	\$ 32,630,589
Porirua	\$ 25,048,405
Queenstown Lakes	\$ 16,125,708
Rangitikei	\$ 13,317,834
Rotorua Lakes	\$ 32,193,519
Ruapehu	\$ 16,463,190

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Selwyn	\$ 22,353,728
South Taranaki	\$ 18,196,605
South Waikato	\$ 18,564,602
South Wairarapa	\$ 7,501,228
Southland	\$ 19,212,526
Stratford	\$ 10,269,524
Taranua	\$ 15,185,454
Tasman	\$ 22,542,967
Taupo	\$ 19,736,070
Tauranga	\$ 48,405,014
Thames-Coromandel	\$ 16,196,086
Timaru	\$ 19,899,379
Upper Hutt	\$ 18,054,621
Waikato	\$ 31,531,126
Waimakariri	\$ 22,178,799
Waimate	\$ 9,680,575
Waipa	\$ 20,975,278
Wairoa	\$ 18,624,910
Waitaki	\$ 14,837,062
Waitomo	\$ 14,181,798
Wellington	\$ 66,820,722
Western Bay of Plenty	\$ 21,377,135
Westland	\$ 11,150,183
Whakatane	\$ 22,657,555
Whanganui	\$ 23,921,616
Whangarei	\$ 37,928,327
Total	\$ 2,000,000,000

15 July 2021

Frequently Asked Questions

What are the elements of the Government's support package?

The Government's three waters reform support package comprises two broad elements to position the sector for the future, and to support the sector through the transition to the new water services delivery system. This includes:

- an investment of \$2 billion into the future for local government and community wellbeing, consistent with the priorities of both central and local government; and
- an allocation of up to around \$500 million to ensure that no local authority is in a materially worse position financially to provide services to its community as a direct result of the reform.

This support package has been developed in partnership with Local Government New Zealand.

What does the better off component of the support package include?

The better off component of the support package comprises a \$2 billion fund that territorial authorities will be able to use to support the three waters service delivery reform objectives and other local wellbeing outcomes in a manner consistent with the priorities of central and local government. It is an investment by the Crown into the future for local government and community wellbeing.

Territorial authorities will be required to demonstrate that the use of this funding supports the three waters service delivery reform objectives and other local wellbeing outcomes and aligns with the priorities of central and local government, through meeting some or all of the following criteria:

- supporting communities to transition to a sustainable and low-emissions economy, including by building resilience to climate change and natural hazards;
- delivery of infrastructure and/or services that:
 - enable housing development and growth, with a focus on brownfield and infill development opportunities where those are available,
 - support local place-making and improvements in community well-being.

What does the no worse off component of the support package include?

The no worse off component of the support package is intended to address the costs and financial impacts on territorial authorities directly as a result of the three waters reform programme and associated transfer of assets, liabilities and revenues to new water services entities.

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It includes an up to \$250 million allocation to support councils to meet unavoidable costs of stranded overheads, based on:

- \$150 million allocated to councils (excluding Auckland, Christchurch and councils involved in Wellington Water) based on a per capita rate that is adjusted recognising that smaller councils face disproportionately greater potential stranded costs than larger councils;
- Up to \$50 million allocated to the Auckland, Christchurch and Wellington Water councils excluded above based on a detailed assessment of 2 years of reasonable and unavoidable stranded costs directly resulting from the Water Transfer, as the nationally-consistent formula is likely to overstate the stranded costs for these councils due to their significantly greater scale and population. Stranded costs should be lower with respect to Watercare and Wellington Water as these Council Controlled Organisations have already undertaken a transfer of water services responsibilities, albeit to varying degrees.
- Up to \$50 million able to be allocated to councils that have demonstrable, unavoidable and materially greater stranded costs than provided for by the per capita rate (the process for determining this will be developed by the Department of Internal Affairs working closely with Local Government New Zealand).

The remainder of the no worse off component will be used to address adverse impacts on the financial sustainability of territorial authorities. The Department of Internal Affairs will work with Local Government New Zealand and Taituarā to develop agreed principles for how the assessment of financial sustainability support will be undertaken, the methodology for quantifying this support requirement, and the process for undertaking the associated due diligence process with councils.

Initial analysis indicates that for most councils, the impact of reform is expected to have a positive effect on their borrowing capacity. Priority will be given to undertaking due diligence with those local authorities that are more likely to suffer adverse borrowing impacts. As an example, this will include councils that have a low level of water debt to revenue and a high level of non-water debt to revenue.

What about other costs associated with reform?

The Government also expects to meet the reasonable costs associated with the transfer of assets, liabilities and revenue to new water services entities, including staff involvement in working with the establishment entities and transition unit, and provision for legal, accounting and audit costs. Provision for these costs has been made within the \$296 million tagged contingency announced as part of the 2021 Budget Package for transition and implementation activities.

Local authorities will be encouraged to use accumulated cash reserves that have been earmarked for future water infrastructure investment (subject to reserve conditions) prior to the “go live” date of 1 July 2024.

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It is intended that any material reserve balances remaining at that time will be transferred to new water services entities with a commensurate commitment to invest those funds in the communities that paid for them, consistent with the conditions under which they were raised. Councils will be allowed to retain immaterial reserve balances upon transfer. The materiality threshold will be developed by the Government in discussion with Local Government New Zealand and will be reflected in guidance to the sector.

How has the allocation of the better off funding been determined?

The better off component of the support package will be allocated to territorial authorities using a nationally consistent formula based on:

- a 75% allocation based on population size
- a 20% allocation based on the New Zealand deprivation index
- a 5% allocation based on land area (excluding national parks)

The Government and Local Government New Zealand have agreed to this formula as it recognises the relative needs of local communities, the unique challenges facing local authorities in meeting those needs and the relative differences across the country in the ability to pay for those needs.

What is the deprivation index and why has it been introduced as part of this formula?

The New Zealand index of deprivation is an area-based measure of socioeconomic deprivation in New Zealand that combines nine variables from the Census, including income levels, educational qualifications, home ownership, employment, family structure, housing and access to transport and communications.

It has been introduced in the formula for allocating the better off component of the support package to recognise the relative distribution of need across the country. It enables a balanced distribution of funding across territorial authorities that complements the remaining two criteria that recognise needs associated with a larger population base and land area.

The New Zealand index of deprivation is used in other areas of local planning and investment, including in relation to health, transport and regional development. Notably, it is used by Waka Kōtahi as part of its funding assistance rate framework to determine the appropriate share of costs that territorial authorities should meet when investing in local land transport networks.

Is this funding contingent on reforms going ahead?

The Government's support package provides certainty for local authorities that, should the reforms proceed, they will be supported through the transition process, the financial impacts of reform will be managed and importantly, all councils and communities would transition to the new system for delivering three waters services in a better position than where they are now.

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Territorial authorities should consider the support package alongside the case for change the Government has presented, and the substantial amount of evidence and data that has been released, which shows that reform will deliver significant benefits both nationally and locally. The Government is confident that as elected members, iwi/Māori, and council officers consider the reform proposals and support package, they will understand the compelling need for reform to improve health, environmental and affordability outcomes for local communities and we can move forward with greater confidence.

When will funding from the support package be made available?

The timing for when funding will be made available will depend on the purpose for which it is sought:

- Up to \$500 million of funding from the better off component of the support package will be made available for use by councils from 1 July 2022, with the remainder available from 1 July 2024 when the new water services entities are anticipated to be established. The process for release of this amount is being worked through and further details will be provided in the coming months.
- Funding to meet stranded costs and address adverse impacts on financial sustainability will be met at the time of or shortly after transfer of assets, liabilities and revenue to the new water services entities.

How will territorial authorities be able to access the funding?

The Department of Internal Affairs will work with Local Government New Zealand to finalise the process for accessing this funding, including any conditions that would be attached to the funding, and will provide further information on this in the coming months.

Who will provide the funding?

The support package will be met by both the Crown and the new water services entities.

The Crown will provide \$1 billion of funding towards the better off component of the package, as an investment into the future of local government and community wellbeing.

The Water Services entities will provide \$1.5 billion of funding, comprising:

- An estimated \$500 million towards the no worse off component of the package
- \$1 billion towards the better off component of the package.

It is appropriate for water services entities to bear some of the costs associated with the support package given that future water customers stand to benefit most from reform. From the perspective of future water customers, the size of this benefit is significantly greater than the cost associated with providing some of the funding for the support package. Moreover, given most future water customers are also ratepayers, they stand to benefit from the additional investment into community well-being.

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15 July 2021

We also note that the proposed support arrangements provided by the Crown to the water service entities (such as a liquidity support), are expected to reduce the borrowing costs. The net present value of the reduced borrowing capacity is expected to be greater than the \$1.5 billion of funding provided by water service entities through the support package.

What is the Crown doing to support local government through the reforms?

The Crown is providing support to local government in a number of tangible and practical ways.

Out of \$3.5 billion in total funding to support the three waters reform, around \$2 billion (just under 60%) represents a direct cash contribution by the Crown, which includes:

- provision of \$1 billion towards the better off component of the support package
- provision of \$296 million as part of the 2021 Budget Package to meet the reasonable costs associated with the transfer of assets, liabilities and revenue to new water services entities
- the \$700 million stimulus funding package the Crown made available for local authorities and rural supplies in August 2020.

The remaining \$1.5 billion to be contributed by the Water Services Entities is at effectively no net cost to customers, due to the proposed Crown support arrangements (such as a liquidity support) which reduce the borrowing costs of the water service entities.”

For most councils, reform will free up additional borrowing capacity to invest in other infrastructure and services.

Reform also provides the opportunity for Councils to transfer to the new water services entities the responsibility for meeting significant future investment requirements that will arise from the new water services regulatory regime and rising community expectations. For many councils and communities, these investment requirements are likely to be unaffordable without reform.

Finally, the Government is committed to undertaking further discussions with the sector (including through the Joint Steering Committee) on how the proposed model and design can best accommodate areas of priority at a local level, including:

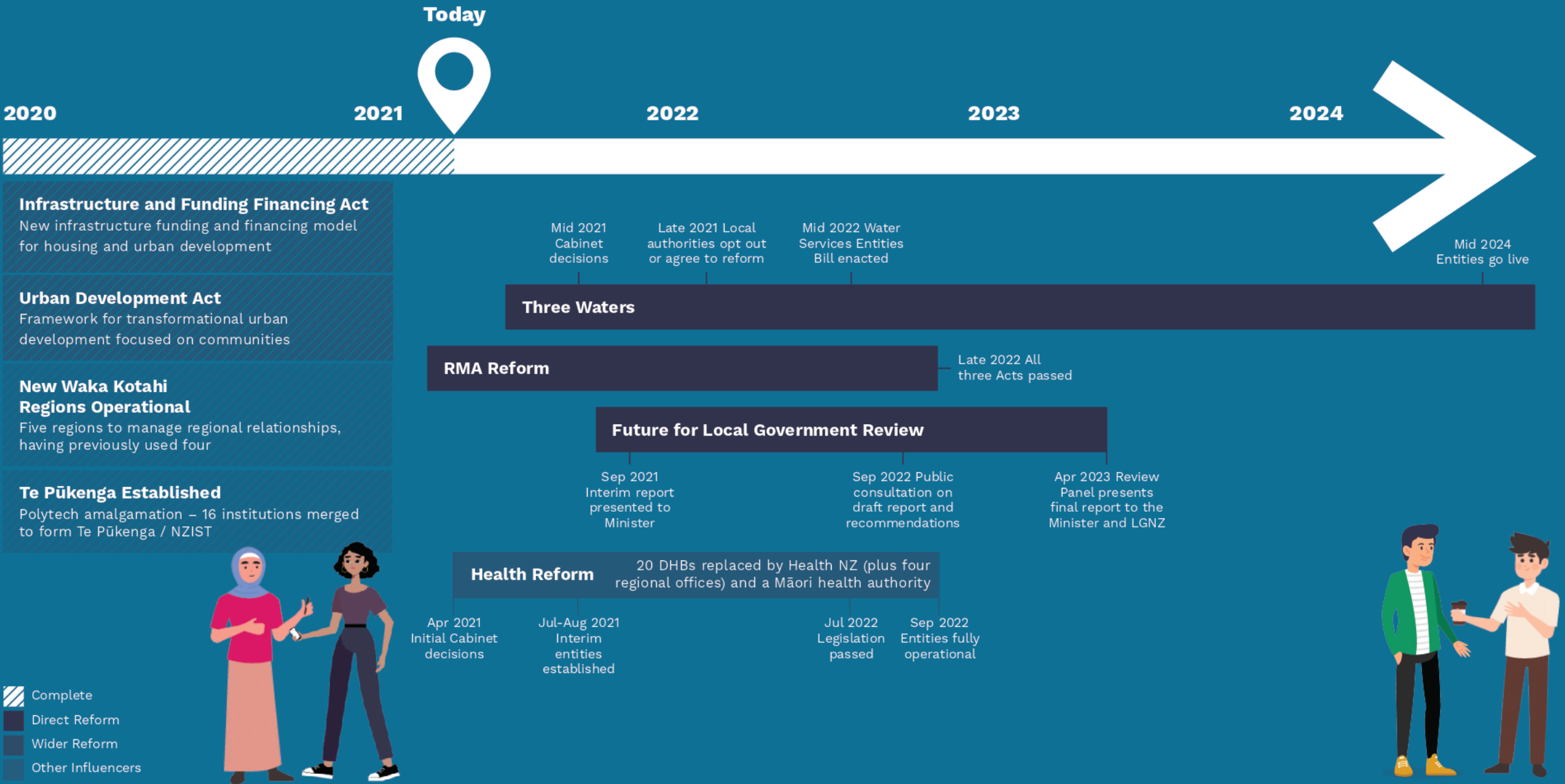
- how local authorities can continue to have influence on service outcomes and other issues of importance to their communities (e.g. aspiration for chlorine-free water);
- ensuring there is appropriate integration between the needs, planning and priorities of local authorities (representing their local communities) and the planning and priorities of the Water Service Entities; and
- how to strengthen the accountability of the WSEs to the communities that they serve, for example through a water ombudsman.

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OUR LOCAL GOVERNMENT: OUR NEW ZEALAND

We are.
LGNZ.
Te Kāhui Kaunihera ō Aotearoa.

Local government is changing. We have a once in a lifetime opportunity to harness reform to better position councils to improve the lives and well-being of their communities.



Not government policy. Prepared 2021/05/18

OUR LOCAL GOVERNMENT: OUR NEW ZEALAND

The scope of reform is unprecedented

Direct reforms

Three Waters

Resource Management Act

Future for Local Government Review

Wider reforms

Investment Funding and Financing Act

Urban Development Act

National RM Policy Directives

- Freshwater management
- Urban development

Treaty Rights and Interests

Other influencers

Environmental Social Governance (ESG)

Climate Change Commission

Regional Reforms

- Waka kotahi
- DHBs
- Te Pūkenga

Tax

Potential reform implications

Investment and planning

- How do you plan for the future when there is a level of uncertainty?
- How do councils prioritise investment?
- Will Long Term Plans be replaced with a new mechanism for setting the future direction of a local authority?

Role in place and community

- What is local government's role in working with others to enable community outcomes?
- How does local government provide a voice for communities in discussions with regional entities, central government, and mana whenua?

Funding

- What are the future sources of revenue for councils?
- How do councils operate within smaller balance sheets?
- What is the right level of debt and how important is a high credit rating? Will there need to be changes to the LGFA?

Rate payers perspectives

- How will you adapt to a reduction in revenue while supporting ratepayers facing affordability constraints?
- Will ratepayers in larger urban areas need to subsidise improvements in rural areas?

Planning, housing, infrastructure

- What do reductions in consenting constraints mean for local infrastructure and housing?

Te Ao Māori

- What does local government look like which embeds a Te Ao Māori worldview and works with and for Māori/iwi?

Climate change

- How do councils help New Zealand meet its net zero greenhouse gas target by 2050?
- In particular, what does this mean for waste and transportation?

Local voice

- How do communities get their priorities and concerns heard?
- What does strengthened local democracy look like, including Te Ao Māori perspective and engagement with iwi/hapu?
- How do you take into account local voices when there is a greater focus on regional collaboration?

Organising the sector

- Will the sector need to contract?
- What do councils look like post reform?
- What are the opportunities for regional shared services?

Workforce and skills

- What are the new skills required (e.g. relationship management and digital) and how do councils access them?
- How do you ensure there isn't adverse competition for key skills?
- How do you retain talent in the sector in uncertain times?

How can we seize the opportunities?

What are the key issues/trends over the next 20-30 years to take into account and reflect on?

What would success look like?

What is the combined impact of all of the reforms on local government, at a regional and local level?

What does all this mean for the purpose and role of local government?

How do we collectively ensure that the reforms result in optimal outcomes for New Zealanders?

What are the key opportunities that local government sees for itself – what might a reimagined future look like?

Not government policy. Prepared 2021/05/18

Item 8.1 - Attachment 7 - Reform A3

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Far North District Council

Review of WICS data

Far North District Council

July 2021

**Document status**

Ref	Approving Director	Date
2636	D.Bonifant	22 July 2021
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Executive Summary

This report provides commentary to provide councils support to interpret WICS calculations and how those relate to your existing council information. The key analysis of your council dashboard is of items A, B and C.

- **A** – represents the estimated average household cost using WICS modelling approach, this is not representative of actual charges.
- **B** – represents the projected future household charge in 2051 without reform.
- **C** – represents the projected future household charge in 2051 for **Entity A**, with water reform.



The most frequent questions typically raised by councils are:

- Why are the WICS numbers so different from our RFI?
- Can we rely on the WICS numbers?
- Is reform likely to be good for our council?

The WICS investment numbers are based on Scottish Waters' experience and applied to a NZ context using high level statistics and allocated using a formula to estimate investment costs. The way the model works is to maintain a three water debt to revenue ratio of less than 250%. Even without this limit sensitivity testing still show a positive justification for the Entity.

In section 1.5, we modelled some sensitivity testing of the WICS model and noted even if Far North's total investment requirement is half the amount that WICS projected, household charges in Far North could be up to 5 times higher than the most pessimistic scenario for Entity A.

While WICS investment numbers may not be accurate for Far North District Council there is still a high level of confidence in the direction the WICS model is predicting. In our view:

- The WICS analysis may overstate investment needs for Far North, particularly for the ten year period to 2031.



- Notwithstanding the above, the analysis is directionally consistent with trends that we have observed in our detailed three waters work elsewhere in the country.
- Based on the WICS modelling, there are likely to be financial¹ benefits for ratepayers in the Far North District if water reform proceeds and Far North District council joins Entity A.

1 Introduction

The Department of Internal Affairs (DIA) has commissioned specialist economic, financial, regulatory and technical expertise to support the Three Waters Reform Programme and inform policy advice to ministers.

In mid-2020, a first stage of evidence was commissioned on the potential economic benefits of aggregating water service delivery entities in New Zealand. This was produced for DIA by the Water Industry Commission for Scotland (WICS) using publicly accessible council information and was released in December 2020. Between October 2020 and February 2021 a nationwide Request for Information (RFI) took place across all 67 councils.

This data has been used to inform several workstreams including the second stage of economic analysis found in the WICS Phase 2 report. This latest information has now been released to councils through the 'Council dashboard' and supporting reports.

This report is based upon our review of public WICS reports and individual council models provided by WICS. In some cases, the approach or assumptions used by WICS are unclear; this report focuses solely on the information we were able to access and interpret.

It is also important to highlight that there is no connection between the WICS analysis and the government's wider support package including calculation or allocation of the 'no-worse off' and 'better off' parts of the package.

The data in the dashboard is a combination of calculated information (household charges) and data straight from the RFI e.g. FTE data in Operation all the information within "Services".

1.1 Three waters reform

While this report concentrates on the financial analysis recently provided in the Council dashboards, it is important to highlight that this is only one part of the wider suite of information that councils need to consider when looking at the proposed reforms. The impacts, benefits, issues and risks of reform are far more wide-ranging than just the financial impacts.

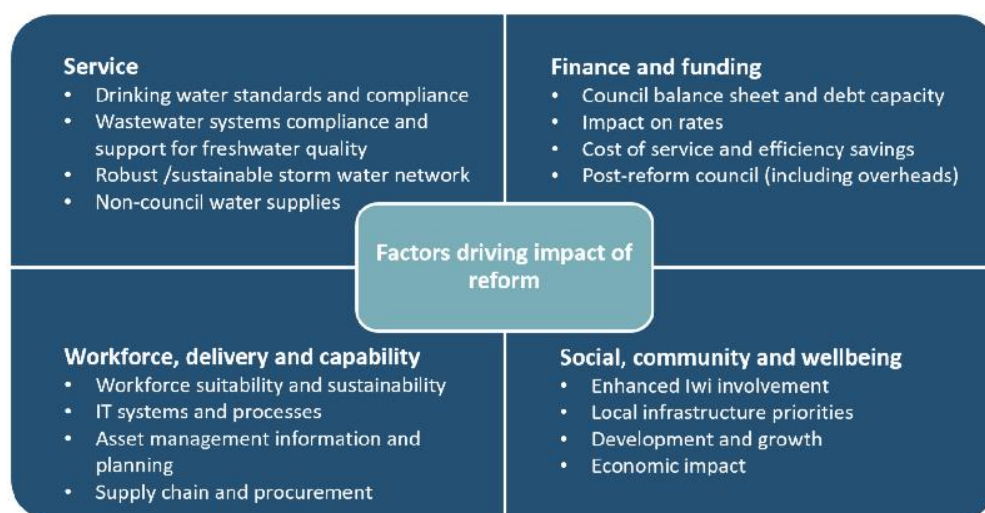
LGNZ has developed a matrix shown in Figure 1 below which highlights the broad considerations each Council should be considering and in our view this represents a good starting point. This helps ensure that benefits, issues and risks around levels of service, capability & capacity, prioritisation of investment and impacts in communities and councils are also considered alongside the financial.

¹ note this is purely from a financial aspect and has not included other considerations, such as those illustrated in Figure 1.



Figure 1 Understanding the impacts (LGNZ)

3W impact matrix



We also note that as a result of the three waters work we have undertaken across New Zealand over the last 18 months, our view is that the likely future household costs for three waters will increase significantly for all councils as a result of meeting increased standards, regulations and satisfying a more rigorous compliance regime. Our view of future costs may not be as high as modelled by WICS, but the direction is the same.



1.2 WICS Analysis

Scenarios

Broadly, WICS compares two scenarios:

- Aggregation of three waters services into four water services entities and the associated reforms to the regulatory, governance, management, resourcing, and policy direction that support improvements ('the whole reform package')
- No aggregation of three waters services and although in this scenario some reform takes place, for example, decisions already made to introduce a drinking water regulatory system and environmental standards, the wider reforms are not as extensive as in the former scenario.

Assumptions

The assumptions WICS have used to quantify the inputs are determined through benchmarking against the UK experience. Whilst there has been some adjustment based on council feedback the potential investment requirements and ability to deliver the same efficiency gains, both key drivers of the analysis, may not be comparable in the New Zealand context.

The key assumptions that drive household costs are:

- Investment – this is the single biggest driver of household cost in the WICS model. Due to the ways its calculated at a national level and allocated at entity level and council level it is difficult to understand the impacts it makes on the difference on the household charges under the two scenarios. Any change at the national investment figure will have a material impact on household charges in both scenarios.
- Debt/Revenue – the difference between the treatment of debt in the councils and the entities means that it is likely to overstate the size of the difference in charges between council and the water service entity.

The impact of these are so significant that all other assumptions have minimal impact on household costs.

The WICS analysis has been completed using a different approach, and different assumptions to the those in we used in an earlier business case we undertook for the three waters reform in NZ. We note that despite the differences in our analysis and the WICS analysis they are directionally consistent. That is, in both cases, it is anticipated that there are significant three water investment requirements to meet the new standards and this will lead to substantial increases in the cost of services.

A key risk is that the investment level in three waters could be greater than forecast. The WICS forecast investment articulates this risk. Our earlier business case also identified that an aggregated three waters entity was the option that best protected all ratepayers from the costs of meeting that risk.

Timeframes

WICS have undertaken the analysis over the 30 year time horizon. Responses to the RFI across the country were not consistent, where councils did not provide 30 year information, ongoing investment in growth infrastructure is assumed at the level of the final year in the data set. Undertaking future economic analysis based on a 30 year forecast is notoriously difficult especially in the context of the quality of the existing asset data. Additionally, this assumes capital expenditure follows a linear trend however we know that investment in three waters infrastructure tends to be lumpy.



More detail of the WICS analysis including methodology, impacts and assumptions is provided in Section 2 of this report along with a comparison to the relevant council based information or data.

1.3 Impact on Household Bills

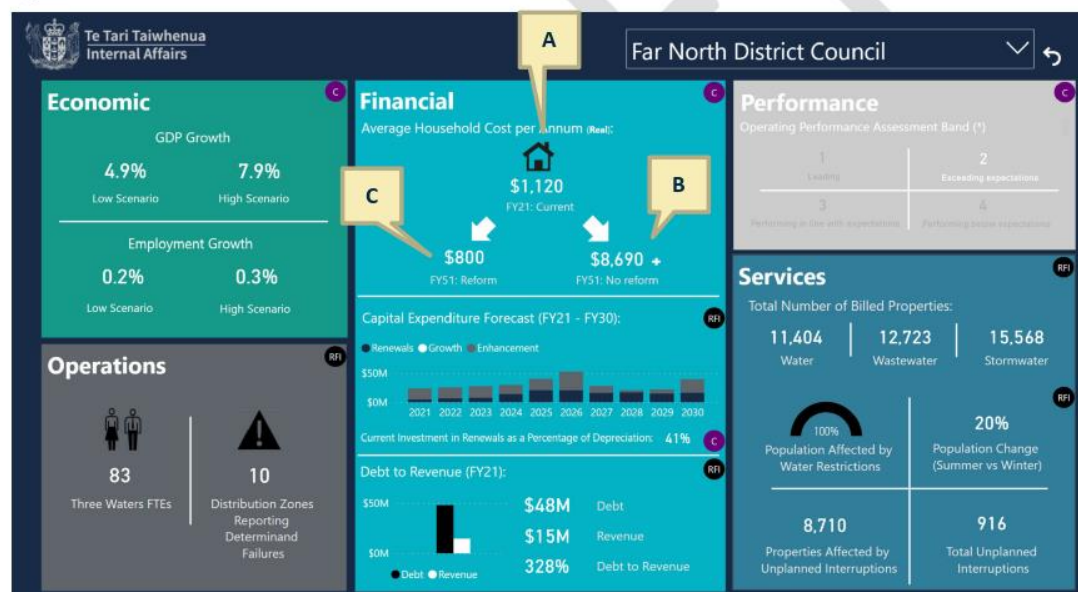
WICS have used an average household charge as the key piece of information for councils and communities.

The dashboards provided by DIA present three different average household costs, represented as A, B and C in Figure 2 below:

- **A** – represents the estimated average household cost using WICS modelling approach, this is not representative of actual charges.
- **B** – represents the projected future household charge in 2051 without reform.
- **C** – represents the projected future household charge in 2051 under the proposed Entity for your council, **Entity A**, with water reform.

These numbers are expressed in real terms, they are uninflated and expressed in today's dollars. The approach used by WICS to determine these values is outlined below.

Figure 2 DIA Dashboard



A

To estimate current household charges for each council, WICS have (A):

- Taken the starting total three waters revenue collected by the council (including development contributions but excluding grants and subsidies)
- Multiplied that figure by 70% - which is their assumed percentage of revenue derived from households. We have noted that the 70% does generally align with majority of councils, however some councils' revenue from households is higher and some lower



- Divided that figure by the estimated number of household connections, which in turn is derived from:
 - The average of the connected drinking water and wastewater populations. The model does not use actual household connection as identified in the RFI or use stormwater connections.
 - Divided by a standard “household density” multiplier of 2.7.

B

The process used by WICS to estimate future household charges (**B**) is the same as outlined above, using estimated future revenue requirements and estimated future household connections (which allows for growth in connections).

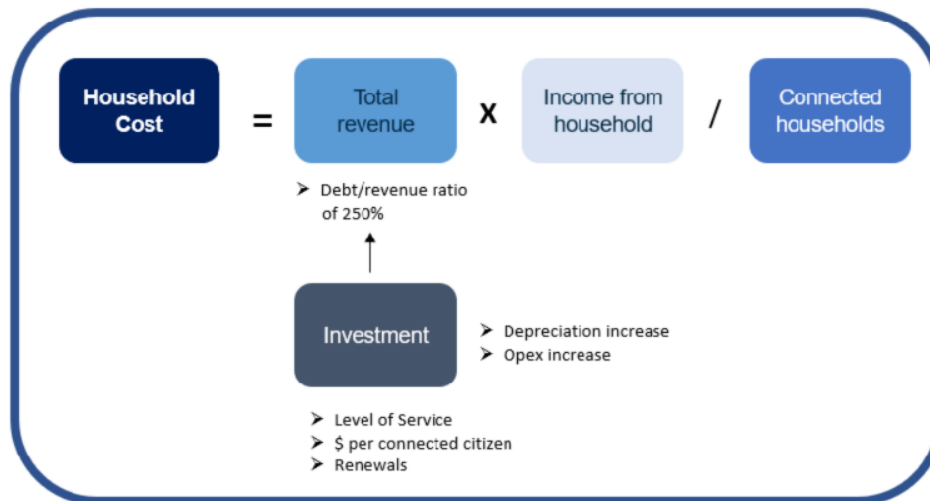
In order to determine the future household charge WICS have:

- Calculated the future required investment in growth, level of service enhancement, and renewal of assets:
 - Growth investment is assumed to be the same as disclosed in each council’s RFI, with the same annual average expenditure applied across the full 30 year period if a council only disclosed 10 years of projected investment.
 - Renewal investment is assumed to be 100% of the economic depreciation of assets. WICS have undertaken their own calculation of economic depreciation based on assumed asset values and lives.
 - Level of service enhancement investment has been calculated using a standard approach across the country that has regard to population, land area and density. It does not reflect each council’s actual investment set out in the RFIs.
- WICS have recalculated depreciation, this has increased council figures.
- Determined the impact of new investment on operating expenditure. WICS has assumed that for every \$100 of capital investment there is \$3 of additional operating costs. WICS have also included additional depreciation and financing costs for new assets.
- Determined the amount of new borrowings required to finance their modelled investment profile.
- Determined the amount of revenue that needs to be collected to ensure that councils are able to maintain a three waters debt to three waters revenue ratio of less than 250% over the modelling period. **This is the revenue number that is divided by WICS’ estimated future household connections to reach the household charges at B above.**
- This revenue number typically results in operating surpluses being generated which are applied toward debt reduction.



This process is explained in Figure 3 below.

Figure 3 Household cost calculation



C

WICS have undertaken the same modelling to estimate the future household charges for rate payers of a council area if water reform entities were formed. The result reported in each council's dashboard (C) matches the projected future household charges for all councils in **Entity A** (of which the Far North District Council is a part) in 2051.

We have not reviewed (and have not been provided with) financial or economic models for any of the proposed water services entities, however we anticipate that the approach used to project future household charges for water services entities is closely aligned to that used to project future household charges for individual councils. The differences are likely to be in the assumptions applied, in particular:

- Entities have been modelled with no limit on the debt to revenue ratios (or no discernible limit). This means that WICS reports show the projected debt level for **Entity A** is allowed to nearly reach 800% of revenue by 2051. This accounts for a substantial part of the difference between the projected three waters rate for each council and **Entity A** in 2051.
- Entities have been assumed to be able to generate efficiencies amounting to 45% by 2051. By way of contrast, Far North District Council has not been allocated any allowance for potential operating or capital efficiencies. This accounts for most of the remaining difference between the projected three waters rates.
- Finally, the entity will benefit from the scale of aggregation. That is, the total revenue needs will be spread over a larger population base. The extent to which this scale benefit applies to a particular council will vary depending on population and land area.
- It is unclear whether the total investment requirements for **Entity A**, including depreciation and renewals investment, have been derived by adding the constituent parts of each council, or by undertaking new calculations using the population, land area and density of the new water services entity. Each approach is likely to have different results.

The various elements of the above approach are outlined in more detail in Section 2.



1.4 Comparison of key data from WICS

The following section compares data from the WICS model to that within councils RFI.

Far North District Council

The comparison highlights that WICS has modelled level of service and growth investment that is over three times larger than the investment requirements identified by Far North in its completed RFI. For Far North District Council, this is the most significant driver of the household charge calculations produced by WICS. The assumption of staying below a three waters debt/revenue ratio of 250% also drives a significantly higher three waters household charge than if debt/revenue was viewed at the total Council level.

Household Cost per Annum

Item	WICS - Council		WICS - Entity		Comments on assumptions
	2031	2051	2031	2051	
Household Charge (uninflated)	\$8,118	\$11,012	\$1,018	\$803	<ul style="list-style-type: none"> Water Services Entity option shows a significantly lower charge per household.



Investment

Item	WICS - Council		RFI (2031)	Comments on assumptions
	2031	2051		
Total investment requirement	\$777,950,540	\$2,745,668,477	\$316,544,837 (G1.3+G1.6+G1.9) ²	<ul style="list-style-type: none"> WICS model projects a significantly higher investment need.
Levels of Service Enhancement & Growth	\$571,967,857	\$1,715,903,572	\$172,400,599 (G1.3+G1.6)	<ul style="list-style-type: none"> WICS model projects a significantly higher LoS Enhancements and Growth needs.
Total Renewals/Capital	\$205,982,683	\$1,029,764,905	\$144,144,238 (G1.9)	<ul style="list-style-type: none"> WICS show slightly lower Renewals requirements.
Item	WICS - Council		RFI	Comments on assumptions
Asset Value	\$919,793,243		\$499,640,000 (Low) \$1,157,760,000(High) (J1)	<ul style="list-style-type: none"> Higher asset values become more relevant over time.
Depreciation	\$13,048,293 (Assumption C75)		\$4.373,000 (E1.25+E2.24+E2b.24)	<ul style="list-style-type: none"> Depreciation 3 time higher than RFI. Depreciation becomes more material as investment in assets increase. Implied depreciation rate WICS = 1.35% increasing to 1.75% over time. RFI = 0.87%.

² Reference to data in Council RFI spreadsheet



Revenue

Item	WICS - Council			RFI	Comments on assumptions
	2021 ³	2031	2051	2031	
Total debt	\$48,000,000	\$380,058,968	\$1,015,251,226	\$153,118,000 (F3.14)	<ul style="list-style-type: none"> WICS project debt to be significantly higher than in the RFI.
Total Revenue	\$15,000,000	\$157,300,184	\$405,366,009	\$15,382,983 (F10.62)	<ul style="list-style-type: none"> WICS projects revenue to be significantly higher than in the RFI.
Debt to Revenue	328%	242%	250%	995%	<ul style="list-style-type: none"> Charges increase to bring ratio back within 250% under the WICS model so comparison not relevant.
Operating Surplus	N/A	\$56,433,624	\$74,207,102	N/A	<ul style="list-style-type: none"> Only exists under WICS model.
Item	WICS - Council		RFI		Comments on assumptions
Revenue from household	70%		83% (F10.4+F10.19+F10.54) / (F10.62-F10.61+F10.70)		<ul style="list-style-type: none"> Far North collects a higher percentage from household charges compared to the WICS model assumption, this could mean Far North's future charges are higher than projected in the WICS model.
Connected household properties	9,630		Water = 9,512 (A1.1+A1.4) Wastewater = 10,843 (A3.1) Stormwater = 114,020 (A3b.1)		<ul style="list-style-type: none"> Number of connected properties is lower in the WICS model, the charges are likely to be slightly lower than reported by WICS. Not as material as other assumptions.
Development Contribution	WICS assumes that development contributions, when combined with revenue from commercial and industrial users account for less than 30% of total three waters revenue		FNDC does not receive three waters specific development contributions		<ul style="list-style-type: none"> Not material.

³ From DIA dashboard



1.5 Sensitivity testing key WICS assumptions

The impact of the key assumptions used by WICS outlined in section 1.4 has been outlined in the tables below:

- Table 1 shows the impacts on projected household charges in 2051 once the following adjustments have been applied:
 - Correction to the number of household connections to adopt the average of water and wastewater billed properties from Council's completed RFI
 - Correction to the percentage of revenue from households to match the percentage disclosed in Council's RFI
 - Sensitivity testing around the debt to revenue ratio assumption, to show the impact of applying a 500% ratio instead
 - Sensitivity testing around the projected investment requirement, showing the impact of halving the amount of investment projected by WICS.
- Table 2 shows the impacts of adjusting the level of required investment and assumed efficiencies for Entity A in 2051.

Table 1 Sensitivity testing of projected household charges in 2051 for Council

Investment	Three waters debt to revenue	
	250%	500%
100%	\$12,354	\$10,276
50%	\$5,994	\$5,483

Table 2 Sensitivity testing of projected household charges in 2051 for Entity A

Investment	Efficiencies	
	100%	50%
100%	\$803	\$1,075
50% ⁴	\$376	\$516

The sensitivity shows that:

- When the underlying assumptions regarding percentage of revenue from households and number of connected properties are corrected, the forecast charges for Far North are likely to be approximately 12% higher than included in the WICS reports for Council.

⁴ Entity A households costs under the 50% investment scenario include negative annual price movements which may be unrealistic. If a 0% price increase was used instead the household charges under both 50% investment scenarios would be \$559.



- Even if Far North's total investment requirement is half the amount that WICS projected, household charges in Far North will likely be five and half higher than the most pessimistic scenario for Entity A.
- The scale of the difference between the entity and council scenarios is likely slightly less than WICS analysis indicates.
- At the extremes, council charges could be over thirty times higher than under an entity model, or as low as five higher than an entity in 2051.

DRAFT



2 Water Industry Commission for Scotland Commentary

2.1 Investment Projections

Investment is the single biggest driver of cost in the WICS model. WICS estimates potential investment requirement over 30 years for each council. This is considered for:

- (a) Renewals (Replacement and Refurbishment).
- (b) Levels of Service (Enhancement).
- (c) Growth investment.

These three values are combined to determine a total investment programme for each council.

2.1.1 Renewals

In their various reports, WICS noted that based on a review of completed RFI's and comparison to their international benchmarks:

- Asset values reported by New Zealand Councils were typically low.
- Useful lives appeared to be optimistic.
- The split of asset value between short lived (less than 30 years) and long lived (estimated lives of around 100 years) was more heavily weighted toward long lived assets.
- Using the low range for asset values and the high range for asset lives (i.e. the two extremes) disclosed in RFI would increase the risk that there is insufficient resources available for asset replacement.

Based on their observations WICS therefore recalculated the depreciation for each council's asset base, assuming:

- 90% of existing assets are long life assets with an estimated life of 100 years.
- 10% of existing assets are short life assets with an estimated useful life of 30 years.
- Long life assets were assumed to have a valuation at the mid-point of the low and high end valuations disclosed in RFIs.
- Short life assets were assumed to have a valuation at the upper range of the valuations disclosed in RFIs.
- New investment is assumed to comprise 60% short life assets and 40% long life assets to enable the long/short life split of assets to eventually reach the international benchmark of 30% short life and 70% long life assets.

WICS has then modelled investment in renewals at 100% of depreciation throughout the modelling period. There has been no adjustment to planned renewals investment to reflect that some investment in level of service enhancement or growth is likely to also have a renewals component.

The modelled renewals investment is likely to differ substantially to renewals programmes that have been calculated by each council.



WICS have modelled an effective starting average depreciation rate of 1.35% of the revised asset value. This depreciation rate increases over the modelling period to eventually reaching 1.75%. These depreciation rates translate to an average useful life for three waters assets of 81 and 59 years, respectively.

Comments on the underlying assumptions

We note that WICS calculation of renewals expenditure and depreciation does not consider:

- The relative age profile of each councils network, and each councils stage in the asset lifecycle.
- The amount of investment in level of service enhancing infrastructure or growth infrastructure which may also have a renewals component.
- The actual split of long life and short life assets within each council, and the specific circumstances that give rise to that split (e.g. water networks with large distribution zones and therefore a higher proportion of reticulation assets which are typically long life, or the inclusion of stormwater assets which typically have longer lives and do not form part of the Scottish water asset base).

We note that the depreciation rate of 1.35% is broadly within the high end of the range observed in New Zealand already. However, the longer term depreciation rate of 1.75% is much higher than most councils in New Zealand (although this is intended by WICS).

While the rate of depreciation may be consistent with the New Zealand average, the valuation of assets is not. In our experience, councils typically value their assets at the low end of the valuation range provided in their completed RFIs. This means WICS has typically increased the total depreciation charge above those that are likely to be included in long term plans.

We are aware of a number of recent examples where councils that have had recent asset valuations have experienced substantial uplifts in assets value. This may support WICS assumptions around asset valuations.

Potential impact of assumption

Overstatement of the renewals requirement will result in an overstatement of debt and revenue projections for the entity.

This assumption is likely to affect the entity and council projections equally, so will likely have limited bearing on the comparative outcomes of household charges. However, it will have a significant impact on the projected household charges for councils in 2051 if reform does not occur.

2.1.2 Levels of Service and Growth Investment

The various reports produced by WICS outline three different approaches used to determine the future required investment in level of service enhancement (and in some cases growth expenditure):

- based on relationships between historical enhancement and growth investment in the UK (same approach as Phase 1 but updated using council RFI information).
- based on relationships between historical enhancement and growth in Scotland only (i.e. using the same approach as in Phase 1 but with Scottish data only); and
- based on the observed gap in asset values per connected system between New Zealand and the UK – this approach does not take into account growth.



While the approaches differ in how they arrive at their estimates they deliver broadly consistent results in terms of the magnitude of investment that is likely to be required over the next 30+ years. It indicates that in order to meet quality and growth outcomes, **spending will need to more than double from current levels over the next 30 years.**

WICS note these figures could ultimately be even higher, as they do not take account of investment uncertainty associated with the need to provide for seismic resilience, climate change, or responding to changing societal standards around environmental impacts (including iwi/Māori expectations).

It is unclear which of these approaches was used to identify the potential amount of level of service enhancement investment needed. However, we understand that the outcome under all three approaches is broadly similar.

WICS also applied two further adjustments:

- it appears that planned investment in growth infrastructure was effectively removed from the results in favour of using council's own projections for investment in growth infrastructure. Where councils only reported forecast investment for a 10 year period this was assumed to be representative of the next 20 years as well.
- applied a cap of NZ\$70,000 per head for combined investment in level of service enhancement and growth infrastructure across any council area, this limits the modelled potential exposure of most rural councils.

WICS does disclose some of the formulas that it has used to identify potential investment requirements, although without knowing the source of the variables used within the formulas, we have been unable to replicate the results. We note however that the formulas (at least at a national level) do include length of waterways and coastline, so may make some attempt at incorporating relevant environmental factors.

However, at an individual council level, the investment numbers produced by WICS are based on population, land area, and density alone and have no relationship to each council's:

- Type, quality, or number of water sources
- Receiving environment for wastewater discharges
- Current treatment approach
- Current levels of service
- Asset age
- Asset performance
- Asset condition

Comments on the underlying assumptions

Investment is the single biggest driver of cost in the WICS model. It is what drives the future borrowing requirement, which in turn determines the amount of revenue that needs to be collected. That means that if the future investment requirements in the WICS modelling are under or overstated the future household costs are likely to be similarly impacted.

Despite this it is worth recognizing that predicting future investment requirements is notoriously difficult.



This is particularly true over long time frames, such as the 30 year period that has been modelled by WICS.

While predicting investment over a 10 year period is more certain, even this is challenging, as demonstrated by the long term plans of almost every council in New Zealand. Long term plans often have significant uplifts in their ten year capital works programs despite being only 3-year cycles.

We have not attempted to make an alternative assessment of 30 year investment requirements, and therefore have no view on whether the projected investment by WICS is appropriate. However, as it appears that a different approach may have been used to determine investment at a national scale than that used at a council level, even if the national, or regional investment projections are correct, the distribution of where that investment falls in relation to each council may not be correct.

Potential impact of assumption

WICS have used the derived future investment numbers in the stand alone financial analysis provided to councils as well as in the analysis completed for each water services entity. The higher numbers have a flow on effect to a number of assumptions, most importantly, the future revenue required by councils. This is then reflected in the calculated household charge.

We also note that for the purposes of their modelling WICS have assumed that this investment is evenly spread across the modelling period, however it is likely that this will be weighted further toward future years in practice. This results in a sharp increase in projected future household charges.

In the event that the future investment requirements are understated or overstated, there is likely to be a consistent impact on both the council and entity household charge projections. While this assumption may change the scale of the difference in projections it is unlikely to change the overall outcome of their analysis.

2.2 Revenue

Projected revenue is ultimately the main input into the WICS model that is used to determine household charges. The way in which future revenue is projected is therefore critical.

2.2.1 Three water debt to revenue ratio

The total three waters revenue that is needed to be collected by councils in the WICS model has been determined by reference to each council's total borrowing.

Revenue projections have been calculated by identifying the amount of revenue needed to ensure that each council maintains a three waters debt to revenue ratio below 250% over the entire modelling period. Revenue increases are front-loaded in the WICS model, with revenue increases typically stabilizing to match inflation over time (or at least reducing).

The WICS modelling results in forecast future revenue requirements which typically result in the council generating a significant operating surplus for its three waters activity. This surplus is applied toward debt management/repayment.

Water services entities appear to not have been subject to this restriction with Entity A's debt to revenue ratio exceeding 700% by 2051. We understand that the Government has received advice to suggest that a debt to revenue ratio of this magnitude would not adversely impact on water services entities' credit ratings.



Comments on the underlying assumptions

We note that councils are not typically financed on an activity basis. That is, councils are not required to maintain a three waters debt to three waters revenue ratio of 250%, and in fact a number of councils already exceed this ratio when looking only at three waters debt to revenue.

Three waters typically makes up between 20 – 30% of a council's total revenue, with most other activities typically requiring only low levels of debt. While three waters charges may increase at a much higher rate than other areas of council's business, we would still anticipate that a three waters debt to revenue ratio of around 500% would be within most council's future borrowing capability.

Potential impact of assumption

The revenue numbers directly translate into household charges for councils and the water services entities.

As councils are likely to be able to borrow more than 250% of their three waters revenue, the projected household charges are likely overstated.

Because no such cap has been applied to the water services entities, and we understand that there is official advice to support water services entities maintaining large debt to revenue ratios, this assumption has limited bearing on the projected household charges for the water services entity itself.

When viewed together, the application of this assumption by WICS is likely to overstate the size of the difference in charges between council and the water services entity.

2.2.2 Revenue from Households

WICS has used the split of revenue between households and non-households of 70% as observed in the UK. This has been applied to the total revenue figure above.

The 70% figure represents the total amount of three waters revenue derived from household water charges, and effectively does not include any revenue from development contributions, grants and subsidies, or commercial and industrial water use (or indeed irrigation/stock water schemes).

Comments on the underlying assumptions

In our view the assumption that 70% of revenue comes from household water charges appears to be fair at a national or water services entity level. However, this assumption is less likely to be applicable at an individual council level, noting that:

- Councils that have high levels of urban growth may receive a substantial portion of water revenue from development contributions, and in some cases this may account for the entire remaining 30% (or more) on its own.
- Highly rural councils may receive a large proportion of their three waters revenue from irrigation or stock water schemes, meaning much less than 70% of total three waters revenue is derived from households.
- Some territorial authorities receive large amounts of three waters revenue from large water users. This is particularly true in rural and provincial councils, which often have high water users in the agricultural and horticultural industries.



Potential impact of assumption

This assumption may impact on the size of the difference between the projected household charges under the council and entity scenarios because it is likely to be more accurate at an entity level than it may be for individual councils.

Councils which receive a lower proportion of their three waters revenue from households than is assumed in the WICS analysis will have higher projected household charges under the WICS analysis than they may otherwise have.

WICS analysis is also presented at a three waters level, which means it is difficult to see the impact for customers which may only receive one or two of the services provided. This is likely to be particularly relevant for councils with large rural areas.

2.2.3 Household connections

WICS have determined the number of household connections in their modelling by:

- Averaging the connected water and wastewater populations from each council's RFI
- Dividing the number by 2.7 (which is the average household density in New Zealand).

This value is used as the denominator in WICS' projections of average household charges. The higher this number is, the lower the projected household charge is.

WICS does not appear to have used any data regarding stormwater connections/charges within its analysis.

Comments on the underlying assumptions

Household density varies significantly between territorial authorities within New Zealand. This is particularly prevalent in the comparison of rural and urban councils. According to Statistics New Zealand, in 2018 the council with the highest occupancy rate has an average of 3.0 residents per household, compared to the least dense council having an occupancy rate of 2.1.

We understand that there are now councils that have significantly lower occupancy rates than that (with some reporting occupancy rates of less than 2 residents per household).

Potential impact of assumption

This assumption may result in a difference between the projected council and entity values (i.e. it will affect the entity and council differently) because the household density number varies significantly between council areas but is likely to be more accurate at an entity level.

For councils with low household density, it is likely that the application of this assumption will have resulted in the WICS analysis overstating the potential household charges in 2051 for individual councils. The projected household charges for the water services entity are less likely to be affected by the application of this assumption.



2.3 Capital and Operating Efficiencies

WICS looks separately at capital and operating efficiency expenditure. In both cases, WICS undertook econometric modelling (using the reworked Ofwat 2004 and 2009 models) of the potential for operating efficiency from each council using tools and techniques applied and fitted to UK water entities and tested this against New Zealand.

2.3.1 Efficiencies

WICS have applied efficiencies adjustments in some cases for individual councils. These efficiencies have been based on council size. The observed experience from United Kingdom demonstrates that only entities of a scale of more than 60,000 connected citizens could be expected to achieve any reductions in operating costs, even if they were subjected to robust governance and regulatory frameworks.

In the models provided, the scale efficiencies increase on a diminishing (logarithmic) basis above the minimum size threshold. This means there is no inclusion for efficiency improvement for councils with less than 60,000 population served. For councils above this threshold, efficiency gains are realisable (albeit at a diminishing rate) up to a maximum of 800,000 population served, after which no further returns to scale have been included in WICS modelling.

In determining the scale of efficiencies modelled for the Water Services Entities, WICS assesses the New Zealand Three Waters sector to be in a broadly similar position as Scotland in 2002, in terms of relative operating efficiency and levels of service. In just under two decades, Scottish Water has lowered its unit costs by 45% and closed the levels of service gap on the best-performing water companies in the United Kingdom.

WICS considers that New Zealand can achieve similar outcomes to Scottish Water i.e. a reduction of up to 45% over a longer period (30 years).

Comments on the underlying assumptions

We note that Entity A is projected to have around 1,700,000 customers on formation. This is comparable in size (but much less densely populated) to Bristol Water and South Staffordshire Water, who were cited as achieving efficiencies of 25% and 20% respectively in the WICS reports.

Potential impact of assumption

If modelled efficiencies from service delivery reform are overestimated, or underestimated, then this will have a direct impact on the projected household charges for the water services entities. That is, overestimation of the potential operating efficiencies will result in WICS' projections of household charges for water services entities being lower than they may otherwise be if those efficiency targets are unable to be met.



2.4 Sensitivity

WICS undertook detailed sensitivity analysis (Monte Carlo analysis) of their projected household charges to demonstrate whether there are any instances where household charges would be lower under continued council led service delivery versus the reform, scenario. Across the country, this analysis shows only a very limited number of cases where household charges have any potential to be lower without reform than with it. In these cases, WICS typically notes that the levels of service received by customers without reform would be significantly lower than they would be under the reform scenario.

Importantly, while this sensitivity analysis does consider different levels of investment requirements, it does not consider the impact of the debt to revenue assumption, or assumptions regarding the percentage of revenue from households, or the number of connections. We have not attempted to recreate the sensitivity analysis completed by WICS but would anticipate that correction of these assumptions prior to undertaking the sensitivity analysis would result in more instances where future household charges crossover under the reform and no reform scenarios.

8.2 COMMUNITY BOARD UPDATES JULY 2021

File Number: A3308100

Author: Marlema Baker, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To enable oversight of Community Board resolutions at Council and provide Community Board Chairperson's with a formal opportunity to speak with Council about discussions at Community Board.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

A copy of the following Community Board meeting minutes are attached for Council's information.

TŪTOHUNGA / RECOMMENDATION

That Council note the following Community Board minutes:

- a) Te Hiku Community Board, 6 July 2021.
- b) Kaikohe-Hokianga Community Board, 7 July 2021.
- c) Bay of Islands-Whangaroa Community Board, 8 July 2021.

TĀHUHU KŌRERO / BACKGROUND

This report is to provide Council oversight of resolutions made at Community Board meetings and provide Community Board Chairperson's with a formal opportunity to raise any Community Board issues with Council.

MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND NEXT STEPS

This is intended as an information report.

From time to time Community Board's may make recommendations to Council regarding some matters.

PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or need for budget provision in considering this report.

ĀPITIHINGA / ATTACHMENTS

- 1. 2021-07-06 Te Hiku Community Board Minutes - A3272783 [↓](#) 
- 2. 2021-07-07 Kaikohe-Hokianga Community Board Minutes - A3277984 [↓](#) 
- 3. 2021-07-08 Bay of Islands-Whangaroa Community Board Minutes - A3278191 [↓](#) 

**MINUTES OF
TE HIKU COMMUNITY BOARD MEETING
HELD AT THE CONFERENCE ROOM, TE AHU, CNR MATTHEWS AVE AND SOUTH ROAD,
KAITAIA
ON TUESDAY, 6 JULY 2021 AT 10:00 AM**

PRESENT: Chairperson Adele Gardner, Member Jaqi Brown, Member Darren Axe, Member Sheryl Bainbridge (via Microsoft TEAMS), Member John Stewart, Member William (Bill) Subritzky, Member Felicity Foy

IN ATTENDANCE: Cr Mate Radich, Mike Masters – Kaitaia Drainage Area Member, Joe Milch - Waihara and Kaikino Drainage Area Member, Dean Radojkovich - Waihara and Kaikino Drainage Area Member, Aaron Bainbridge - Waihara and Kaikino Drainage Area Member, Paul Harvey – Motutangi Drainage Area Member, Jeremy White - Motutangi Drainage Area Member

1 KARAKIA TIMATANGA – OPENING PRAYER

Member Brown opened the meeting with a karakia/prayer.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND CONFLICTS OF INTEREST

APOLOGY

RESOLUTION 2021/32

Moved: Chairperson Adele Gardner

Seconded: Member Darren Axe

That the apology received from Member Sheryl Bainbridge for lateness be accepted.

CARRIED

3 PUBLIC FORUM

Nil

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 6.1 document number A3254218, pages 12 - 22 refers.

RESOLUTION 2021/33

Moved: Chairperson Adele Gardner

Seconded: Member Darren Axe

That Te Hiku Community Board agrees that the minutes of the meeting held 1 June 2021 be confirmed as a true and correct record.

CARRIED

5 REPORTS

5.1 ROAD NAMING - 3608A FAR NORTH ROAD, HOUHORA

Agenda item 7.1 document number A3136385, pages 23 - 30 refers.

RESOLUTION 2021/34

Moved: Chairperson Adele Gardner

Seconded: Member Darren Axe

That Te Hiku Community Board, pursuant to Council's Road Naming and Property Addressing Policy #2125, name a private road, Mataroa Way that is currently addressed at 3608a Far North Road, Houhora as per map (A3134544).

CARRIED

5.2 CHAIRPERSON AND MEMBERS REPORTS

Agenda item 7.2 document number A3244424, pages 31 - 42 refers.

MOTION

Moved: Chairperson Adele Gardner

Seconded: Member Jaqi Brown

That Te Hiku Community Board:

- a) note the reports from Chairperson Gardner and Members Axe, Bainbridge and Subritzky.

MOTION

Moved: Chairperson Adele Gardner

Seconded: Member William (Bill) Subritzky

- b) requests a copy of the heritage report that forms the basis of the Council decision to propose a blanket heritage precinct on an area of Mangonui that is not confined simply to properties of historic value.

CARRIED

The amendment became the substantive motion.

RESOLUTION 2021/35

Moved: Chairperson Adele Gardner

Seconded: Member Jaqi Brown

That Te Hiku Community Board:

- a) note the reports from Chairperson Gardner and Members Axe, Bainbridge and Subritzky.
- b) requests a copy of the heritage report that forms the basis of the Council decision to propose a blanket heritage precinct on an area of Mangonui that is not confined simply to properties of historic value.

CARRIED

6 SPEAKERS

Andrea Panther and Tia Hohaia representing Kaitaia Business Association will speak to item 10.1 – Funding Application.

Attachments tabled at meeting

- 1 Tabled Documents - Kaitaia Business Association

7 NGĀ TONO KŌRERO / DEPUTATIONS

Dean Radojkovch, Chair of the Waiharara and Kaikino Drainage Area Committee and Mike Masters member of the Kaitaia Drainage Area Committee spoke to the Community Board in regards to the Drainage Committees and the work completed to date and upcoming work.

At 11:08 am, Member Sheryl Bainbridge left the meeting.

The meeting was adjourned from 11.08 am to 11.22 am.

At 11:23 am, Member Felicity Foy left the meeting. At 11:27 am, Member Felicity Foy returned to the meeting.

8 REPORTS CONTINUED

8.1 TE HIKU STATEMENT OF COMMUNITY BOARD FUND ACCOUNT AS AT 31 MAY 2021

Agenda item 7.3 document number A3249049, pages 43 - 47 refers.

RESOLUTION 2021/36

Moved: Chairperson Adele Gardner

Seconded: Member Darren Axe

That Te Hiku Community Board receive the report Te Hiku Statement of Community Board Fund Account as at 31 May 2021.

CARRIED

9 INFORMATION REPORTS

9.1 LAKE OHIA COMMUNITY HALL - SIX MONTHLY UPDATE

Agenda item 8.1 document number A3250496, pages 77 - 79 refers.

RESOLUTION 2021/37

Moved: Chairperson Adele Gardner

Seconded: Member William (Bill) Subritzky

That the Te Hiku Community Board receive the report Lake Ohia Community Hall - six monthly update.

CARRIED

At 11:39 am, Member Sheryl Bainbridge returned to the meeting.

10 REPORTS CONTINUED**10.1 FUNDING APPLICATIONS**

Agenda item 7.4 document number A3254706, pages 48 - 57 refers.

RESOLUTION 2021/38

Moved: Chairperson Adele Gardner

Seconded: Member Jaqi Brown

That Te Hiku Community Board:

- a) approves the sum of \$6,000 (plus GST if applicable) be paid from the Board's Community Fund account to Kaitaia Business Association for each of the financial years of 2021/2022 and 2022/2023 for costs towards CCTV monitoring to support the following Community Outcomes:
 - i) Communities that are healthy, safe, connected and sustainable
 - ii) Proud, vibrant communities.

CARRIED

10.2 PROJECT FUNDING REPORTS

Agenda item 7.5 document number A3254887, pages 58 - 76 refers.

RESOLUTION 2021/39

Moved: Member John Stewart

Seconded: Member William (Bill) Subritzky

That Te Hiku Community Board note the project reports received from:

- a) Far North JoyFest Group
- b) Houhora Bowls & Sports Club Inc
- c) Kaitaia Sports & Leisure Trust
- d) Te Pokapu Tiaki Taiao O Te Tai Tokerau Trust
- e) Volunteering Northland

CARRIED

11 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 12.04 pm.

The minutes of this meeting will be confirmed at the Te Hiku Community Board meeting held on 24 August 2021.

.....
CHAIRPERSON

**MINUTES OF
KAIKOHE-HOKIANGA COMMUNITY BOARD MEETING
HELD AT THE COUNCIL CHAMBER, MEMORIAL AVENUE, KAIKOHE
ON WEDNESDAY, 7 JULY 2021 AT 10.30 AM**

PRESENT: Chairperson Mike Edmonds, Member Emma Davis, Member Louis Toorenburg, Member Kelly van Gaalen, Member Alan Hessel, Member Laurie Byers, Member John Vujcich, Member Moko Tepania

STAFF PRESENT: Kathryn Trewin (Funding Advisor), Marlema Baker (Meeting Administrator)

1 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND CONFLICTS OF INTEREST

Apologies received from Member Tepania for early departure.

2 PUBLIC FORUM

Shaun Reilly

- Roadside mowing at the end of station road needs to be done properly.
- Ohaeawai/Taiamai thank the Community Board for their support but the Te Mania Drive signage is still not up and the community would like that expedited.

3 SPEAKERS

Funding Applications:

- Bo-Deane Stephens representing Hush Dance Studio – item 6.2a refers

Member Moko Tepania left the meeting at 10:54 am.

4 CONFIRMATION OF PREVIOUS MINUTES

4.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 6.1 document number A3052585, pages 12 - 18 refers

RESOLUTION 2021/51

Moved: Chairperson Mike Edmonds

Seconded: Member Emma Davis

That the Kaikohe-Hokianga Community Board confirms the minutes of their meeting held 2 June 2021 as a true and correct record.

CARRIED

4.2 UPLIFTING ITEM OF BUSINESS LEFT TO LIE – KAIKOHE-HOKIANGA FOOTPATH PROGRAMME

RESOLUTION 2021/52

Moved: Member John Vujcich

Seconded: Member Alan Hessel

That the Kaikohe-Hokianga Community Board resolve to discuss Kaikohe-Hokianga Footpath Programme that was left to lie at the June 2, 2021 meeting.

7.2 KAIKOHE-HOKIANGA FOOTPATH PROGRAMME

Agenda item 7.2 document number A3201345, pages 154 - 158 refers

MOTION

Moved: Member Louis Toorenburg

Seconded: Member Alan Hessel

That the Kaikohe-Hokianga Community Board:

a) Agree to the 2021/2022 footpath programme to include the following 'top nine' prioritised and subject to funding availability:

- i) Parnell Street Rawene - Hospital to Clendon Esplanade (Est \$500,000)
- ii) Manning Street Rawene - Existing to House #54 Manning Street (Est \$70,000)
- iii) Koutu Point Road Koutu - SH12 to 68 Koutu Point Road (Est \$340,000)
- iv) Old Wharf Road Omapere - SH12 to Wharf (Est \$40,000)
- v) Freese Park Road Omapere – Old Wharf Road to end (Est \$40,000)
- vi) Horeke Road Okaihau - Existing to house 2054 (Est \$230,000)
- vii) Honey Street – Parnell Street to End (Est \$120,000)
- viii) Taumataiwi Street Opononi – Walkway to SH10 - via bowling green (Est \$30,000)
- ix) Michie Street – Start to Playschool (Est \$30,000)

That the Kaikohe-Hokianga Community Board:

b) Identify and recommend to Council a list of footpaths from the above priority safety programme to the value of \$150,000 to be constructed 100% funded from Far North District Council Funds.

ITEM LEFT TO LIE

Workshop with Sandi Morris (NTA) for Monday 14 June 2021 at Pioneer Village 10am.

CARRIED

4.3 KAIKOHE-HOKIANGA FOOTPATH PROGRAMME

Agenda item 7.2 document number A3201345, pages 154-158 of meeting held 2 June 2021 refers

RESOLUTION 2021/53

Moved: Member Louis Toorenburg

Seconded: Member Alan Hessel

That the Kaikohe-Hokianga Community Board :

- a) **expresses bitter dissatisfaction at the Northland Transport Alliance's failure to hold a workshop with the Community Board, failure to follow delegation and to communicate fully why the workshop wasn't held.**
- b) **requests the Chief Executive urgently arrange a workshop with Northland Transport Alliance and the Community Board to deal with the time-sensitive Kaikohe-Hokianga Footpath Program for Kaikohe.**

CARRIED

4.4 ITEM OF BUSINESS NOT ON THE AGENDA WHICH CANNOT BE DELAYED – POHUTUKAWA TREES ALONG THE Opononi Esplanade**RESOLUTION 2021/54**

Moved: Member Alan Hessel

Seconded: Chairperson Mike Edmonds

That the Kaikohe-Hokianga Community Board:

- a) resolves to consider the item not on the agenda Opononi Pohutukawa Trees.
- b) note the item was not on the agenda because the Community Board where unaware that the task had not been completed by Council; and
- c) notes the report cannot be delayed because the trees are notable and their health is at risk.

CARRIED

4.5 OPONONI ESPLANE POHUTUKAWA TREES

RESOLUTION 2021/55

Moved: Member Alan Hessel

Seconded: Member John Vujcich

That the Kaikohe-Hokianga Community Board:

- a) reminds the CEO of our motion dated 7/04/2021 regarding the Pohutukawa trees.
- b) requests information on the progress and urgent action to protect the trees.
- c) Delegate authority to member Hessel to request an onsite meeting through the Chief Executive Officer.

CARRIED

5 REPORTS

5.1 KAIKOHE-HOKIANGA STATEMENT OF COMMUNITY BOARD FUND ACCOUNT AS AT 31 MAY 2021

Agenda item 7.1 document number A3254049, pages 19 - 22 refers

RESOLUTION 2021/56

Moved: Member Louis Toorenburg

Seconded: Member Alan Hessel

That the Kaikohe-Hokianga Community Board receives the report Kaikohe-Hokianga Statement of Community Board Fund Account as at 31 May 2021.

CARRIED

5.2 FUNDING APPLICATIONS

Agenda item 7.2 document number A3247177, pages 23 - 40 refers

RESOLUTION 2021/57

Moved: Member Kelly van Gaalen

Seconded: Member John Vujcich

- 5.2a) That the Kaikohe-Hokianga Community Board approves the sum of \$xxx (plus GST if applicable) be paid from the Board's Community Fund account to Hush Dance Studio for costs towards Dance Showcase and Dinner to support the following Community Outcomes:**

- i) **Communities that are healthy, safe, connected and sustainable**
- ii) **Proud, vibrant communities**

CARRIED**RESOLUTION 2021/58**

Moved: Member Kelly van Gaalen

Seconded: Member John Vujcich

5.2b) That the Kaikohe-Hokianga Community Board approves the sum of \$425 (plus GST if applicable) be paid from the Board's Community Fund account to Okaihau Community Association for costs towards town signage repair to support the following Community Outcomes:

- i) **Communities that are healthy, safe, connected and sustainable**
- ii) **Proud, vibrant communities**

CARRIED**6 RESOLUTION TO EXCLUDE THE PUBLIC****RESOLUTION 2021/59**

Moved: Member Kelly van Gaalen

Seconded: Member Alan Hessel

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

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
5.2a – Funding Applications	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority.</p>	s48(1)(a)(i) - 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 under section 6 or section 7.

CARRIED

RESOLUTION TO READMIT THE PUBLIC**RESOLUTION 2021/60**

Moved: Chairperson Mike Edmonds

Seconded: Member John Vujcich

That the Kaikohe-Hokianga Community Board moves out of Public Excluded and into Ordinary meeting.

CARRIED

5.2 FUNDING APPLICATIONS CONTINUED**RESOLUTION 2021/61**

Moved: Member Kelly van Gaalen

Seconded: Member John Vujcich

5.2a) That the Kaikohe-Hokianga Community Board approves the sum of **\$1550 (plus GST if applicable) be paid from the Board's Community Fund account to Hush Dance Studio for costs towards the Dance Showcase and Dinner to support the following Community Outcomes:**

- i) Communities that are healthy, safe, connected and sustainable**
- ii) Proud, vibrant communities**

CARRIED

6.3 PROJECT FUNDING REPORTS

Agenda item 7.3 document number A3256004, pages 41 - 53 refers

RESOLUTION 2021/62

Moved: Member Louis Toorenburg

Seconded: Member Laurie Byers

That the Kaikohe-Hokianga Community Board note the project reports received from:

- a) Life Education Trust**
- b) Niniwa Collective**
- c) Volunteering Northland**

CARRIED

7 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 11:51 am

The minutes of this meeting will be confirmed at the Kaikohe-Hokianga Community Board Meeting held on 4 August 2021.

.....
CHAIRPERSON

**MINUTES OF
BAY OF ISLANDS-WHANGAROA COMMUNITY BOARD MEETING
HELD AT THE BAYSPORT COMPLEX, HARMONY LANE, WAIPAPA
ON THURSDAY, 8 JULY 2021 AT 10.00 AM**

PRESENT: Chairperson Belinda Ward, Member Lane Ayr, Member Manuela Gmuer-Hornell, Member Bruce Mills, Member Frank Owen, Member Manuwai Wells, Member Rachel Smith

1 KARAKIA TIMATANGA – OPENING PRAYER

Manuwai Wells opened the meeting with a karakia.

2 NGĀ WHAKAPĀHA ME NGĀ PĀNGA MEMA / APOLOGIES AND CONFLICTS OF INTEREST

APOLOGY

RESOLUTION 2021/50

Moved: Chairperson Belinda Ward

Seconded: Member Manuela Gmuer-Hornell

That the apology received from Dave Hookway-Kopa be accepted and leave of absence granted, and apology for lateness from Rachel Smith be accepted.

CARRIED

3 PUBLIC FORUM

- Jon Phelong, Waka Kotahi spoke in regard to Northland Speed Reviews and Safety Updates on Roundabouts
- Steve Castle spoke in regard to Whangaroa Village – Whangaroa Footpath
- William Fuller spoke in regard to Shared pathway Russell to Okiato

Member Rachel Smith arrived at 11:07 am.

- Yvonne Sharp and Wade Rowsell spoke in regard to Opito Bay playground
- Paul Condron and Jackie Edwards-Bruce spoke on behalf of Healthy Families Far North in regard to a community garden in Kaeo behind the library.

4 NGĀ TONO KŌRERO / DEPUTATIONS

Nil

5 SPEAKERS

- Jo David from Northern Community Family Service spoke in regard to Item 7.4 Funding Applications.
- Kerry Gelmi from Towai Market spoke in regard to Item 7.4 Funding Applications.

6 REPORTS

6.1 FUNDING APPLICATIONS

MOTION

Moved: Member Manuwai Wells

Seconded: Member Lane Ayr

That the Bay of Islands-Whangaroa Community Board approves the sum of \$875 (plus GST if applicable) be paid from the Board's Community Fund account to Towai Community Market for costs towards gazebo for shelter and community use to support the following Community Outcomes:

- i) Communities that are healthy, safe, connected and sustainable
- ii) Proud, vibrant communities

AMENDMENT

Moved: Member Manuela Gmuer-Hornell

Seconded: Member Manuwai Wells

That the Bay of Islands-Whangaroa Community Board approves the sum of \$2,750 (plus GST if applicable) be paid from the Board's Community Fund account to Towai Community Market for costs towards gazebo for shelter and community use to support the following Community Outcomes:

- i) Communities that are healthy, safe, connected and sustainable
- ii) Proud, vibrant communities

CARRIED

The amendment became the substantive motion.

RESOLUTION 2021/51

Moved: Member Manuela Gmuer-Hornell

Seconded: Member Manuwai Wells

That the Bay of Islands-Whangaroa Community Board approves the sum of \$2,750 (plus GST if applicable) be paid from the Board's Community Fund account to Towai Community Market for costs towards gazebo for shelter and community use to support the following Community Outcomes:

- i) Communities that are healthy, safe, connected and sustainable**
- ii) Proud, vibrant communities**

CARRIED

Abstained: Member Rachel Smith

The meeting adjourned from 11:57 am to 12:29 pm.

7 CONFIRMATION OF PREVIOUS MINUTES

7.1 CONFIRMATION OF PREVIOUS MINUTES

Agenda item 6.1 document number A3264764, pages 10 - 22 refers.

RESOLUTION 2021/52

Moved: Chairperson Belinda Ward

Seconded: Member Manuela Gmuer-Hornell

That the Bay of Islands-Whangaroa Community Board confirm the minutes of the Bay of Islands-Whangaroa Community Board meeting held 3 June 2021 are a true and correct record.

CARRIED

Abstained: Member Rachel Smith

8 REPORTS CONTINUED

8.1 CHAIRPERSON AND MEMBERS REPORT

Agenda item 7.1 document number A3253284, pages 23 - 34 refers.

RESOLUTION 2021/53

Moved: Member Manuela Gmuer-Hornell

Seconded: Member Bruce Mills

That the Bay of Islands-Whangaroa Community Board note the reports from Chairperson Belinda Ward, Deputy Chairperson Frank Owen, Member Manuela Gmuer-Hornell, and Member Bruce Mills.

CARRIED

Abstained: Member Rachel Smith

8.2 RUBBISH COLLECTION POINT AT THE CORNER PAIHIA AND WAIKARE ROADS

Agenda item 7.2 document number A3248626, pages 35 - 70 refers.

RESOLUTION 2021/54

Moved: Member Manuela Gmuer-Hornell

Seconded: Member Lane Ayr

That the Bay of Islands - Whangaroa Community Board makes a recommendation to the Infrastructure Committee that:

- (a) The approved collection point at the intersection of Waikare Road and State Highway 11, Kawakawa is closed.**
- (b) That future decisions concerning collection points are delegated to operational staff in consultation with the appropriate community board.**

CARRIED

Abstained: Member Rachel Smith

8.3 STATEMENT OF COMMUNITY BOARD FUND ACCOUNT AS AT 31 MAY 2021

Agenda item 7.3 document number A3255167, pages 71 - 75 refers.

RESOLUTION 2021/55]

Moved: Member Manuwai Wells

Seconded: Member Manuela Gmuer-Hornell

That the Bay of Islands-Whangaroa Community Board receives the report entitled "Statement of the Bay of Islands-Whangaroa Community Board Community Fund account as at 31 May 2021".

CARRIEDAbstained: Member Rachel Smith

8.4 FUNDING APPLICATIONS

Agenda item 7.4 document number A3247098, pages 76 - 93 refers.

RESOLUTION 2021/56

Moved: Member Manuwai Wells

Seconded: Member Lane Ayr

That the Bay of Islands-Whangaroa Community Board approves the sum of \$5,325 (plus GST if applicable) be paid from the Board's Community Fund account to Northern Community Family Services for costs towards budget advice and advocacy services to support the following Community Outcomes:

- i) Communities that are healthy, safe, connected and sustainable**
- ii) Proud, vibrant communities**

CARRIEDAbstained: Member Rachel Smith

8.5 PROJECT FUNDING REPORTS

Agenda item 7.5 document number A3256262, pages 94 - 96 refers.

RESOLUTION 2021/57

Moved: Chairperson Belinda Ward

Seconded: Member Bruce Mills

That the Bay of Islands-Whangaroa Community Board note the project reports received from:

- a) Baysport**
- b) Business Paihia Inc**
- c) Guardians of the Bay Inc**
- d) Kerikeri Sports Complex**
- e) Life Education Trust**
- f) Volunteering Northland**
- g) Waka Atea**

CARRIEDAbstained: Member Rachel Smith

8.6 MAINTENANCE AND CAPITAL WORKS AND INPUT WHERE THE RENEWALS BUDGET IS SPENT

RESOLUTION 2021/58

Moved: Member Manuela Gmuer-Hornell

Seconded: Chairperson Belinda Ward

That the Bay of Islands-Whangaroa Community Board request quarterly updates on upcoming programme of works and renewals for footpaths.

<u>Abstained:</u> Member Rachel Smith	CARRIED
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9 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

Member Manuwai Wells closed the meeting with a karakia.

10 TE KAPINGA HUI / MEETING CLOSE

The meeting closed at 2:30 pm.

The minutes of this meeting will be confirmed at the Bay of Islands-Whangaroa Community Board meeting held on 5 August 2021.

.....
CHAIRPERSON

8.3 COUNCIL ACTION SHEET UPDATE AUGUST 2021

File Number: A3308085

Author: Casey Gannon, Meetings Administrator

Authoriser: Aisha Huriwai, Team Leader Democracy Services

TAKE PŪRONGO / PURPOSE OF THE REPORT

To provide Council with an overview of outstanding Council decisions from 1 January 2020.

WHAKARĀPOPOTO MATUA / EXECUTIVE SUMMARY

- Council staff have reintroduced action sheets as a mechanism to communicate progress against Council decisions and confirm when decisions have been implemented.
- The focus of this paper is on Council decisions.
- Action sheets are also in place for Committees and Community Boards.

TŪTOHUNGA / RECOMMENDATION

That Council receive the report Action Sheet Update August 2021.

1) TĀHUHU KŌRERO / BACKGROUND

The Democracy Services Team have been working on a solution to ensure that elected members can receive regular updates on progress against decisions made at meetings, in alignment with a Chief Executive Officer key performance indicator.

Action sheets have been designed as a way to close the loop and communicate with elected members on the decisions made by way of resolution at formal meetings.

Action sheets are not intended to be public information but will provide updates to elected members, who, when appropriate can report back to their communities and constituents.

Officers recognise that the action sheet format is not yet fully meeting the expectations of the elected members. This is a system generated report over which officers have no current ability to change the format. Discussions are underway with the software provider to assess costs of a customisation option for these reports to make them bespoke to our council requirements.

2) MATAPAKI ME NGĀ KŌWHIRINGA / DISCUSSION AND OPTIONS

The outstanding tasks are multi-facet projects that take longer to fully complete.

The Democracy Services staff are working with staff to ensure that the project completion times are updated so that action sheets provided to members differentiate between work outstanding and work in progress.

Take Tūtohunga / Reason for the recommendation

To provide Council with an overview of outstanding Council decisions from 1 January 2020.

3) PĀNGA PŪTEA ME NGĀ WĀHANGA TAHUA / FINANCIAL IMPLICATIONS AND BUDGETARY PROVISION

There are no financial implications or need for budgetary provision in receiving this report.

ĀPITIHINGA / ATTACHMENTS

1. Council Outstanding Actions Sheet as at August 2021 - A3308362  

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
Council 9/04/2020	9/04/2020	Request for funding of development of a supplementary water source for Kaikohe	<p>RESOLUTION 2020/15</p> <p>Moved: Mayor John Carter Seconded: Cr Kelly Stratford</p> <p>That the Council:</p> <ul style="list-style-type: none"> a) agrees to a budget of \$2,000,000 for a supplementary water supply for Kaikohe in the final Annual Plan for 2020/2021. b) approves the Chief Executive engaging Williamson Water and Land Advisory to provide detailed engineering design and cost estimates to connect the reservoir to the treatment plant in the Wairoro Stream. <p>AMENDMENT</p> <p>Moved: Cr John Vujcich Seconded: Cr Felicity Foy</p> <p>Directs that the 2017 resolution of Council be initiated to investigate and address drought resilience in Kaikohe, and that hapu, community board and communities be involved in the process.</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p><u>Against:</u> Cr Rachel Smith</p> <p style="text-align: right;">CARRIED</p> <p>The amendment became the substantive motion.</p> <p>MOTION</p> <p>Moved: Mayor John Carter Seconded: Cr Kelly Stratford</p> <p>That the Council:</p>	

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			a) agrees to a budget of \$2,000,000 for a supplementary water supply for Kaikohe in the final Annual Plan for 2020/2021. b) approves the Chief Executive engaging Williamson Water and Land Advisory to provide detailed engineering design and cost estimates to connect the reservoir to the treatment plant in the Wairoro Stream. c) directs that the 10 August 2017 resolution of Council be initiated to investigate and address drought resilience in Kaikohe, and that hapu, community board and communities be involved in the process. <u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich <u>Against:</u> Nil CARRIED	
Council 21/05/2020	21/05/2020	Request for Financial Assistance for Kawakawa Community Owned Under Veranda Lighting Scheme	MOTION Moved: Cr Kelly Stratford Seconded: Mayor John Carter That Council approve a financial contribution of \$6,720 (GST exclusive) to the Kawakawa Business and Community Association (KBCA), for the cost of electricity supply to the Kawakawa Community Lighting Scheme, to be funded from the Eastern Amenity Development Levy Fund. AMENDMENT Moved: Cr John Vujcich Seconded: Cr Moko Tepania	14 May 2021 5:00pm Huriwai, Aisha Funding has been paid to the 2 township associations for the running of the lighting schemes.

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>That Council:</p> <ul style="list-style-type: none"> a) approve financial contributions of \$6,720 (GST exclusive) each to the Kawakawa Business and Community Association (KBCA) and no more than \$6,500 for the Kaikohe Business Association for expenses related to the Central Business District lighting schemes in those towns, to be funded from the Eastern and Western Amenity Development Levy Funds respectively. b) agree to consultation for a targeted rate be added to the Long-Term Plan for future funding of these schemes. <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p><u>Against:</u> Cr David Clendon</p> <p>The amendment became the substantive motion.</p> <p>RESOLUTION 2020/25</p> <p>Moved: Cr Kelly Stratford Seconded: Mayor John Carter</p> <p>That Council:</p> <ul style="list-style-type: none"> a) approve financial contributions of \$6,720 (GST exclusive) each to the Kawakawa Business and Community Association (KBCA) and no more than \$6,500 for the Kaikohe Business Association for expenses related to the Central Business District lighting schemes in those towns, to be funded from the Eastern and Western Amenity Development Levy Funds respectively. b) agree to consultation for a targeted rate be added to the Long-Term Plan for future funding of these schemes. 	

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p><u>Against:</u> Nil</p> <p style="text-align: right;">CARRIED</p>	
Council 21/05/2020	21/05/2020	Options for controlling and regulating trade in public places	<p>MOTION</p> <p>Moved: Mayor John Carter Seconded: Cr Felicity Foy</p> <p>That Council, under the Local Government Act, adopt Option Three – make a new bylaw, as the most appropriate response to addressing the perceived problems associated with trading in public places.</p> <p>AMENDMENT</p> <p>Moved: Cr Kelly Stratford Seconded: Cr Dave Collard</p> <p>That Council b) develop guidelines and education programmes after the adoption of the bylaw.</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p><u>Against:</u> Nil</p> <p style="text-align: right;">CARRIED</p> <p>The amendment became the substantive motion.</p> <p>RESOLUTION 2020/29</p> <p>Moved: Mayor John Carter Seconded: Cr Felicity Foy</p>	

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>That Council, under the Local Government Act,</p> <p>a) adopt Option Three – make a new bylaw, as the most appropriate response to addressing the perceived problems associated with trading in public places.</p> <p>b) develop guidelines and education programmes after the adoption of the bylaw.</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p><u>Against:</u> Nil</p> <p style="text-align: right;">CARRIED</p>	<p>29 Apr 2021 11:38am Thomas, Caitlin now being considered as part of a new road use bylaw - report to strategy and policy committee agenda 4th May 2021</p>
Council 10/12/2020	10/12/2020	Roadside Rubbish and Recycling	<p>RESOLUTION 2020/91</p> <p>Moved: Deputy Mayor Ann Court Seconded: Cr Moko Tepania</p> <p>That Council:</p> <p>a) requests further investigation and analysis of future options for litter control, solid waste monitoring, kerbside collections will be considered in the S17A Service Delivery Review.</p> <p>b) requests a report outlining the findings of the review including future service level enhancements when the review is completed.</p> <p style="text-align: right;">CARRIED</p>	<p>14 May 2021 5:13pm Huriwai, Aisha A regional approach is being developed for solid waste. Work is being done to develop a governance model to support a regional approach.</p>
Council 8/04/2021	8/04/2021	Solid Waste Bylaw Review	<p>RESOLUTION 2021/23</p> <p>Moved: Deputy Mayor Ann Court</p>	

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>Seconded: Cr Dave Collard</p> <p>That Council:</p> <p>a) agree, under section 155(1) of the Local Government Act 2002, the Solid Waste Bylaw 2016 is the most appropriate way of addressing solid waste problems in the Far North District.</p> <p>b) agree, under section 155(2) of the Local Government Act 2002, the Solid Waste bylaw 2016:</p> <p>i) is the most appropriate form of bylaw.</p> <p>ii) does not give rise to any implications under the New Zealand Bill of Rights Act 1990.</p> <p>c) agree the provisions of the Solid Waste Bylaw be reassessed in conjunction with the Waste Management and Minimisation Plan review, which is due by 2023, or after central government legislation comes into effect.</p> <p>CARRIED</p> <p>Note: request the Chief Executive Officer take this topic - Roadside Recycling (bag options), to the Regional Waste workstream for discussion within the Regional Waste Strategies policy.</p> <p>Note: request the Chief Executive Officer provide timeframes for the establishment of a governance group on Regional Waste Strategies.</p>	<p>29 Apr 2021 10:35am Macken, Briar Next steps: Work regarding consultation requirements underway. Proposal due to SPP Committee meeting July 20.</p> <p>17 Jun 2021 10:36am Gannon, Casey Briar advised that part of the resolution will not be complete until 2023 - work is actively being done to go through a robust process.</p> <p>17 Jun 2021 10:37am Gannon, Casey - Target Date Revision Target date changed by Gannon, Casey from 22 April 2021 to 02 January 2023 - As Briar advised this will not be complete until 2023 - with work underway in 2020-2021, next report due to SPP Committee July 2021</p>
Council 8/04/2021	8/04/2021	Hihi Wastewater Treatment Plant Capital Works Business Case	<p>MOTION</p> <p>Moved: Cr Felicity Foy Seconded: Cr Dave Collard</p> <p>That Council:</p> <p>a) approves the detailed business case preferred Option 3 – Membrane Bio Reactor, to be located on the existing Hihi</p>	

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>Wastewater Treatment Plant site to be advanced to-community consultation and lwi consultation.</p> <p>b) notes the potential cost of the preferred option and the impact upon rates.</p> <p>The meeting was adjourned from 11.24 am to 11.42 am.</p> <p>AMENDMENT</p> <p>Moved: Cr Felicity Foy Seconded: Cr Dave Collard</p> <p>That Council:</p> <p>a) acknowledge the current risk being carried at Hihi Wastewater Treatment Plant.</p> <p>b) direct staff to consult with lwi and the Hihi community on most sustainable and affordable future focused solution (with consultation to begin by May).</p> <p>c) direct staff to evaluate short term mitigation while the long-term solution is being developed.</p> <p style="text-align: right;">CARRIED</p> <p><u>Against:</u> Cr Rachel Smith</p> <p>RESOLUTION 2021/24</p> <p>Moved: Cr Felicity Foy Seconded: Cr Dave Collard</p> <p>That Council:</p> <p>a) acknowledge the current risk being carried at Hihi Wastewater Treatment Plant.</p> <p>b) direct staff to consult with lwi and the Hihi community on most sustainable and affordable future focused solution (with consultation to begin by May).</p>	<p>19 Apr 2021 10:11am Moore, Mary a) No action required, b) Initial meeting with Engagement Lead scheduled for 28.04.2021 to agree approach - expected completion date TBC, c) Inspection of tank already in train - delays experienced due to wet weather as tank needs to be emptied first, a process that will take 2 days - expected completion date 31 May 2021</p> <p>24 May 2021 11:28am Moore, Mary b) Drop in session held with community 11 July. Community confirms existing site and wetlands as preferred locations. Concern is cost v connections with clear steer on defining affordability for them. Online survey open for feedback, this closed 31 July. Responses to drop in session and survey being drafted by project team. Mana whenua have requested independent engagement, and this is being scheduled by project team. Next Project team meeting 6 July. , , Project team formed and engagement plan in development. Contact made with lwi and community contacts. Informal attendance at ratepayer assn meeting. Possible formal engagement opportunity beginning July</p> <p>24 May 2021 11:32am Moore, Mary c) Condition assessment commissioned but experiencing ongoing delays due to weather. Previously considered options to be referenced. AM investigating other options. Inf Planning input re RC.</p>

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			c) direct staff to evaluate short term mitigation while the long-term solution is being developed. CARRIED <u>Against:</u> Cr Rachel Smith	
Council 21/12/2020	21/12/2020	Kerikeri CBD Ring Road Acquisition of Strategic Property	RESOLUTION 2020/106 Moved: Mayor John Carter Seconded: Cr Rachel Smith That Council: a) confirm its intent to complete the Kerikeri ring road development as identified in the Integrated Transport Strategy. b) authorise the CEO to negotiate and purchase the property at 13 Homestead Road, Kerikeri, as a strategic asset. c) resolve to continue acquiring properties for the future transportation needs of Kerikeri on a case by case basis and as they became available for the western route. d) receive an options report to the Infrastructure Committee in March 2021, outlining the next steps of the Strategic Western Route, including LTP considerations, to progress the project. <u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, David Clendon, Dave Collard, Felicity Foy, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich <u>Against:</u> Nil <u>Abstained:</u> Cr Mate Radich CARRIED	16 Jun 2021 8:52am Finch, Andy A scoping paper for a future report to IC/Council has been agreed with Crs Court, Smith, Clendon and Foy. This paper is now being developed with a target date of the last quarter of 2021 calendar year.
Council 20/05/2021	20/05/2021	New Parking and Road Use Bylaws	RESOLUTION 2021/20	

OUTSTANDING ACTIONS REPORT				
Division: Council		Printed: Monday, 2 August 2021 4:46:14 PM		
Committee:		Date From: 1/01/2020		
Officer:		Date To: 2/08/2021		
Meeting	Date	Title	Resolution	Notes
			<p>Moved: Deputy Mayor Ann Court Seconded: Cr Rachel Smith</p> <p>That Council determine, under section 155(1) of the Local Government Act 2002, that two new bylaws regulating parking and road use, made under the Land Transport Act 1998, are the most appropriate way of addressing the problems in the Far North District:</p> <ul style="list-style-type: none"> i) competition for space in the central business districts. ii) congestion in the central business districts. <p>CARRIED</p>	<p>02 Jul 2021 11:35am Smith, Siân New bylaws being developed. Target date for report to Committee to approve for consultation 7 September 2021</p>
Council 20/05/2021	20/05/2021	Parking Enforcement Services	<p>RESOLUTION 2021/23</p> <p>Moved: Deputy Mayor Ann Court Seconded: Cr Rachel Smith</p> <p>That Council:</p> <ul style="list-style-type: none"> a) makes application for the delegation to enforce stationary parking offences on State Highway from Waka Kotahi (the New Zealand Transport Agency); and b) commences a trial period of enforcing stationary vehicle Warrants of Fitness and Registration offences across the district. <p>CARRIED</p>	<p>20 Jul 2021 11:22am Deane, Rochelle Parking Trial for WoF and unregistered vehicles began 1 July 2021, In Discussion with NZTA regarding receiving delegation in time for the draft bylaw released for public consultation</p>
Council 20/05/2021	20/05/2021	Appointment for Papakāinga Development - Kaitāia Expert Consenting Panel	<p>RESOLUTION 2021/25</p> <p>Moved: Cr John Vujcich Seconded: Cr Rachel Smith</p>	

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>That Far North District Council nominate Councillors Clendon and Stratford to be considered as a panel member on the Papakāinga Development – Kaitāia Expert Consenting Panel.</p> <p>CARRIED</p> <p><u>Abstained:</u> Crs David Clendon and Kelly Stratford</p>	
Council 20/05/2021	20/05/2021	Te Hiku Community Board Chairperson - Appointment to Committees	<p>RESOLUTION 2021/26</p> <p>Moved: Cr John Vujcich Seconded: Cr Rachel Smith</p> <p>That Council:</p> <p>I. appoint Adele Gardner as a member of the Assurance, Risk and Finance Committee; and,</p> <p>II. remove Adele Gardner from the Regulatory and Compliance Committee.</p> <p>CARRIED</p>	
Council 20/05/2021	20/05/2021	Review on Erosion Issues for Freese Park	<p>MOTION</p> <p>Moved: Mayor John Carter Seconded: Cr John Vujcich</p> <p>That Council approves:</p> <p>a) the Freese Park Erosion Management Consultation Strategy summarised in this report.</p> <p>b) the proposal to present concept designs 1A, 1B and 2 during public consultation, as presented in Attachment A.</p> <p>and notes:</p> <p>c) that an extensive investigation has been conducted into the coastal erosion processes at Freese Park</p>	

OUTSTANDING ACTIONS REPORT				
Division:		Council		Printed: Monday, 2 August 2021 4:46:14 PM
Committee:				Date From: 1/01/2020
Officer:				Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>d) that erosion of the foreshore is occurring at a rate of approximately 0.7m/yr.</p> <p>e) a high-level options assessment has led to the selection of 'hold the line' as a preferred solution to the erosion issue. This will involve constructing a rock riprap structure of some description at the existing alignment of the erosion scarp. Advancing the seawall seawards towards the Mean High-Water Springs (MHWS) mark is also possible but is dependent on cost, consenting and public preference. Two options (one option includes two sub-options) have been presented (Attachment A).</p> <p>AMENDMENT</p> <p>Moved: Cr David Clendon Seconded: Cr Rachel Smith</p> <p>That Council approves</p> <p>b) the proposal to present concept designs 1A, 1B, 2 and 3 during public consultation, as presented in Attachment A.</p> <p>CARRIED</p> <p><u>Abstained:</u> Crs David Clendon and Kelly Stratford</p> <p>The amendment became the substantive motion.</p> <p>RESOLUTION 2021/28</p> <p>Moved: Cr David Clendon Seconded: Cr Rachel Smith</p> <p>That Council approves:</p> <p>a) the Freese Park Erosion Management Consultation Strategy summarised in this report.</p> <p>b) the proposal to present concept designs 1A, 1B, 2 and 3 during public consultation, as presented in Attachment A.</p>	

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>and notes:</p> <p>c) that an extensive investigation has been conducted into the coastal erosion processes at Freese Park.</p> <p>d) that erosion of the foreshore is occurring at a rate of approximately 0.7m/yr.</p> <p>e) a high-level options assessment has led to the selection of 'hold the line' as a preferred solution to the erosion issue. This will involve constructing a rock riprap structure of some description at the existing alignment of the erosion scarp. Advancing the seawall seawards towards the Mean High-Water Springs (MHWS) mark is also possible but is dependent on cost, consenting and public preference. Two options (one option includes two sub-options) have been presented (Attachment A).</p> <p style="text-align: right;">CARRIED</p> <p>Against: Cr Rachel Smith</p>	
Council 20/05/2021	20/05/2021	Lease 13 Homestead Road to Mid North Tiling Ltd	<p>RESOLUTION 2021/29</p> <p>Moved: Deputy Mayor Ann Court Seconded: Cr Kelly Stratford</p> <p>That Council:</p> <p>a) approves a lease for the property at 13 Homestead Road, Kerikeri being Lot 1 DP 86471 to Mid-North Tiling Ltd at or as close to market rent as possible and on standard commercial lease terms.</p> <p>b) approves that the lease shall be for a maximum term of 3 years commencing 1 June 2021 and shall contain a clause that enables Council to terminate the lease giving at least six months' notice should at any time during the term Council requires possession of any part or the whole of the property.</p>	

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			c) approves that the GM Corporate Services is authorised to negotiate the final rent and terms and conditions of the lease. CARRIED	
Council 1/07/2021	1/07/2021	Subsoil Lease to FNHL - The Strand, Russell	RESOLUTION 2021/50 Moved: Cr Mate Radich Seconded: Cr Dave Collard That the Far North District Council: a) grants consent, pursuant to the Local Government Act 1974, to Far North Holdings Limited, for a new lease of the subsoil beneath The Strand, Russell; and that, i) Term: 14 years ii) Annual Rental: \$1.00 plus GST (if any) iii) Expiry Date: 30 June 2035 iv) Renewal: Nil CARRIED Note: request a report be provided to the Bay of Islands-Whangaroa Community Board with practical solutions to address any health and safety issues and to prevent parking at the fill point locations.	
Council 1/07/2021	1/07/2021	Proposal to Construct an Erosion Protection Structure on Council Owned Reserve, Omapere	RESOLUTION 2021/51 Moved: Cr John Vujcich Seconded: Cr Dave Collard That Council: a) approves the construction of, and associated occupation with, an erosion protection structure on Far North District Council owned local purpose reserved legally described as Lot 5 DP196729; and	02 Aug 2021 11:20am Hammond, Kim Work is in the early stages post approval by Council in July 2021.

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>b) approval is provided subject to a memorandum of encumbrance being recorded on the titles of Lot 1 DP196729 and Lot 1 DP310507 and that the encumbrance records the agreement that the owners of those properties:</p> <ul style="list-style-type: none"> i) bear full responsibility for the maintenance, repair, removal of the seawall (if required) during its lifetime, and end of its lifetime. ii) incur cost of the agreement construction and registration against title. iii) notify FNDC of any variation or modification of the erosion protection structure <p>To avoid doubt, approval is given both within Council's capacity as the administering body of the reserve and an affected person within the meaning of Section 95 of the Resource Management Act 1991.</p> <p style="text-align: right;">CARRIED</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Moko Tepania and John Vujcich</p> <p><u>Abstained:</u> Cr Kelly Stratford</p> <p>Note: need to include climate change and erosion as part of the Reserves and Parks Policy review.</p> <p>At 2:30 pm, Cr Kelly Stratford left the meeting. At 2:32 pm, Cr Kelly Stratford returned to the meeting.</p>	
Council 1/07/2021	1/07/2021	Remits for Consideration at 2021 LGNZ AGM	<p>RESOLUTION 2021/53</p> <p>Moved: Mayor John Carter Seconded: Cr Kelly Stratford</p>	

OUTSTANDING ACTIONS REPORT				
Division: Committee: Officer:		Council		Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>That the Far North District Council:</p> <p>a) supports the following 2021 Local Government New Zealand Remits:</p> <p>i) Rating Value of Forestry Land</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith and Moko Tepania</p> <p><u>Against:</u> Crs Kelly Stratford and John Vujcich</p> <p>CARRIED</p> <p>ii) Funding of Civics Education</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p>CARRIED</p> <p>iii) Election Participation</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p>CARRIED</p> <p>iv) Carbon Emission Inventory Standards and Reduction Targets</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p>CARRIED</p>	<p>Completed.</p> <p>A copy of Council's resolution was provided to the Mayor to inform his voting at the LGNZ AGEM.</p>

OUTSTANDING ACTIONS REPORT				
		Division: Committee: Officer:	Council	Printed: Monday, 2 August 2021 4:46:14 PM Date From: 1/01/2020 Date To: 2/08/2021
Meeting	Date	Title	Resolution	Notes
			<p>v) Liability - Buildings Consent Functions</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p>CARRIED</p> <p>i) Tree Protection</p> <p><u>In Favour:</u> Mayor John Carter, Deputy Mayor Ann Court, Crs David Clendon, Dave Collard, Felicity Foy, Mate Radich, Rachel Smith, Kelly Stratford, Moko Tepania and John Vujcich</p> <p>CARRIED</p> <p>At 2:40 pm, Mayor John Carter left the meeting and Deputy Mayor Ann Court took the Chair. At 2:42 pm, Mayor John Carter returned to the meeting.</p>	
Council 1/07/2021	1/07/2021	CEO Report to Council 01 March 2021 - 30 April 2021	<p>RESOLUTION 2021/56</p> <p>Moved: Mayor John Carter Seconded: Cr Ann Court</p> <p>That Council receive the report CEO Report to Council 01 March 2021 - 30 April 2021.</p> <p>CARRIED</p>	Closed - no action required.

9 TE WĀHANGA TŪMATAITI / PUBLIC EXCLUDED**RESOLUTION TO EXCLUDE THE PUBLIC****RECOMMENDATION**

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

The general subject matter 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 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
9.1 - Confirmation of Previous Minutes - Public Excluded	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(b)(ii) - the withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information</p> <p>s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	s48(1)(a)(i) - 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 under section 6 or section 7
9.2 - Rating Sale Endorsement Bay of Islands-Whangaroa	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - 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 under section 6 or section 7
9.3 - Chief Executive Employment Section 35 Review	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons	s48(1)(a)(i) - 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 under section 6 or section 7

10 KARAKIA WHAKAMUTUNGA – CLOSING PRAYER

11 TE KAPINGA HUI / MEETING CLOSE