



## Meeting of the Hawke's Bay Regional Council

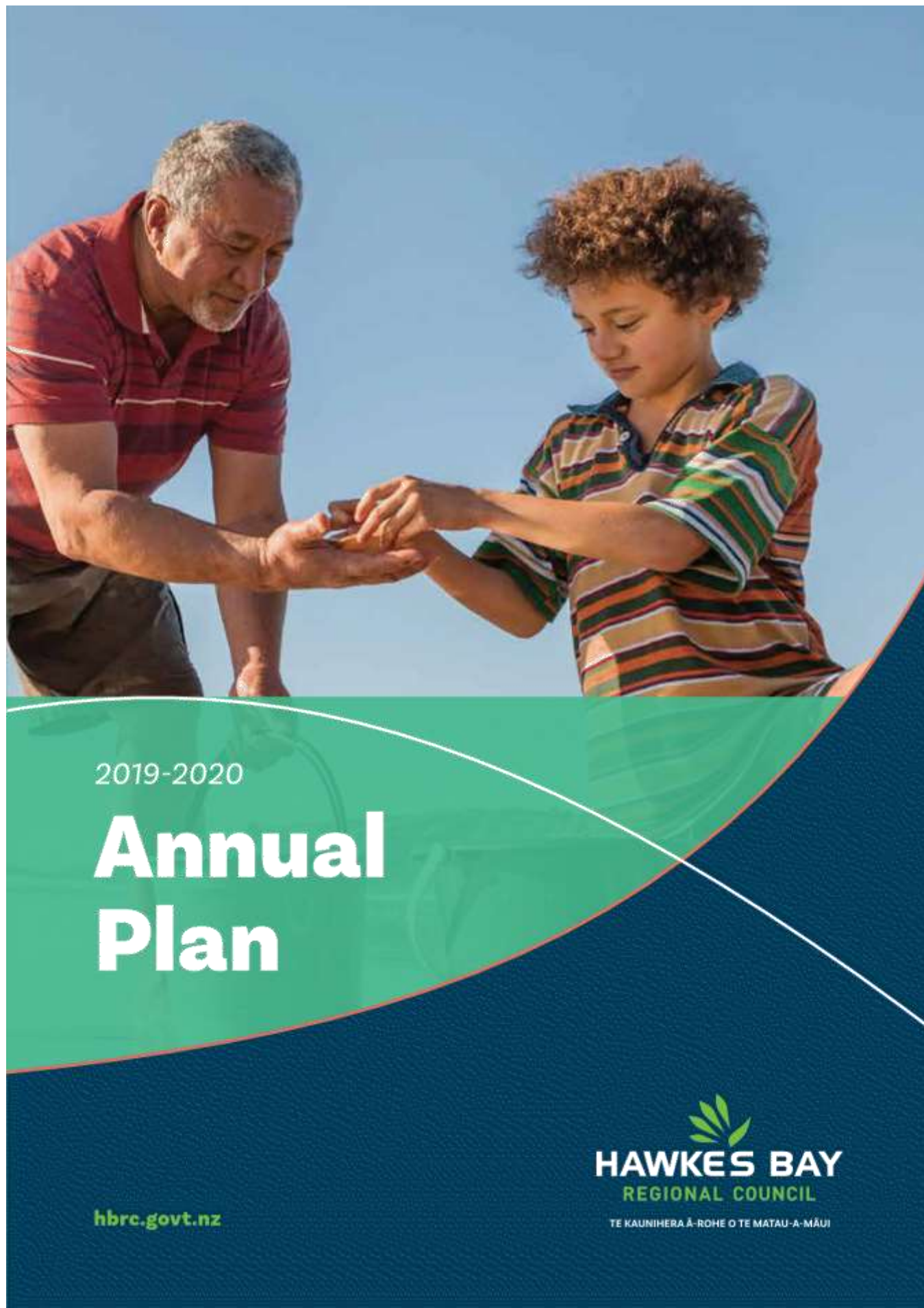
**Date:** Wednesday 26 June 2019  
**Time:** 9.00am  
**Venue:** Council Chamber  
Hawke's Bay Regional Council  
159 Dalton Street  
NAPIER

### Attachments Excluded From Agenda

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ITEM	SUBJECT	PAGE
<b>8.</b>	<b>2019-20 Annual Plan Adoption</b>	
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<b>11.</b>	<b>Regional Public Transport Plan Decisions on Submissions and Adoption</b>	
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<b>13.</b>	<b>Local Government New Zealand Annual General Meeting</b>	
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2019-2020

# Annual Plan

[hbrc.govt.nz](http://hbrc.govt.nz)

  
**HAWKES BAY**  
REGIONAL COUNCIL  
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI



**You told us  
you want  
cleaner water  
and a better  
environment  
for future  
generations.**

Image Credit: Mohaka River, Te Mata Trust

#### 2019-2020 ANNUAL PLAN

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The Resource Management  
Group of the Hawke's Bay  
Regional Council is ISO 9001  
2008 certified.

ISBN 978-0-947499-27-3  
HBRC Publication Number 5394





Item 8

Attachment 1

~ We're well into the work we need to do to enhance our environment for our community, now and for the future.



MESSAGE FROM THE CHAIR & CHIEF EXECUTIVE  
HE KUPU NĀ TE TOIHĀU ME TE KAIWHAKAHAERE MATUA

## Into Action

*“In this year’s Annual Plan for 2019-20, we are well on the way to planting more trees, and losing less soil to our waterways.”*

Kia ora tātau

**Last year we began to accelerate our work across the region, for the simple reason that our environment is in trouble. We need to work harder to protect what we have left and restore what we have lost.**

Sadly, our region’s precious biodiversity continues to decline. We have too many waterways choked with visible weeds and invisible excess nutrients. Every year we lose millions of tonnes of soil from our land at the expense of our streams, rivers and the marine environment. Climate change will worsen many of these issues and only adds to the urgency of the challenges we face.

We’re working hard with our community to remedy this situation. Thanks to the funding from your rates, user charges, borrowing, investment income and government grants, we’ve been able to increase our ability to regulate activities that can harm our environment. This means more focus on

planning, consents, compliance and science, and using ‘carrots and sticks’ to incentivise change and encourage compliance.

Ratepayers in Central Hawke’s Bay and Wairoa are seeing more action on the ground. The Sustainable Homes programme is active across the whole region and our partnerships are beginning to bear fruit.

There is no adjustment to the forecast change in rates for 2019-20. As we continue to build momentum with our work, this Annual Plan confirms the forecast average rate increase of 7.9%.

Alongside our current work is a separate and well-publicised major effort to fund Napier Port’s growth through a share offer. This will enable our regional economy to grow at no cost to ratepayers.

As always, we encourage your regular contact with us – face to face, through meetings, phone calls, social media and our website. Please keep in touch with your Councillors on issues that matter to you.



This plan for 2019-20 is consistent with the direction of travel we set in last year’s Long Term Plan.

The full Long Term Plan along with this plan is online or at Regional Council offices in Napier, Taradale, Waipawa and Wairoa.

[hbrc.govt.nz](http://hbrc.govt.nz)

~ The package of work we're leading will help us to reverse biodiversity decline and enhance our environment over time.

With your support, the package of work we're leading will help us to reverse biodiversity decline and enhance our environment over time. To find out more, go to [hbrc.govt.nz](https://hbrc.govt.nz).

Ngā mihi nui,



**Rex Graham**  
Chair



**James Palmer**  
Chief Executive

Dr Andy Hicks  
Team Leader Water Quality and Ecology

MESSAGE FROM TE POU WHAKARAE  
HE KUPU NĀ TE POU WHAKARAE

## Te Pou: Support Pillar

*“We’re developing our Māori Partnerships Strategy focused around two major themes: enhanced engagement with iwi, hāpu and whanau, and increased staff capability to engage the right people, at the right time and in the right way.”*

**Tēnā koutou katoa e āku rangatira.**

**My name is Pieri Munro and I descend from a rich and diverse heritage. Each of us can lay claim to this if we look far enough back and answer the question: who am I and where do I come from?**

In late 2018 the Regional Council appointed me to the position of Te Pou Whakarae.

A Māori term for our Chief Executive is Te Tumu Whakarae. Te Pou signifies a support pillar and so I - alongside my peer group managers - comprise the executive leadership team led by James Palmer, responsible and accountable for every element of our Regional Council business.

In this Annual Plan, we describe our business objectives for the year ahead. Who, how and when we engage with iwi and tāngata whenua in all our business activity is a legislative requirement that we are determined to do well.

The Regional Council is developing its Māori Partnerships Strategy focused around two major themes: enhanced engagement with iwi, hāpu and whanau, and increased staff capability to enable us to engage the right people, at the right time and in the right way. Since my commencement, I have met

many people internally and externally, as a lead-in to the strategy, to muster people's views on what great engagement might look like. That contribution has been invaluable.

This year the Māori Partnerships Group increases to a team of three. There is a wonderful metaphor that captures the energy of the Regional Council, our intent and commitment ahead:

He waka eke noa, E tu ki te kei o te waka kia pakia koe e nga ngaru o te wa.

An all-inclusive journey, stand tall at the kei of the waka and feel the spray of the future biting at your face.

My view of the world today and ahead is via my moko, my granddaughter Lily. What I do and see today is tempered through her eyes and her understanding of the world as it should be. Hangaia he Ao e te tirohanga whatu mokopuna.

Paimarire,



**Pieri Munro**  
**Te Pou Whakarae**



~ “He waka eke noa,  
E tu ki te kei o te  
waka kia pakia koe  
e nga ngaru o te wa.

*An all-inclusive journey,  
stand tall at the kei of the  
waka and feel the spray of  
the future biting at your face.”*

Te Tai Tokerau Pou  
Celestial Compass, Waitangi Regional Park

ABOUT THIS DOCUMENT  
NGĀ KŌRERO O TĒNEI PUKAPUKA

## Our Planning Cycle

**Our Plan 2019-20 is our Annual Plan that corresponds to year two in the Long Term Plan cycle.**

We have included highlights of the work already under action or planned to start during this Annual Plan period, the associated costs, and any variations from what was forecast. For more detail we recommend you read this plan alongside the **2018-28 Long Term Plan<sup>1</sup>** – on our website. We can also send you a copy, on request.

We are on track and full steam ahead with our Long Term Plan strategy. This year's Annual Plan confirms the forecast average rate increase of 7.9%. We have not carried out formal consultation, however we informed the community about this plan using newspapers, social media and our website, in April and June 2019.

Please note that the financial information contained in this plan is based on assumptions, which Regional Council reasonably expects to occur. Actual results achieved may vary, however we have endeavoured to ensure our financial forecasts are as accurate as possible based on current information.

An Annual Report is produced at the end of each financial year, which describes the work our Council has undertaken. It focuses on actual performance against what was forecast, covering both levels of service and financial performance against targets. The Annual Report for Year 1 of the Long Term Plan i.e. 2018-19 will be available late 2019.



### Long Term Plan

\*This is a 10 year plan that is reviewed every three years. It lets you know what we are going to do, why and how we are going to fund it.

### Annual Plan

Produced in years two and three of each Long Term Plan review cycle. It sets your rates for that year, and highlights any variances from our Long Term Plan forecasts.

### Annual Report

Produced every year. It lets you know whether we did what we said we would in the previous year.

<sup>1</sup> There was an amendment to the Long Term Plan in April 2019. This explicitly gave the authority for the Regional Council to make a decision to transfer the ownership of Napier Port (being a strategic asset), and to establish a Council Controlled Organisation (CCO) to act as the listed entity to facilitate a potential Initial Public Offer (IPO) transaction for Napier Port.

HAWKE'S BAY REGIONAL COUNCIL  
TE KAUNIHERA Ā-ROHE O TE MATAU-A-MĀUI

## Our Councillors



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## Our Vision & Values

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### Our Vision

*WE WANT* a healthy environment,  
a vibrant community and a  
prosperous economy

### Our Purpose

*WE WORK* with our community to  
protect and manage the region's  
precious taonga of rivers, lakes, soils,  
air, coast and biodiversity for health,  
wellbeing and connectivity



# Te whakapakari tahi i tō tātau **taiao**. Enhancing our **environment** together.

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## Our Focus

### WE PRIORITISE

#### 1

##### **Water quality, safety and certainty.**

*Kia kounga, kia haumarū,  
kia pūmau te pai o te wai.*

#### 2

##### **Smart, sustainable land use.**

*Kia koi, kia ukauka te  
whakamahinga o te whenua.*

#### 3

##### **Healthy and functioning biodiversity.**

*Kia ora, kia mahi tika te  
kanorau koiora.*

#### 4

##### **Sustainable services and infrastructure.**

*Kia ukauka ngā ratonga me ngā  
hanganga ā-rohe.*

## Our Values

### WE BELIEVE IN

#### **Partnership & Collaboration**

*we work with our community  
in everything we do*

#### **Accountability**

*we hold ourselves to account  
to deliver results, be responsive  
to community expectations,  
and the best use of ratepayers'  
funds and assets*

#### **Transparency**

*we report on what we do  
and the value this delivers  
for our community*

#### **Excellence**

*we set our sights and  
expectations high, and never  
stop striving to do better*

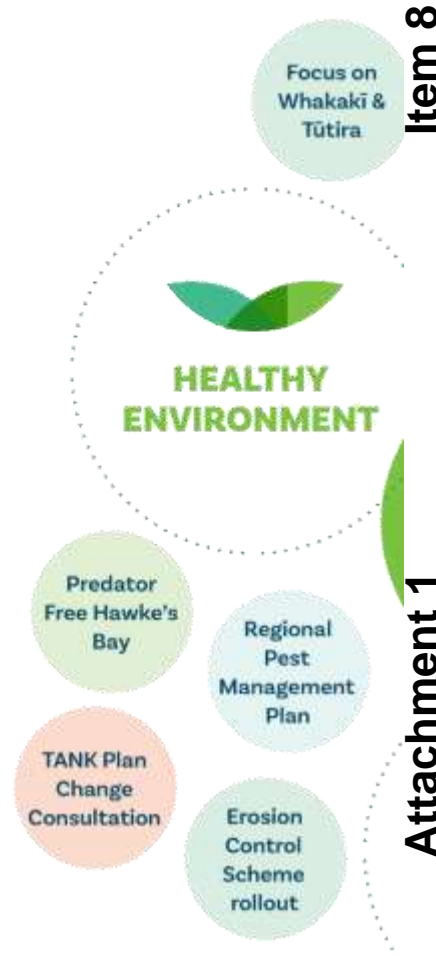
FOR THE YEAR 2019-2020  
MŌ TE TAU 2019-2020

## Our Highlights

*“We’re on a clear path to plant more trees, lose less soil to waterways, have cleaner water, a healthier marine environment and better biodiversity.”*

The Long Term Plan for 2018-28 has put us on a clear path to plant more trees, lose less soil to waterways, target cleaner water, a healthier marine environment and better biodiversity. We’re already tackling the effects of climate change through Regional Council work programmes such as erosion control, water security, coastal hazards and our long-standing flood protection schemes.

In the year ahead, programmes initiated during 2018 will strengthen and gain momentum, as we pursue the community outcomes described in our Long Term Plan – a healthy environment, a vibrant community and a prosperous economy.



We have grouped the highlights by our four focus areas, which together contribute to our community outcomes.



### WATER

Water quality, safety and certainty



### LAND

Smart sustainable land use



### BIODIVERSITY

Healthy and functioning biodiversity



### INFRASTRUCTURE & SERVICES

Sustainable services and infrastructure





The infographic features a central white circle with a green leaf logo and the text "VIBRANT COMMUNITY". Surrounding this are several smaller circles containing text: "Water Security", "Future Farming Initiative", "Integrated Catchment approach", "EXPECTED HIGHLIGHTS FOR 2019-20", "PROSPEROUS ECONOMY", "Coastal Hazards Strategy 2120", "Stronger Regulation", "Biodiversity Strategy & Action Plan", and "Sustainable Homes uptake". A large teal speech bubble at the bottom contains a quote. To the right is a photo of a man standing in a rocky stream.

**Water Security**

**Future Farming Initiative**

**Integrated Catchment approach**

**EXPECTED HIGHLIGHTS FOR 2019-20**

**PROSPEROUS ECONOMY**

**VIBRANT COMMUNITY**

**Coastal Hazards Strategy 2120**

**Stronger Regulation**

**Biodiversity Strategy & Action Plan**

**Sustainable Homes uptake**

~ “The influence of climate change is increasingly reflected in the Regional Council’s work programmes, such as erosion control, water security, coastal hazards and our long-standing flood protection schemes.”

Daniel Fake  
Resource Technician

Item 8

Attachment 1

FOR THE YEAR 2019-2020  
MŌ TE TAU 2019-2020

## Our Focus Areas



### WATER

Water quality,  
safety and  
certainty



### LAND

Smart and  
sustainable  
land use

#### Water Security

This has the greatest opportunity to meet the environmental, social, economic and climate challenges we face in our communities. We're working on a programme that includes a regional freshwater assessment, new opportunities for the Heretaunga and Tukituki catchments, and technology that can deliver a much clearer map of groundwater resources.

#### Integrated Catchment Approach

With larger teams now operating in Wairoa and Waipawa, staff are developing the Regional Council's capability and capacity to target activity in catchments and work more closely with landowners, to coordinate quality farm plans, erosion control plans, nutrient budgets, riparian buffer planting and offer specialist advice.

#### Erosion Control Scheme

We have introduced a subsidy of up to 75% to incentivise large-scale planting on erosion prone land. It commenced in 2019 with a plan for region wide uptake and is of increasing urgency as more frequent and intense rainfall threatens to accelerate soil loss to our waterways.

#### Freshwater Improvement Fund

The funding partnership with Government continues to develop local activity to benefit Lakes Tūtira and Whakakī.

#### TANK Plan Change

This is about how we manage the waterways of the Tūtaekurī, Ahuriri, Ngaruroro and Karamū catchments. The plan for the land, water and people of Heretaunga Plains is progressing, with pre-notification in early 2019 and a public consultation likely to happen in late 2019.

#### Regulation

In Year 1 of the Long Term Plan there was an increase in planning, consenting and compliance staff to support stronger environmental monitoring and enforcement. More compliance staff will come on board in 2019-20 – in line with our plan for Year 2 of the Long Term Plan. This will help us to handle the pollution calls to our 24 hour/7 day service, significant increases in abatement and infringement notices issued and prosecutions made.

#### Future Farming Initiative

This partnership for change is focused on establishing a local hub of knowledge, research, education and opportunity for profitable and resilient farming. We want to ensure the health of the region's soil and water, communities and farmers into the future.

#### Partnerships

The Regional Council is working closely with tāngata whenua entities, local councils and the wider government sector. Strong partnerships are critical to many of our workstreams, helping us to make the most of funding opportunities, policy changes and governance groups that support our community, such as the three waters committee, joint drinking water committee, the Heretaunga Plains Urban Development Strategy and Tukituki Task Force.



~ Climate change impacts our region's physical and natural resources and is a key consideration in everything we do.



### BIODIVERSITY

Healthy and functioning biodiversity

#### Biodiversity Strategy and Action Plan

An implementation team is working through the priority actions: ecosystem mapping and priority, developing a cultural framework, operating the Hawke's Bay Biodiversity Foundation, developing a group of statutory agencies, establishing a Biodiversity Forum, and developing a process for proactive landowner engagement.

#### Regional Pest Management Plan

Operative from February 2019, the plan aims to limit the adverse effects of unwanted plants, animals, horticultural and marine pests.

#### Predator Free Hawke's Bay

The first phase of the Predator-Free by 2050 project called Whakatipu Mahia is under way and initially working to remove possums from 14,500 hectares of land on Mahia Peninsula within four years. Staff have re-located to Mahia to work on this.



### INFRASTRUCTURE & SERVICES

Sustainable services and infrastructure

#### Napier Port Share Offer

The possibility of a minority share offer in 2019 would mean shares, of up to 45% in an initial offering, in Napier Port would be listed and traded on the New Zealand Stock Exchange to fund the Port's investment in a new wharf. The Regional Council has committed to retaining at least 51% ownership of this strategic local asset.

#### Sustainable Homes

The scheme now applies across the region to include Clean Heat, insulation, solar power systems, double glazing, water storage and septic tanks. As of late 2018, eligible ratepayers can now borrow up to \$20,000 at 6% from the Regional Council and repay this over 10 years by way of a voluntary targeted rate.

#### Civil Defence

The Hawke's Bay Civil Defence Emergency Management team now operates as a single shared service team. The rebuild of the regional Emergency Control Centre is progressing and expects to open as a new permanent facility in late 2019.

#### Coastal Hazards Strategy 2120

The Regional Council is working directly with Napier and Hastings Councils on this long-term project to protect our coastal communities from sea level rise and coastal erosion.

~ "We're working closely with tāngata whenua entities, local councils and the wider government sector."

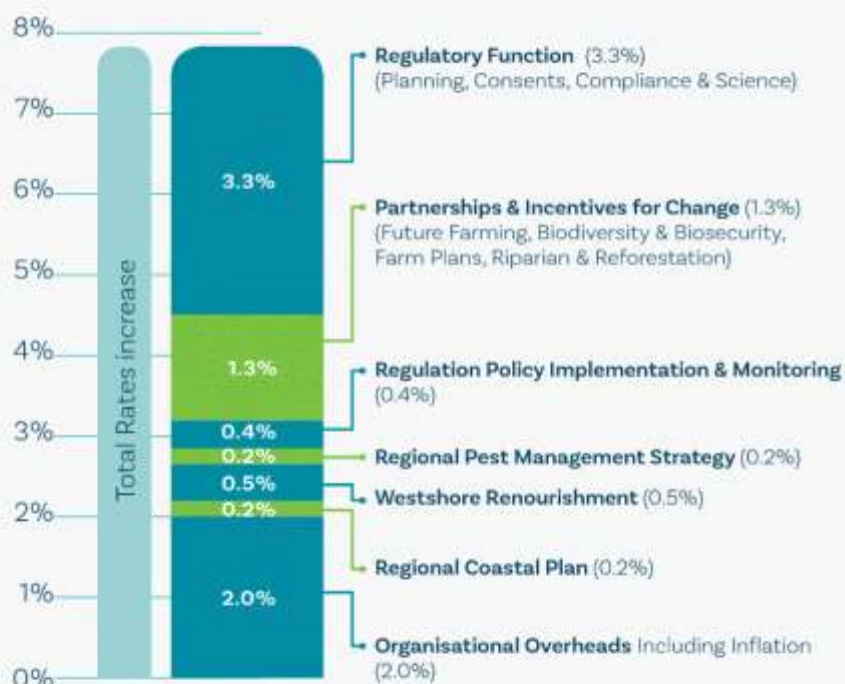


FOR THE YEAR 2019-2020  
MŌ TE TAU 2019-2020

## Rates

### 2019-20 Rates at a glance

The 7.9% rates increase previously forecast in the Long Term Plan for 2019-20 represents:



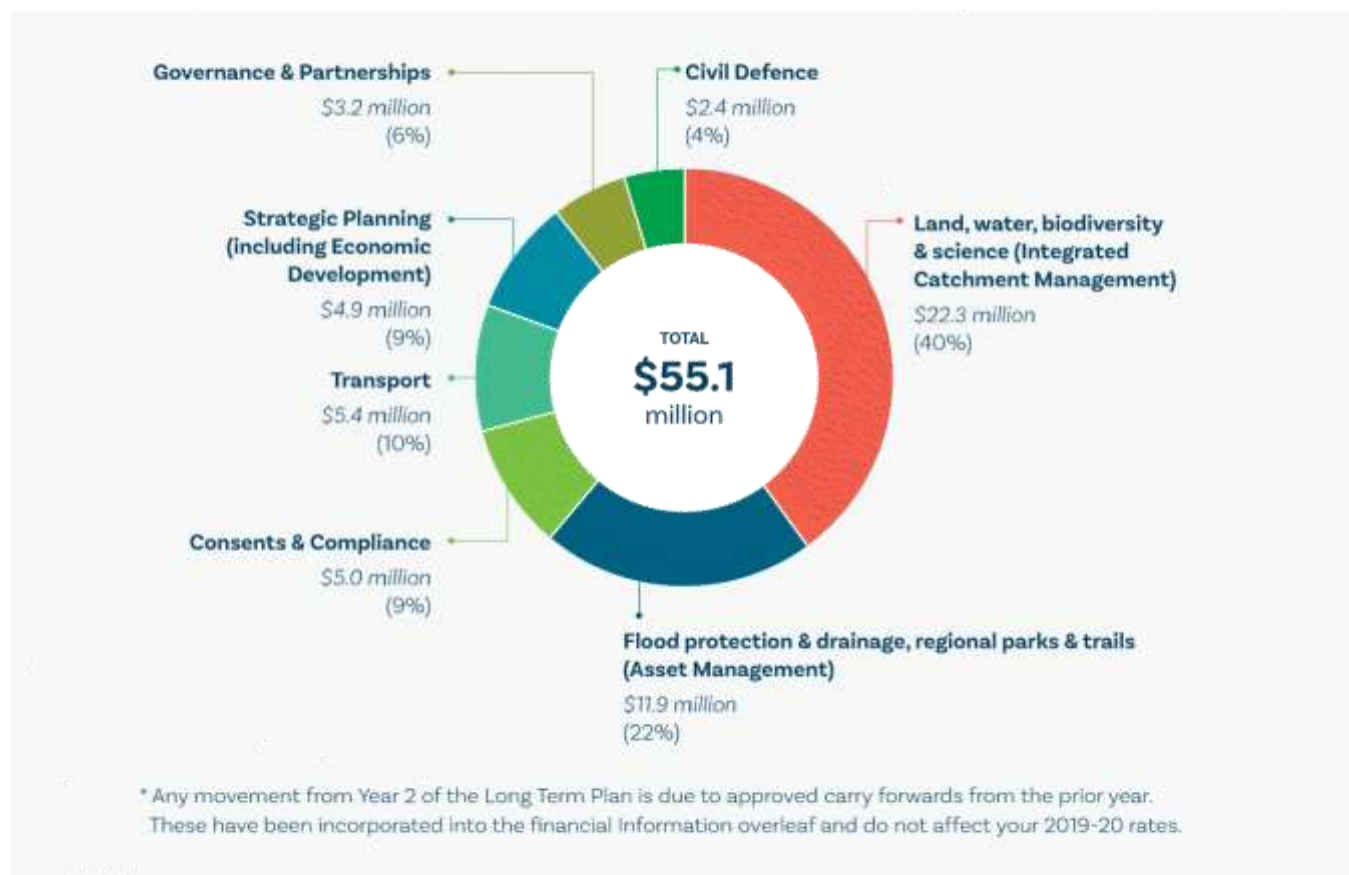
\* This year a larger percentage of our Economic Development rate shifts to commercial ratepayers, those who benefit the most from this activity. The ratio shifts from 50:50 commercial: urban to a 70:30 split.

FOR THE YEAR 2019-2020  
MŌ TE TAU 2019-2020

## Expenditure

### 2019-20 Expenditure at a glance

The below reflects the seven groups of activities\* that were introduced and described in detail in our Long Term Plan 2018-28:



~ To check the rates for your individual property, go to [hbrc.govt.nz](https://hbrc.govt.nz) and search: **#myproperty**

2019-2020 ANNUAL PLAN  
2019-2020 MAHERE Ā-TAU

## Financial Information

*The 2018-28 Long Term Plan, amended in April 2019, included a revised Financial Strategy.*

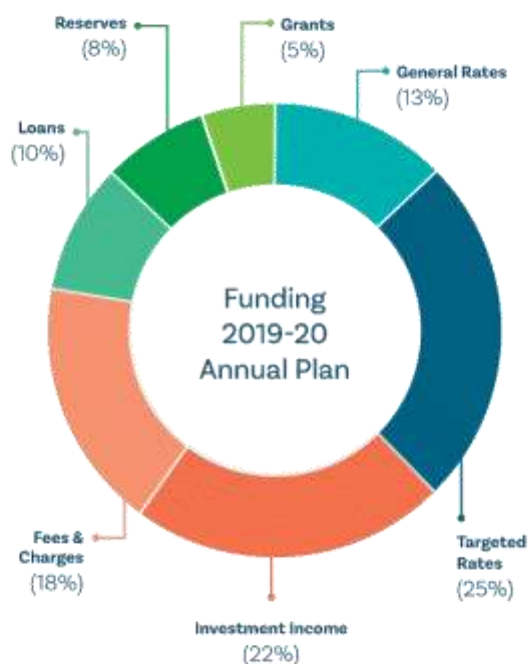
The revised Financial Strategy covers the funding of a significant proposed investment in Napier Port, achieved through the offer of shares to the public. An Initial Public Offering (IPO) on the New Zealand Stock Exchange would provide public ownership of up to a 49% stake in Napier Port.

The IPO transaction provides for the following objectives:

- Retain majority community ownership of Napier Port
- Secure the investment Napier Port requires to enable growth
- Protect ratepayers from the costs of funding the development
- Diversify and de-risk the Regional Council's investments to better protect ratepayers
- Retain exposure to the future financial performance of a growing strategic asset

Other changes to the Financial Strategy include increases in fees and charges for regulatory and science activity, leveraging low external debt levels and a change in investment funding, by using managed funds to obtain higher returns.

The 2018-28 Long Term Plan has focused on leveraging the balance sheet by borrowing more for larger long term projects that provide intergenerational benefits. Year 2 includes \$10 million borrowing for these types of projects. This increase in activity also includes a significant programme of capital works (\$15.4 million).





## Fees and Charges

Section 36 of the Resource Management Act (RMA) enables local authorities to allocate fixed charges to specific resource users, for various administrative and monitoring activities.

These charges are calculated each year based on the cost of service delivery. They include hourly rates, consent fees, water monitoring charges, compliance monitoring, navigation and zone-based water science charges.

The charges will be notified and published on our website for the 2019-20 year from July.

Charge rates (excl. GST) for the purpose of calculating actual costs per hour	
Item	Per Hour
Executive	\$137
Governance and Partnerships	\$87
Strategic Planning	\$102
Integrated Catchment Management	
- Science	\$108
- SOE Reporting (Environmental Information)	\$85
- Client Services	\$93
- Water Information Services	\$93
- Catchment Management	\$102
- Biodiversity and Biosecurity	\$93
Asset Management	\$102
Consents and Compliance	
- Resource consent processing	\$154
- Resource consent administration	\$93
- Compliance/impact monitoring of consents and Approving, monitoring & auditing of Tier 1 Marine Oil Spill Contingency Plans, monitoring the new NESPF for forestry and monitoring of Resource Management Act regulations.	\$144
Emergency Management	\$82
Transport	\$90
Corporate Services	\$71
Disbursement costs shall be charged at the rates set out below:	
- Accommodation	\$150 a night per person
- Public notification	Actual advertising costs
- Photocopying	20c per A4 page B&W 40c per A4 page colour 30c per A3 page B&W 70c per A2 page B&W
External laboratory testing	Actual cost
Consultant fees	Actual cost



**Prospective Statement of Comprehensive Revenue and Expense**

	Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>REVENUE</b>					
Revenue from activities	1	6,548	9,198	9,925	10,719
Revenue from rates	2	19,475	22,829	24,640	24,642
Revenue from grants		5,383	3,368	3,430	3,651
Other revenue	3	15,479	16,029	101,946	101,521
Fair value gains on investments	7(a)	3,697	3,195	3,315	3,137
Reduction in ACC Leasehold Liability		-	917	936	936
<b>Total Operating Revenue</b>		<b>50,582</b>	<b>55,536</b>	<b>144,192</b>	<b>144,606</b>
<b>EXPENDITURE</b>					
Expenditure on activities	1	41,317	44,332	45,478	50,350
Finance costs	1	2,803	2,447	2,854	2,713
Depreciation & amortisation expense	5	2,905	2,925	3,259	3,446
Fair value losses		-	-	-	-
Other expenditure		965	-	-	-
Impairment		-	-	-	-
<b>Total Operating Expenditure</b>		<b>47,990</b>	<b>49,704</b>	<b>51,591</b>	<b>56,509</b>
<b>OPERATING SURPLUS</b>					
<b>Operating Surplus Before Income Tax</b>		<b>2,592</b>	<b>5,832</b>	<b>92,601</b>	<b>88,097</b>
Income tax expense		-	-	-	-
<b>Operating Surplus After Income Tax</b>		<b>2,592</b>	<b>5,832</b>	<b>92,601</b>	<b>88,097</b>
<b>OTHER COMPREHENSIVE REVENUE AND EXPENSE</b>					
Gain / (loss) in other financial assets		48,394	-	10,884	11,200
Gain / (loss) in revalued intangible assets		283	-	(8,985)	(8,985)
Gain / (loss) in revalued managed funds		-	1,000	2,680	2,680
Gain / (loss) in revalued property, plant and equipment assets		-	1,436	-	-
<b>Total Other Comprehensive Revenue and Expense</b>		<b>48,678</b>	<b>2,436</b>	<b>4,579</b>	<b>4,895</b>
<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSE</b>		<b>51,270</b>	<b>8,268</b>	<b>97,180</b>	<b>92,992</b>
<b>Statement For General Funding Position</b>					
<b>CAPITAL EXPENDITURE</b>					
Property, plant, equipment & intangible assets	5	3,153	5,594	6,696	7,633
Infrastructure assets - flood & drainage		896	3,307	3,424	3,920
Infrastructure assets - open spaces & regional assets		213	160	160	160
Forestry assets		160	-	211	207
Community net lending from reserves (Clean Heat)		-	2,007	2,219	250
Sustainable homes net lending		1,268	911	168	168
Regional Freshwater Security		-	-	-	3,086
Advances to Napier / Gisborne rail		17	1,500	-	-
Public debt repayments	4(a)	3,840	4,252	5,165	4,879
<b>Total Capital Expenditure</b>		<b>9,547</b>	<b>17,731</b>	<b>18,043</b>	<b>20,303</b>
<b>RESERVE AND PUBLIC DEBT FUNDING</b>					
Reserves funding	6	5,221	8,867	(81,666)	(75,284)
Public debt funding	4(a)	4,000	7,010	11,362	10,386
Leasehold annuity funding		-	-	-	-
Fair value gains on investments	7(a)	(3,697)	(3,195)	(3,315)	(3,137)
Fair value gains on other comprehensive income		(48,678)	(2,436)	(4,579)	(4,895)
Reduction in ACC Leasehold Liability		863	(917)	(936)	(936)
<b>Total Reserve &amp; Loan Funding</b>		<b>(42,291)</b>	<b>9,329</b>	<b>(79,135)</b>	<b>(73,866)</b>
<b>UNDERLYING SURPLUS / (DEFICIT)</b>	<b>8</b>	<b>(568)</b>	<b>(135)</b>	<b>2</b>	<b>(1,177)</b>

**Prospective Statement of Changes in Net Assets / Equity**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Net Assets / Equity at the Start of the Year</b>	<b>544,476</b>	<b>562,909</b>	<b>571,177</b>	<b>604,014</b>
Total Comprehensive Revenue and Expense	51,270	8,268	97,180	92,992
	51,270	8,268	97,180	92,992
<b>Net Assets / Equity at the End of the Year</b>	<b>595,746</b>	<b>571,177</b>	<b>668,358</b>	<b>697,006</b>

**Prospective Statement of Financial Position**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>ASSETS</b>				
<b>Non Current Assets</b>				
Property, plant & equipment	21,453	24,120	27,329	26,887
Intangible assets	5,273	6,895	7,460	8,127
Infrastructure assets	173,004	176,268	190,110	190,499
Investment property	47,102	54,520	57,246	52,596
Forestry assets	10,698	10,589	10,404	11,198
Finance assets	9,313	71,331	156,010	160,399
Investment in council-controlled organisations	283,500	246,985	239,000	274,515
Regional Freshwater Security	-	-	-	3,086
Advances to council-controlled organisations	-	-	-	-
Napier / Gisborne rail lease	218	1,701	1,701	1,718
<b>Total Non Current Assets</b>	<b>550,561</b>	<b>592,409</b>	<b>689,260</b>	<b>729,025</b>
<b>Current Assets</b>				
Inventories	122	35	35	122
Trade & other receivables	9,969	8,989	9,169	9,244
Finance assets	57,216	20,732	22,585	13,529
Advances to council-controlled organisations	-	-	-	-
Cash & cash equivalents	27,309	3,900	7,677	2,739
<b>Total Current Assets</b>	<b>94,616</b>	<b>33,656</b>	<b>39,466</b>	<b>25,634</b>
<b>TOTAL ASSETS</b>	<b>645,177</b>	<b>626,065</b>	<b>728,726</b>	<b>754,659</b>
<b>NET ASSETS / EQUITY</b>				
Accumulated comprehensive revenue and expense	9 305,237	325,116	334,142	322,479
Fair value reserves	9 209,443	174,963	179,542	216,774
Other reserves	9 81,066	71,098	154,674	157,753
<b>Total Net Assets / Equity</b>	<b>595,746</b>	<b>571,177</b>	<b>668,357</b>	<b>697,006</b>
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
Borrowings	19,125	20,753	26,210	27,744
ACC Leasehold Liability	14,115	16,967	16,050	12,465
Provisions for other liabilities & charges	555	657	670	710
<b>Total Non Current Liabilities</b>	<b>33,795</b>	<b>38,376</b>	<b>42,930</b>	<b>40,919</b>
<b>Current Liabilities</b>				
Trade & other payables	9,895	9,433	9,622	9,620
Borrowings	3,900	5,165	5,904	4,879
ACC Leasehold Liability	745	936	917	1,238
Provisions for other liabilities & charges	1,096	977	997	997
<b>Total Current Liabilities</b>	<b>15,636</b>	<b>16,512</b>	<b>17,438</b>	<b>16,734</b>
<b>Total Liabilities</b>	<b>49,431</b>	<b>54,888</b>	<b>60,369</b>	<b>57,653</b>
<b>TOTAL NET ASSETS / EQUITY AND LIABILITIES</b>	<b>645,177</b>	<b>626,065</b>	<b>728,726</b>	<b>754,659</b>



## Prospective Cash Flow Statement

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
<b>Cash to be provided from:</b>				
Receipts from customers	6,770	11,376	12,209	13,003
Rates	19,475	22,829	24,640	24,642
Dividends received	10,000	10,000	90,900	90,900
Interest received	2,549	3,297	7,702	7,727
Grants	5,720	3,368	3,430	3,651
Other income	174	554	1,060	610
GST	-	-	-	-
	<b>44,688</b>	<b>51,424</b>	<b>139,941</b>	<b>140,533</b>
<b>Cash to be applied to:</b>				
Payments to suppliers	23,272	23,530	23,505	26,974
Payments to and behalf of employees	17,408	19,683	20,751	22,154
Finance expense	2,803	2,447	2,854	2,713
	<b>43,483</b>	<b>45,660</b>	<b>47,110</b>	<b>51,841</b>
<b>Net Cash Flows from Operating Activities</b>	<b>1,205</b>	<b>5,764</b>	<b>92,831</b>	<b>88,692</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
<b>Cash to be provided from:</b>				
Disposal of property, plant & equipment	215	946	289	310
Disposal of investment properties	5,739	-	-	-
Disposal of financial assets	76,516	8,294	14,887	15,534
Disposal of forestry assets	-	485	985	485
	<b>82,470</b>	<b>9,725</b>	<b>16,161</b>	<b>16,329</b>
<b>Cash to be applied to:</b>				
Purchase of property, plant & equipment	2,198	3,539	5,466	5,483
Purchase of intangible assets	955	2,055	1,230	2,150
Construction of infrastructure assets	1,517	3,467	3,584	4,080
Community lending	-	2,918	2,387	418
Purchase of financial assets	57,184	15,479	97,312	97,663
Forestry asset development	160	-	211	207
Purchase of investment properties	-	425	-	-
Advances to Investment Company	(94)	-	-	-
Regional Freshwater Security	-	-	-	3,086
Napier / Gisborne rail	17	1,500	-	-
	<b>61,937</b>	<b>29,383</b>	<b>110,190</b>	<b>113,087</b>
<b>Net Cash Flows from Investing Activities</b>	<b>20,533</b>	<b>(19,658)</b>	<b>(94,029)</b>	<b>(96,757)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
<b>Cash to be provided from:</b>				
Loans drawn	3,900	7,010	11,362	10,386
Leasehold annuity	-	-	-	-
	<b>3,900</b>	<b>7,010</b>	<b>11,362</b>	<b>10,386</b>
<b>Cash to be applied to:</b>				
Loans repaid	3,740	4,252	5,165	4,879
Leasehold freeholding proceeds paid to ACC	4,850	1,119	1,222	1,222
	<b>8,590</b>	<b>5,372</b>	<b>6,387</b>	<b>6,101</b>
<b>Net Cash Flows from Financing Activities</b>	<b>(4,690)</b>	<b>1,638</b>	<b>4,975</b>	<b>4,284</b>
<b>Net Increase / (Decrease) in Cash &amp; cash equivalents</b>	<b>17,048</b>	<b>(12,255)</b>	<b>3,777</b>	<b>(3,781)</b>
Opening cash & cash equivalents	10,261	16,155	3,900	6,520
<b>Closing Cash &amp; cash equivalents</b>	<b>27,309</b>	<b>3,900</b>	<b>7,677</b>	<b>2,739</b>

**Note 1 - Activity Revenue & Expenditure**

	Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>REVENUE</b>					
<b>Groups of Activities</b>					
Strategic Planning		48	-	-	-
Asset Management		1,028	2,033	2,038	2,165
Integrated Catchment Management		3,896	4,182	4,522	5,054
Consents & Compliance		1,384	2,589	2,969	3,026
Emergency Management		165	119	119	119
Transport		14	153	153	230
Governance & Partnerships		13	122	124	125
		<b>6,548</b>	<b>9,198</b>	<b>9,925</b>	<b>10,719</b>
Less internal Revenue		-	-	-	-
<b>TOTAL REVENUE FROM ACTIVITIES</b>		<b>6,548</b>	<b>9,198</b>	<b>9,925</b>	<b>10,719</b>
<b>EXPENDITURE</b>					
<b>Groups of Activities</b>					
Strategic Planning		5,208	4,946	4,894	4,871
Asset Management		10,813	10,531	10,619	11,948
Integrated Catchment Management		16,456	17,781	19,123	22,327
Consents & Compliance		3,577	4,336	4,829	5,013
Emergency Management		1,777	2,389	2,394	2,396
Transport		4,417	4,863	4,984	5,410
Governance & Partnerships		3,016	3,574	3,392	3,171
		<b>45,264</b>	<b>48,420</b>	<b>50,235</b>	<b>55,136</b>
Less Internal Expenditure		(179)	(177)	(181)	(181)
<b>Total Group Activities</b>		<b>45,085</b>	<b>48,243</b>	<b>50,054</b>	<b>54,955</b>
<b>Other Activities</b>					
Regional Income Collection Expenditure		1,940	1,461	1,537	1,544
Interest Paid on Regional Income Loans		-	-	-	-
<b>Total Other Activities</b>		<b>1,940</b>	<b>1,461</b>	<b>1,537</b>	<b>1,544</b>
Less finance costs					
- interest on borrowings		(1,388)	(1,328)	(1,632)	(1,491)
- payments associated with the transfer of Napier leasehold cashflows to ACC		(1,415)	(1,119)	(1,222)	(1,222)
Total finance costs		(2,803)	(2,447)	(2,854)	(2,713)
Less depreciation and amortisation expense		(2,905)	(2,925)	(3,259)	(3,446)
<b>TOTAL EXPENDITURE ON ACTIVITIES</b>		<b>41,317</b>	<b>44,332</b>	<b>45,478</b>	<b>50,350</b>

**Notes 2 & 3 - Rates & Other Revenue**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Note 2: Rates</b>				
<b>General Funding Rates</b>				
Uniform Annual General Charge (UAGC)	2,707	2,648	2,685	2,836
General Rate on Land Value	1,821	4,304	5,577	5,591
<b>Total General Funding Rates</b>	<b>4,528</b>	<b>6,952</b>	<b>8,262</b>	<b>8,427</b>
<b>Targeted Rates</b>				
Upper Tukituki Catchment Control Scheme	734	708	728	722
Separate Flood Control & Drainage Schemes	289	553	564	565
Wairoa Rivers & Streams Scheme	162	166	171	171
Central & Southern Areas Rivers & Streams Scheme	233	238	243	243
Heretaunga Plains Flood Control & Drainage Schemes	5,446	5,247	5,375	5,370
Biosecurity Schemes	1,719	1,830	1,986	1,887
Subsidised Public Transport	1,613	1,620	1,653	1,653
Clean Heat Administration Rate	584	583	583	583
Sustainable Land Management	753	783	878	851
Economic Development Rate	2,342	1,850	1,894	1,871
Coastal Erosion Rate	-	169	169	169
Emergency Management Uniform Annual Charge	1,072	2,130	2,134	2,130
<b>Total Targeted Rates</b>	<b>14,947</b>	<b>15,877</b>	<b>16,378</b>	<b>16,215</b>
<b>TOTAL RATES</b>	<b>19,475</b>	<b>22,829</b>	<b>24,640</b>	<b>24,642</b>

**Rating Base Information**

The projected number of rating units in the region as at 30 June 2019 are 72,180.

The projected total capital value of rating units in the region as at 30 June 2019 is \$38,531,850,150.

The projected total land value of the rating units in the region as at 30 June 2019 is \$20,877,999,050.

<b>Note 3: Other Revenue</b>				
Dividends	10,000	10,000	90,900*	90,900
Interest	2,721	3,297	7,702	7,727
Leasehold rents	2,593	2,178	2,284	2,284
Forestry income	8	526	1,032	582
Subvention payments	144	28	28	28
Napier - Gisborne Rail Returns	22	-	-	-
Other income	(9)	-	-	-
Net gain / (loss) on disposal of assets				
<b>TOTAL OTHER INCOME</b>	<b>15,479</b>	<b>16,029</b>	<b>101,946</b>	<b>101,521</b>

\* These dividends include proceeds from the dilution of ownership of Napier Port and Year 2 dividend based on 55% ownership, rather than 100%. This is reflected in the Amended 2018-28 Long Term Plan.



**Note 4(a) - External Debt & Interest Expense**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>LOAN REQUIREMENTS</b>				
<b>New Borrowings</b>				
Sustainable Homes Advances to Household	2,655	2,700	2,250	2,750
Systems Integration Loans	1,245	1,555	1,230	1,850
Public Good Capital Assets Loans	100	260	160	160
Additional Building Loan	-	-	1,000	1,000
Science Loans	-	495	2,222	2,538
Integrated Catchment Activities Loans	-	2,000	2,500	2,088
Building Mechanical Services Upgrade	-	-	2,000	-
<b>Total New Borrowings</b>	<b>4,000</b>	<b>7,010</b>	<b>11,362</b>	<b>10,386</b>
<b>Principal Repayments</b>				
Sustainable Homes Advances to Household	2,100	2,408	2,655	2,491
Systems Integration Loans	378	495	634	603
Operations Group and Wairoa Office Extensions	60	60	60	60
Technical Equipment Loan (Monitoring Bores)	10	10	10	10
HPFCS Flood & River Scheme Loan	45	45	45	45
Karamu & Tributaries Scheme Loan	40	40	40	40
Public Good Capital Assets Purchases	742	731	752	752
Sawfly Remediation Loans	140	-	-	-
Upper Tukituki Scheme Loans	30	30	30	30
Additional Building Loan	61	31	81	88
Science Loans	214	262	364	375
Public Consultation on Oil & Gas Energy Engagement	20	20	20	20
Integrated Catchment Activities Loans (Clean Heat)	-	121	375	365
Building Mechanical Services Upgrade	-	-	100	-
<b>Total Principal Repayments</b>	<b>3,840</b>	<b>4,252</b>	<b>5,165</b>	<b>4,879</b>
<b>TOTAL LOAN MOVEMENT</b>	<b>160</b>	<b>2,758</b>	<b>6,197</b>	<b>5,506</b>
<b>Loan Balances</b>				
Sustainable Homes Advances to Household	14,315	14,681	14,274	13,164
Systems Integration Loans	2,631	3,541	4,137	4,199
Operations Group and Wairoa Office Extensions	390	330	270	270
Technical Equipment Loan (Monitoring Bores)	30	20	10	10
HPFCS Flood & River Scheme Loan	160	115	70	70
Karamu & Tributaries Scheme Loan	80	40	-	-
Public Good Capital Assets Purchases	3,516	3,075	2,484	2,424
Upper Tukituki Scheme Loans	70	40	10	10
Additional Building Loan	138	138	1,057	1,200
Science Loans	1,565	1,949	3,807	4,127
Public Consultation on Oil & Gas Energy Engagement	130	110	90	90
Integrated Catchment Activities Loans (Clean Heat)	-	1,879	4,004	7,060
Building Mechanical Services Upgrade	-	-	1,900	-
<b>Total Outstanding Loan Balances</b>	<b>23,025</b>	<b>25,918</b>	<b>32,114</b>	<b>32,623</b>
<b>Loan Interest Expense</b>				
Sustainable Homes Advances to Household	797	777	769	672
Systems Integration Loans	141	153	198	166
Operations Group Office Extensions	18	20	17	17
Technical Equipment Loan (Monitoring Bores)	4	2	1	1
HPFCS Flood & River Scheme Loan	11	8	5	5
Karamu & Tributaries Scheme Loan	9	4	1	1
Public Good Capital Assets Purchases	237	195	165	158
Sawfly Remediation Loans	2	-	-	-
Upper Tukituki Scheme Loans	7	4	2	2
Additional Building Loan	18	10	48	44
Science Loans	116	100	181	170
Public Consultation on Oil & Gas Energy Engagement	4	5	6	6
Integrated Catchment Activities Loans	-	49	159	249
Building Mechanical Services Upgrade	-	-	79	-
<b>TOTAL LOAN INTEREST EXPENSE</b>	<b>1,364</b>	<b>1,328</b>	<b>1,632</b>	<b>1,491</b>

**Note 4(b) - Internal Debt & Interest Expense**

	Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Loan Requirements</b>					
<b>New Borrowings</b>					
Hydrology Equipment		-	100	250	250
Transport Electronic Ticketing		40	250	-	-
Makara Scheme Loan		-	-	-	-
Biodiversity Loan		-	100	100	100
Tangoio Easements		100	-	-	-
<b>Total New Borrowings</b>		<b>140</b>	<b>450</b>	<b>350</b>	<b>350</b>
<b>Principal Repayments</b>					
Computer Equipment		80	80	80	80
Hydrology Equipment		160	165	183	170
Makara Scheme Loan		7	9	9	9
Transport Electronic Ticketing		-	25	25	25
Biodiversity Loan		-	5	15	15
Tangoio Easements		-	10	10	-
<b>Total Principal Repayments</b>		<b>247</b>	<b>294</b>	<b>321</b>	<b>299</b>
<b>TOTAL LOAN MOVEMENT</b>		<b>(107)</b>	<b>156</b>	<b>29</b>	<b>51</b>
<b>Loan Balances</b>					
Computer Equipment		420	340	260	260
Hydrology Equipment		980	915	983	660
Makara Scheme Loan		200	214	208	182
Transport Electronic Ticketing		-	225	200	221
Building Mechanical Services Upgrade		-	-	-	-
Biodiversity Loan		-	95	180	185
Tangoio Easements		-	90	80	100
<b>Total Outstanding Loan Balances</b>		<b>1,600</b>	<b>1,879</b>	<b>1,910</b>	<b>1,608</b>
<b>Loan Interest Expense</b>					
Computer Equipment		16	13	11	11
Hydrology Equipment		38	33	34	35
Makara Scheme Loan		7	7	8	7
Transport Electronic Ticketing		-	5	9	9
Biodiversity Loan		-	3	6	6
Tangoio Easements		-	4	3	4
<b>TOTAL LOAN INTEREST EXPENSE</b>		<b>61</b>	<b>65</b>	<b>71</b>	<b>71</b>

**Note 5 - Depreciation and Amortisation**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Capital Expenditure on Property, Plant &amp; Equipment</b>				
Land and Buildings	-	275	2,000	-
Motor Vehicles and Plant	1,017	1,144	781	1,273
Science Equipment	672	772	2,377	3,338
Technical Equipment	103	268	23	177
Computer Equipment	218	945	260	870
Office Furniture and Equipment	121	135	25	25
Intangible Assets - Other	955	2,055	1,230	2,150
Capital Work in Progress	67	-	-	-
<b>Total Capital Expenditure on Property, Plant &amp; Equipment</b>	<b>3,153</b>	<b>5,594</b>	<b>6,696</b>	<b>7,633</b>
<b>Proceeds of Property, Plant &amp; Equipment Disposals</b>				
Land and Buildings	-	-	-	-
Motor Vehicles and Plant	186	521	289	310
Hydrological Equipment	11	-	-	-
Technical Equipment	-	-	-	-
Computer Equipment	-	-	-	-
Office Furniture and Equipment	-	-	-	-
Intangible Assets	-	-	-	-
<b>Total Proceeds from Disposal of Property, Plant &amp; Equipment</b>	<b>197</b>	<b>521</b>	<b>289</b>	<b>310</b>
<b>Depreciation on Property, Plant &amp; Equipment</b>				
Buildings	449	475	494	410
Motor Vehicles and Plant	636	484	484	553
Hydrological Equipment	371	409	510	533
Technical Equipment	46	60	76	71
Computer Equipment	262	304	318	350
Office Furniture and Equipment	54	74	86	45
Intangible Assets (Amortisation)	435	493	665	858
<b>Property, Plant &amp; Equipment Asset Depreciation</b>	<b>2,253</b>	<b>2,299</b>	<b>2,633</b>	<b>2,820</b>
<b>Depreciation on Infrastructure Assets</b>				
Infrastructure Assets	652	626	626	626
<b>Infrastructure Asset Depreciation</b>	<b>652</b>	<b>626</b>	<b>626</b>	<b>626</b>
<b>TOTAL DEPRECIATION &amp; AMORTISATION</b>	<b>2,905</b>	<b>2,925</b>	<b>3,259</b>	<b>3,446</b>



**Note 6 & 7 - Reserve Movements & Fair Value Gains**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Note 6: Funding from Reserves</b>				
Project Scheme Reserves	(1,385)	847	296	979
Dividend Equalisation Reserve	-	-	(2,054)	(1,888)
Specific Regional Projects Reserve	-	-	-	-
Tangoio Soil Conservation Forestry Reserve	290	299	513	508
Asset Replacement Reserve	3,086	4,510	1,504	3,387
Infrastructure Asset Depreciation Reserve - Other Movement	497	1,133	1,254	1,228
Sale of Land Investment Reserve	1,404	1,465	(83,600)	(80,004)
Sale of Land Non-Investment Reserve	289	939	800	826
Council Disaster Damage Reserves	249	(114)	(114)	(71)
Scheme Disaster Damage Reserves	287	(153)	(187)	(187)
Other Reserves	504	(59)	(80)	(62)
<b>Total Net Funding from Reserves</b>	<b>5,221</b>	<b>8,867</b>	<b>(81,666)</b>	<b>(75,284)</b>
<b>Note 7a: Fair Value Gains from Investments</b>				
Investment Property at beginning of year	49,047	51,499	54,520	50,123
Additions	-	425	-	-
Disposals	(4,856)	-	-	-
Movement during the year	(4,856)	425	-	-
Fair value gains (included in statement of comprehensive revenue and expense)	2,911	2,596	2,726	2,473
Investment Property at end of year	47,102	54,520	57,246	52,596
<b>Note 7a: Fair Value Gains from Forestry Assets</b>				
Forestry Assets at beginning of year	9,769	10,475	10,589	10,812
Additions	160	-	211	207
Disposals	-	(485)	(985)	(485)
Movement during the year	160	(485)	(774)	(278)
Fair value gains (included in statement of comprehensive revenue and expense)	769	599	589	664
Forestry Assets at end of year	10,698	10,589	10,404	11,198
Other fair value gains (included in the statement of comprehensive revenue and expense)	17	-	-	-
<b>Total Fair value gains &amp; losses (included in statement of comprehensive revenue and expense)</b>	<b>3,697</b>	<b>3,195</b>	<b>3,315</b>	<b>3,137</b>

**Note 8 - Reconciliation to Underlying Surplus / (Deficit)**

Note	Annual Report 2017/18 (\$'000)	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Note 8: Underlying Surplus / (Deficit) Reconciliation</b>				
<b>Groups of Activities Underlying Surplus / (Deficits)</b>				
<i>[From Cost of Service Statements]</i>				
Strategic Planning	(2,461)	(2,733)	(2,726)	(2,619)
Asset Management	(4,597)	(3,000)	(3,022)	(3,416)
Integrated Catchment Management	(7,461)	(10,139)	(11,397)	(12,686)
Regulation - Consents & Compliance	(1,946)	(1,680)	(1,791)	(1,968)
Civil Defence	75	(149)	(150)	(138)
Transport	(84)	(173)	(182)	(218)
Governance & Partnerships	(2,728)	(3,221)	(3,161)	(2,940)
Less Internal Expenditure & Income	1	179	181	181
Regional Income Collection	1	(1,940)	(1,537)	(1,554)
Fair Value Losses				-
<b>Total Groups of Activities Surplus / (Deficit)</b>	<b>(20,963)</b>	<b>(22,379)</b>	<b>(23,785)</b>	<b>(25,358)</b>
<b>Less Capital Expenditure</b>				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Capital Expenditure	(9,547)	(17,731)	(18,043)	(20,303)
<i>Add Back:</i>				
Capital Expenditure in Groups of Activities	5,924	11,656	12,538	10,879
<b>Total Non-Groups of Activities Capital Expenditure</b>	<b>(3,623)</b>	<b>(6,075)</b>	<b>(5,505)</b>	<b>(9,424)</b>
<b>Plus General Funding</b>				
Revenue from Rates	2	19,475	22,829	24,640
Other Revenue	3	15,479	16,029	101,946
Grants [From Statement of Comprehensive Revenue and Expense]		5,383	3,368	3,430
Loan Funding	4	4,000	7,010	11,362
Leasehold Annuity Funding		-	-	-
<i>Less:</i>				
Other Revenue in Groups of Activities	(25,225)	(26,478)	(27,454)	(27,607)
Other expenditure	-	-	-	-
<b>Total Non-Groups of Activities General Funding</b>	<b>19,112</b>	<b>22,758</b>	<b>113,924</b>	<b>112,593</b>
<b>Plus / (Less) Reserves Funding</b>				
<i>[From Statement of Comprehensive Revenue and Expense]</i>				
Reserves Funding	6	5,221	8,867	(81,666)
<i>Less:</i>				
Reserves Funding in Groups of Activities	(315)	(3,305)	(2,965)	(3,704)
<b>Total Non-Groups of Activities Reserves &amp; Loan Funding</b>	<b>4,906</b>	<b>5,562</b>	<b>(84,631)</b>	<b>(78,988)</b>
<b>Underlying Surplus / (Deficit)</b>	<b>(568)</b>	<b>(135)</b>	<b>2</b>	<b>(1,377)</b>

**Note 9 - Council Reserve Funds**

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Waioia Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Dividend Equalisation (5) (\$'000)	Coastal Marine Area (6) (\$'000)	Asset Replacement (7) (\$'000)	Regional Disaster Damage (8) (\$'000)	Scheme Disaster Damage (9) (\$'000)	Clive River Dredging (10) (\$'000)	Tangolo Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Sale of Land Investment (13) (\$'000)	Sale of Land Non-Investment (14) (\$'000)	Rabbit (15) (\$'000)	Ngati Pahawera (16) (\$'000)	Total Other Reserves (\$'000)	Fair Value Reserves (17) (\$'000)
<b>ANNUAL PLAN 2019/20</b>																		
<b>At 1 July 2019</b>	318,254	942	968	5,942	-	-	(740)	2,177	3,632	1,016	2,777	341	55,754	909	70	94	<b>73,882</b>	211,879
Deposits in year	88,097	2,712	65	232	1,888		8,782	71	248	87	103	114	83,000	1,230	3	0	<b>98,534</b>	4,895
Withdrawals in year	(83,872)	(234)		(1,363)			(7,663)	0	-	(920)	(611)	-	(2,996)	(876)	0	0	<b>(14,663)</b>	-
<b>At 30 June 2020</b>	<b>322,479</b>	<b>3,420</b>	<b>1,033</b>	<b>4,810</b>	<b>1,888</b>	<b>-</b>	<b>379</b>	<b>2,248</b>	<b>3,880</b>	<b>183</b>	<b>2,269</b>	<b>455</b>	<b>135,758</b>	<b>1,263</b>	<b>73</b>	<b>94</b>	<b>157,753</b>	<b>216,774</b>

**Related Activities to Reserve Funds**

	Accumulated Funds (1) (\$'000)	Infrastructure Asset Renewal (2) (\$'000)	Waioia Rivers & Streams (3) (\$'000)	Special Scheme (4) (\$'000)	Dividend Equalisation (5) (\$'000)	Coastal Marine Area (6) (\$'000)	Asset Replacement (7) (\$'000)	Regional Disaster Damage (8) (\$'000)	Scheme Disaster Damage (9) (\$'000)	Clive River Dredging (10) (\$'000)	Tangolo Soil Conservation (11) (\$'000)	Maungaharuru Tangitu (12) (\$'000)	Sale of Land Investment (13) (\$'000)	Sale of Land Non-Investment (14) (\$'000)	Rabbit (15) (\$'000)	Ngati Pahawera (16) (\$'000)	Total Other Reserves (\$'000)	Fair Value Reserves (17) (\$'000)
<b>ACTIVITIES</b> <sup>N</sup> denotes related activity																		
Strategic Planning	✓						✓											
Asset Management	✓	✓	✓	✓			✓	✓	✓	✓								✓
Integrated Catchment Management	✓			✓			✓				✓	✓	✓	✓				✓
Regulation	✓			✓			✓											
Civil Defence	✓			✓			✓											✓
Transport	✓			✓			✓											
Governance & Partnerships	✓												✓	✓				
Regional Income Collection	✓				✓	✓							✓			✓		✓



## Purpose of Reserve Funds

Reserve Type	Definition
<b>1</b> Accumulated Funds	Funds required for the operating and capital requirements of Council.
<b>2</b> Infrastructure asset depreciation reserve	A reserve established to fund the renewal of scheme infrastructure assets as required by the Local Government Act 2002.
<b>3</b> Wairoa rivers & streams reserve	A reserve established to fund flood mitigation and recovery work within the Wairoa District.
<b>4</b> Special scheme reserves	Reserves established for each scheme to account for rating balances that arise each year as a consequence of the actual income and expenditure incurred in any one year. Includes flood and drainage, biosecurity, transport, emergency management and healthy homes.
<b>5</b> Port dividend equalisation reserve	A reserve established to smooth out the dividend receipts from the Port so that fluctuations in Council's general funding rates are minimised.
<b>6</b> Coastal marine area reserve	A reserve established to meet the statutory requirements on the use of rental income earned on Council's endowment leasehold land.
<b>7</b> Asset replacement reserve	A reserve established to fund the replacement of operating property, plant and equipment, which are not scheme based.
<b>8</b> Regional disaster damage reserve	A reserve established to meet the commercial insurance excess of \$600,000 on each event, the uninsured 60% of edge protection damage and the costs of managing the response and recovery for a disaster event.
<b>9</b> Scheme disaster damage reserve	Reserves established to meet each scheme's share of Local Authority Protection Programme (LAPP) insurance excess and other costs to restore scheme assets that are not recoverable from other sources.
<b>10</b> Clive river dredging reserve	A reserve established to meet the expenditure of dredging requirements on the Clive River.
<b>11</b> Tangoio soil conservation reserve	A reserve established to separate the revenues and expenses associated with the Tangoio Soil Conservation Reserve as this reserve is managed and overseen by Council on behalf of the Crown.
<b>12</b> Catchment Fund	A reserve established for the Maungaharuru - Tangitu catchment fund. This is funded from a yearly contribution from the Tangoio soil conservation reserve.
<b>13</b> Sale of land investment reserve	A reserve established to hold the proceeds of endowment leasehold land sales to be reinvested in accordance with Council's policy on "Evaluation of Investment Opportunities" approved on 30 April 2008.
<b>14</b> Sale of land non-investment reserve	A reserve established to hold transfers from the Sale of Land Investment Reserve to be invested in accordance with Council's policy on "Open Space Investment" approved on 25 June 2008 and Council's Investment Policy set out in the 2009/19 10 Year Plan.
<b>15</b> Rabbit reserve	A reserve established to fund costs expected to be incurred with growing rabbit populations. The reserve is limited to a maximum balance of \$100,000.
<b>16</b> Ngati Pahauwera reserve	A reserve established to ring-fence funding for Ngati Pahauwera Rivers Initiatives. For the clean up of the Mohaka, Waikari and Waihua Rivers and their catchments.
<b>17</b> Fair value reserves	A reserve required by generally accepted accounting practice to account for movements in the value of assets subject to regular fair value assessments.

**Funding Impact Statement** (Whole of Council, Annual Plan Disclosure Statement)

The following information is presented for compliance with Local Government (Financial Reporting) Regulations 2011. In accordance with the regulations, the information presented is incomplete (in particular, the information presented does not include depreciation and internal transactions such as overheads) and it is not prepared in compliance with generally accepted accounting practice. It should not be relied upon for any other purpose than compliance with the Local Government (Financial Reporting) Regulations 2011.

	Year 1 LTP 2018/19 (\$'000)	Year 2 LTP 2019/20 (\$'000)	Annual Plan 2019/20 (\$'000)
<b>Sources of operating funding</b>			
General rates & uniform annual general charges, rates penalties	6,952	8,262	8,427
Targeted rates	15,877	16,378	16,215
Subsidies & grants for operating purposes	3,368	3,430	3,651
Fees & charges	9,198	9,925	10,719
Interest & dividends from investments	13,297	98,602	98,627
Local authorities fuel tax, fines, infringement fees & other receipts	2,732	3,344	2,894
<b>Total operating funding</b>	<b>51,424</b>	<b>139,941</b>	<b>140,533</b>
<b>Applications of operating funding</b>			
Payments to staff & suppliers	44,332	45,478	50,350
Finance costs	2,447	2,854	2,713
Other operating funding applications	-	-	-
<b>Total applications of operating funding</b>	<b>46,779</b>	<b>48,332</b>	<b>53,063</b>
<b>Surplus / (deficit) of operating funding</b>	<b>4,645</b>	<b>91,609</b>	<b>87,470</b>
<b>Sources of capital funding</b>			
Subsidies & grants for capital expenditure	1,882	2,345	2,314
Development & financial contributions	-	-	-
Increase / (decrease) in debt	2,758	6,197	5,506
Gross proceeds from sale of assets	1,006	1,274	795
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
<b>Total sources of capital funding</b>	<b>5,646</b>	<b>9,816</b>	<b>8,616</b>
<b>Applications of capital funding</b>			
Capital expenditure:			
- to meet additional demand	435	2,160	160
- to improve the level of service including freshwater storage	2,090	2,080	5,662
- to replace existing assets	6,536	6,251	8,977
	9,061	10,491	14,799
Increase / (decrease) in reserves	(4,970)	85,988	78,347
Increase / (decrease) of investments	6,200	4,946	2,939
<b>Total application of capital funding</b>	<b>10,291</b>	<b>101,425</b>	<b>81,286</b>
<b>Surplus / (deficit) of capital funding</b>	<b>(4,645)</b>	<b>(91,609)</b>	<b>(84,470)</b>
<b>Funding balance</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Reconciliation from Funding Impact Statement to of Comprehensive Revenue and Expenditure Statement</b>			
Surplus / (deficit) of operating funding (above)	4,645	91,609	87,470
Depreciation & amortisation expense	(2,925)	(3,259)	(3,446)
Reduction in ACC Leasehold Liability	917	936	936
Fair value gains on investments	3,195	3,315	3,137
<b>Operating Surplus After Income Tax per Statement of Comprehensive Revenue and Expenditure</b>	<b>5,832</b>	<b>92,601</b>	<b>88,097</b>

## Annual Plan Disclosure Statement

### Annual Plan disclosure statement for the year ending 30 June 2020

The purpose of this statement is to disclose the council's planned financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenue, expenses, assets, liabilities, and general financial dealings. The council is required to include this statement in its annual plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

Benchmark	Planned 2019/20	Achieved
<b>Rates Affordability Benchmark</b>		
Total rates revenue will not exceed 50% of total revenue	17.04%	YES
Annual rate revenue will not exceed 8% of operating expenditure	3.19%	YES
For this benchmark, a) the council's planned rates income for the year must not exceed 50% of total income, and b) the council's planned rates increase for the year must not exceed 8% of operating expenditure		
<b>Debt Affordability Benchmark</b>		
Debt / Total revenue not exceed 150%	22.56%	YES
Interest / Annual rates income not exceed 20%	1.88%	YES
For this benchmark, the council's planned borrowing is compared with debt to total revenue ratio not exceeding 150% and total interest expense on external public debt not exceeding 20% of total annual rates income		
<b>Balanced Budget Benchmark</b>		
equal or greater than 100%	255.22%	YES
For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment). The council meets the balanced budget benchmark if its operating revenue equals or is greater than its operating expenses.		
<b>Essential Services Benchmark</b>		
equal or greater than 100%	626.68%	YES
For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services. The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services (NB Council only has one network service and that covers the flood and drainage schemes)  Capital expenditure on flood protection and control works are funded by a combination of depreciation, reserve funding and borrowing for new assets. Not all infrastructure assets are depreciated as items such as stop banks do not drop in value.		
<b>Debt Servicing Benchmark</b>		
equal or less than 10%	1.03%	YES
For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of property, plant and equipment)  Because Statistics New Zealand projects that council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if councils' planned borrowing costs equal or are less than 10% of its planned revenue.		



2019-2020 ANNUAL PLAN  
2019-2020 MAHERE Ā-TAU

## Funding Impact Statement

### Introduction

This Funding Impact Statement sets out the impact that the Hawke's Bay Regional Council's (HBRC) Revenue and Financing Policy has on ratepayers.

The Revenue and Financing Policy clearly identifies beneficiaries of HBRC activities paying for the cost of those activities by targeted rates or direct charges, whichever is the most efficient administratively.

Public benefit is funded through a combination of investment income and general rates. Private benefit is funded through targeted rates and/or direct charges.

At various points of the Funding Impact Statement, a level of rates or charges is specified.

**All the rates and levels of rates included in this Funding Impact Statement are GST inclusive.**

### Due dates for payment of rates

The rates for the 2019/20 financial year are due and payable on 1 October 2019. Pursuant to Section 57 of the Local Government (Rating) Act 2002, a penalty charge of 10% will be imposed on any outstanding current rates as at 1 February 2020. A further 10% will be charged on total rates, including penalties outstanding on 1 July 2020.

### Definition of 'Separately used or inhabited part of a rating unit' (SUIP)

When a fixed amount is set for each property, whether it be a Uniform Annual General Charge (UAGC) for general funding rates or a Uniform Targeted Rate (UTR) for Targeted Rates, then a fixed amount is charged for each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'.

For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part. Therefore, units in a rest home, retail shops in a shopping complex, and additional farm houses are charged with separate UAGCs or UTRs.



Item 8

Attachment 1

Where two or more rating units are contiguously joined, owned by the same ratepayer and used for the same purpose, or a farm property with separately titled paddocks, then only one UAGC or UTR will be payable. The only exception is for the UTR covering the economic development rate which is set on each rateable property. HBRC's intention is that this mix of rating bases better reflects the benefits delivered to the general community while addressing some of the rate level volatility experienced by those ratepayers in the community whose land values have increased by more than the average.

HBRC directly collects rates for all rating units contained within its boundaries and where specific rates are set across District/City boundaries on a value basis, then the rates are set on Estimate of Projected Valuation (equalisation) which recognises annual movement of values across the region for each territorial authority.

Section 21 of the Local Government (Rating) Act 2002 (LGRA) requires that Uniform Annual General Charges and targeted rates set on a uniform basis are not to exceed 30% of the total revenue from all rates sought by Hawke's Bay Regional Council for the budgeted year. The rates making up this category amount to 26.63% of Council's total rates in 2019-20 and are therefore within the limits prescribed by the Act. All years of the 10 Year Plan are within the prescribed limit set down by the Act.

### **Inspection and objection to HBRC's Rating Information Database**

The Rating Information Database (RID) is available for inspection at HBRC offices at 159 Dalton Street Napier and on Council's website [www.hbrc.govt.nz](http://www.hbrc.govt.nz). Ratepayers have the right to inspect the RID records and can object to their rating liability on the grounds set out in the Local Government (Rating) Act 2002.



Comparison of Rates on Specific Commercial Properties							
Description of rates	Rating Basis	Napier Hotel		Napier Retail		Hastings Office	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison							
Capital Value (\$)	CV	3,300,000	3,300,000	2,060,000	2,060,000	5,650,000	5,650,000
Land Value (\$)	LV	1,200,000	1,200,000	530,000	530,000	1,390,000	1,390,000
Area (Hectares)	Area	0.4011	0.4011	0.0401	0.0401	0.3220	0.3220
General Rate	LV	276.00	369.12	121.90	163.03	354.45	456.89
Uniform Annual General Charge	Fixed	42.64	44.93	85.28	89.86	42.64	44.93
General Funded Rates		318.64	414.05	207.18	252.89	397.09	501.82
HPFCS Direct	CV	293.04	305.91			576.87	579.69
HPFCS Indirect	CV	71.61	74.58	44.70	46.56	140.69	141.82
Karamu & Tributaries Dge D2	LV					505.82	512.91
Subsidised Public Transport	LV	234.00	242.16	103.35	106.95	300.52	299.68
Central Rivers & Streams	CV	22.11	23.10	13.80	14.42	43.51	44.07
Healthy Homes /Clean Heat	LV	75.72	77.04	33.44	34.03	97.16	95.35
Economic Development	CV	731.28	1,057.32	456.50	660.02	1,440.19	2005.19
Meeanee/Napier/Puketapu Dge D1	LV	256.92	260.64				
UTTFCS	LV						
Wairoa River & Streams Scheme	CV						
Coastal Hazards	Fixed	3.24	3.20	6.48	6.40	3.24	3.20
CDEM Emergency Mgmt	Fixed	34.33	33.94	68.66	67.88	34.33	33.94
Targeted Rates (\$)		1,722.25	2,077.89	726.93	936.26	3,142.33	3,715.85
Total Rates (\$)		2,040.89	2,491.94	934.11	1,189.15	3,539.42	4,217.67
Dollar Increase			451.05		255.04		678.25
Percentage Increase			22.10%		27.30%		19.16%



(continued)

Description of rates	Rating Basis	Hastings Retail		Waipukurau Office		Wairoa Retail	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison							
Capital Value (\$)	CV	560,000	560,000	195,000	210,000	235,000	185,000
Land Value (\$)	LV	460,000	460,000	40,000	60,000	45,000	80,000
Area (Hectares)	Area	0.0941	0.0941	0.0717	0.0717	0.2022	0.2022
General Rate	LV	117.30	151.20	11.65	16.34	13.06	21.75
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates		159.94	196.13	54.29	61.27	55.70	66.68
HPFCS Direct	CV	57.18	57.46				
HPFCS Indirect	CV	13.94	14.06				
Karamu & Tributaries Dge D2	LV	167.39	169.74				
Subsidised Public Transport	LV	99.45	99.18				
Central Rivers & Streams	CV	4.31	4.37	1.68	1.30		
Healthy Homes /Clean Heat	LV	32.15	31.56				
Economic Development	CV	147.74	198.74	55.26	59.45	116.56	52.28
Meeanee/Napier/Puketapu Dge D1	LV						
UTTFCS	LV			2.46	2.71		
Wairoa River & Streams Scheme	CV					26.09	16.28
Coastal Hazards	Fixed	3.24	3.20				
CDEM Emergency Mgmt	Fixed	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		554.73	612.25	93.73	97.40	176.98	102.50
Total Rates (\$)		714.67	808.38	148.02	158.67	232.68	169.18
Dollar Increase			93.71		10.65		-63.50
Percentage Increase			13.11%		7.19%		-27.29%

Comparison of Rates on Specific Urban Properties									
Description of rates	Rating Basis	Napier Hill		Napier South		Flaxmere		Havelock North	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison									
Capital Value (\$)	CV	1,010,000	1,010,000	375,000	375,000	136,000	136,000	750,000	750,000
Land Value (\$)	LV	375,000	375,000	225,000	225,000	33,000	33,000	320,000	320,000
Area (Hectares)	Area	0.0760	0.0760	0.0650	0.0650	0.0439	0.0439	0.0777	0.0777
General Rate	LV	86.25	115.35	51.75	69.21	8.42	10.85	81.60	105.18
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates (\$)		128.89	160.28	94.39	114.14	51.06	55.78	124.24	150.11
HPFCS Direct	CV			33.30	34.76	13.89	13.95		
HPFCS Indirect	CV	21.92	22.83	8.14	8.48	3.39	3.41	18.68	18.83
Meeanee/Napier/Puketapu Dge	LV			48.17	48.87				
Subsidised Public Transport	LV	73.13	75.68	43.88	45.41	7.13	7.11	69.18	68.99
Central/Stn Rivers/Streams	CV	6.77	7.07	2.51	2.63	1.05	1.06	5.78	5.85
Karamu Dge Maintenance D2H	Fixed					12.01	12.18	12.08	12.37
Karamu Enhance Havelock D2H	Fixed							11.29	11.56
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20	3.24	3.20	3.24	3.20
Healthy Homes/Clean Heat	LV	23.66	24.08	14.20	14.45	2.31	2.26	22.37	21.95
Economic Development	Fixed	16.41	9.76	16.41	9.76	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		179.46	176.56	204.18	201.50	93.76	86.87	193.36	186.45
Total Rates (\$)		308.35	336.84	298.57	315.64	144.82	142.65	317.60	336.56
Dollar Increase			28.49		17.07		-2.17		18.96
Percentage Increase			9.24%		5.72%		-1.50%		5.97%

(continued)									
Description of rates	Rating Basis	Taradale		Hastings		Wairoa		Central HB	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison									
Capital Value (\$)	CV	580,000	580,000	430,000	430,000	135,000	275,000	293,000	485,000
Land Value (\$)	LV	330,000	330,000	200,000	200,000	30,000	81,000	113,000	170,000
Area (Hectares)	Area	0.1105	0.1105	0.1012	0.1012	0.1832	0.1832	0.1407	0.1407
General Rate	LV	75.90	101.51	51.00	65.74	8.71	22.02	32.92	46.31
Uniform Annual General Charge	Fixed	42.64	44.93	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates (\$)		118.54	146.44	93.64	110.67	51.35	66.95	75.56	91.24
HPFCS Direct	CV	51.50	53.77	43.90	44.12				
HPFCS Indirect	CV	12.59	13.11	10.71	10.79				
Meeanee/Napier/Puketapu Dge	LV	70.65	71.68						
Subsidised Public Transport	LV	64.35	66.59	43.24	43.12				
Central/Sthn Rivers/Streams	CV	3.89	4.06	3.31	3.35			2.52	3.01
Wairoa River & Streams Scheme	CV					14.99	24.20		
UTTFCS	LV							6.94	7.67
D2 Karamu & Tributaries	LV			72.78	73.80				
Healthy Homes/Clean Heat	LV	20.82	21.19	13.98	13.72				
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20				
Economic Development	Fixed	16.41	9.76	16.41	9.76	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		277.78	277.30	241.90	235.80	65.73	67.90	60.20	54.38
Total Rates (\$)		396.32	423.74	335.54	346.47	117.08	134.85	135.76	145.62
Dollar Increase			27.42		10.93		17.77		9.86
Percentage Increase			6.92%		3.26%		15.18%		7.26%



**Comparison of Rural Rates in three Districts**

Description of rates	Rating Basis	Hastings		Hastings		Central HB		Central HB	
		2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20
Details for Comparison									
Capital Value (\$)	CV	2,970,000	2,970,000	4,070,000	4,070,000	2,020,000	2,720,000	7,800,000	9,200,000
Land Value (\$)	LV	2,310,000	2,310,000	3,350,000	3,350,000	1,510,000	2,120,000	6,700,000	7,900,000
Area (Hectares)	Area	346.0189	346.0189	610.8591	610.8591	282.9764	282.9764	437.9615	437.9615
General Rate	LV	589.05	759.30	854.25	1,101.15	439.86	577.49	1,951.71	2,151.96
Uniform Annual General Rate	Fixed	42.64	44.93	42.64	44.93	42.64	44.93	42.64	44.93
General Funded Rates		631.69	804.23	896.89	1,146.08	482.50	622.42	1,994.35	2,196.89
HPFCS Indirect	CV	73.95	74.55	101.34	102.16				
Central/Stn Rivers/Streams	CV	22.87	23.17	31.34	31.75	17.37	16.86	67.08	57.04
Plant Pest Strategy	Area	192.07	195.69	339.08	345.48	157.08	160.04	243.11	247.69
Animal Pest Strategy	Area	607.70	625.91	1,072.83	1,104.98	496.98	511.88	769.18	792.23
Sustainable Land Management	Area	299.39	324.15	528.54	572.25	244.84	265.09	378.94	410.28
Porangahau Flood Control	LV					190.71	191.65		
Wairoa River & Streams Scheme	CV								
Coastal Hazards	Fixed	3.24	3.20	3.24	3.20				
UTTFCs	LV							424.11	314.42
Economic Development	Fixed	16.41	9.76	16.41	9.76	16.41	9.76	16.41	9.76
CDEM Emergency Management	Fixed	34.33	33.94	34.33	33.94	34.33	33.94	34.33	33.94
Targeted Rates (\$)		1,249.96	1,290.37	2,127.11	2,203.52	1,157.72	1,189.22	1,933.16	1,865.36
Total Rates (\$)		1,881.65	2,094.60	3,024.00	3,349.60	1,640.22	1,811.64	3,927.51	4,062.25
Dollar Increase			212.95		325.60		171.42		134.74
Percentage Increase			11.32%		10.77%		10.45%		3.43%

(continued)					
Description of rates	Rating Basis	Wairoa		Wairoa	
		2018-19	2019-20	2018-19	2019-20
Details for Comparison					
Capital Value (\$)	CV	4,320,000	5,927,000	1,001,000	1,092,000
Land Value (\$)	LV	3,650,000	5,113,000	910,000	1,001,000
Area (Hectares)	Area	1293.4496	1293.4496	598.0000	598.0000
General Rate	LV	1,059.23	1,390.22	264.08	272.17
Uniform Annual General Rate	Fixed	85.28	89.86	42.64	44.93
General Funded Rates		1,144.51	1,480.08	306.72	317.10
HPFCS Indirect	CV				
Central/Stn Rivers/ Streams	CV				
Plant Pest Strategy	Area	717.98	731.52	331.94	338.20
Animal Pest Strategy	Area	2,271.64	2,339.72	353.39	379.89
Sustainable Land Management	Area	1,119.15	1,211.69	517.42	560.20
Porangahau Flood Control	LV				
Wairoa River & Streams Scheme	CV	479.52	521.58	111.11	96.10
Coastal Hazards	Fixed				
UTTFCS	LV				
Economic Development	Fixed	32.82	19.53	16.41	9.76
CDEM Emergency Management	Fixed	68.66	67.88	34.33	33.94
Targeted Rates (\$)		4,689.77	4,891.92	1,364.60	1,418.09
Total Rates (\$)		5,834.28	6,372.00	1,671.32	1,735.19
Dollar Increase			537.72		63.87
Percentage Increase			9.22%		3.82%

Explanation of Rating Method – Types of Rates/ Activities Funded			
Types of Rates	Activities Funded		
General Rates	-Consents and Compliance -Governance and Partnerships	All Rateable Rating Units within the Region	Land Value using Section 131 of the LGRA
Uniform Annual General Charges	-Consents and Compliance -Integrated Catchment Management -Governance and Partnerships	All Rateable Rating Units within the Region (Refer to Note 1 on following page)	UAGC (Refer to Note 2 on following page) Section 15 LGRA (1)
Targeted Rates		Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Subsidised Public Transport	Passenger Transport	Those Rating Units within the urban areas of Napier, Hastings & Havelock North including Clive Township but excluding Bay View. Clive Township is capped at \$200,000 LV	Land Value
Heretaunga Plains Control Scheme - Rivers	Catchment Works -Direct Benefit F1 -Indirect Benefit F2	-Rating Units receiving direct benefit within Napier City and Hastings District from flood control measures. -All Rating Units within Napier City and Hastings District	Equalised Capital Value
Heretaunga Plains Flood Control Scheme - Drains	Catchment Works -Direct Benefit	-Rating units receiving direct benefit within one of 9 individual drainage catchment areas. -For all rating units within the 9 drainage catchment areas a differential of 4 times for properties with an industrial land use. -Raupare enhancement agreement and Karamu enhancement	Land Value/Area/Fixed
Upper Tukituki Catchment Control	Catchment Works	All rating units within the Central Hawke's Bay District and all rating units on the southern boundary of Hastings District Council on a differential basis based on the provision of service provided.	Differential Land Value
Central & Southern Rivers & Streams	Catchment Works	All Rating Units in the region excluding Wairoa District.	Equalised Capital Value
Wairoa River & Stream	Catchment Works	All Rating Units in the Wairoa District.	Capital Value
Various Stream & Drainage Schemes	Catchment Works	Location and use of properties with a services of stream and drainage works are provided	Differential Land Value Area of land within a rating unit. Fixed amount per rating unit
Animal and Plant Pest Control	Biosecurity	All rateable rural land containing 4,0469 hectares in the region excluding Rating Units greater than 200 hectares where the land is used for productive purposes. (Council has defined land that is covered in more than 90% in indigenous vegetation as not productive).  Rating factors are divided into Northern (N) and Southern (S) areas with the Ngaruroro River being the divide. Taupo, Napier and Wairoa are Northern, Central Hawkes Bay and Rangitikei are Southern. Hastings area is included in both Northern and Southern.	Area/Use
	Regional Animal Pest Management Strategy	Land that is used for forestry and have a land area between 40 and 4000 hectares will be levied a differential rate. Council has defined land that is covered in more than 75% in production forestry as being used for forestry purposes.	Area/Use
Sustainable Land Management	Land Management and Monitoring	All productive rateable rural land containing 4,0469 hectares in the region. Council has defined properties titles subject to QE11 Open Space Covenants are not productive.	Area/Use



(continued)

Targeted Rates		Types of Land to be Rated (Local Government (Rating) Act, Schedule 2)	Basis of Rating (Local Govt (Rating) Act, Schedule 3)
Plant Pest Strategy	Regional Plant Pest Management Strategy	All rateable rural land containing 4,0469 hectares in the region excluding Rating Units greater than 200 hectares and where the land is used for productive purposes. Council has defined land covered in more than 90% indigenous vegetation is not productive.	Area/Use
Healthy Home/Clean Heat	Management of the scheme to encourage the replacement of open fire or wood burners with more efficient form of heating and where necessary the installation of insulation.	All Rating Units in Napier and Hastings within the affected air-shed and insulation for the region.	Land Value
Sustainable Homes- Financial Assistances	Repayment of financial assistance to ratepayers to insulate homes, replace open fires or non-compliant wood-burners, solar heating, PhotoVoltaic cells, domestic water storage, double glazing and septic tank replacement.	Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Farm Plans - Financial Assistance	Repayment of financial assistance to ratepayers to fund the completion of Farm Plans. Note: This rate will be effective from 1 July 2019.	Those ratepayers who have opted for financial assistance to be repaid over 3 years interest free as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Erosion Control - Financial Assistance	Repayment of financial assistance to ratepayers to fund riparian fencing, planting and maintenance of planted areas for highly - erodible land unsuitable for commercial forestry.	Those ratepayers who have opted for financial assistance to be repaid over 10 years with interest as a fixed amount through a Targeted Differential rate.	Extent of provision of any service to the rating unit
Coastal Hazard	To fund development of Stage 4 of the Clifton to Tangoio Coastal Hazards Strategy	All rateable units within Napier and Hastings	UTR (Refer to Note 3 below)
Economic Development Rate	To fund economic and tourism development in the Hawke's Bay Region	Commercial/Industrial Rating Units based on the Capital Value. Residential and rural Rating Units based on a Differential. Wairoa is capped at 5% of total yield	Differential Capital Value Differential UTR by location (Refer to Note 3 below)
Emergency Management	Funding of the Hawke's Bay Civil Defence Emergency Management (CDEM) Group Office to manage the provision of effective CDEM consistent with the CDEM Act 2002	All Rating Units in the region with the exception of Rangitikei and Taupo districts	UTR (Refer to Note 2 below)

**Note 1:** In the interest of overall impacts of rating on all ratepayers, the Council wishes to only collect 26.63% of all its rates by using a fixed rate and setting the UAGC at \$44.93 achieves this objective.

**Note 2:** A Uniform Annual General Charge (UAGC) or Uniform Targeted Rate (UTR) is set on each separately used or inhabited part of a rating unit, this includes any portion inhabited or used by [the owner/a person other than the owner], and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner.

**Note 3:** A Uniform Targeted Rate (UTR) on each rateable property.

**Explanation of Rating Method –****Details of Rates Calculated within each District and City:****General and Uniform Annual General Rates**

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
General Rate							
	Napier City	Land Value		0.03076	\$1,940,252	\$30.76	\$1,452,396
	Hastings District	Land Value		0.03287	\$3,102,069	\$32.87	\$2,395,170
	Wairoa District	Land Value		0.02719	\$398,297	\$27.19	\$306,011
	Central HB District	Land Value		0.02724	\$975,098	\$27.24	\$770,264
	Taupo District	Land Value		0.03046	\$18,365	\$30.46	\$14,461
	Rangitikei District	Land Value		0.04962	\$13,977	\$49.62	\$10,804
	Estimate of Projected Valuation			0.02709	\$6,448,058		\$4,949,106
Uniform Annual General Rate							
			No. of SUIPs				
	Napier City	UAGC	27,183	44.93	\$1,221,332	\$44.93	\$1,150,001
	Hastings District	UAGC	33,394	44.93	\$1,500,392	\$44.93	\$1,400,298
	Wairoa District	UAGC	5,075	44.93	\$228,020	\$44.93	\$273,237
	Central HB District	UAGC	6,469	44.93	\$290,652	\$44.93	\$219,468
	Taupo District	UAGC	54	44.93	\$2,426	\$44.93	\$1,535
	Rangitikei District	UAGC	5	44.93	\$225	\$44.93	\$256
	TOTAL		72,180		\$3,243,047		\$3,044,795

**Explanation of Rating Method -****Details of Rates Calculated within each District and City**

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
SUBSIDISED PUBLIC TRANSPORT							
	Napier City	Land Value		0.02018	\$1,108,051	\$20.18	\$1,074,400
	Hastings District	Land Value		0.02156	\$771,771	\$21.56	\$768,915
	Clive	Land Value		0.02156	\$20,781	\$21.56	\$20,022
	Estimate of Projected Valuation			0.01777	\$1,900,603		\$1,863,337
RIVER CONTROL			Benefit				
Heretaunga Plains Flood Control Scheme - Appendix 1							
	Napier City	Capital Value	Direct	0.00927	\$876,824	\$9.27	\$837,021
	Napier City	Capital Value	Indirect	0.00226	\$316,442	\$2.26	\$301,426
	Hastings District	Capital Value	Direct	0.01026	\$965,288	\$10.26	\$949,323
	Hastings District	Capital Value	Indirect	0.00251	\$473,034	\$2.51	\$464,150
	TOTAL				\$2,631,588		\$2,551,920
Upper Tukituki Flood Control Scheme - Appendix 1							
	Central HB District	Land Value	A 100	0.45119	\$153,047	\$451.19	\$144,087
	Central HB District	Land Value	B 75	0.33839	\$213,679	\$338.39	\$206,659
	Central HB District	Land Value	C 50	0.22559	\$101,165	\$225.59	\$ 97,964
	Central HB District	Land Value	D 25	0.11280	\$132,440	\$112.80	\$129,891
	Central HB District	Land Value	E 10	0.04590	\$78,368	\$45.90	\$77,256
	Central HB District	Land Value	F 1	0.00398	\$77,236	\$3.98	\$94,329
	Central HB District	Land Value	U1 25	0.11280	\$43,266	\$112.80	\$34,774
	Central HB District	Land Value	U2 15	0.06768	\$7,324	\$67.68	\$5,126
	Central HB District	Land Value	U3 10	0.04512	\$11,150	\$45.12	\$12,894
	Central HB District	Land Value	U4 1	0.00451	\$9,208	\$4.51	\$7,128
	Hastings District	Land Value	E 10	0.04487	\$1,138	\$44.87	\$1,192
	Hastings District	Land Value	F 1	0.00548	\$2,144	\$5.48	\$2,585
	TOTAL				\$830,165		\$813,885
Wairoa River & Streams Scheme							
	Wairoa District	Capital Value		0.00880	\$196,987	\$8.80	\$191,250
Central & Southern Area Rivers & Streams							
	Napier City	Capital Value		0.00070	\$98,228	\$0.70	\$93,836
	Hastings District	Capital Value		0.00078	\$145,466	\$0.78	\$143,300
	Central HB District	Capital Value		0.00062	\$34,718	\$0.62	\$35,800
	Taupo District	Capital Value		0.00069	\$581	\$0.69	\$589
	Rangitikei District	Capital Value		0.00103	\$366	\$1.03	\$357
	Estimate of Projected Valuation			0.00062	\$279,359		\$273,882

(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
<b>STREAMS AND DRAINS - Appendix 1</b>							
Napier, Meeanee & Puketapu (D1:DI1)	Napier City	Land Value	Urban (D1)	0.02172	\$848,021	\$21.72	\$838,043
	Napier City	Land Value	Industrial (DI1)	0.08688	\$193,336	\$86.88	\$191,075
	Hastings District	Land Value	Rural (D1)	0.02322	\$23,632	\$23.22	\$24,199
	<b>TOTAL</b>				<b>\$1,064,989</b>		<b>\$1,053,317</b>
Karamu & Tributaries (D2:DI2)	Hastings District	Land Value	Urban (D2)	0.03690	\$1,010,619	\$36.90	\$994,462
	Hastings District	Land Value	Industrial (DI2)	0.14759	\$331,851	\$147.59	\$325,751
	<b>TOTAL</b>				<b>\$1,342,470</b>		<b>\$1,320,213</b>
Raupare Enhancement (DA3)	Hastings District	Area	1108 hectares (DA3)	12.52	\$13,877	\$12.52/ha	\$13,877
Raupare Twyford (D3)	Hastings District	Land Value	Rural (D3)	0.04917	\$165,591	\$49.17	\$162,344
Haumoana/Te Awanga (D4)	Hastings District	Land Value	Rural (D4)	0.11091	\$157,144	\$110.91	\$154,063
Tutaekuri, Waimate & Moteo (D5)	Hastings District	Land Value	Rural (D5)	0.15212	\$255,758	\$152.12	\$250,743
Pakowhai Brookfields (D6)	Hastings District	Land Value	Rural (D6)	0.16350	\$150,501	\$163.50	\$147,550
Puninga (D9)	Hastings District	Land Value	Rural (D9)	0.19548	\$82,541	\$195.48	\$80,923
Brookfields Awatoto (D7:DI7)	Napier City	Land Value	Urban (D7)	0.15567	\$117,133	\$155.67	\$113,979
	Napier City	Land Value	Industrial (DI7)	0.62268	\$56,601	\$622.68	\$56,328
	<b>TOTAL</b>				<b>\$999,146</b>		<b>\$979,807</b>
Clive Muddy Creek (D8:DI8)	Hastings District	Land Value	Urban (D8)	0.09584	\$231,950	\$95.84	\$225,774
	Hastings District	Land Value	Industrial (DI8)	0.38334	\$43,490	\$383.34	\$42,472
	<b>TOTAL</b>				<b>\$275,440</b>		<b>\$268,246</b>
Karamu Drainage Maintenance	Hastings District	Fixed Amount	6,063	12.37	\$74,998	\$12.37	\$71,427
Karamu Enhancement	Hastings District	Fixed Amount	6,063	11.56	\$70,113	\$11.56	\$66,774
Poukawa Drainage	Hastings District	Land Value	A	0.45845	\$36,386	\$458.45	\$35,673
Special Rating Scheme	Hastings District	Land Value	B	0.07641	\$1,736	\$76.41	\$1,702
	Hastings District	Land Value	C	0.01528	\$739	\$15.28	\$725
	<b>TOTAL</b>				<b>\$38,861</b>		<b>\$38,100</b>
Porangahau Flood Control	Central HB District	Land Value		0.009041	\$42,435	\$9.04	\$41,602
Maraetotara Flood Maintenance	Hastings District	Capital Value		0.009547	\$13,030	\$9.55	\$12,774
Kairakau Community Scheme	Central HB District	Uniform Charge	83 Rating Units	126.33	\$10,485	\$126.33	\$10,279



(continued)

Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
<b>DRAINAGE SCHEMES – Appendix 1</b>							
<b>Paeroa Drainage Scheme Special Rating Area</b>				<b>Cents per hectare</b>			
	Wairoa District	Area Basis	A	7411.9904	\$14,016	\$74.11	\$13,483
	Wairoa District	Area Basis	B	4817.7937	\$5,668	\$48.17	\$5,718
	Wairoa District	Area Basis	C	3335.3956	\$1,746	\$33.35	\$1,760
	Wairoa District	Area Basis	D	2594.1966	\$1,135	\$25.94	\$1,238
	Wairoa District	Area Basis	E	370.5995	\$795	\$3.70	\$703
	<b>TOTAL</b>				<b>\$23,360</b>		<b>\$22,902</b>
<b>Ohuia Whakaki Drainage Rating Scheme</b>				<b>Cents per hectare</b>			
	Wairoa District	Area Basis	A	14732.13	\$43,644	\$147.32	\$42,788
	Wairoa District	Area Basis	B	11785.70	\$10,183	\$117.85	\$9,984
	Wairoa District	Area Basis	C	8839.28	\$6,219	\$88.39	\$6,097
	Wairoa District	Area Basis	D	4419.64	\$15,624	\$44.19	\$15,317
	Wairoa District	Area Basis	E	1473.21	\$3,416	\$14.73	\$3,349
	<b>TOTAL</b>				<b>\$79,086</b>		<b>\$77,535</b>
<b>Upper Makara Stream Catchment Special Rating Scheme</b>				<b>Cents per hectare</b>			
	Central HB District	Area Basis	A	14986.7675	\$8,124	\$149.86	\$7,932
	Central HB District	Area Basis	B	11989.4140	\$22,600	\$119.89	\$22,223
	Central HB District	Area Basis	C	9741.3989	\$34,503	\$97.41	\$33,689
	Central HB District	Area Basis	D	5245.3686	\$6,919	\$52.45	\$6,755
	Central HB District	Area Basis	E	749.3384	\$17,276	\$7.49	\$16,884
	Central HB District	Area Basis	F	299.7354	\$13,380	\$2.99	\$13,303
	<b>TOTAL</b>				<b>\$102,802</b>		<b>\$100,786</b>
<b>Esk River &amp; Whirinaki Stream Maintenance Scheme</b>							
	Hastings District	Area Basis	E1	1902.94560	\$4,397	\$19.02	\$4,310
	Hastings District	Area Basis	E2	1296.88008	\$1,820	\$12.96	\$1,784
	Hastings District	Area Basis	R11	1963.79339	\$606	\$19.63	\$594
	Hastings District	Area Basis	R12	8142.28365	\$379	\$81.42	\$372
	Hastings District	Area Basis	R13	27583.5188	\$379	\$275.83	\$372
	<b>TOTAL</b>				<b>\$7,581</b>		<b>\$7,432</b>
	Hastings District	Area Basis	W1	20527.0401	\$6,339	\$205.27	\$6,215
	Hastings District	Area Basis	W2	11066.0051	\$515	\$110.66	\$515
	Hastings District	Area Basis	W3	37488.1758	\$515	\$374.88	\$515
	Hastings District	Area Basis	W4	24439.0709	\$3,714	\$244.39	\$3,613
	Hastings District	Area Basis	W5	369.2249	\$147	\$3.69	\$147
	Hastings District	Area Basis	W6	4460.6060	\$147	\$44.60	\$147
	Hastings District	Area Basis	W7	1582.7956	\$147	\$15.82	\$147
	<b>TOTAL</b>				<b>\$11,524</b>		<b>\$11,299</b>

(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
<b>DRAINAGE SCHEMES – Appendix 1</b>							
<b>Opohe Drainage/Stream</b>							
	Wairoa District	TR	A	15348.18	\$15,348	\$15,348.18	\$15,047
	Wairoa District	TR	B	5723.45	\$5,723	\$5,723.45	\$5,611
	Wairoa District	TR	C	2289.38	\$2,289	\$2,289.38	\$2,245
	<b>TOTAL</b>				<b>\$23,361</b>		<b>\$22,903</b>
<b>Te Ngarue Stream Flood Protection Scheme</b>							
	Hastings District	Area Basis	TN	3457.087	\$3,076	\$34.57	\$3,016
	Hastings District	Area Basis	TN1	20023.82	\$169	\$200.23	\$166
	<b>TOTAL</b>				<b>\$3,245</b>		<b>\$3,182</b>
<b>Kopuawhara Stream Flood Control Maintenance Scheme</b>							
	Wairoa District	Area Basis	K1	16844.797	\$2,058	\$168.44	\$2,058
	Wairoa District	Area Basis	K2	6737.919	\$4,174	\$67.37	\$4,174
	Wairoa District	Area Basis	K3	3368.959	\$2,441	\$33.68	\$2,441
	Wairoa District	Area Basis	K4	842.239	\$847	\$8.42	\$847
	<b>TOTAL</b>				<b>\$9,520</b>		<b>\$9,520</b>
<b>Coastal Hazards</b>							
			<b>No. of SUIPs</b>				
	Napier City	UTR	27183	3.1993	86,967	3.20	87,392
	Hastings District	UTR	33394	3.1993	106,837	3.20	106,412
	<b>TOTAL</b>				<b>\$193,804</b>		<b>\$193,804</b>
<b>SUSTAINABLE HOMES SCHEME</b>							
Healthy Homes/ Clean Heat (Clean Heat Financial Assistance)	Napier City	Land Value		0.00642	\$368,941	\$6.42	\$364,756
	Hastings District	Land Value		0.00686	\$301,698	\$6.86	\$305,883
	<b>Estimate of Projected Valuations</b>			<b>0.00565</b>	<b>\$670,639</b>		<b>\$670,639</b>
Voluntary targeted rate to repay financial assistance to insulate homes and provide clean heat, solar heating, PhotoVoltaic cells, HRV, domestic water storage and septic tank replacement.			\$10 per \$100 financial assistance	\$10	\$10.00 per \$100 financial assistance		

(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount 4,0486 hectare (10 acre) property	2018-19 Rate
<b>BIOSECURITY</b>							
<b>Plant Pest Strategy</b>				<b>Cents per hectare</b>			
	Napier City	Area/Use	4,259	56.5559	\$2,409	\$2.29	\$2,354
	Hastings District	Area/Use	364,543	56.5559	\$206,171	\$2.29	\$201,861
	Wairoa District	Area/Use	264,893	56.5559	\$149,813	\$2.29	\$147,085
	Central HB District	Area/Use	303,938	56.5559	\$171,895	\$2.29	\$167,608
	Taupo District	Area/Use	22,554	56.5559	\$12,756	\$2.29	\$12,405
	Rangitikei District	Area/Use	24,573	56.5559	\$13,897	\$2.29	\$13,640
	<b>TOTAL</b>		<b>984,760</b>		<b>\$556,941</b>		<b>\$544,953</b>
<b>Regional Animal Pest Management Strategy</b>				<b>Cents per hectare</b>			
	Napier City	Area/Use	4,259	180.886	\$7,704	\$7.32	\$7,447
	Hastings District	Area/Use	302,895	180.886	\$547,895	\$7.32	\$526,406
	Wairoa District	Area/Use	207,696	180.886	\$375,693	\$7.32	\$367,468
	Central HB District	Area/Use	295,383	180.886	\$534,307	\$7.32	\$517,472
	Taupo District	Area/Use	8,650	180.886	\$15,647	\$7.32	\$14,830
	Rangitikei District	Area/Use	23,529	180.886	\$42,561	\$7.32	\$43,157
	<b>TOTAL</b>		<b>842,412</b>		<b>\$1,523,806</b>		<b>\$1,476,780</b>
<b>Animal Pest Strategy - Forestry</b>				<b>Cents per hectare</b>			
	Napier City	Area/Use	n/a	n/a	n/a	n/a	n/a
	Hastings District	Area/Use	63,926	63.5265	\$40,610	\$2.57	\$37,777
	Wairoa District	Area/Use	55,743	63.5265	\$35,412	\$2.57	\$32,941
	Central HB District	Area/Use	7,306	63.5265	\$4,641	\$2.57	\$4,317
	Taupo District	Area/Use	13,904	63.5265	\$8,833	\$2.57	\$8,216
	Rangitikei District	Area/Use	n/a	n/a	n/a	n/a	
	<b>TOTAL</b>		<b>140,879</b>		<b>\$89,495</b>		<b>\$83,251</b>
<b>Sustainable Land Management</b>				<b>Cents per hectare</b>			
	Napier City	Area/Use	4,161	93.67897	\$3,898	\$3.79	\$3,606
	Hastings District	Area/Use	404,677	93.67897	\$379,097	\$3.79	\$347,093
	Wairoa District	Area/Use	276,428	93.67897	\$258,955	\$3.79	\$240,560
	Central HB District	Area/Use	301,974	93.67897	\$282,886	\$3.79	\$259,328
	Taupo District	Area/Use	35,413	93.67897	\$33,175	\$3.79	\$30,641
	Rangitikei District	Area/Use	22,256	93.67897	\$20,849	\$3.79	\$19,257
			<b>1,044,909</b>		<b>\$978,860</b>		<b>\$900,485</b>



(continued)							
Groups of Activities / Rate Type	Districts	Rates set on	Differentials	Calculation Factor	Estimated Rates Revenue 2019-20	Estimated Amount of \$100,000 applicable LV or CV, fixed amount or specified area basis per property	2018-19 Rate
<b>FARM ENVIRONMENT MANAGEMENT PLANS</b>							
Voluntary targeted rate to repay financial assistance for farm plans		\$33.33 per \$100 financial assistance		\$33.33		\$33.33 per \$100 financial assistance	
<b>EROSION CONTROL STRATEGY</b>							
Voluntary targeted rate to repay financial assistance to fund erosion control		\$10 per \$100 financial assistance		\$10		\$10.00 per \$100 financial assistance	
<b>ECONOMIC DEVELOPMENT</b>							
			No. of SUIPs				
Napier City	UTR		24447	9.76316	\$238,680	\$9.76	\$394,464
Hastings District	UTR		30656	9.76316	\$299,299	\$9.76	\$490,287
Wairoa District	UTR		4829	9.76316	\$47,146	\$9.76	\$80,018
Central HB District	UTR		6131	9.76316	\$59,858	\$9.76	\$98,448
Taupo District	UTR		54	9.76316	\$527	\$9.76	\$492
Rangitikei District	UTR		5	9.76316	\$49	\$9.76	\$82
<b>TOTAL</b>			<b>66122</b>		<b>\$645,560</b>		<b>\$1,063,792</b>
Napier City	Capital Value	Commercial/ Industrial		0.03204	\$666,291	\$32.04	\$457,238
Hastings District	Capital Value			0.03549	\$782,561	\$35.49	\$544,107
Wairoa District	Capital Value			0.02826	\$15,585	\$28.26	\$26,361
Central HB District	Capital Value			0.02831	\$41,869	\$28.31	\$36,086
<b>TOTAL</b>					<b>\$1,506,306</b>		<b>\$1,163,792</b>
<b>CDEM EMERGENCY MANAGEMENT</b>							
			No. of SUIPs				
Napier City	UTR		27183	33.9404	\$922,603	\$33.94	\$925,858
Hastings District	UTR		33394	33.9404	\$1,133,407	\$33.94	\$1,127,370
Wairoa District	UTR		5075	33.9404	\$172,248	\$33.94	\$176,692
Central HB District	UTR		6469	33.9404	\$219,561	\$33.94	\$219,981
<b>TOTAL</b>			<b>72,121</b>		<b>\$2,447,819</b>		<b>\$2,449,901</b>

**Explanation of Rating Methods –****River Control and Drainage/Explanation of Rates**

River Control and Drainage			Explanation of Rates
Heretaunga Plains Flood Control Scheme - Rivers			
Napier City	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.
Napier City	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.
Hastings District	Capital Value	Direct	Properties receive direct benefit from reduced risk of flooding and rivers changing their course.
Hastings District	Capital Value	Indirect	Properties receive indirect benefit as a result of their proximity to area of increased economic activity, increased social/recreational/cultural infrastructure, and increased opportunity for employment, service industry and investment.
Heretaunga Plains Flood Control Scheme - Streams & Drains			
Meeanee, Napier Puketapu, Oamaruui, Dartmoor Drainage Areas	Land Value	D1	Rateable land situated in the Hastings District and Napier City on the left bank of the Tutaekuri River which Council considers received direct benefit of drain maintenance works within the drain catchment areas of Meeanee, Napier, Puketapu and Dartmoor but excluding the George's Drive drainage area and the Brookfields Awatoto drainage area within Napier City, and on the right bank of the Tutaekuri River within the drain catchment area of Oamaruui.
Meeanee, Napier, Puketapu, Oamaruui, Dartmoor Drainage Areas Industrial	Land Value	D1	Rateable land within the D1 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Karamu Stream and Tributaries	Land Value	D2	Rateable land situated in the Hastings District within the Karamu Stream catchment area which Council considers receives direct benefit of drain and stream maintenance works.
Karamu Stream and Tributaries Industrial	Land Value	DI2	Rateable land within the D 2 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Twyford Raupare	Land Value	D3	Rateable land situated in the Hastings District within the Twyford Raupare drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Raupare Enhancement	Area	DA3	Selected properties in the Raupare Catchment (1101 Hectares) which have agreed to contribute to the enhancement of specific streams and drains in the Raupare Catchment.
Twyford Raupare Industrial	Land Value	DI3	Rateable land within D 3 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Haumoana/Te Awanga	Land Value	D4	Rateable land situated in the Hastings District within the Haumoana drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Haumoana/Te Awanga Industrial	Land Value	DI4	Rateable land within the D 4 differential and being zoned for industrial purposes. The Council considers the benefit of these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Tutaekuri-Waimate & Moteo	Land Value	D5	Rateable land situated in the Hastings District within the Tutaekuri-Waimate, Moteo drainage area which Council considers receives direct benefit of drain and stream maintenance works.

(continued)			
River Control and Drainage			Explanation of Rates
Tutaekuri-Waimate Moteo Industrial	Land Value	DI5	Rateable land within the D 5 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Pakowhai	Land Value	D6	Rateable land situated in the Hastings District within the Pakowhai, Puninga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Pakowhai	Land Value	DI6	Rateable land within the D 6 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Brookfield Awatoto	Land Value	D7	Rateable land situated in Napier within the Brookfield Awatoto drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Brookfield Awatoto Industrial	Land Value	DI7	Rateable land within the D 7 differential and being zoned for industrial purposes.
Clive Muddy Creek	Land Value	D8	Rateable land situated in the Hastings District within the Clive Muddy Creek drainage area which Council considers receives benefit of drain and stream maintenance works. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance.
Clive Muddy Creek	Land Value	DI8	Rateable land within the D8 differential and zoned used for industrial purposes.
Puninga	Land Value	D9	Rateable land situated in the Hastings District within the Puninga drainage area which Council considers receives direct benefit of drain and stream maintenance works.
Puninga	Land value	DI9	Rateable land within the D9 differential and being zoned for industrial purposes. The Council considers the benefit to these properties is added economic activity made possible by the drainage network and its continued maintenance. No rates charged.
Upper Tukituki Flood Control Scheme			
Central H B District	Land Value	A - direct	Land adjacent to stopbanked reaches of Tukituki and Waipawa rivers and receiving full and direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works.
Central H B District	Land Value	B - direct	Land adjacent to stopbanks and receiving an intermediate level of direct benefit from reduced risk of flooding and rivers changing their course as a result of stopbanks and river control works; and land between the Waipawa, Tukituki and Tukipo Rivers which could experience floodwaters flowing in channels in the event of stopbank failure on the south banks of the Waipawa and Tukituki Rivers.
Central H B District	Land Value	C - direct	Lower land adjacent to non stopbanked reaches of the Tukituki and Waipawa Rivers and adjacent to the lower reach of the Makaretu River; and land on the Rustaniwha Plains and downstream river terraces which is considered to be high enough to be at or just above inundation levels; and an area of land protected by the upstream end of the stopbank on the north bank of the Tukipo River where only minor channel improvements are required to protect the stopbank; and land immediately adjacent to the channel in the upstream reach of the Papanui Stream recognising the benefits to be received from improvements to the Waipawa River channel.
Central H B District	Land Value	D - direct	Unprotected land adjacent to rivers and streams which require only a minor level of channel improvements; higher land which is adjacent to more highly classified land or is adjacent to the lower reaches of the main rivers. It is land which would generally not be expected to experience flooding in a major event; an area between the Makaretu and Tukipo Rivers through which overflow from the Makaretu River would be expected to flow in channels; and land adjacent to the channel in the middle reach of the Papanui Stream where the channel is not as entrenched as it is further upstream.



(continued)			
River Control and Drainage			Explanation of Rates
Central H B District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Central H B District	Land Value	F - indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.
Central H B District	Land Value	U1 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau.
Central H B District	Land Value	U2 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which is considered to be high enough to be at or just above possible inundation levels.
Central H B District	Land Value	U3 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau which would generally not be expected to experience flooding in a major event.
Central H B District	Land Value	U4 - direct	Rateable property situated in the Upper Tukituki Catchment Control Scheme area being generally land on the Ruataniwha Plains adjacent to the presently stopbanked reaches of the Waipawa and Tukituki Rivers which Council considers receives direct benefit from a full range of flood protection measures provided by the scheme works, and generally being urban land within the townships of Waipawa and Waipukurau. A broad strip adjacent to watercourses and land receiving a greater degree of benefit including both flat and hill country on or adjacent to the Ruataniwha Plains where river control works reduce the risk of erosion to adjoining hills and river terraces.
Hastings District	Land Value	E - direct	Land adjacent to watercourses on which a level of channel maintenance is to be pursued (e.g. lower Papanui Stream, Tukituki River downstream of Tamumu, Ongaonga Stream); and a broad strip of land adjacent to watercourses and more highly classified land which includes both flat and hill country on or adjacent to the Ruataniwha Plains.
Hastings District	Land Value	F - indirect	Land of the catchment which receives only indirect benefit, including eastern and southern hill country, central hills, mountain foothills and the highest parts of the Ruataniwha Plains.
Upper Makara Streams Catchment Special Rating Scheme			
Central HB District	Area Basis	A	This rural class of direct benefit extends on the valley floor in the upstream flood plains of the Makara Stream and part elsewhere downstream. This area is susceptible to very severe and frequent flooding and siltation and receives flood protection.
Central HB District	Area Basis	B	A direct benefit area of the Makara flats where the flooding is less frequent than the land in Class A and which provides near optimum cropping potential. This area extends downstream to include the flood plains of the Wharemate and Silver Range Streams at their confluence with the Makara Stream.
Central HB District	Area Basis	C - Makara	A direct benefit area of the Makara flats downstream of Kokatewai Road where only medium frequency flooding and siltation occurs, but where utilisation is more limited than in Class B due to accessibility and the width of the flats.
Central HB District	Area Basis	C - Wharemate	A direct benefit area adjacent to the Wharemate Stream that is susceptible to very severe and frequent flooding and ponding due to poor drainage. This area will have greater protection due to the detention dams. The area is difficult to utilise due to the irregularities of the valley floor.

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River Control and Drainage			Explanation of Rates
Central HB District	Area Basis	D – Makara	This rural class of direct benefit covers the flood plain of the Makara Stream from the Elsthorpe township to the outlet of the catchment. It is an area of low frequency flooding and siltation in the lower Makara where protection in the upstream dams will provide 20 year plus protection here with the large channel that exists making the land suitable for high risk cropping.
Central HB District	Area Basis	D – Silver Range	This rural class of direct benefit covers the floodplain of the Silver Range Stream from the Makara Stream to the bridge on Kahuranaki Road. This area has a narrow stream bed and limited stopbanks that result in high frequency flooding and siltation. Given the risks, this area will be suitable only for grazing.
Central HB District	Area Basis	E	This class of direct benefit extends from the Makara floodplain northward and follows a soil and topography boundary on the eastern side of Kahuranaki Road. An area of moderate to very severe soil erosion in the northern section of moderate to very steep hill country requiring intensive conservation measures to prevent loss and damage to land and improvements and stabilise stream beds.
Central HB District	Area Basis	F	An area not in the classes above but receiving indirect benefit from all the works carried out on the Scheme through the protection of communications assets including roads, and telecommunications networks, the support of amenities, services and facilities in the area and the general economic stability of the community. Contains the balance of the catchment.
Central HB District	Area Basis	G	For those properties that straddle the catchment boundary, this area is the balance of properties that lie outside the catchment boundary and therefore, receive no benefit from the scheme. No rates charged.
<b>Poukawa Drainage Special Rating Scheme</b>			
Hastings District	Land value	A	Rateable property situated in the Hastings District on the lower lying land surrounding Lake Poukawa and subject to seasonal inundation which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	B	Rateable property situated in the Hastings District on the periphery of the land surrounding Lake Poukawa receiving the benefits as described in Class A which HBRC considers receives both direct and indirect benefit of the maintenance of the drainage scheme.
Hastings District	Land value	C	Rateable property situated in the Hastings District surrounding Lake Poukawa which HBRC considers receives indirect benefit of the maintenance of the drainage scheme.
<b>Paeroa Drainage Scheme Special Rating Area</b>			
Wairoa District	Area Basis	A	Rateable property situated in the Wairoa District on the lower lying land in the valley of the Waikoko Stream and the majority of the flat area surrounding and including the aerodrome, racecourse which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	B	Rateable property situated in the Wairoa District including the sloping land in the Clydebank Road area on the delta at the lower end of the Awatere Stream valley which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	C	Rateable property situated in the Wairoa District on the valley floors in the middle reaches of the Awatere and Waikoko Streams, and the slightly higher land adjacent to the Awatere Stream in the vicinity of SH2. It also includes the land to the west of the aerodrome which relies on culverts under the runway for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	D	Rateable property situated in the Wairoa District on land near the boundaries of the classified area more remote from the watercourse maintained under the Scheme. It also includes land to the south of the railway (mainly urban property) which relies directly on the Awatere Stream for a drainage outlet which HBRC considers receives both direct and indirect benefit of the drain and stream maintenance works.
Wairoa District	Area Basis	E	Rateable property situated in the Wairoa District which HBRC considers receives indirect benefit only and includes the top ends of the valley floors, hill country adjacent to that land receiving direct benefit and an area of North Clyde.

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River Control and Drainage			Explanation of Rates
<b>Ohiua-Whakaki Drainage Scheme</b>			
Wairoa District	Area Basis	A	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land that without drainage could be inundated up to 12 months of the year.
Wairoa District	Area Basis	B	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land that without drainage could be inundated up to 12 months of the year.
Wairoa District	Area Basis	C	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land affected by high water table because of poor outfall, overflow or backing up from lower lands.
Wairoa District	Area Basis	D	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Land subject to ponding from time to time because of lack of outfall or from backing up to a lesser degree.
Wairoa District	Area Basis	E	This scheme drains approximately 200ha of low lying, productive land to the east of the Opoho Stream near Nuhaka. The scheme uses a combination of detention and gravity drains plus controlled pump discharges to enable landowners to improve production. Hill land and other land benefiting by improved access not available under original conditions.
<b>Opoho Drainage Stream Scheme</b>			
Wairoa District	Fixed Amount	A B C	The Opoho Flood and Drainage Scheme involves three neighbouring farms situated approximately half way between Wairoa and Nuhaka. The relativities between the three properties in the Scheme were determined by way of an analysis of the benefits received by each property and respective apportionment of costs. The rating allocation should be reviewed every 6 years.
<b>Kopuawhara Stream Flood Control/Maintenance Scheme</b>			
Wairoa District	Area Basis	K1	Rateable property situated in the Scheme area within 20m of the banks of the Kopuawhara Stream which HBRC considers receives direct benefit from flood protection works. The benefits of these flood protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation. The K1 rating covers approximately 7.5km of channel versus only 4.7km of maintained channel as the lower reaches of the K1 rating areas are deemed to receive benefit from the upstream maintenance.
Wairoa District	Area Basis	K2	Rateable property situated in the Scheme area being the balance of flat land within the scheme area between Mahanga Road and the Railway Bridge over the Kopuawhara Stream but excluding land in differential K1. HBRC considers this land receives benefit from flood protection works. The benefits of these protection measures are reduction in bank erosion, bank and channel stability and loss of land by flooding and siltation to a lesser extent than the benefits received by land in differential area K1.
Wairoa District	Area Basis	K3	Rateable property situated in the Scheme area being two bands of flat land, each 300m wide, on both sides of the Kopuawhara Stream extending south from the Mahanga Road Bridge downstream to the boundary of the Scheme area. Land within differential K1 and K2 are excluded. HBRC considers this land receives benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.
Wairoa District	Area Basis	K4	Rateable property situated in the Scheme area being the flat land outside of the two 300m bands of K3 below Mahanga Road. Land within differential K1, K2 and K3 are excluded. HBRC considers this land received benefit from flood protection works. The benefits of these flood protection measures are a reduction in the frequency of flooding from overflows from the Kopuawhara Stream.



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River Control and Drainage			Explanation of Rates
<b>Te Ngarue Stream Flood Protection Scheme</b>			
Hastings District	Area Basis	TN	The rating system has 2 rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only. Rateable property situated in the Hastings District within Te Ngarue Stream catchment (excluding property in Pat Section 7 Block/ Tangoio Survey District) receiving direct and indirect benefit from Te Ngarue Scheme flood protection. The benefit of these protection measures, clearing of all trees and obstructions from the stream channel between the lagoon and Tangoio Road bridge, the removal of trees growing along the stream bank at risk of falling into the channel, and widening of parts of the channel and bank protection works adjacent to Beach Road, are a reduction in the risk of flooding to land situated within the benefit area.
Hastings District	Area Basis	TN1	The rating system has 2 rating class covering an area of 135ha. Rates are levied for the Scheme's maintenance activities only. Rateable property situated in Part Section 7 Block I Tangoio Survey District within Te Ngarue Stream catchment receiving direct and indirect benefit from Te Ngarue Scheme flood protection. To reduce the effect of flooding and erosion and provide security for investment and economic activity.
<b>Esk River &amp; Whirinaki Stream Maintenance Scheme</b>			
Hastings District	Area Basis	E1	The rating system has 3 categories, namely Esk (E), Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land situated in the Esk River Maintenance Scheme area from the confluence with the Mangakopikopiko Stream to the sea. The benefit of the river works has reduced the incidence of flooding on these properties during floods.
Hastings District	Area Basis	E2	The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land situated in the Esk River Maintenance Scheme area from the confluence with the Mangakopikopiko Stream to the sea. The benefit to these properties is without the continued maintenance of river works the risks of flooding will increase.
Hastings District	Area Basis	R11	The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. The benefit to these properties is that without the continued maintenance of river works the risk of flooding will increase.
Hastings District	Area Basis	R12	The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. The benefit to these properties is that without the continued maintenance of river works the risk of flooding will increase.
Hastings District	Area Basis	R13	The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Rateable land at Whirinaki being Rural Industry. This land is at risk to greater than two percent Annual Exceedence Probability floods and receives benefit from the Councils continued river control works.
Hastings District	Area Basis	W1, W2, W3, W4, W5, W6, W7	The rating system has 3 categories, namely Esk (E) Whirinaki (W) and Rural Industry (R). Some of the properties are rated for 2 categories, resulting in 10 benefit areas. The rating catchment area is 558ha. Properties included within the Esk River Maintenance Scheme and the Whirinaki Stream Maintenance Scheme are those in the Esk River Catchment downstream of the confluence of the Mangakopikopiko Stream to the sea. This is rateable land within the Whirinaki Stream Maintenance Scheme receiving direct benefit from the maintenance work associated with the Whirinaki Stream and its designated tributaries. Each category has an applied percentage.

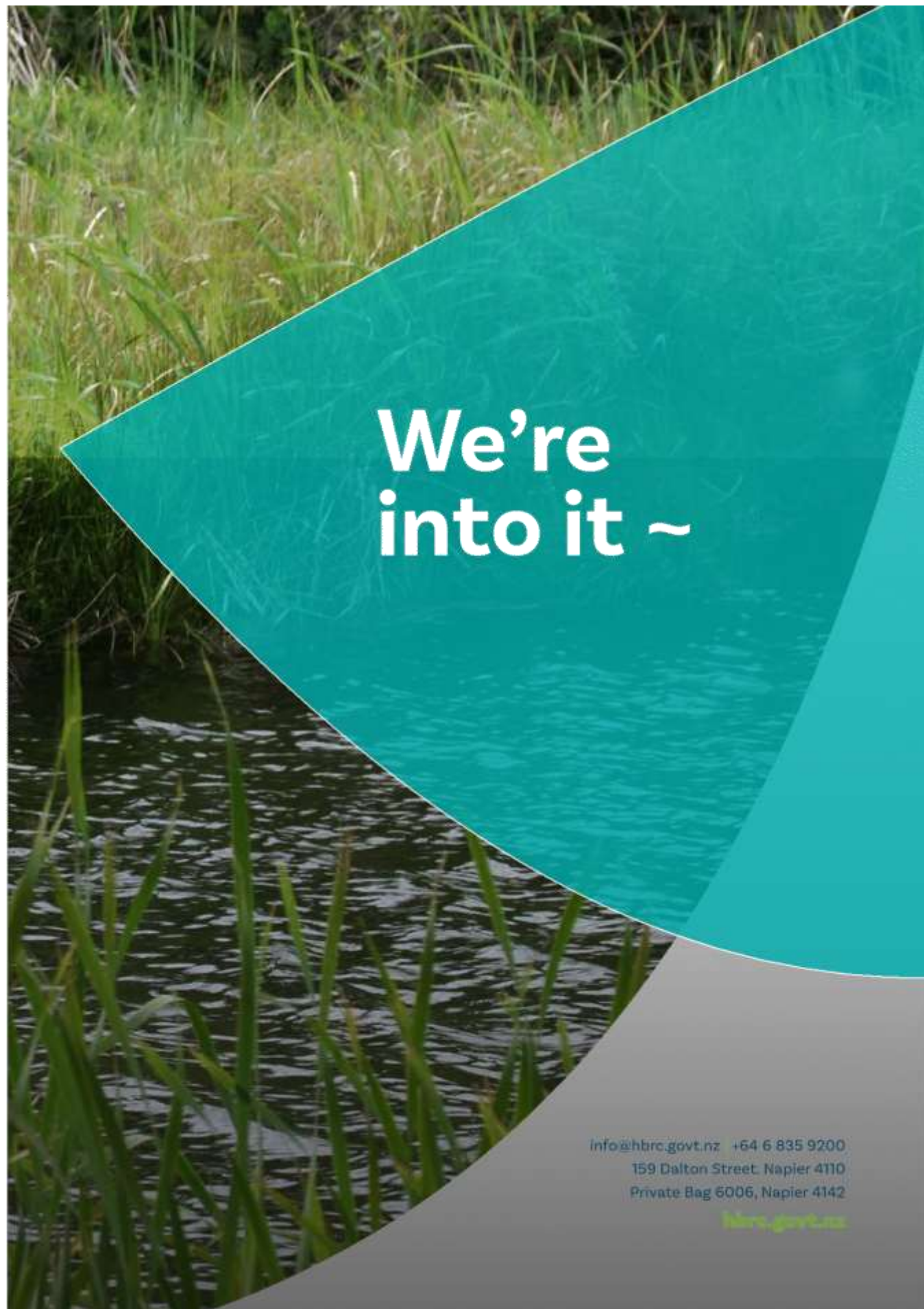
(continued)		
River Control and Drainage		Explanation of Rates
<b>Karamu Drainage Maintenance</b>		
Hastings District	Fixed Amount	This scheme covers properties in Havelock North, being properties in the Karamu Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamu D2). The scheme involves maintenance of the completed enhancement works in the Karamu Stream.
<b>Karamu Enhancement</b>		
Hastings District	Fixed Amount	This scheme covers properties in Havelock North, being properties in the Karamu Catchment, which do not contribute to the Heretaunga Plains Flood Control Scheme- Streams & Drains (Karamu D2). The scheme involves funding for one third the cost of new enhancement works in the Karamu Stream.
<b>Porangahau Flood Control</b>		
Central HB District	Land Value	This scheme covers 90km of waterways consisting of the Porangahau River and some of its tributaries in Central Hawkes bay. It was established to reduce flooding and bank erosion and ensure the main access to the community via Porangahau Road is not closed so often due to flooding. The Porangahau Scheme uses only natural assets (streams and rivers) and no hard engineering structures. The main strategy is routine maintenance involving vegetation control, predominantly willow with minor bank stabilisation and debris build-up removal.
<b>Maraetotara Flood Maintenance</b>		
Hastings District	Capital Value	This scheme reduces the risks of the Maraetotara River flooding Te Awanga township, roading and communication links. The rating scheme has only one rating class covering an area of 54ha. Rates are levied for the Scheme's maintenance activities only. The scheme was established to protect a 1/100 year flood event, although land on the right bank will still be flooded when the river is high the scheme keeps the Maraetotara River flows within the stopbanks, floodwalls and natural high ground, and a flood-gated outlet from the lagoon through the stopbank to the river.
<b>Kairakau Community Scheme</b>		
Central HB District	UTR	This scheme maintains flood protection, including the seawall and Mangakuri River retaining wall for the Kairakau community on the Central Hawkes Bay coastline. HBRC works closely with the Kairakau Development Society (KDS) which requested the scheme. KDS determines on behalf of the community what work is needed.





**We're on a clear path to plant more trees, lose less soil to waterways, have cleaner water, a healthier marine environment and better biodiversity.**





Item 8

Attachment 1



Te whakapakari  
tahi i tō tātau  
**taiao.**

Enhancing our  
**environment**  
together.

[hbrc.govt.nz](https://hbrc.govt.nz)

Item 8

Attachment 1

# REGIONAL PUBLIC TRANSPORT PLAN

2019 - 2029

Item 11

Attachment 1

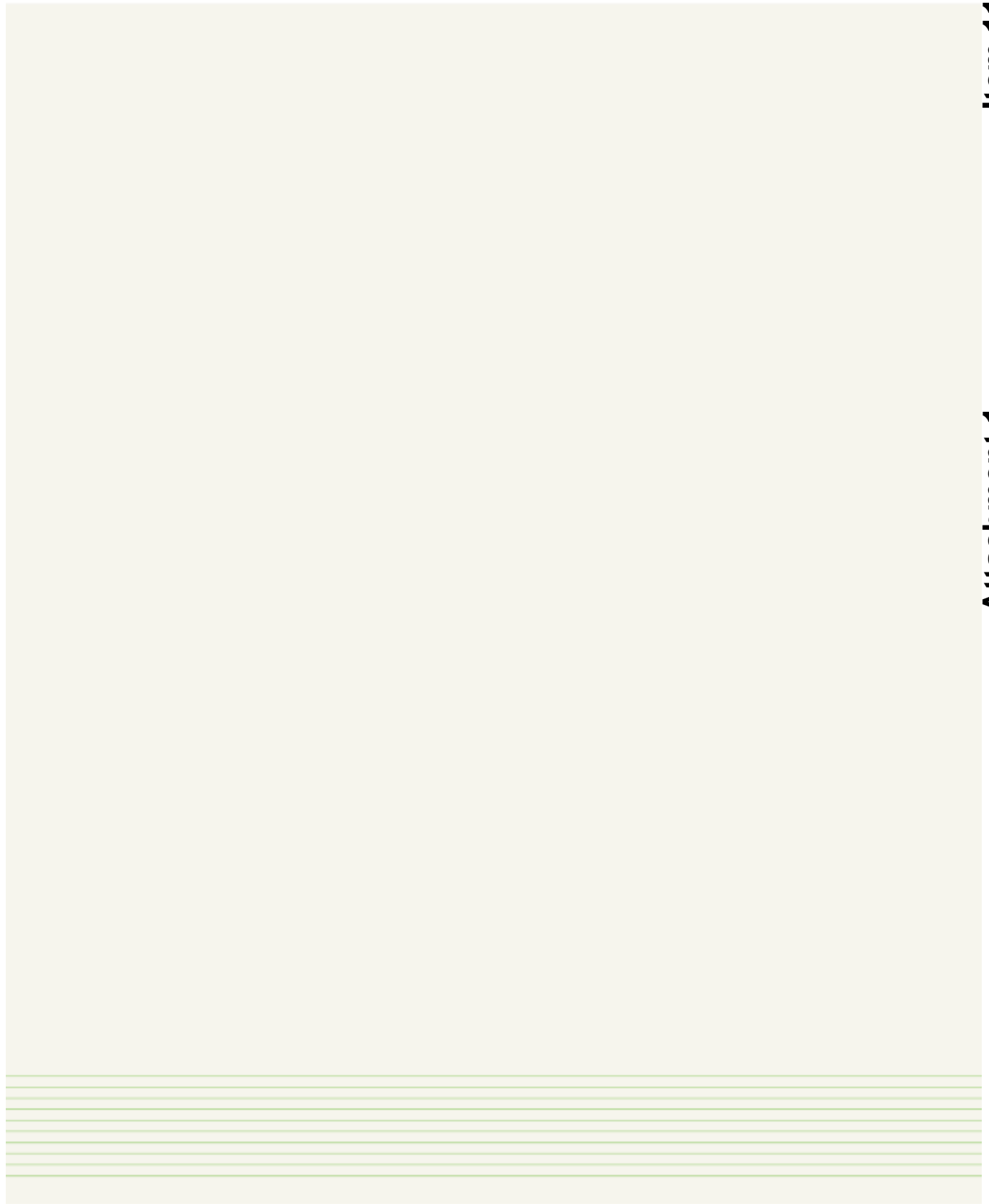


JULY 2019



Item 11

Attachment 1





## FOREWORD FROM REGIONAL TRANSPORT COMMITTEE CHAIR

Public transport in Hawke's Bay has been transformed over the last ten years. Thanks to increased funding from Hawke's Bay Regional Council and the New Zealand Transport Agency, we now have services which increasingly meet the transport needs of many of our residents. As a result, many more people are using our goBay bus and Total Mobility services than in the early 2000s. However, as for most of regional New Zealand, bus patronage has declined since its peak in 2014, due to lower fuel prices and increased car ownership.

There is much to be done to reverse this trend, broaden our range of passengers, provide services over a wider area and utilise new technologies to improve service provision and information. At present, the private motor vehicle is still the main transport choice for most of the region's residents and if we are to make the best use of our existing transport networks, minimise transport emissions and avoid further costly increases in capacity, we need to convince many more people to choose public transport at least occasionally.

Hawke's Bay Regional Council, in conjunction with its funding partners, intends to meet this challenge with a range of activities spelt out in this draft plan, as well as continuing to provide current levels of bus and Total Mobility services.

Councillor Alan Dick  
Chairman Regional Transport Committee



1



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#### HBRC'S VISION FOR PUBLIC TRANSPORT IS:

To deliver a public transport system that is safe, increasingly used, integrated with other modes, and contributes to the economic, social and environmental well-being of the people of Hawke's Bay.



## 1.0 INTRODUCTION

### » 1.1 ABOUT THE REGIONAL PUBLIC TRANSPORT PLAN

The Hawke's Bay Regional Public Transport Plan (RPTP), prepared by the Hawke's Bay Regional Council (HBRC), is a strategic document that sets the objectives and policies for public transport, contains details of the public transport network and development plans for the next ten years.

The RPTP provides a means for councils, transport operators, stakeholders and the public to work together to develop and improve the public transport network and supporting infrastructure.

Hawke's Bay Regional Council (HBRC) is responsible for providing public transport services in our region, which largely comprise bus services that operate in and between Napier and Hastings, and the Total Mobility service, which provides discounted transport for people with disabilities which prevent them from using buses. These services are provided under contract to, and are subsidised by, HBRC.

The money to pay for these contracts comes from fares from passengers using the service, the NZ Transport Agency and HBRC ratepayers.

### » 1.2 TIMEFRAME

This RPTP covers the ten year period from 2019 to 2029, but must be reviewed in three years' time. However, the Plan may also be reviewed in the event of any major changes to the funding or planning environment.

### » 1.3 STRATEGIC CONTEXT FOR THE RPTP

### » 1.3.1 THE LAND TRANSPORT MANAGEMENT ACT 2003

The Land Transport Management Act 2003 (LTMA) was amended in 2013, repealing the Public Transport Management Act and bringing the relevant provisions into the LTMA. The amendments also legislated a new public transport operating model (PTOM) – a new framework for the planning, procurement and delivery of public transport services. There is a strong emphasis on early engagement and collaboration between regional councils, territorial authorities, and public transport operators.

The purpose of the LTMA is to "contribute to an effective, efficient and safe land transport system in the public interest", and requires regional councils to adopt a regional public transport plan (RPTP), which must be reviewed every three years. The LTMA prescribes how plans are to be developed, and sets out the matters that must be contained in a plan. It also describes the purpose of the plan, which is to:

- describe the public transport services that are integral to the public transport network
- define the policies and procedures that apply to those public transport services
- identify the information and infrastructure that supports public transport

Principles of the Public Transport Operating Model (PTOM) have been incorporated into the LTMA. PTOM is a system for planning, procuring and funding public transport. It aims to increase patronage with less reliance on public subsidies, through better collaboration between operators and regional councils. PTOM requires all bus services to be divided into units and provided under exclusive contracts to HBRC. However, services which do not form part of the core public transport network are exempt from operating under contracts.





### » 1.3.2 THE GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT FUNDING 2018

The Government Policy Statement on Land Transport Funding sets out the Government's desired outcomes and priorities for the land transport sector, and broad funding allocations over the next decade.

The four strategic priorities are:

- Safety
- Access
- Environment
- Value for money.

Safety and access are the key strategic priorities for the Government and reflect the transport system it is striving for, with environment and value for money as supporting priorities.

Objectives for the access priority are:

A land transport system that

- provides increased access to economic and social opportunities
- enables transport choice and access
- is resilient

Public transport services contribute to all these objectives.

The GPS 2018 contains a significant increase in funding for public transport over the next three years in order to help achieve the strategic priority of providing a land transport system that enables transport choice and access.

### » 1.3.3 THE REGIONAL LAND TRANSPORT PLAN 2015-25: 2018 REVIEW

The Regional Land Transport Plan (RLTP) sets out the region's vision, objectives and funding for all modes of land transport for which funding is received from the National Land Transport Fund. It contains objectives relevant to public transport and also sets out the required funding for the provision of public transport services and infrastructure over the next three years.

**The RLTP has the following vision:**

"A safe, resilient and efficient transport system that supports the development of our economy and contributes to social wellbeing in our community".

**Supporting strategic objectives include:**

"Access to social, economic and cultural opportunities for all sectors of the community through effective transport links and services"

This is consistent with the vision for public transport contained within this draft RPTP, which is

"To deliver a public transport service which is safe, increasingly used, integrated with other modes and contributes to the economic, social and environmental wellbeing of the people of Hawke's Bay."

### » 1.3.4 HAWKE'S BAY REGIONAL COUNCIL PLANS

The HBRC Strategic Plan 2017-21 identifies four areas of focus for this period. One of these is for sustainable services and infrastructure, and the plan sets a strategic goal of a carbon neutral Hawke's Bay by 2040. The public transport services described in this RPTP will contribute to this goal.

The HBRC Long Term Plan sets out public transport activities and funding sources for the next ten years. The plan is reviewed every three years, but significant changes in activities or expenditure are captured in an annual plan.

### » 1.4 STRATEGIC CASE

This section provides a summary of the strategic case for the Regional Public Transport Plan. The strategic case forms part of the business case approach to investment in transport.

As part of this process, key stakeholders in public transport have jointly identified regional problems, the benefits of addressing those problems and responses to them, taking into account the feedback received from consultation with bus users and stakeholder organisations.

#### **Problem 1:**

**The ease of driving in the region and general perception of public transport is leading to reduced usage from those that have their own vehicles.**

Hawke's Bay's public transport network is centred on the two urban areas of Napier/Taradale and Hastings, approximately 25 kms apart, with satellite towns of Clive, Havelock North, Flaxmere and Bay View. The level of commuting between the two cities is significant; many people live in Napier and work in Hastings and vice versa. Similarly, school students traverse frequently between towns for secondary or special character schooling.

The Napier-Hastings Expressway is one of the main commuter routes used, and has seen growth in average daily traffic of as much as 36% on certain sections over the last seven years. Similarly, the number of vehicles registered per person in Hawke's Bay has increased significantly over the last three years, meaning that more people now have access to a vehicle.

Parking in both cities is plentiful and cheap; there is plenty of all-day free parking within easy walking distance of the CBD, and district plan rules ensure parking provision for businesses.

Public transport in the regions is traditionally viewed as a mode to be used by people without private transport options. In the

absence of significant deterrents to driving like congestion or parking availability/cost, many Hawke's Bay car drivers do not think public transport is for them. The convenience of driving often outweighs any other reasons for using public transport.

However, petrol price volatility may start to influence these decisions. Significant increases in the second half of 2018 have been followed by major reductions in early 2019, adding to the uncertainty. Nevertheless, businesses which have taken steps to actively incentivise the use of public transport, have seen an increase in patronage. The Hawke's Bay District Health Board introduced parking charges in the hospital grounds in 2017, but also provides bus subsidies for staff and patients. Both categories have seen a significant increase in use, indicating that pricing factors can over-ride issues of convenience.

Climate change mitigation is now top of the agenda for most organisations, and Hawke's Bay residents want to understand what they can do to help contribute to a reduction in carbon emissions. Commuting by bus instead of travelling alone by car saves on average, 181 g of carbon per kilometre. The longer and more frequent the commute, the greater the saving. HBRC is actively encouraging its staff to use the bus by providing a discount and will challenge other organisations to do the same. Through the actions set out in this plan, HBRC aims to significantly increase the contribution that public transport makes to reducing greenhouse gases, by encouraging residents out of their cars, especially for longer journeys.

#### **Problem 2:**

**The current car focused investment model in rural and provincial areas is leading to a suboptimal transport system that does not effectively integrate public transport.**

Transport planning and investment has been traditionally targeted at providing ever-improving roads, with public transport filling a secondary role. Added to this is Hawke's Bay's dispersed geography and location of essential services. These factors, coupled with low density housing, makes the provision of traditional public transport difficult and expensive.

Similarly, traditional land use planning means that the provision of public transport has often not been factored into planning decisions, with new residential areas increasingly full of cul-de-sacs and dead-end streets and industrial areas located some distance from the main centres.

Hawke's Bay is experiencing significant demographic change, with the population aging at a much faster rate than previously predicted. While the largest sector of the population is presently of working age, this will decline by about 13% by 2043 and the population over 65 will increase by 91% by 2043. The population under 15 will decrease by 14%. This points to the need for better integration of public transport into the transport system, which will need to play a much greater role in the future. There will be increased demand for off-peak services, better coverage into residential areas and a greater role for specialist services such as Total Mobility and demand-responsive services. This may require a new approach to provision of public transport.

#### **Problem 3:**

**Limited accessibility and frequency of bus services is leading to under-utilisation of public transport.**

While significant improvements have been made to Hawke's Bay's bus network over the last ten years, there are still gaps in the network, and Central Hawke's Bay and Wairoa have limited public services. This problem could easily be resolved by adding new services, but the cost of doing so needs to be very carefully weighed against the potential use. The provision of traditional services is expensive, and even if new services could recoup half their cost in fares, this can still add a significant cost to ratepayer and taxpayer through subsidies. Other options, such as demand-responsive services, may need to be explored.

Suburban services in Napier and Hastings, which follow a traditional model of leaving from and returning to the CBD, have shown a consistent steady decline in patronage over the last four years. A new approach to provision of off-peak suburban services may also be needed.

While commuter services between cities have a reasonable frequency (20 minutes at peak times) and are showing some growth as fuel prices increase, the journey time is too long and more direct services are needed at peak times. Options to provide better connections to other modes of transport also need to be explored, so that commuters can use public transport for at least part of their journey.

#### **Strategic Response**

The strategic responses we have developed to address these issues are described in Section 5.



## 2.0 BACKGROUND

Hawke's Bay public transport is now operated by urban buses, long-distance buses, taxis, shuttles and companion driving services.

Passenger rail services north to Gisborne ceased after Cyclone Bola in 1988. Passenger services south from Napier to Wellington continued until 2001, when the Bay Express fell victim of the continued real drop in air travel prices and increased car ownership, and was cancelled.

### 2.1 CURRENT SERVICES

The current bus and other services supported by HBRC are broadly described below. Details of the services HBRC considers to be integral to the public transport network in Hawke's Bay for the life of this RPTP are described in more detail in Appendix A.

#### 2.1.1 BUS SERVICES

HBRC currently contracts the provision of bus services in and between Napier and Hastings. This contract, which expires in July 2025, includes the following services:

- Between Napier and Hastings via Taradale and the Eastern Institute of Technology
- The Express between Napier, Hastings and Havelock North (via Clive)
- The Express between Napier and Hastings via the Hawke's Bay Expressway
- Between Havelock North and Hastings
- Between Flaxmere and Hastings
- Within Hastings (covering the suburbs of Camberley, Mahora, Parkvale and Akina)
- Within Napier (covering the suburbs of Tamatea, Taradale, Maraenui, Onekawa, Ahuriri, Westshore and Bayview).

#### 2.1.2 OTHER SERVICES

##### Total Mobility Scheme

HBRC funds and manages the Total Mobility scheme in Hawke's Bay. Total Mobility is a nationwide scheme which provides discounted taxi travel for people with disabilities who are unable to use buses. The scheme also funds the provision of hoists for vehicles capable of carrying people in wheelchairs. The scheme operates in Napier, Hastings and Central Hawke's Bay.

##### SuperGold Card free travel scheme

This is a nationwide scheme, which provides free off-peak travel (between 9am and 3pm on weekdays and anytime on Saturday, Sunday and public holidays) on all local buses for SuperGold Card holders. The scheme is funded by central government and administered by HBRC.

HBRC has made many service and infrastructure improvements to bus services over the past few years. These improvements are listed below.

### 2.1.3 MARKETING

Bus services are currently promoted through an ongoing radio and print campaign, regular Facebook posts and website updates. Promotions have traditionally focussed on the benefits of public transport to the user, but HBRC plans to widen the focus to highlight the environmental benefits of taking the bus, in particular, how public transport can contribute to reducing the passenger's carbon footprint. New channels of advertising are also being explored.

Total Mobility is promoted through the disability and senior support agencies and at doctors' surgeries.



All vehicles are easy to board and accessible by people in wheelchairs

#### ★ 2.1.4 SERVICE IMPROVEMENTS

##### Buses

Since 2008 the following improvements have been made by HBRC to bus services in Hawke's Bay:

SERVICE	ROUTE	IMPROVEMENT
10 EXPRESS	Between Napier and Hastings via the Expressway	<ul style="list-style-type: none"> <li>New service introduced in September 2008 (cancelled in May 2014 due to low patronage, re-introduced in September 2016 on a different route to coincide with the HBDHB's Workplace Travel Plan).</li> </ul>
11 EXPRESS	Between Havelock North and Napier, via Hastings and Clive	<ul style="list-style-type: none"> <li>New service introduced in September 2008.</li> </ul>
12N	Napier to Hastings, via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza	<ul style="list-style-type: none"> <li>Introduced an extra 2.30pm service Monday to Friday in November 2009.</li> <li>Increased the number of Saturday services in November 2009 from 5 to 11.</li> <li>Introduced a new Sunday service in January 2011.</li> <li>Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times.</li> </ul>
12H	Hastings to Napier, via, K-Mart, Hawke's Bay Hospital, EIT and Taradale	<ul style="list-style-type: none"> <li>Introduced an extra 2.30pm service Monday to Friday in November 2009.</li> <li>Increased the number of Saturday services from 5 to 11 in November 2009.</li> <li>Introduced a new Sunday service in January 2011.</li> <li>Increased services to operate every 20 minutes in peak times and every 30 minutes in off-peak times.</li> </ul>
13	Napier-Tamatea-Taradale-Tamatea -Napier	<ul style="list-style-type: none"> <li>Route extended to include Taradale shopping centre in November 2009.</li> <li>Increased the number of services, Monday to Friday, from 9 to 11, in January 2011.</li> <li>Introduced a new Saturday service in January 2011.</li> <li>Route extended to cover Summerset Retirement Village, five trips Monday to Friday in 2017.</li> </ul>
14	Napier-Maraenui-Onekawa-Napier	<ul style="list-style-type: none"> <li>Changed Saturday services to provide coverage from 5 hours to 7 hours in January 2011.</li> </ul>
15	Napier-Ahuriri-Westshore-Ahuriri -Napier	<ul style="list-style-type: none"> <li>Trial made permanent in September 2012, operates Monday to Saturday.</li> <li>Route extended to cover Bay View, five trips Monday to Friday and all four Saturday trips, in 2016.</li> </ul>
16A	Hastings-Camberley-Raureka-Hastings	<ul style="list-style-type: none"> <li>Added an extra service at the end of the day, Monday to Friday, in November 2009.</li> </ul>
16B	Hastings-Mahora-Hastings	<ul style="list-style-type: none"> <li>Added an extra service at the end of the day, Monday to Friday, in November 2009.</li> </ul>
17	Hastings-Parkvale-Akura-Hastings	<ul style="list-style-type: none"> <li>Changed route to travel via Summerset Retirement Village in November 2012.</li> <li>Extended service coverage from 8 hours to 10 hours in 2016.</li> <li>Changed route to travel via Karamu High School in 2016.</li> </ul>
20	Hastings-Flaxmere-Hastings, via The Park, Hastings	<ul style="list-style-type: none"> <li>Re-timed early morning services in November 2009.</li> <li>Added an extra service in the middle of the day, Monday to Friday in January 2011.</li> <li>Extended Saturday service coverage from 6 hours to 9 hours in January 2011.</li> <li>Added seven extra daily services, Monday to Friday, in October 2012.</li> </ul>
21	Hastings-Havelock North-Hastings, via The Park, Hastings	<ul style="list-style-type: none"> <li>Added an extra service in the middle of the day in January 2011.</li> <li>Extended the route of the Saturday service to follow the same (wider) route as the Monday to Friday service in January 2011.</li> <li>Introduced a Sunday service, consisting of 3 trips, in 2016.</li> <li>Extended the route to cover the Summerset Village on Arataki Road and to better service the Lipscombe Crescent area.</li> </ul>



## 2.0 BACKGROUND (CONTINUED)

SERVICE	ROUTE	IMPROVEMENT
BUSES	All routes	<ul style="list-style-type: none"> <li>All buses (with the exception of the Express services) wheelchair accessible from 2009.</li> <li>All buses meet the Euro 4 emission standard.</li> <li>Introduced Public Holiday services (Saturday/Sunday timetable applies) in October 2011.</li> <li>Bike racks installed on most of the fleet in October 2012.</li> <li>Bike racks available on all the buses from 2016.</li> <li>All buses wheelchair accessible from 2016.</li> </ul>
FARES	All routes	<ul style="list-style-type: none"> <li>Simplified the fare structure by reducing the number of fare zones from four to two in November 2009.</li> <li>Introduced a "Smartcard" fare payment system in 2009.</li> <li>Introduced a new concessionary fare category – 'Community Services Cardholders' to replace the 'beneficiary' and 'disabled' categories, in June 2010.</li> <li>Set up system whereby passengers and caregivers travelling from Napier to Hawke's Bay Hospital for appointments/treatment can travel free of charge, with fares reimbursed by the Hawke's Bay District Health Board.</li> <li>Fares are reviewed annually each September (though not necessarily increased).</li> <li>Work with NGOs and government agencies to provide bespoke ticketing arrangements.</li> <li>Free travel for hospital patients extended to passengers travelling to both Napier and Hastings for medical appointments (fares reimbursed by the HBDHB) in 2017.</li> <li>Workplace travel plan arrangement established with the HBDHB (fares subsidised by the HBDHB) in 2017.</li> </ul>

The number of bus passengers increased significantly between 2009 and 2015 but has declined since then. This is consistent with much of regional New Zealand, and is thought to be at least partly due to improved economic conditions, meaning more people are in work and running a vehicle. This is borne out by

- a 7% increase in car ownership per capita in Hawke's Bay
- the most significant declines in patronage have occurred on routes servicing areas with previously higher rates of unemployment.

BUS PASSENGER TRIPS 2009 - 2018



## 2.0 BACKGROUND (CONTINUED)



As maybe seen in the graphs above, the largest passenger group carried is children, including high school students. The busiest route is Route 12 from Hastings, followed by Route 12 from Napier and Route 20 (Hastings-Flaxmere-Hastings).

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## 2.0 BACKGROUND (CONTINUED)

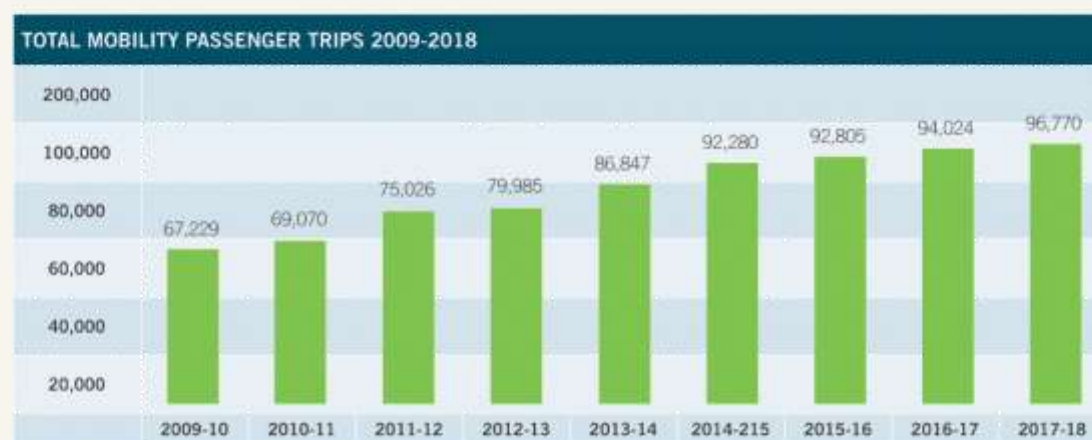
## 2.1.5 THE TOTAL MOBILITY SCHEME

The Total Mobility Scheme is a nationwide scheme that provides discounted taxi transport for people with disabilities which prevent them from using public transport. Eligibility for the scheme is determined by the effect the impairment has on the individual's ability to undertake components of a journey on the public transport network.

Total Mobility services are provided under contract to, and are subsidised by, HBRC.

The use of the Total Mobility Scheme continues to increase. In 2017-18 there were approximately 3,598 registered users of the scheme in Hawke's Bay compared to 1,914 in 2008-09 and 2,640 in 2011-12.

As demonstrated in the graph below, Total Mobility trips continue to trend upwards and as Hawke's Bay's population is ageing, this trend is likely to continue.



## 2.2 WHY HBRC SUBSIDISES PUBLIC TRANSPORT

Passengers do not pay the full cost of the public transport services they use. In Hawke's Bay in 2017-18 the passengers' contribution through fares to the cost of running the bus services was 37%, although HBRC is looking to increase this amount. Total Mobility passengers pay half the cost of their travel.

HBRC and the NZ Transport Agency subsidise public transport because it provides a range of benefits.

- **Roading and parking:** Public transport helps relieve/prevent road congestion and the need for new roads. It also reduces pressure on car-parking spaces.
- **Economic:** Providing people with access to employment and educational facilities results in economic benefits for the individual and the community. There are also economic benefits from the reduced need for roads.

- **Environmental:** Buses save energy compared to car trips, and result in reductions in vehicle exhaust and noise emissions. Modern buses are extremely fuel efficient and have low emissions.
- **Health:** Public transport has benefits to health, as most journeys involve a walk or bike ride to and from the bus stop. It may also prove less stressful than driving.
- **Access and mobility:** Public transport provides a means of travel to work for those who may not have alternative transport options. It is an essential link for many between residential areas, commercial areas, recreational areas, educational facilities, health services and community events and activities.
- **Safety:** Bus passengers are much safer travelling on a bus than using any other mode of transport.
- **Social:** Many people do not have access to a car, with public transport the only viable option for travel. There is a significant social benefit from reducing community isolation.



## 2.0 BACKGROUND (CONTINUED)

## » 2.3 INVOLVEMENT OF OTHER PARTIES

There are many parties involved with providing public transport services. While HBRC plans, funds and contracts the required services, other parties also have a role to play. The territorial authorities (in particular Napier City Council and Hastings District Council) play a major role through the provision of supporting infrastructure such as bus-stops. The NZ Transport Agency provides substantial funding for public transport.

The District Health Board funds the provision of free-trips for hospital patients on all services and provides incentives to encourage its staff to use the bus. Community organisations also have a role to play as advocates for the needs of the users.

Under PTOM, service providers are critical partners. HBRC works with its service operators in a spirit of collaboration in order to improve the efficiency and effectiveness of services. Practices such as annual business planning, and financial incentive mechanisms will encourage all parties to work together to plan, innovate and improve public transport in Hawke's Bay.

This Plan cannot be successfully implemented without the support of all these parties. HBRC will work closely with these parties to facilitate the provision of the required services.

## » 2.4 FUNDING

The funding for the services in this Plan comes from three sources:

- Fare revenue from passengers, organisations which purchase tickets on behalf of their members and a crown appropriation (through the Ministry of Transport but administered by the NZ Transport Agency), which pays for the cost of free off-peak travel for SuperGold card holders.
- HBRC, which raises its funds from local ratepayers via a targeted rate; and
- NZTA, which contributes between 50% and 60% of the cost of services after fares.



The Total Mobility Scheme is a nationwide scheme that provides discounted transport for people with disabilities.

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### 3.0 THE TRANSPORT DISADVANTAGED

» Under Section 120(1) (viii) of the LTMA, the draft Plan is required to describe how the proposed services will assist people who are "transport disadvantaged". Section 124(d) also requires HBRC to consider the needs of the transport disadvantaged when approving an RPTP.

The term "transport disadvantaged" is defined in the LTMA as those who HBRC has reasonable grounds to believe are the least able to travel to basic community activities such as work, education, health care, welfare and shopping. HBRC believes the following groups are transport disadvantaged:

- Children
- The elderly
- People with disabilities
- Tertiary students
- People on low incomes
- People who are unable to drive or have no access to a vehicle

HBRC believes that the range of services and the associated fare policies proposed in this Plan will assist the needs of these groups.

The services proposed in the Plan are designed to provide wide coverage of residential areas, linking them with commercial and community facilities.

The existing fare system provides fare discounts to children, tertiary students, the elderly and Community Service Card holders. The elderly also benefit from the SuperGold Card free travel scheme.

The buses used on the services in Hawke's Bay are all wheelchair accessible, which assists people with disabilities, older people and parents with young children.

All buses also have bike racks, which enables people to travel a greater distance to or from a bus stop.

The Total Mobility Scheme also provides services for those who are disabled and unable to use public transport.

HBRC has consulted with a range of groups representing those who are transport disadvantaged in the preparation of this draft Plan.

The purpose of this section is to ensure the experience of the customer is enhanced by having appropriate vehicles and infrastructure.



## 4.0 VISION, OBJECTIVES AND POLICIES

### 4.1 VISION

HBRC's vision for public transport is:

"To deliver a public transport system that is safe, increasingly used, integrated with other modes, and contributes to the economic, social, and environmental well-being of the people of Hawke's Bay".

### 4.2 OBJECTIVES AND POLICIES FOR GOBAY BUS SERVICES

The following objectives and policies set out how HBRC intends to achieve the vision.

### 4.2.1 OUR CUSTOMERS

Objectives:

4.2.1.1 People in the urban areas of Hastings and Napier have access to public transport services to connect them to employment, shopping, medical, entertainment, recreational and educational facilities.

4.2.1.2 Services are environmentally responsible and integrated with other transport modes, particularly walking and cycling.

POLICY AREA	POLICY
ACCESS TO SERVICES	HBRC will: <ol style="list-style-type: none"> <li>1. Endeavour to provide services that meet the needs of commuters and people travelling for non-work or education reasons.</li> <li>2. Aim to provide services so that at least 90% of residences and businesses within the targeted rating areas are within the following walking distance from a bus-stop:               <ul style="list-style-type: none"> <li>500m – normal conditions</li> <li>600m – low density/outer areas.</li> </ul> </li> <li>3. Work with local authorities to ensure that the provision of access and infrastructure for public transport is a key consideration in new residential and commercial developments.</li> <li>4. Subject to available funding, and where sufficient demand exists, look to introduce new services on a trial basis. Any trial should be subject to a minimum trial period of six months before any amendment or cessation.</li> <li>5. Provide separate buses for services where school students would otherwise overcrowd public buses on scheduled urban services.</li> <li>6. Consider the provision of extra services for special events               <ul style="list-style-type: none"> <li>a. which are non-commercial</li> <li>b. where there is free entry for the general public</li> <li>c. where over 5,000 attendees are expected</li> <li>d. where organisers will contribute one-third of the net cost of additional services.</li> </ul> </li> </ol>
TRANSPORT DISADVANTAGED	HBRC will: <ol style="list-style-type: none"> <li>7. Consider the needs of those who are transport disadvantaged when providing services.</li> <li>8. Ensure all services are operated by wheelchair accessible buses.</li> </ol>
HEALTH AND SAFETY	HBRC will: <ol style="list-style-type: none"> <li>9. Ensure vehicles operated under contract to HBRC meet the safety standards required by law, quality standards set out in the New Zealand Transport Agency Requirements for Urban Buses and that safety monitoring is undertaken through the Operator Safety Rating System.</li> <li>10. Continue the current scheme with the Hawke's Bay District Health Board to facilitate ease of travel for those needing to attend health appointments, while DHB funding allows.</li> </ol>
ENVIRONMENTALLY RESPONSIBLE	HBRC will: <ol style="list-style-type: none"> <li>11. Ensure vehicles operated under contract to HBRC meet the environmental standards as set out in the NZ Transport Agency Requirements for Urban Buses.</li> </ol>
INTEGRATION WITH OTHER MODES	HBRC will: <ol style="list-style-type: none"> <li>12. Ensure that all buses in the goBay service have bike racks.</li> <li>13. Work with local authorities to improve integration of buses with cycling and walking.</li> <li>14. Work with local authorities to install secure cycle racks at major bus stops.</li> <li>15. Work with local authorities to add more bus shelters to the network.</li> </ol>

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## 4.0 VISION, OBJECTIVES AND POLICIES (CONTINUED)

## » 4.2.2 OUR SERVICE

## Objectives:

4.2.2.1 A recognisable, branded transport system that is easy to use, which offers a consistent customer experience and generates customer loyalty.

4.2.2.2 Information is readily available, utilising the latest technology.

4.2.2.3 Fares are competitive with the costs of private cars to encourage the use of the public transport network.

4.2.2.4 A funding system for public passenger services that is fair to ratepayers and users, is efficient and effective and recognises the different benefits occurring for each funding partner.

POLICY AREA	POLICY
SERVICE BRANDING	<p>HBRC will:</p> <p>16. Ensure all vehicles providing services under contract are part of the goBay brand and colour scheme, while allowing reasonable operator branding.</p> <p>17. Ensure all publications and marketing materials feature the goBay brand and colour scheme.</p> <p>18. Permit suitable commercial advertising on the rear of buses only.</p>
SERVICE PERFORMANCE	<p>HBRC will:</p> <p>19. Provide high quality reliable services which create a first class customer experience.</p> <p>20. Specify high standards for reliability and customer service and incentivise good service performance through bus operator contracts.</p> <p>21. Work with local authorities and NZTA to implement bus priority measures where appropriate, in order to facilitate service reliability.</p>
INFORMATION AVAILABILITY	<p>HBRC will:</p> <p>22. Ensure service information is readily available and easy to understand.</p> <p>23. Provide up to date information on all services on the goBay network and encourage Hastings District Council and Napier Council to do the same.</p> <p>24. Make information available through social media (e.g. Facebook).</p> <p>25. Ensure information for those with sight impairment is available.</p>
FARES	<p>HBRC will:</p> <p>26. Ensure fare payment systems are easy to use and accurately record passenger trip information.</p> <p>27. Set fares in accordance with the targets and policies contained in the farebox recovery and fare-setting policy set out in Appendix D.</p> <p>28. Review fare levels annually in accordance with the policy set out in Appendix D.</p>
PROCUREMENT, FUNDING AND DELIVERY	<p>HBRC will:</p> <p>29. Consider the following criteria when establishing public transport units:</p> <p>29.1 Does the unit configuration form a marketable whole?</p> <p>29.2 What customer market would it serve?</p> <p>29.3 How attractive would it be to tenderers? (to encourage competition)</p> <p>29.4 Will the unit configuration maximise efficiency and achieve the best value for money possible?</p> <p>30. Procure bus services using the partnering delivery model and the price quality selection method as set out in NZTA's Procurement Manual 2009.</p> <p>31. Maximise funding from NZTA.</p> <p>32. Support the SuperGold Card free travel scheme funded by NZTA.</p>

## 4.0 VISION, OBJECTIVES AND POLICIES (CONTINUED)

## 4.2.3 THE EXPERIENCE

The purpose of this section is to ensure the experience of the customer is enhanced by having appropriate vehicles and infrastructure.

## Objectives:

4.2.3.1 Public transport operations provide comfortable and safe travel, minimise adverse environmental effects and improve health outcomes.

4.2.3.2 Provision of a high standard of infrastructure that supports the network of bus services.

POLICY AREA	POLICY
BUSES	HBRC will: 33. Ensure all vehicles operated under contract will meet the minimum vehicle quality specifications as set out in the NZTA Requirements for Urban Buses. 34. Provide wheelchair accessible vehicles on all services to ensure easy access for wheelchair users, parents with young children and passengers with mobility difficulties. 35. Ensure the appropriate size bus is used on each service by catering for peak loadings at the service peak time.
BUS STOPS AND TIMETABLE INFORMATION	HBRC will: 36. Work with local councils to develop and implement bus-stop service level standards, whereby high use stops will be required to be well marked, with signage, shelters and timetable information; and less frequently used stops will have road markings and signage at a minimum. 37. Liaise with Napier City and Hastings District Councils regarding improved access from bus stops to buses for people in wheelchairs. 38. Ensure printed timetables are readily available, including large-print versions. 39. Provide high quality web timetable and journey planning information.

## 4.2.4 LOOKING FORWARD

The purpose of this section is to ensure that public transport services continue to cater for the changing needs of the population, including changes in residential and commercial areas; makes provision for potential growth in demand for bus

services caused by increases in fuel prices; and recognises future developments in infrastructure technology.

## Objectives:

4.2.4.1 A flexible network that adapts to changes in demand

POLICY AREA	POLICY
DEMAND	HBRC will: 40. Regularly review all services to ensure they meet the travel needs of the population. 41. Take into account changes in population, land-use and other factors that influence demand, to ensure the supply of services matches the demand. 42. Monitor the demand for rural services. 43. Carry out a two-yearly passenger survey in line with NZTA requirements. 44. Investigate the longer term potential for park and ride facilities and improved terminus facilities.
TECHNOLOGY	45. Use changing technology where possible to provide a better service through improved ticketing systems, real-time information or other improvements.
INTEGRATION WITH OTHER SERVICES	46. Discuss any potential improvements for better integration and shared facilities for long-distance bus and/or tourism services with the relevant council.

## 4.0 VISION, OBJECTIVES AND POLICIES (CONTINUED)



## 4.3 OBJECTIVES AND POLICIES FOR TOTAL MOBILITY

## 4.3.1 OUR CUSTOMERS

Objective:

4.3.1.1 The mobility impaired who are unable to use conventional bus services have specific services to cater for their needs.

POLICY AREA	POLICY
TRANSPORT FOR PEOPLE WITH A DISABILITY	<p>HBRC will:</p> <p>47. Continue to provide the Total Mobility Scheme in Napier, Hastings and Waipukurau in line with the policy set out by NZTA, while reserving the right to limit resources subject to funding and in order to operate within budget.</p> <p>48. Subject to NZTA funding, make wheelchair payments for each wheelchair transported in a vehicle.</p>



## 4.0 VISION, OBJECTIVES AND POLICIES (CONTINUED)

## 4.3.2 YOUR SERVICE

Objective:

4.3.2.1 A funding system for Total Mobility services that is fair to ratepayers and users of the service, is efficient and effective, and recognises the different benefits occurring to each funding party.

POLICY AREA	POLICY
INFORMATION AVAILABILITY	HBRC will: 49. Ensure information on the Total Mobility Scheme is readily available and easy to understand.
FARES	HBRC will: 50. Ensure fare transaction systems are easy to use and accurately record passenger trip information.
FUNDING AND DELIVERY	HBRC will: 51. Maximise funding from NZ Transport Agency. 52. Consider applications from transport operators for the provision of Total Mobility transport services, while reserving the right to decline applications where: 52.1 Demand cannot be demonstrated 52.2 Adequate services are in operation 52.3 Value for money cannot be demonstrated.

## 4.3.3 THE EXPERIENCE

Objective:

4.3.3.1 A Total Mobility service that provides comfortable and safe travel.

POLICY AREA	POLICY
ACCESSIBLE VEHICLES	HBRC will: 53. Subject to NZTA funding, provide grants for the installation of wheelchair hoists.
HEALTH AND SAFETY	54. Ensure vehicles operated under contract to HBRC meet the safety standards required by law. 55. Ensure Total Mobility providers have health and safety policies and procedures in place which meet the requirements of the Health and Safety at Work Act 2015.

## 4.3.4 LOOKING FORWARD

Objective:

4.3.4.1 A flexible service that adapts to changes in demand.

POLICY AREA	POLICY
DEMAND	HBRC will: 56. Take into account changes in population demographics, land use and other factors that influence demand, to ensure the supply of services matches the demand.
TECHNOLOGY	57. Use changing technology where possible to provide a better service. 58. Implement smartcard transaction technology for Total Mobility in the region, when available.

## 5.0 WHAT WE PLAN TO DO

### » 5.1 STRATEGIC RESPONSE

In order to address the issues identified through our consultation and business case processes (refer Section 1), we have developed several strategic responses, and from these, a number of action points to be implemented over the next three years, in addition to the provision of our existing services.

Our strategic responses are:

#### 1. To improve end-to-end journey experiences on the public transport system, including mode transfer

Although substantial improvements have been made to the bus service over the last ten years, there are a number of factors which hinder greater use. Examples include journey time and journey time reliability on some routes, lack of connectivity with other routes and other modes, limited ticketing options and journey planning facilities, and lack of real-time bus information.

#### 2. Partner with organisations and employers to increase public transport commuting and change perceptions of public transport.

The perception that commuting by bus is a last-resort option needs to be challenged. Incentives to try the bus (such as cheaper fares) or deterrents to driving (such as higher fuel or parking prices) are often needed. HBRC intends to work with organisations to implement incentive schemes where appropriate.

#### 3. Investigate innovative ways to provide better transport options in small towns and suburban areas, and to extend hours of operation.

HBRC would like to further improve access for residents in accordance with the objectives of the Government Policy Statement for Land Transport and intends exploring more flexible ways in which this could be achieved in a cost-effective manner. This will involve looking wider than conventional bus services and exploring options such as community van services, ride-sharing applications and on-demand services.

One example of an on demand service which could work well in Hawke's Bay's smaller communities is a community van service operated by a community vehicle trust. This model operates well in a number of small towns across the country, providing local and longer trips at modest cost, using volunteer drivers.

## 5.0 WHAT WE PLAN TO DO (CONTINUED)

## » 5.2 PLANNED ACTIVITIES

The following activities are planned for the next three years. These are not listed in any particular order, as programming will depend on resources available and external factors. However, the items 'in bold' are high priority.

**DESCRIPTION**

In partnership with the city and district councils, investigate the provision of improved secure cycle parking facilities at key bus stops. (Improved cycle parking will help promote multi-modal journeys, enabling passengers to access bus stops further away than might be feasible on foot. With the increasing popularity of e-bikes, there is a greater need for secure facilities)

**Bus services between Napier and Hastings – Investigate and implement ways to improve journey time and journey time reliability. To include consideration of**

- a direct service from Flaxmere to EIT
- streamlining routes to reduce dead-running
- timetable revision to more accurately reflect running times
- access to the HB Sports Park
- simplification of routes within Hastings, including a shuttle proposal
- services via Clive

**Introduce a standalone goBay website for bus information, including journey planning facilities. (Journey planning facilities help passengers to plan the journey in its entirety from door to door)**

Investigate options to partner with organisations and businesses in order to promote commuter bus use through concession fare schemes. (Employer or organisation concession schemes provide cheaper fares for employees or students to reduce carbon emissions and parking demand at the workplace or facility. One example is the Hawke's Bay District Health Board's staff bus subsidy scheme, which more than halves the cost of bus transport for staff travelling to and from work).

**Investigate trialling the Choice app in Hawke's Bay, in partnership with NZTA. (The Choice app combines all transport services and providers in one application, enabling customers to plan and pay for a journey, selecting from a range of transport services and modes).**

**Introduce a new improved tag-on, tag-off ticketing system for the goBay service, including online top-ups and inter-operability with 8 other regions. (The tag-on tag-off system will make boarding the bus much quicker and provide HBRC with better information about where passengers are boarding and alighting the bus. This system will also enable Hawke's Bay bus cards to be used in 8 other regions).**

**Investigate and possible trial of on-demand services to supplement existing goBay services – low density housing areas and destinations not currently serviced (e.g. Hawke's Bay Airport), extended hours, weekends. (On-demand services can provide flexible routing and/or timing, enabling a more personalised service).**

**In partnership with the Regional Ticketing Consortium, implement real-time information on goBay services when available. (Real-time information lets the passenger know when the bus is going to arrive in real time, removing the uncertainty of any service delays).**

**Introduce the Ridewise system, an electronic management system for Total Mobility. (Ridewise will remove the need for vouchers to be completed by Total Mobility passengers and will greatly improve audit systems.)**

**Work with road controlling authorities to investigate and implement bus priority measures which would improve the reliability and speed of bus journeys.**

**Review the Havelock North bus route to ensure optimal coverage and efficiency**



## 6.0 REVIEW AND MONITORING

### » 6.1 MONITORING

The purpose of monitoring the implementation of the Plan is:

- to measure whether the Plan has been successful in meeting regional public transport objectives; and
- to measure the quality of the services provided.

The region's objectives for public transport are set out in the Regional Land Transport Plan 2015-25: 2018 Review (RLTP).

The RLTP has the following vision:

"A safe, resilient and efficient transport system that supports the development of our economy and contributes to social wellbeing in our community".

Supporting strategic objectives include:

"Access to social, economic and cultural opportunities for all sectors of the community through effective transport links and services"

Policies to achieve the objective:

The region will:

- Plan and provide public transport services that facilitate mobility for the transport disadvantaged
- Encourage the use of public transport for commuting to education or work by providing efficient, reliable services and infrastructure
- Promote the use of public transport by all sectors of the community

This draft RPTP contains HBRC's specific vision for public transport in Hawke's Bay which is:

"To deliver a public transport service that is safe, increasingly used, integrated with other modes and contributes to the economic, social and environmental wellbeing of the people of Hawke's Bay".

With respect to the RLTP objective and methods and the vision statement of this Plan, we aim to:

- Achieve an annual increase in the number of passengers carried on the Napier Hastings bus services. (Baseline – 666,127 passengers in 2017-18)
- Achieve an increase in the public transport 'journey' to work mode share as measured by Census data. (Baseline – 0.7% in 2013 Census)
- Achieve an annual improvement in the fare recovery rate (Baseline – 37% in 2017-18)

HBRC will also closely manage, monitor and evaluate the performance of its bus units. Successful management of services under the PTOM model requires a cooperative approach between HBRC and its contractors, who will jointly develop an annual business plan which sets out key goals and improvements for the year ahead. Regular meetings will be held to evaluate progress against the goals set out in the annual business plan, and against the key performance indicators for the service. Overall service quality will be measured using the following Key Performance Indicators:

- a) Patronage
- b) Farebox revenue
- c) Service reliability and punctuality
- d) Customer satisfaction
- e) Complaints – number received and quality of resolution

### » 6.2 INFORMATION REQUIREMENTS

HBRC will require information from public transport operators in accordance with LTMA requirements for information disclosure. The LTMA permits councils to require the operator of a public transport unit to supply fare revenue and patronage data. HBRC must publicise the patronage data and the extent to which a unit is subsidised.

### » 6.3 REVIEW

The RPTP must be reviewed every three years. At that time, HBRC will consider whether a formal renewal of the Plan should be undertaken. If changes are warranted, the significance policy for variations to the Plan may be triggered (Refer Appendix E for our significance policy) and this will tell HBRC how widely it must consult affected parties and the community about the variation. However, in all cases HBRC will consult with persons who will or may be affected by or have an interest in the proposed variation in accordance with Sections 126(4) and 125(2) (a) of the LTMA and Section 82 of the LGA.

Reviews will be undertaken to coincide with the review of the Regional Land Transport Plan (RLTP). This will help to ensure that the RPTP is consistent with the public transport objectives of the RLTP.

## 7.0 LEGISLATIVE REQUIREMENTS

An RTPP must contribute to the purpose of the LTMA and meet certain other requirements. A description of how this draft Plan complies with those requirements is set out in Appendix B.

## 9.0 SIGNIFICANCE POLICY

The LTMA requires councils to include a policy in the RTPP that determines whether any proposed variation to the Plan is significant. This determines whether consultation on the variation is required. The significance policy for this Plan is in Appendix E.

## 8.0 FAREBOX RECOVERY POLICY

The NZ Transport Agency requires, as a condition of its funding, that regional councils include a farebox recovery policy in their regional public transport plans. Farebox recovery measures the percentage of the costs of providing public transport that is covered by passenger fares.

The farebox recovery policy for this region may be found in Appendix D.

The policy proposes that the farebox recovery be maintained at no less than 37% and if possible, increased by improving the efficiency of the services and increasing the number of passengers. Fare increases are expected to mirror operating cost increases only.

Farebox recovery measures the percentage of the costs of providing public transport that is covered by passenger fares.



## 10.0 CONSULTATION UNDERTAKEN

Consultation has been undertaken in the review of this plan, in accordance with the requirements of Section 125(1) of the LTMA.

- An early consultation round with approximately 50 stakeholders seeking initial ideas for service improvements and policy changes to the Plan. (May 2018).
- A review of HBRC's database of service improvement suggestions, received since 2015.
- A review of the biannual bus service surveys, containing suggestions for improvements to the service.
- An investment logic mapping session with key stakeholders, which has refined suggestions and issues into three key problem statements.
- A full public consultation process on the draft Plan.





## GLOSSARY AND ABBREVIATIONS

TERM / ACRONYM	MEANING
DHB	District Health Board
HBRC	Hawke's Bay Regional Council
GPS	Government Policy Statement
LTMA	Land Transport Management Act
LTP/Long Term Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Ten Year Plan)
MoE	Ministry of Education
NGO	Non-governmental agency
NLTF	National Land Transport Fund
NLTP	National Land Transport Programme
NZ Transport Agency/The Transport Agency	New Zealand Transport Agency
PTOM	Public transport operating model
RLTP	Hawke's Bay Regional Land Transport Plan
RLTS	Hawke's Bay Regional Land Transport Strategy
RUB/Requirements for Urban Buses	The RUB is New Zealand's common standard for urban bus quality
SuperGold Card	A discount and concessions card issued free to all NZ residents aged 65 and over and those under 65 receiving a Veteran's Pension or NZ Superannuation. SuperGold Card holders can travel free of charge on public transport between 9am and 3pm on weekdays and anytime at the weekend or on Public Holidays
Ten Year Plan	A plan prepared by all local authorities under the Local Government Act which covers a period of at least ten years (also known as the Long Term Plan)
The Plan, RPTP	Hawke's Bay Regional Public Transport Plan
Total Mobility Scheme	A nationwide scheme which provides discounted taxi travel for people with disabilities which prevent them from using buses

## APPENDICES

- A. STRATEGIC CONTEXT FOR THE REGIONAL PUBLIC TRANSPORT PLAN
- B. DESCRIPTION OF SERVICES TO BE PROVIDED
- C. LEGISLATIVE REQUIREMENTS
- D. FAREBOX RECOVERY AND FARE-SETTING POLICY
- E. SIGNIFICANCE POLICY

Item 11

Attachment 1

## APPENDIX A

### » DESCRIPTION OF SERVICES INTEGRAL TO THE HAWKE'S BAY PUBLIC TRANSPORT NETWORK AND UNIT DELINEATION

The following bus services form the Napier Hastings Bus Unit.

SERVICE	ROUTE	APPROXIMATE FREQUENCY	UNIT DESCRIPTION
10 Express	Between Napier and Hastings	Peak time weekday service, 2 in the morning and 1 in the late afternoon between Napier and Hastings. Two in the late afternoon between Hastings and Napier	NAPIER HASTINGS UNIT Commences 1 July 2016
11 Express	Between Havelock North and Napier, via Hastings and Clive	Peak time weekday service, 4 in the morning and 4 in the late afternoon	
12N	Napier to Hastings via Taradale, EIT, Hawke's Bay Hospital and Bay Plaza	Every 20 minutes in peak time and 30 minutes in off-peak times, 6.30am to 6.30pm weekdays Every hour on Saturdays/Public Holidays between 8am and 6.30pm Every 2 hours on Sundays/Public Holidays between 9am and 5.40pm	
12H	Hastings to Napier, via Bay Plaza, Hawke's Bay Hospital, EIT and Taradale	Every 20 minutes in peak times and 30 minutes in off-peak times, 6.30am to 6.30pm Every hour on Saturdays/Public Holidays between 8am and 6.30pm Every hour on Sundays/Public Holidays between 8am and 4.55pm	
13	Napier-Tamatea-Taradale-Tamatea-Napier	Every hour between 7am and 6pm, weekdays Approximately every 1½ hours on Saturdays/Public Holidays, between 8am and 5.20pm	
14	Napier-Maraenui-Onekawa-Napier	Every 40 minutes in peak times and hourly in off-peak times, between 6.50am and 5.55pm, weekdays Every 1½ hours, between 9am and 4.25pm on Saturdays/Public Holidays	
15	Napier-Ahuriri-Westshore-Bay View, Westshore, Ahuriri-Napier	Every hour between 6.45am and 6.20pm, weekdays (5 trips per day to Bat View) Every two hours between 10am and 2pm on Saturdays/Public Holidays	
16A	Hastings-Camberley-Raureka-Hastings	Every hour between 7.25am and 5.15pm, weekdays	
16B	Hastings-Mahora-Hastings	Every 2 hours between 8am and 5.15pm, weekdays	
17	Hastings-Parkvale-Akina-Hastings	Approximately every hour between 7.30am and 5.15pm, weekdays	
20	Hastings-Flaxmere-Hastings	Every 30 minutes in peak times and hourly off-peak times between 6am and 6.05pm, weekdays Every 1-2 hours between 8am and 5.50pm on Saturdays/Public Holidays. Three trips on Sundays	
21	Hastings-Havelock North-Hastings	Every 30 minutes in peak times and hourly in off-peak times between 6am and 6.05pm, weekdays Every 2 hours between 9am and 4.50pm on Saturday/Public Holidays. Three trips on Sundays	

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## APPENDIX A CONTINUED

In forming the Napier-Hastings bus services into units, HBRC took into consideration the principles set out in Policy 27. We considered that there were two possible options for the goBay public transport operation:

**ONE UNIT:** This would include all the services deemed integral to the Napier-Hastings network - suburban services in Napier, suburban services in Hastings, and inter-city services between Napier and Hastings (Routes 10, 11, 12, 13, 14, 15, 16a, 16b, 17, 20 and 21); or

**THREE UNITS:**

Napier suburban services (Routes 13, 14 and 15)

Hastings suburban services (Routes 16a, 16b, 17, 20 and 21); and

Inter-city services between Napier and Hastings (Routes 11 and 12).

Taking into consideration the principles of Policy 27 and given the size of the public transport operation, HBRC's preference was for one unit. It was felt that the service:

- Forms one marketable whole as, although it has two main customer markets (commuters/school children, and off-peak passengers), these can be successfully catered for in one unit with a mix of commuter and suburban routes and free transfers available for all passengers
- Is of sufficient size to attract competition while also allowing smaller operators a step into the urban transport market
- Maximises the efficient use of operator and council resources and therefore promotes value for money.

#### TOTAL MOBILITY

The Total Mobility Scheme caters for those people with disabilities who are unable to use buses. HBRC intends to continue to operate the scheme in:

Napier (24 hours a day, 7 days a week, Napier city and suburbs, and between Napier and Hastings)

Hastings (24 hours a day, 7 days a week, Hastings city and suburbs, and between Hastings and Napier)

Central Hawke's Bay (14 hours a day, 6 days a week)

#### EXEMPT SERVICES

The LTMA requires all exempt services in a region to be registered before operation. The following services are exempt:

- inter-regional public transport services,
- a public transport service, that:
  - a. begins, or is to begin, operating after the Plan is adopted

- b. is not identified in the Plan as integral to the public transport network, and operates without a subsidy for the provision of the service
- c. ferry services, registered with council as a commercial public transport service before 30 June 2011
- d. bus services, registered with council as a commercial public transport service before 30 June 2011 that did not offer fares in accordance with the fares schedule published by HBRC
- e. a public transport service that began operating after 30 June 2011 that is not identified in the Plan and operates without a subsidy, and
- f. a public transport service that is specified as exempt by an Order in Council

Exempt services are not included in this Plan. Potential operators of exempt services should contact HBRC for details or refer to Section 133 of the Land Transport Management Act 2003 for details of registration requirements. Registration is free but must be completed at least fifteen working days before the commencement of the service

In Hawke's Bay there are some exempt services that operate without any financial support from HBRC. As these services operate independently, operators are able to set fares, timetables and routes as they see appropriate. HBRC's general approach is that there is no need to intervene in the provision of an exempt public transport service.

The LTMA does however, enable regional councils to require information from operators of commercial units, where these are included in the Plan for public transport planning, contracting, and monitoring purposes. If HBRC considers that a contracted commercial public transport unit does not meet the needs of the community, HBRC and the operator will review the service. Following the review, if improvements cannot be made commercially, HBRC may choose to intervene by

- a. developing a unit and providing a concessionary fare scheme or
- b. offering improved services by way of competitive tender and securing a contracted operator.

There are currently no contracted commercial units in Hawke's Bay.

## APPENDIX B

The Land Transport Management Act 2003 (LTMA) requires a council to consider certain matters when preparing its plan. Section 124 requires councils to:

- a. Be satisfied that the plan
  - i. Contributes to the purpose of the LTMA
  - ii. Has been prepared in accordance with any relevant guidelines that the Agency has issued
  - iii. Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan.
- b. Be satisfied that it has applied the principles specified within Section 115(1).

c. Take into account

- i. Any national energy efficiency and conservation strategy
  - ii. Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA
  - iii. The public transport funding likely to be available within the region
  - iv. The need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services; and
  - v. The views of public transport operators in the region.
- d. Consider the needs of persons who are transport disadvantaged.

HBRC is satisfied that this draft Plan contributes to the LTMA requirements, as set out in the table below.

## APPENDIX B CONTINUED

LTMA REQUIREMENT	CONTRIBUTION OF THIS PLAN
Contributes to the purpose of the LTMA which is to contribute to an effective, efficient and safe land transport system in the public interest.	The draft Plan sets out policies that will improve access and mobility, efficiently use existing capacity and resources and encourage use of the Hawke's Bay public transport network. Safety is improved through high vehicle standards. Increased public transport use reduces the personal risk of car crashes.
Has been prepared in accordance with any relevant guidelines that the Agency has issued.	NZTA's 2013 "Guidelines for Preparing Regional Public Transport Plans" have been followed when preparing this plan.
Is, if it includes a matter that is not within the scope of the RLTP, otherwise consistent with that plan	Matters considered within this draft Plan are within the scope of the Regional Land Transport Plan.
Be satisfied that it has applied the principles specified within section 115 (1), namely	Section 2.3 outlines how HBRC will work with public transport operators and territorial authorities.
a. HBRC and public transport operators should work in partnership and collaborate with territorial authorities to deliver the regional public transport services and infrastructure necessary to meet the needs of passengers	The definition of one unit for the Hawke's Bay bus network will ensure full integration of services. Frequency and coverage have been given consideration in the network review undertaken prior to the development of the draft Plan. Reliability is addressed through the policies contained in this plan on the performance of the bus service.
b. The provision of public transport services should be coordinated with the aim of achieving the levels of integration, reliability, frequency, and coverage necessary to encourage passenger growth	The definition of one unit for the Hawke's Bay bus network encourages competition, being large enough to achieve economies of scale but not too large to discourage smaller operators. The procurement policies in this draft Plan will also encourage competition.
c. Competitors should have access to regional public transport markets to increase confidence that public transport services are priced efficiently	Incentives such as the Financial Incentive Mechanism and performance monitoring (key principles of PTOM) should help to encourage high quality performance and innovation, leading to increased patronage and reduced reliance on public subsidy.
d. Incentives should exist to reduce reliance on public subsidies to cover the cost of providing public transport services	The draft Plan describes how HBRC plans and procures services.
e. The planning and procurement of public transport services should be transparent	
<b>Take into account</b>	One of the priority focus areas of the New Zealand Energy Efficiency and Conservation Strategy 2017 is efficient, low emissions transport. Provision of commuter bus services will contribute to this priority. The high vehicle standards required by the plan are consistent with the objectives of the 2017 strategy.
i. Any national energy efficiency and conservation strategy; and	These plans are supportive of the integration of public transport network planning and land use planning. The planning of commuter bus routes and neighborhood access routes takes land use into consideration.
ii. Any relevant regional policy statement, regional plan, district plan or proposed regional plan or district plan prepared under the RMA	The services listed in this plan take available funding into account and are deemed affordable. Proposed future developments will be evaluated in terms of affordability and available funding when investigated.
iii. The public transport funding likely to be available within the region	Policies in Section 4 of the Plan set out how HBRC will procure its services to encourage competition and achieve value for money. These principles are further elaborated in HBRC's procurement strategy.
iv. The need to obtain the best value for money, having regard to the desirability of encouraging a competitive and efficient market for public transport services; and	All public transport operators in Hawke's Bay and neighboring regions were invited to provide their views on a range of matters during the development of the draft Plan.
v. The views of public transport operators in the region	
Consider the needs of persons who are transport disadvantaged	Section 3 of the draft Plan sets out how the needs of the transport disadvantaged have been considered.



## APPENDIX C

### » FAREBOX RECOVERY AND FARE-SETTING POLICY

#### INTRODUCTION

In accordance with New Zealand Transport Agency (NZTA) requirements, HBRC has adopted a farebox recovery policy. Farebox recovery measures the percentage of the costs of providing bus services that is covered by passenger fares (the balance of the costs is met in equal proportions by local ratepayers and NZTA).

The farebox recovery ratio for Hawke's Bay bus services for the 2017/18 financial year was 37%.

HBRC policy aims to increase this for the next three years and achieve a target of 40%.

NZTA requires that all regional councils prepare a "farebox recovery policy", and include that policy in the Regional Public Transport Plan. NZTA prescribes the formula for establishing the farebox recovery rate.

However the NZ Transport Agency has recently announced that it will review the fare recovery policy in order to help achieve the aims of the Government Policy Statement for Land Transport 2018. This review is not yet complete. In the meantime, the Agency has confirmed that the underlying principles of the current fare recovery policy are still relevant in terms of developing fare policies at a regional level, i.e.

- Fares will continue to play an important role in helping cover the cost of public transport (along with regional and national subsidies).
- Fare recovery policies should be consistent with other related central and local government policies and plans.
- There may be flow-on impacts to the wider public transport system from fare structure/pricing that should be recognised.
- Fare recovery should not be the only driver in setting fare levels but should be part of a wider assessment.

#### SERVICES INCLUDED

The public transport services to be included in the calculation of the fare recovery are all HBRC contracted services operating in the region. Long-distance (e.g. inter-city services) services, privately funded school services, Ministry of Education funded school services; tourist and charter services are not included.

The farebox recovery target

In applying its farebox recovery policy, HBRC has decided to measure farebox recovery of the system as a whole rather than measuring individual routes or trips. Individual routes or services, particularly those that might be regarded as 'social' services, are not necessarily expected to achieve the target set out in this policy.

The table below shows the actual farebox recovery level for the latest full financial year (1 July 2017 to 30 June 2018), and the target range set by HBRC for the three years to 2018. All figures have been calculated using the NZTA farebox recovery formula.

Actual farebox recovery (2017/18)	Target (2018/19)	Target (2019/20)	Target (2020/21)
37%	38%	39%	40%

Historical farebox recovery rates are set out below.

Year	Farebox Recovery Rate
2011-12	33.00%
2012-13	32.500%
2013-14	37.53%
2014-15	38.94%
2015-16	37.80%
2016-17	38.50%
2017-18	37.00%

Patronage on the bus service has fallen since 2015, a trend which has been seen throughout regional New Zealand. Stable costs helped to reduce the effect of this on the fare recovery rate until 2017-18 when inflationary pressures, related to fuel and wage increases, began to have an effect. A higher target was therefore not considered appropriate.

While HBRC is mindful of the need to ensure that passengers pay a fair share of the cost of services, it has also been reluctant to increase fares when patronage is falling. HBRC also believes that keeping fares cheaper than private car use for most journeys will help to encourage bus use by those who currently drive, and thereby contribute to reducing congestion and carbon emissions.

### » METHOD OF CALCULATION

The formula used to calculate farebox recovery is prescribed by NZTA and is set out in detail on its website. In essence the formula is total fare revenue divided by total costs.

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## APPENDIX C CONTINUED

HBRC may need to intervene if progress is not made towards farebox recovery targets. Four intervention strategies are set out below. These strategies will require HBRC to work with transport providers to achieve the targets. The needs of the transport disadvantaged will need to be considered in any intervention.

## » STRATEGY 1: IMPROVE OPERATING EFFICIENCIES

Improvements to operating efficiencies will reduce costs and therefore improve farebox recovery.

HBRC in association with the transport provider is constantly monitoring the costs and revenues of services, and investigating how to improve efficiency. Services with poor farebox recovery will be identified, and efforts made to improve the performance of those services. Changes may include better coordination and integration of services, which may for example be achieved through small timetable changes and/or route optimization.

## » STRATEGY 2: INCREASE PATRONAGE

Increasing patronage will increase revenues, and thus improve farebox recovery.

HBRC will look to increase patronage by

- undertaking general and targeted marketing
- improving service quality through improving infrastructure, maintaining high vehicle quality standards, and optimizing routes and service levels to increase accessibility, while optimising integration with walking and cycling initiatives.
- working with employers and education providers to implement travel plans

## » STRATEGY 3: REDUCE POOR PERFORMING SERVICES

Reducing poorly performing services will have the effect of reducing costs and thus increasing farebox recovery.

Poor performing services (i.e. those services with high costs and/or low patronage) can be improved by reductions to frequencies and routes, and assessing vehicle size/suitability. HBRC will also consider alternative ways of providing services, such as on-demand and dial-a-ride options, in order to ensure transport needs continue to be met but in a more cost-effective manner.

## » STRATEGY 4: REVIEW OF FARE PRODUCTS AND FARE LEVELS

Increasing fares will lead to increases in revenue and thus improve farebox recovery.

Small increases in fares are likely to be required occasionally to cover the increases in costs of providing bus services.

Other options may include reviewing the availability and eligibility criteria for concession fares, reviewing the levels

of discount available and seeking supplementary sources of funding.

## » HOW THE POLICY WILL BE APPLIED

Revenue recovery is able to be easily monitored on a monthly basis, and thus any reduction in farebox recovery will be quickly identified. If the recovery rate is dropping, HBRC will then decide which of the intervention strategies will be applied.

## » IMPLEMENTATION DATE

This policy will apply once the Regional Public Transport Plan is approved.

## » FARE-SETTING

An annual fare level review will be undertaken at the conclusion of each financial year. This review will take into consideration the farebox recovery levels but may also include any other factors HBRC considers relevant. As a general principle, fare levels should remain competitive with the price of private car travel to encourage patronage growth, particularly for commuting. However, this will need to be balanced with ensuring that passengers contribute sufficiently to the cost of operating the service.

The review will also address the level of discounts and concessions within the existing fare structure.

## » FARE STRUCTURE REVIEW

The fare structure on the goBay service currently provides for a 33% discount on fares for tertiary students and community service card holders and up to 50% for school students and seniors. Current fare levels are available on the HBRC website.

HBRC will review fare structures at least every six years. The fare structure review will address all aspects of the fare system, including

- the appropriateness of zones as the base for the system, and
- the availability of (and discount to be applied to) concession fares
- the availability of discounts for bulk purchases of fares through the use of GoBay smartcards
- consideration of a city zone to increase use of public transport for short trips
- consideration of offpeak discounts

## » POLICY REVIEW

This policy (including the targets) will be reviewed at least every three years or when the Regional Public Transport Plan is reviewed. It may also be reviewed immediately if NZTA policy or practices affecting farebox recovery change.

## APPENDIX D

### » SIGNIFICANCE POLICY

This policy sets out how to determine the significance of variations to this Plan, in accordance with the requirements of Section 120(4) of the Land Transport Management Act.

### » APPLICATION

This Plan can be varied at any time. However, public consultation as set out in Sections 125(1) and 125(2) will be required if the variation is found to be significant under this policy.

The approach to consultation will reflect the level of significance of any proposed variation. Consideration will be given to the costs and benefits of any consultative process or procedure, and the extent to which consultation has already taken place.

However, HBRC may undertake targeted consultation on matters affecting specific communities and stakeholders, even if the significance threshold outlined in this policy is not invoked.

### » GENERAL DETERMINATION OF SIGNIFICANCE

The significance of variations to this Plan will be determined on a case by case basis. When determining the significance of a variation, consideration must be given to the extent to which the variation:

- Signals a material change to the planned level of investment in the public transport network
- Affects the consistency of this Plan with the RLTP or any of HBRCs' long term plans
- Affects residents (variations with a moderate impact on a large number of residents, or variations with a major impact on a small number of residents will have greater significance than those with a minor impact); and
- Affects the integrity of this Plan, including its overall affordability.

### » SIGNIFICANT AND NON-SIGNIFICANT MATTERS

**Matters that will always be considered 'significant' are:**

- Any variation that amends this policy on significance; and
- Any variation that introduces a new public transport unit
- Any variation that alters the cost of the provision of public transport services to ratepayers by more than 10% in one financial year.

**Matters that will always be considered 'not significant' are:**

- Minor editorial and typographical amendments to this Plan; and
- Minor changes to fare levels in accordance with current policy and funding levels

Matters that will usually be considered 'not significant' are:

- A matter that has already been consulted on
- Minor changes to the description of services following a service review, e.g. changes to the route, frequency and hours of a service that may include a reduction in service levels on a route or routes, but which result in the same, or better, overall level of service across the network
- Changes to the description of services or grouping of services as a result of an area wide service review, provided that there is no significant increase in cost
- Any variation that alters the cost of the provision of public transport services to ratepayers in one financial year by less than 10%.

### » TARGETED CONSULTATION ON NON-SIGNIFICANT VARIATIONS

Where HBRC determines that a proposed variation is not significant, HBRC may still undertake targeted consultation as follows:

- Consultation for minor changes in the delivery of public transport services
- Minor changes in service delivery that are required to improve efficiency, such as the addition or deletion of trips and minor route changes that have only a local impact.

In these cases, consultation will generally be undertaken at a local level with the operator/s involved, the relevant territorial authority and passengers who use the services.

### » OTHER NON-SIGNIFICANT VARIATIONS

Any proposals for changes that affect only a sector of the community or the industry (e.g. a change in Total Mobility provision, or a change to specific vehicle quality standards) will be worked through with those most





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ISBN 978-0-947499-26-6 HBRC Publication Number 5366

Who's  
putting local  
issues on  
the national  
agenda?

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# 2019 Annual General Meeting Remits

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# 1

## Climate change – local government representation

<b>Remit:</b>	That LGNZ calls on the Government to include local government representation (as determined by local government) at all levels of policy development, technical risk and resilience assessment, and data acquisition on climate change response policies – with an emphasis on climate adaptation: policy; legal; planning; and financial compensation regimes.
<b>Proposed by:</b>	Auckland Council
<b>Supported by:</b>	Zone One

### Background information and research

#### 1. Nature of the issue

- a. Climate change action, impacts and related policy, risk, legal, planning and financial implications are borne most directly by local communities.
- b. As the structure and framework for a more cohesive New Zealand-wide approach emerges with the current government, it is critical that the country-wide context is informed directly by the local voice at a local council level so it is integrated appropriately into the wider context.
- c. Local government is likely to be responsible for implementing a range of central government climate change policies – it is therefore crucial that local government is represented in policy/technical design process to ensure it is fit for purpose at a local scale and able to be implemented cost-effectively in the local government system.

#### 2. Background to its being raised

- a. Climate adaptation and mitigation approaches are being adopted across New Zealand, in some cases well in advance of a coherent national approach. As local councils make progress on strategy, policy, planning and direct initiatives, an opportunity exists to integrate learning, challenges or concerns into the wider national context.
- b. Some councils have pioneered new approaches with mana whenua, community engagement, evidence-building and research and cross-sector governance. Without a seat at the larger table, the lessons from these early adopters risk being lost in the national conversation/approach.



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**3. New or confirming existing policy**

This is a new policy.

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

- The issue relates to LGNZ's climate change work programme, particularly relating to the input/influence on the Zero Carbon Act and Independent Climate Commission, implementation of CCATWG recommendations, decision-making and risk, impacts assessment, and other elements.
- A local seat at the larger New Zealand table would ensure a strong local voice for a range of workstreams.

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

Aside from specific LGNZ workstreams relating to climate change (see above), central government has progressed consultation on the Zero Carbon Bill and Interim Climate Change Committee, has appointed a panel to produce a framework for national climate change risk assessment, and has announced a set of improvements to New Zealand's emissions trading scheme. Likewise, a number of councils have progressed action plans and strategies to reduce emissions and prepare for climate impacts. Notably, New Zealand-wide emissions continue to rise and the serious risks associated with climate impacts continue to be better understood – an integrated local and national approach is very much needed in order to make any substantive progress on climate change in New Zealand.

**6. Any existing relevant legislation, policy or practice**

As described above, the Zero Carbon Act is the main relevant New Zealand legislation with accompanying frameworks, policies and schemes. A range of more local policies from the Auckland Unitary Plan to coastal policies need meticulous alignment and integration with the national approach in order for both to be most effective.

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

Zone 1 agreed on 1 March 2019 to support this remit.

**8. Suggested course of action envisaged**

- It is recommended that LGNZ work with central government to advocate for these changes.
- It is recommended that LGNZ engage directly with relevant ministers and ministries to ensure local government has an appropriate role in the National Climate Change Risk Assessment Framework, and all related and relevant work programmes.

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# 2

## Ban on the sale of fireworks to the general public

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<b>Remit:</b>	That LGNZ works with central government to introduce legislation to ban the sale of fireworks to the general public and end their private use.
<b>Proposed by:</b>	Auckland Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

The following issues have been identified:

- a. Community concern about the negative impacts of the ad-hoc private use of fireworks particularly around the deliberate and unintentional distress to people and animals and damage to property.
- b. High demand for council and emergency services who receive a large number of complaints in relation to the use of fireworks.
- c. The absence of regulatory powers to territorial authorities to ban the sale of fireworks by retailers to the general public.

#### 2. Background to its being raised

- a. The issue was raised during the review of the Auckland Council's Public Safety and Nuisance Bylaw 2013 which prohibits setting off fireworks on public places.
- b. During the review of this Bylaw, Auckland Council separately resolved to request the New Zealand Government to introduce legislation to ban the sale of fireworks to the general public and end their private use.
- c. Reasons for the decision are stated in the 'Nature of the issue' and further details are in 'What work or action on the issue has been done, and the outcome'.

#### 3. New or confirming existing policy

This is a new policy.

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

This issue relates to LGNZ's social issues portfolio which reflects working alongside central government to address social issues affecting community safety:

- Community safety is an issue of vital interest for councils as areas which are perceived to be "unsafe" are likely to experience lower levels of social cohesion and economic investment. When asked to rank issues that are most important to themselves and their communities' safety is always one of the top.
- Framed in this way, prohibiting the private use and sale of fireworks through government legislation enhances community safety as a top priority for LGNZ. Furthermore, it also promotes social cohesion by enabling the use of public displays without the worries and danger of ad-hoc private use of fireworks.

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

The review of Auckland Council's Public Safety and Nuisance Bylaw 2013 identified that a territorial authority has no regulatory powers to ban the retail sale of fireworks to the general public.

A territorial authority's regulatory powers in relation to fireworks are limited to:

- Prohibiting fireworks from being set off on or from a public place.
- Addressing nuisance and safety issues that may arise from their use on other places (eg private property) and affect people in a public place.
- Addressing noise issues relating to fireworks being set off on other places.

Enforcement is also challenging and resource-intensive. Auckland Council (and potentially other territorial authorities) do not have capacity to respond to all complaints during peak times, and it is difficult to catch people in the act. There can also be health and safety risks for compliance staff.

A ban on the sale of fireworks through legislative reform would therefore be the most efficient and effective way of addressing issues identified in the 'Nature of the issue'.

Any such ban would not prohibit public fireworks displays which enable a managed approach towards cultural celebrations that use fireworks throughout the year.

There is also a known level of public support for such a ban. Public feedback between October and December 2018 on the decision of Auckland Council to request a ban on the sale of fireworks was overwhelmingly supportive. Feedback to Auckland Council resolution was received from 7,997 people online. Feedback showed 89 per cent (7,041) in support and 10 per cent (837) opposed.

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Key themes in support included:

- Concerns for the safety of people and animals (68 per cent).
- Concerns about the amount of noise (35 per cent).
- Concerns about stockpiling and use of fireworks after Guy Fawkes night (27 per cent).
- A preference for public fireworks displays only (23 per cent).

Key themes opposed, including from fireworks retailers, were:

- A ban would be excessively restrictive.
- In favour of more regulation on use instead of a ban.
- A ban would end a key part of kiwi culture and tradition.

Similar requests and petitions to ban the sale of fireworks to the general public have been delivered to the Government, including:

- An unsuccessful petition in 2015 with 32,000 signatures, including the SPCA, SAFE and the New Zealand Veterinarians Association.
- A recent petition in 2018 with nearly 18,000 signatures which was accepted on its behalf by Green Party animal welfare spokesperson Gareth Hughes.

A ban on the sale of fireworks would align New Zealand legislation to that of other comparative jurisdictions. For example, retail sale of fireworks to the general public is prohibited in every Australian jurisdiction (except the Northern Territories and Tasmania where strict restrictions on the sale and use are in place).

#### **6. Any existing relevant legislation, policy or practice**

##### Hazardous Substances (Fireworks) Regulations 2001

- Fireworks may be displayed for retail sale or sold by a retailer during the period beginning on 2 November and ending at the close of 5 November in each year.
- A person must be at least 18 years in order to purchase fireworks.

##### WorkSafe

- Regulates health and safety in a workplace and administers the regulations for storing fireworks in a workplace.
- Approve compliance certifiers who certify public/commercial displays.

##### New Zealand Police

- Enforce regulations around the sale of retail fireworks, including requirements around the sale period and age restrictions under the Hazardous Substances (Fireworks) Regulations 2001.
- Address complaints about dangerous use of fireworks.



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Environmental Protection Agency (EPA)

- Responsible for providing information about the sale of retail fireworks.
- Responsible for approving certifiers to test and certify that retail fireworks are safe prior to being sold in New Zealand.
- Provides approval for hazardous substances, including fireworks and provide import certificates to allow fireworks to be brought into New Zealand and the requirements for labelling and packaging of fireworks.

Auckland Council

- Deals with complaints about noise from fireworks.
- Prohibits setting off fireworks from public places under its Public Safety and Nuisance Bylaw 2013.

New Zealand Transport Agency (NZTA)

- Responsible for enforcing Land Transport Rule 1 which covers fireworks being transported on the road.

**7. Suggested course of action envisaged**

We ask that LGNZ request the Government to include red light running with other traffic offences that incur demerit points.

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# 3

## Traffic offences – red light running

<b>Remit:</b>	That LGNZ request the Government to bring into line camera and officer-detected red light running offences with other traffic offences that incur demerit points.
<b>Proposed by:</b>	Auckland Council
<b>Supported by:</b>	Metro Sector

### 1. Background information and research

#### 1. Nature of the issue

LGNZ strategic goals include a safe system for transport – increasingly free of death and serious injury. This proposal is directly working towards a safe road system, with an integrated approach across infrastructure, operation of the road network and enforcement.

The red-light-running-related crash-risk has increased in recent years (CAS) and additional prevention measures are required to reduce and eventually eliminate the social, financial and road trauma burden of these crashes.

Making use of safety cameras and demerit points would allow the intent of the law to be upheld without the need for significantly increased police presence, and is a cost effective way to ensure safety at high risk camera locations.

Demerit points are more effective than fines in deterring unsafe road user behaviour as the deterrent effect impacts equally across a wide range of road users.

We ask that LGNZ request the Government that red light running be included with other traffic offences that incur demerit points (currently absent from the list of similar offences that acquire points, although this was proposed in 2007).

All councils in New Zealand stand to benefit from reduced red-light running and cost-effective enforcement of safety using red light cameras which can operate more cheaply over wide areas. This will support councils to get strong safety results from their road safety camera programmes.

Demerit point systems (DPS) work through prevention, selection and correction mechanisms. A DPS can help increase compliance with stop signals, reducing the likelihood of exposure to non-survivable forces, and it can help reduce repeat offending among 'loss of licence' drivers who repeatedly make poor safety choices which may lead to a crash.

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Applying demerit points to red-light-running offences would help make the whole penalty system more meaningful and fair, and better reflect the risk. It is expected that the costs would be minimal, mostly in the justice sector, however these too can be minimised with an educational approach.

## 2. Background to its being raised

### Road safety crisis

Auckland, as the rest of New Zealand, has an increasing road toll. From 2014 to 2017 Auckland had an increase in deaths of 78 per cent. The rest of New Zealand had an increase of almost 30 per cent in that same period. Serious injuries have increased at similar rates in that time. This follows a long period of gradual reductions in road trauma. The previous methods for managing road safety are no longer working.

A Vision Zero approach requires clear expectations and shared responsibility about safe behaviour at intersections, from road users and legislators and managers of the road system.

Auckland Transport (AT) Independent Road Safety Business Improvement Review (BIR) recommends increasing penalties for camera offences for all drivers, alongside other recommendations for road safety sector partnerships.

National Road Safety Strategy update is underway. It would help to have LGNZ support for changes like this being considered under the strategy.

## 3. New or confirming existing policy

### Red light running or failing to stop at a red signal at intersections:

- Note that in this 2007 release for changes to the demerit system in 2010, proposed a fine of \$50 and 25 demerit points for red light running.  
<https://www.beehive.govt.nz/release/tougher-penalties-focus-road-safety-package>

### 10 years of driver offence data:

- <https://www.police.govt.nz/about-us/publication/road-policing-driver-offence-data-january-2009-december-2018> (accessed at 2 April 2019)

### Number of red light running offences for 2014-2018 five year period, all of New Zealand:

- Officer issued: 61,208 or \$8.9 million in fines, no demerit points.
- Camera issued: 14,904 or \$2.2 million in fines, no demerit points.

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

The overall strategic focus of LGNZ includes leadership and delivery of change on the big issues confronting New Zealand communities, such as road safety, with a focus on best performance and value for communities. Safety cameras with reliable enforcement tick off a number of these requirements.

This proposal could support three of the five strategic policy priorities in the LGNZ Policy statement 2017-2019, although it does not fit under one alone:

- Infrastructure: LGNZ's policy statement mentions *a safe system for transport – increasingly free of death and serious injury* (p6). This proposal is directly working towards a safe road system, including infrastructure, operation of the road network and enforcement.
- Risk and resilience: Also known as safe and sustainable transport, Vision Zero and this detailed change to road safety supports a risk-based approach to increasing safety in New Zealand communities. Collaboration between local and central government is necessary to achieve the safe system goal and treating no death or serious injury as acceptable for those communities.
- Social issue – community safety: LGNZ supports projects that strengthen confidence in the police and improve perceptions of safety. This proposal reflects the goal of responsive policing, and innovative solutions for dealing with social issues.

#### Note on equity

While demerit points provide a more equitable deterrent effect compared to fines and help dispel the myth of 'revenue gathering', an increase in the use of demerit points may still impact some low deprivation communities and create 'transport poverty' issues, particularly in areas with high sharing of vehicles. One way to manage this potential equity issue is to use the Swedish model for managing safety cameras where they are only switched on a proportion of the time and are well supported by local road safety education activities.

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

From Auckland Transport research report: *Auckland Red Light Camera Project: Final Evaluation Report, 2011*: "When red light cameras were trialled in Auckland between 2008 and 2010, there was a 43 per cent reduction in red-light running and an average 63 per cent decrease in crashes attributable to red light running."

Conversations with AT and Policing Operations on demerits for safety camera infringements indicate that police are very supportive of demerit points for safety cameras.

Reasons include that demerits from safety cameras can be easily transferred to the driver involved in the infringement, which addresses concerns that vehicle owners who are not driving would be unfairly penalised.



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Further conversations between AT and New Zealand Police indicate that red light running offences are an anomaly as they do not lead to demerit points. For comparison, failing to give way at a pedestrian crossing is 35 points, and ignoring the flashing red signal at rail crossings, 20 points.

The effect of demerit points on young drivers: incentives and disincentives can have an important impact on young, novice drivers' behaviour, including demerit points as a concrete disincentive.

From OECD research report: *Young Drivers: The Road to Safety* 2006 by the European Conference of Ministers of Transport (EMCT), OECD publishing, France.

Comment on technology used for enforcement:

Existing cameras are more than capable of detecting offences, it is just the legal rules that are preventing this. However, it may be worth considering that new intelligent technology will potentially improve this process even further in future.

**6. Any existing relevant legislation, policy or practice**

To change the:

- Land Transport Act 1998.
- Land Transport (offences and penalties) Regulations 1999.
- Land Transport (road user) Rule 2004.

The demerits points system comes from section 88 of the Land Transport Act and expressly excludes offences detected by camera enforcement ("vehicle surveillance equipment" as it is called in legislation).

These sections of the Act are supported by reg 6 and schedule 2 of the Land Transport (Offences and Penalties) Regulations 1999.

**7. Suggested course of action envisaged**

We ask that LGNZ request the Government to include red light running with other traffic offences that incur demerit points.

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# 4

## Prohibit parking on grass berms

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<b>Remit:</b>	To seek an amendment to clause 6.2 of the Land Transport (Road User) Rule 2004 to prohibit parking on urban berms.
<b>Proposed by:</b>	Auckland Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

Auckland Transport cannot enforce 'parking on the grass berms' without the request signage being in place.

#### 2. Background to its being raised

In 2015 Auckland Transport Parking Services received advice that the enforcement of motor vehicles parking on the berms of the roadway could not be lawfully carried out, without the requisite signage being in place to inform the driver that the activity is not permitted. After that advice, enforcement was restricted to roadways where signage is in place. A programme to install signage was undertaken on a risk priority basis from that time to present.

#### 3. New or confirming existing policy

Change in the existing legislative situation.

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

The overall strategic focus of LGNZ includes leadership and delivery of change on the big issues confronting New Zealand communities, such as road safety, with a focus on best performance and value for communities.

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This proposal supports the Infrastructure strategic policy priorities in the LGNZ policy statement 2017-2019:

- Infrastructure: LGNZ policy statement mentions the right infrastructure and services to the right level at the best cost (p6). This proposal is directly working towards a safe road system, including infrastructure that meets the increasing demands within a reasonable roading investment.

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

- September 2015: AT legal team notified Parking Services and Ministry of Transport (MoT) of the issue.
- October 2015: Ministry responded stating it would be included in the next omnibus rule amendment.
- June 2016: AT was advised that the matter would not be progressed as a policy project would be needed. AT also informed that the matter was not in the 2016/17 programme but would be considered in the forward work programme.
- AT advised there would be workshops with local government to determine potential regulatory proposals in the 2017/18 programme. This did not happen.
- November 2016: AT's Legal team wrote to the MoT again requesting for an update on when the workshops would take place.
- November 2016: MoT advised AT that they were currently co-ordinating proposals.

AT have not received an update on the issue since.

**6. Any existing relevant legislation, policy or practice**

AT's Traffic Bylaw 2012 prohibits parking on the grass within the Auckland urban traffic area. However, the combination of provisions in the Land Transport Act 1998, and the various rules made under it, mean that for AT to enforce this prohibition, we must first install prescribed signs every 100 metres on all grass road margins within the urban traffic area.

It should be noted that this is not just confined to Auckland, but is a nationwide issue, hence our multiple requests for the Ministry to consider the issue.

To note: The same requirements apply to beaches, meaning before AT can enforce a Council prohibition on parking on the beach, signage must first be installed every 100 metres along the beach.

Clearly, installing the required signage on all road margins and beaches is both aesthetically undesirable as well as prohibitively expensive.

Operational practice by AT parking services is to respond to calls for service and complaints from the public. This change is not to introduce a change in enforcement practices.

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# 5

## Short-term guest accommodation

<b>Remit:</b>	That LGNZ advocates for enabling legislation that would allow councils to require all guest accommodation providers to register with the council and that provides an efficient approach to imposing punitive action on operators who don't comply.
<b>Proposed by:</b>	Christchurch City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

The advent of online listing and payment platforms like Airbnb and HomeAway have helped grow a largely informal accommodation provider sector around the world on a huge scale. This is presenting challenges for local authorities around the world to adapt regulatory frameworks to effectively capture these new businesses.

The Airbnb market share in Christchurch has grown exponentially from June 2016 to December 2018.

- Rooms in owner-occupied homes listed grew from 58 in June 2016 to 1,496 in December 2018.
- Entire homes listed increased from 54 to 1,281 over the same period (+2,272 per cent).
- Airbnb's share of all guest nights in Christchurch rose from 0.7 per cent in June 2016 to 24 per cent in December 2018.
- In the month of December 2018 there were an estimated 120,000 guest nights in Christchurch at Airbnb providers.

Councils generally have regulatory and rating requirements that guest accommodation providers are required to work within. District Plan rules protect residential amenity and coherence and many councils require business properties to pay a differential premium on general rates.

However, many informal short-term guest accommodation providers operate outside the applicable regulatory and rates frameworks. The nature of the activity makes finding properties being used for this activity problematic. Location information on the listing is vague and GPS coordinates scrambled. Hosts do not provide exact address information until a property is booked, and the platform providers won't provide detailed location, booking frequency or contact details to councils, citing privacy obligations. In their view, the onus is on hosts to

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confirm they meet relevant regulatory requirements. In short, we don't know where they are and finding them is an expensive and resource-intensive exercise akin to playing whack-a-mole with a blind fold on.

This means the informal accommodation sector is able to capture competitive advantages vis-à-vis the formal sector by reducing compliance costs and risks. In popular residential neighbourhoods, high demand for this activity can reduce housing affordability, supply and choice and compromise the neighbourhood amenity.

Councils need to be able to require guest accommodation providers to register with them and to keep records of the frequency of use of residential homes for this purpose. This would enable councils to communicate better with providers, ensure regulatory and rating requirements are being met and enable a more productive relationship with platform providers.

Queenstown Lakes District Council proposed a registration approach through its District Plan review but withdrew that part of their proposal after seeking further legal advice. Christchurch City Council has also had legal advice to the effect that registration with the Council cannot be used as a condition for permitted activity status under the District Plan, particularly if that registration is contingent on compliance with other Acts (eg the Building Act, various fire safety regulations, etc). The closest thing to a form of registration that can be achieved under the RMA is to require a controlled resource consent which is still a relatively costly and onerous process for casual hosts.

## **2. Background to it being raised**

Christchurch City Council has received numerous complaints and requests for action from representatives of the traditional accommodation sector – hotels, motels and campgrounds. They have asked for short-term rental accommodation to be brought into the same regulatory framework they are required to operate in.

There are other wider issues to consider such as impact on rental housing availability, impact on house prices and impact on type of development being delivered in response to this market.

Representatives from the Christchurch accommodation sector have raised the disparity in operating costs and regulation that are imposed on them and not the informal sector. They believe the effect of this is:

- Undermining the financial viability of the formal accommodation sector.
- Resulting in anti-social behaviour and negative amenity impacts in residential neighbourhoods.
- Creating a health and safety risk where small, casual operators are not required to meet the same standards that they are.

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

#### LGNZ Flagship Policy Project - Localism

"Local government is calling for a shift in the way public decisions are made in New Zealand by seeking a commitment to localism. Instead of relying on central government to decide what is good for our communities it is time to empower councils and communities themselves to make such decisions. Strengthening self-government at the local level means putting people back in charge of politics and reinvigorating our democracy."

Providing councils with the means to require accommodation providers to register will greatly assist them to work with their communities to develop approaches to regulating the short-term guest accommodation sector that best serves that particular community. For many councils it would enable a nuanced approach for each community to evolve under a district-wide policy.

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

Christchurch City Council is taking a four-pronged approach to creating a more workable regulatory and rating frameworks.

- Preliminary work is underway to consider changes to the District Plan. These will explore options including:
  - To differentiate between scales of the activity with a primarily residential or rural versus primarily commercial character (likely to be determined based on the number of days a year that a residential unit is used for this activity and whether or not it is also used for a residential purpose);
  - To enable short-term guest accommodation with a primarily residential or rural character in areas where it will have no or minimal effects on housing availability or affordability, residential amenity or character, and the recovery of the Central City; and
  - Restrict short-term guest accommodation in residential areas where it has a primarily commercial character.
- Consideration will be given to business rates approaches that align with any changes to District Plan rules. This may see a graduated approach to imposing business rates based on the level of activity and in line with District Plan compliance thresholds. This is an approach Auckland Council and Queenstown Lakes District Council are using.
- Consideration of a more proactive regulatory compliance approach once any changes to District Plan rules are introduced. The Council is currently responding to complaints related to guest accommodation activity but is not undertaking proactive enforcement due to the difficulty in identifying properties being used as guest accommodation and then enforcing zone rules.
- Advocating for enabling legislation that would allow councils to require all guest accommodation providers to register with the council and that provides an efficient approach to imposing punitive action on operators who don't comply.

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**5. Suggested course of action envisaged**

Convene a working group of local government subject matter experts to prepare a prototype legislative solution to put to the Government to guide advice to MPs.

The solution should enable councils to require all accommodation providers to register and keep records of the frequency of their bookings and should enable councils to develop a regulatory and rating approach that best suits its situation and needs.

Examples of legislation that provide similar powers include:

- Class 4 and TAB Gambling Policies under the Gambling Act.
- Prostitution Bylaws under the Prostitution Reform Act.
- Freedom Camping Bylaws under the Freedom Camping Act.

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# 6

## Nitrate in drinking water

**Remit:** That LGNZ recommend to the Government the funding of additional research into the effects of nitrates in drinking water on human health, and/or partner with international public health organisations to promote such research, in order to determine whether the current drinking water standard for nitrate is still appropriate for the protection of human health.

**Proposed by:** Christchurch City Council

**Supported by:** Metro Sector

### Background information and research

#### 1. Nature of the issue

Nitrates are one of the chemical contaminants in drinking water for which the Ministry of Health has set a maximum acceptable value (MAV) of 50 mg/L nitrate (equivalent to 11.3 mg/L nitrate-Nitrogen) for 'short-term' exposure. This level was determined to protect babies from methaemoglobinaemia ('blue baby' syndrome).

Some studies, in particular a recent Danish study, indicate a relationship between nitrates in drinking water and increased risk of adverse health effects, in particular colorectal cancer.

The well-publicised 2018 Danish study found that much lower levels of nitrate than that set in the New Zealand drinking water standards may increase the risk of colorectal cancer. The level of increased risk was small, but 'significant' even at levels as low as 0.87 mg/L nitrate-Nitrogen, which is more than an order of magnitude lower than the New Zealand drinking water standard.

Other studies looking at the relationship of nitrate in drinking water and possible adverse human health effects have in some instances been inconclusive or have found a relationship between nitrate in drinking water and colorectal cancer for specific sub-groups with additional risk factors (such as high red meat consumption), but not necessarily at the same level as the 2018 Danish study. The 2018 Danish study is notable because of its duration (between 1 January 1978 to 31 December 2011) and the size of the population studied (2.7 million Danish adults).

There does not appear to be a robust national system for monitoring and reporting nitrate in drinking water, nor a programme or system in place for considering whether the current drinking water standard for nitrate is still appropriate for protecting human health.



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## 2. Background to its being raised

Dietary intake of nitrates include consumption of vegetables such as spinach, lettuce, beets and carrots, which contain significant amounts of nitrate, and processed meat, and to a lesser extent drinking water (when/where nitrate is present).

In the 2015 Environmental Indicators Te taiao Aotearoa compiled by Ministry for the Environment and Statistics New Zealand, an overall trend of increasing levels of nitrate in groundwater was observed for the ten-year period 2005-2014 at monitored sites (see Figure 1).

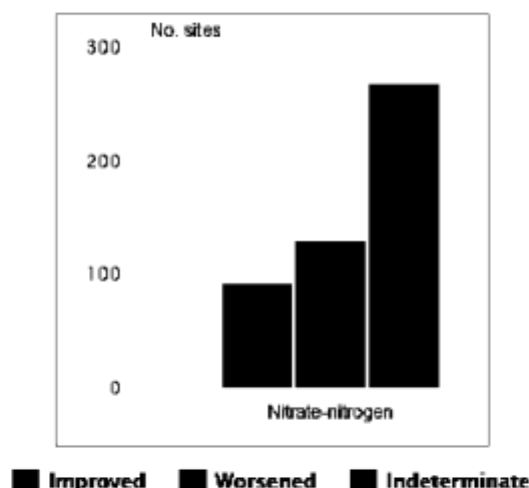


Figure 1. Nitrate levels in groundwater, 2005-2014

Ministry for the Environment's Our Fresh Water 2017 reports that 47 of 361 sites (13 per cent) did not meet the drinking water quality standard for nitrate at least once in the period between 2012 and 2014. The report doesn't indicate whether any or all of these sites are sources of public water supplies.

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

- One of LGNZ's five strategic priorities concerns councils' infrastructure including that for 'Three Waters': "Water is critical to the future health of New Zealanders and their economy and in a world facing water scarcity New Zealand's water resources represent a significant economic advantage. Consequently, protecting the quality of water and ensuring it is used wisely is a matter of critical importance to local government and our communities. Water is also subject to a range of legislative and regulatory reforms, with the overall allocation framework under review and councils subject to national standards, such as drinking water standards."
- Another of LGNZ's strategic priorities is addressing environmental issues including the quality and quantity of New Zealand's freshwater resources: "Water quality is, and will continue to be, one of the defining political issues for governments and councils over the foreseeable future ..."

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- LGNZ's Water 2050 project is also relevant. This project is described as: "A fit-for-purpose policy framework for the future (Water 2050) which considers freshwater quality and quantity: including standards, freshwater management, impacts on rural and urban areas, such as infrastructure requirements and associated funding, quantity issues including rights and allocation, and institutional frameworks for water governance."

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

The City Council undertakes chemical sampling from approximately 20-25 bores each year as an additional risk management barrier for the provision of its public drinking water supply. This data is shared with Environment Canterbury. The monitoring programme analyses for a number of chemicals, with nitrate being only one of many contaminants analysed. The City Council maintains a database with the results of the chemical monitoring programme.

The extent of the issue with respect to understanding the extent of nitrates in drinking water and its associated human health implication is beyond the scope of the City Council's resources to undertake.

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

To date no City Council drinking water well has exceeded the drinking water standard for nitrate.

Data from the last ten years of the City Council's monitoring programme have shown that in about a third of the samples taken, results have met or exceeded the 0.87 mg/L level for which the 2018 Danish study found an increased risk of colorectal cancer (see Table 1).

**Table 1. Nitrate-Nitrogen sampling results of CCC drinking water wells, 2008-2018**

	Results <i>below</i> 0.87 mg/L	Results <i>at/above</i> 0.87 mg/L
Total number of samples taken	280	93
Number of wells with 1 or more results	126	57
Concentration range	<0.001 – 0.85	0.89 – 7.1

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**6. Suggested course of action envisaged**

Recommend that central government fund additional research into effects of nitrates in drinking water on human health and/or partner with international public health organisations to promote such research.

Recommend that central government work with regional and local governments to improve monitoring of nitrates in reticulated supplies as well as in the sources of drinking water, noting that in its 2017 report *Our Fresh Water 2017* the Ministry for the Environment has stated that they “have insufficient data to determine groundwater trends at most monitored sites” and that the Ministry of Health’s latest report on drinking water *Annual Report on Drinking water Quality 2016–2017* states that “chemical determinants are not regularly monitored in all supplies”.

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# 7

## Local Government Official Information and Meetings Act (1987)

**Remit:** That LGNZ initiates a review of Local Government Official Information and Meetings Act (1987) (LGOIMA) request management nationally with a view to establishing clear and descriptive reporting for and by local authorities that will create a sector-wide picture of:

- Trends in the volume and nature of LGOIMA requests over time.
- Trends in users.
- The impacts of technology in terms of accessing information sought and the amount of information now held by local authorities (and able to be requested).
- The financial and resource impacts on local authorities in managing the LGOIMA function.

That LGNZ use the data obtained to:

- Identify opportunities to streamline or simplify LGOIMA processes.
- Share best practice between local authorities.
- Assess the value of a common national local government framework of practice for LGOIMA requests.
- Identify opportunities to advocate for legislation changes on behalf of the sector (where these are indicated).

**Proposed by:** Hamilton City Council

**Supported by:** Metro Sector

### Background information and research

#### 1. Nature of the issue

A comprehensive understanding of the current state of play in the sector is needed, as are metrics to measure LGOIMA activity nationally to identify opportunities for improvements and efficiencies for the benefit of local authorities and the public.

An appropriate response is needed to address the tension between transparency and accountability to the public and effective, cost-efficient use of council resources to respond to requests under LGOIMA.



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Despite guidance provided by the Office of the Ombudsman, it is becoming harder for local authorities to traverse the range of requests made under LGOIMA with confidence that they are complying fully with the Act. Issues such as grounds for withholding information, charging for information or seeking extensions are becoming increasingly problematic as the scope and scale of complex requests grows.

## 2. Background to its being raised

Anecdotally, local authorities all around the country seem to be noticing:

- An increase in the volume of LGOIMA requests year on year;
- An increase in requests from media;
- An increase in serial requestors;
- An increase in referrals for legal advice to negotiate complex requests and the application of the Act;
- An increase in requests that could be described as vexatious; and
- Consequently, an increase in the costs of staff time in managing LGOIMA.

In seeking to comply with the legislation, local authorities share the Ombudsman's view of the importance of public access to public information in a timely fashion in order to "enable more effective public participation in decision-making; and promote the accountability of members and officials; and so, enhance respect for the law and promote good local government" (s4 LGOIMA).

In many ways technology is making it easier to source, collate and share a far greater range of public information faster. At the same time the ubiquitous use of technology within local government has significantly increased the volume and forms of information an organisation generates and captures, with associated implications for researching, collating and then reviewing this information in response to LGOIMA requests.

### Current status:

- a. Understandably, the Ombudsman's advice encourages local authorities to apply a very high threshold for withholding information and to take a generous view of what is in the public interest.
- b. The scope of requests is becoming broader, more complex and covers longer time periods (to the point where some could be described as fishing expeditions). While local authorities can request refinements to scope, requestors do not always agree to do so or make only minimal changes.
- c. There are costs associated with automated searches of systems, databases and email accounts, some of which should not or are not easily able to be passed on to requestors. Not undertaking automated searches increases the risk of pertinent information being omitted.

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- d. The Ombudsman's guidance is very helpful in the main. However, Ombudsman's guidelines take the view that a council will scope the request then make the decision whether to release the information then prepare the information for release. This often does not reflect the reality of dealing with a LGOIMA request especially large and complex requests. These components are interrelated and cannot be processed as entirely separate stages.
- e. A small number of repeat requestors appear to be responsible for an increasingly disproportionate number of the total requests. Some are individuals, but a greater number are media and watchdog groups like the Taxpayers Union.
- f. With an increasing amount of information requested, the review of documents, webpages, etc and redaction of text for reasons of privacy or outside-of-scope is significant and onerous.
- g. Local authorities are failing to take a common approach to people and organisations that are making the same request across the sector.
- h. An increasing number of LGOIMA requests are seeking property/property owner/license-holder information or other information more often than not to be used for marketing or other commercial ends. Yet local authorities are limited in their ability to recoup associated costs in providing this information, or in the case of standard operating procedures, protect their own intellectual property.

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

LGNZ has a work programme focused on improving the local government legal framework. This remit is consistent with that programme and seeks to focus attention on a particularly problematic part of the framework that is currently not being specifically addressed.

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

At a local level, Hamilton City Council has been working continuously over the last 18 months to refine our processes for dealing with LGOIMA requests. This work has ensured that relevant staff as well as the staff in the LGOIMA office and in the Communications Unit are aware of the procedures and requirements for dealing with LGOIMA requests under the Act, and options potentially available where the scope or the complexity of requests tests Council resources. Templates for responses and communications with staff regarding responses have been developed and are used or customised as necessary. We have also introduced a reporting framework so that we have visibility of requests over time and various component factors including time taken to prepare and respond to LGOIMAs. Opportunities for further enhancements relate to understanding and being able to reflect best practice sector-wide.

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**5. Any existing relevant legislation, policy or practice**

Local Government Official Information and Meetings Act 1987; Privacy Act 1993; Office of the Ombudsman Official Information legislation guides; Privacy Commissioner privacy principles.

Hamilton City Council is very conscious of its responsibilities under the Local Government Official Information and Meetings Act 1987, the Privacy Act 1993, and related guidance, and our processes comply with the relevant legislation.

This topic is also closely aligned with Hamilton City Council's strategic imperative: 'A Council that is Best in Business'.

**6. Suggested course of action envisaged**

LGNZ prioritises a national review of LGOIMA request management as part of its programme to continuously improve the local government legal environment.

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# 8

## Weed control

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<b>Remit:</b>	That LGNZ encourages member councils to consider using environmentally friendly weed control methods.
<b>Proposed by:</b>	Hamilton City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

There is mixed evidence of the risks associated with using chemical weed control as a method, particularly glyphosate-based, and lobby groups are actively pressuring councils to reduce use. Glyphosate is currently approved for use as a herbicide by New Zealand's Environmental Protection Agency (EPA), and most New Zealand councils use it, given it is a cost-effective, proven option for weed control. Most councils take an integrated approach to weed control, which includes the use of glyphosate-based products along with alternative methods.

#### 2. Background to its being raised

In New Zealand, the use of chemicals including glyphosate is regulated by the EPA. A 2016 EPA review concluded that glyphosate is unlikely to be genotoxic or carcinogenic to humans and does not require classification under the Hazardous Substances and New Organisms Act 1996 as a carcinogen or mutagen.

Internationally, there is controversy surrounding the use of glyphosate. In 2004 a World Health Organisation (WHO) Group (the Joint Meeting on Pesticides Residues) determined that glyphosate does not pose a cancer risk to humans. In 2015, another WHO sub-group (the International Agency for Research on Cancer) classified glyphosate as 'probably carcinogenic to humans'.

In August 2018 a California jury found Monsanto liable in a case linking the use of the company's glyphosate-based weedkillers to cancer. In March 2019, a federal jury in America ruled that use of Monsanto's glyphosate-based weedkiller was a 'substantial factor' in another user developing cancer. These cases have reinvigorated calls to ban the use of glyphosate in New Zealand and worldwide.



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

LGNZ has an environmental work programme and the proposed remit is consistent with this focus on environmental issues that affect local government and local communities. The LGNZ programme does not specifically address the issue of non-chemical methods of weed control despite strong public interest.

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

At a local level, Hamilton City Council staff are currently actively looking at reducing chemical use in general and, more specifically, at alternative weed control methods. Our approach acknowledges the importance of keeping our community and staff safe and healthy. Staff are appropriately trained and required to wear the correct personal protective equipment (PPE) for the task.

Our investigation of non-chemical options has incorporated the following:

- In September 2018, we began trialling use of a steam machine for weed control. The equipment has a large carbon footprint (9 litres of fossil fuel per hour of operation) and requires more frequent application to achieve the same level of weed control.
- The use of a new mulch application machine has enabled sites to be mulched faster than traditional methods, which suppresses weeds for longer.
- We have trialled longer grass-cutting heights to reduce Onehunga weed in amenity areas. This has led to a reduction in selective herbicide application.
- We are working with Kiwicare to trial alternative weed control methods in Hamilton parks. Kiwicare has a wide range of alternatives, including an organic fatty acid-based product.

Our current operating approach includes continuous review of application equipment efficiency including use of air-induced spray nozzles droplet control, which results in less spray being required.

As a result of Hamilton City Council's strategy to consider alternatives, one large herbicide sprayer was decommissioned from the council parks fleet in early 2019. This will lead to a reduction in glyphosate used.

Glyphosate is no longer used for weed control in our playground sites. It has been replaced with an organic spray alternative (this option is 30 per cent more expensive than using glyphosate).

Glyphosate use by Hamilton City Council is recorded on a dedicated webpage and a no-spray register is maintained. Residents can opt out of the council spraying programme and take responsibility themselves for weed control along property boundaries and street frontages.

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**5. Any existing relevant legislation, policy or practice**

Hamilton City Council currently operates in compliance with national standards (New Zealand Standard 8409:2004 Code of Practice for the management of agrichemicals), the Waikato Regional Plan and Pest Management Plan and our own Herbicides Use Management Policy.

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

Most councils take an integrated approach to weed control, which includes the use of glyphosate-based products along with alternative methods. Reports this year from Christchurch, where the City Council is phasing out use of glyphosate, indicates levels of service and maintenance appearance have been an issue, along with significant cost increases when glyphosate has been significantly reduced.

**7. Suggested course of action envisaged**

LGNZ leads a commitment by local government to investigate and trial environmentally friendly alternatives to chemical weed control with results shared amongst member organisations.

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# 9

## Building defects claims

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<b>Remit:</b>	LGNZ calls on central government to take action as recommended by the Law Commission in its 2014 report on “Liability of Multiple Defendants” to introduce a cap on the liability of councils in New Zealand in relation to building defects claims whilst joint and several liability applies.
<b>Proposed by:</b>	Napier City Council
<b>Supported by:</b>	Zone Three

### Background information and research

#### 1. Nature of the issue

- In its report on joint and several liability issued in June 2014 (the Law Commission report) the Law Commission recommended that councils’ liability for defective building claims should be capped. Building consent authorities in New Zealand (councils) are disproportionately affected by defective building claims.
- The Government in its response to the Law Commission report directed the Ministry of Justice and the Ministry of Business, Innovation and Employment (MBIE) to further analyse the value and potential impact of the Law Commission’s recommendations, including capping liability of councils, and report back to their respective ministers.
- The MBIE website suggests that a Building (Liability) Amendment Bill would be consulted on in 2017 and final policy approval obtained from Cabinet. That Bill, according to the MBIE website, would be aimed to amend the Building Act 2004 to cap the liability of councils and protect consumers by introducing provisions driving greater uptake of home warranty protection. However no progress appears to have been made towards drafting or introducing this Bill into Parliament. At a recent rural and provincial local government meeting in Wellington, MBIE advised that no further action is being taken to progress any capping of council liability.
- This proposed remit is aimed to put pressure on MBIE and the Government to follow the Law Commission’s recommendation to limit (ideally by capping) councils’ liability in respect of defective building claims.

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## **2. Background to its being raised**

- Defective building claims are prevalent throughout New Zealand, both in large centres and small. They are not limited to “leaky building” claims. Claims which include allegations involving structural and fire defects are increasingly common, both for residential and commercial properties.
- The courts have held that councils will generally have a proportionate share of liability in defective building cases in the vicinity of 20 per cent. However, because councils are generally exposed to the full quantum of the claim, when other parties are absent (for example whereabouts unknown, deceased, company struck off) or insolvent (bankrupt or company liquidated), which is the rule, rather than the exception, the Council is left to cover the shortfall. The Law Commission report recognised that councils in New Zealand effectively act as insurers for homeowners, at the expense of ratepayers.
- Other liable parties such as developers, builders and architects can potentially reduce their exposure through insurance and wind up companies in the event of a large claim. Developers often set up a dedicated company for a particular development and then wind that company up following completion.
- Councils on the other hand can no longer access insurance for weathertightness defects (a “known risk”). They have no choice about whether to be involved in the design and construction of buildings, as they have a legislative role as building consent authorities in their districts. They make no profit from developments and cannot increase their fees to account for the level of risk. Yet they are often the main or sole solvent defendant in defective building claims (last person standing).
- The cost to ratepayers of the current joint and several liability system is significant, disproportionately so. This was recognised in the Law Commission report in 2014, but no substantive steps have been taken by central government to address the issue or implement the Law Commission’s recommendation that council liability should be capped.

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

The current LGNZ Work Programme for housing includes an objective of the regulatory and competitive framework of continuing advocacy to government for alternatives to current liability arrangements. Clearly this remit fits squarely within and would assist to progress that objective.



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

- The Law Commission report was a result of concerns raised primarily by LGNZ and councils around New Zealand about the effect of joint and several liability in relation to the leaky homes crisis. Prior to release of the report, LGNZ and a number of councils around New Zealand, including Auckland Council, Christchurch City Council, Hamilton City Council, Hastings District Council, Queenstown Lakes District Council, Tararua District Council, Waipa District Council staff, Wellington City Council, as well as SOLGM and BOINZ all filed submissions advocating for a change to the status quo.
- The Law Commission report, as discussed in more detail above, recommended that councils' liability be capped. It was understood from the Government's response to the Law Commission report and from MBIE (both discussed above) that this recommendation was being progressed in a meaningful way. This was further supported by MBIE's submission to the Law Commission prior to the release of the Law Commission report, in which it stated that:
  - a. Provisions in the Building Amendment Act 2012 not yet in force, in particular the three new types of building consent limiting councils' liability "are likely to be brought into force within a reasonable time after the Commission completes its review of joint and several liability". MBIE stated that the Law Commission should take the impact of these changes into account in preparing its report. However, these provisions are still not in force.
  - b. "The Government has instructed the Ministry to explore options for the consolidation of building consent authorities as part of the Housing Affordability agenda and ongoing reforms in the construction sector. Issues regarding the liability of a central regulator, as well as that of territorial authorities, will be fundamental concerns as consolidation options and other measures to increase productivity in the sector are explored". This does not appear to have been progressed.
- It was only in the last month or so that MBIE has now advised that the recommendation that councils' liability be capped would no longer be progressed.

**7. Suggested course of action envisaged**

We consider that LGNZ could form a joint working party with MBIE and the Ministry of Justice, and possibly the relevant Minister's (Jenny Salesa's) staff to explore limiting councils' liability for building defects claims, including:

- Disclosing and considering the following information (whether by way of OIA requests and/or as part of a working group):
  - MBIE documents relating to its consideration of the Law Commission report and the reasons why it is no longer progressing the capping of council liability.
  - Ministry of Justice and Minister of Building and Housing's documents relating to the Law Commission report and to proposed capping of council liability.

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- MBIE and Minister of Building and Housing's documents relating to implementation of s 17 of the Building Amendment Act 2012.
- Drafting proposed amendments to the Building Act and/or a Building (Liability) Amendment Bill (this work may have been started by MBIE, so this task should await the outcome of the information gathering exercise above).
- Drafting content for a cabinet paper regarding the Law Commission's recommendation that council liability for building defect claims be capped.

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# 10

## Social housing

Item 13

<b>Remit:</b>	That LGNZ, in conjunction with central government, urgently focus on the development and implementation of a broader range of funding and financing tools in respect of community/social housing provision, than those which currently exist in the housing needs space. These should include funding to support the operation, upgrade and growth of council housing portfolios and, where a council chooses, access to Income Related Rents for eligible tenants.
<b>Proposed by:</b>	Napier City Council, Tauranga City Council and Wellington City Council
<b>Supported by:</b>	Zone Three Metro Sector

### Background information and research

#### 1. Nature of the issue

##### Napier City Council

Social housing, especially for older citizens, is a strategic issue.

New Zealand communities are facing an extremely serious housing affordability crisis that has resulted in the country having the highest rate of homelessness in the developed world. Current policy settings are failing to adequately address the issue.

Local government is the second largest provider of social housing in New Zealand, however, since 1991, successive governments have failed to adequately recognise the contribution we have and are making. Unfortunately, existing policy actively discriminates against councils meeting local housing needs resulting in a gradual reduction in the council owned social housing stock. With Housing New Zealand focussing its attention on fast growing urban areas, social housing needs in smaller communities are not being met.

The issue is becoming more serious as baby boomers retire – the current social housing is not designed to address the needs of this cohort – a role historically provided by councils with support from central government in the form of capital grants.

The issue has already become urgent for Aotearoa New Zealand and its communities.

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#### Tauranga City Council

The western Bay of Plenty SmartGrowth partnership (Tauranga City Council, Western Bay of Plenty District Council, Bay of Plenty Regional Council and tangata whenua), has undertaken some preliminary research into the potential for government assisted bond raising for community/social housing providers using the Federal Government experience from Australia.

It has also identified the Australian rental housing provision tax incentive opportunities that the current Labour opposition has put forward. The partnership is aware of work being undertaken by Treasury in terms of raising the debt ceilings via amendments to the Local Government (Financial Reporting and Prudence) Regulations 2014. The SmartGrowth partnership would welcome the opportunity to work further with LGNZ and others to take a more “four well-beings” focus to the housing funding and financing toolkit than currently exists. This matter is becoming critical for all of the Upper North Island growth councils and other councils such as Queenstown.

#### Wellington City Council

Housing is an important contributor to the wellbeing of New Zealanders, and councils support the work of the Government to continue to grow and improve social housing provision in New Zealand.

Addressing housing demand and affordability related challenges are significant issues for local government. 62 (93 per cent) of New Zealand’s 67 local authorities reference some type of housing-related activity in their current Long Term Plans. As at November 2018, 60 local authorities (90 per cent) collectively own 12,881 housing units and 13 of those provide 50 per cent or more of the total social housing within their jurisdictions.

The social housing currently owned by local authorities equates to 16 per cent of the nationwide social housing stock, with the remaining 82 per cent largely owned by the Housing New Zealand Corporation (HNZC) and Community Housing Providers (CHPs). While there is variation in housing eligibility policy settings at the local level, a significant proportion of tenants housed by local authorities have a similar profile to those housed by HNZC and CHPs.

To help address housing affordability for households on the lowest incomes, central government provides the Income Related Rent Subsidy (IRRS) for those with housing need and that meet policy eligibility criteria. Eligible households generally pay 25 per cent of their income on rent, and a government subsidy is paid to the housing provider for remaining portion of rent.

Despite housing a similar group of tenants, current IRRS policy settings mean HNZC and CHPs can access the subsidy for tenants but local authorities cannot.

This has created considerable inequity in the housing system and is placing pressure on a vulnerable population group in New Zealand. Tenants who would be eligible for IRRS, but who are housed by a local authority, generally have to pay a significantly higher amount of rent. With demand for HNZC public housing and social housing provided by Community Housing Providers outstripping supply in most areas, these households have very few housing options and are unable to access the Government support they would otherwise be eligible for.



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The inability to access IRRS has also contributed to housing portfolio sustainability challenges for local authorities, who cannot access the additional funding through IRRS to help maintain their housing portfolios. This challenge has led to vulnerable tenants having to be charged unaffordable levels of rent, and the decline in the overall social housing stock levels owned by local authorities. This has occurred even as social housing demand has increased and housing affordability has become a more acute challenge for more households.

## 2. Background to its being raised

### Napier City Council

Councils provide in excess of 10,000 housing units, making it a significant provider of community housing in New Zealand. Councils began providing community housing across the country, particularly for pensioners, in the 1960's when central government encouraged them to do so through capital loan funding. In the 1980's, this occurred once again and was applied to general community housing developments. Council's rent setting formulas varied but all provided subsidised rents. While the housing stock was relatively new, the rental income maintained the homes, however, now decades on, and with housing at the end of life, significant investment is required. Income from rents has not been enough to fund renewals let alone growth to meet demand.

The Government introduced Income Related Rent subsidy (IRR) in 2000 for public housing tenants and it was later applied to registered Community Housing Providers. This mechanism allows tenants to pay an affordable rent in relation to their income, while the housing provider receives a 'top up' to the agreed market rent for each property under the scheme. In effect, housing providers receive market rent through this mechanism. Being able to generate market rental income is the most successful sustainable model for the provision of community housing. Providers receive an adequate income to cover the cost of providing housing, to fund future renewals and to raise capital for immediate asset management. Councils are excluded from receiving this subsidy, and so are their tenants.

### Wellington City Council

Key objectives for councils that provide social housing generally include ensuring that their social housing tenants are well housed in quality homes, and that they pay an affordable level of rent. Balancing this objective with business sustainability continues to be a real challenge for many councils, and has contributed to some divesting their social housing portfolios. At the same time, demand for social housing has generally continued to increase and housing affordability is a more prominent issue, particularly for households on the lowest incomes.

Despite ongoing and repeated lobbying over a number of years from councils and LGNZ, and a commitment from the current government to reconsider IRRS policy settings, local authorities are still unable to access IRRS. This remit recognises the inequitable situation this has created for a significant number of vulnerable households, and the negative impact it has had on the overall supply of social housing owned by local authorities.

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

Napier City Council

This remit supports LGNZ's Housing 2030 policy and programme, in particular the Social Housing and Affordable Housing workstreams. Housing 2030 is one of LGNZ's four strategic projects. This remit reinforces and supports that initiative.

LGNZ recently hosted a Social Housing workshop with both local and central government agencies to discuss the issues and opportunities and the future role councils could play in the provision of social housing. There was agreement that a partnership approach that recognises local situations with a range of options for support from government (both funding and expertise) would be most suitable.

Wellington City Council

By working with central government, local authorities, and a range of other stakeholders, the current LGNZ housing work programme seeks to establish a central local government housing partnership and improve housing outcomes. The work programme includes three key focus areas: housing supply; social and community housing; and healthy homes.

As part of the 'social and community housing' focus area, LGNZ have already signalled an intention to work with government agencies to enable local authorities to access IRRS. This remit would however provide specific mandate from member councils on this point.

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

Napier City Council

As the proposer of this remit, Napier City Council, has undertaken an S17A Review of its own provision of community housing, with further investigation underway. In addition, both at a governance and management level, we have taken part in numerous conferences, symposiums and workshops on the matter in the last two years. We lead a local Cross Sector Group – Homelessness forum and take part in the Hawke's Bay Housing Coalition. We have provided housing for our community for over five decades, supplying just under 400 retirement and low cost rental units in Napier.

Wellington City Council

Wellington City Council, along with a number of other councils and LGNZ have already made a number of formal submissions to central government regarding this issue. To date, central government has advised that no changes will be made to IRRS policy settings at this stage.

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**5. Suggested course of action envisaged**

Napier City Council

This remit supports, as a matter of urgency, the further investigation by central government and LGNZ of the opportunities identified at the workshop and any other mechanisms that would support councils provision of community housing in New Zealand.

It is designed to strengthen LGNZ's advocacy and would provide a reason to approach the Government in the knowledge that local government as a whole is in support.

Wellington City Council

LGNZ, on behalf of member councils, would increase efforts to formally advocate for local authorities to be able to access Income Related Rent Subsidies for all eligible tenants that they house, with implementation within a two year timeframe.

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# 11

## Procurement

<b>Remit:</b>	That LGNZ investigate the ability of the sector to collaborate in procuring open-source designs and plans for bulk infrastructure that are largely similar, with an initial approach to look at water and wastewater treatment facilities.
<b>Proposed by:</b>	New Plymouth District Council
<b>Supported by:</b>	Central Hawkes Bay District Council Otorohanga District Council South Taranaki District Council Stratford District Council Thames-Coromandel District Council Waitomo District Council Wellington City Council Whanganui District Council

### Background information and research

#### 1. Nature of the issue

At present, every local authority in New Zealand undertakes bespoke procurement for its own infrastructure despite there being little difference in the infrastructure provided. Each local authority then receives a slightly different product that largely achieves the same outcome.

#### 2. Background to its being raised

Local authorities often face similar challenges, albeit at different times. Local authorities often procure similar infrastructure that deal with the same inputs and outputs, but are bespoke products designed at significant cost.

A good case example, and a useful starting point, is water and wastewater treatment plants. The Government's Three Waters Reform programme received a report from Beca that identified the number of water treatment plants that are non-compliant with water standards. While not all of these plants will require replacement, some of them may do so.



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The report identifies that 17 large plants (10,001+ people), 13 medium plants (5,001-10,000 people), 140 minor plants (501-5,000 people), 169 small plants (101-500 people) and 153 neighbourhood plants (25-100 people) are not compliant with standards. A similar story emerges with wastewater treatment plants.

At the same time, the sector is aware of the upcoming increase in renewals across water and wastewater treatment plants (including plants currently compliant with standards). There are a considerable number of plants coming near to the end of their useable lifespan in coming years. Often these plants have to be replaced with an entirely new plant so as to keep the existing plant operating during the replacement's construction.

While there may be some local variation, new water and wastewater treatments plants being built in the future will either be large, medium or small. The increasingly prescriptive regulatory framework will invariably reduce scope for choices and options in plant design. All plants will need to meet the same output quality standards, and will require the same treatment processes (with some minor variations to reflect any local preferences or unique circumstances).

Local authority procurement is a 'hot topic' for the Office of the Auditor-General (OAG). The OAG have signalled a forthcoming report *Procurement workforce capacity and capability in local government* that will aim to encourage greater collaboration between local authorities. Similarly, there is a strong focus on procurement within central government, including all-of-government procurement in which local authorities can choose to be involved.

Local authorities should collaborate now to procure a number of standardised open-source options for water and wastewater treatment plants for the future. These would then be available to all local authorities to use when required, rather than having to go to the market for a new design. These would be tested and implementable designs – the risk of failure would be lower than a bespoke design. The processes used would need to be customisable (such as whether drinking water is fluoridated, or to address particular issues in incoming water). Scalability would, of course, be critical. Council procurement would be limited to build-only contracts.

A collaborative procurement process for standardised designs could lead to significant cost savings. Even a small saving of one or two per cent would result in millions of dollars of savings across the sector. Over time, there would be further consequent savings, such as not having to retrain staff when transferring between authorities or even the capacity for further collaboration through shared services.

If successful, the sector would be well-placed to look at other areas where collaborative procurement processes for standardised designs would be useful. These could include solid waste resource recovery and separation facilities, roading assets, or other significant assets.

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

LGNZ has placed significant time and energy into the Three Water Reform programme. LGNZ's position paper on these reforms notes strong support for improving the regulatory framework for drinking water. LGNZ oppose the mandatory aggregation of water assets.

This remit will also contribute to the LGNZ strategic policy priorities: Infrastructure; Risk and Resilience; Environmental; and Economic Development.

**4. Any existing relevant legislation, policy or practice**

The Three Waters Reforms are likely to result in significant legislative reform that impacts on water and wastewater treatment plants.

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# 12

## Single use polystyrene

<b>Remit:</b>	That LGNZ advocates to the Government to phase out single use polystyrene.
<b>Proposed by:</b>	Palmerston North City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

Expanded polystyrene is bulky and does not break down. While some technologies exist to reduce the bulk of polystyrene prior to landfill, or to recycle it (for example, to make insulation material), these interventions offer only a partial solution to the prevalence of polystyrene. Single-use polystyrene (such as used in food containers) has further contamination issues, meaning that landfill remains the only means of disposal.

Palmerston North City Council's own Waste Management and Minimisation Bylaw 2016 prohibits the use of polystyrene or styrofoam containers or cups at events held on council land or with council funding. This has encouraged the use of more sustainable substitutes. However, while the council can control, to some small extent, the use of polystyrene and its disposal (for example, by refusing to collect it), in practice its influence is limited. This is because most of the supply of polystyrene originates outside of the city, and the Council has limited ability to ensure it doesn't end up in the waste stream (for example, it can be inside rubbish bags).

#### 2. Background to it being raised

Under section 23(1)(b) of the Waste Minimisation Act 2008, the Government is empowered to ban or regulate certain problematic or wasteful products. This provision is currently being used to phase out single-use plastic shopping bags.

This remit proposal meets both LGNZ remit policy criteria. As with single-use plastic bags, the national regulation of single-use polystyrene products would be more effective in beginning to address their use in the first place, rather than being addressed (as at present) as a city-level waste issue.

Single-use polystyrene contributes significantly to landfill in New Zealand, and it is the view of the Palmerston North City Council that a nationwide ban would reduce the environmental impact of these products.

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# 13

## Local Government Act 2002

Item 13

<b>Remit:</b>	That LGNZ pursue an amendment to the Local Government Act 2002 to: <ol style="list-style-type: none"> <li>Re-number sub-sections 181 (5) and (6) to sub-sections (6) and (7); and</li> <li>Introduce a new sub-section (5) to read: For all purposes the term “any work” in subsection 4 means any works constructed before xx Month 20xx; and includes any works that were wholly or partly in existence, or work on the construction of which commenced, before xx Month 20xx.</li> </ol>
<b>Proposed by:</b>	Rangitikei District Council
<b>Supported by:</b>	Zone Three

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### Background information and research

#### 1. Nature of the issue

Historic assumptions that there is statutory authority for the siting of Three Waters infrastructure on private land do not reflect the complete picture.

##### Questions arise:

- May an infrastructure asset owner notify further works on private land where the original works are not protected by written consent (or notification)?
- Does an infrastructure asset owner have authority to restrict a landowner’s ability to build over a non-protected asset?
- What is the potential cost to infrastructure asset owners to remedy the absence of enforceable authority?

#### 2. Background to its being raised

##### An example in the Rangitikei – Hunterville urban and rural water schemes

- The rural scheme was constructed in the 1970’s (government grant involved).
- Construction was a collective project (county and scheme users).
- The urban supply draws bulk (raw) water from the rural scheme.
- Infrastructure is sited on numerous private landholdings.



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- e. Conscious decision that landowner consents not required (relied on “the Act”).
- f. Urban supply treatment, storage, reticulation sited on one member’s land.
- g. Land has changed hands (twice) since urban supply infrastructure developed.
- h. Current owners seek renegotiation of access rights as well as compensation.
- i. Council and owners negotiating (little progress after seven years).
- j. Substantial costs to survey and register easement.

The issue is not unique to Rangitikei

- a. Several local authorities from Waikato and Bay of Plenty to Otago have emailed to comment. All record similar experiences to Rangitikei’s, both historic and ongoing’. One noted that such incidents arise, on average, monthly.
- b. All comments received have noted frustration at the potential costs to formalise previously ‘casual’ but cordial and workable arrangements with prior landowners.

The power to construct is constrained

- Local Government Act (2002) sections 181 (1) and (2) empower a local authority to construct Three Waters works on private land.
- Section 181 (3) specifies the local authority must not exercise the power to construct unless it has the prior written consent of the landowner (or it has followed the prescribed notification process).
- Similar provisions that existed in previous legislation were repealed by the 2002 Act.

Effect of the law

- The Act provides power to construct; it is the owner consent (or notification process) that provides the authority to enter private land to exercise its power to construct.
- A local authority cannot claim absolute right of access without evidence of owner consent or compliance with the notification requirements.
- The High Court considered the need for fresh consent from, or notice to, subsequent owners (Re Watercare Services Ltd [2018] NZHC 294 [1 March 2018]).

Other infrastructure owners

- The Electricity Act 1992, the Gas Act 1992, and the Telecommunications Act 2001 all provide retrospective authority for siting of infrastructure on private land.
- No record has been found of the rationale behind those retrospective authorities.
- The thread of these authorities could be brought into the Local Government Act.

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

- Local Government Act (2002) section 181 (4) authorises entry to any work constructed under the Act or the corresponding provisions of a prior Act.
- The effect of the Court's (Watercare) Declaration is to confirm that a local authority must have evidence of prior written consent (or notification) for the original works on that land.

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# 14

## Campground regulations

<b>Remit:</b>	That LGNZ request the Government to amend the Camping - Ground Regulations to allow councils to approve remote camp facilities on private property, subject to any such conditions as deemed required by a council, including the condition that any approved campground is x distance away from an existing campground, unless the existing campground operator agrees to waive this condition in writing.
<b>Proposed by:</b>	Thames-Coromandel District Council
<b>Supported by:</b>	Dunedin City Council Waikato District Council New Plymouth District Council Mackenzie District Council Hamilton City Council

### Background information and research

#### 1. Nature of the issue

Currently the 'remote camp site' definition means a camping ground: 'in a national park, state forest, state forest park or public reserve or on Crown Land.' As the provision is only for public land there is no opportunity to provide such an experience on private property.

#### 2. Background to its being raised

Ratepayers, through their council, are having to provide areas for camping for increasing numbers of what are being called "freedom campers", with associated increasing costs to ratepayers and community both regarding environmental and financial considerations.

Unfortunately for councils there is nothing for free, and to provide any public facilities there is a range of costs to provide and maintain the facilities including power, water, waste collection, maintenance, cleaning, and compliance monitoring and enforcement etc. Those costs are increasing.

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Enforcement for compliance is increasingly problematic and costly and in addition, social media is sending the wrong messages for our communities who must contend with freedom campers in their area. The result is that prime beach front sites are being degraded through overuse, and abuse of sites available.

While reserve areas can be either managed or leased for a remote camp facility, councils are constrained by the lack of public land where a remote site can be established, particularly in more remote locations. Remote camps have far fewer regulatory requirements than usual campgrounds.

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

There is work underway regarding freedom camping in New Zealand which is looking at a range of issues in relation to freedom camping.

The Responsible Camping Working Group comprises central and local government representatives, as well as other interested parties, and is currently looking at a number of matters, including the Camping Ground Regulations. A review of the Regulations was one of the recommendations of the Working Group and work is underway specifically on this.

**4. Any existing relevant legislation, policy or practice**

The remit seeks an amendment of the Camping - Ground Regulations to broaden the definition of remote camp site to allow councils to authorise remote camp sites on private land, taking into account distance from existing campground facilities. A new definition would enable sites to be established where, for a modest fee, an operator would be able to provide basic facilities and recover some of the cost of provision and maintenance.

In addition the 2016 annual general meeting agreed to ask the Government to change to s14(3) of the Camping Ground Regulations 1985 (made under s120B of the Health Act 1956) to allow broader exemptions to the need for provision of camping facilities for those that wish to freedom camp in all areas and not just at "remote" camps; this is yet to be actioned but is being considered by the joint officials body.

**5. Suggested course of action envisaged**

Amend the Campground Regulations definition for remote sites to allow councils to authorise remote camps on private land taking into account distance from existing campground facilities.

By providing sites where a modest fee is required, the operator provides the basic facilities at no cost to ratepayers or the environment.



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# 15

## Living Wage

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<b>Remit:</b>	Wellington City Council asks that LGNZ members consider engaging with the Living Wage Aotearoa New Zealand Movement when developing policies on payment of the Living Wage.
<b>Proposed by:</b>	Wellington City Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

According to the Living Wage Movement Aotearoa New Zealand, "Over the last 30 years New Zealand has gone from one of the most equal countries in the developed world to one of the most unequal. Wages have stagnated while New Zealanders are working harder and longer than ever before. Growing poverty and inequality hurts us all; workers and their families, employers, business, the Government and society as a whole."

The Living Wage Movement Aotearoa New Zealand was formed in 2012 to generate a conversation about working poverty in Aotearoa. It brings together community, union and faith based groups to campaign for a Living Wage.

The Living Wage is defined as: "The income necessary to provide workers and their families with the basic necessities of life. A living wage will enable workers to live with dignity and to participate as active citizens in society". The Living Wage is an independently researched hourly rate based on the actual cost of living and is reviewed annually. The official 2019 New Zealand Living Wage is \$21.15 and will come into effect on 1 September 2019.

Research from around the world shows that paying a Living Wage brings benefits to employers, to the community and most importantly to workers who need it the most.

#### 2. Background to its being raised

The Living Wage Movement Aotearoa New Zealand has an accreditation system available to employers who meet the criteria to become a Living Wage Employer. In order to use this trade mark, employers must sign a license committing the organisation to paying no less than the Living Wage to directly employees and contracted workers, delivering services on a regular and ongoing basis.

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This remit recognises that a number of local authorities across New Zealand are currently taking steps towards becoming Living Wage councils.

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

LGNZ is committed to working alongside central government and iwi to address social issues in New Zealand's communities, including disparity between social groups.

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

In September 2018, Wellington City Council became the first council in New Zealand to be accredited as a Living Wage Employer. This was the culmination of implementing a Living Wage and working with the Living Wage Movement Aotearoa New Zealand since 2013, in summary:

- Following a decision in 2013, from January 2014 the Council implemented a minimum wage rate of \$18.40 for all fully trained directly employed staff.
- On 1 July 2014, WCC implemented its decision to introduce the Living Wage (at \$18.40 per hour) for council and Council Controlled Organisation (CCO) staff.
- On 15 May 2015, the Council's Governance, Finance and Planning Committee passed a resolution to increase the \$18.40 rate to reflect annual inflation movement.
- On 28 October 2015, WCC extended the living wage (at \$18.55 per hour) to security and core cleaning contractors.
- In July 2017, the Council implemented the New Zealand Living Wage (\$20.20 at the time) for staff, CCOs and core contractors as they come up for renewal.
- In September 2018, WCC was accredited as a Living Wage employer.

**5. Suggested course of action envisaged**

Member councils who are developing policies on payment of the Living Wage will consider engaging with the Living Wage Movement Aotearoa New Zealand to understand the criteria for becoming a Living Wage accredited employer.

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# 16

## Sale and Supply of Alcohol Act

<b>Remit:</b>	LGNZ, on behalf of its member councils ask for a review of the effectiveness of the Sale and Supply of Alcohol Act 2012 in reducing alcohol harm (eg price, advertising, purchase age and availability) and fully involve local government in that review.
<b>Proposed by:</b>	Wellington City Council and Hastings District Council
<b>Supported by:</b>	Metro Sector

### Background information and research

#### 1. Nature of the issue

##### Wellington City Council

The Sale and Supply of Alcohol Act was introduced in 2012 and has not as yet been reviewed.

There is now considerable experience in how it is working in practice and it is timely that a review is undertaken to ensure it is meeting the outcomes that were sought when it was introduced and that any anomalies that have emerged from regulation under the Act are addressed.

Addressing anomalies: an example of such an anomaly that has become apparent is the definition of 'grocery store' in the Act, where a business is only a grocery store if its largest single sales group (by turnover) is a specified type of food/groceries. In hearings the focus is often more on the accounting statements of an applicant, rather than about alcohol effects.

An established operator for whom the highest turnover item was topping up Snapper cards ahead of groceries applied for a renewal of their licence. The Act requires the District Licensing Committee (DLC) to use turnover as the measure to define the type of business and there is no discretion allowed to the DLC. In effect the DLC had the choice of declining the liquor licence or saying they could only retain their liquor licence by stopping Snapper top ups. They were not a grocery store by definition as Snapper card top ups was the highest turnover item. The obvious decision was to stop the Snapper top ups, to meet the "grocery store" definition, and retain the liquor licence. The overall outcome of considering the safe and responsible sale, supply and consumption of alcohol; and the minimisation of harm was not achieved.

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This is one of a range of issues. The District Licensing Committees all report each year to the Alcohol Regulatory and Licensing Authority. This addresses the issues of the operation of the Act. After five years this now provides a considerable base of information that can be used in a wider review to improve the effectiveness of the Act.

Better regulation: The current regulations are tightly prescribed (eg setting maximum penalties or fees), leave little flexibility for local circumstances and have not been reviewed. The process of establishing local alcohol policies has also not been effective.

The Council developed a Provisional Local Alcohol Policy which was notified on January 21, 2014. Appeals were lodged by eight parties which were heard by the Authority over eight days between 20 October and 5 November 2014. The Authority released its decision on 20 January 2015 which asked the Council to reconsider elements of its PLAP. In 2016, the Council resolved that it should not at that time resubmit the PLAP to the Authority, and should instead continue to monitor alcohol-related data in Wellington, work with key stakeholders, and consider future Alcohol Regulatory and Licensing Authority (ARLA) decisions on other PLAP appeals prior to determining if the Council requires a local alcohol policy.

This experience is not uncommon and it has been difficult to establish a comprehensive Local Alcohol Policy which was a key building block of the regulatory framework. As at November 2018 while 34 of the 67 territorial authorities have an adopted LAP, this only covers 28 per cent of the New Zealand population. The majority of New Zealand communities have not been able to achieve the level of community input that was envisaged under the Act. This process needs to be reviewed in light of the experience of how the Act is operating in practice.

## **2. Background to its being raised**

### Wellington City Council

This remit recognises that almost all local authorities across New Zealand are currently managing this issue through the licensing powers under the Act. They can bring practical experience of the operation of the Act and help enable communities to benefit from a review of the provisions of the Act.

### Hastings District Council

Hawke's Bay faces significant social challenges as demonstrated in the following statistics:

- 25 per cent of Hawke's Bay 0-4 year olds live in a household receiving a main benefit (compared with 18 per cent nationally).
- 40 per cent of Hawke's Bay tamariki Maori aged 0-4 years live in a household receiving a main benefit.
- 250 Hawke's Bay children are in the care of Oranga Tamariki.
- Hawke's Bay rates of violent crime continues to be higher than the New Zealand average and is twice the rate of New Zealand as a whole.
- There were 9,932 family violence investigations by the Eastern Police District in 2017.



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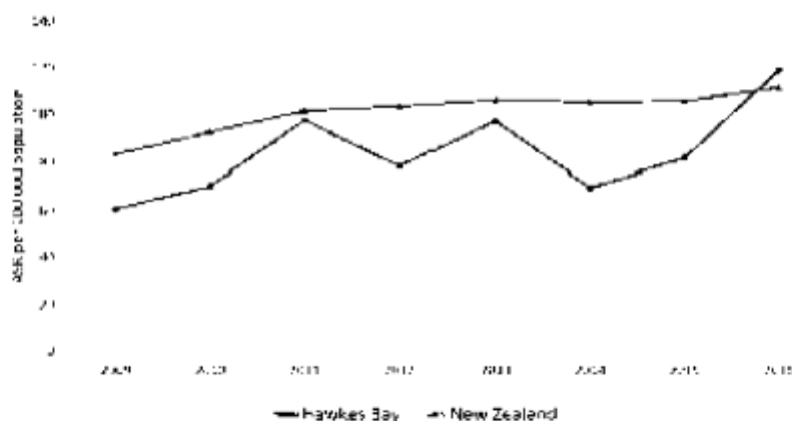
**Attachment 1**

- Suicide;
  - Is a major cause of premature, avoidable death in Hawke's Bay.
  - From 2010 to 2015, suicide was the second highest reason for premature death for those aged 0 to 74 years.
  - Since 1 July 2018, 29 people have committed suicide in Hawke's Bay.
- Drugs;
  - Synthetic substances are a serious concern for many whanau.
  - Fewer youth are smoking but more Hawke's Bay adults smoke than nationally.

A contributing factor of these negative statistics is the significant problem that the Hawke's Bay community has with alcohol consumption. For our region the issues manifested by alcohol consumption are a problem across the whole community including for young newly-born babies, infants and children, young people, adults and seniors across the generations. Local alcohol statistics are alarming and include:

- 29 per cent of Hawke's Bay adults drink at harmful levels compared to 21 per cent nationally, and this rate is increasing over time.
- 41 per cent of young people aged 15-24 are drinking hazardously.
- Over half of young men are drinking hazardously.
- The number of 15 years and older hospitalisations wholly attributable to alcohol; see the below graph. Note, there is an increasing rate of people being admitted to hospital due to alcohol.

Wholly attributable alcohol age standardised hospitalisation rates per 100,000 Hawkes Bay and New Zealand



- Alcohol intoxication or a history of alcohol abuse are often associated with youth suicide.

The statistics relating to our alcohol harm impact negatively on other key community safety concerns including health issues; death and injury; violence; suicide; assault and anti-social behaviours. This is why addressing the harm of alcohol is such an important issue for our community to address.

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The harm that alcohol causes across New Zealand is also a significant issue for the country and as with Hawke's Bay the harm that alcohol causes within the community is pervasive. National statistics include:

- About four in five (79 per cent) of adults aged 15 years or more drank alcohol in the past year (in 2017/18).
- 21 per cent of New Zealand adults drink at harmful levels.
- In 2017/18, 25 per cent of adults aged 15 years or more who drank alcohol in the past year has a potentially hazardous drinking pattern, with men (32 per cent) more likely to drink hazariously than women (17 per cent).

At a local level there are some tools available to territorial authorities and their respective communities to combat alcohol harm. For example, Local Alcohol Policies (LAPs) are permitted in accordance with the Sale and Supply of Alcohol Act 2012. Unfortunately for many LAPs there are significant delays in these becoming operational due to long appeal processes.

There are typically commercial implications for businesses particularly supermarkets and these often result in appeals being lodged. Appeal processes have not allowed for more local input and influence by community members and groups, but have instead allowed larger companies, with more money and resources, to force councils to amend their LAP's reducing the potential impact on harm minimisation.

Of course, local tools available to territorial authorities are also limited by what is permitted within our national laws. We consider that current statutes and their content are not strong enough and need to be strengthened so that alcohol harm within our communities can be more effectively addressed.

The most significant drivers of alcohol-related harm include:

- The low price of alcohol.
- Levels of physical availability.
- Alcohol advertising; promotion and sponsorship.
- The minimum legal purchase age (18).

Therefore this remit seeks a focus on effective national level strategies and interventions that prevent or minimise alcohol-related harm in regards to:

- Pricing and taxing (minimum unit pricing for alcohol).
- Regulating the physical availability.
- Raising the purchase age.
- Restrictions on marketing, advertising and sponsorship.
- Drink driving countermeasures.
- Treatment and early intervention services.

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We consider that significant changes in national policy and law that address key issues pertaining to alcohol harm are needed to create significant impact on reducing the harm that alcohol causes both in Hawke's Bay and New Zealand.

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

Wellington City Council

LGNZ has a priority to work, in partnership with central government, for local areas to develop innovative and place-based approaches for dealing with social issues. While the operation of the Act is not directly listed as one of the social issues covered by the current work programme, the intent of the Act was to allow place-based approaches to the management of alcohol related harm.

Hastings District Council

This remit links to the social policy priority; community safety. Integrate policy positions from *Mobilising the Regions* including: integrated transport planning and decision-making models into the above.

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

Wellington City Council

We are actively involved. The Council was proactive in initiating the development of a Local Alcohol Policy. We administer licencing functions under the Act and the DLC reports each year to the Alcohol Regulatory and Licensing Authority on its functions.

We have not directly progressed work on a review at this point as it requires central government leadership with the input of local authorities across New Zealand.

Hastings District Council

The Napier City and Hastings District Councils have a Joint Alcohol Strategy 2017-2022 (JAS) and have started to implement the JAS Action Plan with support from the JAS Reference Group (local stakeholder organisations that also contribute to this strategy). Some actions completed thus far include:

- Removal of alcohol advertising on bus shelters in Hastings and Napier;
- Funding obtained to identify and develop youth-driven alcohol harm prevention projects;
- Creation and distribution of an alcohol network newsletter (bi-monthly) to make the licensing process more accessible to the community;
- A move to notifying liquor licence applications online; and
- Funding obtained to create brand and resources for alcohol free events and alcohol free zones.

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Hastings District and Napier City Councils have completed a Provisional Local Alcohol Policy that was notified in July 2016. The Provisional Local Alcohol Policy has been before ARLA as a result of appeals. A position has been negotiated with the appellants. That position has been considered by ARLA and will be notified to the original submitters once ARLA is satisfied with the final wording. If no one seeks to appeal the revised version it will become the adopted Local Alcohol Policy.

**5. Suggested course of action envisaged**

Wellington City Council

That LGNZ would, on behalf of its member councils, form a working group to work with central agencies to review the effectiveness of the Sale and Supply of Alcohol Act 2012.

Hastings District Council

- Actively monitor opportunities to submit to central government with respect to review of statutes and regulations that relate to alcohol.
- Prepare submissions to central government review processes that relate to the key drivers of alcohol harm as outlined in this remit.
- Write to and meet with the Minister of Justice and officials to promote changes to laws and regulations that will address the key drivers of alcohol harm.
- Create a national action plan to reduce harm caused by alcohol.
- Engage and support councils nationwide to implement strategies, policies and actions that are aimed at reducing alcohol-related harm. This could include delivering workshops; providing statistics and information on the harm alcohol causes and developing templates for policies and strategies that can be easily implemented.



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## Greenhouse gases

**Remit:** Wellington City Council asks that LGNZ members collectively adopt the position that government should revise the Resource Management Act 1991 to adequately consider the impact of greenhouse gases when making decisions under that law and to ensure that the Resource Management Act 1991 is consistent with the Zero Carbon Bill.

**Proposed by:** Wellington City Council

**Supported by:** Metro Sector

### Background information and research

#### 1. Nature of the issue

The purpose of the Resource Management Act 1991 (RMA) is to promote the sustainable management of natural and physical resources.

The Act seeks to enable people and communities to provide for their social, economic, and cultural well-being and for their health and safety while:

- Sustaining the potential of natural and physical resources (excluding minerals) to meet the reasonably foreseeable needs of future generations;
- Safeguarding the life-supporting capacity of air, water, soil, and ecosystems; and
- Avoiding, remedying, or mitigating any adverse effects of activities on the environment.

Under the RMA, most decisions are decentralised to local and regional levels to enable public participation in decision-making.

The emissions trading scheme is a national framework. Because of this, there is a disconnection between decisions taken under the RMA and the emission of greenhouse gases. Emissions are not consistently contemplated when decisions are taken; there appears to be a gap, however the Council currently doesn't have a formal position on this.

#### 2. Background to its being raised

Wellington is proposing a substantial change in urban form and transportation in order to accommodate anticipated growth and to meet community expectations around carbon emissions. Planning for this growth has highlighted the regulatory gap described above.

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

In planning for growth the Council is setting out to develop a future Wellington that is low carbon and resilient. Decisions will be taken under the RMA, yet the need to reduce carbon emissions is not currently a requirement under our key planning legislation.

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

The Council has developed a draft plan, Te Atakura – First to Zero, that would establish the Council's advocacy position in favour of significantly boosted consideration of emissions in the RMA. This draft was released for consultation on 15 April 2019 and is to be considered for adoption on 22 June 2019.

**5. Suggested course of action envisaged**

The Minister for the Environment is aware of the gap, and has publicly stated:

"The Government intends to undertake a comprehensive review of the resource management system (Stage 2), which is expected to begin this year."

"Cabinet has already noted my intention to consider RMA changes relating to climate change (both mitigation and adaptation) within the scope of this review."

Local government will have an opportunity to advocate for the inclusion of climate change effects through this process.

This remit asks councils to work together in engaging with government to amend the RMA to require decision makers to reduce greenhouse gas emissions.

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# 18

## Climate Change – funding policy framework

<b>Remit:</b>	That LGNZ recommends to government that they establish an independent expert group to develop a new funding policy framework for adapting to climate change impacts as recommended by the Climate Change Adaptation Technical Working Group (CCATWG). This new expert group would be supported by a secretariat and stakeholder advisory group.
<b>Proposed by:</b>	Greater Wellington Regional Council
<b>Supported by:</b>	Regional Sector

### Background information and research

#### 1. Nature of the issue

New Zealand will need a new funding policy framework to enable effective, efficient and equitable long-term adaptation to the many challenges posed by climate change. Any such framework must be comprehensive, fit for purpose, and facilitate flexible and dynamic responses.

While there is broad agreement that the current policy framework for climate change adaptation, and especially sea level rise, is inadequate, there has been little attention given to securing a consensus among the stakeholders on the core features of a new framework.

Some small initiatives have been taken by a few local councils and academics towards the formulation of a new framework.

There are a large number of separate, yet interconnected issues that require investigation in parallel or in sequence. It is very likely to take several years to formulate a new, well-designed policy framework, followed by the drafting and enactment of legislative reforms, before the process of implementation can begin. Given the amount of work that is involved and that climate change impacts are already making themselves felt, it is important that this process is started without further delay.

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**2. Background to its being raised**

Sea level rise constitutes a particularly serious challenge due to irreversibility of the near-term impacts. Already many low-lying coastal communities around New Zealand are facing a growing threat to their homes and livelihoods, public infrastructure and private businesses. This and other impacts on human and natural systems related to more intense rainfall, heat, wind, and pathogens and disease vectors, will increase and become disruptive. They will increase the financial burden on the state at all levels and create inequities across society.

For further discussion of the issues and options for developing a new policy framework, from which the proposed remit was derived, see the discussion paper by Jonathan Boston (VUW) and Judy Lawrence (VUW), dated 4 February 2019.

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

A recent report by LGNZ found an estimated \$14 billion of local government assets are at risk from climate change impacts. It has called on central government to create a 'National Climate Change Adaptation Fund'. It has also recently published a legal opinion by Jack Hodder QC regarding the potential for local government to be litigated in relation to its actions or inaction in relation to climate change. A key risk raised by Mr Hodder's report was the absence of national climate change adaptation guidance (or framework) in New Zealand, which in effect is leaving it to the courts to decide how to remedy climate change related harms. This will be an uncertain and inefficient means of doing so.

The Government has received the recommendations of the CCATWG, but is yet to act upon them. The CCATWG recommendation to the Government (quoted below) was to set up a specialist group to define funding arrangements for funding adaptation.

"We recommend that a specialist group of practitioners and experts undertake this action (formulate a new policy framework for adaptation funding). These should be drawn from central and local government, iwi/hapū, sectors such as banking, insurance, and infrastructure; and have expertise in climate change, planning and law, public finance, capital markets, infrastructure financing, and risk management. The group should be serviced by a secretariat with officials across relevant public sector and local government agencies and include significant public engagement."

**4. Suggested course of action envisaged**

That LGNZ issue a news release explaining the content of the remit, and that they engage with central government directly (in face to face meetings) to discuss the setting up of an independent expert group to progress the development of a new funding policy framework for adapting to climate change impacts.

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## Road safety

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### Remit:

1. That LGNZ acknowledges that the New Zealand Transport Agency's (NZTA's), Code of Practice for Temporary Traffic Management (CoPTTM) is a comprehensive and robust document, and that NZTA ensures the CoPTTM system is regularly reviewed, refined and updated. However, in light of the recent road worker fatalities LGNZ requests NZTA, in partnership with Road Controlling Authorities (RCAs);
  - a. Review afresh its Code of Practice for Temporary Traffic Management (CoPTTM) to satisfy themselves that;
    - i. The document provides sufficient guidelines and procedures to ensure approaching traffic are given every possible opportunity to become aware of the worksite ahead and to respond appropriately and in a timely manner.
  - b. Review its CoPTTM Training System to ensure;
    - i. Trainers are sufficiently qualified and adequately covering the training syllabus.
    - ii. Site Traffic Management Supervisors (STMS's) and Traffic Controllers (TC's) are only certified when they can demonstrate competence in the application of CoPTTM.
    - ii. A robust refresher programme is in place to ensure those in charge of Traffic Management on worksites remain current in the required competencies.
  - c. Review its Site Auditing requirements to ensure the traffic management at worksites is independently audited at a sufficient frequency to ensure compliance, and that a significantly robust system is put in place to enable enforcement of compliance.
2. That LGNZ takes steps to remind its members of their duties with respect to their role as Road Controlling Authorities including;
  - a. Appointing and sufficiently training and resourcing a Traffic Management Co-ordinator to ensure their obligations under the Health and Safety Work Act 2015, with respect to traffic management, are being met.
  - b. *Adequately resourcing and undertaking audits of road work sites to ensure compliance with CoPTTM.*

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**Proposed by:** Whakatāne District Council

**Supported by:** Dunedin City Council  
Wairoa District Council  
Hamilton City Council  
Kawerau District Council  
Tauranga City Council

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### **Background information and research**

#### **1. Nature of the issue**

Four road workers have been killed on New Zealand roads this calendar year, and we need to ask ourselves, are we doing all that we can to ensure those working on our roads are safe from harm.

There is an increasing level of public discontent with the level of discipline around traffic management being maintained on roadwork sites by contractors, particularly on unattended sites, where all too often the temporary traffic management on site does not seem appropriate, or to adequately inform motorists of the need for the restrictions, or is left in place for too long.

#### **2. Background to its being raised**

Frameworks for the safe management of roadworks have been in place for over two decades now, and during this time they have evolved and improved to keep up with the changing risks in the workplace environment.

The current framework is the New Zealand Transport Agency's Code of Practice for Temporary Traffic Management, fourth edition 2018 (CoPTTM).

This is a comprehensive document that applies a risk based approach to temporary traffic management, based on a road's classification and intensity of use, and the nature of works required to be undertaken on the road.

It is closely aligned to the Health and Safety at Work Act 2015, recognising the statutory duty of all those involved with activities on or adjacent to the road, to systematically identify any hazards, and if a hazard is identified, to take all reasonably practical steps to ensure no person is harmed.

It includes steps to eliminate risks to health and safety and if it is not reasonably practicable, to minimise risks to health and safety by implementing risk control measures in accordance with Health and Safety at Work (General risk and Workplace Management) Regulations 2015.

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CoPTTM also includes a risk matrix to help determine what the appropriate temporary speed limit is that should be applied to a worksite, whether attended or unattended. It further contains procedures for undertaking safety audits and reviews of worksites, including the ability to close down worksites that are identified as unsafe following an audit. There are no financial penalties for non-compliance, although there are a range of other penalties that can be imposed, including the issue of a notice of non-conformance to individuals or companies, and a 'three strikes' system whereby the issue of three non-conformances within a 12 month period results in sanctions being imposed. These can include:

- Removal of any prequalification status.
- Reduction of quality scores assigned in tender evaluations.
- Forwarding of non-conformance to the appropriate standards organisation which may affect the company's 1509000 registration.
- Denial of access to the road network for a period of time.
- Requirement for the company to have someone else provide their TTM.
- Staff retraining for CoPTTM warrants.

In principle there would seem to be sufficient processes in place to ensure that traffic management on road worksites was appropriate and adequately provided for the safety of workers on site, the general public, and passing traffic.

However, this year has seen four road workers killed whilst working on our roads.

There is also a growing level of discontent from motorists regarding the appropriateness of signs that are left out on unattended sites.

Often these signs are perceived to be (any combination of) unnecessary, poorly located, incorrectly advising the condition of the road ahead, having an inappropriate speed limit, or being left out too long.

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

Local Government New Zealand has five policies in place to help achieve their sector vision: Local democracy powering community and national success.

Policy priority one is Infrastructure, which focuses on water, transport and built infrastructure. The transport statement states that a national policy framework is needed to achieve five outcomes. One outcome is 'a safe system, increasingly free of death and serious injury'.

This remit is aligned to this priority outcome as it is focused on reducing safety risks, death and serious injury in locations where road works are being undertaken.

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

The Whakatāne District Council has been working proactively with NZTA and its local contractors to review its own traffic management requirements, the level of compliance with those requirements, and the adequacy of its auditing processes and frequencies.

There has been positive engagement with NZTA and the local contracting sector on this matter.

The process has identified improvements that could be effected by both the Council and its contractors. A plan is being developed to socialise the outcomes with NZTA and other RCA's, and this remit forms part of that plan.

NZTA is also responding to the recent deaths by initiating immediate temporary changes to pertinent traffic management plans, and considering permanent changes through its standard CoPTTM review process.

There is currently no national initiative to require local government RCA's to review their practices in response to these deaths.

**5. Suggested course of action envisaged**

- Support NZTA's initiative to review CoPTTM in light of the recent fatalities.
- Encourage NZTA to work closely with RCA's to ensure the CoPTTM review also covers local road Temporary Traffic Management.
- Strongly encourage RCA's to work with NZTA, perhaps through the RCA Forum, on a review of local road Temporary Traffic Management.
- Strongly encourage RCA's to adopt with urgency, any local road CoPTTM
- Improvements that arise from the review.

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## Mobility scooter safety

<b>Remit:</b>	That LGNZ requests that government investigate the introduction of strengthened rules to govern the safe use of mobility scooters, particularly in relation to speed limits and registration.
<b>Proposed by:</b>	Whanganui District Council
<b>Supported by:</b>	Zone Three

### Background information and research

#### 1. Nature of the issue

The following issues have been identified:

- a. There is no opportunity to enforce a speed limit for mobility scooters, despite the fact that the top speeds of these devices can reach 40kmh.
- b. Mobility scooters are used too frequently on the road, even when a suitable footpath is available.
- c. There is no requirement for a mobility scooter user to have a license or any previous driving experience.
- d. There are no health related restrictions on who can operate a mobility scooter.
- e. There is no ability to track mobility scooters as no registration or Warrant of Fitness (WoF) is required.

A supplementary issue is also acknowledged:

- There is no restriction in terms of who can use a mobility scooter. For example, in some states of Australia mobility scooters can only be used by a person with an injury, disability or medical condition which means they are unable to walk or have difficulty walking. People who do not have difficulty walking are not permitted to use them.

#### 2. Background to its being raised

Establishing the number of injuries and fatalities involving mobility scooter users can be difficult to isolate and this has been identified as an issue nationwide. However, coronial data shows that at least 20 people have died while using mobility scooters in New Zealand.

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Given the considerable lag between a death occurring and a coronial case on that death being closed, the actual number may be significantly higher. Notably NZTA reports that: “mobility scooters... have been involved with a number of fatalities (at least 20 in 2014-2015).”

For the period 2008-2012 the Ministry of Transport recorded eight fatalities and 141 injuries of mobility scooter users. NZTA records 12 fatalities, 19 serious injuries and 81 less serious injuries for the period 2009-2014. These figures do not include fatalities or injuries to persons other than the mobility scooter user.

It has been acknowledged by those working in this field that there have been a ‘surprising’ number of injury crashes involving mobility scooters over the last five years, including fatalities. More work on clarifying the extent of this problem is required and there has been general agreement nationwide from the region’s road safety co-ordinators, and other agencies such as NZTA and Age Concern, that mobility scooter safety is an emerging concern. This is the case throughout the country and is reiterated by both large and small centres, in urban areas and rural regions.

Some of the issues raised include:

- Mobility scooters being driven on the road, at speed, with low visibility (eg without a flag) and like a motor vehicle (as opposed to like a pedestrian as is required).
- No accountability around vulnerable elderly users, particularly those who have lost their licence. There is no established avenue to ascertain whether there are issues around dementia or other chronic conditions which could have an impact on their ability to use these safely.
- No accountability around the purchase of mobility scooters, both in terms of being fit for use and training for safe handling. This is particularly the case when they are bought off the internet, eg there is no opportunity to ensure that the right scooter has been purchased for the user’s level of ability and that they are shown how to drive it according to the regulations.
- No ongoing monitoring of use, particularly in the case of declining health.
- No restrictions on the speed that mobility scooters can reach or the size of mobility scooters. With an increase in larger model mobility scooters being imported, there is less room for scooters to pass one another, or to pass other pedestrians. This leads to a greater likelihood of one or more of the footpath users needing to use the road rather than the footpath. Larger mobility scooters also require larger areas to turn. Given the size of many footpaths in New Zealand, this increases the risk that the user will enter the roadway at an angle and roll the mobility scooter, resulting in serious injury or death.

Some centres have also identified an issue with the increasing prevalence and size of mobility scooters adding load to the footpaths. Furthermore, the contrast between New Zealand Post’s work on safety assurances with the use of Paxster vehicles on the footpath, and the lack of oversight over larger sized mobility scooters being used in a similar (but unmonitored) way has been drawn.

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However, it is also important to note the significant role that mobility scooters play in granting senior people their independence. Any measures taken to address this remit's concerns must balance this benefit with the need to ensure safety for users and other pedestrians.

**3. New or confirming existing policy**

The remit would strengthen existing central government policy. However, new legislation would be required to put in place an appropriate registration programme, both for mobility scooter users and for the mobility scooters.

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

Transport safety issues are not referred to specifically in the current LGNZ work programme. However, ensuring we have safe systems, increasingly free of death and serious injury and addressing the needs of an ageing population are each included under one of the five policy priorities (Infrastructure and Social, respectively).

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

This is an emerging issue and is acknowledged as such by those with an interest and involvement in road safety at both the local and regional level. Although discussions are underway about working with the Safe and Sustainable Association of Aotearoa/New Zealand (SASTA) and Trafanz on these concerns so that this can be addressed with the NZTA, it is understood that this work has not yet commenced.

The Marlborough Road Safety Mobility Scooter User Group has undertaken some useful research in this area. They have canvassed users in relation to training needs, safety, registration, injuries, facilities and the footpath network.

Although not all suggestions were supported, this survey did identify some relevant ideas and safety concerns, eg 71 per cent of respondents had seen a mobility scooter being used in an unsafe manner on the footpath or road, 19 per cent had been injured by a mobility scooter as a pedestrian and 78 per cent said that they or someone they knew has had a 'near miss'.

Some ideas raised include focusing on licensing/registering drivers rather than the mobility scooters themselves, ensuring that any registration costs were low to ensure affordability, making mobility scooters easier to hear and introducing a speed limit.

**6. Any existing relevant legislation, policy or practice**

NZTA has the responsibility, via government, for mobility scooters in New Zealand and has a booklet available, titled *Ready to Ride - Keeping safe on your mobility scooter*. This is based on section 11 of the Land Transport (Road Use) Rule 2004.

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The following provisions exist – it is recommended that these be expanded upon and strengthened:

- Speed limits: Current New Zealand law says “A driver of a mobility device or wheeled recreational device on a footpath;
  - a. Must operate the device in a careful and considerate manner; and
  - b. Must not operate the device at a speed that constitutes a hazard to other footpath users.”
- Road usage: Current New Zealand law says;
  - a. A driver must not drive a mobility device on any portion of a roadway if it is practicable to drive on a footpath.
  - b. A pedestrian or driver of a mobility device or a wheeled recreational device using the roadway must remain as near as practicable to the edge of the roadway.
- Monitoring and registration: Current New Zealand law does not require users to have a driver licence or any form of medical approval to operate a mobility scooter and no warrant of fitness or registration is needed.

Further, current law does not require the use of any personal protective equipment such as helmets, despite these devices being capable of reaching similar speeds to mopeds and higher speeds than many bicycle users travel at.

This is particularly problematic given Canadian research that showed, of their sample group of mobility scooter users, 38 per cent had hearing impairments, 34 per cent had vision impairments, 19 per cent had memory impairments and 17 per cent had balance impairments. The study also found that 80 per cent of the mobility scooter users took four or more medications daily.

The *Ready to Ride* guidelines clearly spell out that mobility scooter users could be fined if they are found to be riding their scooter: “... carelessly, inconsiderately or at a dangerous speed. The fine may be higher if you do any of these things more than once.” Furthermore, if a mobility scooter user causes a crash where someone is killed or hurt then they could be charged with “careless or inconsiderate use of a motor vehicle”. This brings penalties ranging from a severe fine to a prison sentence. However, these do not provide clear definitions or rules to inform a user’s decisions.

## **7. Suggested course of action envisaged**

### Speed limits

It is recommended that the approach taken in some Australian States, including Victoria be adopted. This states that mobility scooters: “must have a maximum capable speed of 10km per hour on level ground and a maximum unladen mass of 110kg”.



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#### Road usage

It is recommended that New Zealand Police be resourced to enforce the law. Local and regional councils throughout the country, as well as NZTA, road safety action groups and other key agencies, have highlighted serious concerns about mobility scooters riding on the road when a footpath is available, as well as riding on the road as if they are a motor vehicle.

#### Monitoring and registration

It is recommended that legislation is changed to require all mobility scooters to be registered and display a licence plate, with minimal or no cost imposed, to ensure compliance. It is further recommended that the legislation set a maximum power assisted speed and size for mobility scooters.

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## Museums and galleries

<b>Remit:</b>	That central government funding be made available on an annual basis for museums and galleries operated by territorial authorities with nationally significant collections.
<b>Proposed by:</b>	Whanganui District Council
<b>Supported by:</b>	Zone Three

### Background information and research

#### 3. Nature of the issue

The following issues have been identified:

- There is currently no central government funding for daily operating costs for museums and galleries operated by territorial authorities.
- Public museums and galleries often house nationally significant collections and taonga but are supported largely by their local ratepayers, often from a limited funding pool.
- These facilities attract national and international visitors and service far more than the local area from which their funding is drawn.
- Local authorities are severely challenged to adequately support the annual running costs required for these key cultural facilities due to the financial impost on ratepayers.
- Support for the retention of these facilities in smaller regional centres, outside the larger cities, is important in terms of cultural accessibility and in keeping our provincial communities viable.

#### 4. Background to its being raised

Regional museums and galleries are important to the cultural makeup of this country. They are recognised as critical hubs for communities and visitors and play a role that extends far beyond the display of images and artefacts:

- They occupy a dynamic position in our national cultural life, encouraging us to think about our place in the world.
- They stimulate discussion and debate. This enhances participation, creativity, community capacity and a sense of place.

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- They generate economic activity; they are a driver of tourism and create jobs and vibrancy.
- They contribute to key aspects of our community and national cultural identity; the nature of our bicultural society and other multicultural influences means that museums and galleries will act as an increasingly important link in reflecting and understanding the diversity of our communities.
- They build social cohesion, creativity and leisure opportunities. They contribute to civic development and provide a focal point for gathering and interaction; acting as a key social destination.
- They foster enrichment. Arts and culture are 'good for you'. Having access to events and exhibitions is important, and this might be even more so in provincial centres.

Despite this, there is limited funding available, particularly for operating costs. This raises concerns about the ongoing ability of territorial authorities to:

- Provide adequate, appropriate and safe storage methods. Climate control and professional and timely care or repair of our treasures requires adequate funding to ensure the longevity of many of our special collection items (for example, paintings or heritage artefacts such as Māori cloaks).
- Deliver the right display conditions. Without the right climate control, security and display methods, the public's access to view these collections is severely limited. Instead of enhancing the visibility of, and connection to, our key collection pieces locally, nationally and internationally, this access is restricted by inadequate funds for exhibition. This is exacerbated by the limitations of funding at the local ratepayer level.
- Preserving our stories. The collections available at public museums and galleries are not only often nationally significant but also reveal important aspects of our local identity. They are an education resource (both formally through school programmes and informally) and are a drawcard for tourism. Maintaining these collections retains our storytelling abilities, supports our unique identities and contributes to economic and social development.

This is supported by the following background information:

- Some collections are over 100 years old and need specialised climate control and storage facilities. Paint, canvas, fabric and fibres have unique requirements to ensure their preservation and longevity. The cost of doing so is huge and is a burden that many local communities cannot sustain. However, despite this, they are solely responsible for this care.
- Some grants are available, on application, to deliver education programmes for school children. However, this funding is very limited and requires additional subsidisation by schools. As a result, not all children are gaining equitable access to our museums and galleries.
- Limited grants are also available, on application, for storage and building upgrades, as well as for one-off restoration projects. However, there are no regular, reliable funds available to meet the significant and necessary costs of just running these institutions.

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- Currently only the Auckland War Memorial Museum and Museum of New Zealand Te Papa Tongarewa receive an ongoing proportion of operating costs.

As an example, the Sarjeant Gallery in Whanganui has an annual operating budget of \$2.285 million and the Whanganui Regional Museum a budget of \$1.085 million. The value of their collections is \$30 million across each institution, with their collections considered to be some of the best in New Zealand. Yet they are funded almost solely from the local Whanganui district ratepayer base. This is not sustainable if we are to make the most of New Zealand's nationally significant collections and ensure their preservation for the future.

An example of public museums and art galleries currently operated by territorial authorities:

Institution	Permanent collection?
Sarjeant Gallery - Whanganui	✓
Whanganui Regional Museum	✓
Auckland Art Gallery	✓
Whangarei Art Museum	✓
Te Tuhi Center for the Arts, Manukau City	x
Waikato Museum	✓
Rotorua Museum of Art & History	✓
Tauranga Art Gallery	✓
Whakatane Museum & Art Gallery	✓
Govett Brewster Gallery/Len Lye Centre – New Plymouth	✓
Percy Thompson Gallery – Stratford	x
Tairāwhiti Museum – Gisborne	✓
Hawke's Bay Museum and Art Gallery – Napier	✓
Aratoi Wairarapa Museum of Art & History – Masterton	✓
City Gallery – Wellington	x
The New Dowse – Lower Hutt	✓
Millennium Art Gallery – Blenheim	✓
Suter Art Gallery – Nelson	✓
Christchurch Art Gallery	✓
Coca – Centre for Contemporary Art – Christchurch	✓
Aigantighe Art Gallery – Timaru	✓
Forrester Gallery – Oamaru	✓
Dunedin Public Art Gallery	✓
Southland Museum and Art Gallery – Invercargill	✓
Anderson Park Art Gallery – Invercargill	✓
Eastern Southland Gallery – Gore	✓

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**5. New or confirming existing policy**

The remit would require a policy shift by central government to provide funding for operating costs based on a set of clear assessment criteria.

**6. How the issue relates to objectives in the current Work Programme**

The LGNZ work programme includes tourism as a focus area and addresses concerns about funding in relation to key facilities and amenities:

“Without more equitable forms of funding there is a risk that visitors will lack the appropriate range of local amenities they need to have a positive experience.”

This is framed by the following statement:

“The visitor industry is now New Zealand’s largest export industry however the speed of its growth is putting many of New Zealand’s smaller communities under pressure. It is a problem created by the way in which councils are funded as new facilities will be paid for out of property taxes while visitor expenditure, in the form of increased GST and income tax, benefits central rather than local government.”

**7. What work or action on the issues has been done on it, and the outcome**

Although there was work completed on a central government funding model for the ‘national collection’ in the 1990’s (that being, the collection held by all public museums and galleries in New Zealand) this did not progress. The United Kingdom has a centrally funded system for museums and galleries.

**8. Any existing relevant legislation, policy or practice**

- Auckland War Memorial Museum Act 1996.
- Museum of New Zealand Te Papa Tongarewa Act 1992.

**9. Suggest course of action envisaged**

That central government funding be made available on an annual basis for museums and galleries operated by territorial authorities with nationally significant collections.

This would be in the form of an annual allocation for operating costs based on specific criteria to ensure the maintenance, preservation and development of collections with relevance beyond the local setting. This would provide the surety of a reliable income stream and could be set to a specified limit, eg 10 per cent of annual operating costs.

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Of particular interest would be those collections of national importance where the benefit of protection and enhancement would make a substantial contribution to New Zealand's creative sector as well as our national cultural identity.

Priority funding would be given to museums and galleries which hold permanent New Zealand collections, rather than being solely exhibition galleries. Funding could also be based on the size and type of collection. This recognises the added burden of storage, care and maintenance for collections of a significant size and importance.

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# 22

## Resource Management Act

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<b>Remit:</b>	That the selection of all independent commissioners for Resource Management Act hearings be centralised to improve independence and enhance the quality of decisions.
<b>Proposed by:</b>	Whanganui District Council
<b>Supported by:</b>	Zone Three

### Background information and research

#### 1. Nature of the issue

The following issues with the current system have been identified:

- There is potential for corruption and undue influence.
- There is limited ability for newer commissioners to obtain experience.
- There is opportunity for enhanced effectiveness and more robust decision-making.

#### 2. Background to its being raised

The Resource Management Act (RMA) contains provisions for the appointment of independent commissioners to sit on panels to hear RMA matters, for example, resource consent applications, notices of requirement and District and Regional Plan Reviews, including plan changes (s39B).

Commissioners must be accredited to sit on RMA hearing panels and the Minister for the Environment must approve the qualification for accreditation. The certification process is called "Making Good Decisions" and is delivered on behalf of the Ministry.

The Ministry for the Environment (MfE) website sets out the areas covered by the accreditation and recertification processes and has a register of qualified commissioners.

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Although this system provides opportunity, in theory, for panel composition based on a balanced range of factors to ensure impartiality and relevant breadth of experience – in practice this is not the case. Instead, selection can be influenced by:

- Paid relationships. For example, commissioners being held on retainer.
- Manipulation of focus areas. For example, panels being 'stacked' to increase the likelihood of support or sympathy for particular issues.
- Existing connections. For example, the same commissioners being selected by the same councils, leaving little room for newer certificate holders and leading to questions of true independence.

As a result, the current system is open to both real and perceived issues of fairness based on concerns about:

- The appropriateness of an ongoing financial arrangement for retained availability, as well as the ability of this relationship to really remain independent and impartial. For example, would an 'unfavourable' decision jeopardise the financial benefit for a commissioner in this position?
- A balance of experience and expertise on the panel when many of the same commissioners, with similar backgrounds (planners, lawyers, elected members) are used on a consistent basis.
- Missed opportunities to provide practical experience to a broader spread of certificate holders in a more even way (rather than the same familiar options being selected).
- The ability to achieve genuine impartiality when commissioners can be picked based on prior relationships and knowledge of their position (and therefore likely decisions) on particular issues.
- An absence of local and external collaboration on decisions – missing important opportunities to upskill lesser experienced commissioners and provide the right mix of local versus external perspectives to equally inform good decision-making.
- A lack of standardisation in fee structures throughout the country, potentially leading to 'cherry-picking' of hearings.
- Poor Māori representation on hearing panels in areas where co-management legislation does not yet apply.

There is also no process for receiving or addressing complaints about commissioner conduct.

### **3. New or confirming existing policy**

The remit would require amendment to the RMA and the development of a centralised and independently managed appointment process to allocate commissioners in a systematic and fair manner. This would be supported by regulations which would set out the steps to be followed.



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Such provisions are already contained in legislation such as the Waikato-Tainui Raupatu Claims (Waikato River) Settlement Act 2010 (s 25 and s28).

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

The work programme notes that ‘major reform’ of the RMA is required. It does not, however, specifically relate to the recommendations of this remit.

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

No work has been undertaken specifically on this. However, the proposed model recommends use of the Victorian State Government approach: <https://www.planning.vic.gov.au/panels-and-committees/panels-and-committees>

In addition, the New Zealand Environment Court uses a mixed model approach, with the Judge as chair and two or more court appointed commissioners. These commissioners have a varied background (across planning, ecology, landscape architecture, civil engineering, Tikanga Māori etc) and have all completed the “LEADR” mediation programme to assist the Court in mediated resolutions of court appeals. Many have also undertaken the “Making Good Decisions” programme.

**6. Suggested course of action envisaged**

That the selection of all accredited commissioners for RMA hearings be centralised and independently managed by the Ministry for the Environment.

The new process could follow the Victorian State Government example. In essence this involves making an initial hearing panel application online, followed by a formal letter of request. A panel is then appointed by the Minister (or a delegate) in accordance with the specific details of the particular issue, eg the complexity of the topic, the number of submissions received or the special expertise required. This enables administrative ‘filtering’ to sort panellists according to their suitability across a spectrum of hearing complexities. For example, smaller and less controversial issues would be resourced differently to more difficult topics. This would also ensure a tailored mix of expertise and backgrounds – enabling greater Māori representation, a balance of newer and more experienced commissioners and a spread of local and external knowledge.

In Victoria the pool of available commissioners is managed by an ‘Office of Planning Panels’ acting as a conduit between panels and interested parties to “ensure an independent and transparent process is upheld”.

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If MfE took this on it would also be expected to manage the contracts, oversee the effectiveness of the process, receive and adjudicate on any complaints about commissioner conduct and regulate the fee structure. It would also deliver administrative support for the process (although where hearings are cost recoverable from applicants then this would be managed accordingly). MfE could also maintain the register of accredited commissioners and chairs and ensure that it remained up to date, with sufficient information provided to ensure the effective appointment of panels.

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# 23

## Mayor decision to appoint Deputy Mayor

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<b>Remit:</b>	That LGNZ request the Government to amend S.41A of the LGA2002 to give Mayors the same powers to appoint a deputy mayor as held by the Mayor of Auckland.
<b>Proposed by:</b>	Horowhenua District Council, Invercargill District Council and Whanganui District Council
<b>Supported by:</b>	Provincial Sector

### Background information and research

#### 1. Nature of the issue

Since 2013 mayors have had the power to determine who their deputy mayor should be, however a mayor's choice of deputy can be overturned by a majority vote of councillors. Not only has this caused confusion the fact that councils can over turn a mayor's choice undermines the original intent of the legislation.

#### 2. Background to its being raised

The 2012 LGA 2002 Amendment Act introduced Section 41A which recognised mayors' leadership role and gave mayors the authority to appoint their deputy as well as committee chairs. The select committee amended the original bill to provide councils with an ability to reverse a mayor's decision. Not only did that change make a nonsense of the original intent it has also undermined the credibility of the legislation in the eyes of citizens who generally expect a mayor to be able to choose who their deputy will be, given the importance of that working relationship.

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

The problems mayors face with implementation of section 41A is not currently on the LGNZ work programme.

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**4. Any existing relevant legislation, policy or practice**

The Government is re-drafting the Local Government Amendment Bill 2 which is expected to be given its second reading later this year. The Bill could provide a vehicle to amend S.41A in order to strengthen mayors' ability to appoint their deputies without the risk of that decision being reversed.

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# 24

## Beauty industry

<b>Remit:</b>	That LGNZ calls on the Government to develop and implement national guidelines, policy or regulations to achieve national consistency for the largely unregulated 'health and beauty clinic' industry.
<b>Proposed by:</b>	Whangarei District Council
<b>Supported by:</b>	Selwyn District Council Kawerau District Council Dunedin City Council Rangitikei District Council Far North District Council

### Background information and research

#### 1. Nature of the issue

Over recent years, the 'health and beauty clinic' industry has seen tremendous growth and continues to expand rapidly. Unfortunately, there is no national legislation or guidance to regulate this industry.

The Health Act 1956 is currently the only legislative tool at the disposal of local authorities to deal with concerns and complaints. However, the powers under the Act are very limited, and do not relate specifically to quality and community safety.

Several councils have developed their own Bylaws to deal with the potential risks that this industry poses to its clientele, with varying degrees of success, but by large the industry remains unregulated. By contrast, national regulations to regulate the hairdressing industry have existed since the 1980's. It is considered that the 'health and beauty clinic' industry faces much higher risks and challenges.

#### 2. Background to its being raised

Nationally, as well as locally, Environmental Health Practitioners are dealing with an ever-increasing number of complaints about this industry and the fallout from botched procedures, as well as infections. Whilst, practitioners can address some of these concerns under the Health Act 1956, it is felt that specific legislation or guidance is the only way to regulate this industry and achieve national consistency.

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In the absence of national legislation, territorial authorities such as the Whangarei District Council are unable to regulate the industry, except through the development of a specific Bylaw. The development of Bylaws is an expensive and time consuming process and the cost of that process and any complaint investigation, outside the Bylaw process, falls solely on ratepayers whilst creation of Bylaws can mitigate risk at local level, they do not result in national consistency.

**3. New or confirming existing policy**

New policy.

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

The issue aligns to the LGNZ Three Year Business Plan (2019/20 – 2021/22), that recognises quality and community safety as a key social issue, with social issues being one of the five big issues for New Zealand councils. Specifically, the commitment to “work alongside central government and iwi to address social issues and needs in our communities, including a rapidly growing and an ageing population, inequality, housing (including social housing) supply and quality and community safety.”

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

Aside from some council’s developing their own Bylaws, as far as the Whangarei District Council is aware, central government has no plan to develop legislation or guidance for this sector.

Notably, as New Zealand-wide complaints regarding the industry continue to rise and the serious risks associated with the industry continue to be better understood a national approach is needed to make any substantive progress on regulating the ‘health and beauty clinic’ industry in New Zealand.

**6. Any existing relevant legislation, policy or practice**

As described above, the Health Act 1956 is currently the only legislative tool at the disposal of local authorities to deal with concerns and complaints. However, the powers under the Act are very limited, and do not relate specifically to quality and community safety.

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**7. Suggested course of action envisaged**

That LGNZ calls on the Government to develop and implement national guidelines, policy or regulations to achieve national consistency for the largely unregulated 'health and beauty clinic' industry.

It is also suggested that LGNZ engage directly with relevant ministers and ministries to ensure local government has an appropriate role in the development of nationally consistent legislation or guidelines to address the challenges the industry brings.

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### **Remits not going to AGM**

The remit Screening Committee has referred the following remits to the National Council of LGNZ for action, rather than to the Annual General Meeting for consideration. The Remit Screening Committee's role is to ensure that remits referred to the AGM are relevant, significant in nature and require agreement from the membership. In general, proposed remits that are already LGNZ policy, are already on the LGNZ work programme or technical in nature will be referred directly to the National Council for their action.

#### **1. Earthquake strengthening – tax relief**

**Remit:** That LGNZ lobby central government to provide tax relief for buildings owners for the compulsory earthquake strengthening of their buildings either by way of reinstating depreciation or some other tax relief for earthquake compliance costs.

**Proposed by:** Horowhenua District Council

**Supported by:** Zone Three

**Recommendation:** That the remit is referred to National Council for action

#### **2. Benchmark Programme**

**Remit:** That LGNZ investigate and implement an infrastructure delivery benchmark programme, including working with the Department of Internal Affairs to improve the Non-Financial Performance Measures Rules 2013 to be more meaningful measures of infrastructure service delivery.

**Proposed by:** New Plymouth District Council

**Supported by:** Central Hawkes Bay District Council; Otorohanga District Council; South Taranaki District Council; Stratford District Council; Thames-Coromandel District Council; Waitomo District Council; Wellington City Council; Whanganui District Council

**Recommendation:** That the remit is referred to the National Council for action



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### **3. On-line voting**

**Remit:** That LGNZ advocates to the Government for it to provide financial support for the Local Government on-line voting trial.

**Proposed by:** Palmerston North City Council

**Supported by:** Metro Sector

**Recommendation:** That the remit is referred to the National Council for action

### **4. E-waste**

**Remit:** That LGNZ advocates to the Government to introduce a mandatory product stewardship programme for e-waste.

**Proposed by:** Palmerston North City Council

**Supported by:** Metro Sector

**Recommendation:** That the remit is referred to the National Council for action

### **5. Tourism Industry Aotearoa**

**Remit:** That LGNZ actively consider the Tourism Industry Aotearoa Local Government Funding Model to Support Regional Tourism Growth.

**Proposed by:** Ruapehu District Council

**Supported by:** Palmerston North City Council; Horizons Regional Council; New Plymouth District Council; Rangitikei District Council; Stratford District Council

**Recommendation:** That the remit is referred to the National Council for action

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## 2019 Local Government New Zealand AGM – Proposed Remits

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
1	Auckland Council (Zone One)	Climate change – local government representation	<i>That LGNZ calls on the Government to include local government representation (as determined by local government) at all levels of policy development, technical risk and resilience assessment, and data acquisition on climate change response policies – with an emphasis on climate adaptation: policy; legal; planning; and financial compensation regimes</i>	<b>SUPPORT.</b> No additional comment.
2	Auckland Council (Metro Sector)	Ban on the sale of fireworks to the general public	<i>That LGNZ works with central government to introduce legislation to ban the sale of fireworks to the general public and end their private use.</i>	No comment
3	Auckland Council (Metro Sector)	Traffic offences – red light running	<i>That LGNZ request the Government to bring into line camera and officer-detected red light running offences with other traffic offences that incur demerit points.</i>	No comment
4	Auckland Council (Metro Sector)	Prohibit parking on grass berms	<i>To seek an amendment to clause 6.2 of the Land Transport (Road User) Rule 2004 to prohibit parking on urban berms.</i>	No comment
5	Christchurch City Council (Metro Sector)	Short-term guest accommodation	<i>That LGNZ advocates for enabling legislation that would allow councils to require all guest accommodation providers to register with the council and that provides an efficient approach to imposing punitive action on operators who don't comply.</i>	No comment
6	Christchurch City Council (Metro Sector)	Nitrate in drinking water	<i>That LGNZ recommend to the Government the funding of additional research into the effects of nitrates in drinking water on human health, and/or partner with international public health organisations to promote such research, in order to determine whether the current drinking water standard for nitrate is still appropriate for the protection of human health.</i>	<b>SUPPORT</b> Although directly relevant to city and district councils as water supply asset managers, additional research on this issue will also help inform targeted policy interventions in regional plans for protection of community drinking water sources and definition of source protection zones ('SPZs').

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Attachment 2

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
7	Hamilton City Council (Metro Sector)	Local Government Official Information and Meetings Act (1987)	<p>1. That LGNZ initiates a review of Local Government Official Information and Meetings Act (1987) (LGOIMA) request management nationally with a view to establishing clear and descriptive reporting for and by local authorities that will create a sector-wide picture of:</p> <ul style="list-style-type: none"> <li>Trends in the volume and nature of LGOIMA requests over time.</li> <li>Trends in users.</li> <li>The impacts of technology in terms of accessing information sought and the amount of information now held by local authorities (and able to be requested).</li> <li>The financial and resource impacts on local authorities in managing the LGOIMA function.</li> </ul> <p>2. That LGNZ use the data obtained to:</p> <ul style="list-style-type: none"> <li>Identify opportunities to streamline or simplify LGOIMA processes.</li> <li>Share best practice between local authorities.</li> <li>Assess the value of a common national local government framework of practice for LGOIMA requests.</li> <li>Identify opportunities to advocate for legislation changes on behalf of the sector (where these are indicated).</li> </ul>	<p><b>SUPPORT</b></p> <p>Particularly to have access to the data collected in order to continue to optimise use of best practice processes for recording, responding to and reporting LGOIMA requests, including options for pro-active release of official information.</p>
8	Hamilton City Council (Metro Sector)	Weed Control	That LGNZ encourages member councils to consider using environmentally friendly weed control methods.	<p><b>SUPPORT</b></p> <p>HBRC typically does this already for pest control operations, managing regional park and open space assets etc.</p>
9	Napier City Council (Zone Three)	Building defects claims	LGNZ calls on central government to take action as recommended by the Law Commission in its 2014 report on "Liability of Multiple Defendants" to introduce a cap on the liability of councils in New Zealand in relation to building defects claims whilst joint and several liability applies.	No comment
10	Napier City Council, Tauranga City Council and Wellington City Council (Zone Three & Metro Sector)	Social Housing	That LGNZ, in conjunction with central government, urgently focus on the development and implementation of a broader range of funding and financing tools in respect of community/social housing provision, than those which currently exist in the housing needs space. These should include funding to support the operation, upgrade and growth of council housing portfolios and, where a council chooses, access to Income Related Rents for eligible tenants.	No comment

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
11	New Plymouth District Council (Central Hawkes Bay DC, Otorohanga DC, South Taranaki DC, Stratford DC, Thames- Coromandel DC, Waitomo DC, Wellington CC, Whanganui DC)	Procurement	<i>That LGNZ investigate the ability of the sector to collaborate in procuring open-source designs and plans for bulk infrastructure that are largely similar, with an initial approach to look at water and wastewater treatment facilities</i>	No comment
12	Palmerston North City Council (Metro Sector)	Single use polystyrene	<i>That LGNZ advocates to the Government to phase out single use polystyrene</i>	<b>SUPPORT in principle</b> – primarily raised as a waste reduction/landfill issue but indirectly also an issue as a pollutant in waterways, estuaries and ocean
13	Rangitikei District Council (Zone Three)	s181 Local Government Act 2002 – construction of works on private land	<i>That LGNZ pursue an amendment to the Local Government Act 2002 to:</i> <i>a. Re-number sub-sections 181 (5) and (6) to sub-sections (6) and (7); &amp;</i> <i>b. Introduce a new sub-section (5) to read: For all purposes the term “any work” in subsection 4 means any works constructed before xx Month 20xx; and includes any works that were wholly or partly in existence, or work on the construction of which commenced, before xx Month 20xx.</i>	<b>SUPPORT in principle.</b> No additional comment.
14	Thames-Coromandel District Council (Dunedin CC, Waikato DC, New Plymouth DC, Mackenzie DC, Hamilton CC)	Campground regulations	<i>That LGNZ request the Government to amend the Camping - Ground Regulations to allow councils to approve remote camp facilities on private property, subject to any such conditions as deemed required by a council, including the condition that any approved campground is x distance away from an existing campground, unless the existing campground operator agrees to waive this condition in writing.</i>	No comment



Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
15	Wellington City Council (Metro Sector)	Living Wage	<i>Wellington City Council asks that LGNZ members consider engaging with the Living Wage Aotearoa New Zealand Movement when developing policies on payment of the Living Wage.</i>	<b>SUPPORT in principle</b> , provided that the remit is clarified to relate only to those policies and decisions in relation to the council as an employer.  HBRC already pays a living wage or better to all its permanent employees. HBRC is currently considering whether it should adopt a policy encouraging procurement of goods and services from companies that pay a living wage to all their respective employees. The proposed remit is would be appropriate in relation to HBRC as an employer, but implementation of the remit could be problematic if it also extended to HBRC's policies about what companies, goods and services it may procure for its day-to-day operations.
16	Wellington City Council and Hastings District Council (Metro Sector)	Sale and Supply of Alcohol Act	<i>LGNZ, on behalf of its member councils ask for a review of the effectiveness of the Sale and Supply of Alcohol Act 2012 in reducing alcohol harm (e.g. price, advertising, purchase age and availability) and fully involve local government in that review.</i>	No comment
17	Wellington City Council (Metro Sector)	Greenhouse Gases	<i>Wellington City Council asks that LGNZ members collectively adopt the position that government should revise the Resource Management Act 1991 to adequately consider the impact of greenhouse gases when making decisions under that law and to ensure that the Resource Management Act 1991 is consistent with the Zero Carbon Bill.</i>	<b>SUPPORT</b> Environment Minister Hon David Parker is on record as saying "The Government intends to undertake a comprehensive review of the resource management system (Stage 2), which is expected to begin this year... Cabinet has already noted my intention to consider RMA changes relating to climate change (both mitigation and adaptation) within the scope of this review." Through that process, local government would have an opportunity to advocate for the inclusion of climate change effects and consideration of GHGs in resource management decision-making.

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
18	Greater Wellington Regional Council (Regional Sector)	Climate Change – funding policy framework	<i>That LGNZ recommends to government that they establish an independent expert group to develop a new funding policy framework for adapting to climate change impacts as recommended by the Climate Change Adaptation Technical Working Group (CCATWG). This new expert group would be supported by a secretariat and stakeholder advisory group.</i>	<b>SUPPORT</b> A recent report by LGNZ found an estimated \$14 billion of local government assets are at risk from climate change impacts. It has called on central government to create a 'National Climate Change Adaptation Fund'. Funding issues are already at forefront of considerations for the joint Clifton to Tangoio Coastal Hazards Management Strategy, but climate change adaptation funding policy is not unique nor confined to the issue of sea level rise alone.

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
19	Whakatāne District Council (Dunedin CC, Wairoa DC, Hamilton CC, Kawerau DC, Tauranga CC)	Road Safety	<p>1. That LGNZ acknowledges that the New Zealand Transport Agency's (NZTA's), Code of Practice for Temporary Traffic Management (CoPTTM) is a comprehensive and robust document, and that NZTA ensures the CoPTTM system is regularly reviewed, refined and updated. However, in light of the recent road worker fatalities LGNZ requests NZTA, in partnership with Road Controlling Authorities (RCAs);</p> <p>a) Review afresh its Code of Practice for Temporary Traffic Management (CoPTTM) to satisfy themselves that; i. The document provides sufficient guidelines and procedures to ensure approaching traffic are given every possible opportunity to become aware of the worksite ahead and to respond appropriately and in a timely manner.</p> <p>b) Review its CoPTTM Training System to ensure;</p> <p>i. Trainers are sufficiently qualified and adequately covering the training syllabus.</p> <p>ii. Site Traffic Management Supervisors (STMS's) and Traffic Controllers (TC's) are only certified when they can demonstrate competence in the application of CoPTTM.</p> <p>iii. A robust refresher programme is in place to ensure those in charge of Traffic Management on worksites remain current in the required competencies.</p> <p>c) Review its Site Auditing requirements to ensure the traffic management at worksites is independently audited at a sufficient frequency to ensure compliance, and that a significantly robust system is put in place to enable enforcement of compliance.</p> <p>2. That LGNZ takes steps to remind its members of their duties with respect to their role as Road Controlling Authorities including;</p> <p>a) Appointing and sufficiently training and resourcing a Traffic Management Coordinator to ensure their obligations under the Health and Safety Work Act 2015, with respect to traffic management, are being met.</p> <p>b) Adequately resourcing and undertaking audits of road work sites to ensure compliance with CoPTTM.</p>	<p><b>SUPPORT</b></p> <p>Hawke's Bay Regional Council is not a road controlling authority, so does not have traffic management responsibilities for road works. However, we support any necessary move to ensure that the CoPTTM is as robust as possible and fully implemented by road controlling authorities, in the interests of worker safety.</p>
20	Whanganui District Council (Zone Three)	Mobility scooter safety	<p>That LGNZ requests that government investigate the introduction of strengthened rules to govern the safe use of mobility scooters, particularly in relation to speed limits and registration.</p>	<p><b>SUPPORT</b></p> <p>Hawke's Bay's population is ageing at a faster rate than nationally and use of mobility scooters will only increase. New Zealand has no legal speed limit for mobility scooters, at odds with many other countries, including Australia and the UK. Investigation of reform is warranted.</p>

Ref	Proposer (Supporter)	Title	Specific wording of proposed Remit	Recommendation / Comment
21	Whanganui District Council (Zone Three)	Museums and galleries	<i>That central government funding be made available on an annual basis for museums and galleries operated by territorial authorities with nationally significant collections.</i>	No comment
22	Whanganui District Council (Zone Three)	Resource Management Act	<i>That the selection of all independent commissioners for Resource Management Act hearings be centralised to improve independence and enhance the quality of decisions.</i>	<b>OPPOSE</b> - Refer separate comments
23	Horowhenua DC, Invercargill DC and Whanganui DC (Provincial Sector)	Mayor decision to appoint Deputy Mayor	<i>That LGNZ request the Government to amend S.41A of the LGA2002 to give Mayors the same powers to appoint a deputy mayor as held by the Mayor of Auckland.</i>	No comment
24	Whangarei District Council (Selwyn DC, Kawerau DC, Dunedin CC, Rangitikei DC, Far North DC)	Beauty Industry	<i>That LGNZ calls on the Government to develop and implement national guidelines, policy or regulations to achieve national consistency for the largely unregulated 'health and beauty clinic' industry.</i>	No comment
25	-	Remits <b>not</b> going to AGM	<ul style="list-style-type: none"> <li>• Tax relief for building owners for compulsory earthquake strengthening</li> <li>• Infrastructure Delivery Benchmarking Programme</li> <li>• Government financial support for local government on-line voting trial</li> <li>• Introduction of mandatory product stewardship programme for E-waste</li> <li>• Tourism Industry Aotearoa funding model to support regional tourism growth</li> </ul> <p>LGNZ's Remit Screening Committee has referred these remits directly to the National Council of LGNZ for action, rather than for consideration at the 2019 LGNZ Annual General Meeting. The Remit Screening Committee's role is to ensure that remits referred to the AGM are relevant, significant in nature and require agreement from the membership. In general, proposed remits that are already LGNZ policy, are already on the LGNZ work programme or technical in nature will be referred directly to the National Council for their action.</p>	No comment



## PROPOSED AMENDMENTS TO THE RULES 2019

## Proposal 1 - Minor (Administrative) Substantive Changes:

1. Rule A2: - Delete paragraph (b) of the definition of "Elected Member" and substitute:
  - "(b) A person holding office as a member of a local board within the district of a Member Authority; and
  - (c) A person holding office as a member of a community board within the district of a Member Authority."
2. Rule E11A to E11C: Add the following after Rule E11:
 

<b>"E11A</b>	<b>From time to time, the National Council may appoint to the National Council any person whom the National Council believes will assist the National Council in its deliberations because of that person's training, qualifications or experience. Any such person is not required to be qualified to be a National Council member or an Elected Member. The National Council may discharge any such person from the National Council in like manner.</b>
<b>E11B</b>	<b>From time to time, the National Council may appoint to the National Council any person whom the National Council believes will ensure diversity of representation on National Council. Any such person must be an Elected Member. The National Council may discharge any such person from the National Council in like manner.</b>
<b>E11C</b>	<b>Any person appointed under Rules E11A or E11B shall have full speaking rights but no voting rights at National Council meetings."</b>
3. Rule E17: Delete the word "six" in both places it appears and substitute "a quorum".
4. Rule E26: Delete the current wording and substitute:
 

**"At any meeting of the National Council, a quorum consists of:**

  - (a) half of the membership (President and members provided for in Rule E1) if the number of such members (including vacancies) is even; or**
  - (b) a majority of members (President and members provided for in Rule E1) if the number of such members (including vacancies) is odd.**
5. Rule E29A: Delete the current wording and substitute:
 

**"The National Council may pass a resolution without a meeting held in accordance with Rules E20-E29, but only if the resolution is assented to by not less than 75% of the members of the National Council then in office and entitled to vote."**

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Proposed substantive changes

**Proposal 2 - Amendments to provide Te Maruata representation on the National Council (including consequential amendments):**

Rule A2:

Amend the definition of "NATIONAL COUNCIL MEMBER" by deleting the words "elected or appointed" and substituting "**elected, appointed or assuming office**".

Insert after the definition of "SECTOR GROUP" the following:

**"TE MARUATA" means the committee named Te Maruata Roopu Whakahaere established in response to the remit passed at the 2008 Annual Conference and any committee in substitution for that committee."**

Rule E1: Delete the opening words and paragraph (a) and substitute the following:

**"E1           The National Council of LGNZ consists of the President and:**  
  
**(a)           The person for the time being holding office as the Chair of Te Maruata (or an alternate appointed in writing by that person);"**

Rule E10: Delete the current wording and substitute:

**"E10           Persons appointed to the National Council or who assume office as a member of National Council under Rules E1 to E9 assume office on the day that is eight weeks after the triennial local government elections are held, except that the person who assumes office as a member of National Council pursuant to Rule E1(a) assumes that office at such time that the Chair of Te Maruata is appointed at a hui organised by LGNZ for the purpose of Te Maruata appointment, and subject to Rules E12 to E16 all such persons serve in office until their successors have assumed office."**

Rule E15: After the reference to "the President" add the words "**or the position occupied by the Chair of Te Maruata.**"

Rule E15A: Add the following after Rule E15:

**"E15A       In the event of the position on National Council occupied by the Chair of Te Maruata becoming vacant, that position will be filled by the Deputy Chair of Te Maruata until such time that a replacement Te Maruata Chair is elected."**

Rule E16: Add after the reference to "Rule E15" "**, or who assumes office under Rule E15A,**"

**Proposal 3 - Amendments to give effect to Auckland Council representation on the National Council (including consequential amendments):**

**Rule D1:** Delete the second sentence and substitute the words **"Each Member Authority (except Auckland Council) shall belong to one Zone, and no Member Authority shall belong to more than one Zone."**

**Rule D2:** Delete from the definition of "Zone One" in paragraph (a) the words **"and the Auckland Council"**.

**Rule E1:** Delete paragraphs (b) to (e) and substitute the following:

- "(b) One person elected by each of Zones One, Two, Three, Four, Five and Six;**
- (c) Three persons elected by the Metropolitan Group –**
  - (i) at least one of whom is an elected member of a South Island Member Authority; and**
  - (ii) none of whom is an elected member of Auckland Council or any of its local boards;**
- (d) Two persons elected by the Regional Group;**
- (e) One person elected by each of the Provincial and Rural Groups;**
- (f) The Mayor of Auckland (or an alternate member of the Auckland Council governing body appointed in writing by the Mayor); and**
- (g) Two persons to represent Auckland as set out in Rule E1A."**

Add after Rule E1 the following:

**"E1A AUCKLAND REPRESENTATION**

**The appointments referred to in Rule E1(g) must be:**

- (a) one person appointed by the Auckland Council, from members of the governing body (not being the Mayor, or the Mayor's alternate under Rule E1(f)); and**
- (b) one person appointed by Auckland Council local boards, from elected members of the local boards."**

**Proposal 4 – Minor Amendments to Modernise (e.g. electronic notices and voting) and rationalise language.**

Please refer to the attached version of the Rules (Appendix X) with all proposed amendments shown in red.