

Notice of Meeting:

I hereby give notice that an ordinary meeting of the Dunedin City Council will be held on:

Date: Tuesday 25 May 2021
Time: 10.00 am
Venue: Council Chamber, Municipal Chambers, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Council
PUBLIC AGENDA

MEMBERSHIP

Mayor Mayor Aaron Hawkins
Deputy Mayor Cr Christine Garey

Members

Cr Sophie Barker	Cr David Benson-Pope
Cr Rachel Elder	Cr Doug Hall
Cr Carmen Houlahan	Cr Marie Laufiso
Cr Mike Lord	Cr Jim O'Malley
Cr Jules Radich	Cr Chris Staynes
Cr Lee Vandervis	Cr Steve Walker
Cr Andrew Whiley	

Senior Officer Sandy Graham, Chief Executive Officer

Governance Support Officer Lynne Adamson

Lynne Adamson
Governance Support Officer

Telephone: 03 477 4000
Lynne.Adamson@dcc.govt.nz
www.dunedin.govt.nz

Note: Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

ITEM	TABLE OF CONTENTS	PAGE
1	Opening	4
2	Public Forum	4
3	Apologies	4
4	Confirmation of Agenda	4
5	Declaration of Interest	5
6	Confirmation of Minutes	19
6.1	Ordinary Council meeting - 13 April 2021	19
MINUTES OF COMMUNITY BOARDS		
7	Mosgiel-Taieri Community Board - 17 February 2021	20
8	Waikouaiti Coast Community Board - 24 March 2021	21
9	Strath Taieri Community Board - 25 March 2021	22
10	Otago Peninsula Community Board - 25 March 2021	23
11	West Harbour Community Board - 17 March 2021	24
REPORTS		
12	Actions From Resolutions of Council Meetings	25
13	Council Forward Work Programme	31
14	Covid-19 Support Fund Update	45
15	Three Waters Reform Update	50
16	Feedback on the Draft 2021/22 Statements of Intent - Dunedin City Holdings Limited Group Companies	247
17	Terms of Reference for the Review of the DCC Waikouaiti, Karitane and Hawksbury Village Water Response	254
18	Adoption of the Litter Compliance Policy 2020	259
19	Regulatory Subcommittee Recommendation on Dangerous and Insanitary Buildings Policy Review	273
20	Submission to Gambling Commission on Review of Charitable Trust Licence Conditions for Casinos	290
21	DCC Submission on Building Code Update 2021 Proposals	310
22	Financial Result - Period Ended 30 April 2021	339
RESOLUTION TO EXCLUDE THE PUBLIC		349

1 OPENING

Dr Lux Selvanesan from the Hindu community will open the meeting with a prayer.

2 PUBLIC FORUM

At the close of the agenda no requests for public forum had been received.

3 APOLOGIES

An apology has been received from Cr Chris Staynes.

That the Council:

Accepts the apology from Cr Chris Staynes.

4 CONFIRMATION OF AGENDA

Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.

DECLARATION OF INTEREST

EXECUTIVE SUMMARY

1. Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have.
2. Elected members are reminded to update their register of interests as soon as practicable, including amending the register at this meeting if necessary.
3. Staff members are reminded to update their register of interests as soon as practicable.

RECOMMENDATIONS

That the Council:

- a) **Notes/Amends** if necessary the Elected Members' Interest Register attached as Attachment A; and
- b) **Confirms/Amends** the proposed management plan for Elected Members' Interests.
- c) **Notes** the Executive Leadership Team's Interest Register.

Attachments

	Title	Page
↓A	Councillor Register of Interest	7
↓B	ELT Register of Interest	17

Councillor Register of Interest - Current as at 18 May 2021				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Aaron Hawkins	Trustee	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.
	Trustee	St Paul's Cathedral Foundation	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Thank You Payroll	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	ICLEI Oceania Regional Executive	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Otago Theatre Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Otago Polytech's Research Centre of Excellence	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	LGNZ National Council	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Alexander McMillan Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Cosy Homes Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	LGNZ Policy Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Sophie Barker	Director	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ocho Newco Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Property Owner	Residential Property Owner - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Beneficiary	Sans Peur Trust (Larnach Castle)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chairperson	Dunedin Heritage Fund Trust (Council appointment)	Duty to Trust may conflict with duties of Council Office	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Dunedin Midwinter Carnival	Potential grants recipient	With draw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Committee Member	Otago Anniversary Day Dinner	No conflict Identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Gas Works Museum Trust (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
David Benson-Pope	Owner	Residential Property Ownership in Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee and Beneficiary	Blind Investment Trusts	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Yellow-eyed Penguin Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Heritage Fund Trust (Council appointment)	Duty to Trust may conflict with duties of Council Office	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Delegation holder	Second Generation District Plan (2GP) Authority to Resolve Appeals on behalf of Council (Council appointment)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Hospital Local Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Regional Transport Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Commissioner (Community Representative)	District Licensing Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Rachel Elder	Owner	Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Greater South Dunedin Action Group	Decisions may be considered on the future of South Dunedin.	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Host Parent	Otago Girls High School	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Advisor/Support Capacity	Kaffelologic	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Trails Networks Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Southern Urban Dunedin Community Response Group	Decisions about emergency response recovery may be conflicted	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Chairperson	Disability Issues Advisory Group	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Christine Garey	Trustee	Garey Family Trust - Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Creative Dunedin Partnership (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Symphony Orchestra Foundation Board of Trustees (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Theomin Gallery Management Committee (Olveston) (Council appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chair	Grants Subcommittee (Council Appointment)	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
		External family member is a Principal Security Consultant	Major supplier to DCC	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Doug Hall	Director/Owner	Hall Brothers Transport Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Crane Hire	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Wood Recyclers Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Dunedin Concrete Crushing Ltd	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Director/Owner	Anzide Properties Ltd - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	The Woodshed 2014 Limited	May contract and provide service to DCC	Withdraw from discussion and leave the table. If in confidential leave the room. Seek prior approval from Office of the Auditor General when required.
	Owner	Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Farmlands	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Ravensdown Fertiliser	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	PGG Wrightson	Currently no likely conflict	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Silver Fern Farms	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Valley View Development Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Geekfix Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Milburn Processing Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Donor of the use of a building free of charge to the group	Fire Brigade Restoration Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Appellant	2GP	Appellant to the 2GP	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Financial Donor	Dunedin North Community Patrol	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Donor of the use of a building free of charge to the group	North Dunedin Blokes Shed	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Loan of a four wheel drive truck free of charge to the group for cartage of gravel	Mountainbiking Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Partner	Highland Helicopters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Supplier	Southweight Truck and Weights for testing Weighbridges Otago & Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Craigieburn Reserve Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Chinese Garden Advisory Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Carmen Houlahan	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Rental Property - North Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Part Owner	Adobe Group Ltd, Wanaka	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Property Investors Association	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Company Owner/Sole Director	Shelf Company - RU There	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitu Otago Settlers Museum Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council appointment)	Possible grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Shareholder	Startup Business	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Taieri Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Community Building Trust - Trust Owner of Property 111 Moray Place	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Mental Health Trust	Potential grants applicant which would result in pecuniary interest. Duty to Trust may conflict with duties of Council Office	Do not participate in consideration of grants applications. If the meeting is in confidential, to leave the room.
	Trustee	Brockville Community Support Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Dunedin Manufacturing Holdings Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	National Secretary	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch Treasurer	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Dunedin Branch delegate to Arai Te Uru Marae Council	P.A.C.I.F.I.C.A Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Green Party of Aotearoa New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Age Concern (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Abrahamic Interfaith Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Refugee Steering Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Settlers Association (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Fair Trading Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Chair	Grants Subcommittee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Mike Lord	Trustee	ML Lord Family Trust - Owner of Residential Properties - Dunedin	Duty to Trust may conflict with duties of Council Office	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Fonterra	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Federated Farmers	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Mosgiel Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel RSA	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Federated Farmers Charitable Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Chairperson	Otago Rural Support Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Otago Youth Adventure Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Strath Taieri Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Hereweka Harbour Cone Trust (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jim O'Malley	Owner	Biocentrix Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Mosgiel Association Football Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Ocho Newco Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Ayrmed Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Manufacturing Holdings	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Ice Sports Dunedin Incorporated (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If in confidential leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Okia Reserve Management Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waikouaiti Coast Community Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jules Radich	Shareholder	Izon Science Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Taurikura Drive Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Golden Block Developments Ltd	The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Cambridge Terrace Properties Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Director/Shareholder	Southern Properties (2007) Ltd	<p>The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan</p> <p>The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan</p>	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	<p>The Auditor General has issued a declaration under section 6(4) of LAMIA allowing Cr Radich to participate on the grounds that it is in the interests of the electors and inhabitants of the area that he be allowed to do so. The declaration applies to the Council meeting on 25 May 2020 and to discussion and deliberations on the Annual Plan 2020/21 up to and including the adoption of the Annual Plan</p>	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	IBMS Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Raft Holdings Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Otago Business Coaching Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Effectivise Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Athol Street Investments Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Allandale Trustee Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Aberdeen St No2 Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Acquisitions Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Road Safety Action Plan	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	100% Shareholder/Director	Panorama Developments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment - alternate)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Saddle Hill Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Chris Staynes	Chairman	Cargill Enterprises	Contractor and service provider to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Director	Wine Freedom	Supplier to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room.
	Patron	Otago Model Engineering Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Balmacewen Lions Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Trustee	Otago Southland Manufacturers Association Trust	Possible co-funder of ED project. Duties to the Trust may conflict with duties of Council	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Life Member	Otago Chamber of Commerce	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Chair	Cancer Society of Otago/Southland	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	NZ Cancer Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Patearoa Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	Balmacewen Lions	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	CJ and CA Staynes Family Trust - Property Owner - Dunedin and Patearoa	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	George Street Wines Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder	Saddle Hill Investment Trust Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Association of Amateur Radio and Transmitters	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	Otago Museum Trust Board (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	Theomin Gallery Trust (Council appointment)	Duties to Trust may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Chairman	Grow Dunedin Partnership (Council appointment)	Duties may conflict with duties of Council Office. Recipient of Council funding	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin Shanghai Association (Sister City Society) (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Trustee	For Trades Appreclticeship Training Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Lee Vandervis	Member	Social Well Being Advisory Group (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Local Government New Zealand Zone 6 Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Lee Vandervis, Antonie Alm-Lequeux and Cook Allan Gibson Trustee Company Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Bunchy Properties Ltd - Residential Property Ownership - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Vandervision Audio and Lighting - Hire, Sales and Service Business	May contract and provide service to DCC	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
Steve Walker	Chairperson	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Chairperson	West Harbour Beautification Trust	Potential conflict WHBT work with Parks and Reserves to co-ordinate volunteer activities	Withdrawal from all West Harbour Beautification Trust/ DCC discussions involving this relationship.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Port Chalmers Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep New Zealand Beautiful	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Member	Society of Beer Advocates	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	New Zealand Labour Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Port Chalmers Historical Society	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Owner	Residential Property - Dunedin	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Various publicly listed companies	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Sea Lion Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Edinburgh Sister City Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Connecting Dunedin (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Te Ao Turoa Partnership (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Keep Dunedin Beautiful (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Tertiary Precinct Planning Group (Council appointment - alternate)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	West Harbour Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Andrew Whiley	Owner/Operator	Whiley Golf Inc and New Zealand Golf Travel Ltd	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Director/Shareholder 22 May 2017	Estate of Grace Limited	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential leave the room. Seek advice prior to the meeting.
	Trustee	Japek (Family Trust) - Property Ownership - Dunedin	Duties to Trust may conflict with duties of Council Office.	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Otago Golf Club	No conflict identified	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Dunedin South Rotary Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Board Member	New Zealand Professional Golfers Assn	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Institute of Directors	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Chairman	Volunteering Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Otaru Sister City Society (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Public Art Gallery Society (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Grow Dunedin Partnership (Council appointment - alternate)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	NZ Masters Games Trust Board (Council appointment)	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Deputy Chair	Dunedin Community House Executive Committee	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in confidential, leave the room. Seek advice prior to the meeting.
	Member	Puketai Residential Centre Liaison Committee (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Community Board (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Executive Leadership Team - Register of Interest - current as at 17 May 2021					
Name	Date of Entry	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Sandy Graham		Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	19/09/2018	Trustee	Trustee of the Taieri Airport Facilities Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	25/07/2019	Member	Otago Golf Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Simon Pickford		Owner	Residential property, Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	16/08/2017	Member	SOLGM Regulatory Reference Group	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	21/02/2020	Wife	Owns residential properties, Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	18/09/2020	Member	Kotui Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
John Christie		Wife is a member	Taieri Community Facilities Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Various NZX and ASX listed companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Investor/Director	Saddle Hill Investment Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Shareholder	Clocktower	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Owner	Residential Properties Mosgiel	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	15/09/2017	Trustee	Diversity Works NZ	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	9/07/2018	Member	Society of Local Government Managers	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	19/02/2020	Daughter is a member	Youth Council	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Simon Drew	16/11/2020	Trustee	Sister Cities New Zealand	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Chartered Member	Engineering New Zealand	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Judge	ACENZ (Association of Consulting Engineers NZ) Innovate Awards Judge	ACENZ have own conflict of interest policies.	Would not be allowed to judge a DCC project.
	17/04/2019	Member	Society of Local Government Managers	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	17/04/2019		South Coast Builders engaged to carry out work on property	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

Executive Leadership Team - Register of Interest - current as at 17 May 2021					
Name	Date of Entry	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Graham McKerracher	18/11/2019	Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Public Relations Institute NZ (PRINZ)	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Mosgiel Association Football Club	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Dunedin Ice Hockey Association	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Moana Pool gym/swim	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Robert West		Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Caselberg Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Te Poari a Pukekura Co-Management Trust Board	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Gavin Logie		Owner	Residential property Dunedin	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Owner	Residential property Wanaka	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	17/07/2020	Minority shareholder	Southern Hospitality	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Director	Golden Block Investments Limited	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	17/07/2020	Director	Five Council-owned non-trading companies	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
			Wife works in a senior financial position in the Finance Department, University of Otago	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Jeanette Wikaira		Trustee	Dunedin North Intermediate School	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Member	Otago Institute of Arts and Science	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
		Trustee	Hone Tuwhare Charitable Trust	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

CONFIRMATION OF MINUTES


ORDINARY COUNCIL MEETING - 13 APRIL 2021

RECOMMENDATIONS

That the Council:

- a) **Confirms** the public part of the minutes of the Ordinary Council meeting held on 13 April 2021 as a correct record.

Attachments

	Title	Page
 A	Minutes of Ordinary Council meeting held on 13 April 2021 (<i>Under Separate Cover</i> 1)	

MINUTES OF COMMUNITY BOARDS


MOSGIEL-TAIERI COMMUNITY BOARD - 17 FEBRUARY 2021

RECOMMENDATIONS

That the Council:

- a) **Notes** the minutes of the Mosgiel-Taieri Community Board meeting held on 17 February 2021

Attachments

	Title	Page
 A	Minutes of Mosgiel-Taieri Community Board held on 17 February 2021 (<i>Under Separate Cover 1</i>)	

WAIKOUAITI COAST COMMUNITY BOARD - 24 MARCH 2021

RECOMMENDATIONS

That the Council:

- a) **Notes** the minutes of the Waikouaiti Coast Community Board meeting held on 24 March 2021.

Attachments

	Title	Page
 A	Minutes of Waikouaiti Coast Community Board held on 24 March 2021 (<i>Under Separate Cover 1</i>)	


STRATH TAIERI COMMUNITY BOARD - 25 MARCH 2021

RECOMMENDATIONS

That the Council:

- a) **Notes** minutes of the Strath Taieri Community Board meeting held on 25 March 2021

Attachments

	Title	Page
 A	Minutes of Strath Taieri Community Board held on 25 March 2021 (<i>Under Separate Cover 1</i>)	

OTAGO PENINSULA COMMUNITY BOARD - 25 MARCH 2021

RECOMMENDATIONS

That the Council:

- a) **Notes** minutes of the Otago Peninsula Community Board meeting held on 25 March 2021

Attachments

	Title	Page
 A	Minutes of Otago Peninsula Community Board held on 25 March 2021 (<i>Under Separate Cover 1</i>)	


WEST HARBOUR COMMUNITY BOARD - 17 MARCH 2021

RECOMMENDATIONS

That the Council:

- a) **Notes** of the minutes of the West Harbour Community Board meeting held on 17 March 2021

Attachments

	Title	Page
 A	Minutes of West Harbour Community Board held on 17 March 2021 (<i>Under Separate Cover 1</i>)	

REPORTS

ACTIONS FROM RESOLUTIONS OF COUNCIL MEETINGS

Department: Civic

EXECUTIVE SUMMARY

- 1 The purpose of this report is to show progress on implementing resolutions made at Council meetings.
- 2 As this report is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Council:

Notes the Open and Completed Actions from resolutions of Council meetings shown in Attachment A.

DISCUSSION

- 3 This report also provides an update on resolutions that have been actioned and completed since the last Council meeting.

NEXT STEPS

- 4 Updates will be provided at future Council meetings.

Signatories

Author:	Lynne Adamson - Governance Support Officer
Authoriser:	Clare Sullivan - Manager Governance

Attachments

	Title	Page
↓A	Council Open and Completed Action List May 2021	27

OPEN ACTIONS -PUBLIC COUNCIL RESOLUTIONS 2019-2022 MAY 2021						
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status
10/12/2019	(CNL/2019/057)	Approval to Grant Electricity Easement to Aurora Energy - part Mosgiel Memorial Park	Grants , as administering body of the Mosgiel Memorial Park, pursuant to Section 48 of the Reserves Act 1977, an easement in gross to Aurora Energy Limited for the installation of underground cables and ancillary equipment over part of the Mosgiel Memorial Park (Record of Title 296322)	Parks and Recreation	Unspecified Due to the unknown time required for the legislative process.	May 2021 – This is on Hold. 3 Waters advised late March that the proposed DCC pumping station this electricity infrastructure was to supply, is indefinitely on hold. There has been no progress with Aurora on whether it wants to proceed to do work to replace the cables and formalise the easements.
10/12/2019	(CNL/2019/070)	Notice of Motion - Energy Efficiency Initiatives	Seeks support from other funding and public agencies to further advance energy efficiency efficiencies. Ask staff to identify options to broaden existing council mechanisms that deliver on our Cosy Homes ambitions.	Community Planning	October 2020 March 2021	January 2021 - Heat Kits are now available in the public libraries. March 2021 -A review of the DCC's existing Warm Dunedin scheme has been completed. The findings now need to be considered by relevant departments.
10/12/2019	(CNL/2019/075)	Sims Building Update	Notes the update report and notes that a further report with options for the future of the Sims building would be presented to Council as part of the Annual Plan process.	Property		May 2021 - Discussions are ongoing and the Foundry Trust has made a submission to the 10 year plan including a request for funding which will be considered by the Council during deliberations
25/5/2020	(CNL/2020/048)	Approval to Grant Drainage Easement over part of Ocean Grove Local Purpose (Coastal Protection) Reserve	Grants an easement to drain water over part of the Ocean Grove Local Purpose (Coastal Protection) Reserve adjacent to 357 Tomahawk Road, Ocean Grove, Dunedin, subject to the conditions outlined in the report. Approves waiving the annual rental for use of the Ocean Grove Local Purpose (Coastal Protection) Reserve. Acting under delegation from the Minister of Conservation dated 12 June 2013, and pursuant to section 48 of the Reserves Act 1977, consents to the grant of an easement to drain water over part of the Ocean Grove Local Purpose (Coastal Protection) Reserve, adjacent to 357 Tomahawk Road, Ocean Grove, Dunedin, subject to the conditions outlined in this report.	Parks and Recreation	June 2020 Unspecified Due to the unknown time required for the legislative process.	March 2021 - Authority and instruction for drainage easement was signed on 17/2/21. Awaiting formal registration of easement. May 2021 - The Authority and Instruction documents are being signed on behalf of Council the week of 17 May. Once completed, the easement will be lodged for registration on Council's title. The matter will then be completed.
27/05/2020	(AP/2020/014)	Annual Plan 2020-21 Funding Requests	Puaka Matariki Festival Request staff prepare a report on elevating the profile of the Puaka Matariki on the Council event calendar.	Kaiwhakamaherehere	Jul-21	February 2021- A new Advisory Group is being established with the intention of developing a new approach for the 2022 Puaka Matariki which will coincide with the new national holiday. In the short term an appropriate festival will be considered. March 2021 The 2021 Puaka Matariki festival dates are set for Friday 2 July to Friday 16 July. A new Advisory Group has been formed with the first meeting scheduled for April. The Puaka Matariki community funding round is public with applications closing 19 April 2021. A 2021 programme of events is being developed and will be completed once funded community events are scheduled. We plan to have the final programme and advertising completed by June 1 2021.
27/05/2020	(AP/2020/012)	Local Government Funding Agency - Summary of feedback and next steps	Approves that the Dunedin City Council join the LGFA as a Guaranteeing Local Authority.	Finance		The LGFA have been advised that the DCC approved joining. DCC is working through the legal aspects. May 2021 - A meeting was held with LGFA on 8 April - Council is now awaiting further response from LGFA's legal advisers.
30/06/2020	(CNL/2020/003)	Central City Advisory Group (CCAG) membership	Requests staff to investigate the facilitation of block groups (of owners, retailers and residents) in key precincts including the Octagon	Enterprise Dunedin		Owners/retailers/residents will be contacted in conjunction with the construction programme once established after August 2021.

OPEN ACTIONS -PUBLIC COUNCIL RESOLUTIONS 2019-2022 MAY 2021						
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Due Date	Status
09/03/2021	CNL/2021/048	Draft Zero Carbon 2030 Alliance Memorandum of Understanding	<p>Notes that the Zero Carbon 2030 Alliance replaces the Dunedin Energy Leaders accord.</p> <p>Approves the draft Zero Carbon 2030 Alliance Memorandum of Understanding for submission to the governing bodies of potential founding partners.</p> <p>Delegates authority to the Chief Executive Officer to incorporate any amendments to the Memorandum of Understanding sought by founding partners, and to sign the final version on the Council's behalf.</p> <p>Notes that following signing of the Memorandum of Understanding, the final version would be brought back to Council for noting; and</p> <p>Notes that following signing of the Memorandum of Understanding, a draft Terms of Reference for the Zero Carbon 2030 Collaboration Group would be developed and brought back to Council for adopting.</p>	Corporate Policy		May 2021 – Discussions with Rūnaka regarding the Zero Carbon Alliance are planned to commence in June. The Kaiwhakamaherehere will progress these discussions together with the new Principal Advisor, Sustainability (now that this maternity leave role has been filled). Discussions will also be held in June with the ORC to clarify outstanding technical issues.
30/03/2021	CNL/2021/057	Approval to Grant Right of Way Easement over Part Local Purpose (Esplanade) Reserve at 169 Main South Road, Green Island.	<p>Acting in its capacity as the administering body of the Local Purpose (Esplanade) Reserve pursuant to the Reserves Act 1977:</p> <ul style="list-style-type: none"> - Grants the right of way easements over part of the Local Purpose (Esplanade) Reserve at 169 Main South Road, Green Island, in favour of the properties identified in this report and subject to the conditions outlined in this report. - Approves waiving the annual rental for use of the Local Purpose (Esplanade) Reserve at Main South Road, Green Island. - Decides that the criteria for exemption from public notification have been met. <p>Acting under delegation from the Minister of Conservation dated 12 June 2013, and pursuant to section 48 of the Reserves Act 1977, consents to the grant of right of way easements over part of the Local Purpose (Esplanade) Reserve to property at 169 Main South Road, Green Island, in favour of the properties identified in this report and subject to the conditions outlined in the report.</p>	Parks and Recreation		May 2021 – Council has drafted Agreements to enter into Easements for both these ROW proposals. These Agreements have been sent to our external lawyers to action with both other parties. Once we have executed Agreements back, the parties will be able to undertake physical works to allow completion of survey, plan preparation and then documentation required to formalise these easements.
30/03/2021	CNL/2021/058	Approval to Grant Right of Way Easement Over Part Dunedin Town Belt Recreation Reserve	<p>Acting in its capacity as the administering body of the Dunedin Town Belt Recreation Reserve pursuant to the Reserves Act 1977:</p> <ul style="list-style-type: none"> - Grants a right of way easement for vehicular access over part of the Dunedin Town Belt Reserve in vaour of the propert at 4 and 4A Lovelock Avenue, Dunedin, subject to the conditions outlined in this report. - Decides that the criteria for exemption from public notification have been met. <p>Acting under delegation from the Minister of Conservation dated 12 June 2013, and pursuant to section 48 of the Reserves Act 1977, consents to the grant of a right of way easement for vehicular access over part of the Dunedin Town Belt Recreation Reserve in favour of the property at 4 and 4A Lovelock Avenue, Dunedin, subject to the conditions outlined in the report.</p>	Parks and Recreation		May 2021 – Council has drafted Agreements to enter into Easements for both these ROW proposals. These Agreements have been sent to our external lawyers to action with both other parties. Once we have executed Agreements back, the parties will be able to undertake physical works to allow completion of survey, plan preparation and then documentation required to formalise these easements.

COMPLETED ACTIONS -PUBLIC COUNCIL RESOLUTIONS 2019-2022 MAY 2021						
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Completion Date	Status
10/12/2019	(CNL/2019/058)	Approval to Grant two Drainage Easements over Part Fraser's Creek Local Purpose (Esplanade) Reserve	Grants easements to drain water and sewerage over part of the Fraser's Creek Local Purpose (Esplanade) Reserve adjacent to 152A Kaikorai Valley Road, Dunedin, being Lot 5 DP 521710, Record of Title 830080, subject to the conditions outlined in this report. Approves waiving the annual rental for use of the reserve.	Parks and Recreation	Unspecified Due to the unknown time required for the legislative process.	May 2021 – Council has issued S. 223 & 224 Certificates. The Surveyor advises that the LT plan was approved by LINZ as to survey. Now, legal dealings have delayed new land titles being generated for land adjoining the reserve, slowing progress with formalising easements.
30/03/2021	CNL/2021/056	DCC Submission to the Draft Otago Southland Regional Land Transport Plan 2021-2031	Approves the Dunedin City Council Submission to the Otago Regional Council on the Draft Otago Southland Regional Land Transport Plan 2021-2031, with the inclusion of the Peninsula Connection Completion Project.	Transport	Mar-21	The submission was sent and the Mayor spoke at the hearing.
13/04/2021	CNL/2021/063	Regulatory Subcommittee Recommendation on Legal High Retail Location Policy Review	Approves the proposed amended Legal High Retail Location Policy.	Regulatory Services	April and May 2021	Following the review of this Policy, the amended Policy was sent to the Psychoactive Substances Regulatory Authority, as required by the Psychoactive Substances Act on 4 May 2021. The Police were informed of the amendment (at the monthly meeting on 20 April 2021) and the DCC website and internal systems have been updated to reflect the amended Policy on 4 May 2021.
13/04/2021	CNL/2021/064	Regulatory Subcommittee Recommendation on Gambling and TAB Venue Policy Review	Approves the amended Gambling and TAB Venue Policy, which had a sinking lid approach to the number to the number of venues and gambling machines in Dunedin with the deletion of section 1.2.3 and the following amendment to Section 1.2.4 to read: Council may permit the relocation of existing class 4 venues where the premises cannot continue to operate at that site. Examples of such circumstances include the following: 1.2.4.1 Fire 1.2.4.2 Natural disaster	Regulatory Services	April and May 2021	Following the review of this Policy, the amended Policy was sent to the Secretary of Internal Affairs, as required by the Gambling Act on 4 May 2021. Stakeholders were advised of the amended Policy on 20 April 2021. The DCC website and internal systems have been updated to reflect the amended Policy on 4 May 2021.
			Lobbies central government through Local Government New Zealand to establish a more sustainable model of funding for community organisations to replace the reliance on gambling proceeds	Regulatory Services	May-21	Staff wrote to Local Government New Zealand on 4 May 2021 requesting it to lobby central government in relation to more sustainable funding options for community organisations than gambling proceeds.
10/5/2021	CNL/2021/065	DCC Submission on the Otago Regional Council 2021/31 Long Term Plan Consultation	Approves the DCC submission to the Otago Regional Council 2021/31 Long Term Plan consultation. Authorises the Mayor or his delegate to speak to the submission.	Policy	May-21	The submission was lodged and acknowledged on 13 May 2021
10/5/2021	CNL/2021/066	DCC Submission: Supporting Sustainable Freedom Camping in Aotearoa New Zealand	Approves the DCC submission to the Ministry of Business Innovation and Employment with corrections as discussed at the meeting and the following inclusion after paragraph 18: The DCC encourages the Ministry of Business Innovation and Employment to continue their investment in "Responsible Camping Initiatives" as contained in 'Supporting Sustainable Freedom Camping in Aotearoa New Zealand'.	Parks and Recreation	May-21	The submission was sent to MBIE on 13 May 2021.

COUNCIL FORWARD WORK PROGRAMME

Department: Corporate Policy

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide the updated forward work programme for the 2021-2022 year (Attachment A).
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Council:

Notes the updated Council forward work programme as shown in Attachment A.

DISCUSSION

- 3 The forward work programme is a regular agenda item which shows areas of activity, progress and expected timeframes for Council decision making across a range of areas of work.
- 4 As an update report, the purple highlight shows changes to timeframes. New items added to the schedule are highlighted in yellow. Items that have been completed or updated are shown as bold. This report shows a 13 month rolling period from April 2021 to April 2022.
- 5 The forward work programme now contains items from the action list where the action has resulted in a report to be presented back to Council. Items have been closed on the action list and incorporated in the forward work programme.

NEXT STEPS

- 6 An updated report will be provided for the next Council meeting.

Signatories

Author:	Sharon Bodeker - Corporate Planner
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

Title

Page

[A](#) Forward Work Programme - May 2021

33

Key	
New item	
Changes to timeframes	
Completed; progress to date update	Bold

Council Forward Work Programme 2021/2022 - May 2021															
Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Annual Report	Statutory requirement under the LGA.	Decision to adopt the Annual Report. Progress to date: <i>The next Annual Report for the year ended 30 June 2021 is to be adopted by October 2021.</i>							Adoption						
Review of Standing Orders	Statutory requirement under Schedule 7, clause 27 of the LGA. Originally adopted in 2016. Nationally changes have been made to Local Government Standing Orders. Further changes have been identified locally.	Review Standing Orders Progress to date: <i>Council will review changes it would like to make to Standing Orders, the review is yet to commence.</i>			Review						Decision				
Review of Code of Conduct	Statutory requirement under Schedule 7, clause 15 of the LGA. Originally adopted in 2016. Nationally changes have been made to Local Government Code of Conduct, including incorporation of social media. Those changes may improve the current Standing Orders adopted by Council.	Consider and decide on proposed changes to the Code of Conduct. Progress to date: <i>The Code of Conduct review will commence subject to discussion with the new Chair of Audit and Risk Subcommittee.</i>			Review						Decision				
Elected member gift policy	Currently included in Code of Conduct but good practice to review and adopt as a separate policy.	Decide on an Elected Members Gift Policy. Progress to date: <i>The review will coincide with the review of the Code of Conduct.</i>			Review						Decision				
Remuneration of External Representation	Review the remuneration of external representatives on council subcommittees, working groups, advisory panels etc.	Consider and decide on the remuneration of external representatives. Progress to date: <i>Work is yet to commence. Will be undertaken in 2021. Previously planned to be completed for the 10 Year Plan.</i>				Review					Decides				

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Committee Structure Delegations Manual	Council may delegate to committees those powers necessary for them to carry out their responsibilities in an efficient and effective way. Any changes to the Committee Structure Delegations manual must be done by Council.	Consider and decide on proposed changes to the Committee and Structure Delegations Manual.			As and when required										
Mana Whakahono ā Rohe: Mana whenua partnership	Te Rūnanga o Ngāi Tahu initiated a Mana Whakahono ā Rohe/Iwi Partnership Agreement with Dunedin City Council on 11 July 2019, in accordance with Section 58O(1) of the Resource Management Act (RMA) 1991. The agreement is still to be concluded.	Agree to the Mana Whakahono ā Rohe/Iwi Partnership Agreement. Progress to date: <i>An update was presented to the Maori Participation Working Party in March 2021. A report will be presented to the May 2021 Council meeting. The report will incorporate indicators for Treaty of Waitangi strategic principles, and Maori participation summary for inclusion in the 10 year plan . The work on the Mana Whakahono ā Rohe will be incorporated into the broader work and reported there.</i>	Ongoing work	Consider	Ongoing work										
Representation Review	Statutory requirement under the Local Electoral Act, to be undertaken every 6 years. The last review as undertaken in 2015.	Decide on the representation arrangements for Dunedin City, including community boards, that are presented to the Local Government Commission for approval. Progress to date: <i>The Independent Review Panel met with various groups in March and April 2021. A public survey is to be undertaken, before it considers any changes to the current representation arrangements.</i>	Development of initial proposal		Initial proposal approved for consultation	Public Consultation	Hearings	Ongoing work	Decide final proposal: public notice	Objections and appeals					
LGNZ AGM Remits and Rules	Remits and rule changes to be considered at the AGM.	Consider and decide on remits and rule changes. Progress to date: <i>Any remits and rules for 2021 will be considered at the 30 June 2021 Council meeting, previously scheduled for May.</i>			Consider										

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes											
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Review of Strategic Framework, incorporating Sustainability Framework options and aligned levels of service	Review, update and align strategies	Consider and decide on a proposed work stream for reviewing, updating and aligning strategies. Approve development of the Thriving Cities Initiative City Portrait (Doughnut) for development and adaption. Ongoing decision making throughout the review process. Progress to date: <i>A detailed project plan will be considered at the 25 May 2021 Council meeting.</i>	Ongoing development	Report the project plan	Implementation of the project with regular reporting.									
Submissions to central government and other external parties.	Provide feedback on proposals from central government and other external parties.	Consider and decide on draft submission on central government and other external parties proposals. Progress to date: <i>17 submissions have been presented to Council for consideration so far this year. Two submissions were presented to the 10 May meeting, and three submissions are being presented to the 25 May Council meeting .</i>		5 submissions	As and when required									
COVID-19 Support Fund	Monitor current update of the allocation of \$435,000 of the support fund and assess future need for the remaining \$515,000 of the fund.	Consider and decide on the allocation of remainder of the fund. Progress to date: <i>A report on how the money has been allocated and any future requirements for the fund is on the agenda for the 25 May 2021 Council meeting.</i>		Consider										
Central City Advisory Group	Establishment of a Project Delivery Control Group for the George Street upgrade project prior to any construction.	Consider and decide on the membership of the Project Delivery Control Group. Progress to date: <i>A report seeking approval of proposed membership will be presented to the July 2021 Council meeting.</i>				Report								
Local Government Funding Agency	DCC to enter agreement to join LGFA as a Guaranteeing Local Authority	Approve contract to join LGFA as a Guaranteeing Local Authority. Progress to date: <i>A meeting was held with LGFA on 8 April 2021, and we are now awaiting advice from LGFA's legal advisors. This item was previously on the Confidential Forward Work Programme.</i>												

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
3 Waters reform	The Government has initiated changes to the service delivery arrangements for 3 waters.	Consider and decide on Dunedin City's participation in the 3 waters reform programme. Progress to date: <i>DCC and nine other councils from Otago and Southland have established the Otago-Southland Three Waters Office to support collective participation in the 3 waters reform programme. An update report will be presented to the 25 May 2021 Council meeting</i>	Ongoing work	Update	Ongoing work						Decision	Ongoing work			
New Zealand Masters Games	The Dunedin Masters Games are held every two years. The DCC has delegated the management and co-ordination of the games to the Dunedin (NZ) Masters Games Trust.	Considers and decides on matters as required. Progress to date: <i>A draft Statement of Intent, and draft Service Level Agreement will be presented to the 30 June 2021 Council meeting for approval.</i>			Approve										
Warrant Cards	The CEO has the delegated authority to issue warrant cards.	Note the annual report on warrant cards issued. Progress to date: <i>A report on warrant cards issued for the 12 months to 31 October 2020 was presented to the December 2020 Council meeting. The next report will be due November 2021.</i>								Note					
10 year plan 2021-31 Work Programme:															
10 year plan	Statutory requirement under the LGA.	Decision to approve the consultation document, supporting information and process prior to consultation. Decision to adopt the 10 year plan. Progress to date: <i>Submissions closed on 29 April, and hearing were held from 10 -14 May 2021.</i>	Consultation period	Hearings Deliberations	Deliberations Adoption										
Setting of rates	Statutory requirement under the LGA.	Decision to approve the setting of rates. Progress to date: <i>Rates will be set for the 2021-22 year at the 30 June 2021 Council meeting.</i>			Adoption										
Waste Futures - Kerbside collection	Options for kerbside collection	Consider and decide on a preferred option for kerbside bins, for consultation purposes in the draft 10 year plan. Progress to date: <i>A report will be presented to the deliberations meeting following community feedback.</i>	Consultation period	Hearings Deliberations	Decide										

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Levels of Service	Statutory requirement under the LGA.	Consider and decide on proposed levels of service, for inclusion in the draft 10 year plan. Progress to date: <i>The 10 year plan, incorporating levels of service is scheduled for adoption at the 30 June 2021 Council meeting. A review of the levels of services will be undertaken as part of the Strategic Framework review .</i>	Consultation period	Hearings Deliberations	Decide										
Revenue and Financing Policy	Statutory requirement under the LGA.	Consider and decide on how all activities of Council should be funded. Progress to date: <i>The 10 year plan, incorporating the Revenue and Financing Policy, is scheduled for adoption at the 30 June 2021 Council meeting.</i>	Consultation period	Hearings Deliberations	Adoption										
Financial Strategy	Statutory requirement under the LGA.	Approve draft financial strategy for inclusion in the 10 year plan document. Progress to date: <i>The 10 year plan, incorporating the Financial Strategy, is scheduled for adoption at the 30 June 2021 Council meeting.</i>	Consultation period	Hearings Deliberations	Adoption										
Significance and Engagement Policy	Update policy, and review schedule of strategic assets.	Consider and decide on amendments to the policy and approve the schedule of strategic assets. Progress to date: <i>The 10 year plan, incorporating the Significance and Engagement Policy, is scheduled for adoption at the 30 June 2021 Council meeting.</i>	Consultation period	Hearings Deliberations	Adoption										
Infrastructure Strategy	Statutory requirement under the LGA.	Approve draft infrastructure strategy for inclusion in the 10 year plan document. Progress to date: <i>The 10 year plan, incorporating the Infrastructure Strategy, is scheduled for adoption at the 30 June 2021 Council meeting.</i>	Consultation period	Hearings Deliberations	Adoption										
Community Housing	Undertake full review of the Dunedin Housing Policy 1997, and Social Housing Strategy 2010-2020.	Consider and decide on the policy and strategy, to inform the development of the 10 year plan. Progress to date: <i>Following consultation, a report will be considered at the deliberations meeting.</i>	Consultation period	Hearings Deliberations	Decide										

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Public Toilets	Develop a programme and costs to address the need for more public toilets throughout the city, with inclusion of a Changing Places bathroom.	Consider and decide on the programme, to inform the development of the 10 year plan. Progress to date: <i>Following consultation a report will be presented to the deliberations meeting.</i>	Consultation period	Hearings Deliberations	Decide										
NZ Sports Hall of Fame	Options for the NZ Sports Hall of Fame	Decide on any future support for the NZ Sports Hall of Fame. Progress to date: <i>A report providing options and costs for integrating the NZ Sports Hall of Fame was considered at the January 2021 meeting. A further report will be presented to the May/June deliberations meeting.</i>		Deliberations											
Waterfront Bridge	To report on the bridge to determine the future of the project.	Consider and decide on options for the waterfront bridge. Progress to date: <i>A report will be presented to the deliberations meeting.</i>		Deliberations											
Dunedin Railways	Consider the implications of retaining train, and the implications of maintaining existing arrangements until 30 June 2022.	Consider and decide on options for Dunedin Railways. Progress to date: <i>A report was presented to the 13 April 2021 Council meeting that outlined the longer term options for Dunedin Railways Ltd, and its assets. A further report will be presented to the deliberations meeting to consider analysis of the financial and strategic implications of retaining the train in city ownership, and the implications of maintaining the existing arrangements until 30 June 2022.</i>	Report	Deliberations											
Development Contributions	Policy review	Approve development contributions framework and policy, and revised schedule of charges. Progress to date: <i>Following consultation, a report will be presented to the May/June deliberations meeting to consider the policy.</i>	Consultation	Hearings Deliberations											

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Annual Plan Work Programme															
Rates	Council resolution requesting a report in time for consideration as part of the 2022/23 Annual Plan, on options for providing assistance to ratepayers on limited or fixed incomes.	Consider and decide on the options for providing assistance. Progress to date: Work yet to commence.									Decide				
Kerbside Rates	Council resolution requesting a report in time for the 2022/23 Annual Plan, outlining options for both flat and progressive targeted rates for the kerbside collection service.	Consider and decide on the options for the kerbside collection rates. Progress to date: Work yet to commence.									Decide				
Kerbside collection	Council resolution requesting report back on the development of Pay as You Throw "PAYT" technology, as part of each annual plan process.	Consider updates on the PAYT technology. Progress to date: Work yet to commence.									Consider				
Strategic Assets	Review the schedule of strategic assets	Consider and decide on an updated schedule of strategic assets. Progress to date: Work yet to commence.									Consider				
Council Controlled Organisations															
Review of the "Procedure for the Appointment and Remuneration of Directors of Dunedin City Holdings Limited."	Procedure required under section 57(1) of the LGA. Review of procedure required to keep up to date.	Consider and decide on proposed amendments to the procedure. Progress to date: <i>Planning is underway.</i>													
Council controlled organisations - Statements of Intent	Statutory requirement under section 64 of the LGA, and the Energy Companies Act, to provide statements of intent to its shareholders. Section 65 of the LGA requires local authorities to agree to the statements of intent, or if not agreed to, take steps to have them notified.	Provide feedback on draft statements of intent. Agree to the final statements of intent adopted by the Boards of each CCO. Progress to date: <i>Draft statements of intent were presented to the Finance and CCO Committee on 8 March 2021 for review and Councillors were invited to provide feedback by 31 March. A report on feedback will be presented to the 25 May Council meeting, previously scheduled for 13 April.</i>		Decide											

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Non trading Council Controlled Organisations	Application for exemption, every three years, under section 7(3) of the LGA, from the requirement to fulfil reporting and other requirements for the following: - Tourism Dunedin Ltd; - Dunedin Events Ltd; - Dunedin Visitors Centre Ltd; - Otago Power Ltd; and - Lakes Contract Services Ltd.	Grants an exemption for the listed non trading companies due October 2021. Progress to date: <i>Report will be prepared for the September 2021 meeting.</i>						Consider exemption							
Council controlled organisations - letter of expectation for DCHL	Provides Council's annual direction to DCHL, outlining accountabilities, roles and responsibilities.	Decides on the content of the Letter of Expectation to the Board of DCHL. Progress to date: <i>Completed. A draft was presented to Council in February 2021, and approved.</i>							Develop draft			Decide			
Climate Change Work Programme incorporating:															
Zero Carbon 2030	Development of a work programme to achieve alignment with Council's Zero Carbon 2030 target.	Consider and decide on a proposed work programme. Ongoing decision making to achieve carbon zero compliance. Progress to date: <i>Work is in progress to develop a proposed work programme. A second workshop was held in November. A report was presented to the January meeting.</i>	Ongoing development												
South Dunedin Future	Working with the community and Otago Regional Council on the future of South Dunedin	Ongoing decision making throughout the process.	Ongoing development												
Zero Carbon Work Programme and Zero Carbon 2030 Alliance Concept	Establishment of a 'Zero Carbon 2030 Alliance' to take a partnership approach to city wide emissions reduction.	Approves Terms of Reference for the potential members of the partnership. Progress to date: <i>The draft MoU has been submitted to the governing bodies of potential funding partners.</i>	Ongoing development												

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Bylaws Work Programme															
Keeping of Animals (Excluding Dogs) and Birds Bylaw	Bylaw was made in October 2010 and reviewed in 2016. Early review is required to address nuisance issues that have arisen.	Decide on proposal to have an early review of the bylaw. To approve statement of proposal for consultation purposes. Decision to adopt/amend/revoke the bylaw. Progress to date: <i>A draft bylaw will be presented to the August 2021 Council meeting, for consultation purposes.</i>					Draft for approval	Consultation		Hearings			Approve bylaw review		
Speed Limits Bylaw	Bylaw prepared under the Land Transport Act. Review of speed limits undertaken as required.	Consider and decide on proposed changes to speed limits. Progress to date: <i>Hearings and deliberations were held on 28 and 29 October 2020. A report to adopt the bylaw will be presented to Council following consultation with Waka Kotahi.</i>													
Traffic and Parking Restrictions	Restrictions are made under the Traffic and Parking Bylaw. Move towards consistency and simplicity in the system.	Consider and decide on proposed changes to traffic and parking restrictions. Progress to date: <i>Changes are being presented to the 25 May Council meeting.</i>		Consider	As and when required										
Second Generation District Plan (2GP) Work Programme															
Second Generation District Plan (2GP) Work Programme	To deal with appeals received on the 2GP.	Ratify the final plan. Progress to date: <i>Mediation may resolve appeals made. The timeframe for decisions by the Environment Court are unknown.</i>	Mediation ongoing												
Variation 2 - Second Generation District Plan (2GP)	Variations to the 2GP - Growth	Decide on variations to the 2GP to be notified for consultation purposes. Decision to adopt the variations to the 2GP. Progress to date: <i>Out of scope submissions are being reviewed and decisions on those submissions will be released in May 2021. Any objections to the decisions on out of scope submissions may be heard in June. Other submissions are planned to be heard in September 2021.</i>		Review and decisions released	Hearing of out of scope submissions			Hearing of submissions							

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes												
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Policies Work Programme:															
Legal High Retail Location Policy	Psychoactive Substances Act 2013 requires Council to have a policy that determines where legal highs may be sold. Policy is due for review	Consider and decide on proposed changes to the Legal High Retail Location Policy. Progress to date: <i>Completed. Following consultation and hearings , the policy was approved at the 13 April 2021 Council meeting, previously scheduled for May. The policy is due for review again in 2026.</i>	Approved												
Gambling and TAB Venue Policy	The Gambling and TAB Venue Policy must be reviewed every 3 years.	Consider and decide on proposed changes to the Gambling and TAB Venue Policy. Progress to date: <i>Completed. Following consultation and hearings, the policy was approved at the 13 April 2021 Council meeting, previously scheduled for May 2021. The Policy is due for review again in 2024.</i>	Approved												
Dangerous and Insanitary Building Policy	Amend the Dangerous and Insanitary Building Policy to include "affected buildings".	Consider and decide on proposed changes to the Dangerous and Insanitary Building Policy. Progress to date: <i>A report will be presented to the 25 May 2021 Council meeting to approve the amended policy.</i>	Hearings	Approve											
Litter Compliance Policy	Amend the Litter Compliance Policy as required.	Consider and decide on proposed changes to the Litter Compliance Policy. Progress to date: <i>A report will be presented to the 25 May Council meeting requesting the approval of a revised Litter Compliance Policy in response to Council's commitment to The Sophia Charter.</i>		Approve											
Naming Rights and Sponsorship Policy	Develop a policy that will give clarity to naming rights on DCC assets.	Consider and decide on a proposed Naming Rights policy. Progress to date: <i>Delays have occurred due to 10 year plan work priorities.This will now be progressed to align with various matters raised in the company Statements of Intent.</i>													

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframes											
			Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Other Bylaws that have legislative requirement to review														
Bylaw														
Alcohol (Control of Alcohol in Public Places)														
Beauty Therapists'														
Tattooists and Skin Piercers'														
Camping Control														
Dog Control														
Food Grading														
Reserves an Beaches														
Restrictions of Traffic														
Roading Bylaw														
Solid Waste														
Stormwater														
Tradewaste														

COVID-19 SUPPORT FUND UPDATE

Department: Community and Planning

EXECUTIVE SUMMARY

- 1 On 27 May 2020 Council approved the establishment of a \$950,000 COVID-19 Support Fund for the 2020/21 financial year. This report provides an update on expenditure to date, and forecasts year end expenditure.
- 2 Following presentation of a report on 30 June 2020, \$435,000 was allocated to social well-being, economic, arts and sports initiatives.
- 3 Of the \$435,000 approved on 30 June 2020, \$206,165.20 (47%) has been spent to date, with \$306,190.20 (70%) forecast to be spent by 30 June 2021 and \$128,809.80 (30%) unspent.

RECOMMENDATIONS

That the Council:

- a) **Notes** the update on expenditure from the COVID-19 Support Fund.

BACKGROUND

- 4 During the Annual Plan Deliberations Council approved \$950,000 in the 2020-21 operational budget to support a response to the COVID-19 pandemic, anticipating there could be significant social and economic impacts on city residents and the business sector.
- 5 A report from Community and Planning and Corporate Policy was provided to Council at its 30 June 2020 meeting, with a proposed allocation of \$435,000 for social well-being, arts and sports initiatives to be supported through the COVID-19 Support Fund. It also proposed that a review be undertaken to consider options for the most appropriate use of the balance of the Fund.
- 6 At the 30 June 2020 Council meeting, the following resolution was passed:

Moved (Cr Chris Staynes/Cr Marie Laufiso):

That the Council:

- a) **Approves** the allocation of up to \$435,000 of the COVID-19 support fund as follows:
 - \$100,000 Increase to Community Grants
 - \$75,000 to Reconnecting Ōtepoti Events
 - \$60,000 to the Maori Innovation and Development Fund
 - \$50,000 Increase to Consumer Electricity Fund
 - \$50,000 to the Sports Fund

- \$35,000 Increase to Dunedin Dream Brokerage
- \$30,000 to the Pāsifika Innovation and Development Fund
- \$25,000 Increase to Boosted Fund
- \$10,000 Increase to Neighbourhood Matching Grants

b) **Notes** that an update on the uptake from the fund would be provided to Council in September 2020.

Motion carried (CNL/2020/061) with Cr Vandervis recording his vote against

- 7 On 10 November 2020 Enterprise Dunedin provided a report requesting \$160,000 of the COVID-19 Support Fund be allocated for three projects to support economic, and social well-being identified by the Grow Dunedin Partnership. Council agreed more information was required prior to the allocations being awarded.

DISCUSSION

Allocated and Spent Funds

- 8 **Increase to the Consumer Electricity Fund (\$50,000)** – Budget has been provided to the Budget Advisory Service Dunedin to support low income families / people experiencing fuel poverty as a result of loss of work / work hours due to COVID-19. A final payment will be made in June 2021, with a report expected from the service by the end of July 2021.
- 9 **Sports Fund (\$50,000)** - A total of \$50,000 was allocated to the sports fund, administered by Sport Otago. Of the \$50,000, half was allocated to Sport Otago's "Sporting Chance" fund and the remaining half allocated across sporting organisations.
- 10 To date, a total of \$14,300 of the \$25,000 allocated to the Sporting Chance fund has been spent on supporting 125 young people with the costs of participating in sports post the COVID-19 lockdown. This included funding support for sports fees and equipment.
- 11 Of the remaining \$25,000 allocated to support sporting organisations, \$16,500 has been spent supporting 14 sporting organisations and codes. Funding support assisted with COVID-19 compliance including, provision of signage and equipment sanitation measures and support for volunteer training that would normally be funded through revenue. This offset the loss of revenue attributed to the COVID-19 lockdown.
- 12 Sport Otago have confirmed that the funds will have been fully allocated by 30 June 2021.
- 13 **Pāsifika Innovation and Development Fund (\$30,000)** – A partnership between the DCC and Otago Community Trust (with each partner providing \$30,000). A funding panel of five Pāsifika representatives from the DCC, Otago Community Trust and community allocated the full funds to 10 Pāsifika groups / projects in December 2020. Initiatives funded included mental health programmes, youth projects, projects celebrating Pāsifika through music and recording of stories. More than 1,000 people are expected to benefit from the projects funded. Of the 10 applicants, only three had applied to the Council previously for funding, although all would have been eligible for other DCC grant funding.
- 14 **Increase to Dunedin Dream Brokerage (\$35,000)** - The full \$35,000 has been invoiced and paid for Dunedin Dream Brokerage with the broker contracted and three projects complete. The

fourth project is due for completion at the end of May, and reporting is due late May/ early June 2021.

- 15 **Increase to Boosted fund (\$25,000)** – The Boosted Ambassador has been contracted to assist in delivering a programme of professional development for creatives who are responding to Covid-19 conditions. This project began with a survey asking for feedback on key learning areas, and a series of 5-6 workshops will be delivered and the Ara Toi team will document this resource by the end of June 2021.

Allocated and Underspent Funds

- 16 Four budgets remain underspent – the COVID-19 Community Fund (\$81,415 allocated from \$100,000), Neighbourhood Matching (underspent), Ōtepoti Reconnecting Events (underspent), Hapori Māori Innovation and Development Fund (\$15,045.20 allocated from \$60,000).
- 17 **COVID-19 Community Grants** – Social sector, place based and not for profit community groups were able to apply for up to \$5,000 if they met one or more of the criteria as a result of COVID-19; increase in demand for services / support, increase in complexity of services / support, or a decline in income. In July 2020 it was decided to have two funding rounds of equal value be administered as staff expected there to be continued need for this fund through the financial year. However, fewer applications were received in May 2021.
- 18 A total of \$50,000 was allocated to 19 social service, community and place-based groups in November 2020. Requests totalled \$89,777. A total of \$31,451 was allocated to eight groups in May. Applicants to the Fund collectively support more than 20,000 residents.
- 19 **Reconnecting Ōtepoti Events (\$75,000)** – This initiative was primarily proposed to support place-based communities to engage and reconnect with residents following the national lockdown. There was no uptake from community groups for this funding.
- 20 **Hapori Māori Innovation and Development Fund (\$60,000)** – The Fund was promoted in partnership with Otago Community Trust which also contributed \$60,000. The first round of grant applications opened in October 2020, attracting five applications, with three approved at a total of \$15,045. Promotion was to local Māori providers and mana whenua through social media and email, a hui was held to discuss the fund criteria and ideas, a stand provided at the Te Pūtahitanga Symposium in April and follow up meetings held with interested groups. The second application round has been extended to 21 May 2021. A funding panel of Māori representatives from the DCC, Otago Community Trust and mana whenua will decide allocations on 22 June 2021.
- 21 **Increase to Neighbourhood Matching Grants (\$10,000)** – Neighbourhood Matching Grants are \$500 or less and support neighbourhoods to connect via a range of activities / events. Funding is provided direct to suppliers, allowing informal groups to apply. There was no uptake from community groups for this funding.
- 22 No formal assessment has been undertaken as to why budgets were undersubscribed. However, staff believe key reasons were:
 - Lack of resourcing – many groups and organisations were overwhelmed managing additional demand on services, changes to income and staff shortages and did not have capacity to apply for funding. Despite the DCC's funding criteria being broadened to support groups, some did not have the ability, time or resource to apply for funds.

- Shifting COVID-19 alert levels – although staff spoke with four place-based groups regarding the Ōtepoti Connecting Events funding, they were uncertain about entering into an initiative when COVID-19 Alert levels had changed through the year with little notice. Groups were also concerned about volunteer / staff capacity, although funding offered could have supported that resourcing.
- Government funding availability – Central government introduced a range of additional funding and grants for community, sports, events and arts organisations. As the DCC's first round of COVID-19 Community Grants was opened prior to significant grant funding being made available by central government to community groups, demand for that round was high. This demand was much lower in the second round, after central government funding was released.

OPTIONS

- 23 There are no options, as the report is for noting only.

NEXT STEPS

- 24 A further report on usage of the Consumer Electricity Fund, Dunedin Dream Brokerage and the Sports Fund will be provided in July.

Signatories

Author:	Joy Lanini - Manager Community Development and Events
Authoriser:	John Christie - Manager Enterprise Dunedin Robert West - Acting General Manager City Services

Attachments

There are no attachments for this report.

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities.
This decision promotes the social well-being of communities in the present and for the future.
This decision promotes the economic well-being of communities in the present and for the future.
This decision promotes the environmental well-being of communities in the present and for the future.
This decision promotes the cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Funds allocated by the Council have supported a range of social well-being initiatives that assisted both individuals and groups to be more economically and socially sustainable during the 2020-21 financial year.

Māori Impact Statement

There are no known impacts for tangata whenua.

Sustainability

There are no implications for sustainability

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no known implications

Financial considerations

There are no financial implications

Significance

This decision is considered low in terms of the Council's significant and Engagement Policy

Engagement – external

There has been no external engagement.

Engagement - internal

DCC staff from Events and community Development, Economic Development, Ara Toi, and Parks and Recreation have had input into the writing of this report.

Risks: Legal / Health and Safety etc.

There are no known legal or health and safety risks identified.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no known impacts for Community Boards.

THREE WATERS REFORM UPDATE

Department: 3 Waters

EXECUTIVE SUMMARY

- 1 This report updates the Council on Government three waters regulatory and service delivery reforms. It also provides an update on work commissioned by the Otago-Southland Three Waters Office.

RECOMMENDATIONS

That the Council:

- a) **Notes** the Three Waters Reform Update.

BACKGROUND

- 2 The Government has initiated changes to three waters regulatory and service delivery arrangements to address challenges highlighted by the Government Inquiry into Havelock North Drinking Water and the Three Waters Review.
- 3 In 2020, the DCC and nine other councils from across Otago and Southland (including the two regional councils) established the Otago-Southland Three Waters Office to support collective participation by the councils in the Government's Three Waters Reform Programme.

DISCUSSION

Three waters regulatory reform update

- 4 The Water Services Bill, if passed, would replace Part 2A (Drinking Water) of the Health Act 1956 and implement system-wide reforms to the regulation of drinking water and source water. Taumata Arowai (the new water services regulator) would oversee the reformed regulatory system.
- 5 The Water Services Bill is currently with Parliament's Health Committee for consideration. Submissions closed on 2 March 2021 with nearly 1000 submissions received. The Health Committee's report on the Bill was originally due in June 2021 but has been delayed until August due to the high volume of submissions received. The Government intends for the Bill to be passed in the second half of 2021.
- 6 Taumata Arowai is now officially established as a Crown entity and board members have been appointed. The Ministry of Health remains New Zealand's drinking water regulator until the

Water Services Bill passes through Parliament and comes into effect. Taumata Arowai's website – www.taumataarowai.govt.nz – provides more information about the new regulatory body.

- 7 The Department of Internal Affairs and Taumata Arowai have published exposure drafts of new drinking water standards and operational compliance rules for drinking water supplies. If adopted, these would replace the current Drinking-water Standards for New Zealand 2005 (Revised 2018). Public consultation on the draft standards and rules is expected to occur in mid-2021.
- 8 The Ministry for the Environment intends to amend the National Environmental Standard for Sources of Human Drinking Water 2007 to align it with the Water Services Bill. Public consultation on the proposed amendments is expected to occur in about July/August 2021.

Three waters service delivery reform update

Local government and iwi/hapū engagement

- 9 Thirteen regional hui have been held around the country since January 2021, called by the National Iwi Chairs Forum's Iwi Leaders Group in readiness for discussions with the government over Three Waters Reform. Among the many concerns for Māori is how Government proposals to establish 'super entities' as part of the Three Waters Reform will take power away from local government just at a time when Māori are anticipating being able to have more effective partnership and decision making arrangements with Councils.
- 10 More recent debates around Three Waters Reform has seen a Co-Governance model with iwi as a possible way forward in sharing governance responsibilities. This is a standpoint that is strongly supported by Ngāi Tahu, whose position is that co-governance arrangements would be a safeguard against future privatisation of water assets. Ngāi Tahu have explicitly expressed that they do not want to own the asset. Ngāi Tahu has publicly stated that they would like to see an entity that provides local solutions and ensures communities have equitable access to safe and resilient three-waters services.
- 11 In March 2021, staff attended a Three Waters Reform Programme engagement workshop for local government and iwi/hapū. The workshop, led by the Department of Internal Affairs, provided updates on work related to the Government's proposal to transfer delivery of three waters services from councils to new, public multi-regional water entities. Attendees at the workshop included staff and elected members from territorial authorities across Otago and Southland. The workshop was part of a series of engagements held across the country throughout March.
- 12 The slide pack from the March workshop is attached to this report as Attachment A. The Department of Internal Affairs circulated a summary report on the March engagement workshops in May 2021. The summary is attached as Attachment B.
- 13 A memorandum from the Otago-Southland Three Waters Office to Otago and Southland elected members summarises concerns raised about the reform process at the March workshops. The memorandum is attached to this report as Attachment C.

Summary of key service delivery reform decisions and developments expected in 2021

- 14 Cabinet is expected to make decisions on the core design features of a reformed three waters service delivery system in mid-2021. These decisions will cover matters such as the number and

boundaries of new water services entities and the new entities' governance and ownership arrangements.

- 15 Following Cabinet decisions, the Department of Internal Affairs will provide councils with information to support discussions about the reforms with communities. The information is expected to cover the core system design features, financial impacts, terms of asset/liability transfers and data analysis based on council responses to the Request for Information completed in early-2021. In addition to local discussions, the Government intends to lead a nationwide public information and education campaign to build community support for the reforms.
- 16 The Government intends to introduce a Water Services Entities Bill to Parliament in about September 2021. This legislation would establish the new water services entities. The Government has stated that all councils will be included in one of the new water services entities by default but will have the option to decide not to participate in the next phase of the service delivery reform programme. Council decisions on continued participation are likely to be required in late-2021, following the introduction of the Water Services Entities Bill. This 'opt out' decision will only relate to service delivery reforms: councils that choose to 'opt out' and continue providing three waters services themselves will still be required to comply with new regulatory requirements.
- 17 Changes to the Local Government Act 2002 (LGA) will be required to enable councils to make the decision about continued participation. At present, the LGA obliges councils to maintain water services and prohibits them from divesting ownership of these services, or from selling, transferring, or losing control of the infrastructure needed to provide water services.
- 18 The Government intends to introduce a Local Government (Three Waters Reform) Amendment Bill to remove these restrictions and enable councils to make decisions about transferring ownership of water services assets to new entities. The proposed legislation would also set out a consultation process tailored to enable councils to engage with communities and iwi/Māori about the reform proposals and make decisions. Introduction of the Local Government Amendment (Three Waters Reform) Amendment Bill to Parliament is expected to occur by the middle of 2021.

The long-term plan for transition and the position of stormwater in the reforms

- 19 Ultimately, the Government is targeting June 2024 as the 'go live' date for the new water entities. The Government is working on the assumption that council long-term plans for the 2024-2034 period will no longer include water services.
- 20 The Government has been clear that it intends for council drinking water and wastewater infrastructure and service delivery functions to transfer to the new water services entities. Work on the position of stormwater in the reforms is still in progress. The Government has previously highlighted the complexities of stormwater management, including the interconnections between stormwater management and other council activities such as land use planning and provision of transport infrastructure. At this stage, Ministers have agreed to further explore the transfer of stormwater infrastructure and services to new water services entities and the Department of Internal Affairs has established a technical working group to develop a transition plan for the future management of stormwater systems.

Otago-Southland Three Waters Office update

- 21 In late-2020, the Otago-Southland Three Waters Office commissioned management consultancy Morrison Low to assess council three waters infrastructure and services across Otago and Southland. The purpose of the assessment is to inform discussions within the two regions about options and future decisions relating to the Government's reform programme.
- 22 Morrison Low has completed a 'Regional Situation Analysis', which focuses on challenges and opportunities at a regional scale. In March 2021, Morrison Low provided a draft 'Cross-regional current state assessment' (Attachment C). The draft assessment presents findings at the individual territorial authority level.
- 23 The draft assessment highlights future issues and opportunities councils in the Otago and Southland regions can expect to face in delivering three waters services. These include issues relating to affordability, borrowing capacity, large capital works programmes, the need to invest to meet increasing regulatory standards and monitoring, and resource constraints.
- 24 Among other things, the draft assessment estimates that the cost of three waters infrastructure renewals needed in Dunedin over the next ten years could be more than double the amount the DCC has budgeted for all three waters capital spending over the same period. The capital investment challenges are even greater for the two regions' smaller councils. The draft assessment also highlights a projected need for councils to increase operating budgets in response to larger, more complex asset bases and higher levels of regulation and monitoring. The draft assessment provides early analysis of the impacts of increased capital investment programmes and operating costs on council debt and costs to customers.

OPTIONS

- 25 There are no options associated with this update report.

NEXT STEPS

- 26 Mayors, councillors, chief executives and senior staff of the Otago and Southland councils have been invited to attend a Three Waters Reform workshop with Department of Internal Affairs staff on 28 May 2021.
- 27 Staff will provide further updates to the Council following the release of Cabinet decisions on the core design features of a reformed three waters service delivery system, expected mid-2021.
- 28 Staff will inform the Council as opportunities for the DCC to submit on three waters reform-related matters arise. Public consultations on the following are expected in the coming months:
 - a) the Local Government Amendment (Three Waters Reform) Bill;
 - b) draft drinking water standards and operational compliance rules;
 - c) amendments to the National Environmental Standard for Sources of Human Drinking Water; and
 - d) the Water Services Entities Bill.
- 29 A final version of the 'Cross-regional current state assessment' will be provided to the Council when it is available, and staff will continue to provide updates on the work of the Otago-Southland Three Waters Office.

Signatories

Author:	Scott Campbell - Policy Analyst
Authoriser:	Jeanette Wikaira - Kaiwhakamāherehere Tom Dyer - Group Manager 3 Waters Simon Drew - General Manager Infrastructure & Development

Attachments

	Title	Page
↓A	Three Waters Reform Programme - March 2021 Local Government and Iwi/hapū engagement	57
↓B	Three Waters Reform Programme - March 2021 engagement summary	145
↓C	Memorandum: DIA Workshop and Otago Southland Three Waters Outputs (Otago-Southland Three Waters Office, 26 March 2021)	159
↓D	DRAFT Cross-regional current state assessment (Morrison Low, March 2021)	161

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This update report is designed to support future democratic local decision making and action by, and on behalf of communities.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Economic Development Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

This update report has been prepared with reference to Dunedin's strategic framework above.

Māori Impact Statement

Ngāi Tahu has been in discussions with the Crown on the possibility of designing one of the new three-waters delivery entities that are being established under the Government's reform programme to replace the 67 local councils currently delivering three-waters services. Ōtākou Rūnaka and Kāti Huirapa ki Puketeraki Rūnaka are both heavily involved in these discussions at a much broader Te Rūnanga o Ngāi Tahu level. It will be critical to engage with mana whenua as the Three Waters Reform Programme develops.

Sustainability

The Government's Three Waters Reform Programme aims to enhance the economic and environmental sustainability of three waters infrastructure and services across New Zealand.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This update report has no direct implications for these plans and strategies. However, this report notes that the Government is working on the assumption that council long-term plans for the period 2024-2034 will no longer include water services (subject to individual council decisions on continued participation in the three waters service delivery reforms).

Financial considerations

There are no financial implications directly associated with this update report.

Significance

A decision to note this update report is considered low in terms of the Council's significance and engagement policy.

SUMMARY OF CONSIDERATIONS

Engagement – external

DCC staff attended a Three Waters Reform Programme engagement workshop for local government and iwi/hapū in March 2021. The workshop was led by the Department of Internal Affairs and attended by staff and elected members from territorial authorities across Otago and Southland.

DCC staff regularly engage with staff of the other Otago and Southland territorial and the Otago-Southland Three Waters Office on matters relating to three waters reforms.

Engagement - internal

This update report was prepared by the 3 Waters Group. There was no specific internal engagement on the preparation of this update report.

Risks: Legal / Health and Safety etc.

There are no known risks associated with this update report.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Community Boards are likely to be interested in three waters reform updates and staff will consider how to update the Community Boards in future.

Three Waters Reform Programme

March 2021 Local Government and Iwi/hapū engagement

Webpage: www.dia.govt.nz/Three-Waters-Reform-Programme

Email: threewaters@dia.govt.nz



Te Tari Taiwhenua
Internal Affairs

Message from the Minister

Three Waters Reform Programme

March 2021 Local Government and Iwi/hapū engagement

Webpage: www.dia.govt.nz/Three-Waters-Reform-Programme

Email: threewaters@dia.govt.nz



Te Tari Taiwhenua
Internal Affairs

Objectives of today

- A **collaborative engagement (with Treaty partners and local government)** to test thinking, assumptions and direction **before** advice to decision makers. We will have regular breaks for questions and group-based discussions.
- We have identified key questions for your input/discussion, and will clearly signpost where decisions have already been taken by Cabinet.
- The Department and Steering Committee are sharing our most up-to-date information on key questions of the reform, but there are some areas that remain a work-in-progress.
- Where we identify the need for more in-depth discussions through today's workshop, we will organise follow-up engagement opportunities.

Your feedback will inform our advice to Ministers on key reform elements.

A small sample of previous feedback*

What you raised	What we did	In today's workshop
Protections against privatisation	A Govt bottom line , but more work done on protections	Session 2, Governance and ownership
Treaty Partnership means mana whenua representation , and Treaty rights and interests are heard and woven into the reforms	Ongoing work, informal meetings and engagement to understand rights and interests in the reforms	Throughout workshop , but notably in session 2 on Governance/ ownership, & session 3 (parallel session)
Making sure local government remains robust and thriving .	Conveyed concerns to Ministers and worked with LGNZ/Taituarā	Session 1 introduction
Promoting the interests of communities, iwi, hapū and individuals in larger entities	Further work done to ensure community interests designed in	Session 2 Governance/ownership consumer and community protections
Want to see more data and modelling , particularly with local detail.	With councils and Taituarā managed exhaustive Rfl process	Session 1 introduction and shapes and boundaries of entities
Ensure central and local government bring communities along in the reform discussions.	Further planning work on communicating the reforms	Session 1 introduction and next steps

**For a more extensive commentary on feedback and related actions see: www.dia.govt.nz/Three-Waters-Review*

Reform Programme questions to be discussed today

Session One



Case for change
and reform timing

Session Two



Possible entity
boundaries and size

Session Three



Possible governance
and ownership

Session Four



Protections for
communities in entities

Session Five



Iwi/Māori rights and interests
throughout the reforms*

Session Six



Establishment and
transition considerations

*Te Tiriti partnership and principles and Te Mana o Te Wai considerations are to be woven throughout all elements of the reforms over and above specific mechanisms to consider iwi/Māori rights and interests.

Using slido

Slido is an effective way of facilitating participation and receiving questions throughout the workshop. Using this facility you can submit questions throughout today's presentations and participate in live polls

1. Open slido.com (you can use any web browser).
2. Enter the event code # **3Waters**
3. Submit your questions through the Q&A tab.

Practice poll : Please enter where you are from in the Slido poll.

Introduction

This session will cover:

- What is the reform programme and why is it needed
- What Cabinet has decided
- Design features, scale and timelines
- Acknowledging important related workstreams
- Summarising the reform opportunities

Session One



**Case for change and
reform timing**

Session Two



Possible entity
boundaries and size

Session Three



Possible governance
and ownership

Session Four



Protections for
communities in entities

Session Five



Iwi/Māori rights and interests
throughout the reforms

Session Six



Establishment and
transition considerations

What is the Reform Programme

- The Three Waters Review has three pou (improved regulation, Taumata Arowai, and **service delivery reform**).
- In July 2020, the Government launched the Three Waters Reform Programme - a three-year programme to address the challenges facing **council-owned** and operated three waters services.
- The reforms are **not aimed at privately owned water schemes** but is cognisant that these schemes are a large part of rural water provision.
- **The Government's starting intention** is to reform local government's three waters services into **a small number of multi-regional entities with a bottom line of public ownership**.
- The Reform Programme is being progressed **in partnership** with local government, and iwi/Māori as the Crown's Treaty Partner.
- A **Joint Three Waters Steering Committee** provides collaborative oversight of the reform programme that brings together central and local government expertise and experience, and includes iwi/Māori perspectives.

Reforming council-owned three waters services and assets into new, larger entities designed in partnership with you.

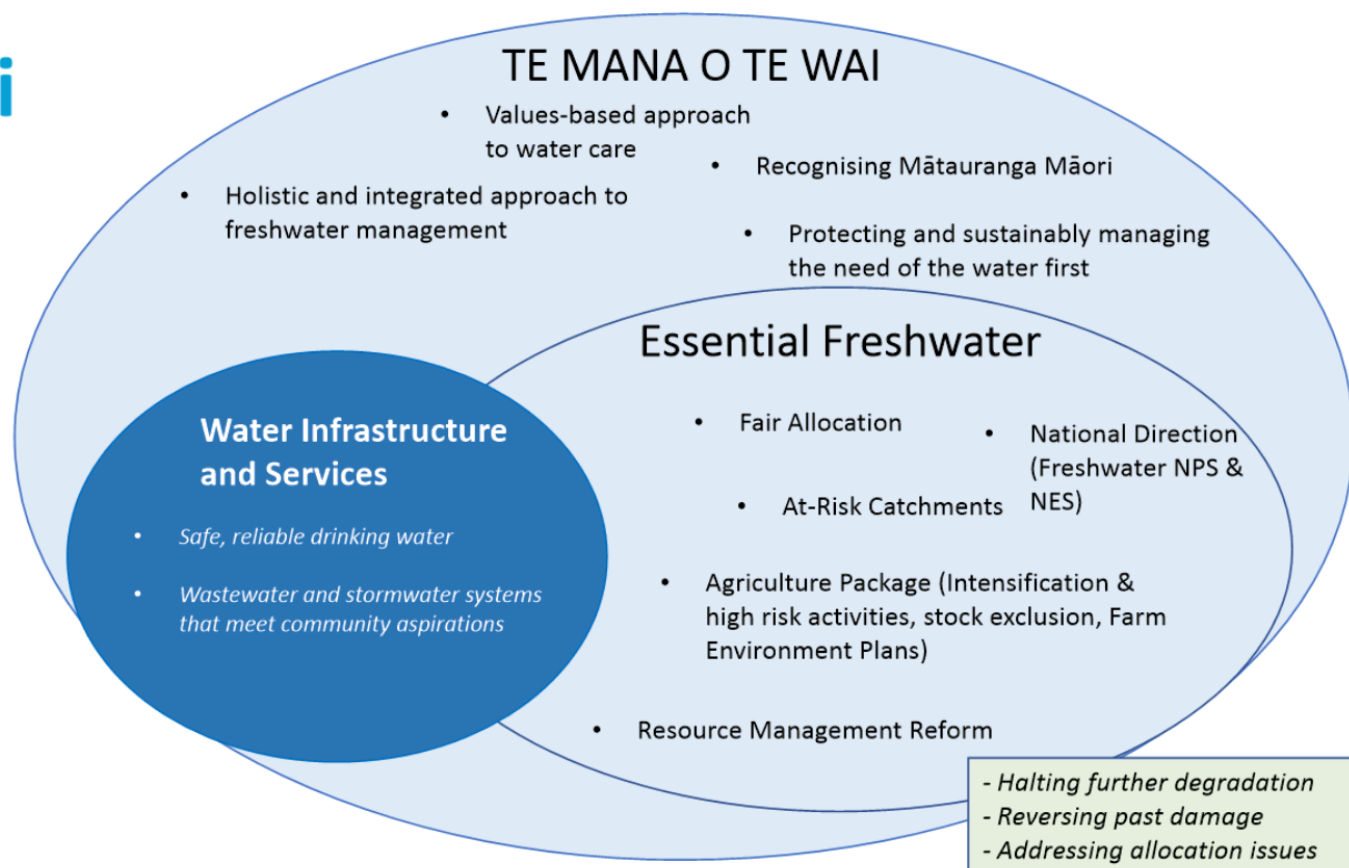
Why is reform necessary

- The system in which water service providers operate is changing – **this will bring new challenges and costs:**
 - Evidence of ageing and failing infrastructure and awareness of a multi-billion dollar national infrastructure deficit, and the huge, in some cases unaffordable cost challenges;
 - An obligation to meet **existing drinking water standards** and new regulatory environment proposed in the Water Services Bill – Taumata Arowai is being established to give effect to these requirements;
 - Large number of expiring wastewater consents which need to be renewed in a system less likely to compromise on environmental impacts;
 - The need to respond to the impacts of climate change and ensuring resilience of water services will add further cost challenges;
 - The requirement to provide water infrastructure for growth and economic development – and the inability of some councils to meet the huge associated costs.

The new water services entities we design will need to be able to respond to these challenges and operate effectively in the future environment, as will councils that do not proceed with the reforms.

Wai is wai

Where we fit
in this system



Anything we create will need to uphold Te Mana o Te Wai.

Recognising Treaty Rights and Interests

Reform presents a significant opportunity to address and protect Treaty rights and interests

Options and ideas for discussion

- **Statutory recognition**
Of both the Treaty of Waitangi and Te Mana o Te Wai in legislation
- **Recognition that Water Services sits with a wider Te Ao Māori framework**
Including support for capacity and capability and application of mātauranga Māori.
- **Creation of new mechanisms to enable Iwi/Māori directly influence outcomes for Māori**
This includes proposals around governance, board competencies, a direct mechanisms for mana whenua in the form of **Te Mana o Te Wai statements** and protections for Māori consumers
- **Opportunities to improve wider outcomes for Māori**
Recognition of the need for improved service for marae and papakāinga, opportunities for partnership in delivery

These issues will be explored in the detailed break out session

In December 2020, Cabinet agreed to:

- A centrally-led process for identifying the number of entities and their boundaries
- The key components of the reforms and the associated timetable
- Continue with a voluntary approach to reform, in partnership with the local government sector
- Progress early legislation needed to facilitate a voluntary approach, by enabling and supporting councils to make decisions to participate in the new service delivery system
- A high-level principle of partnership with iwi/Māori, which will be followed throughout the reform programme, and reflected in the new service delivery system
- Use a nationwide public information and education campaign, to provide a national picture of the reforms

Key design features of a new service delivery model

Decisions and directions during 2020 mean the reform proposals will include certain features:



Multi-regional entities of scale

Significant aggregation into a small number of multi-regional activities.



Public ownership

Entities must be publicly owned, with mechanisms to recognise Treaty rights and interests and to prevent future privatisation.



Statutory entities

Three waters entities designed and established by legislation.



Asset ownership

Three waters entities responsible for ownership of all water infrastructure assets.



Competency based boards

Professional directors on three waters boards.



Balance sheet separation

Complete structural separation from local authorities.

Success factors



Independent decision making



Management and governance competency



Mechanisms to recognise Treaty rights and interests of iwi/Māori



Mechanisms to enable community input



Financial independence



Flexible cost effective financing

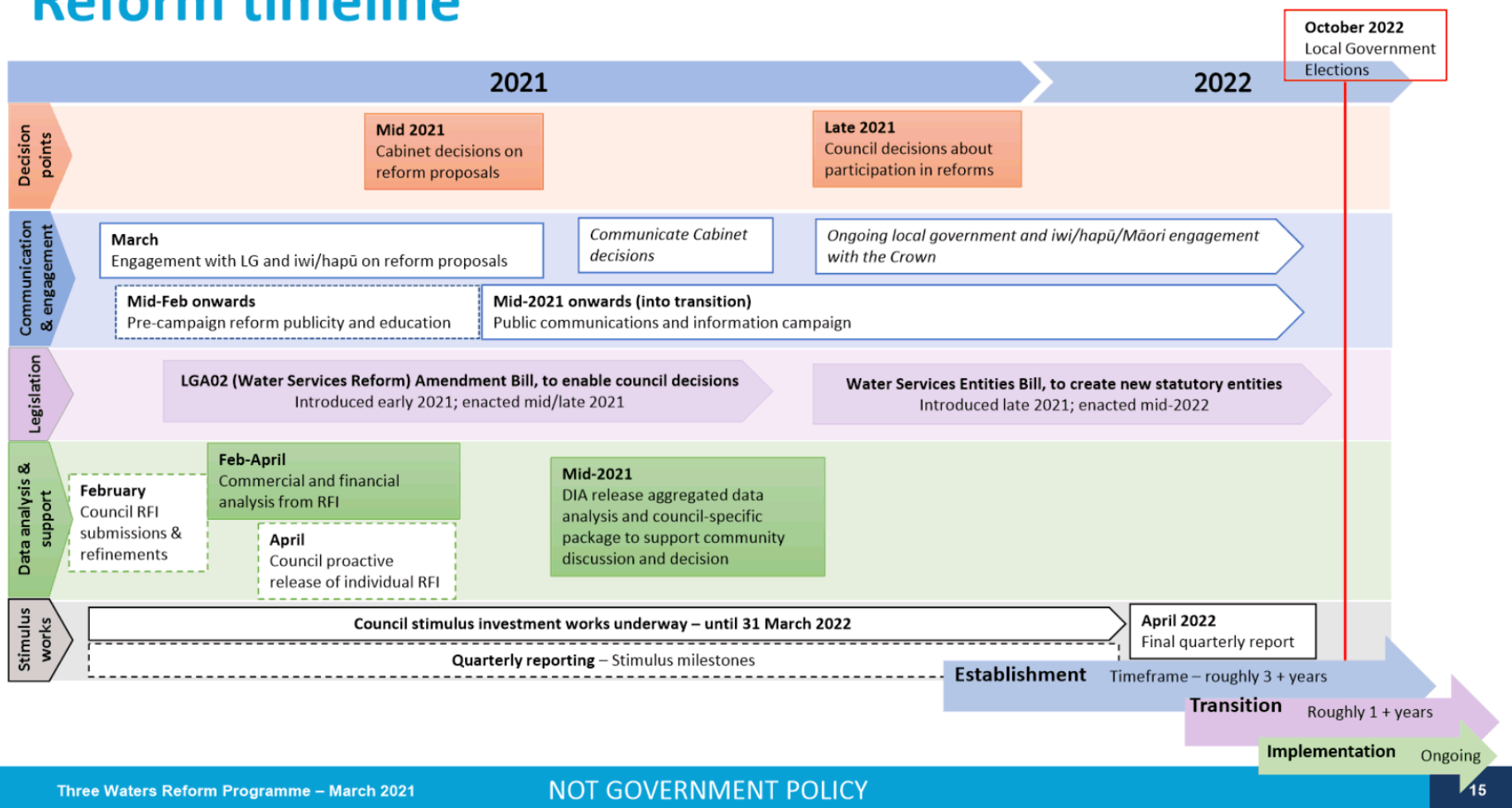


Equity/equality between local authorities



Structural longevity

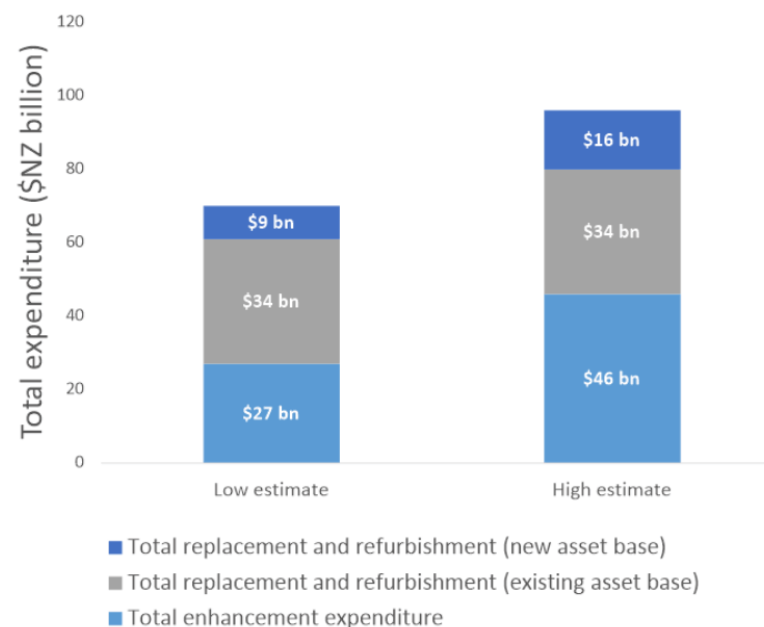
Reform timeline



A growing infrastructure deficit

- Early analysis commissioned using publicly available information on council assets, finances and connected properties found a conservative estimate of:
 - an estimated **\$34 billion** to maintain and replace the **existing asset base** due to ageing infrastructure
 - a minimum of **\$27bn of additional investment** (in addition to the above) required over the next 30 years to **upgrade existing** three waters assets to meet environmental and current drinking water standards. **The upper estimate is around \$46bn.**
 - a minimum of **\$9 bn** to maintain and replace the **new asset base** introduced over the next 30 years. **The upper estimate is around \$16bn.**
- These estimates made **no allowance** for investment required to meet population growth or to address resilience issues.
- Current council spend is **\$1.5bn annually or \$45bn** over the next 30 years.

WICS Phase One: Estimated enhancement and expenditure growth between 2020 and 2050

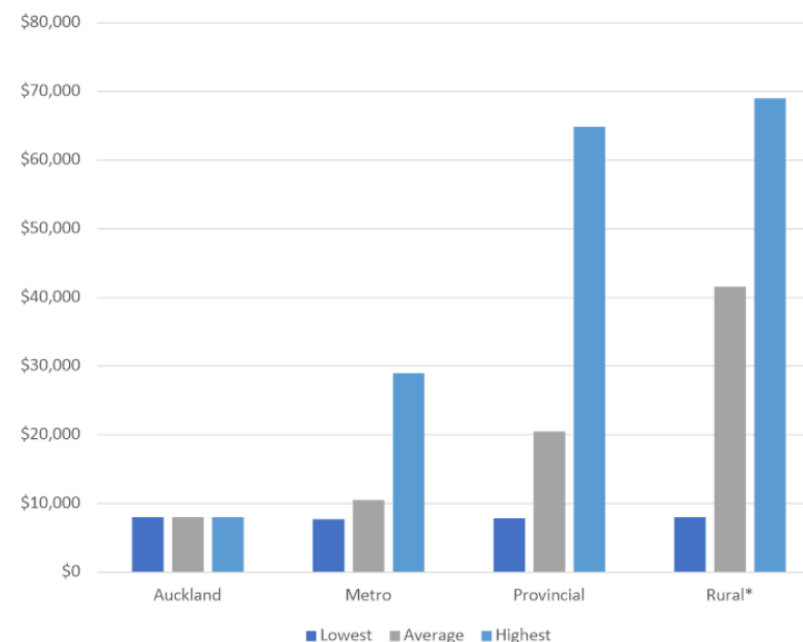


In total, this early analysis suggests a total investment of around \$70 to \$96 billion is required over 30 years

Funding affordability challenges

- Without reform, catching up on the required investment will have significant implications for local authority finances, and would present **affordability issues for many communities**.
- Average annual costs per household for metropolitan councils would need to increase by **1.4 and 1.8 times** in today's dollars to meet the required investment.
- Costs for provincial councils would need to increase by **between 1.5 and 2.5 times**.
- For rural councils, average costs per household would increase by **between 2 and 3 times** in real terms.
- Some communities would face much larger rises particularly smaller communities. This includes rural Māori communities who are often over represented in communities with have low service quality and poor coverage.

WICS Phase One: Predicted enhancement investment per property over 30 years (Auckland, Metro, Provincial and Rural)*



*Excludes 4 rural councils (out of 23) that have predicted enhancement per property in excess of NZ\$90,000. These 4 councils account for 12% of the population of the rural group.

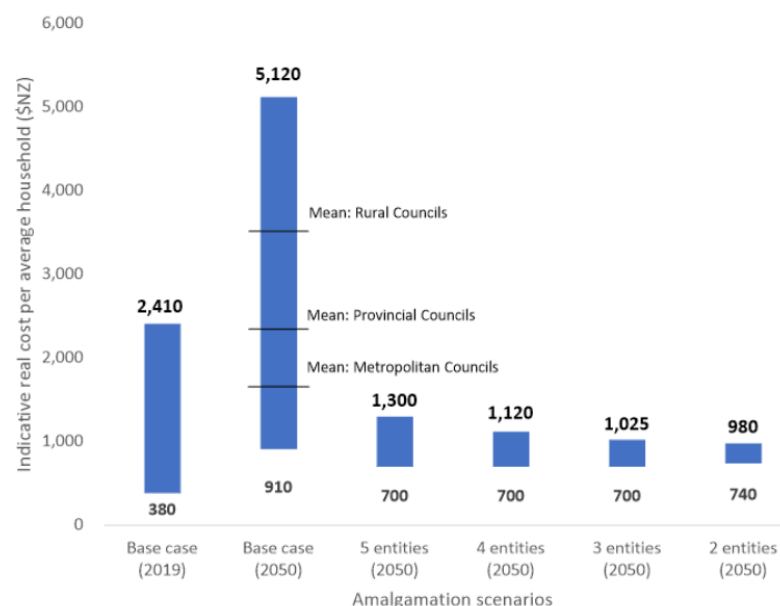
Early analysis from the RFI

- Council staff have recently completed the **most comprehensive data** collection on three waters assets and service delivery ever undertaken in New Zealand.
- **The results of the RFI are still being processed** but early insights are showing us that previous estimates were conservative. Note that these figures represent preliminary analysis and are subject to change as we undertake more detailed analysis
- We anticipate the investment needed to maintain and enhance infrastructure, and meet requirements of growth, could be **in the order of \$50-\$90 billion**.
- The total investment required once maintenance and renewals are factored in, could be in the order of **\$110 bn over the next 30 to 40 years**.
- This will exacerbate the impacts on costs to households and businesses.
- We anticipate the final RFI analysis to be completed over the coming months, and shared with you shortly after.

How reform can help meet investment needs

- Service delivery reform can help reduce the extent to which costs need to increase and reverse the infrastructure deficit more quickly.
- **Greater sharing of costs** across larger populations can ensure access to affordable services of a minimum standard across the country.
- Analysis suggests that entities require between 500,000 and 1,000,000 connections in order to fully realise these efficiencies.
- Entities are expected to have greater debt capacity than councils to share the costs of long-term assets over longer timeframes.
- **However**, determining the best size of new entities contains a variety of other trade-offs that require careful consideration (discussed later today).

WICS Phase One: Indicative real cost per household in current prices*



*figures based on Water Industry Commission of Scotland initial analysis of publicly available data and subject to change as part of further analysis using more detailed data collected from local authorities

The degree to which efficiencies can be realised is related to the number and scale of entities

Other considerations

Slido Poll: Bearing in mind the need to balance scale and other factors, how many entities do you think is best in a reformed system?



Te Tari Taiwhenua
Internal Affairs

Stormwater

- Enabling the new water entities to deliver all three waters is an opportunity to make a step-change in the way that we deliver stormwater services to meet existing and future challenges such as climate change.
- This approach would help uphold **Te Mana o Te Wai** and take a systems view of water from source to sea.
- Stormwater systems also effect urban water quality and housing supply.
- But the transfer of responsibility for stormwater to new water entities is complex and **further work is being undertaken** to:
 - Ensure the new entities and councils can continue work together to effectively manage stormwater; and
 - Identify a timeframe and process for transferring the responsibility for managing stormwater.
- We have established stormwater technical working group to develop a transition plan for the future management of the stormwater system.

As a starting proposition, Three Waters Ministers have agreed to explore further the transfer of stormwater infrastructure to new water services entities.

The future of local government

- The Minister of Local Government and Department of Internal Affairs have been progressing work on a process to reimagine the role of local of government.
- LGNZ and Taituarā have been involved in this work and were consulted on the draft Terms of Reference last month.
- Cabinet decisions on the Terms of Reference for this work and who will lead it are expected soon.
- Pending Cabinet decisions, a robust engagement process is envisioned, which will include local and central government representatives and iwi/Māori.
- Initial feedback ahead of the process commencing can be emailed to futureforlg@dia.govt.nz

If you would like to discuss this mahi, a member of the team working on this is available today during breaks.

Changes to the regulatory system

- We are cognisant the service delivery reform programme does not exist in isolation.
- While we are not here to discuss this mahi today, at the end of this slide pack we have attached an overview of the following pieces of reform for your information if you are interested:
 - Resource management reforms;
 - The National Environmental Standard for Sources of Human Drinking Water;
 - Economic regulation; and
 - Taumata Arowai and the Water Services Bill.

The new water services entities we design will need to operate in a future regulatory system, just as councils would.

Non-council small and rural supplies

- While the Reform Programme is **not aimed at privately owned water schemes**, regulatory reform is underway through the establishment of Taumata Arowai and the Water Services Bill.
- A technical advisory group has been established to help Taumata Arowai and the Reform Programme better understand small and rural supplies and to make sure requirements are fit for purpose for small supplies.
- **A \$30m fund to support small rural drinking water suppliers** was announced last year.
- A decision will be made by the Minister of Local Government and the Minister of Finance on the process for allocating this funding.

We know that \$30m will not upgrade all small rural drinking suppliers – far from it.

To summarise: reform opportunities

- The reforms present a number of opportunities for local government, iwi/hapū/Māori and our communities. These include:
 - ensuring an **affordable** way for communities/households to **meet the infrastructure deficit** for much needed upgrades/maintenance of our water infrastructure now and into the future;
 - creating regional jobs and a more **professional workforce**, and certain pipeline of works;
 - looking after the health of our **environment and our people**;
 - upholding **Treaty principles and Te Mana o Te Wai** in a way that takes an all of system (ki uta, ki tai) approach;
 - protecting essential water services against **climate change** and adverse natural events;
 - allowing councils to **focus more on community development** and place-making;
 - helping to address the **housing crisis** by providing essential water infrastructure for growth; and
 - creating opportunities for more **innovation and new technologies** in water service provision.

Comprehensive, system-wide reform is needed to achieve lasting benefits for local government, our communities, and the environment.

Questions?

Next session: Entity size and shape



Te Tari Taiwhenua
Internal Affairs

Possible entity size and shape

This session will cover:

- The centrally-led process for establishing entity size
- Considerations we think are important for where entity boundaries might sit
- Some example entities and their trade offs

Session One



Case for change
and reform timing

Session Two



**Possible entity
boundaries and size**

Session Three



Possible governance
and ownership

Session Four



Protections for
communities in entities

Session Five



Iwi/Māori rights and interests
throughout the reforms

Session Six



Establishment and
transition considerations

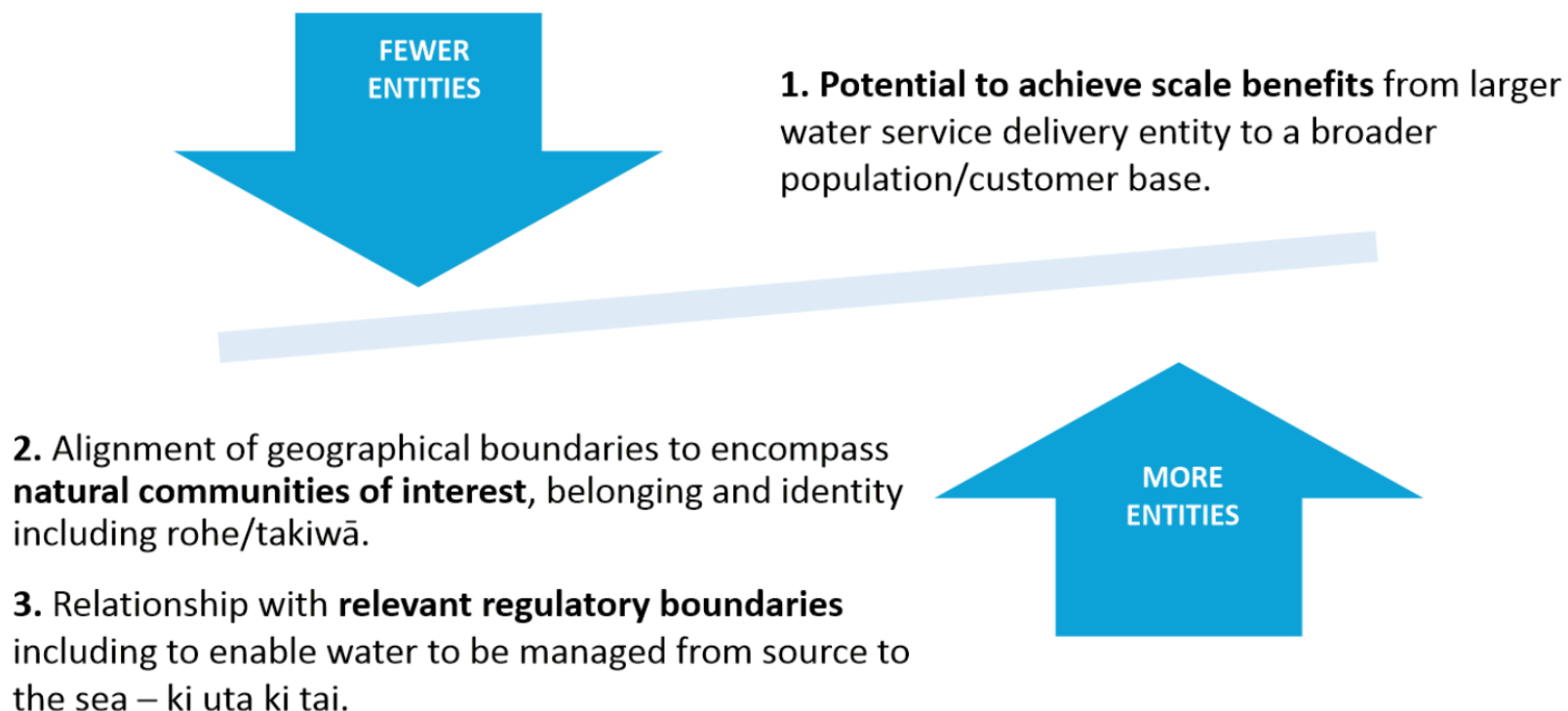
Centrally-led process

- In December 2020, Cabinet confirmed details for a centrally-led process, in which officials will complete analysis relating to entity numbers and boundaries, and work with the Joint Steering Committee and relevant Ministers to identify a shortlist of scenarios.
- Today we will **discuss the way we are approaching these scenarios** noting that final analysis will require inputs and evidence from the detailed Request for Information (RFI).
- We are interested in **your feedback on the criteria** we are considering and how these trade-offs interact.
- Cabinet will make decisions on the final number and boundaries in **mid-2021** – along with other details of the new system – and the agreed proposals will be included in legislation.

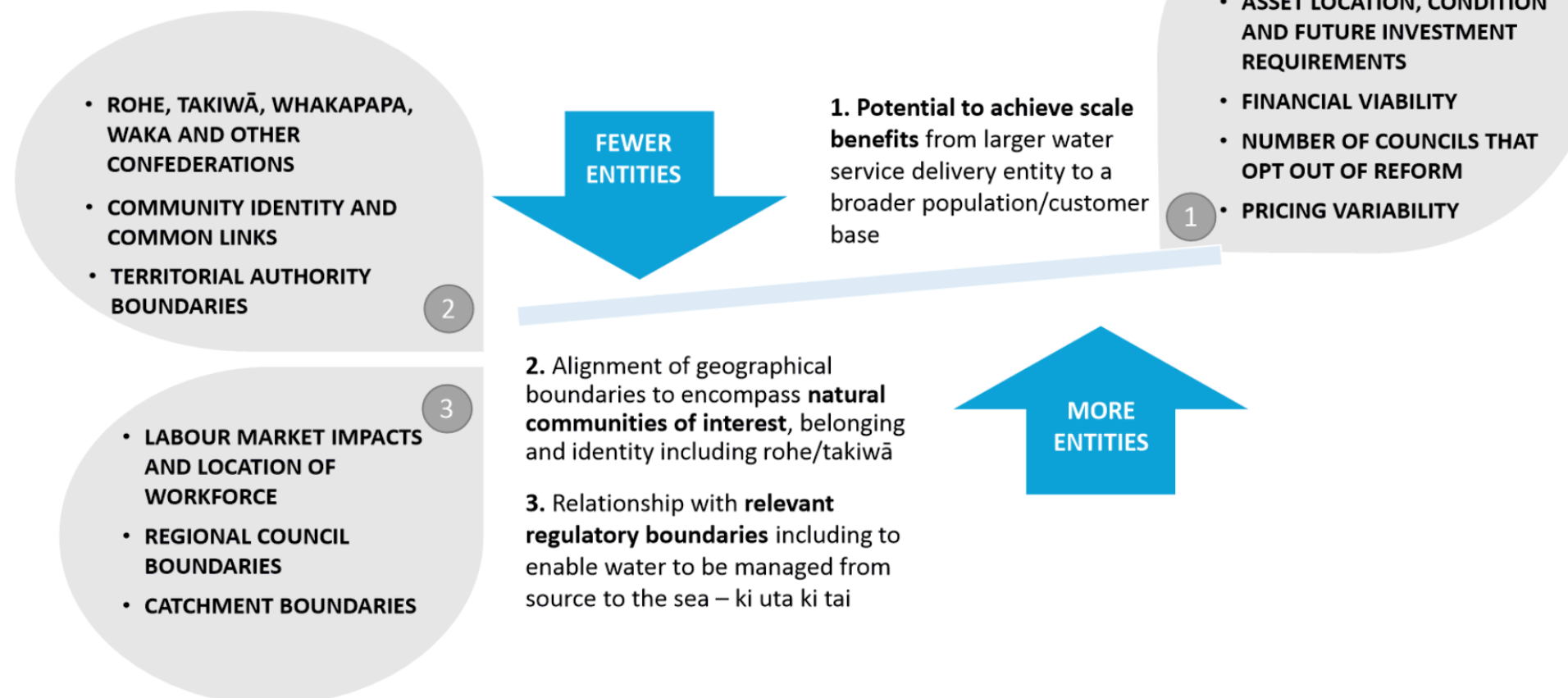
There are a number of trade-offs the Government is considering when determining the best size and shape of the entities. We are interested in your thoughts on these considerations.

Number and boundaries

Advice to Ministers and the Joint Central/Local Government Steering Committee will consider the following factors:



Key considerations

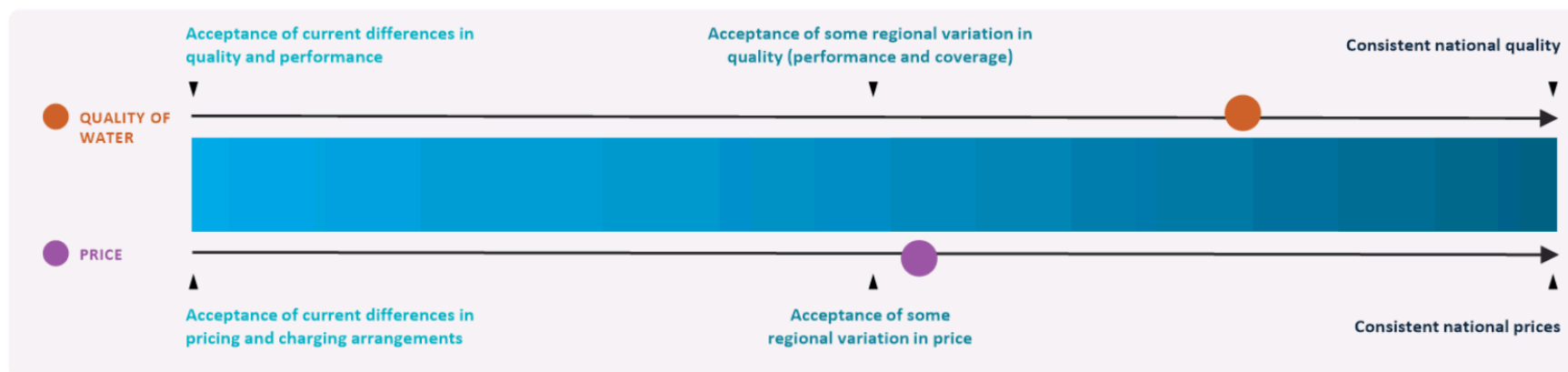


Scale impacts regional variation

Preliminary analysis from the Request for Information (RFI) is also confirming there are large variances across the country in:

- A. Costs of water service provision**
a function of scale, investment,
topography
- B. Price of water service provision**
calculated as average bills per
household
- C. Quality of water service provision**
drinking water and wastewater
quality outcomes

The extent to which Government pursues a form of national **equity by consumer type** or **equity by geographical region** will affect decisions about the number of entities. For example, **wider tolerance for variation** may support a **greater number of entities** whereas **low tolerance** leads to **fewer**.



Benefits of scale

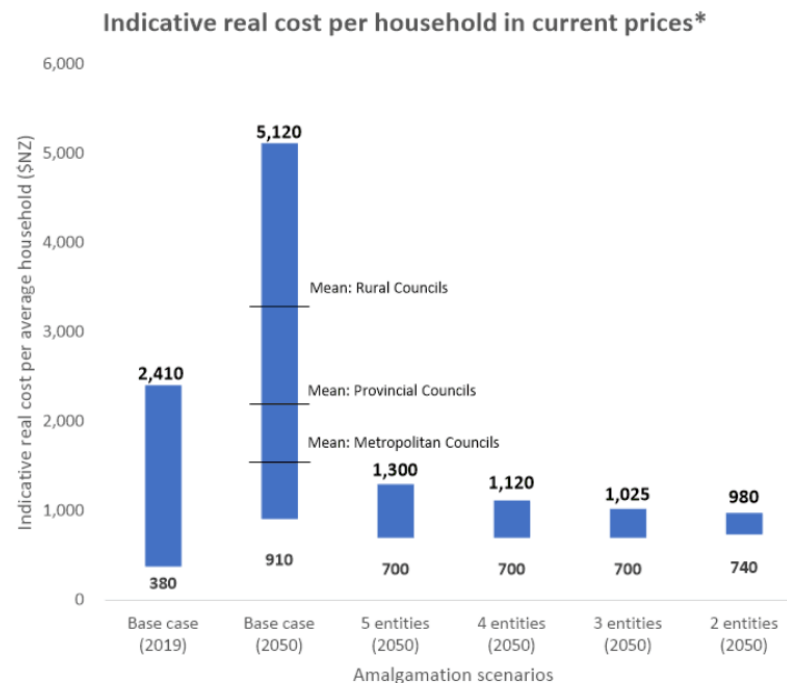
The investment challenge is significant, scale will help minimise the impact on communities



SCALE CONSIDERATIONS	Greater financial capacity	Strengthened operations	Improved asset management	Improved outcomes for communities
DESCRIPTION	<p>Enables the significant investment required to occur off the balance sheet of council owners and through the increased financial capacity of specialist entities</p> <p>Also enables more flexible funding tools</p> <p>Provides resilience if councils opt out of reform</p>	<p>A step change in operational scale enabling greater professional pathways for staff and organisational capabilities</p> <p>Contributes to improved procurement practice and lower operating costs</p>	<p>Greater balance sheet capacity enabling a more strategic and coordinated approach across catchments</p> <p>Significant contribution to improving environmental and quality outcomes</p>	<p>Service improvement at a lower cost than would otherwise be the case</p> <p>Introduction of a range of protections for consumers through a new regulatory regime</p> <p>More direct mechanisms for iwi/Māori to influence outcomes with clearer accountabilities</p>

Without scale, prices will need to materially increase

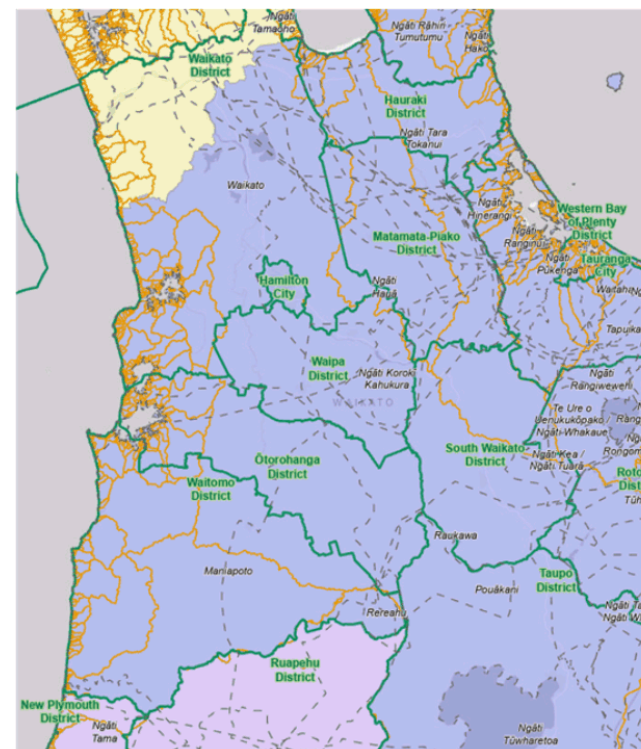
- Scale will enable a larger investment programme to be delivered more efficiently
- All councils will benefit from scale, but without scale smaller council ratepayers will bear a disproportionate load
- Without greater capacity to raise borrow, the investment burden will more likely be borne by the current generation of ratepayers particularly in councils near their debt limits



*figures based on Water Industry Commission of Scotland initial analysis of publicly available data and subject to change as part of further analysis using more detailed data collected from local authorities

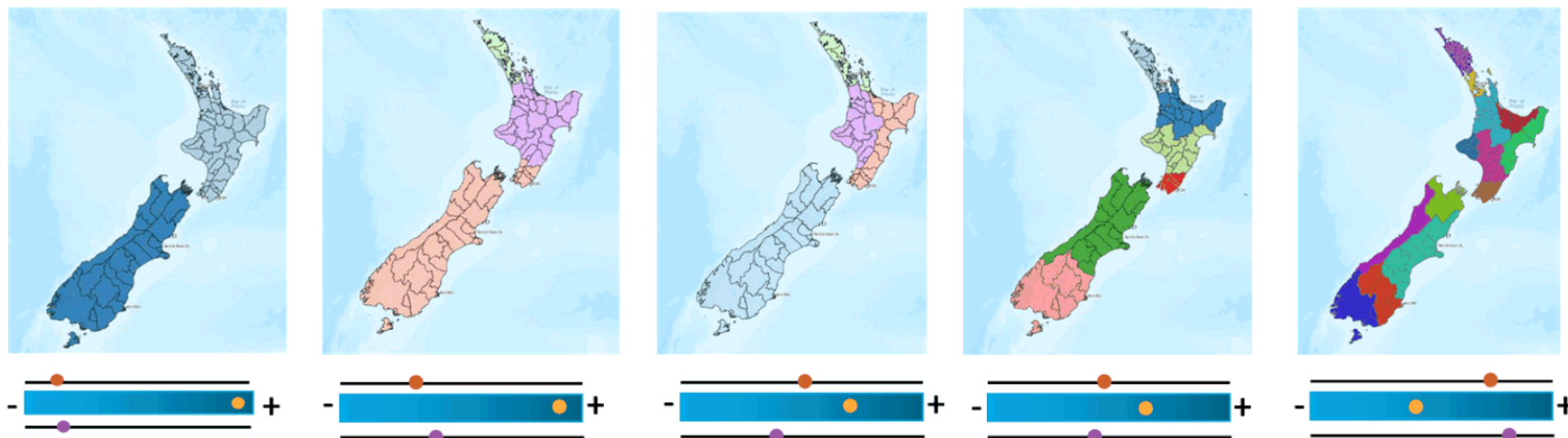
Our analysis is being informed by applied GIS modelling

- We are using GIS mapping to assist decision making
- The relationship between catchment and rohe/takiwā is particularly relevant using this tool
 - Using existing settlement legislation as well as Te Kahui Mangai database to inform mapping



A range of scenarios are being examined

ILLUSTRATIVE



Key

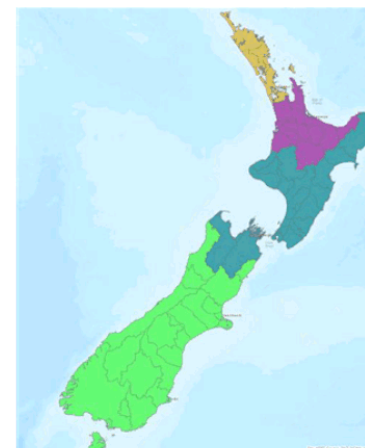
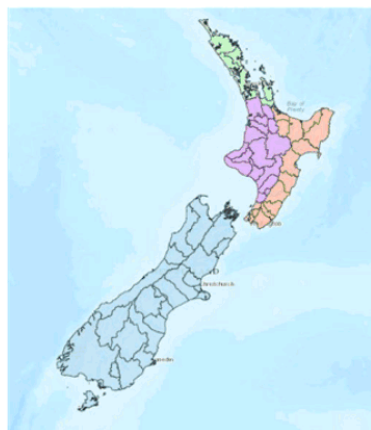
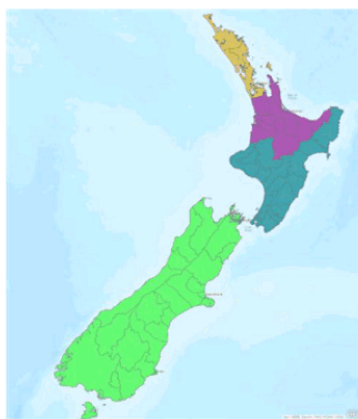
● ROHE/TAKIWA AND COMMUNITIES OF INTEREST

● REGULATORY ALIGNMENT

● SCALE

Each scenario has different combinations

ILLUSTRATIVE



Key

● ROHE/TAKIWA AND
COMMUNITIES OF INTEREST

● REGULATORY ALIGNMENT

● SCALE

Current focus

1. A significant **request for information** has just closed across all 67 local authorities that will enable further analysis to be informed by better local data
2. Water Industry Commission for Scotland is now undertaking **applied financial and economic analysis** to identify the investment gap (with independent review to ensure appropriateness for New Zealand conditions)
3. This will be overlayed with **GIS information** to inform decisions on boundaries (and trade-offs) including catchments, rohe/takiwā, water schemes and other physical considerations
4. Ministers will receive advice on how this analysis impacts different scenarios before making a final decision in May/June

Slido Poll: If you were determining the shape and size of the entities, how would you make these trade-offs: please rank these in order of importance from high to low.

Questions?

Next: Other considerations - context



Te Tari Taiwhenua
Internal Affairs

Break out session 1: Questions

1. Discuss the challenges of continuing to meet the infrastructure deficit for your communities?
2. What advantages and disadvantages do you see in the reform programme?
3. How much more would you be prepared to pay/charge ratepayers, in exchange for more entities closer to home?

Next session: Governance and ownership and promotion of community and consumer voice

Governance and ownership

This session will cover:

- Key entity design objectives
- Role of local authorities and iwi/Māori
- Entity structures being explored
- Emerging structure

Session One



Case for change
and reform timing

Session Two



Possible entity
boundaries and size

Session Three



**Possible governance
and ownership**

Session Four



Protections for
communities in entities

Session Five



Iwi/Māori rights and interests
throughout the reforms

Session Six



Establishment and
transition considerations

Key design features of a new service delivery model

Decisions and directions during 2020 mean the reform proposals will include certain features:



Multi-regional entities of scale

Significant aggregation into a small number of multi-regional activities.



Public ownership

Entities must be publicly owned, with mechanisms to recognise Treaty rights and interests and to prevent future privatisation.



Statutory entities

Three waters entities designed and established by legislation.



Asset ownership

Three waters entities responsible for ownership of all water infrastructure assets.



Competency based boards

Professional directors on three waters boards.



Balance sheet separation

Complete structural separation from local authorities.

Success factors



Independent decision making



Management and governance competency



Mechanisms to recognise Treaty rights and interests of iwi/Māori



Mechanisms to enable community input



Financial independence



Flexible, cost effective financing



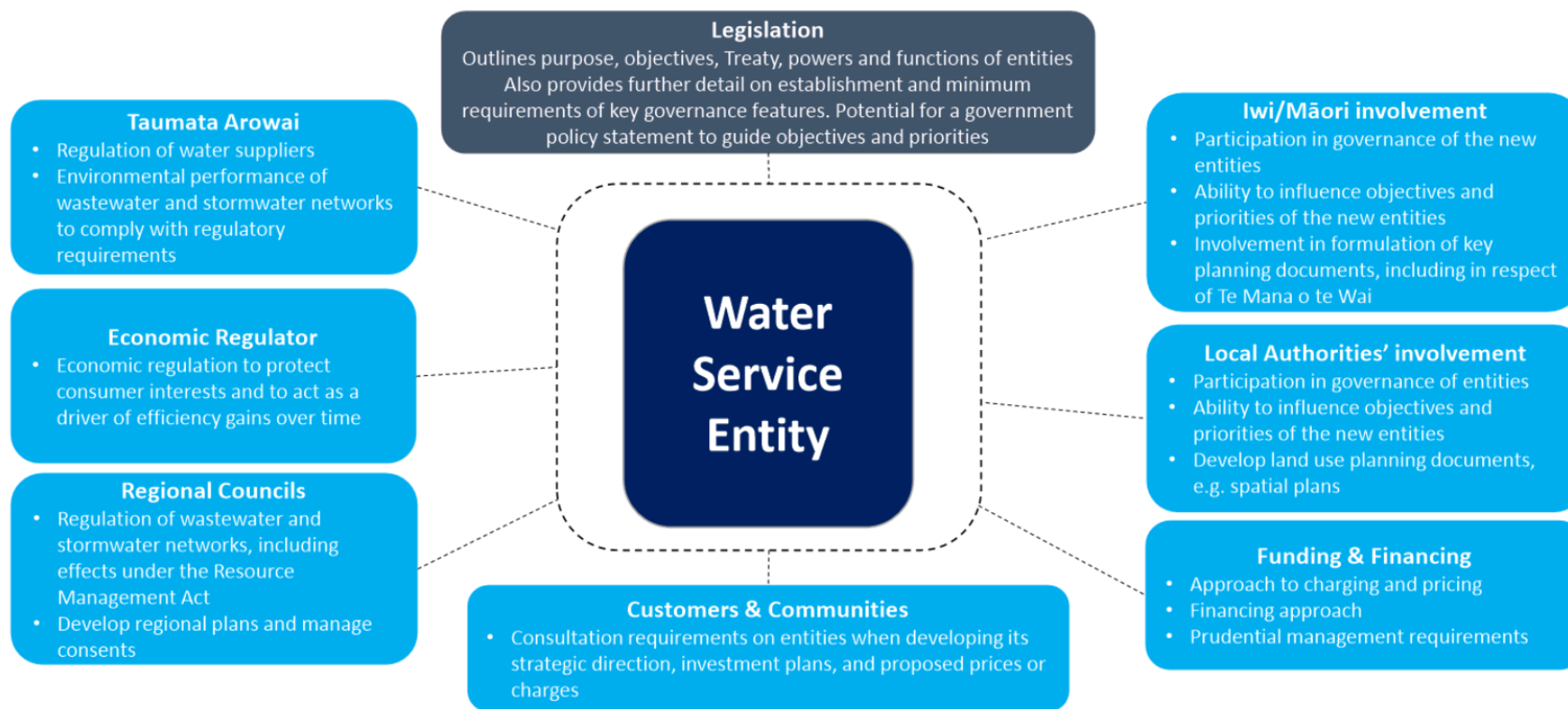
Equity/equality between local authorities



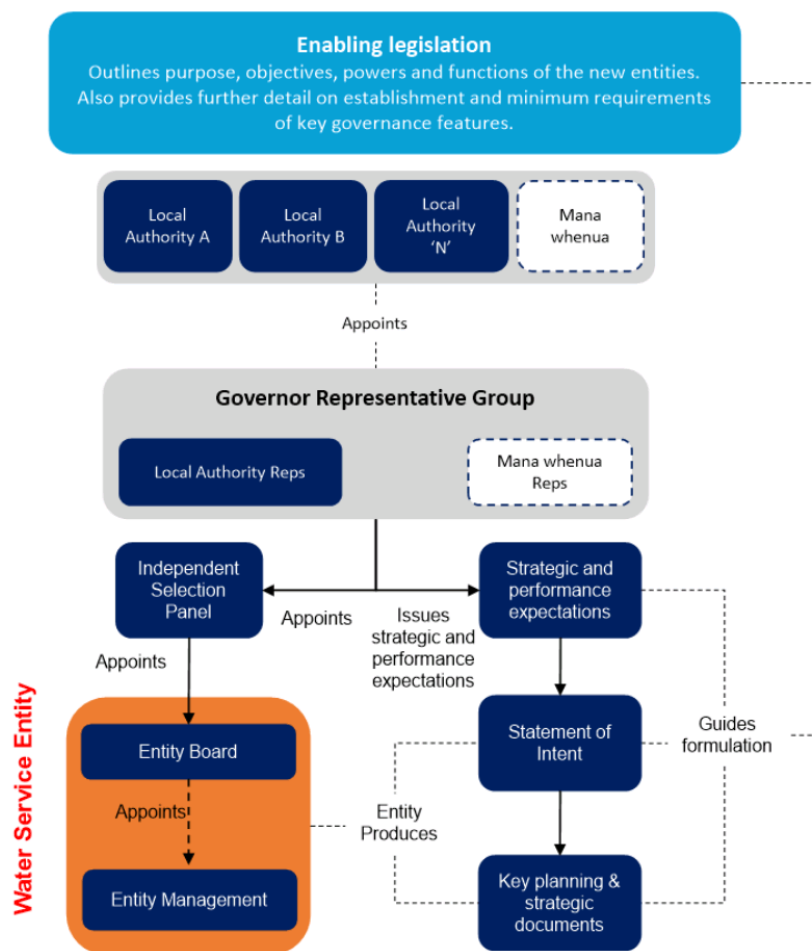
Structural longevity

A robust regulatory system





Water entities will operate within a new regulatory system that balances stakeholder interests



Emerging structure



Emerging structure: key features

 Independent decision making	 Public ownership & protection against privatisation	 Transparent & accountable	 Financial and operational autonomy
✓	✓	✓	✓
<ul style="list-style-type: none"> Local authority and mana whenua involvement in the appointment (and removal) of the board 	<ul style="list-style-type: none"> Statutory entities with 'owners' listed in legislation. A 'no shareholding' structure where ownership is effected through governance 	<ul style="list-style-type: none"> Statutory requirement to engage with communities on key investment decisions and strategic documents 	<ul style="list-style-type: none"> Entity structure independent of local authority balance sheets
<ul style="list-style-type: none"> Local authority influence via letters of expectation 	<ul style="list-style-type: none"> A prohibition on 'dividends' reduces the ability to attract external equity 	<ul style="list-style-type: none"> An integrated regulatory system ensuring accountability (economic regulator, Taumata Arowai) 	<ul style="list-style-type: none"> Ability to make independent pricing and charging decisions that reflect the long term nature of the underlying assets and cost to serve
<ul style="list-style-type: none"> Key planning and strategic documents influenced by local authorities via letters of expectation 	<ul style="list-style-type: none"> A general statutory prohibition on asset sales or transfers 	<ul style="list-style-type: none"> Ability for the governors representative group to appoint and remove the board 	<ul style="list-style-type: none"> Appropriate economic regulation to protect consumer and community interests

Various structures are being explored

Governance and local authority and iwi/Māori involvement structures:

- A 'base' structure with shared local authority and mana whenua governance
- A high degree of involvement by local authorities, mana whenua included in governance arrangements
- A low degree of involvement by local authorities, mana whenua included in governance arrangements
- An ownership structure that involves shareholding by councils in the entity, compared with a 'no shareholding' model

Financial structure scenarios:

- A higher degree of Crown Support to the water entities
- A higher number of water services entities in the system (13 entities compared with 3 in the base structure)

Emerging role for local authorities and mana whenua

Individual role to ensure new water entities will be responsive to **local communities'** needs

- Local authorities and mana whenua play an important role in representing their communities' interests
- Local authorities and mana whenua will individually continue to influence water investment in the new system through:
 - Input into the regulation of three water quality outcomes (across all three regulators)
 - Urban development and land use planning processes (noting current RM reform proposals)
 - Input into national and regional standard setting
 - Engagement and consultation of water entities key documents

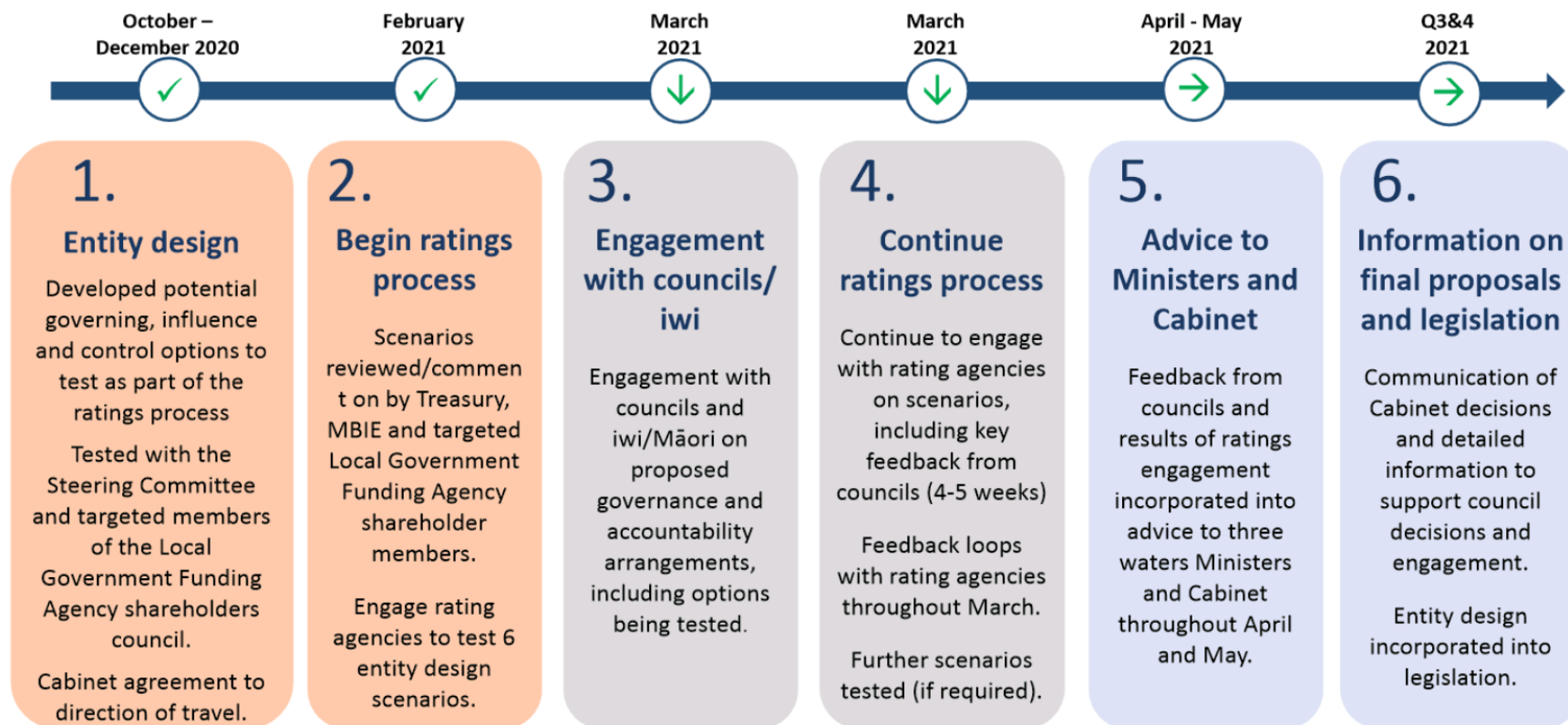
Collective role to hold new water entities to account for delivering objectives

- Local authorities and mana whenua collectively are best placed to hold new water entities (and their independent competency-based boards) to account
- Mechanisms to do so are being tested with rating agencies and may need to be unique given the new service delivery model
- At a minimum mechanisms are expected to include:
 - Issuing Letter of Expectations (note this may be a more extensive document than currently used)
 - Entities publicly and formally reporting back against Letter of Expectations
 - Ability to remove one or more directors

Note: upcoming sessions on Treaty rights and interests and community participation in entities

Local authorities and mana whenua will play important roles in the system on both an individual and collective basis

Timeline



Questions?

Next Session: Retention and promotion of local voice



Te Tari Taiwhenua
Internal Affairs

Promotion of community voice

This session will cover:

- What role councils could have in representing their communities in the new system;
- Mechanisms to protect and promote iwi/Māori rights and interests;
- Mechanisms to protect and include vulnerable and smaller communities; and
- Engagement and transparency requirements.

Session One



Case for change
and reform timing

Session Two



Possible entity
boundaries and size

Session Three



Possible governance
and ownership

Session Four



**Protections for
communities in entities**

Session Five



Iwi/Māori rights and interests
throughout the reforms

Session Six



Establishment and
transition considerations

Local voice

- Through our previous engagements a consistent question about the reforms has been whether smaller voices will be lost in bigger entities, be this councils, iwi, hapū, communities or individuals.



- The objective of this session is to seek feedback on the possible mechanisms to incorporate and maintain the **voice of communities in the new system** design.
 - We will also touch base on some proposed consumer protection mechanisms, to help paint the picture of **how the new system might work for** members of your communities
- We want to ensure that the new system will have appropriate democratic accountability compared to the current system.

We are aiming to utilise both existing avenues and new mechanisms to ensure various communities and individuals have a strong voice in the new water services entities/system.

Community Interests/Accountability

Governor Representative Group



- We are proposing that council and mana whenua representatives will have a key role in governing the new entities through the Governor Representative Group.
- An important function of this will be a **Letter of Expectations** for the entities. This could set out how the entities are to engage with, consult with and take into account the interests and needs of their communities.

Legislated requirements to engage on an entity's investment decisions



- To help ensure the new entities incorporate the views of communities, we are proposing to require engagement and consultation on the core business documents outlining the entity's investment decisions.
- There will also be reporting requirements to explain how public feedback was incorporated in these decisions.

Planning Mechanisms



- Communities and councils will maintain their democratic voice through the planning mechanisms such as Long-Term Plans and RMA planning tools (or future RMA replacements).
- The new entities will need to work alongside, and with regard, to these planning mechanisms.

Are there other tools that could be used to promote the various interests of your communities?

Engagement

We are exploring mechanisms to both require, and incentivise, the new entities to engage effectively and widely.

Effective and meaningful engagement will be a key mechanisms for communities and individuals to provide their feedback and communicate their interests directly to the water entities.

We are proposing to require entities to engage on and publish their:

- Statement of Corporate Intent;
- Investment Prioritisation Methodology;
- Strategic Asset Management Plan; and
- Funding and Pricing Plan.

We are also exploring the option of additional and specific engagement requirements for iwi and Māori groups, to ensure their interests and needs are adequately accounted for in the new regime.

The form/type of engagement wouldn't be specified in legislation, but would likely be incentivised through the economic regulation regime. This would enable the flexibility for entities to continue to develop and improve on their engagement over time to suit their communities' needs.

Slido Poll: We have provided a set of tools for enabling community influence. Please rank these from most effective to least effective.

Small communities and vulnerable consumers

We want to ensure smaller communities and consumers with vulnerabilities will be heard in the new entities regardless of their size.

- Protections could be incorporated / required through tools like a possible Government Policy Statement, the objectives or principles of the entities, or by requiring the entities to develop and adhere to a vulnerable consumer policy.
- Alongside this, there would be similar protections of Māori consumer and community interests, where any policies, objectives or obligations placed on the entities would include specific reference to and separate requirements for iwi/Māori.
- Ideally, the system would be able to reward and recognise the entities that effectively reach, educate and engage with a wide range of communities and consumers and utilise multiple methods/mechanisms to do this.



We have the opportunity to build on existing mechanisms and create a consistent system-wide focus on the more vulnerable consumers and communities (those who have their services provided by the new entities).

Consumer Protections

Individual consumer interests and protections are also being considered within our mahi to complement the mechanisms for community input.



For example:

- Legislated objective of the entities to be acting in the interests of their consumers;
- Protections and rights for consumers around the ability of water entities to reduce domestic water supply;
- Rights and protections for non-domestic consumers;
- Requirement to have a customer contract, and any implied terms;
- Requirement or encouragement to have a customer charter;
- A disputes resolution regime, both within the entities and independent externally; and
- Possible options for assistance if consumers cannot pay their bills (e.g. deferred payment plan).

These protections, along with the guiding principles and an economic regulatory regime, are designed to ensure the entities act in the best interests of consumers (in the short and long term).

Further protections through transition

- **Prioritising what, when and where to invest** is a critical task in the short to medium term.
 - These decisions will need to be undertaken through a transparent process and will require engagement on priorities.
- A **carefully managed transition pricing plan** with early and continuous engagement will be required to ensure minimal disruption to customers and manage pricing shocks to our whānau.
- The **long-term pricing regime** will also need to be designed to protect customers. This *could* include:
 - An ongoing requirement for the water service entities to manage price shocks after the transition period; and
 - Pricing principles (designed in legislation or regulations) that guide how entities set prices.

These issues will be explored further in the detailed break out session



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Three Waters Reform Programme Supporting Information

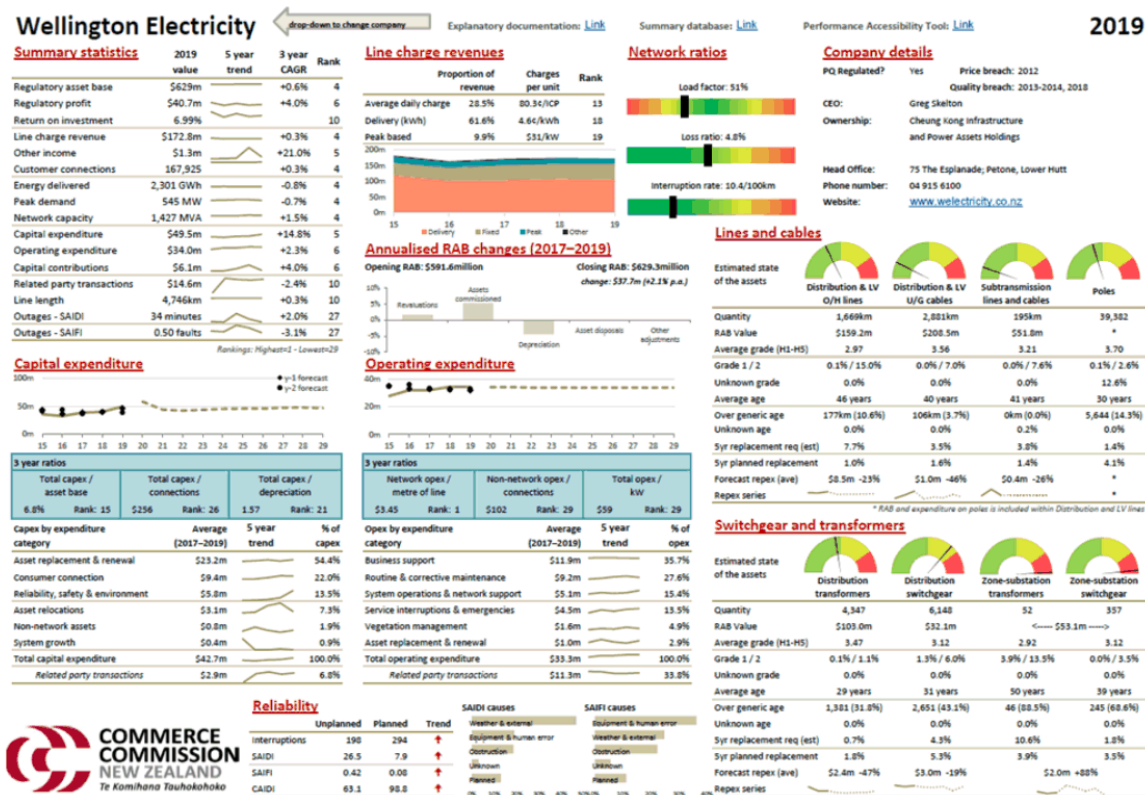
What is economic regulation?

Webpage: www.dia.govt.nz/Three-Waters-Reform-Programme

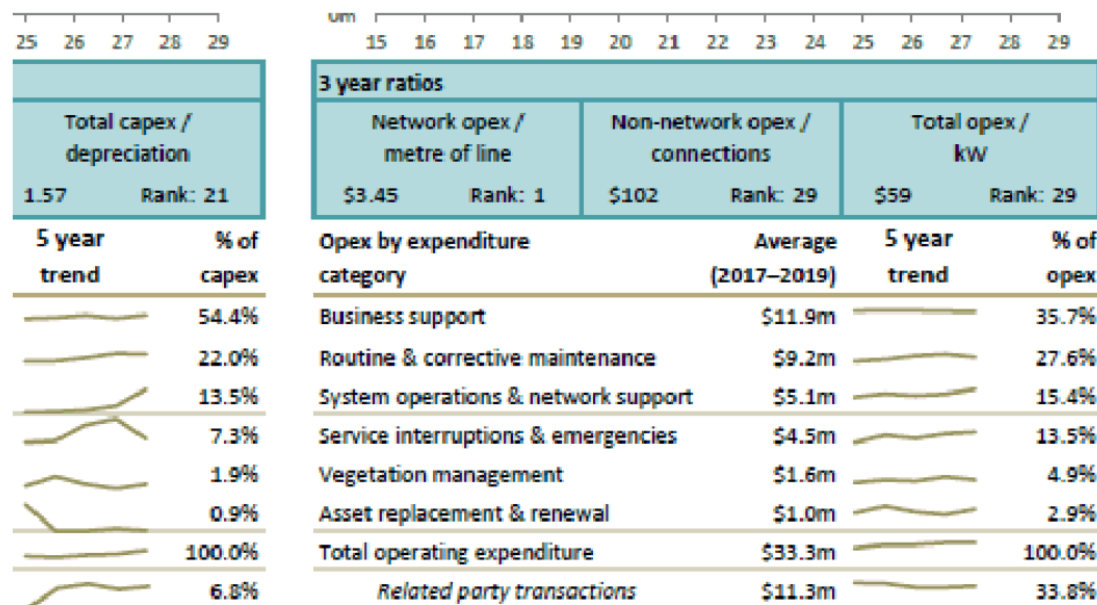
Email: economicregulation@mbie.govt.nz or threewaters@dia.govt.nz



An example of what information disclosure looks like



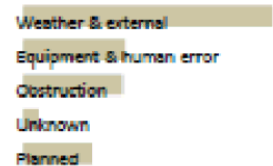
**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI



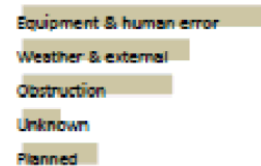
Reliability

	Unplanned	Planned	Trend
Interruptions	198	294	↑
SAIDI	26.5	7.9	↑
SAIFI	0.42	0.08	↑
CAIDI	63.1	98.8	↑

SAIDI causes



SAIFI causes



Syr replacement req (est)	7.7%	3.5%
Syr planned replacement	1.0%	1.6%
Forecast repx (ave)	\$8.5m -23%	\$1.0m -46%
Repx series		

* RAB and expenditure on p

Switchgear and transformers

Estimated state of the assets		
	Distribution transformers	Distribution switchgear
Quantity	4,347	6,148
RAB Value	\$103.0m	\$32.1m
Average grade (H1-H5)	3.47	3.12
Grade 1 / 2	0.1% / 1.1%	1.3% / 6.0%
Unknown grade	0.0%	0.0%
Average age	29 years	31 years
Over generic age	1,381 (31.8%)	2,651 (43.1%)
Unknown age	0.0%	0.0%
Syr replacement req (est)	0.7%	4.3%
Syr planned replacement	1.8%	5.3%
Forecast repx (ave)	\$2.4m -47%	\$3.0m -19%
Repx series		



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HIKINA WHAKATUTUKI

Questions?

Next Session: Break out discussion



Te Tari Taiwhenua
Internal Affairs

Break out session 2: Questions

- 1) What other mechanisms for involvement in, or influence over, the new entities would be beneficial from your perspective?
- 2) What other protections and incentives would you expect to see in the design of the new entities to ensure an effective voice for communities or consumers?

Up next - parallel sessions:

- Local Government session on possible establishment and transition arrangements
- Iwi/hapū session on Treaty rights and interests

Recognising Treaty Rights and Interests

This session will cover:

- Iwi/Māori Rights and Interests in the Three Waters Reform Programme;
- The possible policy mechanisms to recognise iwi/Māori rights and interests in the reform programme;
- Seek your feedback relating to the possible policy mechanisms.

Session One



Case for change
and reform timing

Session Two



Possible entity
boundaries and size

Session Three



Possible governance
and ownership

Session Four



Protections for
communities in entities

Session Five



**Iwi/Māori rights and interests
throughout the reforms**

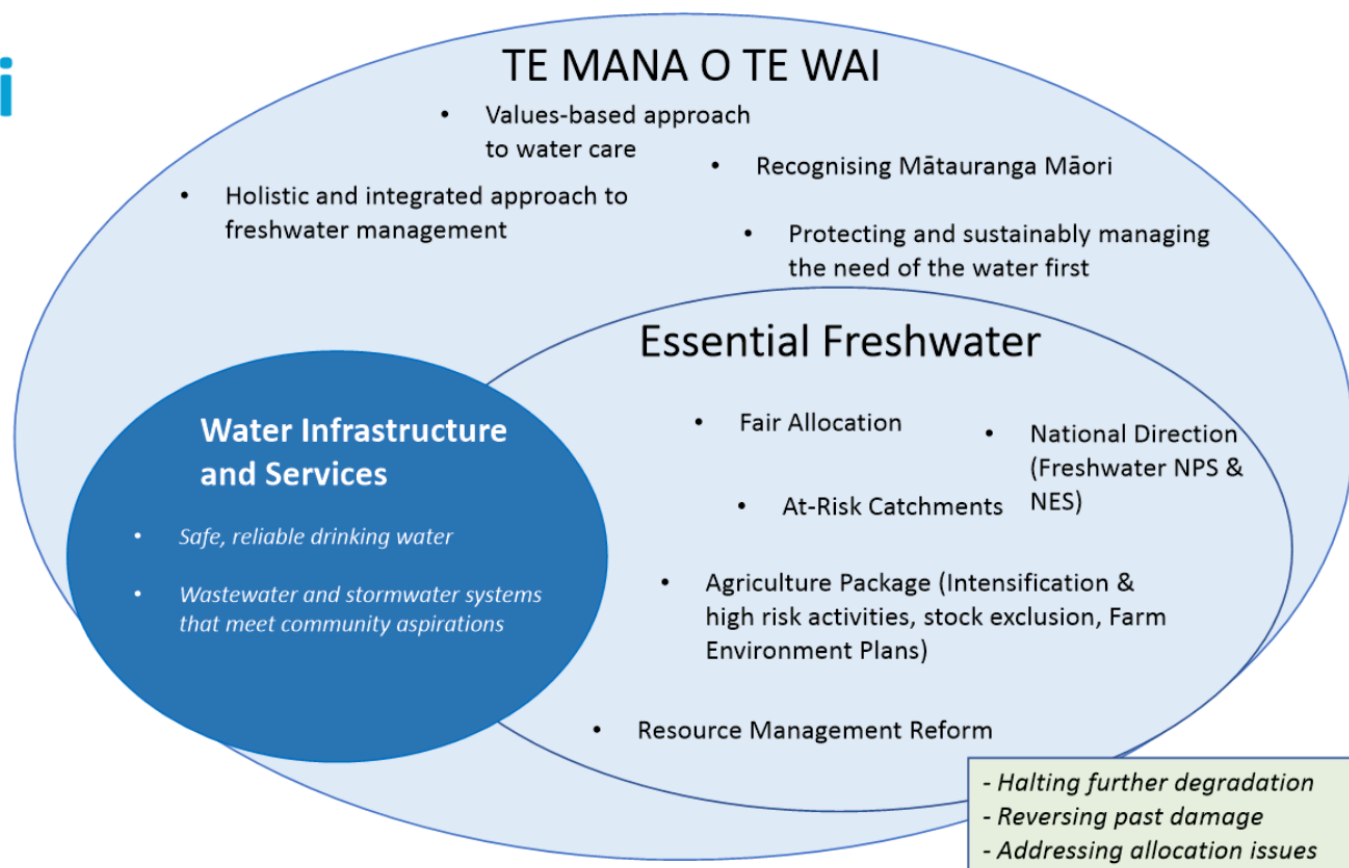
Session Six



Establishment and
transition considerations

Wai is wai

Where we fit
in this system



Anything we create will need to uphold Te Mana o Te Wai.

What iwi/Māori have told us

- Through our previous engagements with iwi/hapū representatives and ropū Māori we have heard some consistent themes. These include:
 - Whatever approach is taken, there is a need to uphold **Te Mana o Te Wai**.
 - There is a need for **community education about the value of water** – communities need to own and lead the conversation.
 - Māori have **rights and interests in water**, which need to be addressed. These are not to be undermined through waters reforms.
 - **Need a holistic approach.**
 - Māori are over-represented in communities with small or no water supplies.
 - Thought needs to be given to how emerging proposals will impact on iwi/Māori models such as papakāinga.

We need to take the opportunity of the service delivery reforms to address long-standing issues.

Key Themes

Insights from engagement are a living document, but the working themes are:

- **Partnership** – Iwi and Māori shared resounding support for a stronger partnership between tangata whenua and the Crown, with the need to have the Treaty of Waitangi embedded more explicitly throughout the reform process and beyond.
- **Participation** – Iwi and Māori shared concerns regarding their ability to participate and engage in this kaupapa. Currently, there is insufficient capacity and capability for many iwi, hapū and Māori to engage. Support needs to be given to develop Māori capacity and capability to participate.
- **Protection** – Iwi and Māori called for protection of their rights, roles and responsibilities as tangata whenua particularly for protection around their cultural assets. Iwi and Māori also want to see protections against privatisation of water services.
- **Recognition of cultural values** – Iwi want to see their mātauranga-ā-iwi incorporated within the three waters reform process and Taumata Arowai's regulatory regime. In relation to entity design, iwi and Māori do not want to see catchments broken and have a strong preference for the entity boundaries to adhere to the 'ki uta ki tai' concept. Additionally, iwi, hapū and Māori do not want their whakapapa/iwi/hapū boundaries to be separated by the new entities.
- **Use mana enhancing processes** – Iwi see the reform as an opportunity to work together to design something that works better than the status quo for iwi, hapū, whānau and small rural communities.

Rights and Interests Objectives

Draft objectives to guide our thinking on the Crown/Māori relationship

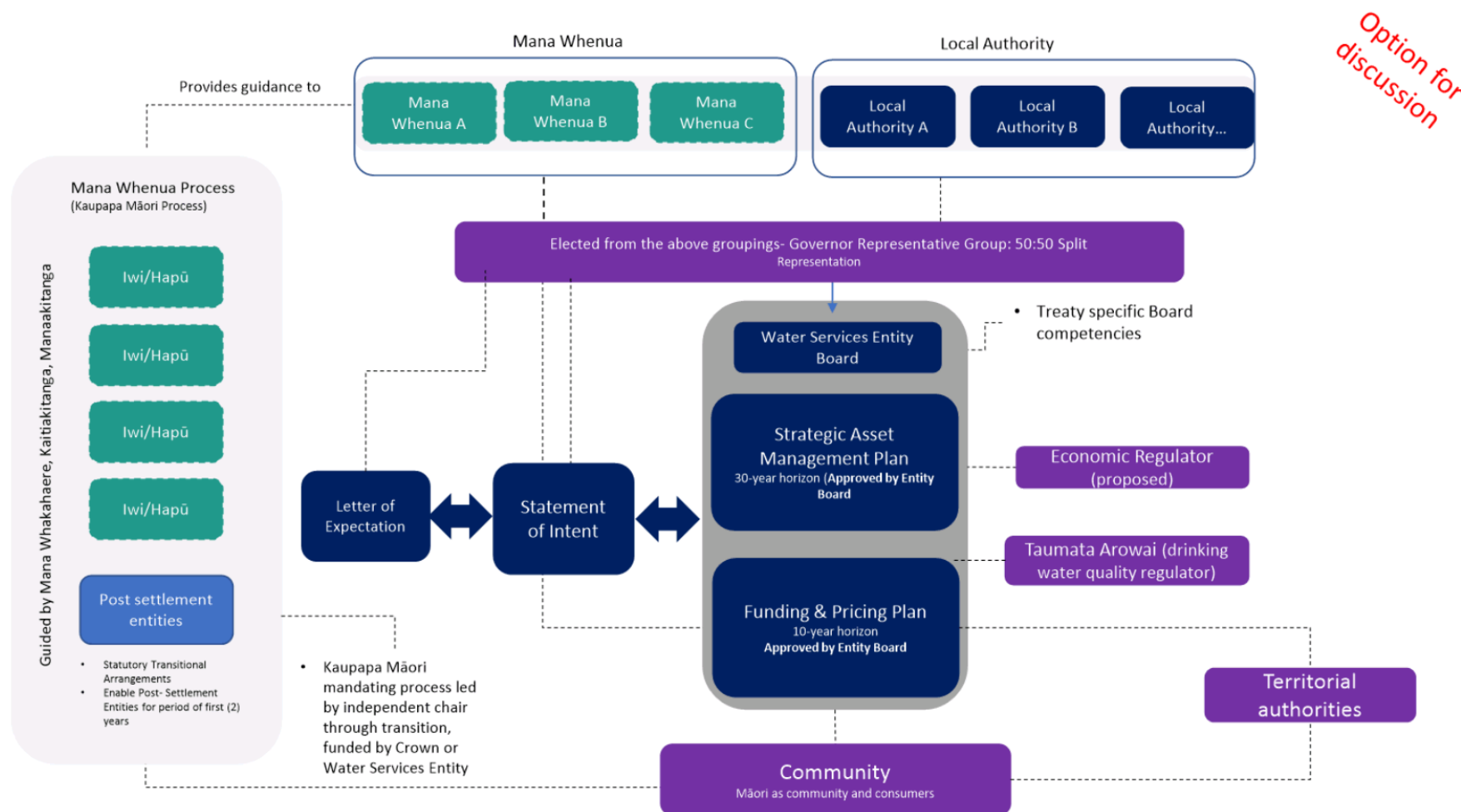
- **Enable greater strategic influence:** Enable iwi/Māori to have greater strategic influence/exercise greater rangatiratanga/ over water service delivery including through enhanced capacity and capability.
- **Integrated within a wider system:** Ensure that the rights and interests of iwi/Māori are analysed within a wider system, including issues related to allocation and the future of the RMA, but with a focus on the specific issues that relate to the establishment of water service entities and delivery of water services.
- **Reflective of a Te Ao Māori perspective:** Recognise the holistic manner (environmental, cultural, spiritual, economic) in which water is viewed using a Te Ao Māori perspective and Te Mana o Te Wai including ki uta ki tai or catchment approach and consistent with rohe/takiwa or whakapapa links.
- **Supporting clear accountabilities:** Ensure roles, responsibilities, and accountability for the relationship with the Treaty partner is clear throughout the wider system.
- **Improving outcomes at a local level:** Provide a step change improvement in delivery of water services for Iwi/Māori at a local level including through enhanced capacity and capability and improved wellbeing.

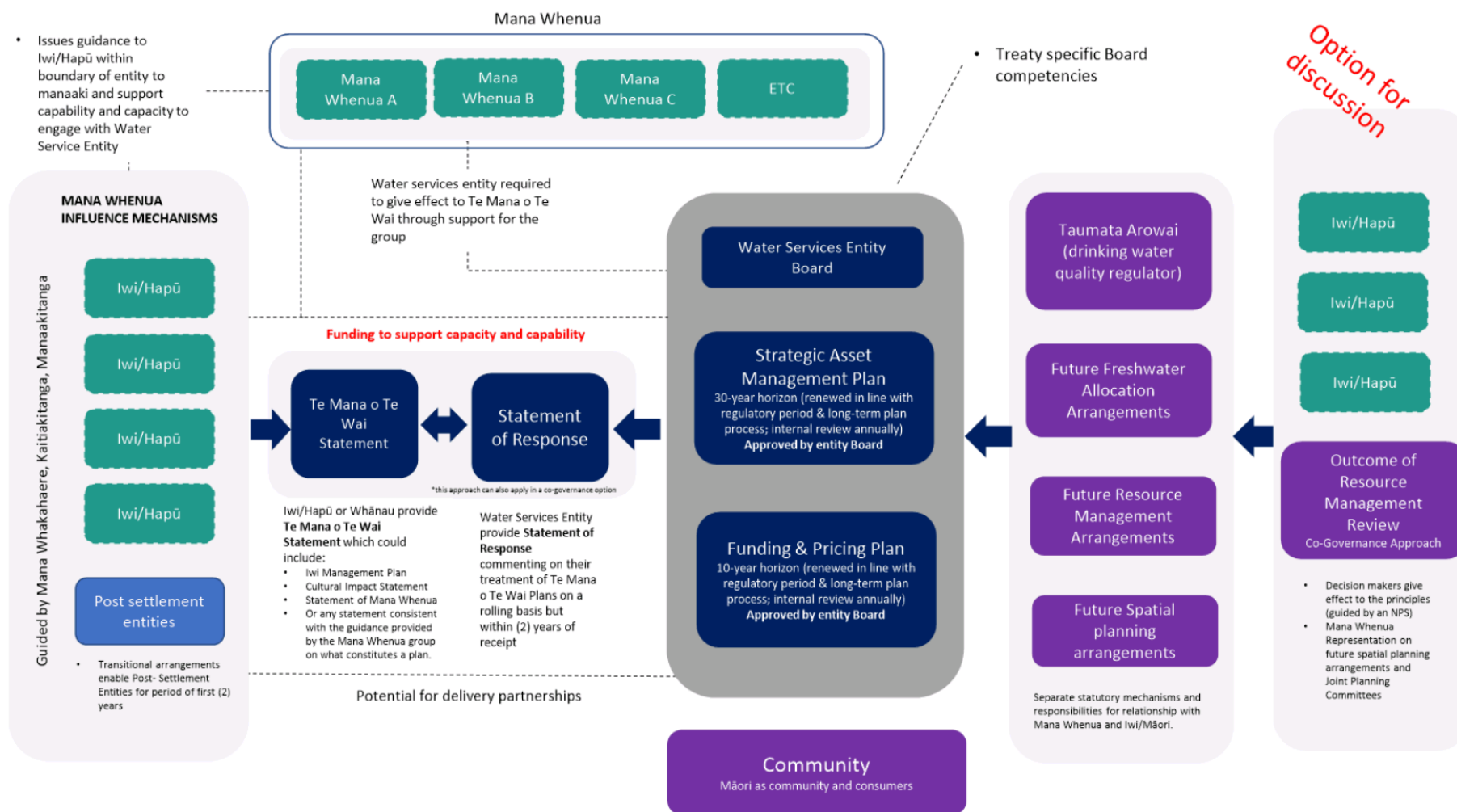
Recognising Treaty Rights and Interests

Reform presents a significant opportunity to address and protect Treaty rights and interests

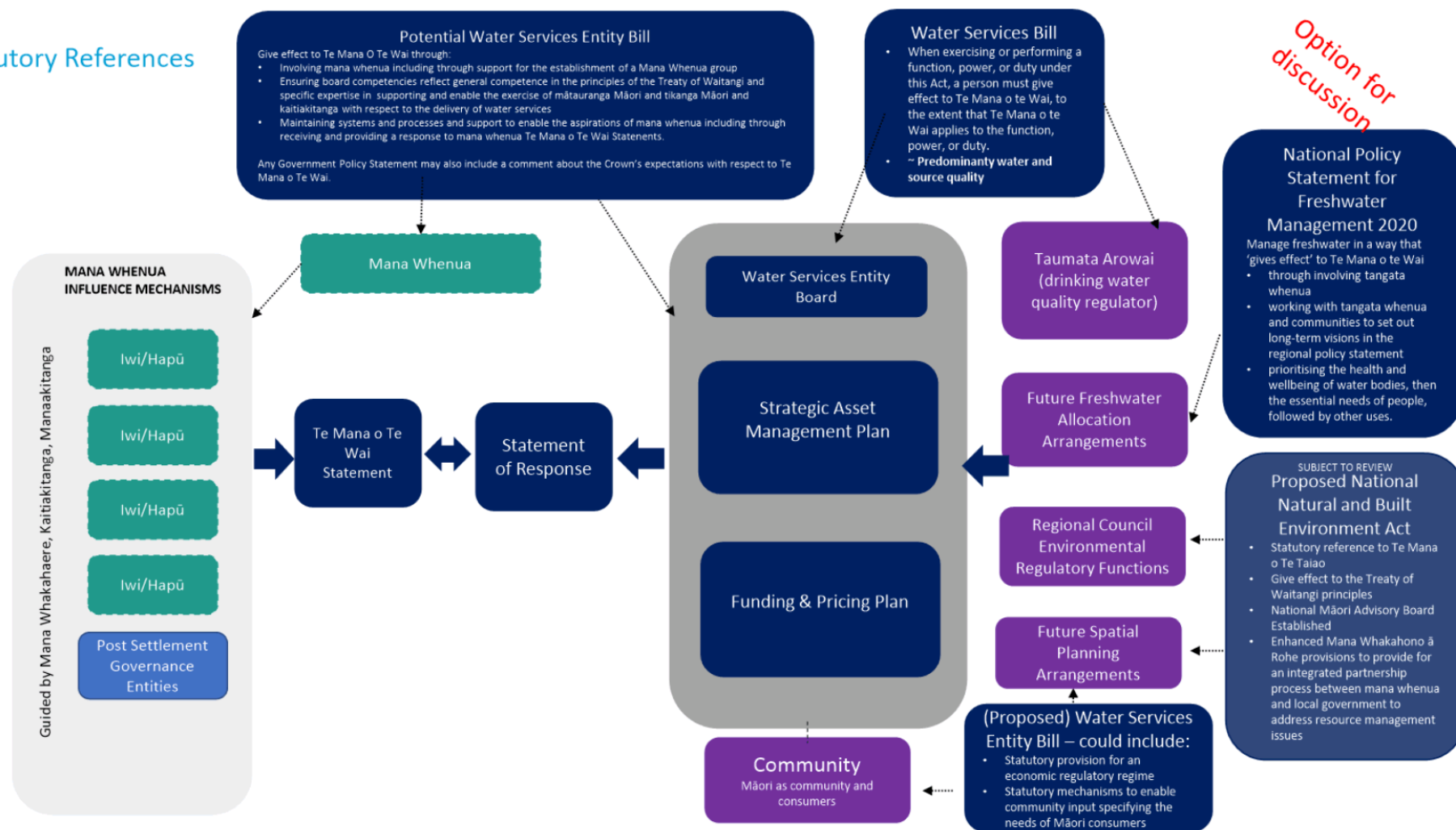
Options and ideas for discussion

- **Statutory recognition**
Of both the Treaty of Waitangi and Te Mana o Te Wai in legislation
- **Recognition that Water Services sits with a wider Te Ao Māori framework**
Including support for capacity and capability and application of mātauranga Māori.
- **Creation of new mechanisms to enable Iwi/Māori directly influence outcomes for Māori**
This includes proposals around governance, board competencies, a direct mechanisms for mana whenua in the form of **Te Mana o Te Wai statements** and protections for Māori consumers
- **Opportunities to improve wider outcomes for Māori**
Recognition of the need for improved service for marae and papakainga, opportunities for partnership in delivery





Statutory References



Questions?

Next Session: Break out discussion



Te Tari Taiwhenua
Internal Affairs

Break out session R+I: Questions

1. Which option best recognises rights and interests in service delivery?
2. What other mechanisms for recognising rights and interests in service delivery, would be beneficial from your perspective?
3. What other protections and incentives would you expect to see in the design of the new entities to ensure effective recognition of Te Mana o Te Wai in service delivery?

Transition and Establishment

This session will cover:

- Possible transition and establishment considerations

Session One



Case for change
and reform timing

Session Two



Possible entity
boundaries and size

Session Three



Possible governance
and ownership

Session Four



Protections for
communities in entities

Session Five



Iwi/Māori rights and interests
throughout the reforms

Session Six



**Establishment and
transition considerations**

High Level Overview – Establishment and Transition

The key objectives of a transition work programme, should the reforms proceed, are:

- To advance the Government's reform objectives with the sector in a way that successfully supports adoption of the reform with stakeholders.
- To ensure that the reform objectives are supported by a smooth transition and implementation approach that is efficient, effective and minimises disruption to communities and consumers.

While subject to Cabinet decisions, the transition to new entities will need a considered and long-term programme of work to ensure we set the entities up for success on day one, and into the future.

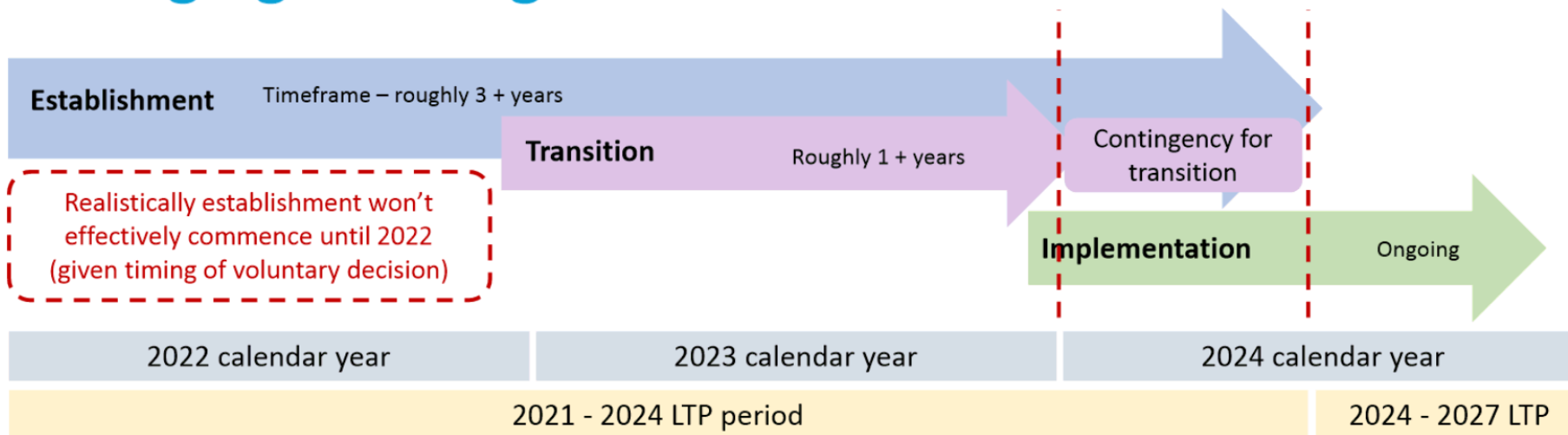
S. Poll: What activity is most important to ensure your workforce is best supported through establishment/transition?

Emerging thinking – indicative only



Please Note: This mahi is entirely dependent on the decisions made by Cabinet, therefore, the phases are subject to material change.

Emerging thinking – what this would mean



What this means for councils and their staff (who do not opt-out of reform):

- Councils will continue to be delivering water services until at least early 2024
- Council involvement in transition will be required during 2022 and 2023. Some funding will be set aside to support back filling of staff
- Working assumption that the 2024 – 2027 LTP will no longer include water services. Assistance is likely to be required to develop the initial asset management plan of the Water Service Entities. *This is to be worked through*

We are targeting all Water Service Entities to be operationally live by June 2024 for administrative ease

S. Poll: what activity is most important to get right in the establishment/ transition?

Questions?

Next Session: Break out discussion



Te Tari Taiwhenua
Internal Affairs

Break out session LG: Questions

1. What do you see as the biggest risks; and what do you see as the biggest opportunities for the sector through the establishment and transition period?
2. What is one issue, if any, connected to establishment and transition, you would wish to see resolved and/or understood that would impact your decision to opt-out of the reform?

Next Steps

This session will cover:

- Reform timeline from here
- Next engagements
- Upcoming decision points



Te Tari Taiwhenua
Internal Affairs

Decision process from here

- In mid-2021 the Department will advise Cabinet on key aspects of the Reforms including many of the elements to be discussed over the course of today's workshops.
- Following Cabinet decisions, DIA will provide a package of information to support discussions with your communities about the reform proposals and the local implications. This package will include:
 - **Core system design features** – including entity boundaries, governance arrangements and consumer protection mechanisms;
 - The **financial impacts** and implications for the future financial sustainability of the council;
 - The **terms of asset/liability transfers** and other considerations, such as stranded overheads;
 - **Data analysis** on the proposal – including the expected benefits of the reforms locally.
- Specific engagement with iwi/Māori will inform the design of rights and interests mechanisms.
- All councils will be included in a water services entity with an option to consult your communities and subsequently 'opt-out'.
- The Government will also support the understanding of the reforms nationally with a public education and information campaign that is expected to ramp up over the coming months.

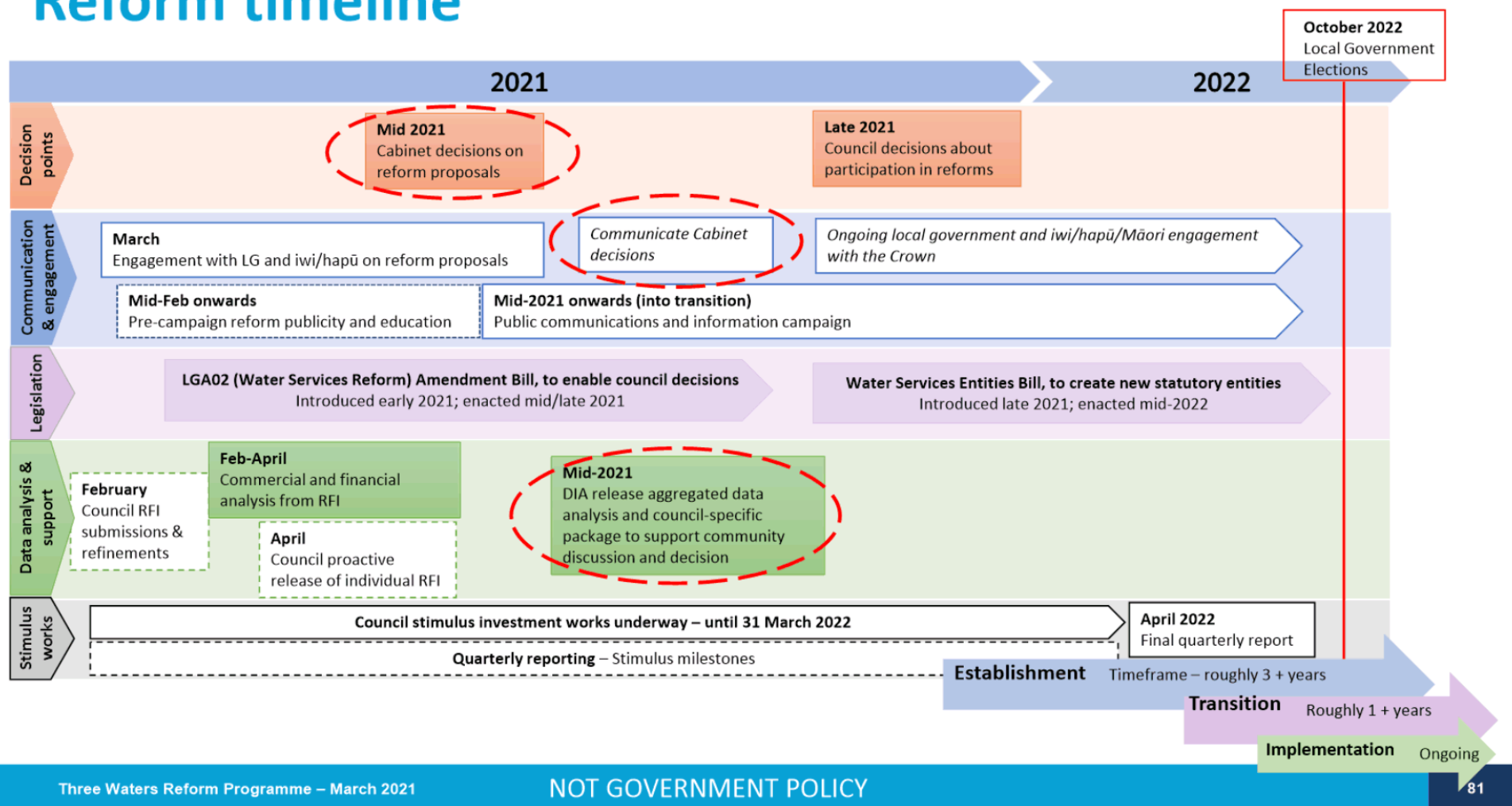
To support a decision on whether to proceed with the reforms, you and your communities will have access to a full package of information about the reform proposals and what they mean.

Next steps

- We will take on board your feedback from today and refine our thinking on key aspects of the reforms as we consider our advice to Cabinet.
- Further analysis to support advice on number and boundaries of water services entities will also feed into this advice.
- Legislation to amend LGA02 consultation and decision-making provisions is expected prior to September.
- Cabinet decisions on detailed reform proposals – mid-2021.
- Further legislation to create new water services entities – drafted for introduction in late-2021 and enactment mid-2022.
- Council decisions on ‘opt out’ – last quarter of 2021.
- **Councils will continue delivering water services through the duration of the upcoming Long-Term Plan (until at least early 2024).**

Change will take time, but key decisions are set to be made this year.

Reform timeline



Follow up

- We will email today's presentation materials to you through the email address you have used to sign in today.
- We will also share this with those that have RSVP'd but were unable to attend today's session.
- Following the full series of workshops, our team will produce a report that summarises the feedback we have heard across the motu.
- Alongside these workshops we are also testing our proposals with a wide range of experts, stakeholders and interested parties through March.
- Over these engagements we are monitoring sentiment on aspects of the reform programme on which people require further detail or more in-depth information.
- Aside from the data analysis and Cabinet decisions that we have signalled, are there any significant areas of the reform programme you need more detail on?

Slido Poll Revisit: Bearing in mind the need to balance scale and other factors, how many entities do you think is best in a reformed system?

Questions?



Te Tari Taiwhenua
Internal Affairs

Ngā mihi, Thank you

Webpage: www.dia.govt.nz/Three-Waters-Reform-Programme

Email: threewaters@dia.govt.nz

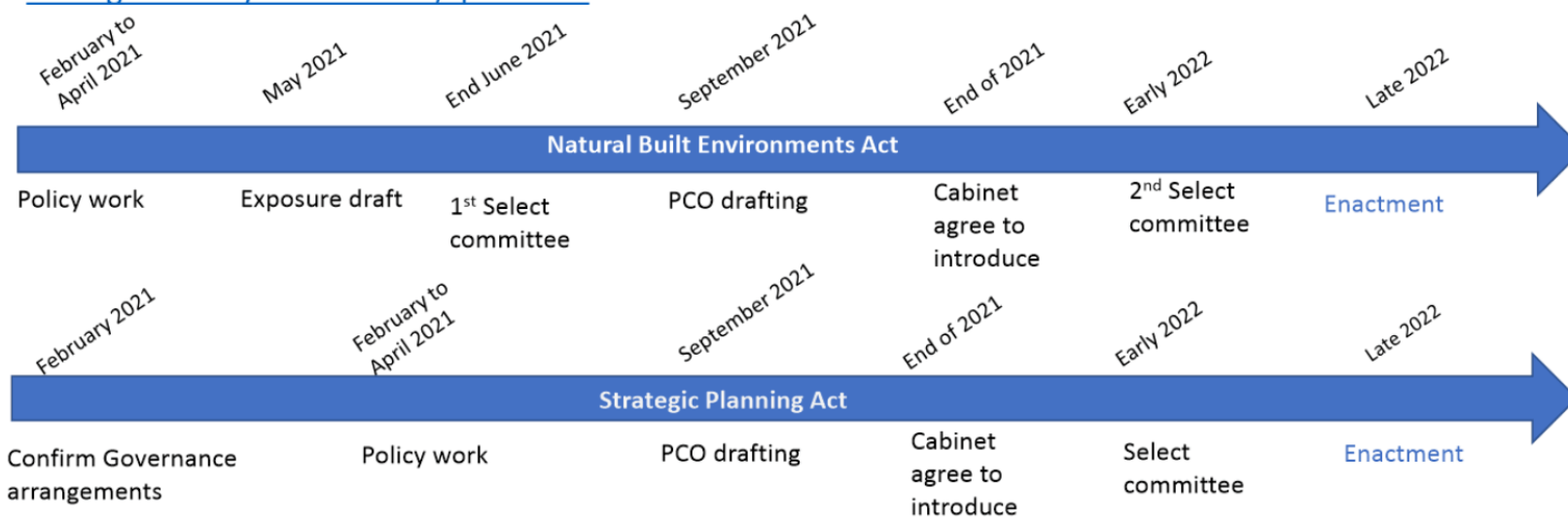
Slido Poll: Are there significant areas of the reform programme you are interested in that we have missed?



Te Tari Taiwhenua
Internal Affairs

FYI: Resource Management Reform

- The RM reforms propose
 - Replace RMA – Natural Built Environments Act (Combined plans)
 - Create new Spatial Plan legislation – Strategic Planning Act (Regional Spatial plans)
 - Create new managed retreat & climate adaptation legislation
- You can also find supporting information on the Ministry for the Environment's website here:
<https://www.mfe.govt.nz/rma/reforming-new-zealands-resource-management-system/resource-management-system-reform/questions>



FYI: NES Drinking Water

Indicative timeframes for amendments to the National Environmental Standard for Sources of Human Drinking Water (NES-DW)

- The Ministry for the Environment has been proposing amendments to the NES-DW.
- These amendments are meant to work in parallel with the Water Services Bill to provide a comprehensive approach for drinking water risk management.
- The **scope of the proposed amendments** includes:
 - Prescribing a consistent national approach for defining 'source water risk management areas'
 - Updating and strengthening requirements on local authorities to assess and manage risks to sources of drinking water
 - Providing a staged approach to include water supplies servicing less than 500 people to be included in the NES-DW
 - Addressing technical and drafting issues to align the NES-DW with the WSB.

Key Milestone	Indicative timeframe
Officials test and refine proposed amendments	March/April/May 2021
Public consultation	July/August 2021
Final policy decisions on NES-DW amendments, drafting of amended NES-DW	Late 2021
Gazettal of the amended NES-DW	Early 2022

FYI: Economic Regulation

- Economic regulation is used in sectors of the economy with strong natural monopoly characteristics to drive **good long term outcomes for consumers** including:
 - Efficient pricing and asset management;
 - Investment and innovation incentives; and
 - Service quality that reflects consumer demands.
- Ministers have agreed in principle that an economic regulation regime will apply to a substantively reformed three waters sector.
- However, the design of the economic regulatory system will depend on the key design features of the reforms, such as the governance arrangements and number of entities.
- A more detailed background information pack on economic regulation is available on the Reform Programme webpage: www.dia.govt.nz/Three-Waters-Reform-Programme

FYI: Water Services Bill

- The Water Services Bill is currently before the Select Committee for consideration.
- The Bill, if passed, will:
 - Significantly strengthen the drinking water regulatory framework.
 - Provide oversight and national-level reporting functions for wastewater and stormwater – “shining a light” on the system. Regional councils will continue to be regulator here.
 - Incorporate requirements to give effect to Te Mana o te Wai.
- A more detailed background information pack on the Water Service Bill is available on the Reform Programme webpage: www.dia.govt.nz/Three-Waters-Reform-Programme
- Taumata Arowai, drinking water regulator, will administer the regulatory framework set out in the Bill from approximately the second half of 2021. More detail on Taumata Arowai can be found at : www.dia.govt.nz/Taumata-Arowai-Establishment-Unit

Three Waters Reform Programme

March 2021 Engagement Summary

[Full report available here.](#)

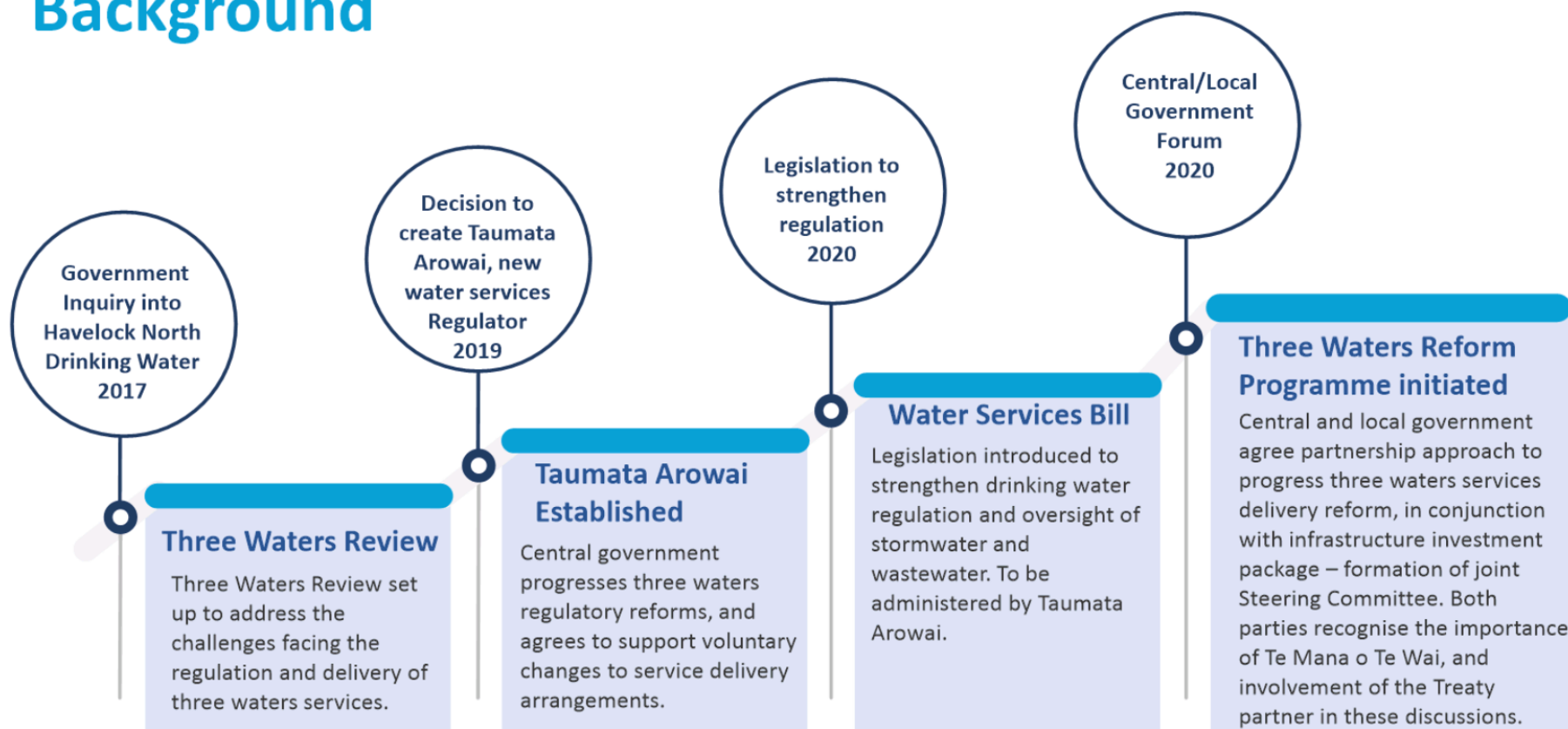
Website: www.dia.govt.nz/Three-Waters-Reform-Programme

Email: threewaters@dia.govt.nz

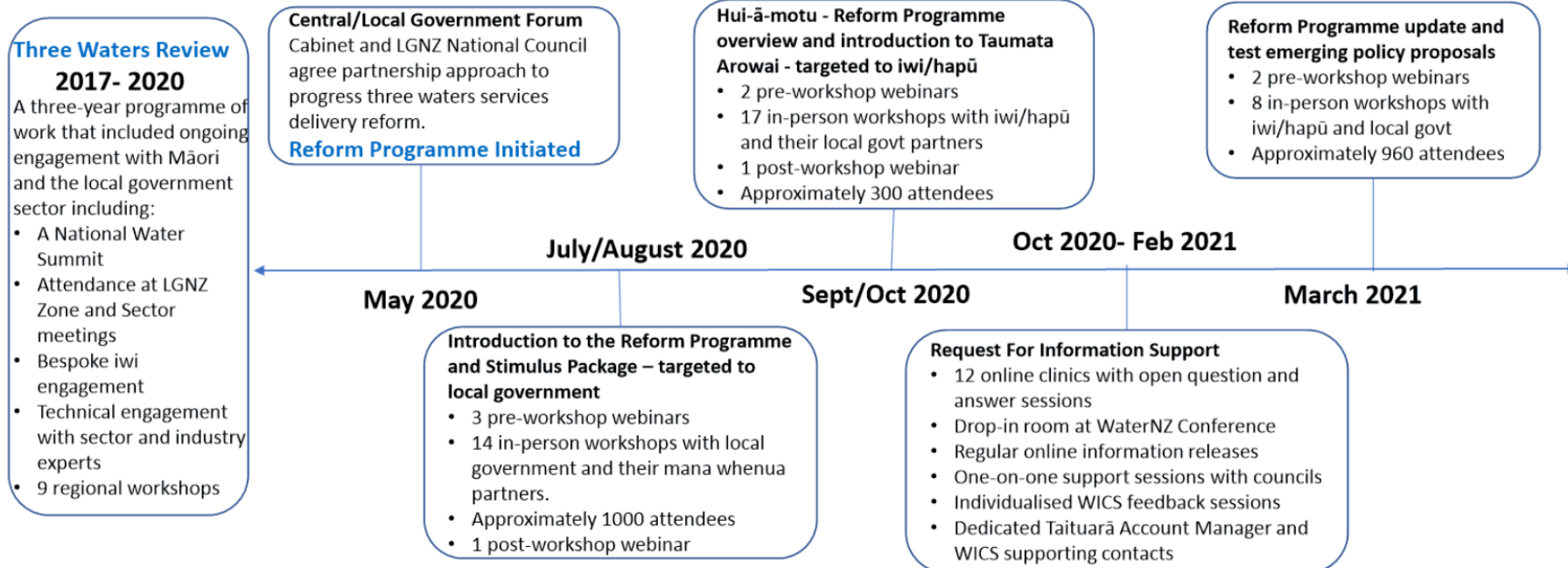


Te Tari Taiwhenua
Internal Affairs

Background



Ongoing engagement



Since mid-2020: Regular update emails, meetings, Technical Reference Groups, and online information releases

10+ update emails to mana whenua contacts 20+ update emails to Mayors and CEs - These are also available online See: Updates from the Steering Committee	20+ Mayoral Forum, Zone/sector meetings/discussions 15 formal and 11 informal discussions/ hui with iwi/hapū representatives	18 Steering Committee meetings, 17 Technical/Māori Reference Group meetings 15 workshops/meetings with industry and Māori groups	Key information releases include: December 2020 Cabinet Paper Stage 1 Economic Analysis Report June 2020 Cabinet Paper
--	---	--	---

Impetus for reform

Reviews into the delivery of three waters services in New Zealand have identified significant ongoing challenges and a considerable level of underinvestment in three waters infrastructure

Why is reform needed?



Risk of failure to meet safe drinking water standards

with potentially serious consequences for public health, the environment and the economy



A constrained ability to plan, fund and finance resilient systems

that can cope with climate change, emergencies and natural hazards



Ability to meet national and local environmental objectives

for freshwater and the marine environment



Housing infrastructure supply unable to keep pace with strong demand

in high-growth areas



Limits on regional development and wellbeing

particularly for areas with declining rating bases

Key design features of a new service delivery model

Decisions and directions during 2020 mean the reform proposals will include certain features:



Multi-regional entities of scale

Significant aggregation into a small number of multi-regional activities.



Public ownership

Entities must be publicly owned, with mechanisms to recognise Treaty rights and interests and to prevent future privatisation.



Statutory entities

Three waters entities designed and established by legislation.



Asset ownership

Three waters entities responsible for ownership of all water infrastructure assets.



Competency based boards

Professional directors on three waters boards.



Balance sheet separation

Complete structural separation from local authorities.

Success factors



Independent decision making



Management and governance competency



Mechanisms to recognise Treaty rights and interests of iwi/Māori



Mechanisms to enable community input



Financial independence



Flexible cost effective financing



Equity/equality between local authorities



Structural longevity

March 2021 workshop overview

- This slide pack provides a high-level summary of the workshop report. For a detailed summary of the key themes of feedback across the workshops, the break out sessions and sentiment polls by workshop, [the full report is available on the Three Waters Reform Programme website](#).
- Approximately 960 local government, iwi/hapū and industry attendees at the in-person workshops. Over 400 viewed/attended the pre-workshop webinars.
- All local authorities were represented across the eight workshops.
- Approximately 140 Māori attendees. Māori attendees were mostly made up of iwi, hapū and whānau representatives however, hāpori Māori (such as Māori Land Trusts) as well as Māori individuals are also included in this group. Other attendees such elected members and council staff may also whakapapa Māori.
- Presentation topics discussed at the workshop (Slide pack available online here [Engagement Materials](#))

Session One

Case for change
and reform timing

Session Two

Possible entity
boundaries and size

Session Three

Possible governance
and ownership

Session Four

Protections for
communities in entities

Session Five

Iwi/Māori rights and interests
throughout the reforms*

Session Six

Establishment and
transition considerations

*Te Tiriti partnership and principles and Te Mana o Te Wai considerations are to be woven throughout all elements of the reforms over and above specific mechanisms to consider iwi/Māori rights and interests.

Key themes of feedback...

- The key themes of feedback heard across the workshops are summarised in more detail in the full workshop report. These are summarised on the following slides:

Challenges

- Acknowledgement that the challenges of the status quo are substantial and growing.

Outcomes and opportunities

- Ensuring the Reform Programme remains based in the outcomes (and opportunities) we wish to see for a future Aotearoa and our people.

Tiriti Partnership

- Ensuring the opportunity for stronger mana whenua rangatiratanga in the provision of water services is realised and the reform process embodies a true Tiriti partnership at all stages.

Reform timelines

- The reform timeframes set by the Government were met with concerns about the timing and sequencing of a variety of aspects.

Voluntary or mandatory?

- Questions were raised about whether the reforms should remain voluntary or should be mandated by central Government.

The evidence base

- A need to see more detailed data and analysis at a local level to be able to better understand the implications of the reforms for local communities and how the reforms would achieve efficiencies.

Key feedback continued

Future for local government

- A desire to see answers to the question of what is the future of local governance following the removal of three waters services ahead of the Three Waters and Resource Management Reforms.

Privatisation protections

- Agreement the reforms need to protect against any future privatisation of the water entities but want to see more detail of these protections.

Responsiveness to local needs

- A need to ensure local authorities and mana whenua can influence the new entities' planning and investment decisions to ensure they are responsive to local needs. However, there was debate about the appropriate level of influence of local government in the entities.

Transition management

- Local government attendees were keen to understand how the transition of assets and debt would be managed through any future transition and to ensure their good investment would not be punished.

Workforce enhancement

- Concern about the workforce capacity and capability to deliver an increased future works programme and a keenness to see the local workforce enhanced and maintained through the reform programme.

Miscellaneous

- Other themes discussed across the workshops included queries about why the Department has been working with Scotland, what responsibilities the entities would have for working with private supplies, and how rural water schemes are considered in the reforms.

Aggregated sentiment poll results

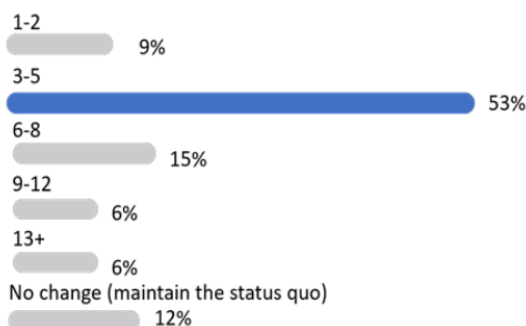
- During the workshops a series of straw polls were taken using an online engagement tool (Slido). These polls are intended as a **sentiment test only** and not all workshop attendees participated in the polls. These polls should be considered in this light.
- Number of entities poll. This poll was taken early in the workshops and again at the end of the workshop in 5 of the 8 workshops. Time constraints and participants' travel needs meant this poll was unfortunately not held again at the remaining three workshops.
- We note the Zone 5 workshop results for this poll could be considered an outlier. For aggregated results excluding this workshop please see Appendix B of the full report.
- Separate poll results for each workshop are included in Appendix C of the full report.

Number of entities

Bearing in mind the need to balance scale and other factors, how many entities do you think is best in a reformed system?

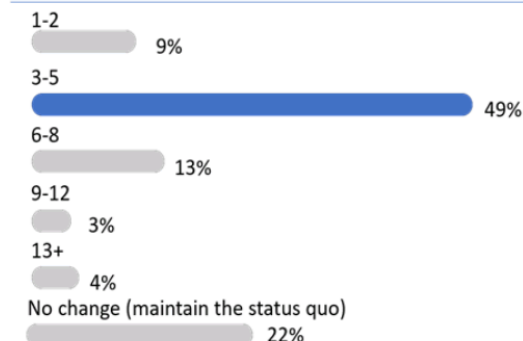
First Poll:

618



Revisit:

258



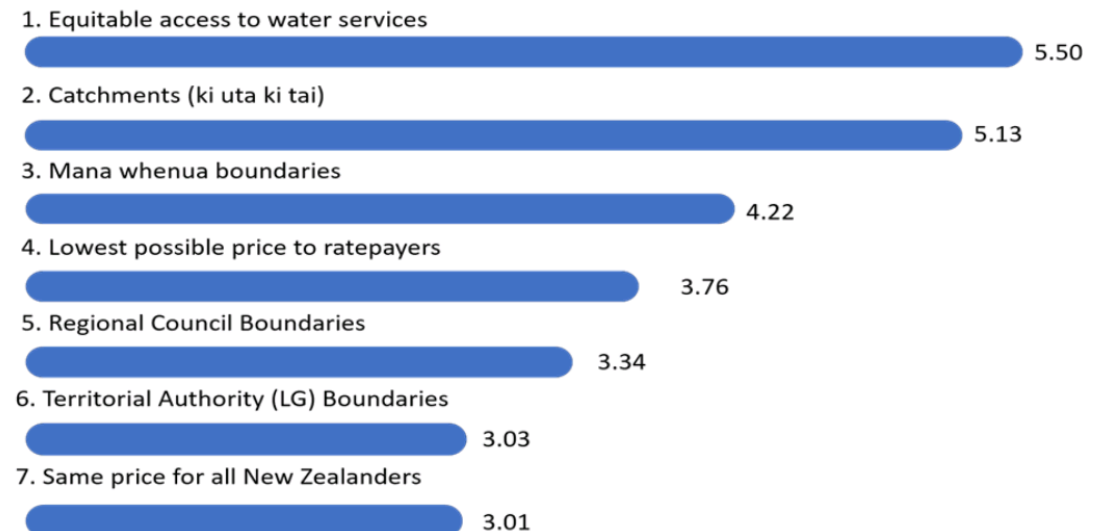
Poll results continued

- Following a presentation about the key considerations the Government would need to take into account to determine the best size and shapes of the entities, the below poll was taken.
- Notably, equitable access to water services and respecting catchments was seen to be more highly valued than achieving a uniform national price for three waters services through this sentiment poll.

Boundary considerations

If you were determining the shape and size of the entities, how would you make these trade-offs.

5 6 1



Poll results continued

- Following a presentation about the proposed mechanisms for enabling community influence in the proposed entities we asked attendees to rank some of these proposed mechanisms in terms of effectiveness.
- While iwi and council representation on the Governor Representative Group was ranked as the most effective mechanism in this poll. Māori attendees reflected that there were more council participants in the room. They wanted this noted when considering where the Te Mana o Te Wai statement sits in this poll.

Enabling community influence

Please rank these tools for enabling community influence from most effective to least effective

5 2 3

- Iwi and council representation on the Governor Representative Group (includes the Letter of Expectations) 4.32
- Requirement for the entity to formally respond to an investment prioritisation plan from a local authority 3.60
- Public engagement requirements on the entity's key business documents 3.51
- Requirement for the entity to formally respond to a Te Mana o Te Wai statement from mana whenua 3.38
- Influence through existing planning mechanisms that the entity will need to take into account 3.15
- Targeted engagement with the help of an expert panel or consumer group 3.03

Poll results continued

- The transition and establishment session included two polls. The results of these are below.

Transition considerations

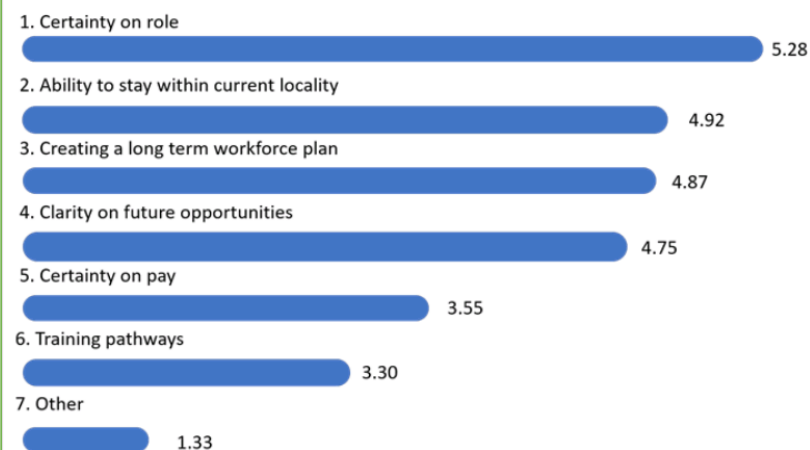
What activities are most important to get right through the transition/ establishment period?

- understanding the future of local government;
- further data and analysis on what the reform will mean for a council and their ratepayers;
- ensuring the current three waters services and programme of works within councils continues to be delivered (and improved) through the transition period;
- supporting, retaining and training the local workforce and giving them certainty as soon as possible;
- gaining clarity on how assets (and associated debt) will be valued and transferred;
- ensuring the governance structures and Board membership is in place, and Board members have the right skills and representation to uphold Te Tiriti and Te Mana o Te Wai;
- good communications, engagement and consultation with iwi/hapū/whānau, councils, and the public;
- getting I.T. and data management systems standardised and in place early.

Workforce considerations

What activity is most important to ensure your workforce is best supported through establishment/transition?

3 2 8

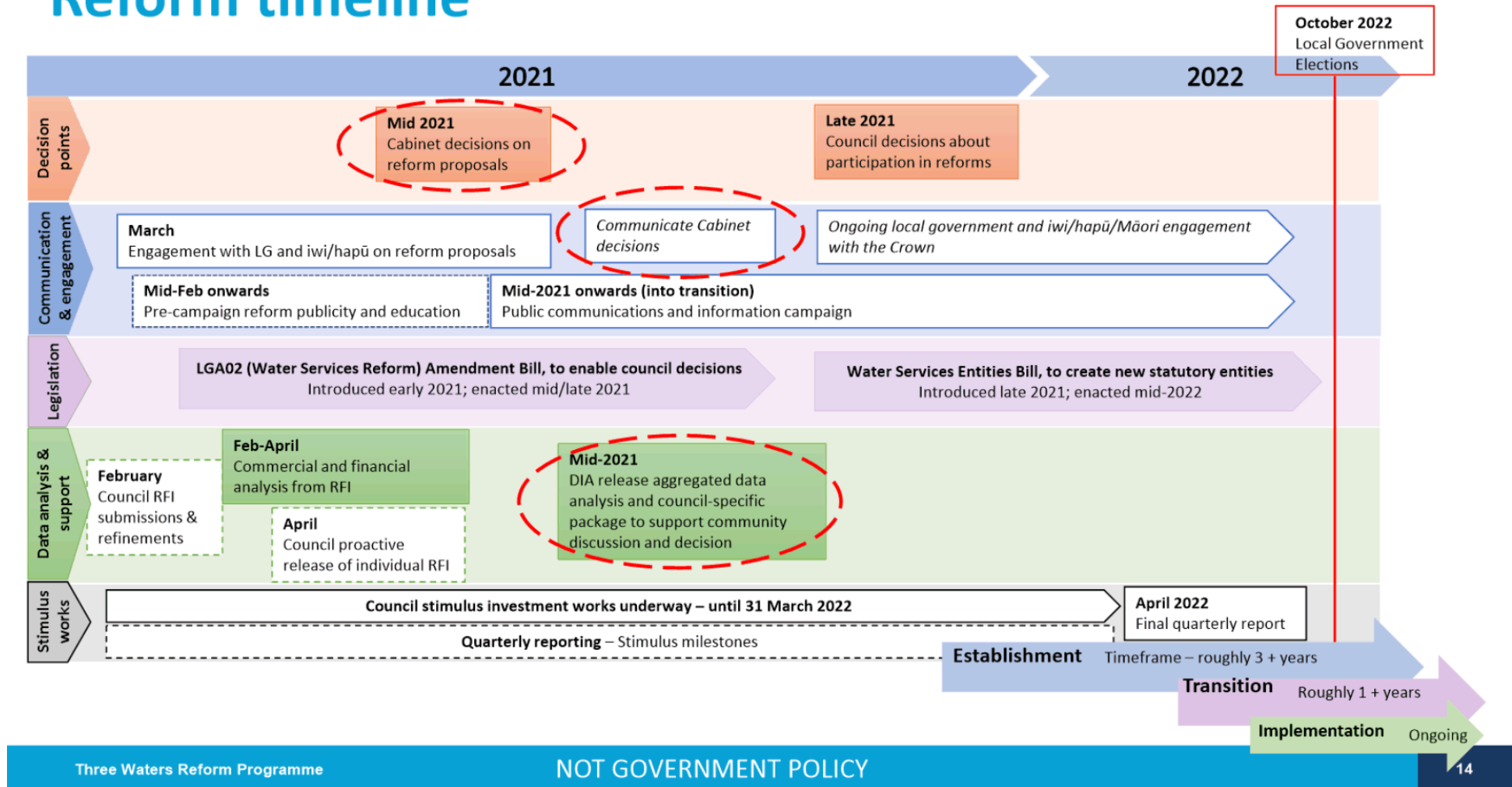


Some elected members in the workshop expressed that they chose not to participate in this poll as they did not think it appropriate for them to comment on a workforce matter.

Next steps

- Feedback from this series of engagements has informed, and will continue to inform, evolving policy analysis and proposals. Identification of issues critical to the local government sector and whānau/hapū/iwi in conjunction with advice and guidance from the joint Steering Committee, will continue to inform reform progress.
- A set of Frequently Asked Questions is also being produced to sit alongside this report to provide responses to the key themes of questions raised across the workshops.
- We understand councils are keen to see analysis and implications for councils of remaining in or opting out of the reforms as soon as possible. We will provide you with this information as it becomes available, but note some parts of this work will be subject to Cabinet decisions discussed below.
- Ministers will consider key design features of the reform proposals in mid-2021 (exact timings are subject to Government timetables.)
- Following Government decisions, further detailed analysis and implications for councils will be available.
- The Steering Committee will work to ensure that decisions are communicated in a timely and appropriate manner.
- As discussed in the workshops, the establishment and transition process for standing up the proposed entities runs through to a start date of 1 July 2024.
- The following slide includes the reform timeline as presented at the March 2021 workshops.

Reform timeline





26 March 2021

TO: Otago and Southland Local Government Elected Members
SUBJECT: DIA Workshop and Otago Southland Three Waters Outputs

Memo:

The Department of Internal Affairs held a series of workshops around the country in March, inviting councils to talk about the Government-led Three Waters Reforms. The slide pack from these workshops is attached to this memo.

The workshops gave an overview of the process underway, with DIA emphasising the unaffordability of the current system for drinking water management around the country.

The DIA is proposing reform in two ways – by introducing tougher new drinking water standards through a new water regulation authority, and by proposing to transfer council water infrastructure to a small number of new water delivery entities. Details of the proposal have not yet been released, but the Government intends to make decisions mid-year on what the new entities would look like, then ask councils and local communities to decide by the end of the year whether they want to be involved.

While Otago and Southland councils recognise that the current water management system has challenges that need to be addressed, there were a number of concerns raised at the workshops about the DIA process for reform.

These concerns were shared by many other councils at the various DIA workshops around New Zealand and include:

- The very tight timeframes proposed by DIA making it extremely difficult for councils to effectively consult with their communities about decisions for the future.
- The lack of detailed information at this late stage of the process making it challenging for councils to offer any practical feedback or input to Government's decision-making process when asked at the workshops.
- Concerns about how effective the new entities will be if some councils decide not to take part.
- Concerns about equity under the new system: ensuring all regions, urban and rural, have access to the same services and opportunities.
- The lack of genuine iwi – and, specifically for the South Island, Ngai Tahu – involvement in the process.

In the meantime, the Otago and Southland councils have been working locally and with other councils, iwi and community partners around the South Island to discuss what the options might be and how they might affect each region.

We're keen to take an open approach to these discussions so we've got as much information as possible when decisions need to be made about the future of water infrastructure later this year.

In addition to the recently distributed Regional Situation Analysis, further assessment has been undertaken in relation to individual territorial authorities across Otago and Southland. This assessment titled, "Cross-Regional Current State Assessment" is attached to this memo. The results of this assessment, in conjunction with the previously distributed Regional Situation Analysis, further contributes to the case for change – whatever form that might take – and further informs our decision-making.

These two reports together cover both a high level analysis and more detailed assessment of the water infrastructure across all councils. They emphasise the potentially significant future cost of upgrading infrastructure to meet new regulatory standards and renewals requirements. They also raise a number of other concerns and risks including the anticipated difficulty for non-council water supplies in meeting new regulations.

Attachments included with this memo:

- DIA March Engagement Workshop Slides
- Morrison Low Cross-Regional Current State Assessment



Draft pending client review

Cross-regional current state assessment

Otago-Southland three waters office

March 2021



Document status

Job #	Version	Approving Director	Date
2578	Draft	D Bonifant	5 March 2021

© Morrison Low

Except for all client data and factual information contained herein, this document is the copyright of Morrison Low. All or any part of it may only be used, copied or reproduced for the purpose for which it was originally intended, except where the prior permission to do otherwise has been sought from and granted by Morrison Low. Prospective users are invited to make enquiries of Morrison Low concerning using all or part of this copyright document for purposes other than that for which it was intended.

Contents

Executive summary	1
Introduction	4
Size and scale	6
Relative size of the councils	6
Connection density	8
Connected population	9
Investment needs	12
Renewals vs depreciation	13
Future renewals investment	16
Ten year investment need	17
Capital works delivery	20
Financial position	23
Average household charge	23
Cost of treatment and distribution	24
Cost coverage	26
Impact on operating costs	27
Revenue per connection	28
Debt	30
Levels of service measures	35
Water supply	35
Wastewater	42
Stormwater	47
People and capability	49
Differences in valuation and depreciation	56
Unit rates	56
Base lives	61
Appendix One Asset information	65
Appendix Two Projected cost methodology	83



Executive summary

This current state assessment was carried out based on analysis of the eight territorial authorities' responses to a recent Request for Information (RFIs) by the Department of Internal Affairs, asset registers and infrastructure strategies.

This is the second report regarding our analysis of information provided by the councils in the Government's RFIs. The first such report focussed on the challenges and opportunities at a regional scale and remains relevant. This report follows the same structure as the regional analysis and reports findings at the territorial authority level.

This review includes councils that are located in the two neighbouring regions of Otago and Southland, and therefore covers approximately 44% of the total geographic area of the South Island, and approximately 29% of the total population of the South Island (or 7% of the national population). While both regions are unique, they also have many similarities, including being predominantly rural regions, with few large population centres.

The report highlights the many issues and opportunities facing the region for the delivery of three waters services including issues relating to potential future affordability, borrowing capacity, large capital works programmes, the need to invest to meet increasing regulatory standards and monitoring, and resource constraints.

The level of future investment across the two regions is substantial, and this is particularly well highlighted by Dunedin, whose planned infrastructure investment of \$547 million over the next ten years will see debt increase by over 150%. However, we estimate¹ that this planned investment is insufficient to meet even just their renewals need, which could be as large as \$1.2 billion for Dunedin alone.

While the absolute dollar figures for planned investment in infrastructure for the remaining councils are not typically of the same scale (as Dunedin is so large in comparison) when normalised by the number of connections in each district, Dunedin has the second lowest level of planned investment per capita. This demonstrates the challenge for smaller councils and also highlights the benefits that come with size and scale, which varies significantly within the two regions. Queenstown has forecast capital investment of more than \$30,000 per connection over the next ten years², and Central Otago, Clutha and Gore have forecast investment per connection exceeding \$15,000.

The combined population of Otago and Southland is less than that of Christchurch and it is spread over a vast area. Previous work by Morrison Low as well as analysis by the Water Industry Commission for Scotland has demonstrated the correlation between impact of future investment requirements and population density. Put simply, rural areas can be expected to cost more, on a per ratepayer basis, than denser more urban areas.

Rural councils across the region have made different decisions in the past about the level of connectivity to pursue in rural areas. This leads to councils either having larger percentages of their population not serviced by water or wastewater (or both), or councils with low connections per kilometre and consequently higher costs per capita.

¹ Morrison Low projections are based on the constrained investment plan in RFIs with adjustments based on assessment of asset registers and estimated costs for upgrading wastewater treatment facilities

² This includes a high level of investment in growth



This leads to two issues facing the combined regions:

- Potential exposure to risk from non-council water supplies and untreated wastewater under new regulations.
- Unsustainable costs increases required to maintain and renew large asset bases to service rural communities.

Planned renewals costs across the region have increased significantly between the 2018 and 2021 LTP budgets. Future planned renewal costs are likely to accelerate upwards as renewal requirements continue to increase, and councils without significant depreciation reserves will need to fund these renewals as they arise. The future investment required to meet the changing regulatory requirement means the ten year Capital Investment Programme for three waters has more than doubled from that within the 2018 LTP.

- The combined 2018 LTP programmes were \$1.2 billion
- The combined 2021 LTP programmes are now \$2.3 billion
- Morrison Low's estimate of the required investment programme over the same timeframe is \$3.3 billion³
- We note that the 'unconstrained' ten year programme⁴ from the RFI was \$4.6 billion

The future renewal requirement is not a 'bow wave' as has previously been described. It is sustained over at least the next 20 years. We estimate the projected renewal requirements for years 10 - 20 at \$950 million.

Cost recovery in most councils appear to be focussed on 'cash' expenses only and depreciation has not been fully funded. This leads to increased forecast debt levels across the region, with five out of the eight councils breaching the 280% debt to revenue ratio (on three waters activities in isolation) by 2031. Queenstown's three waters debt is forecast to be over 700% of its three waters revenue in 2031, and Gore's will exceed 600% of three waters revenue.

Across all councils, three waters accounts for a higher proportion of total council borrowing than it does for total revenue generated. This puts heavy constraints on each council's capacity to borrow for other council activities (e.g. community facilities), as the servicing of debt is effectively cross-subsidised from other council revenue. In the event that three waters assets, debt and revenue is transferred to a new entity, this is likely to result in increased borrowing capacity for all councils in the two regions.

Councils have shown an awareness of the need to increase planned renewals in the coming 2021 LTP period, as well as plan to improve levels of service to meet Drinking Water Standards and other anticipated regulatory requirements. However, most councils have not increased operating cost budgets in proportion with a larger, more complex asset base or for the increased operating costs associated with higher levels of regulation and monitoring that will arise from the activities of Taumata Arowai, the Water Services Bill, and the potential establishment of an economic regulator for water.

Our estimates indicate the average amount of revenue that needs to be collected per water connection will have to increase by 123%, before the application of inflation, to be able to meet some of these increased operating costs. This estimate also excludes any allowance for operating costs associated with increased regulation and monitoring. The effects are particularly notable in Waitaki, where the average revenue per connection is forecast to more than triple from \$697 per connection to \$2,342 per connection, and Queenstown, which is forecast to require the highest average revenue per connection of \$2,994.

³ Morrison Low projections are based on the constrained investment plan in RFIs with adjustments based on assessment of asset registers and estimated costs for upgrading wastewater treatment facilities. This differs from the figure stated in the regional situation analysis as individual council needs have been assessed and additional investment for wastewater compliance included.

⁴ The unconstrained programme is based on council estimates of required investment in the absence of financial or capacity constraints. In some cases this is little more than a guess.



There is a risk that even with funding available, the capacity to deliver programmes with such large scope of work does not exist in the two regions. While correctly identifying the need to increase capital investment, up to more than double the 2019 programme levels, there is legitimate concern about the capacity of the councils to deliver increased capital investment programmes, with four of the eight councils delivering only half or less of their 2020 capital works programmes. Moreover, those that were able to deliver the full value of their capital works programmes will still be required to uplift their total amount of delivery further still to meet planned investment requirements. Of particular concern, we note:

- Despite current delivery at twice their three waters capital works budget in 2020, Dunedin would need to increase delivery by a further 85% to deliver their forecast average annual budget
- Clutha would need to deliver four times that amount of capital works that they delivered in 2020, when they only managed to deliver 32% of their budgeted programme.
- Invercargill would have to deliver three times the level of capital works that it did

The possibility of increased regulation as an outcome from the Three Waters Reform will compound this issue, with the potential for simple wastewater treatment plants to require upgrades in order to keep discharging to their local environments, the potential for councils to become responsible for private water supply schemes, and other as yet unknown requirements.

This is reflected in some councils plans to increase the level of human resources that are employed in three waters teams. Filling these roles is likely to be challenging however, as there are currently 32 existing vacancies in the three waters area across the two regions. This equates to 12.8% of the water related roles in the two regions. Competition between councils for these roles, which are generally accepted to be in an industry that is facing a skills shortage, will pose big challenges for retention and recruitment in the two regions, and may impact on the councils' ability to deliver planned works.

Eighty two percent (82%) of the three waters pipe network (by value) across Otago and Southland is in an unknown condition. This is a significant portion of the network and as a result there must therefore be uncertainty about the future investment requirements and risks that these could be greater than estimated.

As expected, there is a variety of pipe materials and ages across the regions, with estimated base lives and unit rates relatively consistent and in line with industry norms. However there are a few outliers such as Asbestos Cement pipes having a base life of 120 years in Waitaki wastewater when all other councils assume 60 years, and Dunedin's much higher unit rates across the three waters network assets (for example Dunedin's unit rate for 100mm water pipe is three time higher than the next highest cost council), most likely due to the urban environment and complexity of replacement. If these were to be revised or normalised, there would be significant impacts to operating costs (depreciation and maintenance), as well as the timing and value of planned renewals.



Introduction

This report forms part of a suite of reports commissioned by the Otago Southland Three Waters Office to explore the impacts of the Government's proposed reform of three waters service delivery. This is the second report regarding our analysis of information provided by the councils in the Government's request for information (RFI). The first such report focussed on the challenges and opportunities at a regional scale and remains relevant. This report follows the same structure as the regional analysis and reports findings at the territorial authority level.

This review includes councils that are located in the two neighbouring regions of Otago and Southland, and therefore covers approximately 44% of the total geographic area of the South Island, and approximately 29% of the total population of the South Island (or 7% of the national population). While both regions are unique, they also have many similarities, including being predominantly rural regions, with few large population centres.

It is intended that this report will help to identify and highlight the various issues and opportunities that exist for the delivery of three waters services for each of the territorial authorities within the Otago and Southland regions. This report presents key information from RFIs and asset registers, as well as additional analysis and projections completed by Morrison Low to compare the scale of challenges between councils. The intention is not to benchmark councils' performance (although it is acknowledged that this process does enable that) but rather to highlight where differences and similarities exist.

In addition, we note that:

- This report presents high level analysis based on data included in RFIs submitted to the Department of Internal Affairs (DIA). Due to time constraints this means that while some clarification has been sought where information appears to be obviously wrong, the reliability of this data may differ between councils. For instance, we have not made any adjustment to information that was assigned a low confidence grade in the RFI.
- All analysis contained within the report is sourced from council RFIs or asset registers unless otherwise stated.
- Analysis is focussed on information at the end of the 2019/20 financial year unless otherwise stated.
- This analysis is subject to detailed modelling (including consideration of potential operational and investment related efficiencies) which may have a significant impact on projected levels of debt and water charges in particular. This modelling may result in projected debt and charges being higher or lower than stated within this report.

This report, and the wider review considers both of these regions together, however for presentation purposes it has been necessary to sometimes present information for each region separately.

This report has been structured to follow a logical progression that highlights the key challenges and opportunities facing the region. Analysis has been specifically focussed on matters which are able to clearly demonstrate the risks, issues and challenges for the region and can be easily understood without the need for comparison to individual council performance.



In particular the report addresses the following:

- The size and scale of the councils, which is relevant when considering the potential for efficiencies from scale and scope.
- The future investment needs and the ability to deliver capital works, which is relevant as a significant driver of future cost within each council.
- The financial position of the region, which provides additional information about potential future affordability issues facing councils.
- The current levels of service provided by the councils, which is relevant as a driver of future cost and exposure to operational risk.
- The current workforce and human resources utilised by each council which highlights some of the capability challenges facing the councils.
- The differences in asset valuation and base lives which impact renewals planning, forecast investment and operating costs of the councils.
- The current state of assets of each council which highlights some of the potential risks with the information set that has been used and the age and condition of each council's assets.



Size and scale

One of the main arguments for reform of three waters service delivery in New Zealand is that councils do not individually have sufficient scale and capacity to be able to sustainably address the challenges that are facing the sector. Through various studies into international best practice, DIA has indicated that, in its view, aggregation of water services delivery is needed to address these issues.

Understanding the size and scale of the regions is critical in understanding whether any of the territorial authorities would have the requisite scale to address the challenges on its own.

This section highlights vast differences in the size and scale of the councils in the two regions. Dunedin, the largest council in the group collects almost twice the amount of rates revenue of Queenstown (which has the second highest amount of rates revenue) and has a population larger than the entire Southland region.

The region also has the fourth least dense district in New Zealand, being Southland District (behind only Mackenzie, Westland and Chatham Islands) while also having the 11th most dense city. These differences in size and scale could create unique challenges for any combined service delivery model and have a significant impact on the way in which three waters services are delivered.

Relative size of the councils

The five councils in the Otago region show a wide range of size and scale, with Dunedin City Council (Dunedin), the largest of the Otago and Southland groups, generating almost seven times the annual operating revenue of Clutha District Council (Clutha), the smallest of the Otago region.

Dunedin's land area is less than a third of the size of Central Otago District Council (Central Otago), the largest Council in the Otago region, as shown in the following table. These differences in size, population and operating revenue are likely to have a significant bearing on the costs of producing and treating water and wastewater in each of the councils. They also influence the number of schemes and plants required.

**Dunedin generates
11 times more
revenue that the
smallest council
(Gore)**

Table 1 Territorial Authority key statistics for the Otago region

	Central Otago	Clutha	Dunedin	Queenstown Lakes	Waitaki
Land area (km ²)	9,956	6,335	3,287	8,719	7,109
Population ⁵	23,900	18,300	134,100	47,400	23,500
Population density	2.4/km ²	2.9/km ²	40.8/km ²	5.4/km ²	3.3/km ²
Council operating ⁶ revenue (\$000)	45,123	40,614	274,050	170,407	50,659
Council operating expenditure ⁷ (\$000)	40,818	44,557	278,350	167,057	53,540

⁵ Statistics New Zealand subnational population estimates at 30 June 2020

⁶ 2019/20 Annual reports – excludes vested assets and gains/losses on sale

⁷ 2019/20 Annual reports – excludes losses on sale



	Central Otago	Clutha	Dunedin	Queenstown Lakes	Waitaki
<i>Council capital expenditure (\$000)</i>	29,092	14,137	90,602	66,245	19,230
<i>Council rates revenue (\$000)</i>	31,140	26,696	156,949	83,563	32,833
<i>Median personal income⁸</i>	33,300	30,900	25,500	40,600	27,700
<i>Council employees</i>	202	130	998	497	228

The Southland region consists of only three territorial authorities, which again show broad diversity in size and scale.

The Southland District Council (Southland) encompasses the largest area of all councils in New Zealand, with more than double the land area of the second largest council by area. The land area includes the Fiordland National Park, and the Rakiura National Park (which combine to cover almost half of the total land area in Southland). By way of contrast, Invercargill City Council (Invercargill) and Gore District Council (Gore) cover the two smallest areas of land mass in the Otago and Southland regions.

Entire Southland region has lower population than Dunedin alone

While Invercargill has the highest operating revenue in the Southland region, this is still more than 25% lower than the total operating income in Queenstown Lakes District Council (Queenstown), despite a larger resident population.

The differences in the size, scale and geography of these councils contributes to the different ways in which three waters services are provided. This is highlighted with differences in population density throughout the region, varying from only 1.1 person per km² in Southland through to 146.8 people per km² in Invercargill.

Table 2 Territorial Authority key statistics for Southland region

	Gore	Invercargill	Southland
Land area (km ²)	1,254	389	29,552
Population ¹	12,900	57,100	32,500
Population density	10.3/km ²	146.8/km ²	1.1/km ²
<i>Council operating² revenue (\$000)</i>	27,489	98,279	77,634
<i>Council operating expenditure (\$000)</i>	26,919	98,833	78,510
<i>Council capital expenditure (\$000)</i>	11,144	18,671	26,134
<i>Council rates revenue (\$000)</i>	17,310	55,550	46,578
<i>Median personal income</i>	30,900	29,900	36,300
<i>Council employees</i>	117	410	187

⁸ StatsNZ 2018 Census



Connection density

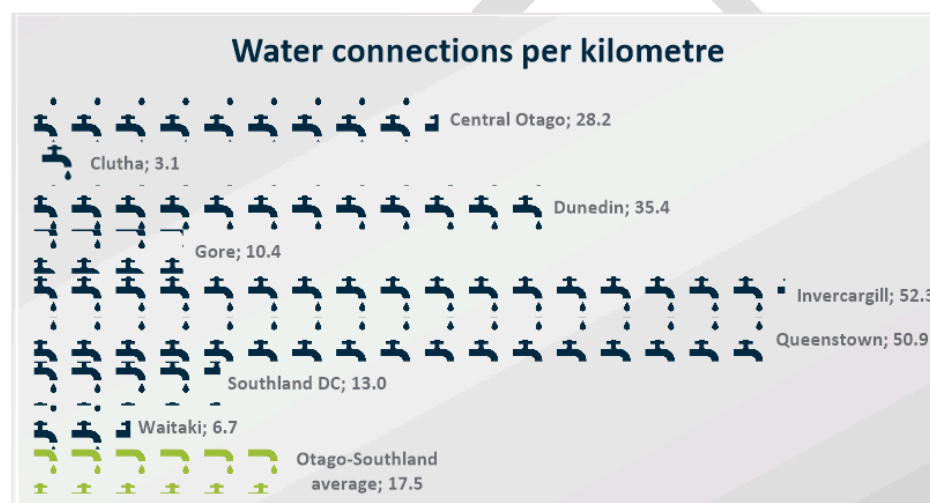
Connection density can be an important driver of cost on a per head basis.

Councils with a lower number of connections per kilometre of pipe are likely to face increased costs per connection, particularly when it comes to investing in upgrades to meet new environmental and regulatory standards or the renewal and depreciation of those assets.

Combined, the region would have less connections per kilometre of pipe than the average small council in the 2018/19 Water New Zealand National Performance review (22.7 connections per kilometre). When examined individually, there is significant variation in connection density between the councils, with Clutha District Council having as few as 3.1 connections per kilometre of water pipe, while Invercargill City Council has as many as 52.3 connections per kilometre.

**Large variation
in connection
density**

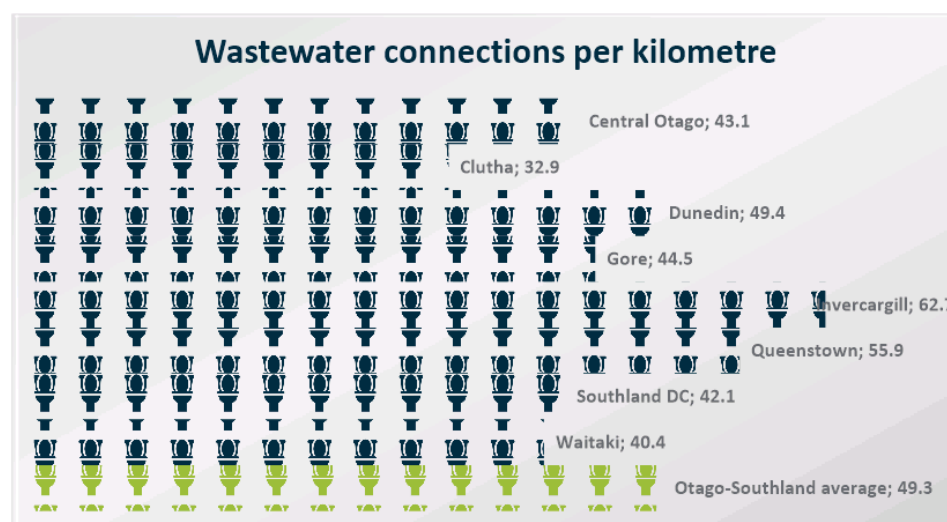
Figure 1 Water connections per kilometre of pipe



The differences in connection density between council areas demonstrates a rural/urban divide, with the largest, more urban council typically having a higher connection density. However, even outside the urban centres there is a large difference in connection density which highlights the challenges for the provision of affordable and sustainable drinking water services to small communities.



Figure 2 Wastewater connections per kilometre of pipe



1.5

Water connections per
kilometre in least dense
areas

Combined, the region also has less wastewater connections per kilometre of pipe than the average for large councils in the 2018/19 Water NZ National Performance Review as shown above. There is also significantly less variation in density across the individual councils.

This suggests that there are a number of small communities that are serviced with water, but which are not connected to a public wastewater network. The largest of these differences relate to Clutha and Waitaki District Council (Waitaki), where the difference in densities infers that there is a combined 3,800 kilometres of water pipe servicing only 5,600 connections (or just under 1.5 connections per kilometre of pipe).

Connected population

In their report commissioned by DIA⁹ (the WICS report), the Water Industry Commission for Scotland (WICS) report on three water reform in New Zealand highlights that New Zealand does not have a particularly high proportion of its population connected to water services, with some councils having as low as 35% of their population connected, and thirteen councils having less than two thirds of their population connected to water services.

77%

Population connected to
a council water supply

While the WICS report does not go so far as to suggest that higher connection rates may create operating efficiencies, it does state that, from a regulatory perspective at least, it is desirable to have a high rate of connection to ensure consistent levels of service. We note that the Water Services Bill treats all water suppliers equally and requires all suppliers to meet the Drinking Water Standards.

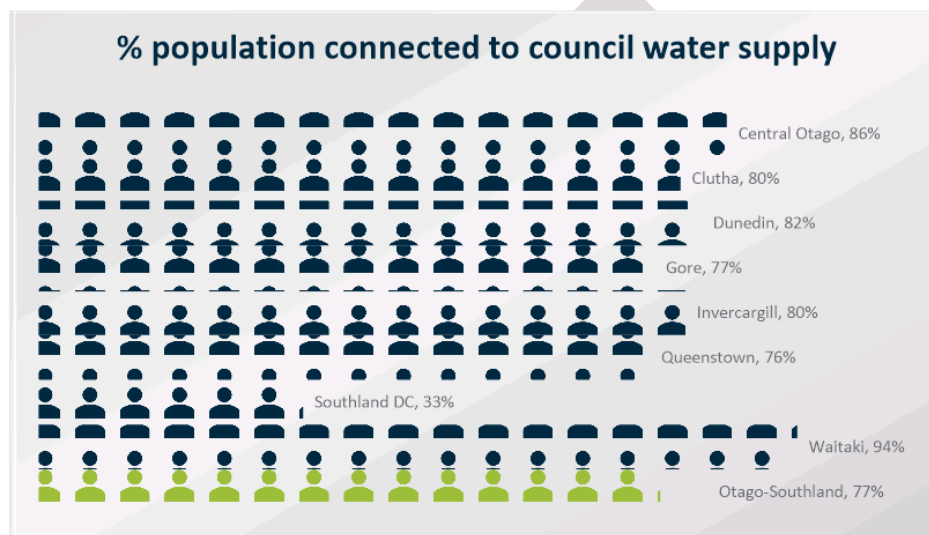
⁹ Water Industry Commission for Scotland, *Economic analysis for water services aggregation* (retrieved from [https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/\\$file/Economic-analysis-of-water-services-aggregation-Stage-One-Report.pdf](https://www.dia.govt.nz/diawebsite.nsf/Files/Three-waters-reform-programme/$file/Economic-analysis-of-water-services-aggregation-Stage-One-Report.pdf) on 2 March 2021)



Low connection rates may also be indicative of a larger number of private water schemes (i.e. privately owned or operated schemes that service multiple properties), or simply a large number of rural properties connected to private supplies (i.e. tanks or bores which service a single property). With increasing regulatory requirements and the enforcement of drinking water standards, private water schemes may pose a significant financial risk for councils who under draft legislation may, in certain circumstances, be required to provide the service. The 2019 Register of Drinking Water Suppliers of New Zealand lists 44 non-council drinking water supplier in the region, with the majority of these servicing between 25 – 100 properties.

In a presentation to the IPWEA northern branch in March 2021, Bill Bayfield, the Chief Executive of the Taumata Arowai Establishment Office, suggested that early estimates of the potential number of private supplies in the country (including small supplies affected less than 25 people) exceed 70,000 nationwide.

Figure 3 Percentage of population connected to a council water supply



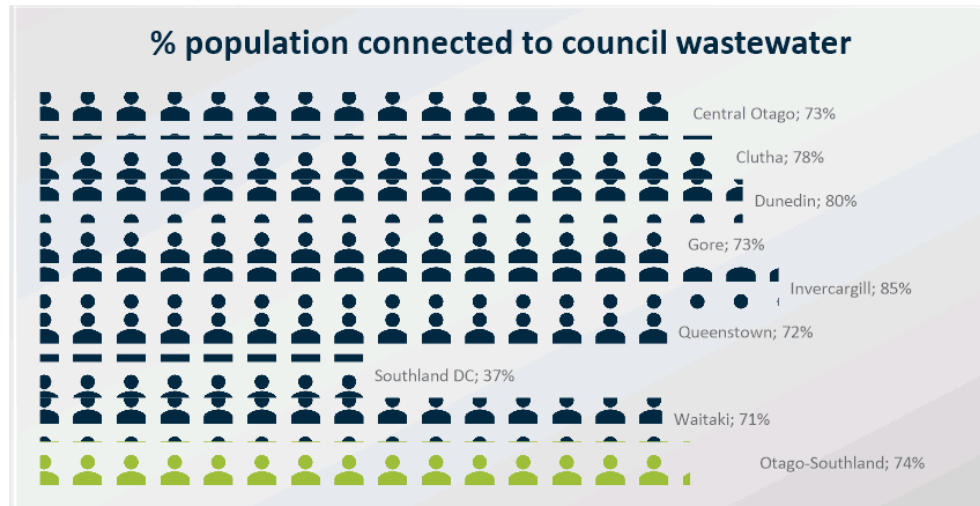
Connection rates in the combined regions (77% connected) are typically on par with Water New Zealand's benchmark¹⁰ (79% connected), with only Southland District showing a particularly low percentage of their population being connected as shown above. It is interesting to note that there does not appear to be a strong link between urbanisation and connected population, with Waitaki having the highest rate of connected population in the combined region.

The data show that both Waitaki and Clutha have previously made investment decisions to connect a large proportion of their population to drinking water schemes despite large geographical distances making this difficult. These councils have relatively high rates of connected population, but consequently also have the lowest density of connection per kilometre of pipe.

¹⁰ Water New Zealand National Performance Review 2019/20



Figure 4 Percentage of population connected to a council wastewater system



Typically, there are fewer people connected to a council wastewater system than there are connected to a public water system¹¹, and this is reflected in the chart above. The exception is Southland where although a very low proportion of its population are connected to a council wastewater system, there is actually a greater number of people connected to wastewater systems in Southland than there are connected to public water.

The data also highlights a difference in terms of connected population for Waitaki, with only 71% of the population connected to a council wastewater scheme (94% are connected to a public water scheme).

¹¹ Connected population for wastewater is based on household density for connected water population, multiplied by the number of household wastewater connections.





The scale of the required investment over this time period is substantial with the region doubling its planned three waters capital works from the amounts outlined in 2018 long term plans. For some councils, the change is even greater still, for example Waitaki has estimated that their planned capital works for the next ten years should be more than four time larger than its planned capital works in its 2018 long term plan.

Delivering this planned investment in a way that is sustainable and affordable will be inherently challenging. Local government across New Zealand has historically failed to physically deliver its capital works programmes, and for most councils in the region, delivery of required renewals alone would require a significant uplift in the amount of capital works that councils have been historically able to achieve across all investment categories.

Planned capital expenditure doubles from 2018, and doubles again in unconstrained view

Renewals vs depreciation

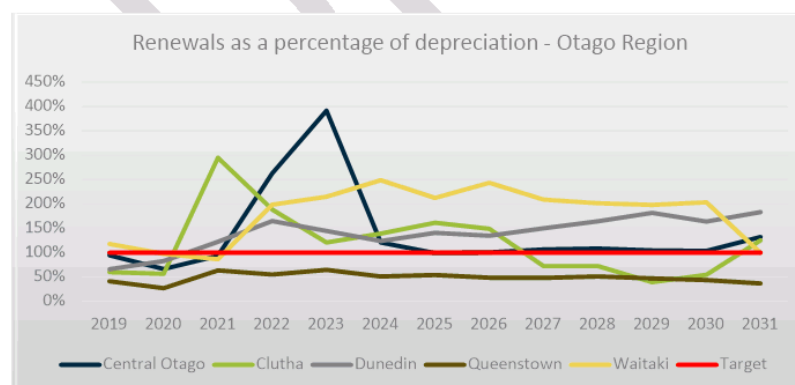
Investment in renewals and depreciation incurred are often offset in time, though over an extended number of years, we would expect the investment level to equal the expense of ownership.

Comparison of the 2018/19 and 2019/20 expenditure across the region shows average renewal ratios across the three waters of 70% and 64% respectively¹². While there is significant variation in the level of renewals investment between the individual councils, across both 2018/19 and 2019/20 there are only two incidences of the renewal's ratio exceeding 100% of depreciation (being Invercargill and Waitaki in 2019). On the other hand, there were four incidences of investment in renewals being less than 50% of depreciation, being Queenstown in 2018/19 and 2019/20, and Gore and Southland in 2018/19.

Historical under investment in renewals

That situation is projected to change significantly in the next ten years as shown in the charts below.

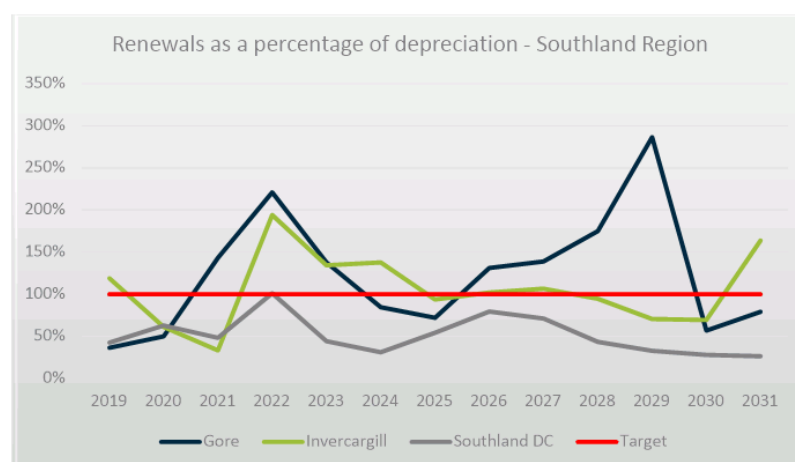
Figure 6 Renewals as a percentage of depreciation in the Otago region



¹² More detailed and granular analysis at an individual council level has resulted in this number reducing from that cited in the regional situation analysis which stated a renewals ratio of 77%



Figure 7 Renewals as a percentage of depreciation in the Southland region



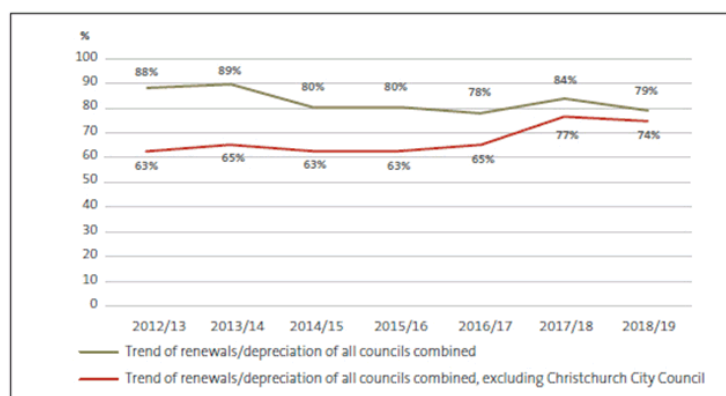
Looking across the full ten-year 2021 Long-Term Plan period shows a planned increase in renewals investment across most of the councils, with all councils other than Queenstown Lakes District and Southland District planning to invest at least 100% of their depreciation¹³ over the period in renewals. However, as most of this represents forecast expenditure, it is reliant on projects being efficiently and effectively delivered, and not delayed, to maintain this balance. See the Capital Works Delivery section of this report for more detail but delivery of planned expenditure has historically been difficult for some councils

There is growing evidence of under investment in three waters infrastructure across New Zealand. In 2018 we undertook a desktop analysis of council LTPs across New Zealand for the Department of Internal Affairs (DIA). In that project we identified that, on average, councils in New Zealand were only spending around 78% of their depreciation funding on renewals. Similar concerns have been expressed by the Office of the Auditor General for a number of years, most recently in their report, *Insights into local government: 2019* which presented historical data showing underinvestment in renewals since 2012/13.

¹³ Forecast depreciation for 2022 and beyond was taken from cashflow statements in the completed RFIs, in some cases forecast depreciation in 2022 from cashflow statements was lower than actual depreciation for 2020, so depreciation may be understated.



Figure 8 Historical renewals versus depreciation – all New Zealand Councils¹⁴



Most councils in New Zealand have not retained the cumulative shortfall between renewals investment and depreciation, meaning as networks age, the future periods where the renewals investment required far exceeds the depreciation expense, will not be adequately funded from reserves. The analysis in the Cost Coverage section of this report suggests that this equally applies to councils in these two regions. These periods of peak renewals typically lie beyond the 10-year horizon of the LTP but within the 30 year horizon of the Infrastructure Strategy, shown in more detail in the Asset Age and Condition sections of this report further on.

We note that, in their report for DIA, WICS refers to a capital maintenance ratio which we understand includes maintenance of assets and renewals, with the same 100% benchmark. While the region exceeded this benchmark for water and wastewater, individual council performance varied. Clutha, Gore and Queenstown all fell below 100% under this benchmark for drinking water services in 2020. Performance against this benchmark was worse in both wastewater and stormwater with only Dunedin, Central Otago and Waitaki exceeding the benchmark for wastewater in 2020, and only Dunedin and Invercargill exceeding it for stormwater services.

We note that classification issues may contribute to the apparently low renewals ratios, with classification of infrastructure investment between renewals, level of service and growth being notoriously challenging. In some cases investment may be entirely driven by growth or level of service drivers but have involved the replacement of an asset before the end of its useful life.

This adds to growing evidence, including from the Office of the Auditor General, that there has been historical under-investment in the renewal and maintenance of infrastructure at a national level. This underinvestment has impacts on levels of service and future investment requirements for the region.

¹⁴ Source: Office of the Auditor General, *Insights into Local Government: 2019* (retrieved from <https://oag.parliament.nz/2020/local-govt/part1.htm> on 22 February 2021)



Future renewals investment



A review of asset registers indicates that, based on the remaining useful life of assets and known asset condition, the combined regions require approximately \$1.5 billion of renewals work during the next ten years. The combined RFIs outlined plans to invest in \$1.1 billion during the same time period. This figure is in our view understated, although this difference relates predominantly to Dunedin, with seven of the eight councils projecting to spend more than age alone would indicate.

The table below highlights the planned renewals investment from individual councils, as stated in their RFIs for the period between 2021 and 2031, the value of three waters pipe assets that have less than 10 years remaining useful life, and the value of assets disclosed as having a poor or very poor condition which have an estimated remaining useful life that exceeds 20 years.

In our view there should not be a significant difference between the value of assets that may need replacing based on age and the planned renewals. The view is somewhat supported by seven of the eight councils planning to invest more in renewals than the value of assets that would need replacing based on age alone.

Table 3 Planned renewals investment compared to Morrison Low estimates (Gross Replacement Cost)

Council	10 year renewals	Assets with <10 years life remaining	Assets in very poor or poor condition with >20 years RUL ¹⁵	Total value of assets that may need replacing	Gap
CODC	\$56 m	\$10 m	\$2 m	\$12 m	(\$44 m)
CDC	\$49 m	\$14 m	\$6 m	\$20 m	(\$29 m)
DCC	\$470 m	\$1,203 m	\$26 m	\$1,229 m	\$759 m
GDC	\$43 m	\$8 m	\$0 m	\$9 m	(\$34 m)
ICC	\$183 m	\$145 m	\$5 m	\$151 m	(\$32 m)
QLDC	\$119 m	\$9 m	\$60 m	\$69 m	(\$49 m)
SDC	\$35 m	\$7 m	\$2 m	\$9 m	(\$26 m)
WDC	\$107 m	\$9 m	\$2 m	\$11 m	(\$96 m)
Otago-Southland	\$1,061 m	\$1,406 m	\$103 m	\$1,510 m	\$449 m

Seven of the eight territorial authorities in the Otago-Southland region have budgeted to spend significantly more on renewals than would otherwise be predicted through a review of age and condition of assets alone (combined this equates to investing \$310 million more in renewals than our high level analysis). It is likely that a portion of this relates to the replacement of above ground infrastructure (i.e. treatment plants), although the most common driver for this investment is level of service improvement.

This may also be to issues with the valuation of assets within the asset registers and in investment plans. Our projections are based on the gross replacement cost of assets within council's asset registers. We note that there is a significant variation in the unit rates used to determine these value, as highlighted in the section titled differences in valuation and depreciation (page 56). This may also explain the differences between projected renewals in Dunedin and our forecasts, noting that Dunedin undertook a revaluation as recently as late 2020.

¹⁵ Where condition is unknown, we have assumed that the condition of assets is consistent with that of known assets.



For example, Waitaki has planned renewals that are over nine times higher than our estimates. This may indicate that Waitaki is proactively planning to replace assets early to smooth an impending renewals wave or has otherwise determined that asset performance is not well aligned to asset age. The risk of this is that assets which are renewed before the end of their useful lives may not have been fully “paid for” through depreciation charges.

Dunedin City Council is planning on replacing less than half of the total value of its pipe network that has been identified as having a remaining life of less than ten years. It is likely that Dunedin has identified renewals based on more factors than age alone and may have also considered criticality of its assets as well as condition and performance of its network (we have not been provided with any condition data for Dunedin’s pipe network). While this may also relate to the classification of expenditure between renewals, level of service enhancement and growth investment, we note that Dunedin’s entire capital works programme for the ten year period is \$547 million (or \$800 million in the unconstrained view). We note that our projected estimates for Dunedin are based on.

Performance of Dunedin’s water network is outlined in the section titled Levels of service measures (page 35) and shows the second highest rate of water pipe bursts per 10 kilometres of pipe in the region. This would support our analysis that a large amount of Dunedin’s three waters infrastructure may need replacing in the next ten years.

Ten year investment need

The combined three waters investment programme is set out below. We have presented the 2018 LTP projections, the draft 2021 LTP projections, our estimate of the future investment requirements and, for comparative purposes, the unconstrained view from the RFIs.

We acknowledged that in most cases the timing of investment under the unconstrained view is unknown and at least some of this could fall outside of the ten year period but it provides an illustration of the potential costs, and the scale of the difference highlights a risk. The scale of the difference between the 2018 and 2021 projections also highlights the scale and speed of the impact of water reform and the councils’ reaction to the already changing regulatory environment.

The Morrison Low projections outlined in the projected future expenditure charts include any underfunded renewals investment per our analysis on page 16, as well as projected capital costs for the upgrade of wastewater plants which have consents expiring within 10 years to the extent that these costs have not been allowed for within the RFIs.



Figure 9 Projected ten year investment requirements for Otago region

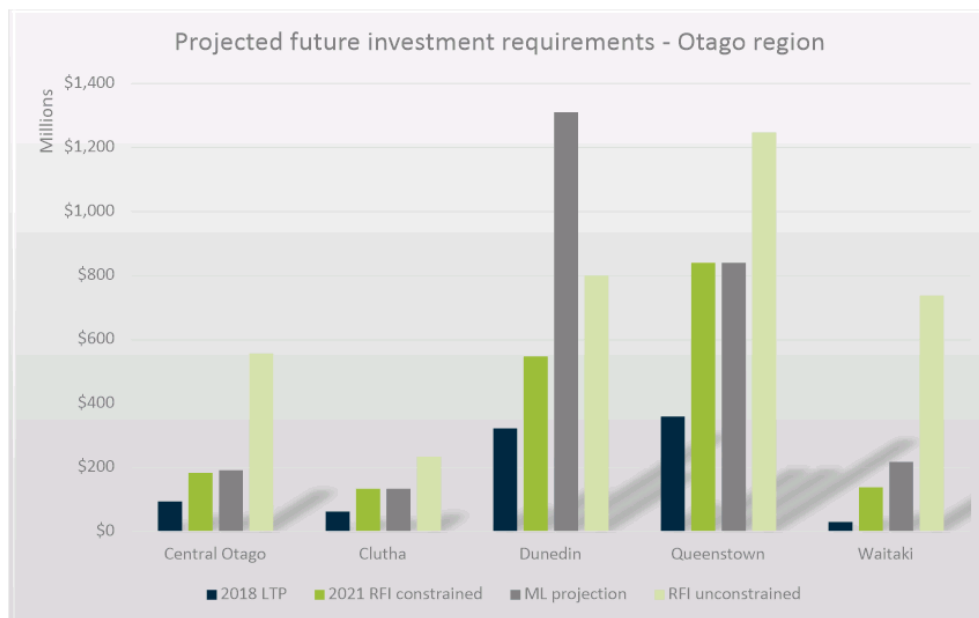


Figure 10 Projected ten year investment requirements for Southland region



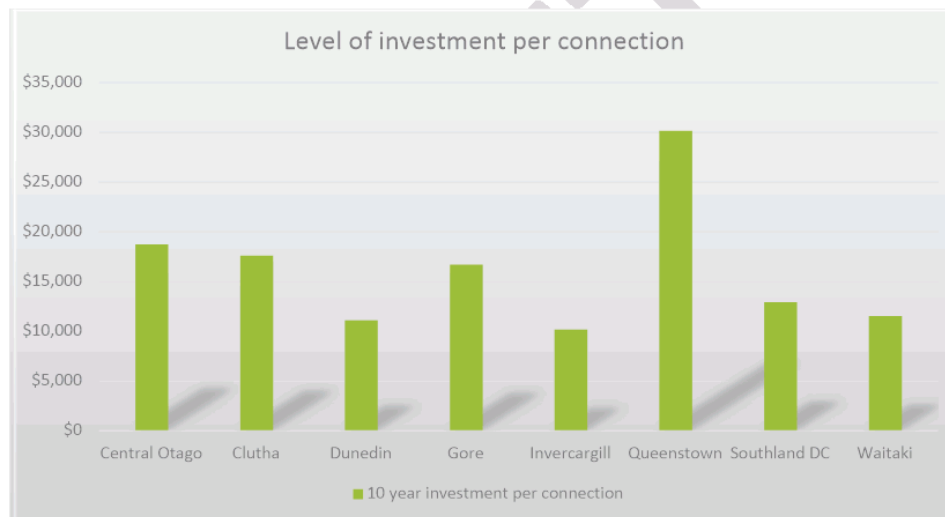


The unconstrained investment requirement is an estimate provided by councils in response to a request from the government through its RFI process. There are varying levels of planning which have fed into this figure, with some councils able to assign a cost to specific 'wish list' projects, while others have simply included a bulk allowance. In our experience, we would estimate the "true" unconstrained cost for most councils to be around 2 – 2.5 times larger than the constrained view. This aligns with the total position of the region.

The Morrison Low projection for Dunedin shows a higher level of investment being required than that outlined in Dunedin's unconstrained RFI investment plan. This largely reflects the potential renewals gap outlined in our analysis on page 16.

The absolute nature of the charts shown below can mask the impact on ratepayers of what for smaller councils appears to be a lower level of investment. When considered on a per capita basis this level of investment looks substantially larger for small councils, and this is highlighted in the chart below.

Figure 11 Projected ten year investment per connection



Queenstown is forecast to spend substantially more per connection on infrastructure in the next ten years than any of the other councils. This is driven by its high levels of projected expenditure to service growth, with 44% of its forecast expenditure being for the servicing of growth (Queenstown accounts for 66% of total forecast growth expenditure in the region).

On a per connection basis however, most councils are forecasting to invest a similar amount on infrastructure over the next ten years. In fact Gore, who have one of the lowest levels of projected investment in absolute terms, has the fourth highest level on a per connection basis.

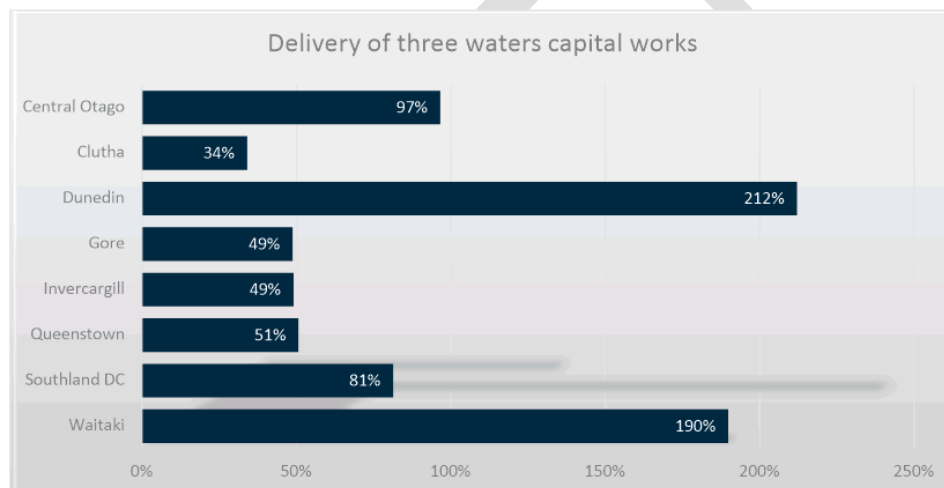


Capital works delivery

The ability to deliver on a capital works programme may have a significant impact on debt projections, rates and operational risk. As a sector, local government in New Zealand has historically been unable to deliver its full capital works budget. As most of the debt in local government relates to investment in capital assets, failure to deliver will likely result in lower than forecast debt levels and may have significant impacts on the levels of service received by ratepayers.

In our view there is a challenge to deliver the forecast infrastructure investment. The chart below shows that in 2020 most councils delivered less than 100% of their planned capital works programmes. This is not unusual across the country, in fact this is an issue frequently raised by the Office of the Auditor General, most recently in their review of 2019 annual reports¹⁶. However with planned infrastructure investment for the next ten years typically doubling previous long term plan budgets, the focus on delivery will become increasingly important.

Figure 12 Actual versus budgeted capital expenditure on three waters assets 2019/20



While councils across the region have typically been unable to deliver the full extent of their budgeted capital works programmes, most councils were able to deliver over 100% of their renewals' budgets in the 2020 year. Delivery of level of service/upgrades was lower than budget across all three waters. Some of this is a classification issue, with classification of investment between renewals, levels of service and growth being particularly difficult as often investment is driven by more than one factor.

While Covid-19 and the associated lockdowns may have had an impact on capital works delivery in 2020, we note that sustained under delivery is common across local government in New Zealand.

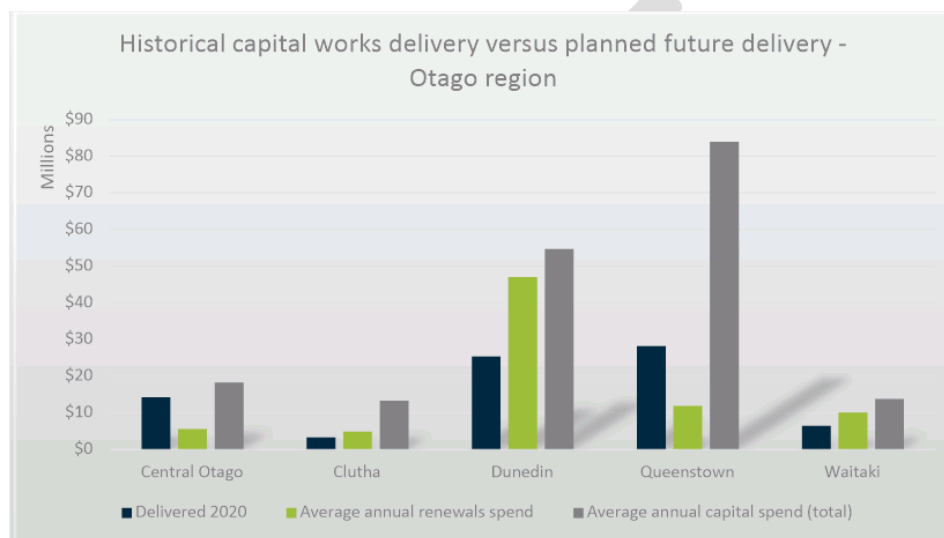
¹⁶ Office of the Auditor General (2020) *Insights into Local Government: 2019* (retrieved from <https://oag.parliament.nz/2020/local-govt/part1.htm> on 25 February 2021)



Comparing historical capital works delivery to the average annual investment outlined in councils RFI (using the constrained view) outlines the scale of the challenge ahead. If the Morrison Low, or unconstrained investment scenarios were adopted the challenge would be even worse.

For example, despite delivering over 200% of its budgeted capital works programme in 2020, Dunedin would need to deliver a further \$22 million of capital works (or an additional 85%) just to be able to deliver its average annual forecast renewals programme. Queenstown must increase the amount of three waters infrastructure that it delivers annually by over 250% in order to be able to deliver its forecast investment requirement.

Figure 13 Historical capital works delivery versus planned capital expenditure - Southland

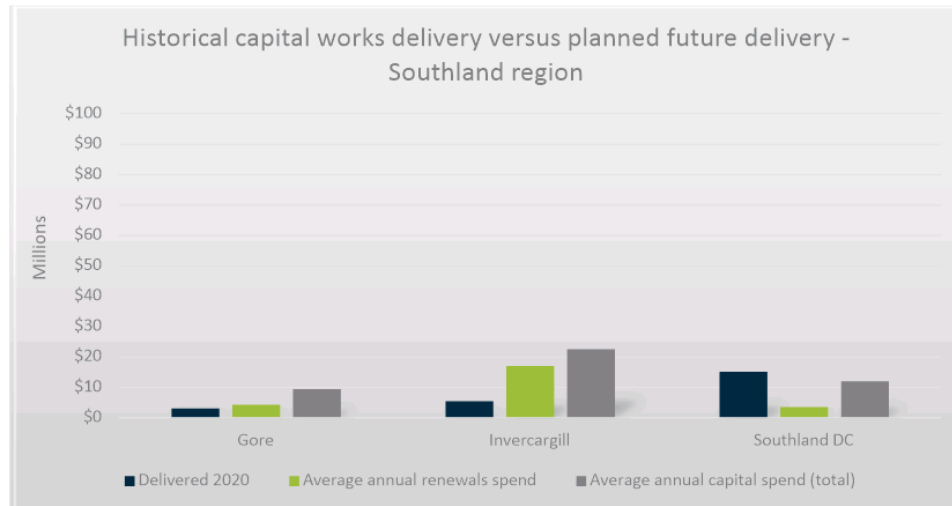


In its report Matters arising from our audits of the 2018-28 long term plans¹⁷ the Office of the Auditor General indicated an increase in planned capital expenditure between the 2015-25 and 2018-28 Long Term Plans of 31%. In that report it noted that achieving that level of increase would be challenging, the levels of increase suggest in the 2021 Long Term Plans/RFIs are of an even greater scale still.

¹⁷ Retrieved from <https://oag.parliament.nz/2019/ltps/part3.htm> on 22 February 2021



Figure 14 Historical capital works delivery versus planned capital expenditure - Southland



Invercargill would need to deliver more than three times the amount of capital works that it did in 2020 to achieve delivery of its average annual capital works programme. The scale of the delivery challenge across the region should not be understated.

Southland is an outlier here, with future average capital works programmes being lower than its 2020 delivery. Southland has the lowest forecast renewals programme over the next ten years, and the second lowest (Gore being the lowest) total planned capital works programme.



Financial position

One of the biggest challenges cited by the government, and the WICS report prepared for DIA, is the issue of long-term affordability of three water services. All councils in New Zealand are facing significant future investment requirements and increases in operating costs to be able to meet increasing regulatory standards and enforcement activities. The Situation Analysis and this current report demonstrate that Otago and Southland regions are facing those same challenges.

This section looks at these various financial challenges facing the combined regions.

The analysis shows a number of significant challenges facing the region of the next ten years, with large capital investment programmes likely to result in high levels of debt and increases in operating costs across all of the councils in the two regions. This is likely to create future affordability issues for water users and aligns with DIA's objectives for three water reform in general.

Projected revenue per water connection is forecast to increase by 123%, before inflation is accounted for, in order to service the debt, depreciation and increased operating costs for projected new investment. This assessment does not include any additional costs that may be required for the increased monitoring and compliance that will be brought about from the Water Services Bill when it is passed, or from the regulatory activity of Taumata Arowai and any future economic regulator.

In addition, debt is forecast to increase, on average, four-fold, under the most optimistic scenario. This will see the debt for the two regions combined increase to \$1.2 billion for three waters assets. Under scenarios prepared by Morrison Low, and the unconstrained investment outlined in the RFI, debt could increase to \$2.2 billion, or \$3.2 billion respectively.

Under the most optimistic investment scenario, only Dunedin, Invercargill and Waitaki have forecast three waters debt to three waters revenue that falls below the LGFA's debt to revenue lending covenant of 280%. While this is typically compared to total council revenue, borrowing to fund water assets for the remaining councils is dependent on revenue streams from elsewhere in these councils, and may constrain those councils from borrowing to invest in other services or activities.

Average household charge

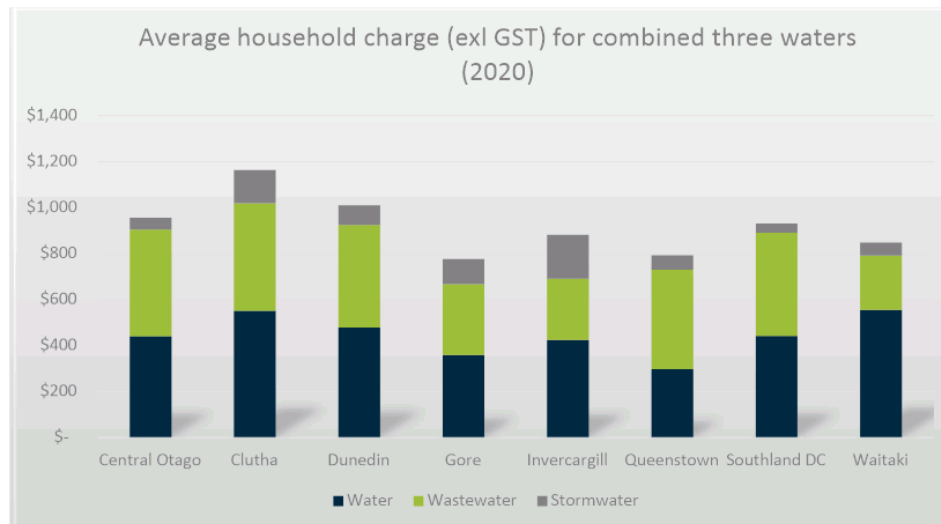
We note that there is significant variation in the ways in which each council charges for water, wastewater and stormwater services in their region, with a mix of fixed amount targeted rates, general rates, volumetric charging, and combined drainage charges existing across the region.

Our comparison of current charges looks at total revenue generated from households for each activity, divided by the number of households in each territorial authority area. This is not the same as an average rate but is presented as a high level comparison.

For comparison purposes, we note that the weighted average combined charge for the region would be \$924.



Figure 15 Average household charge for combined three waters activities in 2020



Clutha has the highest combined three waters charge, and the second highest drinking water average household charge, and this is likely reflective of its relatively low connection density and the high costs associated with providing services to rural communities. Similarly, Waitaki has the highest water charge, again reflective of its low connection density.

While dense urban areas often have lower charges than rural areas, this does not appear to be the case for Dunedin, which has the second highest combined three waters charge (and is in the top half across all of the three waters individually). While it is not explicitly clear what the key drivers for this are, it may be due to the topography of the city, the age of its networks, and the generally higher level of treatment of both water and wastewater compared to most of the rural councils.

Cost of treatment and distribution

Water

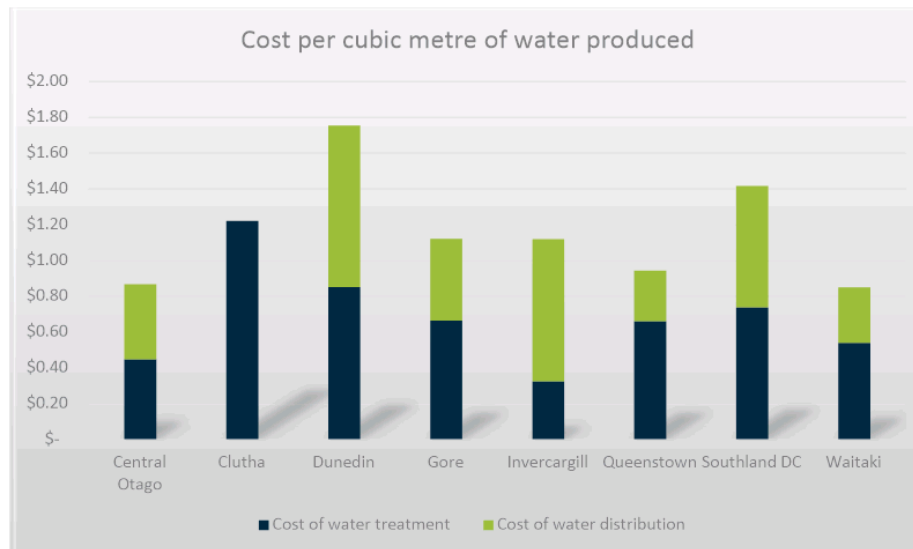
Another measure of cost of the provision of water services is to look at the cost of supplying a cubic metre of water. This is a helpful comparison as it is normalised for areas where consumption may be higher or lower than others (i.e. where residents are not metered, or areas which have regular water restrictions).

The cost of treating and supplying a cubic metre of water in Dunedin appears to be substantially higher than the cost of providing the same volume of water in other councils within the Otago-Southland regions. In fact, the cost of water distribution alone, is higher in Dunedin than the total cost of supplying a cubic metre of drinking water in either Central Otago or Waitaki.

In or experience, this is unusual as we would have expected rural areas with multiple schemes and lower connection density to have been more expensive. While the cause of this difference is not clear, it may be due to the relative age and condition of Dunedin's network, or a lower level of per capita water consumption.



Figure 16 Cost per cubic metre of water produced (2020)



For completeness, we note that the analysis above is based on RFI data, and the accuracy of the split of costs between treatment and distribution may vary. The total cost of supplying a cubic metre of water (i.e. the sum of the two stacked bars) is more reliable.

Wastewater

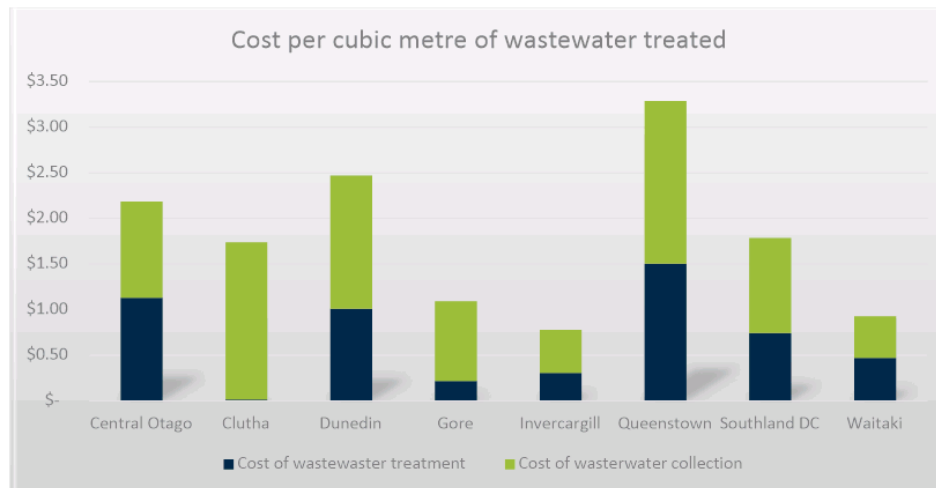
The cost of collecting and treating a cubic metre of wastewater is typically higher than the equivalent cost for drinking water, and this is observed for six of the eight councils in the Otago-Southland region. This is because the treatment of wastewater is often a more complex and costly process than the treatment of drinking water, and in addition, volumes of wastewater being treated are typically lower than the volumes of drinking water supplied.

In the cases of Invercargill and Gore, where costs of wastewater treatment are lower than drinking water, this is likely due to the comparatively high volumes of wastewater that is treated in those areas.

Queenstown and Dunedin have a large number of wastewater pump stations in their networks, which is likely to be driving the high unit cost of treating wastewater.



Figure 17 Cost per cubic metre of wastewater treated (2020)



Like for water, we note that the analysis above is based on RFI data, and the accuracy of the split of costs between treatment and distribution may vary. The total cost of supplying a cubic metre of water (i.e. the sum of the two stacked bars) is more reliable.

Cost coverage

Cost coverage is the proportion of revenue that has been collected by the councils compared to the total operating costs (including depreciation) for each of the three waters activities.

Councils are required, under the Local Government Act, to maintain a balanced budget, which means that they should collect enough revenue to cover their total operating costs (including depreciation), unless it is financially prudent not to do so. While this requirement exists at a whole of council level, it does not exist for individual activities. Generally speaking, a cost coverage of less than 100% would indicate that councils are not collecting enough revenue to meet their operating costs or to fund the maintenance and replacement of existing assets.

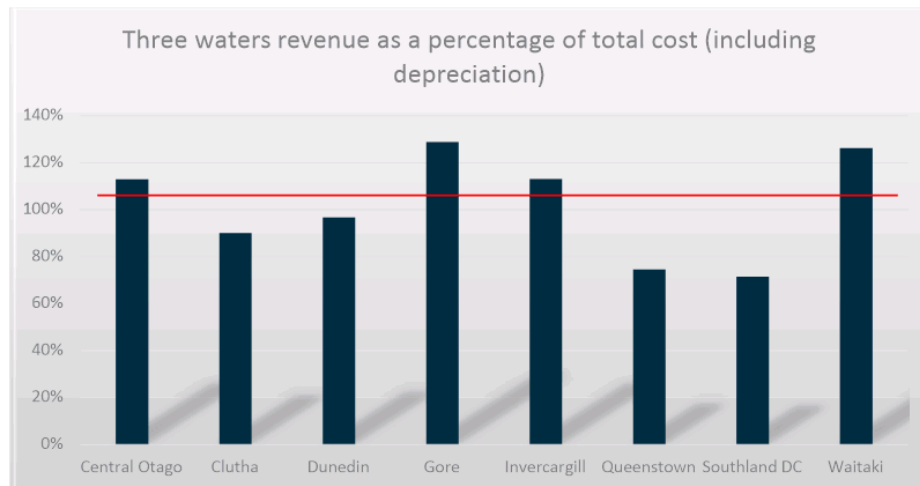
50%

of councils did not fully recover
the costs of providing their three
waters services in 2020

At a combined three waters level, half of the councils did not collect enough revenue from three waters activities to fully cover their total operating cost (including depreciation). While some of these council may have made a deliberate decision not to fully fund their depreciation cost, this creates potential future investment risk, as the council may not have developed sufficient reserves (or borrowing capacity) to fund future renewals costs. as discussed in the Renewals vs Depreciation section of this report.



Figure 18 Three waters revenue as a percentage of total cost (2020) – benchmark 100%



When the cost coverage for individual water activities is examined, there is a much greater level of variation between the councils. Revenue reaches as high as 245% of total operating costs including depreciation for Invercargill's stormwater activity, while it sits as low as 48% of total cost for Queenstown's stormwater activity. Reviewing cost coverage at this level may be unhelpful however, as there is often a large amount of shared resource between the water activities for which costs are likely to be allocated using different approaches.

Impact on operating costs

While the projected investment requirements for all of the councils in the regions are significant and will pose challenges for borrowing, delivery and affordability, the impact of increased operating costs will often be felt more directly by ratepayers.

WICS states in their report that the addition of a new assets will add approximately \$8 of additional operating costs (relating to the financing, depreciation, and operation) for every \$100 of new capital invested.

We have used this assumption to estimate the potential impact of the proposed investment in each councils RFI on their annual operating costs. We have then compared this to the assumed operating costs for three water services based on forecast revenue projections in the RFI¹⁸, our estimated costs and the unconstrained view for the RFIs.

150%

Increase in operating costs for
Queenstown before inflation

¹⁸ RFIs did not include forecast operating costs for three waters services.



The table above shows the results of our analysis. It indicates:

- If planned investment proceeds, costs, and accordingly rates, for a number of councils are likely to increase substantially. Queenstown's costs are forecast to increase by over 150% in today's dollars, with the smallest increase in the region being a 19% increase in Dunedin (noting Dunedin's own forecasts have a 34% increase).
- Invercargill and Waitaki have not forecast any increase in costs outside of normal inflationary increases over the period (i.e. they have not allowed for additional depreciation or financing costs associated with their planned (constrained) investment programmes and forecast debt).
- Dunedin, Clutha, and Southland appear to have adequately forecast for the increased costs associated with their planned investment programme. In fact, Southland's forecast costs exceed our Morrison Low projection of operating costs as well.
- The remaining councils have forecast some increase in their costs associated with additional investment (or growth) however this is not typically of the scale that we have estimated

Table 4 Estimated future operating costs based on RFI data

	2021 Opex	2031 Opex (RFI)	Adjusted 2031	ML projection 2031	Unconstrained 2031
CODC	\$10.6m	\$13.3m	\$19.9m	\$27m	\$62.9m
CDC	\$8.8m	\$15m	\$15.1m	\$19.9m	\$30.7m
DCC	\$67m	\$89.5m	\$79.8m	\$107.5m	\$92.4m
GDC	\$4.9m	\$6.2m	\$9.1m	\$13m	\$23.2m
ICC	\$21.8m	\$18.6m	\$27.2m	\$43.1m	\$52.1m
QLDC	\$32.9m	\$69.6m	\$83.8m	\$110.8m	\$157.3m
SDC	\$12.9m	\$24m	\$19.9m	\$22.9m	\$51.3m
WDC	\$8.3m	\$8.6m	\$10.8m	\$28m	\$70.4m
Total	\$167.2m	\$244.7m	\$265.5m	\$372.1m	\$540.4m

With the possible exceptions of Dunedin and Southland, none of the councils appear to have budgeted for increased operating costs associated with new compliance, regulatory, or monitoring activities. Even for these councils the quantum of cost increase that we have observed is not of the scale experienced by Hastings District Council.

Revenue per connection

Revenue per connection has been used in this report as a proxy for the average price of water in each district. More detailed analysis will be completed in subsequent report which more specifically considers average household water rates.

While this is useful for demonstrating the direction of travel, or potential rates increases that the sector may face, this is not representative of the average household charge or rates.

Additionally, we note that the potential projections of revenue per connection are based solely off RFI data and are likely to understate the true picture because they:

- vary in the degree to which they incorporate additional potential operating costs for the delivery of three waters services which are not disclosed in the RFI (as shown previously)

123%

Average increase in revenue
per connection in 2031
before inflation



- have not been adjusted to include potential increases that Morrison Low anticipates may face the sector based on its experience in water reform and engagement with the sector (compliance costs)
- are aggregated at a district level, meaning there could be significant variation within a council which charges for water and wastewater at a community level
- do not allow for increased costs from the growth in the number of connected properties
- do not include any potential operating efficiencies (or increased costs) that may arise through structural reform of the delivery of three waters services in the combined regions.

Even without the above adjustments and considerations, there is a clear trajectory for water charges to increase to levels that are likely to create affordability challenges for some members of the community.

Figure 19 Projected (2031) revenue per connection in today's dollars – Otago region

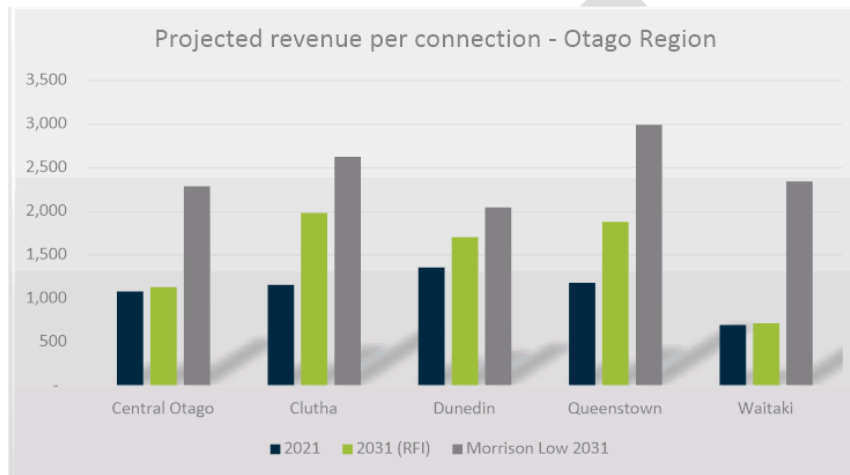
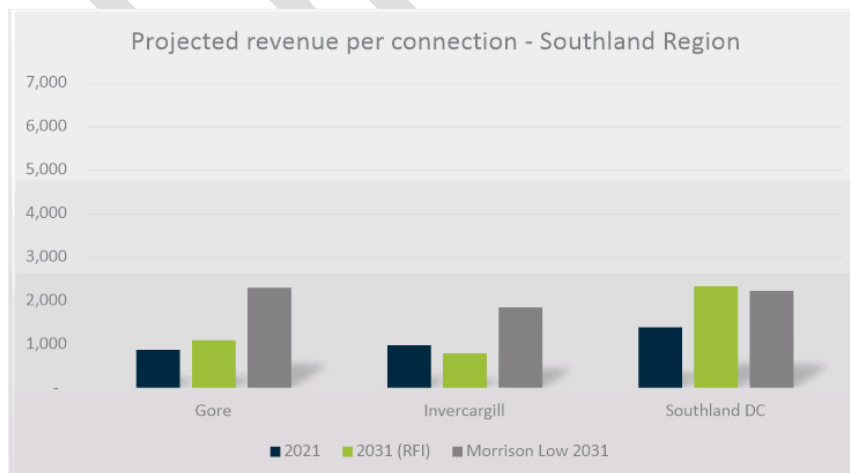


Figure 20 Projected (2031) revenue per connection in today's dollars – Southland region





Our projections show a potential doubling of the average revenue per connection for Central Otago, Clutha, Gore, and Queenstown, while the average charge per connection in Waitaki is likely to more than triple its current levels¹⁹. The four councils with the smallest populations in the combined region are included within this group, and this reinforces our earlier statements that small councils are typically hit harder.

Queenstown is the outlier of the group facing the largest increases to average revenue per connection. This is likely driven by the significant levels of growth expected in the region. We also note that Queenstown only collected enough revenue to cover 75% of its costs in 2020 which is reflected in our adjustments to revenue requirements (we have assumed 100% of costs will be covered).

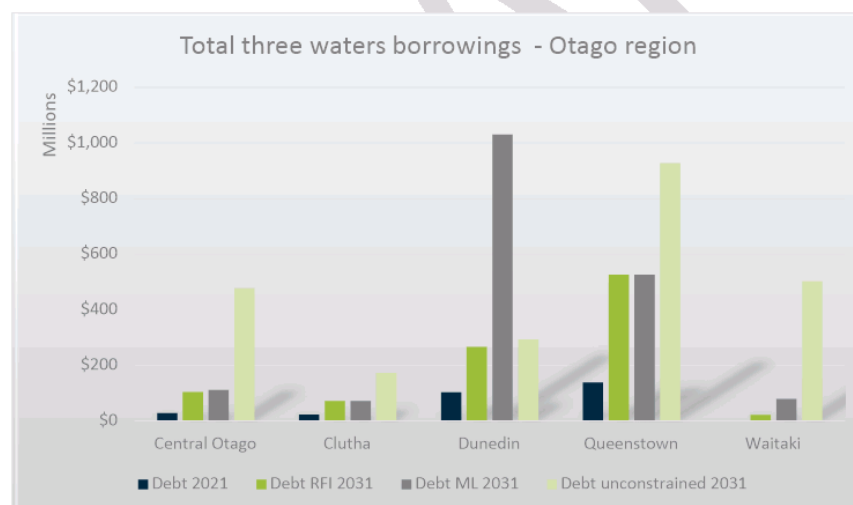
Dunedin faces the lowest forecast increase. This results in Dunedin moving from having the second highest average revenue per connection to having the second lowest under our forecasts, despite significant future investment requirements.

Debt

The scale of the capital investment required will need to be funded by debt unless third party funding is obtained. This is an entirely appropriate funding mechanism for three waters infrastructure. However, debt is also a significant driver of cost, with financing costs accounting for an increasing proportion of total operating cost as investment requirements grow.

The forecast debt position for each council for three waters, is outlined in the following charts.

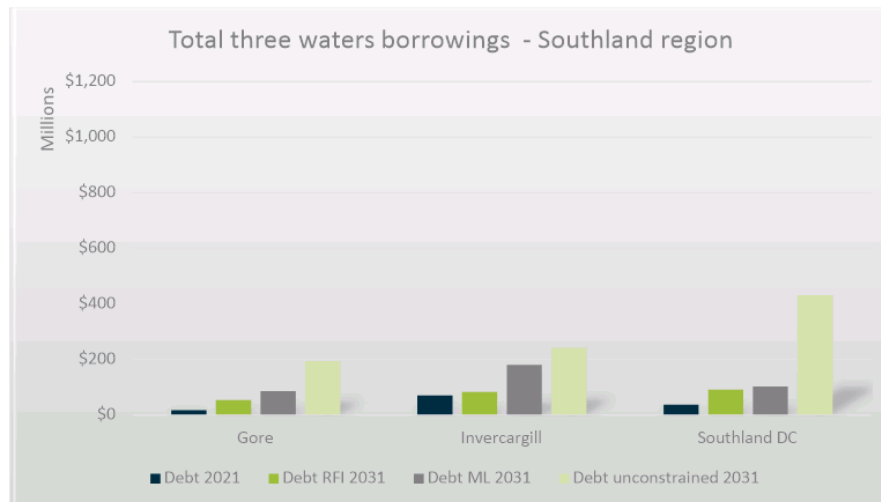
Figure 21 Total projected (2031) three waters borrowings – Otago region



¹⁹ Our projected revenue per connection has been reduced from the amount stated in our situation analysis, as a result of examining individual council projections in more detail. Our analysis now includes allocation of costs to individual councils and an allowance for growth in connection numbers.



Figure 22 Total projected (2031) three waters borrowings – Otago region



**On average,
debt
quadruples**

On average across the region, three waters debt is forecast to quadruple, with only Invercargill forecasting an increase in debt that is less than double the 2021 forecast. Under the Morrison Low and unconstrained forecasts, debt is projected to rise even further, with the total regional debt increasing from \$421 million in 2021 through to \$2.2 billion or \$3.2 billion respectively. It is worth repeating our earlier note that the unconstrained view included in the RFIs has a high degree of uncertainty in both timing and quantity, and should be considered indicative only.

While the absolute values are significant, it is often more useful to consider the size of the debt with the context of how much revenue each entity is able to generate. This measure, the debt to revenue ratio, is used by LGFA when setting lending covenant, as well as being used by councils when setting their debt affordability benchmarks. While that is at a whole of council level, the WICS report cites a debt to revenue ratio of 430% to be required to obtain a Baa/Ba rating from the credit rating agency Moodys. Three councils would breach this in 2031.

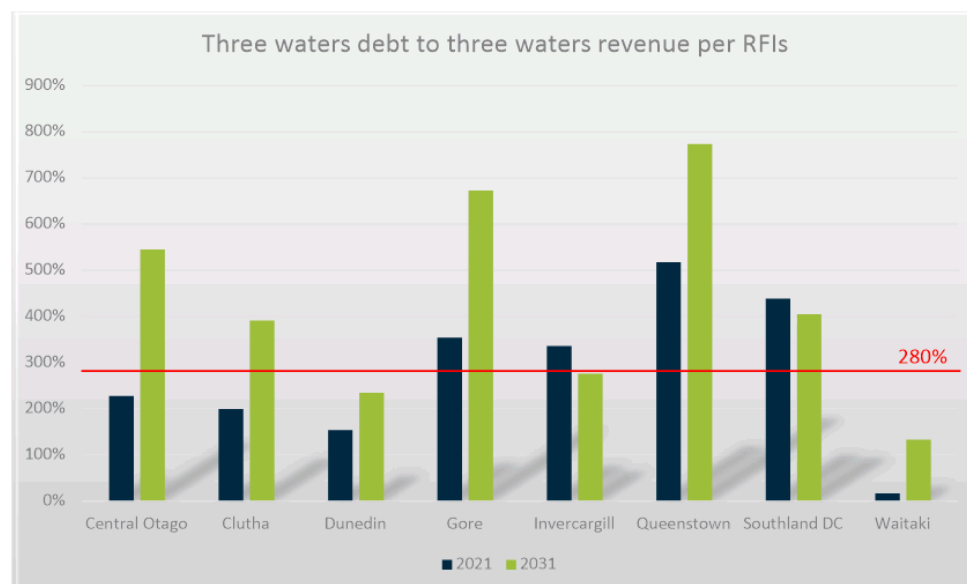
In our regional situation analysis, we compared three waters debt to three waters revenue and found that the region would breach LGFA's lending covenants under all of the forecast expenditure scenarios.

For the purposes of comparison we note that if three waters debt is compared to three waters revenue only, then only Dunedin, Invercargill and Waitaki would have a debt the revenue ratio below 280%²⁰ based on information in the RFIs.

²⁰ LGFA's debt to revenue covenant for lending



Figure 23 Three waters debt compared to three waters revenue

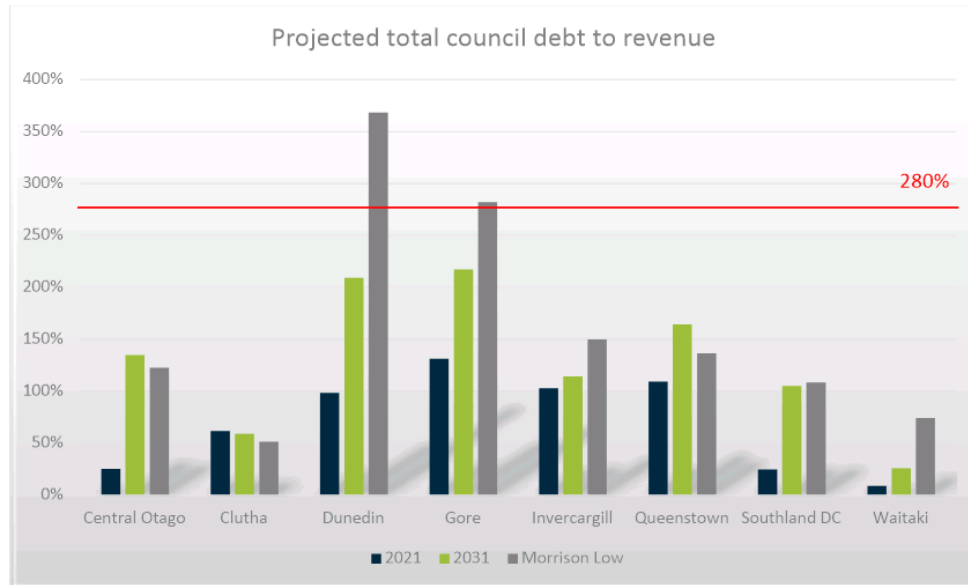


If LGFA's debt to revenue covenant of 280% remains in place, then the sustainability of three waters service provision and investment is dependent on the revenue of councils' non-water activities. This reliance on revenue from other activities creates risk, particularly where that other revenue is not generated from rates (for example where it is from fees and charges for building consents) and may be impacted by the external economic environment. It also introduces financial constraints for the non-water activities of a council, as three waters lending accounts for a disproportionate amount of a council's total borrowing capacity.

When total council debt is compared to total council revenue, two councils are projected to breach the LGFA thresholds of 280% in 2031 if their investment and water revenue is at the levels that Morrison Low has forecast. Both Dunedin and Gore would breach the LGFA limits under this measure if they retained three waters assets. The remaining councils would fall below the LGFA limits, however this would be on a substantially increased revenue base (per the section titled "revenue per connection").



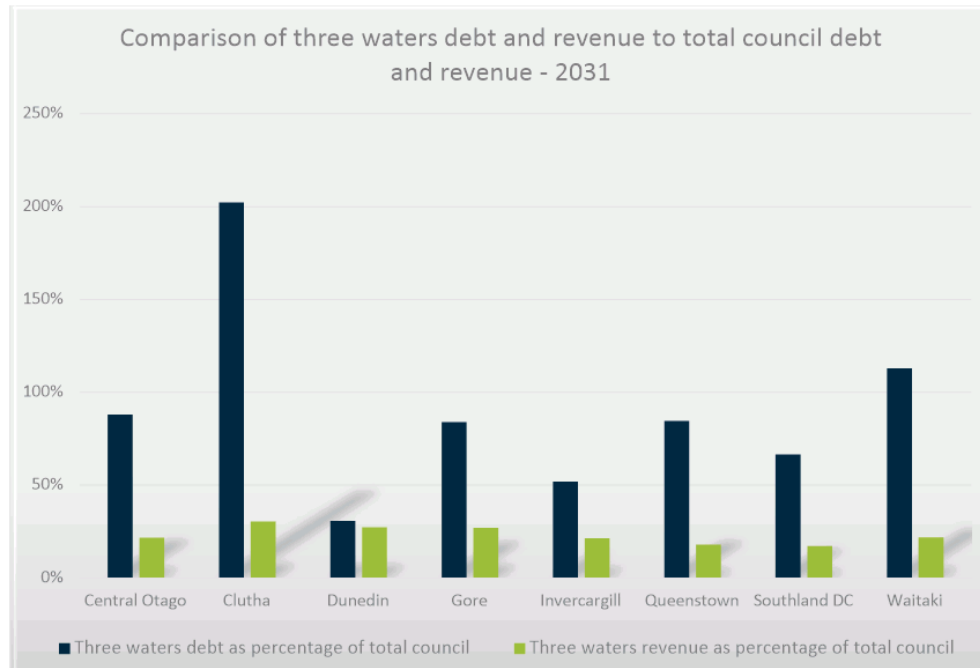
Figure 24 Debt to revenue projections (2021, 2031 per RFI, 2031 Morrison Low) at total council level



By 2031, three waters is forecast to account for a much greater proportion of total council borrowing than it is of total council revenue. This means that council borrowing is typically heavily constrained by the three waters activities which is likely to have impacts on each council's ability to borrow to fund investment elsewhere. The removal of three waters debt, and revenue, will in most cases result in an increase in borrowing capacity for councils, assuming that there is no change to lending covenant imposed by LGFA or other lenders. This is highlighted in the chart below.



Figure 25 Three waters contribution to total council revenue and total council debt



The chart shows substantial differences between total projected three waters borrowing and total projected three waters revenue as a percentage of the council totals. Five of the eight councils projected three waters debt to account for more than 80% of the external borrowings, while all councils show three waters debt accounting for a larger share of council totals than the revenue.

For completeness, we note projected debt typically includes internal borrowing between activities, so may be higher than the total external debt figures. In most cases, by 2031 most three waters debt is anticipated to be externally funded, however this is clearly unlikely to be the case for Waitaki or Clutha for whom three waters debt exceeds 100% of total borrowings. It is not possible to determine the exact share of total debt that is consumed by three waters in these cases without understanding the internal loan balances of every activity.



Levels of service measures

This section explores information regarding the source, treatment type and consent status of water and wastewater treatment plants in the Otago and Southland regions.

The analysis in this section highlights that the systems already have risk and levels of service that will drive investment. That investment will be required through legislation, increased regulation, and increased enforcement.

This section provides information that supports the previous analysis of investment needs. It highlights current and future compliance risks across the region that are likely to need significant investment to resolve.

Issues within the two regions mostly relate to current and future compliance to regulatory standards. There are 35 water treatment plants that combined supply 35% of the region's drinking water, which only provide simple disinfection (with or without filtration). Most of these plants do not meet the protozoa compliance measures in the Drinking Water Standards.

For wastewater, Central Otago, Clutha, Gore and Southland DC all have a large portion of their wastewater discharge into rivers. Of particular note, 54% of the wastewater in Clutha, and 27% of the wastewater in Central Otago is subject only to primary level treatment. It is highly likely that this level of treatment will not meet future freshwater standards, or cultural standards and expectations.

Gore has 40% of its sewer and stormwater network combined, this has led to a number of pollution incidents in the region and will require a high level of investment to remedy.

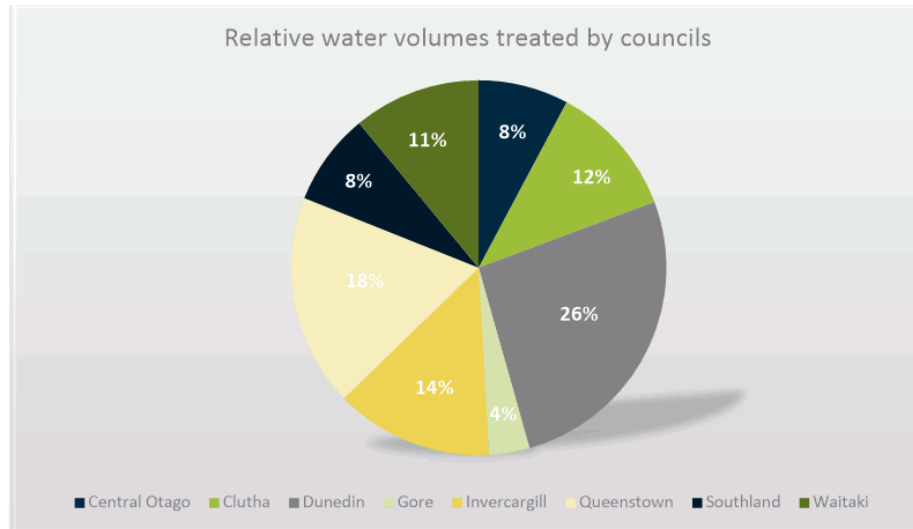
Stormwater issues are typically of less concern, but it is worth noting that Dunedin has over 11,000 properties that are considered at risk of flooding. The presumably relate mainly to the known flood prone area of South Dunedin.

Water supply

In line with expectations, the most populous councils in the region extract and treat the highest volumes of water. However, in the more rural districts, water use is not proportional to population numbers and is often high on a per capita basis, suggesting less being consumed by residential customers and more being used for commercial and other purposes.



Figure 26 Volume of water treated by councils as a percentage of regional total

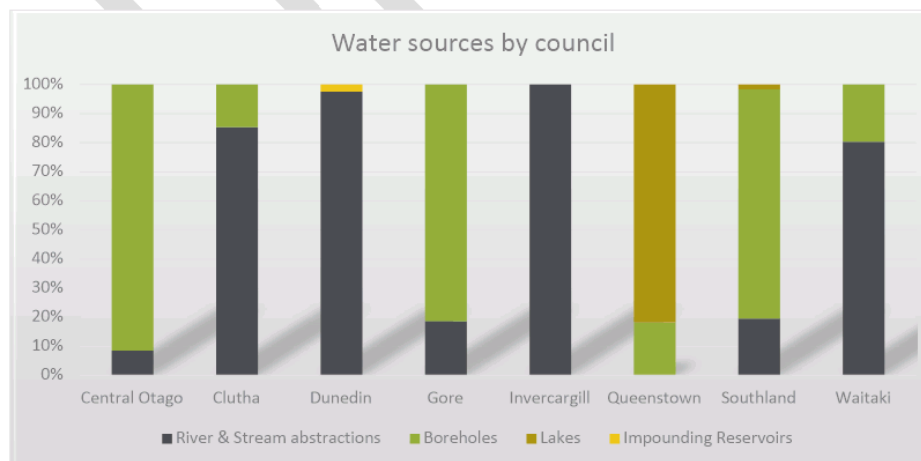


Water sources

This section looks at the reliance on different sources of water utilised across the region.

The breakdown of water sources across the region shows a heavy dependence on rivers, streams and boreholes, comprising 84% of the regions water supply (based on 2019/20 data). The ability to continue to access these water supplies beyond their current consents is a key consideration in resilience planning. Many Water Treatment Plants (WTPs) in the region are already able to draw from more than one water source, with 106 sources reported, feeding into 70 WTPs.

Figure 27 Percentage of water volume from different sources



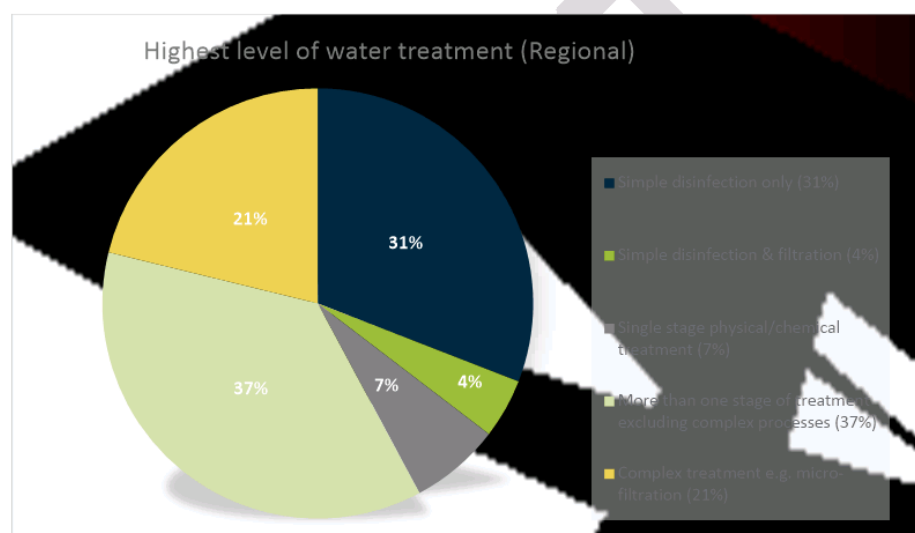


Most councils have at around 20% of their total water supply coming from a secondary source providing a minimum level of resilience, except for Central Otago, Dunedin and Invercargill, which are nearly totally supplied by a single source. In Central Otago and Dunedin there are multiple extraction points from the same source, however in Invercargill, the water supply is fed from a single abstraction point from a single source, creating a potential resilience risk.

Water Treatment

After abstraction from the environment, the raw water is treated to varying degrees across the region currently. The graph below shows the current highest level of treatment the raw water receives before being distributed to customers.

Figure 28 Percentage of total water volume by treatment level

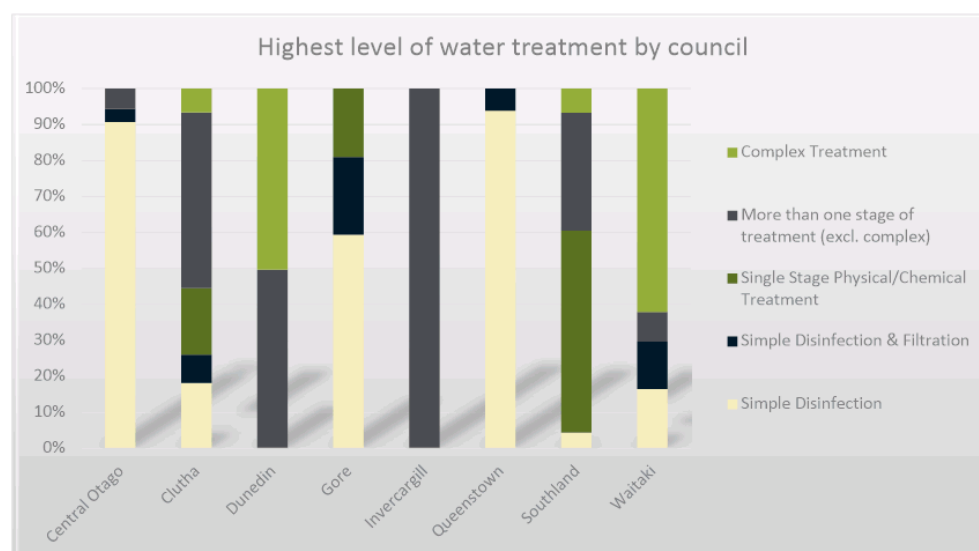


When this data is cross referenced against councils' annual reports, almost all the WTPs treating 35% of the regions' water to "Simple disinfection only" and "Simple disinfection and filtration" do not meet the protozoa requirements of the Drinking Water Standards. Nearly all WTPs are meeting the bacterial requirements of the Drinking Water Standards with only a few exceptions.

Currently only two councils (Dunedin and Invercargill) are fully compliant with the protozoa requirements, though Southland is also very close.



Figure 29 Breakdown of percentage of water volume by treatment level, per council



All councils with WTPs in the lower two treatment categories have plans to upgrade those within the current (2021/31) ten year LTP period. We note that over 80% of the drinking water supplied in Central Otago, Gore and Queenstown is supplied by plants in these treatment categories, meaning a large portion of those communities are currently being provided with water that may not meet protozoa requirement and present a health risk.

Almost 35% of total water supplied does not meet protozoa compliance

There are approximately 35 WTPs that provide only simple disinfection or simple disinfection with filtration across the region supplying water to customers, meaning a large number of plants are likely to require upgrades.

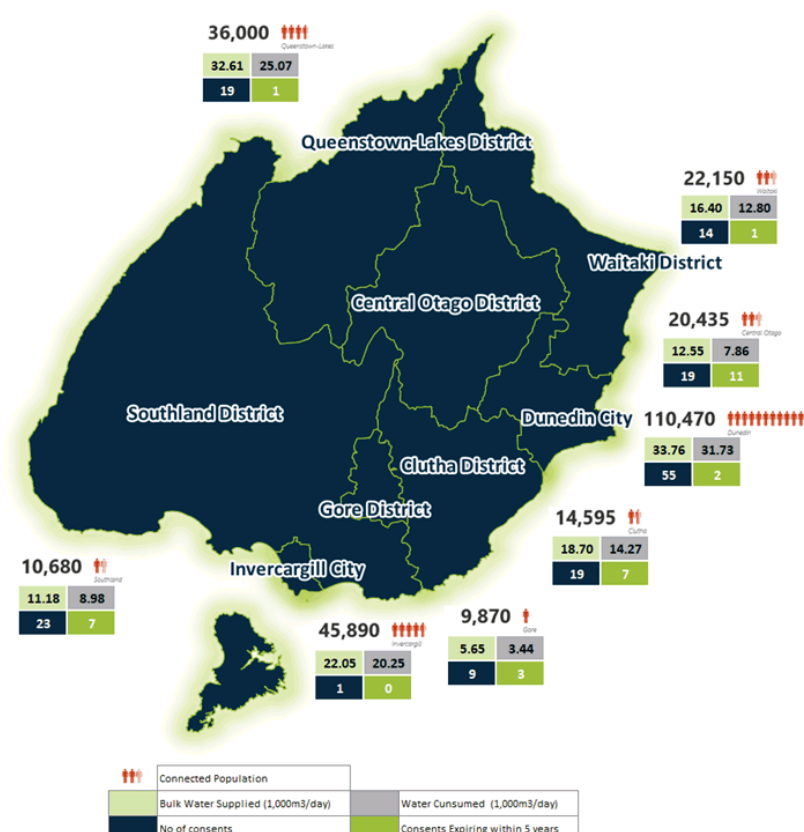
Regional risk will be from potential delays in these planned upgrades, escalation of upgrade costs, WTPs in these two categories without plans to be upgraded, and the higher operating costs of the upgraded plants. Data shows that most of the non-compliant plants are servicing smaller communities, these communities may face particularly large increases in water charges as the increased operating and capital costs are spread over a smaller base of ratepayers. This will particularly impact communities that are still charge water rates at a scheme level (rather than district).



Water supplied and consumed

The following chart shows the volumes of water supplied and consumed across the two regions.

Figure 30 Water supply service key information



The data shows large differences in the volumes of water supplied and consumed in the larger urban councils when compared to the rural councils. For example, Dunedin City consumes approximately 31,730m³ of water per day to a population of over 110,000, which is just over double the amount consumed by Clutha despite a population almost seven times larger. A similar trend can be seen when looking at the other rural councils, with the exception of Gore, which is comparatively compact. Queenstown's water consumption is driven by tourism demand, which means average daily population is much higher than the resident population stated.

The region also has a total of 32 of consents for water take expiring in the next five years. This may impact investment requirements in the future. Central Otago is particularly affected by expiring consents with 11 of its 19 consents expiring within five years.



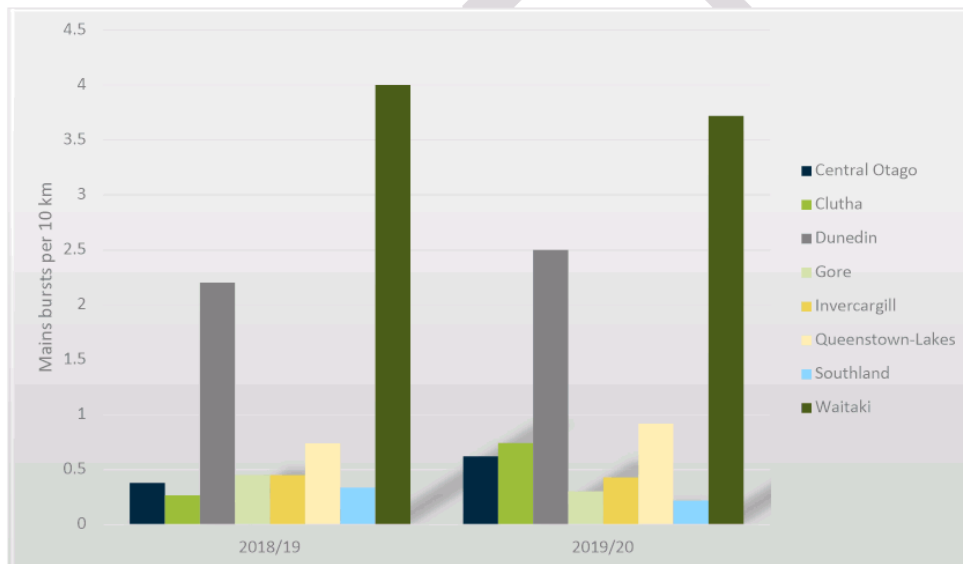
Pipe failures in the water network

The number of pipe main bursts per 10km reported by the Councils, in the first graph shown below, shows Waitaki and Dunedin have significantly more failures.

Although Waitaki has a small percentage (2%) of their mains with less than ten years of expected useful life, a large proportion of their network is polyethylene dating from the 1950s and 1960s, and the quality of early polyethylene pipes may be a factor. Further analysis would be needed to confirm this. Dunedin's network includes 34% within ten years of expected useful life, which aligns with the higher failure rate.

The correspondence between remaining useful life and failures is not apparent in the cases of Gore (28.4% with less than ten years left) and Invercargill (21.1%) with less breaks being reported than would be expected (possibly due to the influence of other factors such as operating pressure or rehabilitation practices). Gore's lower failure rate does align with the reported condition of their pipe assets, which is Very Good or Good, where condition is known.

Figure 31 Annual faults normalised by network length (all material types)



Performance and levels of service of the water network

The councils have varying levels of service and performance as can be seen from the measurements shown in the table below.

Reported leakage varies from 8.4% in Invercargill to 43% in Gore with the mean at 23%. Although most councils have a target between 20% and 30%. Except for Gore, these targets are being met. However, the target levels are high. A utility proactively pursuing leakage would typically be aiming for a leakage level of about 10%.



The percentage of population affected by water restrictions in the last two years also varies widely – between councils and from year to year. This measure can be very dependent on environmental conditions.

Clutha have annual summer water restrictions. Gore issue general advisory notices to entire district. Other councils have suffered from sporadic events - conserve water notices due to boil water and turbidity events (Central Otago), as a precaution due to fires in the Dunedin City and Waikouaiti source water catchments in November 2019, and operational issues for a short period in late 2018 in Waitaki.

Unplanned interruptions to supply has wide variability across the group, ranging from a minimal amount in Central Otago and Southland to almost 50 properties per 1000 in Waitaki. This aligns with the number of mains bursts presented earlier. Water quality is generally good with some exceptions. Clutha, Queenstown-Lakes and Waitaki report the highest number of issues.

Plants that fail to meet the protozoa requirements, and untreated supply present the greatest level of risk in the region, and these are generally dispersed across both regions.

Dunedin has 14 of the regions' 17 untreated water supplies, although it has no plants which do not meet the protozoa compliance criteria.

Table 5 Performance measures: water (19/20)

Performance Measurement	Central Otago	Clutha	Dunedin	Queenstown Lakes	Waitaki	Gore	Invercargill	Southland
Distribution input (1,000 m ³ /d)	11.53	18.70	42.73	32.61	16.40	5.65	22.05	11.18
Total leakage (1,000 m ³ /d)	3.38	4.27	11.00	4.49	3.60	2.43	1.85	2.20
Percent Leakage	29.3%	22.8%	25.7%	13.8%	22.0%	43.0%	8.4%	19.7%
% population affected by water restrictions (mean of last 2 years)	19.1%	100.0%	49.5%	0.0%	36.0%	100.0%	0.0%	0.0%
Unplanned interruptions per 1000 properties	0.008	0.236	7.652	4.660	49.839	2.842	4.584	0.009
Number of samples that exceeded the compliance value for faecal coliforms	0	39	0	0	11	0	0	0
Number of WTPs not meeting parasitic protozoa compliance criteria in DWSNZ	7	14	0	14	6	4	0	3
Number of untreated supplies	0	0	14	0	3	0	0	0

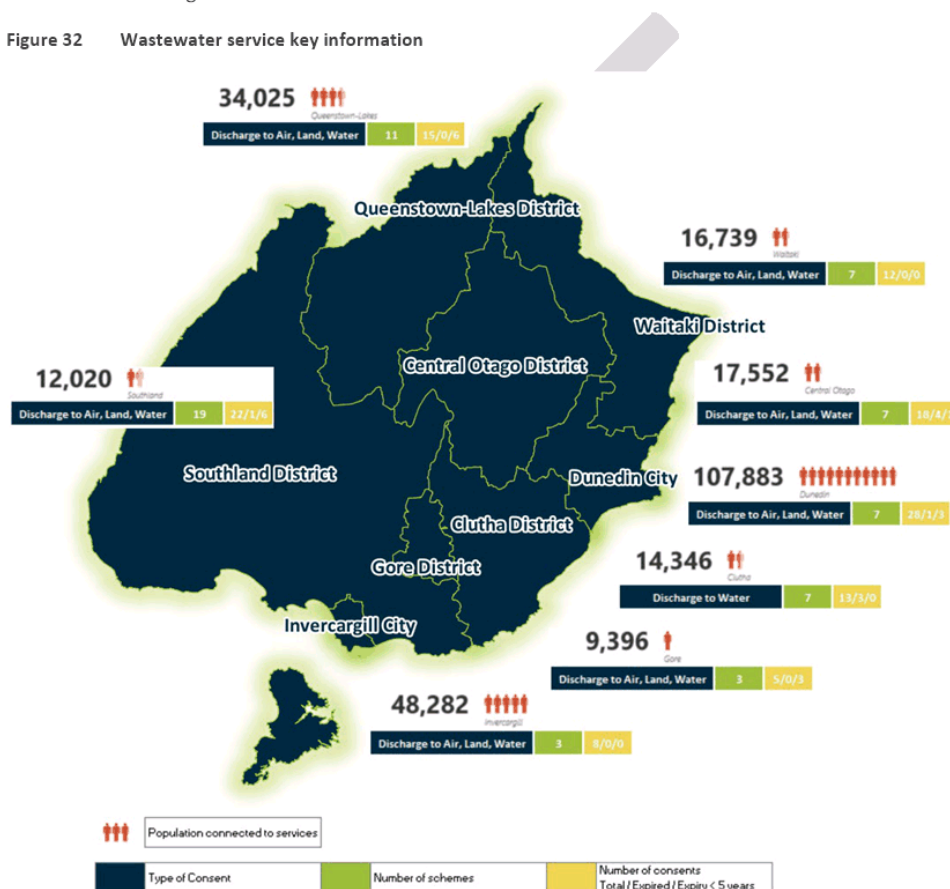


Wastewater

Consents are required for the discharge of treated wastewater effluent into waterways and onto land, as well as odour arising from the operation of treatment plants. For the wastewater activity particularly, the resource consent application process can be both lengthy and costly. In addition, as often a significant amount of time may have passed between consents, new resource consents for wastewater treatment are often coupled with stricter regulations which reflect changing expectations.

Consents that are expiring soon, or have already expired, are therefore an indication of potential investment needs and the timing of those costs.

Figure 32 Wastewater service key information



Several councils list consents expired or expiring in the next five years. Notable amongst the expired consents is that of Clutha, with three wastewater consents already expired. Both Queenstown and Southland have six consents that will expire within the next five years.



Clutha also has a consent to discharge untreated wastewater mixed with stormwater to the Tokomairiro River stormwater from the Milton Sewage Treatment Plant during heavy rainfall events. This is the only consent for the discharge of untreated wastewater in the Otago and Southland regions.

Some communities are not currently served by sewerage schemes. These include Clyde, Central Otago (scheme in progress).

It is unclear how any new regulations or standards will be imposed on plants that already have a discharge consent.

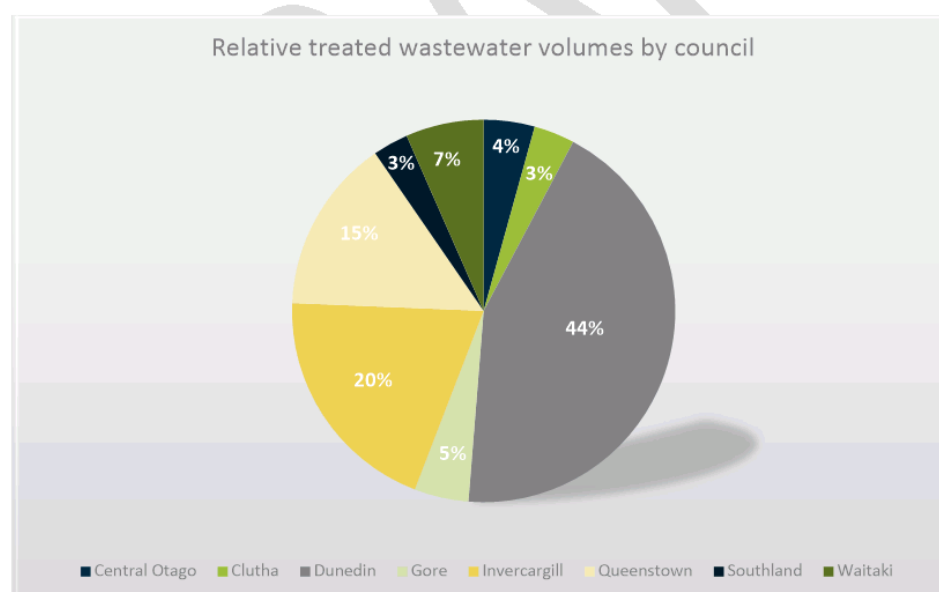
Wastewater collection

Relative to the population sizes, the figure below shows the more populous areas are treating more wastewater by volume (and load) per capita than the more rural councils. This is the reverse of the water supply graph, meaning the more rural councils are typically both supplying more water and treating less wastewater per capita than the more densely populated councils.

This could be for one of two reasons:

- More water used for irrigation and other commercial uses that do not generate wastewater.
- It is possible that the source information used for these graphs does not full account for private septic tanks. A small number of council-owned septic tanks were reported, but not necessarily those that are the responsibility of the homeowner. This could explain the low wastewater volumes seen in rural areas.

Figure 33 Wastewater volume per council as a percentage of a total for the regions



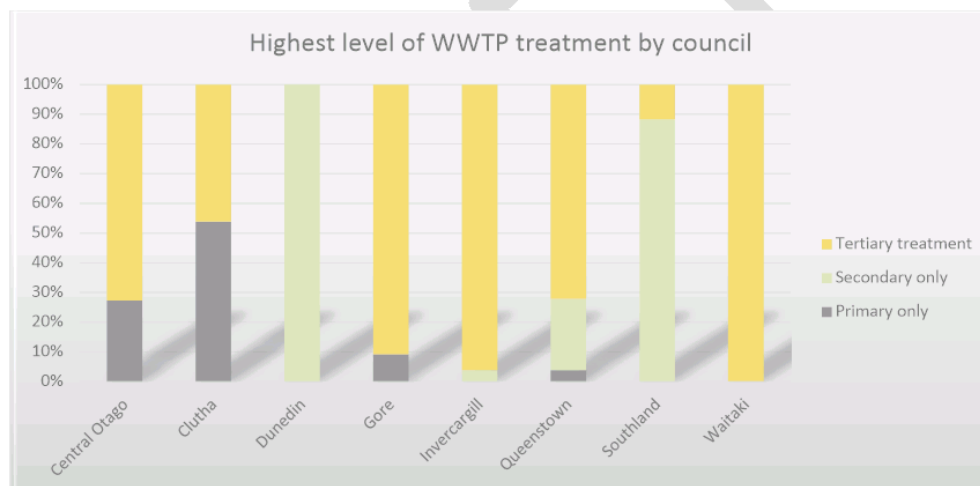


Wastewater Treatment

While future discharge standards are not fully known at this stage, there is recognition within the sector that increasing standards are inevitable. In addition, an increasing focus in recent years on the cultural significance of water, including the embedding of *Te Mana o te Wai* within the establishment of Taumata Arowai, means that discharges to freshwater particularly are becoming less acceptable (even with tertiary treatment). It would be reasonable to expect that the *Primary Only* treatment facilities are not going to meet any new discharge standards that may be developed. Though they are low in volume (4%) these WWTPs are spread over four council areas and provide over half the treatment capacity available in Clutha. Should *Tertiary* treatment be required throughout, significant works would be required in Dunedin and Southland as well.

From the information collected for this report, it appears that Central Otago and Clutha have three Primary Only WWTPs each that are discharging to rivers. Should *Secondary Only* WWTPs also not meet the standards for discharging into rivers, this would potentially affect a further nine WWTPs in Southland.

Figure 34 Percentage of wastewater subject to different levels of treatment per council



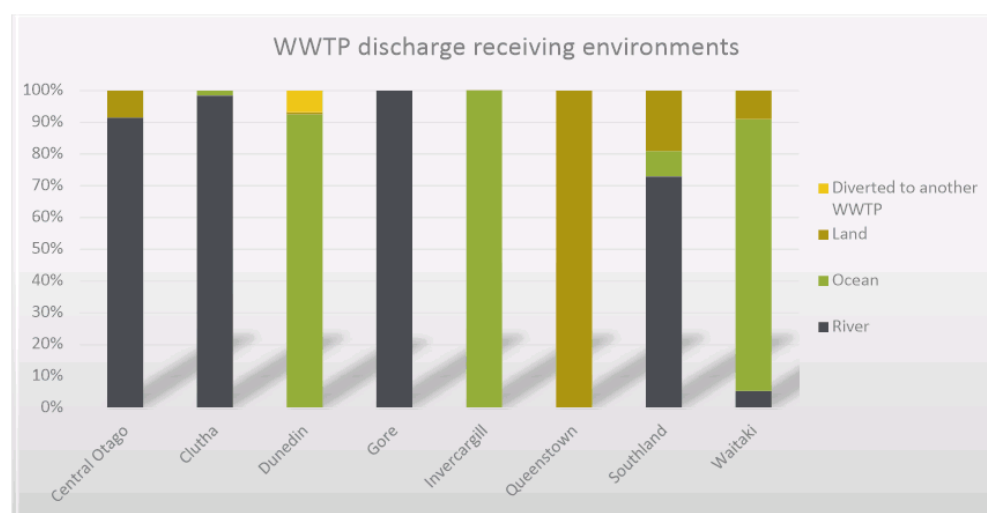
In total, 70% of the regions' total treated effluent is discharged to the ocean, 16% to rivers and 14% to land disposal systems. Over 96% of wastewater receives secondary treatment or better before being discharged to the environment.

However, the average compliance of the WWTPs with primary treatment only seems very low. There are 13 schemes receiving primary treatment only across the region, though the total volume through these schemes is only 3% of the total wastewater volume which means that there may be significant future investment associated with the treatment of a very small portion of total wastewater.

Note there is also a very small percentage of septic tanks in use throughout the region, with three schemes accounting for approximately 0.03% of the treated loads.



Figure 35 Percentage of wastewater volume discharge to different receiving environments per council



Discharges to the ocean dominates the region by volume, mainly due to the combined size of Dunedin and Invercargill. However there are significantly more WWTP facilities discharging to rivers (33 out of a total of 61 WWTPs in the combined regions discharge to a river, while only 8 discharge to the ocean).

While the scale of investment required to meet these changing standards is difficult to estimate, in a report commissioned by DIA in December 2019, GHD and Boffa Miskell²¹ estimated a combined investment for the regions of \$510 – 770 million would be required, with an annual operating cost impact of approximately \$23.4 – 35 million. These estimates relate to a total of 38 wastewater treatment plants in the combined regions and have been included within the Morrison Low estimates of future investment need.

**Up to \$770 million
to upgrade 62% of
wastewater
treatment plants**

Performance and levels of service

The councils show significant variance in the different measures of performance – blockages, compliance, flooding and pollution events.

Wastewater blockages are generally at or better than the national average. The higher number for Gore and Invercargill may be reflective of the large proportion of earthenware pipes in these networks.

Gore's high number of pollution events is due to approximately 40 % of the network being combined. One incident resulted in an abatement notice being issued. Gore considers that resolving this issue is possibly the most significant three waters issue facing the council.

The number of non-compliant wastewater treatment plants presents a particular risk, and we note that Clutha has received a high level of public scrutiny and media attention in relation to its plants recently.

²¹ GHD and Boffa Miskell – Addendum Cost estimates for upgrading wastewater treatment plants December 2019



Table 6 Wastewater performance measures (2019/20)

Performance Measurement	Central Otago	Clutha	Dunedin	Queenstown Lakes	Waitaki	Gore	Invercargill	Southland
Equivalent population served (resident)	17,552	14,346	107,883	9,396	48,282	34,025	12,020	16,739
Blockages per 10 km	1.353	2.592	1.4	0.011	0.4	3.475	3.122	1.95
Discharge permit compliance	28.5%	40.0%	33.0%	50.0%	61.5%	50.0%	100.0%	85.5%
Total number of non-compliant wastewater treatment plants failing to comply with any of the specified parameters in the licence	2	11	4	3	5	3	0	0
Total number of wastewater treatment plants subject to improvement works	2	3	0	0	0	2	0	0
Total number of Combined Sewer Overflow and stormwater systems subject to improvement works	0	0	4	0	0	2	0	0
Serious pollution incidents	0	5	47	0	0	100	0	0

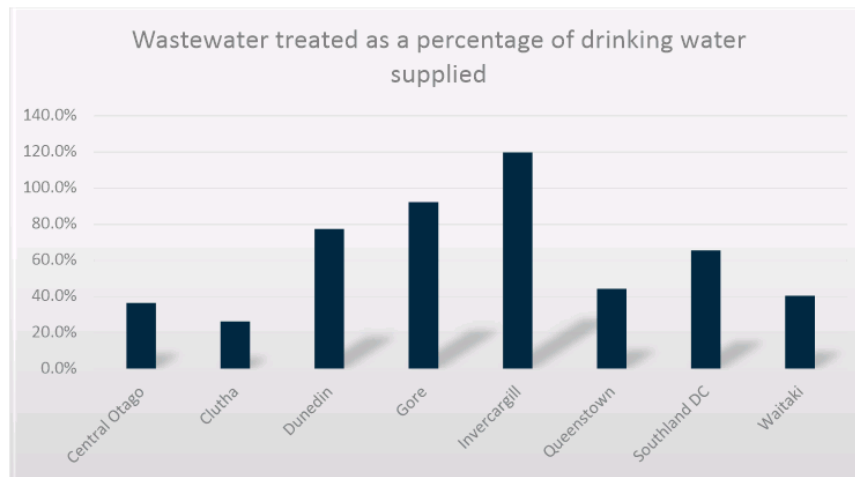
Water and wastewater volume balance

The chart below shows the comparative volumes of water supplied and wastewater treated for each of the councils. While we would expect there to be some relationship between these two measures for a variety of reasons, we do not expect this metric to be 100%.

All outdoor water use and leakage in the water distribution systems becomes water not returned to the wastewater network. On the wastewater side, all systems are impacted to some extent by inflow and infiltration of stormwater during rain events which can reflect both the condition of the wastewater network and how much rainfall was experienced in the catchment during the sample period. Also, in rural areas, the population connected to the water supply and the population connected to the wastewater system, may not be the same. For these reasons, a wide range of percentages is expected but further investigation of the extreme highs and lows can be beneficial.



Figure 36 Wastewater treated as a percentage of water supplied per council



It is worth noting that Invercargill appears to be treating more wastewater by volume than the water supplied. There is a slightly larger population connected to the wastewater system (85%) compared to the water supply (80%) but that is not sufficient to explain the difference. At 120%, it is a percentage large enough to warrant further investigation to confirm or rule out inflow and infiltration from poor pipe condition as a cause.

Clutha and Central Otago have a very low percentage of wastewater compared to water supplied, which may be due to significant volumes of treated water being used in agriculture, or it may be due to poor pipe condition causing excessive leakage on the water side, or exfiltration on the wastewater network. Again, this graph highlights that further investigation into why these percentages are so low would be helpful.

Stormwater

Performance and levels of service

Various performance measures of the councils' stormwater service are displayed in the table below.

Of note is Dunedin's number of properties at risk, and the presence of serious pollution events in Dunedin, Gore and Southland.

Dunedin's properties at risk were identified by modelling, and relate to land parcels, not necessarily habitable floors. It is unclear from the data provided whether this largely relates to the known problem area of South Dunedin.

Dunedin's pollution event related to a discharge to an aquatic environment, Gore's to a sediment discharge that resulted in an abatement notice being issued, and Southland's incident reported for year ending 30/06/20 related to a cross contamination of wastewater pipes to stormwater discharge (Te Anau) and resulted in issue of a written warning.

**11,735
properties at
risk of flooding
in Dunedin**



The number of stormwater collapses is relatively low. There is some correspondence between the numbers of collapses and the age and condition, where known, of networks with Clutha, Invercargill and Dunedin recording the highest values of collapses. These three councils also have the highest proportion of pipes with less than ten years remaining life.

Figure 37 Stormwater performance measures

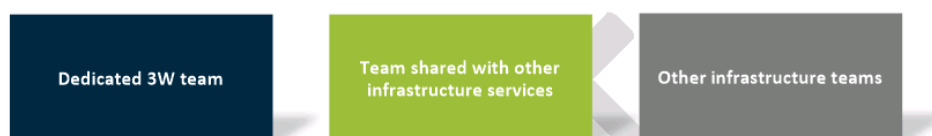
Performance Measurement	Central Otago	Clutha	Dunedin	Queenstown-Lakes	Waitaki	Gore	Invercargill	Southland
Stormwater sewer collapses per 10 km	0	0.539	0.390	0	0.17	0.168	0.481	0.000
Number of properties with habitable floor(s) flooded in the year - Overloaded Stormwater Systems	0	6	0	0	0	0	1	0
Number of properties with habitable floor(s) flooded in the year - Other causes	0	2	0	0	0	0	2	0
Total at risk	0	6	11,735	0	0	126	22	0
Areas flooded externally in the year (overloaded stormwater systems)	225	94	1	9	0	5	0	2
Areas flooded externally in the year (other causes)	11	28	15	12	0	10	9	20
Serious pollution incidents	0	0	1	0	0	1	0	1



People and capability

Human resources information for the delivery of three waters services at each council has been provided.

A summary of the Council staff involved for each territorial authority is shown below. The organisational structures are shown at a high level to show the relationship between the three waters' team(s) and the other infrastructure services. Support functions such as finance, human resources, planning, information technology and customer services are not shown. A key to the charts is shown below.



This section highlights the differences in which each council delivers three waters services, both in terms of internal structure, which varies from having a dedicated three waters team to having shared infrastructure resource, as well as the extent to which services are outsourced.

One of the key findings of the review is the extent of the capacity challenges across the region. There are 32 vacancies across the two regions, with only Gore not disclosing any vacancies in their three waters team. In many cases, in addition to having a large number of current vacancies across the two regions, councils are also seeking to increase the size of their overall resource.

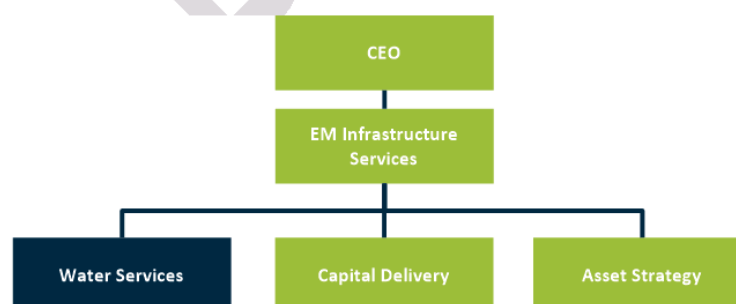
Competition between neighbouring councils for this resource will create ongoing issues for recruitment and retention, particularly within an industry which is often referred to as having a skills shortage.

Central Otago District Council

In Central Otago, all three waters services are delivered through the Infrastructure Services Group. There is a dedicated Water Services team as well as a shared Capital Delivery team and an Asset Strategy team with other council assets. There are five other FTE shared across water and other assets.

Currently there are two fulltime FTE and five vacancies in the Water Services team.

Figure 38 Central Otago District Council three waters team structure



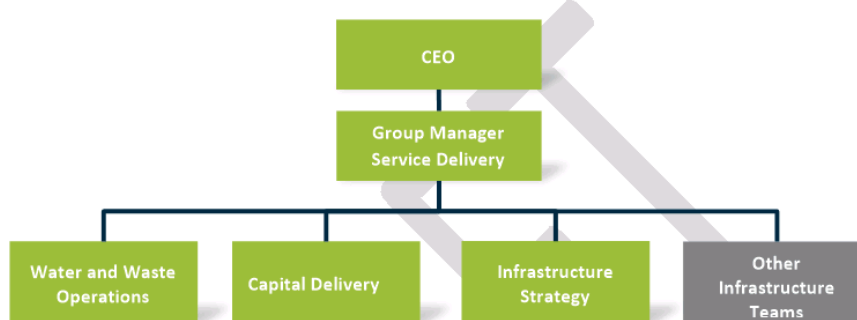


Clutha District Council

Clutha has a Service Delivery Department that looks after all Infrastructure. There is a Water and Waste Operations team including two dedicated water roles. Infrastructure Strategy and Capital Delivery teams are shared with other council assets. There are 14 FTE shared across water and other assets including the Group Manager Service Delivery.

Clutha currently has four vacancies in its water and waste operations team.

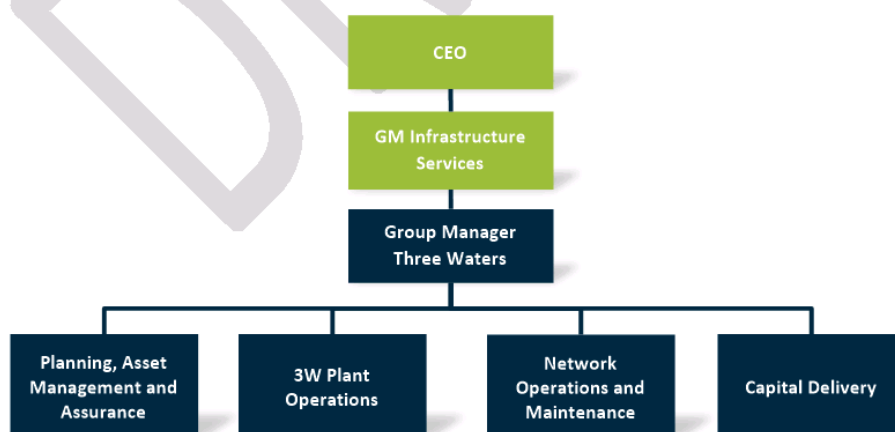
Figure 39 Clutha District Council three waters team structure



Dunedin City Council

Dunedin's structure is delineated by asset class with one three waters team covering planning, asset management and assurance as well as capital delivery and operations. There is less overlap with other infrastructure than most of the other councils. There are 103 FTE across water including the Group Manager. An additional nine roles are vacant.

Figure 40 Dunedin City Council three waters team structure

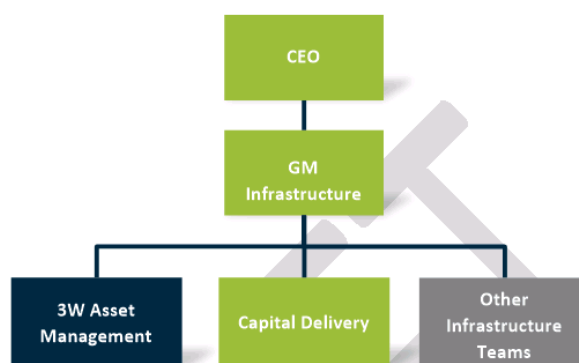




Gore District Council

Gore has an Infrastructure group that looks after three waters as well as other assets. There is a dedicated three waters team with 14 FTE including the Three Waters Manager. The GM Infrastructure and Project Manager of Major Capital Projects are equivalent to one more FTE but also work on other council assets.

Figure 41 Gore District Council three waters team structure

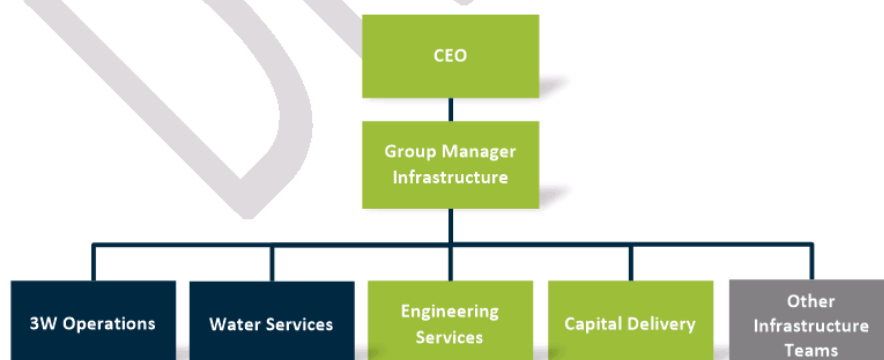


Invercargill City Council

Invercargill has an Infrastructure group that looks after all assets. There is a three waters Operations team and a Water Services team. The Engineering Services and Capital Delivery teams are shared with other council assets. There are 28 FTE working on water across the group.

The infrastructure group currently has six vacant roles.

Figure 42 Invercargill City Council three waters team structure



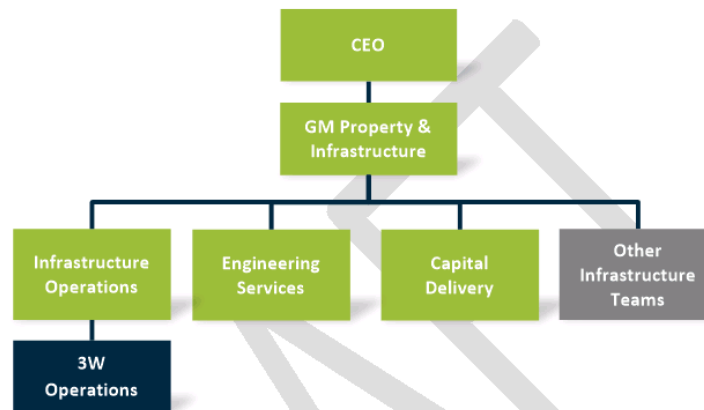


Queenstown Lakes District Council

Queenstown has a Property and Infrastructure group that looks after all assets. There is a small three waters operations team within the Infrastructure Operations team. The Engineering Services and Capital Delivery teams are shared with other council assets. There are 20 FTE working on water across the group with four new roles proposed following LTP consultation.

Queenstown has three current vacancies in three waters.

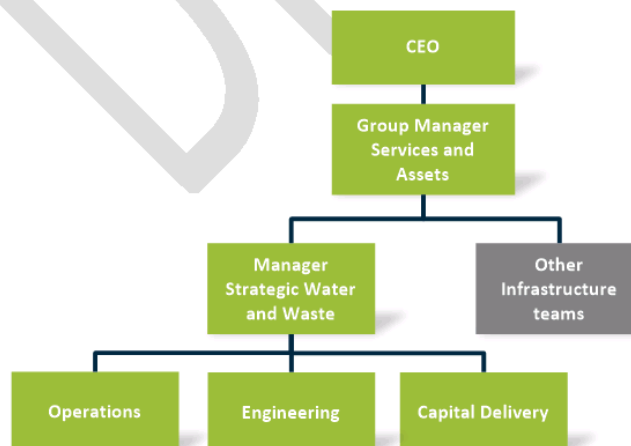
Figure 43 Queenstown Lakes District Council three waters team structure



Southland District Council

Southland has a Services and Assets group that includes a Strategic Water and Waste team. Within this team are Asset Management, Engineering Services and Capital Delivery resources. There are 13 FTE working on water in this team with two current vacancies.

Figure 44 Southland District Council three waters team structure



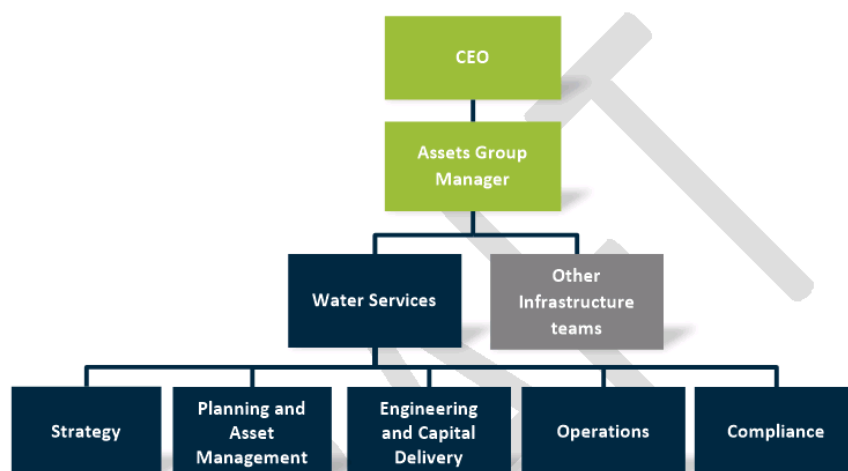


Waitaki District Council

Waitaki has an Assets group that includes a Water Services team. Within this team are dedicated Three Waters Strategy, Planning, Asset Management, Engineering, Capital Delivery, Operations and Compliance resources. There are 14 FTE working on water in this team with eight new roles proposed in the next two years following LTP consultation.

There are three current vacancies in Waitaki's water services team.

Figure 45 Waitaki District Council three waters team structure



Relative scale of the three waters service

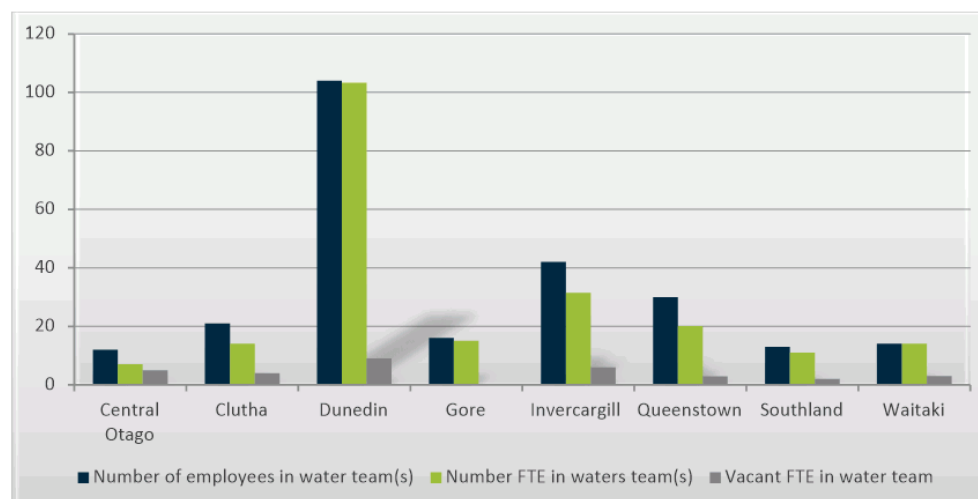
The number of employees directly involved in delivering water services varies from less than 17 in Central Otago, Gore, Southland and Waitaki through to 103 at Dunedin. This represents both the size of each council's three waters network, and the service delivery model utilised at each council. The number of full-time equivalent staff (FTEs) involved in the three waters delivery is generally lower than the number of employees as some employees work across a number of different council assets, not only three waters.

All councils except Gore have current vacancies and some councils have proposed new roles that they are consulting on for the next LTP. There is a total of 32 vacancies across the two regions.

These figures exclude management and corporate support roles that are shared with other council areas. All three waters teams make use of centralised finance, human resources, information technology and customer services teams. Customer services is an important support function for three waters provision, with 24-hour contact centres necessary to allow rapid response to high priority incidents.



Figure 46 Number of employees and full-time-equivalent employees in each council's water team(s) and vacancies



Service delivery models

The different service delivery models are illustrated in the tables below.

Table 7 Internal delivery of three waters services – Otago

	Central Otago	Clutha	Dunedin	Gore	Invercargill	Queenstown	Southland	Waitaki
Asset Management	Across all assets	Across all assets	Three Waters	Three Waters	Across all assets	Across all assets	Three Waters	Three Waters
Capital projects	Across all assets	Across all assets	Three Waters	Across all assets	Across all assets	Across all assets	Three Waters	Three Waters
Operations delivery	Three Waters	Three Waters	Three Waters	Three Waters	Three Waters	Across all assets	Three Waters	Three Waters

Table 8 Extent of in-house delivery and outsourcing for three waters - Otago

	Central Otago	Clutha	Dunedin	Gore	Invercargill	Queenstown	Southland	Waitaki
Reticulation O&M	Outsourced	Outsourced	In-house *	In-house *	Outsourced	Outsourced	Outsourced	Outsourced
Treatment O&M	Outsourced	Outsourced	In-house *	In-house *	In-house *	Outsourced	Outsourced	Outsourced
Professional Services	Outsourced	Outsourced	Outsourced^	Outsourced	In-house *	Outsourced^	In-house *	In-house *

*with specialist contract support

^with programme management in house



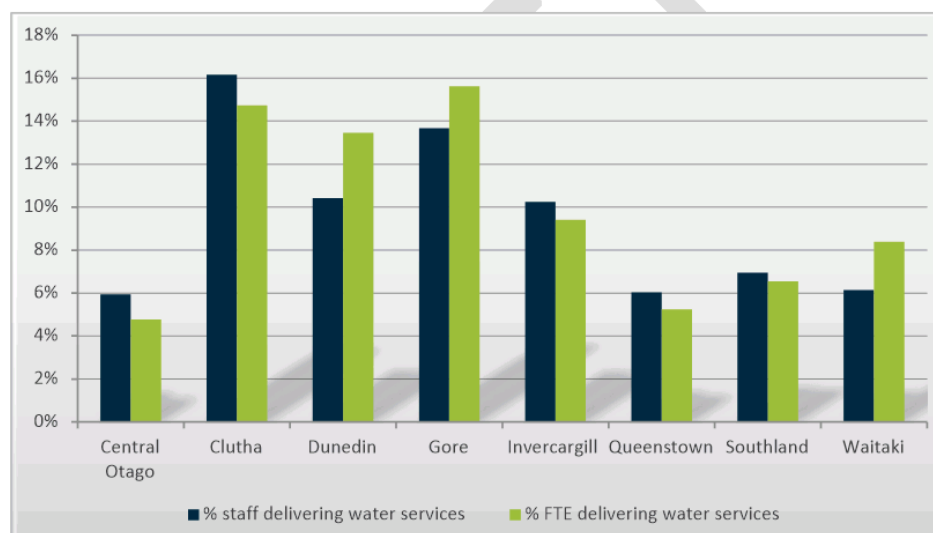
Outsourced contracts vary in size and scope between the councils. We note that over the next five years there are 17 large contracts expiring valued at approximately \$40m/year when combined. Dunedin City Council also has significant long-term design and renewals contracts worth around \$25m/year expiring between 2026 and 2028 depending on whether options to extend are exercised.

Scale relative to council size

The proportion of council staff directly involved in the delivery of three waters varies²² from 6% in CODC, QLDC and WDC to 16% in CDC. This is driven by the services provided, the infrastructure each council has to service, as well as the different delivery models including:

- the proportion of in-house delivery versus outsourcing
- the use of either dedicated functional teams (e.g. asset management, capital works) versus teams dedicated to the various asset types (e.g. water, transport, waste).

Figure 47 Proportion of employees and proportion of FTEs involved in delivering three waters services



²² Note all figures exclude corporate services and customer services staff supporting three waters delivery.



Differences in valuation and depreciation

Councils adopt a number of different approaches to the valuation of their three waters assets, and the assessment of the useful lives of those assets (which contributes to the calculation of depreciation, and the estimation of the cost of future capital works).

It is important to understand these differences, as these can have a significant bearing on the potential cost impacts of future investment, and on day to day operating costs. Further, in the event that a new water services entity is established, relative asset value is a common (though not the only) way of determining the value of individual shareholdings.

This section highlights significant differences in unit rates for three waters underground assets across the two regions, with unit rates for 100mm pipe differing by up to 13 times between the lowest valued pipe (\$70/m) and the highest valued pipe (\$929/m). These variations may have significant impacts on forecast investment programmes, as the rates are typically used to determine the value of renewals. Where councils have underestimated the replacement cost of their three waters assets, it is likely that their future investment needs will be much higher than disclosed elsewhere in this report.

**1200% difference
between lowest
and highest unit
rates for 100mm
water pipe**

This section also highlights the variation in average base lives for underground three waters assets. For stormwater infrastructure the estimated base life for asbestos cement pipes in Waitaki is double that of Clutha, Dunedin and Gore. Other material types also have a reasonable degree of variation in base lives.

Base lives may be adjusted throughout the life of the asset to reflect observed variation in condition and performance of assets, and variations may be entirely appropriate between districts due to differences in the external environment and loading. However, it is worth noting that base lives are a key input for the timing of renewals investment and depreciation charges.

In the event of the aggregation of three waters services we would anticipate that a degree of normalisation would have to occur for both unit rates and base lives to ensure a consistent approach (though not necessarily consistent values) is applied.

Unit rates

Unit rates presented in this section are taken from asset registers and valuation registers provided to Morrison Low during February 2021. Of note, Dunedin advised that their valuation was completed as recently as the end of 2020, and that this valuation is reflected in the registers that we reviewed.

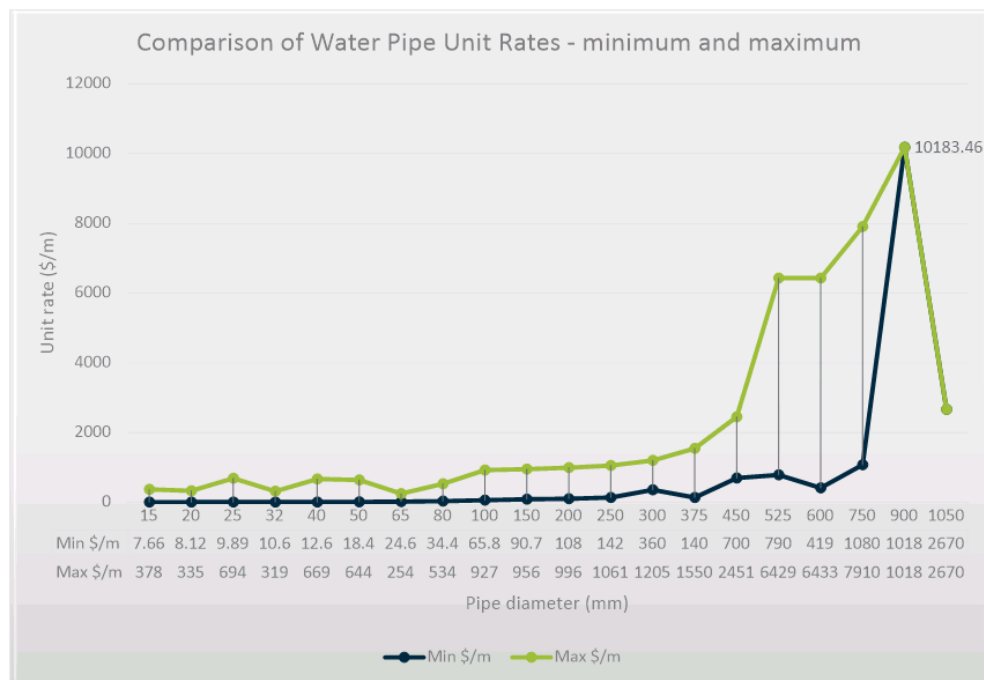


Water

The following graph displays the maximum and minimum unit rates from the councils' asset registers. It shows a wide variance between councils in rates used at all diameters. The cause of these variation will require further analysis that is outside the scope of the current study.

Any changes to these assumed costs when renewal work is undertaken will have a significant impact on future costs and therefore projected debt and charges.

Figure 48 Comparison of water pipe unit rates

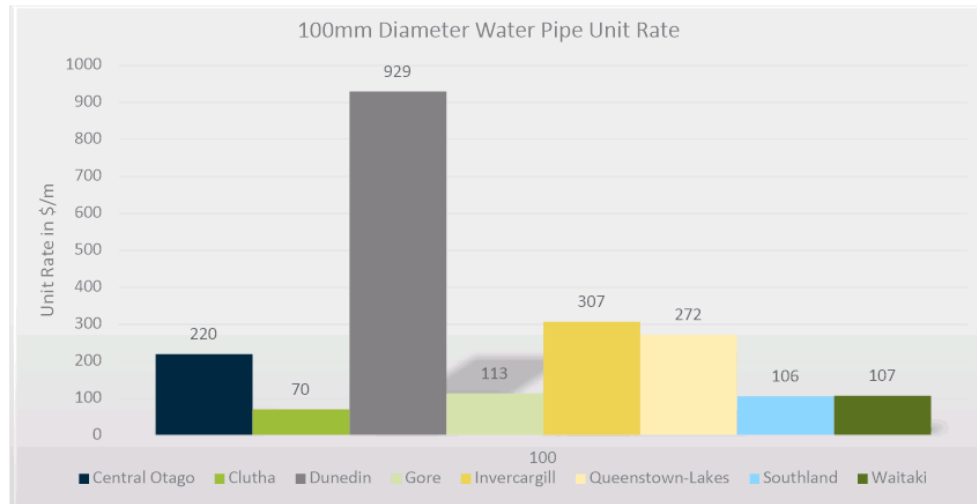


To show variation across the councils, the rates for a common diameter watermain are shown in the following figure. Dunedin's rate is clearly exceptional, but significant variation exists across the other councils as well. Even with Dunedin excluded, there is a four-fold difference in unit rates between Clutha (\$70/m) and Invercargill (\$307/m)

There is also a clear urban rural split with unit rates which is not unusual. Dunedin, Invercargill and Queenstown have the highest unit rates in the two regions. While the rural/urban difference is unsurprising, the scale of the difference between Dunedin and the other urban councils is unusual (Dunedin's unit rate is three time larger than the next most expensive).



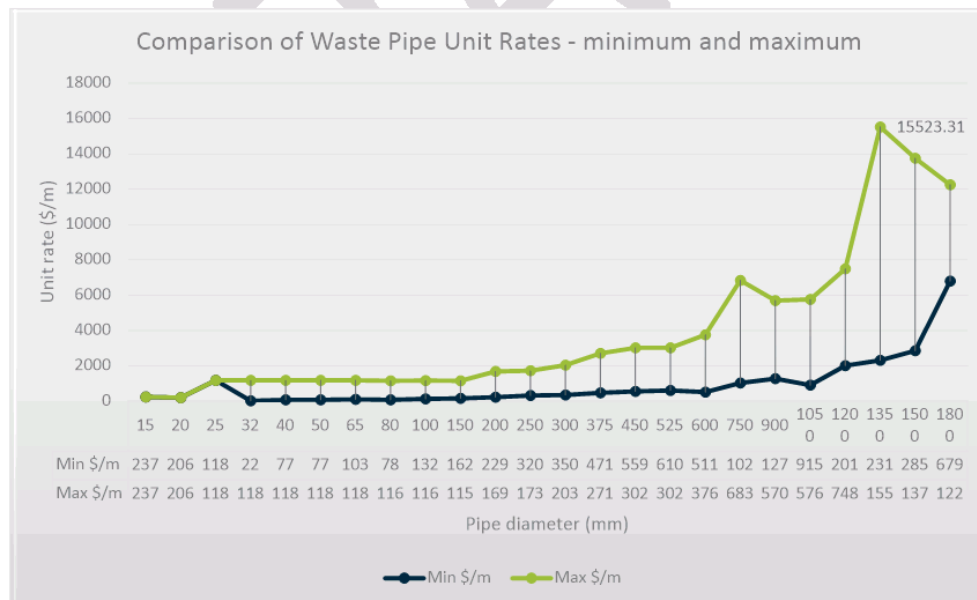
Figure 49 Comparison of unit rates for 100m diameter water pipe between councils



Wastewater

Considerable variation also exists in the unit rates for wastewater pipes. It is less marked than the watermain rates but does exist across all sizes where these occur in more than one council's register.

Figure 50 Comparison of wastewater pipe unit rates



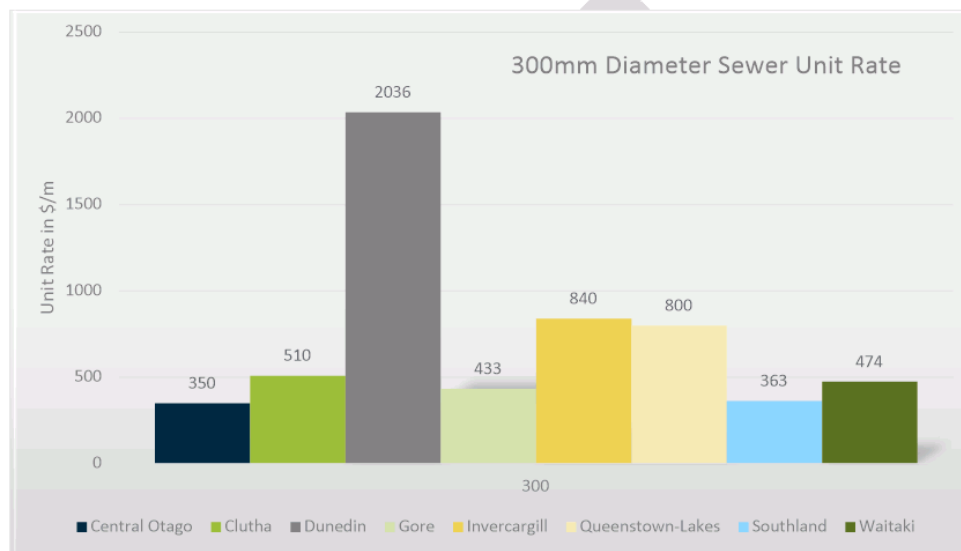


To show variation across the councils, the rates for a common diameter sewer main are shown in the following figure. As with the water pipe rates, Dunedin's rate is exceptional, but significant variation exists across the other councils. The variation in rates is largely similar to that of the water pipe rates.

Again, Dunedin is a clear outlier with unit rates that are more than five times larger than the cheapest rates in the two regions (Central Otago). Again, even with Dunedin excluded, both Queenstown and Invercargill have unit rates that are more than double those in Central Otago and Southland (their respective neighbouring councils).

The difference in unit rates between urban and rural councils is not surprising and is a common trend nationally. The scale of difference between Dunedin and the other urban councils is however unusual.

Figure 51 Comparison of 300mm diameter sewer pipes

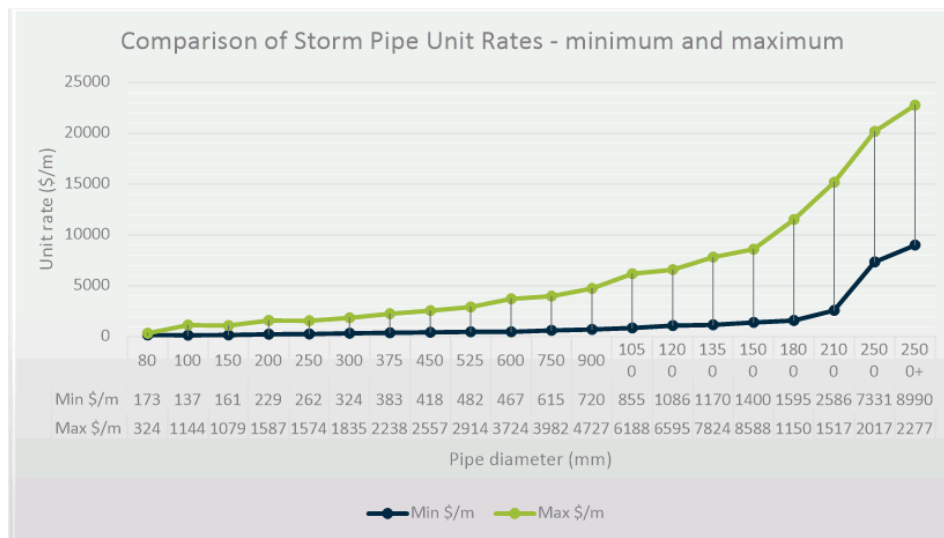




Stormwater

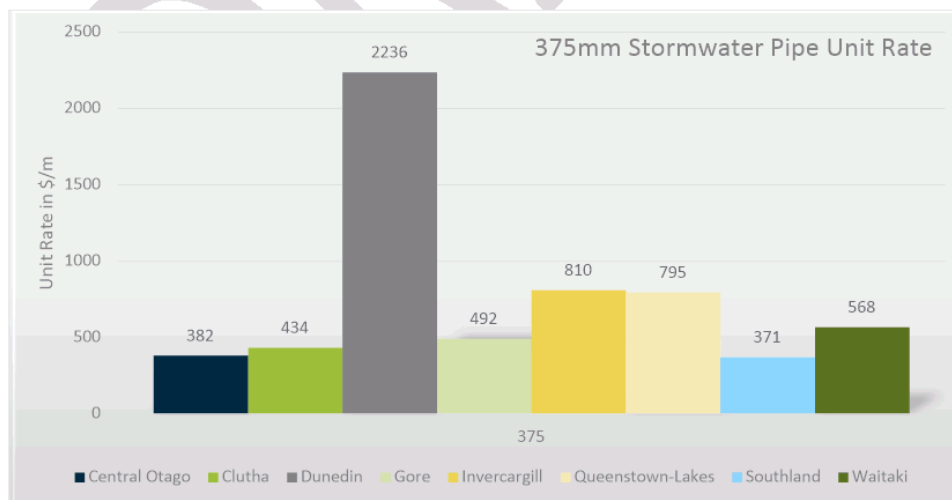
Unit rates for stormwater mains also show a large variation across the group of councils for all sizes.

Figure 52 Comparison of storm water pipe unit rates



The unit rates for a common diameter stormwater main shows a similar pattern to the other networks, with Dunedin again having unit rates that are more than 2.5 times the rate of the next highest Council, and a clear rural/urban split.

Figure 53 Comparison of unit rates for 375mm stormwater pipes





The difference in unit rates across all three waters demonstrates the need for a comprehensive review of asset unit rates as part of any proposed reform process which may take place in the future and highlights the level of uncertainty associated with the forecasts included in each councils RFI.

There is a clear trend that urban centres have higher unit rates across the three waters, and this is not dissimilar to our experience elsewhere in the country. However, further investigation would be required to verify the unit rates and compare approaches to valuation.

If aggregation was to be considered the differences shown here have the potential to make significant changes to projected costs if they were normalised.

Base lives

Base Lives are an important parameter used in determining the remaining life of assets. Base lives are also used for the calculation of depreciation, and changes in base lives can have a significant impact on the level of depreciation that is charged to ratepayers.

If aggregation was to be considered the differences shown here have the potential to make significant changes to projected costs if they were normalised.

Even seemingly small differences in bases lives can have a significant difference in operating costs, with the difference between an 80 year and 100 year base life translating to 25% difference in depreciation.

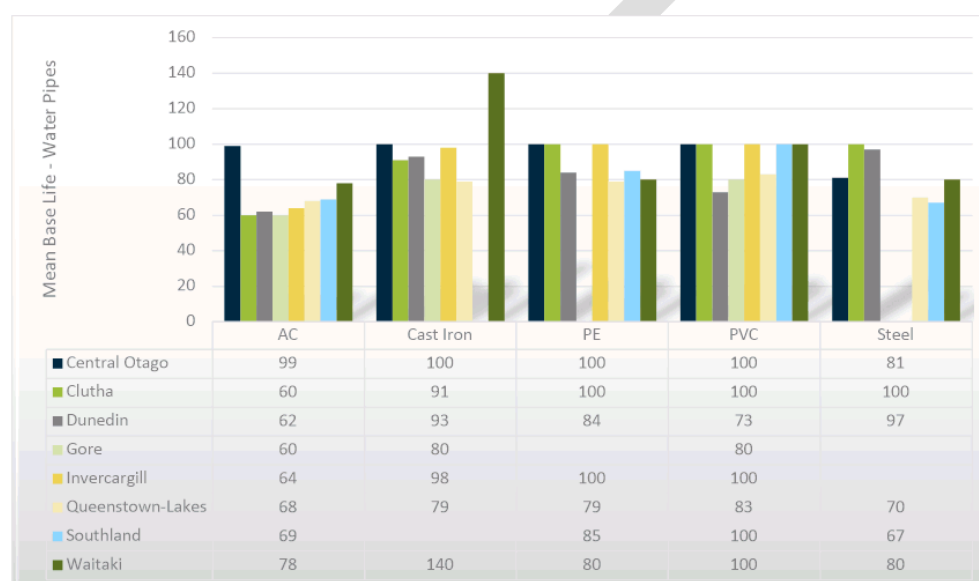


Water

The following figures display the mean values used by the councils for the various pipe materials in use. Some councils use a scale of base lives for a particular material dependent on size. Waitaki is an example in that three base lives are applied to ranges of sizes, and this has been done based on an assessment of pipe performance at the most recent valuation. The existence of multiple base lives values in other council's registers may be for the same reason.

There is wide variation in these asset lives, and the chart below shows the most common asset types across the two regions.

Figure 54 Comparison of average base lives for most common water pipe materials



Of significance is the variation in the useful lives of asbestos cement pipe (99 years in Central Otago versus 60 in Clutha and Gore – which would result in 66% more depreciation in those councils with shorter base lives). Also the variation in useful lives for cast iron pipes between Waitaki (140 years) and Gore (80 years) which would translate to a 75% increase in depreciation for Waitaki if its base lives were adjusted down to match Gore's.



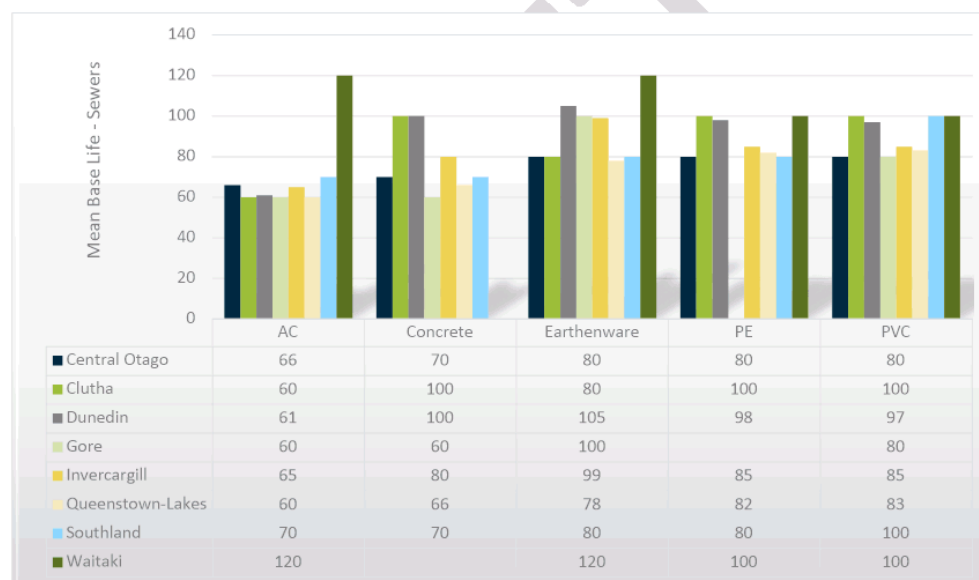
Wastewater

The following figure displays the mean values used by the councils for the various sewer pipe materials in use. Multiple values do exist for material types within individual council's registers and the reason for this may be due to size range, but further analysis will be required to confirm this assumption.

There is more commonality that for watermain, with the exception of Waitaki which has the highest base lives. The difference between the base lives for Waitaki's asbestos cement wastewater pipes and the base lives for the rest of the councils translates to a difference in depreciation charges between 70 – 100%.

Differences in base lives translate to a difference in depreciation between 70 – 100%

Figure 55 Comparison of average base lives for common wastewater material types

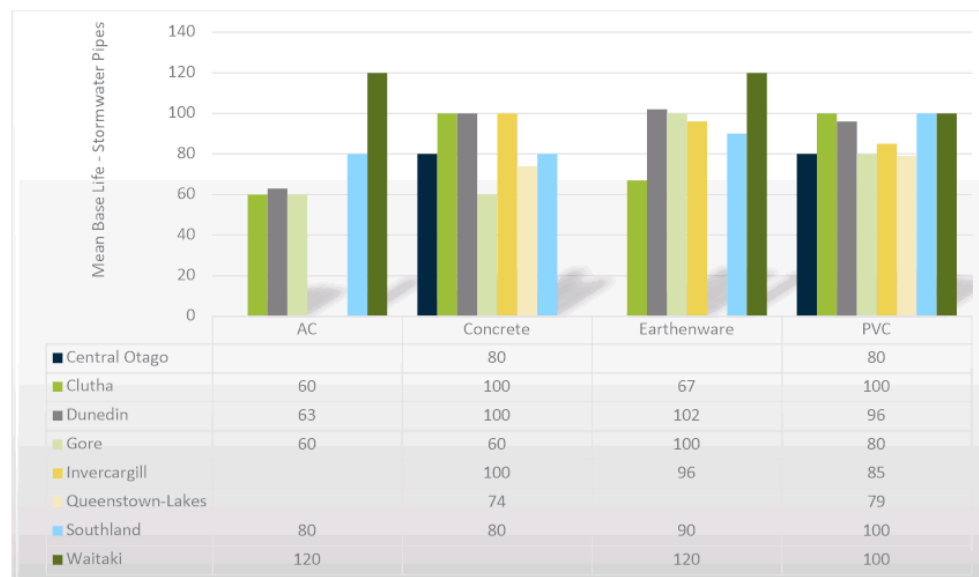




Stormwater

Significant variation in mean base lives for stormwater pipes also exists, with Waitaki once again having the highest values. Again the difference between Waitaki's base life for asbestos cement pipes and the remaining councils translates to a difference in depreciation of between 50 – 100%.

Figure 56 Comparison of average base lives for common stormwater pipe material



Again, the variation in base lives across all of the three waters assets demonstrates a need for a review of different approaches as part of any further work to investigate proposed reform of three waters service delivery.



Appendix One Asset information

This appendix presents detailed information regarding the age profile, condition and material composition for the three waters networks for the councils in the two regions.

The information presented in this appendix is derived from RFIs and asset registers provided to Morrison Low during February 2021.

The information presented here is more detailed and technical in nature than that presented elsewhere in the report but provides useful context and additional information.

The findings of this section support the earlier commentary about investment need and provide additional context regarding levels of service and asset performance that is discussed earlier in the report. For example, the high proportion of Dunedin's water and wastewater network that has less than ten years of remaining useful life is reinforced in our estimates of potential renewals in the Investment Needs section.

It also highlights some of the key differences in the way that three waters services are provided across the two regions and offers some explanation for differences in cost. For example, high numbers of water pump stations and treatment plants in Clutha are likely to be contributory factors to the high average household charges in that district.

Water

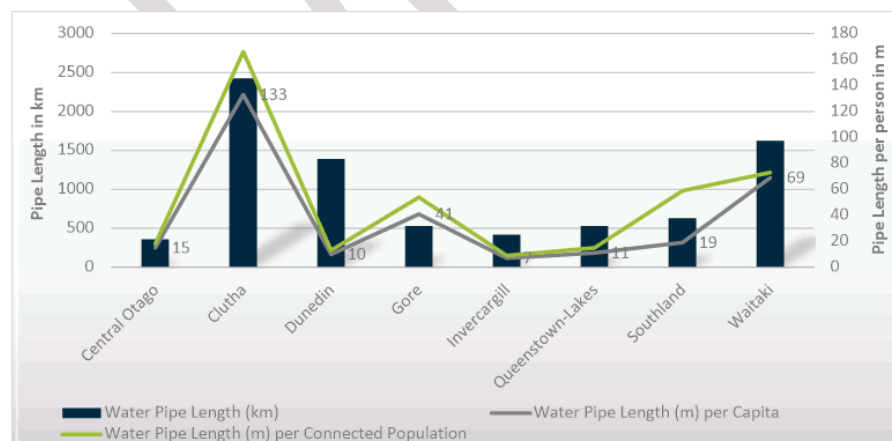
Asset information

The figures below set out information about the number and type of assets involved in the water supply service. The type of pipe material and age of the assets is also set out. This information begins to highlight the differences between the respective councils' networks.

What follows in the next sections is a comparison of the condition of the network and comparison of the failure rates in the network.

Information relating to pipe networks does not include service connections as not all councils record the length of these.

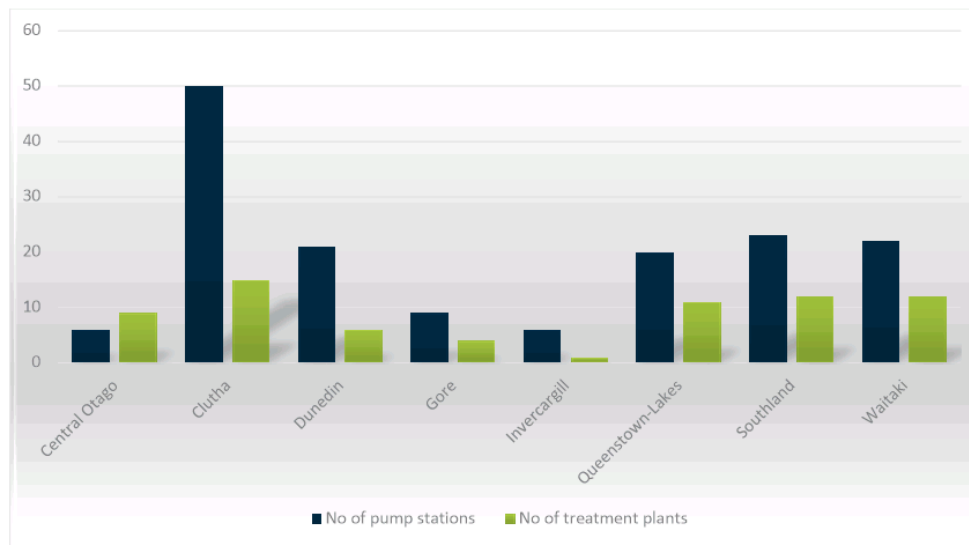
Figure 57 Water pipe length





Length of the water network per population is less for the councils with larger urban centres. Length per population is shown for two measures – per Capita relates to the total estimated resident population at 30 June 2020 according to Stats NZ, while the per Connected Population refers to the household population connected to the water service in the councils' response to the Government's Request for Information. Two of the smaller councils in terms of population, Clutha and Waitaki also have the largest networks by total length.

Figure 58 Water pump stations and treatment plants



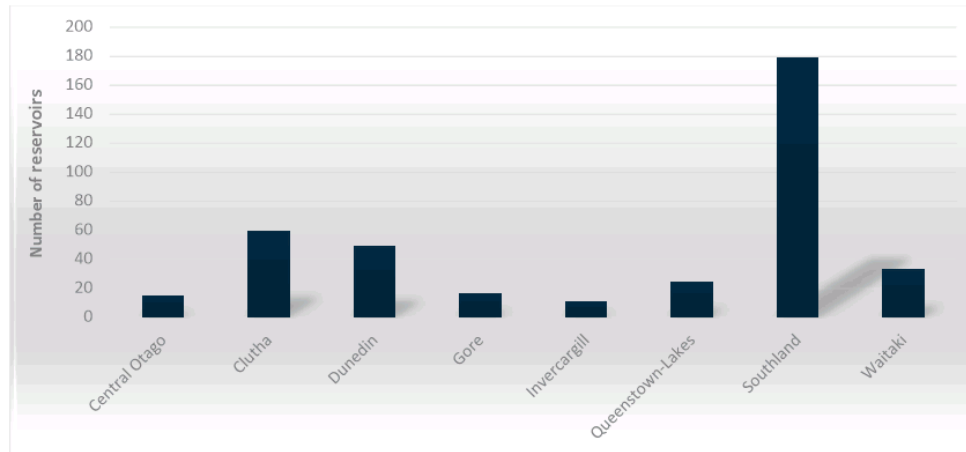
The number of pumping stations and treatment plants gives an indication of how complex the systems are to operate. Rural districts tend to have more schemes and therefore more treatment plants. This is likely to result in increased operational costs, a higher risk of failures affecting both level of service and compliance and an increased need for sound and proactive asset management approaches.



Water reservoirs

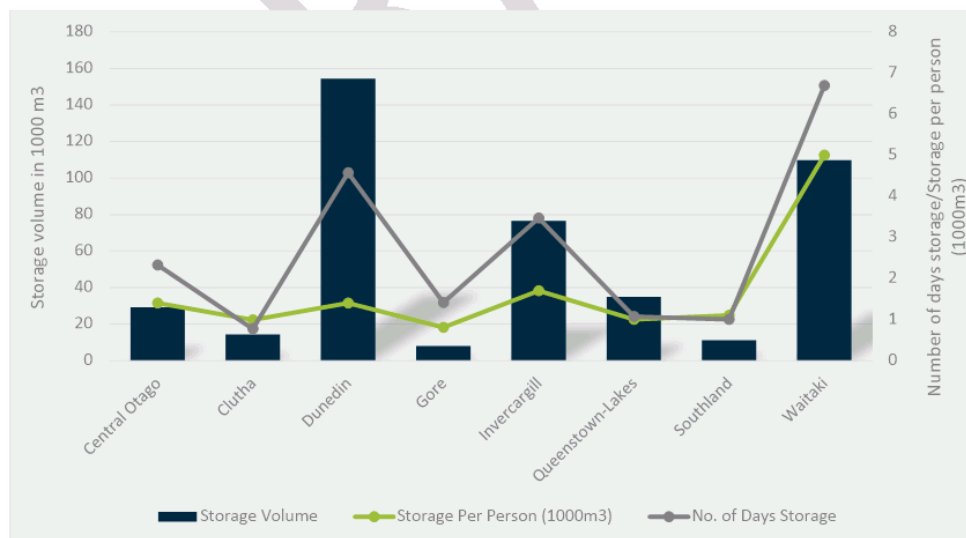
There are also differences in the councils' water storage capacity. The number of reservoirs reflects several factors including the rural nature of the network, topography and population served.

Figure 59 Number of reservoirs



The Councils' water storage in the reservoirs also varies. Reservoir capacity is more closely aligned to the population served. Waitaki's storage includes 72ML for the raw water reservoir in Oamaru.

Figure 60 Reservoir storage



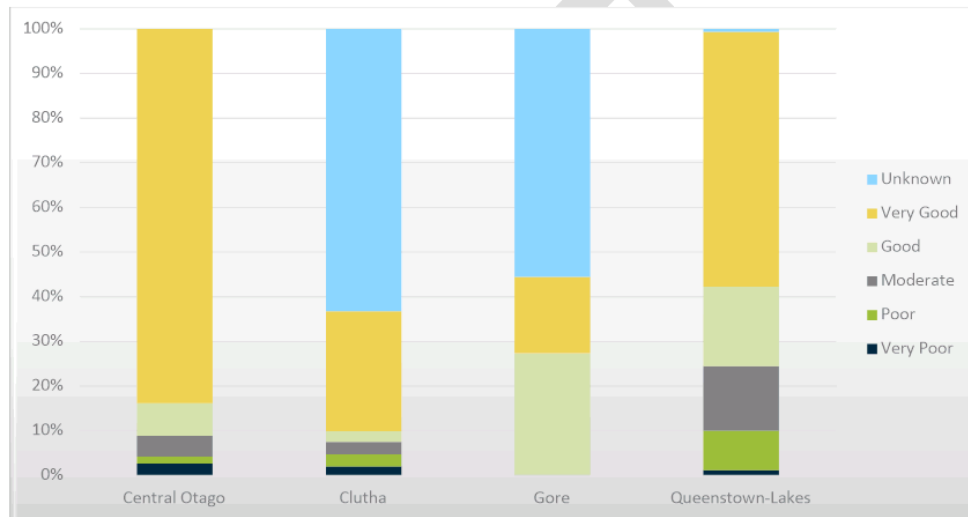


Age and condition of water network assets

Condition of the pipe networks was reported by four of the eight councils - Central Otago, Queenstown, Clutha and Gore. As a consequence of this, over 80% of the value of the three water pipe network (by value) is in an unknown condition. This information should be viewed with caution and may not be directly comparable as the councils may also have different approaches to rating their assets and different confidence levels in the data on which the assessment is based. It should also be noted that condition assessment of water pipes is problematic due to their nature of use. The rating that was provided shows the majority of the water networks are in *Good* or *Very Good* condition. The percentage of these networks that are in *Poor* or *Very Poor* condition is low compared to most other networks of comparable size nationally.

It should also be noted that the condition of below ground water pipes is particularly difficult to assess.

Figure 61 Water network condition (by length)

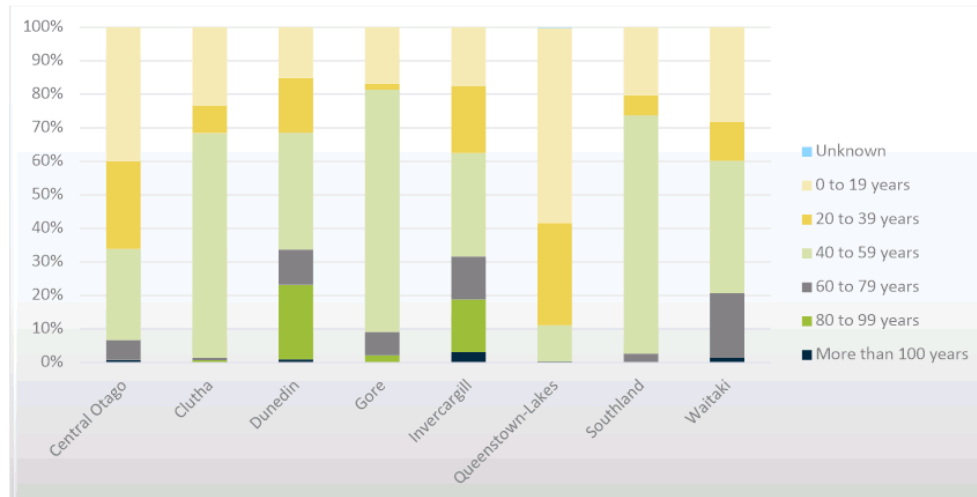


As condition data is only partially available (four councils) and because of the variance in both confidence in and approach to determining actual condition, a more consistently available proxy, age is used to determine remaining useful life. Where a comparison can be made, it would appear that the networks are generally performing better than the age would indicate.

The age profile shown below includes a significant proportion in the 40 to 59 year age bracket, and this aligns with trends in other parts of the country. However, this does represent a risk in terms of a cluster of future renewals. Dunedin and Invercargill account for the largest portion of old watermains, whereas areas that have exhibited rapid growth in recent years, such as Queenstown, are represented more noticeably in the newer age brackets.

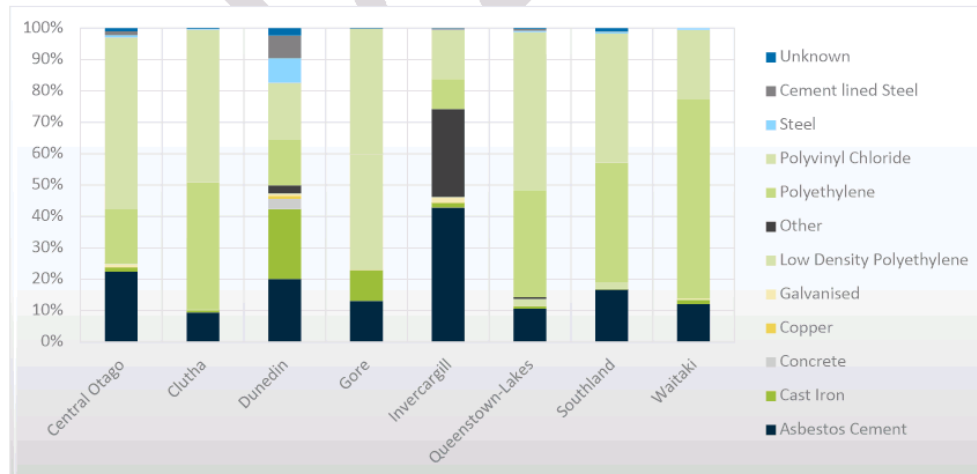


Figure 62 Water network age (by length)



Pipe material is important for understanding failure modes as well as age. The following graph shows the proportion of materials used in each council's water network. Polyethylene and polyvinyl chloride pipes, mainly installed from the 1960s onward, form the largest proportion of all networks apart from Invercargill and Dunedin.

Figure 63 Network composition by material type



Low Density Polyethylene pipe (which has a shorter useful life than Polyethylene) makes up the majority (23.2%) of Gore network. Much of this pipe is expected to reach the end of its useful life within the next ten years. Some early polyethylene pipes were subject to quality issues in the initial stage of the technological development.



Cast Iron has been in use since the 1860s (in Dunedin). Installation of cast iron pipes reached its peak in the 1930s and contributes a significant portion of the Dunedin and Invercargill (lined iron pipes in the 'Other' category) networks. Much of this pipe is nearing the end of its expected life.

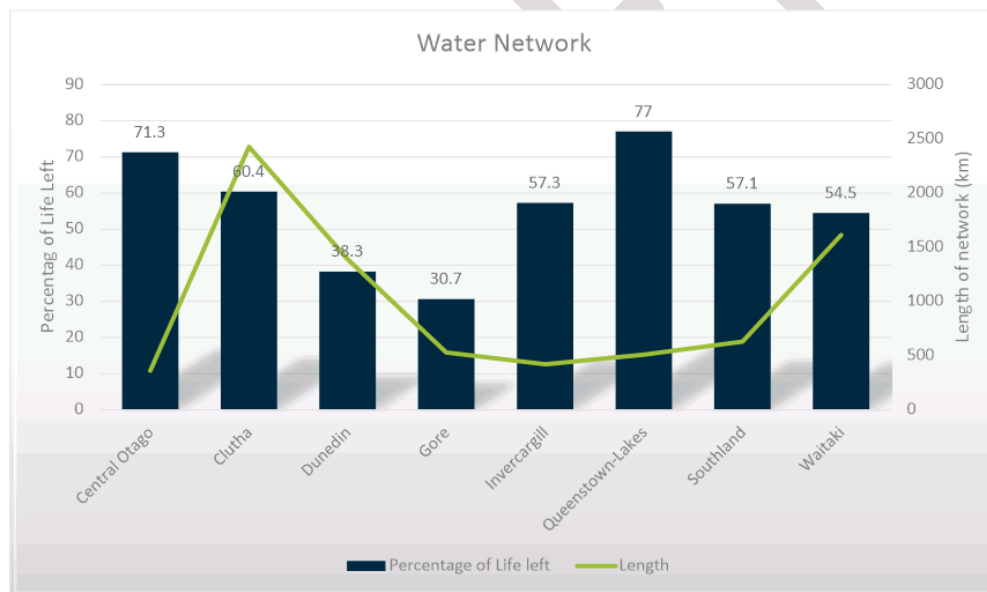
Asbestos Cement makes up a significant portion of mains installed from the 1950s to the 1980s and makes up over 40% of Invercargill's mains. This pipe is also nearing the end of its expected life.

Cast Iron and AC pipes are more brittle than other materials in use and represent a greater risk for earthquake resilience and can fail earlier than their design life.

Asset remaining useful life

The water networks vary considerably between Councils in the amount of mean life remaining (Expected Useful Life / Base Life) ranging from 30.7% for Gore to 77% for Queenstown. The latter is the youngest network in the country²³. With the exception of Gore and Dunedin (38.3%), all councils have a mean of over 50%. This is partially reflective of the relative ages of the networks. Dunedin has the oldest network in the country²⁴, and Gore is one of the oldest.

Figure 64 Asset consumption for water network



²³ Based on average age, Water New Zealand National Performance Review 2018/19

²⁴ Ibid.

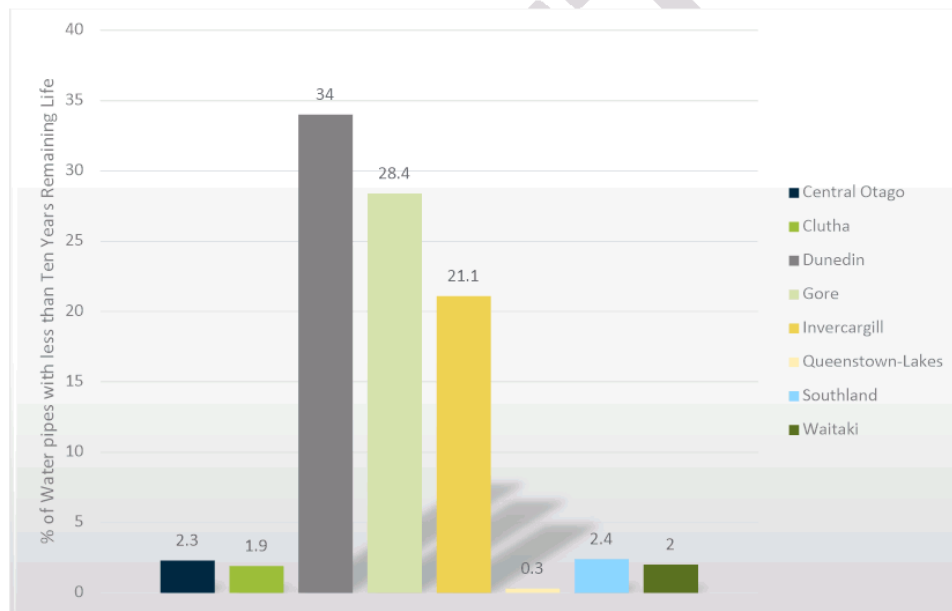


Remaining useful life is based on the age of the pipe compared to the expected Base Life. It should be acknowledged there is some uncertainty around base lives used in New Zealand, and not a lot of data is captured world-wide. There is considerable variation in Base Lives used by the councils in this study. This is as much as 60 years' difference for cast iron.

Performance and condition of the network is typically reviewed alongside regular asset valuations. These reviews may see an adjustment to the Base Lives, which may account for some of the differences, or the adjustment may be made directly to the remaining useful lives in the asset register. It should be noted that estimation of life left is not an exact science, and refinements are made as performance of the network is periodically reassessed.

The percentage of each pipe network with less than ten years of remaining useful life is shown in the second graph below.

Figure 65 Percentage of pipes with less than ten years' remaining life





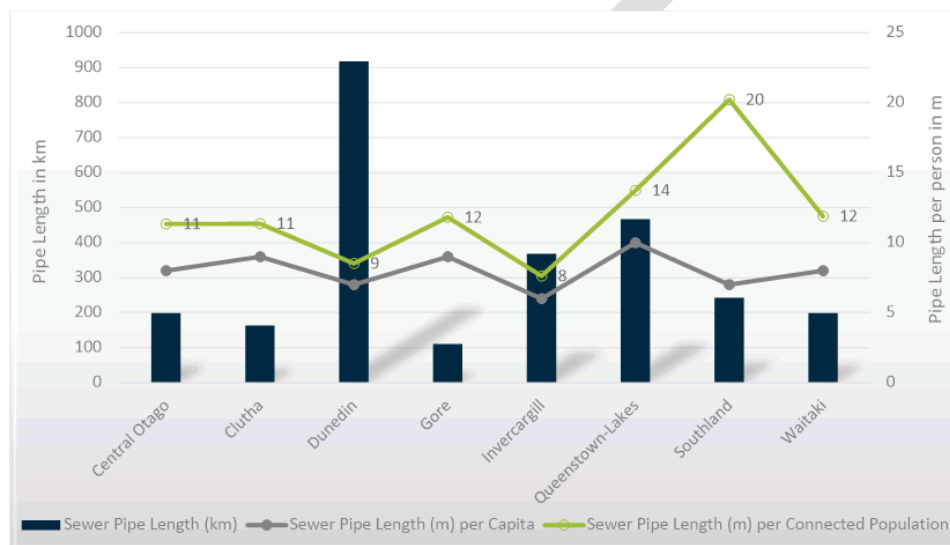
Wastewater

Asset information

The figures below set out information about the number and type of assets involved in the wastewater service. The age of the assets is also set out. This information begins to highlight the differences between the respective councils' networks.

Information relating to pipe networks does not include service connections as not all councils record the length of these, and where this is recorded councils may have low confidence in their data.

Figure 66 Wastewater pipe length



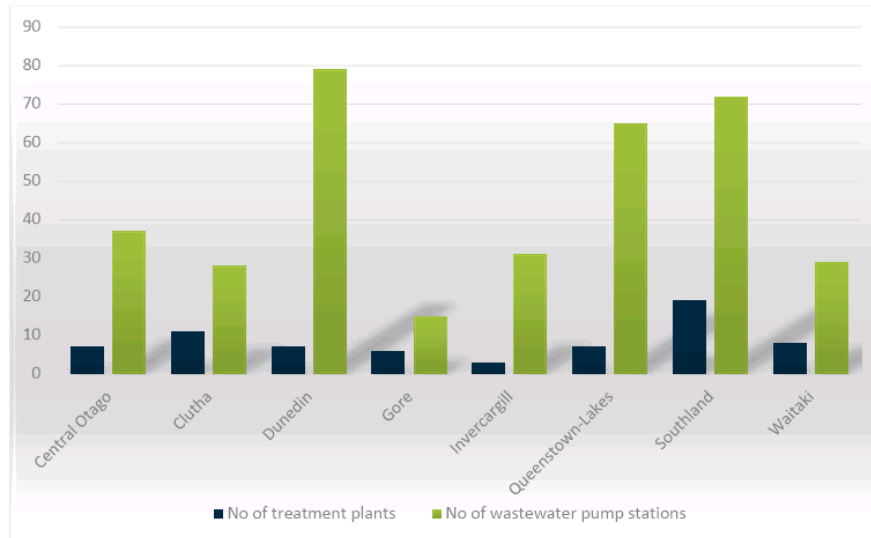
The network lengths reflect the relative size and density of the populations served. Provision of wastewater reticulation to rural areas is unusual, as these tend to be serviced by septic tanks, so the wastewater networks of Clutha and Waitaki are not overly large in comparison to population size as compared to their water networks. Length per person is higher for councils with smaller, dispersed population centres such as Central Otago, Clutha and Southland.

The number of treatment plants reflects the number of individual communities served. Larger networks such as Dunedin's are served by a relatively small number of plants, whereas the smaller networks of Southland require more plants. This is likely to result in increased operational costs, a higher risk of failures affecting both level of service and compliance, and an increased need for sound and proactive asset management approaches.

The relative number of pumping stations reflects both the size of the networks and the topography. Invercargill's and Gore's relatively compact layouts and flat topography result in a less reliance on pressurised mains than other networks. This will have a direct impact on operational costs, risk of failure and asset management practices.



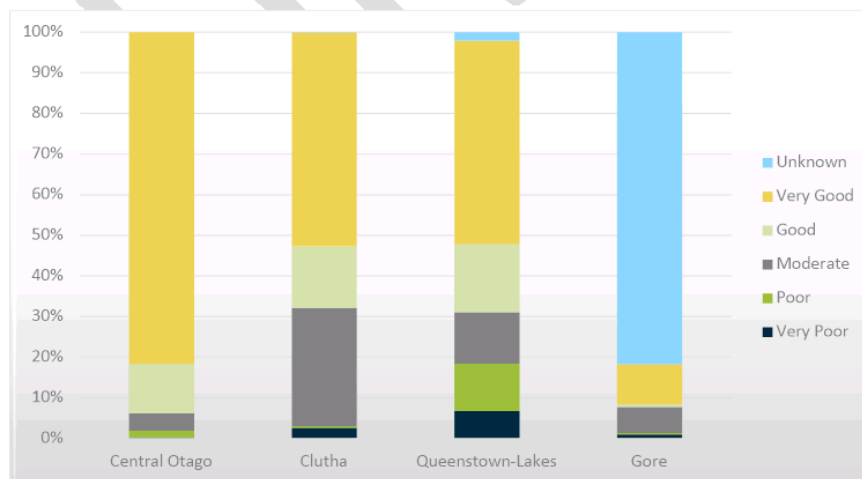
Figure 67 Number of pump stations and treatment plants



Asset age and condition

Four of the eight councils provided explicit condition data and one of those four provided the data for only a small portion of their assets. Those councils may also have different approaches to rating their assets and different confidence levels in the data on which the assessment is based. The rating that was provided show most of the wastewater networks are in *Good* or *Very Good* condition. The percentage of these networks that are in *Poor* or *Very Poor* condition is low compared to most other networks of comparable size nationally, with the exception of Queenstown-Lakes which is average. Condition is shown in the graph below.

Figure 68 Wastewater network by condition

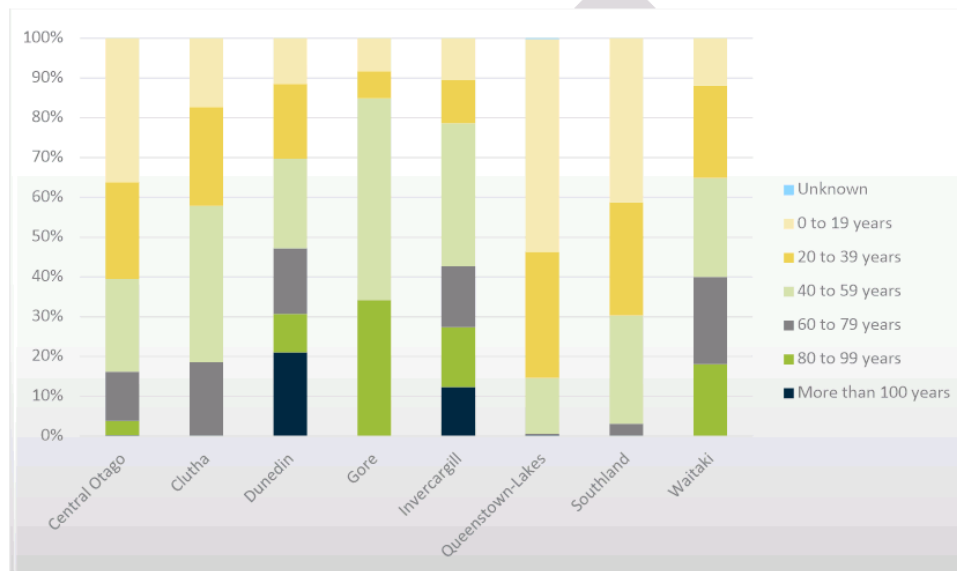




Age can be used as a proxy for condition, and the bulk of the wastewater network asset data does include the age. When age is compared with condition, where provided, it can be inferred that the pipes are performing better than their age would suggest they should. This trend is repeated for many other comparable networks nationally. However, the trend is less marked for Queenstown, which has over 18% of pipes in *Poor* or *Very Poor* condition and has one of the youngest networks in the country. Network age is depicted in the first graph below.

The age profile shows a wide spread, with Dunedin and Invercargill accounting for the oldest pipes, some over 100 years in age. These are two of the three oldest networks in New Zealand. Overall, much of the network is less than 60 years old. Queenstown's recent high growth rate is reflected in a significantly younger network. Data is extracted from the asset registers.

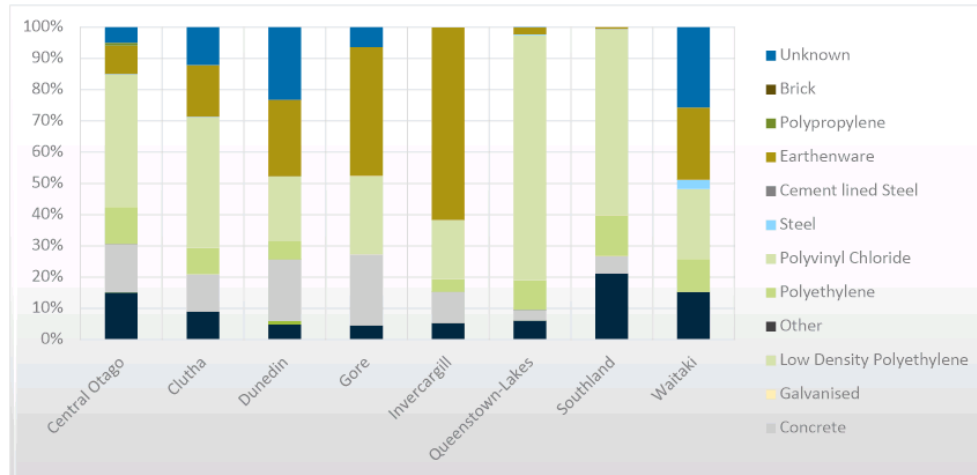
Figure 69 Wastewater network by age band



The age profile is also reflected in the pipe materials making up the network. Most of the older pipes are earthenware. Asbestos cement and concrete account for significant portions from the 1950s to the 1980s, while polyvinyl chloride with polyethylene make up the bulk of recent installations from the 1980s onward. Some councils such as Dunedin and Waitaki, and Clutha to a lesser extent, have a significant number of pipes of unknown material.



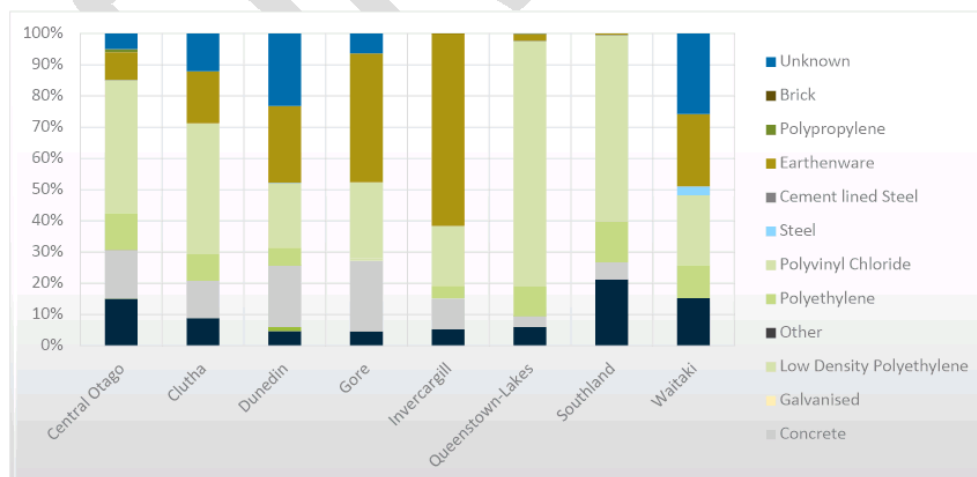
Figure 70 Wastewater network by material



Earthenware pipes account for significant proportions of the pipes with less than ten years expected remaining life – 24.4% of Invercargill's, 14.3% of Dunedin's, and 4.1% of Central Otago's. Earthenware pipes are short in length which means there are more joints than other types. Together with the relatively brittle nature of the material, this can lead to leaks, breakages and root ingress.

Concrete pipes account for the largest proportion (6.7%) of Central Otago's expiring network. AC pipes make up all of Queenstown-Lakes' network (3.5%) nearing end of life, plus 2.6% of Central Otago's. These materials are of a relatively brittle nature and as such represent a greater risk for earthquake resilience.

Figure 71 Wastewater network by material

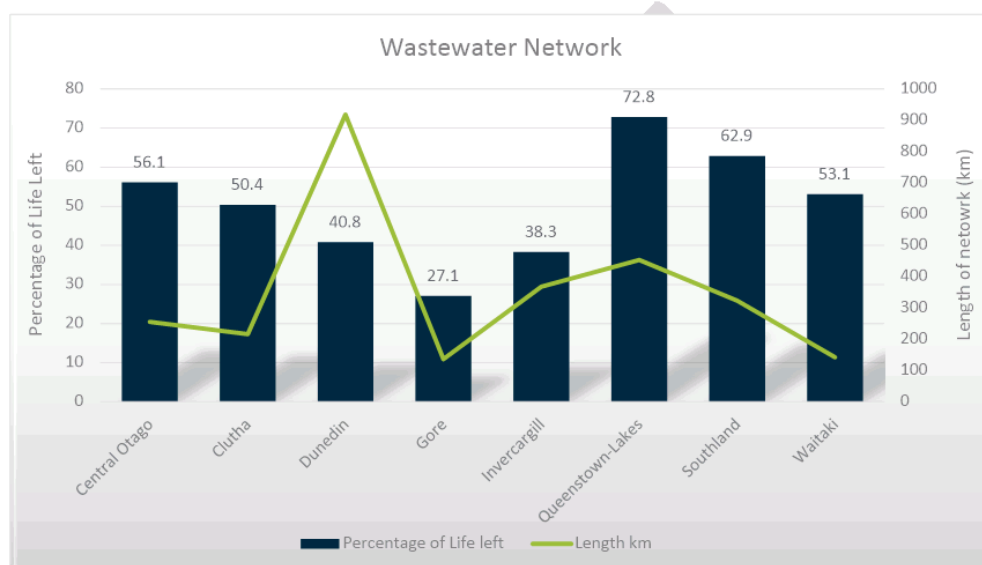




Asset remaining useful life

The wastewater networks vary considerably between councils in the amount of mean life remaining (Expected Useful Life / Base Life) ranging from 27.1% for Gore to 72.8% for Queenstown-Lakes. With the exception of Gore, Invercargill (38.3%) and Dunedin (40.8%), all Councils have a mean of over 50%. Whether the average age is mirrored in the timing and volume of impending renewals will depend on a number of factors including asset management practices, environmental conditions and the accuracy of condition assessment and base life estimation.

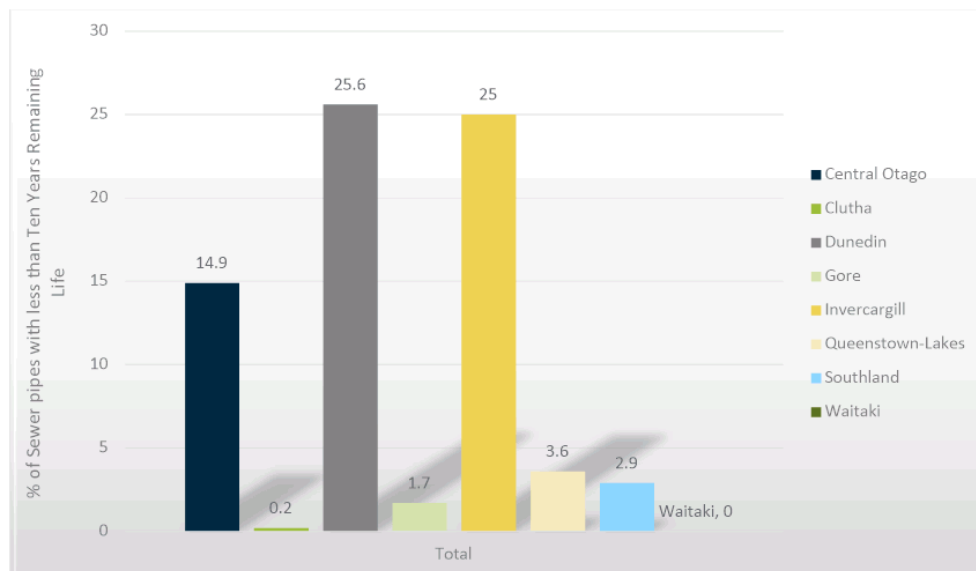
Figure 72 Asset consumption for wastewater network



Another measure of consumption is the percentage of the network with less than ten years life remaining. This measure shows that Dunedin (25.6%), Invercargill (25%) and Central Otago (14.9%) have significant amounts of their network nearing end of expected life.



Figure 73 Wastewater network with less than ten years remaining life





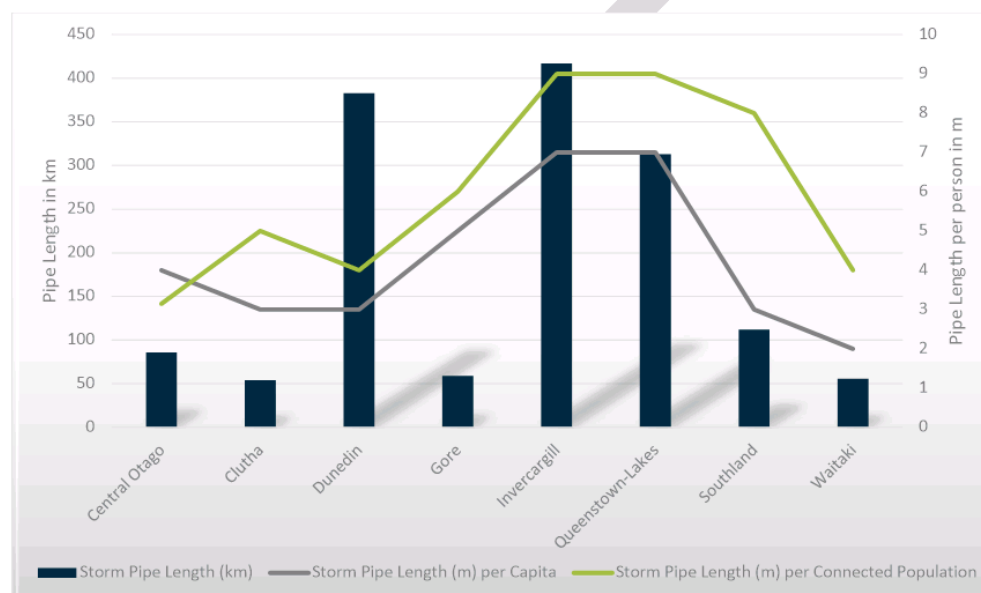
Stormwater

Asset information - stormwater

The figures below set out information about the number and type of assets involved in the stormwater service. The age of the assets is also set out. This information begins to highlight the differences between the respective council's networks.

Information relating to pipe networks does not include service connections as not all councils record the length of these.

Figure 74 Stormwater pipe length

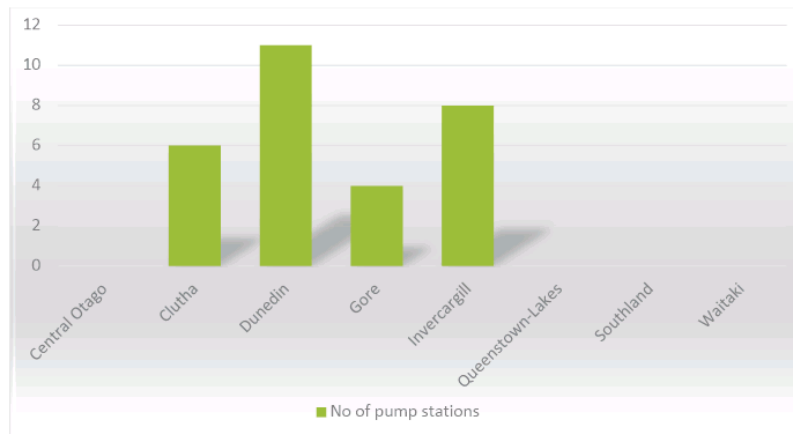


In general, the length of the councils' stormwater networks reflect the size of the populations. Length per population is shown for two measures – per Capita relates to the total estimated resident population at 30 June 2020 according to Stats NZ, while the per Connected Population refers to the household population connected to the stormwater service in the councils' RFIs. Dunedin's network is relatively small compared to Invercargill and Queenstown-Lakes, and this may be due to the topography and proximity to the coast.

Four of the councils - Central Otago, Queenstown-Lakes, Southland and Waitaki – do not have any stormwater pumping stations and rely entirely on gravity mains. Data is from RFI returns.



Figure 75 Stormwater pump stations

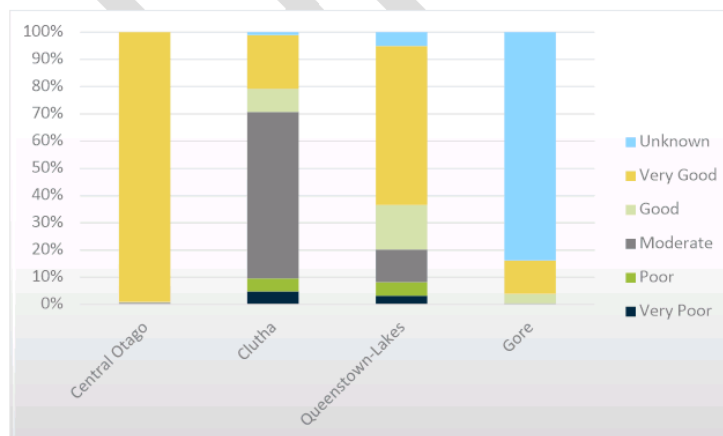


Asset age and condition

Four of the eight councils provided explicit condition data, and one of those four provided the data for only a small portion of their assets. Those councils may also have different approaches to rating their assets and different confidence levels in the data on which the assessment is based. The rating that was provided shows the water networks are in *Good* or *Very Good* condition, apart from Clutha which is mainly in a *Moderate* condition. Condition is shown in the second graph below.

Age can be used as a proxy for condition, and the bulk of the stormwater network asset data does include the age. This is depicted in the second graph below. Condition of the Central Otago network is reported to be in a significantly better condition than the Queenstown-Lakes network despite a similar but slightly older age. Clutha's network is older, and the condition reflects that. Gore does report good condition but over 80% of the network is in unknown condition.

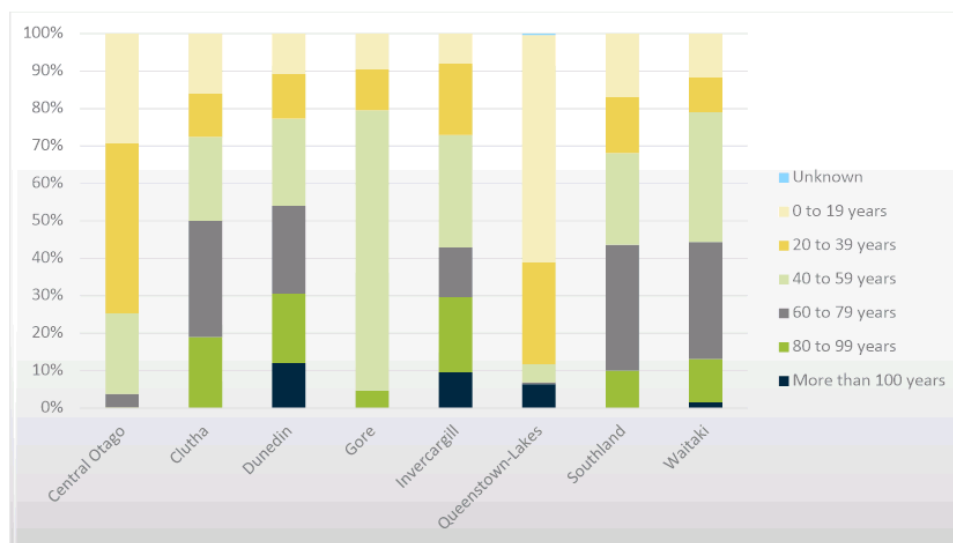
Figure 76 Stormwater network by condition





The age profile of the stormwater network shows a reasonably consistent spread of ages. Dunedin and Invercargill account for most of the oldest pipes while Queenstown has a high proportion of the newest pipes. As with the water and wastewater networks, the largest proportion is in the 40 to 59-year bracket, a situation that adds to the risk of a cluster of renewals in future. The councils' stormwater networks contain four of the five oldest networks in the country – Invercargill, Dunedin, Waitaki and Clutha²⁵.

Figure 77 Stormwater network by age band



Earthenware pipes make up the bulk of the older installations, from the 1900s through to the 1960s, and account for the largest proportion of pipes with less than ten years remaining life (23.1% of Invercargill's, 8.6% of Southland's, 7.6% of Clutha's and 6.6% of Dunedin's). As discussed for wastewater, earthenware pipes have frequent joints and are relatively brittle.

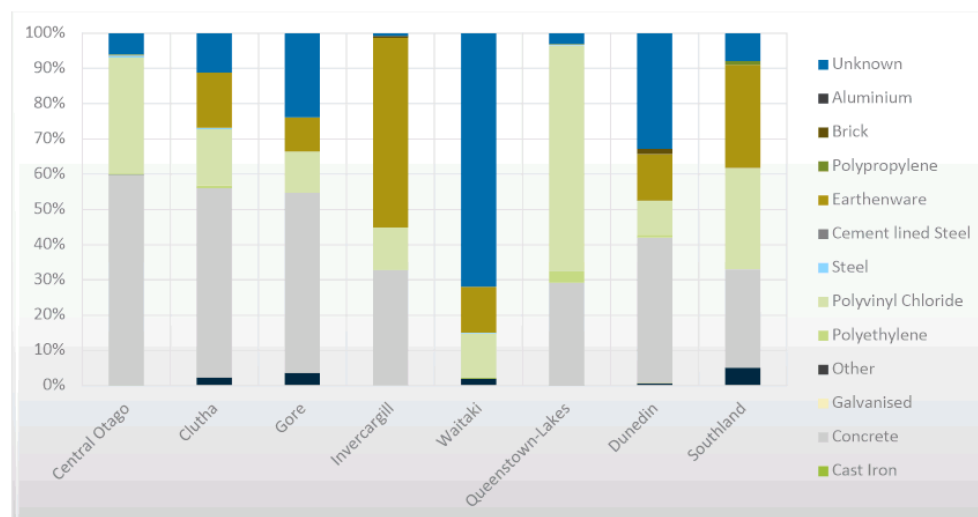
Concrete pipes account for the bulk of the network installed from the 1950s and apart from pipes of unknown material, contribute the next largest percentage of pipes of expiring life. Polyvinyl chloride pipes are in the majority of the most recent additions.

A small part of the Dunedin and Invercargill networks consists of brick pipes primarily from the 1870s and contribute to the pipes reaching end of life in these networks. Though these pipes can still function and be rehabilitated (as has been done in Auckland). There is significant number of pipes of unknown material, particularly in the Waitaki network and Dunedin.

²⁵ Based on average age, Water New Zealand National Performance Review 2018/19



Figure 78 Stormwater network by material



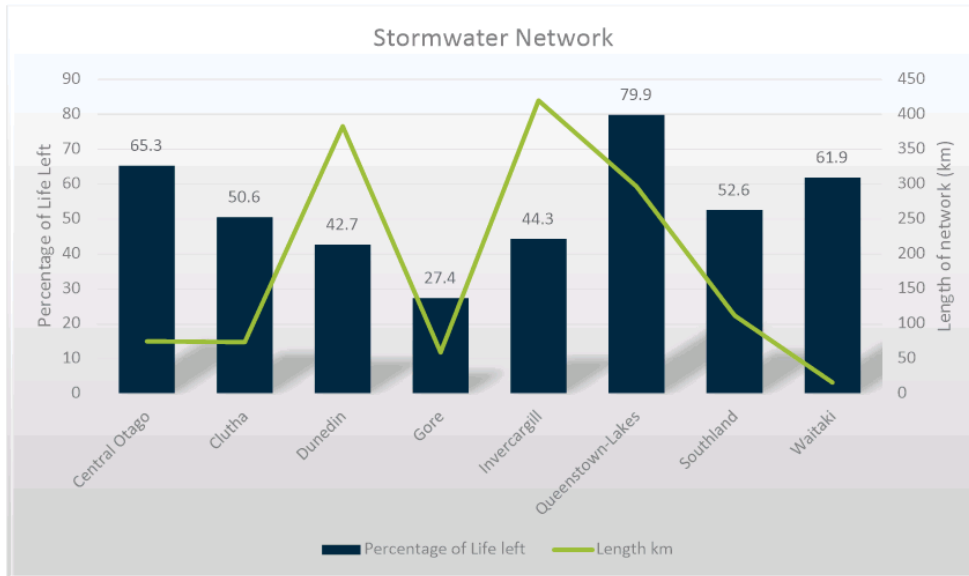
Asset remaining useful life

The stormwater networks vary considerably between councils in the amount of mean life remaining (Expected Useful Life / Base Life) ranging from 27.4% for Gore to 79.9% for Queenstown-Lakes. With the exception of Gore, Invercargill (44.3%) and Dunedin (42.7%), all councils have a mean of over 50%. Whether the average age is mirrored in the timing and volume of impending renewals will depend on a number of factors including asset management practices, environmental conditions and the accuracy of condition assessment and base life estimation.

Dunedin and Invercargill are among the three oldest networks and also have a high proportion of the pipes with less than ten years remaining life. This pattern is also repeated for their stormwater and water networks suggesting a significant investment in renewals will need to be managed in the near future.

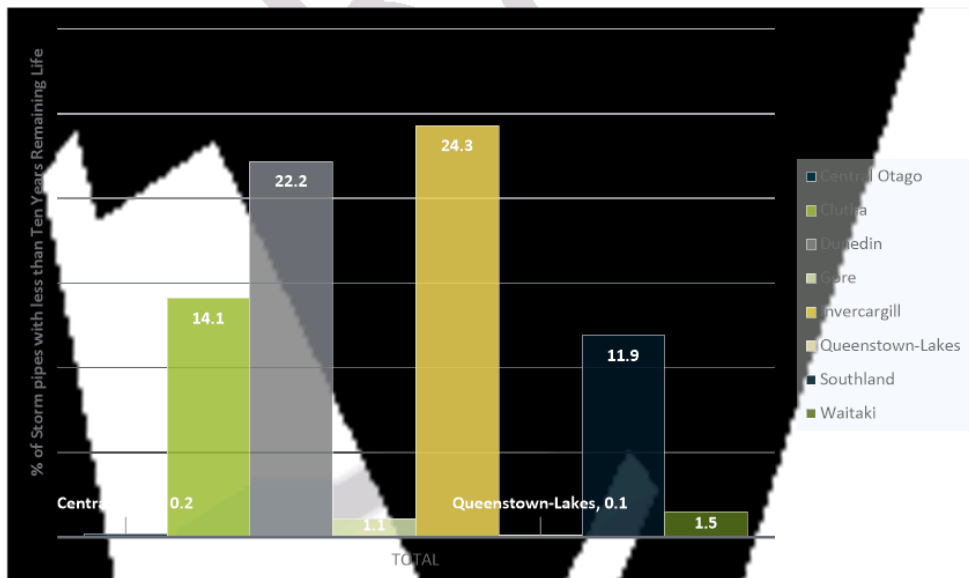


Figure 79 Asset consumption of the stormwater network



Another measure of consumption is the percentage of the network with less than ten years life remaining. This measure shows that Invercargill (24.3%), Dunedin (22.2%), Clutha (14.1%) and Southland (11.9%) have significant amounts of their network nearing end of expected life.

Figure 80 Stormwater network with less than ten years remaining life





Appendix Two Projected cost methodology

In order to calculate estimated operating costs in 2031, in today's dollars, the following approach was adopted:

- Removing inflation from revenue forecasts in each RFI, using the inflationary factors disclosed by each council individually.
- Take the cost coverage percentage from our earlier analysis and apply this to forecast revenue to determine a total operating cost in 2031.

We then compared the forecast operating cost in 2031 with our own projections, that included a consideration of forecast borrowing costs, increased depreciation and increased operating costs. In completing these projections we assumed that investment in renewals would not add additional depreciation, financing or operating costs²⁶.

Note that our analysis has not included any additional operating costs relating to additional compliance, monitoring and regulation activity. We are aware that Hastings District Council experienced a significant uplift in costs of water service delivery following the Havelock North water incident however we have not seen any indication of such a scale of cost uplift in any of the councils in the Otago and Southland regions.

We have also not allowed for any increase in operating costs associated with servicing a larger population, although we note that Queenstown has forecast that its water connections will increase by over 30% in the period.

²⁶ With the exception of the \$758 million of additional renewals for Dunedin which we have assumed would need to be externally financed

FEEDBACK ON THE DRAFT 2021/22 STATEMENTS OF INTENT - DUNEDIN CITY HOLDINGS LIMITED GROUP COMPANIES

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides a summary of elected member feedback on the draft 2021/22 Statements of Intent (Sols) for Dunedin City Holdings Group companies.
- 2 A draft response to the directors of Dunedin City Holdings Limited on requested amendments to the draft Sols is provided in the attachment.

1 RECOMMENDATIONS

That the Council:

- a) **Approves** the Statement of Intent feedback response (attachment A), with any amendments.

BACKGROUND

- 3 The draft 2021/22 Statements of Intent (Sols) for Dunedin City Holdings Group companies were presented to Council at the meeting of the Finance and Council Controlled Organisations Committee held 8 March 2021.

- 4 The meeting resolved:

“Moved (Cr Jim O'Malley/Cr Mike Lord):

That the Committee:

Notes the draft 2021/22 Statements of Intent of Dunedin City Holdings Group companies.

Motion carried (FCCO/2021/013)”

- 5 Elected Members were asked to provide email feedback on the draft Sols to the Acting General Manager Finance by 31 March 2021. This deadline was subsequently extended to the 5 May 2021 to allow members more time to review the Sols.

DISCUSSION

6 Below is a summary of elected member feedback.

<i>Company</i>	<i>Feedback</i>	<i>Comment</i>
Overall	Include the DCC Strategic Framework in all the Sols	See feedback response to DCHL para 7
	Carbon Neutral – have targets in place	See feedback response to DCHL para 7
	Waste Minimisation Targets	See feedback response to DCHL para 7
	Sponsorship Policy	The Council will provide group companies with its Naming Rights and Sponsorship policy once approved by Council for consideration for in the 2022/23 Sols.
	Compliant with RMA measures	This is not considered a performance measure but rather a routine compliance matter. It is expected that all companies comply with relevant legislation.
Aurora Energy	Update KPIs etc now the CCP has been finalised	The final Sol presented in June will have updated financial forecasts and KPIs where impacted by the CPP
	Sponsorship	See comment above
	Promote uptake of EVs	Aurora Energy will include the following measure: Identify opportunities to transition the pool fleet to EVs where possible and set transition targets.
	SAIDI/SAIFI Measures	These are always linked to the current Commerce Commission limits. They will be updated to reflect the impact of the CPP.
	Streamline process for connections	Since submission of the draft Sol, this measure has been completed. In its place the final Sol will include a new performance measure(s) based on the requirements of the CPP.

<i>Company</i>	<i>Feedback</i>	<i>Comment</i>
City Forests	Change in annual harvest volumes	This change is to provide greater flexibility in the current volatile market environment. The long-term sustainable yield remains unchanged.
	Sponsorship	See comment above.
DIAL	Bird Strike Measure	Will be reinstated in the final Sol
	Diversion of waste	See feedback response to DCHL para 7
	Return on shareholder capital	This will be included in the final Sol
DSPL	Asset Management Plan review	A date will be included in the final Sol
DMVL	Visitor marginal direct spend target	No change in target from previous year
	ROS Satisfaction	New Measure to be included in final Sol: Achieve 85% ratepayer satisfaction with Forsyth Barr Stadium in the Dunedin City Council's Residents' Opinion survey, noting that the ROS measures may be subject to change as part of a review of levels of service.
	Achieve 90% retention rate for member renewals	This target was lowered to 75% to reflect the post-Covid19 environment.
	Waste Minimisation	See feedback response to DCHL para 7
	Reduce the use of single use plastics	DVML don't use single use plastics. Drinking vessels are compostable, however there is currently no commercial outlet to on-process these. DVML are currently looking at alternatives and a timeframe will be included as part of the updated Sol.

7 Feedback to the DCHL Group will include the following:

Group Company Objectives – request companies include in their 2021/22 statements of intent under objectives “As a DCC Group company [Company Name] aims to contribute to the DCC’s strategic framework and achievement of city objectives”.

Carbon Neutrality – request companies establish an emissions reduction strategy and associated targets for inclusion in the 2022/23 statements of intent.

Waste Minimisation – request companies establish a waste reduction/diversion strategy and associated targets for inclusion in the 2022/23 statements of intent.

Sponsorship Policy – the Council is in the process of developing a Naming Rights and Sponsorship policy. Once approved by Council, this will be shared with Group companies for consideration in their 2022/23 statements of intent.

OPTIONS

8 Not applicable.

NEXT STEPS

- 9 If Council approves the response on the draft 2021/22 Statements of Intent for Dunedin City Holdings group companies, it will be sent to DCHL.
- 10 If Council does not approve the response, no further action is required.
- 11 Final SOIs will be presented to Council in June 2021 for consideration.

Signatories

Author:	Gavin Logie - Acting General Manager Finance
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
⬇️A	Response letter on the draft 2021/22 Sol for DCHL	252

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This report relates to providing local infrastructure, public services and regulatory functions for the community.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Group company SOIs take Council's Strategic Framework, and the themes of Council's Letter of Expectation to DCHL into account.

Māori Impact Statement

There are no known impacts for tangata whenua.

Sustainability

Some measures in the Sols relate to sustainability outcomes.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The financial forecasts within the DCHL Sol shows annual levels of interest (\$5.9m) and dividend (\$Nil) payable to DCC that are consistent with the DCC 10 year plan.

Financial considerations

Refer "LTP/Annual Plan/Financial Strategy/Infrastructure Strategy" section above. Also note that final projections (including group debt) will be updated prior to finalisation of the Sols.

Significance

This matter is considered low in terms of Council's Significance and Engagement Policy.

Engagement – external

There has been no external engagement outside of DCHL Group.

Engagement - internal

This report includes elected member feedback on the draft SOIs.

Risks: Legal / Health and Safety etc.

There are no known risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no known implications for Community Boards.



Date

The Directors
Dunedin City Holdings Limited
50 The Octagon
Dunedin 9016

Dear Directors

Feedback on Group Statements of Intent 2021/2022

Following presentation of the 2021/2022 Group Statements of Intent (SoIs) to Council, the DCC requests the following items be addressed in the final SoIs:

All Companies:

Group Company Objectives – request companies include in their 2021/2022 statements of intent under objectives “As a DCC Group company [Company Name] aims to contribute to the DCC’s strategic framework and achievement of city objectives”.

Carbon Neutrality – request companies establish an emissions reduction strategy and associated targets for inclusion in the 2022/2023 statements of intent.

Waste Minimisation – request companies establish a waste reduction/diversion strategy and associated targets for inclusion in the 2022/2023 statements of intent.

Sponsorship Policy – the Council is in the process of developing a Naming Rights and Sponsorship policy. Once approved by Council, this will be shared with Group companies for consideration in their 2022/2023 statements of intent.

Noting – that any change to the Sol for Dunedin International Airport Limited is subject to approval by the Crown as the other shareholder in the company.

Aurora Energy Limited:

Include – a measure related to the uptake of EVs

Dunedin International Airport Limited:

Reinstate – the measures for bird strike and return on shareholder capital

Dunedin Stadium Property Limited:

Reinstate – the date attached to the external review of the asset management plan

Dunedin Venues Management Limited:

Include - a ROS satisfaction measure

Include – a timeframe for seeking alternative single use drinking vessels to replace the current compostable vessels.

Thank you in advance of considering the above requests. The Council looks forward to receiving the updated Statements of Intent for consideration at its June 2021 meeting.

Yours faithfully

Aaron Hawkins
Mayor of Dunedin
Te Koromatua O Ōtepoti

DRAFT

TERMS OF REFERENCE FOR THE REVIEW OF THE DCC WAIKOUAITI, KARITANE AND HAWKSBRURY VILLAGE WATER RESPONSE

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report details the Terms of Reference (TOR) for the internal review of the DCC response to the lead levels detected in the water supply to Karitane, Waikouaiti and Hawksbury Village.

RECOMMENDATIONS

That the Council:

- a) **Approves**, with or without amendment, the Terms of Reference for the review of the DCC Waikouaiti, Karitane and Hawksbury Village water response.

BACKGROUND

- 2 A do not drink notice was issued for the Waikouaiti, Karitane and Hawksbury Village area on Tuesday, 2 February 2021 due to elevated lead readings in testing samples. The Mayor indicated at the first public meeting on 5 February 2021 that while the initial focus would be on the health and well-being of the community and resolving the issue, an independent review would be undertaken at the appropriate time.
- 3 Subsequently, the Minister of Health (MOH) initiated a review of the public health response which was completed on 16 April 2021.

DISCUSSION

- 4 Since the MOH review was completed, work has continued to identify the source of the lead contamination. The outcome of that work will be known over coming weeks.
- 5 Alongside that work, staff from DCC and Public Health South have been working on a plan to restore the water supply to the affected communities. The plan is for this to occur around the end of June but that will require all parties to be confident that the restoration of the supply does not present any risks for the communities.
- 6 Once the water supply is restored, it is proposed that the internal review commence.

- 7 The review will consider the incident from the beginning, when the decision was made to test the water for asset management purposes, to the end, and include both the response aspects and the restoration of supply.
- 8 The TOR are attached for consideration.

NEXT STEPS

- 9 An independent reviewer (or reviewers) will be appointed to conduct the review as per the TOR. That appointment will be subject to a further report to Council in either June or July depending on when the water supply is restarted. The review will then begin, and the outcome will be reported back publicly to Council once it has been completed.

Signatories

Author:	Sandy Graham - Chief Executive Officer
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↓A	Proposed Terms of Reference for the review of the DCC Waikouaiti, Karitane and Hawksbury Village Water Response	258

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Māori Impact Statement

Mana whenua were affected by the disruption and the review will potentially cover areas that are of interest to them.

Sustainability

The provision of safe drinking water in a sustainable way underpins the need for a review.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications.

Financial considerations

The cost of the review will be met from 3 Waters budgets.

Significance

This decision has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Engagement – external

There has been no external engagement about the content of the Terms of Reference.

Engagement – internal

There has been engagement between Council departments.

Risks: Legal / Health and Safety etc.

There are no identified risks with this decision.

Conflict of Interest

There is no known conflicts of interest.

SUMMARY OF CONSIDERATIONS

Community Boards

The Waikouaiti Coast Community Board will be involved in the review.

Terms of Reference for the Review of the DCC Waikouaiti, Karitane and Hawksbury Village Water Response

Purpose	This review has been requested by the Dunedin City Council to look into various matters associated with the discovery of lead in the drinking water of Waikouaiti, Karitane and Hawksbury Village.
Scope	The review will cover the actions of the DCC. It will not consider matters covered by the Ministry of Health response directly but there may be areas of overlap.
Terms of Reference	<p>The review will consider the following areas:</p> <ul style="list-style-type: none"> ▪ When and what information was passed on to relevant DCC staff, organisations and or authorities – (covers any gaps in passing on relevant information) ▪ Appropriateness of actions taken in response to the lead readings – (covers any additional testing, flushing, etc steps taken in response to learning about the lead) ▪ Review of the external communications and public information provision following the issue of the Do Not Drink notice ▪ Review of welfare response ▪ Appropriateness and timeliness of how relevant information was disseminated – (to cover off any single point dependencies of information dissemination, etc) ▪ Appropriateness of actions taken in response to the no drink notice (to cover off alternative drinking water supply, pipeline replacements, lead meter, investigations, etc) ▪ Assessment of the process undertaken to restore supply. ▪ Recommendations for improvements that could be undertaken ▪ Provide advice on any other matters that may be relevant arising from this review.
Report back	The outcome will be publicly reported back to the Council when complete.
Membership of the review panel	An independent reviewer appointed by the Council (to be appointed following the restoration of the water supply).
Support Staff	An independent administrator appointed in consultation with the independent reviewer.
Senior Responsible Officer	Chief Executive Officer

ADOPTION OF THE LITTER COMPLIANCE POLICY 2020

Department: Waste and Environmental Solutions

EXECUTIVE SUMMARY

- 1 The purpose of this report is to recommend Council adopt the updated Litter Compliance Policy 2020.

RECOMMENDATIONS

That the Council:

- a) **Approves** the proposed Litter Compliance Policy 2020.
- b) **Revokes** the Litter Compliance Policy 2018.

BACKGROUND

- 2 The Litter Compliance Policy 2018 (LCP) was adopted by Council on 1 May 2018 following a 14-day public notification period.
- 3 In response to Council's commitment to The Sophia Charter, the Litter Compliance Policy was revised and updated to provide for a greater range of infringement provisions set out in the Litter Act 1979 (The Act).
- 4 The Litter Act provides that a Council may adopt infringement provisions for breaches of the Act only after it has given at least 14-days' notice of its intention to do so.
- 5 On 16 November 2020 the Infrastructure Services Committee approved the updated Litter Compliance Policy 2020 (Attachment A) for a 14-day public notification period.
- 6 The Litter Compliance Policy 2020 was publicly notified from 24 March to 6 April 2021.

DISCUSSION

- 7 The key changes proposed in the updated Litter Compliance Policy were to clearly enable Litter Control Officers to issue infringement notices for the following offences:
 - a) Failing to comply with a notice requiring an occupier of private land to clear litter (Litter Act 1979, Section 10);
 - b) Deposit of litter in a public place or on private land (Litter Act 1979, Section 15); and

- c) Willful breaking of bottles or glass (Litter Act 1979, Section 16).
- 8 DCC Litter Control Officers will assess the appropriate enforcement action which could range from education to an infringement notice being issued. The DCC will still have the ability to pursue a serious offence to prosecution in the District Court.
- 9 The updated Litter Compliance Policy was publicly notified via the Dunedin City Council website, social media and the Otago Daily Times.
- 10 A total of 20 items of feedback were received. There were 19 submissions via the on-line feedback form (summarised in Attachment B), plus 1 written submission from Spokes Dunedin (Attachment C). All submissions supported the updated Litter Compliance Policy.

OPTIONS Option One – Recommended Option

- 11 Council approves the Litter Compliance Policy 2020, including litter offences and infringement fees, for adoption.

Advantages

- The amended policy will allow Council to respond appropriately to littering or illegal dumping incidents, including hazardous litter, and the prevention of rubbish stockpiling.
- The amended policy supports Council's commitment to the Sophia Charter.

Disadvantages

- None identified

Option Two – Status Quo

- 12 Council does not approve the Litter Compliance Policy 2020, including litter offences and infringement fees, for adoption.

Advantages

- None identified

Disadvantages

- The existing policy will remain in force limiting Council ability to respond with appropriate enforcement action to littering or illegal dumping incidents, including hazardous litter, and the prevention of rubbish stockpiling.
- Does not support Council's commitment to The Sophia Charter.

NEXT STEPS

- 13 If the Council approves the recommended option, duly authorised staff will administer litter compliance in accordance with updated Litter Compliance Policy 2020.

Signatories

Author:	Chris Henderson - Group Manager Waste and Environmental Solutions
Authoriser:	Simon Drew - General Manager Infrastructure & Development

Attachments

	Title	Page
↓A	Litter Compliance Policy 2020	264
↓B	Summary of feedback received	269
↓C	Submission from Spokes Dunedin	271

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social and environmental well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

The objective of the Litter Compliance Policy is to keep Dunedin's communities and environment free from litter and illegal dumping, ensuring Dunedin remains one of the world's great small cities.

Māori Impact Statement

This Policy supports the principle of Kaitiakitaka in partnership with Kāi Tahu in their inherited role as kaitiaki.

Sustainability

The Proposed Litter Compliance Policy will enable appropriate enforcement action to be taken for breaches of the Litter Act 1979 in respect of littering and illegal dumping events. The Policy aims to protect people and the environment from harm.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no LTP/Annual Plan / Financial Strategy /Infrastructure Strategy implications.

Financial considerations

There are no financial considerations.

Significance

This decision is considered low in terms of the Council's Significance and Engagement Policy.

SUMMARY OF CONSIDERATIONS

Engagement – external

The amended Litter Compliance Policy was publicly notified for consultation through the 14-day public notice period.

Engagement - internal

Internal engagement has occurred with the Waste and Environmental Solutions, In-House Legal Services and Environmental Health teams.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

No conflicts of interest have been identified.

Community Boards

Community Boards were notified of the 14-day public notice period.
There are no implications for Community Boards.

1 LITTER COMPLIANCE POLICY  DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti			
Approved by:	Infrastructure Services Committee		
Sponsor:	General Manager Infrastructure and Networks		
Department responsible:	Waste and Environmental Solutions		
Date approved:	25 May 2021	Reviewed:	
Next review date:	1 July 2024	DOC ID:	

INTRODUCTION

This policy provides guidance to warranted Litter Control Officers on issuing infringement notices under the Litter Act 1979 (the Litter Act or Act). It defines what is meant by litter and provides a graduated level of litter for infringement purposes, provides a fee schedule for infringements and outlines the rights of the Council in litter removal. This Litter Compliance Policy (LCP) replaces any preceding Litter Policy.

PURPOSE

The key strategic outcome for this policy is to ensure Dunedin's people and environment remain protected from harm by minimising the negative effects of littering and illegal dumping/fly tipping.

SCOPE

The Litter Act is the primary legislation for litter control in New Zealand and provides provisions for Territorial Authorities to deal with litter issues. Littering includes, amongst other things, the dropping of litter, litter escaping from a vehicle or trailer, and illegal dumping.

The LCP outlines the requirement of the legislation, defines how the Council interprets sections of the Litter Act, the infringement process, and procedure on issuing notices to clear litter.

The LCP will apply in public places within the Dunedin City Council's (DCC's) control and on private land with the consent of the occupier.

This LCP addresses litter offences and infringement only. Some waste related issues of non-compliance that are not covered by this policy e.g. contamination of recycling bins, which is being managed via a kerbside mixed recycling bin inspection programme.

STATUTORY FRAMEWORK

The Litter Act provides for the issuing of infringement notices up to a maximum of \$400 for any offence as specified under Section 13(4) of the Act.

In accordance with sections 13 and 14 of the Act, the DCC has adopted infringements in respect of the following offences:

- Deposit of Litter in a public place or on private land (section 15)
- Wilful breaking of bottles or glass (section 16)
- Failure to comply with a Notice (section 10)

The Act also enables the DCC to issue notices to occupiers of private land to clear litter (section 10)

DEFINITIONS

For the purposes of this policy litter is defined under two categories:

Litter: - which has the same definition as the Litter Act, and,

Hazardous Litter – which is litter of such a nature as is likely to endanger any person or cause physical injury, disease or infection to any person. This includes bottles whether it is broken or not, glass, articles containing glass, sharp or jagged material, or any substance of a toxic or poisonous nature (in accordance with S15(2) of the Act).

Words not defined in this Policy shall have the same definition as the Litter Act.

CONTENT

2

1. Infringement notices

1.1. Officers authorised to issue infringements

3

- 1.1.1. Only a Litter Control Officer, warranted under section 5 of the Litter Act is authorised to issue infringement notices within Dunedin City.

1.2. When to issue infringement notices

4

- 1.2.1. Litter Control Officers are to use their professional judgement and discretion in deciding whether to issue an infringement notice.
- 1.2.2. Factors influencing the choice of enforcement response used by the DCC may include the type and nature of infringement, the impact and significance of harm on the environment and/or wider community, and the frequency of incident.
- 1.2.3. Measures such as education, warnings and infringement notices, and prosecutions may be used by the DCC in respect of breaches of the Act.

1.2.4. Infringement notices can be issued if a littering offence has been observed by a Litter Control Officer, or if a Litter Control Officer has investigated and has reasonable cause to believe an individual is responsible for the offence and has not rectified the matter.

a)

1.2.5. An infringement notice can be issued if a notice to clear litter has not been complied with, either by time or compliance.

b)

1.2.6. An infringement notice can be issued if litter deposited is likely to endanger any person or cause physical injury, disease or infection.

c)

1.2.7. An infringement notice can be issued for the wilful breaking of glass.

d)

1.2.8. Every person has the right to seek a review of their infringement notice in writing; this is to be addressed to the Manager of Waste and Environmental Solutions. The Manager will review the infringement and will decide if the infringement stands or is waived.

e)

1.2.9. As per the Summary Proceedings Act 1957 any non-payment of an infringement which has not been waived, will be sent to the District Court for enforcement.

f)

1.2.10. Every person has the right to defend the infringement at the District Court.

g)

2. Litter Offences:

5 The following shall also be deemed to be a litter offence at section 15 of the Act.

2.1. Depositing of litter waste:

6

2.1.1. Depositing household or commercial waste in public litter bins or public place recycling bins.

2.1.2. The DCC may assess the medium or large-scale deposit of waste as illegal dumping (also known as fly tipping) where the intent to deposit litter unlawfully is established.

2.1.3. Deposited garden waste will be treated as a medium or large-scale litter offence as this type of waste may spread noxious weeds or create a fire risk.

2.1.4. Litter that has not been properly prepared for transportation and is spilt from a moving vehicle.

2.2. Failure to comply with municipal rubbish collection requirements:

7

2.2.1. Use of rubbish bags other than the DCC's official black plastic rubbish bags.

2.2.2. Rubbish bags put out for collection before 3.00 pm or after 6.00 pm in the Central Business District.

2.2.3. Any cardboard put out for collection in the Central Business District which:

2.2.3.1. Is not flattened, tied, taped or otherwise secured to avoid spillage; or

2.2.3.2. Exceeds 1 meter in length in any direction; or

2.2.3.3. Is not placed at a designated cardboard collection point; or

- 2.2.3.4. Is left in any other condition unsuitable for collection.

2.3. Private land with litter

- 2.3.1. A Litter Control Officer may serve any occupier of any private land or any land vested in or controlled by the Crown or any local authority, a written notice requiring the occupier to:
- 2.3.1.1. Clear away, or remove litter from the premises; or
 - 2.3.1.2. To clean up; or
 - 2.3.1.3. To screen, cover or otherwise obscure the litter from view.
- 2.3.2. The written notice will specify a timeframe for action.
- 2.3.3. Action taken by the occupier must be completed to the satisfaction of the Officer issuing the notice.
- 2.3.4. An Officer is able to extend the time specified on a notice, if the occupier has reasonably been prevented from completing the work within the time specified.
- 2.3.5. Objection process for a notice to clear litter (occupier of private land):
- 2.3.5.1. People receiving a notice under subsection 10 (1) of the Act, may object to the requirement of the notice in writing within 14 days after receipt on the grounds that those requirements are unreasonable.
 - 2.3.5.2. Objections are to be made in writing to the DCC, and a formal hearing will be scheduled, and an objector is entitled to be present and heard.
 - 2.3.5.3. The Council after hearing an objection will issue a decision that upholds, changes, or cancels the notice and will provide the objector with a written notice of its decision.

3. Types of enforcement response

3.1. Education & Warnings

- 3.1.1. Educational material will be supplied in the case of a minor first offence.
- 3.1.2. Warnings may be issued at the discretion of a Litter Control Officer or Litter Warden.

3.2. Infringement

- 3.2.1. The DCC may issue an infringement notice with the appropriate fee as specified in Table 1.
- 3.2.2. An infringement notice may be issued if a notice to clear, issued under section 10 of the Act, is not complied with.
- 3.2.3. The DCC may recover the costs of clean-up and any associated remedial work from the offender in addition to any infringement fees payable.
- 3.2.4. Infringement notices may not be issued when an offender cleans up the litter when requested to do so by a Litter Control Officer on the first request.

- 3.2.5. Where an offence fits more than one descriptor in Table 1, the higher infringement penalty will apply.
- 3.2.6. Where repeat offending for the same offence occurs within a 12-month period, the higher infringement penalty will apply.

Prosecution

- 3.2.7. The DCC reserves the right to prosecute offenders in respect of any breaches of the Litter Act 1979 and may do so in combination with enforcement under any other applicable legislation.

Table 1: Schedule of Littering Offences and Infringement Fees

h) i) LITTERING OFFENCES AND INFRINGEMENT FEES j)		
k) Infringement	l) First Offence	m) Second or Subsequent Offence
n) Household rubbish deposited in public litter bins or public space recycling bins will be treated as litter.	o) \$100	p) \$400
q) A single item of litter, or less than 1 litre, left in a public space, or on private land without the occupier's consent	r) \$100	s) \$400
t) Litter, of more than 1 litre and less than or equal to 40 litres*	u) \$150	v) \$400
w) Litter, or more than 40 litres and less than 240 litres**	x) \$250	y) \$400
z) Litter, of more than 240 litres, left in a public space, or on private land without the occupier's consent***	aa) \$400	bb) \$400
cc) Dangerous litter or offensive litter left in a public place, or on private land, without the occupier's consent	dd) \$400	ee) \$400

8

- 9 * Single item or small scale litter offence i.e. less than the volume of blue glass recycling bin

** Medium scale litter offence i.e. less than the volume of a yellow-lidded kerbside mixed recycling bin

*** Large scale litter offence, in these cases the Litter Control Officer will make a judgement as to whether to apply a fine or pursue a prosecution through the courts.

Relevant Legislation:	Litter Act 1979 Summary Proceedings Act 1957
Associated Documents:	Litter Infringement Notice

Litter Compliance Policy – Summary of E-mail feedback received

Submission No.	In support (Yes/No)	Comments
811298	Yes	More needs to be done as the street waste is really bad.
811299	Yes	We manage alot of properties in North Dunedin and have the constant issue of piles of rubbish at properties. Being either from tenants/occupiers, neighbours and surrounding, especially in 'student complexes'. The onus is currently on the landlord/property manager and keep having to remove rubbish at the landlord cost is an ongoing cycle.
811307	Yes	The cost of picking up after them seems like it could be used better elsewhere.
811308	Yes	Dunedin North eg Campus area is disgusting in parts. Black rubbish bags are too expensive as are dump fees.
811315	Yes	Litter on public footpaths, streets, and on private property is a HUGE problem in Dunedin. More enforcement, and higher penalties must happen
811388	Yes	Disgusted at amt of broken glass, squashed cans, bin rubbish on pavements and in gutters/road in north end of George St and student area
811584	Yes	Nth dunedin is a disgrace, something needs to be done.
811852	Yes	Littering is a blight on NZ generally. We live in an amazing part of the world and need to protect it and keep it clean and litter free.
812154	Yes	North Dunedin needs work.
812281	Yes	Yes, upper Cargill St is a mixed section of student rentals and regular residential. Sick and tired of broken glass littering the street and student neighbours creating pest attracting waste and a messy street.
812372	Yes	Distress & safety concerns for myself & others in North Dunedin due to large amounts of rubbish & broken glass.
812421	Yes	The risks associated with the types of litter compliance breaches have dangerous implications to the public and the city, and some of these are driven by a perceived cost avoidance. Therefore, the publicised stick of additional cost is something I support
812598	Yes	Glass on footpaths and cycleways is dangerous and cuases expensive punctures. Certain properties and groups cause constant issues with extreme littering and glass shards that the dcc needs stronger tools to deal with. Education does not seem to work. Litter and broken glass on the streets contribute to the unsafe and run-down appearance of the tertiary district. Applying the policy to private land where litter is kept will hopefully prevent persons from using their property as an unofficial dump. I hope this legislation will also apply to stockpiling old vehicles on private property.
812661	Yes	I use the streets in North Dunedin frequently both on foot and cycling. The broken glass has worsened and is dangerous and unnecessary. I often pick up bottles left in the roadside to avoid them being shattered. There needs to be consequences.
812675	Yes	Sick and tired of intentionally broken glass bottles. Dumping of rubbish all over North Dunedin. Frontage of houses/rentals are an absolute disgrace. I feel embarrassed for the tourists and anyone visiting or

		passing through Dunedin. Something has to be done. Nowhere else in New Zealand is like this! It is a disgrace.
812728	Yes	I am concerned by the amount of broken glass along the length of Park Street. A \$400 fine for hazardous littering seems appropriate.
812775	Yes	I am disappointed by the amount of litter that I see in the parts of Dunedin that I am familiar with, particularly some parts of the central city, the section of Queens Drive along which I regularly ride a bike and much of the student quarter in North Dunedin. I have been pushing for action on this for many years and have felt frustrated that so little has improved over that interval. I support any move that has even the slightest hope of dealing with the litter problem (and am reasonably certain that the current proposal will have as little effect as anything that has gone before). Personally, I'd be supportive of stronger actions, including punitive ones that, even if threatened, would be severe enough to make compliance likely.
812857	Yes	it goes part way to helping people, but where is the education system that teaches business what products to use and people about what impact littering has on the environment?
813288	Yes	Too much broken glass on the roads

3 April 2021

Purposively smashed glass is a massive issue throughout Ōtepoti Dunedin and one that has been publicly broached on numerous occasions.¹ Yet, no real action has been taken to address it, despite the fact that broken glass is not simply a nuisance, but of serious concern in a number of ways. Firstly, it is a health hazard: there is a very real danger of pedestrians and cyclists falling and hurting themselves on the shards, as well as animals wounding their feet. In 2017, pre-school children from the Otago University Childcare Association even wrote letters to the flats along and around Castle Street in which they asked students occupying them to stop smashing glass on the streets because they were afraid of tripping and being injured.² Members of the public have also reported to Spokes Dunedin of having to cycle into the road to avoid riding over glass. Cyclists already have to be aware of other road users and pedestrians: smashed glass in cycleways and on the road thereby becomes an additional hazard, not simply an inconvenience.

Secondly, it makes certain areas of the city hostile. For instance, cyclists have described bypassing certain areas to avoid getting a puncture. One member of the public described to Spokes Dunedin how they know of children and parents who will refrain from walking down certain streets all together because they feel uncomfortable. Even tourists have commented on the state of certain areas of the city.³ We also know of cases in which glass bottles have been used as weapons and purposefully thrown at people. Such areas should not exist in Ōtepoti Dunedin. Purposefully smashing glass is clearly not just an anti-social behaviour, but leads to inhospitable neighbourhoods, which impacts all members of a community.

Thirdly, one of the reasons given by members of the public as to why they dislike riding their bicycle or even chose not to cycle in Ōtepoti Dunedin is the amount of smashed glass on the roads and in the cycleways. Cycling infrastructure has been put in place throughout the city, but, once strewn with glass shards, it is no longer fit for purpose. If the DCC is keen to present cycling as a real option, this issue clearly needs to be properly addressed.

However, it is not simply a case of cleaning up more regularly and throughout the city, as opposed to certain areas: there needs to be real consequences for committing this act in the first place, as has happened in the case of couch burning. Couch burning was once considered part of the “student culture”: now that the university has introduced harsher punishments, there has been a massive decline in this activity.⁴

Purposefully smashing glass is akin to couch burning: it is a dangerous, anti-social behaviour. Yet, it is accepted as part of the student culture in Ōtepoti Dunedin, even though it is deemed an offence under the Litter Act 1979, section 16. One of the main issues appears to be that very little action is taken against the perpetrators: despite its blatant occurrence throughout the city, from 24 March 2018 to 24 March 2021, only one arrest was recorded under the Litter Act for wilfully breaking glass in a public place according to the Police Data Base. Over the same period, a number of people are recorded as being charged with wilful damage,

¹ For example, <https://www.odt.co.nz/news/dunedin/broken-glass-spurs-cleanup>;
<https://www.odt.co.nz/news/dunedin/broken-glass-empties-daily-event>; <https://www.odt.co.nz/news/south-today/rubbish-broken-glass-castle-st>; <https://www.odt.co.nz/news/dunedin/smashed-glass-growing-hazard-say-cyclists>

² <https://www.odt.co.nz/news/dunedin/pre-schoolers-ask-street-without-glass>

³ <https://www.odt.co.nz/news/dunedin/cyclists-visitors-complain-about-broken-glass>

⁴ <https://www.odt.co.nz/news/dunedin/heat-out-couch-burning>

some of whom may have been responsible for breaking glass in a public place; however, there is only the one arrest under the Litter Act. And, according to the proctor's Annual Code of Conduct Reference Group Report, only 24 people were caught for purposefully breaking glass in 2020.

The reasoning given by both the University of Otago's proctor and Community Law Otago was that there are simply too many people purposefully smashing glass for it to be taken seriously by either the university or the police. Which leaves us in a Catch 22 situation: too many people are committing this offence for it to be properly addressed, and so too many people continue to commit it.

The excuse that this offence is too prevalent is unacceptable, and essentially condones this form of anti-social behaviour. This review of the Litter Compliance Policy is an opportunity to ensure that purposefully smashing glass is no longer condoned, but taken as a serious offence with real consequences. As the DCC states, "The purpose of the Litter Compliance Policy is to ensure Dunedin's people and environment remain protected from harm by minimising the negative effects of littering and illegal dumping/fly tipping." Smashed glass through the streets of Ōtepoti Dunedin clearly has negative effects not just for cyclists, but the city as a whole, and it is high time that this issue was given the attention it deserves.

Yours sincerely,



Katharine Cresswell Rioli – Chairperson, Spokes Dunedin



Dr. Devonian Kruimer – Secretary, Spokes Dunedin



Jon Dean – Treasurer, Spokes Dunedin

REGULATORY SUBCOMMITTEE RECOMMENDATION ON DANGEROUS AND INSANITARY BUILDINGS POLICY REVIEW

Department: Civic

EXECUTIVE SUMMARY

- 1 This report presents the recommendations of the Regulatory Subcommittee (the Subcommittee) on the review of the Dangerous and Insanitary Buildings Policy (the Policy). This follows consideration of one submission received.
- 2 The Subcommittee recommends amending the existing Policy as proposed with an additional amendment for clarification.
- 3 See Attachment A for the proposed Policy and Attachment B for tracked changes to the existing Policy.

RECOMMENDATIONS

That the Council:

- a) **Notes** that the Regulatory Subcommittee has considered the submission on the Dangerous and Insanitary Buildings Policy review.
- b) **Approves** the amended Dangerous, Insanitary and Affected Buildings Policy, as shown in Attachment A.

BACKGROUND

Legislation

- 4 Section 131 of the Building Act 2004 (the Act) requires territorial authorities to adopt a policy on dangerous and insanitary buildings within its district. The policy must state:
 - The approach that Dunedin City Council will take in performing its functions under the Act
 - Its priorities in performing these functions and
 - How the policy will apply to heritage buildings.
- 5 Policies must be reviewed within five years of the policy being adopted and then at intervals of not more than five years. A policy does not cease to have effect because it is due for review or being reviewed.

- 6 The special consultative procedure must be used if the policy is amended or replaced.
- 7 The Building Amendment Act 2013 also requires that policies on dangerous and insanitary buildings take into account affected buildings. An affected building is one that is adjacent, adjoining or nearby a dangerous building or dangerous dam.

Policy history

- 8 In 2018, the Council reviewed the Policy. Inadvertently, affected buildings were not included as part of that review.

DISCUSSION

Policy review

- 9 The Policy is being reviewed early with a view to include 'affected' buildings, as required by the Act. An affected building is one that is adjacent, adjoining or nearby a dangerous building or dangerous dam. Minor clarification of wording was also proposed in relation to Council responsibilities for dangerous, insanitary and affected buildings.

Community engagement

- 10 The special consultative procedure was used for the policy review, as required by the Act. Formal consultation took place from 25 January - 26 February 2021.
- 11 Consultation included information on the Dunedin City Council website and in the Otago Daily Times noticeboard.

Results of consultation

- 10 One submission was received which did not agree with the proposed Dangerous, Insanitary and Affected Buildings Policy. The submitter did not wish to be heard.

General support

- 11 The submission form asked: *Overall, do you agree with the proposed Dangerous, Insanitary and Affected Buildings Policy?* and *Why/Why not?* The one submitter did not agree and would like to see firmer action on the cleaning up of dangerous and insanitary sites.

General comments

- 12 The submission form asked: *Do you have any other comments about the proposed Dangerous, Insanitary and Affected Buildings Policy?* The submitter suggested including timeframes for action, and that demolition by neglect should be dealt with in a timely manner.

Staff comments

- 13 The issues of demolition by neglect or cleaning up of sites are issues outside the scope of this Policy and the Act. The Council provides other avenues to discourage demolition by neglect e.g. heritage grants. Depending on the circumstances, other legislation or policies may be more appropriate to manage these issues e.g. the Health Act.

- 14 Case law has been clear that the definition of what is ‘dangerous’ and/or ‘insanitary’ has a high threshold. For example, a simple tarpaulin may stop a building with a leaking roof being classed as insanitary and on private land, with no other building affected, a danger can be mitigated through a barrier fence.

Subcommittee deliberations

- 12 The Subcommittee met on 8 April 2021 to consider the submission and deliberate on the Policy review.
- 13 The Subcommittee notes the scope of the Policy and the Act and agrees with proposed changes with an additional wording amendment. In section 1.3 of the proposed policy, it is recommended to replace the words ‘may agree’ with ‘will seek’ in relation to meeting with owners to discuss proposals to address an issue with a dangerous, insanitary or affected building. This clarifies the intention of the Council to meet and discuss proposals where possible.
- 14 The issue of demolition by neglect was discussed and it is acknowledged that addressing this is outside the scope of this Policy and the provisions of the Act.

Subcommittee recommendations

- 15 The Subcommittee passed the following resolutions:

Moved (Cr Lee Vandervis/Cr Andrew Whiley):

That the Subcommittee:

Amends the wording in the first two sentences of Section 1.3 of the proposed Dangerous, Insanitary and Affected Buildings Policy as follows in bold:

Before exercising these powers, the Council **will seek** to meet with owners to discuss proposals to address the issue. The Council **will** also **seek** to meet with owners to discuss proposals to comply with a notice following issue of a formal notice.

Motion carried (RSCCC/2021/001)

Moved (Cr Lee Vandervis/Cr Andrew Whiley):

That the Subcommittee:

- a) **Recommends** that Council adopts the proposed Dangerous, Insanitary and Affected Buildings Policy as amended.

Motion carried (RSCCC/2021/002)

- 16 See Attachment C for minutes of the Subcommittee deliberations.

OPTIONS

- 17 Options are to accept the Subcommittee recommendations or to refer the Policy back to the Subcommittee for further consideration.

Option One – Accept recommendations of the Subcommittee (Recommended Option)

18 This option is to approve the amended Policy, as described.

Advantages

- Meets requirements of the Act
- Clarifies requirements of the Policy.

Disadvantages

- No identified disadvantages

Option Two – Refer the Policy back to the Subcommittee for consideration

19 If the Council does not accept the recommendations of the Subcommittee, this option is for the matter to be referred back to the Subcommittee for further consideration.

Advantages

- The Subcommittee has further opportunity to consider changes to the Policy.

Disadvantages

- Does not meet requirements of the Act
- Opportunity to clarify requirements may be lost.

NEXT STEPS

20 If the Council accepts the Subcommittee recommendations, the amended Policy will be sent to the Chief Executive of the Ministry of Business, Innovation and Employment, as required by the Act. The Dunedin City Council website and internal systems will also be updated to reflect the amended Policy.

Signatories

Authoriser:	Andrew Whiley - Chairperson, Regulatory Subcommittee
-------------	--

Attachments

	Title	Page
↓A	Proposed Dangerous, Insanitary and Affected Buildings Policy	279
↓B	Tracked changes to existing Dangerous and Insanitary Buildings Policy	283
↓C	Minutes of Deliberations on Dangerous and Insanitary Buildings Policy Review	287

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities. This decision promotes the social, economic, environmental, and cultural well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This Policy review contributes to the priorities of healthy and safe people within the Social Wellbeing Strategy; and liveable city within the Spatial Plan.

Māori Impact Statement

There are no specific impacts for tangata whenua.

Sustainability

There are no specific implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications for these documents.

Financial considerations

There are no financial implications.

Significance

This decision is considered low in terms of the Council's Significance and Engagement Policy.

Engagement – external

The special consultative procedure was used to review this Policy.

Engagement - internal

There has been internal engagement with Governance and Customer and Regulatory Services staff.

Risks: Legal / Health and Safety etc.

If the Council does not include affected buildings within this policy, the Council will be in breach of the Act.

Conflict of Interest

There is no known conflict of interest.

Community Boards

There are no specific implications for Community Boards.

DANGEROUS, INSANITARY AND AFFECTED BUILDINGS POLICY			
 DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti			
Approved by:	Council		
Sponsor:	General Manager Community Services		
Department responsible:	Building Services		
Date approved:	25 May 2021	Reviewed:	25 May 2021
Next review date:	By 25 May 2026	DOC ID:	

BACKGROUND

The Building Act 2004 requires territorial authorities to have a policy on dangerous, insanitary and affected buildings. The Dunedin City Council (“the Council”) recognises that provisions of the Building Act in regard to dangerous, insanitary and affected buildings reflect the Government’s broader concern with the health and safety of the public in buildings. The Council understands that the development of these policies is the responsibility of each territorial authority and has responded accordingly. This policy replaces the 2018 version of Dunedin City Council Dangerous and Insanitary Buildings Policy and now includes affected buildings in the policy.

The policy has been developed in accordance with the purpose and principles of the Building Act 2004 which seeks to ensure that:

- people who use buildings can do so safely and without endangering their health;
- buildings have attributes that contribute appropriately to the health, physical independence and well-being of people who use them; and
- buildings are designed, constructed, and able to be used in ways that promote sustainable development.

The Council is committed to ensuring that Dunedin is a safe and healthy place to live. The Building Act provides the means to ensure buildings that become dangerous, insanitary or affected are managed in a timely manner to remove the danger and fix the insanitary conditions. The Council will administer the Building Act in a fair and reasonable way.

DEFINITIONS

Dangerous Buildings

Under section 121 of the Building Act 2004, a building is dangerous if:

- a) in the course of events (excluding the occurrence of an earthquake), if the building is likely to cause—
 - (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
 - (ii) damage to other property; or

- b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building.

Affected Buildings

Under section 121A a building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—

- a) a dangerous building as defined in section 121; or
- b) a dangerous dam within the meaning of section 153.

Insanitary Buildings

Under section 123 of the Building Act 2004, a building is insanitary if it is:

- a) offensive or likely to be injurious to health because—
 - (i) of how it is situated or constructed; or
 - (ii) it is in a state of disrepair; or
- b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c) does not have a supply of potable water that is adequate for its intended use; or
- d) does not have sanitary facilities that are adequate for its intended use.

Heritage Buildings

Heritage buildings are considered to be buildings or structures that are—

- a) identified on the New Zealand Heritage List;
- b) scheduled heritage buildings or heritage structures in the Dunedin City District Plan; or
- c) are located within Townscape Precincts or Heritage Precincts in the Dunedin City District Plan.

POLICY

Dangerous, insanitary and affected buildings will be dealt with by responding to complaints received from the public, advice received from Fire and Emergency New Zealand, New Zealand Police, social service agencies, a building tenant or other agency/department, and working with building owners to address the problem without delay.

When a building has been assessed as being either dangerous, insanitary or affected in terms of sections 121, 121A and 123 of the Building Act appropriate action will be taken.

1 Taking action on dangerous, insanitary and affected buildings

- 1.1. On being satisfied that a building is dangerous, insanitary or affected, the Council will advise

and liaise with the owner to discuss action to be taken. If notification was received from Fire and Emergency New Zealand that the building was dangerous, it will liaise with Fire and Emergency New Zealand and the owner to discuss the proposed action. If the building is a heritage building the Council will take into account its heritage values in determining a course of action, as set out in Section 1.4 of this policy.

- 1.2. If the Council is satisfied that a building is dangerous, insanitary or affected and the building owner does not meet the requirements imposed on them as the owner, the Council may exercise its powers under sections 124-130 of the Building Act to:
 - a) Install hoardings or fences to prevent people from approaching the building
 - b) Attach notices warning people not to approach the building
 - c) Give written notice requiring work to be carried out so that the building will not be dangerous, insanitary or affected within a stated time period
 - d) Initiate prosecution if buildings are used after notices or hoardings are in place
 - e) Initiate prosecution where there is failure to comply with the notice
 - f) Apply to a District Court to carry out the work to remove the danger or so that the building is no longer insanitary, or demolish, where the work is not completed or is not proceeding with reasonable speed
 - g) If immediate action is necessary to strengthen or fix dangerous, insanitary or affected conditions the Council may take that immediate action and apply to a District Court to confirm the action
 - h) Recover all costs involved from owner
 - i) Place a charge on the land until the Council recovers the costs
- 1.3. Before exercising these powers, the Council will seek to meet with owners to discuss proposals to address the issue. The Council will also seek to meet with owners to discuss proposals to comply with a notice following issue of a formal notice. Notwithstanding this, the Council, as a responsible authority, will issue notices which are reasonably required to protect the building occupants or members of the public from injury or death, or to protect damage to other property.
- 1.4. When considering what action to take on heritage buildings that have become dangerous, insanitary or affected, the Council will take into account the heritage values of the building in determining possible courses of action and seek to avoid demolition wherever possible. Suitably qualified professionals with heritage expertise may be engaged where necessary to advise and recommend actions. Sufficient information will need to be supplied to the Council on any matters concerning demolition to enable peer review.
- 1.5. Resource and / or building consent may be required for certain alterations or demolition of heritage buildings.

1.6. Demolition of buildings constructed prior to 1900 is likely to trigger the archaeological provisions of the Heritage New Zealand Pouhere Taonga Act 2014. Early consultation with Heritage New Zealand is advised.

1.7. Provisions also exist in the Health Act 1956 to deal with nuisance conditions related to certain matters associated with housing [under section 29(f)], overcrowding likely to be injurious to health, and under section 42, insanitary conditions likely to cause injury to the health of persons, or a dwelling that is otherwise unfit for human habitation.

2 Assistance

2.1 Dunedin City Council offers a range of funding opportunities for the restoration and reuse of heritage buildings and buildings that could qualify in future as heritage buildings. These include the Dunedin Heritage Fund and the Central City Heritage Reuse Grant Scheme. Owners are advised to consult with the Council's heritage planner over accessing these funds.

3 Disputes

3.1 If a building owner disputes the Council's decision, or proposed decision, or any other matter relating to the exercise of the Council's powers under sections 124 to 130 of the Building Act relating to dangerous, insanitary or affected buildings, they may apply for a determination from the Chief Executive of the Ministry of Business, Innovation and Employment, as set out in the Building Act. Such a determination is binding on both parties.

4 Review

4.1 Any review, amendment or replacement of this policy must be in accordance with the provisions of the Local Government Act 2002. This policy will not cease to have effect if it is due for review or is undergoing a review.

Relevant Legislation:	Building Act 2004, Local Government Act 2002, Heritage New Zealand Pouhere Taonga Act 2014, Resource Management Act 1991, Health Act 1956
Associated Documents:	The New Zealand Building Code, Dunedin City District Plan

DANGEROUS, AND INSANITARY AND AFFECTED BUILDINGS POLICY 			
Approved by:	Council		
Sponsor:	General Manager Community Services		
Department responsible:	Building Services		
Date approved:	17 April 2018 25 May 2021	Reviewed:	April 2018 25 May 2021
Next review date:	By 16 April 2023 25 May 2026	DOC ID:	

BACKGROUND

The Building Act 2004 requires territorial authorities to have a policy on dangerous, ~~and~~ insanitary ~~and~~ affected buildings. The Dunedin City Council ("the Council") recognises that provisions of the Building Act in regard to dangerous, ~~and~~ insanitary ~~and~~ affected buildings reflect the Government's broader concern with the health and safety of the public in buildings. The Council understands that the development of these policies is the responsibility of each territorial authority and has responded accordingly. This policy replaces the 2018 version of Dunedin City Council Dangerous and Insanitary Buildings Policy ~~and now includes affected buildings in the policy.~~

The policy has been developed in accordance with the purpose and principles of the Building Act 2004 which seeks to ensure that:

- people who use buildings can do so safely and without endangering their health;
- buildings have attributes that contribute appropriately to the health, physical independence and well-being of people who use them; and
- buildings are designed, constructed, and able to be used in ways that promote sustainable development.

The Council is committed to ensuring that Dunedin is a safe and healthy place to live. The Building Act provides the means to ensure ~~that~~ buildings that become dangerous, ~~or~~ insanitary ~~or~~ affected are ~~managed in a timely manner to remove the danger and fix the insanitary conditions, improved to meet Building Code standards, and~~ the Council ~~will~~ ~~ishes to~~ administer the Building Act in a fair and reasonable way.

DEFINITIONS

Dangerous Buildings

Under section 121 of the Building Act 2004, a building is dangerous if:

- a) in the course of events (excluding the occurrence of an earthquake), if the building is likely to cause—

- (i) injury or death (whether by collapse or otherwise) to any persons in it or to persons on other property; or
- (ii) damage to other property; or

b) in the event of fire, injury or death to any persons in the building or to persons on other property is likely because of fire hazard or the occupancy of the building.

Affected Buildings

Under section 121A a building is an affected building for the purposes of this Act if it is adjacent to, adjoining, or nearby—

- a) a dangerous building as defined in section 121; or
- b) a dangerous dam within the meaning of section 153

b) —

Insanitary Buildings

Under section 123 of the Building Act 2004, a building is insanitary if it is:

- a) offensive or likely to be injurious to health because—
 - (i) of how it is situated or constructed; or
 - (ii) it is in a state of disrepair; or
- b) has insufficient or defective provisions against moisture penetration so as to cause dampness in the building or in any adjoining building; or
- c) does not have a supply of potable water that is adequate for its intended use; or
- d) does not have sanitary facilities that are adequate for its intended use.

Heritage Buildings

Heritage buildings are considered to be buildings or structures that are—

- a) identified on the New Zealand Heritage List;
- b) scheduled heritage buildings or heritage structures in the Dunedin City District Plan; or
- c) are located within Townscape Precincts or Heritage Precincts in the Dunedin City District Plan.

POLICY

Dangerous, ~~and~~ insanitary and affected buildings will be dealt with by responding to complaints received from the public, advice received from Fire and Emergency New Zealand, New Zealand Police, social service agencies, a building tenant or other agency/department, and working with building owners to address the problem without delay.

When a building has been assessed as being either dangerous, ~~or~~ insanitary or affected in terms of

sections 121, 121A and 123 of the Building Act appropriate action will be taken.

1 Taking action on dangerous, ~~and~~ insanitary and affected buildings

1.1. On being satisfied that a building is dangerous, ~~or~~ insanitary or affected, the Council will advise and liaise with the owner to discuss action to be taken. If notification was received from Fire and Emergency New Zealand that the building was dangerous, it will liaise with Fire and Emergency New Zealand and the owner to discuss the proposed action. If the building is a heritage building the Council will take into account its heritage values in determining a course of action, as set out in Section 1.4 of this policy.

1.2. If the Council is satisfied that a building is dangerous, ~~or~~ insanitary or affected and the building owner does not meet the requirements imposed on them as the owner, the Council may exercise its powers under sections 124-130 of the Building Act to:

- a) Install hoardings or fences to prevent people from approaching the building
- b) Attach notices warning people not to approach the building
- c) Give written notice requiring work to be carried out so that the building will not be dangerous, ~~or~~ insanitary or affected within a stated time period
- d) Initiate prosecution if buildings are used after notices or hoardings are in place
- e) Initiate prosecution where there is failure to comply with the notice
- f) Apply to ~~the a~~ District Court to carry out the work to remove the danger or so that the building is no longer insanitary, or demolish, where the work is not completed or is not proceeding with reasonable speed
- g) If immediate action is necessary to strengthen or fix dangerous, ~~or~~ insanitary or affected conditions the Council may take that immediate action and apply to ~~the a~~ District Court to confirm the action
- h) Recover all costs involved from owner
- i) Place a charge on the land until the Council recovers the costs

~~1.3. Before exercising these powers, the Council will seek, within a reasonable timeframe, to discuss options for action with owners with a view to agreeing on a mutually acceptable approach for dealing with the issue. This will then lead to receipt of a formal proposal from the owner for dealing with the dangerous, ~~or~~ insanitary or affected situation by alterations to the building or removal. In the event that a mutually acceptable approach and proposal cannot be achieved, the Council will serve a formal notice on the owner in accordance with sections 124, 125 and 126(2) of the Building Act.~~

1.3. Before exercising these powers, the Council will seek to meet with owners to discuss proposals to address the issue. The Council will also seek to meet with owners to discuss proposals to comply with a notice following issue of a formal notice. Notwithstanding this, the Council, as a responsible authority, will issue notices which are reasonably required to protect the building occupants or members of the public from injury or death, or to protect damage to other property.

- 1.4. When considering what action to take on heritage buildings that have become dangerous, ~~or~~ insanitary ~~or affected~~, the Council will take into account the heritage values of the building in determining possible courses of action and seek to avoid demolition wherever possible. Suitably qualified professionals with heritage expertise may be engaged where necessary to advise and recommend actions. Sufficient information will need to be supplied to the Council on any matters concerning demolition to enable peer review.
- 1.5. Resource and / or building consent may be required for certain alterations or demolition of heritage buildings.
- 1.6. Demolition of buildings constructed prior to 1900 is likely to trigger the archaeological provisions of the Heritage New Zealand Pouhere Taonga Act 2014. Early consultation with Heritage New Zealand is advised.
- 1.7. Provisions also exist in the Health Act 1956 to deal with nuisance conditions related to certain matters associated with housing [under section 29(f)], overcrowding likely to be injurious to health, and under section 42, insanitary conditions likely to cause injury to the health of persons, or a dwelling that is otherwise unfit for human habitation.

2 Assistance

- 2.1 Dunedin City Council offers a range of funding opportunities for the restoration and reuse of heritage buildings and buildings that could qualify in future as heritage buildings. These include the Dunedin Heritage Fund and the Central City Heritage Reuse Grant Scheme. Owners are advised to consult with the Council's heritage planner over accessing these funds.

3 Disputes

- 3.1 If a building owner disputes the Council's decision, or proposed decision, or any other matter relating to the exercise of the Council's powers under sections 124 to 130 of the Building Act relating to dangerous, ~~or~~ insanitary ~~or affected~~ buildings, they may apply for a determination from the Chief Executive of the Ministry of Business, Innovation and Employment, as set out in the Building Act. Such a determination is binding on both parties.

4 Review

- 4.1 Any review, amendment or replacement of this policy must be in accordance with the provisions of the Local Government Act 2002. This policy will not cease to have effect if it is due for review or is undergoing a review.

Relevant Legislation:	Building Act 2004, Local Government Act 2002, Heritage New Zealand Pouhere Taonga Act 2014, Resource Management Act 1991, Health Act 1956
Associated Documents:	The New Zealand Building Code, Dunedin City District Plan



Regulatory Subcommittee

Dangerous and Insanitary Buildings Policy Review

MINUTES

Minutes of an ordinary meeting of the Regulatory Subcommittee held in the Edinburgh Room, Municipal Chambers, The Octagon, Dunedin on Thursday 08 April 2021, commencing at 9.00 am.

PRESENT

Chairperson	Cr Andrew Whiley
Members	Cr Carmen Houlahan Cr Lee Vandervis

IN ATTENDANCE Simon Pickford (General Manager Community Services), Paul Henderson (Acting Group Manager Customer and Regulatory Services), Neil McLeod (Principal Advisor Building Solutions) and Anne Gray (Policy Analyst Regulatory Group)

Governance Support Officer Rebecca Murray

1 APOLOGIES

There were no apologies.

2 CONFIRMATION OF AGENDA

Moved (Cr Andrew Whiley/Cr Lee Vandervis):

That the Subcommittee:

Confirms the agenda without addition or alteration.

Motion Carried

3 DECLARATIONS OF INTEREST

Members were reminded of the need to stand aside from decision-making when a conflict arose between their role as an elected representative and any private or other external interest they might have.

Moved (Cr Andrew Whiley/Cr Lee Vandervis):

That the Subcommittee:

- a) **Notes** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.

Motion Carried

PART A REPORTS

4 RESULTS OF CONSULTATION ON REVIEW OF DANGEROUS AND INSANITARY BUILDINGS POLICY

The report from Customer and Regulatory Services presented a summary of the one submission received on the review of the Dangerous and Insanitary Buildings Policy to the Regulatory Subcommittee.

The General Manager Community Services (Simon Pickford), the Acting Group Manager Customer and Regulatory Services (Paul Henderson), the Principal Advisor Building Solutions (Neil McLeod) and the Policy Analyst Regulatory Group (Anne Gray) spoke to the report and responded to members' questions.

The Subcommittee discussed the points raised in the submission and suggested some minor amendments to the proposed Dangerous, Insanitary and Affected Buildings Policy.

Moved (Cr Andrew Whiley/Cr Carmen Houlahan):

That the Subcommittee:

Adjourns the meeting.

Motion Carried

The meeting adjourned at 9.32 am and reconvened at 9.38 am.

Moved (Cr Lee Vandervis/Cr Andrew Whiley):

That the Subcommittee:

Amends the wording in the first two sentences of Section 1.3 of the proposed Dangerous, Insanitary and Affected Buildings Policy as follows in bold:

Before exercising these powers, the Council **will seek** to meet with owners to discuss proposals to address the issue. The Council **will also seek** to meet with owners to discuss proposals to comply with a notice following issue of a formal notice.

Motion carried (RSCCC/2021/003)

Moved (Cr Lee Vandervis/Cr Andrew Whiley):

That the Subcommittee:

- a) **Recommends** that Council adopts the proposed Dangerous, Insanitary and Affected Buildings Policy as amended.

Motion carried (RSCCC/2021/004)

The meeting concluded at 9.41 am.

.....
CHAIRPERSON

SUBMISSION TO GAMBLING COMMISSION ON REVIEW OF CHARITABLE TRUST LICENCE CONDITIONS FOR CASINOS

Department: Customer and Regulatory Services

EXECUTIVE SUMMARY

- 1 This report seeks approval of a Dunedin City Council (DCC) submission (Attachment A) to the Gambling Commission (the Commission) on its review of the charitable trust licence conditions attached to the venue licences for six casinos, one of which is in Dunedin.

RECOMMENDATIONS

That the Council:

- a) **Approves** the DCC submission, with any amendments, to the Gambling Commission on its review of the charitable trust licence conditions attached to the venue licences for casinos.

BACKGROUND

- 2 The Commission is seeking feedback on its review of the charitable trust licence conditions for the Auckland, Hamilton, Christchurch, Dunedin, Queenstown and Wharf Casinos.
- 3 The Commission considers it timely to review all licences as a group rather than leaving it to separate consideration on the renewal of conditions for each licence and is seeking feedback specifically on whether charitable trust conditions ought to be amended to align better with the purposes of the Gambling Act (the Act).
- 4 In the review, the commission will consider whether the licence conditions require amendment and, if so, it will propose specific amendments for further consultation.
- 5 Submissions are open to all parties and local authorities in each of the six casino areas have been invited to submit on the review.
- 6 Submissions close on Friday 11 June 2021.

Casino regulation

- 7 The charitable trust licence conditions relate to the level of funding that each casino agrees to provide to charitable trusts as part of the conditions for their licence. Conditions were imposed under the Casino Control Act 1990, when the venue licences were first issued by the Commission's predecessor body.

- 8 The Commission suggests that the source of charitable trust provision appears to be related to securing competitive advantage over other applicants rather than any statutory requirement that money from gambling benefit the community. Original conditions captured commitments made in successful applications and were unique to each venue.
- 9 Conditions across the six venues vary markedly and the Commission suggests they may not align well with the purpose of the Gambling Act which differs materially from that of the Casino Control Act. Conditions have remained largely unamended since they were first imposed when the original venue licence was granted.
- 10 For example, Dunedin Casino agrees to pay no less than \$52,000 per year to an 'independent' charitable trust that includes funding treatment of problem gambling, as well as 1% of gaming machine turnover (with a maximum of \$110,000) a year for community and sports funding in the community. Auckland casino agrees to pay not less than 0.7% of the Casino Win (all forms of gambling), never to be less than \$500,000. Without knowing the turnover for each casino, it is difficult to know the extent to which casinos meet or exceed their charitable trust licence conditions. See Table 1 for the licence conditions relating to charitable trust payments for each casino.

Table 1: Casino licence conditions relating to charitable trust payments

Casino	Licence conditions – payments to charitable trusts
Auckland casino	Not less than 0.7% of Casino Win never to be less than \$500,000 per annum.
Hamilton casino	Not less than 1.5% of revenue from the operation of the casino (GST exclusive) before gaming tax, per annum.
Christchurch casino	Not less than 2.5% of net profit after tax from onsite businesses of the casino or \$250,000 per annum, whichever is the greater.
Dunedin casino	Not less than \$52,000 per year to charitable trust that includes funding treatment for problem gambling. Also, 1% of the turnover of casino gambling machines (GST exclusive) with a maximum of \$110,000 per annum for community and sports funding.
Queenstown casino	Not less than 2.5% of net profit from casino operations per annum or \$100,000 per annum, whichever is the greater.
Wharf casino	First year – 20% of net profit after deducting tax and 15% of \$3 million Subsequent years – additional 1% of net profit, after deductions, until 30% is reached Thereafter – 30% of net profit, after deductions.

- 11 Funding priorities of the charitable trusts are also variable. For example, the objectives of the Dunedin Casino Charitable Trust are to assist in the 'relief of poverty, the advancement of education, the advancement of religion, the advancement of sports for the benefit of the community or any other charitable purpose deemed beneficial to the community by the Trustees'. SkyCity Hamilton Community Trust looks to fund organisations that assist with basic needs such as food, shelter, care, support and mental health and wellbeing. SkyCity Queenstown Casino Community Trust funding assists with arts, culture and entertainment including recognition and understanding of different cultures. It also supports educational programmes or research for life skills, treatment or counselling as well as programmes for the financial security of families.
- 12 The charitable trusts that receive casino funding were established by the casino licence holders. The deeds of trust allow the licence holders to exercise control over significant aspects of the trusts. One of the questions in the review is whether licence conditions should require contributions be made to new trusts that are fully independent from the licence holders.
- 13 See Attachment B for background information on this review provided by the Commission.

Gambling Act 2003

- 14 Part of the review is whether the casino licence conditions should align better with the purpose of the Act.
- 15 The Gambling Act 2003 legislates on gambling including gambling venues and electronic gambling machines (EGMs). The purpose of the Act is to:
 - control the growth of gambling
 - prevent and minimise harm from gambling, including problem gambling
 - authorise some gambling and prohibit the rest
 - facilitate responsible gambling
 - ensure the integrity and fairness of games
 - limit opportunities for crime or dishonesty associated with gambling and the conduct of gambling
 - ensure that money from gambling benefits the community and to
 - facilitate community involvement in decisions about the provision of gambling.

Role of territorial authorities

- 16 All territorial authorities are required by the Act to have a Gambling and TAB Venue Policy stating whether they would allow new non-casino gambling venues to be established within their districts and, if so, where they may be situated.
- 17 The DCC policy has been recently reviewed by the Council and has a sinking lid approach to the number of class 4 (non-casino gambling or 'pokie' machine) gambling venues and EGMs in

Dunedin. The policy does not cover casinos and territorial authorities have no jurisdiction over casinos.

- 18 However, a number of submissions made during the review of the Gambling and TAB Venue Policy were concerned about gambling related harm in the community and the Council decided to retain its sinking lid approach in response to these concerns.

DISCUSSION

- 19 The draft DCC submission is supportive of the review by the Commission on charitable trust licence conditions for casinos.
- 20 The review asks whether licence conditions should be amended to align better with the purpose of the Act. The draft submission supports a review that will bring better alignment of casino charitable trust licence conditions with the purposes of the Act.
- 21 The review also asks whether consistency in the licence conditions across all six licences is desirable and the draft submission supports this, thus bringing greater consistency to the level of community funding provided.
- 22 On the review question around independence of charitable trusts, the DCC submits that licence conditions should require contribution to trusts that are fully independent from the licence holders. This is in place of current trusts that allow licence holders to exercise control over significant aspects of the trusts.
- 23 The review asks in some detail about whether percentage based contributions and minimum annual contributions should be retained and, if so, at what level. It is difficult to propose a specific percentage without greater understanding of the financial details of casinos. However, the DCC submits that a consistent percentage be applied across all casinos. This approach would bring greater consistency to the level of community funding and would also align better with requirements for the proceeds of other gambling forms. For example, Gambling Regulations (set under the Act) require class 4 (non-casino gambling or 'pokie' machine) gambling venues to return a minimum of 40 percent of GST exclusive gross proceeds to communities.
- 24 In making this submission, the DCC notes its recent review of its Gambling and TAB Venue Policy. Key themes from submitters were concern at gambling related harm in the community and also the reliance of community organisations on the proceeds from gambling.
- 25 As part of the Gambling and TAB Venue Policy review, the Council resolved to lobby central government, through Local Government New Zealand, for a more sustainable model of funding for community organisations to replace the reliance on gambling proceeds. While this is the Council's preference, in the meantime the Council supports a more consistent and transparent approach to proceeds from gambling at casinos, as set out in the submission.
- 26 Greater consistency and alignment with the purposes of the Act also aligns well with the priority of healthy and safe people set out in the DCC Social Wellbeing Strategy.

OPTIONS

Option One – Recommended Option – Approve the DCC submission, with any amendments

- 27 Approve the DCC submission, with any amendments, to the Commission on the review of charitable trust conditions for casinos.

Advantages

- Aligns with Council's approach to minimise gambling related harm in the community and to uphold purposes of the Act through its sinking lid approach to the number of gambling venues and EGMs
- Aligns with DCC Social Wellbeing Strategy priority of healthy and safe people
- May lead to better alignment of casino control with the purposes of the Gambling Act
- May lead to greater consistency of funding for charitable trust from gambling proceeds

Disadvantages

- There are no identified disadvantages for this option.

Option Two – Do not submit

- 28 Do not submit to the Commission on the review of charitable trust conditions for casinos.

Advantages

- There are no identified advantages for this option.

Disadvantages

- Missed opportunity to show support for greater consistency of funding and alignment of casino control with the purposes of the Act and with the DCC Social Wellbeing Strategy priority of healthy and safe people.

NEXT STEPS

- 29 If the Council approves the DCC submission, with any amendments, it will be sent to the Commission by 11 June 2021.

Signatories

Author:	Kevin Mechen - Secretary, District Licensing Committee
Authoriser:	Simon Pickford - General Manager Community Services

Attachments

Title

Page

↓A	DCC submission to Gambling Commission	298
↓B	Gambling Commission information and letter to stakeholders	300

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This decision enables democratic local decision making and action by, and on behalf of communities and promotes the social well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This submission contributes to the healthy and safe priority of the Social Wellbeing Strategy.

Māori Impact Statement

Tangata whenua and Pacifica are disproportionately represented in gambling harm statistics.

Sustainability

There are no specific implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications for these documents.

Financial considerations

There are no financial implications.

Significance

This decision has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Engagement – external

There are been no external engagement.

Engagement - internal

There has been no internal engagement.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There is no known conflict of interest.

SUMMARY OF CONSIDERATIONS

Community Boards

There are no specific implications for Community Boards.



1 June 2021

Blair Cairncross
Executive Director
Gambling Commission

Tēna koe Blair,

DCC SUBMISSION ON REVIEW OF CHARITABLE TRUST LICENCE CONDITIONS FOR CASINOS

Introduction

1. The Dunedin City Council (DCC) welcomes the opportunity to submit feedback on the Gambling Commission review of charitable trust licence conditions for casinos, including Dunedin Casino.

Submission

2. The DCC supports the review of casino charitable trust licence conditions and would like that review to bring better alignment of casino charitable trust licence conditions with the purposes of the Gambling Act, specifically to:
 - control the growth of gambling
 - prevent and minimise harm from gambling, including problem gambling
 - authorise some gambling and prohibit the rest
 - facilitate responsible gambling
 - ensure the integrity and fairness of games
 - limit opportunities for crime or dishonesty associated with gambling and the conduct of gambling
 - ensure that money from gambling benefits the community and to
 - facilitate community involvement in decisions about the provision of gambling
3. The DCC supports a more consistent approach to the level of community funding provided by casinos. It agrees with a consistent percentage applied across casinos but notes the difficulty of identifying what a fair percentage might be without greater understanding of casino finances. Applying a consistent percentage across casinos would bring greater consistency to the level of community funding and would also align better with requirements for the proceeds of other gambling forms under the Act and Gambling Regulations.
4. The DCC also submits that licence conditions should require contribution to trusts that are fully independent from the licence holders, rather than allow licence holders to exercise control over significant aspects of the trusts.

5. In making this submission, the DCC notes its recent review of its Gambling and TAB Venue Policy. Key themes from submitters were concern at gambling related harm in the community and also the reliance of community organisations on the proceeds from gambling.
6. As part of the Gambling and TAB Venue Policy review, the Council resolved to lobby central government, through Local Government New Zealand, for a more sustainable model of funding for community organisations to replace the reliance on gambling proceeds. While this is the Council's preference, in the meantime the Council supports a more consistent and transparent approach to proceeds from gambling at casinos, as outlined in this submission.
7. Greater consistency and alignment with the purposes of the Gambling Act also aligns well with the priority of healthy and safe people set out in the DCC Social Wellbeing Strategy.

Yours sincerely,

Aaron Hawkins
MAYOR OF DUNEDIN

GAMBLING COMMISSION

14 April 2021

SKYCITY Auckland Limited, SKYCITY Hamilton Limited, Queenstown Casinos Limited
and Otago Casinos Limited
PO Box 6443
AUCKLAND

Attn: Phil O'Connell – Group General Manager Regulatory Affairs AML

Christchurch Casinos Limited
PO Box 4141
CHRISTCHURCH

Attn: Tim Bergin – Risk and Compliance Manager

Dunedin Casinos Limited
PO Box 929
DUNEDIN

Attn: Geoff Purdon – Security/Surveillance/Host Responsibility & Compliance Manager

Secretary for Internal Affairs
Department of Internal Affairs
PO Box 805
WELLINGTON

Attn: Beth Datuin – Manager Operations Auckland, Regulatory Services
Lloyd Bezett – Senior Operational Policy Analyst, Regulatory Services

Ministry of Health
PO Box 5013
WELLINGTON 6145

Attn: Richard Taylor – Manager, Addictions, Mental Health & Addiction

PGF Group
PO Box 8021
Symonds Street
AUCKLAND 1150

Attn: Paula Snowden – Chief Executive

GC650a-20

Level 2, 41 Bath Street
Parnell, Auckland 1052, New Zealand
PO Box 137295
Parnell, Auckland 1052, New Zealand

Telephone: +64 9 353 7223
www.gamblingcom.govt.nz

2

The Salvation Army Oasis
PO Box 24073
Royal Oak
AUCKLAND 1345

Attn: Lisa Campbell – National Operations Manager – Gambling
Siobhan Kemp – Public Health Worker

Auckland Regional Public Health Service
Level , Building 15
Cornwall Complex
40 Claude Road
Greenlane
AUCKLAND 1051

Attn: Mhairi Porteous – Manager, Policy

Waikato DHB
Private Bag 3200
HAMILTON 3240

Attn: Dr Richard Wall/Kay Kristensen

Canterbury DHB
PO Box 1600
CHRISTCHURCH 8140

Attn: Ralph La Salle – Acting Executive Director, Planning & Funding

Southern DHB
Private Bag 1921
DUNEDIN 9054

Attn: Chris Fleming – Chief Executive

Auckland Council
Private Bag 92300
Victoria Street West
AUCKLAND 1142

Attn: Rob Abbott – Principal Specialist Alcohol Licensing

Hamilton City Council
Private Bag 3010
HAMILTON 3240

Christchurch City Council
PO Box 73016
CHRISTCHURCH 8154

Attn: Libby Elvidge, Policy Analyst

GC650a-20

Dunedin City Council
PO Box 5045
DUNEDIN 9054

Attn: Kevin Mechen – Liquor Licensing Co-Ordinator/Project Officer, Alcohol Licensing
Department

Queenstown Lakes District Council
10 Gorge Road
QUEENSTOWN 9300

Attn: Sian Swinney – Inspector, Team Leader Alcohol Licensing, Finance, Legal & Regulatory

Anglican Action
PO Box 13117
Hillcrest
HAMILTON

Attn: Robert Moore

**REVIEW BY THE GAMBLING COMMISSION OF THE CHARITABLE TRUST LICENCE
CONDITIONS FOR THE AUCKLAND, HAMILTON, CHRISTCHURCH, DUNEDIN,
QUEENSTOWN AND WHARF CASINOS**

Introduction

1. The Gambling Commission is about to commence a review of the charitable trust licence conditions attached to the venue licences for the Auckland, Hamilton, Christchurch, Dunedin, Queenstown and Wharf casinos. In the review, the Commission will consider whether the licence conditions require amendment and, if so, it will advance specific variation proposals for further consultation.
2. The charitable trust licence conditions were imposed under the prior legislation, the Casino Control Act 1990, when the venue licences were first issued by the Commission's predecessor body. The conditions across the six venues vary markedly. They may not align well with the purpose of the Gambling Act, which differs materially from that of the Casino Control Act. Other than as set out below, the licence conditions have remained unamended since they were first imposed when the original venue licence was granted.
3. In several prior decisions, the Commission has stated that it intends to undertake a comprehensive review of the charitable trust licence conditions in order to determine if changes should be made. The Commission is now undertaking that review.
4. Once the review has been completed, and depending upon what views it forms, the Commission may propose specific amendments to the licence conditions under the relevant provisions of the current legislation. The Commission intends to undertake a hearing on the papers in respect of any proposed amendments.

GC650a-20

The Licence Conditions

5. The charitable trust licence conditions for each casino are presently as follows:

Auckland casino

15. The Licence Holder shall financially support the Independent Charitable Trust established by the Deed of Trust. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, commencing 1 July 2019, not less than 0.7% of the Casino Win, such payment in any one year never to be less than \$500,000. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 0.7% of the Casino Win, the amount paid by the Licence Holder to the Trust, and confirming that payment by the Licence Holder to the Trust has been made in accordance with condition 15.
16. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

Hamilton casino

14. The Licence Holder shall financially support the Independent Charitable Trust established by the Deed of Trust. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, not less than 1.5% of the revenue from the operation of the Casino (GST exclusive) before gaming tax. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 1.5% of the revenue from the operation of the Casino before gaming tax, and confirming that payment by the Licence Holder to the Trust has been made in accordance with this condition.
15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

Christchurch casino

14. The Licence Holder shall financially support the Christchurch Casinos Charitable Trust established by the Deed of Trust dated 31 October 1994 to undertake the objectives and purposes set out in the said Trust Deed. The Licence Holder shall pay to the Trust, in respect of each full year of the operation of the Casino, not less than 2.5% of the net profit after tax from the onsite businesses of the Casino, or \$250,000 per annum, whichever is the greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 2.5% of the net profit after tax from the on-site businesses of the Casino, and confirming that payment by the Licence Holder to the Trust has been made in accordance with this condition.
15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.
16. The Licence Holder must make available to the Trust a dedicated website or webpage on which information about the Trust may be made publicly available, including:
 - (a) the Trust deed;
 - (b) information about how to apply for funding from the Trust; and
 - (c) the details of the organisations that received funding from the Trust for each year, and the amount distributed, including the location of the grant recipient in each case.

GC650a-20

17. In addition to its support of the Trust, the Licence Holder may, at its discretion, make payments to any of:

- (a) St John New Zealand;
- (b) The Ronald McDonald House;
- (c) The Canterbury Westland Rescue Trust;
- (d) REACH Child Cancer;
- (e) Cholmondeley Children's Centre;
- (f) surf lifesaving clubs;
- (g) Christchurch City Mission;
- (h) Rata Foundation,

or other similar charitable organisations. The Licence Holder shall ensure that none of the charitable organisations to which payments under this condition are made have a direct association with gambling activities. The Licence Holder shall ensure that payments made under this condition are to charitable organisations which are primarily located in Christchurch or the Canterbury region and result in no direct commercial advantage to the Licence Holder. In the event that the Licence Holder fails, for any reason, to make payments under this condition totalling \$100,000 in any financial year, the shortfall shall be paid immediately to the Trust, such payment being separate from that required by condition 14. The Licence Holder's obligations under this condition 17 shall be confirmed annually by certificate from the Licence Holder's external auditors.

Dunedin casino

14. The Licence Holder:

- (a) shall establish and support financially an independent charitable trust, the purposes and objectives of which shall include the funding of the treatment of gambling disorders by persons and organisations in the community, and related activities. The Licence Holder shall pay to the trust, in each respect of each full year of the operation of the Casino, no less than \$52,000 a year. The deed of trust shall be in a form approved by the Authority or the Commission;
- (b) may establish, and in any event shall fund, a charitable trust or trusts approved by the Authority or the Commission to be applied for the purposes of community and sport funding in Dunedin and the Otago region. The Licence Holder shall pay to the trust or trusts, in respect of each full year of the operation of the Casino, a sum equivalent to 1% of the turnover of the gaming machines in the Casino after deducting goods and services tax, to a maximum of \$110,000 a year. Where the Licence Holder establishes the trust or trusts, the deed or deeds of trust shall be approved by the Authority or the Commission;
- (c) the conditions 14(a) and (b) above may be reviewed in the event of duplicity of charitable funding or the funding of the treatment of gambling disorders arising from legislative changes under the current or any future gaming law review.

15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

Queenstown casino

15. The Licence Holder shall financially support the Independent Charitable Trust established by the Deed of Trust. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, not less than 2.5% of the net profit from the operation of the Casino, or \$100,000 per annum, whichever is the greater. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 2.5% of the net profit from the Casino, and confirming that payment by the Licence Holder to the Trust has been made in accordance with this condition.

GC650a-20

6

16. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

Wharf casino

14. The Licence Holder shall establish and support financially an independent charitable trust established by the deed of trust. The Licence Holder shall pay to the Trust, in respect of each full year of the operation of the Casino, no less than a sum calculated as follows:
 - (a) in respect of the first year of operation, 20% of net profit after deducting (i) tax, and (ii) 15% of \$3 million, being the shareholders' capital contribution to the casino project;
 - (b) in respect of each subsequent year of operation, an additional 1% of net profit after the deductions referred to in subparagraph (a) until the figure of 30% is reached;
 - (c) thereafter, 30% of net profit after the deductions referred to in subparagraph (a).

The Licence Holder is required to provide annually to the Commission, financial year end statements showing its profit/loss position arising from the operation of the casino and any consequential payments it has made to the Trust and confirming that payment by the Licence Holder to the Trust has been made in accordance with condition 14.

15. The Licence Holder is required to ask the Trust on an annual basis to provide a list of persons granted funding for the previous year and in what amount, and a list of unsuccessful applicants for funding. The Licence Holder is required to publish annually the amount paid to the Trust, and the information provided to it by the Trust relating to the allocation of funds, as specified in this condition.

Background to current licence conditions

6. The Commission's predecessor body, the Casino Control Authority ("CCA"), issued venue licences for each casino, commencing with the Christchurch casino in 1993. The licences were issued under the Casino Control Act 1990, and were known as "premises" licences under that Act. The CCA attached conditions to the licences, including a condition requiring the Licence Holder to contribute to an independent charitable trust relating to its casino.
7. The presence of charitable trust provisions in casino venue licences is not explained by any provision of the Casino Control Act, other than the provisions which limited the number of licences and which therefore resulted in competitive applications. The source of the obligations appears to have been proposals by applicants to secure competitive advantage over other applicants, rather than any statutory requirement that money from casino gambling benefit the community. The original conditions therefore merely captured promises made in successful applications, and were unique to each venue.
8. Under the Gambling Act 2003 (the "Act"), the Commission took over the function of making decisions about casino licensing and casino premises licences became casino venue licences under the Act. In 2005, the Commission proposed, on its own initiative, under section 139 of the Act, a series of amendments to the casino venue and casino operator licences for each casino, commencing with the Auckland casino. The licence condition review was intended to update the licences to deal with outdated references to the prior legislation and to the CCA, and to have regard to changed legislative purposes and obligations the Act.

GC650a-20

7

9. The charitable trust licence condition attached to the venue licence for the Auckland casino, condition C1, imposed the requirement to pay to the Auckland Charitable Trust "not less than 2.5% of the net profit after tax from the on-site businesses of the Casino".
10. The Commission proposed to change condition C1 in the form of replacement conditions 15, 16 and 17. On 23 December 2005, following receipt of written submissions and an oral hearing, the Commission issued an interim decision on its proposal, setting out a revised set of proposed amendments with reasons. Parties were invited to make further submissions on the revised proposals.
11. Following receipt of further submissions, the Commission issued a Final Decision on 27 March 2006. The Commission's final reasoning on the relevant matters is set out in paragraphs 5.1 to 5.6 of the Final Decision and Condition C1 was replaced by conditions 15 and 16. The Commission decided not to alter the basis for calculation of the minimum payment to the trust; the changes made related only to publication of successful and unsuccessful applications for grants and some clarification of the operations which were included in the formula.
12. Following the Auckland review, the Commission undertook similar reviews at the other five casinos over the following two years. Although it noted variations in the formulas specified in each casino venue licence, it decided, as it had for Auckland, to make no change to the formulas in the decisions relating to Hamilton and Queenstown casinos (decision GC21/07), and Christchurch, Dunedin and Wharf casinos (decisions GC25/07, GC01/08 and GC02/08).
13. Conditions 15 and 16 of the Auckland venue licence next came before the Commission in the course of a series of decisions which followed the passage of the New Zealand International Convention Centre Act 2013 ("NZICCA"). In decision GC21/15 the Commission approved a number of applications relating to construction and design changes proposed for Level 7 of the Grand Hotel, an area intended to become part of the casino's Gambling Area once the regulatory concessions given by NZICCA had come into effect. In doing so, it advised that it intended to propose amendments to certain conditions of the Auckland casino venue licence. Proposed amendments were notified in January 2016 and submissions were received from SKYCITY Auckland and the Secretary.
14. Decision GC03/16 records that SKYCITY Auckland's submissions raised the effect of the current condition 15, and its reference to the Convention Centre opposite the Casino venue, once the NZICCA was in force (as the casino venue would expand to include the Grand Hotel on the eastern side of the casino, in which the former convention centre was located, and the new New Zealand International Convention Centre ("NZICC") would be constructed opposite the casino but on the western side). It also records SKYCITY Auckland's subsequent submission that consideration of condition 15 should be deferred. The Commission agreed that further consideration of condition 15 and the impact of NZICC and NZICCA should be deferred as work on NZICC had only just begun. It indicated that it intended to propose, on its own initiative, amendments to condition 15 and to consult widely on its proposal.
15. The Commission next considered a charitable trust provision in the context of an application by the Christchurch casino to renew its venue licence. The renewal application was the subject of a public hearing in December 2018 and the resulting decision, GC05/19, was notified on 29 March 2019.
16. Section 139(1)(b) provides that the Commission's powers of amendment of casino licence conditions may be exercised "on renewing a casino venue licence". The only amendments made in the course of the decision to renew were to the charitable trust provisions. The Commission's reasoning is set out in paragraphs 9.1 to 9.18 of the decision. The Commission noted that the Christchurch casino venue licence included an obligation to fund a charitable trust but, unlike all subsequent casino venue licences, the obligation made no provision for amount whether by specified methodology or minimum amount. The

GC650a-20

Commission's inquiries revealed that the historical funding of the casino's charitable trust was significantly below funding elsewhere, with a single, distinguishable exception.

17. The Commission decided to impose a minimum funding obligation on renewal, despite its earlier decision to defer further consideration of charitable trust conditions until a nationwide review. A new interim obligation, based on the then current Auckland condition 15, was imposed by conditions 14, 15, 16 and 17 of the Christchurch casino venue licence. In substance, the obligation is to pay to the trust not less than 2.5% of the net profit after tax or \$250,000, whichever is the greater. In addition, if the licence holder failed to pay an additional \$100,000 per annum to charitable organisations, any shortfall was required to be paid to the trust as an additional payment.
18. Shortly before the Commission notified the Christchurch renewal decision, it received an application by SKYCITY Auckland to amend the charitable trust licence conditions attached to its venue licence. The application arose out of decision GC03/16, noted above. The changes proposed by SKYCITY Auckland were the addition of a new definition to condition 4 as follows:

- 4 **Casino Win** has the same meaning as Casino Win in section 12M of the Gaming Duties Act 1971.

and the following amendments to condition 15:

15. The Licence Holder shall financially support the Independent Charitable Trust established by the Deed of Trust. The Licence Holder shall pay to the Trust, in respect of each full year of casino operations, commencing 1 July 2018, not less than 2.5% 0.85% of the Casino Win (net of GST and duty) of the net profit after tax from the on-site businesses of the Casino Venue and adjunct facilities including the Sky Tower, hotel facilities and the Convention Centre opposite the Casino Venue, such payment in any one year never to be less than \$500,000. The Licence Holder is required to provide annually to the Commission an audited statement certifying the amount constituting 2.5% 0.85% of the Casino Win (net of GST and duty), net profit after tax from the on-site businesses of the Casino Venue and adjunct facilities, the amount paid by the Licence Holder to the Trust, and confirming that payment by the Licence Holder to the Trust has been made in accordance with condition 15.
19. The grounds for the proposed changes included the following:
 - (a) The desirability of clarifying the present condition 15, having regard to the changes to the casino venue effected by the NZICCA and the pending construction of the NZICC and hotel.
 - (b) The desirability of focusing the basis for the funding of the charitable trust on gambling activity rather than on non-gambling activity at the casino venue or nearby.
 - (c) The likelihood that, if the basis for funding the charitable trust were not amended, the amounts required to be paid to it would reduce because of decisions made by SKYCITY Auckland's parent group to sell assets which presently contributed to SKYCITY Auckland's profits from the site.
 - (d) The expectation that the proposed new basis for funding would maintain the historical level of funding of the trust.
 - (e) The likelihood that a formula based on Casino Win would capture the expansion of the Auckland casino operation as a result of NZICCA.

20. As the application by SKYCITY Auckland was received when the Commission was contemplating the commencement of its own foreshadowed proposal for a national review, the Commission endeavoured to consult widely on the application.
21. For the reasons set out in paragraphs 4.11 and 4.12 of decision GC18/19, the Commission decided to amend the conditions of SKYCITY Auckland's casino venue licence by adding the proposed definition of "Casino Win" and amending Condition 15 so that the minimum contribution is based on a percentage of Casino Win.
22. The Commission also noted that some, but not all, of the reasons submitted in favour of amendment were potentially capable of wider application at the other casinos.
23. That left the appropriate percentage to be decided. The Commission decided, on an interim basis only, to use the figure of 0.7% (rather than 0.85%, based upon a submission by the Secretary in relation to the correct application of the term "Casino Win"), pending a further review with better information. The Commission's decision was intended to produce maintenance of the operational status quo in the interim, on the basis that the appropriate final percentage would emerge from its planned national review.

Reason for the Current Review

24. The charitable trust licence conditions have remained largely unchanged since they were imposed by the CCA. The first licence issued has run its initial term and been renewed; the others will do so in the next few years. The Commission considers it timely to review all licences now as a group rather than leaving it to separate consideration on renewal. In particular, the Commission wishes to consider whether the charitable trust conditions ought to be amended to align better with the purpose of the Act, including purpose 3(g); to ensure that money from gambling benefits the community.
25. Although parties may submit on any aspect of the charitable trust licence conditions, the Commission has drafted a series of questions which may assist as you consider your position on the review, as follows:
 - (a) As the charitable trust licence conditions appear to have been imposed merely as a result of a competitive process when the venue licences were first issued, should they continue remain in place in 2021 (and beyond)?
 - (b) If they should remain in place, should they be amended to align better with the purpose of the Act, especially section 3(g)?
 - (c) Is consistency in the licence conditions across all six licences desirable or is there a case for each venue having its own bespoke conditions? More specifically:
 - (i) To what extent should conditions differ to reflect differences on the size of individual casinos?
 - (ii) Some licence conditions presently require the contribution to be a percentage of revenue, some require a percentage of net profit and some require a percentage of turnover. Is there a preferable basis for setting percentage based contributions? Specifically, is the "Casino Win" basis, as approved on an interim basis for the Auckland casino, appropriate for other casinos? Would payment based upon Casino Win represent a better alignment with purpose 3(g) of the Act?
 - (iii) If so, what percentage would be appropriate to reflect purpose 3(g) of the Act?
 - (iv) Some licence conditions include a minimum annual contribution irrespective of the percentage calculation. Should such a requirement remain? Should a minimum sum be included in all casino licences?

GC650a-20

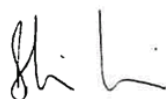
10

- (v) If so, should the minimum amount be updated periodically (as a minimum sum imposed in, say 1999, is worth less in 2021)? Should the minimum contribution be indexed to increase annually or at some other period?
- (d) The charitable trusts were established by the casino licence holders. The deeds of trust allow the licence holders to exercise control over significant aspects of the trusts. Should the licence conditions require contribution to new trusts, which are fully independent from the licence holders, in substitution for the current trusts?

The Procedure

- 26. The Commission invites submissions from any parties interested in this matter. The Commission is notifying and seeking submissions directly from the following: SKYCITY Auckland Limited, SKYCITY Hamilton Limited, Queenstown Casinos Limited, Otago Casinos Limited, Christchurch Casinos Limited, Dunedin Casinos Limited, the Secretary for Internal Affairs, Ministry of Health, PGF Group, the Salvation Army/Oasis, Auckland Regional Public Health Service, Waikato DHB, Canterbury DHB, Southern DHB, Auckland Council, Hamilton City Council, Christchurch City Council, Dunedin City Council, Queenstown Lakes District Council and Anglican Action Hamilton.
- 27. In addition, as this review has the potential to affect the financial support from the charitable trusts which make distributions to the general community nationwide, the Commission will publicly notify the review and invite submissions from the public.
- 28. If you wish to make submissions on this matter, please do so by **11 June 2021**.
- 29. The Commission will circulate all submissions received to other submitters and invite submissions in reply. The Commission will then consider all the submissions filed before completing the review.
- 30. Once the review has been completed, and depending upon what views it forms, the Commission may propose specific amendments to the charitable trust licence conditions, under section 139(1)(e) of the Act. If it does so, section 140 of the Act provides that the Commission must notify the Secretary and any other person who it considers is affected by the proposal. It is probable that the Commission will notify all the above-mentioned parties, and any submitters from the general public, of any proposal made under s139(1)(e) of the Act, but please inform the Commission if you do not wish to participate in this future process.

Yours faithfully



Blair Cairncross
Executive Director Gambling Commission
Tel: 09-353 7222
blair.cairncross@gamblingcom.govt.nz

GC650a-20

DCC SUBMISSION ON BUILDING CODE UPDATE 2021 PROPOSALS

Department: Property

EXECUTIVE SUMMARY

- 1 This report seeks approval of the draft Dunedin City Council (DCC) submission (Attachment A and B) to the Ministry of Business, Innovation and Employment on the Building Code update 2021 (link [here](#) and [here](#)).

RECOMMENDATIONS

That the Council:

- a) **Approves** the draft Dunedin City Council submission, with any amendments, to the Ministry of Business, Innovation and Employment on Building Code update 2021.

BACKGROUND

- 1 The Ministry of Business, Innovation and Employment (MBIE) is consulting on changes that support higher-density housing and ensuring buildings are more energy efficient as part of the Building Code update programme.
- 2 The DCC has previously submitted on Building for Climate Change proposals (29 September 2020) and He Pou a Rangi - Climate Change Commission's 2021 Draft Advice for Consultation (9 March 2021), which included improving the energy efficiency of buildings, alongside decarbonising the energy used for heating, hot water and cooking.

DISCUSSION

- 3 The draft submission generally supports the proposals but has not responded to every proposal in the consultation document as some proposals are not applicable to the DCC.
- 4 The DCC supports the Government's aim to make buildings warmer, drier, healthier and more energy efficient. Warmer, drier homes will bring health benefits for our residents, especially for the young, the elderly and those with respiratory illness.
- 5 The DCC notes that the insulation materials required may be affected by current building materials shortages. The DCC also anticipates building consent authority officers will require additional training if the proposed changes are implemented, and encourages the Government to deliver appropriate and timely training.

OPTIONS

Option One (Recommended Option) – Approve the submission, with any amendments

- 6 Approve the DCC submission, with any amendments, to MBIE on Building Code update 2021.

Advantages

- Enables the DCC to continue to support central government initiatives to make buildings warmer, drier, healthier and more energy efficient.

Disadvantages

- There are no identified disadvantages for this option.

Option Two – Do not approve the submission

- 7 Do not approve the DCC submission to MBIE on Building Code update 2021.

Advantages

- There are no identified advantages for this option.

Disadvantages

- Missed opportunity for the DCC to support central government initiatives to make buildings warmer, drier, healthier and more energy efficient.

NEXT STEPS

- 8 If Council approves the draft submission it will be sent to MBIE for consideration by 28 May 2021.

Signatories

Author:	David Bainbridge-Zafar - Group Manager Property Services
Authoriser:	Robert West - Acting General Manager City Services

Attachments

	Title	Page
A	Consultation response - letter	314
B	Consultation response - form	316

SUMMARY OF CONSIDERATIONS

Fit with purpose of Local Government

This decision promotes the social and environmental well-being of communities in the present and for the future.

Fit with strategic framework

	Contributes	Detracts	Not applicable
Social Wellbeing Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Economic Development Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Environment Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Arts and Culture Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
3 Waters Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Spatial Plan	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Integrated Transport Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Parks and Recreation Strategy	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Māori Impact Statement

There are no known specific impacts for tangata whenua resulting from a decision to approve the DCC submission.

Sustainability

The submission supports DCC's sustainability efforts.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no known impacts for current levels of service and/or performance measures resulting from a decision to approve the DCC submission.

Financial considerations

There are no known financial implications resulting from a decision to approve the DCC submission.

Significance

This decision has been assessed under the Council's Significance and Engagement Policy as being of low significance.

Engagement – external

There was no external engagement on this submission.

Engagement - internal

Property Services and Building Services drafted this response with support from Corporate Policy.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There is no conflict of interest.

SUMMARY OF CONSIDERATIONS

Community Boards

There are no implications for Community Boards.



28 May 2021

Ministry of Business, Innovation and Employment (MBIE)
15 Stout Street
Wellington 6011

By email: buildingfeedback@mbie.govt.nz

DCC SUBMISSION ON BUILDING CODE UPDATE 2021 PROPOSALS

Introduction

1. The Dunedin City Council (DCC) appreciates the opportunity to provide comments to the Ministry of Business, Innovation and Employment (MBIE) on the Building Code update proposals.

Submission

2. The DCC supports the Government's aim to make buildings warmer, drier, healthier and more energy efficient. Not only will the proposed changes benefit residents' health and comfort in Dunedin's colder climate, the changes will also support and give effect to the priorities of the Building for Climate Change (BfCC) programme.
3. As part of its commitment to make buildings warmer, drier, healthier and more energy efficient, the DCC is upgrading insulation across the 950 units that make up the DCC's social housing portfolio. In addition, as a medium-growth city, the DCC is ensuring that new buildings are aligned with the city's low carbon ambitions. New social housing units are being built to passive house principles, and a focus on minimising emissions is being built into planning and design for all new DCC building projects.
4. The DCC is also working in partnership with other major Dunedin institutions to displace use of LPG and coal for heating in major CBD buildings and facilities.
5. With regard to the proposed changes coming into effect, the DCC notes that the insulation materials required may be affected by current building materials shortages. The DCC also anticipates building consent authority officers will require additional training if the proposed changes are implemented; government support would be welcomed to deliver appropriate and timely training for all sectors of the construction industry.
6. The DCC has not responded to every proposal in the consultation document as some proposals are not applicable to the DCC.

Conclusion

7. The DCC supports the Government's aim to make buildings warmer, drier, healthier and more energy efficient. Warmer, drier homes will bring health benefits for our residents, especially for the young, the elderly and those with respiratory illness. The DCC recognises that the proposed updates to the Building Code support the continued efforts to shift towards a carbon neutral economy by 2050.

Yours faithfully

Aaron Hawkins
MAYOR OF DUNEDIN

**BUILDING
PERFORMANCE**

Consultation submission form

Building Code update 2021

Building Code operating protocols

CONSULTATION SUBMISSION FORM 2021

Contents

Contents

Contents	2
How to submit this form	3
Submitter information	4
Proposal 1. Energy efficiency for housing and small buildings	5
Proposal 2. Energy efficiency for large buildings	8
Proposal 3. Energy efficiency for heating, ventilation, and air conditioning (HVAC) systems in commercial buildings	11
Proposal 4. Natural light for higher-density housing	13
Proposal 5. Weathertightness testing for higher-density housing	15
Proposal 6. Standards referenced in B1 Structure	17
Proposal 7. Editorial changes to Acceptable Solution B1/AS1	19
Building Code Operating protocols	20
New look for Building Code documents.....	22
Thank you.....	23

CONSULTATION SUBMISSION FORM 2021

How to submit this form

How to submit this form

This form is used to provide feedback on proposals found within the consultation documents:

- › Building Code update 2021 – Issuing and amending acceptable solutions and verification methods
- › Building Code operating protocols – Referencing standards and a tier framework to support standards in the Building Code system

When completing this submission form, please provide comments and reasons explaining your choices. Your feedback provides valuable information and informs decisions about the proposals.

You can submit this form by 5pm, Friday 28 May 2021 by:

- › email: buildingfeedback@mbie.govt.nz, with subject line Building Code consultation 2021
- › post to: Ministry of Business, Innovation and Employment, 15 Stout Street, Wellington 6011
or: Ministry of Business, Innovation and Employment, PO Box 1473, Wellington 6140

Your feedback will contribute to further development of the Building Code. It will also become official information, which means it may be requested under the Official Information Act 1982 (OIA).

The OIA specifies that information is to be made available upon request unless there are sufficient grounds for withholding it. If we receive a request, we cannot guarantee that feedback you provide us will not be made public. Any decision to withhold information requested under the OIA is reviewable by the Ombudsman.

CONSULTATION SUBMISSION FORM 2021

Submitter information

Submitter information

MBIE would appreciate if you would provide some information about yourself. If you choose to provide information in the "About you" section below it will be used to help MBIE understand the impact of our proposals on different occupational groups. Any information you provide will be stored securely.

A. About you

Name: Aaron Hawkins, Mayor of Dunedin

Email address: mayor@dcc.govt.nz

B. Are you happy for MBIE to contact you if we have questions about your submission?

☒ Yes ☐ No

C. Are you making this submission on behalf of a business or organisation??

☒ Yes ☐ No

If yes, please tell us the title of your company/organisation.

Dunedin City Council

D. The best way to describe your role is:

- | | |
|--|--|
| <input type="checkbox"/> Architect | <input type="checkbox"/> Engineer (please specify below) |
| <input checked="" type="checkbox"/> BCA/Building Consent Officer | <input checked="" type="checkbox"/> Residential building owner |
| <input type="checkbox"/> Builder or tradesperson (please specify below) | <input type="checkbox"/> Commercial building owner |
| <input type="checkbox"/> Building product manufacturer or supplier
(please specify the type of product below) | <input checked="" type="checkbox"/> Other (please specify below) |
| <input type="checkbox"/> Designer (please specify below) | <input type="checkbox"/> Prefer not to say |

Please specify here.

Local authority

CONSULTATION SUBMISSION FORM 2021

Proposal 1: Energy efficiency for housing and small buildings

Proposal 1. Energy efficiency for housing and small buildings

To make buildings warmer, drier, healthier and more energy efficient, we are considering options to increase the minimum insulation levels for roof, windows, walls and floors for new housing and small buildings. The options for minimum insulation levels vary across the country so that homes in the coldest parts of New Zealand will need more insulation than those in the warmest parts. As part of this, we are proposing to issue new editions of Acceptable Solution H1/AS1 and Verification Method H1/VM1 for housing and small buildings.

Questions for the consultation

1-1. Which option do you prefer? (Please select one)

- ☐ Status quo
- ☐ Option 1. Halfway to international standards
- ☐ Option 2. Comparable to international standards
- ☒ Option 3. Going further than international standards

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC supports going further than international standards as this would further improve energy efficiency and ultimately, better support the wellbeing of our community.

1-2. For your preferred option, how quickly should this change come into effect?
(Please select one)

- ☐ 12 months ☒ 24 months ☐ 36 months or more ☐ Not sure/No preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC believes that at a minimum, 24 months will be required due to the current materials shortages required to improve energy efficiency.

CONSULTATION SUBMISSION FORM 2021

Proposal 1: Energy efficiency for housing and small buildings

1-3. If there are factors we should consider to progressively phase in your preferred option, please tell us below.

These factors may include material availability or affordability, regional differences in the requirements, different building typologies or other considerations.

If a 24 month period is adopted (refer Q 1-2) the DCC believes progressively phasing in should not be required.

1-4. Do you support issuing the new editions of H1/AS1 and H1/VM1 as proposed?

H1/AS1: ☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

H1/VM1: ☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

1-5. What impacts would you expect on you or your business from the proposed options?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

As a building consent authority (BCA), the DCC anticipates that all technical BCA officers will require additional training. When previous changes have been made to the New Zealand Building Code (NZBC), the DCC has observed that it often fell to BCAs to provide industry training for the design and construction industries.

CONSULTATION SUBMISSION FORM 2021

Proposal 1: Energy efficiency for housing and small buildings

1-6. Is there any support that you or your business would need to implement the proposed changes if introduced?

☒ Yes

☐ No

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC encourages the Government to provide appropriate and timely training for all sectors of the construction industry.

CONSULTATION SUBMISSION FORM 2021

Proposal 2: Energy efficiency for large buildings

Proposal 2. Energy efficiency for large buildings

To make buildings warmer, drier, healthier and more energy efficient, we are proposing to increase the minimum insulation levels for roof, windows, walls and floors for large buildings. The proposed minimum insulation levels will vary so that buildings in the coldest parts of New Zealand will need more insulation than those in the warmest parts. As part of this, we are proposing to issue a new Acceptable Solution H1/AS2 and Verification Method H1/VM2 for large buildings.

Questions for the consultation

2-1. Which option do you prefer? (Please select one)

- ☐ Status quo
- ☐ Option 1. 10% reduction in energy use for heating and cooling
- ☐ Option 2. 20% reduction in energy use for heating and cooling
- ☒ Option 3. 25% reduction in energy use for heating and cooling

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC supports reducing energy use for heating and cooling as improving energy efficiency will ultimately better support the wellbeing of our community. In addition, the reduction in energy use, compared to increase in construction costs, appears to be linear. The DCC view is that we should start with a 25% reduction in energy use and gradually increase that number over a number of years.

2-2. For your preferred option, how quickly should this change come into effect?

(Please select one)

- ☐ 12 months ☒ 24 months ☐ 36 months or more ☐ No preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC believes that at a minimum, 24 months will be required due to the current materials shortages.

CONSULTATION SUBMISSION FORM 2021

Proposal 2: Energy efficiency for large buildings

2-3. If there are factors we should consider to progressively phase in your preferred option, please tell us below.

These factors may include material availability or affordability, regional differences in the requirements, different building typologies or other considerations.

If a 24 month period is adopted (refer Q 2-2) the DCC believes progressively phasing in should not be required.

2-4. Do you support issuing the new editions of H1/AS2 and H1/VM2 as proposed?

H1/AS2: ☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

H1/VM2: ☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

2-5. What impacts would you expect on you or your business from the proposed options?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

As a BCA, the DCC anticipates that all technical BCA officers will require additional training. When previous changes have been made to the NZBC, the DCC has observed that it often fell to BCAs to provide industry training for the design and construction industries.

CONSULTATION SUBMISSION FORM 2021

Proposal 2: Energy efficiency for large buildings

2-6. Is there any support that you or your business would need to implement the proposed changes if introduced?

☒ Yes

☐ No

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC encourages the Government to provide appropriate and timely training for all sectors of the construction industry.

CONSULTATION SUBMISSION FORM 2021

Proposal 3: Energy efficiency for HVAC systems in commercial buildings

Proposal 3. Energy efficiency for heating, ventilation, and air conditioning (HVAC) systems in commercial buildings

Currently, there is no acceptable solution or verification method issued for the energy efficiency of heating, ventilation and air conditioning (HVAC) systems in commercial buildings (Clause H1.3.6 of the Building Code). We are proposing to issue a new Verification Method H1/VM3 will establish a baseline and standardised procedures that will help building designers and building consent authorities demonstrate and verify the compliance of this clause.

Questions for the consultation

3-1. Do you support issuing the new edition of H1/VM3 as proposed?

☐ Yes, I support it

☐ No, I don't support it

☒ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

3-2. Do you think the proposed Verification Method H1/VM3 covers all important aspects of energy efficiency of HVAC systems in commercial buildings?

☐ Yes

☐ No

☒ Not sure/no preference

If there are aspects that you think should be included, please tell us below.

CONSULTATION SUBMISSION FORM 2021

Proposal 3: Energy efficiency for HVAC systems in commercial buildings

3-3. What impacts would you expect on you or your business from the new H1/VM3?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

N/A

3-4. Do you agree with the proposed transition time of 12 months for the new Verification Method H1/VM3 to take effect?

- ☐ Yes, it is about right ☐ No, it should be shorter (less than 12 months)
☐ No, it should be longer (24 months or more) ☒ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

CONSULTATION SUBMISSION FORM 2021

Proposal 4: Natural light for higher-density housing

Proposal 4. Natural light for higher-density housing

We are proposing to issue new acceptable solutions and verification methods for G7 Natural Light to adopt new compliance pathways for higher-density housing. The new pathways are more suitable for these types of buildings. As a consequence of the change, the scope of the existing documents are proposed to be limited.

Questions

4-1. Do you support issuing the new G7/AS1, G7/AS2, G7/VM2 as proposed?

- G7/AS1: ☒ Yes, I support it ☐ No, I don't support it ☐ Not sure/no preference
G7/AS2: ☒ Yes, I support it ☐ No, I don't support it ☐ Not sure/no preference
G7/VM2: ☒ Yes, I support it ☐ No, I don't support it ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

4-2. What approach do you think we should take for G7/VM1?

- ☒ It should be revoked ☐ It should remain as is
☒ It should be amended ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC believes that leaving G7/VM1 in place could cause confusion.

CONSULTATION SUBMISSION FORM 2021

Proposal 4: Natural light for higher-density housing

4-3. What impacts would you expect on you or your business from the new editions of G7/AS1, G7/AS2, G7/VM1, and G7/VM2?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

There will be a need to source and provide appropriate additional training for all technical BCA officers, designers and manufactures.

4-4. Do you agree with the proposed transition time of 12 months for the new G7/AS1, G7/AS2, G7/VM1, and G7/VM2 to take effect?

- ☐ Yes, it is about right ☐ No, it should be shorter (less than 12 months)
☒ No, it should be longer (24 months or more) ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC believes that 12 months would not be an adequate amount of time for the construction and consenting industry to come up to speed with the new requirements. It will take time to write and deliver appropriate training to designers and BCAs in particular.

CONSULTATION SUBMISSION FORM 2021

Proposal 5: Weathertightness testing for higher-density housing

Proposal 5. Weathertightness testing for higher-density housing

We are proposing to issue a new edition of E2/VM2 to reference BRANZ Evaluation Method EM7 Performance of mid-rise cladding systems (version 3, June 2020). This update version of EM7 is easier for test laboratories, cladding system suppliers, and building designers to use than the previous version. The new version does not significantly change the minimum performance requirements of the test method, and existing tested cladding systems will not need to be retested.

Questions for the consultation

5-1. Do you support issuing the new edition of E2/VM2 as proposed to cite BRANZ EM7 version 3?

☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

BRANZ EM7 allow for testing of cladding up to 25m in height. This option will be required if the Government wishes to pursue high density housing.

5-2. What impacts would you expect on you or your business from the new edition of E2/VM2?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

There will be an increased training load on BCAs. However, the greatest impact is likely to be on designers and manufacturers, both of whom will need to familiarise themselves with the new VM.

CONSULTATION SUBMISSION FORM 2021

Proposal 5: Weathertightness testing for higher-density housing

5-3. Do you agree with the proposed transition time of 12 months for the new Verification Method E2/VM2 to take effect?

- ☐ Yes, it is about right ☐ No, it should be shorter (less than 12 months)
☒ No, it should be longer (24 months or more) ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

The DCC believes that implementation would be difficult in less than 12 months, as it will not allow enough time for appropriate training to be provided to design professionals.

CONSULTATION SUBMISSION FORM 2021

Proposal 6: Standards for citation in B1 Structure

Proposal 6. Standards referenced in B1 Structure

We are proposing to amend referenced standards in the acceptable solutions and verification methods for clause B1 Structure. The amended references include new versions of AS/NZS 4671, AS/NZS 5131, AS/NZS 2327, the NZGS document "Field Description of Soil and Rock – Guideline for the field descriptions of soils and rocks in engineering purposes". Previous versions of these documents are currently referenced by the acceptable solutions and verification methods.

Questions for the consultation

6-1. Do you support the amendment of B1/AS1, B1/AS3 and B1/VM1 as proposed to include the following referenced standards and document?

AS/NZS 4671: 2019 Steel for the reinforcement of concrete:

- ☒ Yes, I support it
☐ No, I don't support it
☐ Not sure/no preference

AS/NZS 5131: 2016 Structural Steelwork – Fabrication and Erection:

- ☒ Yes, I support it
☐ No, I don't support it
☐ Not sure/no preference

AS/NZS 2327: 2017 Composite structures – Composite steel-concrete construction in buildings Amendment 1:

- ☒ Yes, I support it
☐ No, I don't support it
☐ Not sure/no preference

Field Description of Soil and Rock – Guideline for the field descriptions of soils and rocks in engineering purposes, New Zealand Geotechnical Society Inc., December 2005:

- ☒ Yes, I support it
☐ No, I don't support it
☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

CONSULTATION SUBMISSION FORM 2021

Proposal 6: Standards for citation in B1 Structure

6-2. What impacts would you expect on you or your business from the referencing of these standards and document?

These impacts may be economic/financial, environmental, health and wellbeing, or other areas.

The DCC does not anticipate a high level of impact on its business, as most of the additional work required to become proficient with these changes will fall to design professionals rather than the DCC.

6-3. Do you agree with the proposed transition time of 12 months for the new Acceptable Solutions B1/AS1 and B1/AS3 and Verification Method B1/VM1 to take effect?

- ☐ Yes, it is about right ☐ No, it should be shorter (less than 12 months)
☐ No, it should be longer (24 months or more) ☒ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

CONSULTATION SUBMISSION FORM 2021

Proposal 7: Editorial changes to Acceptable Solution B1/AS1

Proposal 7. Editorial changes to Acceptable Solution B1/AS1

We are proposing to amend text within Acceptable Solution B1/AS1 to make editorial changes in regards to geotechnical requirements. Editorial changes may include obvious errors in the text, typos, spelling mistakes, incorrect cross-references, changes in the formatting, minor clarifications of text with minor to no impact, or other items related to current document drafting practices.

Questions for the consultation

7-1. Do you support the amendment of B1/AS1 to address the editorial changes to geotechnical requirements as proposed?

☒ Yes, I support it

☐ No, I don't support it

☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

CONSULTATION SUBMISSION FORM 2021

Building Code operating protocols

Building Code operating protocols

We are seeking feedback on two draft operating protocols that are intended to provide transparency and certainty around the work MBIE does as the building and construction regulator. The two operating protocols for this consultation are:

- › Referencing standards in the Building Code system
- › Tier framework to support standards in the Building Code system

Questions for the consultation

1. Do you agree with the proposed criteria for referencing a standard in the Building Code system?

These proposed criteria include: alignment to the Building Code, in scope, clear, specific, implementable in New Zealand and available.

☒ Yes, I support them ☐ No, I don't support them ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

2. Do you agree with the proposed criteria for deciding the tier status of standards?

Risk severity: ☒ Yes, I agree with the criteria ☐ No, I don't agree ☐ Not sure/no preference

Contribution to the Building Code: ☒ Yes, I agree with the criteria ☐ No, I don't agree ☐ Not sure/no preference

Design focus: ☒ Yes, I agree with the criteria ☐ No, I don't agree ☐ Not sure/no preference

Is there anything you would like to tell us about the reason(s) for your choice?

CONSULTATION SUBMISSION FORM 2021

Building Code operating protocols

3. Which standard(s) and their proposed tier status particularly impact you and why?

All the standards listed as tier 1 are used extensively by designers and BCAs. There are some tier 2 standards that are also used a great deal, but on balance, the DCC thinks that the balance is about right.

4. Is there anything else you would like to tell us about these protocols for the use of standards in the Building Code system?

The DCC would like to see an increased number of standards administered by MBIE. Although there is a cost to this approach, the NZBC is dependent on these documents, so it is important that they are well maintained. The DCC believe that MBIE is the best placed for this.

CONSULTATION SUBMISSION FORM 2021

New look for Building Code documents

New look for Building Code documents

1. Is there anything you would like to tell us about the new look of acceptable solution and verification methods?

The DCC notes that every time there is a change to the existing documents, there is a significant retraining cost that must be absorbed by document users. The DCC suggests that MBIE does not alter the 'look' of existing documents unless there is a good reason to do so.

CONSULTATION SUBMISSION FORM 2021

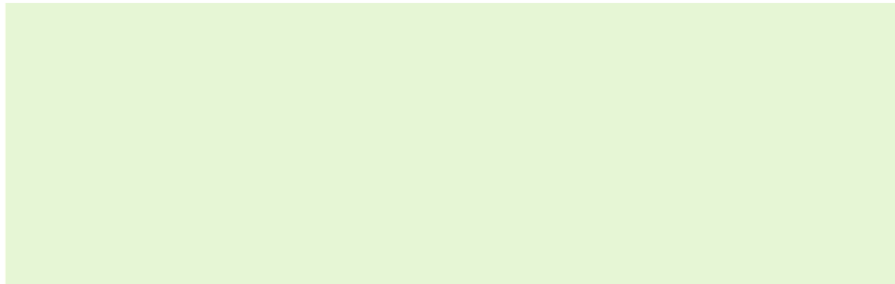
Thank you

Thank you

Thanks for your feedback, we really appreciate your insight because it helps us keep pace with modern construction methods, the needs of New Zealanders and ensure buildings are safe, warm, dry, healthy and durable.

To help us continue to improve our Building Code update programme, we would appreciate any suggestions or comments you may have on what's working and how we can do better.

Please leave your feedback below:



FINANCIAL RESULT - PERIOD ENDED 30 APRIL 2021

Department: Executive Leadership Team

EXECUTIVE SUMMARY

- 1 This report provides the financial results for the ten months ended 30 April 2021 and the financial position as at that date.
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

\$ Million	Actual	Budget	Variance		Last Year
Revenue	258.049	255.688	2.361	F	253.694
Expenditure	264.753	264.685	(0.068)	U	258.070
Net Surplus/(Deficit) excluding Waipori	(6.704)	(8.997)	2.293	F	(4.376)
Waipori Fund Net	8.021	4.264	3.757	F	1.925
Net Surplus/(Deficit) including Waipori	1.317	(4.733)	6.050	F	(2.451)
Capital Expenditure	83.058	105.066	22.008		72.197
Debt					
Short Term Borrowings	28.000	67.900	39.900	F	25.000
Term Loans	243.973	243.973	-		218.973
Total Debt	271.973	311.873	39.900	F	243.973

RECOMMENDATIONS

That Council:

- a) **Notes** the Financial Performance for the ten months 30 April 2021 and the Financial Position as at that date.

BACKGROUND

- 3 This report provides the financial statements for the ten months ended 30 April 2021. It includes reports on: financial performance, financial position, cashflows and capital expenditure. The operating result is also shown by group, including analysis by revenue and expenditure type.

DISCUSSION

- 4 The year to date favourable revenue variance included increased activity at the Green Island Landfill, and unbudgeted government project funding for Economic Development, Three Waters, Property and Parks.
- 5 These favourable revenue variances were partially offset by lower grants funding in transport due to a lower level of subsidised capital expenditure. Parking revenue was also tracking below budget due to the temporary closure of the St Andrew & Dowling street carparks while on-site works were completed.
- 6 Overall expenditure was in line with budget. Favourable variances included:
- favourable interest expenditure due to the lower level of borrowing and a favourable floating interest rate,
 - delayed timing of some grant expenditure including allocation and disbursement from the Covid19 fund,
 - favourable personnel costs reflecting vacancies across the organisation,
 - timing/savings of greenspace maintenance costs in Parks resulting in part from better management of the related contracts.
- 7 These favourable variances were offset by:
- higher ETS and variable contract costs at the Green Island Landfill as a result of increased activity,
 - development/scoping costs in Transport related to the major projects programme. Roothing maintenance was also running ahead of budget due to the timing of expenditure,
 - expenditure related to the government project funding discussed above,
 - unbudgeted costs associated with the second-generation district plan,
 - expenditure related to resource consents due to the high number of applications received.
- 8 The operating result for the Waipori Fund was favourable year to date with positive movements across all equity markets. Fair value adjustments in the current month were positive following the market decline in March.
- 9 Capital expenditure was \$1.901 million ahead of budget for the month reflecting a number of projects now in delivery – Three Waters in particular. The current forecast has full year expenditure between \$95.0m and \$100.0m.

NEXT STEPS

- 10 Financial Result Reports continue be presented to future meetings of either the Finance and Council Controlled Organisation Committee or Council.

Signatories

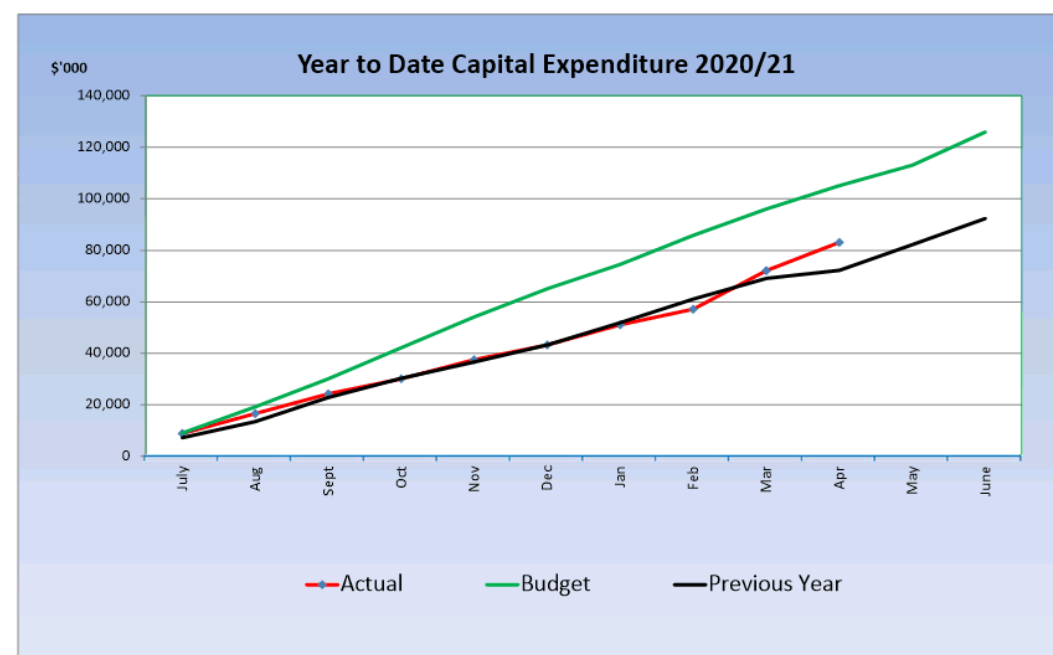
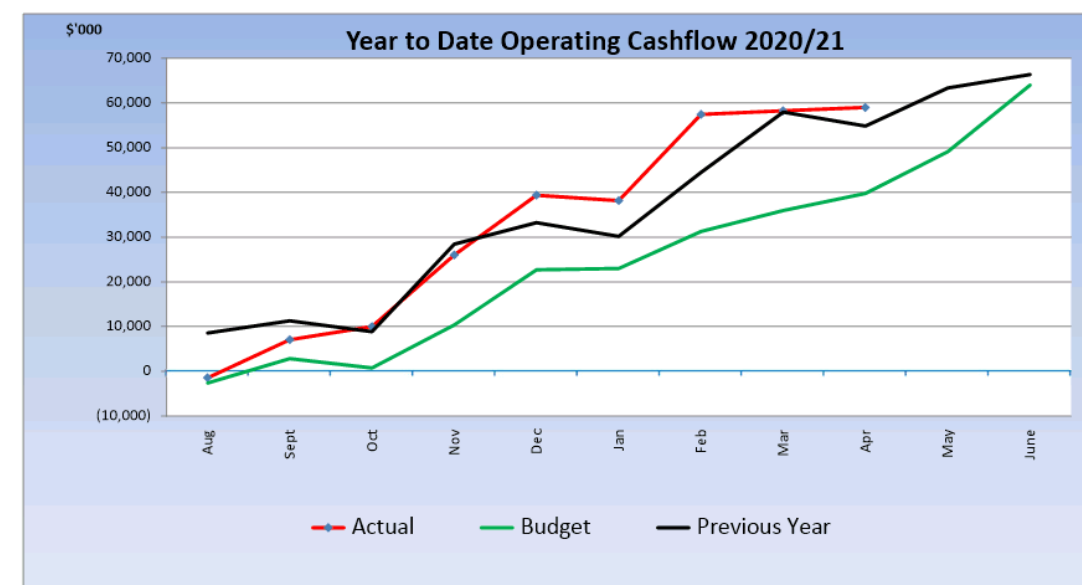
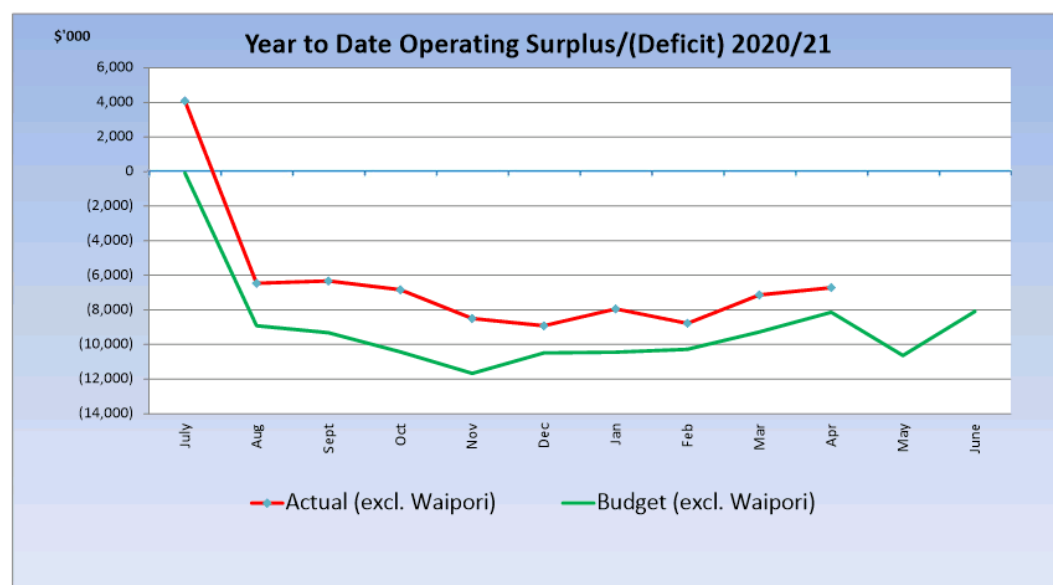
Authoriser:	Gavin Logie - Acting General Manager Finance
-------------	--

Attachments

	Title	Page
↓A	Summary Financial Information	343
↓B	Statement of Financial Performance	344
↓C	Statement of Financial Position	345
↓D	Statement of Cashflows	346
↓E	Capital Expenditure Summary	347
↓F	Summary of Operating Variances	348


DUNEDIN CITY COUNCIL

SUMMARY FINANCIAL INFORMATION AS AT 30 APRIL 2021





Borrowing Metrics	LGFA Target	Actual	Budget
Interest as a % rates revenue	< 30% *	5.2%	7.3%
Interest as a % total revenue	< 20% *	3.1%	4.4%
Debt % annualised revenue	250.0% Max.	99.3%	113.8%

* represents the ability to fund interest costs from revenue

DUNEDIN CITY COUNCIL					 DUNEDIN kaunihera CITY COUNCIL a-rohe o Ōtepoti						
Statement of Financial Performance											
For the Period Ending 30 April 2021											
Amount : \$'000											
Mth Actual	Mth Budget	Mth Variance			Year to Date Actual	Year to Date Budget	Year to Date Variance		LY YTD Actual	LY Full Year Actual	Full Year Budget
REVENUE											
13,594	13,541	53 F	Rates Revenue		135,928	135,412	516 F		130,574	156,967	163,136
28	66	38 U	Rates Penalties		818	319	499 F		683	766	333
5,589	5,286	303 F	Other Operating Revenue		58,975	54,448	4,527 F		59,238	73,113	66,172
3,140	3,071	69 F	Grants		30,642	35,496	4,854 U		32,718	40,052	40,701
194	69	125 F	Contributions		1,941	693	1,248 F		961	6,083	3,832
3,003	2,933	70 F	Internal Revenue		29,745	29,320	425 F		29,520	35,349	35,180
25,548	24,966	582 F	TOTAL REVENUE		258,049	255,688	2,361 F		253,694	312,330	309,354
EXPENDITURE											
5,254	5,434	180 F	Personnel Costs		54,543	56,488	1,945 F		55,188	67,488	67,972
6,951	5,628	1,323 U	Operations & Maintenance		61,285	57,308	3,977 U		55,366	67,593	68,293
901	970	69 F	Occupancy Costs		20,907	21,529	622 F		22,391	24,825	26,235
1,778	1,790	12 F	Consumables & General		19,960	18,971	989 U		19,164	27,255	23,629
282	189	93 U	Grants & Subsidies		9,546	10,122	576 F		8,699	10,095	10,790
3,003	2,931	72 U	Internal Charges		29,745	29,321	424 U		29,519	35,349	35,180
6,256	6,108	148 U	Depreciation		61,633	61,074	559 U		59,028	73,097	73,289
698	986	288 F	Interest		7,134	9,872	2,738 F		8,715	10,014	12,051
25,123	24,036	1,087 U	TOTAL EXPENDITURE		264,753	264,685	68 U		258,070	315,716	317,439
425	930	505 U	NET SURPLUS (DEFICIT) EXCLUDING WAIPORI		(6,704)	(8,997)	2,293 F		(4,376)	(3,386)	(8,085)
Add											
1,312	426	886 F	Waipori Fund Net Operating Result		8,021	4,264	3,757 F		1,925	4,948	5,115
1,737	1,356	381 F	NET SURPLUS (DEFICIT) INCLUDING WAIPORI		1,317	(4,733)	6,050 F		(2,451)	1,562	(2,970)

		DUNEDIN CITY COUNCIL		DUNEDIN CITY COUNCIL		kaunihera a-rohe o Ōtepoti	
		Statement of Financial Position					
		As at 30 April 2021					
		Amount : \$'000					
As at 30-Jun-20		As at 30-Apr-21	Budget 30-Apr-21	Budget 30-Jun-21	As at 30-Apr-20		
Current Assets							
15,362	Cash and Deposits	14,252	10,892	9,558	18,467		
24,357	Sundry Debtors	31,904	29,495	19,379	30,179		
7,163	Short Term Investments	6,428	9,733	9,733	8,129		
-	Assets held for Resale	-	-	-	-		
352	Inventories	392	288	288	288		
47,234	Total Current Assets	52,976	50,408	38,958	57,063		
Non Current Assets							
317,036	Investments	330,013	318,027	320,869	314,894		
3,065,159	Fixed Assets	3,086,526	3,146,438	3,195,493	3,055,409		
3,382,195	Total Non Current Assets	3,416,539	3,464,465	3,516,362	3,370,303		
3,429,429	TOTAL ASSETS	3,469,515	3,514,873	3,555,320	3,427,366		
Current Liabilities							
13,284	Sundry Creditors	23,988	12,000	10,000	13,875		
36,300	Accrued Expenditure	36,475	21,223	27,407	36,645		
-	Short Term Borrowings	28,000	67,900	-	25,000		
2,052	Derivative Financial Instruments	1,257	874	367	2,859		
51,636	Total Current Liabilities	89,720	101,997	37,774	78,379		
Non Current Liabilities							
243,973	Term Loans	243,973	243,973	308,873	218,973		
12,241	Other Non-Current Liabilities	12,133	11,360	11,360	11,376		
256,214	Total Non Current Liabilities	256,106	255,333	320,233	230,349		
307,850	TOTAL LIABILITIES	345,826	357,330	358,007	308,728		
3,121,579	COUNCIL EQUITY	3,123,689	3,157,543	3,197,313	3,118,638		
3,429,429		3,469,515	3,514,873	3,555,320	3,427,366		
Statement of Change in Equity							
3,120,186	Opening Balance	3,121,579	3,161,587	3,161,587	3,120,186		
1,562	Operating Surplus (Deficit)	1,317	(4,733)	(2,970)	(2,451)		
(2,382)	Movements in Reserves	(2)	-	37,500	(503)		
2,213	Adjustment Derivatives	795	689	1,196	1,406		
3,121,579		3,123,689	3,157,543	3,197,313	3,118,638		

<div style="display: flex; justify-content: space-between; align-items: center;"> <div> DUNEDIN CITY COUNCIL Statement of Cashflows For the Period Ending 30 April 2021 Amount : \$'000 </div> <div>  DUNEDIN kaunihera CITY COUNCIL a-rohe o Ōtepoti </div> </div>				
	Year to Date Actual	Year to Date Budget	Full Year Budget	LY YTD Actual
Cash Flow from Operating Activities				
<i>Cash was provided from operating activities</i>				
Rates Received	130,939	130,732	162,974	124,935
Other Revenue	97,200	84,198	100,611	90,458
Interest Received	4,049	4,937	8,105	4,298
Dividend Received	1,061	1,277	1,531	1,578
Income Tax Refund	-	-	850	-
<i>Cash was applied to</i>				
Suppliers and Employees	(165,224)	(170,301)	(198,532)	(157,081)
Interest Paid	(9,039)	(11,066)	(11,571)	(9,345)
Net Cash Inflow (Outflow) from Operations	58,986	39,777	63,968	54,843
Cash Flow from Investing Activities				
<i>Cash was provided from investing activities:</i>				
Sale of Assets	69	-	120	731
Reduction in Investments	-	-	-	328
<i>Cash was applied to:</i>				
Increase in Investments	(6,117)	-	(2,550)	-
Capital Expenditure	(82,048)	(104,746)	(124,841)	(74,340)
Net Cash Inflow (Outflow) from Investing Activity	(88,096)	(104,746)	(127,271)	(73,281)
Cash Flow from Financing Activities				
<i>Cash was provided from financing activities:</i>				
Loans Raised	-	-	64,900	-
Increase in Short Term Borrowings	42,000	67,900	-	54,000
<i>Cash was applied to:</i>				
Loans Repaid	-	-	-	-
Decrease in Short Term Borrowings	(14,000)	-	-	(29,000)
Net Cash Inflow (Outflow) from Financing Activity	28,000	67,900	64,900	25,000
Total Increase/(Decrease) in Cash	(1,110)	2,931	1,597	6,562
Opening Cash and Deposits	15,362	7,961	7,961	11,905
Closing Cash and Deposits	14,252	10,892	9,558	18,467

<div> <div> DUNEDIN CITY COUNCIL Capital Expenditure Summary by Activity For the Period Ending 30 April 2021 Amount : \$'000 </div> <div>  DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti </div> </div>						
Description	Year to Date Actual	Year to Date Budget	Year to Date Variance	Over Under Spend	LY YTD Actual	Full Year Budget
Arts and Culture	951	1,541	590	U	784	2,267
Community and Planning	(74)	569	643	U	383	644
Corporate Services	1,845	3,515	1,670	U	2,429	4,060
Enterprise Dunedin	1	-	1	O	7	-
Property	9,268	16,173	6,905	U	7,864	18,966
Parks and Recreation	3,482	5,892	2,410	U	2,634	9,769
Customer and Regulatory Services	134	1,727	1,593	U	101	1,752
Transport	40,002	47,531	7,529	U	40,472	55,487
Waste & Environmental	907	1,566	659	U	1,216	2,012
Three Waters	26,542	26,552	10	U	16,307	30,999
	<u>83,058</u>	<u>105,066</u>	<u>22,008</u>	<u>U</u>	<u>72,197</u>	<u>125,956</u>

<p>DUNEDIN CITY COUNCIL Summary of Operating Variances For the Period Ending 30 April 2021</p> <p>Amount : \$'000</p> <p>DUNEDIN kaunihera CITY COUNCIL a-rohe o ōtepoti</p>											
Group	Year to Date Surplus(Deficit)			Year to Date Variance Favourable (Unfavourable)							
	Actual	Budget	Variance	Rates Revenue	Other Ext Revenue	Int Revenue	Staff	Ops & Other Exps	Internal Costs	Interest	Depr'n
Waipori Fund	8,021	4,264	3,757	-	3,772	-	-	(15)	-	-	-
Arts and Culture	322	(731)	1,053	-	464	13	456	83	2	-	35
Community and Planning	(144)	(409)	265	-	6	10	549	(239)	(67)	-	6
Corporate Services	900	353	547	-	(1)	30	86	510	21	-	(99)
Enterprise Dunedin	454	(195)	649	-	1,743	6	202	(1,293)	(8)	-	(1)
Property	(1,259)	(1,167)	(92)	-	255	6	(18)	(536)	(7)	-	208
Investment	(5,847)	(9,414)	3,567	487	24	-	(72)	211	10	2,907	-
Otago Museum Levy	(756)	(756)	-	-	-	-	-	-	-	-	-
Other	653	(331)	984 *	535	(6)	3	510	93	19	(169)	(1)
Parks and Recreation	1,387	(1,010)	2,397	-	928	1	346	1,249	(5)	-	(122)
Customer and Regulatory Services	1,581	1,096	485	-	135	(15)	37	319	(49)	-	58
Transport	136	8,073	(7,937)	-	(6,652)	-	249	(1,351)	(6)	-	(177)
Waste & Environmental	(26)	(592)	566	-	2,111	371	41	(1,904)	30	-	(83)
Three Waters	(4,105)	(3,914)	(191)	(7)	1,914	-	(441)	(910)	(364)	-	(383)
Total Council	1,317	(4,733)	6,050	1,015	4,693	425	1,945	(3,783)	(424)	2,738	(559)
* Other includes: Corporate Management, Dunedin Centre, Finance, Human Resources and Warm Dunedin											

RESOLUTION TO EXCLUDE THE PUBLIC

That the Council excludes the public from the following part of the proceedings of this meeting (pursuant to the provisions of the Local Government Official Information and Meetings Act 1987) namely:

General subject of the matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution	Reason for Confidentiality
C1 Confirmation of the Confidential Minutes of Ordinary Council meeting - 13 April 2021 - Public Excluded	<p>S6(a) The making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial.</p> <p>S7(2)(a) The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.</p> <p>S7(2)(b)(i) The withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage,</p>	.	

	negotiations (including commercial and industrial negotiations).		
C2 Confidential Council Actions from Resolutions at Council Meetings	S6(a) The making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences and the right to a fair trial.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 6.	
C3 Confidential Council Forward Work Programme	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	
C4 Contract Matter: Waste	S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act, or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown above after each item.