

Notice of Meeting:

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

Date: Tuesday 28 February 2023
Time: 10.00 am
Venue: Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin

Sandy Graham
Chief Executive Officer

Council
PUBLIC AGENDA

MEMBERSHIP**Mayor**
Deputy Mayor

Mayor Jules Radich
Cr Sophie Barker

Members

Cr Bill Acklin	Cr David Benson-Pope
Cr Christine Garey	Cr Kevin Gilbert
Cr Carmen Houlahan	Cr Marie Laufiso
Cr Cherry Lucas	Cr Mandy Mayhem
Cr Jim O'Malley	Cr Lee Vandervis
Cr Steve Walker	Cr Brent Weatherall
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

The meeting will be live streamed on the Council's YouTube page: [dunedin city council - YouTube](#)

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

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1 OPENING

Rev Canon Michael Wallace (All Saints Church) will open the meeting with a prayer.

2 PUBLIC FORUM

At the close of the agenda public forum registrations were still being taken. The speakers will be confirmed following closure of registrations 24 hours before the meeting starts.

3 APOLOGIES

An apology has been received from Cr Andrew Whiley.

That the Council:

Accepts the apology from Cr Andrew Whiley.

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 possible.

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 Members' Interest Register.

Attachments

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Councillor Register of Interest - Current as at 20 February 2023				
Councillors are members of all committees				
Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
Mayor 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	No conflict identified	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.
	Director/Shareholder	Southern Properties (2007) Ltd	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Arrenway Drive Investments Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director	Golden Centre Holdings Ltd	No conflict identified	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	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	Dunedin Hospital Local Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Council of Social Services (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	Tertiary Sector Steering 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.
	Member	Connecting Dunedin (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
Cr Bill Acklin	Shareholder/Director	Dunedin Brokers Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	APRA - AMCOS	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Entertainer	Various functions	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	Craigieburn Reserve Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Sophie Barker	Director	Ayrmed 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.
	Mentor	Business Mentors NZ	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Southern Heritage Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Friends Otago Museum	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Peninsula Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Orokonui Ecosanctuary	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Volunteer	Blue Penguins Pukekura	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Vegetable Growers Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Committee Member	Otago Anniversary Day Dinner	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Dunedin Heritage Fund (Council Appointment)	No conflict Identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin Gasworks Museum Trust (Council Appointment)	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	Hereweka Harbour Cone Trust (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.
	Member	Te Ao Tūroa Partnership (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
	Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr 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 (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)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr 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.
	Member	Women of Ōtepoti	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Grow Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Sophia Charter (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	St Paul's Cathedral Foundation (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Theomin Gallery Management Committee (Olveston) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Kevin Gilbert	Owner	Gipfel Limited - Bakery	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Schlubert Trust - Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Schlup Family Trust	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	BNI	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Business South	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Shareholder	Air New Zealand	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Kevin Gilbert and Esther Gilbert Partnership - Residential Rental Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Biddies Trust	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
	Advisors	Ronald McDonald House Supper Club Committee	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.
	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.
	Member (alternate)	Otago Regional Transport Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Toitū Otago Settlers Museum Board (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	Otago Settlers Association (Council Appointment)	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.
	Member	Connecting Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr 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.
	Shareholder	Startup Business	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	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	Creative Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Theatre Trust (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Marie Laufiso	Property Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Moray Place 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.
	Chair	Otago Mental Health Support 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 public excluded, to leave the room.

Name	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	Member	Women of Ōtepoti Recognition Initiative	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Family Member	Staff member a relative	Potential conflict depending on level of staff member involvement	Managed by staff at officer level if a perceived conflict of interest arises.
	Secretary	Brockville Improvements and Amenities Society (BIAS)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Corso Ōtepoti Dunedin Trust	Potential grants recipient	Withdraw from discussion and leave the table. If in public excluded 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.
	Secretary	BIAS Charitable Trust	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.
	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	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 Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Wellbeing Advisory Group (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.
	Chairperson	Grants Subcommittee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Cherry Lucas	Trustee	Otago Farmers Market	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Henderson Lucas Family Trust - Residential Dunedin Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Institute of Chartered Accountants	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Museum Trust Board (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	Toitū Otago Settlers Museum Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member (alternate)	Grow Dunedin Partnership (Council Appointment)	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.
	Member	Te Poāri a Pukekura Partnership (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
Cr Mandy Mayhem	Chairperson	Waitati Hall Society Inc	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Blueskin News Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-ordinator	Waitati Market	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Co-ordinator	Emergency response group, Blueskin area	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	FENZ Local Advisory Committee for Otago	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Waitati Music Festival Committee	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Blueskin Bay Amenities Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Blueskin A & P Society	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Keep Dunedin Beautiful (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Deputy Chairperson	Keep New Zealand Beautiful	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Coastal Community Cycleway Network	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.
	Member	Age Concern (Council appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Social Wellbeing Advisory Group (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr 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 Incorporated (Council Appointment)	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.
	Member	Dunedin Hospital Local Advisory Group (Council Appointment)	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.
	Member	Okia Reserve Management Committee (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
	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.
Lee Vandervis	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 public excluded leave the room. Seek advice prior to the meeting.
	Member	District Licensing Committee (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairperson	Disability Issues Advisory Group (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.
Steve Walker	Chairperson	Dunedin Wildlife Hospital Trust	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded 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.
	Member	Orokonui Ecosanctuary	Potential grants recipient	Withdraw from discussion and leave the table. If the meeting is in public excluded 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	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	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.
	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)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Predator Free Dunedin (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
Cr Brent Weatherall	Member	Urban Access	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Residential Property	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Owner	Business George Street, Dunedin	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	Brent Weatherall Jeweller Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Weatherall Trustee Company	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Residential Rental Properties	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 Public Art Gallery Society (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	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Director/Shareholder 22 May 2017	Estate of Grace Limited	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Trustee	Japek (Family Trust) - Property Ownership - Dunedin	Duties to Trust may conflict with duties of Council Office.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Otago Golf Club	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Dunedin South 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	National Party	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chairman	Volunteer South	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	President	New Zealand PGA (Professional Golf Association)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Chair	Dunedin Community House Executive Committee	Potential grants recipient	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.
	Member	Chisholm Links Golf Club	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.
	Member	Dunedin Shanghai Association (Sister City Society) (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	Grow Dunedin Partnership (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	Member	NZ Masters Games Trust Board (Council Appointment)	No conflict identified	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	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.

Executive Leadership Team - Register of Interest - current as at 23 January 2023					
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	St Clair 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.
	21/02/2020	Wife	Owens 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.
		Wife employee (Community Connector)	Taieri Network	DCC has provided Place Based Funding to the Taieri Network. Potential future grants applicant.	Does not participate in grant funding decisions.
		Investor/Director	Saddle Hill Investment Trust	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.
	10/02/2022	Trustee	Otago Southland Manufacturers Association Trust	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.
	09/07/2018	Member	Society of Local Government Managers	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	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.
Simon Drew		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.
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.
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.
		Minority shareholder	Southern Hospitality	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.
	17/07/2020	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.

Executive Leadership Team - Register of Interest - current as at 23 January 2023					
Name	Date of Entry	Responsibility (i.e. Chairperson etc)	Declaration of Interests	Nature of Potential Interest	Member's Proposed Management Plan
	14/01/2021		Wife works in a senior financial position in the Finance Department, University of Otago Son works for Tregaskis Brown who provide consultancy services to Central Government	No conflict identified. No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises. 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.
Claire Austin	17/09/2021	Owner	Residential property Dunedin	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.
		Fellow	Australia and New Zealand School of Government	No conflict identified.	Seek advice prior to the meeting if actual or perceived conflict of interest arises.

CONFIRMATION OF MINUTES


ORDINARY COUNCIL MEETING - 31 JANUARY 2023

RECOMMENDATIONS

That the Council:

- a) **Confirms** the public part of the minutes of the Ordinary Council meeting held on 31 January 2023 as a correct record.

Attachments

	Title	Page
A 	Minutes of Ordinary Council meeting held on 31 January 2023	17

Council MINUTES

Minutes of an ordinary meeting of the Dunedin City Council held in the Council Chamber, Dunedin Public Art Gallery, The Octagon, Dunedin on Tuesday 31 January 2023, commencing at 10.00 am

PRESENT

Mayor Mayor Jules Radich
Deputy Mayor Cr Sophie Barker

Members	Cr Bill Acklin	Cr David Benson-Pope
	Cr Christine Garey	Cr Kevin Gilbert
	Cr Carmen Houlahan	Cr Marie Laufiso
	Cr Cherry Lucas	Cr Mandy Mayhem
	Cr Jim O'Malley	Cr Lee Vandervis
	Cr Steve Walker	Cr Brent Weatherall
	Cr Andrew Whiley	

IN ATTENDANCE

Sandy Graham (Chief Executive Officer), Simon Pickford (General Manager Community Services), John Christie (Manager Enterprise Dunedin), Simon Drew (General Manager Infrastructure and Development), Jeanette Wikaira (Manahautū (General Manager Māori, Partnerships and Policy)), Gavin Logie (Chief Financial Officer), Claire Austin (General Manager Customer and Regulatory), Leanne Mash (Communications and City Marketing Manager), Jinty MacTavish (Principal Policy Advisor), Rick Zwaan (Senior Policy Analyst, Zero Carbon) and Clare Sullivan (Deputy Electoral Officer), Paul Freeland (Principal Policy Advisor) and Kevin Mechen (Alcohol Drug Gambling Advisor and Secretary, District Licensing Committee)

Governance Support Officer Lynne Adamson

1 OPENING

Geoff Mitchell (The Church of Jesus Christ of Latter-day Saints) opened the meeting with a prayer.

TRIBUTE

The Mayor acknowledged the recent passing of former Councillor and Community Board member, Maurice Prendergast.

2 PUBLIC FORUM

1.1 Public Forum – Rachel Elder

Ms Elder tabled information on cycleways and ideas for a Taieri Gorge Cycle Trail to connect Dunedin with Middlemarch.

Ms Elder responded to questions.

1.2 Public Forum – Paulina Barry

Ms Barry spoke on street lighting in Port Chalmers and responded to questions.

1.3 Public Forum – Jo Millar

On behalf of Grey Power Otago Inc, Ms Millar spoke about Aurora Energy.

Ms Millar responded to questions.

3 APOLOGIES

There were no apologies.

4 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 (Mayor Jules Radich/Cr Steve Walker):

That the Council:

- a) **Notes** the Elected Members' Interest Register; and
- b) **Confirms** the proposed management plan for Elected Members' Interests.
- c) **Notes** the Executive Leadership Teams' Interest Register.

Motion carried (CNL/2023/001)

5 CONFIRMATION OF MINUTES

5.1 ORDINARY COUNCIL MEETING - 13 DECEMBER 2022

Moved (Mayor Jules Radich/Cr Kevin Gilbert):

That the Council:

Confirms the public part of the minutes of the Ordinary Council meeting held on 13 December 2022 as a correct record with a correction to Item 6 noting that the first resolutions was lost.

Motion carried (CNL/2023/002)

REPORTS

6 ACTIONS FROM RESOLUTIONS OF COUNCIL MEETINGS

A report from Civic provided an update on the implementation of resolutions made at Council meetings.

Moved (Mayor Jules Radich/Cr Andrew Whiley):

That the Council:

Notes the Open and Completed Actions from resolutions of Council meetings.

Motion carried (CNL/2023/003)

7 FORWARD WORK PROGRAMME FOR COUNCIL - JANUARY 2023

A report from Civic provided an update on the forward work programme.

Moved (Mayor Jules Radich/Cr Sophie Barker):

That the Council:

Notes the updated Council forward work programme.

Motion carried (CNL/2023/004)

Cr Carmen Houlahan left the meeting at 10.38 am.

8 ZERO CARBON WORK PROGRAMME AND DUNEDIN COMMUNITY CARBON FOOTPRINT UPDATE

A report from the Sustainability Group provided an update on the Zero Carbon work programme.

The Manahautū (General Manager Māori Partnerships and Policy), Principal Policy Advisor Sustainability (Jinty MacTavish) and Senior Policy Analyst, Zero Carbon (Rick Zwaan) spoke to the report and responded to questions.

Cr Carmen Houlahan returned to the meeting at 10.41 am.

Cr Carmen Houlahan left the meeting at 11.02 am and returned at 11.05 am.

Cr Christine Garey left the meeting at 10.23 am and returned at 11.25 am.

Cr Carmen Houlahan left the meeting at 11.39 am and returned at 11.42 am.

Moved (Cr Steve Walker/Cr Christine Garey):

That the Council:

Notes the Zero Carbon work programme update, including updates to the Dunedin Community Carbon Footprint.

Division

The Council voted by division

For: Crs Bill Acklin, Sophie Barker, David Benson-Pope, Christine Garey, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Steve Walker, Brent Weatherall, Andrew Whiley and Mayor Jules Radich (14).

Against: Cr Lee Vandervis (1).

Abstained: Nil

The division was declared CARRIED by 14 votes to 1

Motion carried (CNL/2023/005)

Moved: (Mayor Jules Radich/Cr Carmen Houlahan):

That the Council:

Adjourns the meeting.

Motion carried

The meeting adjourned at 11.59 am and reconvened at 12.34 pm.

14 FINANCIAL RESULT - PERIOD ENDED 30 NOVEMBER 2022

A report from Finance provided the financial results for the period ended 30 November 2022 and the financial position as at that date.

The Chief Financial Officer (Gavin Logie) spoke to the report and responded to questions.

Moved (Cr Lee Vandervis/Cr Cherry Lucas):

That the Council:

Notes the Financial Performance for the period ended 30 November 2022 and the Financial Position as at that date.

Motion carried (CNL/2023/006)

9 LETTER OF EXPECTATIONS FOR DUNEDIN CITY HOLDINGS LIMITED AND GROUP

A report from Civic provided a draft Letter of Expectations for the Dunedin City Holdings Limited Board for consideration.

The Chief Executive Officer (Sandy Graham) spoke to the report and explained an omission of one line in the letter. She then responded to questions.

Cr Mandy Mayhem left the meeting at 12.44 pm

Moved (Cr Sophie Barker/Cr Lee Vandervis):

That the Council:

- a) **Approves** the draft Letter of Expectations to the Board of Dunedin City Holdings Limited on behalf of the Council as Shareholder with the addition of a statement of compliance with DCC policies.
- b) **Authorises** the CEO to make any changes to the Letter of Expectations following Council's feedback.
- c) **Authorises** the Mayor to sign the Letter of Expectations on behalf of the Council as Shareholder.

Motion carried (CNL/2023/007)

10 LOCAL ELECTIONS - SUBMISSION TO 2022 LOCAL ELECTIONS INQUIRY

A report from Civic and Corporate Policy sought consideration and approval of a draft submission to the Justice Committee's Inquiry into the 2022 Local Elections.

The Manahautū (General Manager Māori Partnerships and Policy) Jeanette Wikaira and Deputy Electoral Officer (Clare Sullivan) spoke to the report and responded to questions.

Cr Mandy Mayhem returned to the meeting at 12.49 pm.

It was moved (Mayor Jules Radich/Cr Sophie Barker):

That the Council:

Adjourns the meeting.

Motion carried

The meeting adjourned at 12.54 pm and reconvened at 12.58 pm.

The Mayor advised an additional public forum presentation would be held following this item.

Moved (Cr Sophie Barker/Cr Jim O'Malley):

That the Council:

- a) **Approves** the draft Dunedin City Council Submission to the Inquiry into the 2022 Local Elections
- b) **Authorises** the Mayor or his delegate to speak to the submission at Select Committee hearings
- c) **Authorises** the Chief Executive to make any minor editorial amendments to the submission

Division

The Council voted by division

For: Crs Bill Acklin, Sophie Barker, David Benson-Pope, Christine Garey, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Steve Walker, Brent Weatherall, Andrew Whiley and Mayor Jules Radich (14).

Against: Cr Lee Vandervis (1).

Abstained: Nil

The division was declared CARRIED by 14 votes to 1

Motion carried (CNL/2023/008)

PUBLIC FORUM

1.4 Public Forum – Diane Yeldon

Ms Yeldon acknowledged the recent passing of former Councillor and Community Board member, Maurice Prendergast and welcomed the Mayor and Councillors to the new triennium.

Ms Yeldon then spoke on the Dunedin City Council Hospital Campaign and responded to questions.

11 GAMBLING ACT 2003 - SUBMISSION ON PERFORMANCE-BASED CLASS 4 LICENSING

A report from Civic and Corporate Policy sought approval of a draft Dunedin City Council submission to the Department of Internal Affairs.

The Manahautū (General Manager Māori Partnerships and Policy) Jeanette Wikaira and Gambling Advisor (Kevin Mechen) spoke to the report and responded to questions on the submission.

Cr Carmen Houlahan left the meeting at 1.28 pm and returned at 1.31 pm.

Moved (Cr Christine Garey/Cr Steve Walker):

That the Council:

- a) **Approves** the DCC submission on “Performance-Based Class 4 Licensing”.

- b) **Authorises** the Chief Executive to make any minor editorial amendments to the submission.

Division

The Council voted by division

For: Crs Sophie Barker, David Benson-Pope, Christine Garey, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Lee Vandervis, Steve Walker, Brent Weatherall, Andrew Whiley and Mayor Jules Radich (14).

Against: Cr Bill Acklin (1).

Abstained: Nil

The division was declared CARRIED by 14 votes to 1

Motion carried (CNL/2023/009)

12 SALE AND SUPPLY OF ALCOHOL (COMMUNITY PARTICIPATION) - SUBMISSION ON THE AMENDMENT BILL

A report from Civic and Corporate Policy sought approval of a draft Dunedin City Council submission to the Government's Justice Committee on the Sale and Supply of Alcohol (Community Participation) Amendment Bill.

The Manahautū (General Manager Māori Partnerships and Policy), Jeanette Wikaira; Corporate and Secretary, District Licensing Committee (Kevin Mechen) spoke to the report and responded to questions on the submission.

Moved (Cr David Benson-Pope/Cr Jim O'Malley):

That the Council:

- a) **Approves** the DCC submission, on the "Sale and Supply of Alcohol (Community Participation) Amendment Bill with the amendment that the DCC wishes to speak to the submission.
- b) **Authorises** the Mayor or his delegate to speak to the submission at hearings.
- c) **Authorises** the Chief Executive to make any minor editorial amendments to the submission.

Motion carried (CNL/2023/010)

Cr Christine Garey left the meeting at 2.06 pm.

13 LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS BILL - SUBMISSION ON THE AMENDMENT BILL

A report from City Development sought consideration and approval of a draft submission to the Governance and Administration Committee on the Local Government Official Information and Meetings Amendment Bill.

The General Manager Infrastructure and Development (Simon Drew) and Principal Policy Advisor (Paul Freeland) spoke to the report and responded to questions on the submission.

Moved (Cr Bill Acklin/Cr Lee Vandervis):

That the Council:

- a) **Approves** the draft Dunedin City Council submission, with any amendments, on the Local Government Official Information and Meetings Amendment Bill.
- b) **Authorises** the Chief Executive to make any minor editorial amendments to the submission

Motion carried (CNL/2023/011)

15 COMMITTEE STRUCTURE AND DELEGATIONS MANUAL 2023

A report from Civic presented the Committee Structure and Delegations Manual for formal adoption by Council.

Cr Christine Garey returned to the meeting at 2.10 pm.

The Chief Executive Officer (Sandy Graham) spoke to the report and responded to questions.

Moved (Cr Bill Acklin/Cr Jim O'Malley):

That the Council:

Adopts the Committee Structure and Delegations Manual 2023 with an amendment to add the word "sustainable" into Clause 4 of the Finance and Council Controlled Organisations Committee delegations.

Motion carried (CNL/2023/012)

Moved (Mayor Jules Radich/Cr Steve Walker):

That the Council:

Adjourns the meeting.

Motion carried

The meeting adjourned at 2.13 pm and reconvened at 2.23 pm.

16 NOTICE OF MOTION - DUNEDIN HOSPITAL

In accordance with Standing Order 26.1 a Notice of Motion was received from Cr David Benson-Pope.

Cr David Benson-Pope spoke to his Notice of Motion which was then considered by Council.

Moved (Cr David Benson-Pope/Mayor Jules Radich):

That the Council:

- a) **Supports** the New Dunedin Hospital being built to the specifications in the Final Detailed Business Case approved by Cabinet, and that the Dunedin City Council will not accept changes that reduce the long-term capacity of the New Dunedin Hospital, or that compromise in any way the clinical services available to residents of the city and the wider region.
- b) **Seeks** the commitment of all parliamentary parties to adequately fund that work.
- c) **Engages** with stakeholders to support this advocacy position.
- d) **Commits** to fund a public campaign in support of 1 – 3 above, up to \$130,400 and seek support funding from other sources.

Division

The Council voted by division

For: Crs Bill Acklin, Sophie Barker, David Benson-Pope, Christine Garey, Kevin Gilbert, Carmen Houlahan, Marie Laufiso, Cherry Lucas, Mandy Mayhem, Jim O'Malley, Lee Vandervis, Steve Walker, Brent Weatherall, Andrew Whiley and Mayor Jules Radich (15).

Against: Nil

Abstained: Nil

The division was declared CARRIED by 15 votes to 0

Motion carried (CNL/2023/013)

RESOLUTION TO EXCLUDE THE PUBLIC

Moved (Mayor Jules Radich/Cr Steve Walker):

That the Council:

Pursuant to the provisions of the Local Government Official Information and Meetings Act 1987, exclude the public from the following part of the proceedings of this meeting 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 Ordinary Council meeting - 13	S7(2)(g) The withholding of the information is	.	

December 2022 -
Public Excluded

necessary to maintain
legal professional
privilege.

S7(2)(h)
The withholding of the
information is
necessary to enable
the local authority to
carry out, without
prejudice or
disadvantage,
commercial activities.

S7(2)(i)
The withholding of the
information is
necessary to enable
the local authority to
carry on, without
prejudice or
disadvantage,
negotiations (including
commercial and
industrial
negotiations).

S7(2)(a)
The withholding of the
information is
necessary to protect
the privacy of natural
persons, including that
of a deceased person.

C2 Confidential
Council Actions from
Resolutions at Council
Meetings

S7(2)(a)
The withholding of the
information is
necessary to protect
the privacy of natural
persons, including that
of a deceased person.

S7(2)(g)
The withholding of the
information is
necessary to maintain
legal professional
privilege.

S7(2)(h)
The withholding of the
information is

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.

	<p>necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	
<p>C3 Confidential Council Forward Work Programme - January 2023</p>	<p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p>	<p>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.</p>
<p>20 Appointment of Deputy Chair to Dunedin City Holdings Limited</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>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.</p>
<p>C4 Appointment of Deputy Chair to Dunedin City Holdings Limited</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>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.</p>

C5 Dunedin Railway - Future Options	S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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.
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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.

Motion carried (CNL/2023/014)

The meeting moved into confidential at 3.12 pm and concluded at 4.56 pm.

.....
 MAYOR

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 as attached.

DISCUSSION

- 3 This report also provides an update on resolutions that have been actioned and completed since the last Council meeting. Note that items on the Forward Work Programme are not included in the attached schedules.

NEXT STEPS

- 4 Updates will be provided at future Council meetings.

Signatories

Author:	Lynne Adamson - Governance Support Officer
Authoriser:	Sharon Bodeker - Manager Governance

Attachments

	Title	Page
A	Open actions update - February 2023	31

Key	
Changes to timeframes	
Progress to date update	Bold

COUNCIL PUBLIC RESOLUTIONS 2022-2025					
OPEN ACTIONS – FEBRUARY 2023					
OPEN ACTIONS					
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Status
31/01/2023	CNL/2023/012	Committee Structure and Delegations Manual 2023	Adopts the Committee Structure and Delegations Manual 2023 with an amendment to add the word “sustainable” into Clause 4 of the Finance and Council Controlled Organisations Committee delegations.	Civic	February 2023 – The Committee Structure and Delegations Manual 2023 is being reviewed by legal counsel prior to being published.
PUBLIC NOTICE OF MOTION RESOLUTIONS 2022-2025 – OPEN ACTIONS					
FEBRUARY 2023					
Meeting Date	Resolution	Report	Resolution or Action to be Taken	Group	Status
31/01/2023	CNL/2023/013	Notice of Motion - Dunedin Hospital	<p>Supports the New Dunedin Hospital being built to the specifications in the Final Detailed Business Case approved by Cabinet, and that the Dunedin City Council will not accept changes that reduce the long-term capacity of the New Dunedin Hospital, or that compromise in any way the clinical services available to residents of the city and the wider region.</p> <p>Seeks the commitment of all parliamentary parties to adequately fund that work.</p> <p>Engages with stakeholders to support this advocacy position.</p> <p>Commits to fund a public campaign in support of 1 – 3 above, up to \$130,400 and seek support funding from other sources.</p>		February 2023 – New Dunedin Hospital Campaign activities include the engagement of a Dunedin based creative agency to work on the campaign, initial discussions have been held with the ODT, and a fixed term communications advisor has been appointed to assist.

FORWARD WORK PROGRAMME FOR COUNCIL - FEBRUARY 2023

Department: Civic

EXECUTIVE SUMMARY

- 1 The purpose of this report is to provide the updated forward work programme for the 2022-2023 year (Attachment A).
- 2 As this is an administrative report only, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Council:

- a) **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.
- 5 The attached report covers all items previously presented to Council in late 2022. With the establishment of the new committee structure, some items have been transferred to their relevant committees.

NEXT STEPS

- 6 An updated report will be presented to the March 2023 Council meeting.

Signatories

Author:	Sharon Bodeker - Manager Governance
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

Title

Page

[↓A](#) Council Forward Work Programme - February 2023

35

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

Council Forward Work Programme 2022/2023 - February 2023															
Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe												
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Annual Report	Statutory requirement under the LGA.	Decision to adopt the Annual Report. Progress to date: The Annual Report has been delayed due to audit timeframes. Additional audit work has been required for the 3 Waters revaluation and Council's compliance with the water standards. It is estimated that the Report will be presented for adoption before the end of March 2023.		Report		Interim audit			Final audit of 2022/23 Annual Report						
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. Progress to date: The Committee Structure and Delegations Manual was adopted by Council at its meeting in January 2023.		As and when required											
Investment Plan	Develop an Investment Plan	Consider and decide on an investment plan. Progress to date: A draft of the Investment Plan is currently being finalised. The Plan has been referenced in the Letter of Expectation to DCHL. The Plan will go to the Finance & CCO committee in May.				Finance & CCO									
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: Remits will be considered in June 2023, in time for the next LGNZ Annual General Meeting.					Consider								
Triennial Agreement	Statutory requirement under the LGA to enter into an agreement that contains protocols for communication and coordination, with all local authorities within the Otago region.	Approve agreement with all local authorities within the Otago region. Progress to date: The draft agreement is on the agenda for the February 2023 Council meeting. Agreement must be reached no later than 1 March 2023.	Report												

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe														
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb		
Review of Strategic Framework, incorporating Sustainability Framework and aligned levels of service	Review, update and align strategies	Ongoing decision making throughout the review process. Progress to date: An ongoing workshop programme on progress of the Strategic Framework work programme is currently being established for 2023, and will be reported to the Strategy, Planning & Engagement Committee in May.	Ongoing work			Report to Committee Workshop	Ongoing work										
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: 15 submissions have been considered by Council since 1 July 22. Two new submissions are on the agenda for approval.	2 submissions	As and when required													
3 Waters reform	The Government has initiated changes to the service delivery arrangements for 3 waters.	Progress to date: The Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill are with the Select Committee awaiting public submissions. It is envisaged both Bills will be enacted in mid-2023. These are in addition to the Water Services Entities Act 2022 and would give effect to government policy decisions on Three Waters reform. A draft submission from DCC is on the agenda. (Council - 31 May 22; CNL/2022/029).	Ongoing work														
Annual Plans and 10 year plans																	
Annual Plan	Statutory requirement under the LGA	Consider and make decisions as necessary on the development and adoption of the Annual Plan. Progress to date: Budget and option reports were presented to the 22 February 2023 Council meeting for consideration.	Options and budget reports A.Plan	Engagement		Hearings and deliberations	Adoption										
Targeted rates for kerbside collection	Look at targeted rates, fixed and progressive targeted rates for 2023/24 Annual Plan. (Council - 31 Jan 22; CAPCC/2022/009)	Consider and decide on a preferred option for charging targeted rates for kerbside collection. Progress to date: With the delay in the start to the new kerbside collection programme, options for charging targeted rates will now be considered in time for the 10 year plan 2024-34.															

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe												
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Sports facilities	Staff to work with Sport Otago, Dunedin Gymnastics Academy and gym clubs to investigate options to find suitable facilities for their activities in the Sports Facilities Review Report. (Council - 31 May 21; CNL/2021/120)	Update on progress Progress to date: The Sports Facilities Review Report was presented to the 22 February 2023 Annual Plan meeting. The review will assist the development of an Otago Regional Spaces and Places Plan, and subsequent sub-regional plan for Dunedin.	Report												
Destination playground	Prepare an options report for the development of a new destination playground, in time for the 2022/23 Annual Plan. (Council - 31 May 21; CNL/2021/130)	Consider options for a destination playground. Progress to date: A Destination Playground report was presented to the 22 February 2023 Council meeting, where Council aproved developing concept plans for three existing destination playspaces. (CAPCC/2022/035)	Report	Ongoing work											
Aquatics review	Include discussions with the Therapeutic Pool Trust as part of the Aquatics Network Review (Council 23 May 22; CAPCC/2022/034).	Aquatics review will inform the 2023/24 Annual Plan. Progress to date: A report was presented to the 22 February 2023 Annual Plan meeting. Council requested investigating potential co-investment options with the Ministry of Education, and to report back in time for the 10 year plan.	Report	Ongoing work										Report	
Outram Glen	Prepare a report for the Annual Plan 2023/24 on the cost to upgrade the facilities at Outram Glen including the provision of a new toilet and road sealing options. (Council - 23 May 22; (CAPCC/2022/033).	Consider options and costs. Progress to date: A report was presented to the 22 February 2023 Annual Plan meeting, where Council approved the installation of new toilets and BBQ, and regrade and resurface of the accessway with Otta seal.	Report												

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe												
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Council Controlled Organisations															
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: A letter of expectation for the 2023/24 year was approved at the 31 January 23 Council meeting.											Letter of expectation		
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: Draft Statements of Intent for 2023/24 will be considered at the Finance and CCO Committee in March 2023.		Consider Draft Stmts			Approve								
Company Annual Reports	Notes the DCHL parent financial statements for the financial year.	Progress to date: The parent financial report for the year ended 30 June 22 was presented to the Finance & CCO committee in February 2023.	Report												
Dunedin Railways	Support the Otago Central Rail Trust to seek funding for feasibility work on possible extensions to the Otago Central Rail Trail between Middlemarch and Wingatui, in collaboration with mana whenua and other interested parties. (Council - 31 May 21; CNL/2021/101)	Update report Progress to date: DCC continues to engage with the Otago Central Rail Trail Trust on the development of a cycle trail feasibility study along the Taieri Gorge.	Ongoing work												
Dunedin Railways	Options for long term operations and governance of Dunedin Railways Ltd.	Decide on options. Progress to date: A report on the options for long term operations and governance of Dunedin Railways Limited was consider in public excluded, at the 31 January 23 Council meeting, with Council committing in principle to retaining the train service through the Taieri Gorge. Further update report(s) will be prepared in time for the 10 year plan 2024-34. (CNL/2022/028)	Ongoing work								Report back				

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe												
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
Climate Change Work Programme incorporating:															
Zero Carbon 2030	Working across departments and Dunedin City to reduce DCC’s emissions and achieve the city-wide Zero Carbon 2030 target	Progress to date: An update on the Zero Carbon work programme was considered at the 31 January 2023 Council meeting. An update report will be presented to the June 2023 Strategy, Planning & Engagement Committee.	Ongoing work				Update report - committee	Ongoing work							
District Energy Scheme	Final decision to be made on whether to progress with Octagon Area DES or connection to the existing PEL DES, prior to construction commencing on the George Street upgrade. (Council - 15 Dec 20)	Decide on options for a district energy scheme Progress to date: An update report will be presented at a future date.													
South Dunedin Future	Working with the community and Otago Regional Council on the future of South Dunedin	Ongoing decision making throughout the process. Progress to date: Procurement for technical assistance (programme management, communications, engagement, risk assessment, adaptation options) closes 14 March. Suppliers are expected to commence 1 May. The next update report will be to the Strategy, Planning & Engagement Committee on 8 May.	Ongoing work			Update report to Strategy, Planning & Engagement Committee	Ongoing work								
Bylaws Work Programme and Plans															
Interim Speed Management Plan	Development of a Dunedin Interim Speed Management Plan.	Consider and decide on proposed changes to speed limits. Progress to date: Consultation commenced 14 November, and closed on 9 December 2022. Hearings are likely to be scheduled in early March. A report to appoint a hearing panel is on the agenda.	Report	Hearing Recommendations to Council		Ongoing work									
Waste Minimisation and Management Bylaw	Bylaw prepared under the Local Government Act 2002, Waste Minimisation Act 2008, and the Litter Act 1979	Decision to adopt/amend/revoke the bylaw. Progress to date: On hold pending completion of the Otago Regional Waste Assessment and possible subsequent amendment to the Waste Minimisation and Management Plan.													

Area of Work	Reason for Work	Council role (decision and/or direction)	Expected timeframe												
			Feb	Mar	Apr	May	June	July	August	Sept	Oct	Nov	Dec	Jan	Feb
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: Over 80% of appeal points have been resolved or withdrawn. Staff are working through remaining appeals with 8 appeals set down for Environment Court hearings in early - mid 2023.	Ongoing work												
Variation 2 - Second Generation District Plan (2GP)	Variations to the 2GP - Growth	Decide on Variation 2 to the 2GP to be notified for consultation purposes. Decision to adopt the variation to the 2GP. Progress to date: Decisions on Hearing 4 were released on 8 February 2023. The period for submitters to appeal the decisions ends on 21 March 2023.	Decisions	Appeal period											
Variation 3 - Second Generation District Plan	Variations to the 2GP - implement parts of the National Policy Statement - Urban Development, and other minor amendments	Decide on variation 3 to the 2GP to be notified for consultation purposes. Decision to adopt the variation to the 2GP. Progress to date: Issue and option identification is continuing to be progressed by staff. Notification is expected to be around mid-late 2023.			Ongoing work		Notify								
NPS - Urban Development															
Future Development Strategy	Required to be completed under the National Policy Statement - Urban Development, in conjunction with the Otago Regional Council, by 2024.	Consider and make decisions as required on the development of the strategy. Progress to date: A joint briefing was held on 8 February 2023. A report is on the agenda for consideration. The ORC considered the item at its meeting on 22 February.	Joint workshop Report	Ongoing work											
Policies Work Programme:															
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: This work has not been scheduled.													

Work from last schedule:		
Area of Work	Reason for Work	
3 Waters reform	Water services entity bill	The Water Services Entities Bill received royal assent on 14 December 2022, and became the Water Services Entities Act 2022. This Act establishes four new water entities.

WATER SERVICES LEGISLATION BILL AND WATER SERVICES ECONOMIC EFFICIENCY AND CONSUMER PROTECTION BILL - SUBMISSION

Department: Executive Leadership Team and Legal

EXECUTIVE SUMMARY

- 1 This report seeks the Council's approval of a draft Dunedin City Council (DCC) submission (Attachment A) to Parliament's Finance and Expenditure Select Committee on two bills - the Water Services Legislation Bill (Legislation Bill) and the Water Services Economic Efficiency and Consumer Protection Bill (Regulation Bill) (the Bills).
- 2 Key points from the draft submission include:
 - a) The reform is unworkable. The legislation in its entirety needs to be rethought and to be slowed down to ensure the principal goals of water reform are met long term.
 - b) There is a very real risk that ratepayers/consumers are going to end up paying significantly more in combined rates and water charges than they are currently paying. This would be particularly the case if Water Service Entities (WSEs) are exempt from having to pay local body rates. Council seriously question why they should transfer such significant community assets if the model itself cannot achieve the efficiencies that have been assured throughout the water reform process. To simply transfer the financial burden to the ratepayer is unacceptable.
 - c) Councils' city planning processes will be hamstrung with the WSE exerting investment power over Council's ability to plan for future land use. There is the potential for WSEs to concentrate their funding in some regions and not others. The neglected regions will have little recourse as the model substantially removes local voices.
 - d) The complexities of a mixed ownership stormwater model will result in gross inefficiencies both operationally and make handling emergency events difficult.
 - e) Council will still be viewed by the public as providing water services if they are left to collect water charges yet will have no control of the assets nor real influence operationally.
 - f) The Legislation Bill will repeal existing protections against privatisation (e.g. section 130 of the Local Government Act 2002 is being repealed by the Legislation Bill), and replacement protections are not as strong.
 - g) Decision making power in relation to the reform work now sits with the Department of Internal Affairs which has no community consultation requirement, yet Council is accountable to its ratepayers.

- 3 Recent events in Auckland and the wider North Island re-emphasise the need for water reform and greater funding to ensure efficiencies and safety. However, such events do not point to the new model as being the only solution. In fact, the new model has the potential to worsen existing infrastructure issues and make managing civil defence emergencies more difficult.

RECOMMENDATIONS

That the Council:

- a) **Approves** the draft DCC submission to the Finance and Expenditure Committee on the Legislation Bill and the Regulation Bill (Attachment A).
- b) **Authorises** the Mayor and/or his delegate to speak to the submission.
- c) **Authorises** the Chief Executive to make any minor editorial changes if needed.

BACKGROUND

Three Waters Reform Programme

- 4 In July 2020, the Government launched the Three Waters Reform Programme to reform local government three waters service delivery arrangements throughout New Zealand. The DCC has participated in the reform programme by responding to requests for information, providing feedback on policy proposals, and making written and oral submissions in relation to proposed legislative changes.
- 5 In the latter half of 2021, the Minister of Local Government asked for feedback from local authorities on the Government's Three Waters Reform Programme.
- 6 The DCC provided feedback to the Minister (Attachment B) and the primary message was that the DCC wanted the Three Waters Reform Programme to be reset with a full exploration of options for future three waters service delivery arrangements. Council also asked for further work to be completed to reassess and clearly define the relationship between the Three Waters Reform Programme and other major Government reform initiatives. Other feedback items included:
- a) Allow time for meaningful engagement with communities.
 - b) Council's support for Ngāi Tahu participation in water services decision making.
 - c) Mechanisms to enable local influence in a new three waters service delivery model were needed.
 - d) Refinement of assumptions and analysis of financial impacts on projected household costs.

- e) Support for existing three waters workforce and their development.
 - f) Ensure local decision making was maintained for urban growth planning and city development.
- 7 In October 2021, the Government announced that local government participation in the Three Waters Reform Programme would be mandatory. Soon after, the Government released an exposure draft of a Bill that would establish the proposed four new WSEs: the Water Services Entities Bill.

Water Services Entities Act 2022

- 8 In 2022, the Government introduced the Water Services Entities Bill. The Bill was to establish four new water services entities, and included provisions related to:
- a) entity ownership and protections against privatisation
 - b) entity governance, accountability and consumer engagement
 - c) transitional arrangements.
- 9 In August 2022, the DCC submitted to the Finance and Expenditure Committee on the Water Services Entities Bill (Attachment C). On 29 August 2022, the then Mayor made an oral submission to the Committee. The key concerns of the DCC submission related to:
- a) whether the Bill would achieve its objectives;
 - b) the proposed governance and ownership structure of the WSEs;
 - c) the protections against privatisation, joint arrangements and the amalgamation of a WSE; and
 - d) the transitional provisions.
- 10 The Finance and Expenditure Committee considered all submissions and released its report on 11 November 2022. Following further Parliamentary process steps, the Bill received royal assent on 14 December 2022 and became the Water Services Entities Act 2022 (the Act).
- 11 The Act is part of a suite of legislative changes required to give effect to Government policy decision on three waters service delivery reform. The Act establishes four publicly owned WSEs to deliver three waters services across New Zealand in place of local authorities. The entities are due to become fully operational by the establishment date of 1 July 2024.

Water Services Legislation Bill

- 12 The Legislation Bill is the second bill in the suite of legislation to reform three waters service delivery in New Zealand. It is an amendment Bill that would make changes and additions to the Water Services Entities Act 2022 and other legislation to give effect to the Government's policy decisions on three waters service delivery reform. The Legislation Bill is the subject of the draft submission in Attachment A.
- 13 The main purpose of the Legislation Bill is to establish and empower WSEs by setting out their functions, powers, obligations and oversight arrangements, including:

- a) Services delivery functions and powers, to enable WSEs to deliver water services in place of local authorities;
 - b) Regulatory functions and powers, to enable water services entities to make rules, plans, and other instruments relating to water services, and engage in compliance and enforcement activities; and
 - c) Pricing and charging arrangements for water services.
- 14 The Legislation Bill also features further provisions to facilitate the transition from the existing service delivery model to the four new entities, including:
- a) Provisions relating to the transfer of assets, liabilities, and other matters from local authorities to the WSEs;
 - b) Changes to Treaty settlement legislation that are required to ensure that settlement obligations are carried forward from local authorities to the new WSEs; and
 - c) Detailed changes to local government legislation, the Resource Management Act 1991, the Water Services Act 2021, and other legislation relating to regulation and service delivery of water services.
- 15 The Legislation Bill was introduced to Parliament and had its first reading on 13 December 2022. Parliament subsequently referred the Legislation Bill to the Finance and Expenditure Committee and a call for submissions by February 2023 was issued.

Water Services Economic Efficiency and Consumer Protection Bill

- 16 A third bill was also introduced to Parliament at the same time in December 2022 – the Regulation Bill. The Regulation Bill is also the subject of the draft submission in Attachment A.
- 17 The Regulation Bill would establish an economic regulation and consumer protection framework for the reformed water services delivery system. The Government considers that specific economic regulation and consumer protection regimes are necessary to ensure against problems that can arise when an organisation has a lot of market power.
- 18 Under the Regulation Bill, the Commerce Commission will be the regulator for the three waters sector. A new role of Water Services Commissioner will be established to ensure transparency of WSEs' operations.
- 19 Key features of the Regulation Bill are the requirements for information disclosure, and price-quality regulation, which is envisaged to be implemented in phases over a period of time.
- 20 Like the Legislation Bill, the Regulation Bill was introduced to Parliament and had its first reading on 13 December 2022. Parliament subsequently referred the Regulation Bill to the Finance and Expenditure Committee and a call for submissions by February 2023 was issued.

Next Steps: Legislative Process

- 21 The Finance and Expenditure Committee has a deadline of 25 May 2023 to consider submissions and release its report on the Bills. The Government timeline intends for the Bills to be passed by

mid-2023. Both Bills in their entirety can be read on the New Zealand Legislation website:
<https://legislation.govt.nz/>.

DISCUSSION

Draft DCC submission: feedback on the Water Services Legislation Bill

- 22 Both Bills, and particularly the Legislation Bill, would have significant impacts on Council and the community. The Bills currently open for feedback do not address concerns previously raised by the Council in its feedback on the proposed reforms.
- 23 The draft DCC submission states that the DCC is frustrated at being required to submit again on legislation that is fundamentally flawed and within the short time frame provided for submissions.
- 24 Further, the draft submission states that DCC is disappointed that the concerns and proposed alternatives concerning ownership and local influence raised in its previous submission were not considered and incorporated in the new legislation.
- 25 A key message in the draft submission is that all water reform legislation – the Water Services Entities Act 2022, the Legislation Bill and the Regulation Bill, are not workable in their current forms. The draft submission states the legislation in its entirety needs to be rethought and slowed down to ensure Government’s stated goals are met long-term.
- 26 Further feedback on the Legislation Bill is provided in the draft submission under three headings:
- a) Unworkable relationship between Territorial Authorities and the WSEs
 - b) Imposed obligations on Councils
 - c) Unfair burden on the ratepayer.
- 27 The key issues under those themes are set out below.

Unworkable relationship between Territorial Authorities and the WSEs

- 28 The draft DCC submission states:
- a) The DCC has no assurance that local decision making will be maintained in planning decisions nor how investment in Dunedin will be assured. Councils as organisations close to the community, remain best placed to balance the wide variety of considerations informing land use decisions of which three waters is but one part.
 - b) The proposed mixed ownership model for stormwater between the WSE, local authorities and private operators/owners is complex, impractical and dangerous; and the stormwater provisions of the Legislation Bill need to be comprehensively rethought.
 - c) Relationship agreements are a proposed tool under the Legislation Bill that may combat some of the issues outlined above, however the scope of these agreements is unwieldy and needs thorough review.

- d) The proposed asset and debt transfer provisions in the Legislation Bill give the Minister broad asset transfer amendment powers without any local authority input. No unilateral discretion should be given to the Minister.

Imposed obligations on councils

29 The draft DCC submission:

- a) Objects to provisions that could require councils to collect charges for services that are already transferred to the WSE, for example for stormwater charges, and insists that provision in the Legislation Bill relating to “pass-through billing” be removed.
- a) Recommends councils should be compensated for providing rating information to the WSEs and for maintaining and keeping it.
- b) States the reform programme is placing resourcing pressures on councils.

Unfair burden on the ratepayer

30 The draft DCC submission states:

- a) Exempting WSEs from paying rates would have a major impact on both the financial situation of Council and consequently on ratepayers.
- b) The WSEs should not be treated any differently to other network infrastructure providers who pay rates, and both clauses regarding this should be removed from the Legislation Bill.
- c) The Crown’s exemption from paying water infrastructure charges is an unacceptable burden shift on to the ratepayer and the relevant section regarding this should be removed from the Legislation Bill.

The Water Services Economic Efficiency and Consumer Protection Bill

- 31 The Regulation Bill is not the main focus of the DCC’s submission. However, the draft submission states the DCC’s key concerns regarding this Bill are:
- a) Regulation needs to be balanced with operational efficiency
 - b) Clarity is required regarding regulatory roles
 - c) Too much power is given to the Commerce Commission in WSE operational matters.

OPTIONS

Option One – submit on the Water Services Legislation Bill and the Water Services Economic Efficiency and Consumer Protection Bill (Recommended Option)

- 32 Approve, with any suggested amendments, the draft submission to the Finance and Expenditure Select Committee on the Legislation Bill and the Regulation Bill (Attachment A).

Advantages

- a) Opportunity to provide further feedback on three waters service delivery reform.
- b) Opportunity to recommend changes to the Finance and Expenditure Select Committee on particular provisions of both Bills.

Disadvantages

- b) There are no identified disadvantages for this option.

Option Two – do not submit on the Water Services Legislation Bill or the Water Services Economic Efficiency and Consumer Protection Bill

33 Do not approve the draft submission (Attachment A).

Advantages

- a) There are no identified advantages for this option.

Disadvantages

- a) Missed opportunity to provide further feedback on three water service deliver reform.
- b) Missed opportunity to recommend changes to the Finance and Expenditure Select Committee regarding the provisions of both Bills.

NEXT STEPS

34 The deadline for submissions from local government was 17 February 2023. On 21 December 2022, the Mayor lodged a short placeholder submission on behalf of the Council, stating that the DCC would like to make an oral submission on both Bills. If the Council approves the draft DCC submission at the 28 February 2023 Council meeting, the submission (which covers both Bills) will be considered by the Finance and Expenditure Select Committee alongside the placeholder and oral submission.

Signatories

Author:	Simon Drew - General Manager Infrastructure and Development Karilyn Canton - Chief In-House Legal Counsel Nadia McKenzie - In-House Legal Counsel
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
A	Attachment A: DCC Submission Water Services Legislation Bill and Water Services Economic Efficiency and Consumer Protection Bill	50
B	Attachment B: Feedback to Minister of Local Government 30 September 2021	62
C	Attachment C: Water Services Entities Bill Submission 8 August 2022	71

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, 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 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 report has been prepared with reference to the Dunedin strategic framework.

Māori Impact Statement

The Government has undertaken extensive high-level engagement with iwi/Māori in relation to the three waters reforms, including with Te Rūnanga o Ngāi Tahu. Central Government officials have worked closely with Ngāi Tahu to develop the boundary for the South Island water services entity.

Sustainability

Any changes to New Zealand's Three Water service delivery model may change the economic and environmental sustainability of three waters infrastructure and services across New Zealand.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report and the decision to approve the submission to the Finance and Expenditure Select Committee has no direct implications for these plans and strategies. However, should the Bills go ahead in their current form, there will be serious implications for the next LTP and annual plan.

Financial considerations

There are no financial implications directly associated with this report and the decision to approve the draft submission to the Finance and Expenditure Select Committee.

Significance

The decision to approve the draft DCC submission is considered low in terms of the Council's significance and engagement policy.

Engagement – external

There has been engagement with other Otago and Southland councils and with mana whenua in relation to the Bills and the development of the draft DCC submission.

SUMMARY OF CONSIDERATIONS

Engagement - internal

Staff from the 3 Waters Group, Executive Leadership Team and the Legal Team have contributed to the development of the draft DCC submission.

Risks: Legal / Health and Safety etc.

There are no identified risks directly related to a DCC submission on the Water Services Legislation Bill or the Water Services Economic Efficiency and Consumer Protection Bill. There are however significant issues if the Bills proceed as drafted.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

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

28 February 2023

The Chair
Finance and Expenditure Committee
Parliament Buildings
Wellington 6160
fe@parliament.govt.nz

Tēnā koe Madam Chair

DUNEDIN CITY COUNCIL SUBMISSION: WATER SERVICES LEGISLATION BILL AND WATER SERVICES ECONOMIC EFFICIENCY AND CONSUMER PROTECTION BILL

INTRODUCTION

- 1 The Dunedin City Council (the “Council”) thanks the Finance and Expenditure Committee for the opportunity to provide a submission on the Water Services Legislation Bill (the “Legislation Bill”) and the Water Services Economic Efficiency and Consumer Protection Bill (the “Regulation Bill”) (the “Bills”). However, the Council is yet again frustrated at being required to submit on legislation that is fundamentally flawed.
- 2 As indicated in Council’s Submission dated 8 August 2022 (the “Council’s Previous Submission”) on the Water Services Entities Bill (now the Water Services Entities Act 2022 (“WSE Act”)), Council wants to be an “active participant” in ensuring many of the shared goals relating to water services are met. However, this has not yet happened to Council’s satisfaction and the WSE Act and Bills limit or prevent this. While recent events in Auckland re-emphasise the need for water reform and greater funding to ensure efficiencies and safety, such events do not point to the new model as being the solution. In fact, the new model has the potential to worsen existing issues.
- 3 The Council is disappointed that their concerns and proposed alternatives set out in the Council’s Previous Submission were not considered further and incorporated in the WSE Act to any great extent. Council were not alone in voicing their concerns particularly around ownership and local influence, so it is disturbing that Parliament has refused to listen to such widespread sector opposition and have forged ahead regardless.
- 4 The Council is also frustrated to be under such a short time frame to respond to the Bills particularly given the complexities and importance of the matters involved. Given the timeframe, Council has not had an opportunity to fully consult with its communities.
- 5 Parliament’s timing introducing the Bills under urgency with an unrealistic submission period (given the Christmas shut down period) shows an unwillingness to listen to key stakeholders, and to consider feedback genuinely or meaningfully. The situation is untenable given that local government have also been preparing submissions on the new resource management legislation and local government reform at the same time, as well as dealing with the significant flow of information and requests from the NTU. Compounding this is the lack of clarity on how all the reform works align together to ensure there are strong mechanisms in

1

place for growth and development. This can only be achieved with a full compare and review which has been unachievable in this timeframe.

- 6 Given (i) core legislation establishing the entities has been pushed through with few changes; (ii) that Councils are being given an unduly short timeframe to respond to the Bills; and (iii) that Chief Executives for the Water Services Entities ("WSEs") are already being recruited; this gives a feeling that the Government is aiming for a 'fait accompli'.
- 7 Based on the WSE Act and Bills (as drafted):
 - a) The reform is not workable. The legislation in its entirety needs to be rethought and to be slowed down to ensure the principal goals of water reform are met long term.
 - b) There is a very real risk that ratepayers/consumers are going to end up paying significantly more in combined rates and water charges than they are currently paying. This would be particularly the case if WSEs are exempt from having to pay local body rates. Council seriously question why they should transfer such significant community assets if the model itself cannot achieve the efficiencies that have been assured throughout the water reform process. To simply transfer the financial burden to the ratepayer is unacceptable.
 - c) Councils' city planning processes will be hamstrung with the WSE exerting investment power over Council's ability to plan for future land use. There is the potential for WSEs to concentrate their funding in some regions and not others. The neglected regions will have little recourse as the model substantially removes local voices.
 - d) The complexities of a mixed ownership stormwater model will result in gross inefficiencies both operationally and make handling emergency events difficult.
 - e) Council will still be viewed by the public as providing water services if they are left to collect water charges yet will have no control of the assets nor real influence operationally.
 - f) The Legislation Bill will repeal existing protections against privatisation (e.g., section 130 of the Local Government Act 2002 is being repealed by the Legislation Bill), but replacement protections are not as strong.
 - g) Decision making power in relation to the reform work now sits with the Department of Internal Affairs which has no community consultation requirement, yet Council is accountable to its ratepayers.
- 8 Despite Council's opposition to the proposed reforms and its view that there are better ways to achieve the desired outcomes (as outlined in Council's Previous Submission), it is evident that the Government has steadfastly refused to listen throughout the reform process. However, Council has the overriding obligation to their ratepayers to now set out their further submissions on the Bills for consideration.
- 9 The Council genuinely seeks the opportunity to engage with the Select Committee to discuss alternative solutions, given Council share many of the same goals originally proposed for water reform.

LEGISLATION BILL

COUNCIL'S KEY CONCERNS

- 10 The Council's key concerns on the Legislation Bill include:

- a) An unworkable relationship between territorial authorities and the WSES, particularly in relation to planning and stormwater matters.
 - b) The imposition of costs and obligations on local authorities both in the transition period and after establishment. Costs and obligations which should properly sit with the WSES from 1 July 2024 are left with local authorities for up to 5 years.
 - c) An unfair financial burden being put onto the Council which will unavoidably result in rates increases for ratepayers. The current drafting around rates exemptions for WSES is of particular concern. The Council hopes that this is a drafting error as this would have a significant effect on local body rates and would be different to how other utilities are rated.
- 11 Other key concerns relate to the number of matters that are left to be agreed at a later date (e.g., through relationship agreements); the ability to form subsidiaries which are further removed from Regional Representation Group (“RRG”) oversight; and the unfair process around determining the level of debt transfer.

SECTION 1 –UNWORKABLE RELATIONSHIP BETWEEN TERRITORIAL AUTHORITIES AND THE WSES

- 12 Clause 3(c) of the Legislation Bill sets out one of the functions of the WSE is “to partner and engage with its territorial authority owners”. However, the Legislation Bill does little to practically direct this function, and instead confuses and degrades the territorial authority’s essential role in the community despite this relationship being critical to the successful operation of the WSE.
- 13 Councils are required under the Local Government Act 2002 (LGA) to promote the social, economic, environmental, and cultural wellbeing of their communities. As currently drafted, the Council will still be heavily reliant on the WSE, for example, in city planning decisions; and may not be able to achieve this purpose under the LGA. The limitations that the Council will face in such decisions need to be acknowledged and made workable.
- 14 While it is clear from the WSE Act that any so called “ownership” status is limited to (i) a right to veto in the instance of proposed privatisation; and (ii) determining the make-up of part of the RRG; territorial authorities cannot be treated like just another stakeholder group for a WSE to engage with. Territorial authorities remain central to servicing communities and are democratically accountable. Their ongoing role and engagement are central to the role of the WSE in providing water services to the community. Practically, territorial authorities will still be obliged to look out for the community and will be assumed by the public to still have a voice, yet this is not reflected in the legislation particularly in relation to planning and stormwater.

Planning

- 15 Despite Council’s concerns on planning being repeated in both the Council’s Previous Submission and by letter to the Minister dated 30 September 2021, Council still has no assurance that local decision making will be maintained in planning decisions and how investment in Dunedin city will be assured. Instead, it appears the WSE will exert investment power over Council’s ability to plan for future land use and growth.
- 16 Entity D has a wide and varied geographic footprint. It is not clear from the Bills how decisions regarding growth and provision of new infrastructure will be managed between such diverse areas. There is no guidance on how the needs of Dunedin will be balanced against the needs of other areas, and on what basis priority will be given to who receives

investment. For example, Dunedin's topography may make it more expensive for the WSE to invest in as opposed to flatter areas such as (say) Christchurch but its need for new development may be no different. The WSE may decide that the greatest need is in one region at the cost of another region. A neglected region would have little say in this, given the loss of local voices as a result of the model being used for the new entities. If a Council is lucky, it may get one voice on an RRG, but it might not even get that.

- 17 There is a lack of detail regarding more practical matters such as subdivision and land use consents. There needs to be clarity on the process and responsibilities for commenting on consent applications in relation to three waters infrastructure. While this may default to being another matter for the relationship agreement, this is inefficient.
- 18 The balance of power must remain with local authorities on city planning matters. Councils as organisations close to the community (and in fact elected by the community based on their future plans) remain best placed to balance the wide variety of considerations that inform land use decisions of which three waters is but one part. The Council does not want to see these reforms creating a situation where the cost of putting pipes in the ground or upgrading treatment plants dictates where and how an urban area grows.
- 19 The 3 Waters reform is based on entities that relate to many regions. This does not sit naturally with the RMA reforms where there is a focus on individual regions.
- 20 Council submit that (i) territorial authorities must be given a louder voice that a WSE must listen to on planning matters, given Councils are in the driving seat for planning growth and development following consultation with their community; and (ii) Councils should be given the ability to challenge a WSE decision that adversely impacts on delivery of their plans.

Stormwater

- 21 Council fails to see how the legislators of the Bills have considered the overall complexity of stormwater. Council has a lack of confidence that the process has been well thought out given the Government obviously believes efficiencies can be achieved with a mixed ownership model of stormwater networks. The complexities of a mixed ownership model between not only the WSE and Council, but also with private operators is impractical and quite simply dangerous. The need to engage with so many parties at an every-day operational level as well as in emergencies, such the recent Auckland flooding is inefficient and adds complexity which is unneeded with a fully integrated stormwater network. Further, there has been no clarity regarding boundaries between the separate assets which is unworkable in a mixed ownership model.
- 22 Further complexity will result if stormwater infrastructure which is over private land, but which is serving a public function is not properly addressed. There are many watercourses and pipes which have not been formally taken over by the Council as public drains, but they are nevertheless critical to ensure the stormwater network functions in an integrated manner. Additionally, there is a large unidentified stormwater network which is just not possible to identify in the timeframes imposed. This issue requires further consideration.
- 23 There needs to be more clarity on how the Council and WSE will "work with" the WSE in developing the required "stormwater management plans". While the Council is legally required to participate in the development of the plans it is unknown if this is simply information sharing and/or decision making? Engagement in Council's view is not enough. The process needs to be amended to require the local authorities to set the stormwater

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management plans in line with their district plans and for the WSE to implement their part. This is the only way that the components of this model will work together as the stormwater management plans cannot have their own strategic aims different to those at the local authority level. There need to be details regarding ownership of land and assets, so the boundaries are clear for all parties.

- 24 The Legislation Bill further states that “stormwater network rules” may be made by a board of a WSE and include rules to give effect to stormwater environmental standards. The WSE is required to engage with the territorial authority. The rules will apply to public and private networks where the operator has agreed in writing. However, it is unclear what happens if an operator does not agree? Further clarity is required as to how the notice provisions work relating to the application to a transport stormwater network? Also, whether Council would need to include the stormwater network rules in their district plans and how they would both work together?
- 25 There needs to be more clarity relating to what powers and functions local authorities are still responsible for exercising under the Local Government Act 1974 (“LGA 1974”). It is unclear if there is overlap of responsibility between the WSE and the Council regarding the list of powers that require WSE agreement before proceeding under the new Part 25A of the LGA 1974. Further, Councils have kept their powers relating to private drains under Part 29 of the LGA 1974 which may not be necessary, but is just another example showing the lack of proper analysis given to the complex stormwater legislation. Council submits that the stormwater provisions of the Legislation Bill are comprehensively rethought.

Relationship Agreement

- 26 While the Council acknowledge that relationship agreements with a WSE are a tool under the legislation to combat some of the above matters, it is Council’s view that the resulting content and ambit of the agreement is unwieldy in the timeframe and needs thorough review. While there is a general catch-all clause of matters that can be included in the agreement, it would give Council more comfort for the stated requirements to include further clarity on how the relationship between the parties will work and what happens if something can’t be agreed. Further content must be prescribed including building matters and resource management functions. This includes how information passes between the WSE and Council for PIMs and LIMs; resource consent responses relating to water; and growth and development issues.
- 27 Further, the relationship agreement has no legal basis. This gives the Council no confidence that any agreement reached will play out. Council is concerned that the scope and importance of such matters, for example, the request of the WSE to comply with the direction of the Council in a civil defence emergency; require more than an agreement to act in “good faith” as provided by the Legislation Bill. A statutory basis for acting in accordance with the agreement is required.

Carrying Out Works

- 28 Council consider that fifteen working days will not always be enough notice by the WSE to advise that they intend to carry out works on Council land particularly in relations to roads. Provision in the legislation is required for Council to respond to a work request stating more notice is required in certain instances.

- 29 Further, Council submit whether the onus should remain with the affected landowner to appeal to the District Court rather than for the WSE to obtain District Court approval should the landowner not agree or do nothing? Council views the change in onus could severely impact on the efficiency of the WSE operating.

Transfer of Assets and Debts

- 30 To grant the Minister such broad discretion to amend the allocation schedule at the final approval stage of such a critical transfer without any local authority response is inconceivable. This is clearly not in good faith given all assurances throughout the reform that this would be a collaborative process. Such a controversial and significant transfer of assets requires agreement by both parties and is critical to the overall success of the reform process and relationship going forward. Council submit that no further discretion is given to the Minister to make changes to the allocation schedule on a unilateral basis.
- 31 Council also submits that there should be strengthening of the wording in the Legislation Bill to ensure any comments received from Council on the allocation schedule are given appropriate weight.
- 32 There also seems no provision on the allocation schedule to exclude assets that have not been identified within the required timeframe or that are the subject of dispute between the WSE and Council. This is inevitable given the size of the task and timeframe. Disputes are unlikely to be resolved in the timeframe due to the arbitration process. The concern is that these assets will vest under the legislation automatically on the establishment date. Land that has been tagged for subdivision should also be included in the allocation schedule with detail included on who would retain ownership of the balance.
- 33 Council also has concerns regarding the process for determining Council's three waters debt. Clause 54 of Schedule One of the Legislation Bill provides that an amount is determined by the DIA Chief Executive equivalent to the total debt owed by the territorial authority. It is essential that local authorities are also included as being determiners of this debt under this clause. While it might not be the intent of the legislation, this clause allows for the possibility that the Minister could significantly downgrade the debt quantum to be transferred and the affected councils would have no avenue of appeal. Communications between the Council and NTU for example, on 9 January 2023 refer to a process including words such as "negotiate" and "agree". It is critical that this needs to be reflected in the Legislation Bill.
- 34 Particularly relevant is any stranded debt amount incurred as a result of an accelerated 3 Waters infrastructure renewal and upgrade programme. The legislation must be clear that any debt amount associated with this work must be transferred to the WSE alongside the corresponding new assets.

Subsidiaries

- 35 Council is surprised by the insertion of the schedule related to subsidiaries in the Bills. Council is quite obviously concerned regarding the ability for a WSE to form subsidiaries as this creates a new level of activity further removed from RRG oversight and board control. Given the Council's only means of influence or control of their shareholding is via a potential voice on the RRG, this further loss of control through the use of subsidiaries is obviously a grave concern to the Council. The situation is absurd considering a WSE can in certain

situations guarantee, indemnify and grant security for a subsidiary; especially given a subsidiary can be formed by more than one WSE.

- 36 Any subsidiary allowed must have similar oversight to a WSE involving the RRG and be subject to the WSE constitution. Further, any contemplation that subsidiaries can be formed with the intention to produce a profit is in direct contradiction to guidelines originally promoted by the Government throughout the reform. The surprise addition of this schedule from the Council's point of view is yet another example adding to a lack of confidence that the reform has been well thought through.

37 Legislation Bill Recommendations:

Bill Clause/Act Section	Commentary	Recommendation
Section 211	Council requires a longer minimum notice period than the Legislation Bill requires to carry out works on Council land in some instances. The legislation needs to provide for this.	The Council recommends that section 211 be amended to allow for the WSE to respond in a reasonable time that more notice is required in particular instances.
Clause 39(c) Schedule One	Further weight should be given to comments received from the local authority on the allocation schedule.	The Council recommends the insertion of "reasonably" after "received" and also add "in consultation with the local government organisation" after "executive".
Clause 40(2) Schedule One	Any further amendments required by the Minister should go through consultation with local government prior to approval to ensure collaboration between the local authority and WSE.	The Council recommends deleting subclause 2 and replace with wording to the effect that if there are any proposed amendments at the stage of the process that these must go through the consultation process at clause 39.
Clause 42 Schedule One	Clarify further regarding disputed or missed land as well as intentions relating to subdivision.	The Council recommends the clause provides that any specified assets, liabilities, and other matters that are subject of a dispute under the legislation or that have not been identified on the table (but are in ownership of the local authority) be excluded as well as providing for subdivided land and residual ownership.
Clause 54(1) Schedule One	Council must be as much a determiner of the debt amount as the DIA.	The Council recommends the insertion of the territorial authority as the co-determiner of the amount of debt.
Sections 468 and 469	The contents of the relationship agreement need to be expanded e.g. How the WSE communicates water matters that need to be included in a LIM or PIM and whether the WSE should be responsible alone for providing these to save double handling? The agreement also requires some statutory basis to require action by the parties.	The Council recommends amendment to section 468 to widen content of the relationship agreement and amendment to section 469 to provide a statutory basis.
Planning and Stormwater	Complete re-think of these provisions required with advice from local authorities to ensure local decision making; and that Council set any stormwater plans as well as ensure rules work with their city plans.	
Subsidiaries	Any allowance for subsidiaries must retain real operational oversight by the RRG similar to the WSE.	Council recommends amendment to Schedule 5 to require oversight of subsidiaries by the RRG and to be subject to WSE constitutions.

SECTION 2 – IMPOSED OBLIGATIONS ON COUNCILS

- 38 Again, there seems to be confusion by the legislators about the role of the Council in the reform given the residual obligations required of Council post-establishment by the WSE. This is preposterous given the staff transfer to the WSE during the transition period and lack of resourcing remaining at Council. Further, as discussed above, the transfer of three waters assets to the WSE and the fact there are no real ownership rights as a shareholder, Council views it cynically that they are still being asked to perform three waters tasks post-establishment date with less income sources.

Councils Collecting Charges

- 39 The suggestion that Councils are involved in collection charges for services that have been transferred to the WSE post the establishment date for up to five years does not support the development of a workable relationship. Although the Council will no longer be in control of the delivery and performance of the service, they will of course appear accountable to the public given they are having to bill the public. Any involvement in collecting charges should be voluntary.
- 40 Council will no longer have the resource to provide a collection service or to service the inevitable communications from the public. Council insists that the provisions in the Legislation Bill relating to “Pass-through billing” be removed and that the WSE ensure that they can provide this function from establishment as any other service provider in New Zealand is required to do as a self-servicing entity.

Stormwater Charging

- 41 Likewise, it is preposterous that a WSE may charge Council for stormwater services in the first three years from establishment and leave Council to then on-charge this even though Council no longer has this service in their plans. For the same reasons as above, Council is loathe to do this and request that the WSE charge for their total services to the customer direct from establishment.

Sharing of Information

- 42 The Legislation Bill provides that the Council will be obliged to share rating information it has on its District Valuation Roll with the WSE on a reasonable cost basis. Council submit that they should be compensated not only for providing the information request but for maintaining and keeping this information as well, particularly given Council are maintaining this service from a now smaller asset generating basis. There will also need to be clearly defined parameters of what these information requests contain and that the request must be achievable within the current resources of the Council.

Resourcing

- 43 The Council is under immense resourcing pressure given requests from the NTU and the WSE on establishment, as well as the loss of three waters staff during transition. Fueling this resource constraint further will be any further obligations imposed on the Council as discussed above. Additionally, due to the uncertainties of the three waters reform further resource will need to be placed into preparing two Long Term Plans. Council feel it would be imprudent not to prepare Long Term Plans that both include and exclude water services. The

uncertain political environment and substandard quality of the legislation to date has only re-emphasised the need to do this.

44 Legislation Bill Recommendations:

Bill Clause/Act Section	Commentary	Recommendation
Sections 336 to 338 Pass-through billing	WSE needs to ensure they are capable of billing their own service from establishment just like any other New Zealand business.	The Council recommends removal of sections 336 to 338 (inclusive) from the Legislation Bill as amendments to the WSE Act.
Clause 63 Schedule 1	This clause is unnecessary as the WSE should be able to collect these charges from establishment.	The Council recommends removal of clause 63 Schedule 1 from the Legislation Bill.
Section 319 Sharing rating information	Council's compensation for sharing the rating information should provide for delivering on the request as well as contribution to the keeping and maintaining of the database.	The Council recommends that section 319(3)(b) include the wording "for delivering the request as well as maintaining and keeping the rating information database"; and a further subclause "(c) within the limits that the local authority's database allows".

SECTION 3 – UNFAIR BURDEN ON THE RATEPAYER

- 45 Despite efficiency being a key function of the WSE as well as a key driver of water reform, it is difficult to see how household cost savings will be achieved. It is obvious that the extra burden on the ratepayer and user is simply being deferred and in fact being maximized given many of the suggestions in the Legislation Bill, particularly in relation to the non-rating of WSE land and assets. This is simply unfathomable.
- 46 There has been no clarity given in respect of addressing situations where council rates do not drop by an amount equal to the WSE charge for water services to ensure at the very least that ratepayers are not paying more for the combined services. Council is currently able to take a long-term view of financing and cross-subsidise from other areas as and when needed to ensure stability of price.

Rating of WSE Assets

- 47 Council can only hope that clause 137 has been inserted into the Legislation Bill in error. To suggest a WSE would be non-rateable is simply unfathomable to Council. Should the WSE be non-rateable this would have a major impact on the financial situation of Council. Currently the DCC 3 Water rates bill generates in excess of \$8 million enabling Council functions to the community. Should this be removed from income streams such funding would ultimately need to be sourced from the ratepayer which is an unacceptable situation.
- 48 The same arguments apply to the attempt at section 342 (amendment to the WSE Act) to make WSE's non-rateable in respect of pipes or assets that run through property that it does not own. The WSE should not be treated any differently to other network infrastructure

providers who pay rates. By removing these sources of funding, the Council has limited means to meet their obligations to the community.

- 49 Council submits that both clause 137 and section 342 be removed from the Legislation Bill making all three water assets and land rateable.

Government Policy Statements

- 50 The widening ambit for central government to provide Government Policy Statements (GPS) is another example of the community ultimately having to foot the bill for central government mandates given there is no corresponding funding necessarily attached. This could result in the sacrifice of local projects to ensure central government policies are adhered to.
- 51 The Legislation Bill needs to be amended to ensure the Government states how it intends to support various stakeholders to achieve the GPS. Amendment should also require some cost-benefit analysis to be published by the Government on making the GPS to also ensure stability of the GPS with changes in government.

Crown's Exemption from Connection Charges

- 52 The Legislation Bill provides under section 348 (amendment to the WSE Act) that the Crown is exempt from paying water infrastructure charges. Given the amount of development taken out by the Crown, this is a huge revenue source that will also need to be ultimately recovered from the ratepayer through the water charges. Again, this is an unacceptable burden shift and Council submit that section 348 be removed from the Legislation Bill.

Rural Supplies

- 53 The Council agrees with other submitters that the process required to subsequently transfer a mixed-use rural supply to an alternative operator post transfer is too expensive. There should instead be an opt-out option available at the initial transfer stage. Again, this is an example of an unnecessary cost on the user.

- 54 Legislation Bill Recommendations:

Bill Clause/Act Section	Commentary	Recommendation
Clause 137	It is unacceptable for the Council to lose such a considerable funding source.	The Council recommends the removal of clause 137 of the Legislation Bill.
Section 342 (Amendment to the WSE Act)	WSEs should be subject to rating like any other utility provider.	The Council recommends the removal of section 342 (Amendment to the WSE Act) of the Legislation Bill.
Section 348 (Amendment to the WSE Act)	The Crown should be liable for infrastructure charges like any other developer.	The Council recommends the removal of section 348 (Amendment to the WSE Act) of the Legislation Bill.

Bill Clause/Act Section	Commentary	Recommendation
Section 133	Further amendment to the clauses relating to the Government issuing a GPS, to ensure more transparency regarding the benefit to the community and corresponding support from the Government.	The Council recommends amendment to section 133(2) of the WSE Act to explicitly state how the Government intends supporting stakeholders to achieve a GPS and also requiring a cost-benefit analysis.
Sections 234 to 244 Rural water supply transfer (Amendment to the WSE Act)	Redrafting required to allow an opt out prior to transfer.	

REGULATION BILL

- 55 While not the primary focus of Council's submission today, Council's key concerns under the Regulation Bill include:
- i) Regulation needs to be balanced with operational efficiency.
 - ii) Clarity is required regarding regulatory roles.
 - iii) Too much power given to the Commerce Commission in WSE operational matters.
- 56 The need for regulation needs to be balanced against the need to promote operational efficiency and allow innovation. Council is concerned along with other submitters that the regime is too prescriptive which in turn could detract talent, restrict forward-thinking, and curtail social ambitions for excellence.
- 57 Unlike other regulatory regimes in New Zealand, water services are subject to a public health regulator, other national and regional environmental standards as well as the Commerce Commission. There must be clarity about how the regulatory bodies and standards all fit with each other.
- 58 Amendment should be made to the Regulation Bill to limit the Commerce Commission influence in operational matters such as the approach to risk management, asset management policies and practices, and funding and pricing plans.

SUMMARY

- 59 Council is concerned that their ongoing relationship with the WSE is unworkable particularly in regard to planning and stormwater matters. One of the tools for addressing these matters is the relationship agreement but in Council's view the matters and content involved in providing a relationship agreement are unwieldy and have no statutory basis for ensuring compliance. Council is concerned that subsidiaries can now be established which add a further operational layer further away from their limited oversight through the RRG. Council require amendment to the number of days required for carrying out works in some instances and insist on more involvement in the final decisions relating to the transfer of assets and determining the three waters debt amount.
- 60 The obligations imposed on Council during transition and after establishment such as collecting charges, stormwater charging and sharing of information are unfathomable particularly considering the significant asset transfer and lack of any real ownership as a

shareholder. These obligations are made worse by a lack of resourcing due to transition measures as well as extra work because of the uncertainty of the reform.

- 61 Perhaps most importantly the Council is concerned about the financial burden that will be required to be placed back on the ratepayer and user as a result of reform. Reasons include the increased costs to local authorities because of the non-rating of the WSE, the crown's exemption from water infrastructure charges, as well as unaccounted for operational expenditure related to dealing with an additional entity. Council fails to see how simply transferring the financial burden results in a more efficient water service system and believe that in practice the opposite will occur.

CONCLUSION

- 62 The Council thanks the Committee once again for the opportunity to provide a submission on the Legislation Bill and Regulation Bill.
- 63 The Council requests the opportunity to make an oral submission to the Committee.

Kā mihi

Jules Radich
MAYOR OF DUNEDIN

Jim O'Malley
COUNCILLOR
CHAIR OF INFRASTRUCTURE SERVICES COMMITTEE



30 September 2021

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Tēnā koe e te Minita

DUNEDIN CITY COUNCIL FEEDBACK ON THE THREE WATERS REFORM PROGRAMME

Ko Te Mana o te Wai, he mana taketake. Mā wai e kawē, e hiki i te mana o te wai? Mā tātou.

Water has always had mana. Who will uplift and carry the mana of water? We all will.

Introduction

1. Thank you for the opportunity to provide feedback on the Three Waters Reform Programme.
2. The Dunedin City Council has watched the development of the programme closely since its inception. While we have felt challenged by the scale of the proposed reforms and the uncertainty that still surrounds some aspects, we accept there is a case for changing the way three waters services are regulated at the national level.
3. This letter provides our feedback on the Three Waters Reform Programme and the recent service delivery reform proposals.
4. In offering this feedback, we acknowledge we share common goals with the Government. We too are motivated to ensure communities across New Zealand get safe, reliable and affordable water services that support good public health and environmental outcomes. We too are motivated to ensure any changes to the three waters service delivery system are undertaken in a way that enables local communities to participate meaningfully in discussions about issues that affect them. We are eager to work in partnership with the Government and iwi/Māori to achieve these goals.

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Our primary feedback: reset the Three Waters Reform Programme

5. We submit the proposed establishment of the four water services entities is premature and represents a design position the Government has adopted without sufficient input from councils and iwi/Māori.
6. We are disappointed the Government appears to have given little consideration to alternative models for water services delivery besides the proposed establishment of asset-owning, multi-regional water services entities. At this stage it is not clear to us how, either quantitatively or qualitatively, the Government arrived at the establishment of four entities as its preferred reform option. Nor is it clear why the Government has discounted alternative models that would provide for continued council delivery of water services – for example, a Waka Kotahi-style model, or a model in which council three waters debts were guaranteed by the Government.
7. Maintaining the asset base in public ownership is a bottom line for us. At this point, we are concerned that aggregating three waters assets in a small number of new entities creates a pathway to future privatisation of water services. The best way to protect against privatisation is to have the ownership of water services dispersed, as is the case now.
8. Community support is critical to the success of such a major change to the way core community services are delivered. Councils and councillors must buy in to the proposed changes, or at least the quality of analysis, in order to lead meaningful engagement with their communities. You have asked us to be ambassadors for these reforms in our communities, but at this stage this is not a role we feel able to perform. The Programme has advanced too far, too fast, without sufficient involvement from local government.
9. In addition, there are substantial overlaps between the three waters reform programme, the reform of the resource management system and the future for local government review that councils and communities need to understand in order to consider the reforms holistically. We have significant reservations that these interrelated activities have not been fully addressed in Government planning and seek an explanation as to why the Three Waters Reform Programme sits where it does in the order of these reforms.
10. In our view, the Three Waters Reform Programme needs to be reset.
11. We request that the Government, in a truly collaborative partnership with councils and iwi/Māori, undertakes:
 - a. a full exploration of options for future three waters service delivery arrangements;
and
 - b. further work to reassess and clearly define the relationships between the Three Waters Reform Programme and other major Government reform initiatives, including timeframes and sequencing of changes, dependencies, and resourcing considerations.

Our supplementary feedback

12. Notwithstanding our request for the Three Waters Reform Programme to be reset, we offer the following feedback on the current service delivery reform proposals before us. Our feedback is intended to improve implementation and outcomes for communities should the Government resolve to continue advancing the proposed changes announced in June 2021.

Meaningful engagement with communities

13. Since the beginnings of the Three Waters Reform Programme, the Council has expected community consultation would precede any substantial changes to New Zealand's three waters service delivery system. We are concerned that recent timelines and approaches signalled by the Government preclude councils meaningfully engaging with their communities on the proposed reforms.
14. We submit that communities deserve meaningful engagement before any decisions are made. Meaningful community engagement on this issue has two fundamental pre-requisites: adequate time and an appropriate level of information.
15. In August, you received a joint letter from the members of the Otago and Southland Mayoral Forums. The letter requested communities be given adequate time to clearly understand the implications of the three waters proposals. We endorse the contents of that letter. We note you have scheduled a meeting to discuss the contents of the letter with the members of the Forums this week.
16. If the Government was to make a proposal to Council and require a decision on continued participation in the reform programme, the Council would need at least 20 weeks to engage meaningfully with the community and make an informed decision.
17. This would involve 6 weeks to assess the information, 4 weeks to develop engagement materials, 6 weeks to run a consultation process, and 4 weeks to analyse feedback, deliberate and make final decisions.
18. This timeframe would be similar to the 10 Year Plan engagement timeframe councils work to every 3 years. However, the proposed three waters reforms are set to be the biggest changes to the form and function of councils, including ours, in over 30 years.
19. At this point, we are concerned that meaningful community engagement will not be possible under the current timeframes for implementing the proposed service delivery reforms.
20. The letter from the members of the Otago and Southland Mayoral Forums also drew your attention to the substantial gap between the Government's highly simplified three waters reform advertising campaign and the technical information provided in reports, Cabinet papers and other sources published on the Department of Internal Affairs website. This is leaving individual councils doing their best with limited resources to inform the public about the proposed reforms. We also believe that the public advertising campaigns are designed to scare rather than provide balanced information and result in confused narratives. The Department of Internal Affairs' response to councils' feedback on the advertisements highlights the very real concerns about the intent of the Government to genuinely partner with councils on three waters reform.

21. Better information is required to enable councils to meaningfully engage with communities on the proposed reforms. In particular, we ask the Government to share further information that makes it clear:
- a. why alternative models that would provide for continued council delivery of three waters services have not been tested with the same rigour as the proposed new entity-based model; and
 - b. the rationale for the current sequencing of the Three Waters Reform Programme in relation to reform of the resource management system and the future for local government review.
22. We submit that communities need to understand all the options considered and how those options were assessed.
23. We also recommend the Government provide clearer information on what impact, if any, it expects the proposed service delivery reforms will have on those that do not currently receive three waters services from a council provider. At present, there is uncertainty among domestic self-suppliers (for drinking water) about what the reforms could mean for them. This uncertainty may grow as any new water services entities are established and move to expand and/or rationalise their customer base. We are wary that the current Government messaging around the reforms being about improving access to quality water services for all New Zealanders may unreasonably raise expectations among self-servicing communities.

Ngāi Tahu participation in water services decision making

24. The Council acknowledges the work the Government and iwi/Māori have done to date to design a water services system that supports the exercise of rangatiratanga in relation to water services.
25. Throughout the reform process, we encourage the Government to continue engaging with Ngāi Tahu to ensure the system gives effect to Treaty principles, Treaty legislation (including the Ngāi Tahu Claims Settlement Act 1998) and enables Ngāi Tahu to participate in decision making about water services in the Ngāi Tahu Takiwā. We also ask that during those discussions the councils in the Ngāi Tahu Takiwā be included from time to time in the spirit of partnership.
26. The Council also notes the progress many councils have made towards providing for mana whenua representation in local government. In Dunedin, we recently made changes to the Council's committee delegations to provide for representatives of the two Papatipu Rūnaka to sit on the Infrastructure Services Committee and the Planning and Environment Committee.

Mechanisms to enable local influence in a new Three Waters service delivery model

27. We note the information recently provided by the Government on the proposed entities' ownership and governance structures.
28. However, the information lacks detail on how the proposed structure will work in practice. The large degree of separation between individual councils (as owners) and the proposed

entities' governance boards leaves it unclear how much ability local communities, through their councils, will have to influence the new entities' decision making.

29. The Council submits the proposed new water services entities must have strong mechanisms to enable local influence. To help achieve this outcome, we would encourage the Government to undertake further work in partnership with councils and mana whenua on:
- a. the composition of the regional representative group. This work would need to address the greater number of iwi and councils in each proposed entity than the proposed number of members of the regional representative group, and that iwi and councils come in a range of sizes.
 - b. how a consumer forum would work in practice at the local level.
 - c. how the role of iwi/Māori in decision making and governance of the three waters system will work in practice, particularly with regard to the status of Te Mana o Te Wai statements.
 - d. specific community reporting requirements that could be provided for through the new entities' establishing legislation.
 - e. specific requirements to engage with councils and communities about their priorities (which, again, could be provided for through the new entities' establishing legislation). Prescribed engagement could, for example, provide an opportunity for councils to regularly brief the water entities on their strategic direction for land use planning, and for communities to discuss issues like continued public access to land used for water services purposes that also has recreation or amenity values. Work on engagement requirements would need to address the significant logistical challenges the proposed entities would face, given the large numbers of councils and iwi groups in each entity. It is reasonable to infer that if the entity was to meet with each group individually it would need to have a meeting with somebody almost every week. This highlights just how disproportionately large these proposed entities are.
30. The Council also encourages the Government to undertake further engagement with councils and mana whenua on measures to strengthen the proposed protections against future privatisation of the water services entities. We remain unconvinced that the proposed protections against privatisation provide sufficient protection against the actions of future governments (central and/or local) that may pursue a privatisation agenda.
31. Currently, privatisation of water assets is prohibited under section 130 of the Local Government Act 2002. If it strikes this section of the Act to enable the establishment of the proposed water entities, the Government will prove that legislative protections are a myth and that any such protections can easily be reversed by later governments. As mentioned earlier in this letter, we consider the best way to protect against future privatisation is to continue with the current model where the ownership of three waters assets is dispersed among a large number of councils.

Financial impacts

32. We encourage the Government to work with councils and the Water Industry Commission for Scotland (WICS) to refine the assumptions and analysis behind the modelling of household cost impacts under the proposed new service delivery model and the status quo.
33. Our independent analysis of the modelling done by WICS found it provides an indication of the direction of impacts of the two service delivery systems assessed. However, we consider the scale of financial impact on the existing model has been inflated and the assumed financial benefits of the proposed new model have been overstated. The independent analysis also showed that the modelling was particularly sensitive to assumptions about:
 - a. the scale of future investment required;
 - b. debt to revenue ratio; and
 - c. operating efficiencies.
34. The assumptions WICS made for Dunedin City Council were applied unevenly and are both inaccurate and inflammatory.
35. In addition, our independent analysis found WICS's modelling did not consider the ongoing stranded costs that are reasonably expected to be incurred by councils following the removal of three waters service delivery functions from their organisations. It also did not account for inefficiencies that are experienced when two different entities are operating in the same geographic space.
36. We submit that communities deserve detailed, transparent and nuanced information about the likely financial impacts of different water service delivery models under consideration. We urge the Government to undertake a further process to refine and/or justify the assumptions made about items like operating efficiency savings under different future service delivery models.

Workforce development

37. The Council acknowledges the Government's statements about post-reform continuity for the existing three waters workforce based in councils. However, we feel there is a substantial delivery gap between the Government's aspirations and the reality of the current workforce capacity. Therefore, significant further work is needed to support the existing workforce and continue to grow it. We do not see evidence that Government has fully grasped this challenge.
38. Councils are currently experiencing difficulty recruiting and retaining three waters staff. In addition to a general sector-wide skill shortage, councils have been grappling with challenges including:
 - a. uncertainty about the future of council-based three waters services;

- b. competition with other organisations like the Ministry for the Environment, Taumata Arowai and regional councils, who are resourcing-up in relation to three waters, resource management and freshwater reforms; and
- c. the impact of COVID-19 on the ability to recruit staff from overseas.

39. We submit that a nationwide three waters workforce development initiative will need to be established as a meaningful parallel workstream to both service delivery and regulatory reforms. Without the support of the workforce, these reforms will be at a real risk of not meeting their objectives.

40. In particular, we recommend the Government significantly increases funding and training of new personnel and provides incentives that could be applied both to upskill and retain in the sector the existing workforce. We see no evidence of this activity.

Planning for urban growth and development

- 41. The Council is gravely concerned that a water services entity with a geographical footprint much larger than the local communities it services will exert an investment power over councils' ability to plan for future land use.
- 42. The Council urges the Government to ensure any legislation that establishes new water services entities requires the entities to give effect to councils' land use strategies, policies and plans.
- 43. The balance of power for setting the strategic direction for land use planning must stay with councils.
- 44. Councils are best placed to balance the wide variety of considerations that inform land use planning decisions, of which three waters service provision is but one part. The Council does not want to see these reforms create a situation where the costs of putting pipes in the ground or upgrading treatment plants dictate where and how an urban area grows.
- 45. Ensuring local decision making is maintained through the reforms in this area is a bottom line for us. The Council requests assurances, through legislation, that any new water services entities will answer to councils in relation to the provision of three waters infrastructure to support growth and increased housing capacity. We cannot see this relationship guaranteed in the current governance structures of the proposed water entities.
- 46. In the more immediate term, the Council seeks an assurance that the Three Waters Reform Programme and the reform of the resource management system will coordinate to ensure there are strong mechanisms in place to implement local communities' aspirations for growth and development.

Civil defence and emergency management

- 47. Heavy wet weather events require an integrated approach to drainage management in urban areas. Balancing needs to protect people, property and the environment requires coordinated management of the event.

48. The council urges the Government to ensure legislation that establishes any new water services entities requires the entities to actively work with Civil Defence and local communities on response planning and emergency event response.
49. Adequate provision needs to be made for managing local emergency response in a coordinated way. Currently, flood events are managed effectively and in an integrated way because councils operate both the roading and water infrastructure. Transition plans need to ensure this local response capability is not compromised.
50. Any proposed new entity should be accountable for integrating into local Civil Defence structures and working with communities on preparedness.

Summary of feedback

51. In summary, we recommend the Government resets the Three Waters Reform Programme. We request that the Government partners with councils and iwi/Māori to:
 - a. fully explore options for future three waters service delivery arrangements; and
 - b. reassess and clearly define the relationships between the Three Waters Reform Programme and other major Government reform initiatives, including timeframes and sequencing of changes, dependencies, and resourcing considerations.
52. If the Government resolves to continue with the current service delivery reform proposals, we ask that the Government:
 - a. enables councils to engage meaningfully with their communities on service delivery reform by providing adequate time and appropriate information.
 - b. undertakes further engagement with councils and iwi/Māori on mechanisms to enable local influence in the proposed new water services entities or other delivery models that may be developed.
 - c. undertakes further engagement with councils and mana whenua on measures to strengthen the proposed protections against future privatisation of any new water services entities.
 - d. undertakes further engagement with councils to improve the modelling of financial impacts of the proposed reforms.
 - e. undertakes further engagement with councils on three waters workforce development initiatives to help ensure the objectives reforms can be achieved.
 - f. ensures councils will retain the balance of power for setting the strategic direction for land use planning post-reform.
 - g. provides an assurance that the Three Waters Reform Programme and the reform of the resource management system will coordinate to ensure there are strong mechanisms in place to implement local communities' aspirations for growth and development.

- h. ensure any new entities will have clear civil defence and emergency management roles and responsibilities to support coordinated management of events.

Concluding remarks

53. The Council thanks you once again for the opportunity to provide feedback on the Three Waters Reform Programme.
54. We would welcome the opportunity to engage further with you and your officials on the matters we have raised. We invite you to meet with us in Dunedin to discuss our letter kanohi ki te kanohi.

Kā mihi



Aaron Hawkins
MAYOR OF DUNEDIN

CC: threewaters@dia.govt.nz; feedback@lgnz.co.nz

Office of the Mayor



8 August 2022

The Chair
Finance and Expenditure Committee
Parliament Buildings
Wellington 6160

fe@parliament.govt.nz

Tēnā koe Madam Chair,

DUNEDIN CITY COUNCIL SUBMISSION: WATER SERVICES ENTITIES BILL

INTRODUCTION

1. The Dunedin City Council (the Council) thanks the Finance and Expenditure Committee for the opportunity to provide a submission on the Water Services Entities Bill (the Bill).
2. The Council shares some common goals with Government in wanting to ensure communities are provided with safe and affordable water services that support good public health and environmental outcomes, as well as stronger recognition of the Treaty partnership in the three waters context. The Council wants to be an active participant in ensuring these goals are met.
3. The Council is therefore fully supportive of and accepts the need for *regulatory* reform to achieve these goals. However, the Council fundamentally opposes the service delivery model proposed under this Bill, the haste with which the Bill is being progressed through Parliament and the current lack of detail in the Bill. It is difficult to provide a submission on the Bill because so much detail is not yet available.
4. Based on the Council's discussions with other territorial authorities in relation to the Bill, the Council is not alone in its concern over the proposed service delivery model. In the Council's view, there are better ways to achieve the desired outcomes than to have wholesale change involving such large and complex entities where local voices are distanced from the decision makers.

OVERRIDING COMMENTS

5. The proposed service delivery model needs to be paused to allow time to consider the most effective service delivery model, and to ensure a truly collaborative partnership with territorial authorities and iwi/Māori.

6. The Government has not fully considered alternative models for water services delivery, such as smaller regional entities or other models. A regional model such as an Otago/Southland entity would better ensure direct representation and the desired efficiencies. This is based on proven cooperation between these regions and a report from Morrison Low (referred to in Attachment A).
7. Under the proposed four entities model, most territorial authorities within the Southern Water Services Entity will not have a representative on the Regional Representative Group (RRG) and therefore will not have a direct voice at the RRG strategic level. Given the Otago/Southland region has eight territorial authorities and seven rūnaka, a regional model would achieve fairer representation, better preserve local voices, provide better water outcomes and allow for better land use planning.
8. There are also substantial overlaps between the Three Waters Reform Programme, the Resource Management Reform, and the Local Government Review. Ideally, these reforms should be considered at the same time so that the relationship between them is clear, including a consideration of timeframes, sequencing of changes, dependencies and resourcing.
9. It is likely the Resource Management Reform will focus on a more collaborative and regional approach, so a regionally structured three waters entity would better align with this.
10. The Council is concerned that the protection mechanisms to prevent privatisation are insufficient as they could be repealed or amended by a simple majority in Parliament.
11. The Bill does not address many core issues regarding water services, such as:
 - a. the inter-relationship with land planning;
 - b. the transfer of assets and liabilities;
 - c. how properties that provide recreational and biodiversity values for the community will be protected if there are three waters assets within these properties;
 - d. the pricing and charging arrangements;
 - e. how civil defence matters will be managed in practice;
 - f. economic regulation and consumer protection; and
 - g. amendments that will need to be made to other legislation.
12. While the Council recognises that the Government's intention is that many of these core issues will be dealt with in subsequent legislation or in the first constitution of the new Water Services Entities (WSEs), these issues are of such fundamental importance to the local government sector that it is difficult to consider this Bill in isolation from such key issues.
13. The Council is also concerned by the absence of any reference to "community wellbeing" in the Bill. Water services are integral to community wellbeing and promoting the wellbeing of communities is a critical role for territorial authorities. This omission seems at odds with the aims of the Local Government Review.
14. In the Council's letter of 30 September 2021 to the Minister of Local Government (Attachment B), the Council raised concerns regarding the control that the WSE will hold in exerting power over the Council's ability to plan for future land use. The Bill provides

no clarity on how competing developments from various geographic areas (within a WSE area) will be prioritised, nor how in practice this will impact on the Council's everyday planning functions and subdivision processes.

15. The Council maintains that a smaller Otago/Southland entity would be better placed to manage land use planning in a considered and practical way.
16. In the Council's view:
 - a. The Bill needs to be paused to allow time to consider the most effective service delivery model, and to ensure a truly collaborative partnership with territorial authorities and iwi/Māori.
 - b. If the Bill is not paused, then either:
 - i. The core issues intended to be dealt with in subsequent legislation and regulations, should be incorporated into this Bill so that all key issues are considered together. The public and other affected parties would then need the opportunity to make submissions on the amended Bill.
 - OR
 - ii. The current Bill should be delayed until subsequent legislation is introduced so that all core issues can be addressed together.
17. If, despite the Council's recommendations above, the Government proceeds with the proposed service delivery model then Council sets out below its recommendations and comments on the Bill. These recommendations and comments are intended to improve implementation and outcomes.

COUNCIL'S KEY CONCERNS ON THE BILL

18. The Council's key concerns regarding the Bill include:
 - a. whether the Bill will achieve its objectives;
 - b. the proposed governance and ownership structure of the WSEs;
 - c. the protections against privatisation, joint arrangements and the amalgamation or division of a WSE; and
 - d. the transitional provisions.
19. For ease of reading, the Council has put its key points in italics at the beginning of each section and the Council's recommendations in a table at the foot of each section.
20. A summary of Council's recommendations is set out at the end of this submission.

SECTION 1 - WILL THE BILL ACHIEVE ITS OBJECTIVES?

21. *Key points regarding achievability of the Bill's objectives: The Council supports and agrees with the Bill's objectives and wants to assist the Government achieve them. However, given the lack of information on core issues, it is impossible to know if the objectives are achievable under the proposed model. It is essential that retention of water assets in public ownership is included as an objective in clause 11 of the Bill. The management of emergency events needs to be properly addressed in this Bill.*

22. Clause 11 of the Bill states that the objectives of each WSE are to:
 - a. deliver water services and related infrastructure in an efficient and financially sustainable manner;
 - b. protect and promote public health and the environment;
 - c. support and enable housing and urban development;
 - d. operate in accordance with best commercial and business practices;
 - e. act in the best interests of present and future consumers and communities;
 - f. deliver water services in a sustainable and resilient manner that seeks to mitigate the effects of climate change and natural hazards.
23. The retention of water assets in public ownership is critical yet is not identified as an objective of the WSEs. The objectives need to explicitly state that retaining water services in public ownership is an overriding objective.
24. Community well-being should also be listed as an objective of the WSEs and addressed in the Bill. It is essential that protection is put in place for the public's recreational use of land currently used for both water and recreational purposes.
25. There is currently no certainty around there being an "on-the-ground" presence of WSE staff in different locations, nor that there will be local teams available to provide 24/7 responsiveness. This is critical for a variety of reasons, including the need for a quick response to broken pipes or blockages and for civil defence purposes.
26. Councils play a key leadership role in civil defence and emergency management. The Council is concerned that there is no clarity on the WSEs' roles and responsibilities for preparing for, responding to and recovering from emergency events. It is critical to have proper co-ordination and resourcing to manage emergency events.
27. The Bill must also recognise the importance of local businesses. There should be a preference for using local contractors for scheduled and re-active works, and a requirement for WSEs to pay the living wage to its staff and contractors.
28. Given the current lack of information (particularly regarding financial matters and consumer protections), it is unclear whether each WSE will be capable of achieving the clause 11 objectives.
29. Success is likely to depend, at least partly, on the level and sources of funding for the WSE. Under clause 129 of the Bill, the Minister can issue a Government Policy Statement on water services. However, there is no corresponding commitment from the Government to assist in funding the WSE. This means that WSEs may be in the position of being given an unfunded mandate. Without government funding, the costs will inevitably fall to consumers.
30. If WSEs take on significant amounts of debt (which seems inevitable if Government funding is not guaranteed), there is a risk that the costs will be higher for consumers than they would be if the current model was retained. It will be vital to have robust consumer protections and economic regulation.
31. Although there is balance sheet separation for three waters, the Council is concerned this comes at the expense of added complexity, the loss of direct community voices and the removal of democratic decision making.

32. The Bill gives no guidance on how resolution is achieved between competing priorities of a WSE and an individual territorial authority or community.

33. Recommendations:

Bill Clause	Commentary	Recommendation
Clause 11	Retaining water services in public ownership is critical to the Council.	The Council recommends retention of public ownership be included as an objective at clause 11 of the Bill.
Clause 11	Community well-being should be an objective of WSEs.	The Council recommends that community well-being be included as an objective at clause 11 of the Bill, and requirements be included in the Bill aimed at helping with community well-being.
Part 4 Subpart 1	Further consideration is required regarding economic regulation, pricing and consumer protection.	This Bill should be paused until such time that there is certainty around economic regulation, pricing and consumer protection.

SECTION 2 – GOVERNANCE AND OWNERSHIP STRUCTURES

34. Key points regarding governance and ownership structures: The Council supports equal representation of Māori/iwi on the proposed RRGs and Regional Advisory Panels (RAPs). The Council is concerned that **most** territorial authorities will not have a direct representative voice on the RRG. In the case of the Southern WSE, there are up to seven places for 22 Councils. The Council's shareholding in the WSE does not create rights of representation, as the shareholding essentially only becomes relevant if there is a divestment proposal.
35. Given the strategic role of the RRG, it is a priority for the Council to have a direct voice on the RRG. However, the Council is not assured of this under the proposed model. The RRG consists of between 12 and 14 members. Half of these members are required to be represented by mana whenua and half from the territorial authorities (clause 27). The Southern WSE (Schedule 2, Part 4) includes the districts of 20 territorial authorities plus part of the Marlborough District Council and Tasman District Council. Given a maximum of seven membership spaces for territorial authorities, there are clearly many territorial authorities without a direct voice at the RRG strategic level. In fact, **most** territorial authorities will not have a direct voice on the RRG.
36. The exclusion of most territorial authorities from direct representation on the RRG is compounded by the fact that it is RRG members who are appointed to the Board Appointment Committee. Not only do most territorial authorities not get a direct representative voice on the RRG, but they will be excluded from any decision-making regarding appointment of a WSE Board.
37. The Bill provides no clarity on how members from 22 territorial authorities will be selected for 6 or 7 positions. The Council anticipates that the constitution of the WSE will largely determine the composition and procedures of the RRG. However, this is not clear as the constitution is not yet available for review.

38. A mechanism needs to be provided where decisions cannot be reached by consensus. The Council cannot foresee a mechanism that ensures equal representation except under smaller regional models (such as an Otago/Southland entity model).
39. The territorial authorities without a direct voice on the RRGs need to rely on the “collective duty” of the RRG members. This duty is set out at clause 29 of the Bill which states that the RRG must perform their duties, functions and powers “wholly or mostly for the benefit of all communities in the entity’s service area”. The Council questions what this means and recommend that “mostly” is deleted to ensure all regions are considered. This is particularly concerning in the Southern WSE given the large geographic area, the disparate needs of such diverse regions and the fact that most territorial authorities will not have a
 1. representative on the RRG.
40. No clarity is provided as to what real influence the RAPs have on the WSEs and/or RRGs. There is also no detail on the geographical composition of the RAPs apart from requiring an equal representation by territorial authority members and mana whenua panel members.
41. Again, the Council anticipates that the constitution of the WSE will largely determine the composition and procedures of the RAP but is concerned that it has not yet seen the proposed constitution.
42. Given it is the members of the RRG who can amend or replace the constitution, again the territorial authorities that do not have direct representation on the RRGs will be relying on members of the RRGs to ensure geographic representation on the RAPs.
43. The Bill states that the role of a RAP is to provide advice to the RRG about how to perform or exercise its duties, functions and powers *in respect of a particular geographic area*. This conflicts with the RAP’s “collective duty” to perform their duties wholly or mostly for the benefit of all communities in the WSE’s service area (clause 47). If the RAP is considered a representative panel of the geographic areas, the Council recommends removing the collective duty to benefit all communities in relation to the RAP.
44. The Council requests instead of RAPs being optional and left to the constitution of the WSE to determine, that they are mandatory to ensure all geographic areas are considered within the WSE area. This is critical for those areas of the WSE region that do not have a direct representative on the RRG.
45. Given the lack of certainty regarding the Council’s representation at the governance level, the Council would have expected more engagement as a shareholder. Unfortunately, this is not the case. Other than engagement relating to planning documentation required by the WSE Board at Schedule 3 of the Bill, shareholding rights are of limited value.
46. Under the Bill, the Council only has a direct voice as a WSE shareholder if there is a divestment proposal. In that instance, if a RRG resolves by 75% majority in support of a divestment proposal, the territorial owners must unanimously accept the proposal before it progresses to a poll. However, unless this process is entrenched in legislation, this voice could also be removed by a simple majority in Parliament.

47. Despite the fact the Council currently has a larger shareholding than other territorial authorities in the Southern WSE (excluding Christchurch City Council), this larger shareholding offers no greater weight relating to matters authorised under the constitution. Clause 93(2)(b) states that a constitution cannot confer decision-making rights weighted by shares held by a territorial authority for any matter. Again, Council has no assurance that it will have a direct representative voice on the RRG.
48. Clauses 115 and 166 of the Bill state that territorial authorities have no right to instruct a WSE and no financial interest in the WSE. It is therefore hard to accept that territorial authorities have any "tangible ownership" in the WSEs.
49. Clause 115 needs to be considered in the context of emergency events. Often, emergency events are managed without needing to declare a civil defence emergency. An example is the recent heavy rainfall event in Dunedin in late July 2022 where there needed to be a high level of co-ordination to manage flooding and risks associated with high water flows, but the declaration of a civil defence emergency is not warranted. Clause 115 appears to prohibit how emergency events are currently handled in practice. This requires detailed consideration so that the management of emergency events is workable in practice.
50. Clause 166(1)(d) appears to prevent a territorial authority from making a grant to a WSE to help fund a project in its region. Is that the intent of the Bill? There may be occasions where the WSE advises that it is unable to fund infrastructure within a specified area, but the territorial authority considers that the infrastructure is of such importance to the specified area that it is prepared to fund it. The Council recommends the Bill allow for this type of scenario.
51. Recommendations:

Bill Clause	Commentary	Recommendation
Clause 27 Establishment and membership of RRG & Clause 91(a) Constitution - Composition of RRG	<u>Most</u> territorial authorities will not have a direct representative voice on the RRG. This provides no certainty for the Council as to its role (if any) at the strategic level. Given only members of the RRG are appointed to the Board Appointment Committee further clarity on the Council's representation is essential.	The Council recommends review of the selection process and composition of the RRG to avoid the situation where most territorial authorities will not have a direct representative on the RRG (eg through the adoption of smaller regional models). If there will be more territorial authorities than places available on the RRG, a mechanism needs to be provided to address the situation where decision cannot be reached by consensus.
Clause 45 Establishment and membership of RAP & Clause 91(f) Constitution - Composition of RAP	There is a lack of detail on actual influence of the RAPs and when/where they will be established. This provides no certainty for the Council as to representation on a RAP.	The Council recommends review of the RAPs and propose instead of RAPs being optional and left to the constitution of the WSE to determine, that clause 45(1) is amended to state "must" rather than "may" to ensure all geographic areas are considered within the WSE area and to ensure a RAP's voice is heard by the RRG. There should be at least as many RAPs as there are territorial authorities within each WSE.

Shareholder provisions	The shareholder rights are extremely limited.	While still ensuring balance sheet separation, given the importance to local communities in transferring its assets, the Council recommends further consideration of greater shareholder influence.
Clause 115	Clause 115 would prohibit how emergency events are currently and routinely handled in practice.	The Council recommends that clause 115 be considered in the context of emergency events.

SECTION 3 – PROTECTIONS AGAINST PRIVATISATION, JOINT ARRANGEMENTS, AMALGAMATION AND THE DIVISION OF WSEs

52. Key points regarding privatisation, joint arrangements, amalgamation and division of WSEs: *Although there are mechanisms to protect against privatisation, these mechanisms can be repealed or amended by a simple majority in Parliament. The protection mechanisms are somewhat illusory. There should be mechanisms to protect against the amalgamation of WSEs. This is a concern as an amalgamation (say into one WSE for the whole of New Zealand) would further remove local voices.*
53. Section 130 of the Local Government Act 2002 currently protects against privatisation. In contrast, while the Bill has mechanisms to protect against privatisation, it is still technically possible.
54. On its face, the Bill has significant mechanisms to protect against privatisation. However, the protection mechanisms are not strong enough as Parliament can remove the protection mechanisms by a simple majority. The protection mechanisms need to be entrenched.
55. The Council notes the ability for WSEs to enter joint arrangements for providing water services (up to 35 years in term) under clause 118 of the Bill. The Council is concerned this clause also raises the possibility of the sale or transfer of existing infrastructure where the WSE believes it is incidental to the joint arrangement, or desirable for the success of the joint arrangement.
56. While there is no mention in the Bill of whether WSEs can potentially amalgamate or be divided in the future, the operation of clause 118 raises concerns that such re-organisations could happen in the future without having to necessarily go through the divestment process set out at Schedule 4 of the Bill.
57. The Council requests further review on the potential for joint arrangements and the amalgamation/divisions of WSEs under the Bill. Currently, there are limited checks and balances for such reorganisations. This is a concern as an amalgamation (say into one WSE for the whole of New Zealand) would further distance local voices.
58. Recommendations:

Bill Clause	Commentary	Recommendation
Schedule 4 Divestment Proposals	The Council supports the strengthening of the divestment proposal process but is concerned regarding Parliament's power to amend or repeal the protection mechanisms by a simple majority.	The Council recommends entrenchment of the provisions at Schedule 4 to reduce the risk of privatisation.

Clause 118 Joint Arrangements - Particularly clause 118(3)(d)	The Council supports the cooperation between WSEs and other non-WSEs but wants to ensure ownership of water infrastructure is not lost.	The Council recommends clause 118 is amended to prevent the sale of infrastructure that has a material impact on the delivery of water services.
Potential amalgamation of WSEs into (say) one WSE for the whole of New Zealand	The Council is concerned that there are no checks and balances regarding the potential for WSEs to amalgamate.	The Council recommends specific protection mechanisms are included in the Bill to prevent further amalgamation of WSEs.

SECTION 4 – TRANSITIONAL PROVISIONS

59. *Key points regarding the transitional provisions: The transitional provisions are operationally difficult, and clause 21 in Schedule 1 of the Bill is unworkable. The transitional provisions will create resourcing and scheduling issues for territorial authorities. It is seen as undemocratic to take decision making away from democratically elected Councillors (who are directly accountable to the public) and give such powers to unelected officials. Key details are left to be determined by the chief executive of the National Transition Unit (NTU). The Council recommends a more trust-based approach, so that the focus can be limited to significant decisions. The money currently being spent on establishing the new entities and setting up transitional arrangements would be better spent on funding pipes in the ground.*
60. The Council acknowledges that, to establish new WSEs, there needs to be robust cooperation and information sharing between territorial authorities and an establishment entity. However, it is essential that the Council is still able to provide "business as usual" water services to their communities during the establishment period.
61. The Council's key concerns during the establishment period include:
 - a. the ambiguity in clause 21 of Schedule 1;
 - b. the likely time commitment involved in providing information, and seeking and obtaining approvals from the NTU;
 - c. the ability of territorial authorities to make timely decisions and deliver services during the establishment period; and
 - d. the fact that key details are left to be determined by the chief executive of the NTU at a later date (such as the value of any water related contract that a territorial authority can sign).
62. The definition of "decision" in clause 21 of Schedule 1 is ambiguous and unworkable as drafted. Currently, the clause has the potential to capture routine daily transactions that are probably not intended to be caught (e.g., standard drainage easements). The ambiguity arises because of the word "and" at the end of clause 21(a)(ii) and the word "includes" in clause 21(b). Does the clause 21 definition mean that **any** decision that relates to the provision of water services or may affect the provision of water services will be captured, and is not limited by clause 21(b)? If so, this clause is extraordinarily wide and would include hundreds of routine daily transactions that relate to water services. It is difficult to imagine that this is what is intended, but the use of the word "includes" indicates that the list in clause 21(b) is not exhaustive. Alternatively, does clause 21 mean that the decisions are limited to decisions that fall within the subparagraphs of clause 21(b)? This would make more sense, but the clause needs to be

amended so that the intention is clear. The Council recommends that the word "includes" be deleted and substituted with the word "is".

63. The decision-making approvals process will be time consuming and will cause delays. It is vital that decisions the NTU need to review is limited. This could be achieved by narrowing the definition of "decision" in clause 21 so that it affects only significant decisions (using the criteria in clause 24(3) of Schedule 1). Instead of all decisions that "relate[s] to the provision of water services or may affect the provision of water services" going to the NTU for approval, only decisions that are reasonably considered significant should be caught.
64. The transitional provisions will create resourcing and scheduling issues for territorial authorities, as the proposed workload would be in addition to current workloads. Resourcing is further limited if the Council's staff is seconded to the NTU (as permitted by the Bill). There should be limits on the NTU's ability to second staff, particularly if this would affect a Council's ability to appropriately respond to an emergency event
65. The Council is concerned key decisions will be taken away from democratically elected members and that key details will be decided later by the chief executive of the NTU. For example, the chief executive of the NTU will be able to decide:
 - a. the length of the Council's water-related contracts (clause 21(b)(vi)(A) in Schedule 1);
 - b. the value of the Council's water-related contracts (clause 21(b)(vi)(B) in Schedule 1);
 - c. the length of any term borrowing by the Council (clause 21(b)(vii) in Schedule 1); and
 - d. who within a territorial authority is classed as having a "senior" management role within the Council (clause 15(1)(b) in Schedule 1).
66. It is essential these decisions are made now as they affect the practicality of the transitional provisions. If the thresholds in matters a, b and c in the preceding paragraph are set too low, then this will be unworkable for territorial authorities. The thresholds will have a different impact depending on the size of the territorial authority. What may be a reasonable threshold for a small territorial authority may be unreasonable for a large territorial authority.
67. The distinction between "senior management" and other staff needs clarified given senior management will not necessarily be offered employment by the WSE. This creates uncertainty for territorial authority staff. The Council recommends the distinction is removed or clarified, as opposed to being left to the judgement of the chief executive of the NTU.
68. The Council requests further review of the transitional provisions. It is critical that territorial authorities can operate successfully during the transitional period so there are no detrimental impacts on ratepayers.
69. The Council recommends a trust-based model during the establishment period with less restrictions for routine matters.

70. Recommendations:

Bill Clause	Commentary	Recommendation
Decision subject to department's oversight powers (Schedule 1 clause 21)	Clause 21 is ambiguous, and potentially has unintended consequences.	The Council recommends clause 21 is amended to remove ambiguity – possibly through the deletion of the word "includes" in clause 21(b) and substitution of "is".
<p>*Allocation Schedule (Schedule 1 clause 5(2))</p> <p>*General Cooperation Duty including Secondment of Employees (Schedule 1 clause 11)</p> <p>*Review of Decisions and Meeting Agenda in Establishment Period (Schedule 1 Clause 22)</p> <p>*Decision Making during Establishment Period (Schedule 1 Clause 23)</p>	The Council supports efforts to create a seamless transition for ratepayers, however, is concerned about staffing and other resourcing in the interim (particularly noting that non-compliance can result in court action).	The Council recommends review of Schedule 1 in conjunction with territorial authorities and to amend where necessary to ensure delivery of effective water services during the establishment period (e.g., providing an overriding clause that allows cooperation but provides some exception where necessary for effective delivery of the water service). Additional resourcing must be considered.
<p>*The length of the Council's water-related contracts (clause 21(b)(vi)(A) in Schedule 1)</p> <p>*The value of the Council's water-related contracts (clause 21(b)(vi)(B) in Schedule 1)</p> <p>*The length of any term borrowing (clause 21(b)(vii) in Schedule 1)</p> <p>*Who within a territorial authority is classed as having a "senior" management role (clause 15(1)(b) in Schedule 1).</p>	These types of details are key details. The Council is concerned these details are being left to be determined later by the chief executive of the department.	The Council recommends these details are clarified now and that territorial authorities are consulted for feedback.

SUMMARY OF RECOMMENDATIONS

71. As detailed above, the Council's key submissions are:
- The Council supports the goal of providing communities with safe and affordable water services and stronger recognition of the Treaty partnership in the three waters context.
 - It is difficult to make a submission on the Bill given that key details are not yet available and core issues have been left for a later date. Territorial authorities are being asked to make a submission without being given all the necessary information.
 - The Bill should be paused to allow time to consider the most effective model and to ensure a truly collaborative partnership with councils and iwi/Māori.
 - While the Council supports the Bill's objectives, key objectives are missing – such as the retention of water assets in public ownership and community well-being.

- e. The Council opposes the proposed service delivery model. A model which excludes most territorial authorities from a direct voice at the RRG strategic level is fundamentally flawed. The proposed model is complex, reduces local democratic decision making and distances local voices.
- f. Other models need to be considered, such as smaller regional WSEs so that territorial authorities are appropriately represented on the RRGs. Smaller regional models would also better align with other current reforms.
- g. The mechanisms to protect against privatisation need to be entrenched.
- h. An amalgamation of WSEs would further distance local voices. There needs to be some protection against amalgamation.
- i. It is critical that there are local people on the ground who can respond quickly to broken pipes or blockages and if there is an emergency event. There needs to be greater clarity around the roles and responsibilities of WSEs in the context of civil defence and emergency management.
- j. The transitional provisions will be challenging and will create operational/staffing difficulties within territorial authorities. Resourcing the transition will be critical. This resourcing includes funding and maintaining sufficient staffing levels to ensure current levels of service.
- k. The transitional provisions are not based on a spirit of trust and move away from democratically elected decision making.
- l. Clause 21 of Schedule 1 is ambiguous and has the potential to create unintended consequences. As drafted, clause 21 is unworkable.

CONCLUSION

- 72. The Council thanks the Committee once again for the opportunity to provide a submission on the Water Services Entities Bill.
- 73. The Council, as previously indicated in our submission of 1 July 2022, requests the opportunity to make an oral submission to the Committee on the Bill.

Kā mihi,



Aaron Hawkins
MAYOR OF DUNEDIN

Attachment A: Report to Full Council on 26 July 2022

Attachment B: Letter dated 30 September 2021 from Council to the Minister of Local Government

DCC SUBMISSION: WATER SERVICES ENTITIES BILL

Department: 3 Waters

EXECUTIVE SUMMARY

- 1 This report seeks the Council's approval of a draft Dunedin City Council (DCC) submission (Attachment A) to Parliament's Finance and Expenditure Select Committee on the Water Services Entities Bill.
- 2 Submissions closed on 22 July 2022. On 1 July 2022, the Mayor lodged a short 'placeholder' submission on behalf of the Council, stating that the DCC would like to make an oral submission on the Water Services Entities Bill. If the Council approves the DCC draft submission at the 26 July Council meeting, the submission will be considered by the Finance and Expenditure Committee alongside the 'placeholder' and oral submission.

RECOMMENDATIONS

That the Council:

- a) **Approves**, with any amendments, the draft DCC submission to the Finance and Expenditure Select Committee on the Water Services Entities Bill.
- b) **Authorises** the Mayor (or his delegate) to speak to the submission.
- c) **Authorises** the Chief Executive to approve any minor editorial changes if required.

BACKGROUND

- 3 During August and September last year, the Minister of Local Government asked for feedback from local authorities on the Government's Three Waters Reform Programme.
- 4 In September 2021, the DCC provided feedback to the Minister (Attachment B). The primary message to the Minister was the DCC wanted the Three Waters Reform Programme to be reset with a full exploration of options for future three waters service delivery arrangements. Council also asked for further work to be completed to reassess and clearly define the relationship between the Three Water Reform Programme and other major Government reform initiatives. Other feedback items included:
 - a) Allow time for meaningful engagement with communities

- b) Council's support for Ngāi Tahu participation in water services decision making
 - c) Mechanisms to enable local influence in a new Three Waters service delivery model were needed
 - d) Refinement of assumptions and analysis of financial impacts on projected household costs
 - e) Support for existing Three Waters workforce and their development
 - f) Ensure local decision making was maintained for urban growth planning and city development.
- 5 In October 2021 the Government announced that local government participation in the Three Waters Reform Programme would be mandatory. Soon after, the Government released an exposure draft of a Bill that would establish the proposed four new water services entities: the Water Services Entities Bill.
- 6 In response to feedback from local government, the Government established three working groups to advise on refinements of the Government's reform proposal:
- a) Representation, Governance and Accountability Working Group
 - b) Planning Technical Working Group
 - c) Rural Supplies Technical Working Group
- 7 The Working Group on Representation, Governance and Accountability considered the exposure draft of the Water Services Entities Bill and released its report on 9 March 2022. The report made 47 recommendations to amend the reform proposal.
- 8 The Government considered these recommendations and agreed to progress almost all of them. These recommendations were incorporated into the Water Services Entities Bill.
- Water Services Entities Bill**
- 9 The Water Services Entities Bill (the Bill) is part of a suite of legislative changes required to give effect to the Three Waters Service Delivery Reform. Its purpose is to establish four publicly owned water services entities to deliver three waters services across New Zealand in place of local authorities.
- 10 The Bill does not apply to water services that are not delivered by local authorities, for example services delivered by small private rural suppliers and domestic self-suppliers.
- 11 The Bill's provisions relate to:
- a) entity ownership and protections against privatisation
 - b) entity governance, accountability and consumer engagement
 - c) transitional arrangements.
- 12 The Bill does not include provisions relating to:
- a) the inter-relationship of new water services entities with the land-use planning system

- b) the transfer of assets and liabilities from councils to the new entities
- c) how properties that provide recreational and biodiversity values for the community will be protected if there are three waters assets within these properties
- d) the new entities' pricing and charging arrangements
- e) economic regulation and consumer protection
- f) various amendments that will need to be made to other legislation.

The Government has said these matters will be addressed in future legislation.

- 13 The Bill was introduced to Parliament and had its First Reading on 9 June 2022. Parliament referred the Bill to the Finance and Expenditure Select Committee, which has invited public submissions.
- 14 The Select Committee has a deadline of 11 November 2022 to consider submissions and release its report. The Government's timeline intends for the Bill to be passed by the end of 2022. The entire Bill can be read on the New Zealand Legislation website: <https://legislation.govt.nz/>. Additional information from the Department of Internal Affairs regarding Three Waters Service Delivery Reform and the Bill is attached to this report as Attachment C.

DISCUSSION

- 15 The draft DCC submission states that the DCC opposes the Government's proposed model for three waters service delivery and the process for undertaking the Three Waters Service Delivery Reform. The draft submission also raises issues with the Bill's scope, which excludes core details about how the proposed service delivery model will be implemented.
- 16 The draft DCC submission recommends that establishment of a new three waters service delivery model through the Bill should be paused. The reason for a pause would be to provide time for:
 - a) consideration of other service delivery options;
 - b) incorporation of the entire three waters service delivery reform legislation into one Bill (as opposed to the proposed three bills) which would enable local government and communities to make submissions informed by the full package of relevant information; and
 - c) more detailed consideration of the interfaces between the three waters service delivery reform and the resource management reform and local government review.
- 17 The draft submission also recommends changes to the Bill itself, should the Finance and Expenditure Committee recommend that the Bill continues to proceed through Parliament. The Council's recommendations relate to:
 - a) the objectives of the Water Services Entities set out in clause 11;
 - b) the proposed governance and ownership structure of the Water Service Entities and the lack of a "local voice" in this governance arrangement;

- c) the protections against privatisation, joint arrangements, amalgamation and division of the Water Services Entities; and
 - d) the transitional provisions.
- 18 A fundamental issue with the Government's proposed model is entity ownership does not equal representation in the governance arrangements. This will result in a dilution of a local voice in the new system.
- 19 The draft DCC submission recommends that a smaller regional entity be considered for Otago and Southland if the establishment of a new three waters service delivery model is not paused. An Otago-Southland entity would better ensure local representation and would also be better placed to manage land use planning in a considered and meaningful way for local communities. This could be achieved while still delivering on central government three water service delivery reform objectives, including operational efficiencies and workforce development.

Proposed Alternative Model to Support Local Voice

- 20 The draft DCC submission states that a smaller, more localised scale of the new entity could deliver better local authority representation in the governance arrangements.
- 21 In late 2020, the 10 councils of Otago and Southland (both territorial authorities and regional councils) commissioned Morrison Low to assess council three waters infrastructure and services across Otago and Southland. The purpose of the assessment was to inform discussions within the two regions about options and future decisions relating to the Government's reform programme.
- 22 Morrison Low concluded there are expected to be financial efficiencies and benefits from a combined Otago-Southland regional entity.
- 23 Morrison Low assessed the financial impacts of three potential future scenarios for three waters service delivery in Dunedin which were:
- a) Continue participation in Government-led service delivery reforms
 - b) 'Opt out' of Government-led service delivery reforms: establish Otago-Southland entity
 - c) 'Opt out' of Government-led service delivery reforms: continue Dunedin City Council delivery model.
- 24 The three potential future scenarios and the corresponding water services household costs by 2031 are illustrated in the table below where the Morrison Low costs are compared to the Water Industry Commission for Scotland (WICS – the agency the Government commissioned to provide analysis for Three Waters Service Delivery reform) costs.
- 25 The Morrison Low analysis of the modelling done by WICS found the scale of the financial impact on the existing model (i.e., the status quo) had used a number of assumptions that could lead to inflated financial benefits of the proposed four entity model.

Water Services Costs per Household by 2031

	Entity D – South Island/Ngāi Tahu takiwā	Otago – Southland Model	DCC (Status Quo)
Morrison Low report	\$1,700 – 1,900	\$2,000	\$2,200
Water Industry Commission for Scotland (WICS)	\$1,543	Not Assessed	\$3,843

- 26 Morrison Low concluded that while the projected household charges from the WICS analysis for the four entities may be the subject of some contention, it was likely household costs would need to increase under all models.
- 27 The Otago-Southland model's projected household costs are not significantly more expensive than the projected cost per household for Entity D by 2031.
- 28 Morrison Low's financial modelling suggests the Otago-Southland model could provide affordable services for customers as a viable alternative to the Government's proposed Entity D. The result of this would also enable more of a local voice and representation for the delivery of three waters in a new smaller entity, as well as creating a smoother transition merging the territorial authorities of the Otago and Southland region, rather than 22 territorial authorities across the Ngāi Tahu takiwā.

OPTIONS

Option One – submit on the Water Services Entities Bill (Recommended Option)

- 29 Approve, with any suggested amendments, the submission to the Finance and Expenditure Select Committee on the Water Services Entities Bill.

Advantages

- Opportunity to provide further feedback on three waters service delivery reform, including DCC's preferred Otago-Southland model.
- Opportunity to recommend changes to the Finance and Expenditure Select Committee on particular provisions of the Water Services Entities Bill.

Disadvantages

- There are no identified disadvantages.

Option Two – do not submit on the Water Services Entities Bill

- 30 Do not approve the draft submission.

Advantages

- There are no identified advantages for this option.

Disadvantages

- Missed opportunity to provide further feedback on three waters service delivery reform, including DCC's preferred Otago-Southland model.
- Missed opportunity to recommend changes to the Finance and Expenditure Select Committee regarding the provisions of the Water Services Entities Bill.

NEXT STEPS

- 31 If the Council approves the draft DCC submission, it will be sent to the Finance and Expenditure Select Committee.
- 32 Approval is sought for the Chief Executive to make minor editorial changes.

Signatories

Author:	Katherine Quill - Policy Analyst Scott Campbell - Regulation and Policy Team Leader
Authoriser:	Simon Drew - General Manager Infrastructure and Development Jeanette Wikaira - Manahautū (General Manager Māori Partnerships and Policy)

Attachments

	Title	Page
A	Attachment A: Draft DCC Submission on the Water Services Entity Bill	
B	Attachment B: Feedback on Three Waters Reform Programme Sept 2021	
C	Attachment C: DIA - Three Waters Service Delivery Reform	

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, 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 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 report has been prepared with reference to Dunedin's strategic framework.

Māori Impact Statement

The Government has undertaken extensive high level engagement with iwi/Māori in relation to three waters reforms, including with Te Rūnanga o Ngāi Tahu. Central Government officials have worked closely with Ngāi Tahu to develop the boundary for the South Island water services entity.

Sustainability

Any changes to New Zealand's Three Water service delivery model may change the economic and environmental sustainability of three waters infrastructure and services across New Zealand.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

This report and a decision to approve the submission to the Finance and Expenditure Select Committee has no direct implications for these plans and strategies.
Should the Bill go ahead in its current form, there will be implications for the next LTP and annual plan.

Financial considerations

There are no financial implications directly associated with this report and the decision to approve the draft submission to the Finance and Expenditure Select Committee.

Significance

The decision to approve the draft DCC submission is considered low in terms of the Council's significance and engagement policy.

Engagement – external

Elected members and staff have engaged with elected members and staff from other Otago and Southland councils and with mana whenua in relation to the Bill and the development of the draft DCC submission.

SUMMARY OF CONSIDERATIONS
<i>Engagement - internal</i> Staff from the 3 Waters Group, Executive Leadership Team and the Legal Team have contributed to the development of the draft DCC submission.
<i>Risks: Legal / Health and Safety etc.</i> There are no identified risks directly related to a DCC submission on the Water Services Entities Bill.
<i>Conflict of Interest</i> There are no known conflicts of interest.
<i>Community Boards</i> Community Boards are likely to be interested in the three waters reform updates and staff will consider how to update the Community Boards in future.



30 September 2021

Hon Nanaia Mahuta
Minister of Local Government
Parliament Buildings
Wellington
n.mahuta@ministers.govt.nz

Tēnā koe e te Minita

DUNEDIN CITY COUNCIL FEEDBACK ON THE THREE WATERS REFORM PROGRAMME

Ko Te Mana o te Wai, he mana taketake. Mā wai e kawē, e hiki i te mana o te wai? Mā tātou.

Water has always had mana. Who will uplift and carry the mana of water? We all will.

Introduction

1. Thank you for the opportunity to provide feedback on the Three Waters Reform Programme.
2. The Dunedin City Council has watched the development of the programme closely since its inception. While we have felt challenged by the scale of the proposed reforms and the uncertainty that still surrounds some aspects, we accept there is a case for changing the way three waters services are regulated at the national level.
3. This letter provides our feedback on the Three Waters Reform Programme and the recent service delivery reform proposals.
4. In offering this feedback, we acknowledge we share common goals with the Government. We too are motivated to ensure communities across New Zealand get safe, reliable and affordable water services that support good public health and environmental outcomes. We too are motivated to ensure any changes to the three waters service delivery system are undertaken in a way that enables local communities to participate meaningfully in discussions about issues that affect them. We are eager to work in partnership with the Government and iwi/Māori to achieve these goals.

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Our primary feedback: reset the Three Waters Reform Programme

5. We submit the proposed establishment of the four water services entities is premature and represents a design position the Government has adopted without sufficient input from councils and iwi/Māori.
6. We are disappointed the Government appears to have given little consideration to alternative models for water services delivery besides the proposed establishment of asset-owning, multi-regional water services entities. At this stage it is not clear to us how, either quantitatively or qualitatively, the Government arrived at the establishment of four entities as its preferred reform option. Nor is it clear why the Government has discounted alternative models that would provide for continued council delivery of water services – for example, a Waka Kotahi-style model, or a model in which council three waters debts were guaranteed by the Government.
7. Maintaining the asset base in public ownership is a bottom line for us. At this point, we are concerned that aggregating three waters assets in a small number of new entities creates a pathway to future privatisation of water services. The best way to protect against privatisation is to have the ownership of water services dispersed, as is the case now.
8. Community support is critical to the success of such a major change to the way core community services are delivered. Councils and councillors must buy in to the proposed changes, or at least the quality of analysis, in order to lead meaningful engagement with their communities. You have asked us to be ambassadors for these reforms in our communities, but at this stage this is not a role we feel able to perform. The Programme has advanced too far, too fast, without sufficient involvement from local government.
9. In addition, there are substantial overlaps between the three waters reform programme, the reform of the resource management system and the future for local government review that councils and communities need to understand in order to consider the reforms holistically. We have significant reservations that these interrelated activities have not been fully addressed in Government planning and seek an explanation as to why the Three Waters Reform Programme sits where it does in the order of these reforms.
10. In our view, the Three Waters Reform Programme needs to be reset.
11. We request that the Government, in a truly collaborative partnership with councils and iwi/Māori, undertakes:
 - a. a full exploration of options for future three waters service delivery arrangements; and
 - b. further work to reassess and clearly define the relationships between the Three Waters Reform Programme and other major Government reform initiatives, including timeframes and sequencing of changes, dependencies, and resourcing considerations.

Our supplementary feedback

12. Notwithstanding our request for the Three Waters Reform Programme to be reset, we offer the following feedback on the current service delivery reform proposals before us. Our feedback is intended to improve implementation and outcomes for communities should the Government resolve to continue advancing the proposed changes announced in June 2021.

Meaningful engagement with communities

13. Since the beginnings of the Three Waters Reform Programme, the Council has expected community consultation would precede any substantial changes to New Zealand's three waters service delivery system. We are concerned that recent timelines and approaches signalled by the Government preclude councils meaningfully engaging with their communities on the proposed reforms.
14. We submit that communities deserve meaningful engagement before any decisions are made. Meaningful community engagement on this issue has two fundamental pre-requisites: adequate time and an appropriate level of information.
15. In August, you received a joint letter from the members of the Otago and Southland Mayoral Forums. The letter requested communities be given adequate time to clearly understand the implications of the three waters proposals. We endorse the contents of that letter. We note you have scheduled a meeting to discuss the contents of the letter with the members of the Forums this week.
16. If the Government was to make a proposal to Council and require a decision on continued participation in the reform programme, the Council would need at least 20 weeks to engage meaningfully with the community and make an informed decision.
17. This would involve 6 weeks to assess the information, 4 weeks to develop engagement materials, 6 weeks to run a consultation process, and 4 weeks to analyse feedback, deliberate and make final decisions.
18. This timeframe would be similar to the 10 Year Plan engagement timeframe councils work to every 3 years. However, the proposed three waters reforms are set to be the biggest changes to the form and function of councils, including ours, in over 30 years.
19. At this point, we are concerned that meaningful community engagement will not be possible under the current timeframes for implementing the proposed service delivery reforms.
20. The letter from the members of the Otago and Southland Mayoral Forums also drew your attention to the substantial gap between the Government's highly simplified three waters reform advertising campaign and the technical information provided in reports, Cabinet papers and other sources published on the Department of Internal Affairs website. This is leaving individual councils doing their best with limited resources to inform the public about the proposed reforms. We also believe that the public advertising campaigns are designed to scare rather than provide balanced information and result in confused narratives. The Department of Internal Affairs' response to councils' feedback on the advertisements highlights the very real concerns about the intent of the Government to genuinely partner with councils on three waters reform.

21. Better information is required to enable councils to meaningfully engage with communities on the proposed reforms. In particular, we ask the Government to share further information that makes it clear:
- a. why alternative models that would provide for continued council delivery of three waters services have not been tested with the same rigour as the proposed new entity-based model; and
 - b. the rationale for the current sequencing of the Three Waters Reform Programme in relation to reform of the resource management system and the future for local government review.
22. We submit that communities need to understand all the options considered and how those options were assessed.
23. We also recommend the Government provide clearer information on what impact, if any, it expects the proposed service delivery reforms will have on those that do not currently receive three waters services from a council provider. At present, there is uncertainty among domestic self-suppliers (for drinking water) about what the reforms could mean for them. This uncertainty may grow as any new water services entities are established and move to expand and/or rationalise their customer base. We are wary that the current Government messaging around the reforms being about improving access to quality water services for all New Zealanders may unreasonably raise expectations among self-servicing communities.

Ngāi Tahu participation in water services decision making

24. The Council acknowledges the work the Government and iwi/Māori have done to date to design a water services system that supports the exercise of rangatiratanga in relation to water services.
25. Throughout the reform process, we encourage the Government to continue engaging with Ngāi Tahu to ensure the system gives effect to Treaty principles, Treaty legislation (including the Ngāi Tahu Claims Settlement Act 1998) and enables Ngāi Tahu to participate in decision making about water services in the Ngāi Tahu Takiwā. We also ask that during those discussions the councils in the Ngāi Tahu Takiwā be included from time to time in the spirit of partnership.
26. The Council also notes the progress many councils have made towards providing for mana whenua representation in local government. In Dunedin, we recently made changes to the Council's committee delegations to provide for representatives of the two Papatipu Rūnaka to sit on the Infrastructure Services Committee and the Planning and Environment Committee.

Mechanisms to enable local influence in a new Three Waters service delivery model

27. We note the information recently provided by the Government on the proposed entities' ownership and governance structures.
28. However, the information lacks detail on how the proposed structure will work in practice. The large degree of separation between individual councils (as owners) and the proposed

entities' governance boards leaves it unclear how much ability local communities, through their councils, will have to influence the new entities' decision making.

29. The Council submits the proposed new water services entities must have strong mechanisms to enable local influence. To help achieve this outcome, we would encourage the Government to undertake further work in partnership with councils and mana whenua on:
 - a. the composition of the regional representative group. This work would need to address the greater number of iwi and councils in each proposed entity than the proposed number of members of the regional representative group, and that iwi and councils come in a range of sizes.
 - b. how a consumer forum would work in practice at the local level.
 - c. how the role of iwi/Māori in decision making and governance of the three waters system will work in practice, particularly with regard to the status of Te Mana o Te Wai statements.
 - d. specific community reporting requirements that could be provided for through the new entities' establishing legislation.
 - e. specific requirements to engage with councils and communities about their priorities (which, again, could be provided for through the new entities' establishing legislation). Prescribed engagement could, for example, provide an opportunity for councils to regularly brief the water entities on their strategic direction for land use planning, and for communities to discuss issues like continued public access to land used for water services purposes that also has recreation or amenity values. Work on engagement requirements would need to address the significant logistical challenges the proposed entities would face, given the large numbers of councils and iwi groups in each entity. It is reasonable to infer that if the entity was to meet with each group individually it would need to have a meeting with somebody almost every week. This highlights just how disproportionately large these proposed entities are.
30. The Council also encourages the Government to undertake further engagement with councils and mana whenua on measures to strengthen the proposed protections against future privatisation of the water services entities. We remain unconvinced that the proposed protections against privatisation provide sufficient protection against the actions of future governments (central and/or local) that may pursue a privatisation agenda.
31. Currently, privatisation of water assets is prohibited under section 130 of the Local Government Act 2002. If it strikes this section of the Act to enable the establishment of the proposed water entities, the Government will prove that legislative protections are a myth and that any such protections can easily be reversed by later governments. As mentioned earlier in this letter, we consider the best way to protect against future privatisation is to continue with the current model where the ownership of three waters assets is dispersed among a large number of councils.

Financial impacts

32. We encourage the Government to work with councils and the Water Industry Commission for Scotland (WICS) to refine the assumptions and analysis behind the modelling of household cost impacts under the proposed new service delivery model and the status quo.
33. Our independent analysis of the modelling done by WICS found it provides an indication of the direction of impacts of the two service delivery systems assessed. However, we consider the scale of financial impact on the existing model has been inflated and the assumed financial benefits of the proposed new model have been overstated. The independent analysis also showed that the modelling was particularly sensitive to assumptions about:
 - a. the scale of future investment required;
 - b. debt to revenue ratio; and
 - c. operating efficiencies.
34. The assumptions WICS made for Dunedin City Council were applied unevenly and are both inaccurate and inflammatory.
35. In addition, our independent analysis found WICS's modelling did not consider the ongoing stranded costs that are reasonably expected to be incurred by councils following the removal of three waters service delivery functions from their organisations. It also did not account for inefficiencies that are experienced when two different entities are operating in the same geographic space.
36. We submit that communities deserve detailed, transparent and nuanced information about the likely financial impacts of different water service delivery models under consideration. We urge the Government to undertake a further process to refine and/or justify the assumptions made about items like operating efficiency savings under different future service delivery models.

Workforce development

37. The Council acknowledges the Government's statements about post-reform continuity for the existing three waters workforce based in councils. However, we feel there is a substantial delivery gap between the Government's aspirations and the reality of the current workforce capacity. Therefore, significant further work is needed to support the existing workforce and continue to grow it. We do not see evidence that Government has fully grasped this challenge.
38. Councils are currently experiencing difficulty recruiting and retaining three waters staff. In addition to a general sector-wide skill shortage, councils have been grappling with challenges including:
 - a. uncertainty about the future of council-based three waters services;

- b. competition with other organisations like the Ministry for the Environment, Taumata Arowai and regional councils, who are resourcing-up in relation to three waters, resource management and freshwater reforms; and
- c. the impact of COVID-19 on the ability to recruit staff from overseas.

39. We submit that a nationwide three waters workforce development initiative will need to be established as a meaningful parallel workstream to both service delivery and regulatory reforms. Without the support of the workforce, these reforms will be at a real risk of not meeting their objectives.

40. In particular, we recommend the Government significantly increases funding and training of new personnel and provides incentives that could be applied both to upskill and retain in the sector the existing workforce. We see no evidence of this activity.

Planning for urban growth and development

- 41. The Council is gravely concerned that a water services entity with a geographical footprint much larger than the local communities it services will exert an investment power over councils' ability to plan for future land use.
- 42. The Council urges the Government to ensure any legislation that establishes new water services entities requires the entities to give effect to councils' land use strategies, policies and plans.
- 43. The balance of power for setting the strategic direction for land use planning must stay with councils.
- 44. Councils are best placed to balance the wide variety of considerations that inform land use planning decisions, of which three waters service provision is but one part. The Council does not want to see these reforms create a situation where the costs of putting pipes in the ground or upgrading treatment plants dictate where and how an urban area grows.
- 45. Ensuring local decision making is maintained through the reforms in this area is a bottom line for us. The Council requests assurances, through legislation, that any new water services entities will answer to councils in relation to the provision of three waters infrastructure to support growth and increased housing capacity. We cannot see this relationship guaranteed in the current governance structures of the proposed water entities.
- 46. In the more immediate term, the Council seeks an assurance that the Three Waters Reform Programme and the reform of the resource management system will coordinate to ensure there are strong mechanisms in place to implement local communities' aspirations for growth and development.

Civil defence and emergency management

- 47. Heavy wet weather events require an integrated approach to drainage management in urban areas. Balancing needs to protect people, property and the environment requires coordinated management of the event.

48. The council urges the Government to ensure legislation that establishes any new water services entities requires the entities to actively work with Civil Defence and local communities on response planning and emergency event response.
49. Adequate provision needs to be made for managing local emergency response in a coordinated way. Currently, flood events are managed effectively and in an integrated way because councils operate both the roading and water infrastructure. Transition plans need to ensure this local response capability is not compromised.
50. Any proposed new entity should be accountable for integrating into local Civil Defence structures and working with communities on preparedness.

Summary of feedback

51. In summary, we recommend the Government resets the Three Waters Reform Programme. We request that the Government partners with councils and iwi/Māori to:
 - a. fully explore options for future three waters service delivery arrangements; and
 - b. reassess and clearly define the relationships between the Three Waters Reform Programme and other major Government reform initiatives, including timeframes and sequencing of changes, dependencies, and resourcing considerations.
52. If the Government resolves to continue with the current service delivery reform proposals, we ask that the Government:
 - a. enables councils to engage meaningfully with their communities on service delivery reform by providing adequate time and appropriate information.
 - b. undertakes further engagement with councils and iwi/Māori on mechanisms to enable local influence in the proposed new water services entities or other delivery models that may be developed.
 - c. undertakes further engagement with councils and mana whenua on measures to strengthen the proposed protections against future privatisation of any new water services entities.
 - d. undertakes further engagement with councils to improve the modelling of financial impacts of the proposed reforms.
 - e. undertakes further engagement with councils on three waters workforce development initiatives to help ensure the objectives reforms can be achieved.
 - f. ensures councils will retain the balance of power for setting the strategic direction for land use planning post-reform.
 - g. provides an assurance that the Three Waters Reform Programme and the reform of the resource management system will coordinate to ensure there are strong mechanisms in place to implement local communities' aspirations for growth and development.

- h. ensure any new entities will have clear civil defence and emergency management roles and responsibilities to support coordinated management of events.

Concluding remarks

53. The Council thanks you once again for the opportunity to provide feedback on the Three Waters Reform Programme.
54. We would welcome the opportunity to engage further with you and your officials on the matters we have raised. We invite you to meet with us in Dunedin to discuss our letter kanohi ki te kanohi.

Kā mihi



Aaron Hawkins
MAYOR OF DUNEDIN

CC: threewaters@dia.govt.nz; feedback@lgnz.co.nz

FUTURE FOR LOCAL GOVERNMENT REVIEW - SUBMISSION

Department: Corporate Policy

EXECUTIVE SUMMARY

- 1 This report seeks approval of a draft Dunedin City Council (DCC) submission (Attachment A) on the Review into the Future for Local Government (the Review).
- 2 Lead by the Department of Internal Affairs (DIA), the Review is intended to be an opportunity to create a new system of local governance and democracy that will effectively respond to a changing New Zealand and create conditions for communities to thrive.
- 3 The Review's draft report, *He mata whāriki, he matawhānui*, (the Report) was released in late October 2022. It outlines the need for a local governance system in Aotearoa New Zealand that is community-focussed and citizen-centred, based on strong relationships and partnerships. The DCC's submission speaks to the Report and to its 29 recommendations in Attachment B, titled Appendix A for the purpose of the submission.
- 4 Submissions on the draft report close on 28 February 2023; the DCC has an extension until 3 March 2023.
- 5 The final Report is scheduled for release in June 2023.
- 6 DCC staff have been involved in webinars and workshops on this topic from Local Government New Zealand and Taituarā (the organisation of local government organisations), which has also helped to inform the DCC's submission.

RECOMMENDATIONS

That the Council:

- a) **Approves** the DCC submission, with any amendments, on "the Future for Local Government Review".
- b) **Authorises** the Chief Executive to make any minor editorial amendments to the submission.

BACKGROUND

The Context and Scope of the Review

- 7 Current local governance structures and systems are now facing considerable pressure due to:
 - Increased responsibilities and demands arising from the reform of New Zealand local government reform in 1989 (850 local bodies amalgamated into 86 local authorities), and the

Local Government Act 2002 (the LGA). The LGA introduced the Long Term Plan (LTP) and the associated Special Consultative Procedure (SCP), and Community Outcomes with progress indicators and measures).

-
- Complex issues with local impacts (e.g. climate change, poverty and inequity, housing) as well as national reforms such as the Resource Management Act (RMA), Three Waters, and local government's commitment to the principles of the Treaty of Waitangi.

The Review is seen as an opportunity to address these issues and ensure that the system of local governance is fit for the future, in order to maximise wellbeing and prosperity for all communities.

8 The scope of the Review includes:

- Functions, roles, and structures of local government
- Relationships with central government, iwi, Māori, businesses, communities, and other organisations that contribute to local wellbeing
- Treaty partnership
- Funding

9 The reform of the RMA and Three Waters are outside of the scope of the Review; however consideration will be given to the implications of these and other central government policy decisions for the local government sector.

DISCUSSION

Summary of the draft report, *He mata whāriki, he matawhanui*

10 The Report identifies five key shifts in the way that local government operates:

1. Strengthened local democracy. From low public trust and participation in local governance, to citizens participating in local decision-making; councils being trusted and reflecting community diversity.
2. Authentic relationship with hapū/iwi and Māori. From variable relationships between councils and hapū/iwi/Māori, to strong, authentic relationships between councils and hapū/iwi/Māori that enable self-determination and shared authority.
3. Stronger focus on wellbeing. From councils often narrowly focused on delivering services and infrastructure, to councils focusing on holistic strategies to improve the wellbeing of their communities.
4. Genuine partnership between local and central government. From low trust between local and central government, to genuine partnership to co-invest in and deliver wellbeing outcomes for communities
5. More equitable funding. From an over-burdened and constrained funding system, to an equitably funded system that enables communities to thrive.

11 The DCC's submission is structured to address each of these five key shifts.

12 The Report notes that many of its suggestions can be activated to some degree, without needing a mandate or legislative reform, but that significant coordinated changes will also be needed

across the system of local and central government, to different extents and across a range of timeframes.

- 13 This will require a “joined-up approach”, with commitment across the system and sufficient resourcing and capacity made available, and recognising systemic and structural changes will be required including:
- updating some of the underlying legislation and frameworks that define local government
 - embedding Te Tiriti more explicitly within local government systems
 - considering changes to the roles and functions carried out by local councils
 - the form of the local government system itself.

DCC submission

- 14 The draft DCC submission broadly supports the objectives of the Review’s recommendations and highlights a number of positive changes, outlines areas of concern and makes a number of suggestions. DCC’s comments in relation to the 29 recommendations are included in Appendix 1, in Attachment A.
- 15 The key comments are:
- The DCC notes a high level of uncertainty associated with the recommendations and how they will impact on the diverse and interconnected workstreams that local government currently carries out.
 - The DCC encourages the Panel to give clear guidance to government on adequate and appropriate transition periods, so that local communities are actively supported during any proposed system changes.
 - The Panel was clear that the scope of the Review did not include other reforms such as the Three Waters Bill, the Natural and Built Environment Bill and the Spatial Planning Bill. The DCC’s view is that the Panel has missed a critical opportunity to engage with local government on the implications of these reforms, which could have informed the proposed system designs.
 - The Panel’s proposed system designs of local government lacks alignment with other reforms and in places, specific recommendations contradict requirements that are detailed in the reforms.
 - The DCC acknowledges there is a strong feeling of uncertainty among the local community. The DCC encourages the Panel to recommend to government that alignment is needed across the reforms, including the review into local government, so the system is cohesive, coherent and consistent.
 - The DCC is particularly concerned about the lack of detail in the proposed system designs. This concern is in relation to the key operational roles that councils currently have, besides the political, policy and democratic roles.
 - The DCC agrees with the Panel’s view that proposed system designs need to balance realising efficiencies across population groups with meeting local community needs based on an equitable funding model. However, the Report’s system designs appear naïve as they do not

identify how the proposed system designs will improve services across different and dispersed geographical communities or increase savings and efficiencies.

OPTIONS

Option One – Recommended Option - Approve the DCC submission, with any amendments, on the Future for Local Government Review

- 16 Approve the DCC submission, with any amendments, on the Review into the Future for Local Government.

Advantages

- Opportunity to feedback on the proposed changes and specific recommendations in the draft Report on the “Review into the Future for Local Government”
- Opportunity to provide feedback on topics relevant to the DCC’s strategic and operational work,
- Opportunity to provide feedback and request clarification around some areas of the draft Report that may impact on Ōtepoti Dunedin when recommendations are implemented.

Disadvantages

- There are no identified disadvantages for this option.

Option Two – Do not approve the DCC submission on the Future for Local Government Review

- 17 Do not approve the DCC submission on the Review into the Future for Local Government.

Advantages

- There are no identified advantages to this option.

Disadvantages

- Missed opportunity to provide feedback on topics relevant to the DCC’s strategic and operational work.
- Missed opportunity to request clarification around some areas of the draft report that may impact on Ōtepoti Dunedin when recommendations are implemented.

NEXT STEPS

- 18 If the Council approves the draft submission, it will be sent to the Review into the Future for Local Government for its consideration.

Signatories

Author:	Gina Huakau - Corporate Policy Manager
Authoriser:	Jeanette Wikaira - Manahautū (General Manager Māori Partnerships and Policy

Attachments

	Title	Page
↓A	Review into the Future for Local Government - DCC Submission on: HE MATA WHĀRIKI, HE MATAWHĀNUI - THE REVIEW INTO THE FUTURE FOR LOCAL GOVERNMENT	107

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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

This submission aligns with most DCC strategies as it enables democratic local decision making and action by and on behalf of all Dunedin residents. In particular, the DCC's Social Wellbeing Strategy seeks to ensure that all Dunedin residents are valued citizens with a role to play in the city. The 3 Waters Strategy and Spatial Plan have not been included here as they are deemed "out of scope in the terms of the Review.

Māori Impact Statement

The DCC supports recommendations in the draft Report that promote models for democracy that build capability and understanding of Te Tiriti o Waitangi and te ao Māori. Te Pae Māori was established as a new mana to mana forum to advance the strategic relationship between the Rūnaka and the DCC. To have these unique relationships supported through statutory initiatives, as recommended in the draft Report, provides an additional level of strengthening and maintenance of Tiriti-based relationships. The DCC strongly supports recommendation 8 in the draft Report, which seeks to strengthen Te Tiriti capability and capacity at local governance levels through statutory means.

Sustainability

The Report notes the importance of effective service design, support and stewardship in achieving sustainability. The DCC supports this in its submission.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications for current levels of service and/or performance measures.

Financial considerations

There are no financial implications.

SUMMARY OF CONSIDERATIONS

Significance

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

Engagement – external

Due to time constraints in preparing the submission, there has been no external engagement.

Engagement - internal

There has been internal engagement across General Managers and teams.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There is no conflict of interest.

Community Boards

The DCC submission is likely to be of interest to all Dunedin communities including those served by Community Boards.



Committee Secretariat
Justice Committee
Parliament Buildings
WELLINGTON

By email: justice.submissions@parliament.govt.nz

DATE

Tēnā koutou

DCC SUBMISSION ON HE MATA WHĀRIKI, HE MATAWHĀNUI - THE REVIEW INTO THE FUTURE FOR LOCAL GOVERNMENT.

Introduction

1. The Dunedin City Council (DCC) welcomes the opportunity to submit on the Future for Local Government Review Panel's (the Panel) draft report, *He mata whāriki, he matawhānui* (the Report).
2. The DCC is responsible for meeting the current and future needs of communities by delivering quality infrastructure, public services and regulatory functions that is most cost effective for households and businesses, under the Local Government Act 2002. Dunedin City has a population of 134,100 and the DCC actively promotes wellbeing and improves the quality of life of residents and visitors through the delivery of these obligations.
3. The DCC's submission includes key comments, followed by specific feedback in relation to the Report's 'Five Key Shifts'. Feedback in relation to the Report's 29 recommendations is detailed in Appendix 1.

Submission – key comments

4. The DCC supports the ambitions and aspirations of the Future for Local Government Review's (the Review) intent to;
 - strengthen local democracy,
 - strengthen partnerships between local government and mana whenua and Māori, and
 - work with central government to support communities and responding to future challenges.
5. The DCC commends the Panel's recognition of local government and its important, and unique, role in shaping and supporting the wellbeing of people and communities.
6. The DCC strongly supports the inclusion of 'local' in the proposed system designs going forward.
7. The DCC notes a high level of uncertainty associated with the recommendations and how they will impact on the diverse and interconnected workstreams that local government currently carries out. The DCC encourages the panel to strengthen its recommendations to require the

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inclusion of local council and iwi representatives throughout the system design process, so that local perspectives are preserved.

8. The DCC encourages the Panel to give clear guidance to government on adequate and appropriate transition periods, so that local communities are actively supported during any proposed system changes. The recent reforms and time pressures have resulted in 'reform fatigue' among the community and Council, and this has at times, negatively impacted on authentic engagement. Reform and restructure of functions requires implementation planning, workforce management, communications, risk analysis and resourcing of the transition. The DCC is supportive of intergenerational perspectives when determining role and function changes.
9. The Panel was clear that its scope did not include consideration of other reforms such as the Three Waters Bill, the Natural and Built Environment Bill and the Spatial Planning Bill. The DCC's view is that the Panel has missed a critical opportunity to engage with local government on the implications of these reforms, which could have informed the proposed system designs. The Panel's proposed system designs of local government lacks alignment with these reforms and in places, specific recommendations contradict requirements that are detailed in the reforms. For example, the Report recommends that central government should pay rates, yet the second Water Services Bill does not require the new entities to pay rates.
10. The DCC acknowledges there is a strong feeling of uncertainty among the local community. The DCC encourages the Panel to recommend to government that alignment is needed across the reforms, including the review into local government, so the system is cohesive, coherent and consistent.
11. The DCC is particularly concerned about the lack of detail in the proposed system designs. This concern is in relation to the key operational roles that councils currently have, besides the political, policy and democratic roles. There is a risk that council services, for example waste management or road maintenance, are undermined if system design and transition stages are not well managed. Key risks we have identified include:
 - a. destabilising local services at a time of local, national, and international workforce shortages
 - b. increasing stress and uncertainty on local economies
 - c. increase of public mistrust in government services due to poor change management
 - d. funding models not aligning with intended outcomes causing public confusion
 - e. reform fatigue
 - f. stakeholder confusion, loss of local knowledge, and disconnect, and
 - g. loss of productivity and inability to meet statutory deadlines by Councils.
12. The DCC agrees with the Panel's view that proposed system designs need to balance realising efficiencies across population groups with meeting local community needs based on an equitable funding model. However, the Report's system designs appear naïve as they do not identify how the proposed system designs will improve services across different and dispersed geographical communities or increase savings and efficiencies. The DCC supports the intent, but requests the Panel recommends that government produces a detailed implementation plan that includes:
 - a. how the transition would be resourced
 - b. risk analyses and cost benefit analyses
 - c. timelines for possible changes, mergers and restructures

- d. the identification of transition factors and risk analysis of the reforms and timing implications
 - e. decision-making structures and the alignment with other legislative requirements
 - f. infrastructure and compatibility of technology and operational systems
 - g. existing contractual, legal and employer obligations and how these would be managed, and
 - h. legal factors related to changes to governance and decision-making.
13. The DCC requests that the Panel reviews approaches adopted in other reform changes, such as the development of localities by Te Whatū Ora. These may offer insights into supporting system change by working alongside communities who have signaled an interest to test ideas.
 14. The DCC agrees with the Panel that some of the recommendations can be delivered ahead of any legislative changes. The DCC is well positioned to give effect to many of the recommendations and is actively implementing work programmes now to better respond to community needs in the future. The DCC encourages the Panel, in its final recommendations, to also support councils and iwi who are already undertaking this work, and not implement a standardised approach across all councils.
 15. The DCC noted the Report mentioned but did not explain the roles that Community Boards could have in its proposed system design. Dunedin City has six community boards which advocate on matters affecting their local communities.
 16. The DCC notes that unfortunately, key details in the Report were inaccessible for some residents. In particular, there was technical jargon which some communities may have found difficult to understand and to engage with. The DCC encourages the Panel to use plain English in its final report. In addition, the Panel should recommend that government continues the engagement approach adopted by the Panel, to work alongside local councils, iwi and community to support communication and conversations in the future.

Strengthened Local Democracy

17. The DCC acknowledges the current system needs to change to realise improvements, and that some local authorities are struggling to respond to community needs presently. The DCC supports developing stronger and more responsive systems to meet future challenges. However, the DCC encourages the Panel to recommend that proposed changes are supported by an authentic partnership, and not restricted to central government making legislative changes.
18. In principle, the DCC supports changes and initiatives which encourage and enable people to participate in local democracy. The DCC's Social Wellbeing Strategy 2013-2023 seeks to ensure that all Dunedin residents are fully connected, engaged and equal citizens with a role to play in the city.
19. The DCC notes the Report contradicts its recommendations to investigate the removal or consolidation of local political power or functional roles, while promoting the Review's intent - to strengthen local democracy. In particular, the DCC is concerned that local government structures may be dissolved or merged, with little detail as to how the proposed changes will strengthen community services, create cost efficiencies and improve local democracy. Dissolving or merging local authorities needs careful consideration to avoid the unintended consequences of increasing barriers to local participation in democracy.

20. The DCC supports Recommendation 1 but requests more detail as to the cost and effect this approach may have on citizens. The DCC also seeks assurance that this approach will not compound existing inequalities in the democratic process. The DCC encourages the Panel to recommend accessible systems are established to support all communities to participate in local democracy.
21. The DCC supports changes that enable Māori to participate fully as both elected members and partners in governance, as outlined in Recommendations 2, 3 and 4. The DCC recommends this change should be developed and led by mana whenua and local/central government, rather than led by central government alone.
22. The DCC does not support Recommendation 15. The DCC's preference is that local elections remain administered by Councils as they have extensive knowledge of their communities. However, the DCC acknowledges that some local election functions, such as promotion or joint procurement, could be best managed or facilitated by a well-resourced central authority.
23. The DCC supports Recommendation 16a to adopt STV. The DCC has used Single Transferable Voting (STV) in its elections since 2004.
24. The DCC supports Recommendation 16b to lower the voting age to 16 years. The DCC recommends this change is supported with funding to strengthen civics education in compulsory education. This is to ensure young people have the institutional knowledge and confidence to vote in local elections. The DCC notes if a change to local elections occurs the government may want to review the voting age for general elections.
25. The DCC does not support Recommendation 16d. The DCC's view is that amending the employment provisions of chief executives to match those in the wider public sector, undermines local accountability and responsiveness. The DCC also argues that chief executives are best managed at a local level, to maintain the important distinction between governance and operations. The DCC recognises and respects that every council is unique and serves different communities with different priorities, and feels strongly that the accountability of chief executives needs to be retained locally.
26. The DCC currently conducts a comprehensive induction programme for elected members which includes Treaty of Waitangi, cultural capability and civics education. The DCC notes the importance of training on local education and perspectives, so that elected members can respond to localised or regional issues. The DCC's view is that councils should be able to choose providers and manage the training locally to suit local needs, while being offered education opportunities that have a regional or national focus. The DCC notes its concern around the potential cost of centralised training for elected members, and cautions against centralised training replacing local and mana whenua developed education and professional development.

Authentic Relationships with Hapū, Iwi and Māori

27. The DCC is committed to the principles of the Treaty of Waitangi and to working in partnership with mana whenua and maatawaka. The DCC is building strong, authentic partnerships with mana whenua and cautions against any changes which could negatively affect this current momentum. The DCC's view is that genuine engagement with iwi Māori results in better decision making, more robust and lasting solutions and more engaged people and communities.

28. The DCC is developing its capability to meet Recommendations 6 and 7 through the establishment of Te Pae Māori, which is a mana-to-mana forum to advance the strategic relationship between mana whenua and mataawaka, and the DCC. The DCC requests more information as to how statutory initiatives could strengthen and maintain Treaty-based relationships while supporting unique and local relationships as described in Recommendation 5.
29. The DCC supports in principle Recommendation 11 for transitional funding and welcomes the intent to share the cost of building both Māori and council capability and capacity for a Treaty-based partnership in local governance. The DCC acknowledges that funding would help elevate and expediate positive changes, but seeks clarification about the purpose, scope and intended timeframe of the proposed Transitional Fund.
30. Following direction from mana whenua and mataawaka, the DCC does not have Māori wards but supports Recommendation 20 in principle. The DCC cautions against any changes which could adversely affect current relationships and partnerships with mana whenua and mataawaka.
31. The DCC supports Recommendation 26, that central and local government explore and agree to a new Treaty-consistent structural/system design, but strongly advises the Panel to include mana whenua and local government in the development of this, and for the process to not be restricted to local and central government.

Stronger Focus on Wellbeing

32. The DCC notes that the Report references the four wellbeings — social, economic, environmental, and cultural — included in the Local Government Act, but does not define the concept of “community wellbeing” in relation to each of these established wellbeings.
33. In principle, the DCC supports the aspirations of a holistic approach that centres community wellbeing in the purpose of local government. However, the DCC has concerns about how and what changes will be needed to achieve community wellbeing, and encourages the Panel to offer more detail in its recommendations. Specifically, what assessment tools will determine if council wellbeing functions will remain local or be better managed regionally or centrally.
34. The DCC notes that the Report includes specific references to Māori and Pacific approaches to wellbeing, but the Pacific approaches are not referenced again and it is unclear if Māori or Pacific concepts are in the wider concept of community wellbeing. For example, Te Ao Māori values and wellbeing are at the core of Recommendation 6, but it is not clear if these are in the Report’s overarching concept of wellbeing, which is a central theme in the Review and in the proposed system designs.
35. The DCC seeks clarification in regard to Recommendation 12. The DCC agrees with the intent, but questions what this means in practice.
36. The DCC acknowledges that there are international models of practice for central and local government working together to achieve community wellbeing outcomes, but has concerns about how it is envisaged that this will work in the context of Aotearoa New Zealand. The DCC questions how power imbalances between central and local government, between iwi and government and between larger and smaller councils will be managed in authentic co-design and partnership models.

37. The DCC supports Recommendation 13, but encourages the Panel to clarify what is meant by the terms 'Tiriti-consistent' and 'subsidiarity' by offering practical examples.
38. The DCC supports Recommendation 14, but suggests the Panel includes practical suggestions how councils could be supported and funded to achieve the desired outcomes as noted in Recommendations 14 a-f. The DCC is concerned how funding and resources in Recommendation 14 will be allocated and encourages the Panel to identify specific actions to ensure this can be done equitably by government, to support positive system change.

Genuine Partnership Between Local and Central Government

39. The DCC supports the intent of Recommendation 26 in principle, but requests the Panel uses plain English to define and explain what this will mean in practice. The DCC notes the contradiction in Recommendation 26; *"That central and local government explore and agree to a new Tiriti-consistent structural and system design"* and yet iwi Māori are not identified as co-designers.
40. The DCC agrees in principle with Recommendation 27— 'that local government, supported by central government, invests in a programme that identifies and implements the opportunities for greater shared services collaboration'. The DCC supports resourcing local authorities to access economy of scale, through greater shared service collaboration. However, the DCC notes caution is needed to ensure that data remains useful and informative from a local perspective.
41. The DCC does not support Recommendation 28, as it fails to address how the sharing of data will protect data sovereignty. In principle, the DCC supports the realisation of benefits and efficiencies in using common systems. The DCC requests the Panel reviews this recommendation to address this concern.
42. The DCC agrees with Recommendation 29 in principle – 'that central and local government considers the best model of stewardship and which entities are best placed to play system stewardship roles in a revised system of local government'. However, the DCC requests more information to explain how localised decision making will be protected, and how the accountability of system stewards will be enacted. The DCC recognises the importance of not undermining local decision-making power while reviewing the system stewardship settings and encourages the Panel to recommend ways for government to do this going forward.

More Equitable Funding

43. The DCC supports initiatives that will ensure Councils have a better range of funding and financing tools to support council roles and to better support the wellbeing of local communities. The DCC supports investigating potential system changes, such as co-investment with central government.
44. The DCC agrees with the Panel's view that a lack of a sustainable and equitable approach to co-investment is undermining the potential for central, local government and iwi to work together for better community outcomes.
45. The DCC supports the view that local government has reached "peak rates" and that other funding mechanisms should be introduced to lessen the funding reliance on the rating system.
46. The DCC supports the Panel's view that "unfunded mandates" from central government has put

too much pressure on local government staffing, resources and communities. The DCC supports recommendation 21 that addresses improving the current situation.

47. The DCC seeks clarification regarding recommendations 21, 22 and 23; if implemented, what criteria will be used to ensure funding is distributed to achieve equitable outcomes across councils or regions. The DCC believes that direct central government funding to local government, on a per capita basis may not address equity across regions or communities. The DCC supports an intergenerational fund to climate change that includes a regional and local approach. The DCC encourages the Panel to support alternative funding sources in their recommendations.
48. The DCC notes that the Review recommends a transitional fund to subsidise the cost of building capacity for a Treaty-based partnership in local governance. Implementing change or introducing new initiatives is an expensive process. The DCC recommends a transitional or one-off funding mechanism is developed to respond to costs associated with system change at a local level.
49. The DCC supports Recommendation 25 but requests clarification of the term “simplified process” and suggests this is included in the Panel’s glossary.

Conclusion

50. The DCC is pleased to submit its response to the recommendations detailed in the Panel’s Report.
51. Please refer to Appendix 1 for the DCC’s response to Report’s 29 recommendations.

Yours faithfully,

Jules Radich

MAYOR OF DUNEDIN

Appendix 1 DCC's response to the Review into Future of Local Government's 29 recommendations.	
Recommendations	DCC Response and Feedback
1 That local government adopts greater use of deliberative and participatory democracy in local decision-making.	The DCC supports in principle. The DCC requests more detail as to the cost and effect this approach may have on citizens. The DCC also seeks assurance that this approach will not compound existing inequalities in the democratic process. The DCC encourages the Panel to recommend accessible systems are established to support all communities to participate in local democracy.
2 That local government, supported by central government, reviews the legislative provisions relating to engagement, consultation, and decision-making to ensure they provide a comprehensive, meaningful, and flexible platform for revitalising community participation and engagement.	The DCC supports in principle. The DCC supports changes that enable Māori to participate fully as both elected members and partners in governance. The DCC recommends this change should be developed and led by mana whenua and local/central government, rather than led by central government alone.
3 That central government leads a comprehensive review of requirements for engaging with Māori across local government related legislation, considering opportunities to streamline or align those requirements.	The DCC supports in principle. The DCC supports changes that enable Māori to participate fully as both elected members and partners in governance. The DCC recommends this change should be developed and led by mana whenua and local/central government, rather than led by central government.
4 That councils develop and invest in their internal systems for managing and promoting good quality engagement with Māori.	The DCC supports in principle. The DCC supports changes that enable Māori to participate fully as both elected members and partners in governance. The DCC recommends this change should be developed and led by mana whenua and local/central government, rather than led by central government.
5 That central government provides a statutory obligation for councils to give due consideration to an agreed, local expression of tikanga whakahaere in their standing orders and engagement practices, and for chief executives to be required to promote the incorporation of tikanga in organisational systems.	The DCC supports in principle. The DCC requests more information to explain how statutory initiatives could strengthen and maintain Tiriti-based relationships.
6 That central government leads an inclusive process to develop a new legislative framework for Tiriti-related provisions in the Local Government Act that drives a genuine partnership in the exercise of kāwanatanga and rangatiratanga in a local context and explicitly recognises te ao Māori values and conceptions of wellbeing.	The DCC supports in principle. The DCC requests more information as to how statutory initiatives will strengthen and maintain Tiriti-based relationships while supporting unique and local relationships.

<p>7 That councils develop with hapū/iwi and significant Māori organisations within a local authority area, a partnership framework that complements existing co-governance arrangements by ensuring all groups in a council area are involved in local governance in a meaningful way.</p>	<p>The DCC supports.</p>
<p>8 That central government introduces a statutory requirement for local government chief executives to develop and maintain the capacity and capability of council staff to grow understanding and knowledge of Te Tiriti, the whakapapa of local government, and te ao Māori values.</p>	<p>The DCC strongly supports.</p>
<p>9 That central government explores a stronger statutory requirement on councils to foster Māori capacity to participate in local government.</p>	<p>The DCC supports. The DCC and acknowledges its role and responsibility to support Māori capacity in participating in local government.</p>
<p>10 That local government leads the development of coordinated organisational and workforce development plans to enhance the capability of local government to partner and engage with Māori.</p>	<p>The DCC supports.</p>
<p>11 That central government provides a transitional fund to subsidise the cost of building both Māori and council capability and capacity for a Tiriti-based partnership in local governance</p>	<p>The DCC supports in principle.</p>
<p>12 That central and local government note that the allocation of the roles and functions is not a binary decision between being delivered centrally or locally.</p>	<p>The DCC supports the intent but seeks clarification. Specifically, what this would mean in practice.</p>
<p>13 That local and central government, in a Tiriti-consistent manner, review the future allocations of roles and functions by applying the proposed approach, which includes three core principles:</p> <ul style="list-style-type: none"> ▸ the concept of subsidiarity ▸ local government's capacity to influence the conditions for wellbeing is recognised and supported ▸ te ao Māori values underpin decision-making. 	<p>The DCC supports the intent but seeks clarification. Specifically, how the concepts of subsidiarity and wellbeing will be applied and interpreted in practice.</p>

<p>14 That local government, in partnership with central government, explores funding and resources that enable and encourage councils to:</p> <ul style="list-style-type: none"> a. lead, facilitate, and support innovation and experimentation in achieving greater social, economic, cultural, and environmental wellbeing outcomes b. build relational, partnering, innovation, and co-design capability and capacity across their whole organisation c. embed social/progressive procurement and supplier diversity as standard practice in local government with nationally supported organisational infrastructure and capability and capacity building d. review their levers and assets from an equity and wellbeing perspective and identify opportunities for strategic and transformational initiatives e. take on the anchor institution role, initially through demonstration initiatives with targeted resources and peer support f. share the learning and emerging practice from innovation and experimentation of their enhanced wellbeing role 	<p>The DCC supports the intent but seeks clarification. Specifically, how councils will be supported to achieve the actions as detailed in a-f.</p> <p>The DCC notes its concerns of how funding and resources will be allocated, and recommends further information is shared in regard to how this will be done equitably across councils. The DCC stresses that the challenge is to translate equity into agreed processes.</p>
<p>15 That the Electoral Commission be responsible for overseeing the administration of local body elections.</p>	<p>The DCC does not support.</p> <p>The DCC's preference is that local elections remain administered by local councils as they have extensive knowledge of their communities. The DCC acknowledges that there may be some local election functions, such as promotion or joint procurement, that could be best managed or facilitated by a well-resourced central authority.</p>
<p>16 That central government undertakes a review of the legislation to:</p> <ul style="list-style-type: none"> a. adopt Single Transferrable Vote as the voting method for council elections b. lower the eligible voting age in local body elections to the age of 16 c. provide for a 4-year local electoral term d. amend the employment provisions of chief executives to match those in the wider public sector, and include mechanisms to assist in managing the employment relationship. 	<p>The DCC supports Recommendation 16a.</p> <p>The DCC supports 16b but recommends it is supported with funding to strengthen civics education in compulsory education.</p> <p>The DCC supports 16c but questions what effect if any, it may have on the 10-year planning cycle.</p> <p>The DCC does <u>not</u> support Recommendation 16d. The DCC feels strongly that the accountability of chief executives needs to be retained locally.</p>
<p>17 That central and local government, in conjunction with the Remuneration Authority, review the criteria for setting elected member remuneration to recognise the increasing complexity of the role and enable a more diverse range of people to consider standing for election.</p>	<p>The DCC supports in principle.</p>

18 That local government develops a mandatory professional development and support programme for elected members; and local and central government develop a shared executive professional development and secondment programme to achieve greater integration across the two sectors.	The DCC supports in principle. The DCC's view is that councils should be able to choose providers or manage the training locally to suit local needs, while being offered opportunities regionally or nationally.
19 That central and local government: a. support and enable councils to undertake regular health checks of their democratic performance b. develop guidance and mechanisms to support councils resolving complaints under their code of conduct and explore a specific option for local government to refer complaints to an independent investigation process, conducted and led by a national organisation c. subject to the findings of current relevant ombudsman's investigations, assess whether the provisions of the Local Government Official Information and Meetings Act 1987, and how it is being applied, support high standards of openness and transparency.	The DCC supports in principle 19a-c but requests the Panel recommends that the government details what consequences if any, will there be of a 'negative health check'.
20 That central government retain the Māori wards and constituencies mechanism (subject to amendment in current policy processes), but consider additional options that provide for a Tiriti-based partnership at the council table.	The DCC supports in principle. Following direction from Ngai Tahu, the DCC does not have Māori wards. The DCC cautions against any changes which could adversely affect current relationships and partnerships with mana whenua.
21 That central government expands its regulatory impact statement assessments to include the impacts on local government; and that it undertakes an assessment of regulation currently in force that is likely to have significant future funding impacts for local government and makes funding provision to reflect the national public-good benefits that accrue from those regulations.	The DCC supports in principle.
22 That central and local government agree on arrangements and mechanisms for them to co-invest to meet community wellbeing priorities, and that central government makes funding provisions accordingly.	The DCC supports in principle.
23 That central government develops an intergenerational fund for climate change, with the application of the fund requiring appropriate regional and local decision-making input.	The DCC supports in principle. The DCC supports an intergenerational fund to climate change that includes a regional and local approach.

<p>24 That central government reviews relevant legislation to:</p> <ul style="list-style-type: none"> a. enable councils to introduce new funding mechanisms b. retain rating as the principal mechanism for funding local government, while redesigning long-term planning and rating provisions to allow a more simplified and streamlined process. 	<p>The DCC supports the intent but seeks clarification. Specifically, the meaning of “simplified process” in this context.</p>
<p>25 That central government agencies pay local government rates and charges on all properties</p>	<p>The DCC supports in principle.</p>
<p>26 That central and local government explore and agree to a new Tiriti-consistent structural and system design that will give effect to the design principles.</p>	<p>The DCC supports in principle. The DCC requests the Panel uses plain English to better define and explain what this will mean in practice. The DCC also notes the contradiction in the intent of Recommendation 26, yet iwi Māori are not identified as co-designers.</p>
<p>27 That local government, supported by central government, invests in a programme that identifies and implements the opportunities for greater shared services collaboration.</p>	<p>The DCC supports in principle.</p>
<p>28 That local government establishes a Local Government Digital Partnership to develop a digital transformation roadmap for local government.</p>	<p>The DCC does not support. The Recommendation fails to address how the sharing of data will protect data sovereignty. In principle, the DCC supports the realisation of benefits and efficiencies in using common systems, and requests the Panel reviews this recommendation to address this concern.</p>
<p>29 That central and local government considers the best model of stewardship and which entities are best placed to play system stewardship roles in a revised system of local government.</p>	<p>The DCC supports in principle but seeks clarification. Specifically, more information is requested to explain how localised decision making will be protected, and how the accountability of system stewards will be enacted.</p>

FUTURE DEVELOPMENT STRATEGY - GOVERNANCE ARRANGEMENTS

Department: City Development

EXECUTIVE SUMMARY

- 1 The National Policy Statement on Urban Development (NPS-UD) requires the Dunedin City Council (DCC) and Otago Regional Council (ORC) to jointly prepare a Future Development Strategy (FDS) for Dunedin by mid-2024. The FDS is being prepared by DCC and ORC in partnership with mana whenua.
- 2 The purpose of this report is to note the governance arrangements for stage one of the FDS, preparing and approving the draft strategy for consultation. This report also notes the proposed approach to engaging the community during the preparation of the FDS.
- 3 A similar report on the governance arrangements and community engagement approach was considered by the Otago Regional Council at their meeting on 22 February 2023. The ORC resolved their preferred governance arrangement was to utilise its standing committee, the Regional Leadership Committee, and provide delegation to that Committee to enable the Committee to consider and make decisions concerning the FDS work with the DCC.

RECOMMENDATIONS

That the Council:

- a) **Notes** that Dunedin City Council governance and decision making on the FDS will be exercised by the Strategy, Planning and Engagement Committee, as per the current Committee Structure and Delegations Manual.
- b) **Notes** the proposed approach to community engagement during the preparation of the FDS.

BACKGROUND

- 4 The NPS-UD requires the DCC and ORC to jointly prepare the FDS. The Dunedin FDS is also being prepared in partnership with mana whenua.
- 5 There are three key stages in the FDS process:
 - Stage one - preparation and approval of the draft FDS for public notification
 - Stage two - making decisions on public submissions and adoption of a final FDS
 - Stage three - development of an implementation plan

- 6 The purpose of an FDS is to ensure there is enough housing and business land capacity available; infrastructure necessary to support growth is planned, funded and integrated with growth; and that growth delivers a 'well-functioning urban environment'. Future changes to the district plan (changes to zoning and planning rules) and infrastructure funding decisions must have regard to the FDS.
- 7 The NPS requires an FDS to describe and spatially show the following:
 - Hapū and iwi values and aspirations for urban development
 - the existing and future areas that will provide for Dunedin's growth needs
 - strategic infrastructure required to support and service that growth, and
 - development constraints.
- 8 Alongside the FDS, the FDS partnership must also prepare an implementation plan and update this annually.
- 9 The FDS must be prepared using the Special Consultative Procedure (SCP), under the Local Government Act 2002. A draft FDS will be published in mid 2023 for public submission and submissions will be considered in a public hearing prior to adopting the strategy.
- 10 Authorities are also required to engage with the following stakeholders during the preparation of the draft FDS prior to the publication of the draft for public submissions:
 - other authorities with whom there are significant connections relating to infrastructure or community
 - relevant central government agencies
 - relevant hapū and iwi
 - providers of infrastructure
 - relevant providers of nationally significant infrastructure, and
 - the development sector.
- 11 In a report to Planning and Environment Committee on 6 July 2022, the Committee noted the DCC, ORC and mana whenua partnership approach to the preparation of the FDS, and the interim governance arrangements for the last triennium. Under the interim arrangements, DCC's Planning and Environment Committee and ORC's Strategy and Planning Committee were responsible for providing strategic direction on the FDS. Both committees had mana whenua representatives, enabling the draft FDS to be prepared in partnership with mana whenua.
- 12 Joint workshops provided a forum for discussion of strategic issues and strategic intent and matters of significance were confirmed by reports to the respective committees or Councils.
- 13 A joint workshop was held on strategic directions in October 2022 and on scope and focus areas in November 2022. The November 2022 workshop was followed by a report to ORC Council on 8 December 2022 and DCC Council on 13 December.

- 14 The next joint governors' workshop is planned for April 2023 on strategic directions and development constraints.

DISCUSSION

Governance arrangements for preparing an FDS

- 15 The purpose of an FDS is to promote long-term strategic planning. The FDS has an important role in establishing a framework for future district plan decisions and in setting direction for decisions on funding in the respective Councils' 10 year plans, and Infrastructure Strategies. There is a need for strong integration between decision-making on the FDS and decision-making on respective Councils' 10 year plans and Infrastructure Strategies throughout the preparation of these documents to ensure they align.
- 16 At its meeting on 22 February 2023, the ORC resolved that decision making on stage one (preparation of the FDS and decision to notify the draft FDS for consultation) would be delegated to its Regional Leadership Committee. This is a committee of the whole with one mana whenua representative.
- 17 This resolution aligns with the DCC's approach, where decision making has been delegated to Council's Strategy, Planning and Engagement Committee. This is also a committee of the whole with two mana whenua representatives.
- 18 Joint ORC, DCC and mana whenua workshops will continue ahead of committee reports, which are an opportunity to seek informal feedback.
- 19 Decision making by the respective Council committees will help ensure integration of the FDS and the respective Councils 10 year plans and Infrastructure Strategies. It also aligns with the partnership between mana whenua and the two Councils.
- 20 While there is a small risk that DCC or ORC may make different decisions at their respective committee meetings, to date this has been mitigated by holding joint workshops ahead of key decisions.

Approach to engaging with the community and key stakeholders

- 21 The National Policy Statement on Urban Development requires that the FDS be prepared using a Special Consultative Procedure under the Local Government Act, in early 2024. There will be opportunities for engagement in the strategy during its development through workshops and targeted stakeholder engagement and formal submissions on the draft strategy.
- 22 Engagement on the FDS is already underway, including engagement with key central government agencies such as Waka Kotahi and Kāinga Ora.
- 23 Non-DCC/ORC infrastructure providers such as telecommunication and power companies will be engaged through a planning and infrastructure evaluation process. Developers will have the opportunity to input.
- 24 Targeted stakeholder engagement based on the key focus areas is planned, such as, engagement with:
- community and social housing providers

- environmental and biodiversity specialists and recreation groups
- business land-owners and large businesses
- other local authorities with significant infrastructure or community connections.

25 Broader community engagement is planned in the second quarter of 2023, through a series of place-based workshops. The workshops will seek feedback from local residents and businesses on:

- a) areas identified for new housing and business land
- b) any additional options to consider as part of progressing the strategic objectives and areas of focus
- c) infrastructure improvements needed to service growth.

26 Workshops are proposed for the following locations:

- Mosgiel
- Outram/Allanton/Waihola
- Green Island/Brighton
- Waitati/Blueskin Bay
- Waikouaiti
- West Harbour/Port Chalmers
- Portobello
- Central City (day-time and evening workshop)
- Corstorphine/Caversham
- Brockville/Wakari
- Middlemarch (possibly linked to community board meeting).

OPTIONS

27 There are no options.

NEXT STEPS

28 A joint Councillor workshop will be held in April 2023 on strategic directions and development constraints. Community engagement workshops on the FDS will be held in quarter two of this year.

29 A report will be presented to the respective Councils later in the year on decision making on stage two (making decisions on submissions on the draft FDS).

Signatories

Author:	Anna Johnson - City Development Manager
Authoriser:	Simon Drew - General Manager Infrastructure and Development

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, economic, cultural and environmental wellbeing 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 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Parks and Recreation Strategy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other strategic projects/policies/plans	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Māori Impact Statement

The NPS-UD emphasises the existing requirements in the Resource Management Act 1991 (RMA) to take into account the principles of the Treaty of Waitangi in planning decisions relating to urban development and decisions on further development strategies and ensure iwi/Māori are engaged in processes to prepare plans and strategies that shape urban environments. These requirements recognise the strong traditional, and continuing, associations iwi/Māori have with urban environments throughout Aotearoa. In the Dunedin context, strategic priorities in the FDS are identified through a range of means including aspirations and expertise of Kai Tahu mana whenua. The FDS is being prepared in partnership with Kā Rūnaka through Aukaha Ltd and will include a clear statement of hapū and iwi values and aspirations for urban development.

Sustainability

The FDS is required to address several aspects of improving sustainability including examining sustainable modes of transport, reducing greenhouse gas emissions and resilience to the effects of climate change.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

The FDS will inform the 10 year plan 2024-34 and Infrastructure Strategy.

Financial considerations

The DCC costs to prepare and consult on the Future Development Strategy are being managed through City Development operational budgets.

Significance

The decisions of this report are considered low in terms of Council's Significance and Engagement Policy.

SUMMARY OF CONSIDERATIONS

Engagement – external

The FDS is required under the NPS-UD and it must be prepared under the Special Consultative Procedure of the Local Government Act. External engagement to date has included engagement with the ORC, mana whenua, Waka Kotahi and Kāinga Ora.

Engagement - internal

There is engagement across Parks & Reserves, Transport, 3 Waters, City Development, South Dunedin Futures, Legal, Carbon Zero, Communications and Marketing and Waste & Environmental Solutions in the development of the FDS.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Community Boards will be engaged in the preparation of the Draft FDS through the outlying settlements focus area. Workshops are planned in all board areas.

TRIENNIAL AGREEMENT 2023-2025

Department: Civic

EXECUTIVE SUMMARY

- 1 Under Section 15 of the Local Government Act 2002, the six local authorities within the Otago region must enter into an agreement containing protocols for communication and coordination. Triennial Agreements enable local authorities to give better effect to their core purposes under the Local Government Act by adopting a regional approach where appropriate to deliver seamless local government service.
- 2 The new Triennial Agreement for the period 2023-2025 is required to be approved by each local authority within Otago, in identical format no later than 1 March 2023. The Otago Local Authorities' Triennial Agreement 2023-25 (the Triennial Agreement) is being presented to all the other local authorities in the region for their consideration and approval. At the time of writing this report, Otago Regional Council, Queenstown Lakes District Council and Central Otago District Council have approved the Triennial Agreement.
- 3 This report presents the Triennial Agreement, at Attachment A, for approval by Council.

RECOMMENDATIONS

That the Council:

- a) **Approves** the Otago Local Authorities' Triennial Agreement 2023-25.
- b) **Authorises** the Mayor to sign the Otago Local Authorities' Triennial Agreement 2023-25 on behalf of the Dunedin City Council.

BACKGROUND

- 4 Section 15 of the Local Government Act 2002 (the Act) requires all local authorities within a region to enter into a triennial agreement not later than 1 March after each triennial election.
- 5 Triennial agreements must include:
 - protocols for communication and co-ordination between councils,
 - the process by which councils will comply with section 16 of the Act, which applies to significant new activities proposed by regional councils, and
 - processes and protocols through which all councils can participate in identifying, delivering, and funding facilities and services of significance to more than one district.

- 6 Triennial agreements may also include commitments to establish joint governance arrangements to give better effect to the matters set out in paragraph 5 above.
- 7 A triennial agreement may be varied by agreement between all the local authorities within a region and remains in force until local authorities ratify a new agreement.

DISCUSSION

- 8 The Otago Mayoral Forum agreed on 9 December 2022 to refer the Triennial Agreement at Attachment A to Councils for agreement.
- 9 The Otago Mayoral Forum is the primary mechanism to implement the Triennial Agreement.
- 10 The Triennial Agreement positions the Otago Chief Executives Forum as a key complement and advisor to the Otago Mayoral Forum. The Chief Executives Forum is responsible for identifying strategic issues and opportunities, and for delivering on regional actions, and work programmes and projects.
- 11 This work is often developed and supported by cross-council staff working groups. The Triennial Agreement has expectations, including that each group will have a terms of reference defining their purpose, membership, key objectives and outcomes.
- 12 The Triennial Agreement includes commitment to a formal relationship between the Papatipu Rūnaka and the local authorities of Otago through Te Rōpū Taiao Otago. This arrangement operates under a separate Governance Charter.

OPTIONS

- 13 As this report is for administrative purposes, no options are presented.

NEXT STEPS

- 14 The Triennial Agreement for the local authorities of the Otago region is signed by the Mayor on behalf of Council.

Signatories

Author:	Sharon Bodeker - Acting Manager Governance
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

	Title	Page
↓A	Otago Local Authorities' Triennial Agreement 2023-25	129

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This decision enables 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 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"/>

Māori Impact Statement

There are no known impacts for Māori.

Sustainability

There are no known implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications identified.

Financial considerations

There are no known financial implications.

Significance

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

Engagement – external

The Triennial Agreement has been discussed by the Mayors/Chair and Chief Executives of the Otago region.

Engagement - internal

There has been no internal engagement.

Risks: Legal / Health and Safety etc.

There are no identified risks.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

There are no implications for Community Boards.



Otago Local Authorities' Triennial Agreement 2023–25

Preliminaries

1. The parties to the Agreement are Queenstown Lakes District Council, Central Otago District Council, Waitaki District Council, Dunedin City Council, Clutha District Council, and the Otago Regional Council (the Parties).
2. Section 15 of the Local Government Act 2002 (the Act) requires local authorities in a region to enter into a Triennial Agreement (the Agreement) by 1 March following local body elections.
3. The purpose of the Agreement is to ensure appropriate levels of communication, co-ordination and collaboration between local authorities within the region. It must include:
 - protocols for communication and co-ordination among the local authorities;
 - the process by which the local authorities will comply with section 16 of the Act, in respect of proposals for new regional council activities; and
 - processes and protocols through which all local authorities can participate in identifying, delivering and funding facilities and services of significance to more than one district.
4. The Agreement may also provide for joint governance arrangements. For Otago, these arrangements include the Otago Mayoral Forum, the Otago Chief Executives Forum, Te Rōpū Taiao Otago, and cross-council working groups.

Working together for Otago

5. This agreement provides a basis for the Parties to work together in good faith for the benefit of the Otago region, to resolve issues, and promote opportunities of significance for all communities of Otago and its natural environment.

Relationships and Advocacy

6. The Parties recognise that strong relationships, shared objectives and a collective voice can better serve Otago's communities and environment.
7. The governance and leadership mechanisms outlined in this Agreement enable Otago's local authorities to build relationships with one another, and to identify, prioritise and work towards shared positions on issues and opportunities for the Otago region.
8. When a Party is considering a major policy initiative or proposal that may have implications for other Parties, and unless such disclosure is inconsistent with the Local Government Official Information and Meetings Act 1987 or commercial confidences precludes such disclosure, that Party will give early advice to the affected Parties and share the information with the Otago Mayoral Forum, the Otago Chief Executives Forum, and any appropriate cross-council working groups.
9. The statement of the process by which the local authorities will comply with section 16 of the Act is attached as Annexure A.

Collaboration

10. The Parties recognise that working together can bring efficiencies, including through reduced duplication of effort and practical solutions such as shared services and facilities. The Parties acknowledge that collaboration on issues and opportunities can generate value to the districts and communities of Otago that would otherwise not be achieved by the parties working alone.
11. Central Government has in recent years encouraged collaboration among local authorities, including as a condition of funding in some instances or to implement policy changes.
12. It is beneficial for Otago to have governance and leadership mechanisms in place to explore regional issues and opportunities, and as a complement to the work of each local authority in the region.
13. Under these mechanisms, the Parties may pursue shared outcomes through a joint work programme, co-commissioning of studies, policy development and other agreed work. The parties may explore options to identify, deliver and fund facilities and services of significance to more than one district, as envisaged by the Act.

Governance and Leadership

14. The Otago Mayoral Forum is the primary mechanism to implement the Agreement. The Mayoral Forum is supported by the Otago Chief Executives Forum and various cross-council working groups.
15. Te Rōpū Taiao Otago is the formal structure underpinning the relationship between Kāi Tahu ki Otago and Otago local authorities.
16. The Otago Regional Council hosts a permanent secretariat to support and advise the above groups and facilitate collaboration across Otago's local authorities as needed. The secretariat also holds a small discretionary budget to facilitate the Forums' work.

Otago Mayoral Forum



17. The Otago Mayoral Forum brings together Otago's Mayors (or Chairperson in the case of Otago Regional Council), supported by their Chief Executives, to provide leadership, co-ordination and advocacy for the Otago region.
18. Each Mayor, through election and under the Local Government Act 2002, is provided with a mandate to represent and provide leadership on the things that matter to their communities and areas. The Otago Mayoral Forum connects these mandates to provide collective leadership on issues that matter across Otago.
19. Such collective leadership can be a powerful influence that benefits Otago and all its districts. The Otago Mayoral Forum can provide this leadership without impinging on the right for each of Otago's local authorities to decide policy, agree resourcing and govern its own area as appropriate.
20. The Otago Mayoral Forum may formalise shared positions through letters of support, submissions and/or public statements as appropriate.
21. The Otago Mayoral Forum shall receive and consider advice from the Otago Chief Executives Forum on strategic issues and opportunities for collaboration. It will also receive reports from the Otago Chief Executives Forum on the delivery of regional actions, work programmes or collaborative projects.
22. On occasions where the Mayor or Chair cannot attend, a council may be represented by its Deputy Mayor or Chair or delegate).
23. The Otago Mayoral Forum shall select a Chairperson at the first meeting immediately following the Triennial Elections. This appointment may be reviewed after a period of 18 months, and a new Chairperson elected. The Chairperson will preside at all meetings of the Otago Mayoral Forum.
24. Meetings shall be held at a frequency and location to be agreed among members.
25. A quorum shall be four members.
26. Otago Mayoral Forum communications such as meeting summaries will be prepared, and it will be up to each local authority to choose how to use the materials according to their needs and processes.

Otago Chief Executives Forum

27. The Otago Chief Executives Forum is an established, collegial partnership across Otago's local authorities. It is a key enabler for the Otago Mayoral Forum and for wider regional collaboration.
28. The Otago Chief Executives Forum will identify and escalate to the Otago Mayoral Forum strategic issues and opportunities for collaboration. It will also report to the Otago Mayoral Forum on the delivery of regional actions, work programmes or collaborative projects.
29. The Otago Chief Executives Forum shall select a Chairperson from among its members.

30. Where possible, meetings of the Otago Chief Executives Forum shall take place two to four weeks prior to each Otago Mayoral Forum, at a location to be agreed among members.

31. A quorum shall be four members.

Cross-council working groups

32. Local authority staff across Otago are encouraged to discuss issues of shared interest or concern with one another.

33. Local authority staff may identify strategic issues and opportunities for collaboration, and/or provide advice to the Otago Chief Executives Forum, Otago Mayoral Forum and/or other regional fora. This may include the formation of cross-council working groups in support of regional actions, work programmes or collaborative projects.

34. All cross-council working groups will have a terms of reference defining their purpose, membership, key objectives and outcomes. The terms of reference will be reviewed periodically by the Chief Executives Forum and not less than every 18 months. Participation in such working groups is made possible with the support of participants' employers.

Mana Whenua Partnership

35. Te Rōpū Taiao Otago is the formal structure underpinning the relationship between Kāi Tahu ki Otago and Otago local authorities. The Parties recognise the significant value in engaging and developing regional relationships through Te Rōpū Taiao Otago, in addition to various bilateral commitments.

36. Te Rōpū Taiao Otago is comprised of Otago's Mayors, the Otago Regional Council Chair and representatives from Otago's Rūnaka, and meets in accordance with its Governance Charter. Meetings are usually scheduled alongside those of the Otago Mayoral Forum.

37. Through meetings of Te Rōpū Taiao, the Parties aim to agree shared priorities for the triennium and identify where joint working may take place between the Otago Mayoral Forum and Kāi Tahu ki Otago.

Formalities

38. This Agreement does not prevent the Parties from entering into other agreements among themselves or outside the Otago region. Any other such agreement should not, however, be contrary to this Agreement.

39. A triennial agreement may be varied by agreement between all the local authorities within the region and remains in force until local authorities ratify a new agreement. The Otago Mayoral Forum will review the Agreement no later than the final meeting before triennial local body elections and recommend any changes to the incoming councils.

40. This Otago Local Authorities' Triennial Agreement 2023–25 is signed by the following on behalf of their respective authorities:

COUNCIL	SIGNATURE	DATE
Central Otago District Council Mayor Tim Cadogan		
Clutha District Council Mayor Bryan Cadogan		
Dunedin City Council Mayor Jules Radich		
Queenstown Lakes District Council Mayor Glyn Lewers		
Otago Regional Council Chair Gretchen Robertson		
Waitaki District Council Mayor Gary Kircher		

Annexure A

Section 15(2)(b) of the Local Government Act 2002 (the Act) requires the Triennial Agreement to include a statement of the process local authorities in a region will undertake to comply with section 16 of the Act in respect of proposals for new regional council activities. The following statement fulfils this requirement for local authorities in Otago.

1. If a regional council or a regional council-controlled organisation proposes to undertake a significant new activity AND one or more territorial authority is/are already undertaking the significant new activity or have notified their intention to do so in their long-term plans;
2. THEN the regional council— must advise all the territorial authorities of the proposal and the reasons for it;
3. The territorial authority MAY object;
4. Agreement may be reached;
5. If after considering objections raised by the affected territorial authorities agreement is NOT reached and the regional council indicates that it intends to continue with the Proposal, then either the regional council or one or more of the affected territorial authorities may submit the matter to Mediation;
6. MEDIATION must be by a mediator, or a mediation process agreed to by the relevant local authorities; or in the absence of an agreement, as specified by the Minister;
7. If mediation is unsuccessful, either the regional council or 1 or more affected territorial authorities may ask the MINISTER to make a binding decision on the proposal;

New activity does not include an activity authorised by or under an enactment.

Section 16 does not apply to a proposal by a regional council to establish, own, or operate a park for the benefit of its region; or a proposal to transfer responsibilities; or a proposal to transfer bylaw-making powers; or a reorganisation under Schedule 3 being Reorganisation of local authorities; or a proposal to undertake an activity or enter into an undertaking jointly with the Crown.

APPOINTMENT OF HEARING PANEL FOR INTERIM SPEED MANAGEMENT PLAN

Department: Civic

EXECUTIVE SUMMARY

- 1 A Draft Dunedin Interim Speed Management Plan (the Plan), primarily focusing on reducing speed limits around schools, was open for public consultation from 14 November to 9 December 2022, in accordance with section 82 of the Local Government Act 2002 and section 12.17 of the new Land Transport Rule: Setting of Speed Limits 2022 (the Rule).
- 2 Council received 187 submissions on the Plan, and of those, 13 submitters wish to be heard.
- 3 The purpose of this report is to establish a hearing panel to consider all submissions received, hear from those submitters wishing to present, and make recommendations on the Plan to the Infrastructure Services Committee.
- 4 As this is an administrative report, there are no options or Summary of Considerations.

RECOMMENDATIONS

That the Council:

- a) **Appoints** Cr O'Malley (Chair), Cr Lucas, Cr Whiley, and Cr Mayhem as a substitute if needed, to the hearing panel for the Draft Dunedin Interim Speed Management Plan.

DISCUSSION

- 5 The Committee Structure and Delegations Manual (the Manual) provides that Cr O'Malley, as the Chair of the Hearings Committee, has the delegation to appoint hearing panels.
- 6 For this matter however, Cr O'Malley has decided to refer the matter to Council for decision using the following section in the Manual, that "*.... members are to be approved on a case by case basis by the Chair of the Hearings Committee or Council in consultation with the Chair*".
- 7 Cr O'Malley recommends that he chairs the hearings panel with Crs Lucas and Whiley as members, and that Cr Mayhem be appointed as a substitute panel member, should one be needed.
- 8 A hearing for the Plan will be scheduled for early March 2023.

NEXT STEPS

- 9 A date will be scheduled for hearing submitters on the Plan.

Signatories

Author:	Sharon Bodeker - Manager Governance
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

There are no attachments for this report.

COUNCILLOR APPOINTMENTS TO EXTERNAL ORGANISATIONS

Department: Civic

EXECUTIVE SUMMARY

- 1 There are a number of organisations throughout the city which the Council is required or able to appoint representatives to under the terms of those organisations' constitutions.
- 2 A vacancy exists on the Hereweka Harbour Cone Trust (the Trust), following the retirement of the Council appointee, Neville Peat from the Trust.
- 3 The purpose of this report is to recommend an appointment for the Trust, and a swap of Councillor representative appointments made on two external organisations.
- 4 As this is an administrative report, there are no options or summary of considerations.

RECOMMENDATIONS

That the Council:

- a) **Records** its thanks to Mr Neville Peat for his service on the Hereweka Harbour Cone Trust since 2014.
- b) **Appoints** Cr Andrew Whiley to the Hereweka Harbour Cone Trust.
- c) **Appoints** Cr Lee Vandervis as the Councillor representative for Age Concern and Cr Mandy Mayhem as the Councillor representative on the Disability Issues Advisory Group.

DISCUSSION

- 5 A vacancy has arisen on the Hereweka Harbour Cone Trust Board following the retirement of Mr Neville Peat from the Board. Mr Peat has been a trustee on the Board since its inception in 2014. It is recommended that Cr Andrew Whiley be appointed to the Trust, to replace Mr Peat.
- 6 A swap of Councillor representative is also proposed for Age Concern and the Disability Issues Advisory Group.

NEXT STEPS

- 7 The organisations will be advised of the decisions made.

Signatories

Author:	Sharon Bodeker - Manager Governance
Authoriser:	Sandy Graham - Chief Executive Officer

Attachments

There are no attachments for this report.

PROPOSED EVENT ROAD CLOSURES FOR MARCH - APRIL 2023

Department: Transport

EXECUTIVE SUMMARY

- 1 The DCC has received temporary road closure applications relating to the following events:
 - a) 2023 Rally Otago
 - b) Community Regatta Day Event – Macandrew Road Careys Bay
 - c) Anzac Day Service and Parades – Mosgiel and Outram
- 2 This report recommends that Council approves the temporary closure of the affected roads.

RECOMMENDATIONS

That the Council:

- a) **Resolves** to close the roads detailed below (pursuant to Section 319, Section 342, and Schedule 10 clause 11(e) of the Local Government Act 1974):

- i) **2023 Rally Otago**

- 1 Date: Friday, 31 March 2023:**

- 2 Roads and times:**

- 3 Ceremonial Rally Start (Progressive Road closure between 12.00 noon and 8.00pm).**

12:00 noon to 8:00pm.

- Octagon Central Carriageway, between George Street and Princes Street.

4:00pm to 8:00pm.

- The Lower Octagon, from George Street to Princes Street.
- Lower Stuart Street, from the Octagon to Lower Moray Place.

Note: Egress from Bath Street into Stuart Street will be maintained.

- Date: Saturday, 1 April 2023:**

- Roads and times:**

9:00am to 9:00pm.

- Sturdee Street, from Wickliffe Street to Halsey Street.

- Halsey Street, from Sturdee Street to Ward Street.
- Ward Street, from Halsey Street to Wickliffe Street.
- Wickliffe Street, from Ward Street to Jutland Street.
- Jutland Street, from Wickliffe Street to Akaroa Street.
- Ward Street overbridge, from Anzac Avenue to Ward Street.

2.00pm to 7.00pm.

- Jutland Street, from Akaroa Street to Devon Street.

Date: Sunday, 2 April 2023:

Roads and times:

6:30am to 11:30am.

- Waipori Falls Road, from DCC/CDC Boundary to Koefords Road.

9:30am to 2:30pm.

- Flagstaff - Whare Flat Road, from Longridge Road (forestry) to Silverstream Valley Road.
- Silverstream Valley Road, from Flagstaff - Whare Flat Road to the start of sealed part of the road.

1:00 pm to 6:00pm.

- Otokia - Kuri Bush Road East, from Brighton - Taieri Mouth Road to Big Stone Road.
- Big Stone Road, from Otokia - Kuri Bush Road East to Rapid 141 Big Stone Road.

1:00pm to 6:00pm (Rally finish).

- Brighton Domain.

ii) Community Regatta Day Event

Date: Sunday, 16 April 2023:

Roads and Times:

9:00am to 4:00pm.

- Macandrew Road Careys Bay, between Slant Street and Harbour Terrace.

iii) Anzac Day Service and Parades – Mosgiel and Outram

Date: Tuesday, 25 April 2023:

Roads and Times:

9.30am to 10.05am.

- Church Street, between Factory Road and Cargill Street.
- 10.55am to 11.15am - Hoylake Street, from Skerries Street to the end of the cul-de-sac.

BACKGROUND

- 3 Events support Council's 10 Year Plan goal of a successful city with a diverse, innovative, and productive economy and a hub for skill and talent. They also contribute to the Festival and Events Plan 2018-2023.
- 4 The areas proposed to be used for these events are legal roads and can therefore be temporarily closed to normal traffic if statutory temporary road closure procedures are followed. The procedures are set out in Section 319 of the LGA 1974 and give Council the power to stop or close any road (or part of a road) within the parameters of Section 342 and Schedule 10 of the LGA 1974 (Schedule 10 is included as Attachment A).
- 5 These procedures include:
 - Consultation with Waka Kotahi (New Zealand Transport Agency) and the Police.
 - Public notice being given of the proposal to close any road (or part of a road), and public notice of a decision to close the road.
 - Council being satisfied that traffic is not likely to be unreasonably impeded.
- 6 A resolution of Council is required where a proposal to temporarily close a road relates to public functions.
- 7 Council is required to give public notice of its decision. This notice will be published after this meeting and prior to the event, if approved.

DISCUSSION**Consultation and Notification**

- 8 The Police and Waka Kotahi have no objections to the proposed road closures.
- 9 On Saturday 21 January 2023 and Saturday 4 February 2023, the proposed temporary road closures were advertised in the Otago Daily Times (Attachments B and C) with a deadline for feedback.
- 10 The event organisers contacted those considered affected prior to submitting their application, and no objections were received.
- 11 Schedule 10 section 11(e) states a road cannot be closed more than 31 days in the aggregate in any one year. This limit will not be exceeded by the approval of the proposed temporary road closures.

Traffic Impacts

- 12 Most of these events have been held in prior years without causing unreasonable delays to the travelling public.
- 13 Emergency Services and Public transport services will be managed through the temporary traffic management process.
- 14 The temporary traffic management plan process ensures that other issues such as temporary relocation of certain parking (e.g. taxi, mobility and AVO) are managed.

OPTIONS

- 15 Any amendment to this report's recommendations cannot be implemented without further consultation with the affected parties, Waka Kotahi, the Police, and verifying that traffic impacts are acceptable.

Option One – Recommended Option

- 16 That the Council closes the sections of roads as recommended in this report.

Advantages

- The roads will be able to be closed and the events will be able to proceed.
- The closure will assist in realising the economic, social, and cultural benefits associated with the events.

Disadvantages

- There will be temporary loss of vehicular access through the closed areas. However, there are detours available, and safety can be assured using temporary traffic management.

Option Two – Status Quo

- 17 That the Council decides not to close the roads in question.

Advantages

- There would be no detour required for travelling public, and the road would be able to be used as normal.

Disadvantages

- The events would not be able to go ahead, and the benefits of the events would be lost.

NEXT STEPS

- 18 Should the resolution be made to temporarily close the roads, Council staff will accept the temporary traffic management plan and notify the public of the closures.

Signatories

Author:	Michael Tannock - Transport Network Team Leader
Authoriser:	Jeanine Benson - Group Manager Transport Simon Drew - General Manager Infrastructure and Development

Attachments

	Title	Page
↓A	Local Government Act 1974, Schedule 10	145
↓B	DCC Notice Board - ODT 21 January 2023	150
↓C	DCC Notice Board - ODT 4 February 2023	151

SUMMARY OF CONSIDERATIONS
Fit with purpose of Local Government

This decision promotes the social and economic 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 type="checkbox"/>	<input type="checkbox"/>	<input checked="" 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 checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Events contribute to the Strategic Framework. Events contribute to the Economic Development Strategy, the Social Wellbeing Strategy. There is a Festival and Events Plan 2018-2023.

Māori Impact Statement

Mana whenua have not been directly engaged with in relation to these road closures.

Sustainability

There are no implications for sustainability.

LTP/Annual Plan / Financial Strategy /Infrastructure Strategy

There are no implications, the decision is a regulatory one and there are no direct costs to Council.

Financial considerations

There are no financial implications. The cost of the proposed road closures is not a cost to Council.

Significance

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

Engagement – external

There has been external engagement as required by the LGA 1974, with the Police and Waka Kotahi. Affected parties were notified and provided a time period for feedback.

Engagement - internal

There has been engagement with DCC Events, In-House Legal, and Transport. There is support for the events to proceed.

Risks: Legal / Health and Safety etc.

There are no identified risks should the recommended resolution be made.

Conflict of Interest

There are no known conflicts of interest.

Community Boards

Whilst the Motorsport Event is within a Community Board area, the event has been held successfully in previous years contributing positively to the local community.

Schedule 10

Local Government Act 1974

Version as at
1 July 2022

Schedule 10
Conditions as to stopping of roads and the temporary prohibition of
traffic on roads

ss 319(h), 342

Schedule 10: inserted, on 1 April 1979, by section 3(1) of the Local Government Amendment Act 1978 (1978 No 43).

Stopping of roads

- 1 The council shall prepare a plan of the road proposed to be stopped, together with an explanation as to why the road is to be stopped and the purpose or purposes to which the stopped road will be put, and a survey made and a plan prepared of any new road proposed to be made in lieu thereof, showing the lands through which it is proposed to pass, and the owners and occupiers of those lands so far as known, and shall lodge the plan in the office of the Chief Surveyor of the land district in which the road is situated. The plan shall separately show any area of esplanade reserve which will become vested in the council under section 345(3).

Schedule 10 clause 1: amended, on 1 October 1991, by section 362 of the Resource Management Act 1991 (1991 No 69).

- 2 On receipt of the Chief Surveyor's notice of approval and plan number the council shall open the plan for public inspection at the office of the council, and the council shall at least twice, at intervals of not less than 7 days, give public notice of the proposals and of the place where the plan may be inspected, and shall in the notice call upon persons objecting to the proposals to lodge their objections in writing at the office of the council on or before a date to be specified in the notice, being not earlier than 40 days after the date of the first publication thereof. The council shall also forthwith after that first publication serve a notice in the same form on the occupiers of all land adjoining the road proposed to be stopped or any new road proposed to be made in lieu thereof, and, in the case of any such land of which the occupier is not also the owner, on the owner of the land also, so far as they can be ascertained.
- 3 A notice of the proposed stoppage shall, during the period between the first publication of the notice and the expiration of the last day for lodging objections as aforesaid, be kept fixed in a conspicuous place at each end of the road proposed to be stopped:

provided that the council shall not be deemed to have failed to comply with the provisions of this clause in any case where any such notice is removed without the authority of the council, but in any such case the council shall, as soon as conveniently may be after being informed of the unauthorised removal of the notice, cause a new notice complying with the provisions of this clause to be affixed in place of the notice so removed and to be kept so affixed for the period aforesaid.

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Version as at 1 July 2022	Local Government Act 1974	Schedule 10
4	If no objections are received within the time limited as aforesaid, the council may by public notice declare that the road is stopped; and the road shall, subject to the council's compliance with clause 9, thereafter cease to be a road.	
5	If objections are received as aforesaid, the council shall, after the expiration of the period within which an objection must be lodged, unless it decides to allow the objections, send the objections together with the plans aforesaid, and a full description of the proposed alterations to the Environment Court. Schedule 10 clause 5: amended, on 2 September 1996, pursuant to section 6(2)(a) of the Resource Management Amendment Act 1996 (1996 No 160).	
6	The Environment Court shall consider the district plan, the plan of the road proposed to be stopped, the council's explanation under clause 1, and any objection made thereto by any person, and confirm, modify, or reverse the decision of the council which shall be final and conclusive on all questions. Schedule 10 clause 6: replaced, on 1 October 1991, by section 362 of the Resource Management Act 1991 (1991 No 69). Schedule 10 clause 6: amended, on 2 September 1996, pursuant to section 6(2)(a) of the Resource Management Amendment Act 1996 (1996 No 160).	
7	If the Environment Court reverses the decision of the council, no proceedings shall be entertained by the Environment Court for stopping the road for 2 years thereafter. Schedule 10 clause 7: amended, on 2 September 1996, pursuant to section 6(2)(a) of the Resource Management Amendment Act 1996 (1996 No 160).	
8	If the Environment Court confirms the decision of the council, the council may declare by public notice that the road is stopped; and the road shall, subject to the council's compliance with clause 9, thereafter cease to be a road. Schedule 10 clause 8: amended, on 2 September 1996, pursuant to section 6(2)(a) of the Resource Management Amendment Act 1996 (1996 No 160).	
9	Two copies of that notice and of the plans hereinbefore referred to shall be transmitted by the council for record in the office of the Chief Surveyor of the land district in which the road is situated, and no notice of the stoppage of the road shall take effect until that record is made.	
10	The Chief Surveyor shall allocate a new description of the land comprising the stopped road, and shall forward to the Registrar-General of Land or the Registrar of Deeds, as the case may require, a copy of that description and a copy of the notice and the plans transmitted to him by the council, and the Registrar shall amend his records accordingly. Schedule 10 clause 10: amended, on 12 November 2018, by section 250 of the Land Transfer Act 2017 (2017 No 30).	

Schedule 10

Local Government Act 1974

Version as at
1 July 2022

Temporary prohibition of traffic

- 11 The council may, subject to such conditions as it thinks fit (including the imposition of a reasonable bond), and after consultation with the Police and the New Zealand Transport Agency, close any road or part of a road to all traffic or any specified type of traffic (including pedestrian traffic)—
- (a) while the road, or any drain, water race, pipe, or apparatus under, upon, or over the road is being constructed or repaired; or
 - (b) where, in order to resolve problems associated with traffic operations on a road network, experimental diversions of traffic are required; or
 - (c) during a period when public disorder exists or is anticipated; or
 - (d) when for any reason it is considered desirable that traffic should be temporarily diverted to other roads; or
 - (e) for a period or periods not exceeding in the aggregate 31 days in any year for any exhibition, fair, show, market, concert, film-making, race or other sporting event, or public function:

provided that no road may be closed for any purpose specified in paragraph (e) if that closure would, in the opinion of the council, be likely to impede traffic unreasonably.

Schedule 10 clause 11: replaced, on 14 August 1986, by section 14(1) of the Local Government Amendment Act (No 3) 1986 (1986 No 50).

Schedule 10 clause 11: amended, on 26 March 2015, by section 5 of the Local Government Act 1974 Amendment Act 2015 (2015 No 20).

- 11A The council shall give public notice of its intention to consider closing any road or part of a road under clause 11(e); and shall give public notice of any decision to close any road or part of a road under that provision.

Schedule 10 clause 11A: inserted, on 14 August 1986, by section 14(1) of the Local Government Amendment Act (No 3) 1986 (1986 No 50).

- 11B Where any road or part of a road is closed under clause 11(e), the council or, with the consent of the council, the promoter of any activity for the purpose of which the road has been closed may impose charges for the entry of persons and vehicles to the area of closed road, any structure erected on the road, or any structure or area under the control of the council or the promoter on adjoining land.

Schedule 10 clause 11B: inserted, on 14 August 1986, by section 14(1) of the Local Government Amendment Act (No 3) 1986 (1986 No 50).

- 11C Where any road or part of a road is closed under clause 11(e), the road or part of a road shall be deemed for the purposes of—

- (a) *[Repealed]*
- (b) the Traffic Regulations 1976:

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1 July 2022

Local Government Act 1974

Schedule 10

- (c) the Transport (Drivers Licensing) Regulations 1985:
 - (d) *[Repealed]*
 - (e) the Transport (Vehicle Registration and Licensing) Notice 1986:
 - (ea) the Land Transport Act 1998:
 - (f) any enactment made in substitution for any enactment referred to in paragraphs (a) to (ea)—
- not to be a road; but nothing in this clause shall affect the status of the road or part of a road as a public place for the purposes of this or any other enactment.
- Schedule 10 clause 11C: inserted, on 14 August 1986, by section 14(1) of the Local Government Amendment Act (No 3) 1986 (1986 No 50).
- Schedule 10 clause 11C(a): repealed, on 10 May 2011, by section 100(3) of the Land Transport (Road Safety and Other Matters) Amendment Act 2011 (2011 No 13).
- Schedule 10 clause 11C(d): repealed, on 1 May 2011, by section 35(4) of the Land Transport Amendment Act 2009 (2009 No 17).
- Schedule 10 clause 11C(ea): inserted, on 1 March 1999, by section 215(1) of the Land Transport Act 1998 (1998 No 110).
- Schedule 10 clause 11C(f): amended, on 1 March 1999, by section 215(1) of the Land Transport Act 1998 (1998 No 110).
- 12 The powers conferred on the council by clause 11 (except paragraph (e)) may be exercised by the chairman on behalf of the council or by any officer of the council authorised by the council in that behalf.
 - 13 Where it appears to the council that owing to climatic conditions the continued use of any road in a rural area, other than a State highway or government road, not being a road generally used by motor vehicles for business or commercial purposes or for the purpose of any public work, may cause damage to the road, the council may by resolution prohibit, either conditionally or absolutely, the use of that road by motor vehicles or by any specified class of motor vehicle for such period as the council considers necessary.
 - 14 Where a road is closed under clause 13, an appropriate notice shall be posted at every entry to the road affected, and shall also be published in a newspaper circulating in the district.
 - 15 A copy of every resolution made under clause 13 shall, within 1 week after the making thereof, be sent to the Minister of Transport, who may at any time, by notice to the council, disallow the resolution, in whole or in part, and thereupon the resolution, to the extent that it has been disallowed, shall be deemed to have been revoked.
 - 16 No person shall—
 - (a) use a vehicle, or permit a vehicle to be used, on any road which is for the time being closed for such vehicles pursuant to clause 11; or

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Schedule 11

Local Government Act 1974

Version as at
1 July 2022

- (aa) without the consent of the council or the promoter of any activity permitted by the council, enter or attempt to enter, or be present, on any road or part of a road that is for the time being closed to pedestrian traffic pursuant to clause 11; or
- (b) use a motor vehicle, or permit a motor vehicle to be used, on any road where its use has for the time being been prohibited by a resolution under clause 13.

Schedule 10 clause 16(aa): inserted, on 14 August 1986, by section 14(2) of the Local Government Amendment Act (No 3) 1986 (1986 No 50).

Schedule 11
Width of roads, access ways, and service lanes
[Expired]

s 325(1)

Schedule 11: expired, on 1 January 1993, by section 325(3).

28 January.

2023 Rally Otago

The Council is considering roads for this event:

Ceremonial Rally Start – On the main carriageway, between the Octagon and George Street from 12pm to 8pm, the low speed zone between George and Princes Street from 4pm to 8pm may be closed for the above event. Egress streets to be maintained.

SS 8 Super Stage – Sturdee Street, between Wickliffe and Halsey Street, between Sturdee and Ward Street, between Halsey and Wickliffe Street, between Ward and Sturdee Street, between Wickliffe and Sturdee Street, between Ward Street overbridge, between Wickliffe and Ward Street, may be closed on Saturday, 1 April for the

SS 12 Whare Flat | 9.30am to 2.30pm
The Flagstaff – Whare Flat Road, between Longridge Road (forestry) and Silverstream Valley Road. Silverstream Valley Road, from Flagstaff – Whare Flat Road to the start of

SS 15 Kuri Bush | 1pm to 6pm
Otokia – Kuri Bush Road East, between the Brighton – Taieri Mouth Road to Big Stone and Big Stone Road, between Otokia – Kuri Road East and Rapid 141 Big Stone Road.

Rally finish | 1pm to 6pm
Brighton Domain.

This will be considered at a meeting of Dunedin City Council at 10am on Tuesday, 28 February. Please provide any feedback on the proposal by emailing ttmp@dcc.govt.nz before 5pm on Saturday, 11 February.

COUNCIL CONSIDERATIONS

2023 Rally Otago

The Council is considering closing the following roads for this event:

- **Friday, 31 March | 12 noon to 8pm**

Ceremonial Rally Start

Octagon Central Carriageway, between George and Princes Streets.

4pm to 8pm

The lower Octagon, between George and Princes Streets, and lower Stuart Street, from the Octagon to lower Moray Place. Egress from Bath Street into Stuart Street to be maintained.

- **Saturday, 1 April | 9am to 9pm**

SS 8 Super Stage

Sturdee Street, between Wickliffe and Halsey Streets, Halsey Street, between Sturdee and Ward Streets, Ward Street, between Halsey and Wickliffe Streets, Wickliffe Street, between Ward and Jutland Streets, Jutland Street, between Wickliffe and Akaroa Streets, and the Ward Street overbridge, between Anzac Avenue and Ward Street.

Service park

2pm to 7pm

Jutland Street, between Akaroa and Devon Streets.

- **Sunday, 2 April | 6.30am to 11.30am**

SS 9 Waipori Gorge

Waipori Falls Road, between the DCC/CDC Boundary and Koefords Road.

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 Confidential Public Forum	S7(2)(b)(ii) The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.	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.	
C2 Confirmation of the Confidential Minutes of Ordinary Council meeting - 31 January 2023 - Public Excluded	<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)(g) The withholding of the information is necessary to maintain legal professional privilege.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or</p>	.	

	<p>disadvantage, commercial activities.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>		
<p>C3 Confidential Council Actions from Resolutions at Council Meetings</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)(g) The withholding of the information is necessary to maintain legal professional privilege.</p> <p>S7(2)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and</p>	<p>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.</p>	

	industrial negotiations).		
C4 Confidential Council Forward Work Programme - February 2023	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.	
C5 Social Housing - Inner City Site	<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)(h) The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>S7(2)(i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	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.	The content of this report is subject to commercial sensitivity..
C6 Revocation of resolution	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.

That Russell Lund (Developer) and David McEwen and Fiona Arnold (Salvation Army) be permitted to remain at the meeting after the public has been excluded to speak to Item C1. Their knowledge for this item may be of assistance in matters to be discussed.