

# Council Meeting

## PUBLIC BUSINESS AGENDA

A Council Meeting  
will be held in the Council Chamber,  
Torphin Crescent, Tokoroa  
on Wednesday 1 February 2023  
Commencing at 9.30am

### OUR VISION

“Healthy people thriving in a safe, vibrant and sustainable community.”



## Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	B Machen
	Councillors	H Daine
		M Farrell
		R Garner
		T Lee
		H Nelis
		K Purdy
		M Te Kanawa
		J Teokotai
		S Wallace
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Transformation	D Lascelles
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Group Manager Regulatory	S Robinson
	Head of Communications	K Fabrie
	Acting Chief Finance Officer	W Cortesi
	Minutes	S Curren

## Agenda Confirmed by:

S Law  
**Chief Executive**

*RECOMMENDATIONS contained in reports are NOT to be construed as COUNCIL DECISIONS.  
Refer to Council minutes for RESOLUTIONS.*

## Order of Business

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**1. Welcome / Karakia**

**2. Apologies / Leave of Absences**

**3. Public Forum**

**4. Declaration of Conflicts of Interest**

**5. Confirmation of Agenda**

## **6. Confirmation of Minutes**

### **6.1 Confirmation of Minutes - Public**

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#### **Document Information**

Report To:	Council
Meeting Date:	Wednesday, 1 February 2023
Author:	G Petley
Author Title:	Chairperson
Report Date:	Thursday, 8 December 2022

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#### **Purpose**

1. To present past minutes.

#### **Recommendation**

2. That Council:
  - a) confirms the minutes of the public business of the Council Hearing held on Thursday 1 December 2022 as a true and accurate record.
  - b) confirms the minutes of the public business of the Council meeting held on Wednesday 7 December 2022 as a true and accurate record.
  - c) confirms the minutes of the public business of the Extra Ordinary Council meeting held on Tuesday 13 December 2022 as a true and accurate record.

#### **Attachments**

Unconfirmed Council Hearing minutes - 1 December 2022

Unconfirmed Council public minutes – 7 December 2022

Unconfirmed Extra Ordinary minutes - 13 December 2022

# Council Hearing

## UNCONFIRMED PUBLIC BUSINESS MINUTES

2021-31 Draft Long Term Plan Amendment  
and Deliberation Hearing  
was held in the Council Chamber,  
Torphin Crescent, Tokoroa  
on Thursday, 1 December 2022  
Commencing at 9.30am

### Attendees

Members	Mayor (Chairperson)	G Petley
	Councillors	H Daine M Farrell R Garner T Lee W Machen H Nelis K Purdy M Te Kanawa J Teokotai S Wallace
Staff	Acting Chief Executive	J Hassall
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Transformation	D Lascelles
	Group Manager Assets	T Anderson
	Acting Chief Finance Officer	W Cortesi
	Revenue Manager	M Warren
	Executive Assistant to the Mayor (Minutes)	S Curreen

His Worship the Mayor opened the Council Hearing with a Blessing.

### 1. Apologies

There were no apologies received.

### 2. Confirmation of Agenda

Agenda is as circulated.

### 3. Conflicts of Interest

There were no conflicts of interest declared.

## Verbal speakers

Four speakers attended and spoke at the hearings.

Submitter Name	Submission points spoken to
Wayne Dickson – submitter no 3 spoke to his submission on page 11 of the submission pack	<p>Mr Dickson highlighted the following key points</p> <ul style="list-style-type: none"> <li>• Commented on the need for infill housing and smaller subdivision of residential sections.</li> <li>• Agreed that housing is critical and smaller section lots would minimise costs.</li> <li>• Spoke of the 40% coverage rule and how to encourage an innovative approach with a point of difference for the district.</li> <li>• Proposed that Council consider waiving the development contributions for 5 years to encourage affordable growth.</li> <li>• Is in support of Option A to proceed with the projects.</li> </ul>
John Thompson – submitter no 5 spoke to his submission on page 14 of the submission pack	<p>Mr Thompson highlighted the following key points.</p> <ul style="list-style-type: none"> <li>• Spoke on 3 Waters and the loss of assets</li> <li>• Spoke on the prioritisation and staggering of which projects Council could proceed on.</li> <li>• Noted Council favouring Option A, where 62% of the public preferred Option B.</li> <li>• Raised concerns of the shovel readiness of projects and how these are portrayed in the consultation document if they are not shovel ready</li> <li>• Asked for clarification of the council position on option A.</li> <li>• Is in support of Option B do not proceed with the projects but supports growth and thinking differently on how we could do it.</li> </ul>
Kim Egerton – submitter no 7 spoke to his submission on page 16 of the submission pack	<p>Mr Egerton highlighted the following key points.</p> <ul style="list-style-type: none"> <li>• Questions how well modelling was done and could it have been done better with more detailed design.</li> <li>• Queried the option of developers paying for the service (infrastructure), not Council.</li> <li>• Prefers Option A to proceed with the projects but would like more detail in the planning.</li> </ul>
Alan Blair – submitter no 9 spoke to his submission on page 17 of the submission pack	<p>Mr Blair highlighted the following key points.</p> <ul style="list-style-type: none"> <li>• Spoke on the infrastructure projects.</li> <li>• Would like to see a change in the online process for submissions, in future an email address as a backup for submissions.</li> <li>• Spoke of his full support of Council proceeding with the LTP Amendment.</li> <li>• Is in support of Option A to proceed with the projects.</li> </ul>

*Meeting adjourned at 10.56am and reconvened at 11.10am.*

Council deliberated on submissions following the hearings and Ms Lascelles advised no decisions will be made today. If Councillors need further information or staff are required to make any changes this can be

undertaken prior to a tentative meeting being held on 15 December. This meeting is when decisions are required to be made.

Cr Nelis, Cr Wallace and Cr Farrell shared the response from the public consultation meeting in held Putaruru. Initially the public were against Option A. As the meeting progressed the public gained the understanding what it would mean at the end of the process. Following the discussions, the public finally came around to see what Council was trying to achieve and most left the meeting satisfied with the answers to their questions.

Cr Purdy advised the Tirau Community were upset they were not included in the Consultation meeting nights, even though generally there is only 8-10 people that attend. Council should have made the effort to hold a meeting in Tirau.

His Worship added that the response from public consultation meeting held in Tokoroa was similar to the consultation meeting held in Putaruru.

Cr Te Kanawa would like a copy of the Rates Relief Policy. Mr Hassall will ensure that it is circulated to all Councillors, it is also available on Council's website.

Cr Teokotai would like a general overview of where Council is financially. Mr Booth stated there will be a financial report on the next Council Agenda.

*Meeting adjourned at 12.00pm and reconvened at 12.35pm.*

## **4. Reports**

### **4.1 2021-2031 Long Term Plan Amendment - Submissions and Hearings**

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The Report is taken as read.

**22/223 Resolved**

**Cr Machen / Cr Lee**

3. That Council:

- a) receives the Report 2022-608750, 2021-2031 Long Term Plan Amendment – Submissions and Hearings.
- b) receives the submissions for the 2021-2031 Long Term Plan Amendment.
- c) hears the four submitters at the 2021-2031 Long Term Plan Amendment hearing.

*All in favour*

*Carried*

Meeting closed at 1.20pm.

G Petley  
**MAYOR**



# Council Meeting

## PUBLIC BUSINESS MINUTES

A Council Meeting  
was held in the Council Chamber,  
Torphin Crescent, Tokoroa  
on Wednesday, 7 December 2022  
Commencing at 9.30am

### Attendees

Members	Mayor (Chairperson)	G Petley
	Councillors	H Daine M Farrell R Garner T Lee W Machen H Nelis K Purdy M Te Kanawa S Wallace
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Transformation	D Lascelles
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Group Manager Regulatory	S Robinson
	Head of Communications	K Fabrie
	Acting Chief Finance Officer	W Cortesi
	Executive Assistant to the Mayor (Minutes)	S Curren

#### 1. Welcome / Blessing *(Council audio recording 00:01)*

Cr Te Kanawa opened the meeting with a Karakia.

His Worship the Mayor invited Cr Lee to make his Declaration of Office.

All Councillors new and re-elected were welcomed to the 2022-2025 Triennium.

#### 2. Apologies / Leave of Absences *(Council audio recording 05:20)*

**22/224 Resolved**

**Cr Lee / Cr Wallace**

*That apologies from Cr Teokotai, be received.*

### **3. Public Forum** *(Council audio recording 07:01)*

- **Mr J Wadey**

Provided a summary on the last 12 months activities of the Health Shuttle and Hospice.

### **4. Conflicts of Interest** *(Council audio recording 21:50)*

Cr Te Kanawa advised a Conflict of Interest relating to the Council Public Agenda item 8.3. Council Approval to Proceed with Nga Wahi Tuturu and Maori Purpose Zone District Plan Changes Separately.

### **5. Confirmation of Agenda** *(Council audio recording 22:15)*

That the Agenda, as circulated, be confirmed with the amendment of Report 8.3, Council Approval to proceed with Nga Wahi Tuturu and Maori Purpose Zone District Plan Changes Separately, being withdrawn.

### **6. Confirmation of Minutes**

#### **6.1 Confirmation of Minutes - Public** *(Council audio recording 23:10)*

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#### ***Matters of Fact***

There were no matters of fact raised.

#### **22/225 Resolved**

***Cr Machen / Cr Wallace***

2. That Council:

- a) confirms the minutes of the public business of the Council meeting held on Wednesday 26 October 2022.
- b) receives the minutes of the public business of the Council meeting held on Tuesday 4 October 2022.
- c) receives the minutes of the public business of the Community and Assets meeting held on Wednesday 7 September 2022.
- d) receives the minutes of the public business of the Corporate and Regulatory meeting held on Thursday 22 September 2022.

*All in favour / against*

*Carried*

### **7. Reports for Information**

#### **7.1 Mayoral Report - 10 October to 25 November 2022** *(Council audio recording 27:16)*

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The Report was taken as read.

The Committee Structure Proposal report was tabled by His Worship the Mayor.

#### **22/226 Resolved**

***Cr Lee / Cr Farrell***

2. That the Council:

- a) receives Report No 2022-607817, Mayoral Report – 10 October to 25 November 2022.
- b) receives Report No 2022-611691, Committee Structure Proposal tabled by His Worship the Mayor.
- c) approves the appointments to the District Licencing Committee as outlined in the attachment.

- d) notes the appointments by the Mayor to the various other governance committees as outlined in the attachment.

*All in favour / against*

*Carried*

## **7.2 Capital Portfolio Monitoring Report** *(Council audio recording 29:39)*

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The Report was taken as read.

**22/227 Resolved**

**Cr Daine / Cr Purdy**

2. That Council:

- a) receives the Report 2022-610441, Capital Portfolio Monitoring Report.

*All in favour / against*

*Carried*

## **8. Reports for Decisions**

### **8.1 Financial Services Report - October 2022** *(Council audio recording 44:23)*

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The Report is taken as read.

Acting Chief Financial Officer, Ms Cortesi, pointed out errors in the Report. On page 35 the top four lines should have been 22/23 not 21/22. On page 36 the top line should all have been 22/23 not 21/22. At the bottom of page 36 under Overall Commentary third line should be Increased compliance not Increased compliane.

**22/228 Resolved**

**Cr Farrell / Cr Nelis**

2. That Council:

- a) receives and notes the Report 2022-610703, Financial Services Report – October 2022.  
b) approves the Carry Forward Budgets to 2022/2023 for the incomplete operational projects for 2021/2022.

*All in favour / against*

*Carried*

### **8.2 Adoption of Waste Management and Minimisation Plan** *(Council audio recording 53:29)*

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The Report is taken as read.

**22/229 Resolved**

**Cr Nelis / Cr Purdy**

2. That Council:

- a. receives Report 2022-609060, Adoption of Waste Management and Minimisation Plan ~~2002~~ **2022** (WMMP).  
b. adopt the draft Waste Management and Minimisation Plan ~~2002~~ **2022**.

A division was called.

**22/230 Resolved**

**Cr Wallace / Cr Te Kanawa**

*All in favour / against*

*Vote: 6/3*

*Carried*

*For: Cr Nelis, Cr Garner, Cr Lee, Cr Purdy, Cr Farrell and Cr Machen*

*Against: Cr Wallace, Cr Daine and Cr Te Kanawa*

### 8.3 Council Approval to Proceed with Nga Wahi Tuturu and Maori Purpose Zone District Plan Changes Separately

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This Report was withdrawn.

## 9. Confidential Business *(Council audio recording 01:02:43)*

Section 48, Local Government Official Information and Meetings Act 1987.

**22/231 Resolved**

**Cr Purdy / Cr Daine**

1. That Council:

- a) move that the public be excluded from the following parts of the proceedings of this meeting
- b) The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution</b>	<b>Ground(s) Under Section 48(1) for the passing of the resolution</b>
<i>Council public excluded minutes 22 September 2022</i>	<i>Reason(s) for excluding the public are recorded in the public minutes of the meeting 22 September 2022.</i>	<i>The public conduct of this part of the meeting would be likely to result in the disclosure of information for which there is good reason for it being withheld. Section 48(1)(a)</i>

*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 which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public.*

Meeting closed at 10.37am.

G Petley  
**MAYOR**

# Extra Ordinary Council Meeting

## PUBLIC BUSINESS MINUTES

An Extra Ordinary Council Meeting  
was held in the Council Chamber,  
Torphin Crescent, Tokoroa  
on Tuesday, 13 December 2022  
Commencing at 10.30am

### Attendees

Members	Mayor (Chairperson)	G Petley
	Deputy Mayor (Deputy Chairperson)	W Machen
	Councillors	H Daine from 10.37am R Garner T Lee H Nelis K Purdy M Te Kanawa S Wallace
Staff	Chief Executive	S Law
	Interim Executive Manager (IEM) Corporate	M Booth
	Interim Executive Manager (IEM) Operations	J Hassall
	Group Manager Assets	T Anderson
	Communications Advisor	A Momoemausu
	Strategy Advisor and Corporate Writer	C Litchfield
	Acting Chief Finance Officer	W Cortesi
	Executive Assistant (Minutes)	S Curren

### 1. Welcome / Karakia

Cr Lee opened the meeting with a Karakia.

### 2. Apologies / Leave of Absences

**22/232 Resolved**

**Cr Lee / Cr Purdy**

That apologies from Cr Teokotai and Cr Farrell, be received.

*All in favour / against*

*Carried*

### 3. Conflicts of Interest

There were no Conflicts of Interest declared.

#### **4. Confirmation of Agenda**

**22/233 Resolved**

**Cr Machen / Cr Wallace**

The Agenda, as circulated, be confirmed, with the addition of a late Report 5.2 'Councillor Remuneration Post Election 2022'.

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

*The item was not on the agenda because it was unavailable at the time of the agenda deadline.*

*All in favour / against*

*Carried*

#### **5. Reports**

##### **5.1 2021-2031 Long Term Plan Amendment 2022 Adoption Report**

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The Report was taken as read.

*Cr Daine joined the meeting at 10.37am.*

**22/234 Resolved**

**Cr Daine / Cr Wallace**

2. That Council:

- a) receives Report No 2022-611995, 2021-2031 Long Term Plan Amendment 2022 Adoption report dated 8 December 2022.
- b) adopts the amended 2021-2031 Long Term Plan Amendment as proposed in the 2021-2031 Long Term Plan Amendment Consultation Document. (CD).
- c) delegate approval to the Chief Executive Officer to make minor editorial changes as needed for publication of the 2021-2031 Long Term Plan Amendment document.

*All in favour / against*

*Carried*

##### **5.2 LATE REPORT - Councillor Remuneration Post Election 2022**

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The Report was taken as read.

**22/235 Resolved**

**Cr Machen / Cr Lee**

2. That Council:

- a) receives Report 2022-613315, Councillor Remuneration Post Election 2022.
- b) approves that the distribution of the Councillor pool of \$431,208 be recommended to the Remuneration Authority as follows:

*All in favour / against*

*Carried*

Position	Number of Members per position	Effective Date	Councillor minimum allowable remuneration (\$)	Councillor Duties (\$)	Deputy Mayor/Chair Extra Duties (\$)	Total (\$)
Deputy Mayor	1	14 December 2022	30,725	9,382	8,666	48,773
Committee Chair A Local Services Committee	1	14 December 2022	30,725	9,382	8,167	48,274
Committee Chair B Growth and Infrastructure Committee	1	14 December 2022	30,725	9,382	8,167	48,274
Committee Chair C Grants Committee	1	14 December 2022	30,725	9,382	5,138	45,245
Councillor (base)	6	14 October 2022	30,725	9,382	-	40,107

3. His Worship advised that following consideration of a request at the last meeting, Elected Members will remain the same on the CE Relationship Committee.
4. His Worship also advised that Cr Wallace has been removed from the Audit, Risk and Improvement Committee at her request and that Cr Garner has been chosen as a replacement.

Meeting closed at 10.52am.

G Petley  
**MAYOR**

## 7. Reports for Information

### 7.1 Mayoral Report - 28 November 2022 to 20 January 2023

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#### Document Information

Report To:	Council
Meeting Date:	Wednesday, 1 February 2023
Author:	G Petley
Author Title:	Mayor
Report Date:	Monday, 23 January 2023

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#### Purpose

1. To inform the Council of appointments and activities undertaken during the month.

#### Recommendation

2. That the Council:
  - a) receives Report No 2023-613922, Mayoral Report – 28 November 2022 to 20 January 2023.

#### Context

##### 3. **Mayoral Appointments**

###### a) **Monday, 28 November 2022**

Attended Tokoroa Host Lions Club meeting

###### b) **Tuesday, 29 November 2022**

Attended Tirau Community Board meeting

###### c) **Wednesday, 30 November 2022**

Met with Interim Executive Manager, Michael Booth

Attended Workshop: How should local government be structured via Zoom

Attended meeting with KDC re OJI Roadshow at Beehive

Attended SWIFT Local Business Leaders, SW Sport & Events Centre

###### d) **Thursday, 1 December 2022**

Chaired Council LTP Amendment Consultation Hearing

Attended Impact HUB, SW Sport & Events Centre

###### e) **Friday, 2 December 2022**

Attended Councillor's Tour around the Council Building

Attended Growth and Town Concept Plan meeting

###### f) **Monday, 5 December 2022**

Attended Waikato Mayoral Forum, Hauraki District Council, Paeroa

Attended Workshop 3: Local government's future: our collective non-negotiables via Zoom



- g) **Tuesday, 6 December 2022**  
Attended Planning for Growth Workshop
- h) **Wednesday, 7 December 2022**  
Attended Raukawa Signs Blessing, SW Sport & Events Centre  
Chaired Council meeting  
Attended Powhiri for Rob Roger new PHS Principal, Putaruru High School
- i) **Thursday, 8 December 2022**  
Attended JP swearing in, Tokoroa Courthouse  
Attended LGNZ Leaders via Zoom
- j) **Monday, 12 December 2022**  
Morning tea with Councillors  
Attended Tokoroa Intermediate School Prize Giving  
Attended Aotearoa Reorua Project - Raukawa raua ko SWDC, Raukawa Iwi Development, Leith Place
- k) **Tuesday, 13 December 2022**  
Attended Councillor Induction  
Chaired Extra Ordinary Council meeting  
Attended Staff Christmas lunch
- l) **Wednesday, 14 December 2022**  
Met with Mary-Ann Mathis  
Met with Wendy Clair  
Attended Funeral of Mr Roycroft  
Attended Christmas Dinner
- m) **Thursday, 15 December 2022**  
Attended Tangi  
Met with Transform Aotearoa
- n) **Friday, 16 December 2022**  
Attended Kinleith Bio-Hub Project Workshop
- o) **Saturday, 17 December 2022**  
Attended SW Sport & Events Centre 10<sup>th</sup> Anniversary Event
- p) **Tuesday, 20 December 2022**  
Met with David Wright via Microsoft Teams
- q) **Wednesday, 21 December 2022**  
Attended CDEM Brief
- r) **Monday, 9 January 2023**  
Attended meeting with David Wright

- s) **Wednesday, 11 January 2023**  
Met with Buttermilk in Putaruru
- t) **Thursday, 12 January 2023**  
Phone meeting with Mrs Masters  
Met with Mr Bruce Nairn
- u) **Friday, 13 January 2023**  
Met with Chief Executive, Ms Law
- v) **Monday, 16 January 2023**  
Met with Mr Arthur Hiscock  
Met with Tokoroa Business Incorporated  
Met with Community Programme Co-ordinator  
Attended new JP's in town training via Teams
- w) **Tuesday, 17 January 2023**  
Met with Kenny Mitchell
- x) **Wednesday, 18 January 2023**  
Attended debrief with David Wright via Teams
- y) **Thursday, 19 January 2023**  
Attended RMA Reform Legislation and Council Submission

## 7.2 Financial Services Report - November 2022

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### Document Information

Report To:	Council
Meeting Date:	Wednesday, 1 February 2023
Author:	Wiki Cortesi
Author Title:	Acting Chief Financial Officer
Executive Lead:	Michael Booth, Interim Executive Manager - Corporate
Report Date:	Tuesday, 17 January 2023

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### Purpose

1. To inform the Council on the financial performance of Council to 30 November 2022.

### Recommendation

2. That Council:
  - a) receives and notes Report 2023-614984, Financial Services Report – November 2022.

### Executive Summary

3. The financial performance of Council is an indication of how the services of council are being delivered in the relation to budget estimates at any point in time.
4. In November 2022, we have identified that although external operating costs are 5% higher than budget, the external capital costs are significantly lower than budget by 69% and we have also received 3% more in external revenue ( excluding rates ) from an unbudgeted funding resource. The movement percentages have changed slightly since October 2022.
5. The external capital cost underspend has had the biggest impact on funding surplus change. There is a funding surplus of just under \$2.7m as of the 30<sup>th</sup> of November 2022 which has increased by \$1.1m since the 31<sup>st</sup> of October 2022.
6. There are no significant movements in treasury from October 2022.
7. Rates arrears and penalties are comparable to prior years year to date amounts.
8. There are no significant reserve movements from October 2022.

### Context

9. The detail discussed in this report is aligned with the Council vision, community outcome, Council policies and the Council strategy. We want to keep Council informed and up to date with the relevant financial information through the financial services report.
10. The financial statement commentary notes are similar to what was included in the October 2022 Performance report presented to Council in December 2022. A report will be presented to Council in March 2023 in relation to the current rates arrears of Council.

## **Discussion**

11. The Performance Report to 30 November 2022 as attached has 4 main components. These are the full Council financial statement, treasury report, rates overview and Council reserve balances.

## **Reference**

Annual Plan 2022/2023

## **Attachments**

Performance Report to 30 November 2022

Performance Report Explanatory Notes

# **PERFORMANCE REPORT**

**To 30 November 2022**



# 1. Financial Statement

## Full Council

November 2022 Monthly Financial Statement

	22/23 YTD Actual	22/23 YTD Budget	22/23 AP Budget	22/23 Revised Budget	YTD Variance (favourable)	% variance	Notes
<b>External Operating Costs</b>	16,691,120	15,901,452	38,054,484	38,163,484	789,668	5%	1
<b>External Capital Costs</b>	4,359,655	14,016,250	16,355,026	33,639,026	(9,656,595)	69%	2
<b>Loan Repayments</b>	996,931	996,931	2,392,635	2,392,635	-		
<b>Total Costs</b>	<b>22,047,707</b>	<b>30,914,633</b>	<b>56,802,145</b>	<b>74,195,145</b>	<b>(8,866,926)</b>		
<b>External Revenue (excl rates)</b>	(5,381,148)	(5,220,797)	(11,223,912)	(12,529,912)	(160,351)	3%	3
<b>Total Revenue</b>	<b>(5,381,148)</b>	<b>(5,220,797)</b>	<b>(11,223,912)</b>	<b>(12,529,912)</b>	<b>(160,351)</b>		
<b>Net Costs/(Revenue)</b>	<b>16,666,558</b>	<b>25,693,836</b>	<b>45,578,233</b>	<b>61,665,233</b>	<b>(9,027,278)</b>		
<b>Non-cash and Internal Charges/Recoveries</b>							
Depreciation	4,250,907	4,016,605	9,639,851	9,639,851	234,302		
Non funded Depreciation	(3,020,993)	(2,931,435)	(7,035,428)	(7,035,428)	(89,558)		
Overhead charges	210	-	(42)	-	210		
Copier/Internal *SWSEC	4,143	578	1,387	1,387	3,565		
Vehicle charges	(1,999)	1,790	4,275	4,275	(3,789)		
Reserves interest	-	95	245	245	(95)		
Council rates	305,393	292,220	701,329	701,329	13,173		
Labour Capitalisation Recoveries	(405,280)	(389,085)	(933,804)	(933,804)	(16,195)		
Write-offs	226,563	18,792	45,100	45,100	207,771		
Gain/Loss on sale	(413,037)	125	300	300	(413,162)		
<b>Total Non-Cash and Internal Charges/Recoveries</b>	<b>945,907</b>	<b>1,009,685</b>	<b>2,423,213</b>	<b>2,423,255</b>	<b>(63,778)</b>		
<b>Accounting Deficit/(Surplus)</b>	<b>17,612,466</b>	<b>26,703,521</b>	<b>48,001,446</b>	<b>64,088,488</b>	<b>(9,091,055)</b>		
<b>Funding sources</b>							
Rates revenue	(15,999,009)	(14,600,967)	(33,833,321)	(35,042,321)	(1,398,042)		
Transfers from ARR	(2,076,785)	(3,296,448)	(3,986,475)	(7,911,475)	1,219,663		
Transfers from Council/TR created reserves	(404,202)	(866,631)	(2,483,914)	(2,079,914)	462,429		
Loans raised	(1,828,983)	(7,939,475)	(7,697,726)	(19,054,726)	6,110,492		
<b>Total Funding</b>	<b>(20,308,979)</b>	<b>(26,703,521)</b>	<b>(48,001,436)</b>	<b>(64,088,436)</b>	<b>6,394,542</b>		
<b>Funding Surplus</b>	<b>(2,696,515)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,696,515)</b>		

### Overall Commentary

1. The external operating costs year to date are higher than budgeted primarily in Roading and Three Waters. The main reasons include:  
Three Waters - Reactive maintenance for breakages as well as higher than planned power costs.  
Roading - Increased compliance/QA and maintenance costs due to timing.
2. The external capital costs are lower than expected mainly due to timing of projects and restrictions around supply due to covid.  
Some of the main capital projects that are underspent include the Tokoroa pools upgrade, chip seal resurfacing, Maraetai Road intermodal business park, Arapuni Road/Tirau Street wastewater pipe upgrades and the Arapuni wastewater treatment plant upgrade.
3. External revenue is higher than expected primarily due to the receipt of Mayoral Task Force Jobs income not originally budgeted for.

\*Please note SWSEC is an abbreviation for the South Waikato Sports and Event Centre

## 2. Treasury Report

The table below shows our compliance in relation to our Treasury Policy limits and the chart below shows gross debt and liquid investments.

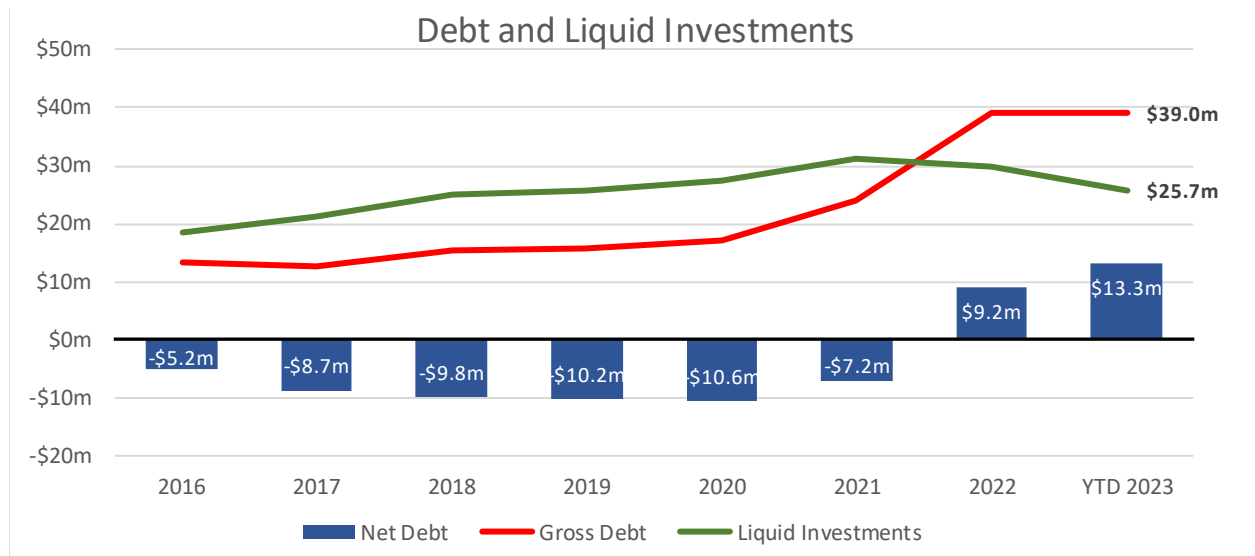
### Compliance with Treasury Policy limits

			Result @	Policy
Policy Compliance	Measure	Policy	30-Nov-22	Compliance
Fixed rate debt maturity	all years	within annual parameters	achieved for all years	✓
Funding maturity	0 - 3 years	15% - 60%	44%	✓
	3 - 7 years	25% - 85%	56%	✓
	7 - 10 years	0% - 60%	0%	✓
Liquidity ratio	minimum	110%	115%	✓
Counterparty credit risk	maximum	BNZ \$15m	achieved	✓

### Comments on policy breaches

There are no breaches of policy.

### Debt



The chart above shows gross debt and liquid investments. The difference between the two is net debt (as measured by LGFA). Council is well within debt covenants, noting that from the 2022 year we have become a net borrower rather than a net investor.

The weighted average cost of funds for gross debt is 2.80%

### 3. Rates

Rates are the main source of income for Council. Collection of rates is an important task to ensure that Council can operate and provide services to meet the requirements of the community in which it serves.

The detail that follows provides some information on the outstanding rates in dollar terms, rates collection as a percentage compared to the same month in the prior year and examples of percentage collection and rates accounts arrears in a graph format that shows comparatives for the last four years in relation to this current financial year.

#### Rates outstanding as of 30 November 2022

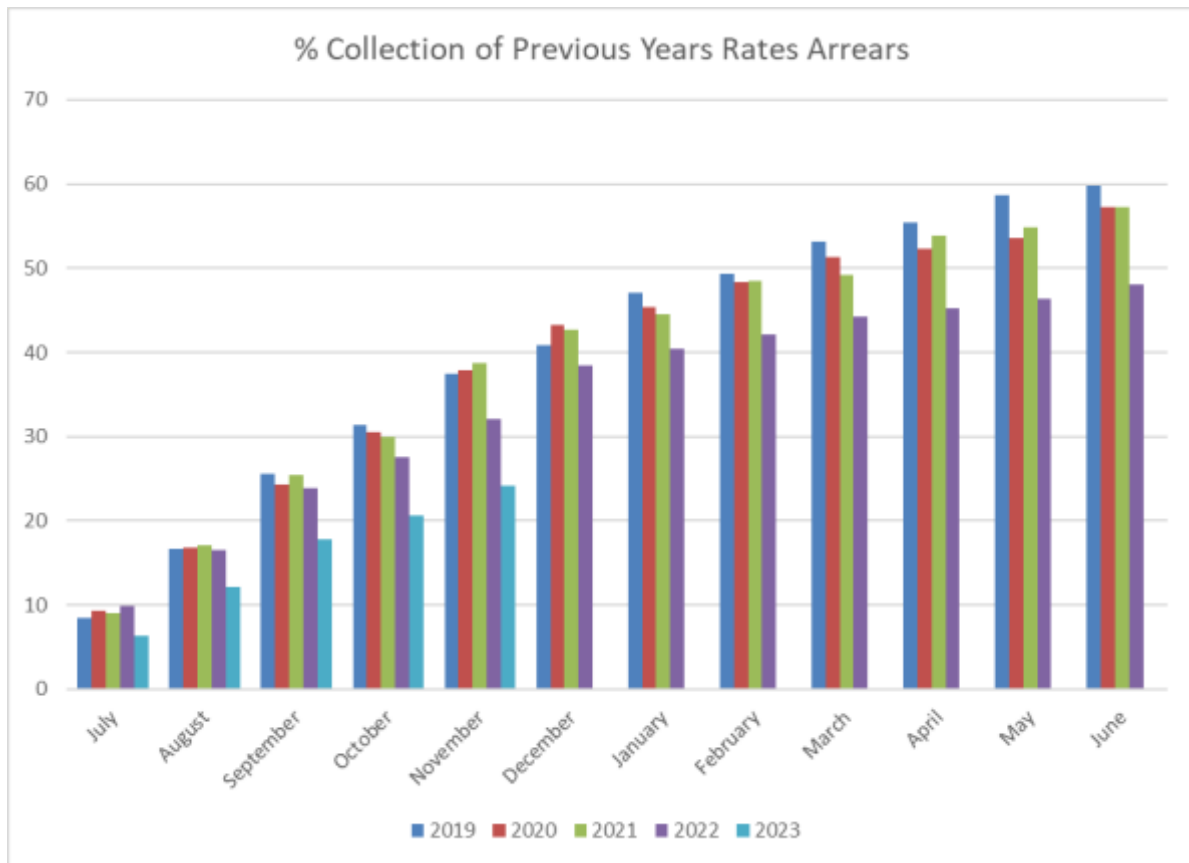
Current instalment balance	\$ 5,214,105
Arrears relating to rates charged this year	\$ 343,003
Penalties balance	\$ 43,144
Arrears still outstanding from previous years	\$ 1,772,526
Court Costs	\$ 0
<b>Total</b>	<b>\$ 7,372,778</b>

#### Rates Collection – shown as a percentage

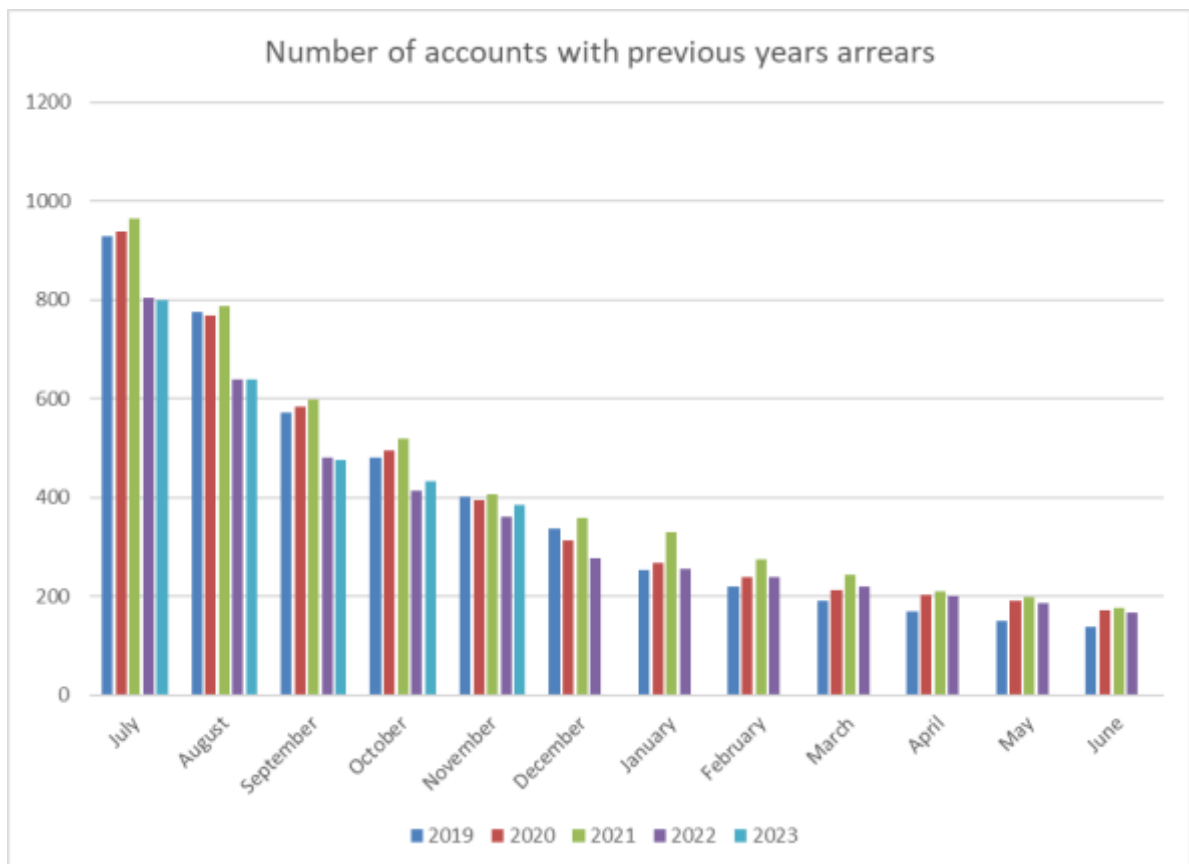
		% Rates Collected YTD This Year	Comparison to same month last year
Arrears as at 1 July 2022	\$ 2,333,944	24%	32%
Current Year Levied	\$19,448,514	71%	70%
Penalties charged	\$ 75,599	43%	44%
Current year including penalties	\$19,524,113	71%	71%



## Current Rates and Penalties Collection Percentage History



## Rates Account Arrears History



#### 4. Council reserves as of 30 November 2022

##### Asset replacement reserves

An amount of money equivalent to the current year's depreciation is transferred to these reserves during the year. These funds are then available to fund future capital expenditure and loan repayments.

<b>Asset Replacement Reserves</b>	<b>Opening Balance at 1 July 2022 \$ (favourable)</b>	<b>Closing Balance at 30 November 2022 \$ (favourable)</b>
<b>TOTAL</b>	<b>(15,503,700)</b>	<b>(14,653,537)</b>

##### Targeted rate reserves

Targeted rates are levied on specific properties for a specific purpose. The funds are kept in separate reserve accounts, so they are only used for that specific purpose.

<b>Targeted Rate Reserves</b>	<b>Opening Balance at 1 July 2022 \$ (favourable)</b>	<b>Closing Balance at 30 November 2022 \$ (favourable)</b>
<b>TOTAL</b>	<b>(1,410,914)</b>	<b>(1,261,573)</b>

##### Council created reserves

These reserves are created by Council for a specific purpose. The funds have been set aside and are able to be used at Council's discretion.

<b>Council Created Reserves</b>	<b>Opening Balance at 1 July 2022 \$ (favourable)</b>	<b>Closing Balance at 30 November 2022 \$ (favourable)</b>
<b>TOTAL</b>	<b>959,735</b>	<b>1,270,981</b>

# Performance Report Explanatory Notes

## Performance Report Explanations

Column Headings (at the top of each statement)	Explanations
22/23 YTD Actual	Actual expense year to date
22/23 YTD Budget	Phased budget year to date
22/23 AP Budget	Adopted Annual Plan Full year budget
22/23 Revised Budget	AP budget revised for carry forwards and council resolutions
YTD Variance	Variance between ytd actual and budget

Report Line Headings (on the left hand side of each statement)	Explanations
External Operating Costs	All external costs including staff salaries
External Capital Costs	All external capital costs for capital expenditure projects
Loan Repayments	Payments on loans that have been raised to cover projects
<b>Total Costs</b>	<b>Total external costs</b>
External Revenue (excl rates)	All income received other than rates which includes fees and charges, rent, hireage and other income
<b>Total Revenue</b>	<b>Total external revenue</b>
<b>Net Costs/(Revenue)</b>	<b>Total external costs less the external revenue (excluding rates)</b>
<b>Non-cash and Internal Charges/Recoveries</b>	Charges/recoveries that are often just" book entries" as part of accounting transactions
Depreciation	The reduction of recorded cost of a fixed asset in a systematic manner based on use, wear and tear etc
Non funded Depreciation	To reflect depreciation that is not being funded from rates
Overhead charges	Costs that are charged from overhead cost centres such as Finance, IT and HR
Overhead recoveries	The credit for overhead charges that have been charged across the organisation
Copier/Internal SWSEC	Photocopier charges and internal charges for using SWSEC
Reserves interest	Interest charges on reserve balances - currently only done in June
Council rates	Internal SWDC rates
<b>Total Non-Cash and Internal Charges/Recoveries</b>	<b>Total</b>
<b>(Surplus)/Deficit</b>	<b>Net expense to be funded</b>

Report % Variance	Explanations
Highlighted Green	Favourable variance to budget explained
Highlighted Orange	Unfavourable variance to budget explained
Rule of thumb for commenting on variances is if it is over a 10% variance it needs to be over \$20,000 variance, or if it is under 10% variance it needs to be over \$50,000 variance.	

The Financial Statement commentary explanations use the following guidelines:

- a) We use positives and negatives in our financial report to show debits and credits. Expenses are shown as positives (debits) and revenue from fees, rates, loans, reserves are shown as negatives (credits).

- b) The variances can be confusing to portray. To try and simplify things, we have calculated the percentage change for each line and coloured them either green for good or orange for bad for those lines which we are commenting on the variances. This percentage variance key has been included on the Performance Report Explanations sheet at the beginning of the Performance Report.
- c) Our rule of thumb for commenting on variances is if it is over a 10% variance it needs to be over \$20,000 variance, or if it is under 10% variance it needs to be over \$50,000 variance. The lines that we do not comment on variances for each report relate to the non-cash and internal charges/recoveries and funding sources. Some of the commentary that would be the same are shown below:
  - i. Depreciation – variances are due to the timing of capitalisation of assets and revaluation movements from the previous year.
  - ii. Overhead charges – We have several overhead departments, such as Finance Services and Information Services, that the total cost of these areas is split amongst the significant activities on the same basis as is budgeted.
  - iii. Overhead recoveries – the contra entry to the overhead charges.

The Treasury Report section in relation to treasury policy compliance and debt and liquid investments is as follows:

a) The Treasury Policy compliance

Measures are set with the intention to manage council's various risks associated with borrowing. When policy compliance is achieved, risk is at an acceptable level. If policy is breached it is an indicator that a risk is greater than a prudent level and we will work towards regaining compliance as soon as practicable.

b) Fixed rate debt maturity

This places an upper and lower limit on the percentage of debt that is able to be at fixed rates of interest per financial year to manage exposure to interest rate movements.

c) Funding Maturity

Ensures there is a spread of debt maturity dates so that council's exposure to interest rates upon refinancing the debt is not concentrated.

d) Liquidity Ratio

Ensures there is access to liquid investments of at least 10% of debt to enable council to meet cashflow requirements.

e) Counterparty credit risk

Limits any risk of losses arising from a counterparty defaulting on a financial instrument. Note that amounts contracted with the NZ Government and the LGFA are not limited.

The rates section provides information as follows:

a) Rates outstanding

Broken down into different line items to give the total value of rates outstanding at the time in which we are reporting.

b) Rates collection

Provided on a rates percentage collection in comparison to the same month of the previous year.

c) Graph information

Five years of comparative information showing the rates and penalty collection history and the rates accounts arrears history.

The reserves section provides information as follows:

a) Asset replacement reserves

An amount of money equivalent to depreciation that can be used to fund future capital projects and loan repayments.

b) Targeted rate reserves

Levies on specific properties and services that are then utilised for specific purposes associated with those specific properties and services.

c) Council created reserves:

Created by Council for a specific purpose. The funds are generally generated from a specific action or activity. Funds are then held to be used at the discretion of Council based on the specific purpose.

## 7.3 Council Forward Program - 2023

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### Document Information

Report To:	Council
Meeting Date:	Wednesday, 1 February 2023
Author:	Michael Booth
Author Title:	Interim Executive Manager - Corporate
Report Date:	Thursday, 19 January 2023

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### Purpose

1. To provide the Council of the proposed Forward Work Program of Council Reports for 2023.

### Recommendation

2. That Council:
  - a) receives and notes the Report 2023-615318, Council Forward Work Program 2023.

### Executive Summary

3. The forward work program for Council meetings and workshops is set out in Attachments A and B. It is proposed to include this as a standing agenda item for each Council meeting. Similar programs are being developed for each of Council's committees and the Tirau Community Board in consultation with respective Chairs.

### Context

4. A Forward Work program is seen as a "better practice" tool to assist Council's to manage and schedule key activities and compliance requirements. The detail discussed in this report is aligned with the Council vision, community outcomes, Council policies and the Council strategy.

### Discussion

5. The attached reports outline management's expected reporting timelines for Council meetings and workshops for 2023. This information is a useful tool for Councillors, staff and the community to monitor reporting to, and deliberations by, the Council, of its various statutory and operational responsibilities. As circumstances can change rapidly it is proposed to include these reports as a standing agenda item for each Council meeting. Similar programs are being developed for each of Council's committees and the Tirau Community Board in consultation with respective Chairs.

### Reference

Annual Plan 2022/2023

### Attachments

Forward Work Program – Council Meetings

Forward Work Program – Council Workshops

**FORWARD WORK PROGRAM - Council (Formal)**  
**SOUTH WAIKATO DISTRICT COUNCIL**  
**2023 YEAR**

Responsibility	Consideration	Council Action	Meeting											
			Jan	1-Feb	15-Mar	26-Apr	May*	7-Jun	29-Jun*	19-Jul	30-Aug	11-Oct	22-Nov	Dec
Standing Items	Report from the Mayor	Noting		X	X	X			X		X	X	X	X
	Report from the Chief Executive	Noting		X	X	X			X		X	X	X	X
	Report from Tirau Community Board	Noting/Decision			X									
	Report from Growth & Infrastructure Committee	Noting/Decision												
	Project Update Report	Noting			X				X				X	X
	Report from Local Services Committee	Noting/Decision												
	Report from Audit and Risk Committee	Noting/Decision												
Finance	Financial Report	Noting		X	X	X			X		X	X	X	X
	Annual Report must be adopted by end Oct 2023	Decision										X		
	Fees and Charges 17 May	Decision						X						
	Fees and Charges Consultation approval	Decision			X									
Planning	Annual Plan	Decision								X				
	Annual Plan Consultation approval	Decision				X								
	Economic Development Strategy BERL	Decision						X						
	Growth Strategy Adoption (Barker)	Decision											X	
	Growth Strategy (Barker) Consultation approval	Decision									X			
Policies	Easter Trading Policy	Decision			X									
Governance arrangements	Financial Delegations	Decision			X				X					
	Local Governance Statement	Decision			X									
Contracts	CoLab Annual Report	Noting											X	
Economic Development		Noting/Decision												
	Stanley Park	Decision			X									
	Stratmore Park Update Report	Noting			X									
	Maraeata Rd Development	Decision			X									
	Maraeata Rd Physical Works	Decision			X									
	Work!! Options Report post 1/7/2023	Decision				X								
Asset team	Local Road Speed Limit	Decision									X			
	Local Road Speed Limit Consultation Approval	Decision				X								

**FORWARD WORK PROGRAM - Council (Formal)  
SOUTH WAIKATO DISTRICT COUNCIL  
2023 YEAR**

**Meeting**

Responsibility	Consideration	Council Action	Jan	1-Feb	15-Mar	26-Apr	May*	7-Jun	29-Jun*	19-Jul	30-Aug	11-Oct	22-Nov	Dec
	Tokoroa Bores	Decision						X						
	Food Scrap Urban Kerbside collection	Decision						X						
	Putanuru transfer station and recycling	Decision										X		
	Tokoroa Transfer station	Decision										X		
	Section 17A analysis Parks	Decision				X								
	Section 17A analysis Pensioner Housing	Decision				X								
	Putanuru Waste Water Treatment Plant / Wetland	Decision						X						



**FORWARD WORK PROGRAM  
SOUTH WAIKATO DISTRICT COUNCIL - WORKSHOPS  
2023 YEAR**

Responsibility	Consideration	Meeting											
		Feb	Mar	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
Transformational	Growth Strategy workshop one		X										
	Growth Strategy Workshop two		X										
	Growth Strategy workshop three				X								
	Growth Strategy Workshop Four											X	
Transformational	Economic Development Strategy Workshop one		X										
	Economic Development Strategy Workshop Two to be confirmed			X									
Asset team	Food Scrap urban kerbside collection			X									
	Putanuru transfer station and recycling									X			
	Tokoroa Transfer station									X			
	Recycling MFE waste initiatives, timing unknown but working on June					X							
	Section 17A analysis Parks		X										
	Section 17A analysis Pensioner Housing				X								
Transformational	Long Term Plan 24-34 - Estimates												
	Workshop One January set priorities, expectations and approach												
	Workshop two - past lessons and council vision based on 24 Jan workshop			X									
	Workshop three environmental scan community engagement, Vibrant culture stocktake				X								
	Services Workshop												
	Workshop four determine final community outcomes, indicators					X							
	Workshop five Climate Adaptation, will require for LTP, when? Could be more, need to define further for LTP						X						
Transformational	Annual Plan			X									
	Fees and Charges	X											
Regulatory	District Plan workshop One, an estimate										X		
	District Plan workshop Two, and estimate											X	

## **8. Reports for Decisions**

### **8.1 Resource Management System Reform and Council Submission on the Natural Built Environments Bill and Spatial Planning Bill**

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#### **Document Information**

Report To:	Council
Meeting Date:	Wednesday, 1 February 2023
Author:	Debbie Lascelles
Author Title:	Interim Executive Manager, Transformation
Report Date:	Monday, 16 January 2023

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#### **Purpose**

1. To inform Council of the proposed Resource Management Act reforms following recent release of the Natural and Built Environment Bill (NBE Bill) and Spatial Planning Bill (SP Bill).
2. To delegate to the Mayor and Chief Executive the authority to sign off a submission to central government on the proposed Natural and Built Environment Bill and Spatial Planning Bill.

#### **Recommendation**

3. That Council:
  - a) receives Report 2023-615062, Resource Management System and Council Submission on the NBE Bill and SP Bill.
  - b) delegates authority to the Mayor and Chief Executive to approve a submission to central government on behalf of the Council on the Natural and Built Environment Bill and Spatial Planning Bill.

#### **Executive Summary**

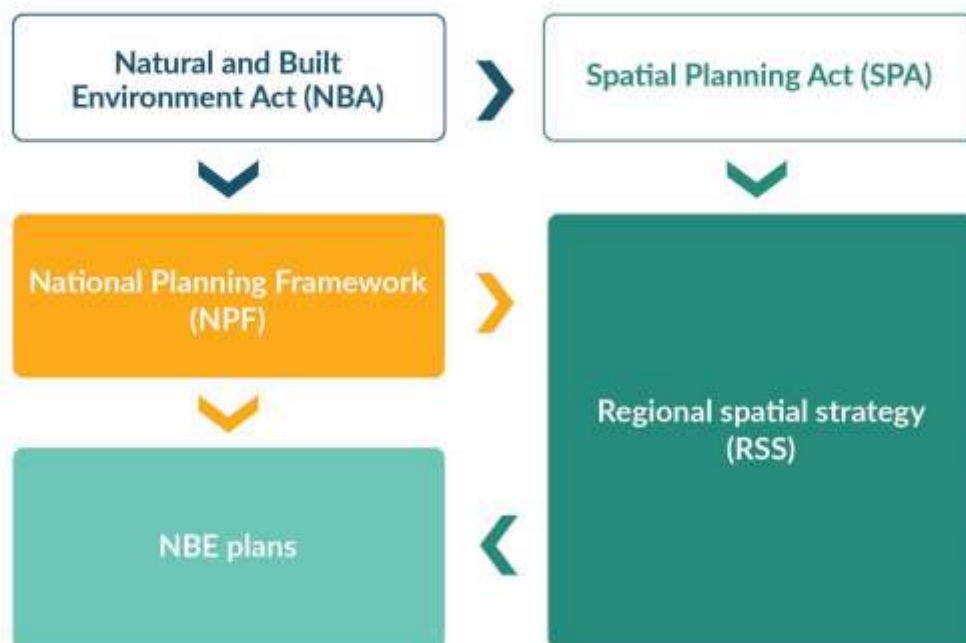
4. The Natural and Built Environment Bill and the Spatial Planning Bill were released in November 2022.
5. As the key legislative framework for the reformed Resource Management system, ultimately replacing the Resource Management Act (1991), it is important that Council understand the implications of the legislation, what it seeks to achieve and the outcomes it will result in for local government.
6. Council can make a submission commenting on any potential issues it believes need to be resolved. Submissions close 6 February 2023.
7. This report provides written detail of the proposed changes that were discussed by Councillors at a workshop 19 January 2023.
8. Staff are currently working on a written submission and request that Council delegate authority to the CE and Mayor to provide final approval for this.
9. Staff consider the decisions in this report have low significance and that the recommendations comply with the Council's legal requirements.

## Context

10. In 2019 the Government announced an independent review of the Resource Management Act 1991 (RMA).
11. The current legislation was introduced in 1991 and there is now widespread agreement that it is not achieving what it set out to do.
12. In July 2019 the Minister for the Environment launched a project to review New Zealand's resource management system. A review panel chaired by former judge Tony Randerson delivered a report to the Government on 30 June 2020 which was reported to Council in early 2021. Key findings included:
  - Our natural environment is not receiving adequate protection. Ecosystems are degraded, waterways are in major decline and biodiversity is diminishing.
  - Urban areas are struggling to keep pace with population growth.
  - The lack of a deliberate, strategic approach to resource allocation has led to inefficient and inequitable allocation of resources such as water.
  - There is an urgent need to reduce carbon emissions and adapt to climate change.
  - The interests of hapū, iwi and Māori are not adequately recognized.
13. The panel made 140 recommendations, resulting in a recommendation that the RMA be repealed, and new legislation enacted.
14. It identified that the RMA be replaced with three statutes, namely:
  - The Natural and Built Environment Act (NBA) to protect and restore the environment while better enabling development, as the primary replacement for the RMA
  - The Strategic Planning Act (SPA) to help coordinate and integrate land use and transport and infrastructure funding decisions made under different legislation by requiring the development of long-term regional spatial strategies to cater for growth and
  - The Climate Adaptation Act (CAA), to address complex issues associated with managed retreat from natural hazards.
15. Based on these recommendations, the Government announced February 2021 that it would repeal the RMA and enact the new legislation.
16. The Government's reform of the resource management system is guided by five key objectives:
  1. Protect and where necessary restore the natural environment, including its capacity to provide for the wellbeing of present and future generations.
  2. Better enable development within environmental biophysical limits including a significant improvement in housing supply, affordability and choice, and timely provision of appropriate infrastructure, including social infrastructure.
  3. Give effect to the principles of Te Tiriti o Waitangi to provide greater recognition of Te Ao Māori, including mātauranga Māori.
  4. Better prepare for adapting to climate change and risks from natural hazards as well as mitigating the emissions that contribute to climate change.
  5. Improve system efficiency and effectiveness, and reduce complexity, while retaining appropriate local democratic input.
17. An Exposure Draft for the NBA was released 29 June 2021 to provide the public the opportunity to make a submission.
18. In February 2022 Council made a submission on the above in relation to the following topics:

- National Planning Framework and the need to prioritise between differing national direction e.g., urban development versus high quality soils, or biodiversity versus development.
  - Regional Spatial Strategies –Implementation agreements to commit partners to deliver and mechanisms to include local issues.
  - Natural and Built Environments Act – opportunity to include local plan making.
  - RSS and NBA Joint Committees – ability to set up sub-regional committees.
  - Consenting – difficulty in understanding if the system will be more certain and efficient.
  - Compliance, Monitoring and Enforcement – supportive.
  - Roles and responsibilities – supported Council retain core land use and subdivision.
  - Role of Central Government – supported funding across taxpayers, ratepayers and individuals and supports the principle of public versus private good.
  - Local Government feedback – supported.
19. The NBE and SP Bills were released November 2022 and are open for submissions until 6 February 2023.
20. The CAA Bill is anticipated to be released mid-year 2023.
21. On Thursday 19 January 2023, a Council workshop was held to brief Councillors on proposed changes under the new Bills. The following content was discussed:

**Key components of the future resource management system**



22. In the future resource management system, the NBA and the (SPA) will work in tandem to form the core part of the new resource management system. They will provide the legal framework for the planning, use and allocation of resources in natural and built environments across Aotearoa New Zealand.
23. The SPA will provide longer-term, spatially based regional planning. It will introduce new requirements for a Regional Spatial Strategy (RSS) and an implementation plan to integrate environment, land use, infrastructure, the coastal marine area and other identified areas.

24. Both Acts will require the exercising powers or functions under them to give effect to the principles of Te Tiriti o Waitangi.
25. The NBA will be the primary legislation to replace the RMA. It focuses on protecting and restoring the environment, along with enabling land use that provides for growth and change while meeting environmental outcomes.
26. It will introduce a new National Planning Framework (NPF) to provide national policy direction on matters of national significance, environmental limits, and targets.
27. Each region will be required to develop a single RSS and Natural and Built Environment plan (NBE plan) to guide land use and resource allocation.
28. The NBE Bill also introduces a revised resource consent system which builds on the RMA consent system to introduce new process efficiencies.

#### **Cost benefit analysis**

29. The modelling done by the Central Government estimates that for every dollar spent, it will deliver benefits between \$2.50 and \$4.90 from consent reductions.
30. Efficiency benefits of \$210 million and \$430 million per year to costs for infrastructure & development projects.
31. Housing affordability benefits are predicted to be between \$146 million and \$834 million per year.

#### **Natural and Built Environments Bill**

32. The NBA will integrate both land use and environmental protection. It sets out how the natural environment will be protected and enhanced and how development will be enabled within environmental limits.
33. The NBA will also improve recognition of Te Ao Māori and the principles of Te Tiriti o Waitangi.
34. Unlike the RMA, the NBE Bill specifies system outcomes that decision makers will be required to provide for natural and built environments. These outcomes include environmental protection and restoration; climate change mitigation and adaptation; well-functioning urban and rural areas, including for housing; the availability of highly productive land; public access to the coast, lakes, and rivers; iwi, hapū and Māori interests; protection of customary rights; cultural heritage; and infrastructure provision. They guide the preparation of the NPF, NBE plans, and RSS under the SP Bill.
35. The NBE Bill will include a mandatory requirement for the Minister for the Environment to set environmental limits for features of the natural environment to protect its ecological integrity and human health.

#### **National Planning Framework**

36. The NPF will carry through, into a single integrated framework, the existing national direction in National Policy Statements (NPS), National Environmental Standards, the National Planning Standards, and some Section 360 regulations under the RMA. The NPF will provide direction and guidance on both RSS and NBE plans.
37. The NBE Bill requires that the NPF has, as mandatory content:
  - strategic direction on:
    - how decision makers are to achieve environmental outcomes
    - how the well-being of present and future generations is to be met
    - environmental issues and priorities and how they are to be dealt with

- direction for each environmental outcome
- non-commercial housing on Māori land
- papakāinga on Māori land
- enabling development capacity well ahead of expected demand
- enabling infrastructure, and development corridors
- enabling renewable electricity generation and its transmission.
- direction for the resolution of conflicts about environmental matters, including those between or among the environmental outcomes.
- environmental limits and targets for air, indigenous biodiversity, coastal water, estuaries, freshwater, and soil.

38. The first NPF is the initial step to deliver national direction for the new resource management system. This will be in place by 2025, in time to inform the development of the first RSS.

### **Spatial Planning Act**

39. The SPA aims to create a new function in the resource management system. It provides for mandatory spatial planning across all regions in Aotearoa New Zealand and requires central, regional, local governments, iwi/hapū and Māori to work together in the region.

### **Regional Spatial Strategies (RSS)**

40. The purpose of the RSS is to provide long-term, high-level, and strategic direction for integrated spatial planning in a region. It will set out a vision and objectives to guide the region over the next 30-plus years.

41. RSS will be developed by Regional Planning Committees (RPC). The strategies will be required to identify at a high level and (where appropriate) map spatially:

- areas that may require protection, restoration, or enhancement of the natural environment (this will uphold Te Oranga o Te Taiao)
- areas of cultural heritage and areas with resources that are of significance to Māori.
- areas subject to constraints (e.g., natural hazards and areas impacted by climate change)
- areas appropriate for housing and development.
- areas where significant land-use change is required (e.g., to meet growth needs or comply with environmental limits)
- indicative locations for future infrastructure corridors and strategic sites.

42. To drive and enable change across the system, the SPA requires that an RSS be accompanied by an implementation plan.

Implementation plans will be high-level plans for delivering priority actions in an RSS. These will be approved by an RPC in consultation with delivery partners.

### **Natural and Built Environment Plans**

43. The existing regional policy statement and regional and district plans will be replaced by one NBE plan for each region.

44. This consolidation is proposed to bring significant efficiencies into the system by providing greater consistency across each region.
45. NBE plan development follows the development of an RSS.
46. The RPC will seek input into the NBE plan from local communities, hapū/iwi and Māori; those with infrastructure and development interests; and stakeholders. This is expected to take two years.

### **Regional Planning Committees**

47. Regions will establish regional planning committees (RPC), which will include members appointed by local authorities and Māori in the region.
48. For decision making on RSS, one member will be appointed by central government.
49. There will be flexibility in how RPC are formed, but there will be some minimum composition requirements. Each RPC will have a minimum of six members, with a minimum of two Māori members appointed through a Māori appointment process.
50. For local government, members will be appointed by the councils, with each territorial authority and regional council able to have a member on the RPC.
51. Local government members may be an elected mayor, chair of a regional council, councillor, or any other person that a local authority agrees to appoint.
52. Each RPC will be supported by a secretariat, which will prepare advice for the RPC and develop a draft RSS and NBE plan and support the RPC to make sure local communities are involved in developing the RSS and NBE plan.

### **Role of Local Government**

53. Local authorities will be expected to:
  - Support effective community engagement processes for RSS and NBE Plans
  - Contribute to RSS and NBE plan development through provision of information, resource, expertise.
  - Provide local plans to inform strategy and plan development.
  - Lead the development of the statements of community outcomes and statements of regional environmental outcomes.
  - Review and provide feedback on draft strategies and plans.
  - Continue to be the key institution to implement the resource management system including responsibility for compliance, monitoring and enforcement.
  - Local authorities may be required to provide consistent and regular local-level environmental reporting and would likely have roles in monitoring the implementation of RSS and regulatory instruments under NBE plans.

## **Discussion**

### **Key issues for submission**

54. The following issues were discussed at the workshop with Council on Thursday 19 January. These issues and any other feedback raised by Councillors will form the basis of a submission from South Waikato District Council on the NBE Bill and SP Bill.

#### *Local voice*

55. Regional Planning Committees have a huge amount of power in the new resource management system.

56. There is currently a lack of clarity around the process for appointment of members to the Regional Planning Committees. Advice suggests that this will be a regionally led process and while it does appear that each Council in the region will have input into the composition of this group, it is not clear that ongoing membership is certain.
57. The region is geographically broad and there are differing and competing interests and priorities within the region. Regional Planning Committees are independent from Councils and members must act with the interest of the region in mind. This means that smaller territorial authorities who have unique issues may not be catered for under this regime. South Waikato District has deprivation issues that are often not recognised or planned for within a regional setting.
58. We suggest that central government consider tools and mechanisms to preserve and protect local voice, potentially by giving statutory weighting to or a requirement for the RSS to take into account local spatial plans, growth strategies and strategic plans that are focused on place making.

#### *Implementation Plans*

59. Each region must develop an implementation plan to accompany RSS and NBE Plans in consultation with the relevant local authority. This is a mechanism for projects identified by Regional Planning Committee to be funding in Long Term Plans. It is not clear how much influence or input the local territorial authority will have into the Implementation Plan. There is a risk in smaller Councils with smaller budgets and less head room for debt that Long Term Plans become entirely driven by implementation plans, removing the ability of local communities to have any meaningful input, and removing options for other expenditure on items such as community facilities.
60. We suggest that it is made clear that Implementation Plan are to be negotiated with each territorial local authority and that there is room for prioritisation if budgets are inadequate to cover all the actions required.

#### *Costs for additional work generated by increased monitoring, reporting and enforcement.*

61. While modelling suggests that there are cost efficiencies to be gained by moving to a resource management system that requires less consenting, it is unclear whether this modelling considered the increased staffing costs that will be generated by shifting the focus of the system to increased monitoring, reporting and enforcement. Smaller territorial local authorities often don't have enough staff, or the right mix of skill sets to deliver this increased level of service. The cost to ensure that local government meets its increased requirements in this area will ultimately be passed on to ratepayers. Efficiencies that have been forecast presumably benefit the development community, but it appears that ratepayers will now be subsidising growth via rates for increased salary costs.
62. We suggest that more analysis is done to quantify the likely costs incurred by the increased expectations in this area and that central government consider alternative funding for this that does not rely on increased rating.

### **Risks**

63. No risks have been identified in making a submission on these issues to central government.

### **Significance & Engagement Policy**

#### **Significance**

64. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendations in this report are not significant and do not require community engagement. This is a standard submission process.



**9. Meeting closed**

<b>Council Outcomes</b>
<b>Growth</b> - Activities and strategies that facilitate sustainable economic growth and lift community pride.
<b>Resilience</b> - A resilient district with good infrastructure, services, a sound financial position, rates affordability and a healthy environment that has the ability to anticipate, resist, respond to and recover from significant change or events.
<b>Relationships</b> - Strong relationships with Iwi and Māori, Pacific Peoples and community and business groups that can achieve growth and a resilient community.