

Agenda for a meeting of the Waikato District Council to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY, 14 DECEMBER 2020** commencing at **9.30am**.

*Information and recommendations are included in the reports to assist the Council in the decision-making process and may not constitute Council's decision or policy until considered.*

## **1. APOLOGIES AND LEAVE OF ABSENCE**

## **2. CONFIRMATION OF STATUS OF AGENDA**

## **3. DISCLOSURES OF INTEREST**

## **4. CONFIRMATION OF MINUTES**

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| 7.3 | Waters Governance Board – LTP Recommendation<br><i>To be circulated as a late report</i> |    |

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GJ Ion  
**CHIEF EXECUTIVE**

## TERMS OF REFERENCE AND DELEGATION

<b>Chairperson:</b>	His Worship the Mayor
<b>Deputy Chairperson:</b>	Deputy Mayor
<b>Membership:</b>	The Mayor and all Councillors
<b>Meeting frequency:</b>	Six weekly – or as required
<b>Quorum:</b>	Half of the members (including vacancies)

### Purpose

1. To provide leadership to, and advocacy on behalf of, the people of the Waikato District.
2. To define and represent the total communities' interests, ensuring ongoing community and economic development, the effective stewardship of existing assets, sustainable management of the environment, and the prudent management of the communities' financial resources.

### Terms of Reference

The Council's terms of reference include the following powers which cannot be delegated to committees, subcommittees, officers or any other subordinate decision-making body:

1. The power to make a rate.
2. The power to make a bylaw.
3. The power to borrow money, or purchase or dispose of assets, other than in accordance with the Long-Term Plan.
4. The power to adopt a Long-Term Plan, Annual Plan, or Annual Report.
5. The power to appoint a Chief Executive.
6. The power to adopt policies required to be adopted and consulted on under the Local Government Act 2002 in association with the Long-term Plan or developed for the purpose of the local governance statement, including the Council's Infrastructure Strategy.
7. The power to adopt a remuneration and employment policy.
8. The power to approve or amend the Council's Standing Orders.
9. The power to approve or amend the Code of Conduct for elected members, and consider any recommendations made in relation to a complaint lodged under the Code.
10. The power to appoint and discharge:
  - a. members (including chairpersons) of Council committees and subordinate decision-making bodies, subject to the Mayor's powers under section 41A Local Government Act 2002; and
  - b. elected member representatives on external organisations.
11. The power to establish a joint committee with another local authority or other public body, and appoint elected members as representatives on such committees or bodies.
12. The power to make the final decision on a recommendation from the Ombudsman where it is proposed that Council not accept the Ombudsman's recommendation.
13. The power to approve or change the District Plan, or any part of that Plan, in accordance with the Resource Management Act 1991.
14. The power to amend or replace the delegations in Council's Delegations Register (except where expressly permitted in the Delegations Register).

To exercise the following powers and responsibilities of Council, which the Council chooses to retain:

1. To approve a proposed policy statement or plan under the Resource Management Act 1991.
2. To approve changes to boundaries of the District under the Resource Management Act 1991 or any other legislation.
3. In respect of District Plan decisions:
  - a. To appoint independent commissioners to a panel for hearings of a Proposed District Plan;
  - b. To approve the recommendation of hearings commissioners on a proposed plan, plan change or variation (including private plan change); and
  - c. To approve a proposed plan or a change to a district plan under Clause 17, Schedule 1 of the Resource Management Act 1991.
4. To adopt governance level strategies, plans and policies which advance Council's vision and strategic goals (e.g. Hamilton to Auckland rail), other than where expressly delegated to a committee.
5. To approve Council's recommendation to the Remuneration Authority for the remuneration of elected members.
6. To approve the Triennial Agreement.
7. To approve resolutions required to be made by a local authority under the Local Electoral Act 2001, including the appointment of an electoral officer and reviewing representation arrangements.
8. To approve any changes to the nature and delegations of any Council committees or subordinate-decision making bodies.
9. To approve the Local Governance Statement.
10. To approve any additional funding decisions required for the Watercare Services contract.
11. To receive six-monthly reports from each Community Board on its activities and projects.

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### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	14 December 2020
<b>Prepared by</b>	Brendan Stringer Democracy Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Confirmation of Minutes

### **1. EXECUTIVE SUMMARY**

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To confirm the minutes of a meeting held on Monday 2 November 2020.

### **2. RECOMMENDATION**

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**THAT the minutes of a meeting of Waikato District Council held on Monday, 2 November 2020 be confirmed as a true and correct record of that meeting.**

### **3. ATTACHMENTS**

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Open Minutes – 2 November 2020

Minutes of a meeting of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY, 2 NOVEMBER 2020** commencing at **9.30am**.

**Present:**

His Worship the Mayor, Mr AM Sanson (Chairperson)  
 Cr AD Bech  
 Cr JA Church  
 Cr CA Eyre  
 Cr JM Gibb [*until 10.56am and then from 11.02am*]  
 Cr SL Henderson [*from 9.32am until 11.15am, and then from 11.20am*]  
 Cr SD Lynch  
 Cr RC McGuire  
 Cr FM McInally  
 Cr NMD Smith  
 Cr LR Thomson  
 Cr CT Woolerton

**Attending:**

Mr GJ Ion (Chief Executive)  
 Mr TG Whittaker (Chief Operating Officer)  
 Mr R MacCulloch (General Manager Service Delivery)  
 Mr C Morgan (General Manager Community Growth)  
 Mr J Quinn (Communications, Engagement and Marketing Manager)  
 Mr S Toka (Iwi & Community Relationship Manager)  
 Ms A Diaz (Chief Financial Officer)  
 Ms L Shirley (Zero Harm Manager)  
 Ms C Nutt (Waters Contract Relationship Manager)  
 Ms C Pidduck (Legal Counsel)  
 Ms M May (Community Connections Manager)  
 Mr B Stringer (Democracy Manager)

**APOLOGIES AND LEAVE OF ABSENCE**

**Resolved: (Crs Thomson/McInally)**

**THAT an apology be received from Cr Sedgwick and Cr Patterson**

**CARRIED**

**WDC2011/01**

It was noted that Cr Patterson was at a Regional Transport Committee as Council's representative.

## **CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Crs Gibb/Church)**

**THAT** the agenda for a meeting of the **Waikato District Council** held on **Monday, 2 November 2020** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 7 which shall be considered with the public excluded.

**CARRIED**

**WDC2011/02**

Cr Henderson joined the meeting at 9.32am during the above item.

## **DISCLOSURES OF INTEREST**

Mayor Sanson advised Councillors that he would declare a financial conflict of interest in item 6.6 [*Sale of Vehicle – 2017 Toyota Highlander KPT7*]. Councillor Bech would assume the Chair for that item.

## **CONFIRMATION OF MINUTES**

**Resolved: (Crs Bech/Eyre)**

**THAT** the minutes of a meeting of the **Waikato District Council** held on **Monday, 21 September 2020** be confirmed as a true and correct record of that meeting.

**CARRIED**

**WDC2011/03**

**Resolved: (Crs Lynch/Woolerton)**

**THAT** the minutes of an extraordinary meeting of the **Waikato District Council** held on **Monday, 28 September 2020** be confirmed as a true and correct record of that meeting.

**CARRIED**

**WDC2011/04**

## **COMMITTEE RECOMENDATIONS**

### **Policy & Regulatory Committee**

Agenda Item 5.1

2019/2020 Annual Dog Control Report (P&R2010/05)

**Resolved: (Cr Smith/Church)**

**THAT Council approves the 2019/20 Annual Dog Control Report (as attached to the staff report, Item 6.5 in the 12 October 2020 Policy & Regulatory Committee Agenda) for release to the community.**

**CARRIED**

**WDC2011/05**

### **Strategy & Finance Committee**

Agenda Item 5.2

Review of Strategic Boundary Agreement between Waikato District Council and Hamilton City Council (S&F 2010/04)

**Resolved: (Cr Gibb/Bech)**

**THAT Council adopt the amended Strategic Boundary Agreement between Waikato District Council and Hamilton City Council as attached as Appendix I to the staff report (Item 7.1, 13 October 2020 Strategy & Finance Agenda);**

**AND THAT Council delegates the Chief Executive to finalise the amended Strategic Boundary Agreement subject to any feedback from the Committee and Hamilton City Council;**

**AND FURTHER THAT Council delegates the Mayor and Chief Executive to sign the revised Strategic Boundary Agreement on behalf of Council.**

**CARRIED**

**WDC2011/06**



## **REPORTS**

### Zero Harm Update

#### Agenda Item 6.1

The Zero Harm Manager highlighted, and responded to questions on, the following matters:

- Support provided to Community Connections team in relation to Raglan wharf.
- Recent training update for some staff.
- Dog attacks on staff. Corrective actions and recommendations from independent investigation had been reported to the Executive Leadership Team. Areas targeted for improvement were discussed.

**ACTION** – The investigation and corrective actions/recommendations in relation to dog attacks on staff to be included in the December 2020 Zero Harm workshop.

- Workplace Violence – funding of Tactical Communications training.
- Harm Event – Hitting objects with part(s) of body.

**ACTION** – Zero Harm to review and report back to elected members in relation to details of incidents of harm caused by objects hitting parts of a body.

Staff exploring the provision of more detailed analysis of Harm Events.

- Explanation of the high number of safety engagement conversations for Community Growth in July 2020.

### **Resolved: (Crs McInally/Woolerton)**

**THAT the report from the Chief Executive be received.**

### **CARRIED**

**WDC2011/07**

### Mana Whenua Forums

#### Agenda Item 6.2

The Iwi & Community Relationship Manager outlined the marae and Maaori organisations within the District and the proposed mana whenua clusters, and how these were derived.

The following matters were discussed in response to questions:

- Formation and boundaries between clusters – a hapuu may be represented in more than one cluster. Work would continue on this matter.
- Iwi and hapuu affiliations and rohe did not align with ward boundaries (e.g. Ngati Tahinga)
- How marae in north of District should be split and equity of representation for northern cluster.

**ACTION:** Staff to identify clusters/areas for the mana whenua forums on a map and present to elected members at a workshop in early 2021.

- Waikato-Tainui expressed support for the proposal at the recent JMA hui, acknowledging it would be a journey.
- Complexity of marae representation in the proposed southern cluster.
- Issue of remuneration and financial considerations to be explored by staff and report back to Council.

**Resolved: (Crs Thomson/Henderson)**

**THAT the report from the Chief Executive be received.**

**CARRIED**

**WDC2011/08**

Maaori Wards  
Agenda Item 6.3

The Democracy Manager summarised the report and the options available to Council for consideration. The following matters were discussed:

- Korero that had taken place with Waikato-Tainui, mana whenua and Maangai Maaori.
- Council's recent appointment of Maangai Maaori.
- Cost and likely outcome of a poll should the Council establish Maaori wards.

**Motion: (Crs Smith/McGuire)**

THAT the report from the Chief Executive be received;

AND THAT the Council does not establish Maaori wards for the 2022 local authority elections, and resolves to undertake a poll of electors in conjunction with the 2022 local authority elections on whether to establish Maaori wards for the 2025 and 2028 elections (Option 3b in the staff report);

AND FURTHER THAT the Council, working with Waikato Tainui and other Waikato local authorities, supports advocating for a change to the Local Electoral Act 2001 to remove the ability to demand or hold a poll on Maaori wards;

AND FURTHER THAT the Council requests that the Chief Executive, in consultation with His Worship the Mayor, notify iwi and marae within the District, of the Council's decision including the reasons for that decision.

**Amendment: (Crs Thomson/Church)**

THAT the report from the Chief Executive be received;

AND THAT the Council resolves in accordance with section 19Z of the Local Electoral Act 2001, to establish Maaori wards for the 2022 and 2025 local authority elections, noting that a public notice must be given of the Council's resolution and advising electors of their right to demand a poll to countermand this decision (Option 2 in the staff report);

AND FURTHER THAT the Council, working with Waikato Tainui and other Waikato local authorities, supports advocating for a change to the Local Electoral Act 2001 to remove the ability to demand or hold a poll on Maaori wards;

AND FURTHER THAT the Council requests that the Chief Executive, in consultation with His Worship the Mayor, notify iwi and marae within the District, of the Council's decision including the reasons for that decision.

The Amendment was put and a division was called:

For the Amendment: Crs Thomson, Gibb and Church.

Against the Amendment: Mayor Sanson, Crs Woolerton, Smith, McGuire, McInally, Lynch, Henderson, Eyre, Bech

The Amendment was lost and the Motion was then put, and a division was called.

**Resolved: (Crs Smith/McGuire)**

**THAT the report from the Chief Executive be received;**

**AND THAT the Council does not establish Maaori wards for the 2022 local authority elections, and resolves to undertake a poll of electors in conjunction with the 2022 local authority elections on whether to establish Maaori wards for the 2025 and 2028 elections (Option 3b in the staff report);**

**AND FURTHER THAT the Council, working with Waikato Tainui and other Waikato local authorities, supports advocating for a change to the Local Electoral Act 2001 to remove the ability to demand or hold a poll on Maaori wards;**

**AND FURTHER THAT the Council requests that the Chief Executive, in consultation with His Worship the Mayor, notify iwi and marae within the District, of the Council's decision including the reasons for that decision.**

For the Motion: Mayor Sanson, Crs Bech, Church, Eyre, Gibb, Henderson, Lynch, Thomson, McGuire, McInally, Smith, Woolerton.

Against the Motion: None

**CARRIED**

**WDC2011/09**

Delegations to Watercare Services Ltd

## Agenda Item 6.4

**Resolved: (Crs McGuire/Bech)**

**THAT the report from the Special Infrastructure Projects Manager be received.**

**CARRIED****WDC2011/10**

The Waters Contract Relationship Manager explained why the delegations were required and summarised the nature of the delegations. In response to questions, the following matters were discussed.

- Delegation to restrict water supply – why this was required. The parameters of section 193 Local Government Act 2002, and connection to enforcement powers under the bylaw, were referenced by the Legal Counsel.
- Administration of delegations was subject to restrictive conditions. Council would always have power to revoke delegations if unsatisfied with how they were exercised by Watercare staff.
- Specific delegations were previously exercised by Council staff; now transferred to contractor staff responsible for delivering the associated work and services. Watercare staff currently required approval from Waikato District Council to exercise the specified powers/responsibilities.
- Timing of why delegations were not requested earlier in the transition.
- A number of paths existed for Watercare staff to contact Waikato District Council staff if there were issues that needed to be flagged; it was expected this would operate, if required, for the exercise of these delegations.

**Resolved: (Crs Bech/McGuire)**

**THAT under Clause 32(5) of Schedule 7 of the Local Government Act 2002 and Section 34A(2) of the Resource Management Act 1991, the Council resolves to delegate the functions and powers set out in the following delegations table to the noted delegated employees of Watercare Services Limited (each “the delegate”), subject to the conditions specified below:**

Delegated functions and powers	Watercare delegate
Carry out and undertake all the functions, powers, or duties of an Enforcement Officer under the Local Government Act 2002 to the extent they relate to:  (a) offences under the Waikato District Council Water Supply Bylaw 2014 or Waikato District Council Trade Waste and Wastewater Bylaw 2016;	<ul style="list-style-type: none"> <li>• Business Manager – Watercare Waikato</li> <li>• Commercial Manager</li> <li>• Lead customer care Representative</li> </ul>

Delegated functions and powers	Watercare delegate
(b) an offence under the Local Government Act relating to water, water races, or private drains.	
Administer and enforce the Waikato District Council Water Supply Bylaw 2014 or Waikato District Council Trade Waste and Wastewater Bylaw 2016.	<ul style="list-style-type: none"> <li>• Lead Customer Care Representative</li> <li>• Compliance Advisor</li> </ul>
Recover for damage to water infrastructure assets operated by Watercare Services Limited for Waikato District Council under section 175 of the Local Government Act 2002 in accordance with the Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services between Council and Watercare Services Limited, including taking enforcement steps necessary to exercise the power.	<ul style="list-style-type: none"> <li>• Business Manager – Watercare Waikato</li> <li>• Commercial Manager</li> <li>• Lead customer care Representative</li> </ul>
Restrict water supply to a person’s land or building in the Waikato district under section 193 of the Local Government Act 2002.	<ul style="list-style-type: none"> <li>• Business Manager Watercare Waikato</li> <li>• Operations Manager Networks</li> </ul>
Consent to the discharge of trade wastes into sewerage drains under the control of Waikato District Council under section 196 of the Local Government Act 2002 if such consent is consistent with the WDC Trade Waste and Wastewater Bylaw 2016.	<ul style="list-style-type: none"> <li>• Lead Customer Care Representative</li> <li>• Compliance Advisor</li> </ul>
Authorise the undertaking of emergency works of a preventive or remedial nature under section 330 of the RMA in respect of water infrastructure assets operated by Watercare Services Limited for Council.	<ul style="list-style-type: none"> <li>• Business Manager Watercare Waikato</li> <li>• Operations Manager Networks</li> </ul>
Close to the public any esplanade strip or access strip during periods of emergency or public risk likely to cause loss of life, injury, or serious damage to property under section 237C of the RMA where it relates to.	<ul style="list-style-type: none"> <li>• Business Manager Watercare Waikato</li> <li>• Operations Manager Networks</li> </ul>

The following conditions are to apply when exercising any of the above delegations:

- 1) In making a decision or carrying out a duty under delegated authority, the delegates must make themselves aware of and have regard to:
  - (a) Council's Long Term Plan and other relevant Council or committee approved plans, policies and strategies
  - (b) the political context in which they are working
  - (c) any statutory requirements
  - (d) possible conflicts of interest
  - (e) the materiality of the decision to be made
  - (f) short and/or long-term ramifications of the decision/choice to be made
  - (g) relative risk to Council of the decision/choice to be made.
- 2) The delegate shall abide by the principles of decision making as set out in the Local Government Act 2002.
- 3) Where a decision is politically sensitive, the delegate shall seek input from a higher organisational level, or committee, or the Council, whichever is the most appropriate.
- 4) The delegate must act within the law, Council policy (as approved by the Council from time to time) and the Long Term Plan.
- 5) The Council notes that position titles change from time to time and hereby records that these delegations are given to the holders of positions as they are named at the date of this resolution and to holders of equivalent, albeit re-named, positions in the future.
- 6) In making a decision or carrying out a duty under delegated authority, the delegate must comply with the Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services between Council and Watercare (as amended from time to time).
- 7) The delegate must not exercise any power under sections 172 or 182 of the Local Government Act 2002 unless authorised to do so pursuant to the Agreement for Operation and Maintenance of Water, Wastewater and Stormwater Services.
- 8) The delegate must not subdelegate any of the powers delegated to it. If any further delegation is required, it must be sought from the Council.

**AND FURTHER THAT Council notes that the Delegations Register will be updated to reflect the above delegations.**

**CARRIED**

**WDC2011/11**

Schedule of Meetings 2021

## Agenda Item 6.5

The report was taken as read. His Worship the Mayor noted that additional meetings and workshops could be required during 2021, particularly in relation to the Long Term Plan.

**Resolved: (Crs McGuire/Church)**

**THAT the report from the Chief Executive be received;**

**AND THAT the Council adopts the 2021 Meeting Schedule, as attached to the staff report (Attachment I).**

**CARRIED**

**WDC2011/12**

Cr Gibb left the meeting at 10.56am during the above item and was not present when the matter was voted on.

Sale of Vehicle – 2017 Toyota Highlander KPT7

## Agenda Item 6.6

Mayor Sanson declared a financial conflict of interest in this item, withdrew from the meeting and did not take part in discussion or voting. Cr Bech assumed the Chair for this item.

**Resolved: (Crs Woolerton/Lynch)**

**THAT the report from the General Manager Service Delivery be received.**

**CARRIED**

**WDC2011/13**

The Community Connections Manager summarised the report, highlighting the independent valuation. The following matters were discussed in response to questions:

- There was currently no process to advise Councillors that a Council vehicle was to be sold.
- Council vehicles not sold internally would be put up for auction. Any Councillor interested in being notified of a proposed auction sale could advise the Community Connections team so that the Councillors can be advised at the appropriate time.
- Proposed sale was within the Council Policy. One independent valuation was obtained.
- The Sensitive Expenditure Policy was to be reviewed in 2021. The Chief Executive advised that due to the infrequent sale of Council vehicles to elected members, there was no urgency to bring that review forward.

**Resolved: (Cr Church/Smith)**

**THAT Waikato District Council approve the sale of 2017 Toyota Highlander KPT7 to an elected member at the market value of \$32,000 inclusive of GST;  
AND THAT the sale be supported by a tax invoice and subsequent receipt.**

**CARRIED**

**WDC2011/14**

Cr Gibb rejoined the meeting at 11.02am during discussion on the above item.

**EXCLUSION OF THE PUBLIC**

Agenda Item 7

**Resolved: (Crs Woolerton/Gibb)**

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

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1 – Confirmation of Minutes 21 September 2020	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
2 – Raglan Holiday Park Papahua Board of Governance – Appointment of Business Representative		



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, as follows:

Item No.	Section	Interest
Item Confirmation of Minutes	1	Refer to the previous Public Excluded reason in the agenda for the relevant meeting.
Item 2 – Raglan Holiday Park Papahua Board of Governance – Appointment of Business Representative	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.

**CARRIED**

**WDC2011/15**

Cr Bech withdrew as Chairperson at the conclusion of the above item, and Mayor Sanson resumed the Chair for the remainder of the meeting.

*Resolutions WDC2011/16 – WDC2011/19 are contained in the public excluded section of these minutes.*

Having concluded the public excluded meeting the following item was released into open meeting:

**REPORTS (CONTINUED)**

**Raglan Holiday Park Papahua Board of Governance – Appointment of Business Representative**

PEX Agenda Item 2.1

It was resolved [*Resolution No. WDC2011/18*] during the public excluded section of the meeting that the following resolution be released into open meeting but the report remain confidential and unavailable to the public:

*“Resolved: (Crs Smith/Woolerton)*

*THAT Council approves that Mr Tony Mayow be appointed as the Business Representative to the Raglan Holiday Park Papahua Board for a term of three years with effect from 2 November 2020, and with a right to stand for reappointment in accordance with the Raglan Holiday Park Papahua Board Charter.*

**CARRIED”**

There being no further business the meeting was declared closed at 11.42am.

Minutes approved and confirmed this                      day                      2020.

AM Sanson  
**CHAIRPERSON**

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### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	14 December 2020
<b>Prepared by</b>	Brendan Stringer Democracy Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Confirmation of Minutes

### **1. EXECUTIVE SUMMARY**

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To confirm the minutes of an emergency meeting held on Wednesday, 2 December 2020.

### **2. RECOMMENDATION**

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**THAT the minutes of an emergency meeting of Waikato District Council held on Wednesday, 2 December 2020 be confirmed as a true and correct record of that meeting.**

### **3. ATTACHMENTS**

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Open Minutes (Emergency) – 2 December 2020

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Minutes of an emergency meeting of the Waikato District Council held by Audio Visual Conference on **WEDNESDAY, 2 DECEMBER 2020** commencing at **2.20pm**.

**Present:**

His Worship the Mayor, Mr AM Sanson (Chairperson)  
Cr AD Bech  
Cr CA Eyre  
Cr JM Gibb  
Cr SL Henderson  
Cr SD Lynch  
Cr EM Patterson  
Cr JD Sedgwick  
Cr NMD Smith  
Cr CT Woolerton

**Attending:**

Mr GJ Ion (Chief Executive)  
Ms S Bourke (Secretary, District Licensing Committee)  
Ms C Pidduck (Legal Counsel)  
Mr J Quinn (Communications, Engagement & Marketing Manager)  
Mr B Stringer (Democracy Manager)  
Ms H Whitman-Bell (Democracy Support Advisor)

**APOLOGIES AND LEAVE OF ABSENCE**

**Resolved: (Crs Patterson/Smith)**

**THAT an apology be received from Crs Church, McInally, McGuire and Thomson.**

**CARRIED**

**WDC2012/01**

**CONFIRMATION OF STATUS OF AGENDA ITEMS**

**Resolved: (Mayor Allan Sanson/Cr Gibb)**

**THAT the agenda for a meeting of the Waikato District Council held on Wednesday, 2 December 2020 be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 4 which shall be considered with the public excluded.**

**CARRIED**

**WDC2012/02**

## **DISCLOSURES OF INTEREST**

There were no disclosures of interest.

## **EXCLUSION OF THE PUBLIC**

Agenda Item 4

**Resolved: (Crs Gibb/Patterson)**

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

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
I.1 - Appointment of Commissioner to District Licensing Committee	Good reason to withhold exists under Section 7 of the Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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, as follows:

Item No.	Section	Interest
Item 1.1 Appointment of Commissioner to District Licensing Committee	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.

**CARRIED**

**WDC2012/03**

*Resolutions WDC2012/04 – WDC2012/05 are contained in the public excluded section of these minutes.*

Having concluded the public excluded meeting the following items were released into open meeting:



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### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	4 December 2020
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CCL2020
<b>Report Title</b>	Actions Register – November

### **1. EXECUTIVE SUMMARY**

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Please find attached an update on the outstanding actions following the Council meeting in November 2020.

### **2. RECOMMENDATION**

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**THAT the report from the Chief Executive be received.**

### **3. ATTACHMENTS**

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Attachments:

- Action Register
- Iwi groups contact list within the Waikato District Council Region
- Mana whenua information as read at the November Council meeting

## 24 Waikato District Council – Action Register (Open)

Date	Action	Team Responsible	Status
2 November 2020	<p><b><u>Zero Harm</u></b></p> <p>The investigation and corrective actions/ recommendations in relation to dog attacks on staff to be included in the December 2020 Zero Harm workshop.</p> <p>Zero Harm to review and report back to elected members in relation to details of incidents of harm caused by objects hitting parts of a body.</p>	Chief Executive's Team	An overview of the investigation report is being presented at the Zero Harm Councillor Workshop on 14 <sup>th</sup> December 2020.
2 November 2020	<p><b><u>Zero Harm</u></b></p> <p>Zero Harm to review and report back to elected members in relation to details of incidents of harm caused by objects hitting parts of a body.</p>	Chief Executive's Team	Feedback to this action is included in the December 2020 Zero Harm report.
2 November 2020	<p><b><u>Mana Whenua Forums</u></b></p> <p>Staff to identify clusters/areas for the mana whenua forums on a map and present to elected members at a workshop in early 2021.</p>	Chef Executive's Team	<p>1. Attached is the report read out at November Council meeting.</p> <p>2. Attached is Marae contacts which has been updated as of December 2020</p> <p>Working with Spatial Team to supply / show on district map areas of iwi groups boundaries.</p>



**Iwi groups contact list within the Waikato District Council Region**

**All** the Iwi groups/Marae highlighted in **RED** are the recommended group/s you should engage with in the **first instance**.  
*Groups in black do not necessarily need to be contacted. Those groups are usually part of a cluster or Trust. The following information below will be checked every 3-4 months in case names, positions, numbers, or emails change - this will be done via group email and then followed up by a phone call if I have not heard back.*

*If you have any queries, please contact Ngahina Armstrong on [PIH@waidc.govt.nz](mailto:PIH@waidc.govt.nz)*

Area	Name of Iwi Group/Marae	Contact Person	Position	Email	Phone
<b>All WDC areas</b>	Waikato Tainui	Taroi Rawiri	Environmental Manager	[REDACTED]	[REDACTED]
		Wikitoria Tane	Consents	[REDACTED]	[REDACTED]
	Nгаа Muka Development Trust	Glen Tupuhi	Chair	[REDACTED]	[REDACTED]
<b>Glen Massey area</b>	Horahora Marae	Joe Manukau	Marae Chair	[REDACTED]	
<b>Glen Massey area</b>	Weraroa Marae	Matekino Marshall	Chair	[REDACTED]	[REDACTED]
<b>Glen Massey area</b>	Pukerewa Marae	Eru Whare	Chair	[REDACTED]	[REDACTED]
<b>Gordonton area</b>	Hukanui Marae	Piripi Matika	Marae rep	[REDACTED]	[REDACTED]
<b>Hampton Downs</b>	Ngaati Naho	Moko Tauariki	Rep	[REDACTED]	[REDACTED]
<b>Hampton Downs</b>	Nгаа Muka Development Trust secretary	Kay Davis	Secretary	[REDACTED]	[REDACTED]
<b>Hampton Downs</b>	Maurea Marae	Wiremu Tumai -Totorewa	Marae Chair	[REDACTED]	
<b>Hampton Downs</b>	Horahora Marae	Joe Manukau	Marae Chair	[REDACTED]	
<b>Hampton Downs</b>	Waikare Marae	Robert Tukiri	Marae Chair	[REDACTED]	[REDACTED]
<b>Hampton Downs</b>	Taniwha Marae	Marlene Raumati	Marae Rep		[REDACTED]
<b>Horotiu area</b>	Ngaati Tamainupoo Trust	Kimai Huirama	Chair	[REDACTED]	[REDACTED]
<b>Horotiu area</b>	Tuurangawaewae Marae	Dennis Ngataki	Environmental	[REDACTED]	[REDACTED]

			Rep		

<b>Huntly</b>	Waahi Whaanui Trust	Hori Awa	Manager		
<b>Huntly</b>	Hukanui a Muri Marae	Kawe Nikora	Marae Rep		
<b>Huntly</b>	Waahi Paa	Hone Haunui Rapana	Marae Rep		
<b>Huntly</b>	Waahi Paa	Huirama Matatahi	Trustee Chair		
<b>Huntly</b>	Kaitumutumu Marae	Manaaki Nepia	Marae Chair		
<b>Huntly</b>	Te Kauri Marae	Bill Takarei	Trustee Chair		
<b>Huntly</b>	Te Ohaaki Marae	Barry Maipi	Chair		
<b>Huntly</b>	Te Kauri Marae	Bill Takarei	Trustee Chair		
<b>Mangatangi area</b>	Mangatangi Marae	Warahi Paki	Marae Rep		
<b>Maramarua area</b>	Nгаа Muka Development Trust	Glen Tupuhi	Chair		
<b>Mercer/Meremere</b>	Nгааti Naho Trust	Crystal Cherrington	Environment Rep		
<b>Mercer/Meremere</b>	Nгааti Tamaoho Iwi Trust	Dennis Kirkwood	Chair		
<b>Meremere</b>	Nгааti Naho	Celia Heta	Rep		
<b>Meremere</b>	Nгааti Naho Trust	Joe Heta	Rep		
<b>Morrinsville area</b>	Nгааti Hauaa Iwi Trust	Lisa Gardner	Manager		
<b>Morrinsville area</b>	Te Iti o Hauaa Marae	Lance Rapana	Chair		
<b>Morrinsville area</b>	Waimakariri Marae	Charlie Rauwhika	Chair		

<b>Ngaaruawaahia</b>	Ngaati Tamainupoo Trust	Kimai Huirama	Chair	[REDACTED]	[REDACTED]
<b>Ngaaruawaahia</b>	Tuurangawaewae Marae	Dennis Ngataki	Environmental Rep	[REDACTED]	[REDACTED]
<b>Ngaaruawaahia</b>	Tuurangawaewae Marae Trust Board	Vinney Kingi	Trust Board Administrator	[REDACTED]	[REDACTED]
<b>Ngaaruawaahia West</b>	Waikeri Marae	Tahi Wilson	Rep	[REDACTED]	[REDACTED]
<b>Ohinewai</b>	Nгаа Muka Development Trust	Glen Tupuhi	Chair	[REDACTED]	[REDACTED]
<b>Ohinewai</b>	Matahuru Marae	Lawrence Nikau	Marae Chair	[REDACTED]	[REDACTED]
<b>Ohinewai</b>	Matahuru Marae	Kero Nikau	Trust Chair	[REDACTED]	[REDACTED]
<b>Ohinewai</b>	Waahi Whaanui Trust	Hori Awa	Manager	[REDACTED]	[REDACTED]
<b>Ohinewai</b>	Te Riu o Waikato	Ricky Maipi	Manager	[REDACTED]	[REDACTED]
<b>Pokeno</b>	Ngaati Naho Trust	Crystal Cherrington	Environment Rep	[REDACTED]	[REDACTED]
<b>Pokeno</b>	Ngaati Naho Trust	Joe Heta	Chair / Rep	[REDACTED]	[REDACTED]
<b>Pokeno</b>	Ngaati Tamaoho Iwi Trust	Dennis Kirkwood	Chair	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Oraeroa Marae	Richard Thompson	Rep	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Oraeroa Marae				
<b>Port Waikato</b>	Te Taniwha o Waikato	Nanaia Rawiri	Environmental Rep	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Holiday Park	Rereokeroa Shaw	Manager	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Te Awamaarahi Marae Ngaati Aamaru	Hero Potini	Chair	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Te Kotahitanga Marae	Dennis Holland	Marae Chair	[REDACTED]	[REDACTED]
<b>Port Waikato</b>	Te Kotahitanga Marae	Percy Poihipi Kukutai	Trustee Chair	[REDACTED]	[REDACTED]

<b>Port Waikato</b>	Tauranganui Marae	Patience Te Ao	Trust Chair		
<b>Port Waikato</b>	Tauranganui Marae				
<b>Port Waikato</b>	Oraeroa Marae	Richard Thompson	Rep		
<b>Port Waikato</b>	Werarua-Port-West Coast	Sam Karaka	Rep		
<b>Port Waikato</b>	Tikirahi Marae	Ata Te Ao	Rep		

<b>Raglan</b>	Committee - Trustee Whaingaroa ki te whenua	Angeline Greensill	Rep		
<b>Raglan</b>	Committee – Chair Te Kopua <b>2B3 Incorporated</b>	Tuaiwa (Darcel) Rickard	Rep		
<b>Raglan</b>	Committee – Trustee - Te <b>Kopua 2B3 Incorporated</b>	Manihera Forbes	Rep		
<b>Raglan</b>	Committee – Trustee – Te Kopua 2B3, Te Kopua 3 and <b>Te Kopua 4 Land blocks</b>	Rolande Paekau	Rep		
<b>Raglan – Camping Ground and westward surrounding areas</b>	<b>Camping Ground ONLY</b>	Heather Thomson	Rep		
<b>Raglan – Camping Ground and westward surrounding areas</b>	Nгаа Uri o Mahanga Trust	Warren Williams	Chair		
<b>Rangiriri</b>	Nгаа Muka Development Trust	Glen Tupuhi	Chair		
<b>Rangiriri</b>	Nгааti Naho	Brad Totorewa	Rep		
<b>Rangiriri</b>	Nгааti Naho	Moko Tauriki	Rep		
<b>Rangiriri</b>	NMDT - Secretary	Kay Davis	Secretary		
<b>Rangiriri</b>	Horahora Marae	Joe Manukau	Marae Chair		
<b>Rangiriri</b>	<b>Maurea Marae</b>	<b>Wiremu Tumai -Totorewa</b>	<b>Marae Chair</b>		
<b>Rangiriri</b>	Waikare Marae	Robert Tukiri	Marae Chair		
<b>Rangiriri</b>	Taniwha Marae	Jackie Colliar	Trust Chair		

<b>Tamahere area</b>	Ngaati Hauaa Iwi Trust	Lisa Gardner	Manager		
<b>Taupiri &amp; surrounding area</b>	Taupiri Marae	TK George	Environmental Rep		
<b>Taupiri &amp; surrounding area</b>	Taupiri Marae	Donald Turner	Marae Chair		

<b>Tauwhare</b>	Ngaati Hauaa Iwi Trust	Lisa Gardner	Manager		
<b>Tauwhare</b>	Tauwhare Marae	Lance Rapana	Marae Rep		
<b>Te Kauwhata and surrounding areas</b>	Nгаа Muka Development Trust	Glen Tupuhi	Chair		
<b>Te Kauwhata and surrounding areas</b>	Nгаа Muka Development Trust secretary	Kay Davis	Secretary		
<b>Te Kauwhata and surrounding areas</b>	Horahora Marae	Joe Manukau	Marae Chair		
<b>Te Kauwhata and surrounding areas</b>	Maurea Marae	Wiremu Tumai -Totorewa	Marae Chair		
<b>Te Kauwhata and surrounding areas</b>	Waikare Marae	Robert Tukiri	Marae Chair		
<b>Te Kauwhata and surrounding areas</b>	Taniwha Marae	Jackie Colliar	Trust Chair		
<b>Te Kowhai area</b>	Waikeri Marae	Sonny Roberts	Marae Chair		
<b>Tuakau</b>	Nгаа Tai e Rua Marae	Tom Herangi	Chair		

<b>Tuakau</b>	Huakina Development Trust	Rosalie Ellis	Administrator		
<b>Tuakau</b>	Te Kotahitanga Marae	Percy Poihipi Kukutai	Trustee Chair		
<b>Waingaro area</b>	Waingaro Marae	Sonny Matenga	Rep		
<b>Waingaro area</b>	Ngaati Tamainupoo Trust	Kimai Huirama	Chair		
<b>Waingaro area</b>	Poihakena Marae	Rolande Paekau	Chair		
<b>Whatawhata and westward surrounding Areas</b>	Nгаа Uri o Mahanga Trust	Warren Williams	Chair		
<b>Whatawhata</b>	Te Papa o Rotu Marae	Milton Ngarue	Chair		
<b>Whatawhata</b>	Oomaeroa Marae	Rik Samuels	Chair		

Area	Name of Iwi Group	Contact Person	Position	Contact Details	Phone
<b>ALL WDC area</b>	<b>Waikato Tainui</b>	Taroi Rawiri Wikitoria Tane	<b>Manager Consents</b>		
<b>Hamilton</b>	<b>Hamilton City Council</b>	Muna Wharawhara	<b>Iwi Liaison</b>		

## **Maaori Clusters within Waikato District Council**

There is an opportunity to look at splitting Waikato District Council into 4 sections in order to identify the various Maaori groups within the district. They would be identified as The North, The South, The East, and The West. Hamilton City Council and Tauranga City Council has Maaori working parties / forums or clusters in place where the Councils engage with Maaori representing local mana whenua.

### **Cluster options**

The Northern boundary incorporating Maaori groups from Meremere, Mercer, Pokeno and Tuakau to Port Waikato and Whangamarino district, Rangiriri, Te Kauwhata surrounding district.

#### **Consideration for the North.**

1. **Cluster 1.** Te Taniwha o Waikato which incorporates River Marae from Rangiriri, Tuakau and all marae along and up to Port Waikato (9 Marae). Te Taniwha o Waikato is made up of 1 x marae representative of each marae.
2. **Cluster 2.** Which incorporates Ngaati Naho and Ngaati Tamaoho. This group is broken into 3 sections Ngaati Naho in Rangiriri and Hampton Downs - Ngaati Naho in Meremere, Mercer and Pokeno. Ngaati Tamaoho is included in Mangatangi, in Mercer to Pokeno.
3. **Cluster 3.** Nгаа Muka Development Trust which is made up of 5 marae within the surrounding area covering Whangamarino, Rangiriri and Te Kauwhata surrounding areas.

#### **Option1.**

For this Cluster WDC may consider meeting with only the chairs from the various groups

#### **Option 2.**

WDC may consider meeting with the individual cluster groups.

#### **Consideration for the South**

The Southern Boundary incorporating Maaori groups from Ohinewai and Huntly to Ngaaruawaahia

1. **Cluster 1.** which incorporates marae groups from Ohinewai, and Huntly (6 marae) made up of 1 x representative from each marae. For this cluster there may be 2 other Maaori groups that will show interest, and they are Waahi Whaanui Trust and Te Riu o Waikato
2. **Cluster 2.** which incorporates Taupiri marae, Ngaaruawaahia (Turangawaewae marae and Ngaati Tamainupoo) covering Taupiri area, Ngaaruawaahia area, Haakarimata and Horotiu.

#### **Consideration for the East**

The eastern boundary covers Gordonton surrounding district to Tamahere and Tauwhare

**Cluster 1.** which incorporates 1 representative from Gordonton area (Hukanui marae and General Manager of Ngaati Hauaa iwi Trust.

**Consideration for the West**

The Western boundary covers Te Kowhai, Whatawhata, Whaingaroa (Raglan) surrounding area and Waingaro.

**Cluster 1.** Te Kowhai marae and Ngaa Uri o Maahanga Trust which covers Whatawhata and surrounding areas.

**Cluster 2.** Marae groups or Trusts in the Raglan and surrounding areas



### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	1 December 2020
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Policy & Regulatory Committee Recommendations

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to seek the Council's approval of the recommendations from the Policy & Regulatory Committee meeting of Monday, 23 November, as set out below.

The Policy & Regulatory Committee Agenda and Unconfirmed Minutes from its meeting of Monday, 23 November 2020 can be found on the Council website:

<https://www.waikatodistrict.govt.nz/your-council/council-committees-boards/council-committees/policy&regulatory-committee>

## **2. RECOMMENDATIONS FROM THE POLICY & REGULATORY COMMITTEE**

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Consultation Approval for the Waikato District Council Keeping of Animals Bylaw (P&R2011/06)

**THAT Council confirms that the Waikato District Council Keeping of Animals Bylaw is the most appropriate form of bylaw;**

**AND THAT Council confirms the Waikato District Council Keeping of Animals Bylaw does not give rise to any implications under the New Zealand Bill of Rights Act 1990 and that it is satisfied that the bylaw can be justified as a reasonable limitation on people's rights and freedoms.**

Approval for Revocation of Policies (P&R2011/07)

**THAT Council approves the policies, listed below, be revoked with immediate effect:**

- **Temporary Road Closures and Events on Roads and Banners.**
- **Code of Conduct 2013 - Council and Community Committees.**
- **Leasing - Rural Halls.**

Adoption of the Proposed Alcohol Control Bylaw (P&R2011/08)

**THAT Council adopt the Proposed Alcohol Control Bylaw 2020 (as detailed in Appendices 1, 2 and 3 attached to the Committee report (Item 6.7 in the Policy & Regulatory Committee Agenda)).**

### **3. ATTACHMENTS**

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Nil

### **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	1 December 2020
<b>Prepared by</b>	Lynette Wainwright Committee Secretary
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Infrastructure Committee Recommendations

## **I. EXECUTIVE SUMMARY**

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The purpose of this report is to seek the Council's approval of the recommendations from the Infrastructure Committee meeting of Monday, 30 November 2020, as set out below.

The Infrastructure Committee Agenda and Unconfirmed Minutes from its meeting of Monday, 30 November 2020 can be found on the Council website:

<https://www.waikatodistrict.govt.nz/your-council/council-committees-boards/council-committees/infrastructure-committee>

## **2. RECOMMENDATIONS FROM THE INFRASTRUCTURE COMMITTEE**

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Adoption of Woodlands Estate Historic Reserve Management Plan (INF2011/06)

**THAT Council adopts the draft Woodlands Estate Historic Reserve Management Plan (Attachment 2 to the Committee report) and Concept Plan (Attachment 3 to the Committee report, Item 5.4 Infrastructure Committee Agenda).**

Waikato District Alliance GAIN Share Distribution (INF2011/07)

**THAT Council distribute the WDA GAIN share of \$151,945 as follows:**

- **Tuakau Pavers Project** **\$151,945.**

Inorganic Kerbside Collection (INF2011/10)

**THAT Council agrees to consult with the public, as part of the Long Term Plan 2021-31, on whether to continue to deliver the Inorganic Kerbside Collection service after July 2021 (Option 2 in the Committee report – Item 5.8 Infrastructure Committee Agenda).**

Name of the Railway Station at Huntly (INF2011/11)

**THAT Council approves that the railway station at Huntly be named the Raahui Pookeka/Huntly station.**

### **3. ATTACHMENTS**

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Nil

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## **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	November 2020
<b>Prepared by</b>	Lynn Shirley Zero Harm Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Zero Harm Update

### **I. EXECUTIVE SUMMARY**

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The purpose of this report and its attachment is to provide an update on current health and safety performance. Council recognises that compliance is essential, but it aspires to achieve a sustainable zero harm culture, where everyone works safely and goes home safe every day.

Councils' zero harm culture shall be supported by a health and safety management system of policies, standards and procedures that eliminate or effectively manage risk and enable best practice.

### **2. RECOMMENDATION**

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**THAT the report from the Chief Executive be received.**

### **3. BACKGROUND**

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#### **'Our People' - Safety Leadership and Engagement**

##### Safety and Wellness Engagement Conversations

The Chief Executive, Executive Leadership Team (ELT) and People Leaders continue to undertake Safety Engagement Conversations.

There were 202 and 247 Safety Engagement Conversations recorded in BWare Safety Manager (BWare) for the months of October and November, respectively.

##### Leadership and Governance

The Executive Leadership Team (ELT) have approved the ZHSMS 1.1.3 Health and Safety Governance Standard and the associated Health and Safety Governance Activity Plan for the remainder of FY20/21. Actions have been raised in BWare Safety Manager for the Chief Executive and ELT to track the completion of their governance activities.

Work is still progressing on finalising the ZHSMS 1.1.1 Safety Leadership and Culture Standard.

## Work Safe, Home Safe (WSHS) 2021

Arrangements are progressing for the WSHS 2021 event being held from the 9<sup>th</sup> to 12<sup>th</sup> February. The project team is now meeting weekly. One of the key health and wellbeing focuses for the 2021 event will be the option for staff to either have a healthy heart check or a skin scan check. An email has been sent to all staff asking them to select their preferred option.

## **Disciplined Management Systems**

### Event Management

There was a total of six First Aid (Severity 6) events, 14 Minor Near Miss (Severity 7) events and one Serious Near Miss (Severity 3) event recorded in BWare for the months of October and November.

Two of the events were associated with work being undertaken by contractors. These events are summarised in the following table;

Team	Task being undertaken	Associated Critical Risk	Event Description	Comments
Contractor – Service Delivery Solid Waste	Collection of refuse and recyclables	<i>On Road Driving</i>	The driver of a solid waste truck pulled over to the side of the road (Waiuku Road) to let a car pass. The edge of the road had a steep drop off. The truck got too close to the edge and slid off the road on its side, into a ditch. The driver was unharmed but shaken.	Police were called and support was provided by the contracted organisation. Escalations were completed as per contract requirements. The contractor is now completing an investigation.
Contractor – Service Delivery Water Operations	Checking of pumps and filters	<i>Working Alone</i>	A Wastewater Treatment Plant Operator was shifting a lifting A-frame between chambers when the wheel of the A-frame caught in an area of uneven ground. This caused the A-frame to overbalance and topple over. The central pull bar hit the operator's knees causing bruising to both knees.	Workplace first aid was provided. External medical treatment was sought. Contracted organisation completed the escalations required under the H&S Framework for the contract. The contractor has completed an investigation and provided the report to Council for review.

The attached Zero Harm Dashboard illustrates safety performance for October and November 2020.

Action from Previous Council Meeting:

In the November Council Meeting, Elected Members noted that several of the health and safety events reported in FY20/21 (since 1 July 2020) are related to the mechanism of injury “hitting objects with parts of body”.

The Zero Harm Team was asked to review and report back to Elected Members with more information on these events. The below table summarises the additional information from BWare Safety Manager in relation to these events.

Month	Workgroup	Mechanism of Injury	Event Description	Body Part Injured
August	Animal Control	Hitting objects with parts of body	Bruised hand while trying to separate two fighting dogs	Hand
September	Customer Delivery	Hitting objects with parts of body	Reached into drawer to grab stapler and stabbed my finger on the scissors	Hand
October	Customer Delivery	Hitting objects with parts of body	Hit arm on tap that is on the outside of the building as I walked past it	Arm
November	Customer Delivery	Hitting objects with parts of body	Moving shelves and was getting the end piece of it when I scraped the top of my thumb	Hand

Zero Harm Strategic Improvement Plan FY20/21

The Zero Harm Team has been progressing the implementation of the strategic improvement activities detailed in the FY20/21 Zero Harm Strategic Plan. The five activities planned for Quarter 1 have been completed and the 9 activities planned for Quarter 2 are all underway. The FY20/21 Zero Harm Strategic Plan is attached for reference.



Safe Systems of Work – Job Safety Analysis and Contractor Management

Over the last two months the Zero Harm Team has arranged and coordinated the delivery of training to support;

- the identification and management of workplace hazards,
- the auditing of contractors hazard and risk management documentation and;
- the development of quality Promapp processes (Standard Operating Procedures) for operational tasks undertaken by Council staff

The table below illustrates the training that has been delivered.

Training delivered	Number of workers trained
NZQA Unit Standard 30265 Workplace Risk Assessment	40
NZQA Unit Standard 19522 Job Safety Analysis (JSA)	24

### Interaction with Other PCBUs

The Zero Harm team has continued to understand and progress the development of relationships with other Persons Conducting a Business or Undertakings (PCBUs) who we share overlapping duties with.

Key activities undertaken in the past two months include;

- Supporting the Community Connections Team with the implementation of controls to manage the risks associated with the operation of the Raglan Wharf. A site visit was undertaken in November with the Chief Executive to check on the progression of interim controls and to understand the scope of work..
- Participation in a desktop emergency response procedure trial with the Waikato District Alliance (WDA) team for the Brownlee Avenue Depot.

## **Managed Risks**

### Critical Risk Management

As planned, over the last two months the Zero Harm Team has meet with the ELT champions and Safety Action Team (SAT) representatives of the following critical safety risks to undertake a 6 monthly risk review:

- On Road Driving – Gavin Ion
- Asbestos – Alison Diaz

The status of these risks following the review is illustrated in the following table.

Critical Safety Risk	Implemented Controls Status				Controls not yet Implemented	Implementation % (target of > 80%)
	Strong	Adequate	Weak	Total		
On Road Driving				31	2	94%
Asbestos	6	15	2	23	5	82%

### Working with Dangerous Animals

A gap analysis against the newly developed Working with Dangerous Animals (dogs) Critical Risk Bowtie is scheduled to be undertaken with members of the Animal Control Team in early December. The gap analysis will then form the basis for an improvement action plan.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

### **4.1 DISCUSSION**

This report is to assist Councillors with their due diligence requirements as Officers. The report should start the conversation and provide opportunities for Councillors to raise questions and discuss progress.

### **4.2 OPTIONS**

Council could choose to accept the report or not. Council could ask for additional information if needed.



## 5. CONSIDERATION

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### 5.1 FINANCIAL

There are no direct financial requirements identified in this report.

### 5.2 LEGAL

This report is prepared as part of assisting Council to meet its duties in accordance with the Health and Safety at Work Act 2015 and associated regulations.

### 5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Council has a Zero Harm Commitment (Policy) and Zero Harm Strategy which forms the basis of our health and safety philosophy and management system.

### 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
		✓	Internal
	✓		Community Boards/Community Committees
			Waikato-Tainui/Local iwi
			Households
			Business
			Other Please Specify

Council engages with our Community Boards and Community Committees to ensure they are clear on their obligations. Council also undertakes audits and safety engagement conversations in relation to our contractors.

## 6. CONCLUSION

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This report provides an update on our Zero Harm Safety Management System and monthly health and safety performance.

## 7. ATTACHMENTS

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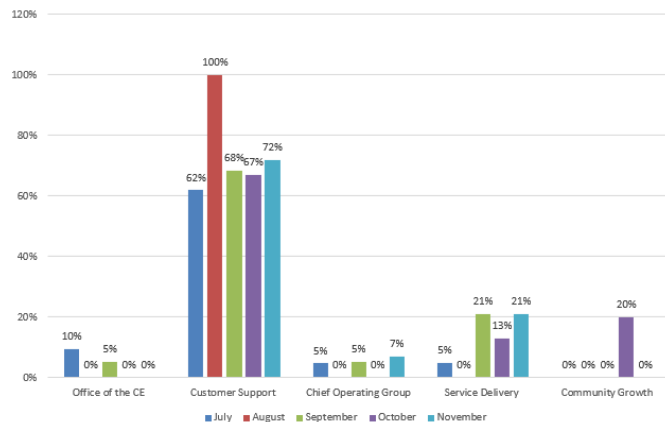
Zero Harm Performance Dashboard November 2020  
Zero Harm Strategic Improvement Plan FY20/21 V3

# Zero Harm Performance Dashboard - November 2020

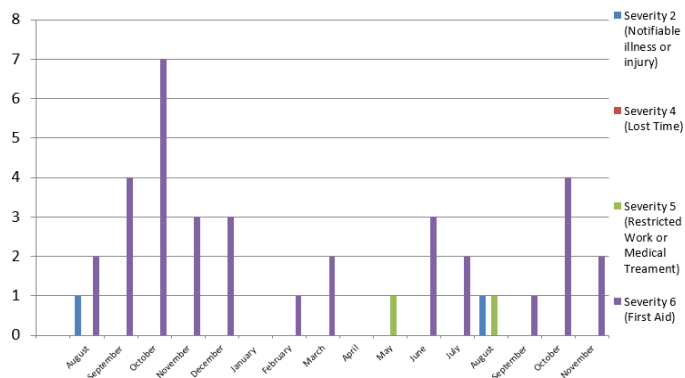


## Event Management

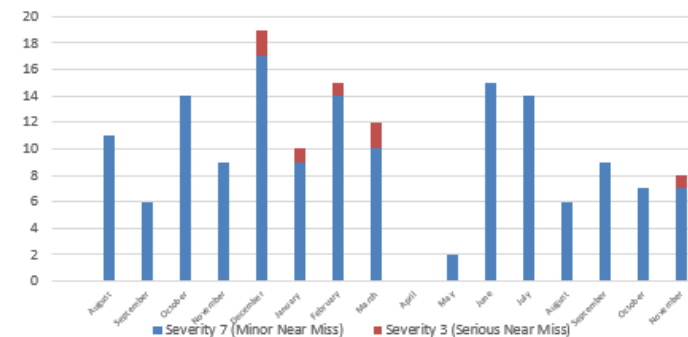
Percentage of Total Events Reported by Business Unit



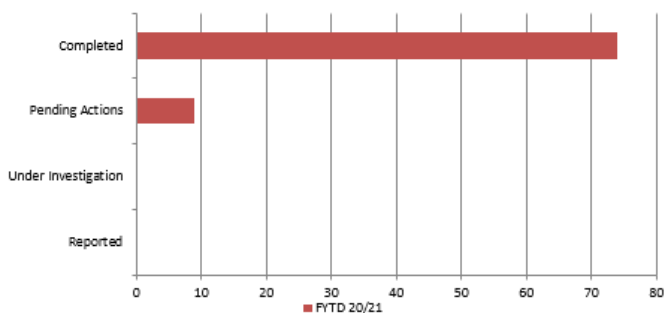
Personal Injury Events by Severity Rating



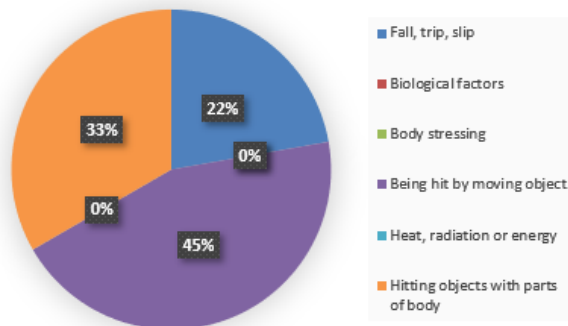
Near Miss Events



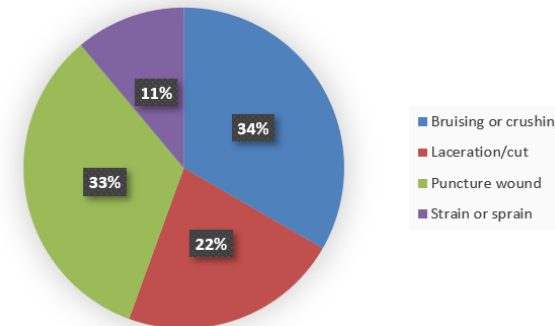
Event Management Status



Mechanism of Harm Year to Date

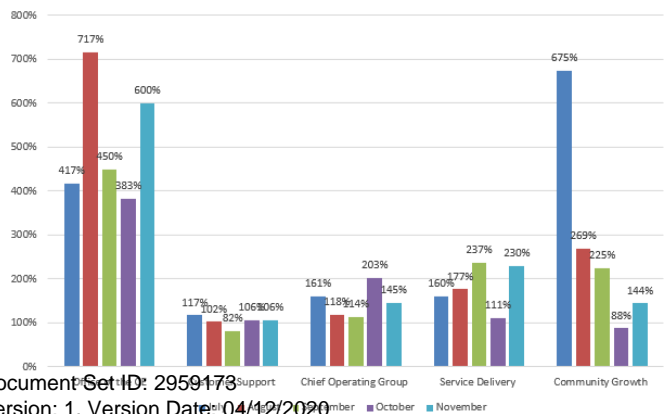


Nature of Injury Year to Date

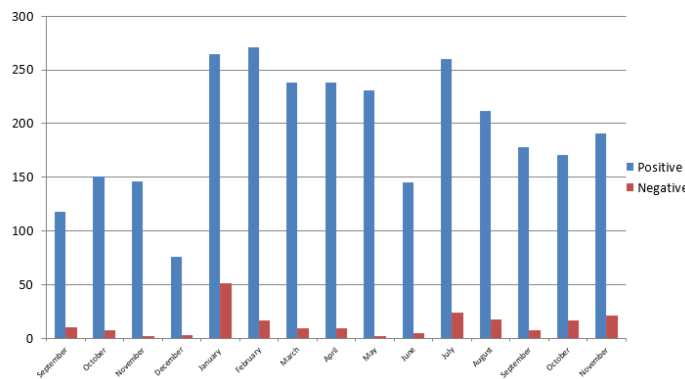


## Safety Leadership

Safety Engagement Conversations (Percentage of target)



Nature of Safety Engagement Conversation



## Key Take Outs

A summary of key insights in relation to Event Management and Safety Leadership and Engagement

- There are 9 events that have pending corrective actions this month. Need to keep focus on timely completion of corrective actions.
- 21 Safety Engagement Conversations were recorded as 'negative' this month. This means that they were as the result of intervening following an unsafe act or condition. Examples recorded include;
  - Unsafe act by contractor
  - Need to take correct vehicle for task
  - Pain and discomfort that was not reported early
  - Work related bullying
  - Impacts of Pukemiro event

# Zero Harm Performance Dashboard - November 2020



## Contractor Safety Management

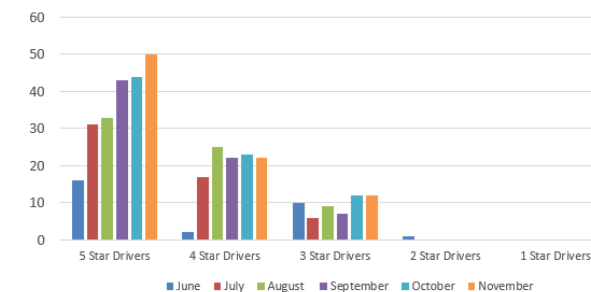
Zero Harm Team Contractor Safety Management	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Contracted Work H&S Risk Assessment	4	3	3		7							
Contract Manager H&S Advice and Support					5							
Contractor Site Visit or Inspection	1		9	2	11							
Contractor Pre-Start or Tool Box Meeting			1		2							
Contractor H&S Meeting			4	1	1							
Contractor Task or JSA Review and Approval	2	1	4	5								
Contractor Task or JSA Field Audit		1	2									
Contracted Work Safety Plan Review and Approval	4	3	2	1								
Contracted Work Safety Plan (SSSP) Field Audit				1								
Contracted Work End of Project H&S Review				1	1							

Interaction with other PCBUs		
Issues Raised/ Opportunity for Improvement	Actions (Us and Others)	Other Comments
Event at Te Kowhai WWTP site involving a mobile pump /filter lifting that fell over while being moved. Hit Watercare worker on the knees	Have requested Watercare to provide copy of investigation report for review and information on corrective actions they plan to implement.	
Testing of emergency response procedure for damaged cement tank at WDA Brownlee Avenue site.		Provided support with running desk top scenario
Health and Safety risks identified with Raglan Wharf Operation	Risk assessment and falling from height controls being shared with Wharf stakeholders	

## Critical Risk Management

Risk	Description	People Exposed	Risk Management Activities	Gaps/ Improvements/ Progress	Controls in Place	Controls to be Implemented	Level of Assurance	Incidents/ Issues/Events
On Road	Asbestos is a natural occurring silicate rock mineral. Asbestos has been incorporated into a number of materials for construction, cladding and thermal acoustic insulation of offices, factories and in a wider range of products including vehicle brake pads. The presence of asbestos does not automatically denote risk. The potential release of asbestos fibres includes but is not limited to activities where materials containing asbestos are sanded, swan, drilled, water blasted or handled in maintenance and removal tasks. Asbestos containing materials that are in a poor condition may also pose a risk. Inhalation of asbestos fibres has been shown to pose a potentially fatal health risk. Harm may result from any exposure level.	Workers (ours and contractors), members of the public	Asbestos Management Surveys Asbestos Management Plans Asbestos signage Asbestos Removal Control Plans	Funding to be requested as part of AMPs for conducting Asbestos Management Surveys over next three years.  Annual reviews and signage inspections will be integrated into the Planned Preventative Maintenance Programme undertaken by Cushman Wakefield	23	5	82%	The recently completed risk review identified two controls that have been implemented that are classified as weak. Additional actions have been assigned to strengthen these controls. They are signage inspections and emergency response procedures

WDC ERoad Driver Star Rating



## Worker Engagement

Key items raised at Safety Action Team (SAT) meeting and other worker feedback

- Review of mechanisms for recognizing or rewarding our people who demonstrate safety leadership, take action to prevent harm to others or role model our Zero Harm Essentials. SAT discussed what this may look like. Zero Harm Team are tasked with putting process together and presenting at next SAT meeting.
- WSHS Project Team which includes SAT reps is now meeting weekly to plan WSHS 2021 event
- Great feedback has been received from workers who attended the recent Workplace Risk Assessment and/or Job Safety Analysis (JSA) training delivered by Impac

**Vision (Mission)**

**Mahi Tika Kaainga ora "Work Safe Home Safe"**

We are committed to pursuing a culture of Zero Harm by eliminating or managing health, safety and wellbeing risks. We believe that :

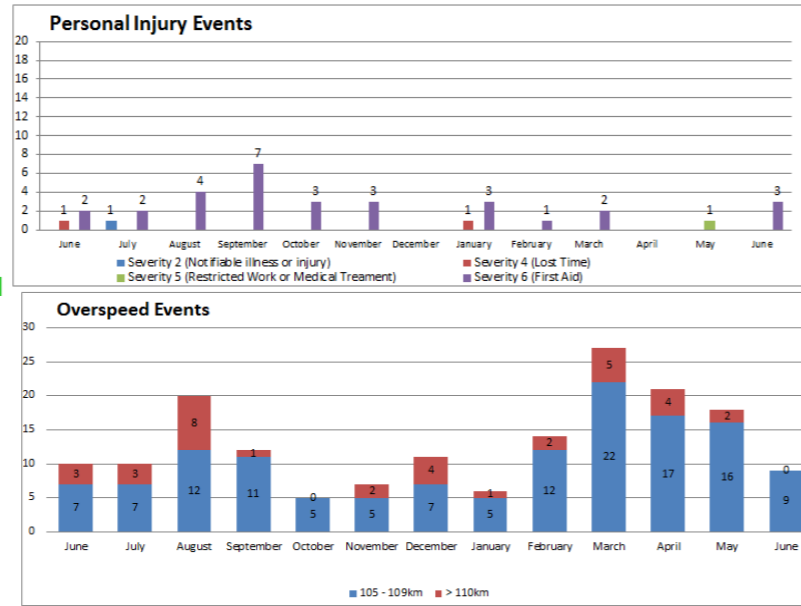
- By looking after ourselves and others we will return home safe every day
- Health and safety is everyone's non-negotiable responsibility
- Work should only start when all safety critical controls are in place



**Performance, gaps and targets (Key Challenges) Where are we?**

**2019 / 2020 Performance**

- 3 Total Recordable Injuries (TRIs) (63% reduction on 18/19)
- 264 events reported in BWare (21% reduction on 18/19)
- 160 Over speed events (46% reduction on 18/19)
- 32 Over speed events at greater than 110km (52% decrease on 18/19)
- 1 WorkSafe NZ Notifiable Injury event (Slip at Huntly Pool)
- The number of safety engagement conversations being held has increased (67% increase on 18/19)



**Gaps**

- Our documented H&S Management System is still being developed
- We have limited visibility of our legislative obligations and assurance of compliance to these obligations
- A number of people leaders have not received safety leadership training
- Implementation of our critical risk standards and bowtie control plans has been slower than planned

**Reflection on activities (2019/2020) (Key Activities) How did we perform?**

Theme	Rating	Key result/meaning?
People	Green	The Safety Action Team (SAT) received Health and Safety Representative Stage 1 Training. Work Safe, Home Safe 2020 Week was successfully delivered in accordance with the project plan. 75% of the organisation completed the on-line Zero Harm Induction refresher assessment. Zero Harm continued to support the Wellbeing Collective and wellbeing activities were integrated into the Work Safe Home Safe week. Personal health testing and influenza vaccinations were offered to all staff and uptake was similar to FY18/19.
Disciplined Management Systems	Green	Have continued to develop our documented Zero Harm Safety Management System (ZHSMS) with 17 procedures now implemented. The ZHSMS is now being developed to meet the requirements of AS/NZS ISO 45001:2018. New additions include Hazard & Risk Management, Volunteer Worker Management, Training and Competency and Worker H&S Induction. Significant progress continues to be made reviewing current physical works contractor H&S plans. Work is still continuing on our documented contractor health and safety management procedures. Workgroup hazard registers continued to be reviewed and updated. BWare continues to be used successfully for the management of all risks, hazards, events and corrective actions.
Managed Risks	Yellow	A documented management standard was developed for On Road Driving and the Workplace Violence standard was revised to include training requirements. Due to Covid 19 no work was undertaken on the development of the Working on or Near Roads or Work-related Fatigue management standards. Implementation of controls for the first four critical risks has continued to progress. Significant progress has been made on the implementation of controls for managing the risk of working alone.

**"Work Safe, Home Safe" 2020/2021 (Team Objectives, Tactics, Projects and Targets)**

Goal	Activities	Lead	Q1	Q2	Q3	Q4
<b>Our People</b> Activity Key: Planned Completed Underway Not started	1. Develop Safety Leadership and Culture Management Standard	ZHT		Yellow		
	2. Undertake a Safety Leadership survey with all People Leaders	ZHT			Grey	Grey
	3. Further develop and deliver Safety Leadership training programme for People Leaders	ELT/ ZHT				Grey
	4. Work Safe, Home Safe 2021 Campaign developed and deployed to all workers and councillors	ZHT		Yellow	Grey	
	5. Support and promote the activities detailed in the Wellbeing Collective 2020 Plan	ZHT	Green	Green	Grey	Grey
<b>Disciplined Management Systems</b>	1. Develop Zero Harm Compliance Calendar	ZHT			Grey	Grey
	2. Develop and implement the Zero Harm Management System Framework to AS/NZS ISO 45001:2018	ZHT	Green	Yellow	Grey	Grey
	3. Develop and implement revised Contractor H&S Management System	ZHT	Green	Yellow	Grey	Grey
	4. Implement the H&S Training and Competency Management Standard	ZHT	Green	Yellow	Grey	Grey
	5. Develop and implement Safe Systems of Work— Job Safety Analysis (JSA) Management Standard	ZHT		Yellow	Grey	
	6. Develop and implement ZHSMS auditing programme	ZHT			Grey	Grey
	7. Develop and implement H&S Legislative Obligations Register and assurance process	ZHT, ELT, Legal			Grey	Grey
<b>Managed Risks</b>	1. Implement Bowtie Controls for Hazardous Substances, Workplace Violence, Asbestos and On Road Driving Critical Risks	ZHT	Green	Yellow	Grey	Grey
	2. Develop Critical Risk Standard and Bowtie for Working on or Near Roads	ZHT			Grey	
	3. Develop Critical Risk Standard and Bowtie for Working with Dangerous Animals	ZHT		Yellow		
	4. Develop Critical Risk Standard and Bowtie for Work-related Stress	ZHT			Grey	
	5. Develop Critical Risk Standard and Bowtie for Working with Firearms	ZHT				Grey

## Zero Harm “Work Safe, Home Safe” Strategic Plan 2020/2021

### KEY PERFORMANCE INDICATORS

Objective and detail	Target (+/- 15%)	Unit	Deadline	Completed
1. Undertake Safety Leadership survey with all People Leaders	74	Surveys completed	31st March 2021	
2. Further develop and deliver Safety Leadership Training programme for People Leaders	74	People Leaders trained	30th June 2021	
3. Work Safe, Home Safe 2021 campaign developed and deployed including induction refresher training	260+	People completing induction re-fresher training	31st March 2021	
4. Support and promote the activities detailed in the Wellbeing Collective 2020 Plan including the delivery of personal health testing	128+	Personal health tests completed	31st March 2021	
5. Support and promote the activities detailed in the Wellbeing Collective 2020 Plan including the delivery of annual influenza vaccinations	96+	Flu vaccinations completed	30th June 2021	
6. Continue to review and further develop the Zero Harm Safety Management System Framework including standards and procedures to AS/NZS ISO 45001:2018	25+	Standards/procedures developed	30th June 2021	
7. Develop and implement Safe Systems of Work—Job Safety Analysis Management Standard		Standard developed	30th June 2021	
8. Develop and implement Zero Harm Safety Management System auditing programme	2+	Event Management and Contractor Management Audits completed	30th June 2021	
9. Implement Bowtie Controls for Hazardous Substances	80%+	Controls implemented	30th June 2021	
10. Implement Bowtie Controls for Workplace Violence	80%+	Controls implemented	30th June 2021	
11. Implement Bowtie Controls for Asbestos	90%+	Controls implemented	30th June 2021	
12. Implement Bowtie Controls for On Road Driving	100%	Controls implemented	30th June 2021	

## Open Meeting

<b>To</b>	Waikato District Council
<b>From</b>	Clive Morgan General Manager Community Growth
<b>Date</b>	25 November 2020
<b>Prepared by</b>	Jim Ebenhoh Planning and Policy Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301 / 2956141
<b>Report Title</b>	Climate Response and Resilience Action Plan

## 1. EXECUTIVE SUMMARY

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This report presents the first Council Climate Response and Resilience Action Plan. The Plan consists of a (1) framework document containing background, principles, objectives and a summary of action categories, and (2) a table of prioritised actions. It builds on the internally focused Climate Response and Resilience Policy adopted by the Policy and Regulatory Committee on 31 August 2020. This report seeks approval of the framework document and endorsement of the action table as a starting point for Council's consolidated climate-related action programme.

## 2. RECOMMENDATION

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**THAT the report from the General Manager Community Growth be received;**

**AND THAT Council approve the Climate Response and Resilience Action Plan (2020): Part One: Framework, as attached to the staff report;**

**AND FURTHER THAT Council endorse the Climate Response and Resilience Action Plan (2020): Part Two: Prioritised Actions, as attached to the staff report, as a starting point for Council's consolidated climate-related action programme.**

## 3. BACKGROUND

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On 5 February 2020, the Strategy and Finance Committee received and approved the Climate Response Planning report. An outcome of the report was a mandate to develop a Climate Action Plan.

On 31 August 2020, the Policy and Regulatory Committee adopted an internally focused Climate Response and Resilience Policy (2020), a crucial first step towards the development of an appropriate Action Plan and a key enabler for employees. The policy, attached as Appendix Three, does the following:

- Provides a foundation to establish a consistent, standardised, all-of-organisation approach to climate response and resilience.
- Demonstrates and operationalises Council's commitment to take climate action.
- Assists with decision making and planning.
- Aligns the organisation with climate related legislation.
- Protects people from risk.
- Sets a framework for the development of a Climate Action Plan (now referred to as the Climate Response and Resilience Action Plan, for consistency with the title of the Policy).

The Climate Response and Resilience Action Plan (Plan) has been developed by a cross-departmental working group of Council staff, supported and guided by a steering group of senior managers and Councillors including the Deputy Mayor, Councillor Thomson and Councillor Eyre. The Executive Leadership Team has also reviewed and provided input to the Plan.

Critical to the formulation of this Plan has been input from activity managers and asset managers across Council, who provided information on the climate related initiatives they are currently undertaking, are proposing as part of the 2021-2031 Long Term Plan (LTP) and are considering for the future.

The emissions reduction parts of the Plan were informed by a greenhouse gas emissions inventory for Council (corporate) by the Waikato Local Authority Shared Services (WLASS) Energy Manager and a similar inventory for the Waikato district and region (community) coordinated by the Waikato Regional Council. Both the emissions reduction and adaptation parts of the Plan were also informed by a range of national legislation and guidance, including the Zero Carbon Act and the first National Climate Change Risk Assessment.

Ideas for actions were generated not only through discussions with activity managers and asset managers, but also through suggestions by other staff through open channels such as a suggestions wall and internal continuous improvement systems. The project team also conducted its own review of various sources, such as action plans of other organisations. In particular, information exchange with the Waikato Regional Council and Hamilton City Council was a useful input.

## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 DISCUSSION**

There is no shortage of ideas for climate actions. The fact that climate change has been influenced by myriad factors, and will have global effects at every scale, means that most activities have potential to contribute to emissions reduction and adaptation.

The attached Plan includes roughly 80 initiatives that initially appear to be the most promising for reducing greenhouse gas emissions and adapting to the effects of climate change, for both Council and the district. These have been selected and their initial priority levels assessed, based on the level of control / influence that Council has (the more the better), the payback period for energy / fuel efficiency measures (the shorter the better), the benefit/cost ratio in terms of emissions reductions or increased resilience (the higher the better), and the potential to demonstrate visible leadership within our community and the wider region.

Those initiatives already underway are included, as are those proposed for the 2021-2031 LTP. They have either been achievable within existing budgets or are proposed for the next LTP based in part on the WLASS Energy Manager's expert advice on value-for-money. There are also many initiatives that have been included because they appear promising, but need further analysis to determine likely costs, timing, partnership opportunities, and detailed work programming. Their status is shown as 'under investigation' if this further analysis is underway, or in some cases as 'improvement opportunity' if the investigation is not yet underway. Over time, it is envisioned that more of these actions will be brought into the current work programme. One of the Plan's actions is to set up topic based work streams to conduct the necessary analysis and build on this 2020 Plan over time.

Another consideration in the preparation of this Plan has been the knowledge that New Zealand, the Waikato district and Council are operating within a period of economic uncertainty arising from the COVID-19 pandemic. Accordingly, most asset managers and activity managers have undertaken or proposed initiatives that could be characterised as 'low-hanging fruit', rather than including every possible climate action regardless of affordability.

As summarised in previous reports to Council and its Committees on this topic, there is an urgent need for Council action for climate response and resilience. At the same time, it is important that the Plan is flexible and continuously updated and improved, as the regional and national context is changing rapidly and as the economic effects of the pandemic come more clearly into focus.

The regional context provides significant potential for collaboration. Waikato Regional Council recently adopted a 'Climate Roadmap' that puts a climate lens on all its decision-making and considers all aspects of climate action that it can influence. Hamilton City Council adopted an initial Climate Action Plan for 2021/21 that is primarily a stocktake of climate related actions already underway and is working on a Climate Accord with other organisations to collaborate on making Hamilton 'net zero' in terms of greenhouse gas emissions. The Waikato Plan has been tasked with coordinating climate action across the entire region, through a workstream chaired by Eugene Berryman-Kamp (Chief Executive of Te Arawa River Iwi Trust); it is currently conducting a stocktake of Council activities in the region.

The national context is evolving and adding increasing levels of regulation and guidance. Building on the Zero Carbon Act, the first National Climate Change Risk Assessment was released earlier this year and the first draft of the National Emissions Reduction Plan is due in February next year. The 'Randerson Report' on the Resource Management Act 1991 also recommended a new Managed Retreat and Climate Change Act. And of the writing of this staff report, the Government was poised to declare a 'Climate Emergency' the week of 3 December.

These evolutions suggest that Council's Action Plan should be flexible and adaptable, taking actions now that have clear benefits, but allowing for targets and actions to be reviewed and



enhanced as new information and opportunities for collaboration come to hand. For example, the attached Action Plan builds on recommendations by the WLASS Energy Manager to reduce Council's carbon emissions 50% by 2030, consistent with the Zero Carbon Act. It does not set intermediate targets before 2030, as these might best be set to be in alignment with the upcoming National Emissions Reduction Plan.

A reporting framework will be developed by the end of this financial year with consideration to the legislative requirements under the Zero Carbon Act and other legislation, Waikato District Council's reporting framework, and resourcing. Effectiveness of the actions undertaken regarding emission reduction will ultimately be demonstrated via the Corporate and District stocktake reports.

## 4.2 OPTIONS

In a broad sense, the options with respect to the Plan are as follows:

**Option One:** Adopt / endorse as is. This would acknowledge that this 2020 Plan is a good start, with further iterations allowing for refinement. (This is the recommended option.)

**Option Two:** Adopt / endorse with changes. This would allow Councillors to remove or add actions, or to change the priority of actions – for example, proposing that an action be included in the 2021 LTP or removed from it. While draft budgets have already been submitted, it is not too late to suggest changes to those budgets, or changes to activities within existing budgets. If consideration is given to the factors outlined above (benefit/cost ratio, payback period, leadership positioning of Council, etc.), this is a feasible option and would not result in delay.

**Option Three:** Do not adopt / endorse; ask staff to rework. This would indicate that substantial changes are required to the Action Plan. In this instance Council are asked to provide feedback as to what aspects of the Plan need to change, and a timeline for bringing a revised Plan back to Council for approval.

**Option Four:** Defer adoption / endorsement, pending more national / regional direction. This option would leave the Plan 'on the table' until other specified inputs are available (e.g. national or regional guidance on emissions budgets, or collaborative work through the Waikato Plan). This would delay the initiation of an Action Plan, when those inputs could inform future iterations.

**Option Five:** Resolve to not have a Climate Response and Resilience Action Plan. This would be contrary to previous decision of the Strategy and Finance Committee.

A variation of options 1 and 2 (which could be referred to as 1B and 2B) would be to put the draft Action Plan out to the community for consultation. This would have the advantage of further attempting to ensure that the Plan is calibrated with the wishes of the District's businesses, residents and iwi. However, it would delay the process of getting some initiatives underway, in part due to missing the opportunity to put them into proposed 2021 LTP budgets. The consultation would need to occur no earlier than late January to avoid the holiday period, and the adoption of the Plan would be correspondingly delayed until at least March.

If this ‘consult-first’ option were not chosen, there could still be consultation on any significant new activities through consultation on the draft 2021-2031 LTP. The Plan could also still be improved by community input over time due to an ongoing open feedback opportunity, e.g. through a form on the Council website.

## **5. CONSIDERATION**

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### **5.1 FINANCIAL**

The Action Plan does not in itself commit Council to funding; specific initiatives still need to be funded separately through existing budgets or those proposed for the 2021-31 Long Term Plan. However, adoption of the Action Plan will create expectations that most of the initiatives within it will be actioned over time, even if it is through future LTPs.

It is important to note that in many cases no additional expenditure is required at all; climate friendly options sometimes cost less than the alternatives or at least pay for themselves within a short time. That is the case with (for example) replacement of old lighting with LED lights or aging petrol vehicles with hybrid vehicles – the electricity savings and fuel savings over time justify the marginally higher initial investment.

The Government’s work on the emissions trading scheme and other pricing mechanisms will almost certainly lead to a higher ‘cost of carbon’ which will make emissions reduction more cost-effective relative than business as usual, or the purchase of carbon credits or offsets.

### **5.2 LEGAL**

The Zero Carbon Act does not directly require action by local government, but there are clear expectations that local government will do its part to help New Zealand’s emissions targets. The Local Government Act already requires Council to promote the environmental, social, cultural and economic wellbeing of its communities. The Resource Management Act requires councils to have regard to the effects of climate change and a potential Managed Retreat and Climate Change Act is likely to add more specific requirements in these areas.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

Previous reports to the Policy and Regulatory Committee in August 2020 and to the Strategy and Finance Committee in February 2020 summarised the strategic and policy drivers for a Climate Response and Resilience Action Plan. The Action Plan will help Council deliver on its vision of Liveable, Thriving and Connected Communities by doing its part and helping the community do its part to reduce contribution to climate change and by building resilience to climate impacts. The Action Plan incorporates and builds on related policy work by Council, such as the Proposed District Plan (particularly Stage 2: Natural Hazards and Climate Change), elements of Waikato 2070 (District Growth and Economic Development Strategy) that (for example) promote public transport and growth around walkable town centres, and draft Asset Management Plans and the draft Infrastructure Strategy which incorporate planning for climate resilience.

## 5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<i>Tick the appropriate box/boxes and specify what it involves by providing a brief explanation of the tools which will be used to engage (refer to the project engagement plan if applicable).</i>	<p>The development of the Action Plan has involved information sharing and consultation with other entities (e.g. Waikato Regional Council and neighbouring Territorial Authorities) and has been built on staff involvement and collaboration across Council.</p> <p>Formal public consultation is not proposed at this time, but the Action Plan could be open for feedback on an ongoing basis, e.g. through a form on Council's website and this feedback could guide future reviews.</p> <p>Collaboration with residents and businesses, community groups and iwi is likely to occur through implementation of the Action Plan.</p>				

State below which external stakeholders have been or will be engaged with:

Planned	In Progress	Complete	
	Y	Y	Internal
Potential			Community Boards / Community Committees
Potential			Waikato-Tainui / Local iwi (provide evidence / description of engagement and response)
Potential			Households
Potential			Business
	Y	Y	Other: Neighbouring Councils

## 6. CONCLUSION

This report presents the first Council Climate Response and Resilience Action Plan for adoption, building on the internally focused Climate Response and Resilience Policy that was adopted in August 2020. It collates many ideas proposed by staff, Councillors, external technical advisors and other councils. It represents a pragmatic approach that recognises the urgency of the climate risk as well as affordability constraints in the current economic climate. As an initial starting point, it will demonstrate leadership and an action focus while allowing for further refinement based on national and regional guidance, regional and sub-regional collaboration, and community and iwi input.

## **7. ATTACHMENTS**

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1. Climate Response and Resilience Action Plan: Part One: Framework  
Note: includes “Climate Response and Resilience Policy (adopted August 2020)” as Appendix A
2. Climate Response and Resilience Action Plan: Part Two: Prioritised Actions
3. Waikato District Council - Corporate emissions inventory
4. Summary of Corporate Emissions Recommendations from WLASS
5. Waikato District: Community emissions inventory



## WDC Climate Response and Resilience Action Plan Framework (Part 1 of 2)

November 2020

WDC Councillors and Executive leaders mandated the WDC Climate Action Group to come up with an Action Plan for the Waikato District Council

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This Action Plan framework document provides narrative, principles, references, alignment statements and further backgrounding information to support the initiatives listed within the Actions spreadsheet

Refer companion Document (Part 2 of 2):  
Climate Action - Prioritised Actions  
Spreadsheet

# Action Plan: Framework

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## 1. Purpose

The purpose of the Climate Response and Resilience Action Plan (the Action Plan) is to provide a plan for WDC to meet its audit and statutory obligations, and community expectations, to mitigate and adapt to climate change.

Once adopted and/or endorsed by Council, it is to be implemented by all WDC teams as a high priority.

The Action Plan is in two parts: 1) this framework document; and 2) a spreadsheet of prioritised actions. It is anticipated that the prioritised actions will be updated frequently, whereas this framework document may not require frequent updates.

## 2. Executive Summary

The Climate Action Plan outlines the Council's response to climate change and provides actions that will help Council teams and the District to mitigate, build resilience and adapt to climate change.

## 3. Introduction and Background

On 5 February 2020, the Council's Strategy and Finance Committee received and approved the Climate Response Planning report prepared by Waikato District Council's Climate Action Group (CAG). As a resolution arising from this report, Waikato District Council (Council) was mandated to develop a Climate Action Plan including both mitigation and adaptation for both Council and the District, whilst simultaneously implementing operational initiatives.

## 4. WDC Strategic and Policy Framework

### 4.1 Living, Thriving and Connected Communities vision

It is accepted that without drastic action the world will face a significant climate crisis. Council recognises that if it does not progress from discussion to action regarding climate resilience, it is likely that climate hazards will significantly disrupt our vision for liveable, thriving and connected communities within the next 30 years. We have a legal, governmental and moral obligation to balance our communities' current needs, economic growth and our future.

### 4.2 Climate Response and Resilience Policy

The Climate Response and Resilience Policy was adopted by the Council's Policy and Regulatory Committee on 31 August 2020, and is attached to this framework document. The purpose of the policy is to:

1. Protect people from risk
2. Provide a foundation to establish a consistent, standardised, all-of-organisation approach to climate resilience
3. Demonstrate and operationalise Council's commitment to take climate action
4. Act as an enabler helping people to make decisions
5. Align the organisation with climate related legislation
6. Set a framework within which the Climate Action Plan was developed.

The policy:

1. Is based on the local government position statement on climate change
2. Considers climate risks and actions that are relevant to our district
3. Aligns with legislation (Zero Carbon Act)
4. Sets out our organisation's commitments
5. Describes intended implementation methods

### 4.3 International framework

Nearly all of the world's scientists agree that human activity is the main contributor to climate change. Even those who believe that human activities are not the primary contributor to climate change usually acknowledge the warming effect caused by gases such as carbon dioxide (CO<sub>2</sub>) and methane (CH<sub>4</sub>) in the atmosphere, and that, all else being equal, a reduction in emissions of those 'greenhouse gases' would by definition reduce climate change.

#### 4.3.1. Intergovernmental Panel on Climate Change

The Intergovernmental Panel on Climate Change (IPCC) recommends that global warming be limited to 1.5° C, and New Zealand has signed up to the Paris Agreement to commit to meeting this target.

#### 4.3.2. Paris Agreement

*New Zealand must reduce greenhouse gas emissions by 30% below 2005 levels by 2030.*

The Paris Agreement is an agreement within the United Nations Framework Convention on Climate Change, signed in 2016, which aims to keep the increase in global average temperature to well below 2° C above pre-industrial levels, ideally to no more than 1.5° C. Under this Agreement, each country must determine, plan and regularly report on the contribution that it undertakes to mitigate global warming. There is no specific emissions target or specific date required. New Zealand has committed to a 30% reduction below 2005 gross emissions by 2030. Currently, the only significant emitters who have not become party to the Agreement are Iran and Turkey. Current US President Trump withdrew the USA from the agreement in November 2020, but President-Elect Biden is expecting to re-enter the USA into the agreement when he takes office in January 2021.

#### 4.3.3. United Nations Sustainable Development Goals

A set of 17 United Nations Sustainable Development Goals were adopted in 2015 by all UN member states as part of the 2030 Agenda for Sustainable Development, which provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. The most directly applicable goal is Goal #13: Climate Action. Sections of the goal relating to Council are as follows;

- 13.1 Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries
- 13.2 Integrate climate change measures into national policies, strategies and planning
- 13.3 Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning



## 4.4 National framework

### 4.4.1. Zero Carbon Act

The Climate Change Response (Zero Carbon) Amendment Act 2019 provides a framework by which New Zealand can develop and implement clear and stable climate change policies that:

- contribute to the global effort under the Paris Agreement to limit the global average temperature increase to 1.5° Celsius above pre-industrial levels
- allow New Zealand to prepare for, and adapt to, the effects of climate change.

The changes do four key things. They:

- set a new domestic greenhouse gas emissions reduction target for New Zealand to:
  - reduce net emissions of all greenhouse gases (except biogenic methane) to zero by 2050
  - reduce emissions of biogenic methane to 24–47 percent below 2017 levels by 2050, including to 10 per cent below 2017 levels by 2030
- establish a system of emissions budgets to act as stepping stones towards the long-term target
- require the Government to develop and implement policies for climate change adaptation and mitigation
- establish a new, independent Climate Change Commission to provide expert advice and monitoring to help keep successive governments on track to meeting long-term goals. See the Climate Change Commission website.

### 4.4.2. Resource Management Act 1991

The Resource Management Act, a key piece of legislation for Council operations, promotes the sustainable management of natural and physical resources which strongly supports a climate change response.

The RMA has a key role in adaptation through its strong focus on natural hazards. Section 6(h) of the Act lists the management of significant risks from natural hazards as a matter of national importance. Regional councils and territorial authorities have specific functions to manage natural hazards.

In addition, the RMA requires all those exercising functions under the Act to have particular regard to the effects of climate change. This should therefore be an integral part of decision making on resource consent applications and notices of requirement for which the effects of climate change may be significant.

The recent “Randerson report” commissioned by the New Zealand government recommends that the RMA be repealed and replaced with a Natural and Built Environment Act and a Spatial Planning Act. It also recommends a new Managed Retreat and Climate Change Adaptation Act.

### 4.4.3. National Risk assessment for climate change

In August 2020, the Ministry for the Environment released the first National Climate Change Risk Assessment. The assessment states that all governments accept that further changes will result from increasing amounts of greenhouse gases in the atmosphere and that everyone will be affected by climate change. The purpose of the assessment is to support planning for response and adaptation to climate change including emissions reduction.

## 4.5 Local Government Framework

### 4.5.1 Local Government Leaders Statement

In 2017 Waikato District Council's Mayor, Allan Sanson, signed the Local Government Leaders Climate Change Declaration. Through the declaration Council has committed to:

1. Develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within our own councils and for our local communities.
2. Work with our communities to understand, prepare for and respond to the physical impacts of climate change.
3. Work with central government to deliver on national emission reduction targets and support resilience in our communities.

These three commitments align with LGNZ Local Government Position Statement on Climate Change and provide further definition to our strategic direction.

### 4.5.2. LGNZ position statement

Local Government has a shared vision for what prosperous communities will look like in 2050. The vision encompasses four well-beings of environmental, social, cultural, and economic prosperity. Waikato District Council's vision: Liveable, Thriving, and Connected Communities aligns with this shared vision.

In relation to the effects of climate change on this shared vision, LGNZ has identified three key components (through the LGNZ Local Government Position Statement on Climate Change) in which areas Local Governments are required to act. The components are:

1. Actions to reduce emissions (mitigation)
2. Planning and actions at the national and local level to support public safety and effective adaptation; and
3. Limiting or removing pressure on systems affected by climate change.

Furthermore, LGNZ has identified the following four areas as Local Government led action on Climate Change:

1. Local government will collaborate
2. Local government will incorporate climate change implications into urban development and land-use decisions and take a long-term approach to waste management and energy use, including transport infrastructure
3. Local government will take an all hazard approach to managing risks
4. Local government will factor in the impacts of climate change on water security

### 4.5.3. Controller and Auditor General LTP requirements

Communication from the Office of the Auditor General to all Councils has made it clear that the 2021-2031 Long Term Plans (LTPs) and supporting documentation will need to provide evidence that the impacts of climate change have been adequately incorporated into the Council's planning, including its financial and infrastructure strategies.

Council managers have been actively considering climate initiatives in their asset management plans and activity management plans (AMPs) as part of preparation of the next LTP. To provide evidence of this, there is an action (in Part Two: Prioritised Actions, ref# 1040) to create a reference mapping table to link each of the Actions to the appropriate sections of the LTP and various AMP documents.

#### 4.6. Regional framework (the Waikato Plan and partner Councils)

Through the Waikato Regional Mayors and Chairs forum, local councils have agreed to work together on climate action. This work has been tasked to the Waikato Plan, which is an existing regional collaborative entity. The Waikato Plan is currently undertaking a stocktake of partner actions to date.

In terms of other Councils in our region, the Waikato Regional Council has committed to a 70% reduction in corporate carbon emissions by 2030 (higher than the 50% target in the Zero Carbon Act) and to be net zero by 2050 (consistent with the Zero Carbon Act).

Hamilton City Council has a carbon reduction target of 50% by 2030 (consistent with the Zero Carbon Act).

## 5. Principles for Action

The following principles, extracted from the Local Government Leaders Climate Change Declaration, provide guidance for decision making on climate change. The descriptive points assigned to each principle are designed for Waikato District Council with the specific aim to give the principles effect. The principles are based on established legal and moral obligations relevant to governments when considering the current and future social, economic and environmental well-being of the communities they represent.

### 1. Precaution

- Invest in planning which recognises and reduces the risk of climate related hazards and reduces consequences, e.g. infrastructure renewal and maintenance
- Ensure climate resilience is a key consideration in decision making by including environmental specifications in Council's decision making approach

### 2. Stewardship/Kaitiakitanga

- Support the ability of natural systems to withstand climate change and provide climate-related benefits
- Lead by example / walk the talk
- Invest wisely in climate-related actions, considering payback periods where applicable (e.g. with reduced energy costs over time)
- Promote and encourage the conservation and enhancement of natural environments

### 3. Equity/Justice

- Strive to ensure that the harmful effects of climate change, and the responsibilities for reducing our contribution to climate change, do not fall disproportionately on those segments of the community least able to successfully shoulder those burdens. Everyone must play their part, taking account of their capacity (financial or otherwise) to do so.

### 4. Anticipation (thinking and acting long-term)

- Take a risk-based approach using expertise from Central Government (including the National Risk Assessment for Climate Change) and other agencies e.g. NIWA, as a guide

- Take an adaptive management approach: take necessary action and make necessary decisions now, and consider triggers for revisiting those decisions or undertaking new or different actions in future
- Commit a dedicated resource to manage and deliver the climate response and resilience programme

#### 5. Understanding

- Progress understanding of climate related risks that require adaptation or mitigation using the National Risk Assessment for Climate Change as a guide
- Communicate clearly and respectfully, ensuring we are empowering and considerate as per item 7.11 of the Council's Climate Response and Resilience Policy
- Where we can, capture and continue to capture data / metrics to reflect and compare progress against climate change – building Business Intelligence (BI) reports where possible

#### 6. Co-operation

- Work in partnership with regional entities and our communities – sharing ideas, data and resources
- Maximise opportunity for co-benefits (improving social, economic, cultural, environmental wellbeing in addition to responding to climate issue)
- Comply with national direction and participate in opportunities to influence it
- Implement targets and measures to prioritise and reduce Council's emissions in line with Central Government targets and partnership agreements

#### 7. Resilience

- Support the building of community and environmental resilience – tying to other work around natural hazards, social, environmental and economic wellbeing

## 6. Objectives and Targets

An Action Plan requires clear objectives, and progress against objectives is ideally measured against specific targets. However it is important that a flexible approach is taken, to always reflect the latest direction-setting at the national and regional level. For example, while Council can set a target for 2050 that mirrors NZ's minimum emission reduction targets in the Zero Carbon Act, intermediate targets would best be informed by the national emissions budgets being set by the Climate Commission. The first of these, for the period 2021-2025, is due to be released in February 2021.

The following are objectives and (where appropriate) targets that capture the intent of the Action Plan; they can be refined or enhanced in future if necessary. Like the Actions themselves, the objectives and targets are divided into four main categories: corporate and community emissions, and corporate and community adaptation.

### **6.1. Mitigation: Corporate:** WDC to reduce its greenhouse gas (GHG) emissions in line with Zero Carbon Act, i.e.:

- Reduce biogenic methane emissions by 10% below 2017 levels by 2030
- Reduce biogenic methane emissions by 24-47% below 2017 levels by 2050
- All greenhouse gases (except biogenic methane) to reduce to net Zero by 2050 (taking into account carbon sequestration activities like permanent forestry, which may have their own specific targets)

### **6.2. Mitigation: Community:** WDC to use its tools and partner with others to encourage and support the community in reducing Districtwide GHG emissions in line with Zero Carbon Act

**6.3. Adaptation: Corporate:** WDC to prepare its assets for the likely and potential effects of climate change – taking into account levels of uncertainty within a precautionary, long-term approach

**6.4. Adaptation: Community:** WDC to support the community, in partnership with others, in preparing for the likely and potential effects of climate change

A reporting framework will be developed by the end of this financial year with consideration to the legislative requirements under the Zero Carbon Act and other legislation, Waikato District Council’s reporting framework, and resourcing.

The effectiveness of the actions undertaken regarding emission reduction will ultimately be demonstrated via the Corporate and District stocktake reports.

## 7. Action Table and Categories

The companion (part 2 of 2) document to this action plan – namely the “Action Plan (Part 2) Prioritised Actions” contains a list of initiatives, projects and actions that have been suggested by the Council’s WLASS Energy Advisor, Councillors and Staff. Some are underway already, some are promising but require further work, some are included in draft Asset Management Plans and draft budgets for the 2021-2031 LTP, and others are more aspirational actions that Council can work toward. Indicative start years are shown, but these are subject to change. Priorities have been shown based on their potential impact as well as their potential cost, i.e. a rough estimation of value for money.

The Prioritised Actions spreadsheet categorises actions into 6 sections: the 4 categories of objectives referenced above (corporate and community emissions, and corporate and community adaptation), plus two overarching categories. These are described briefly below.

### Action Category 1: Knowledge, Understanding and Direction

The actions in this category involve consolidating and improving our understanding of our various commitments and obligations, our guiding policies and strategies, our emissions profiles, our risk profiles, our strategic direction including objectives and targets, and our data and systems to support our measurement of progress.

They respond to sections 7.1 and 7.2. of Council’s Climate Response and Resilience Policy, as follows:

*7.1 Collaborate with other agencies, organisations, and the community to achieve a consistent understanding of environmental, social, cultural and economic opportunities and consequences of climate change in our communities including but not limited to those related to: a) Infrastructure (vertical and horizontal) b) Waste Management c) Public Transport d) Regulatory function e) Land Use*

*7.2 Collaborate with neighbouring Territorial Authorities, Waikato Regional Council, Central Government, and other agencies to gather information, carry out research, develop strategies and processes, and to clarify each agency’s functions and responsibilities*

As stated above in relation to the objectives and targets, a reporting framework will be developed with consideration to legislative requirements, Waikato District Council's reporting framework, and resourcing.

## Action Category 2: Corporate Capacity and Coordination

The actions in this category relate to the resourcing available to Council in implementing this Action Plan, including funding, staffing and partnership opportunities. They also relate to the processes in relation to the Action Plan, particularly programme management and coordination, workstream development, and decision-making and reporting.

They respond to sections 7.1 and 7.2 above of Council's Climate Response and Resilience Policy, in terms of collaboration, and sections 7.3 and 7.7 in relation to decision-making, as follows:

*7.3 Ensure that low emission, climate-resilient development is adopted as a key tenet into development and land-use decisions, including our district plans, annual plans, long term plans, urban design and development, building control, energy use, transport planning and waste management*

*7.7 Include the effects of climate change (adaptation) as part of all hazards assessments, and consider the emissions impact (mitigation), in decision making, including through sections in Council report templates*

## Action Category 3: Corporate Emissions Reduction

The actions in this category are specifically intended to reduce WDC's carbon footprint. They give effect to the following statement from the LG Leaders Climate Change declaration:

*1. Develop and implement action plans that reduce greenhouse gas emissions and support resilience within our own councils and for our local communities.*

They also give effect to the following sections from the Council's Climate Response and Resilience Policy:

*7.4 Set emission reduction targets in line with Central Government and partner Councils commitments e.g. the Paris Agreement, UNSDGs, Waikato Regional Council*

*7.5 Incorporate emissions reduction targets into investment decisions that it makes on transport, fleet procurement, waste management, buildings, and energy use*

*7.9 Promote and encourage the conservation and enhancement of natural environments to aid in emissions reduction (mitigation) and climate change effects (adaptation)*

*7.10 Strive for best practice in response to Climate Change - including but not limited to reducing greenhouse gas emissions and, where possible, encourage avoidance of risk rather than remedial measures*

The actions in this category focus on reducing net emissions, either through direct emissions reduction or by sequestering carbon through (for example) replanting of forests. Another option, not in the prioritised action tables, is simply purchasing carbon credits / offsets - essentially providing funds for another entity to reduce emissions to compensate for the emissions WDC does not reduce. This option is likely to increase over time as the price of carbon increases, and hence it is considered an option of 'last resort' that Council should avoid where possible.

There are numerous sub-categories in this section, relating to all the activities in which Council can achieve emissions reductions, e.g.:

- Energy efficiency and renewables
- Vehicle fleet
- Waste minimisation (including office supplies and food waste)
- Ecological enhancement / carbon capture

The actions are strongly influenced by the recommendations of WCLASS Energy Manager, Martin Lynch, and many have been incorporated in budget and project proposals for the 2021-2031 LTP.

## Action Category 4: Community Emissions Reduction

The actions in this category are ways in which WDC could assist the communities in the Waikato District to reduce their collective carbon footprint. They relate to items 1 and 3 in the Local Government Leaders Statement above.

They also give effect to the following sections from the Council's Climate Response and Resilience Policy [**emphasis added** for those elements most relating to community emissions]:

*7.3 Ensure that low emission, climate-resilient development is adopted as a key tenet into **development and land-use** decisions, including our **district plans**, annual plans, long term plans, **urban design and development**, building control, energy use, **transport planning** and waste management*

*7.9 Promote and encourage the **conservation and enhancement of natural environments** to aid in emissions reduction (mitigation) and climate change effects (adaptation)*

In line with the policy statements above, many of the actions relate to funding community projects, and providing regulatory frameworks (including incentives and removal of barriers) to encourage emission-reducing land use, development and transport. Other actions relate to our educational / advisory role, which requires consideration of the following additional statement from the Council's Climate Response and Resilience Policy:

*7.11 Accept that the dissemination of information regarding climate change can be emotive and communicate with communities and stakeholders in an empowering and considerate work manner*

## Action Category 5: Corporate Resilience and Adaptation

The actions in this category relate to WDC trying to make its activities, services and assets more resilient to the impacts of climate change. They relate to items 1, 2 and 3 in the Local Government Leaders Statement above.

They also give effect to the following sections from the Council's Climate Response and Resilience Policy [**emphasis added** for resilience / adaptation elements]:

*7.6 Plan for and provide infrastructure which recognises and reduces the risk of hazards like floods, storms, and sea level rise including: a) Particular consideration to geographically vulnerable*

communities b) *Renewal and relocation of coastal infrastructure (including future planning during insurance valuation)*

7.7 Include the **effects of climate change (adaptation)** as part of all hazards assessments, and consider the emissions impact (mitigation), in decision making, including through sections in Council report templates

7.8 Plan for the impacts of climate change on Council's three waters infrastructure and services including: a) Factoring climate change projections into all freshwater investments and adapting management practices accordingly b) Identifying change requirements in infrastructure investment including land use and green infrastructure, e.g. wetlands, rain gardens and swales c) Considering future requirements for increased water storage solutions d) Modifying building standards with consideration to water storage and increased efficiency of use

7.9 Promote and encourage the conservation and enhancement of natural environments to aid in emissions reduction (mitigation) and **climate change effects (adaptation)**

7.10 Strive for best practice in response to Climate Change - including but not limited to reducing greenhouse gas emissions and, where possible, encourage **avoidance of risk rather than remedial measures**

The actions collectively seek to minimise and build resilience to impacts of climate change on:

- three waters services - potential impacts includes water supply security issues, reduction in water quality, increased wastewater overflows from heavy rainfall, and flood protection assets not working;
- the transportation network - disruption from sea-level rise or flooding and landslides leading to increased maintenance costs;
- coastal infrastructure and property - sea-level rise causing coastal erosion that will put property and assets at risk, and that might make some places might become uninsurable; and
- biodiversity, habitats and pest management – including changes in type and distribution of pest species.

## Action Category 6: Community Resilience and Adaptation

The actions in this category relate to WDC assisting communities to become more resilient to the impacts of climate change. They relate to items 1, 2 and 3 in the Local Government Leaders Statement above.

They also give effect to the following sections from the Council's Climate Response and Resilience Policy [**emphasis added** for resilience / adaptation elements]:

7.3 Ensure that low emission, **climate-resilient development** is adopted as a key tenet into **development and land-use decisions**, including our **district plans**, annual plans, long term plans, **urban design and development, building control**, energy use, transport planning and waste management

7.8 Plan for the impacts of climate change on Council's three waters infrastructure and services including: a) Factoring climate change projections into all freshwater investments and adapting management practices accordingly b) Identifying change requirements in infrastructure investment including land use and green infrastructure, e.g. wetlands, rain gardens and swales c) Considering



*future requirements for increased water storage solutions* **d) Modifying building standards with consideration to water storage and increased efficiency of use**

*7.9 Promote and encourage the conservation and enhancement of natural environments to aid in emissions reduction (mitigation) and **climate change effects (adaptation)***

*7.10 Strive for best practice in response to Climate Change - including but not limited to reducing greenhouse gas emissions and, where possible, **encourage avoidance of risk rather than remedial measures***

As with the community emissions actions, Council's community resilience / adaptation actions should note the additional policy statement relating to communications:

*7.11 Accept that the dissemination of information regarding climate change can be emotive and communicate with communities and stakeholders in an empowering and considerate work manner*

The actions in this category include education and advice (e.g. the development of community resilience plans), and regulatory efforts such as identifying hazard areas where development should be minimised, or incentivising climate-resilient building features.

## 8. References


Ref#	Link	Description
010	<a href="#">Waikato District Council: Climate Response and Resilience Policy</a>	Our Waikato District Council Climate Policy
020	<a href="#">Waikato District Council: Climate Response and Resilience Action Plan: Framework Document</a>	This document
030	<a href="#">Waikato District Council: Climate Response and Resilience Action Plan: Table of Actions</a>	The accompanying table of actions to support this framework
040	<a href="#">LGNZ Position Statement on Climate Change</a>	Recognises the need for collaboration between central and local government, and between city and district councils
050	<a href="#">LGNZ Stocktake of Emissions Reduction Actions</a>	A stocktake of emissions reduction activities
060	<a href="#">Local Government Leaders' Climate Change Declaration</a>	Declaration by Mayors and Chairs of New Zealand agreeing urgent need for responsive leadership and a holistic approach to climate change
070	<a href="#">MfE National Climate Change Risk Assessment New Zealand Snapshot</a>	This report summarises the findings of New Zealand's first National Climate Change Risk Assessment
080	<a href="#">MfE Climate Change Projections For NZ Snapshot</a>	A snapshot of climate projections for New Zealand
090	<a href="#">Source: Key Emissions Stocktakes (Corporate, District, Regional)</a>	Martin Lynch WDC greenhouse gas emissions report
100	<a href="#">Source: Systems to provide ongoing monitoring e.g. corporate GHG emissions and energy use</a>	
120	<a href="#">CityCare 10 Year sustainability goals; CityCare 2020-21 Sustainability Goals; CityCare 2020 Sustainability Progress Report</a>	CityCare (Key Partner and Supplier) Sustainability documentation
130	<a href="#">Ministry for the Environment Climate Change Zero Carbon Amendment Act</a>	What the Climate Change Response (Zero Carbon) Amendment Act does

## Appendix A – Waikato District Council Climate Response & Resilience Policy

The Climate Response & Resilience Policy can be referenced from the link [ECM policy document](#) and for convenience is provided in the pages below – accurate as at 27 November 2020

# Climate Response & Resilience Policy

## Cover Statement



Waikato  
DISTRICT COUNCIL  
Te Kaitiaki me Te Kaitiaki o Waikato

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It is accepted that without drastic action the world will face a significant climate crisis. Council recognises that if it does not progress from discussion to action regarding climate resilience, it is likely that climate hazards will significantly disrupt our vision for liveable, thriving and connected communities within the next 30 years. We have a legal, governmental and moral obligation to balance our communities' current needs, economic growth and our future.

**Principles**

The policy is important because it:

1. Acts to protect people from risk
2. Provides a foundation to establish a consistent, standardised, all-of-organisation approach to climate resilience
3. Demonstrates and operationalises Council's commitment to take climate action
4. Acts as an enabler helping people to make decisions; requests have been received for a climate policy to assist with planning.
5. Aligns the organisation with climate related legislation
6. Sets a framework within which a Climate Resilience Action Plan will be developed, in collaboration with our communities and regional partners.

**Key Considerations**

The policy

- Is based on local government position statement on climate change
- Considers climate risks and actions that are relevant to our district
- Aligns with legislation (Zero Carbon Act)
- Sets out our organisation's commitments
- Describes intended implementation methods

**NOTE:** Whilst the policy references Council's commitments and, at a high level, policy implementation, the detailed response will be captured in the Climate Resilience Action Plan. This plan is under development and should be read in conjunction with the policy to provide clarity and context for application. The plan will provide clear and specific actions that support staff in applying the policy.

Waikato District Council Climate Response and Resilience Policy

Page 1 of 1

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# Climate Response & Resilience Policy

Policy Owner:	Jim Ebenhoh
Date approved:	31 August 2020
Next review date:	1 February 2021
Document number:	2926096
Engagement required:	Executive Leadership Team, Councillors, SEG, Climate Action Group

## 1 Introduction

The Climate Response & Resilience Policy demonstrates consideration for the needs of future generations by adopting best practice behaviours through a proactive climate change and emissions reduction strategy, and it aligns with Central Government legislation and Waikato District Council's existing commitments.

## 2 Purpose

This policy provides guidance on Council's responsibilities regarding climate change including how the organisation undertakes actions that minimise the effects of Climate Change through:

- the reduction of greenhouse gas emissions
- the development of adaptation measures

## 3 Definitions

Climate Adaptation	A response to climate change that seeks to moderate or avoid harm or exploit beneficial opportunities.
Council	The Waikato District Council as an organisation including Elected Members.
Climate Action Plan	A plan detailing steps (including specific projects, policies or planning processes) the organisation will develop and implement to achieve the climate action Strategy.
Climate Action Strategy	The overarching document outlining why and how best to achieve business objectives responding to climate change.
Climate Change	Climate change refers to a significant and extended change to the global climate, becoming increasingly severe over time and resulting in problems for life on earth. It includes global warming, changes to weather patterns, sea level rise, pollution, and extreme weather events.
Carbon Sequestration	The long-term storage of carbon dioxide or other forms of carbon to either mitigate or defer climate change climate change.



Emissions	The production and discharge of substances that cause or exacerbate climate change, for example greenhouse gases like carbon dioxide, methane, or nitrous oxide.
Climate Hazard	A physical process or event that can harm human health, livelihoods, or natural resources including (but not limited to); tropical cyclones, thunderstorms, tornadoes, drought, rain, hail, snow, lightning, fog, wind, temperature extremes, air pollution, and climatic change.
Climate Mitigation	Efforts to reduce or prevent emission of greenhouse gases e.g. using new technologies and renewable energies, making older equipment more energy efficient, or changing management practices or consumer behaviour.
Resilience <i>NB: in terms of Waikato District Council climate change policy</i>	<p>An ability by the climate, community, built and natural environments to recover from setbacks; an ability which is enhanced by actions and strategies that change processes, practices and structures to prevent, reduce, and/or mitigate climate change severity and effects; and that increase preparedness for any unavoidable impacts.</p> <p>Examples of activities that show resilience include actions to reduce per capita greenhouse gas emissions, planning and preparing for reducing the impacts of climate change, action and advocacy to reduce waste and pollution and creating globally sustainable resource use, supporting business and land use activities that reduce impacts on climate change, as well as implementing processes and advocating to meet climate change mitigation requirements NZ has agreed to such as the Kyoto Protocol, Paris Agreement and the United Nations Framework Convention on Climate Change (UNFCCC).</p>
Risk	An uncertain event or condition that, if it occurs, has a positive or negative effect. Risks can occur from various sources (such as financial, reputation/image, environmental, etc.) and be relevant at either project, operational or strategic levels within the organisation. A risk is quantified in terms of likelihood (probability of occurrence) and consequence (impact).
Risk Assessment	Refers to the overall process of identifying, analysing and evaluating risks. It includes qualitative and, in some cases, quantitative assessment.
Risk Management	The culture, processes, coordinated activities and structures that are directed towards managing adverse effects. The risk management process involves communicating, consulting, establishing context, identifying, assessing, and evaluating, treating, monitoring and reviewing risks.
Waikato District Council or WDC	The Waikato District Council as an organisation.

#### 4 Application

- 4.1 This policy applies to all elected members of Council, the Chief Executive Officer, and all employees. It is their responsibility to ensure that the policy is applied to inform decision making and planning when working with external parties including contractors, sub-contractors, agents, and intermediaries.

Climate Response and Resilience Policy 2020

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4.2 Effective policy implementation is achieved through Council's commitment to:

- a) Undertake necessary work to develop and maintain a firm understanding of, Council's Greenhouse Gas Emissions and those of our district, as well as potential climate related risks that require adaptation or mitigation
- b) Implement initiatives to reduce Council's emissions and to increase resilience through adaptation to climate related risks for Council and the district
- c) Develop and implement a Climate Action Strategy that includes goals, objectives, actions, and indicators for Council
- d) Prioritise climate change and emissions reduction initiatives and actions by implementing organisational measures and specific targets through the LTP and annual planning processes
- e) Provide appropriate dedicated resources and funding for planning and delivering climate resilience (mitigation and adaptation) initiatives and actions

## 5 Relevant documents

Conservation Strategy	<a href="#">Leasing of Reserve Land Policy</a>
<a href="#">Activity Management Policy</a>	<a href="#">Procurement Entitlement &amp; Disposal of Council Vehicles Policy</a>
<a href="#">Discretionary Grants Policy</a>	<a href="#">Procurement Policy</a>
<a href="#">District Tree Policy</a>	<a href="#">Strategic Land Acquisition &amp; Disposal Policy</a>
<a href="#">Community Partnerships Loan Funding Policy</a>	<a href="#">Transferring or Selling Water Allocations Policy</a>
<a href="#">Control of Coastal Erosion Policy</a>	Reserves – Committees of Management Policy
Backflow Prevention Policy	<a href="#">Water Policy</a>
Roadside Weed Spraying – No Spray Zones Policy	Trade Waste Bylaw Charging Policy
Funding of Water & Wastewater Supply extensions by developers	District Plan (Sustainable housing / consenting) and all stage 2 natural hazards and climate change
Natural Reserves Management Plan	Grass Verge Policy
Grazing Policy	Refuse Collection and Disposal
Control of Coastal Erosion on Council Reserves	Lead Developer Fund (Water/ Wastewater)
Pathway to a low-emissions future in New Zealand (External)	Reserve Contributions & Conservation Covenants
<a href="#">Trade Waste Agreements</a>	Waste Minimisation Plan 2018-2024

## 6 Significance

- 6.1 As this Policy is an internal Council document, its review will not trigger external consultation under the Council's Significance and Engagement Policy, but internal consultation will be required.

Climate Response and Resilience Policy 2020

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## 7 Policy statements

The Local Government Position Statement on Climate Change (Appendix A) describes the approach to Climate Change in the local government area. Waikato District Council has aligned its policy statements to reflect that position statement within the context of our district. Therefore, we will:

- 7.1 Collaborate with other agencies, organisations, and the community to achieve a consistent understanding of environmental, social, cultural and economic opportunities and consequences of climate change in our communities including but not limited to those related to:
  - a) Infrastructure (vertical and horizontal)
  - b) Waste Management
  - c) Public Transport
  - d) Regulatory function
  - e) Land Use
- 7.2 Collaborate with neighbouring Territorial Authorities, Waikato Regional Council, Central Government, and other agencies to gather information, carry out research, develop strategies and processes, and to clarify each agency's functions and responsibilities
- 7.3 Ensure that low emission, climate-resilient development is adopted as a key tenet into development and land-use decisions, including our district plans, annual plans, long term plans, urban design and development, building control, energy use, transport planning and waste management
- 7.4 Set emission reduction targets in line with Central Government and partner Councils commitments e.g. the Paris Agreement, UNSDGs, Waikato Regional Council
- 7.5 Incorporate emissions reduction targets into investment decisions that it makes on transport, fleet procurement, waste management, buildings, and energy use
- 7.6 Plan for and provide infrastructure which recognises and reduces the risk of hazards like floods, storms, and sea level rise including:
  - a) Particular consideration to geographically vulnerable communities
  - b) Renewal and relocation of coastal infrastructure (including future planning during insurance valuation)
- 7.7 Include the effects of climate change (adaptation) as part of all hazards assessments, and consider the emissions impact (mitigation), in decision making, including through sections in Council report templates

Climate Response and Resilience Policy 2020

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- 7.8 Plan for the impacts of climate change on Council's three waters infrastructure and services including:
- a) Factoring climate change projections into all freshwater investments and adapting management practices accordingly
  - b) Identifying change requirements in infrastructure investment including land use and green infrastructure, e.g. wetlands, rain gardens and swales
  - c) Considering future requirements for increased water storage solutions
  - d) Modifying building standards with consideration to water storage and increased efficiency of use
- 7.9 Promote and encourage the conservation and enhancement of natural environments to aid in emissions reduction (mitigation) and climate change effects (adaptation)
- 7.10 Strive for best practice in response to Climate Change - including but not limited to reducing greenhouse gas emissions and, where possible, encourage avoidance of risk rather than remedial measures
- 7.11 Accept that the dissemination of information regarding climate change can be emotive and communicate with communities and stakeholders in an empowering and considerate work manner

## 8 Policy review

- 8.1 This policy shall be reviewed every six months from the date of adoption for the first two years, after which it will be reviewed at three yearly intervals or as otherwise required by the Chief Executive or Communications and Engagement Manager (Project Sponsor).



Appendix A  
Climate Response & Resilience Policy

# Local government position statement on climate change

Local government recognises a critical need for proactive collaboration between central and local government, and between city, regional, unitary and district councils which recognises the different mandates and roles for climate change responses. We will work together with our communities.



**We are.  
LGNZ.**

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## Introduction

< Responsive leadership and a holistic approach to climate change is urgent. We must act now to avoid future risk and, at the same time, agree how to manage safety, existing risks, limitations and liabilities to underpin effective mitigation and adaptation. >

Climate change will affect us all during our lifetimes. The impacts that we observe today are the result of historical emissions and the increase in emissions in recent decades will lead to significant change in the coming years.

**Environmental prosperity.** We want to nurture our natural resources and ecosystems as environmental stewards, promoting biodiversity and environmental sustainability, and embodying the concept of kaitiakitanga. We want our social, cultural and economic activities to be aligned with our goals for the environment, and to be secure and resilient to the effects of climate change.

**Social prosperity:** We want communities that are characterised by equality, social cohesion and inclusiveness. In the face of the long-term implications of climate change, we also want our communities to promote inter-generational equity where we meet the needs of the present population, without compromising the ability to meet the needs of future generations.

**Cultural prosperity.** We want our communities to be empowered and enabled to express and celebrate their diverse cultural heritages, and recognise the particular cultural significance of Māori as tangata whenua of New Zealand. We want to support all cultures as they adapt to significant changes in climate, and influence how our society manages the environment.

**Economic prosperity.** We want to have a sustainable economy with world-leading productivity in which all New Zealanders have the opportunity to contribute and succeed. We want an economy that adapts to issues like climate change while still supporting the living standards New Zealanders need to lead happy, healthy lives.

Local government has a shared vision for what prosperous communities will look like in 2050 – and beyond. The 2050 vision encompasses four well-beings of environmental, social, cultural and economic prosperity. Climate change creates both opportunities and significant challenges in achieving prosperity in these four areas.

Climate change actions have three components:

1. actions to reduce emissions (mitigation);
2. planning and actions at the national and local level to support public safety and effective adaptation; and
3. limiting or removing pressure on systems affected by climate change.

All local authorities (city, regional, district and unitary) are at the frontline of climate change adaptation and have a role to play in mitigation.

Property owners and communities already facing the impacts of climate change are seeking assistance from local government. Decisions that are made today (or even where no decision is made) about infrastructure, land and water use and urban development will determine the extent and impact of climate change, community vulnerability and resilience outcomes.

City councils are well-positioned to lead and co-ordinate communities to reduce their emissions, both directly as a provider of infrastructure and services, and indirectly through their influence over activities responsible for emissions. Internationally, cities' emissions reduction efforts complement national strategies of building economic competitiveness through low carbon development.

< Action on climate change requires coherent and consistent governance across central and local government. Action on climate change requires a comprehensive understanding of the opportunities and risks, innovation, and prioritised actions to achieve our vision for prosperous communities. >

**We are.  
LGNZ**

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## Part one: local government led action on climate change

### 1. Local government will collaborate

Local government (regional, unitary, district and city councils) will collaborate to achieve our shared vision for prosperous New Zealand communities in 2050.

All of local government is charged with meeting the current and future needs of communities for infrastructure, local public services, and regulatory functions (Local Government Act, section 10b). The focus of regional (and unitary) councils and district or city councils can differ however. Regional councils focus on decisions that relate to resource use and hazard management, while city and district councils provide core services that can impact on resources including land, water and coastal areas. By utilising the full range of skills and capabilities in local authorities we can align and support decisions to achieve a consistent understanding of environmental, social, cultural and economic opportunities and consequences of climate change in our communities. This requires strong leadership across all levels of local government.

**LGNZ will advocate for and support collaborative efforts within the sector to improve the effectiveness of land use, service delivery and planning.**

### 2. Local government will incorporate climate change implications into urban development and land-use decisions and take a long term approach to waste management and energy use, including transport infrastructure.

Local government recognises the value of explicitly incorporating climate change considerations, including emissions, into land-use decisions, district plans, urban design and development, energy use, transport planning and waste management.

Local government is working to proactively develop New Zealand's urban centres into sustainable, liveable, globally competitive 21st century cities. To achieve this, cities need to promote high quality, higher-density living. **Local government will ensure that low carbon, climate-resilient development is adopted as a key tenet of urban growth and development and land use decisions.**

Encouraging more intensive use of zoned land to avoid the need to build new infrastructure to reach outlying businesses avoids emissions that would result from construction, and from servicing and maintaining the infrastructure itself, and promotes lower emissions from those living and working in the area.

This approach is not limited to urban environments. Land-use decisions made in regional and provincial New Zealand have an equally significant effect on emissions and on community resilience to climate change impacts. To make land-use decisions that mitigate emissions, **local government will develop its understanding of the impacts of zoning and land use decisions on the emissions trajectory for their communities.**

Global emissions will need to pick up momentum to limit warming to the internationally agreed goal of staying below 2°C above pre-industrial levels.

New Zealand's challenge is also significant as our greenhouse gas emissions continue to rise. By 2014 they had risen 6 per cent from 2000 levels and 23 per cent from 1990 levels. Road transport, industry and agriculture are the main drivers of this increase. New Zealand ratified the Paris Agreement on 4 October 2016, submitting a target to reduce greenhouse gas emissions by 30 per cent below 2005 levels by 2030. This target is equivalent to 11 per cent below 1990 levels by 2030. Achieving reductions will require action across land use and forestry, urban development and planning, energy and transport.

**Local government will incorporate emissions reduction targets into investment decisions that it makes on transport, fleet procurement and waste management.**

### 3. Local government will take an all hazard approach to managing risks

Local government has responsibilities to plan for and provide infrastructure, and to avoid or reduce the risk of hazards such as floods, storms, and sea level rise. It is understood that climate change is changing the severity and frequency of these events. Local government recognises that these changing patterns also mean that these hazards can interact in new ways. For example, the combination of an extended drought and sea level rise could have a worse impact on water supply than either event alone.

**Local government will explicitly build in the effects of climate change as part of an all hazards assessment to inform decision-making.**

The cost of climate exacerbated natural hazard events in our communities is on the rise. Historic settlement patterns leave people, public assets and private investments exposed to storms, sea level rise and flooding (including flooding from rising ground water levels). Local government costs include damage and renewals of infrastructure and civil defence responses. In the interests of the public good these costs are borne by the community as a whole. **Compensation for loss of private investments will not be funded by local government.**

### 4. Local government will factor in the impacts of climate change on water security

Local government will factor climate change projections into all freshwater investments and adapt water management practices to match these changing conditions. This includes investment in land use change and green infrastructure eg wetlands, rain gardens and swales.

Future climate projections show that changing meteorological conditions will alter the amount of rainfall around the country and at the same time there is likely to be increased societal demand for freshwater. This will affect the amount of water able to be allocated and in turn, the efficient provision of three water services.

**Local government will factor in the impacts of climate change on water security.** Local government will identify the changes required in infrastructure investment, including green infrastructure (wetlands, rain gardens and swales), and the management of water quality and quantity.

## Part two: what local government requires of central government

Government at all levels, individuals and the private sector have different but complementary roles in adapting to climate change. Effective responses to climate change are context specific and are therefore best addressed at the regional and local level. Internationally, cities and regions are increasingly seen as policy laboratories for action on climate change. There is an opportunity for local authorities in New Zealand to try different approaches.

Innovative technological practices and the implementation of strategies are needed at the appropriate levels for adaptation and mitigation. Central government needs to support local government's search for appropriate responses by supporting innovation within local government.

To effectively address climate change at a national level, local government seeks central government action in four key areas:

### 1. National campaign to raise awareness of climate change

A central government led campaign is needed to make New Zealanders aware of the opportunities and risks of climate change, and the options for communities to contribute to reducing emissions.

Many New Zealanders understand the fundamental causes and impacts of climate change at a global level but most remain uninformed about the impacts that climate change could have on their daily lives, and are unaware of how the actions of their community can help to mitigate emissions. While local government can educate their communities on the impacts of climate change, **we seek a national campaign (comparable to central government campaigns on smoking and road safety) to raise awareness and to promote specific actions individuals and communities can take to support the reduction of green house gas emissions and adaptation measures.**

### 2. Policy alignment and a clear mandate to address climate change

Central government policies can support (or hinder) council, private sector and community action to respond to climate change.

Effective climate policy involves a diverse range of adaptation and mitigation actions. A broad review of existing policy is required to support climate change adaptation and mitigation actions.

To highlight that local government's actions to address climate change are part of a national effort, **we seek an explicit mandate under the Local Government Act to consider how decisions affect climate change outcomes.**

### 3. A decision on fiscal responsibility for adaptation

Responding to the challenges posed by rising sea levels and increased rainfall requires national consensus on who will bear the costs. As the national policy setter, central government needs to lead the discussion on roles and responsibilities for adaptation actions, including fiscal responsibility.

The effects of climate change, such as rising sea levels, create a new set of social, economic and political challenges, for instance in supporting people that are displaced by eroding coastlines and flooding. These decisions will have repercussions for all communities and need to be considered as a matter of urgency, as the effects of climate change are already being felt in the form of increased flooding and exacerbated erosion on our coasts.

**We seek a clear statement from central government on responsibilities (for government at all levels, private sector and individuals) for adaptation actions, including fiscal responsibility.**

### 4. Co-investment with central government to support low carbon, climate resilient infrastructure.

Central government policy settings and incentives must provide clear, consistent and enduring direction to ensure we are investing in low carbon, climate resilient infrastructure. The Government Policy Statement on Land Transport, for example, should incorporate aims for emissions, including active transport (walking and cycling), public transport and consider the cumulative effects of emissions.

**Local government seeks to work with central government to develop a joint response to climate change including a clear pathway to a low carbon economy.**



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## Waikato District Council Climate Action Plan (Part 2 of 2) - Prioritised Actions Document

This prioritised action document is part 2 of 2 of the overall WDC Climate Action Documentation

The companion document to this prioritised actions document is the Waikato District Council Climate Action Plan - Framework document

This Climate Action document lists numerous actions to improve WDC climate emissions. The actions listed that have been collated from recommendations out of the 2019 WDC emissions stocktake report, from contributions from staff, existing plans and strategies, government influences and other sources.

The actions have been categorised into 6 categories consistent with the details in the companion Climate Action part 1 - Framework document (summarised in the table below). It should be noted that the prioritisations and timeframes are indicative only.

The actions in this action plan have been provided as opportunities for the organisation to consider and effect. Also, it should be noted that numerous actions in this action plan are either underway, a part of BAU work being done, or will be addressed (either in part or in full) as part of LTP initiatives.

Cost has not been provided for the actions - partly because there are many unknowns, but mainly because cost can be determined as actions are investigated.

Below is a summary of the statuses used with associated explanations for each status

Status	Definition & Associated Cell Highlighting Colour Legend
Proposed for LTP	It is known that this action has been proposed as part of the LTP this cycle
Under Investigation	Plausibility of this action is being explored
Improvement Opportunity	This action is an opportunity for improvement but is not currently being explored
In Progress	This action is underway
BAU	This action is a business as usual activity - no further action required other than monitoring
Completed	This action has been put into effect - no further action required other than monitoring

Priority	Rank Order
1	Highest
2	
3	
4	
5	Lowest

Action Categories - as per tabs in this document

Category 1	Knowledge, Understanding and Direction
Category 2	Corporate Capacity and Coordination
Category 3	Corporate Emissions Reduction
Category 4	Community Emissions Reduction
Category 5	Corporate Resilience and Adaptation
Category 6	Community Resilience and Adaptation

Waikato District Council Climate Response and Resilience Actions						
Action Category 1: Knowledge, Understanding and Direction						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
1010	Documentation	Identify the Key Guiding Documents: Waikato District Council: Climate Response and Resilience Policy LGNZ Position Statement on Climate Change LGNZ Stocktake of Emissions Reduction Actions Local Government Leaders Climate Change Declaration MfE National Climate Change risk assessment New Zealand snapshot MfE Climate change projections for NZ Snapshot	1	FY2020/21	Completed	Done
1020	Stocktakes	Corporate Emissions Stocktake Waikato District Stocktake Regional, National & Global Stocktakes	1	FY2020/21	Completed	Done
1030	Report	Business Intelligence dashboard reporting for data and KPIs	2	FY2021/22	Improvement Opportunity	Work on requirements and data collection first, then build dashboards from there
1040	Map WDC Climate Actions to WDC LTP/AMP documentation	The Communication from the Office of the Auditor General to all Councils has made it clear that the 2021-2031 Long Term Plans (LTPs) and supporting documentation will need to provide evidence that the impacts of climate change have been adequately incorporated into the Council's planning, including its financial and infrastructure strategies.	1	FY2021/22	Improvement Opportunity	This action is for the WDC Climate Action team to work with Asset managers and LTP plan contributors to identify all initiatives that relate to Climate Action and/or have impact on the climate and prepare a mapping table that links Climate actions with initiatives in the plan

Waikato District Council Climate Response and Resilience Actions						
Action Category 2:		Corporate Capacity and Coordination				
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
2010	Stocktake	Yearly WDC Corporate Emissions Stocktake	1	FY2020/21	BAU	Completed 2020 - will repeat for 2021
2020	Stocktake	Waikato District Emissions Stocktake in collaboration with Waikato Regional Council undertaken every 2 to 3 years	1	FY2020/21	BAU	Completed 2020 - will repeat in 2022
2030	Council Reports	Climate and emissions lens on all Council reporting templates	1	FY2020/21	In Progress	For the authors to think and discuss climate implications for sharing with Councillors
2040	Waikato DC Internal Reports	Climate and emissions lens on all internal reporting templates	1	FY2020/21	In Progress	For the authors to think and discuss climate implications for sharing with management
2050	Collaboration	Identify Key Partnership opportunities broadly and in relation to more specific action categories	1	FY2020/21	In Progress	Working with WRC, HCC and the Waikato Plan
2060	Target	Set an emissions reduction target for WDC and for the district	1	FY2020/21	In Progress	Specify targets clearly as part of our action plan... align with Government plan of net emissions to zero by 2050 (excl biogenic methane). Reduce biogenic methane to 24-47% below 2017 levels by 2050, including 10% below 2017 levels by 2030.
2070	Waste Minimisation	WMMP Action 12. Develop event waste management guidelines and promote to events in the district, including mandatory utilisation for events at council facilities. This may be undertaken in partnership with other councils (Zero waste events guide)	1	FY 2020/21	In Progress	A Solid Waste level of service has been proposed for the next LTP. This action was marked in WMMP as 2019 - estimated 30 June 2021
2080	Waste Minimisation	WMP Action 1: Review funding model for council services to align with waste minimisation activities (including but not limited to contracting of solid waste services, kerbside refuse, inorganic collection, food waste and drop off collections).	1	FY 2020/21	In Progress	As per ref 4020 opportunity exists for formalising the project resource, plan and progress reporting. Approach change - the current contracts are being refreshed (extended) for the near future (3-5yrs).
2090	Waste Minimisation	WMMP Action 18. Investigate introducing a Grants scheme (funded through the Waste Levy) for waste minimisation projects - this may be in the form of low interest loans and/or targeted grants.	1		In Progress	Estimated 30 June 2021
2100	Waste Minimisation	Implement the 22 activities in the Waste Minimisation Management Plan that were approved in 2018 and reach the 4 targets identified: 10% reduction in per capita rubbish to landfill 20% increase in per capita kerbside diverted material 5% reduction in per capita rubbish to landfill 20% increase in per capita kerbside diverted material	1		In Progress	
2110	Additional Staff Resource	New Staff Position of Climate Change Advisor to be created to Co-ordinate, advise, drive and report on Waikato District Councils obligations around the zero carbon bill, Paris Accord, United Nations SDGs	1	FY2021/22	Proposed for LTP	Business case submitted and drafted into the LTP
2120	Procurement	Develop and implement an overall Procurement Strategy that implements sustainability and emissions reduction objectives in all procurement activities	1	FY2020/21	Under Investigation	Potentially start with getting Climate Considerations on appropriate procurement forms like we have done with Zero harm
2130	Identify	Topic Based work streams and ownership across the organisation. Waste and pollution reduction Energy use Land use Kaitiakitanga Protection of the environment and biodiversity Regulatory: Environmental Policy & Bylaw. E.g. compulsory water tanks, renewable energy, sustainable building	1	FY2020/21	Under Investigation	Identify owners after action plan adopted for each workstream - and potentially for sub-workstreams.
2140	Incentivise	Car parking for no/low emission transport/cars Subsidised public transport, car sharing	1	FY 2020/21	Under Investigation	Great idea and easy to effect if we get management consent
2150	Incentivise	WDC policy to promote electric / hybrid / zero emission vehicles for personal vehicles	1	FY 2020/21	Under Investigation	About our own fleet - ensuring we have appropriate policy for staff and fleet cars WDC pays for
2160	Engagement	Implement an internal engagement program	1	FY2020/21	Improvement Opportunity	Once we have identified prioritised actions
2170	Data Quality	Improve data quality to improve emissions data collection	1	FY2020/21	Improvement Opportunity	Work through getting data measurements in place as we perform our 2nd Stocktake
2180	Website	Build a website and social media presence that shares the journey we are on and acts as a public facing engagement hub	2	FY2021/22	Improvement Opportunity	This initiative to be done in conjunction with our Climate partners - to achieve best alignment. Some Adhoc WDC announcements as appropriate
2190	Incentivise	initiatives to incentivise green thinking - e.g. e-bike programme, renewable energy, sustainable transport options	5	FY 2023/24	Improvement Opportunity	Some thinking to be done as to what sort of programme could be adopted - low priority
2200	Incentivise	Install EV recharge posts	3	FY2022/23	Improvement Opportunity	Awaiting Demand and Cost to meet a happy equilibrium
2210	Education and induction	Improvement opportunity: Waste minimisation corporate induction. A part of standard induction waste minimisation is highlighted and included as part of the building tour (this would aid a broader org culture change in relation to waste production)	1	FY 2020/21	Improvement Opportunity	An introduction e.g. here is the cardboard recycling, worm farm, paper, "please wash out your cans, drink bottles before putting into recycling" etc.
2220	Waste Minimisation	WMP Action 3. Consider increasing the use of a social procurement approach to the procurement of waste services to achieve the objectives and targets of the WMMP.	1	N/A	Improvement Opportunity	
2230	Waste Minimisation	WMMP Action 7. Procure council services and waste related contracts as required, ensuring new contracts are in alignment with this WMMP and utilising a social procurement approach	1	fy2020/21	Improvement Opportunity	
2240	Waste Minimisation	WMMP Action 10. To support the introduction of a Waste Bylaw and licensing system; develop internal waste data collection and monitoring systems to enable waste data management in alignment with the Waste Data Framework. This may require internal changes to council roles and responsibilities to account for licensing management and enforcement as well as implementation of the activities in this WMMP.	1	fy2020/21	Improvement Opportunity	This was schedule on the WMMP for 2019

Waikato District Council Climate Response and Resilience Actions						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
3010	Roading / Transport Construction	Pavement recycling (waste minimisation).	1	fy 2020/21	BAU	Industry standard: Roothing recycles approximately 10km/annum of pavement. This is based on best practice and is considered on a project by project basis depending on requirements.
3020	LPG	Predominately this LPG relates to usage at the Raglan Holiday Park. The Park installed an electric hot water heat pump 12 months ago which has reduced its reliance on LPG. Further reductions could be made by setting up a 2nd low carbon hot water plant at the other end of the Park. This will limit LPG use to more remote areas in the park. There is the added benefit of reducing transport emissions of the LPG.	1	FY2021/22	In Progress	Discussions between management and campground to see what can be done to reduce reliance on LPG
3030	LED lighting	LED Lighting replacement in all libraries and offices	1	FY2021/22	In Progress	
3040	Utility Vehicles	Council should ensure fuel efficiency is a focus for new utility vehicles and include low/zero emission models as they come to market.	1	FY2020/21	In Progress	Global Fuel Economy targets will reduce diesel emissions from utilities and light trucks over time. Assume a 25% reduction from general fuel economy gains with new vehicles.
3050	Fleet (on-road) vehicles - hybrid	Councils non-ute fleet is being converted to hybrids over the next 3 years (including this year)	1	FY2022/23	In Progress	By the end of 2022/23 WDC will have 50 toyota RAV4 hybrids. The 11 utes for animal control, parks, monitoring etc have no viable hybrid alternatives currently, but more efficient options are being investigated.
3060	Fleet (on-road) vehicles - electric	Council is investigating (with WCLASS): buying electric push bikes / scooters for Council staff for local trips, buying 2 fully EV cars for shorter drives, and getting a EV charging station at the Council offices that staff and visitors can use.	1	FY2023/24	In Progress	Global Fuel Economy targets will reduce petrol emissions from cars over time. Assume a 25% reduction from general fuel economy gains with new vehicles.
3070	Street Lighting	LED Street light conversion (standard LED lighting).	1	FY 2020/21	In Progress	LED Street light conversion has been underway over the last 24 months. There are 400 lights left to convert. NZTA will fund this activity until the end of this year(2020) it is critical to prioritize this activity.
3080	Street Lighting	LED street light conversion (sections: Huntly and Gordonton Highway)	1	FY 2020/21	In Progress	NZTA is handing 2 sections of highway back to Council (Huntly and Gordonton) Council has negotiated that NZTA must convert all existing lights to LED before the transfer is finalised (30 June 2021).
3090	Procurement	Implementing an overall Procurement Strategy that supports sustainability objectives to be considered in all procurement activities. e.g. * Buy recycled paper * Bamboo toilet paper not wrapped in plastic * Ensure gifts and promotions are not plastic or wrapped in plastic * Switch to compostable courier bags * recycled envelopes with no plastic window instead of plastic window envelope, * food purchases with consideration to food miles, * packaging etc Consider the life cycle of all goods, e.g. disposal costs or options at end of life	2	2020/21	In Progress	Staff have been taking the initiative and questioning when products have arrived with excessive packaging and suggesting low waste options
3100	Biodiversity and public land	Biodiversity protection and improvement Habitat restoration, protection and improvement Retention of exotic trees for carbon sequestration Planting greenfield sites with natives, retiring grazing land for habitat planting Animal and plant pest control, match funding for partnership projects	1		In Progress	WDC manages a program of habitat restoration and improvement throughout the district on public and private lands including working with external funders.
3110	Flexibility and mobility	A flexible working environment will allow remote working thereby saving petrol and removing the need for all staff to be in the office each day.  Hot-desking will also encourage documents to be electronically stored and will reduce paper requirements.  Electricity demand is reduced	1	fy2020/21	In Progress	This is in place and expected to be operational in the first few months of next year.
3120	Waste Minimisation	WMMP Action 11. Undertake Waste Compositional Audit every 3-6 years	1	fy2019/20	In Progress	
3130	Natural Gas	Huntly Aquatic Centre replacement of its natural gas fired boiler when it comes up for renewal in 2028 with an electric hot water heat pump or other low carbon boiler. At least 24 months prior to replacement, a heat meter	3	FY2023/24	Proposed for LTP	Energy efficient replacement being considered in LTP... project has been brought back to 2024 from replacement date of 2028
3140	Energy	Reduce the number of fluorescent light bulbs (remove 1 of the 3)	2	FY2020/21	Under Investigation	Quick win to be made here - with three bulbs in each light fitting and \$100 saving per bulb annually - good savings
3150	Waste Minimisation	WMMP Action 21. Undertake Waste Assessment and develop and adopt 2024 - 2030 WMMP (by June 2024).	3	fy2023/24	Under Investigation	Dec 2021 is planned schedule to start assessing and reviewing
3160	Energy	Passive/eco/sustainable buildings, renewable energy, energy saving devices e.g. install solar panels	3	FY2024/25	Improvement Opportunity	Low Priority. Assume national renewable electricity supply increases from 85% to 95% by 2030. As such PV solar systems will offer little in the way of carbon reductions. May elect to do it anyway as it is a visible positive signal to communities etc?
3170	Roading / Transport Construction	Plant replacement with consideration to emissions efficiency. Council to work with suppliers to replace equipment with plants and equipment that are low emissions	3		Improvement Opportunity	
3180	Roading / Transport Construction	Some behaviours that result in high emissions could be modified with technical solutions. e.g. plants and equipment that are turned on at the start of a job and that are used intermittently over the course of the day but are left to idle on site. Idling vehicles, fitted with cut out switches could act to significantly reduce emissions without relying on human behavioural change	3		Improvement Opportunity	
3190	Roading / Transport Construction	Council to partner with suppliers to look for climate friendly and emission reductions solutions. e.g. fleet and plant replacement, employee behaviour (pool vehicles, vehicle efficiency) and methodology.	2		Improvement Opportunity	
3200	Roading / Transport Construction	Tree removal on roads is often necessary due to health and safety requirements. Council could consider offsetting removal with planting.	4		Improvement Opportunity	
3210	Consumption of office supplies	Ration paper Reduce the use of consumables and encourage digital or electronic communication Reduce the number of printers in the office Reduce plastic use in the office, in packaging, around the link newsletter	2	2020/21	Improvement Opportunity	The flexible working program and people working remotely has reduced the amount of paper used and increased digital collaboration
3220	WWTP(s) Biogenic Emissions	Work with Watercare to understand and reduce the biogenic emissions	4	fy2021/22	Improvement Opportunity	In order to further understand the opportunity to reduce biogenic emissions, analysis by WWTP process type is required. Increasing district population will lead to additional biogenic emissions if reduction measures are not undertaken.
3230	Wainui Reserve emission reduction	Develop an emission reduction strategy for Wainui Reserve. Options could include partial replanting into native forest, reducing stock numbers or switching to land use activities with a lower emissions profile / ecological footprint e.g. sheep	2	fy2022/23	Improvement Opportunity	Cattle are run at Wainui Reserve. One steer produces 1.82 TCO2e and one sheep produces 0.37 TCO2e per year. Build a strategy that is both pragmatic and representative for Waikato district farmers facing similar agricultural emission reduction issues and what is deemed best practice to put in place. Partner with other organisations focused on reducing agricultural emissions
3240	Biodiversity planning framework	Council to prioritise carbon capture, protection of natural features (e.g. wetlands) and ecological enhancement via consenting processes. Retiring grazing land for habitat creation/carbon sequestration. Emphasis through the planning process placed on retaining natural features that can offset/add resilience to climate change such as flood plains, coastal inundation zones and catchments.	1		Improvement Opportunity	There is an opportunity to strengthen the district plan and its application.



Action Category 3: Corporate Emissions Reduction						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
3250	Travel	Reduce travel emissions by 25% from 2021 to 2030. e.g. Reduce amount of time spent in vehicles, reduce commuting Choose carbon offset travel (flights) Choose accommodation options that are in the low emissions categories Staff be encouraged to car pool, use public transport or bike Install a secure bike stand under shelter Provide EV charging opportunities	1	FY2020/21	Improvement Opportunity	For the stocktake, travel data was incomplete and may be higher than shown. The experience of Covid -19 may assist in rethinking of air travel to a certain extent and favour the use video conferencing. In any event it is suggested a sinking lid budget of 25% on travel emissions is targeted for 2030. This is shown by the reduction from 23TCO2e to 17 TCO2e.
3260	Carbon Offset TCO2-e	Council could consider planting its own forest or purchasing carbon sinks to offset its carbon emissions.	3		Improvement Opportunity	This is a purely voluntary option. Please note that the cost of future voluntary carbon offsets could be quite variable.
3270	Food	Make more sustainable choices around food e.g: Remove the coke fridge and vending machine Install pig bins or compost bins Encourage meat free meals e.g. meat free Monday, increase vegan options and source food locally Adopt low carbon catering standards e.g. local food or more plant based, low packaging Buy local seasonal foods	2	2020/21	Improvement Opportunity	Opportunity exists here in relation to change hand of cafeteria management to seek contractor with more sustainable mindset.
3280	Waste to Landfill	Apply data to implement waste reduction actions e.g. Ensure recycling is done and is not put in with waste Remove rubbish bins in the office Increase the instances of recycling / waste minimisation	2	2020/21		In Feb 2020 a corporate waste audit was conducted (one week of rubbish separation). The findings and recommendations are in draft format and could be completed within a fortnight. If resourced the recommendations from the audit should be prioritised and put into effect.
3290	Waste Minimisation	WMMP Action 22. Investigate alternate treatments to Council wastewater sludge and other Council's waste generating activities.	2	fy2021/22 - 24	Improvement Opportunity	The transfer of services to Watercare means this opportunity has shifted. Councils should still look to engage and encourage innovative ways of managing waste with our partners.

Waikato District Council Climate Response and Resilience Actions						
Action Category 4: Community Emissions Reduction						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
4020	Education and Advice	Formalise and expand a community education program associated with waste minimisation	1	FY2020/21	In Progress	WDC is progressing these initiatives. Opportunity exists for formalising the project resource, plan and progress reporting e.g. Enviroschools In school native species planting programme Waste Minimisation advice e.g. Buy local, buy low impact, buy sustainable Encourage recycling clothing Water Use Advisory
4030	Regulation - District Plan	Regulation including the removal of Barriers Proposed district plan (Stage 2): Natural Hazards and Climate Change, and PDP provisions: * encourage compact growth, non-motorized transport e.g. walking, cycling, public transport etc. With the aim to reduce the number of cars * Conservation covenants and monitoring of covenants * Protection of notable trees and natural assets * Reserve and esplanade acquisition through LUC process * Setbacks from natural features and habitat protection rules * Re-instatement of flood planes  Explore ways to incentivise lower emission/resource light/clean businesses and projects.	1	FY2020/21	In Progress	PDP hearings are underway
4040	Transport	Waikato District Council Trails Strategy 2016 The strategy focuses on recreational usage of trails, but includes commuter usage where applicable. Section 2 discusses "Improving the Environment", "Walking, cycling and horse riding are non-polluting forms of travel that do not use fossil fuels and help to improve the quality of the environment. Motor vehicles contribute to greenhouse gas emissions and poorer air quality. Sustainable and energy efficient modes of transport can help reduce air pollution and reduce traffic congestion and the associated costs." Put into effect Sections 6.1-6.7 of the strategy and or review and update the strategy with consideration to Waikato District Councils - Climate Resilience and Response Policy	1	FY2020/21	In Progress	Partner in with HCC who are actively consulting with the community on multi-use footpath/ cycle way options
4050	Waste Minimisation	WMMP Action 9. Introduce a Solid Waste Bylaw & licensing system for operators and facilities, aligning with the regional template developed by Waikato Regional Council.	1	fy2020/21	In Progress	This was schedule on the WMMP for 2019. Estimated 30 June 2021
4060	Funding	Source or provide funding or grants: Enviroschools Xtreme Zero Waste A Mfe funding scheme for waste minisation exists. The next funding round is May 2021. WDC could submit a funding application. Biodiversity, conservation projects (mostly public land) WDC conservation funding programme (private land) Source other environmental grants e.g. WRA, EIF, WCEET, FIF	1	FY2020/21	Under Investigation	Opportunity to formalise the project resource, plan and progress reporting. Funding applications need to be prioritised.
4070	Additonal Staff Resource	Eco-Design Advisor	3	FY2022/23	Improvement Opportunity	Once a Climate Action Co-ordinator / Manager has been employed they can look to stand up the team and make recommendations. We may be able to share the service with HCC or other collaborative partners
4080	Other Policy/Incentives	Zero/reduced Council fees and charges on green star rated buildings Other Policy & Bylaw Work e.g. renewable energy, sustainable building Active encouragement of green business and technology through sustainable economic development	3	fy2022/23	Improvement Opportunity	Priorities for this may change depending on government target ambitions.
4090	District Plan and Consents	Enforcing the plan specifications and review how we manage discretionary categories and work with a mindset of the broader impact rather than individual pieces of work. Utilize existing documents to support environmental outcomes.  Promote more stringent adherence/enforcement of District Plan rules relating to environmental protections including consideration of the cumulative effects	1	fy2021/22	Improvement Opportunity	Promote the understanding that discretionary minor activities may have a major negative cumulative impact overall

Waikato District Council Climate Response and Resilience Actions						
Action Category 5: Corporate Resilience and Adaptation						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
5010	Roading Resilience	Regional Council consents include Climate effects in sign-off over roading project works	1	fy2020/21	BAU	Roading project works that are subject to Regional Council consents require Regional Council sign-off prior to execution.
5020	Asset Management Planning and Infrastructure Strategy	Incorporating climate change into Asset Management Planning, considering protection, retreat, design, capacity (e.g. stormwater pipe size), retiring grazing land for habitat, planting	1	fy2020/21	In Progress	AMPs include a sustainability chapter.
5030	Roading Resilience	Design roads for the control of water e.g. bridges, culverts, with consideration to climate change assumptions (+15% water capacity).	1	fy2020/21	In Progress	Designing roads is a substantial financial investment with design being phased in over the past 3-4 years. The purpose of the design modification is mitigation of potential increased volume ensuring the network is not adversely effected. Approximately 3-4 years ago a Geotech report was commissioned to explore network susceptibility to rainfall events. This report has been used to inform ongoing planning however it now requires review. Review is expected to take place during the current financial year.
5040	Hazards	Conduct hazard identification workshops as part of proposed district plan Regional hazards forum (CDEM)	1	fy2020/21	In Progress	Hazard identification is complete. We now need to work on the regional hazards forum
5050	Partnerships	Partner with other organisations to boost Corporate resilience and adaptation. E.g. Waikato Regional Council, NIWA, WLASS, Waikato Plan, HCC, Waipa, Tainui etc	1	fy2020/21	In Progress	This is a key area to work on aligning and collaborating with other organisations. Respecting we don't need to lead but to participate in an orchestrated / useful way
5060	Insurance	Ensuring insurance is taking into account the implications of climate change	1	fy2020/21	Under Investigation	Finance and Management to understand risk/costs involved
5070	Roading Resilience	Review the Rooding budget for response to climate events. Currently Rooding has a budget of \$800k/annum to respond to climate events. Response includes general improvements and maintenance. This budget could be considered a risk as there has been no forecast increase in the funding for the next 10 year period. The amount may not be sufficient to cover predicted climate changes.	1		Improvement Opportunity	

Waikato District Council Climate Response and Resilience Actions						
Action Category 6: Community Resilience and Adaptation						
Ref	Subject / Topic	Description	Priority (1-5)	Estimated Start	Status	Comments
6010	Education and Advice	Identify vulnerable communities Develop and implement community adaptation and resilience plans	1	fy2020/21	In Progress	Have started with Port Waikato
6020	Strategy	Conservation Strategy Review	1	fy2020/21	In Progress	Scoping underway with HCC. Having well functioning ecosystems helps communities to build resilience e.g. wetlands provide natural flood protection
6030	Regulation	Proposed District Plan (Stage 2): Natural Hazards and Climate Change	1	fy2020/21	In Progress	The PDP identifies hazard areas for little or no development
6040	Waste Minimisation	WMMP Action 8. Progress Resource Recovery facilities in Huntly and to consider the development of resource recovery facilities for the Northern part of the district. This will be encouraged through collaboration and partnerships before 2024.	1	fy2021/22	In Progress	
6050	Waste Minimisation	WMMP Action 4. Evaluate Raglan food waste service and assess suitability for expansion. Expand if suitable.	3	fy2021/22	Under Investigation	Discussion re auditing food waste is happening during December.
6060	Regulation	Other Policy and Bylaw work to encourage resilience e.g. water tanks, renewable energy, sustainable building, passive housing, waste minimisation	3	fy2021/22	Improvement Opportunity	This may be bought forward depending on central government targets and / or weather events
6070	Waste Minimisation	WMMP Action 13. Provide quality behaviour change programs focused on waste minimisation and that support the goals and objectives of the WMMP	2		Improvement Opportunity	
6080	Waste Minimisation	WMMP Action 15. Work closely with Tangata Whenua, community groups and private sector to enhance economic development through resource recovery	1		Improvement Opportunity	
6090	Waste Minimisation	WMMP Action 16. Work with business, farms, and industry organisations assisting to reduce waste, increase diversion and recycling (potentially as a sub-regional project).	1	fy2021/22 - 23	Improvement Opportunity	
6100	Waste Minimisation	WMMP Action 17. Identify and support community and business champions in waste reduction and avoidance; including but not limited to initiatives focusing on e-waste and/or construction and demolition waste.	2		Improvement Opportunity	

# Greenhouse Gas Emissions Inventory Report

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Prepared in accordance with Part 7.3.1 of ISO 14064-1:2006

## Waikato District Council

### Waikato District Council

Person responsible: Debbie Dalbeth

Prepared by: Martin Lynch

Dated: 16 July 2020

Verification status:

For the period: 1/7/2018 to 30/6/2019

Base year: 1/7/2018 to 30/6/2019



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## Greenhouse Gas Emissions Inventory summary

Table 1: GHG emissions data summary.

TCO2-e	FY18/19 Base year	FY2020	FY2021	FY2022
Scope 1	1,651.8			
Scope 2	618.3			
Scope 3	162.6			
Total gross emissions	2,432.8			
Total gross GHG emissions per FTE - Full Time Employee	4.9			
Total mandatory GHG emissions per FTE - Full Time Employee	4.9			
Total gross GHG emissions per Turnover/revenue (\$Millions)	11.4			
Total mandatory GHG emissions per Turnover/revenue (\$Millions)	11.4			

Note: total mandatory emissions includes scope 1, scope 2, and scope 3 (i.e. excludes scope 3 one-time and scope 3 additional).

Table 2: Gross organisation GHG emissions by scope for current measurement year.

Indicator	kgCO <sub>2</sub> e
Scope 1	
Fuels (LPG)	60,377
Other gases (excluded scope)	0
Transport fuels (Diesel, Petrol)	484,823
Agriculture, forestry and other lands (Stock)	183,892
Wastewater biogenic gases (Methane, Nitrous Oxide)	762,445
Scope 2	
Electricity	618,318
Scope 3	
T&D Losses	65,639
Travel	23,297
Waste	73,689
Total	2,432,789

Table 3: GHG emissions inventory summary by scope and greenhouse gas.

Component gas	Scope 1	Scope 2	Scope 3	Total	Removals	After removals
CH <sub>4</sub>	465,370	27,809	94,649	587,828	0.00	0.00
CO <sub>2</sub>	693,299	589,964	66,606	1,349,870	0.00	0.00

Component gas	Scope 1	Scope 2	Scope 3	Total	Removals	After removals
HFCs	-	-	0.00	-	0.00	0.00
N <sub>2</sub> O	493175	545	301	494,021	0.00	0.00
PFCs	0.00	0.00	0.00	0.00	0.00	0.00
SF <sub>6</sub>	0.00	0.00	0.00	0.00	0.00	0.00
Total	1,651,845	618,318	162,626	2,432,789	0.00	0.00

Table 4: Mobile and stationary combustion of biomass.

Biomass	Mass	tCO <sub>2</sub> e
Biomass & Biofuels (Energy)	0.00	0.00

Table 5: Deforestation of two hectares or more.

Source	Mass	tCO <sub>2</sub> e
Deforestation tCO <sub>2</sub> e (tCO <sub>2</sub> e)	0.00	0.00

Table 6: GHG stock liability (see Table 13: for mass of individual gases).

GHG gas	Potential Liability tCO <sub>2</sub> e
R410a	0
Diesel Fuel Tank 240L (Woodlands)	0.6
Total	0

Table 7: Land-use liabilities.

Type of sequestration	Liability tCO <sub>2</sub> e
Contingent liability (carbon sequestered this reporting period)	
Potential sequestration liability (total carbon stock)	0

Table 8: Renewable electricity generation on-site.

Renewable generation on-site	kWh generated	tCO <sub>2</sub> e avoided
Te Kauwhata Library	Unknown	0



## 1 Introduction

This report is the annual greenhouse gas (GHG) emissions inventory report for Waikato District Council. The inventory is a complete and accurate quantification of the amount of GHG emissions that can be directly attributed to the organisation's operations within the declared boundary and scope for the specified reporting period. The inventory has been prepared in accordance with the requirements of the publication *Measuring Emissions: A Guide for Organisations*, Ministry of Environment 2019. These requirements are based on the *Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004)* and *ISO 14064-1:2006 Specification with Guidance at the Organization Level for Quantification and Reporting of Greenhouse Gas Emissions and Removals*.

## 2 Statement of intent

This inventory forms part of Waikato District Council's commitment to measure and manage our emissions.

## 3 Organisation description

Waikato District Council is the local government authority for the Waikato District in the north island of New Zealand. The Council supplies infrastructure and community services across a wide area including the west coast from Raglan to Port Waikato and across to the eastern Hauraki Plains. Council's main office is in the township of Ngaruawahia, twenty kilometres north of Hamilton, the nearest city. Council had total revenue of \$146 million and employed 340 permanent staff in the financial year ending 30 June 2019.

Council's Long Term Plan for the decade ahead has a vision of 'liveable, thriving and connected communities'. The Summary Annual Report details a number of major initiatives designed to support growth in economically efficient ways – such as an undertaking to contract with Watercare Services Ltd to operate the district's water, wastewater and stormwater services to save an expected \$28.3 million over the next decade, and the switch to LED street lighting to save \$70,000 a year on one of the largest local roading networks operated by a local authority in the country.

Initiatives designed to protect environmental sustainability include:

- a kerbside food waste collection started in partnership with Raglan's Xtreme Zero Waste which has diverted 123 tonnes of food waste from landfill to compost,
- the completion of a switch to water meter charging for all properties connected to a Council water supply to encourage water conservation and to help locate and fix water losses,
- the completion of the second year of a \$1.76 million 'continuous improvement programme' to mitigate the risk of wastewater overflows with a particular focus on protecting waterways and environmentally sensitive areas, and
- the completion of the second year of a four-year Lake Rotokauri restoration programme supported by nearly \$400,000 funding from the Waikato River Authority.

Environmental sustainability was also a focus for some of the \$800,000 of grants the Council committed for distribution to community groups throughout the district for work on local projects. The grants schedule included \$20,000 committed to support projects under the Waikato District Lakes and Wetlands memorandum of agreement with Waikato Regional Council, Waikato-Tainui, the Department of Conservation and Fish & Game, and \$25,000 for work around Te Otamanui Lagoon.

## 4 Organisational boundaries included for this reporting period

Organisational boundaries were set with reference to the methodology described in the GHG Protocol and ISO 14064-1:2006 standards. The GHG Protocol allows two distinct approaches to be used to consolidate GHG emissions: the equity share and control (financial or operational) approaches. We used an operational control consolidation approach to account for emissions.

The first figure below shows the organisational structure for the Waikato District Council and its main Groups. Councillors lead high level decision-making for the organisation. The Executive Leadership Team oversees management of the organisation and fulfilment of the decisions made by Council. The Executive Leadership Team does this by managing and co-ordinating the work of the four Groups. Each Group employs staff and contractors split into Business Units. For clarification, this inventory encompasses all of Waikato District Council activities shown in Figure 1 unless otherwise noted.

**Figure 1:** Organisational structure

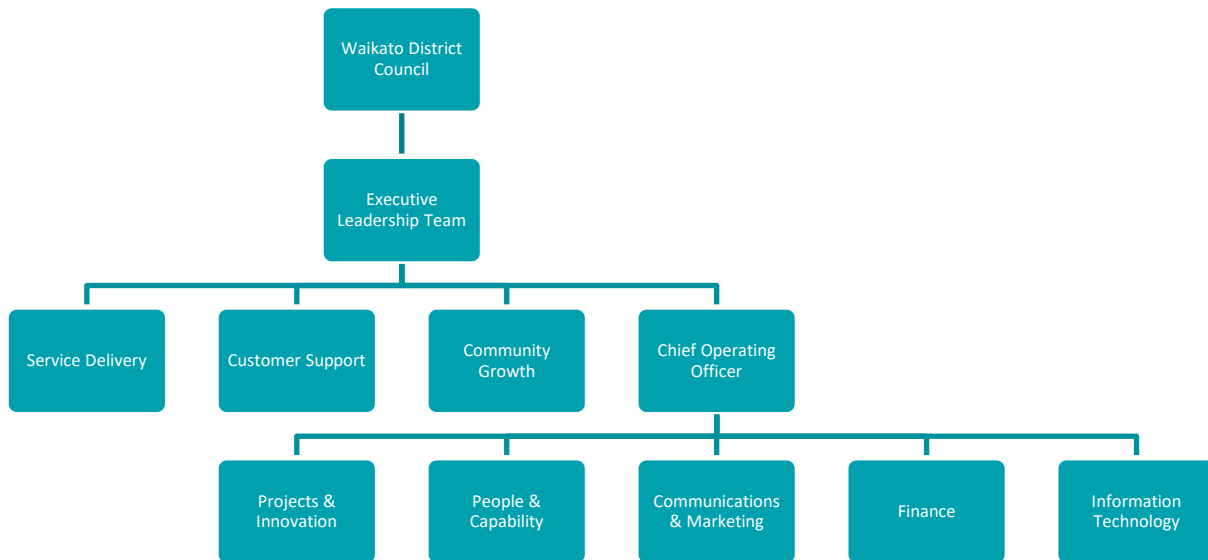
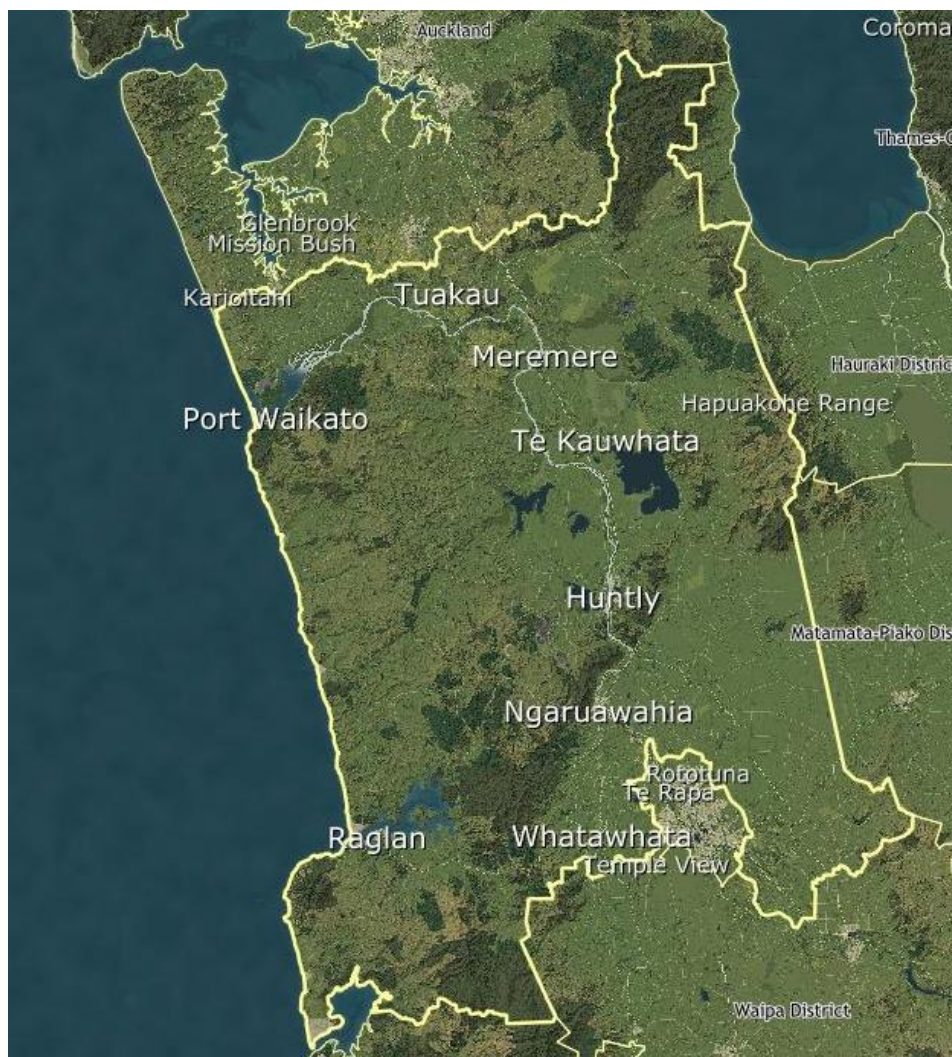


Figure 2 shows the Waikato District Council boundary in bold. Service centres and other facilities are spread across the district in a large area.



**Figure 2:** Waikato District Council Bordered By Bold Yellow Line.

**Table 9: Brief description of business units in the certifying entity.**

Group/Unit	Address	Purpose
Service Delivery Community Connections	Multiple addresses for sites, but staff are principally based at Head Office, 15 Galileo Street, Ngaruawahia.	This includes teams for Venue and Events, Facilities, and Open Spaces. These teams operate, manage and maintain key facilities such as cemeteries and halls, Woodlands venue, holiday parks (overview only), offices, libraries, service centres, toilets, and parks.
Service Delivery Strategic Property	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	To secure and manage land and property required for strategic development.
Service Delivery Community Projects	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	To manage the design, development, project delivery of community projects.
Service Delivery	Principally based at Head Office, 15 Galileo Street,	Management of roading contracts and road safety, management of waste management and

Group/Unit	Address	Purpose
Contracts & Partnering	Ngaruawahia.	minimisation.
Service Delivery Community Assets	Principally based at Head Office, 15 Galileo Street, Ngaruawahia with multiple plants located in key towns.	Management of assets including water, wastewater, facilities and roading.
Customer Support Consents	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Management of consenting processes and land development.
Customer Support Customer Delivery	Based at Service Centres including Raglan, Tuakau, Huntly, TeKauwhata, Meremere, and Ngaruawahia.	Operation of service centres including libraries.
Customer Support Regulatory Manager	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	This includes the animal control team, regulatory administrators, environmental health and monitoring and compliance officers.
Customer Support Building Quality	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	This includes the building review and building inspection teams and administration.
Community Growth Analytics	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Analysis of community growth and development contributions.
Community Growth Economic and Community	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Economic development and youth engagement in the Waikato district.
Community Growth Planning and Policy	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Strategic, environmental and policy planning for the Waikato District.
COO Projects and Innovation	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	This covers procurement, project management, risk & innovation, and business improvement.
COO People & Capability	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Management of human resources and training within the organisation.
COO Communications & Marketing	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Delivery of communications across the organisation and engagement with the community.
COO Finance	Principally based at Head Office, 15 Galileo Street, Ngaruawahia.	Financial management and accounting, rates administration and payroll, and legal counsel.
COO	Principally based at Head Office, 15 Galileo Street,	To provide business intelligence, records and property information, analysis and IT infrastructure support.

Group/Unit	Address	Purpose
Information Technology	Ngaruawahia.	

## 5 Organisational business units excluded from inventory

There are a number of activities that have oversight by the organisation which are operated by third parties and include Scope 1 and Scope 2 emission sources paid for directly by the third party. This includes:

Raglan Holiday Park (operated by a Trust)

- LPG, electricity, waste

Huntly Aquatic Centre, Tuakau Pool, Ngaruawahia Pool (operated by Belgravia Leisure)

- Natural gas, electricity

As these are outside Council's operations, emissions associated with these activities can be excluded from the inventory. However for a more complete picture, Council has chosen to include them as part of Council's corporate greenhouse gas inventory.

## 6 GHG emissions source inclusions

The GHG emissions sources included in this inventory were identified with reference to the methodology in the *GHG Protocol* and *ISO14064-1:2006* standards. As adapted from the *GHG Protocol*, these emissions were classified under the following categories:

- **Direct GHG emissions (Scope 1):** emissions from sources that are owned or controlled by the company.
- **Indirect GHG emissions (Scope 2):** emissions from the generation of purchased electricity, heat and steam consumed by the company.
- **Indirect GHG emissions (Scope 3):** emissions that occur as a consequence of the company's activities but from sources not owned or controlled by the company.



**Table 10:** GHG emissions sources included in the inventory.

Group/Business unit	GHG emissions source	GHG emissions level scope	Data source	Data collection unit	Uncertainty (description)
All Council	Air travel domestic (national average)	Scope 3	Data was received from Ellen Wilson, team Administrator Operations Group.	pkm	It is assumed data source represents a complete and accurate account of all travel activity. However travel kms are not centrally managed or monitored and some data could be missing.
All Council	Hotel Stays	Scope 3	Data was received from Ellen Wilson, team Administrator Operations Group.	nights	It is assumed data source represents a complete and accurate account of all travel activity. However hotel stays are not centrally managed or monitored and some data could be missing.
All Council	Rental Cars Car – petrol, <2000cc	Scope 1	Data was received from Ellen Wilson, team Administrator Operations Group.	days	No documentation was found relating to the hire of rental cars. There is a possibility that other business groups directly hired rental cars, however if so, this would be a small number.
All Council	Waste	Scope 3	Waste collection reports provided by waste contractor (Waste Management)	Bins collected	There is some uncertainty over the accuracy of this data. Waste management advised the bin volumes at collection sites and the number of collections. It was assumed that bins were always full and a conversion factor of 0.48 was used to convert m3 bin volume to weight (tonnes). If anything, waste collection would be overstated.
All Council	Diesel Unleaded 91 Unleaded 95	Scope 1	Consumption reports provided by fleet provider Fleetsmart.	L	It is assumed the supplier reports are complete and accurate for fleet vehicles. A small number of fuel purchases could be via credit card, but this was deemed to be <i>de minimis</i> . Further investigation is required to find out what the fuel consumption was at the Woodlands bulk fuel tank.

Group/Business unit	GHG emissions source	GHG emissions level scope	Data source	Data collection unit	Uncertainty (description)
All Council	LPG	Scope 1	Consumption reports provided by Facilities.	kg	Data was based on the number of bottles used at site and is assumed to be accurate.
All Council	Electricity	Scope 2	Online consumption report downloaded from EnergyPro (holds suppliers invoices). Copies of invoices are available on request.	kWh	We are confident we have data for all meters.
All Council	Enteric Fermentation Agricultural Soils	Scope 1	Based on head of cattle shown in invoices relating to the period.	Head	We are confident data is accurate.
Wastewater Treatment Plants	Biogenic Emissions (Methane and Nitrous Oxide)	Scope 1	Wastewater inflows for each wastewater treatment plant were provided from Council records.	m3	Wastewater flows could be inaccurate and in some cases wastewater outflows had to be used to estimate the inflows. Emission factors are based on the average nationwide factor for WWTPs. This may not necessarily accurately reflect the WWTP's processes.



## 7 GHG emissions source exclusions

Waikato District Council recognises the extent of Scope 3 emissions can be significant. We have chosen to declare the following notable emissions sources that have been excluded from the emissions inventory.

**Table 11:** GHG emissions sources excluded from the inventory

Business unit	GHG emissions source	GHG emissions level scope	Reason for exclusion
All Council	Materials (Concrete, Steel, Aluminium)	Scope 3	The cost and effort of obtaining the information was considered too high.
All Council	HCFC	Scope 3	There are no records of refrigerant replacement for this reporting period. Refrigerant holdings were not collected.

## 8 Data collection and uncertainties

Table 11 gives an overview of how data was collected for each GHG emissions source, the source of the data and an explanation of any uncertainties or assumptions.

A calculation methodology has been used for quantifying the emissions inventory using emissions source activity data multiplied by emission or removal factors. All emission factors were sourced from the Ministry for the Environment's 2019 *Measuring Emissions: A Guide for Organisations*.

Additional data collection uncertainties are as follows:

- The actual amount of waste collected from Council facilities has been estimated based on the collection frequency and size of the bins. Typical volume of waste per bin is based on discussions with staff at each facility and this is converted to a weight using a rate provided by website <https://www.aqua-calc.com/calculate/volume-to-weight> Council's waste contractor. Data on waste has been provided for Council's main sites only. It is expected there are other sources of waste that have not been accounted for in this inventory.
- The actual volume of diesel and petrol stored in any blk tanks on site is not measured. For the purpose of this inventory, the rated capacity of the tanks will be used.

## 9 GHG emissions calculations and results

GHG emissions for the organisation for this measurement period are provided in the GHG Inventory summary section at the start of this report.

Figures 3, and 4 give an overview of where the emissions are occurring across Waikato District Council.





Figure 3: GHG emissions (tonnes CO<sub>2</sub>e) by scope.

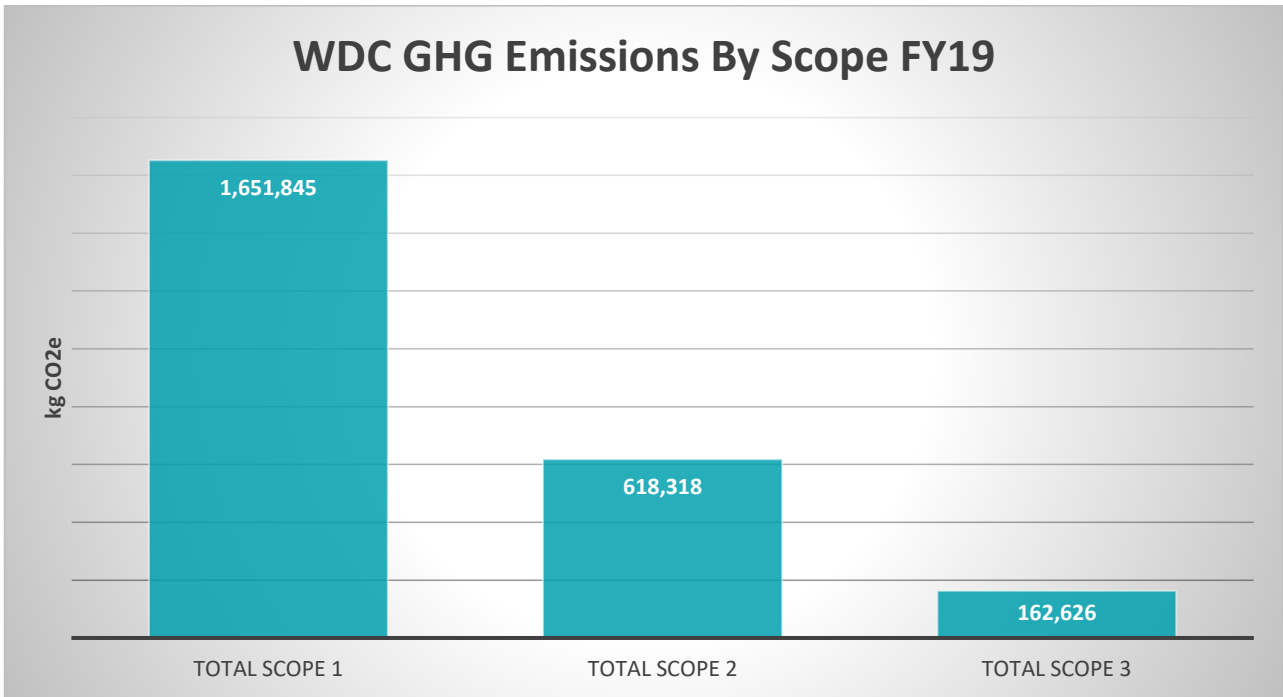
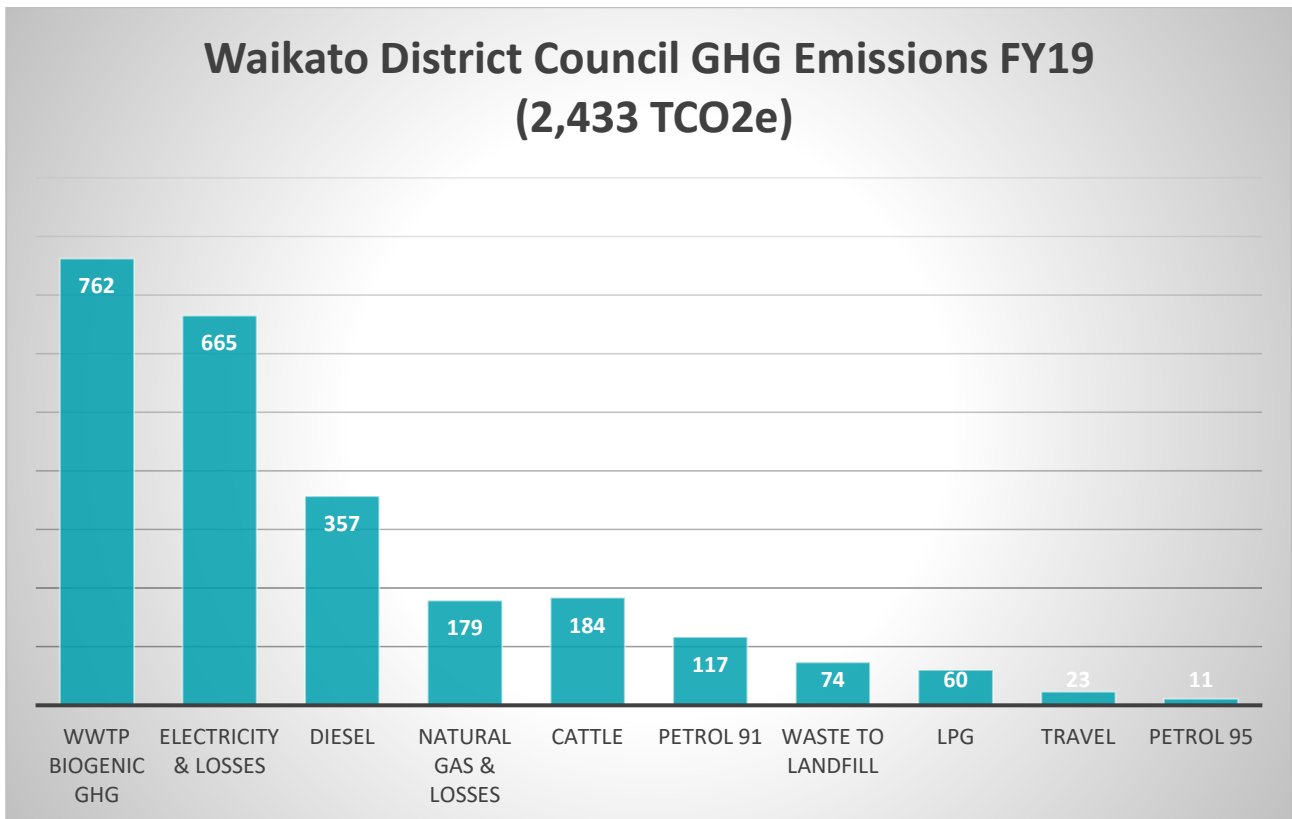


Figure 4: GHG emissions by source (TCO<sub>2</sub>e).





## 10 Liabilities

### 10.1 GHG stocks held

HFCs, PFCs and SF<sub>6</sub> represent GHGs with high global warming potentials. Their accidental release could result in a large increase in emissions for the reporting period. Therefore, any GHG stocks are included in the greenhouse gas emissions inventory summary section at the start of this report (page 6), to identify significant liabilities and implement procedures for minimising the risk of their accidental release.

**Table 12:** HFCs, PFCs and SF<sub>6</sub> GHG emissions and liabilities.

GHG gas	Amount held - start of reporting period	Amount held - end of reporting period	Potential Liability tCO <sub>2</sub> e
R410a	Not Reported	Not Reported	0
Diesel Fuel Tank 240L	0.6	0.6	0.6
Total			0

### 10.2 Land-use change

Organisations that own land subject to land-use change may achieve sequestration of carbon dioxide through a change in the carbon stock on that land. If a sequestration is claimed, this also represents a liability in future years should fire, flood or other management activities release the stored carbon.

## 11 References

International Organization for Standardization. 2006. ISO14064-1:2006. Greenhouse gases – Part 1: *Specification with guidance at the organisation level for quantification and reporting of greenhouse gas GHG emissions and removals*. Geneva: ISO.

World Resources Institute and World Business Council for Sustainable Development. 2004. *The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard* (revised). Geneva: WBCSD.

## Appendix 1

Further GHG emissions data are available on the accompanying spreadsheet(s) to this report:

- WDC - Carbon Emissions Workbook FY19

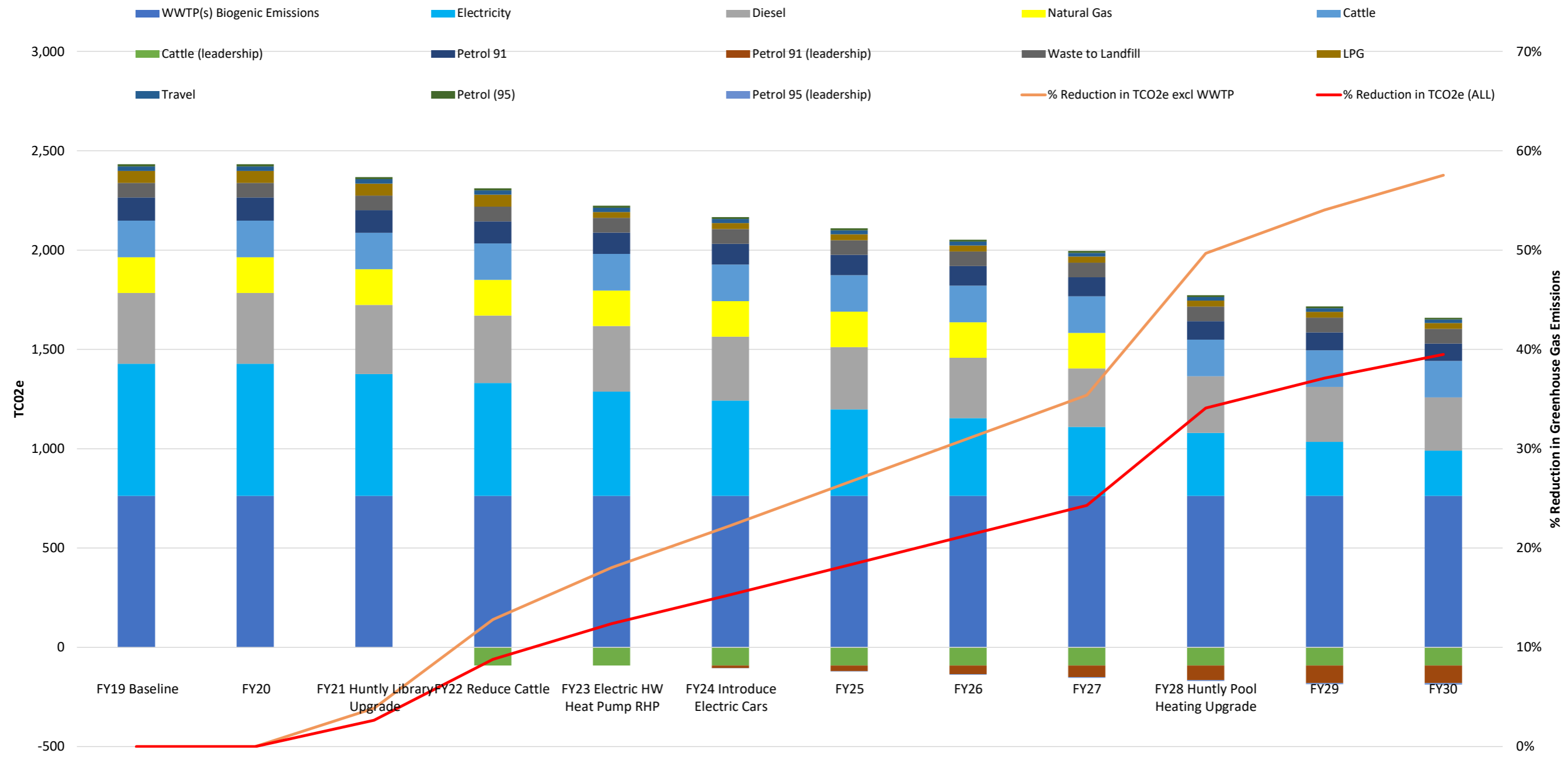
## Waikato District Council Carbon Zero Road Map

Year Ending June

Note: This document is an excerpt of recommendations from the WLASS energy manager received July 2020

TCO2e	FY19 Baseline	FY20	FY21 Huntly Library Upgrade	FY22 Reduce Cattle	FY23 Electric HW Heat Pump RHP	FY24 Introduce Electric Cars	FY25	FY26	FY27	FY28 Huntly Pool Heating Upgrade	FY29	FY30	General Comment
WWTP(s) Biogenic Emissions	762	762	762	762	762	762	762	762	762	762	762	762	In order to further understand the opportunity to reduce biogenic emissions, analysis by WWTP process type is required. Increasing district population will lead to additional biogenic emissions if reduction measures are not undertaken.
Electricity	665	665	613	569	525	480	436	391	347	317	272	228	Assume national renewable electricity supply increases from 85% to 95% by 2030. As such PV solar systems will offer little in the way of carbon reductions. The reductions show here are primarily due to electricities renewable % increasing but also include a number of energy efficiency projects.
Diesel	357	357	348	339	330	321	312	304	295	286	277	268	Global Fuel Economy targets will reduce diesel emissions from utilities and light trucks over time. Assume a 25% reduction from general fuel economy gains with new vehicles. Council should ensure fuel efficiency is a focus for new utility vehicles and include hybrids as they come to market.
Natural Gas	179	179	179	179	179	179	179	179	179	0	0	0	I suggest Huntly Aquatic Centre replaces its natural gas fired boiler when it comes up for renewal in 2028 with an electric hot water heat pump or other low carbon boiler. At least 24 months prior to replacement, a heat meter should be installed on the boiler output for 12 months in order to quantify the duty required for a replacement machine and to minimise capital costs.
Cattle	184	184	184	184	184	184	184	184	184	184	184	184	101 Cattle are run at Wainui Reserve. Options could include replanting this land into native forest or part of it and reducing stock numbers. Alternatively if feasible switch to sheep? One steer produces 1.82 TCO2e and one sheep produces 0.37 TCO2e per year. While more sheep would be run, overall emissions would fall.
Cattle (leadership)				-92	-92	-92	-92	-92	-92	-92	-92	-92	Impact of reduce stocking rates by 50%.
Petrol 91	117	117	114	111	108	105	102	99	96	93	90	87	Global Fuel Economy targets will reduce petrol emissions from cars over time. Assume a 25% reduction from general fuel economy gains with new vehicles. In addition, Council could review its car fleet and consider purchase of electric cars with the aim of replacing all internal combustion cars by 2030.
Petrol 91 (leadership)						-13	-28	-43	-58	-73	-88	-88	Council replaces internal combustion cars with electric from 2024 through to 2030.
Waste to Landfill	74	74	74	74	74	74	74	74	74	74	74	74	This pertains to waste collected from Council buildings. There is uncertainty with this data at present. Review of council's corporate waste minimisation plan would be useful to understand the potential reduction of waste to landfill.
LPG	60	60	60	60	30	30	30	30	30	30	30	30	Predominately this LPG relates to usage at the Raglan Holiday Park. The Park installed an electric hotwater heat pump 12 months ago which has reduced its reliance on LPG. Further reductions could be made by setting up a 2nd low carbon hot water plant at the other end of the Park. This will limit LPG use to more remote areas in the park. There is the added benefit of reducing transport emissions of the LPG.
Travel	23	23	22	22	21	21	20	20	19	18	18	17	Travel data was incomplete and may be higher than shown. The experience of Covid -19 may assist in rethinking of air travel to a certain extent and favour the use video conferencing. In any event it is suggested a sinking lid budget of 25% on travel emissions is targeted for 2030. This is shown by the reduction from 23TCO2e to 17 TCO2e.
Petrol (95)	11	11	11	11	10	10	10	10	9	9	9	8	Global Fuel Economy targets will reduce petrol emissions from cars over time. Assume a 25% reduction from general fuel economy gains with new vehicles. In addition, Council could review its car fleet and consider purchase of electric cars with the aim of replacing all internal combustion cars by 2030.
Petrol 95 (leadership)						-1	-2	-3	-4	-5	-6	-7	Council replaces internal combustion cars with electric from 2024 through to 2030.
% Reduction in TCO2e excl WWTP	0%	0%	4%	13%	18%	22%	27%	31%	35%	50%	54%	58%	If key measures are undertaken this is the likely % reduction by 2030 for non biogenic emissions
% Reduction in TCO2e (ALL)	0%	0%	3%	9%	12%	15%	18%	21%	24%	34%	37%	39%	If key measures are undertaken and no improvements are made in WWTP biogenic emissions, this is the likely % reduction by 2030. Most studies indicate that an absolute reduction in GHG emissions of 50% to 60% by 2030 is necessary in order to limit global warming to 1.5 degC.
Carbon Offset TCO2-e	0	0	0	0	0	0	0	0	0	0	0	0	Council could consider planting its own forest or purchasing carbon sinks to offset its carbon emissions. This is a purely voluntary option.
<b>GHG Emissions excl WWTP(s)</b>	<b>1,670</b>	<b>1,670</b>	<b>1,605</b>	<b>1,456</b>	<b>1,369</b>	<b>1,298</b>	<b>1,225</b>	<b>1,152</b>	<b>1,079</b>	<b>841</b>	<b>768</b>	<b>709</b>	
<b>GHG Emissions (ALL)</b>	<b>2,433</b>	<b>2,433</b>	<b>2,368</b>	<b>2,219</b>	<b>2,131</b>	<b>2,061</b>	<b>1,988</b>	<b>1,914</b>	<b>1,841</b>	<b>1,603</b>	<b>1,530</b>	<b>1,472</b>	
Capital													Estimates Required
Cost Savings p.a.													Estimates Required
National % Renewable Electricity	0.85	0.85	0.86	0.87	0.88	0.89	0.9	0.91	0.92	0.93	0.94	0.95	
Diesel Fleet (l/100km)	8.20	8.23	7.77	7.30	6.83	6.37	5.90	5.90	5.50	5.10	4.70	4.30	As per CAFE literature for Light Trucks/Utes. Uptake would depend on vehicle turnover.
Petrol Fleet (l/100km)	6.20	5.89	5.59	5.28	4.97	4.67	4.36	4.36	4.11	3.86	3.61	3.36	As per CAFE literature for Cars. Uptake would depend on vehicle turnover.
\$/Carbon Tonne (Projected ETS)			25	35	45	55	65	75	85	95	105	105	Based on Productivity Commission Report
Purchase Voluntary Carbon Offsets (Cost assumed to follow projected ETS carbon pricing)			\$59,197	\$77,661	\$95,916	\$113,331	\$129,189	\$143,586	\$156,523	\$152,287	\$160,648	\$154,539	Please note that the cost of future voluntary carbon offsets could be quite variable and these figures are not necessarily representative of what they will be.

# Waikato District Council Carbon Zero Road Map To 2030





# Waikato District Council

# Waikato District Greenhouse Gas Emissions Inventory

For the period July 2018 to June 2019

**Prepared by EnviroStrat Ltd and AECOM**

June 2020

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# 1 Introduction and context

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The New Zealand government ratified the Paris Agreement in April 2017, which is an international commitment to limit global warming to below two degrees. To achieve this goal and make a fair contribution to global emissions reductions, New Zealand adopted in 2019 the Carbon Change Response (Zero Carbon) Amendment Act to develop and implement clear climate change policies that contribute to the commitments under the 2015 Paris Agreement. The Act sets new mitigation targets committing New Zealand to:

- reduce annual net emissions of all greenhouse gases (except biogenic methane) to zero by 2050, and
- reduce annual emissions of biogenic methane to
  - 10% below 2017 levels by 2030
  - 24% to 47% per cent below 2017 levels by 2050.

The Act also established emissions budgets to act as stepping-stones towards the long-term target. The Ministry for the Environment is currently developing a provisional emissions budget for the 2021–2025 period. Eventually, emissions budget will be set for the following periods: 2022–2025, 2026–2030 and 2031–2035.<sup>1</sup>

## 1.1 Role of local government

Globally more than 10,000 cities and local governments have signed up to the Global Covenant of Mayors for Energy and Climate ([www.globalcovenantofmayors.org](http://www.globalcovenantofmayors.org)) and committed to report on their community greenhouse gas emission and emission reduction measures.

In 2017, the Mayors and Chairs of New Zealand have re-confirmed the 2015 Climate Change Declaration and the key commitments and actions that Councils plan to undertake. Waikato District Council is signatory to this declaration which covers all member agencies activities, roles and functions of the sector and specifically identifies how local government will act and what it requires of central government to support action on climate change.<sup>2</sup> Several local councils have also joined the Global Covenant of Mayors including Auckland City, Dunedin City and Rotorua Lakes District.

It is recognised that solutions to climate change and transition to a low carbon economy cannot be pursued by central government without the involvement and actions of local government – for adaptation as well as mitigation. Waikato District Council has committed to developing a climate action plan, and understanding its emissions profile is a first step.

## 1.2 Purpose of the emission inventory

This inventory provides Waikato District Council with an understanding of its emissions generation and profile for the 2018/19 financial year. A GHG emissions inventory is an estimate of GHGs emitted to, or removed from, the atmosphere over a given period.

Specifically, the purpose of this inventory is to:

- Identify where Waikato District’s emissions are coming from and their relative contribution to overall emissions footprint.
- Establish the emissions baseline as a key step towards the district’s climate action plan.
- Provide information to enable the Council to engage with key sectors and stakeholders towards reducing local emissions (starting with goal setting).

This document summarises the findings and insights from the data collection and calculations of the emissions inventory. This document summarises the findings and insights from the data collection and calculations of the emissions inventory. This emissions inventory was developed in conjunction with the emissions inventory preparation for Waikato Region and the other territorial authorities within the region.

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<sup>1</sup> More information is available at: <https://www.mfe.govt.nz/climate-change/zero-carbon-amendment-act>.

<sup>2</sup> See the declaration here: <https://www.lgnz.co.nz/assets/Uploads/0827d40e5d/Climate-Change-Declaration.pdf>

For further insights and in-depth understanding of the inventory context for Waikato District, please refer to the *Waikato Region Greenhouse Gas Emissions Inventory* report for 2018/19.

## 2 Inventory methodology

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### 2.1 The Global Protocol for Community-Scale Greenhouse Gas Emissions Inventories

The Waikato District inventory follows the methodology outlined in the Global Protocol for Community Scale Greenhouse Gas Emissions Inventory (GPC)<sup>3</sup>, published by the World Resources Institute (WRI 2015). The GPC methodology represents international best practice for city and community level greenhouse gas (GHG) emissions reporting.

It includes emissions from stationary energy, transport, waste, industry, agriculture and forestry activities within the regional (administrative) boundary of Waikato Region. The inventory covers seven greenhouse gases: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

### 2.2 Inventory Boundary

The boundaries of the 2018/19 emissions inventory are the administrative boundaries of Waikato District Council. The district covers 440,378 ha and has 78,850 residents.

### 2.3 Emissions calculations and reporting

This inventory assesses both direct (production-based) emission sources within the geographic area (Scope 1) and indirect (consumption-based) emission sources associated with goods and services imported into Waikato District. Examples of indirect emission sources include electricity from the national grid (Scope 2), and transport into the area that originates or terminates outside the area e.g. aviation (Scope 3). Key aspects to note:

- Emissions are reported for the period from 1 July 2018 to 30 June 2019.
- Emissions are expressed on a carbon dioxide-equivalent basis including climate change feedbacks using the 100-year GWP (Global Warming Potential) values and climate-carbon feedback from the Intergovernmental Panel on Climate Change Fifth Assessment Report: Climate Change 2013;
- Total emissions are reported for gross emissions (excluding forestry) and net emissions (including forestry);
- Emissions are calculated by multiplying activity data by an emission factor associated with the activity;
- In line with the GPC, activity data for the various emission sources includes data from bottom up sources (locally provided measurements or estimates) and top down sources (based on national information), depending on data availability;
- Where specific city-level data was not accessible, information was calculated via a per capita breakdown of national level data. This method was applied to the following sectors:
  - Industrial product use
  - Solid waste emissions from closed landfills (1967 to 1997)
  - Stationary energy fuel types: coal, biofuel and LPG figures have been assumed on a per capita basis from national figures.

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<sup>3</sup> The protocol is available at: <http://www.ghgprotocol.org/greenhouse-gas-protocol-accounting-reporting-standard-cities>.



- Following GPC guidance and requirements, notation keys (IE, NE, NO and C) have been used in the emissions report and data quality for each activity/sector assessed a description of data quality assessment).

Assumptions made during data collection and analysis are outlined in Appendix B – Assumptions and limitations. Data gaps are described in Appendix C.

## 3 Emissions results and analysis

Waikato District's emissions inventory provides a picture of emissions generated by the activities of residents, businesses and industries. During July 2018 to June 2019 reporting period, Waikato District generated a total of 2,189,304 t CO<sub>2</sub>e net emissions and 2,540,173 tCO<sub>2</sub>e gross emissions (excluding forestry). This represents a 27.8 t CO<sub>2</sub>e per capita (net) / 32.3 t CO<sub>2</sub>e per capita (gross) emissions and approximately 20% of Waikato Region total gross emissions. Agriculture is the largest emissions source (67.8%), followed by stationary energy (17.7%) (Figure 1).

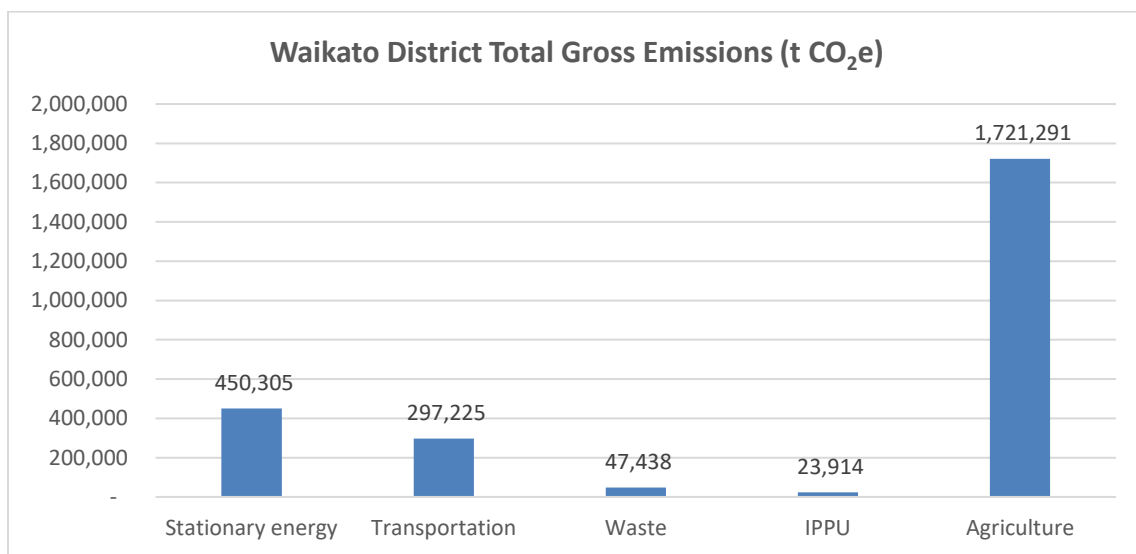


Figure 1. Total gross emissions by source (excl. forestry) for Waikato District, 2018/19

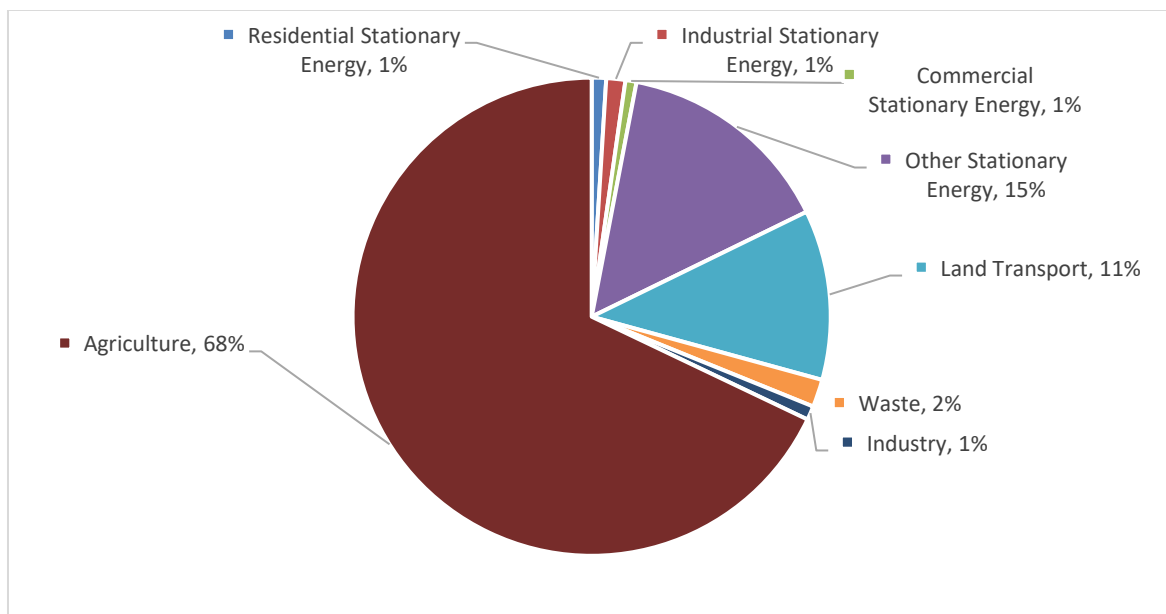


Figure 2. GPC BASIC Community GHG Emissions Inventory for Waikato District, 2018/19  
Percent of Total Gross Emissions by Sub-Sector

### 3.1 Main emissions sources

**Stationary Energy:** the second largest emitting sector, stationary energy is responsible for 450,305 t CO<sub>2</sub>e of the district's gross emissions (17.7%). Residential consumption is responsible for 5.5% of emissions, and industry (manufacturing and construction) accounts for about 7.3% of stationary energy emissions. The majority of stationary energy represented by "other sector" emissions from fuel combustion (energy industries) is 83%, as shown in Figure 3.

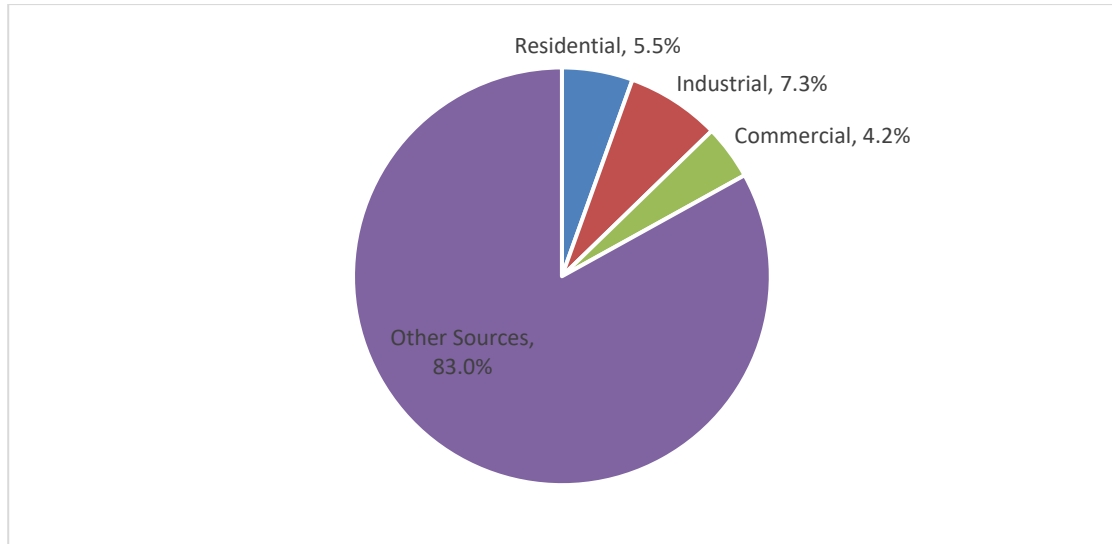


Figure 3. GPC BASIC Community GHG Emissions Inventory for Waikato District, 2018/19  
Total Stationary Energy Sector emissions by sub-sector (%)

When analysed from the perspective of the type of fuel use, electricity consumption and petrol and diesel use are the major sources (see Figure 4 below).

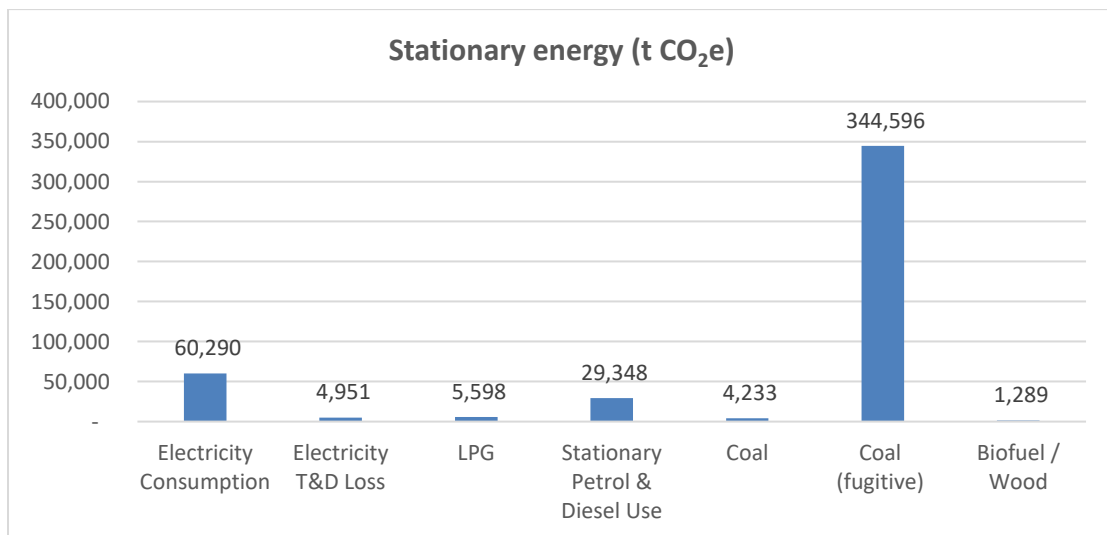


Figure 4. Stationary Energy - breakdown of emissions by fuel type (t CO<sub>2</sub>e)

**Transportation:** the third largest source of emissions at 297,225 t CO<sub>2</sub>e. Road transport (255,811 t CO<sub>2</sub>e) represents just over 86.1% of total transport emissions, followed by off-road at just under 10%.<sup>4</sup>

<sup>4</sup> this is likely to be over-estimated given that the general EECA guidance was applied to split consumption between on and off road. (because a top down approach when diesel consumed on farms.

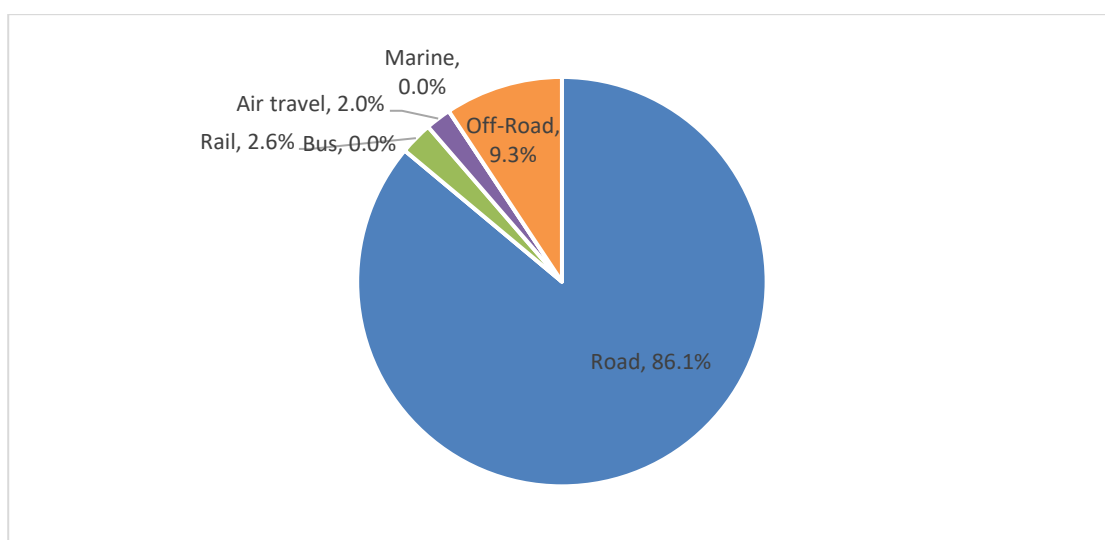


Figure 5. GPC BASIC Community GHG Emissions Inventory for Waikato District, 2018/19  
Total Transport Emissions by sub-sector (%)

When the fuel type is considered, petrol and diesel consumption from on-road make up 95% of all transportation emissions. Activities from aviation and rail are responsible for the remaining emissions.

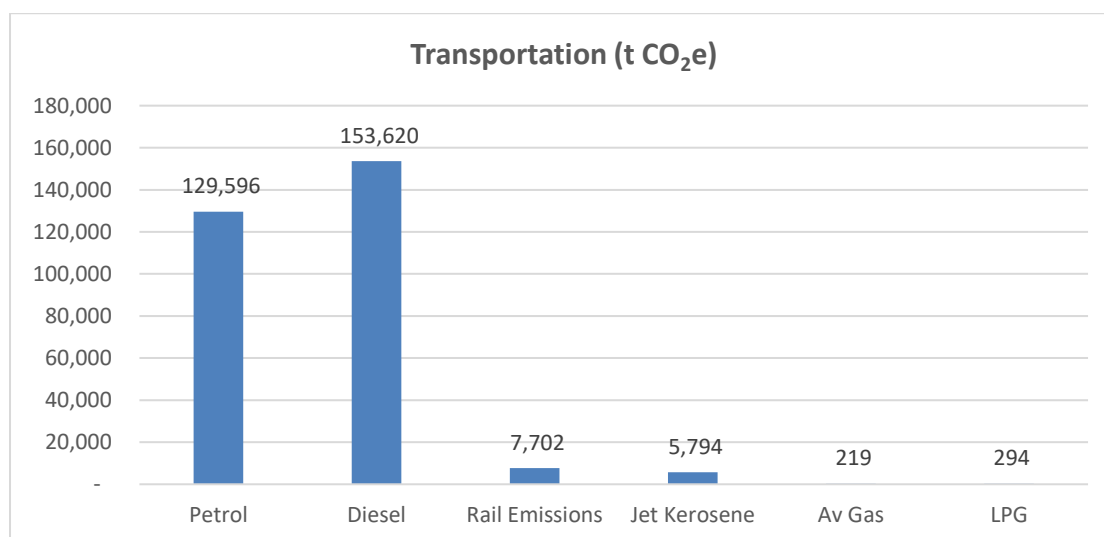


Figure 6. Transportation - breakdown by emission source (t CO<sub>2</sub>e)

**Waste (solid & wastewater):** Waikato District generates a total of 47,438 t CO<sub>2</sub>e from waste, of which 84.6% is as result of solid waste disposal and 15.4% from wastewater.

**Industrial Processes and Product Use (IPPU):** This sector includes emissions associated with the consumption of GHGs for refrigerants, foam blowing, fire extinguishers, aerosols, metered dose inhalers and Sulphur Hexafluoride for electrical insulation and equipment production. The emissions from IPPU (industry) have been calculated using a top down approach, the district accounting for 23,914 t CO<sub>2</sub>e, just 0.9% of gross emissions. IPPU emissions do not include energy use from industrial manufacturing, which is included in the relevant stationary energy sub-category (e.g. coal, electricity and/or petrol and diesel).

**Agriculture:** the sector has the largest footprint of 1,721,291 t CO<sub>2</sub>e representing 67.8% of Waikato District's total gross emissions. Livestock living within the district boundary is the primary source of agricultural emissions.

**Forestry & Land-use Change:** there is 350,870 t CO<sub>2</sub>e sequestration from forested areas – majority from exotic cover.

A breakdown of all emissions sources for each category is provided in the table below. Full details following the GPC accounting methodology are available in Appendix A.

Table 1. Emissions breakdown by category and sources, Waikato District 2018/19

Emission Sources		Waikato District	Unit	% gross	% sector
<b>Stationary energy</b>	Electricity Consumption	60,290	t CO <sub>2</sub> e	2.4%	13.4%
	Electricity T&D Loss	4,951	t CO <sub>2</sub> e	0.2%	1.1%
	Natural Gas	-	t CO <sub>2</sub> e	0.0%	0.0%
	Natural Gas T&D Loss	-	t CO <sub>2</sub> e	0.0%	0.0%
	LPG	5,598	t CO <sub>2</sub> e	0.2%	1.2%
	Stationary Petrol & Diesel Use	29,348	t CO <sub>2</sub> e	1.2%	6.5%
	Coal	4,233	t CO <sub>2</sub> e	0.2%	0.9%
	Coal (fugitive)	344,596	t CO <sub>2</sub> e	13.6%	76.5%
	Gas (fugitive)		t CO <sub>2</sub> e	0.0%	0.0%
	Biofuel / Wood	1,289	t CO <sub>2</sub> e	0.1%	0.3%
	Biodiesel		t CO <sub>2</sub> e	0.0%	0.0%
<b>Transportation</b>	Petrol	129,596	t CO <sub>2</sub> e	5.1%	43.6%
	Diesel	153,620	t CO <sub>2</sub> e	6.0%	51.7%
	Bus Diesel		t CO <sub>2</sub> e	0.0%	0.0%
	Rail Emissions	7,702	t CO <sub>2</sub> e	0.3%	2.6%
	Bus (Electric)	-	t CO <sub>2</sub> e	0.0%	0.0%
	Jet Kerosene	5,794	t CO <sub>2</sub> e	0.2%	1.9%
	Av Gas	219	t CO <sub>2</sub> e	0.0%	0.1%
	Marine Diesel	-	t CO <sub>2</sub> e	0.0%	0.0%
	Light Fuel Oil	-	t CO <sub>2</sub> e	0.0%	0.0%
	LPG	294	t CO <sub>2</sub> e	0.0%	0.1%
<b>Waste</b>	Solid Waste Disposal	40,119	t CO <sub>2</sub> e	1.6%	84.6%
	Waste Water	7,319	t CO <sub>2</sub> e	0.3%	15.4%
<b>IPPU</b>	Industrial	23,914	t CO <sub>2</sub> e	0.9%	100.0%
<b>Agriculture</b>	Agriculture	1,721,291	t CO <sub>2</sub> e	67.8%	100.0%
<b>Forestry</b>	Forestry	- 350,870	t CO <sub>2</sub> e	Not included in gross emissions	100.0%

### 3.2 Emissions' contribution to Waikato Region

To provide a perspective into Waikato District's emissions profile, a summary overview is presented below for 2018/19 inventory for Waikato Region and the other territorial authorities. The overview is not intended as a benchmark between territorial authorities but simply as an indicative framework of reference (Table 2).

As expected, Waikato District has a footprint of 27.8 t CO<sub>2</sub>e (net) / 32.2 t CO<sub>2</sub>e (gross) per capita compared to Waikato region 15 t CO<sub>2</sub>e (net) / 26.7 t CO<sub>2</sub>e (gross); the district has relatively larger footprint compared to larger cities however, for example Auckland (6.3 t CO<sub>2</sub>e per capita as of 2016).

*Table 2. Overall emission estimates for Waikato Region and breakdown by territorial authorities (2018/19), t CO<sub>2</sub>e*

t CO <sub>2</sub> e	Waikato Region (2018/19)	Hamilton City 2018/19	Hauraki 2018/19	Matamata-Piako 2018/19	Otorohanga 2018/19	South Waikato 2018/19	Taupo 2018/19	Thames-Coromandel 2018/19	Waikato District 2018/19	Waitomo 2018/19	Waipa 2018/19
<b>Stationary energy</b>	<b>1,601,427</b>	277,392	35,802	133,351	18,448	422,036	71,704	53,937	450,305	35,616	102,836
<b>Transportation</b>	<b>2,001,658</b>	635,615	110,175	131,961	47,349	96,952	161,673	235,486	297,225	76,871	208,351
<b>Waste</b>	<b>291,708</b>	30,999	3,843	6,596	21,567	35,097	80,874	12,247	47,438	19,661	33,386
<b>Industry</b>	<b>143,213</b>	50,732	6,285	10,775	3,143	7,512	11,763	9,428	23,914	2,840	16,821
<b>Agriculture</b>	<b>8,608,976</b>	6,257	619,799	1,475,468	838,017	784,720	928,268	183,042	1,721,291	903,761	1,148,353
<b>Forestry</b>	<b>-5,530,909</b>	-752	-42,449	14,318	-62,152	-1,244,246	-2,589,419	-612,004	-350,870	-618,081	-25,254
<b>Total net (incl. forestry)</b>	<b>7,116,073</b>	1,000,243	733,455	1,772,469	866,371	102,072	-1,335,139	-117,864	2,189,304	420,668	1,484,493
<b>Total gross (excl. forestry)</b>	<b>12,646,982</b>	1,000,995	775,904	1,758,151	928,523	1,346,318	1,254,281	494,140	2,540,173	1,038,750	1,509,747
<b>Population</b>	<b>473,480</b>	167,700	20,800	35,750	10,450	24,950	38,800	31,150	78,850	9,530	55,500
<b>Per capita net emission (incl Forestry)</b>	<b>15.0</b>	6.0	35.3	49.6	82.9	4.1	-34.4	-3.8	27.8	44.1	26.7
<b>Per capita gross emission (excl Forestry)</b>	<b>26.7</b>	6.0	37.3	49.2	88.9	54.0	32.3	15.9	32.2	109.0	27.2

Table 3. Waikato District as proportion of Waikato Region emissions estimates (2018/19 inventory)

	Waikato Region	Waikato District	% of Regional Emissions
<b>Stationary energy</b>	1,601,427	450,305	28%
<b>Transportation</b>	2,001,658	297,225	15%
<b>Waste</b>	291,708	47,438	16%
<b>Industry</b>	143,213	23,914	17%
<b>Agriculture</b>	8,608,976	1,721,291	20%
<b>Forestry</b>	-	-	6%
	5,530,909	350,870	
<b>Total (net) incl. forestry</b>	<b>7,116,073</b>	<b>2,189,304</b>	<b>31%</b>
<b>Total (gross) excl. forestry</b>	<b>12,646,982</b>	<b>2,540,173</b>	<b>20%</b>

## 4 Key insights and recommendations

The development of the 2018/19 emissions inventory provides Waikato District with a robust and comprehensive baseline for decision making. The process for developing the inventory as part of the Waikato Region's wide emissions assessment was effective and helped leverage engagement with data holders.

For preparation of future inventories, Waikato District may consider the following recommendations to improve the quality of and access to activity data, but also enable action to reduce emissions.

### Recommendation 1: Data availability & quality

Specific areas that can be targeted for improvement are transportation, followed by stationary energy and waste (especially solid waste):

- **Transportation:** getting better data for road-transport (by type of vehicle) as well as the split between on-road and off-road (currently calculated using top-down approach for emissions allocation) would be useful for understanding consumption trends better and where to intervene. Note that transportation emissions are increasing for Waikato Region, and likely in Waikato District too – primarily due to population increase. Petrol and diesel consumption is the single most important source of emissions and needs to be a key focus (for data improvement and reduction options).
- **Stationary energy:** currently stationary energy has been reported by sub-sectors (residential, commercial, industry and other). These are broad categories that require further details in order to better understand emissions generation.

For more details, refer to appendix B and C or the Waikato Region GHG emissions inventory report.

### Recommendation 2: Reporting intervals

It is recommended that Waikato District considers updating the inventory report in two-year time, and coordinates with WRC this development in order to use resources efficiently. An update in 21/22 may be considered so that the inventory and potential reduction target setting is aligned with the central government process for the provisory carbon budget for the period of 2021-2025.

### Recommendation 3: Setting reduction goals & targets

Reduction goals need to be informed by dialogue with iwi and other stakeholders (community, industry, etc) and the level of ambition and preferred approach to setting emissions reduction targets. Communities use long term aspiration to set carbon neutral goals and other science-based approaches looking at the gap to meet the 1.5°C

and 2°C temperature targets of the Paris Agreement. It is important that any reduction targets are set as part of an integrated climate action plan.

Waikato's emissions profile requires a strong focus on transportation and agriculture as the two main sources of emissions.

The GPC suggests four different approaches to setting emissions reduction targets as follows:

- Base year emissions goals
- Fixed level goals
- Base year intensity goals
- Baseline scenario goal

A base year reduction goal or fixed level goals may be considered. Collaboration with other Waikato region territorial authorities that have a similar emission profile and share an interest in solutions is recommended.

As a district, Waikato has three stand-out emission sources, agriculture, stationary energy and transport.

The district could explore options to encourage a shift towards biofuel (including biodiesel and biogas) as one of the measures to achieve emissions reductions in the short term. As for agriculture, research is still on-going, and supply is in its infancy, yet alternative low methane feedstock supplements are looking promising to give farmers a realistic option for the fight against climate change.

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## Appendices

### A. GPC emissions source by sector and sub-sector – Waikato District (2018/19)

GPC ref No.	Scope	GHG Emissions Source (By Sector and Sub-sector)	Unit	t CO2	t CH4	t N2O	biogenic t CO2	Total t CO2e
<b>I</b>	<b>Stationary Energy</b>							
<b>I.1</b>	Residential Buildings			<b>23,363.12</b>	<b>35.01</b>	<b>0.46</b>	<b>12,638.94</b>	<b>24,690.70</b>
<b>I.1.1</b>	1.00	Emissions from fuel combustion within the city boundary		<b>2,697.28</b>	<b>35.01</b>	<b>0.46</b>	<b>12,638.94</b>	<b>4,024.85</b>
	<b>Residential</b>	Natural Gas		-	-	-		-
		LPG		2,400.15	0.19	0.00		2,407.69
		Coal		297.13	0.92	0.00		329.69
		Biofuel		-	33.90	0.45	12,638.94	1,287.48
<b>I.1.2</b>	2.00	Emissions from grid-supplied energy consumed within the city boundary		<b>19,097.68</b>	-	-	-	<b>19,097.68</b>
		Electricity Consumption		19,097.68				19,097.68
<b>I.1.3</b>	3.00	Transmission and distribution losses from grid-supplied energy		<b>1,568.17</b>	-	-	-	<b>1,568.17</b>
		Grid Electricity T&D losses		1,568.17				1,568.17
		Natural Gas T&D Losses		-	-	-		-
<b>I.2</b>	Commercial & Institutional buildings and facilities			<b>18,979.18</b>	<b>0.29</b>	<b>0.02</b>	<b>929.16</b>	<b>18,994.33</b>
<b>I.2.1</b>	1.00	Emissions from fuel combustion within the city boundary		<b>3,239.27</b>	<b>0.29</b>	<b>0.02</b>	<b>929.16</b>	<b>3,254.42</b>
	<b>Commercial</b>	Natural Gas		-	-	-		-
		LPG		2,455.96	0.19	0.00		2,463.68
		Coal		783.31	0.08	0.01		789.65
		Biofuel		-	0.02	0.00	929.16	1.09

<b>I.2.2</b>	2.00	Emissions from grid-supplied energy consumed in the city for on-road transportation				<b>14,545.53</b>	-	-	-	<b>14,545.53</b>
		Electricity Consumption				14,545.53				14,545.53
<b>I.2.3</b>	3.00	Transmission and distribution losses from grid-supplied energy				<b>1,194.38</b>	-	-	-	<b>1,194.38</b>
		Grid Electricity T&D losses				1,194.38				1,194.38
		Natural Gas T&D Losses				-	-	-	-	-
<b>I.3</b>	Manufacturing Industries and Construction					<b>32,649.41</b>	<b>0.33</b>	<b>0.05</b>	-	<b>32,675.43</b>
<b>I.3.1</b>	1.00	Emissions from fuel combustion within the city boundary				<b>3,814.36</b>	<b>0.33</b>	<b>0.05</b>	-	<b>3,840.38</b>
		Natural Gas				-	-	-	-	-
		LPG				725.63	0.01	0.00		726.35
		Coal				3,088.74	0.32	0.05		3,114.02
<b>I.3.2</b>	2.00	Emissions from grid-supplied energy consumed in the city for on-road transportation				<b>26,646.98</b>	-	-	-	<b>26,646.98</b>
		Electricity Consumption				26,646.98				26,646.98
<b>I.3.3</b>	3.00	Transmission and distribution losses from grid-supplied energy				<b>2,188.07</b>	-	-	-	<b>2,188.07</b>
		Grid Electricity T&D losses				2,188.07				2,188.07
		Natural Gas T&D Losses				-	-	-	-	-
<b>I.4</b>	Energy Industries					-	-	-	-	-
<b>I.4.1</b>	1.00	Emissions from fuel combustion within the city boundary				-	-	-	-	-
<b>I.4.2</b>	2.00	Emissions from grid-supplied energy consumed in the city for on-road transportation				-	-	-	-	-
<b>I.4.3</b>	3.00	Transmission and distribution losses from grid-supplied energy				-	-	-	-	-
<b>I.4.4</b>	1.00	Emissions from energy generation supplied to the grid				-	-	-	-	-
<b>I.5</b>	Agriculture, forestry and fishing activities					-	-	-	-	-
<b>I.5.1</b>	1.00	Emissions from fuel combustion within the city boundary				-	-	-	-	-
<b>I.5.2</b>	2.00	Emissions from grid-supplied energy consumed in the city for on-road transportation				-	-	-	-	-

<b>I.5.3</b>	3.00	Transmission and distribution losses from grid-supplied energy								-	-	-	-	-
<b>I.6</b>	Other sources									29,213.61	1.59	0.27	-	29,347.87
<b>I.6.1</b>	1.00	Emissions from fuel combustion within the city boundary								<b>29,213.61</b>	<b>1.59</b>	<b>0.27</b>	-	<b>29,347.87</b>
		Diesel								28,302.30	1.16	0.23		28,411.23
		Petrol								911.31	0.43	0.04		936.63
<b>I.6.2</b>	2.00	Emissions from grid-supplied energy consumed in the city for on-road transportation								-	-	-	-	-
<b>I.6.3</b>	3.00	Transmission and distribution losses from grid-supplied energy								-	-	-	-	-
<b>I.7</b>	Fugitive emissions from mining, processing, storage, and transportation of coal									-	10,135.19	-	-	344,596.46
<b>I.7.1</b>	1	Emissions from fugitive emissions within the city boundary								-	<b>10,135.19</b>	-	-	<b>344,596.46</b>
		Sub-bituminous coal								-	10,135.19	-		344,596.46
<b>I.8</b>	Fugitive emissions from oil and natural gas systems									-	-	-	-	-
<b>I.8.1</b>	1	Emissions from fugitive emissions within the city boundary												
<b>II</b>	<b>Transportation</b>													
<b>II.1</b>	On road transportation									<b>247,496.09</b>	<b>64.01</b>	<b>20.60</b>	-	<b>255,811.05</b>
<b>II.1.1</b>	1	Emissions from fuel combustion on-road transportation occurring within the city boundary								<b>247,496.09</b>	<b>64.01</b>	<b>20.60</b>	-	<b>255,811.05</b>
		On Road Petrol (L)								121,631.02	57.28	13.89		127,716.62
		On Road Diesel (L)								125,571.33	6.71	6.71		127,800.01
		Biodiesel								-	-	-		-
										-	-	-		-
		LPG								293.74	0.02	0.00		294.42
<b>II.1.2</b>	2	Emissions from grid-supplied energy consumed within the city boundary for onroad transportation								-	-	-	-	-
		Electric Bus												
<b>II.1.3</b>	3	Emissions from proportion of transboundary journeys occurring outside the city boundary and transmission and distribution losses from grid supplied energy consumption.								-	-	-	-	-

	Electric Bus T&D	Electricity T&D losses from bus electricity consumption							
<b>II.2</b>	Railways				<b>7,701.68</b>	-	-	-	<b>7,701.68</b>
<b>II.2.1</b>	3	Emissions from proportion of transboundary journeys occurring outside the city boundary and transmission and distribution losses from grid supplied energy consumption.			<b>7,701.68</b>	-	-	-	<b>7,701.68</b>
		Rail Diesel			7,701.68	-	-	-	7,701.68
<b>II.2.2</b>	2	Emissions from grid-supplied energy consumed within the city boundary for railways			-	-	-	-	-
		Rail elect. (nat. ave EF)							
<b>II.2.3</b>	1	Emissions from fuel combustion for railway transportation occurring within the city boundary			-	-	-	-	-
		Electricity T&D losses from rail electricity consumption							
<b>II.3</b>	Waterborne navigation				-	-	-	-	-
<b>II.3.1</b>	1	Emissions from fuel combustion for waterborne navigation occurring within the city boundary			-	-	-	-	-
		Marine Diesel			-	-	-	-	-
		Light Fuel Oil			-	-	-	-	-
<b>II.3.2</b>	2	Emissions from grid-supplied energy consumed within the city boundary for waterborne transportation			-	-	-	-	-
		Electricity							
<b>II.3.3</b>	3	Emissions from proportion of transboundary journeys occurring outside the city boundary and transmission and distribution losses from grid supplied energy consumption.			-	-	-	-	-
		Electricity T&D losses							
<b>II.4</b>	Aviation				5,796.13	1.63	0.54	-	6,013.30
<b>II.4.1</b>	1	Emissions from fuel combustion for aviation occurring within the city boundary			<b>5,796.13</b>	<b>1.63</b>	<b>0.54</b>	-	<b>6,013.30</b>
		Jet Kerosene			5,585.37	1.57	0.52		5,794.37
		Aviation Gas			210.76	0.06	0.02		218.93
<b>II.4.2</b>	2	Emissions from grid-supplied energy consumed within the city boundary for aviation			-	-	-	-	-
		Electricity							
<b>II.4.3</b>	3	Emissions from proportion of transboundary journeys occurring outside the city boundary and transmission and distribution losses from grid supplied energy consumption.			-	-	-	-	-
		Electricity T&D losses							

<b>II.5</b>	Off-road transportation								27,159.42	2.20	1.56	-	27,699.24
<b>II.5.1</b>	1	Emissions from fuel combustion for off-road transportation occurring within the city boundary							<b>27,159.42</b>	<b>2.20</b>	<b>1.56</b>	-	<b>27,699.24</b>
		Off Road Petrol (L)							1,789.88	0.84	0.20		1,879.43
		Off Road Diesel (L)							25,369.54	1.36	1.36		25,819.81
<b>II.5.2</b>	2	Emissions from grid-supplied energy consumed within the city boundary for offroad transportation							-	-	-	-	-
		Electricity											
<b>II.5.3</b>	3	Emissions from proportion of transboundary journeys occurring outside the city boundary and transmission and distribution losses from grid supplied energy consumption.							-	-	-	-	-
		Electricity T&D losses											
<b>III</b>	<b>Waste</b>												
<b>III.1</b>	<b>Solid waste disposal</b>								-	<b>1,179.94</b>	<b>0.00</b>	<b>1,259.15</b>	<b>40,118.68</b>
<b>III.1.1</b>	1.00	Emissions from solid waste generated within the city boundary and disposed in landfills or open dumps within the city boundary							-	<b>1,179.94</b>	<b>0.00</b>	<b>1,259.15</b>	<b>40,118.68</b>
		Tirohia Landfill											
		Hampton Downs Landfill								1,179.94	0.00	1,259.15	40,118.68
		Other Landfill Sites											
		Composting											
<b>III.1.2</b>	3.00	Emissions from solid waste generated within the city boundary but disposed in landfills or open dumps outside the city boundary							-	-	-	-	-
<b>III.1.3</b>	1.00	Emissions from waste generated outside the city boundary and disposed in landfills or open dumps within the city boundary							-	-	-	-	-
<b>III.2</b>	<b>Biological treatment of waste</b>								-	-	-	-	-
<b>III.2.1</b>	1.00	Emissions from solid waste generated within the city boundary that is treated biologically within the city boundary							-	-	-	-	-
<b>III.2.2</b>	3.00	Emissions from solid waste generated within the city boundary but treated biologically outside of the city boundary							-	-	-	-	-
<b>III.2.3</b>	1.00	Emissions from waste generated outside the city boundary but treated biologically within the city boundary							-	-	-	-	-





## B. Assumptions and limitations

Sector/Category	Assumptions and Exclusions
Stationary Energy Emissions	
Residential, commercial and industrial stationary energy emissions	<ul style="list-style-type: none"> <li>Coal and biomass related emissions have been estimated using a top down approach, applying the national average consumption for commercial and residential coal use, estimated based on population figures.</li> <li>Consumption of natural gas and electricity data are based on total energy distributed to grid exit points within the Region. The energy provided to these grid exit points have then been allocated to the entire Region. This may in some instances mean that energy used outside the Region may be counted as part of the Region's Footprint, depending on the distribution network for gas and electricity, which may not fully match the Region's boundaries in all cases.</li> <li>Emission per user group (i.e. residential, commercial and industrial) was estimated based on national average energy use split between these groups as reported by MBIE (2017a).</li> <li>Coal and natural gas consumption for the Huntley Power Station have been excluded from the regional emissions estimates, as this is already reflected in the national emissions factor for electricity generation.</li> </ul>
Electricity Generation	<ul style="list-style-type: none"> <li>National emission factor for electricity generation was estimated based on data published by MBIE in their quarterly electricity and liquid fuel emissions table (MBIE 2020).</li> </ul>
Electricity Consumption	<ul style="list-style-type: none"> <li>Consumption of electricity data is based on total energy distributed to grid exit points within the Transpower Network.</li> </ul>
LPG	<ul style="list-style-type: none"> <li>LPG consumption in the Waikato Region is based on the total amount of LPG supplied to the North Island and calculated on a per capita basis using 2018/19 population estimates.</li> <li>LPG stationary energy estimates are based on the national share of 9kg and 45kg gas bottles, and bulk sales provided by the LPG Association of New Zealand.</li> </ul>
Natural Gas	<ul style="list-style-type: none"> <li>Natural gas consumption is based on total gas distributed to exit grid points within the Waikato Region as supplied by First Gas (excludes sites that have direct connections to the transmission network) as well as the direct gas volumes for Fonterra Te Rapa.</li> <li>Natural gas Te Rapa(?) cogeneration plant has not been included as these are already reflected in the national emissions factor for electricity generation.</li> <li>The natural gas distribution network does not follow regional boundaries and may include some of the surrounding rural areas. However, it is assumed that the population in these areas is relatively small and therefore the impact to the regional natural gas consumption is not likely to be significant.</li> <li>Assumes distribution loss emissions based on the national average per MfE guidance and AR5 GWP.</li> </ul>
Industrial Stationary Energy Emissions	<ul style="list-style-type: none"> <li>No specific data was available for industrial stationary energy consumption with the exception of natural gas use for co-generation plants at the Fonterra Te Rapa plants and fugitive emissions from mining.</li> </ul>



	<ul style="list-style-type: none"> <li>Emissions from industrial consumption of coal and LPG have been estimated based on a top-down approach allocating national emissions on a per capita basis.</li> <li>Industrial stationary petrol and diesel use have been estimated based on total fuel sold within the region and the EECA Energy Enduse Database</li> </ul>
Fugitive Emissions	<ul style="list-style-type: none"> <li>Not included in the Inventory as there is no production of oil or gas within the city boundary.</li> <li>Fugitive emissions from coal have been included in industrial stationary energy emissions.</li> </ul>
Coal	<ul style="list-style-type: none"> <li>Emissions relating to the use of coal from residential &amp; commercial activities have been included.</li> <li>Fugitive emissions from coal mining have been included under Stationary Energy (industrial emissions), based on the national average emissions factor for fugitive emissions from sub-bituminous coal mining reported by MfE.</li> </ul>
<b>Transportation Emissions</b>	
Road	<ul style="list-style-type: none"> <li>Total volume of fuel sold within the city was provided by Waikato District Council.</li> <li>Fuel consumption figures (petrol and diesel) also include fuel used for off-road transport and recreational water transport, as these are sold through the same network. Due to lack of data these could not be reported separately.</li> </ul>
Rail	<ul style="list-style-type: none"> <li>this section will be updated once we have the final data from KiwiRail.</li> <li>Emissions from rail transport are estimated based on length of rail network and average fuel consumption per tonne km and freight volume as provided by Kiwi Rail for the 2018/19 financial year.</li> <li>The rail network in the Waikato is electric and diesel.</li> <li>Rail diesel use is estimated based on the average fuel consumption per tkm travelled within the Region. Due to lack of more detailed data it is not possible to estimate what portion of the rail related diesel use was purchased in- or outside the Region.</li> <li>It was assumed that Diesel sold for rail transport is not included in the Waikato fuel sales data for road transport.</li> <li>Electricity emissions are estimated based on the total kWh consumed by KiwiRail and the national emissions factor for electricity generation, and transmission and distribution losses.</li> </ul>
Aviation	<ul style="list-style-type: none"> <li>Aviation fuel data sold/pumped at Hamilton could not be obtained during the data collection.</li> <li>Aviation emissions, from Jet Kerosene, have been estimated using the average number of plane movements understood to take place via the FlightAware.com website. The number of flights estimated is likely to be conservative as movements of large jet planes and some smaller planes. Planes departing and arriving at the same airport (e.g. tourist flights) have not been included.</li> <li>The estimated aviation emissions represent 50% of aviation related emissions associated with Air NZ movements at Hamilton in line with the GPC framework.</li> </ul>

	<ul style="list-style-type: none"> <li>Aviation gas fuel consumption for smaller aircraft (e.g. tourist flights) and helicopters were estimated based on conversation with aviation fuel experts.</li> </ul>
LPG	<ul style="list-style-type: none"> <li>LPG consumption is based on the total amount of LPG supplied to the North Island and calculated on a per capita basis using 2018/19 population estimates.</li> <li>LPG transportation energy estimates are based on the national share of automotive and forklift sales as provided by the LPG Association of New Zealand.</li> <li>LPG consumption estimate does not take into account automotive and forklift sales in the Region that may then be taken out of the Region or individual district boundaries.</li> </ul>
Off-Road	<ul style="list-style-type: none"> <li>Estimated based on EECA – End-Use Energy Database applying a national average split to the total amount of petrol and diesel sold within the region.</li> </ul>
Waste Emissions	
Solid Waste Disposal	<ul style="list-style-type: none"> <li>Solid waste emissions were estimated using a 1st-order decay model (which requires waste volume estimates for the last 50 years).</li> <li>Reliable historic population figures, provided by StatsNZ, only go back to 1986 therefore 30 years of data has been estimated for the Waikato Region Solid Municipal Waste emissions.</li> <li>Due to limited specific current and/or historic data for the Region, waste volumes sent to landfill for the Waikato Region have been estimated by applying the New Zealand national average waste generation per capita (reported by MfE, 2017) and using historic population figures reported by StatsNZ.</li> <li>Landfill gas emissions were estimated for landfills with and without landfill gas capturing systems.</li> <li>Data on specific waste composition was not available therefore this data has been modelled based on the national average waste composition reported by MfE (2017).</li> <li>Waikato District sends all their waste to landfill at Tirohia, which has been collecting landfill gas since 2001.</li> </ul>
Incineration	<ul style="list-style-type: none"> <li>Emissions from waste incineration have not been included, as only small quantities of clinical and hazardous waste is incinerated in New Zealand. Emissions from these sources are assumed to be insignificant<sup>[1]</sup>.</li> </ul>
Wastewater Treatment	<ul style="list-style-type: none"> <li>National Wastewater emissions from 2017 (MfE 2019) and population data from 2018/19 were used to calculate the per capita waste water treatment and disposal emissions, and the total waste water emissions from the Waikato Region. 2017 data was the most up to date information available from the New Zealand Greenhouse Gas Inventory 1990-2017.</li> </ul>
Industrial Emissions	
Industrial Processes	<ul style="list-style-type: none"> <li>No emissions from industrial processes have been included due to the lack of specific activity data. It is understood there are very few large industrial</li> </ul>

<sup>[1]</sup> Nationally, emissions from incineration of waste represent about 0.1% of the total waste emissions.

	operations resulting in emissions from chemical or physical processes taking place within the Waikato Region.
Product Use including: HFC, PCFs and SF <sub>6</sub>	<ul style="list-style-type: none"> <li>Emissions for refrigerants, fire extinguishers, foam blowing, aerosols and metered dose inhalers, as well as SF<sub>6</sub> in electrical equipment are estimated based on New Zealand average per capita emissions (MfE 2019).</li> </ul>

## C. Data Sources and Data Gaps

Data for the community carbon footprint was collected from a number of data sources. Key data sources are detailed below:

*Table 4 Waikato Region GHG Inventory Data Sources – 2018/19*

Emissions Category		Data Source
<b>Stationary Energy</b>		First Gas Limited Transpower Electricity Authority Genesis Energy (Huntley Power Station coal and gas use) LPG Association NZ MBIE (2015) Energy in NZ, Section K MBIE (2015) Data Tables for Coal MfE (2015) National Greenhouse Gas Inventory Report
<b>Transportation</b>		Air travel movements (FlightAware.com) KiwiRail LPG Association NZ Waikato District Council fuel sales data Ministry of Business, Innovation & Employment (fuel properties)
<b>Waste</b>	Solid Waste	Waste Management Envirowaste Individual City and District Councils Internal Waste data
	Waste Water	MfE (2019) 1990-2017 National Greenhouse Gas Inventory Report
<b>Industrial</b>		MfE (2019) 1990-2017 National Greenhouse Gas Inventory Report
<b>Agriculture</b>		MfE (2019) 1990-2017 National Greenhouse Gas Inventory Report Statistics New Zealand (Agricultural production data)
<b>Forestry</b>		MPI (2018) National Exotic Forest Description Statistics New Zealand

A data gap analysis was undertaken during the data collection stage of the project. The following data gaps and alternative data sources were identified:

*Table 5 Waikato District GHG Inventory Data Gaps – 2018/19*

Emissions Category		Data Gap	Alternative Data Source
Stationary Energy		<ul style="list-style-type: none"> <li>- city specific biofuel (wood) consumption data</li> <li>- city specific coal consumption data</li> </ul>	<ul style="list-style-type: none"> <li>- No alternative data source (assumed to be included in total forest harvest emissions)</li> <li>- National average (on per capita basis)</li> </ul>
Transportation		<ul style="list-style-type: none"> <li>- Public Buses</li> <li>- Airport fuel sales</li> <li>- Maritime fuel use (for small private vessels)</li> </ul>	<ul style="list-style-type: none"> <li>- Assumed to be included in total fuel sales data</li> <li>- Estimated based on flight movements</li> <li>- Assumed to be included in the total diesel sales data for the city</li> </ul>
Waste	Solid Waste	<ul style="list-style-type: none"> <li>- Landfill gas collection efficiency for Tirohia</li> <li>- Historic waste volumes</li> </ul>	<ul style="list-style-type: none"> <li>- National average collection efficiency</li> <li>- Assume national average waste generation per person (as outlined in the national GHG inventory by MfE)</li> </ul>
	Waste Water	<ul style="list-style-type: none"> <li>- No data for Pukete local wastewater treatment</li> <li>- number of people connected</li> </ul>	<ul style="list-style-type: none"> <li>- Assume national average wastewater treatment emissions on a per capita basis</li> </ul>
Industrial		<ul style="list-style-type: none"> <li>- Significant industrial (physical &amp; chemical) process activity resulting in GHG emissions</li> <li>- Industrial product use (e.g. asthma inhaler, aerosols, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- No sources identified – assumed not to be relevant or significant</li> <li>- Emissions were estimated based on national emissions data on a per capita basis</li> </ul>
Agriculture		<ul style="list-style-type: none"> <li>- No estimates of cultivated organic soils within Waikato District</li> </ul>	<ul style="list-style-type: none"> <li>- Not estimated (not relevant possibly)</li> </ul>
Forestry		<ul style="list-style-type: none"> <li>- No data for Harvest Wood Products (i.e. what harvested wood is used for)</li> <li>- Insufficient data to estimate annual changes in land use (grassland, cropland, wetland, settlements and other land)</li> </ul>	<ul style="list-style-type: none"> <li>- Assumed that all carbon stored in trees is released in the year of harvest</li> <li>- Not estimated</li> </ul>

## Open Meeting

<b>To</b>	Waikato District Council
<b>From</b>	Roger MacCulloch General Manager Service Delivery
<b>Date</b>	14 December 2020
<b>Prepared by</b>	Nicolas Wells Strategic Property Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	CCL2020
<b>Report Title</b>	Pensioner Housing – Service Delivery Review

### I. EXECUTIVE SUMMARY

The Waikato District Council (Council) owns and manages 34 self-contained one-bedroom Pensioner Housing units, in twelve blocks, on four sites located in Ngaruawahia, Huntly and Tuakau. The units provide subsidised, affordable housing for elderly people.

The Council has conducted a service delivery review to determine whether the existing way of delivering the service remains the most efficient, effective and appropriate. The service delivery review report is included as [Attachment 1](#) - WDC Pensioner Housing S17A Service Delivery Review 2020.

The key findings of the review demonstrate that the current service provided by the Council is not meeting the goal of being self-funding, and ultimately a significant financial burden will remain to support the continued operation of the service without external funding.

The service delivery review recommends that the Council divest the Pensioner Housing service (activity and assets) to a sympathetic social housing provider, Community Housing Provider (CHP), Kainga Ora, or other government agency.

The Pensioner Housing service is considered strategic in terms of the Council's Significance and Engagement Policy – included as [Attachment 2](#). It is intended to use the current Long Term Plan (LTP) process to seek the community's opinion on the future of the Pensioner Housing service.

This report (1) presents the findings of the service delivery review (2) recommends that the Council consults the community, through the LTP process, on future options for the Pensioner Housing service and (3) recommends that the Council divest the Pensioner Housing service (activity and assets) to a sympathetic social housing provider (including CHPs, Kainga Ora, or other government agency).

This report should be read in conjunction with [Attachment 1](#) - WDC Pensioner Housing S17A Service Delivery Review 2020.

## 2. RECOMMENDATION

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**THAT** the report from the **General Manager Service Delivery** be received;

**AND THAT** Council agrees that the **Pensioner Housing** activity and assets (described in the **Schedule**) be included in the **2021-31 Long-Term Plan Consultation Document**;

**AND FURTHER THAT THAT** Council approves **Option 4** (in the staff report) as the preferred option for delivery of the **Pensioner Housing** service, which is to exit the activity and transfer the assets (listed in the **Schedule**) to a sympathetic social housing provider (including **Community Housing Providers, Kainga Ora, or other Government Agency**) with the stipulation that:

- **The properties continue to be used for social housing, and;**
- **All existing tenants remain in their homes, and;**
- **Rental remains within affordable limits.**

**AND FURTHER THAT** the **Chief Operating Officer** be delegated authority to execute all relevant documentation to give effect to this resolution.

### SCHEDULE

**First** An estate in fee simple comprising all that land contained in Record of Title 288326 South Auckland Land Registry legally described as Lot 6 Deposited Plan 371156 comprising 1654 square metres more or less and physically located at **1 Paul Reeves Court, Ngaruawahia** (8 units).

**Second** An estate in fee simple comprising all that land contained in Record of Title SA600/22 South Auckland Land Registry legally described as Part Allotment 1 Parish of Taupiri and Defined on Deposited Plan 6783 comprising 3693 square metres more or less and physically located at **61 Hakanoa Street, Huntly** (14 units).

**Third** An estate in fee simple comprising all that land contained in Record of Title NA29D/1405 North Auckland Land Registry legally described as Lot 2 Deposited Plan 74134 comprising 674 square metres more or less and physically located at **26 Henderson Avenue, Tuakau** (4 units).

**Fourth** An estate in fee simple comprising all that land contained in Record of Title NA1077/37 North Auckland Land Registry legally described as Lot 18 and Part Lot 20 Deposited Plan 10578 comprising 2026 square metres more or less and physically located at **5 Jellicoe Avenue, Tuakau** (8 units).

## 3. BACKGROUND

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### 3.1 ACTIONS TO DATE 2016 - 2020

The Council began a review of Pensioner Housing in 2016 to identify the issues associated with the service, examine the costs and benefits, and consider how to provide a service that optimised outcomes for tenants and ratepayers.

In September 2016 the Council commissioned The Property Group Limited (TPG) to review the key components of the Pensioner Housing service, report how they compared with industry benchmarks and recommend options for improvement. The report is included as [Attachment 3 - WDC Pensioner Housing Review 2016](#).

The Pensioner Housing Review 2016 report identified issues and made corresponding recommendations, principally that:

- *“There are compelling reasons why the status quo option will not achieve favourable long-term outcomes for WDC’s provision of Pensioner Housing”*
- *“The ongoing provision of an acceptable standard of Pensioner Housing units is not sustainable on a self-funding basis”*
- *“The alternative ownership provisions all have certain merits but are not without some drawbacks. Should WDC wish to consider the ownership options further work is necessary to be able to conclude which of these would be the most viable and advantageous for WDC to pursue.”*

The Pensioner Housing Review 2016 also recommended that the Council review its ongoing ownership of Pensioner Housing, and summarised the *pros* and *cons* of three options:

1. Status quo. The Council continues to own and manage the Pensioner Housing.
2. The Council exit the Pensioner Housing activity and transfer the portfolio to a Community Housing Provider.
3. The Council partner with a third-party Social Housing Provider.

The Pensioner Housing Review 2016 concluded that the option that best responded to the series of key considerations identified was for the Council to exit the Pensioner Housing activity and transfer the portfolio to a CHP (Option 2).

In May 2017 the results of the TPG report were presented at a Council workshop which was followed by a staff report to the Infrastructure Committee on 15 June 2017 - included as [Attachment 4 – WDC Infrastructure Committee Report – Housing for the Elderly 2017](#). Section 4.2 of that report presented four options for the Council to consider:

1. Rent increases remain at the then current annual rate of \$5 leaving *“Council to agree on a funding solution to address the financial shortfall”*.
2. Setting one rent rate for all Pensioner Housing units at a level that covers the cost of providing the service.
3. Setting a variable rent rate based on location or s discount to market value.
4. Setting a rent based on a percentage of the tenant’s gross income.

The Council resolved (WDC1707/24):

*“That the Council consider each option outlined in section 4.2 of the Infrastructure agenda report;*

*And that as an interim measure while the portfolio as a whole is considered, Council approve option 2: set one rate across the board at a rate designed to cover expenses. As an example a \$31 increase will result in \$54,808 per annum in additional income which would offset the additional depreciation cost. This increase would provide little room for increased maintenance costs, future inflationary pressure or capital improvements.”*

The WDC Infrastructure Committee Report – Housing for the Elderly 2017 signalled an intent to present to the Council *“more detailed analysis of options.....around affordability moving forward and alternative options to retain ownership of the portfolio.”*

The 2018-28 LTP included a two-stage rent increase intended to reduce the annual operating deficit of the Pensioner Housing service:

- Year 1 (2018/19) \$26 per week per unit
- Year 2 (2019/20) \$26 per week per unit

The year 1 increase has been implemented, however on 29 June 2020 the Council resolved (WDC2006/21) to reduce the second rental increase in year 2 from \$26 to \$13 – bringing the current weekly rent for each of the Pensioner Housing units to \$195.

On 23 November 2020 work resumed on the review of the Pensioner Housing activity with a Council workshop at which options for delivery of the service were considered.

### **3.2 PENSIONER HOUSING – ACTIVITY AND ASSETS**

The Council is engaged in the Pensioner Housing activity largely for historic reasons as successor to the Ngaruawahia, Huntly and Tuakau Borough Councils. The Pensioner Housing assets are summarised below:

▪ 1 Paul Reeves Court, Ngaruawahia	= 8 units	4 blocks	1,654m <sup>2</sup>
▪ 61 Hakanoa Street, Huntly	= 14 units	5 blocks	3,693m <sup>2</sup>
▪ 26 Henderson Avenue, Tuakau	= 4 units	1 block	674m <sup>2</sup>
▪ 5 Jellicoe Drive, Tuakau	= 8 units	2 blocks	2,025m <sup>2</sup>

Current service provisions are detailed in section 4 of the WDC Pensioner Housing S17A Service Delivery Review 2020 ([Attachment 1](#)) and include:

- Existing portfolio
- Services provided to tenants
- Tenancy management systems
- Tenant eligibility
- Rental, occupancy, and tenant profile
- Property condition reports
- Gaps in current service provision



## **4. DISCUSSION AND ANALYSIS OF OPTIONS**

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### **4.1 SECTION 17A PENSIONER HOUSING SERVICE DELIVERY REVIEW**

Section 17A of the Local Government Act 2002 (LGA) and the Local Government Amendment Act 2014 require councils to review the cost-effectiveness of current arrangements for providing local infrastructure, services and regulatory functions at regular intervals, and when there is a significant change in service levels.

Section 17A is designed to encourage councils to seek efficiencies, and to encourage councils to partner with each other, or other entities to deliver services efficiently. The key benefits of undertaking a service delivery review include an investigation of:

- Better alignment of services to meet future social housing need
- Increased efficiency of limited resources
- Delivery of better value for money to the community
- Adapting within a changing social housing environment
- Potential for partnership with other service providers
- Higher quality service provision
- Continuous service improvement

To decide on the future of Council's Pensioner Housing there is a requirement to consider the optimum delivery of the service. The WDC Pensioner Housing Review 2016 report completes many, but not all the requirements of a Section 17A review and is now out of date. The WDC Pensioner Housing S17A Service Delivery Review 2020 updates the 2016 Pensioner Housing Review and satisfies LGA requirements.

### **4.2 HOUSING PROVISION IN THE WAIKATO DISTRICT**

Housing provision in the Waikato District is detailed in section 3 of the WDC Pensioner Housing S17A Service Delivery Review 2020 ([Attachment 1](#)) and includes:

- Future Proof Housing and Business Development Capacity Assessment
- National Policy Statement on Urban Development Capacity
- Growth projections
- Future demand for public housing in the Waikato District
  - Public housing
  - Transitional housing
  - Housing First

### **4.3 PENSIONER HOUSING TENANT EXPERIENCE**

Living in a Council Pensioner Housing unit means tenants are charged affordable rent, retain their independence and benefit from the Council taking care of major upkeep such as maintenance of the buildings and grounds, any urgent repairs that are required, and necessary upgrades to the units. The Council also covers rates payments and building insurance. Tenants have direct contact with Council housing staff.

The Council does not provide a fully comprehensive social service, or the "wrap-around" service that is available to tenants in CHP properties. "Wrap-around" service means providing

a level of support to tenants that goes beyond the basic level of tenancy management supplied by the Council.

The enhanced levels of service that a competent social housing provider might supply to enrich the tenant experience can include:

- Expertise in provision of housing for people with disabilities, or mobility difficulties
- Expertise in the provision of quality low-cost and affordable housing
- The ability to support the social and health needs of tenants in their homes
- The ability to build referral relationships, and partner with local service providers
- Providing community recreational activities and communal gatherings
- Facilitating group outings, education programmes, and delivered meal services

Dedicated social housing providers bring a professionalism and expertise to the provision of their service which the Council is currently unable to match.

#### 4.4 OPTIONS

Delivery options for the Pensioner Housing service are detailed in section 6 of the WDC Pensioner Housing S17A Service Delivery Review 2020 ([Attachment I](#)) and include:

- Delivery options and their definition
- Qualitative and quantitative evaluation of delivery options
- Benefits, risks and financial viability
- Ranking of evaluated options

##### **Option 1: Status Quo NPV -\$1.44m**

Council continues to own and operate the existing Pensioner Housing service and in doing so agrees to continue to subsidise the service.

Escalating costs, and limited uplift from affordable rents, over the 10-year forecast horizon risks Council's ability to deliver pensioner housing that is fit-for-purpose and financially viable - and exceed the benefits of retaining the portfolio.

This option is **not recommended** (ranking = 4)

##### **Option 2: Establish and transfer portfolio to a Council Controlled Organisation**

Council creates a CCO with the mandate of pensioner or other forms of subsidised housing. The assets and land are transferred to the CCO.

This option is not considered viable due to the size of the portfolio and inability to access government funding.

This option is **not recommended** (ranking = 5)

### **Option 3: Lease portfolio to a Community Housing Provider**

Council leases the portfolio to a registered CHP for a ten-year term. Council retains the assets and land.

Retains a level of service provision to the community. Council leasing the portfolio to a registered CHP under the Government funding framework would enable the partnership to access IRRS funding and potentially an operating income stream over the term of the lease. The commercial terms between Council and the CHP would be determined by Council's requirements, a market sounding exercise, and a procurement process to select a preferred supplier.

This option is **not recommended** (ranking = 2)

### **Option 4: Divest portfolio to a sympathetic social housing provider (includes CHP, Kainga Ora or other Government agency) NPV \$3.38m**

Council divests the portfolio to a registered CHP with conditions to ensure that existing levels of service and social housing capacity is maintained. Contract to protect interests of existing tenants. Council sells the assets and land.

The benefits of divesting to an organisation that is regulated by the CHRA ensures delivery of fit-for-purpose dwellings and continuity of pensioner housing services in the District. The financial viability is second to divesting on the open market (Option 5) and reflects the specific social use and benefits associated with the ongoing provision of affordable pensioner housing.

This option is **recommended** (ranking = 1)

### **Option 5: Divest the portfolio on the market NPV \$3.8m**

Council agrees to divest the properties to market. Council sells assets and land to the highest bidder without restrictions.

The financial viability is the strongest of all options. The risks associated with the market's appetite, or ongoing ability, to deliver affordable fit-for-purpose pensioner housing outside a regulated (CHRA) environment exceed the benefits associated with the financial viability and financial returns to Council.

This option is **not recommended** (ranking = 3)

The recommendation of this report is that the options for the future delivery of the Pensioner Housing service (activity and assets) are included the 2021-31 Long-Term Plan Consultation Document for public consultation, and the Council identifies Option 4 as its preferred choice – subject to the stipulation that:

- The properties continue to be used for social housing; and,
- All existing tenants remain in their homes; and,
- Rental remains within affordable limits.

## CONSIDERATION

### 4.5 FINANCIAL

A financial assessment of the Pensioner Housing is included in section 5 of the WDC Pensioner Housing S17A Service Delivery Review 2020 ([Attachment I](#)) and details:

- Portfolio revenues
- Capital expenditure
- Current state financial analysis
- Property valuations

The table below is an assessment of the financial performance of the Pensioner Housing service over the 2020-21 budget year and LTP forecast period. This assessment indicates that significant financial burdens will remain with Council to support the Pensioner Housing service without a substantial funding re-allocation from Council's financial resources, or access to Government subsidies.

A more detailed breakdown of the current state of the income and expenditure position of the Pensioner Housing service is included in Appendix 2 of the WDC Pensioner Housing S17A Service Delivery Review 2020 ([Attachment I](#)).

**Table I: Pensioner Housing Service Financial Assessment**

Year	Total Gross Income	Total Operating Expenses	Depreciation	Net Income (less Depreciation)	Renewal Expenditure	Adjusted Cash Position (incl. Depreciation)
2020/21	\$338,802	\$213,289	\$149,588	-\$24,075	\$174,883	-\$49,370
2021/22	\$331,060	\$264,139	\$252,636	-\$185,715	\$186,559	-\$119,638
2022/23	\$332,472	\$281,942	\$252,848	-\$202,318	\$273,377	-\$222,847
2023/24	\$334,599	\$301,156	\$270,919	-\$237,476	\$160,237	-\$126,794
2024/25	\$349,738	\$319,679	\$270,919	-\$240,860	\$90,996	-\$60,937
2025/26	\$366,274	\$340,864	\$270,919	-\$245,509	\$145,443	-\$120,033
2026/27	\$378,526	\$361,299	\$296,040	-\$278,813	\$311,214	-\$293,987
2027/28	\$387,989	\$383,288	\$296,040	-\$291,339	\$331,787	-\$327,086
2028/29	\$403,222	\$357,732	\$296,040	-\$250,550	\$45,933	-\$443
2029/30	\$424,257	\$378,139	\$322,863	-\$276,745	\$101,769	-\$55,651
2030/31	\$444,826	\$397,138	\$248,774	-\$201,086	\$0	\$47,688
<b>Totals</b>	<b>\$4,091,765</b>	<b>\$3,598,665</b>	<b>\$2,927,586</b>	<b>-\$2,434,486</b>	<b>\$1,822,198</b>	<b>-\$1,329,098</b>

The key findings of the financial assessment are:

- Currently the Pensioner Housing operated by the Council is resulting in year-on-year losses that are forecast to continue growing across the LTP period. This is despite increases in rental levels in 2020 and planned in 2021.

- Depreciation expenses continue to be a significant encumbrance to achieving a self-funding outcome, but due to the nature of the portfolio this situation cannot be easily avoided.
- Council is constrained in its ability to deliver the Pensioner Housing service for affordable rentals in the context of escalating costs and without Government subsidies.

#### **4.6 LEGAL**

Legislative requirements are detailed in section 2 of the WDC Pensioner Housing S17A Service Delivery Review 2020 (Attachment 1) and include:

- Kainga Ora and the Urban Development Act 2020
- Residential Tenancies Amendment Act 2020
- Residential Tenancies (Healthy Homes Standards) Regulations 2019
- Public Housing Plan 2018-2022
- Local Government Act 2

#### **4.7 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

The policy context is detailed in section 2 of the WDC Pensioner Housing S17A Service Delivery Review 2020 (Attachment 1) and includes:

- The housing context
- Challenges facing the housing sector
- National policy context
- Compliance timeframes

#### **4.8 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS**

Pensioner Housing/Housing for the Elderly Buildings are Strategic Assets listed on Schedule I in the Council's Significance and Engagement Policy.

Unless already explicitly provided for in the LTP, the Council will seek to amend its LTP, and therefore use the Special Consultative Procedure, when it proposes to:

- significantly alter the intended level of service for any significant activity undertaken by, or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule I.

It is intended to use the LTP process, and specifically the 2021-31 LTP Consultation Document, to seek the community's perspective on the findings of the service delivery review, future options for the Pensioner Housing service and proposal to divest the Pensioner Housing service (activity and assets) to a sympathetic social housing provider (including CHPs, Kainga Ora, or other government agency).

Highest levels of engagement	Inform	Consult	Involve	Collaborate	Empower
	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<i>Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making</i>	2021-31 Long Term Plan Consultation Document <ul style="list-style-type: none"> <li>Formal submissions and hearings</li> </ul>				

The Pensioner Housing tenants received a letter and “Frequently Asked Questions” sheet on Monday 30 November 2020 – included as Attachments 5 and 6 respectively. Council staff held site meetings at all four complexes on Thursday 3 December 2020. The Mayor, Ward Councillors and Community Board Chairs were invited to attend the site meetings.

## 5. CONCLUSION

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The Council has been considering the best way to deliver the Pensioner Housing service for many years.

The Service Delivery Review has confirmed that the current service provided by the Council is not self-funding and is not financially viable in its current form without a substantial funding re-allocation from Council’s financial resources, or access to Government subsidies.

The LGA imposes on the Council an obligation to its ratepayers to ensure that the services it provides are cost-effective and efficient.

The delivery options assessment demonstrates that divesting the service to a sympathetic social housing provider, subject to conditions to protect existing tenants, will generate benefits for Council, ratepayers, and tenants alike.

## 6. ATTACHMENTS

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- Attachment 1 WDC Pensioner Housing S17A Service Delivery Review – 2020
- Attachment 2 WDC Significance and Engagement Policy
- Attachment 3 WDC Pensioner Housing Review Report 2016
- Attachment 4 WDC Infrastructure Committee Report – Housing for the Elderly 2017
- Attachment 5 Letter to Pensioner Housing Tenants – 30 November 2020
- Attachment 6 Frequently Asked Questions Sheet – 30 November 2020





Waikato District Council  
Pensioner Housing Portfolio  
Section 17A Service Delivery  
Review 2020  
November 2020



### Quality control

<b>Document:</b>	Pensioner Housing Portfolio Section 17A Service Delivery Review 2020
<b>Ref:</b>	Job No. 716992
<b>Date:</b>	November 2020
<b>Prepared by:</b>	Fiona Whyte (Senior Advisor), Ruth Allen (Lead Advisor), Rachel Ritchie (Senior Planner), Nick Birdsall (Senior Property Consultant), Clinton Fisher (Senior Property Consultant)
<b>Reviewed by:</b>	Clinton Fisher – Senior Property Consultant

### Revision history

Revision	Revision date	Details	Authorised	
			Name / position	Signature
1.0	20/11/2020	Draft for consultation	Chris Farrell, Senior Property Consultant	
1.1	25/11/2020	Final Issue	Nick Birdsall Senior Property Consultant	



## Executive Summary

The Property Group Limited (TPG) has been engaged by Waikato District Council (Council) to provide an analysis of their current service delivery of pensioner housing as required by Section 17A of the Local Government Act 2002 (as amended in the Local Government Amendment Act 2014).

The purpose of a Section 17A service delivery review is to determine whether the existing means for delivering a service remains the most efficient, effective and appropriate. A Section 17A review is required periodically and when any significant change to level of service is being considered.

Like many Councils across the country, Council provides a pensioner housing service to meet the needs of their communities who require access to affordable pensioner housing. Council currently own and manage 34 self-contained one-bedroom pensioner units in three locations in the Waikato District: Huntly, Ngāruawāhia and Tūākau.

There is an increasing need for social housing in the Waikato District and rental affordability is low. With an ageing population and an increasingly stressed private rental market, there is likely to be an increasing demand for affordable pensioner housing in the district. Analysis suggests there is growing demand in the Waikato for one and two-bedroom social housing units and over 200 people are currently on the public housing register managed by Kāinga Ora Housing and Communities. Currently there are around 8 people on the wait list for a Council Pensioner Housing Unit (PHU) and occupancy is close to 100%.

In 2016, TPG completed a review of the performance of Council's pensioner housing portfolio, which established that, at the time, it was not meeting its objective of being self-funding and was making year-on-year losses. TPG recommended, amongst other actions, a review of Council's rent policy and as a result, Council decided to increase rents for the PHUs and has undertaken upgrades to some of the units. Other units still require significant capital works from 2023 onwards. In June 2017 Council voted to complete outstanding maintenance to the units and look to divest them, as despite rental increases, this service continues to make year-on-year losses that are forecast to continue growing across the Long Term Plan (LTP) period.

While Council has been the sole provider of affordable accommodation specifically for the district's elderly constituents, other options for delivering this service are possible. This review provides analysis and commentary of the options available to Council in considering the future of this service.

Ultimately, this review finds that a significant financial burden will remain with Council to support the continued operation of their pensioner housing service without a substantial funding re-allocation from Council's financial resources or access to Government subsidies.

Whilst there is an increasing need for social housing, including for older people, in the Waikato District, it is considered reasonable for Council explore the options to divest the portfolio in the first instance to other government entities better equipped to provide social housing.

The delivery options provided in the assessment demonstrate that the options of either divesting to Kāinga Ora (or other government entity) or leasing to a Community Housing Provider (CHP) should be explored before moving to divestment via the market.

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## 1. Introduction

### Purpose

The Property Group Limited (TPG) has been engaged by the Waikato District Council (Council) to prepare a review of Council's pensioner housing portfolio, its current operations and its future delivery options. This review builds on and updates TPG's 2016 review that reported on the performance of Council's pensioner accommodation and recommended options for optimisation of the service at that time. Since the 2016 report, and in keeping with TPG's recommendation, Council have increased rents for their Pensioner Housing Units (PHUs) and in 2017 Council voted to complete outstanding maintenance to several the units and to investigate options for the potential future divestment of the PHUs.

In light of this Council decision, this review includes an examination of the current condition and suitability of the 34 pensioner units owned and managed by Council, as well as analysis of the ability of the service to meet future demand for elderly housing and its overall cost-effectiveness for Council. The review will be undertaken with consideration of an evolving national policy and planning context for social housing and a housing sector which is coming under increasing pressure to meet growing demand for affordable housing in New Zealand.

This review satisfies the requirements of Section 17A of the Local Government Act 2002, which requires that Councils review the cost effectiveness, and efficiency of current arrangements for providing local infrastructure, services and regulatory functions at regular intervals.

### Approach

We have used the following methodology to undertake this review:

1. A review of current national policy and planning context for housing and what this means for elderly housing
2. An analysis of available Council documentation and data in relation to the operation of the PHUs, including interviews with key staff
3. An assessment of the current and future elderly housing provision in the Waikato District
4. Identification of gaps in the current service provision
5. Analysis of funding and financial performance of the current service provision
6. Definition and evaluation of PHU delivery options.

## 2. Policy Context

### The housing context

The Government housing sector uses the concept of a 'housing continuum' to identify the role public housing organisations have in providing homes to meet a range of housing needs in New Zealand. The housing continuum, shown in Figure 1 below, is a concept used by policy makers to consider the impact a policy has on different tenancies. It illustrates the various tenancies from homelessness and emergency shelters on the far left, through assisted rental or assisted ownership, to private renting and ownership options in the market.

Council's pensioner housing service falls in the social housing segment of the continuum, in that it provides subsidised rental accommodation combined with supportive services appropriate to the household needs. Social housing helps low to very low-income households access appropriate, secure and affordable housing. It is expected these tenants would spend around 25% of their gross income on housing and that rents would be subsidised, usually by the Income Related Rent Subsidy (IRRS), however in this case Council is not eligible for the IRRS so absorbs the full cost of the subsidy.



Adapted from: Canada Mortgage & Housing Corporation and Community Housing Aotearoa

Figure 1 The Housing Continuum

## Challenges facing the housing sector

The housing sector in New Zealand has been under increasing pressure to provide for a growing demand for housing. Home ownership rates have fallen to the lowest levels in 60 years<sup>1</sup>, and the median house price across New Zealand increased by 19.8% year-on-year from \$605,000 in October 2019, to a new record median high of \$725,000 in October 2020<sup>2</sup>. In the Waikato region, a 15.9% increase has occurred since October 2019, with the median house price now \$655,000 in October 2020. In eleven regions, including the Waikato, record median house prices have been posted in 2020. These figures convey the significant and ongoing issues with housing supply and housing affordability in New Zealand's constrained housing market.

The private rental housing market is also under considerable pressure on account of constrained supply, high construction costs, high house prices and low yields. This stressed market is seeing rents rising faster (twice as fast as wages and salaries in some locations) and a decline in turnover of tenancies. Homelessness and housing related poverty are on the rise, and the 2018 Census identified 0.9% of the national population, or 41,644 people, as housing deprived<sup>3</sup>.

Falling home ownership rates and the increasing cost of rental housing is affecting retirement options for older New Zealanders. The number of people receiving both the New Zealand Superannuation and an Accommodation Supplement is increasing by 2000 people per year<sup>4</sup>. In the Waikato district, 9,952 people receive the New Zealand superannuation as of June 2020<sup>5</sup>. Current retirement income policy settings were established in a time when most people retired as debt-free homeowners and when there was adequate provision of social housing to provide for people who had not achieve this.

This is no longer the case and increasing numbers of retirees will need to access the private rental housing market to meet their housing needs. An already stressed rental housing market combined with limited income, even with the Accommodation Supplement, will make this challenging for many elderly New Zealanders and it is likely that more and more elderly people will experience housing-related poverty.

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<sup>1</sup> (Johnson, Howden-Chapman, & Eaqub, 2018)

<sup>2</sup> (REINZ, 2020)

<sup>3</sup> (Ministry of Housing Urban Development, 2018)

<sup>4</sup> (Johnson, Howden-Chapman, & Eaqub, 2018)

<sup>5</sup> (Ministry of Social Development, 2020)

## National policy context

As a result of the ongoing challenges in the housing sector, the Government has developed an array of policies, plans, programmes and funding mechanisms under the Urban Growth Agenda to address the need for housing delivery, both market and social housing. The Government has also established Kāinga Ora Homes and Communities (Kāinga Ora), which replaces Housing New Zealand (HNZ) as the Crown's agency for transforming housing and urban development sectors in New Zealand. The following section provides a summary of the relevant plans and policies, as illustrated by Figure 2, and what this means for Council's role in the delivery of Pensioner Housing.

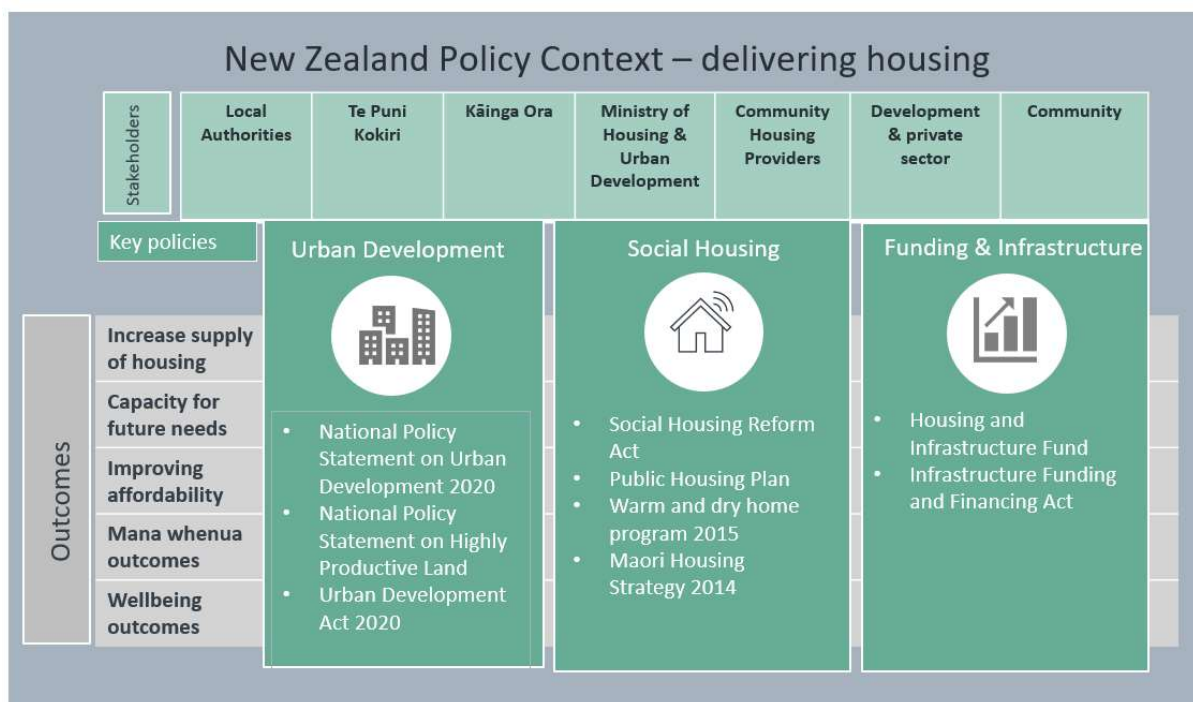


Figure 2 New Zealand Policy Context- delivering housing

### Kāinga Ora and the Urban Development Act 2020

Kāinga Ora is a Crown entity established in 2019 and brings together the functions of the former KiwiBuild Unit, Housing New Zealand, and its development subsidiary HLC. Kāinga Ora has two key roles:

- Being a public housing landlord
- Partnering with the development community, Māori, local and central government and others on urban development projects of all sizes.

The Urban Development Act (UDA) came into effect on the 6<sup>th</sup> August 2020. Its purpose is to facilitate urban development that contributes to sustainable, inclusive and thriving communities. The UDA will grant Kāinga Ora, a new toolkit of statutory powers with which to undertake its urban development functions, including the provision of housing. The UDA establishes a specified development project process (the SDP process), as a streamlined process for complex urban development projects to be undertaken by Kāinga Ora. The SDP process enables Kāinga Ora to modify, add to, or suspend provisions in RMA, regional or district plans or policy statements within the project

area and to act as a resource consent authority and requiring authority under the Resource Management Act 1991 (RMA). Kāinga Ora will also have land acquisition powers. These powers will be largely equivalent to the existing powers in the Public Works Act 1981, however the UDA provides greater specificity around works Kāinga Ora can acquire land compulsorily for.

The UDA will empower Kāinga Ora to ensure land is developed for the 'right purposes' and a mixture of market, public and affordable – including public pensioner housing - could be enabled with this legislation.

### Residential Tenancies Amendment Act 2020

The Residential Tenancies Act 1986 (RTA) governs the rental market and the relationship between landlords and tenants, providing a baseline set of laws to protect both parties. To modernise the RTA and ensure New Zealand's rental laws align with present day realities of renting, the RTA was reformed by the Government in 2020. The Residential Tenancies Amendment Act 2020 (RTAA) came into force on 12<sup>th</sup> August 2020 and includes a range of changes that seek to modernise and clarify the RTA. These changes seek to improve the security of tenure for tenants, support good faith relationships in the renting environment and improve tenants' ability to assert their legal rights.

Changes brought in with the RTAA relate specifically to the following tenancy matters which will come into effect from 11<sup>th</sup> February 2021:

- Security of rental tenure
- Changes for fixed-term tenancies
- Tenants ability to make minor changes to a property
- Tenants requesting of landlords to install fibre broadband
- Preventing rental bidding
- Privacy and access to justice relating to Tenancy Tribunal
- Assignment of a tenancy
- Landlord records – provision of new types of information to tenants
- Enforcement measures are strengthened
- Broadening of the jurisdiction and administrative powers are broadened
- The RTA does not apply to transitional and emergency housing.

Further changes that will take effect from 11<sup>th</sup> August 2021 relate to:

- Tenants experiencing family violence
- Physical assault of landlord by tenant.

### Residential Tenancies (Healthy Homes Standards) Regulations 2019

Standards for healthy rental properties in New Zealand became law on 1<sup>st</sup> July 2019 with the Residential Tenancies (Healthy Homes Standards) Regulations in 2019. These were enabled by the Healthy Homes Guarantee Act, passed in 2017. The purpose of Healthy Homes Standards (HHS) regulations is to create rental homes that are warmer and drier, leading to better health outcomes for tenants. Over 600,000

households rent in New Zealand, representing nearly a third of New Zealand homes<sup>6</sup>. Research from the Building Research Association of New Zealand (BRANZ) demonstrates that many of New Zealand's rental homes are consistently in worse conditions than owner-occupied homes<sup>7</sup> and that the lowest quality houses (generally older, smaller and less-equipped with insulation and heating appliances) are concentrated in the rental market<sup>8</sup>. Both New Zealand and international evidence demonstrates that effective heating, insulation and ventilation can directly reduce illness by reducing dampness, controlling relative humidity and preventing the growth of mould and fungi. As most renters are made up of low-income, elderly, children, disabled persons and Māori and Pasifika people, these groups are disproportionately affected by unhealthy homes and are at greatest risk of negative social outcomes<sup>9</sup>.

The HHS incorporate five aspects of a property which ensure rental homes are adequately heated, insulated, ventilated, and protected from draughts and moisture ingress and that they are well-drained.

The minimum requirements are set out in Table 1 below:

*Table 1 Healthy Homes Standards*

Standard	Minimum Requirement
<b>Heating</b>	All rental properties must have one or more fixed heaters, which can directly heat the main living room and meet a required heating capacity. Certain heating devices that are inefficient, unaffordable or unhealthy will not meet the requirements of this standard.
<b>Insulation *</b>	The minimum level of ceiling and underfloor insulation must either meet the 2008 Building Code, or (for existing ceiling insulation) have a minimum thickness of 120mm.
<b>Ventilation</b>	Ventilation must include openable windows in the living room, dining room, kitchen and bedrooms. Also, an appropriately sized extractor fan(s) in rooms with a bath or shower or indoor cooktop.

<sup>6</sup> (Ministry of Housing and Urban Development, 2018)

<sup>7</sup> (White, 2017)

<sup>8</sup> (Ministry of Housing and Urban Development, 2018)

<sup>9</sup> (Ministry of Housing and Urban Development, 2018)



<b>Moisture ingress and drainage</b>	Landlords must ensure efficient drainage and guttering, downpipes and drains. If a rental property has an enclosed subfloor, it must have a ground moisture barrier if it is possible to install one.
<b>Draught stopping</b>	Landlords must stop any unnecessary gaps or holes in walls, ceilings, windows, floors, and doors that cause noticeable draughts. All unused chimneys and fireplaces must be blocked.

\* Note: Waikato falls into Zone 2 which stipulates insulation standards with an R value of 2.9 for ceilings and 1.3 for underfloor

### Compliance timeframes

From 1<sup>st</sup> July 2019, ceiling and underfloor insulation became compulsory in all rental homes, where it is reasonably practicable to install. From 1<sup>st</sup> December 2020, landlords must include a statement of their current level of compliance with the HHS in most new or renewed tenancy agreements.

From 2021, the timeframe for compliance with the HHS is as follows:

- **1 July 2021** – From this date, all private landlords must ensure that their rental properties comply with HHS within 90 days of any new tenancy. All boarding houses must also comply
- **1 July 2023** – All Kāinga Ora homes and communities and registered Community Housing Provider (CHP) houses must comply with the HHS
- **1 July 2024** – From this date, all rental homes must comply with the HHS.

While the HHS will result in net benefits for New Zealand overall by reducing negative social outcomes (such as work and school attendance, physical and mental health) and increasing the value of properties, costs will fall to landlords to ensure their properties meet the standards. As a public housing provider, Council are responsible for meeting their obligations under the RTA and ensuring their PHUs meet the HHS within the compliance timeframes, in the same way a landlord in the private rental market must. Cost Benefit Analysis (CBA) completed by the Ministry of Housing and Urban Development (MHUD) identifies both capital and operational costs for landlords<sup>10</sup>.

The CBA also identifies a potential increase in operating costs for tenants. The costs borne by landlords will vary, depending on the current condition of the rental property or properties and the quantum of

<sup>10</sup> (Ministry of Housing and Urban Development, 2018)

improvements required. As is the case for Council, which will need to bring multiple properties into compliance, costs will be associated with managing the process to become compliant, such as installation and future maintenance programmes and tenant management.

### Public Housing Plan 2018-2022

The Public Housing Plan (The Plan) is the Government's response to the increasing demand for public housing across New Zealand through to 2022. It provides a plan about where, and how many, additional public housing places are planned to June 2022. The Plan provides an overarching strategy for strategic partnering that:

- Provides an overarching strategic partnering model to guide how MHUD works with other agencies and providers to meet the housing needs of New Zealanders
- Shifts away from a competitive and market-based approach to a more planned and collaborative approach
- Restricts capital funding that is now only available in limited circumstances
- Introduces higher operating subsidies (an operating supplement) available to HNZ and CHPs up to a maximum of 90% of market rent to support development of new supply
- Maintains the existing IRRS contract for 25 years for HNZ and CHP tenancies.

In 2018, the Government outlined in this plan, its intention to secure 6,400 additional public housing places across New Zealand by June 2022. Most of these are currently being built, in the pipeline or delivered. In May 2020, the Government announced its intention to deliver a further 8,000 new homes – 6000 public homes and 2000 transitional homes. These will be delivered by Kāinga Ora, CHPs and transitional housing providers and could include public pensioner housing. A new public housing purchasing intentions plan is intended to be released by Government by early 2021 and this will outline the delivery of these new homes.

### Social Housing Reform Program (2013)

In 2013 the Government announced its Social Housing Reform Programme (SHRP) providing several new initiatives aimed at improving social housing for vulnerable New Zealanders. The programme aims to increase the supply of social housing by providing a fair, efficient and effective social housing market that better supports people in greatest need.

The SHRP Act (2013) brought about a shift from how the Crown delivers social housing. It now enables a multiple provider environment by extending access to IRRS to approved CHPs. Previously only HNZ, now Kāinga Ora, was able to access IRRS.

The emphasis has moved away from the Government providing social housing solely through Kāinga Ora to an environment that encourages a wider range of approved CHP social housing providers. Notably, Council Controlled Organisations (CCOs) that are providing social housing are currently ineligible for funding through IRRS.

## Local Government Act 2002

Strategic asset, in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes:

- Any asset or group of assets listed in accordance with section 76AA(3) by the local authority
- Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy
- Any equity securities held by the local authority in:
  - A port company within the meaning of the Port Companies Act 1988:
  - An airport company within the meaning of the Airport Authorities Act 1966. General Principles Relating to Local Authorities Section 14 of the LGA places obligations on local authorities to act in accordance with several principles.

Many of these have relevance to the property function of Council, for example requiring Council:

- To conduct its business in an open, transparent, and democratically accountable manner
- To make itself aware of, and have regard to, community views
- To undertake commercial transactions in accordance with sound business practice
- To ensure prudent stewardship and the efficient and effective use of resources.

### 3. Housing Provision in the Waikato District

The Future Proof Housing and Business Development Capacity Assessment 2017<sup>11</sup> (HBA) provided a detailed analysis of the demand, supply and sufficiency of development capacity for housing and business growth across the Future Proof sub-region, which included the Waikato District. This analysis was conducted to meet the requirements of the National Policy Statement on Urban Development Capacity (NPS-UDC).

The HBA made key observations that are relevant to determining future demand in the Waikato District:

- Like other territorial authorities in the Waikato Region, the Waikato District has experienced steep increases in housing prices. This has made affordable housing an increasing concern, coupled with reduced levels of home ownership
- Up until recently, the Waikato District was a relatively rural district, but now faces considerable urban growth pressures from both the north and the south
- The housing capacity modelling projects:
  - In the short-term, a net surplus of capacity of around 3,700 dwellings
  - In the medium-term, the surplus remains, but decreases to around 2,100 dwellings
  - In the long-term, there is a shortfall of 6,400 dwellings (13%)
- Shortfalls in housing are projected to occur in the lower to mid-price brackets, increasing into the long-term
- By location, a surplus of capacity exists in the short-term across most of the main urban settlements in the District. The largest area of deficit occurs outside of the main urban settlements, across smaller settlements in the largely rural areas.

As shown in Figure 3, the population of the Waikato District has increased by an average of 3.1%, compared to the national average of 2.1%. This likely affirms the findings of the HBA, in that the District is facing urban growth pressures associated with the development of the wider Waikato Region.

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<sup>11</sup> (Future Proof, 2017)

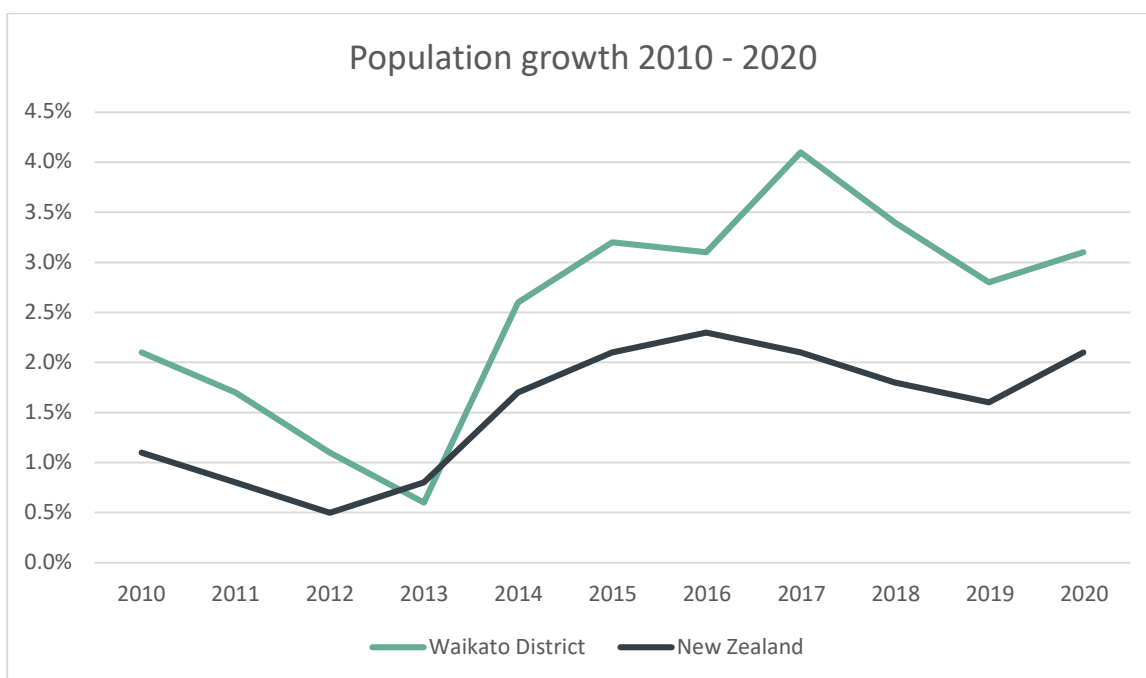


Figure 3: Population Growth - 2010-2020 (Source: Infometrics Waikato District Economic Profile 2020)

The numbers of people aged over 65 is relatively low compared to other age groups in the District, as shown in Figure 4. As of 2020, the largest age group in the District is between 40-64 years with this age group and the 0-14 year age group proportionally higher than the overall New Zealand population.

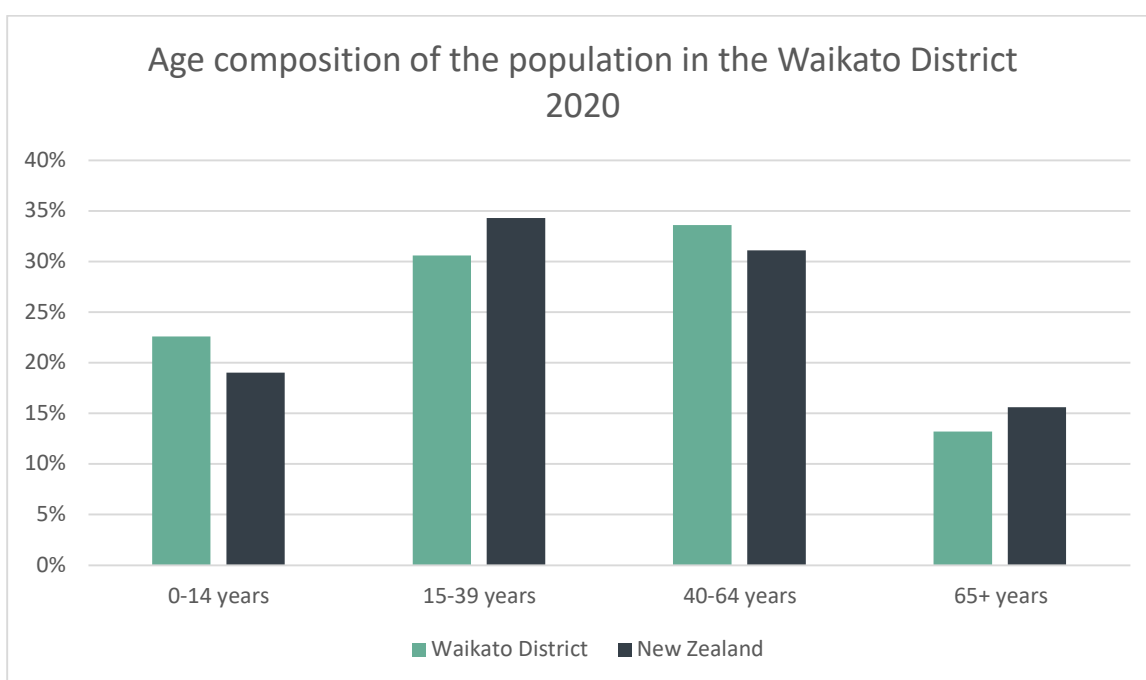
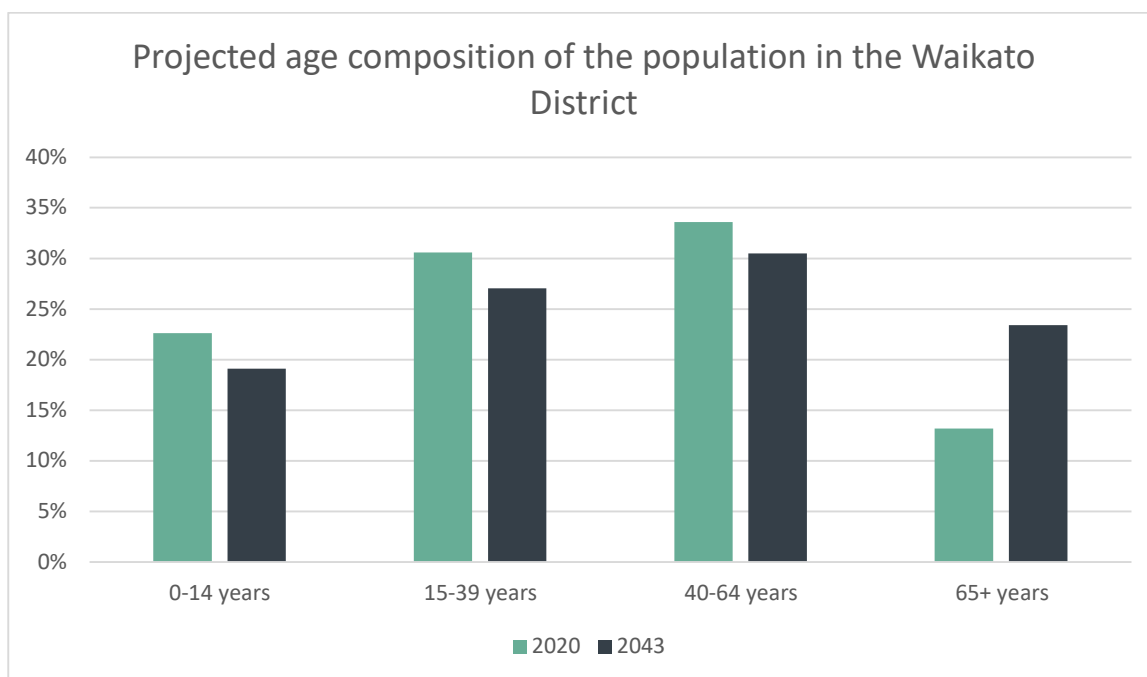


Figure 4: Age Composition of the Population in the Waikato District 2020 (Source: Infometrics Waikato District Economic Profile 2020)

### Growth projections

The most recent population projections for the Waikato District, based on the data from the 2013 census, as shown in Figure 5 below, show that the percentage of the

population aged over 65 years is projected to increase significantly by 2043. This is also reflected by the median age of the District, which is projected to rise from the existing 37.6 years to 43.2 years by 2043.



*Figure 5: Projected age Composition in the Waikato District 2020 Estimate VS 2043 Projection (Source: Statistics NZ, Subnational Population Projections 2013-2043)<sup>12</sup>*

The 2013-2043 family and household projections also project that the number of people living in single person households in the Waikato District will continue to increase, from 20% of households in 2013 to 24.8% of households in 2043.

When comparing average current house values with mean household incomes, housing affordability in the Waikato District is greater than the national average (Figure 6 below), however rental affordability is lower (Figure 7).

<sup>12</sup> Note that updated population projections specific to the Waikato District are signalled to be released in 2021, based on the 2018 Census data

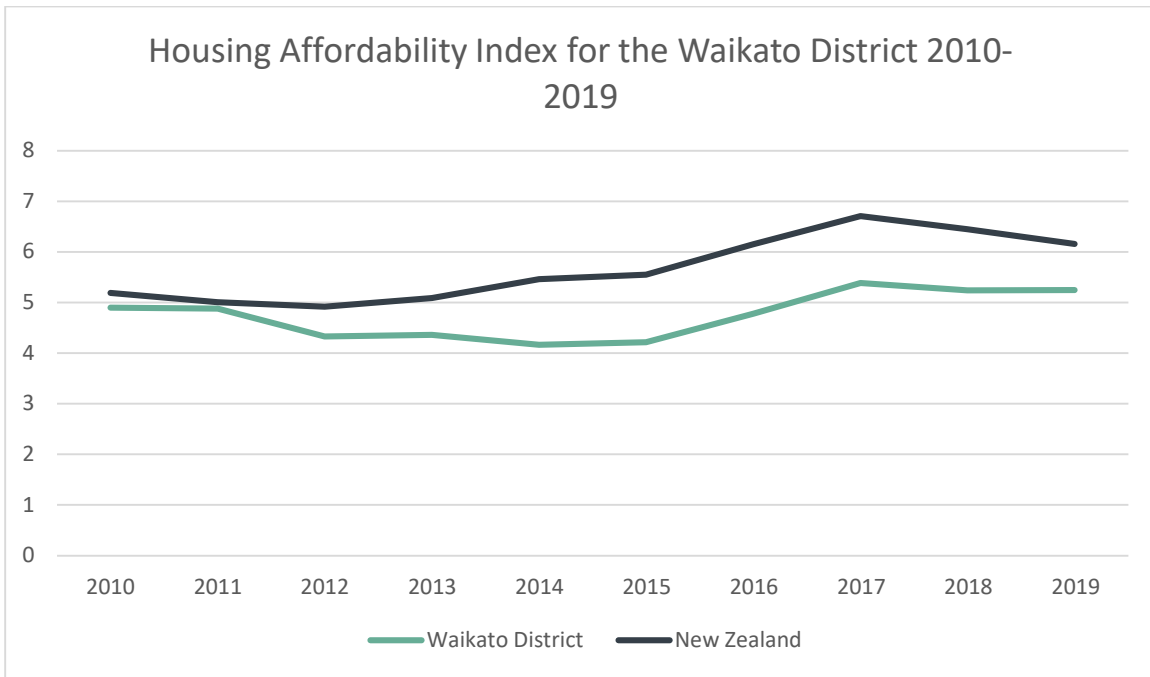


Figure 6: Housing affordability index for the Waikato District 2010-2019 (Source: Infometrics Waikato District Economic Profile 2020)

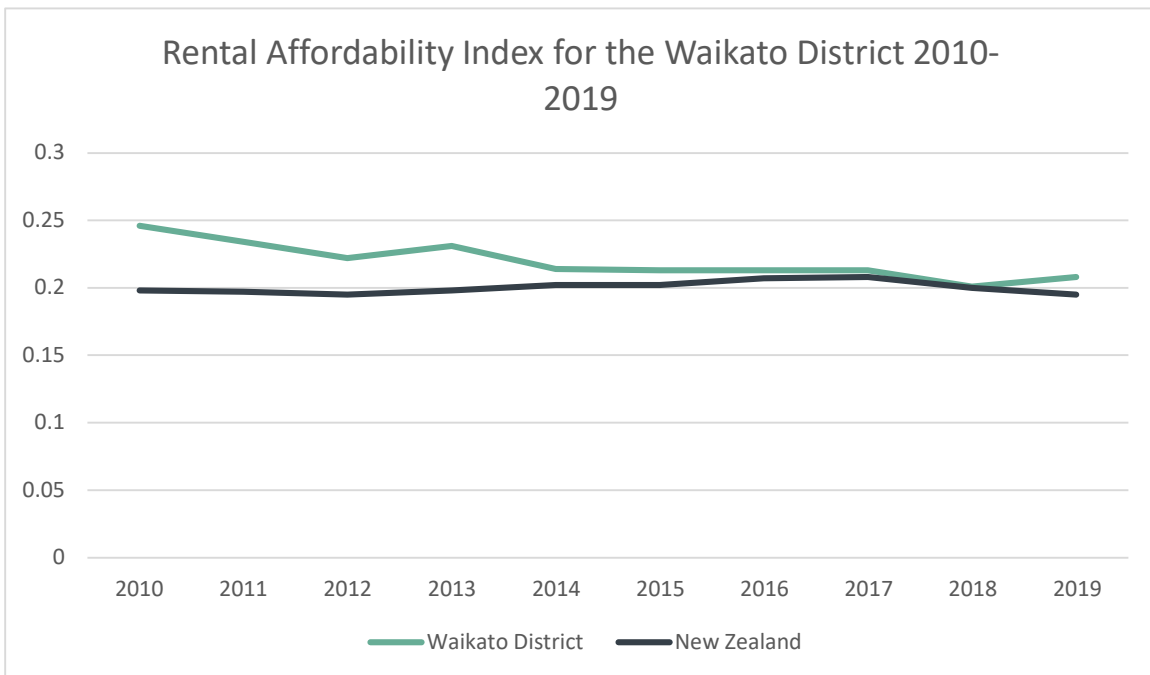


Figure 7: Rental affordability index for the Waikato District 2010-2019 (Source: Infometrics Waikato District Economic Profile 2020)

## Future demand for public housing in the Waikato District

Social housing in New Zealand is primarily provided by central government, with over 69,000 housing units across the country. Local authorities collectively make up the next largest contributor, holding around 11,000 units, predominantly provided for older people. Not-for-profit organisations, typically registered CHPs, make up a small but growing proportion of the overall provision, with an estimated 5,000 units.

### Public housing

Public housing in the Waikato District is currently provided by both central government (Kāinga Ora), local government (Council) and CHPs, including Habitat for Humanity.

Currently Kāinga Ora has 387 housing units within the Waikato District, with additional stock forecast to be provided by 2022 under the Public Housing Plan. Figure 8 provides a high-level overview of the location, current supply and projected supply of public housing in the Waikato District.



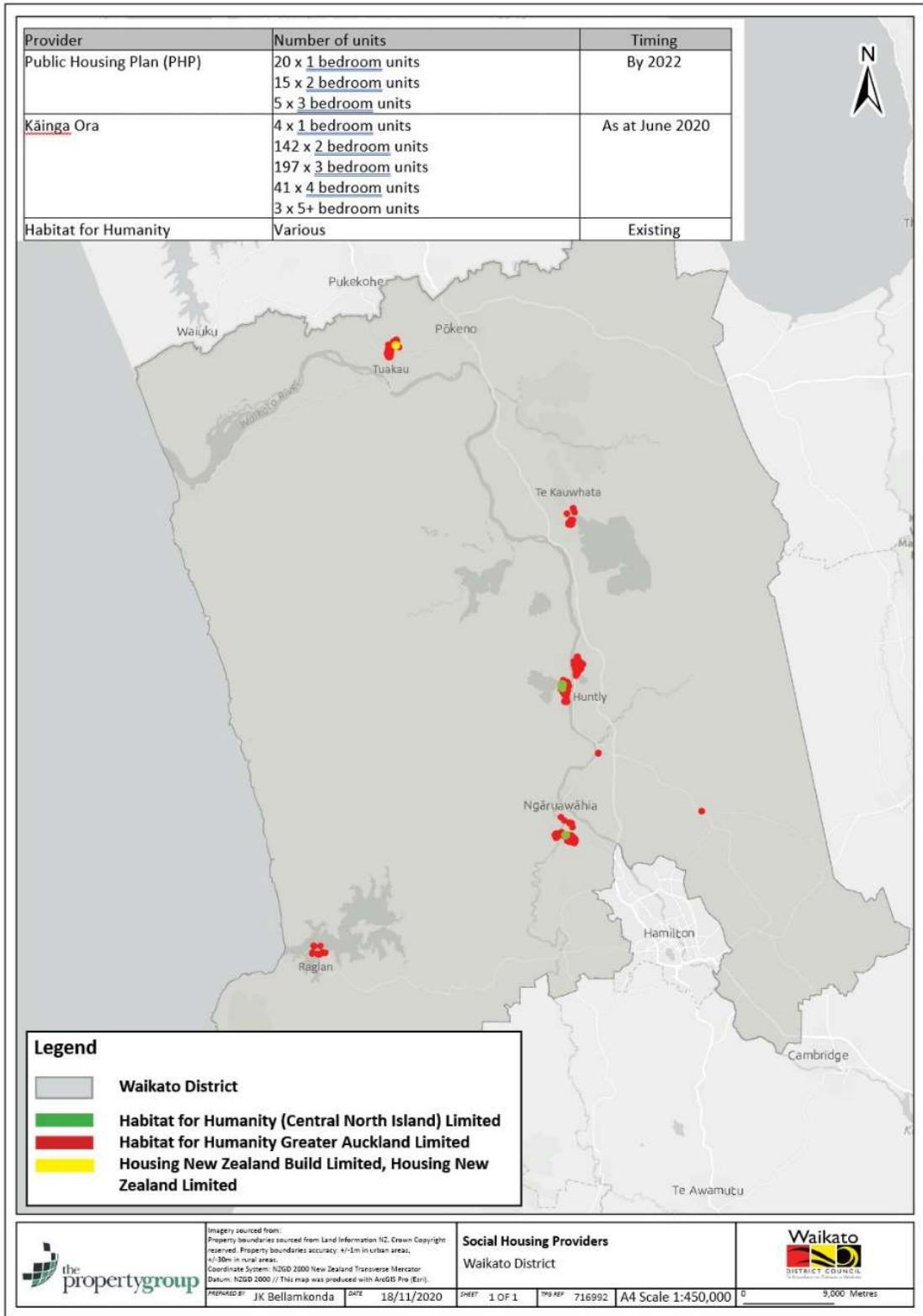


Figure 8: Social Housing Locations in the Waikato District (Source: MHUD, 2020)

The demand for public housing has increased significantly in the Waikato District over the last 5 years, currently exceeding 200, as shown in Figure 9 below. The demand is significantly greater than the existing or forecasted supply of public housing in the District, with significant demand for one or two-bedroom units (Figure 10).

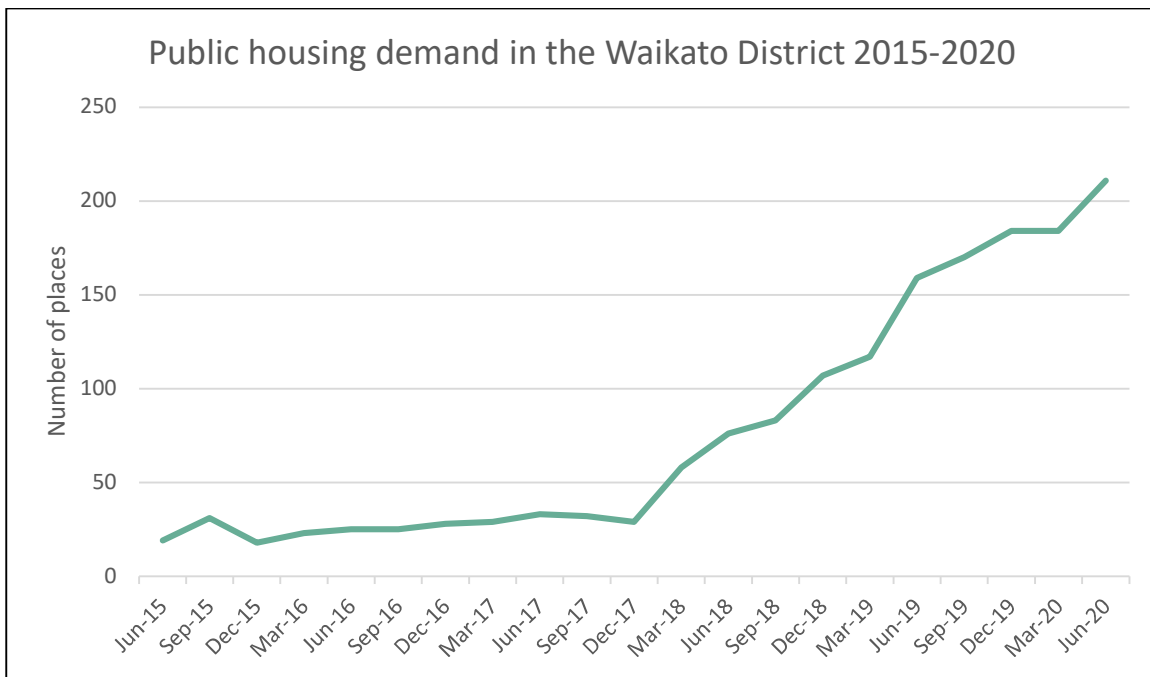


Figure 9: Public Housing Demand in the Waikato District (Source: MSD Social Housing Register, June 2020)



Figure 10: Public Housing Demand in the Waikato District by Number of Bedrooms Required (Source: MSD Social Housing Register, June 2020)

The Government currently subsidises rent in some instances through the IRRS. The IRRS bridges the gap between what a public housing tenant can pay toward rent (usually no more than 25% of net income) and the amount of rent the property would command in the private market. Councils are not currently eligible for IRRS unless they lease housing to a CHP, and then only under certain circumstances (Auckland and Christchurch City Councils currently have access to some IRRS funding).

## **Transitional housing**

Transitional housing is currently limited to only 208 contracted 'places' across the entire Waikato Region<sup>13</sup>. A 'place' is a dwelling that is occupied by a household for an average of one cycle (12 weeks) or more while they are helped to find more permanent housing. It is intended that at the end of the cycle, the household will move into public or affordable housing.

The transitional housing programme is led by MHUD in collaboration with Kāinga Ora, transitional housing providers, the Ministry of Social Development (MSD) and the wider housing sector.

## **Housing First**

Housing First targets the chronic street homeless. It is currently not established, or signalled to be established, in the Waikato District. As of 2019, Housing First had provided housing for 132 households in Hamilton, with 229 households accepted into the programme.

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<sup>13</sup> (Ministry of Housing and Urban Development, June 2020)

#### 4. Overview of current service provision

##### Existing portfolio

Council’s pensioner housing portfolio consists of 34 self-contained one-bedroom pensioner units. These aim to provide housing for elderly residents that is safe, affordable, age-friendly and suitable for independent living. The units are located across the district in three locations as shown in Figure 11:

- 14 units at 61 Hakanoa Street, Huntly (shown in Figure 10)
- 8 Units at Paul Reeves Court, Ngāruawāhia
- 4 units at 26 Henderson Avenue, Tūākau
- 8 Units at 5 Jellicoe Ave, Tūākau.

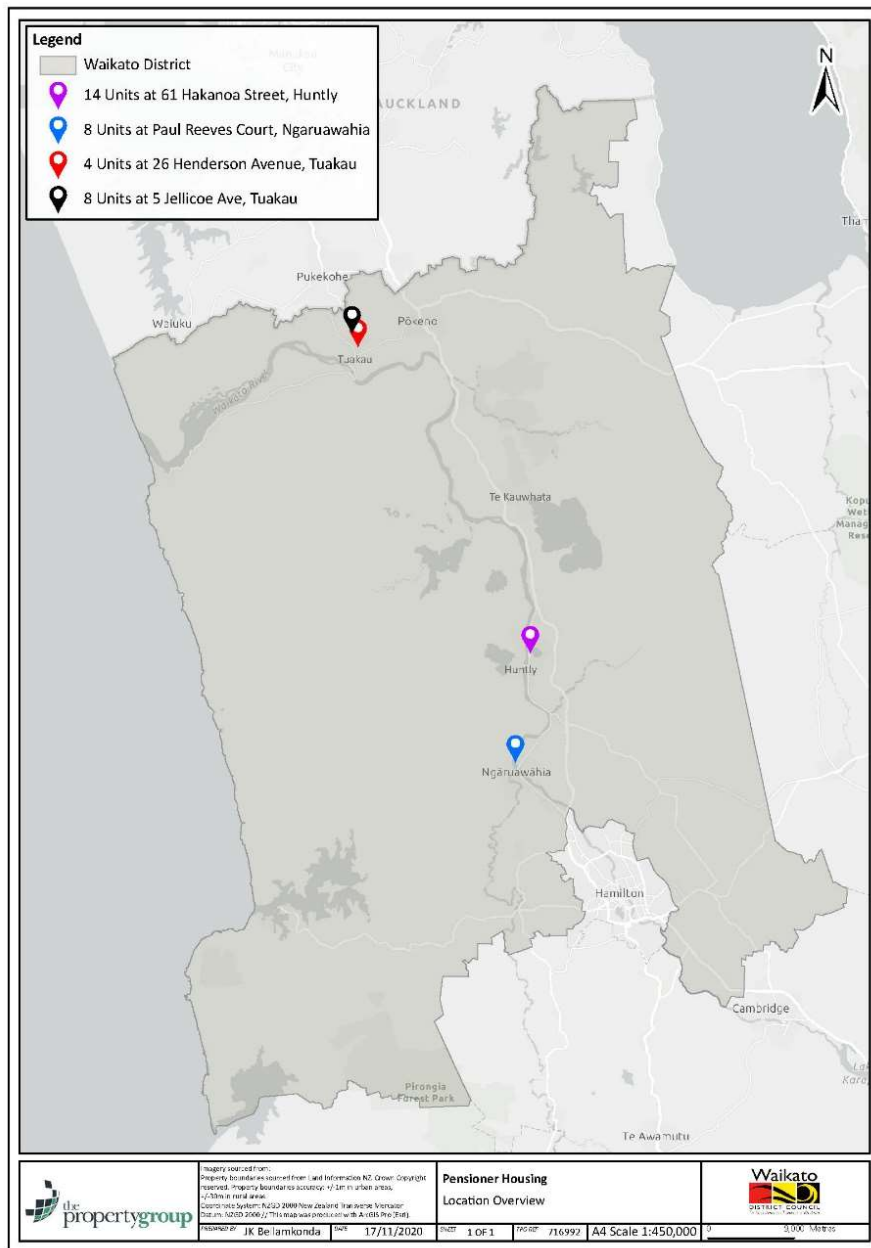


Figure 3: Location of pensioner housing units in the Waikato district

## Services provided to tenants

Living in a Council PHU means tenants are charged affordable rent, retain their independence and benefit from Council taking care of major upkeep such as maintenance of the buildings and grounds, any urgent repairs that are required and necessary upgrades to the units. Tenants have direct contact with Council housing staff and Council also covers rates payments and building insurance.

No "wrap around" services are provided to tenants like those offered by CHPs. Wrap around services provide support that goes beyond tenancy management and involves supporting the social and health needs of tenants within their homes. It can also involve building referral relationships and partnering with local service providers.

## Tenancy management systems

Council employ the use of the Property and Rating Database for the management of tenant (debtor) accounts. This system is not tailored to providing debtor management for tenancy arrangements and is used as a stopgap rather than a system that facilitates optimal tenancy management.

Tenancy agreements are stored in the deed safe and copies are stored on ECM.

## Tenant eligibility

To be eligible for a Council PHU, applicants must meet certain criteria. These are outlined in full in Appendix 1 and are summarised below:

- Applicants must be 65 years of age or over
- Applicants must not be in full time employment
- The combined value of the applicant's assets (excluding car, furniture and personal household effects, but including property, cash, shares, trusts, investments) must not exceed the figures below:
  - Single person \$17,500.00
  - Couple \$20,500.00
- Any applicant on a benefit other than an age-related benefit, national superannuation or war pension and who is over 65 years old will be considered if the applicant's sole source of income is fixed
- The applicant must have a housing need as determined by Waikato District Council
- Applicants must be able to care for themselves independently (medical certificate to be supplied)
- The applicant must be a permanent New Zealand resident or citizen of New Zealand
- Applicants who own land or property may not qualify.

## Rental, occupancy, and tenant profile

Council staff advise that of the 34 PHUs, 33 are currently occupied, which represents a total occupancy rate of 97.05% with 100% occupancy expected to be achieved early 2021 once renovations in the last unit are completed by end of 2020.

Waiting lists to obtain access to a PHU is outlined as follows:

- Ngāruawāhia – Six
- Huntly – Six
- Tūākau – Two.

Council staff advise that five of the applicants on waiting lists for Ngāruawāhia and Huntly PHUs are the same people as they usually put their name down for both complexes.

As the eligibility criteria requires, all tenants are over the age of 65. Council advise that one tenant has restricted mobility (they are wheelchair bound), but all others have full mobility. Council staff advise that most tenants have their own motor vehicles, reducing any dependence upon public transport. The tenant profile is relatively balanced in gender with an average age of mid-70's. Most are single and live alone.

### Property condition reports

Information on the PHUs was sourced from Council staff, stored in Council's Asset Management system (SPM). The Property Summary Reports are dated 2017, which presents a limitation to their current condition. We have assumed building condition is relatively reflective of the reporting obtained.

We have analysed the SPM condition reports which record a condition rating of C1 or C2 for 96.91% of the building components for the PHUs.

This condition rating system refers to the assessed state of an asset. This value is used in establishing the calculated remaining life of building components which make up the entire fabric of the building. The condition ranges from C1 to C5, with C1 considered superior condition. An item in C1 is assumed to have 100-55% of its life left, C2 has 54-37%, C3 has 36-25%, C4 has 24-11% and C5 has 10-0% left.

This rating (96.91% C1 and C2) of the building components across the portfolio suggest they in good or very good condition. This is an increase from the 80% C1 and C2 noted in TPG's 2016 Report.

The nature of SPM's reports are that although the various components making up the building fabric may be in good condition, there is no account of whether the properties might require upgrading so as to be fit for purpose and meet the current standards and amenity requirements. We are advised that the portfolio has been recently modernised with new kitchen and bathroom fitout across the portfolio, with one unit in the process of having the fitout installed.

We have also analysed the component economic life data contained within the property asset revaluation by Quotable Value as at 30 June 2020. This is summarised in Table 2.

Table 2 Component economic life data for PHUs

Street Address	Component Economic Life				Component Residual Life			
	Stru.	Roof	Serv.	Int. Fit	Stru.	Roof	Serv.	Int. Fit
<b>26 Henderson Avenue</b>	75	60	40	35	35	25	10	5*
<b>5 Jellicoe Avenue</b>	75	60	40	35	40	25	10	5*
<b>61 Hakanoa Street</b>	60	60	40	40	15	25	8	5*
<b>1 Paul Reeves Court</b>	75	60	45	35	40	30	20	13

\* Denotes where data supplied contrasts with other supplied data. We understand internal modernisation of all bar one unit has been undertaken through interviews with Council staff.

Table 2 illustrates that the internal fit out of three out of the four PHU blocks have low residual remaining lives of 10 years, which contrasts with advice received from Council staff. We anticipate that the annual asset valuations have been largely undertaken on a desktop basis with minimal site inspections, which might explain the disconnect in advice received from QV and both Council staff and the 2017 SPM condition reports.

This information has also been used to compare the units to general standards and benchmarks in the social housing industry.

Council staff have also provided the following information which is relevant for this section of the report:

- One PHU is currently being modernised with new kitchen and bathroom fitout
- In terms of a preventative maintenance program to implement the SPM plan, preventative maintenance is not split out from reactive maintenance. Council undertake fire alarm checks, building washes and gutter cleans, but there is not much else in the way of proactive maintenance
- No insight into any problems, defects, or issues with any of the units, including deferred maintenance that needs attending could be given.

Council staff recognise that the units have historically not been actively managed and currently are being maintained on a reactive basis due to resourcing shortfalls (funding and staffing).

We also note the 2018/2019 Council Annual Report stated:

*“Renewals have been carried out at four pensioner units throughout our district, including new bathrooms, flooring, and internal painting. The Jellicoe Ave units in Tūākau had new fencing and two of the units were refurbished. The Willoughby Units in Huntly had the exteriors and all joinery repainted. All units have also had insulation upgraded to meet current legislation standards and works to repair collapsed drains. The total cost of all of these works was \$165,000.”*

### Gaps in current service provision

There are currently 211 people on the public housing register as of June 2020. Of these, 176 are Priority A and 35 are Priority B. Priority A suggests people who are at risk and households with a severe and persistent housing need that must be addressed immediately. Priority B applicants have a serious housing need and includes households with a significant and persistent need. As outlined in Section 3, demand is highest for one and two-bedroom homes.

The housing capacity modelling for the Waikato District projects:

- In the short-term, a net surplus of capacity of around 3,700 dwellings
- In the medium-term, the surplus remains, but decreases to around 2,100 dwellings
- In the long-term, there is a shortfall of 6,400 dwellings (13%).

Overall, the Waikato District is facing an increasing demand for social housing and a decreasing supply of housing. With an aging population, it is expected that the demand for pensioner housing will similarly increase, likely becoming a larger portion of the demand. The existing pensioner housing units have small waiting lists, but it is likely that if the supply of pensioner housing does not increase, waiting lists will increase.

Rental affordability in the Waikato District is low. This makes PHUs, with their low rent, an attractive option, likely resulting in an increasing demand in the future.

The existing PHU portfolio is in 3 urban settlements (Huntly, Ngāruawāhia and Tūākau). However, the HBA notes that there is a shortage of low to mid-price housing, particularly in smaller urban settlements. This may result in an increase in demand for social housing outside the existing locations of the PHUs. Additionally, there are no 'wrap around' services provided to PHU occupants, likely removing any potential for tenants to find accommodation elsewhere and resulting in a low turnover of PHUs.

The current pensioner housing portfolio has been reactively managed due to funding and resourcing issues. This increases the potential for unexpected maintenance issues arising and does not allow scope for an increase to the existing housing stock.



## 5. Financial assessment

### Introduction

The following section outlines the PHU portfolios' current state of revenues, costs, valuation and key findings to inform various options that could be considered by Council.

### Portfolio revenues

In accordance with Council's PHU policy, all tenants are expected to pay the same rent regardless of location, quality of unit or ability to pay. The PHUs are currently rented at \$195.00 per week as at 1<sup>st</sup> July 2020. The Council's LTP determines the annual rent increase, with a forecast rent increase of \$13.00 per week for 2021.

The following market rent assessments were analysed on a desktop basis. A comparison of weekly rental applied (2020) and budgeted for (2021) against estimated current market rental (CMR) equivalent is provided below.

Table 3: Weekly market rental assessment (Source WDC, TPG 2020)

Address	Rent/unit/week	Rent/unit/week	CMR Equ.
	2020	2021	2021
61 Hakanoa Street Huntly	\$195.00	\$208.00	\$325.00
1 Paul Reeves Court, Ngāruawāhia	\$195.00	\$208.00	\$275.00
26 Henderson Avenue, Tūākau	\$195.00	\$208.00	\$275.00
5 Jellicoe Avenue, Tūākau	\$195.00	\$208.00	\$330.00

A summary of annualised rentals from each collective block of units against estimated current market rental equivalents illustrates the extent of market rental subsidy that Council is providing to tenants.

Table 4: Annualised market rental assessment (Source WDC, TPG 2020)

Address	Rental	CMR Equ.
	2021	2021
61 Hakanoa Street Huntly	\$151,424.00	\$236,600.00
1 Paul Reeves Court, Ngāruawāhia	\$86,528.00	\$114,400.00
26 Henderson Avenue, Tūākau	\$43,264.00	\$57,200.00
5 Jellicoe Avenue, Tūākau	\$86,528.00	\$137,280.00

<b>Total Rental per annum</b>	\$367,744.00	\$545,480.00
<b>Total Market Rent Delta to 2021 LTP Rental</b>		33%

The analysis above indicates that the opportunity cost forgone by Council to support the provision of affordable pensioner housing is approximately \$177,700pa and excludes the additional costs of Council staff facilitating management of the housing portfolio annually.

### Capital expenditure

Council's estimated capital expenditure for each of PHU have been source from asset management plans, interviews with Council staff and other information supplied by Council. This information was analysed and summarised in cost terms over a 9 year forecast period below.

Table 5: Forecast capital expenditure (Source WDC 2020)

Year	Street Address				Totals (\$)
	61 Hakanoa Street (\$)	1 Paul Reeves Court (\$)	5 Jellicoe Avenue (\$)	26 Henderson Avenue (\$)	
<b>2020</b>	\$9,694.00	\$2,838.00	\$1,562.00	\$0.00	\$14,094.00
<b>2021</b>	\$10,137.00	\$6,614.00	\$9,438.00	\$4,396.00	\$30,585.00
<b>2022</b>	\$9,596.00	\$16,531.00	\$0.00	\$0.00	\$26,127.00
<b>2023</b>	\$84,657.00	\$14,475.00	\$4,282.00	\$0.00	\$103,414.00
<b>2024</b>	\$18,556.00	\$1,653.00	\$3,306.00	\$0.00	\$23,515.00
<b>2025</b>	\$3,783.00	\$21,878.00	\$29,817.00	\$13,558.00	\$69,036.00
<b>2026</b>	\$31,410.00	\$4,554.00	\$26,613.00	\$8,668.00	\$71,245.00
<b>2027</b>	\$108,630.00	\$27,642.00	\$34,836.00	\$16,768.00	\$187,876.00
<b>2028</b>	\$99,845.00	\$68,579.00	\$27,004.00	\$10,076.00	\$205,504.00
<b>2029</b>	\$21,652.00	\$29,362.00	\$1,932.00	\$0.00	\$52,946.00
<b>Total</b>	\$397,960.00	\$194,126.00	\$138,790.00	\$53,466.00	\$784,342.00

The assessment above identifies the Hakanoa Street units located in Huntly require significant capital works from 2023 onwards. These renewals include new accessway/driveway upgrades, air conditioning unit upgrades and joinery upgrades.

## Current state financial analysis

The following table is an assessment of the PHU portfolio financial performance over the 2020-21 Budget year and LTP forecast period. This assessment indicates that significant financial burdens will remain with Council to support the pensioner housing services without a substantial funding re-allocation from Council's financial resources or access to Government subsidies, for details refer to Appendix 2.

Table 6: Portfolio Financial Assessment (Source WDC 2020)

Year	Total Income	Gross Total Operating Expenses	Depreciation	Net (less Depreciation)	Income Renewal Expenditure	Adjusted Position (incl. Depreciation)	Cash (incl. Depreciation)
2020/21	\$338,802	\$213,289	\$149,588	-\$24,075	\$174,883	-\$49,370	
2021/22	\$331,060	\$264,139	\$252,636	-\$185,715	\$186,559	-\$119,638	
2022/23	\$332,472	\$281,942	\$252,848	-\$202,318	\$273,377	-\$222,847	
2023/24	\$334,599	\$301,156	\$270,919	-\$237,476	\$160,237	-\$126,794	
2024/25	\$349,738	\$319,679	\$270,919	-\$240,860	\$90,996	-\$60,937	
2025/26	\$366,274	\$340,864	\$270,919	-\$245,509	\$145,443	-\$120,033	
2026/27	\$378,526	\$361,299	\$296,040	-\$278,813	\$311,214	-\$293,987	
2027/28	\$387,989	\$383,288	\$296,040	-\$291,339	\$331,787	-\$327,086	
2028/29	\$403,222	\$357,732	\$296,040	-\$250,550	\$45,933	-\$443	
2029/30	\$424,257	\$378,139	\$322,863	-\$276,745	\$101,769	-\$55,651	
2030/31	\$444,826	\$397,138	\$248,774	-\$201,086	\$0	\$47,688	

<b>Totals</b>	\$4,091,765	\$3,598,665	\$2,927,586	<b>-\$2,434,486</b>	\$1,822,198	<b>-\$1,329,098</b>
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\*Note the following assumptions:

- All revenue and expenditure were coded correctly by Council
- Costs do not include staff time (e.g. Finance and Property Officers)
- Rental arrears or write-downs excluded
- Capital expenditure excluded.

### Property valuations

The property valuations for the PHU portfolio are based upon Council's annual asset valuations as at 30 June 2020. These valuations are analysed in the Table 7.

Table 7: Valuation Summary (Source WDC 2020)

Property valuation	Particulars	61 Hakanoa Street	1 Paul Reeves Court	5 Jellicoe Avenue	26 Henderson Avenue
<b>Rateable Value</b>	Land	\$250,000	\$230,000	\$415,000	\$355,000
	Improvements	\$540,000	\$560,000	\$585,000	\$315,000
	Capital Value	\$790,000	\$790,000	\$1,000,000	\$670,000
<b>Building Replacement Cost</b>		\$1,890,479	\$1,043,901	\$1,145,745	\$572,873
<b>Valuation Summary</b>	Other/Site Improvements Value	\$50,000	\$50,000	\$40,000	\$30,000
	Total Improvement Fair Value	\$708,000	\$798,900	\$980,000	\$460,100
	Land Fair Value	\$250,000	\$300,000	\$460,000	\$340,000

The current building replacement cost for the Hakanoa Street units exceeds the property's fair value of improvements by 100%. This is likely due to building cost escalations and the valuation methodology for the building improvements. Analysis of the depreciated replacement cost or fair value indicates that the remaining economic life of the dwellings are under 50% due to their age and condition.

Both the rating and annual asset valuations are undertaken for taxation and financial reporting purposes respectively, have not necessarily had full inspections by registered valuers undertaken and do not necessarily reflect market realisation.

### Key findings

The key findings of this financial assessment are:

- The PHU operated by Council within the existing framework is resulting in year-on-year losses that are forecast to continue growing across the LTP period. This is despite increases in rental levels in 2020 and planned in 2021
- Depreciation expenses continue to be a significant encumbrance to achieving a self-funding outcome, but due to the nature of the portfolio this situation cannot be easily avoided
- Council is constrained in its ability to deliver its PHU service for affordable rentals in context of escalating costs and without Government subsidies.

## 6. Delivery options assessment

### Introduction

The following section outlines the delivery options for Council's PHU portfolio, the qualitative and quantitative evaluation of the options and ranking of options.

### Delivery options definition

There are a range of options available to Council to balance its financial return from the sites and continue to support its social housing outcomes. The long list of alternative approaches for the delivery of the Council's PHU portfolio are summarised as follows:

*Table 8: Delivery Options*

Delivery option	Description summary
Option 1 – Status Quo	Council continues to own and operate the existing pensioner housing service and in doing so agrees to continue to subsidise the service.
Option 2 – Establish and transfer portfolio to a Council Controlled Organisation (CCO)	Council creates a CCO with the mandate of providing pensioner or other forms of subsidised housing.
Option 3 – Lease portfolio to a registered CHP	Council leases portfolio to a registered CHP for a 10 year term. Council retains the assets and land.
Option 4 – Divest portfolio to a "Sympathetic Social Housing Provider <sup>14</sup> ", CHP, Kāinga Ora or other government agency	Council divests portfolio to a registered CHP with conditions to ensure the existing level of social housing and service provision is at least maintained.
Option 5 – Divest portfolio to the market	Council agrees to divest the properties to market.

<sup>14</sup> Council's own term for a social housing provider that would "maintain the portfolio as social housing, retain existing tenants and benchmark rent increases"

### Evaluation of delivery options

The evaluation of delivery options was based upon a qualitative (benefits and risk) assessment and a quantitative (financial viability) assessment of the delivery options.

The financial viability assessment comprised a cashflow analysis to derive the Net Present Value (NPV) for the shortlisted delivery option. The assessment is summarised in Table 9 below.

TABLE 9: Delivery Option Benefits, Risk and Financial Viability Assessment

Options	Benefits	Risks	Financial viability
Option 1 - Status Quo	<ul style="list-style-type: none"> <li>Council continues to provide community service</li> <li>Council retains control of properties into the future.</li> </ul>	<ul style="list-style-type: none"> <li>Council cannot access IRRS</li> <li>Continuation of non-market rent restricts ability for service to be self-funding</li> <li>Ratepayer subsidised</li> <li>Likely to need a capital injection in the future or regular rent reviews to address the gap</li> <li>Tenants potentially miss out on other wrap around services provided by other options</li> <li>Restricting to pensioner use only limits the community benefits.</li> </ul>	NPV -\$1.440m
Option 2 – Establish and transfer portfolio to a CCO	<ul style="list-style-type: none"> <li>Council and CCO have equal performance incentives and long-term objectives</li> <li>CCO specifically mandated to deliver service</li> <li>Some degree of Council control maintained over service provision</li> <li>Reduced financial commitment and risk to Council.</li> </ul>	<ul style="list-style-type: none"> <li>Portfolio lacks scale at 34 dwellings</li> <li>Set up costs associated with creation CCO and governance arrangements between CCO and Council</li> <li>CCO not typically eligible for Government funding.</li> </ul>	Financial viability of this option not assessed as considered un-viable due to funding constraints.
Option 3 – Lease portfolio to a registered CHP	<ul style="list-style-type: none"> <li>Council retains property and ensures continuation of service to community</li> </ul>	<ul style="list-style-type: none"> <li>Limited lease contract of 10 years</li> <li>CHP's may not have appetite due to scale of portfolio</li> </ul>	Assessment could be provided if required.



	<ul style="list-style-type: none"> <li>• Tenants receive potential benefits in terms of additional wrap around services provided by CHP</li> <li>• CHP accesses IRRS funding</li> <li>• Property maintenance and management transferred to CHP.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential for a complex tripartite agreement with Government and CHP</li> <li>• Ownership obligations remain with Council</li> <li>• Market sounding and procurement approach required.</li> </ul>	
Option 4 – Divest portfolio to a “sympathetic Social Housing Provider <sup>15</sup> ”, CHP, Kāinga Ora or other government agency	<ul style="list-style-type: none"> <li>• Creates more certainty for Council about what will be delivered on the site</li> <li>• CHP, Kāinga Ora operate within regulated environment</li> <li>• Access to IRRS and operating supplement funding from Government.</li> </ul>	<ul style="list-style-type: none"> <li>• Public Works Act Implications to be confirmed</li> <li>• Depending on structure, if not CHP or Kāinga Ora, portfolio may not be eligible for IRRS</li> <li>• Market sounding and procurement approach required</li> <li>• Likely caveats on land use may reduce sale price.</li> </ul>	NPV \$3.380m
Option 5 – Divest portfolio to the market	<ul style="list-style-type: none"> <li>• Transparent realisation of funds</li> <li>• Increased buyer market potentially increased sale price.</li> </ul>	<ul style="list-style-type: none"> <li>• No control over what the site is used for or development outcomes</li> <li>• Potential loss in overall social housing provision in the District and displacement of existing tenants</li> </ul>	NPV \$3.800m

<sup>15</sup> Council’s own term for a social housing provider that would “maintain the portfolio as social housing, retain existing tenants and benchmark rent increases”

- 
- Development will have no requirement to deliver on city outcomes outside of what can be controlled through the regulatory requirements
  - Public Works Act Implications to be confirmed
  - Any caveats included about site use may reduce sale price.
-

\* Note the following key financial assumptions

- Income assumed at 90% occupancy, +\$13.00/annum rent inflation per 2021 LTP
- Outgoings assumed from LTP forecasts and Capex from AMP
- Inflation assumed 1.5% - 3.0% subject to risk assessment
- Discount rates assumed 7.0% 10.0% subject to risk assessment.

## Key findings

The key findings and ranking of the evaluated shortlisted options are outlined as follows.

**TABLE 10: SUMMARY OF KEY FINDINGS**

Ranking	Delivery option	Evaluation findings
1	Option 4 – Divest portfolio to a “sympathetic social housing provider <sup>16</sup> ” CHP, Kāinga Ora or other government agency	The benefits of divesting to an organisation that is regulated by the CHRA ensures continuity of services in terms of the take-out party to deliver fit for purpose dwellings and services for pensioner housing in the District. The financial viability of NPV \$3.380m was second to divesting the portfolio to the market (Option 5) and reflects the specific social use and benefits associated with the ongoing provision of affordable pensioner housing.
2	Option 3 – Lease portfolio to a registered CHP	Where Option 4 is unsuccessful, to retain a level of service provision to the community, a lease to a CHP could be explored as an alternative scenario. Further analysis, including market sounding, should be undertaken to test the viability of this before pursuing Option 5.  Council leasing the PHU portfolio to a registered CHP under the Government funding framework would enable the partnership to access IRRS funding and potentially an operating supplement income stream over the term of the lease period. The lease terms that provide for this funding

<sup>16</sup> Council’s own term for a social housing provider that would “maintain the portfolio as social housing, retain existing tenants and benchmark rent increases”

		to a CHP are generally up to 10 year duration. The commercial terms of a lease/partnership between Council and a CHP would generally be determined through confirming Council's drivers, a market sounding exercise with the CHP sector and Council running a procurement process to select a preferred supplier.
3	Option 5 – Divest portfolio to the market	The financial viability was the strongest of all options with an NPV of \$3.800m. However, the risks associated with the market's appetite or ongoing ability to deliver affordable pensioner housing outside a regulated (CHRA) environment that is fit for purposes exceeded the benefits associated with financial viability and financial returns to Council.
4	Option 1 – Status Quo	Due to escalating costs and limited uplift from affordable rents over the 10 year forecast horizon, the risks of Council's ability to deliver pensioner housing that is both fit for purpose and financially viable (a negative NPV of (\$1,440m)) exceed the benefits of retaining the portfolio.
5	Option 2 – Establish and transfer portfolio to a Council Controlled Organisation (CCO)	This option is not considered viable due to the size of the portfolio and inability to access government funding.

## 7. Conclusions

The review of Council's PHU service provided in this report has satisfied the requirements of Section 17A of the Local Government Act 2002, which requires that councils review the cost effectiveness, and efficiency of current arrangements for providing local infrastructure, services and regulatory functions at regular intervals prior to making any change to a level of service.

The key findings of the review demonstrate that the current service provided by Council is not meeting the goal of being self-funding and ultimately a significant financial burden will remain to support the continued operation of the service without a substantial funding re-allocation from Council's financial resources or access to Government subsidies.

Whilst there is an increasing need for social housing, including for older people, in the Waikato District it is considered reasonable for Council explore the options to divest the portfolio in the first instance to other government entities better equipped to provide social housing. Kāinga Ora and/or a CHP have a broader wrap-around service provision and would ultimately provide a better-quality service to the community.

The delivery options assessment demonstrates that the options of either divesting to Kāinga or (or other government entity) or leasing to a CHP should be explored before moving to divestment via the market.

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# Appendix 1: Eligibility Criteria for Housing the Elderly in the Waikato District





## Eligibility Criteria for Housing for the Elderly in the Waikato District

The following are the criteria for eligibility for Housing for the Elderly:

- 1 Applicants must be 65 years of age or over.
- 2 Applicants must not be in full time employment.
- 3 The combined value of the applicant's assets (excluding car, furniture and personal household effects, but including property, cash, shares, trusts, investments) must not exceed the figures below:
  - Single person \$17,500
  - Couple \$20,500
- 4 Any applicant on a benefit other than an age related benefit, national superannuation or war pension and who is over 65 years old will be considered if the applicant's sole source of income is fixed.
- 5 The applicant must have a housing need as determined by Waikato District Council.
- 6 Applicants must be in a position to care for themselves independently (medical certificate to be supplied).
- 7 The applicant must be a permanent New Zealand resident or citizen of New Zealand.
- 8 Applicants who own land or property may not qualify.

Please note that only pets kept mainly indoors such as fish or caged birds, or one cat, are permitted in this housing. No dogs are allowed.

### Consideration of applications will be based on

- Length of residence in the Waikato District
- Area of residence
- Urgency for accommodation due to current circumstances
- The need for proximity to relatives in the Waikato District
- In the case of a married couple, at least one spouse meeting all the eligibility criteria.

### **NOTE**

**Each application will be considered individually on its merits. Waikato District Council reserves the right to determine the eligibility or otherwise of any applicant, including the right to request references from past landlords.**

### **PRIVACY ACT 1993**

The information provided on this form will be used to process your housing application and to allocate accommodation if your application is successful. Some of the information will be shared with other staff in necessary circumstances (e.g. Finance Department) and inquiries may be made to outside organisations such as your landlord or Work and Income. The information requested is not required by law, but if insufficient information is provided with your application, it may not be considered. Under the Privacy Act 1993, you have a right of access to this personal information and you are also entitled to request information about you to be corrected when required.

# Appendix 2: Current state of income and expenditure position of the PHU portfolio



	Actuals		Budget		LTP 2021/31										
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Gross Income</b>															
<b>Rental Income</b>	195,787	209,668	238,893	277,732	331,500	319,778	319,778	319,778	329,370	339,256	348,758	359,212	369,988	381,089	391,758
<b>Interest Income</b>	8,830	9,144	9,561	9,164	7,302	11,282	12,694	14,821	20,368	27,018	29,768	28,777	33,234	43,168	53,068
<b>Other Income</b>	0	0	0	0											
<b>TOTAL Gross Income</b>	<b>204,617</b>	<b>218,812</b>	<b>248,454</b>	<b>286,896</b>	<b>338,802</b>	<b>331,060</b>	<b>332,472</b>	<b>334,599</b>	<b>349,738</b>	<b>366,274</b>	<b>378,526</b>	<b>387,989</b>	<b>403,222</b>	<b>424,257</b>	<b>444,826</b>
<b>Operating Expenses</b>															
<b>Other Operating Expenses</b>	117,129	158,952	156,938	163,323	154,651	196,284	202,633	209,201	216,010	223,097	229,828	237,340	205,761	212,617	219,161
<b>Property Management</b>	34,170	30,692	37,176	40,063	37,103	39,208	40,885	42,813	44,366	46,532	47,150	48,044	49,434	50,607	51,845
<b>Minor Plant</b>	0	87	0	2,417	7,762	7,764	7,783	7,895	7,963	7,963	7,963	7,963	0	0	0
<b>Interest Expense</b>	2,922	5,021	9,540	12,664	11,733	18,765	28,226	38,739	48,699	60,520	73,486	86,934	99,384	111,608	122,664
<b>Internal Loan Repayments</b>	1,576	1,798	1,889	1,939	2,040	2,118	2,415	2,508	2,641	2,752	2,872	3,007	3,153	3,307	3,468
<b>TOTAL Operating Expenses</b>	<b>155,798</b>	<b>196,551</b>	<b>205,543</b>	<b>220,405</b>	<b>213,289</b>	<b>264,139</b>	<b>281,942</b>	<b>301,156</b>	<b>319,679</b>	<b>340,864</b>	<b>361,299</b>	<b>383,288</b>	<b>357,732</b>	<b>378,139</b>	<b>397,138</b>
<b>Depreciation</b>	107,510	121,123	125,882	139,376	149,588	252,636	252,848	270,919	270,919	270,919	296,040	296,040	296,040	322,863	248,774
<b>Net Income less Depreciation</b>	<b>-58,692</b>	<b>-98,862</b>	<b>-82,971</b>	<b>-72,885</b>	<b>-24,075</b>	<b>-185,715</b>	<b>-202,318</b>	<b>-237,476</b>	<b>-240,860</b>	<b>-245,509</b>	<b>-278,813</b>	<b>-291,339</b>	<b>-250,550</b>	<b>-276,745</b>	<b>-201,086</b>
<b>Depreciation (added back as Non-Cash item)</b>	107,510	121,123	125,882	139,376	149,588	252,636	252,848	270,919	270,919	270,919	296,040	296,040	296,040	322,863	248,774
<b>Renewal Expenditure</b>	88,883	38,078	196,814	46,800	174,883	186,559	273,377	160,237	90,996	145,443	311,214	331,787	45,933	101,769	0
<b>Adjusted Cash Position</b>	<b>-40,064</b>	<b>-15,817</b>	<b>-153,903</b>	19,691	<b>-49,370</b>	<b>-119,638</b>	<b>-222,847</b>	<b>-126,794</b>	<b>-60,937</b>	<b>-120,033</b>	<b>-293,987</b>	<b>-327,086</b>	<b>-443</b>	<b>-55,651</b>	47,688



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# Significance and Engagement Policy

Policy Owner:	Corporate Planner
Policy Sponsor:	General Manager Strategy & Support
Approved By:	Waikato District Council
Approved Date:	6 October 2014
Resolution Number:	WDC1410/06/1

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## Purpose and Scope

1. To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
2. To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
3. To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

## Definitions

<b>Community</b>	A group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders
<b>Core Service</b>	Is a term defined in Section 11A of the LGA2002 “In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities: (a) network infrastructure; (b) public transport services; (c) solid waste collection and disposal; (d) the avoidance or mitigation of natural hazards; (e) libraries, museums, reserves, and other recreational facilities and community amenities”.
<b>Decisions</b>	Refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).
<b>Engagement</b>	Is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.
<b>Significance</b>	As defined in Section 5 of the LGA2002 “in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of

the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- (a) the district or region:
- (b) any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
- (c) the capacity of the local authority to perform its role, and the financial and other costs of doing so”.

**Significant**

As defined in Section 5 of the LGA2002 “means that the issue, proposal, decision, or other matter has a high degree of significance”.

**Significant Activity**

Is a term used to describe those groups of activities which are both a core service of Council and which Council has historically invested substantial funding. These include:

- Rooding
- Water
- Wastewater
- Stormwater
- Libraries
- Museums
- Reserves
- Recreational facilities

**Strategic asset**

As defined in Section 5 of the LGA2002 “in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- (c) any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988:
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966”

## Policy

1. Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.
2. An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.
3. The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:
  - There is a legal requirement to engage with the community.
  - The degree to which the issue has a financial impact on Council or the rating levels of its communities:
    - Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined in the LGA 2002 or listed in this policy.
    - Decisions or proposals in excess of 7.5% of operating expenditure or which would result in a 5% or more increase to rates that are charged to all properties in the district, including the General Rate and the Uniform Annual General Charge, which has not been provided for in the Long Term Plan.
    - Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property.
    - Decisions or proposals relating to capital expenditure in excess of 7.5% of operating expenditure, which has not been provided for in the of the Long Term Plan.

The formation of a new Council Controlled Organisation (CCO), or any decision or proposal relating to the sale of more than 40% of the Council's shareholding in any CCO.

- Whether the proposal or decision will affect a large portion of the community
- The likely impact on present and future interests of the community, recognising Māori culture values and their relationship to land and water
- Whether the proposal affects the level of service of a significant activity
- Whether community interest is high
- Whether the likely consequences are controversial
- Whether community views are already known, including the community's preferences about the form of engagement

- The form of engagement used in the past for similar proposals and decisions
4. If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.
  5. In general, the more significant an issue, the greater the need for community engagement.
  6. The Council will apply a consistent and transparent approach to engagement.
  7. Council is required to undertake a special consultative procedure as set out in Section 83 of the Local Government Act 2002 , or to carry out consultation in accordance with or giving effect to Section 82 of the Local Government Act 2002 on certain matters (regardless of whether they are considered significant as part of this policy).
  8. For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.
  9. The Community Engagement Guide (attached) identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when communities could expect to be engaged in the decision making process.
  10. As a starting point, Council will organise engagement with the Maaori community in forums including long-standing hui such as poukai and Marae committee hui, where possible. Hui associated with formal agreements such as Joint Management Agreement and MOU's will also be utilised when appropriate.
  11. When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the Local Government Act 2002 will be undertaken.

## SCHEDULE I – STRATEGIC ASSETS

Section 5 of the Local Government Act requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - (i) a port company within the meaning of the Port Companies Act 1988
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

### **Waikato District Council's strategic assets**

- The roading network as a whole
- Reserves listed and managed under the Reserves Act 1977
- Water plants and reticulation network as a whole
- Wastewater treatment plants and network as a whole
- Stormwater network as a whole
- Raglan Wharf and Raglan Harbour endowment properties
- Pensioner housing/housing for the elderly buildings
- Shareholding in Strada Corporation Ltd and Waikato Regional Airport Ltd

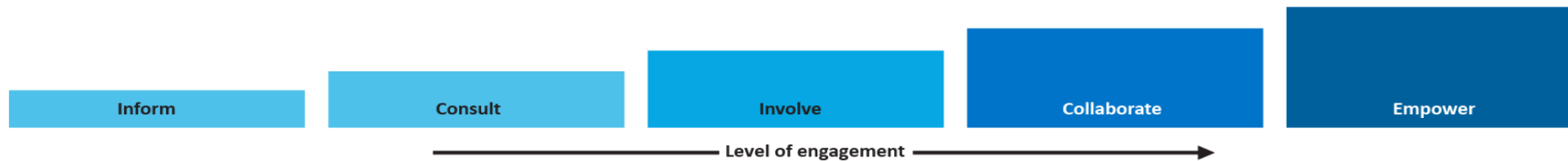
## SCHEDULE 2 – COMMUNITY ENGAGEMENT GUIDE

Community engagement is a process, involves all or some of the public and is focused on decision-making or problem-solving.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



### Forms of engagement

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA 2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA 2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA 2002 where required to do so by law, including for the following specific issues requiring decisions:

Adopting or amending the annual plan if required under section 95 of the LGA 2002

Transferring responsibilities to another local authority under section 17 of the LGA 2002

Establishing or becoming a shareholder in a council-controlled organisation

Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Maaori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA 2002, will make this available to the public, allow written submissions for a period of up to 4 weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.



<b>Types of issues that we might use this for</b>	Water restrictions - Fire Season - Library office hours - Legislative changes	- Long Term Plan Consultation Document (CD) - draft Annual Plan or Long Term Plan amendment - proposed District Plan - Rates review - Local Alcohol & Gambling Policy - Bylaws* e.g. Solid Waste - Walking and Cycling Strategy - Plan Changes	- Community Plans - District Plan Review* - Long Term Plan* - Annual Plan* - Policies and Strategies	- JMA with Waikato Tainui and Ngati Maniapoto - MOU with Ngati Maahanga - Any other JMAs or MOUs - Reserve Management Plans* - Structure Plans - Management Plans*	- Local Authority Elections
<b>Tools Council might use</b>	Websites Information flyer Public notices	Formal submissions and hearings, focus groups, phone surveys, surveys.	Workshops Focus groups Citizens Panel	External working groups (involving community experts)	Binding referendum Local body elections
<b>When the community can expect to be involved</b>	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.

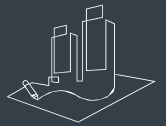
\* Will require Special Consultative Procedure as per relevant legislation.

#### Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

**REPORT TO:**

# **WAIKATO DISTRICT COUNCIL**



**WAIKATO DISTRICT COUNCIL PENSIONER HOUSING REVIEW**

2 September 2016

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## Appendices

**Appendix 1 – Condition Report**

**Appendix 2 – Land Status Report**

## 1 EXECUTIVE SUMMARY

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### 1.1 Report Background & Purpose

The Property Group Limited (TPG) has been engaged by Waikato District Council (referred to in this report as Council or WDC) to undertake a review of WDC's Pensioner Housing and report on the status of the portfolio's key components, how they compare with industry benchmarks and recommend options for improvement. WDC would like to see Pensioner Housing Unit (PHU) accommodation provided in an optimal way from all stakeholders' perspectives. It is anticipated that this review will assist WDC to realise this objective.

This report examines the current performance of WDC's pensioner housing stock within the legislative context of the current social housing environment, alongside a review of alternative strategies for social housing provision based on New Zealand experience. Incorporating a consideration of financial factors involved in the retention of pensioner housing accommodation within the District, our review also looks at the alternative ownership options and sources of funding that may be available to Council both directly and indirectly in order to provide a future direction.

### 1.2 Key Findings

Within WDC's region Council remains as the sole provider of affordable accommodation for its elderly constituents. Like many other Local Authorities with similar pensioner housing, although routinely maintained, the four sites have been managed relatively passively as Council assets by WDC over the intervening years.

The WDC portfolio is not currently meeting its objective of being self-funding, with a net loss of \$64,936 in the YTD 2016 and a loss of \$48,895 in 2015.

The same rent, currently \$125 per week per unit, is charged for all 34 units, regardless of market rental value, location, demand and quality. This rental is an average of 64% of market rent across the three locations of the units.

The significant costs involved in potentially renovating the units in line with best-practice standards for elderly accommodation needs to be considered alongside recent changes in government funding policy for social housing under the Social Policy Reform Act introduced in 2013.

There is no consistent, preventative maintenance program in place and therefore the SMP assets (SMP) condition assessment and forward maintenance plan is not being fully implemented. There is no differentiation in the annual plan between reactive and preventative maintenance.

Due to the lack of preventative maintenance, the overall condition of the units has been deteriorating. There is some renovation currently underway, but this appears to be ad hoc and a lack of funding does not allow a consistent approach. WDC utilises a company which provides property condition reports with the current condition rating and expected remaining life of each building component. These reports assist with budgeting future expenditure to maintain the required condition standard. The nature of SPM's reports are that although the various components making up the building fabric may be in good condition, there is no account of whether the properties might require upgrading so as to be fit for purpose and meet the current standards and amenity requirements. Therefore, although the latest SPM reports record that 80% of the building components were in good or very good condition, due to lack of capital investment, the units are generally not appropriate for today's needs. This includes outdated kitchens and bathrooms and a basic standard of decorative finish.

This is illustrated by the 30.6.2015 asset valuation carried out by QV, which reported that the internal fit outs in three out of the four PHU blocks have a low residual remaining life of 10 years.

Please also refer to our condition report attached in Appendix 1.

In a recent tenant survey conducted by WDC residents were asked how they would you rate the services they get for the rent they pay. 87% gave a rating of good – excellent. Asked to rate where they would like to see maintenance work done, the majority of respondents said that they would like work on the interiors of the units.

Occupancy rates over the last 9 months averaged 89% with little availability except in the Huntly units, some of which are awaiting renovation. Perhaps surprisingly there is only one person on the waiting list. This is not consistent with the strong and persistent demand for affordable pensioner housing nationally, but perhaps reflects the specific demand in the current location of the 34 units.

The other factor is that WDC region's population is younger than the national average. The 2013 census recorded only 10% of the population was over 65 (that's 4,396 people) compared with 12.3% of the total NZ population. For example, by comparison Hauraki region's over 65 population is 21%. Further, in the WDC region 25.5% of people are under 15 years old, compared with 21.55 nationally.

No information was available for demand for PHUs in other areas of the WDC region.

The eligibility criteria is more or less in line with that set by other Councils, but there was no evidence that this is monitored by WDC once residents are in place and there was no information available for the current tenant profiles.

Recent reforms in the social housing sector have prompted many Councils around New Zealand to review their affordable housing portfolios. Often these Councils struggle to meet the full cost of maintaining the properties at a suitable standard by using the rental income as the sole source of funding. As their policy is usually for the PHUs to be run at no net cost to the ratepayers, the condition of the properties deteriorates over time and they no longer meet current day standards.

Recently there has been a trend for some of the Councils owning large PHU portfolios, such as Auckland and Christchurch, to transfer their PHUs to a not-for-profit joint venture with a Community Housing Provider (CHP). Council retains at most a minority share in the new entity so that it can qualify for the Government Income Related Rent Scheme (IRRS). Through its Housing Accord, government has agreed all existing tenants can apply for IRRS. The Government pays the difference between what a tenant is able to pay and the market rent. By setting up a new not-for-profit entity and leasing Council housing stock to it, the Councils can access the IRRS. However, the entity has to operate at arm's length from the Council, and the Council's stake in it must be 49 per cent or less. See section 5.2 for more information on these trends.

### **1.3 Conclusions and Recommendations**

In order to address the current net operating loss, it is recommended that the current rent policy is reviewed. Instead of having the same rent set for all units, the rents could be set by reference to location, quality, demand or by reference to a discount to market value. The Tenancy Services median rent data for each location could be used as a benchmark. For example, if the rents were set at 80% of market value this would generate an estimated additional income of \$54,808 pa, making this service almost cost neutral based on current expenditure levels.

It would therefore be beneficial to undertake a review on how rents are set and perhaps change the current policy of having one rate for all units regardless of location. For example:

- Set rents based on a percentage of market rent in relation to each area
- Set a range of rents which reflect location, size/quality of accommodation and demand
- Base rents on a percentage of income.

Offsetting this is the need to address the deteriorating condition of the units and the widening gap with appropriate standards to meet today's requirements. This will require an initial capital injection to address deferred maintenance and an ongoing preventative maintenance program. Some work is being done to upgrade some units, but this appears to be ad hoc and there is no consistent funding in place.

If a sufficient preventative maintenance program is put in place to keep the units in an appropriate condition to meet current market requirements, it is going to be difficult to cover these outgoings with a subsidised level of rental in the absence of supplementary financing by WDC/ratepayer funds. If full market rents are charged, this would generate an additional gross income of around \$123,760 pa. This would provide a surplus of \$58,797, based on current outgoings, which would allow \$1,729 pa per unit for ongoing preventative maintenance. Analysis of the SPM report shows that, for example, an average of \$1,964 per unit is going to be required for preventative maintenance in 2017.

A review of the current rental policy is therefore desirable so as to fund a sustainable and consistent preventative maintenance plan and so as to avoid a further accumulation of deferred maintenance.

However, WDC's PHU portfolio is relatively small at 34 units. The optimal size of a portfolio of residential housing is considered to be around 2,000 – 5,000 in order to be self-sustaining in the long term.

In line with other Councils around the country, WDC may wish to consider forming a not-for-profit joint entity with or sale to a CHP. This would allow qualification for IRRS, which is paid by central Government to the housing provider, and also provide efficiencies gained from a larger portfolio should interest from a CHP with other existing properties be identified. We recommend that investigation of legalisation around qualification for IRPTS be undertaken at that time to inform final decisions.

Prior to any decisions being made regarding ownership of the PHU's, the history of how they were acquired by WDC needs to be considered. An initial land status investigation attached in Appendix 2 concludes that for 3 of the 4 sites there may be former owner offer back obligations upon any transfer of an interest or full disposal. Due to the nature of the original acquisitions from estates or the time that has passed, it is likely that there is no successor in title and an offer back exemption could be recommended. This would therefore free up the sites to be disposed of. A full section 40 PWA investigation is required to conclude whether a full or partial disposal of the properties to a CHP would be permitted.

Should the section 40 investigation conclude that a disposal would be problematic, as an alternative WDC could explore partnering with a neighbouring Council in a joint venture arrangement so as to provide economies of scale in the provision of a larger PHU portfolio.

Although the national trend is for an increasing demand for PHUs, there is no information currently available to demonstrate a shortage in WDC's region. The 2013 census records a relatively younger population in WDC's region and this does not support further expenditure on expanding the PHU portfolio at this time. However, in order to be proactive, it would be beneficial to undertake a more

detailed study to gauge current and projected demand. This could then capture other factors that may be at play.

For example, due to the rapidly increasing cost of living in Auckland and the shortage of housing, there is a growing trend for Aucklanders relocating to the provinces. For those not having been able to get on the housing ladder and consequently find themselves still renting after retirement, this often means they cannot afford to fund Auckland rents from their superannuation income. Consequently Councils are expecting growing demand for PHU's from retiring Auckland residents having to relocate to their regions.

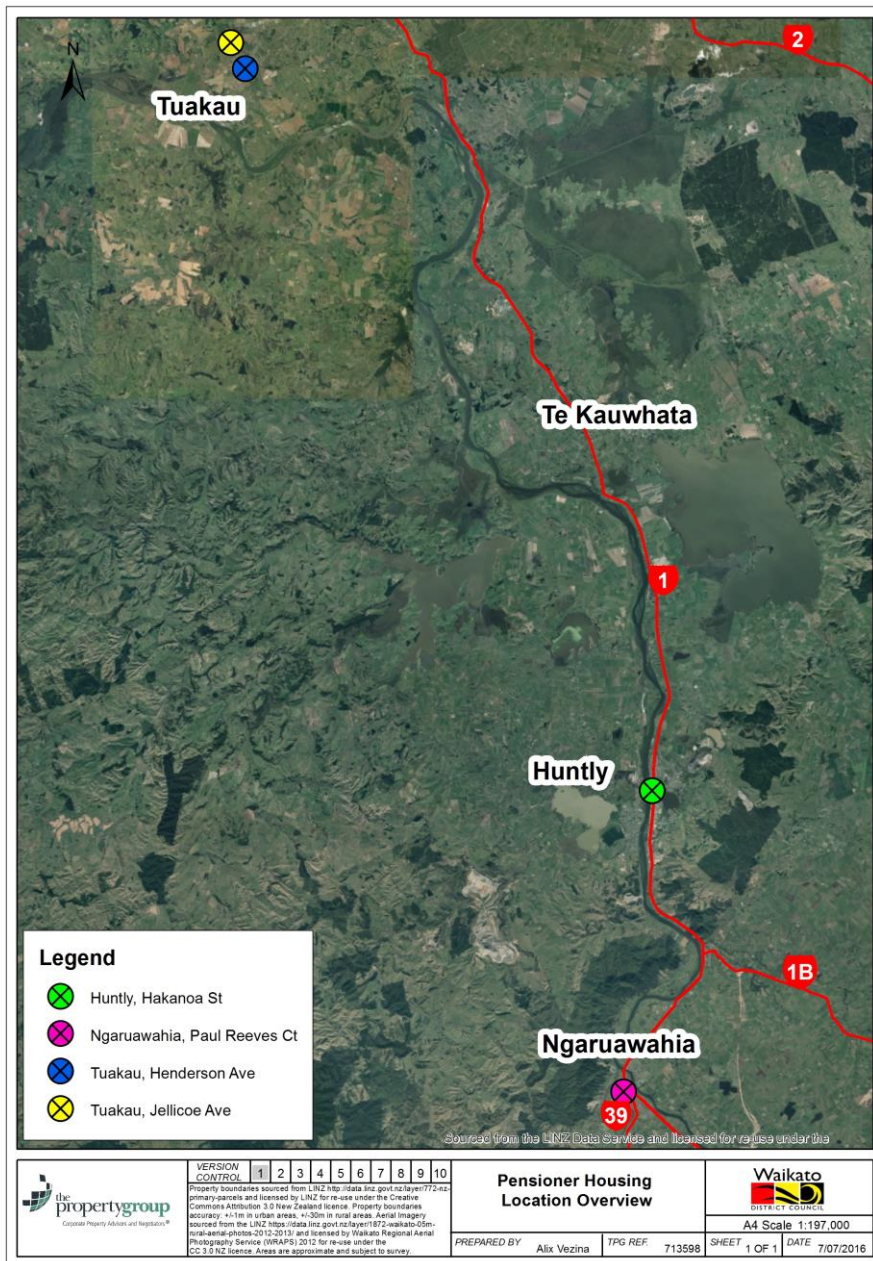
## 2 INTRODUCTION

### 2.1 The Brief

WDC owns 34 self-contained one-bedroom pensioner units:

- 14 units at 61 Hakanoa Street, Huntly
- 8 Units at Paul Reeves Court, Ngaruawahia
- 4 units at 26 Henderson Avenue, Tuakau
- 8 Units at 5 Jellicoe Ave, Tuakau

#### Location Plan





The overall purpose of this project is for WDC to understand the status of the Pensioner Housing Portfolio's key components, how they compare with industry benchmarks and to identify options for improvement. This report is also to assist WDC to achieve an optimum delivery of Pensioner Housing for all stakeholders.

## 2.2 The Approach and Methodology

TPG has captured and reviewed the key aspects of WDC's PHU portfolio and provided recommendations to enable WDC to achieve an optimum delivery of Pensioner Housing for all stakeholders. In this report we will advise how the important aspects of WDC's portfolio compare with other Councils' respective portfolios from an ownership and operational perspective, and provide options and recommendations for areas which we consider could be improved.

Other Councils around NZ have recently been reviewing their PHU portfolios. For example, Christchurch City Council has recently undertaken a weighted attributes approach to ranking comparative housing unit performance on a complex by complex basis. Attributes assessed include:

- Financial performance (whole of asset life) using cost methodology
- Levels of service performance based on energy efficiency, condition and functionality
- Site utilisation based on density, zoning, technical category status and flooding
- Hazardous Activities and Industries List (HAIL) risks
- Demand/ location based on proximity to services and turnover of tenancy.

This ranking exercise has assisted prioritisation of immediate repairs and spend, and has highlighted poorer performing complexes in relation to the wider portfolio.

We have adopted elements of this process and used this to identify the poor performers and to develop options for an asset optimisation strategy for WDC. The purpose of this strategy is to identify individual issues and strategies for all sites – in terms of retention and spend, or wind down and subsequent replacement or redevelopment. This includes assessment of the best approach to levels of service provision, and financial sustainability issues in a manner that benefits the wider portfolio and most effectively targets funds.

In summary, we have used the following methodology in undertaking this review:

- Analysis of WDC Documentation and Data.
- Assessment of the Portfolio.
- Research on the social housing sector and best practice.
- Drawing on our experience from working with other Councils on their PHUs and from our work with CHPs.
- Using benchmarks on industry standards so as to advise on options for improvement so as to achieve optimum delivery.
- Carrying out inspections of the units to gain a direct understanding of the general condition and analysis of this against the SPM condition assessments.
- Discussions on the portfolio with WDC officers involved in the day to day management to gain an understanding of the issues.

### 3 BACKGROUND ON SOCIAL HOUSING PROVISION IN NZ

So as to set the context for this review, at this point in the report we thought it would be useful to provide some commentary on the current trends and statistics in the social housing sector in New Zealand.

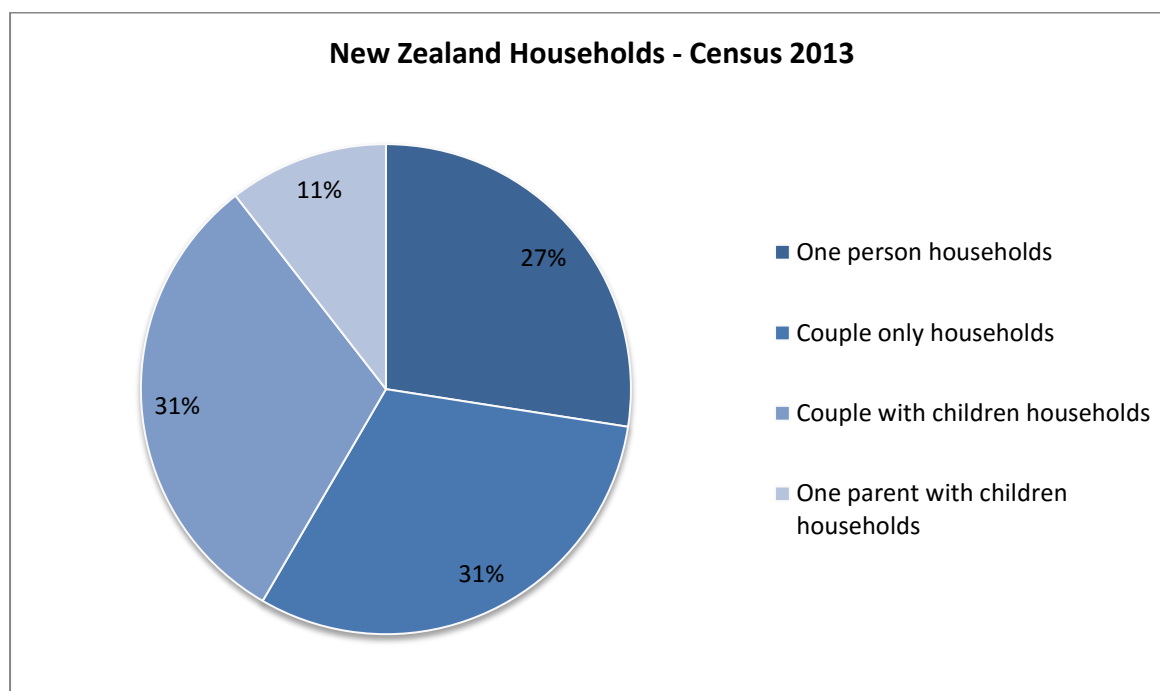
There is strong and persistent demand for affordable and social housing in the main centres of New Zealand. As our population ages, the demand for smaller housing units is growing. Single person households are predicted to double comparative to other household formations over the next 25 years and MSD's social housing register shows two thirds of applicants require 1 or 2 bedroom units.

The total population of New Zealand is 4.4 million as at the 2013 Census, including 1.5 million households. Over 1.5 million or almost one third of the population resides in Auckland, with over 60% of the total population residing north of Taupo. The total number of households is expected to grow over the next four years to reach 1.64 million. The largest growth will be in households of couples without children and single person households, reflecting NZ's ageing population. By 2019 almost one quarter of all households will be single person households.

The demand for affordable and social housing in the main centres of New Zealand, particularly in Auckland, is growing. It is estimated 400,000 new dwellings will be required to meet demand by 2040 – an average of 16,000 per year. However, building numbers have been much lower than this, at around 5,000 per year, and in a post-election briefing to the Minister in December 2014, MBIE estimated the annual shortage of new supply housing was now at 18,000 and likely to increase.

The demand for smaller housing units is growing rapidly. Single person households in Auckland are predicted to double comparative to other household formations, an increase of 72,000 by 2040. The current waiting list for people requiring social housing held by MSD for Auckland show there are 3,173 households in urgent need of housing, with 1,917 households requiring 1 and 2 bedroom units.

#### Household Composition



## Housing and Older People

The number of people aged 65 years or more has doubled since 1980 and is likely to double again to reach 1.2 million by 2036. This population is also ageing. By 2061, one in four people over the age of 65 years will be 85 years or older, compared with one in eight in 2012. Our older population will also be more ethnically diverse with increasing proportions of Māori, Pacific and Asian people.

As people live longer, their income needs, physical and mental health needs and social needs change significantly. Older people face a number of challenges to maintain their independence and remain active in the community. Further more women live longer than men and their safety in their community is essential to well-being. Increasing numbers of older people will live alone and by 2051 the number of older people with a disability is expected to grow by 60 percent.

Saville-Smith and Saville in their report to the Office of Disability Issues and MBIE in 2012 argue that as our population ages, the economic and social well-being of New Zealand as a whole will become contingent on the economic and social contributions of older people. Fundamental to this ability to contribute is ensuring access to housing that supports active daily living and independence. This aligns with government's drive towards a 'restorative' model of home support. This model aims to maximise the older person's independence so that they can remain in their own home for longer. At present, millions of dollars are spent every year on modifying homes for older people. Saville-Smith and Saville believe this cost could be substantially reduced if there was an increased focus on the building of accessible houses, and recommend regulation of the building industry to meet accessible standards in new homes.

Generally people over the age of 65 years have lower levels of financial hardship than other age groups. Most older people now and in the future will reside in owner occupied private dwellings. However, a greater number will be renting, mostly in the private sector. By 2050 it is estimated the number of older people renting will be around 3 times as many as there are today, up to 170,000. Approximately 20% of Housing New Zealand's tenants are over the age of 65 years, with almost half of these tenants based in Auckland.

### Hamilton

As an example of the demand for and supply of social housing we detail some statistics for the Hamilton area in the following section.

#### Population

Hamilton is the country's fourth largest city, with 141,612 residents. This is an increase of 9.3% since the census of 2006. There are 50,820 occupied dwellings in Hamilton, with approximately 2000 vacant. Hamilton's low level of households that own the home they reside in, at 57.2%, is reflective of the large student population.

#### Rental Affordability

Rents have risen slightly in Hamilton, but are in line with national increases.

#### Social Housing

- Housing New Zealand Corporation (HNZC) – owns approximately 4,500 houses across the Waikato region. HNZC are looking to grow stock in Hamilton, based on demand and better value for money.

Hamilton City Council (HCC) – has sold its entire portfolio of 344 units across 17 complexes to Accessible Properties New Zealand, a subsidiary of IHC.

Community Housing Providers – Te Runanga o Kirikiriroa owns approx. 20 units housing older people and is working on the development of 62 new homes in Enderley. Habitat for Humanity Central is proactive in the area.

## 4 ANALYSIS OF DATA AND FINDINGS

### 4.1 Review of WDC Documentation and Data

We reviewed and have taken account of the following information and documentation relating to WDC's pensioner housing units so as to assess the current financial and physical status of the portfolio together with current management practices and processes.

- Valuation reports.
- Property condition reports.
- Current financials - capital and operational maintenance plans, expenditure and income.
- Tenancy information regarding occupancy rates, trends, rentals and services provided to tenants by WDC.
- Legal Status reports – how the properties were acquired by WDC.
- Rental Policy.
- Policy and eligibility criteria used for allocation of units.

Our findings on these documents are as follows:

#### 4.1.1 Valuations

We were provided with the asset valuations as at 30 June 2015 by WDC which we have analysed in the following table.

Council Improvements Description	Street Address	Legal Description	Land Area (ha)	1.7.2014 Rateable Value Land	1.7.2014 Rateable Value Improvements	1.7.2014 Rateable Capital Value	30.6.2015 Improvements Value	30.6.2015 Land Value	30.6.2015 Total Fair Value	30.6.2015 Building Replacement Cost
Land Pensioner Flats 10/11 #FR 26 Henderson Ave Tuakau	26 Henderson Ave	LOT 2 DP 74134	0.0675	\$ 210,000	\$ 260,000	\$ 470,000	\$ 253,900	\$ 180,000	\$ 433,900	\$ 476,280
Land Pensioner Flats 10/11 #FR 5 Jellicoe Ave Tuakau	5 Jellicoe Ave	LOT 18 DP 10578, PT LOT 20 DP	0.2026	\$ 245,000	\$ 485,000	\$ 730,000	\$ 592,000	\$ 210,000	\$ 802,000	\$ 952,560
Flats (Pensioner Housing) Paul Reeves Court Ngaruawahia	1 Paul Reeves Court	LOT 6 DP 371156	0.1654	\$ 114,000	\$ 446,000	\$ 560,000	\$ 520,900	\$ 130,000	\$ 650,900	\$ 867,888
Pensioner Housing Hakanoa St	61 Hakanoa St	PT LOT 1 DP 6783, PT LOT 1 DP	0.3613	\$ 124,000	\$ 361,000	\$ 485,000	\$ 574,000	\$ 125,000	\$ 699,000	\$ 1,571,724
<b>Totals:</b>				<b>\$ 693,000</b>	<b>\$ 1,552,000</b>	<b>\$ 2,245,000</b>	<b>\$ 1,940,800</b>	<b>\$ 645,000</b>	<b>\$ 2,585,800</b>	<b>\$ 3,868,452</b>

We note that the current building replacement cost is double the current improvements value. This is due to the valuation methodology for the building improvements and probably reflects the recent and rapid escalation in building costs. This is the depreciated replacement cost or fair value and reflects the age of the buildings and the remaining economic life of the building components, which is just under half of their original economic lives.

#### 4.1.2 Property condition reports

Information on the PHUs was sourced from Council's Asset Management system (SPM).

We have analysed the SPM condition reports on operational expenses (Opex) and capital expenditure (Capex) for the units and these record a condition rating of C1 or C2 for just under 80% of the building components for the PHUs.

This condition rating system refers to the assessed state of an asset. This value is used in establishing the calculated remaining life of building components which make up the entire fabric of the building. The condition ranges from C1 to C5, with C1 considered superior condition. An item in C1 is assumed to have 100-55% of its life left, C2 has 54-37%, C3 has 36-25%, C4 has 24-11% and C5 has 10-0% left.

Therefore the SPM report records that nearly 80% of the building components are in good or very good condition. The nature of SPM's reports are that although the various components making up the building fabric may be in good condition, there is no account of whether the properties might require upgrading so as to be fit for purpose and meet the current standards and amenity requirements. Therefore, although the latest SPM reports record that 80% of the building components are in good or very good condition, due to lack of capital investment, the units are generally not appropriate for today's needs. This includes outdated kitchens and bathrooms and a basic standard of decorative finish.

We have also analysed the component economic life data contained within the property asset revaluation by Quotable Value, dated 30.6.2015. This is summarised in the following table.

Street Address	Component Economic Life				Component Residual Life			
	Stru.	Roof	Serv.	Int. Fit	Stru.	Roof	Serv.	Int. Fit
1 Paul Reeves Court	75	60	45	35	45	35	25	18
61 Hakanoa St	60	60	40	40	20	30	13	10
26 Henderson Ave	75	60	40	35	40	30	15	10
5 Jellicoe Ave	75	60	40	35	45	30	15	10

This table illustrates that the internal fit outs of three out of the four PHU blocks have low residual remaining lives of 10 years. We note that the QV report adopts a minimum residual life of 5 years before the components require replacement/upgrading. The remaining lives of the services in the same three blocks are also relatively low at 13 - 15 years.

Overall, the building components have an average remaining life of 44% of the original economic life.

The above assessments are reflected in our own findings on the current condition of the units which is detailed in a photographic schedule of condition in Appendix 1. This is not an exhaustive condition assessment of all building components, but the purpose is to provide a picture of the overall order of repair and to highlight any major defects.

Our site visits, which were carried out to understand the portfolio, record that whereas the units are generally in a reasonable state of repair, there has not been an overall programme of upgrading so as to keep the units in an appropriate standard to meet today's requirements.

This information has also been used to compare the units to general standards and benchmarks in the social housing industry.

Council staff have also provided the following information which is relevant for this section of the report:

- The Capex works which are currently planned are switch board upgrades in three of the units at an estimated cost of \$10,000 per unit and two units are programmed to be renovated.
- No further insulation upgrades were planned. (Insulation is discussed in more detail in section 3.1.3 below).
- In terms of a preventative maintenance program to implement the SPM plan, preventative maintenance is not split out from reactive maintenance. WDC undertake fire alarm checks, building washes and gutter cleans, but there is not much else in the way of proactive maintenance.
- No insight into any particular problems, defects or issues with any of the units, including deferred maintenance that needs attending to could be given other than ‘The eight units at Jellicoe St. Tuakau, will require bathroom upgrades, at present they have showers installed over a “Solar Shub” which means the tenants need to step over approximately 400mm to get into the shower, these need to be converted to walk-in showers ‘.

WDC recognise that the units have historically not been well managed and currently are being maintained on a reactive basis.

We note the 2014/2015 WDC Annual Report stated: "The service delivers affordable and appropriate units for our residents to live in, which is reflected in 95% occupancy of Council's pensioner housing on an annual basis". We comment here that although there is only one person on the waiting list, a low turnover of tenants has influenced the high occupancy rate.

At this point we thought it would be useful to include a commentary on this new Bill, which could have ramifications for WDC's portfolio, in terms of requiring further upgrading to comply with the requirements.

The Bill aims to make homes warmer, drier and safer for the 450,000 New Zealand households who live in rental accommodation. The Bill creates regulation making powers to prescribe the location, quantity, and other technical requirements for insulation. Social housing landlords (for tenancies that receive IRRS) must install ceiling and floor insulation by the commencement date for the Bill. Landlords of all other residential rental properties must install the required ceiling and underfloor insulation by 1 July 2019, and meet the regulatory requirements. It appears that Local Authorities have an exemption to not provide insulation till 1 July 2019 (the social housing requirement to be upgraded by 1 July 2016 appears to only apply to Housing NZ and community housing providers).

Failure to comply with these requirements is an unlawful act, for which landlords can be liable for a financial penalty. Landlords will be required to disclose the extent of insulation in their properties as part of the tenancy agreement from 1 July 2016.

Failure to provide this information, or providing false or misleading information, will become unlawful acts. However, for buildings where the insulation details are unknown and the landlord has

made all reasonable efforts to obtain the required information, they are able to make a statement to this effect.

In addition, all rented residential housing must have smoke alarms fitted by 1 July 2016.

If WDC have not already done so, they will need to complete a survey of their PHUs to ascertain the current level of insulation and the R values so as to comply with these requirements and NZS4246 by 1 July 2019.

WDC advise that there are currently no plans for insulation upgrades as a compliant level of works have been completed.

#### 4.1.3 Current financials - capital and operational maintenance plans, expenditure and income

The income and expenditure position is summarised in the following table provided by WDC.

	2011	2012	2013	2014	2015	2016 YTD
Rental income	- 139,936	- 161,112	- 176,799	- 186,302	- 192,628	- 163,306
Depreciation	24,200	65,521	43,796	45,357	45,865	95,357
BAU expenditure	81,669	95,638	99,012	122,378	172,546	108,363
(Profit)/Loss from operations	- 34,066	47	- 33,992	- 18,567	25,783	40,414
Internal overhead recoveries*	13,100	13,874	21,562	20,377	28,730	28,371
Internal Interest (income)/exp	- 5,378	- 1,335	- 6,237	- 7,994	- 7,011	- 5,197
Internal Loan principal repayments	8,866	9,545	2,161	10,559	1,394	1,347
(Profit)/Loss after overheads	- 17,478	22,131	- 16,505	4,374	48,895	64,936
Capital expenditure	2,361	18,530	64,126	15,695	35,838	43,672
* Property Management internal recharge						

In summary, the PHU portfolio has generated rent revenue of \$163,306 in the 2016 YTD and \$192,628 in 2015. We have annualised the income for the current financial year at a figure of \$191,425, allowing for a 10% vacancy rate based on the ongoing vacancy levels in the Huntly units and 5% bad debt. Against a 2016 YTD net operating expenditure of \$228,241 including depreciation, this represents a **loss of \$64,936**. In addition there was 2016 YTD Capex of \$43,672. There was also a **loss of \$48,895** in 2015 and Capex of \$35,838.

In terms of rental arrears for the WDC units, officers advised: "Most are up to date, there are a couple who are a week or two behind, and a couple that are a bit further in arrears – we attempt conversations with these tenants and implement a payment plan to recover arrears, typically \$10 / week."

The WDC portfolio is not currently meeting its objective of being self-funding. The 2014/2015 Annual Plan had an overall performance funding impact statement that Pensioner Housing is to have a user charges target of 100%.

In section 4.1.7 Rental Policy, we have suggested that the rental income could be increased by setting rents in relation to location, quality, demand and as a percentage of market value. For example, if the rents were set at 80% of market value, this would generate an additional income estimated \$54,808 pa. If rents were set at market rent this would bring an additional income estimated at \$123,760 pa.



However, offsetting this is the potential deferred maintenance cost which is outlined in section 3.1.2.

#### **4.1.4 Tenancy information, occupancy rates and trends, rentals and services provided to tenants by WDC**

Tenant profile - no information was available on WDC's PHU tenant profile. This would be useful so as to fully understand the demand and for future planning. For example, number of residents per unit, gender, age, length of tenancy, reasons for vacation as residents become less able to live independently, primary source of income for tenants.

Occupancy rates over the last nine months were 89% averaged across the whole portfolio. This is consistent with the experience of other Council's and suggests regular demand for PHUs in the district. We requested occupancy information for a prior period so as to gauge any trends, but this was all that was available.

The Ngaruawahia and Tuakau units are in high demand with the Huntly units experiencing some vacancies and little demand. The two Tuakau blocks units are about three minutes' walk to the town centre. Currently three Huntly units are vacant with one undergoing refurbishment. The location of the Huntly units backing on to the North Island Main Trunk Railway Line and the current SH1 is considered to reduce their appeal.

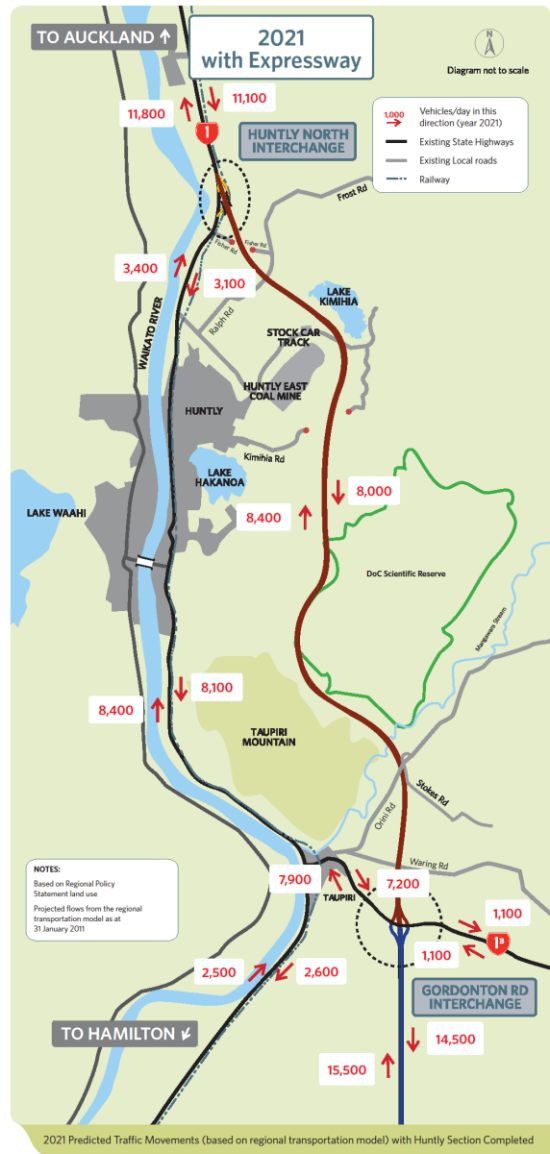
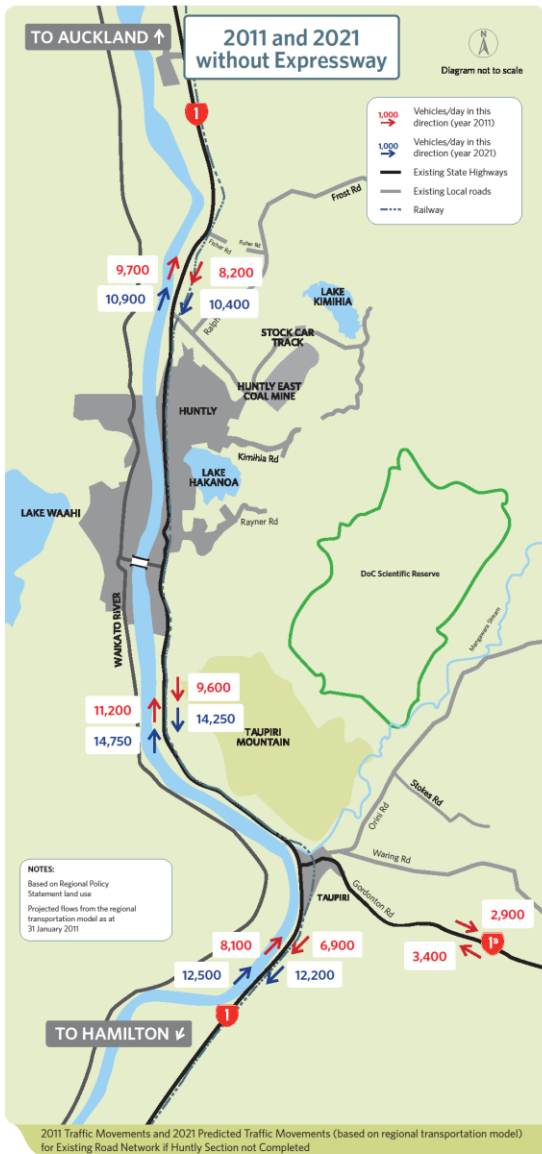
There is about a 15 min walk from this property to the main town centre. Also to note is that the Huntly Section of the Waikato Expressway is currently under construction and due to finish 2020. The traffic modelling plan below shows the effect on SH1 which will revert to local road once the bypass is built. This indicates that in 2021 without the Expressway, there will be approximately 10,400 vehicles travelling south on this road and 10,900 travelling north. With the Expressway in place, these numbers drop to 3,100 travelling south and 3,400 travelling north.

There is currently one vacancy at the Ngaruawahia units.

Waikato Expressway

1 Huntly Section

Effects on Road Network



In terms of demand, WDC officers advised that:

There a waiting list of one person for Huntly (person doesn't meet age criteria, provisionally approved until 65 reached in August and will revisit application then) – one in Tuakau (only interested in one set of flats and nothing currently available).

Further research is needed to ascertain why the general demand for WDC's PHU's is not higher. Either the demand is being met elsewhere or the current supply meets demand.

We also asked whether WDC receives repeated requests for units in particular locations where they do not have any at present. The answer given was no, there is no demand.

We also asked:

Q: Is there more demand for a particular type of unit?

A: No – we only have one bedroom units.

Q: Why are some units vacant, is this due to location, unit format and standard, or construction not suitable for market, or surroundings i.e. railway lines and main road noise?

A: There are a few units that are awaiting renovation, people sometimes have a preference for specific sets of flats.

Q: Is there public transport available in close proximity to the units, and if so what sort of transport, and what distance – 100 metres or?

A: Most tenants have their own vehicles, otherwise units are generally within walking distance of amenities, the nature of the towns our units are in means there is not usually a public transport service that would be available for use. As part of the eligibility criteria tenants must be able to care for themselves, this includes shopping etc, or they must list if this is something that they receive assistance for.

#### **4.1.5 Legal Status report - how the properties were acquired by WDC**

A report on the land status is in Appendix 2. Some potential section 40 offer back implications have been identified and will require further investigation before any option of a part or full disposal on the portfolio can be considered. The worst scenario in terms of the potential impact of these findings would be a much delayed disposal process.

Prior to any decisions being made regarding ownership of the PHU's, the history of how they were acquired by WDC needs to be considered. Our initial land status investigation concludes that for 3 of the 4 sites there may be former owner offer back obligations upon any transfer of an interest or full disposal. Due to the nature of the original acquisitions from estates or the time that has passed, it is likely that there is no successor in title and an offer back exemption could be recommended. This would therefore free up the sites to be disposed of. A full section 40 PWA investigation is required to conclude whether a full or partial disposal of the properties to a CHP would be permitted.

Should the section 40 investigation conclude that a disposal would be problematic, as an alternative WDC could explore partnering with a neighbouring Council in a joint venture arrangement so as to provide economies of scale in the provision of a larger PHU portfolio.

#### 4.1.6 Rental Policy

WDC owns 34 self-contained one-bedroom pensioner units located as follows:

- Eight (8) Units at Paul Reeves Court, Ngaruawahia
- 14 units at 61 Hakanoa Street, Huntly
- Eight (8) Units at 5 Jellicoe Ave, Tuakau
- Four (4) units at 26 Henderson Avenue Tuakau

These units are currently rented at \$125.00 per week as at 1 July 2016. The Long Term Plan determines the annual rent increase, which is typically \$5.00 increase per year.

So under current WDC policy, all tenants are expected to pay the same rent regardless of location, quality of unit or ability to pay.

#### Current Level of Rent Subsidy

According to the Ministry of Business, Innovation and Employment Tenancy Services website, the market rents for these units are:

**Table A - MBIE Tenancy Services Market Rent Statistics**

Location	Size	Lower Quartile \$	Median Quartile \$	Upper Quartile \$
Franklin - Pukekohe/Tuakau	1 Bedroom Apartment	270	300	307
Franklin - Pukekohe/Tuakau	1 Bedroom Flat	230	265	285
Huntly	1 Bedroom Flat	145	180	200
Te Kowhai/St Andrews/Queenwood	1 Bedroom Flat	190	212	277
Te Kowhai/St Andrews/Queenwood	1 Bedroom House	206	230	250

**Notes:** There was no entry for Ngaruawahia, but the closest town with an entry was Te Kowhai, 10 km away. There were four (4) listings on Trademe for rentals in Ngaruawahia and these were in the range \$310 - \$360 pw for 2/3 bed houses.

**Table B - Indication of the Current Level of Rent Subsidy**

Property	No. of Units	Current Market Rent Per Week Per Unit	Total Market Rent Per Annum	Social Rent Per Week Per Unit if Set at 80% of Market	Total Social Rent Per Annum	Present Council Weekly Rents Per Unit	Total Council Rent Per Annum	Total Difference Between Rents Being Charged and Social Rent Per Annum	Council Rent as % of Market Rent
Paul Reeves Court,	8	200	83,200	160	66,560	125	52,000	14,560	62.5
Willoughby Flats, 61 Hakanoa Street, Huntly	14	145	105,560	116	84,448	125	91,000	- 6,552	86
5 Jellicoe Ave, Tuakau	8	250	104,000	200	83,200	125	52,000	31,200	50
26 Henderson Ave, Tuakau	4	250	52,000	200	41,600	125	26,000	15,600	50
<b>Totals:</b>	<b>34</b>		<b>344,760</b>		<b>275,808</b>		<b>221,000</b>	<b>54,808</b>	<b>64</b>

The markets rents are based on the MBIE Tenancy Services Market Rent Statistics as per Table A.

This illustrates that if an acceptable social level of rent is set for the units, based on a percentage of market rent, additional income would be available for upgrading the units or for deferred maintenance.

Currently WDC are charging between 50% - 86% and an average of 64% of the market rent. Based on the practice of other Councils we consider that this may represent a higher than appropriate discount.

At 80% of market rent this would yield an additional income of \$54,808 pa based on 100% occupancy. To put this in perspective, the portfolio has made an operating loss of \$64,936 in the 2016 YTD.

It would therefore be beneficial to undertake a review on how rents are set and perhaps change the current policy of having one rate for all units regardless of location. For example:

- Set rents based on a percentage of market rent in relation to each area
- Set a range of rents which reflect location, size/quality of accommodation and demand
- Base rents on a percentage of income.

Auckland Council's policy is to charge 30% of the tenant's gross income, which aligns with the Housing Affordability Threshold. In addition they must not earn more than NZ Superannuation paid by the Government, but can claim an Accommodation Supplement through MSD in addition to this threshold. NZ National Superannuation is currently \$443.43pw gross for a single person living alone and \$671.48 gross for a couple. Therefore the rents will be \$133 - \$201.44pw.

See also the chart in the next section, comparing WDC's rents with other Councils. These vary, but it can be concluded that WDC's current rents sit at the lower end of the range, with one Council setting rents at the full market rate.

#### 4.1.7 Policy and eligibility criteria used for allocation of units

The current eligibility criteria is as follows, which WDC advises are strictly adhered to.



### Eligibility Criteria for Housing for the Elderly in the Waikato District

The following are the criteria for eligibility for Housing for the Elderly:

- 1 Applicants must be 65 years of age or over.
- 2 Applicants must not be in full time employment.
- 3 The combined value of the applicant's assets (excluding car, furniture and personal household effects, but including property, cash, shares, trusts, investments) must not exceed the figures below:
  - Single person \$17,500
  - Couple \$20,500
- 4 Any applicant on a benefit other than an age related benefit, national superannuation or war pension and who is over 65 years old will be considered if the applicant's sole source of income is fixed.
- 5 The applicant must have a housing need as determined by Waikato District Council.
- 6 Applicants must be in a position to care for themselves independently (medical certificate to be supplied).
- 7 The applicant must be a permanent New Zealand resident or citizen of New Zealand.
- 8 Applicants who own land or property may not qualify.

Please note that only pets kept mainly indoors such as fish or caged birds, or one cat, are permitted in this housing. No dogs are allowed.

#### Consideration of applications will be based on

- Length of residence in the Waikato District
- Area of residence
- Urgency for accommodation due to current circumstances
- The need for proximity to relatives in the Waikato District
- In the case of a married couple, at least one spouse meeting all the eligibility criteria.

#### NOTE

**Each application will be considered individually on its merits. Waikato District Council reserves the right to determine the eligibility or otherwise of any applicant, including the right to request references from past landlords.**

#### PRIVACY ACT 1993

The information provided on this form will be used to process your housing application and to allocate accommodation if your application is successful. Some of the information will be shared with other staff in necessary circumstances (e.g. Finance Department) and inquiries may be made to outside organisations such as your landlord or Work and Income. The information requested is not required by law, but if insufficient information is provided with your application, it may not be considered. Under the Privacy Act 1993, you have a right of access to this personal information and you are also entitled to request information about you to be corrected when required.

We asked officers is there is a process in place to monitor ongoing occupations to ensure that they continue to comply with the eligibility criteria. We understand that an audit has recently been undertaken but the results were not available at the time of writing this report.

#### How WDC's Eligibility Criteria and Policy Compares to Other Councils

Council	Rent Policy	Asset Owning Policy	Income Policy	Age Policy	Other
Waikato District Council	All units \$125 pw	\$17,500 Single, \$20,500 Couple	Must not be in full time employment	Over 65	
Auckland Council	\$133 - \$201.44pw - 30% of tenant's gross income (aligns with housing affordability threshold)	\$40,000 Single, \$60,000 Couple	Must not earn more than NZ Super	Must be eligible for NZ Super, currently over 65	4 week bond requirement
Waipa District Council	Market Rent	\$20,000 for Single, \$35,000 Couple	Must not exceed NZ Super inc. Accommodation supplement plus 10%	Over 65, but may consider over 55 on invalid benefit.	Has a policy of building more PHUs where there is demonstrable demand
Tauranga	\$123 - \$142pw Single, \$149 - \$167pw Double	\$20,000 Single, \$25,000 Couple	Can earn up to \$90 pw over NZ Super	Over 65	2 week bond requirement
Hastings District Council	Rents start from \$107pw	\$40,000 Single, \$45,000 Couple	Not more than \$29,500 Single, \$45,000 Couple	Over 55, priority for over 60	
New Plymouth District Council	Rents vary dependent on location and unit size form \$91 - \$163	Must have no significant assets	Must be on pension, benefit or low income	Over 65	Those under 65 considered on case by case basis

As can be seen, Council policies on eligibility vary widely, but share common criteria.

In all cases the asset owning thresholds are higher than WDC's. The income policies are based on specified amounts or in line with NZ Super, rather than WDC's policy of not being in full employment and having to be on a fixed income. The comparison also highlights an opportunity for the rental charge to be reviewed. This is further commented on in Rental Policy section above.

#### 4.2 Services provided to tenants by WDC

The services provided to the PHU tenants by WDC are day to day tenancy management and maintenance. No "wrap around" services are provided like those offered by CHPs. Wrap around services provide housing support that goes beyond tenancy management and involves helping to support the needs of tenants within their existing infrastructure and building referral relationships and/or partnering with local service providers.

#### 4.3 Processes and systems relating to the management of all of the above components

We asked WDC officers the following questions:

Q: What other processes and systems do you have? For example, where are the tenancy agreements recorded?

A: Tenancy agreements are located in the deed safe and copies are in ECM.

Q: What system is used for rent charging and collection, including credit control for arrears?

A: Property and Rating, cash, auto payments and direct debit.

The purpose of asking these questions was to ascertain whether there are sufficient systems in place to ensure timely and correct collection of rents and that tenant and lease details are adequately recorded. We understand that there is no property management system currently for these purposes.



## 5 HOW WDC'S PHU PORTFOLIO COMPARES WITH OTHER COUNCILS AND SHU PROVIDERS

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### 5.1 How Does the Repair and Condition of WDC's PHU Portfolio Compare to Industry Standards?

We have researched the social housing market so as to provide some benchmarks on condition standards in the industry.

For example, HNZC's Asset Management Strategy includes the objective of reducing the average age of state properties to 50 years. Once the property reaches this age, it should be considered for significant upgrade to reset its lifespan, or it is replaced.

The Community Housing sector is relatively fledging and most organisations have not had the opportunity to work through asset replacement strategies. Indeed, many have not yet developed plans for asset replacement. Most have some asset management plans in place, but these tend to focus on maintenance and upgrade work for properties. Most of these plans tend to be short to medium term and do not go beyond 10 years.

CHP's are audited against the standards contained in Community Housing Aotearoa's Best Practice Guide. This Guide includes reference to the need for housing providers to ensure they plan for long term maintenance and upgrade of properties. Definitions include:

- Long term maintenance covers the life cycle of the building and makes plans to replace key components over this period (e.g. kitchens, bathrooms, roofing).
- Cyclical maintenance – most usefully planned in 5-10 year cycles and covers every day aspects such as internal and external painting.
- The Best Practice Guide indicates Asset Plans should include:
  - The projected life expectancy of components.
  - Costings for component replacement.
  - Timeframes for replacement.

Larger organisations with substantial portfolios should have asset plans that cover at least 15-20 years and a reserve based on the percentage of the replacement value of a property should be set up to cover cyclical maintenance and upgrades.

We have analysed the SPM condition reports on Opex and Capex for WDC's units and these record a condition rating of C1 or C2 (good or very good condition) for just under 80% of the building components for the PHUs.

As detailed in section 3.1.2, the SPM condition ratings do not reflect the fact that the majority of the units are now outdated and not appropriate for today's standards.

Another industry benchmark is provided by current proposals by MSD to transfer HNZC housing portfolios to CHP's. There is usually a requirement for the purchaser to maintain the housing so as to achieve an average condition rating of C3 or better for the components of each property (assessed in accordance with the International Infrastructure Management Manual (IIMM) 2015 Edition (as used by the New Zealand Asset Management Support group (NAMS))).

## **5.2 How Does WDC's Current Approach to Management of their PHUs Compare to the Social Housing Industry Approach?**

### **5.2.1 Background**

In order to provide a comparison for WDC's approach to the management of their pensioner housing units, we first provide some background in this section on the current status of the provision of social housing across New Zealand. We also provide information on how other Councils are managing their PHU portfolios and a commentary on current innovations and developments in the sector.

Social housing in the New Zealand context is a form of affordable housing which includes assistance for those who otherwise cannot meet their own needs in the market. Assistance generally is in the form of subsidies to improve affordability, but may also include elements of support, and generally targets those with particular social, health or economic needs.

Social housing in New Zealand is primarily provided by central government, with over 69,000 housing units across the country. Local authorities collectively make up the next largest contributor, holding around 11,000 units, predominantly provided for older people. Not-for-profit organisations make up a small but growing proportion of the overall provision, with an estimated 5,000 units.

### **5.2.2 Social Housing Reform**

Since the initiation of the Housing Innovation Fund in 2003, successive governments have been looking for ways to 'share' the responsibility of the provision of social housing with the community housing sector. The Social Housing Reform Programme (SHRP) of 2010 provided strong direction for the future of the provision of social housing, clearly indicating the role of government and support for the sector.

The reform programme draws heavily on overseas direction; in particular the direction social housing has taken in Australia and the United Kingdom. In both countries community housing providers play a prominent role in the provision of social and affordable housing.

Housing Reform (Housing Restructuring and Tenancy Matters Amendment) Act 2013 founded a regulating authority to govern the sector, the Community Housing Regulatory Authority (CHRA). This agency has the powers to suspend or revoke registration when a registered CHP no longer meets the eligibility criteria or is failing to meet one or more of the Performance Standards.

CHPs can apply to become registered as a Class 1: Social Landlord. Once registered, they are eligible to enter into a contract with the Ministry of Social Development (MSD) - the Social Housing Agency, to receive IRRS but must meet certain requirements.

These reforms and initiatives have driven significant change in recent years in the provision of social housing in New Zealand, with the role of the community housing sector set to expand further. Government is also underway in the transfer of 20% of state housing stock to the CHP sector. Local authorities have been excluded from government reforms and funding and consequently many are now reviewing their future role in the provision of social housing.

In one of the largest examples of this type of transfer to date, last month it was announced that Accessible Properties New Zealand is to buy 1,124 HNZN properties in Tauranga and the CHP was expected to starting managing them next year.

### 5.2.3 Local Authority Housing

Community Housing Aotearoa estimate that in the local government sector, 62 Councils provide 13,400 homes, with 89% being in the form of bedsits and one-bedroom units. Many local authorities are considering a range of options for the future of their stock.

The role of local government in social housing was supported by central government through subsidised loans through the 1960s and 1970s, which saw a dramatic increase in the number of units. Today, local government is a significant provider of social housing in New Zealand. As at the 2013 Census, there were 11,310 households and 16,317 people living in rental housing provided by local authorities. In total, 67 local authorities provide rental housing, with the smallest providing four units and the largest providing 2600 units. Most authorities provide between 25 and 150 units (66%), with 10% providing over 300 units.

Housing is predominantly provided as long term rental accommodation for older people, with 95% of Councils providing specifically for older people and 88% providing only for those aged 65 years and older. The configuration of stock reflects this target group, consisting primarily of low rise, multi-units, the majority of which (66%) are one bedroom units and bedsit or studio units (23%). A smaller proportion of local authority housing is made up of two or more bedroom units (11%). In some areas the main supply of housing for older people is provided by the local authority.

Most housing programmes run by local authorities are expected to be self-funding and because of the affordable nature of the housing, income generated has often not been enough to meet the costs of upgrading and redeveloping stock. As a result a large proportion of stock owned by local authorities is outdated and does not meet the needs of older people of today.

In addition, due to the lack of growth, the development of housing has not kept pace with demand and many local authorities consider Council-owned housing has little impact on the overall provision of affordable housing in their regions. Councils have also questioned the 'value for ratepayer money' aspects of retaining pensioner housing and along with this, considering whether the provision would be better placed elsewhere. Since the mid-1990s a number of Councils undertook the full or partial sales of their housing stock to community organisations, the private market or Council-owned entities. Central government social housing reform has ignited the debate around the role of local authorities in housing, as they have been excluded from accessing IRRS and capital funding. Some councils have already or are now considering or are in the process of selling their stock to CHP's.

### 5.2.4 Council PHU Case Studies

The case studies below illustrate how other Council's around New Zealand are dealing with the provision of pensioner housing, so as to make a comparison with WDC's approach.

Christchurch City Council – CCC is the second biggest landlord in the country but with rents set at only half the market rate, it had been struggling to generate enough money to maintain and upgrade its more than 2600 units. Just over half were at their mid-life renewal phase but there were no funds to upgrade them. TPG's solution to this problem was to set up a partnership with a CHP and sell its 2,600 units to the entity. Through its Housing Accord, Government has agreed all existing tenants can apply for IRRS. The new entity has been set up to help address financial problems facing the Council's social housing operation. Council will only have a 49 per cent stake. Other community housing providers can charge higher rents through IRRS. The Government pays the difference between what a tenant is able to pay and the market rent. By setting up a new not-for-profit entity and leasing Council housing stock to it, the Council should be able to access the IRRS and potentially

earn an additional \$12m a year. However, the entity will have to operate at arm's length from the Council, and the Council's stake in it must be 49 per cent or less.

Auckland Council - Have released a consultation document titled "Auckland's Housing for Older People Partnering Proposal" which seeks feedback by 1 July 2016. While the portfolio provides a valuable service to vulnerable older people, initial assessments indicate that a large portion is not fit for purpose. They are considering using the same ownership structure as CCC and are proposing in this document to:

- a. Partner with a third-party social housing provider to form a new legal entity in the form of a CHP to manage the Council's Housing for Older People portfolio and seek access to government subsidies. Council will have a minority interest in this entity.
- b. The legal structure of this CHP will likely be in the form of a limited partnership between Auckland Council and the third-party social housing provider.
- c. The CHP will have control over the portfolio assets, which includes responsibility for maintenance and tenancy services through a long-term lease.
- d. Legal ownership will remain with the Council. It will include a long-term lease (proposed to include a lease with an initial term of 25 years) which from an accounting perspective requires a write-off of the assets from the Council balance sheet. The Council will enter into a long-term arrangement with the new CHP over the existing portfolio of 1,412 housing for older people units. In return, the new CHP will manage both the individual units and the tenants to maintain current services and improve the quality of housing over time. The agreements with the CHP will include "renewal options" that would allow the period of the relationship to be extended for up to 100 years. These renewal options may be exercised by the new CHP, providing it meets performance targets to achieve the Council's objectives (to be set by the Council).
- e. The CHP will be structured to be able to receive the central Government's IRRS. The new CHP will be required to be arm's length from the Council in order to take advantage of the IRRS for social housing, under current government policy. This is the rationale the Council will only have a minority ownership (maximum 49 per cent) of the new CHP. Due to restrictions placed on the subsidy, it will be required to be used for social housing by the CHP. The restrictions also mean that the CHP can apply for the IRRS for future tenants only. Council were not able to quantify how much will be received under this scheme as the subsidy, which is paid to the housing provider, is based on a percentage of a tenants income. It will reflect the difference between the income related rent and the market rent. It will also only be paid out for future tenants not current tenants.
- f. The Council will provide a \$32.5 million capital grant to the CHP, which is equivalent to the current budget for the portfolio renewal maintenance.

At the time of writing this report we understand that the portfolio is to be transferred to Selwyn Foundation, Council's preferred CHP partner.

Whakatane District Council - Their 79 pensioner housing units were sold to Tawanui Community Housing for \$2.5 million. Ownership of the units transferred on 1 October 2015, with all existing tenancy arrangements continued under the same terms and conditions.

Nelson City Council (NCC) – NCC own 142 Community Housing Units which Opus was managing under a contract with responsibility for collecting rent, delivering maintenance and providing wrap around services to a limited extent. This contract expired in December 2015 and we understand it was in the process of being retendered.

Tauranga City Council (TCC) – TCC owns and manages 280 SHUs.

Rotorua Lakes Council - Has a Pensioner Housing portfolio of approximately 150 housing units.

Rodney District Council (RDC) – in 1995 RDC sold its 45 unit pensioner housing complex to FAI Metropolitan Life Assurance Company. Council had earlier taken the decision to remove itself from direct housing provision. As a condition of sale RDC required the registration of an encumbrance over all titles that bound the purchaser to honour certain, specified rights relating to the tenancies that existed on settlement.

In this case, RDC's objective was to realise the value of the pensioner housing asset while protecting the interests of existing tenants. As these tenancies end, FAI or any subsequent owner is free to raise rents or (more likely in view of its prime location) redevelop the site for prime uses.

Thames Coromandel District Council (TCDC)- In the mid 1990's TCDC resolved to sell its pensioner housing assets, largely because of concern about the financial drain of ongoing management when other large projects (for example sewage treatment systems in the district's small towns) were proving difficult to fund. To date, we understand that four units in Whitianga have been sold to a volunteer Community Trust, and a further 55 units in Thames have been sold to Thames Pensioner Housing Trust. The units were sold at market value, less an allowance for depreciation.

The Council has also sold a leasehold interest in seven units at Coromandel Township to the Coromandel Independent Living Trust, funded in part by a grant and loan from Housing New Zealand Corporation's (HNZC) Housing Innovation Fund. The Council charges a discounted ground rent, in accordance with TCDC's policy on pensioner housing.

For each transfer, formal mechanisms are in place to ensure units continue to be used for social housing:

- If any Trust is wound up its assets must be transferred to an organisation with a similar charitable purpose.
- In case of future sale, TCDC must be offered the units first and must approve any other purchaser.
- In the Coromandel case, additional protections have been imposed by the HNZC as lender.

Upper Hutt City Council (UHCC) - In June 2000, Compassion Housing Limited, a charitable company formed by the Sisters of Compassion, bought the Upper Hutt City Council's stock of 92 pensioner housing units valued at over \$6 million. The Sisters of Compassion have a strong presence in Upper Hutt where they have provided rest home, respite and hospital level care at St Joseph's Home of Compassion for nearly 70 years.

The units were sold to the company following a tender process, a condition of which was that the properties be sold to an aged care service provider. There is no formal requirement, however, for the units to remain as pensioner housing in the long term and the company has no obligation to report back to Council on any future change of use.

Notwithstanding the lack of formal safeguards, UHCC appears to have achieved an excellent result through the sale process, both in terms of realising value, and improving the quality of service for tenants:

- In terms of eligibility, Compassion Housing’s rental units are available for older people or beneficiaries over 50 in need of affordable accommodation. Preference is given to applicants with less than \$60,000 combined assets. However, all entry criteria may be varied from time to time, depending on needs and availability of accommodation.
- Compassion Housing’s Services Manager maintains a visible presence around the complexes, visiting residents regularly, dealing with maintenance, and generally ensuring that residents are able to maintain their independence. His role description includes:
  - Ensuring residents are able to experience a quality of life that enables them to live their lives with personal respect, safety and dignity.
  - Arranging for regular assessment of residents and matching their needs with services and entitlements from the community.
  - Managing relationships with community and government agencies supporting older persons.
- Compassion Homes also employs (on a part time basis) a registered nurse from St Joseph’s Home of Compassion to monitor the needs of a small number of residents who have been identified as being at risk of losing the ability to remain independent. There is no extra charge for this service. Tenants who are unwell have the option of using the Home of Compassion rest home facilities on a temporary basis. However, this does not seem to be used widely, with tenants more likely to remain in the flats before making a more permanent move into residential care.

Rentals are kept purposely low, made possible because Compassion Homes is a not-for-profit entity (i.e. it is not required to generate a commercial return on investment) and did not require high levels of debt to purchase the portfolio.

Manawatu District Council (MDC) - In 2008 MDC transferred ownership of its 208-unit pensioner and disabled housing asset to the Manawatu Community Trust. The Trust is a Council Controlled Organisation with the five Trustees being appointed by MDC, and one by other Trust members.

The Council did not realise any cash through the transfer, although an outstanding debt of \$700,000 was transferred to the Trust (the balance of the original Crown loan used to construct the units). In this context, MDC has not achieved any financial benefits. Its main driver for the transfer is a belief that a focused, standalone entity is a better management option than in-house management for growing affordable housing numbers in the district, and promoting community health and wellbeing alongside affordable housing.

Hutt City Council (HCC) - In May 2007 HCC established Urbanplus, a Council Controlled Trading Organisation specialising in property and facilities management, and land development.

The company now manages HCC’s diverse facilities portfolio including libraries, public toilets, halls, civic buildings, community and commercial property, and is also charged with developing Council land and property assets. Council expects an appropriate financial return from its investment in

Urbanplus and, to this end, the Company must ensure all projects and services are undertaken on a commercial basis.

As part of the establishment process, management of HCC's 168 unit social housing portfolio was also transferred to Urbanplus, with a mandate to continue provision of pensioner housing and also housing for the socially disadvantaged.

Council will review the number of units to be held for this purpose at least annually.

Ruapehu District Council (RDC) has entered in to a long-term management lease for its 16 pensioner units with the Waimarino Rest Home Trust. The Trust receives support and practical assistance from Presbyterian Support Central. The objective here has been to improve the quality of service to Council tenants.

Our assessment is that (as RDC still owns the units) there are few financial benefits for Council beyond possible savings in operating costs and no wrap around services are required of RDC, compared to managing the portfolio in house.

Kawerau District Council (KDC) in a similar move, KDC assigned management of its 27 pensioner flats to Mountain View Rest Home in 2000. The units are situated in close proximity to the rest home.

Mountain View is a community owned aged care complex which offers full time hospital and rest home care for 42 residents as well as respite and day care, meals, coordinated activities and social interaction for the elderly in our community. There is also a 15 unit independent living village, where cottages are purchased by residents on a license to occupy basis.

In this instance KDC has retained ownership of the units, opting instead of sale to achieve the objectives of improving the quality of service to tenants, while eliminating overheads associated with in-house management.

### 5.2.5 Social Housing Providers

The Social Housing Sector in New Zealand is still considered relatively small; it collectively owns an estimated 5000 units and manages and leases around 2000 more. CHPs provide a diverse range of accommodation and support services across the social housing sector, from the provision of emergency housing, transitional and medium and long term housing. The sector is characterised by a diverse number of small to medium sized players, with their origins often in the health or social service sectors, from church-based origins, or those that have developed to provide housing specifically for a particular project.

Examples of some of the larger organisations in New Zealand include:

- Accessible Properties – manages 1,100 units (owning approx. 200) nationally, providing predominantly for people with intellectual and physical disabilities. Established as the property arm of IHC in 2005. Accessible have recently been selected as the successful tenderer for the transfer of 1,100 HNZC's housing portfolio in Tauranga.
- Trust House – owns and manages 500 houses in the Wairarapa area, transferred to them by central government in 1999. Trust House is the only provider of social housing in the Wairarapa area, with no state housing provision.
- The Salvation Army – has a long history of providing social housing in New Zealand and owns around 300 units nationally, providing predominantly for independent older people.

As all registered CHPs are regulated by the Community Housing Regulatory Authority, this requires them to adhere to the required performance standards, which include having effective governance and management practices, being financially sound, and having the appropriate tenancy and asset management policies, procedures and systems to own and manage social housing, including:

**Tenancy Management** – the organisation must comply with the Residential Tenancies Act (1986) and all other relevant legislation. Assessment is based on the organisation’s tenancy management policies and procedures, including rent setting, managing arrears and dealing with complaints.

**Property and Asset Management** – the organisation must manage its properties to defined standards, including meeting property standard conditions, plans for maintenance, acquisitions and disposals and compliance with all relevant legislation such as the Building Act 2004. Assessment is based on documents such as the organisation’s asset management policies and processes, maintenance schedules and property inspection plans.

Registered CHPs undergo an annual monitoring process and as charitable organisations, surpluses are redirected to the ongoing operation and growth activities of the organisation. They are able to access government funding in the form of the IRRS subsidy and may be eligible for state stock transfers or capital funds.

### 5.2.6 Social Housing versus Private Sector Considerations

To further assist in comparing and understanding how WDC’s PHU portfolio compares to the CHP and private housing sector, the following table provides a snapshot of the key considerations Councils consider compared to a fully independent CHP or private sector landlord.

Portfolio considerations	Council/Council controlled CHP	Typical CHP (not Council controlled)	Private sector landlord
Capital Value and/or Capital Gain consideration	x	✓	✓
Rental Charged at Market Rates	x	x	✓
End User (tenant) considerations (including wrap around services)	✓	✓	x
Asset Sales, Redevelopment or re-Allocation Considered	x	✓	✓
Social consideration	✓	✓	x
Political consideration	✓	x	x
Bare Land Values/development potential	x	✓	✓



Key findings from this table:

- Current market value is a key private sector consideration.
- An independent CHP has the ability to maximise capital considerations for the delivery of key social housing objectives.
- The Council has political, social, structural and financial limitations in the provision of its social housing objectives.
- The provision of social housing has numerous financial, tenancy and structural challenges – the addition of political restraints and inability to access IRRS only compounds the problems.

WDC are at an early stage in the review their options for the future provision of PHUs in their district. The above case studies on the approach taken by other Councils and social housing providers around NZ demonstrates that there are a range of options that WDC could consider in terms of ownership structures and policies.

## 6 FUTURE OWNERSHIP STRUCTURE AND OPTIONS FOR WDC'S PHU PORTFOLIO

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We recommend that WDC review their PHU portfolio ownership options for the following reasons.

WDC's PHU portfolio is relatively small at 34 units. The optimal size of a portfolio of residential housing for an organisation is considered to be around 2000-5000. At this scale, the business is self-sustaining and is able to grow. Larger scale providers are able to spread the cost of management and administration and can maximise efficiencies through maintenance contracting and procurement. At this scale, the organisation is in a better position to partner with government and private sectors. In their report on Affordable Housing for the Community Sector, CHRANZ reports portfolio of no fewer than 300 units is sustainable.

Should WDC decide to retain its involvement in PHU supply and operation/management, the option to partner with a neighbouring Council in a Joint Venture arrangement or as a stakeholder in a specifically formed CHP is an option that could be explored further. The considerations in exploring this option would include:

- More comprehensive support services could be provided to elderly tenants through the involvement of specialist third-party stakeholders in the management and operation of the PHUs.
- A shared management arrangement with a third-party could involve shared financial responsibility and associated efficiencies for Council.
- Council may potentially retain involvement through focusing on providing property management services for PHUs in partnership with operational stakeholders.
- The new statutory Regulations relating to social housing provision specifically exclude local authorities and subsidiary organisations such as Council Controlled Organisations from being eligible to access IRRS. Combined with the unavailability of other funding for local authorities, it could be argued that central government has provided a clear indication that there is no expectation for local authorities to remain in social housing. As a result, many local authorities are now considering the divestment of their housing portfolios. Examples of this were given in section 4.2.4.

Should WDC wish to consider partial or complete divestment of their PHUs, the level of Council's involvement in a potential partnership or Trust arrangement may be dictated by the following factors:

- The eligibility criteria of the Government's funding streams for third party providers.
- The ongoing financial liability of PHUs for Council to retain/maintain and potentially renew/expand.
- Latest Government social housing reforms have redirected potential funding sources to third party providers, potentially disadvantaging Local Authorities.
- Additional support services may be made available to tenants through the involvement of third party providers, as potential co-owners or private enterprises.
- Council may lose its ability to influence future Pensioner Housing supply through on-selling existing units to third-party providers.

- The land status report in Appendix 2 identifies potential section 40 issues with three out of the four PHU blocks that will require further investigation to conclude whether a full or partial disposal is going to be complicated.

The weighing of the above factors against WDC's long term objectives in the provision of social housing, will dictate whether Council wishes to consider one of the divestment options.

The rationale for a whole or partial transfer of the PHUs to a new entity in which Council has a minority ownership is so that government IRRS can be accessed. In partnership with a CHP, Council will also be able to raise the level of service for its tenants.

The ownership options and some of the pros and cons with each are summarised in the following Table 1. Some of the ideas have been borrowed from the reviews undertaken by other Councils and TPG's involvement with some of these and adapted for WDC's portfolio:

**Table 1 – Advantages and Disadvantages of Ownership Options**

Option	Service Level Impact	Rates Impact	Debt Impact	Does it Achieve the Council's Objectives?	Advantages	Disadvantages
1. Status Quo: Continue to own and manage the housing	Units standards may deteriorate as current rent policy does not provide sufficient income to cover preventative maintenance and upgrading	Likely to need a capital injection in the future to address deferred maintenance & to update units to meet current standards, insulation etc.	May require borrowing to fund operating deficit and required upgrading	Does not achieve the Council objective of the PHUs being self-funding.	The Council retains full control over the assets. No costs associated with change.	Reliant on rates funding.

**Table 1 – Advantages and Disadvantages of Ownership Options**

<b>Option</b>	<b>Service Level Impact</b>	<b>Rates Impact</b>	<b>Debt Impact</b>	<b>Does it Achieve the Council's Objectives?</b>	<b>Advantages</b>	<b>Disadvantages</b>
<p>2. Transfer housing portfolio to a CHP: Sell or gift the PHUs to an existing CHP with conditions to ensure the existing level of social housing and service provision remains.</p>	<p>Tenant satisfaction could decrease, as it will be difficult for the Council to control the quality of housing. However, the purpose of a CHP is to provide wrap around services, therefore tenant satisfaction should increase.</p>	<p>Neutral to slightly positive. The sale proceeds would depend on the conditions placed on the sale. Depending on the conditions placed this could significantly reduce the proceeds from the sale.</p>	<p>Slightly positive to negative. The debt impact would depend on whether the Council would still provide the capital grant for improvements to the housing, and any other conditions placed on the sale.</p>	<p>Partly. The Council is no longer responsible for providing housing for older people, but may be able to ensure the same outcomes through conditions for ongoing service delivery.</p>	<p>The Council no longer has any risk for operating the portfolio. No ongoing rates impact.</p>	<p>The Council will have no ownership or direct control over the units/services. Long term provision of the service is not guaranteed, although performance standards could be put in place. The Council would not own land and buildings as assets.</p>

**Table 1 – Advantages and Disadvantages of Ownership Options**

<b>Option</b>	<b>Service Level Impact</b>	<b>Rates Impact</b>	<b>Debt Impact</b>	<b>Does it Achieve the Council's Objectives?</b>	<b>Advantages</b>	<b>Disadvantages</b>
<p>3. Partner with a third-party social housing provider:</p> <p>Form a joint entity with WDC owning the minority interest.</p>	<p>Tenant satisfaction will increase, as the Council will be able to rely on new expertise from the third party social housing provider, unlock access to government funding and can redevelop the portfolio to improve quality.</p>	<p>Positive as operations currently require a rates subsidy.</p>	<p>Negative - Due to reduction in book value and probable upfront payment required to cover deferred maintenance.</p>	<p>Yes. Aims to increase service levels. Positive impact on rates as operations currently running at a loss.</p>	<p>Allows for an improvement of the quality of housing. Unlocks access to government IRRS.</p>	<p>The Council will lose some control over the units. Requires monitoring of an external entity.</p>

Should WDC wish to consider expanding their PHU portfolio, the considerations which will determine the level of investment include the organisation's financial guidelines such as expected returns, appetite for debt, ability to attract subsidies and leverage funds, and other priorities and responsibilities. However, as noted in this report, there is no evidence to support the view that demand exceeds the current supply of PHUs. However, this may change over time as retiring Aucklanders who have not purchased properties relocate to more affordable areas. Further research would be required to define whether there is a requirement for more PHUs in certain areas of WDC's district.

**Other key considerations:**

- Current rental income from PHUs only funds the maintenance of units as is, with more substantial funding sources required for the refurbishment or redevelopment of PHUs
- The Government has ceased to provide grant funding to Local Authorities for Social Housing provision or development
- As a regulatory authority, Council may indirectly fund/ support the development of Social Housing by third-parties
- Third-parties either independently or in partnership with Council may represent an additional source of funding for the maintenance of existing or development of future PHUs (including through access to Government funding).

The option of transferring the portfolio to a CHP may best respond to these issues. The findings of this report support this analysis to a large degree. Dialogue with CHPs would be required to establish if there is interest in WDCs PHU portfolio.

Registered CHPs are able to access government funding in the form of the IRRS subsidy and state stock transfers or capital funds. While this is not available for existing tenants, it would provide additional support for new tenants coming into these homes.

CHPs also provide housing support services that go beyond tenancy management for their current housing customers known as 'wrap around services' which involve helping to support the needs of tenants within their existing infrastructure and building referral relationships and/or partnering with local service providers. While many CHPs do provide these services, the portfolio size of most organisations does not allow for housing support services to be funded through rental income streams and at present general housing support is not funded by the government as a specific service. CHPs providing tenancy support services either fundraise or cover services through other contracts.

It would need to be ascertained whether the quality of the units is likely to meet an acceptable letting standard for a CHP. Cash flow analysis would likely show that heavy capital investment is likely to be required to cover deferred maintenance and this may make it necessary for a capital payment to be made to the CHP at the date of transfer to cover this future liability. The units will probably not meet standards for those CHPs who provide housing for people with disabilities and in the short to medium term these providers would possibly look to upgrade and/or redevelop to enable housing for their target group.

### **Will the Transfer of the Portfolio to a CHP Improve the Delivery of Affordable Housing for Older People in the WDC Region?**

The consensus from the tenant survey is that Council does a good job now as a social landlord. Tenants appear to be well looked after with low occupancy turnover, rental rates are set at a level that is affordable and properties are maintained to a reasonable standard.

However, there are six key issues that influence the provision of housing in the future. These issues include:

1. Whether the demand for affordable housing is set to increase.
2. The population is ageing and there is a lack of appropriate and affordable housing.
3. Central government reforms exclude local authorities accessing IRRS.
4. Council does not have a clearly defined objective for owning pensioner housing against which to measure performance.
5. The greatest gap in social housing market is for providers that meet more than just tenants' needs.
6. The Council's current pensioner housing stock is ageing.



## **7 RECOMMENDATIONS FOR WDC'S PHU PORTFOLIO**

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### **7.1 Summary**

Based on our findings in the sections earlier in this report, we have the following recommendations for WDC's PHU portfolio.

1. That the current rent policy be reviewed so that rents be set by reference to location, quality, demand or by reference to a discount to market value.
2. To sustain the units to an appropriate standard for elderly accommodation, the current provision in the annual plan be reviewed so as to provide sufficient funding to cover preventative as well as reactive maintenance once sufficient income is secured as a result of item 1.
3. That further Capex provision be allocated in the annual plan to address the deferred maintenance identified in this report.
4. In order to ensure that the provision of PHUs is sustainable in the future, that WDC consider one of the future ownership structures outlined in this report, including the transfer to a joint entity with a CHP or partnering with a neighbouring Council in a joint venture.
5. Prior to considering an ownership structure option as per 4, further investigations be concluded into the section 40 offerback implications identified in the land status report in Appendix 2 to determine the most advantageous option all matters considered.
6. That no planning to provide further PHUs is made until a detailed analysis of demand is completed.
7. That a review of Councils' eligibility criteria is undertaken to ensure that this is fair, appropriate and aligns with best practice.
8. Individual Asset Strategy Plans be developed for each complex to provide preventative maintenance programmes and property by property policies.

### **7.2 The key considerations in making these recommendations**

The current levels of net operating deficit are not sustainable and do not align with current policy of this activity being self-funding.

- There is no current evidence of a growing demand for PHUs in the district. This is supported by population statics and demand experience.
- Existing format of pensioner units requires modification to bring them in line with best-practice standards.
- Analysis of the SPM preventative maintenance plan against the current provision in the annual plan has identified a gap in funding. It is recommended that sufficient provision be made in the annual plan to cover preventative as well and reactive maintenance and that a capital sum be provided to cover deferred maintenance and upgrading.

- As outlined in the comparison with other Councils' eligibility criteria in section 3.1.8, the asset owning thresholds are generally higher than WDC's, which could be grounds for a review. Other Councils have income policies which are based on specified amounts or in line with NZ Super, rather than WDC's policy of not being in full employment and having to be on a fixed income.
- WDC's PHU portfolio is relatively small at 34 units and at this scale it is difficult to make it self-sustaining.

### **7.3 Changes to Portfolio to Align with Current Demand**

As part of developing the future detailed strategy, we recommend that Individual Asset Strategy Plans be developed for each complex to consider:

- Suitability of the units for future use
- Assessment against higher demand
- Is there increasing need for disability access?
- Higher expectations for greater levels of amenity – warm, dry, modern
- Occupancy costs – costs of heating, water etc
- Easy access to transport as cities become bigger
- Form, Fit, Function, Fashion/Future.

Industry commentators and our own research indicates an increasing need for more PHUs. It is predicted that there will continue to be a migration from Auckland for those unable to afford to buy a property prior to retirement. Increasing rents have put an Auckland rental property beyond the reach of many people with NZ National Super as their only source of income. This, together with an aging population would indicate a continual growth in the demand for PHUs.

However, more research would need to be completed to more fully understand the exact areas within WDC's region where there are current and future hot spots of demand. It is apparent from WDC's current portfolio that there is a lack of demand for the Huntly units, although this probably has more to do with the situation of these units backing onto to State Highway 1 and a railway line and their condition, rather than any indication of the general demand in Huntly. The units in the other three areas have a good level of demand.

If WDC wishes to retain the portfolio we recommend that Council turn its attention to improving performance by reviewing the opportunities highlighted in this report.

## 8. CONCLUSIONS AND RECOMMENDATIONS

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In summary, TPG considers that there are compelling reasons why the status quo option will not achieve favourable long term outcomes for WDC's provision of PHUs.

Given that the ongoing provision of an acceptable standard of PHUs by WDC is not sustainable on a self-funding basis, we have made recommendations on how the funding shortfall can be addressed.

The alternative ownership provisions all have certain merits but are not without some drawbacks. Should WDC wish to consider the ownership options further work is necessary to be able to conclude which of these would be the most viable and advantageous for WDC to pursue.

These and other conclusions and recommendations are covered in detail in earlier sections and summarised in sections 1.2 and 1.3, so are not repeated here.

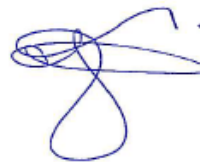
Yours sincerely



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Yours sincerely



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## APPENDIX 1 – CONDITION REPORT

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We have undertaken inspections of the four sites to gain an understanding of the overall condition of the units. Although most of the units are generally in a reasonable state of repair, they are rather dated and the interiors are commensurate with the age and location of the blocks.

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### Paul Reeves Court, Ngaruawahia (One Unit Inspected)

This unit was very tired and dated but is currently programmed to be renovated.

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Location	Photograph
Carpark Entrance	
Kitchen	
Lounge	

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**Paul Reeves Court, Ngaruawahia (One Unit Inspected)**

This unit was very tired and dated but is currently programmed to be renovated.

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Location	Photograph
Entrance (looking into kitchen)	 A photograph showing a narrow hallway with a patterned tile floor. The hallway leads to a kitchen area on the right and a doorway on the left. The walls are a light color, and there is a door at the end of the hallway.
Bathroom	 A photograph of a bathroom with a patterned tile floor. A white toilet is visible on the right side. To the left, there is a shower area with a white curtain. A towel rack is mounted on the wall above the toilet.


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**Paul Reeves Court, Ngaruawahia (One Unit Inspected)**

This unit was very tired and dated but is currently programmed to be renovated.

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Location	Photograph
Bathroom	

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**61 Hakanoa Street, Huntly (Two Units Inspected)**

The first unit has been recently renovated and is very well looked after by the tenant. The second unit is programmed to be renovated and was very dated.

---

**Location****Photograph**

Front of unit



Kitchen  
(first unit)Bathroom  
(first unit)

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**61 Hakanoa Street, Huntly (Two Units Inspected)**

The first unit has been recently renovated and is very well looked after by the tenant. The second unit is programmed to be renovated and was very dated.

---

Location	Photograph
Bedroom (first unit)	 A photograph of a bedroom in the first unit. The room features light-colored walls, a carpeted floor, and two windows with white curtains. The room is empty and appears well-maintained.
Kitchen (second unit)	 A photograph of a kitchen in the second unit. The kitchen has light-colored wooden cabinets, a dark countertop, and a window above the sink. The room appears dated and in need of renovation.





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**61 Hakanoa Street, Huntly (Two Units Inspected)**

The first unit has been recently renovated and is very well looked after by the tenant. The second unit is programmed to be renovated and was very dated.

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Location	Photograph
Bedroom (second unit)	
Bathroom (second unit)	


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**61 Hakanoa Street, Huntly (Two Units Inspected)**

The first unit has been recently renovated and is very well looked after by the tenant. The second unit is programmed to be renovated and was very dated.

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Location	Photograph
Lounge (second unit)	

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**5 Jellicoe Avenue, Tuakau (One Unit Inspected)**

This unit was in a very good condition and state of repair, although dated.

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**Location****Photograph**

Front of unit



Kitchen



Kitchen





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**5 Jellicoe Avenue, Tuakau (One Unit Inspected)**

This unit was in a very good condition and state of repair, although dated.

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Location	Photograph
Bedroom	 A photograph of a bedroom. The room features a bed with a patterned pink and blue duvet cover and pillows. A wooden bedside table with a water dispenser sits next to the bed. The walls are white with a decorative horizontal line, and the floor is covered in a dark, patterned carpet. A doorway is visible on the left side of the frame.
Bathroom / Ensuite	 A photograph of a bathroom or ensuite. It shows a white vanity unit with a sink and a mirror above it. A window with white curtains is visible above the vanity. A red curtain hangs on the right side of the room. A striped mat is placed on the floor near the entrance. The walls are white, and the floor is a light-colored carpet.


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**5 Jellicoe Avenue, Tuakau (One Unit Inspected)**

This unit was in a very good condition and state of repair, although dated.

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Location	Photograph
Laundry	

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**26 Henderson Avenue, Tuakau (One Unit Inspected)**

No internal photographs were taken of this block however it is very similar to the 5 Jellicoe Ave units.

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**Location****Photograph**

**APPENDIX 2 – LAND STATUS REPORT**

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15 August 2016

**The Property Group Limited**  
Level 1, 6 Albion Street  
Napier South 4110  
PO Box 49  
Napier 4140, New Zealand  
Phone: 64-6-834 1232  
Facsimile: 64-6-834 4213  
DX: MP70014

## WAIKATO DISTRICT COUNCIL – PENSIONER HOUSING UNITS

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<b>Address</b>	1. Paul Reeves Court, Ngaruawahia
	2. 61 Hakanoa street, Huntly
	3. 5 Jellicoe Avenue, Tuakau
	4. 26 Henderson Avenue, Tuakau
<b>Number of Parcels</b>	4

CFR	Legal Description	Area	Owner	Parcel ID
CFR 288326	Lot 6 DP 371156	0.1654 ha	Waikato District Council	6876398
CFR SA600/22	Part Lot 1 DP 6783	0.3693 ha	Huntly Borough Council	4563859
CFR NA1077/37	Lot 18 and Part Lot 20 DP 10578	0.2026 ha	Waikato District Council	4808491 and 4746225
CFR NA29D/1405	Lot 2 DP 74134	0.0674 ha	Franklin District Council	5054374

<b>Encumbrances</b>	(1) <u>CFR 288326</u>
	<ul style="list-style-type: none"> <li>Subject to Section 59 Land Act 1948</li> </ul>
	(2) <u>CFR SA600/22</u>
	<ul style="list-style-type: none"> <li>Excepting all coal, fireclay and other minerals</li> <li>Subject to mining rights created in Transfer 235080</li> <li>Fencing Agreement in Transfer 235080</li> </ul>



- 
- Compensation Certificate H935411 to NZ Railways Corporation\*
  - \* note we have not searched this

(3) CFR NA1077/37

- Fencing Agreement in Transfer 204753
- (1) CFR NA29D/1405
- Fencing Agreement in Transfer 238461
  - Mortgage 7803123.4 to Housing NZ Corporation\*\*
  - \*\* we have no information as to whether this secures current borrowings
- 

**Relevant Statutory Authority**

(1) CFR 288326

Public Works Act 1981

(2) CFR SA600/22

Public Works Act 1981

(3) CFR NA1077/37

Public Works Act 1981

(4) CFR NA29D/1405

Public Works Act 1981

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**Acquisition History**

**(1) CFR 288326: Paul Reeves Court, Ngaruawahia**

The land described as Lot 674 Town of Newcastle was held in a Deferred Payment Licence (licence to occupy) under the Land Act 1948. This was granted Her Majesty the Queen to the Mayor, Councillors and Citizens of the Borough of Ngaruawahia in July 1963.

In 1974, Certificate S646083, being a Certificate under Section 116 of the Land Act 1948, the land was transferred from Her Majesty the Queen to the Mayor, Councillors and Citizens of the Borough of Ngaruawahia. This was for a consideration of \$750.00, pursuant to Section 54 of the Land Act 1948.

In January 2006, by 6726015.1, the land was transmitted to the Waikato District Council.

Following a subdivision of the land formerly known as Lot 674

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Town of Newcastle, Lot 6 DP 371156 was defined.

CFR 288326 issued in July 2006 to Waikato District Council, for the land described as Lot 6 DP 371156.

**(2) CFR SA600/22: 61 Hakanoa St, Huntly**

The land described as DP 6783 was held in historic Certificate of Title SA600/22 issued in 1929 to Thomas Berry of Huntly, a Miner.

In Transmission S49402, the land was transferred to the Albert Henry Berry, Garage proprietor as executor.

The land was transferred on 19 April 1955 by Transfer S84869, from Albert Henry Berry to the Mayor, Councillors and Citizens of the Borough of Huntly. This was for a consideration of \$500.00. No purpose was shown.

**(3) CFR NA1077/37: 5 Jellicoe Avenue, Huntly**

The land described as Lot 18 and Part Lot 20 DP 10578 was held in historic Certificate of Title NA1077/37, issued in 1953 to Alfred Thomas Prince of Tuakau, a Builder.

In Transfer 398156.1 dated 1979, the land was transferred from Alfred Thomas Prince to the Mayor, Councillors and Citizens of the Borough of Tuakau. This was for a consideration of \$9,300.00, no purpose shown.

In May 2011, by Application 8770598.1, pursuant to Section 99A of the Land Transfer Act 1952, the land was (incorrectly) transferred to Auckland Council.

In November 2011, the land was transferred to Waikato District Council pursuant to transfer 8889186.1 on the basis that they had vested in Waikato District Council pursuant to the Local Government (Auckland boundaries) Determination 2010.

**(4) CFR NA29D/1405: 26 Henderson Avenue, Tuakau**

In 1974:

- (a) The land described as Lot 4 DP 13059 (CT 673/1) was owned by Robert John Corscadden and Iris Annette Rita Corscadden, his wife.
- (b) The land described as lot 3 DP 13059 (CT 717/23) was owned by Mary Gush

A three lot subdivision occurred, shown on DP 74134:

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- (i) Lot 1 on DP 74134 CT 29D/1404 was retained by Robert John Corscadden and Annette Rita Corscadden;
  - (ii) Lot 3 on DP 74134 (CT29D/1406) was retained by Mary Gush;
  - (iii) Lot 2 on DP 74134 (29D/1405) (comprising more or less equal parts of lot 4 DP 13059, and lot 3 DP 13059) was transferred to the Mayor, Councillors and Citizens of the Borough of Tuakau.

CFR NA29D/1405 issued in 1975 to the Tuakau Borough Council for the land described as Lot 2 DP 74134.

In 2008, by instrument registered as 7803123.3, the land was transferred to the Waikato District Council.

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#### **Public Works Act 1981 issues**

##### **(1) CFR 288326: Paul Reeves Court**

The land was purchased from the Crown under the Land Act 1948.

Regardless of whether the land was used for a public work after acquisition, no offerback obligations arise as the former owner is the Crown, and the land was acquired under the Land Act 1948.

##### **(2) CFR SA600/22: 61 Hakanoa St, Huntly**

The property was acquired in 1955, and information obtained from "Property Guru" indicate that the buildings on the property were built between 1950 and 1959. This dates the dwellings on the property to construction at or about the same time as acquisition (in 1955).

We do not have any other information to hand as to the circumstances of the acquisition. The Council may well hold historic records either in the form of copies of the agreement and other sale documentation, or minutes of Council meetings.

In the absence of such information, we have considered the statutory authority for the acquisition, and construction of dwelling houses at that time.

The Municipal Corporations Act 1954 came into force on 1 April 1955, but the transfer is dated 29 March 1955 (with registration occurring on 19 April 1955). Accordingly, the acquisition was governed by the Municipal Corporations Act 1933 and its amending Acts.

At the time of acquisition there was no specific authority for a Council to acquire land for the purposes of providing pensioner housing. But there was authority, under section

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328 Municipal Corporations Act 1933 to acquire land for the purpose of providing workers dwellings. The acquisition of land and the erection of workers dwellings was a deemed public work, as provided in section 328(6)

This power was broadened under the Municipal Corporations Act 1954, which, pursuant to section 329 authorised the Council to acquire land, erect houses, and make reasonable charges for occupation of those houses. Both the acquisition of land and the erection of houses were deemed public works, as provided in sections 327(1) and 329(6) of the Municipal Corporations Act 1954.

Accordingly we consider that in the absence of information to the contrary, the land was acquired and held for a public work.

**(3) CFR NA1077/37: 5 Jellicoe St, Tuakau**

The property was acquired in 1979 by Tuakau Borough Council. Information obtained from "Property Guru" indicate that the buildings on the property were built between 1980 and 1989. This dates the dwellings on the property to construction after acquisition (in 1979).

At the time of acquisition, the Municipal Corporations Act 1954 (and its amending Acts) applied. The Local Government Amendment Act 1979 (which had the effect of repealing the relevant parts of the Municipal Corporations Act 1954) did not come into force until 1980).

The Municipal Corporations Act 1954, pursuant to section 329, authorised the Council to acquire land, erect houses, and make reasonable charges for occupation of those houses. Both the acquisition of land and the erection of houses were deemed public works, as provided in sections 327(1) and 329(6) of the Municipal Corporations Act 1954.

Accordingly we consider that in the absence of information to the contrary, the land was acquired and held for a public work.

**(4) CFR NA29D/1405: 26 Henderson Ave, Tuakau**

The property was acquired in 1975 by Tuakau Borough Council. Information obtained from "Property Guru" indicate that the buildings on the property were built between 1970 and 1979. This dates the construction of the dwellings on the property to the time of acquisition (in 1975).

At the time of acquisition, the Municipal Corporations Act 1954 (and its amending Acts) applied. The Local Government Amendment Act 1979 (which had the effect of repealing the relevant parts of the Municipal Corporations Act 1954) did not come into force until 1980).

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The Municipal Corporations Act 1954, pursuant to section 329 authorised the Council to acquire land, erect houses, and make reasonable charges for occupation of those houses. Both the acquisition of land and the erection of houses were deemed public works, as provided in sections 327(1) and 329(6) of the Municipal Corporations Act 1954.

Accordingly we consider that in the absence of information to the contrary, the land was acquired and held for a public work.

We note the existence of the mortgage in favour of Housing New Zealand Corporation. This mortgage was registered in 2008 but we have no information on the circumstances surrounding it.

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**Offer back issues:**

**CFR 288326: Paul Reeves Court, Ngaruawahia**

No offerback issues arise, as the land was acquired from the Crown. It may be worth completing a section 40 investigation as a record of the Council's inquiry.

**CFR SA600/22: 61 Hakanoa St, Huntly**

It is possible that there are offerback issues, as it appears that the land may have been acquired for a public work (housing/provision of working men's' accommodation)

Further investigation of any historical records would be useful to establish whether there is any information that might support, or contradict, our findings (as the case may be).

Following that, a full section 40 investigation would be required to determine the existence of any offerback obligation (or not, as the case may be).

The former owner was Albert Henry Berry as executor in the estate of Thomas Berry. Any section 40 investigation would need to include an investigation of the Will of Thomas Berry to ascertain whether there is anyone alive who would be entitled to receive an offerback as successor.

Given the passage of time since acquisition (some 61 years) there may well be no one alive to receive an offer. It might be prudent to carry out this investigation first, as the absence of a successor will exempt a property from offerback on the grounds of impracticability.

**CFR NA1077/37: 5 Jellicoe St, Tuakau**

It is possible that there are offerback issues, as it appears that the land may have been acquired, and dwellings constructed for a public work (housing).

Further investigation of any historical records would be useful

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to establish whether there is any information that might support, or contradict, our findings (as the case may be).

Following that, a full section 40 investigation would be required to determine the existence of any offerback obligation (or not, as the case may be).

The Former owner was Alfred Tomas Prince. Any section 40 investigation would need to include an investigation as to whether he is still alive, and if not, further investigation to ascertain whether there is anyone alive who would be entitled to receive an offerback as his successor.

**CFR NA29D/1405: 26 Henderson Ave, Tuakau**

It is possible that there are offerback issues, as it appears that the land may have been acquired, and dwellings constructed for a public work (housing).

Further investigation of any historical records would be useful to establish whether there is any information that might support, or contradict our findings.

But we note that there are two former owners; approximately half the property was acquired from Robert John Corscadden and Iris Annette Rita Corscadden, and the other half was acquired from Mary Gusk.

A full section 40 investigation would be required to determine the existence of any offerback obligation (or not, as the case may be). It is likely that given the acquisition history of the property, and exemption from offerback would be available, if it was intended to retain the improvements on the property and sell it as a single developed site.

If it was considered that the property should be disposed of in its original component parts, any section 40 investigations would need to include an investigation as to whether either of the former owners are still alive, and if not further investigation to ascertain whether there is anyone alive who would be entitled to receive an offerback as the successors of them.

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**Additional Comments**

**For the land in CFR SA600/22:**

This Computer Freehold Register requires a change of the present owner (Huntly Borough Council) to the Waikato District Council. This is a result of Local Government Restructuring in 1989.

**For the land in CFR NA29D/1405:**

This Computer Freehold Register requires a change of the present owner (Franklin District Council) to the Waikato District Council. This is a result of Local Government

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Restructuring in 1989.

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Prepared by:



**BRUCE DOUGLAS**  
Senior Legal Executive

Peer reviewed by:



**JACKIE HAYNES**  
Senior Corporate Counsel

### Open Meeting

<b>To</b>	Infrastructure Committee
<b>From</b>	Tim Harty General Manager Service Delivery
<b>Date</b>	15 June 2017
<b>Prepared by</b>	Samantha Frederick Leasing Officer
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	INF2017 (27/06/2017)
<b>Report Title</b>	Housing for the Elderly

## 1. EXECUTIVE SUMMARY

Staff held a workshop with Council on 23 May 2017 to begin the discussion around the future of Council's Housing for the Elderly portfolio ("portfolio"). This report has been prepared to respond to the points highlighted at the workshop; as well as request direction from Council.

Council's portfolio is currently not meeting its desired objective of being cost neutral with the current level of rental income insufficient to cover operational costs. This report requests that Council confirms an appropriate action to address this through the upcoming Long Term Plan process. The portfolio also requires significant capital expenditure to raise it to a "fit for purpose" standard. There is currently insufficient budget allocated for this in the Long Term Plan and inadequate reserve funding available to cover the required expenditure.

Staff are working to provide a more detailed analysis of the options presented to Council around affordability moving forward and alternate options to retain ownership of the portfolio. This will be reported back to Council in August 2017 in time for inclusion in the LTP process

## 2. RECOMMENDATION

**THAT the report from the General Manager Service Delivery be received;**

**AND THAT Council consider each option outlined in section 4.2;**

**AND FURTHER THAT Council approves one of the four options as the interim measure while the portfolio as a whole is considered.**



### 3. BACKGROUND

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In 2016 Council engaged The Property Group ("TPG") to undertake a review of Council's portfolio. TPG examined the current performance of Council's portfolio within the legislative context of the current social housing environment, alongside a review of alternative strategies for social housing provision.

The TPG report presented information on the condition and fit for purpose nature (in relation to the district's aging population needs) of the portfolio and also provided possible options for moving forward.

The TPG report highlighted that Council's portfolio is not meeting its objective of being cost neutral with the current level of rental income being insufficient to cover operational costs.

This report is presented to highlight the challenges Council faces and request direction with proposed interim actions to be undertaken. A more in-depth report on the future of the portfolio is being developed and will be presented in due course.

### 4. DISCUSSION AND ANALYSIS OF OPTIONS

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#### 4.1 DISCUSSION

As discussed in the May 2017 workshop on Council's portfolio (*attachment 1*) the current level of rental income does not cover operational expenditure, and Council's objective of having the portfolio be cost neutral is not currently being achieved.

While the intention is to come back to Council later this year with more information relating the future direction of the portfolio as a whole, staff are seeking direction as to whether interim measures of increasing the rent to meet the demands of ongoing maintenance should be factored into the next Long Term Plan.

In addition to this, if the recommendation is to increase the rent, staff are seeking direction as to the preferred method by which to raise it.

Based on the current rent and forecast position both operationally and for capital expenditure, TPG's report recommends that the current rent policy is reviewed and the capital position is considered going forward. Any increase in rents will require consultation and would need to occur through the 2018-2028 LTP planning process.

#### 4.2 OPTIONS

There are four possible options for Council to consider:

**Option 1:** Rent increases remain at the current incremental rate of \$5 per annum, leaving Council to agree on a funding solution to address the financial shortfall, (To put this in perspective, the portfolio has made an operating loss of \$64,936 in the 2016 year to date).

**Option 2:** Set one rate across the board at a rate designed to cover expenses. As an example a \$31 increase will result in \$54,808 per annum in additional income which would offset the additional depreciation cost. This increase would provide little room for increased maintenance costs, future inflationary pressure or capital improvements.

**Option 3:** Set rent by reference to location or a discount to market value. As an example, an increase to 80% of market value will generate additional income of approximately \$55,000 per annum. This would be reflected in the following approximate increases –

Ngaruawahia – increase of \$35 per week  
 Huntly – reduction of \$9 per week  
 Tuakau (both) – increase of \$75 per week

An independent assessment of each site would be undertaken to help inform Council's Rental Policy based on this option.

**Option 4:** Set rent based on a percentage the tenant's gross income, which aligns with the Housing Affordability Threshold. The tenants income eligibility would be capped at the NZ Superannuation paid by the Government, but they would be able to apply for an accommodation supplement through the Ministry of Social Development.

NZ National Superannuation currently ranges between \$443.43 per week for an individual to \$671.48 gross for a couple. Therefore the rents would range between \$133 - \$201.44 per week. This would see an increase between \$14,144 to \$135,145.92 per annum.

## 5. CONSIDERATION

### 5.1 FINANCIAL

In the past, rent has been set irrespective of market rental value, location, demand and quality. At \$125 per week (increasing to \$130 per week 1 July 2017), rent is currently set at approximately 64% of market rate across the 3 locations. (It should also be noted that tenants are now being required to pay for rubbish bag stickers and water rates).

The Pensioner Housing Council Reserve is forecast to be in deficit position of \$16,000 at the end of the 2016/17 financial year. This reserve funds the operating costs and receives the rental income from the portfolio. This forecast assumes full rental income is collected, operating expenditure does not exceed available budgets, and does not include shortfalls from vacancies or aged debts.

The operating costs being funded from this reserve include depreciation which is based on revalued amounts. Due to a large increase in the capital value of the Pensioner Housing stock, depreciation has more than doubled from the 2014/15 year to the 2015/16 year

onward (\$45,000 to \$105,000). With no increase in rent to offset this expense this has caused a drain on the reserve leading to the deficit balance position.

The TPG report recommends an initial capital injection to address the deferred maintenance issues and an ongoing preventative maintenance programme. The report notes that the outgoings of a preventative maintenance programme will be difficult to cover with a subsidised level of rental income in the absence of other funding sources

## **5.2 LEGAL**

As per the Local Government Act 2002 outlining Council's purpose, role and powers, social housing is not included within the core services to be considered as per section 11A.

## **5.3 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS**

The Significance and Engagement Policy does not identify Pensioner Housing as a core activity, significant activity or strategic asset.

Should an option that sees an increase to rental incomes be approved, this would require consultation and would need to occur through the 2018-2028 LTP planning process.

## **6. CONCLUSION**

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Council has been running a deficit in the Housing for the Elderly portfolio.

The rental incomes are not sufficient to cover the ongoing maintenance and capital costs. This translates to an inability to manage the portfolio in a cost effective manner.

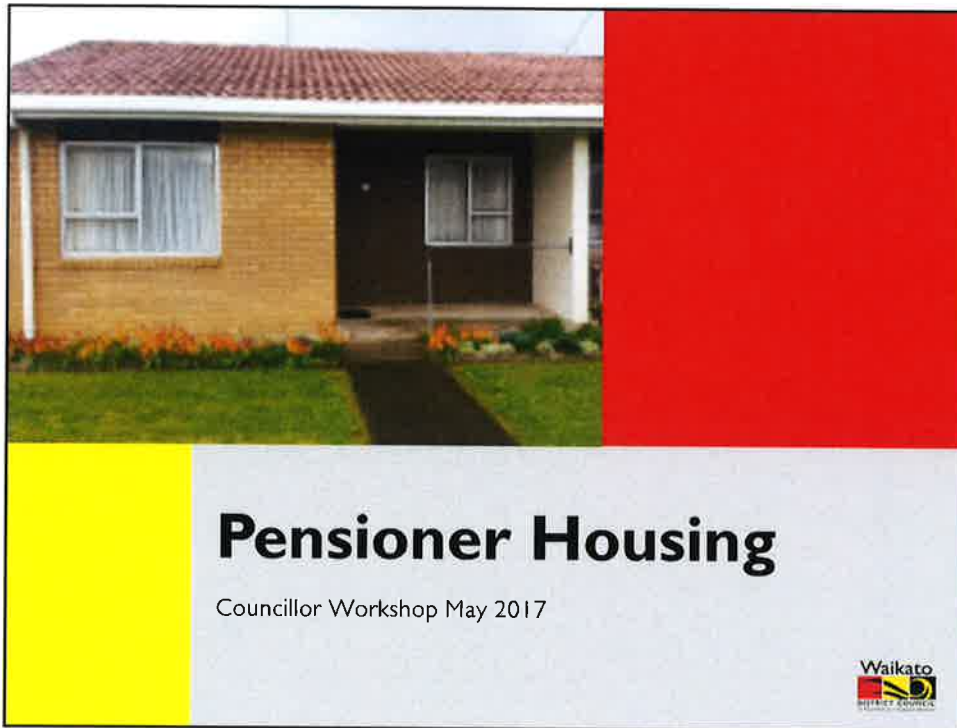
Council is under no obligation to provide social housing to the district, but should it choose to do so it should, at a minimum, meet the requirements set by the Residential Tenancies Act 1986.

## **7. ATTACHMENTS**

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- Pensioner Housing, Councillor Workshop May 2017


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## Purpose of workshop

- Outline the current Pensioner Housing portfolio and financial situation
- Highlight the challenges Council faces
- Options for Council to consider
  - Operational – rental income
  - Capital – investment required
- Seek feedback from Councillors on preferred options and way forward for consultation



## Council Pensioner Portfolio

34 self-contained one-bedroom pensioner units:

- 14 Units at 61 Hakanoa Street, Huntly
- 8 Units at Paul Reeves Court, Ngaruawahia
- 4 Units at 26 Henderson Avenue, Tuakau
- 8 Units at 5 Jellicoe Avenue, Tuakau



## What's important to the tenants?

- Affordability
- Safety and security
- Standard of unit - warmth
- Accessibility
- Local amenities



COPY

## What's important to Council?

- Strategic approach in providing Pensioner Housing
- Safe and accessible for tenants
- Affordable
- Fit for purpose
- Cost neutral



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## Current management of Pensioner Housing

- Reactive maintenance
- Passive management of tenants
- Unable to support tenants with wrap around services
  - WINZ
  - Doctors appointments
  - Meals on Wheels



## Tenancy & longevity

- Units are affordable
- Units occupied on a long term basis – an average of 6 years per tenant
- Standard rental for all units is \$125.00 per unit/per week
- Incremental increase every July of \$5 per year
- Rubbish and Water rates



## Current viability of Pensioner Housing

- Rental average of 64% of market rent across the three locations
- Pensioner Housing portfolio not meeting its objective of being self-funding
- Reserve deficit forecast at year end, growing each year



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## Operational position



## Self funding options

Where Council decides to review the Pensioner Housing rent policy, TPG suggests:

- Set rents based on a percentage of market rent in relation to each area
- Set a range of rents which reflect location, size/quality of accommodation and demand
- Base rents on a percentage of income



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## Option 1

Leave rents at current incremental rate

- Council agrees to run the Pensioner Housing portfolio at a shortfall - a funding solution will need to be agreed



## Option 2

Raise rents to one set rate to address the current net operating loss.

- Council raise rents an equal amount across all units to address the current operating loss. To raise an additional \$55,000 (making this service almost cost neutral based on current expenditure levels) the rents would need to raise approximately \$31 per week



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## Option 3

Rents set by reference to location, quality, and demand or by reference to a discount to market value

- The Tenancy Services median rent data for each location could be used as a benchmark. For example, if the rents were set at 80% of market value this would generate an estimated additional income of \$54,808 p.a. making this service almost cost neutral based on current expenditure levels.



## What is Council's preference?

- Option 1 – leave as an incremental increase
- Option 2 – one rate across the District
- Option 3 – rent based on location, quality etc.

Where an increase is proposed appropriate consultation will be undertaken



COPY

## Current capital works practice

- Generally, refurbishment only undertaken once a tenant moves on
- Typical refurbishment includes:
  - Repaint walls, doors, ceiling
  - Replace carpet, vinyl
  - Upgrade toilet and vanity unit
  - Replace like for like



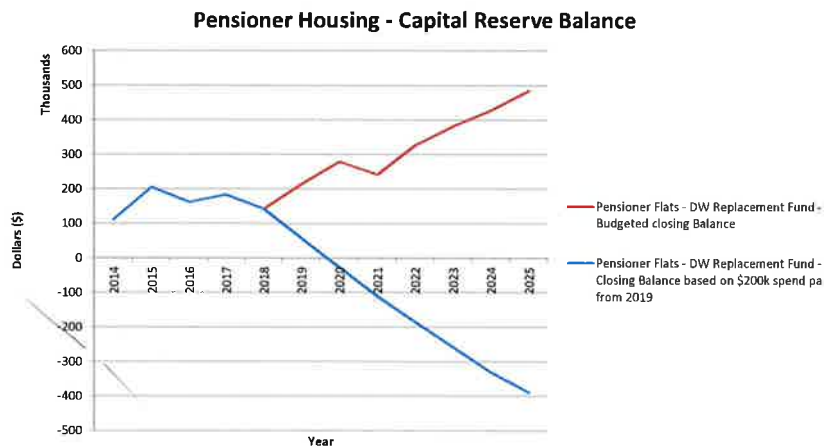
## Capital works required

- Standard of housing not fit for purpose
- The majority of the units are outdated and not appropriate for today's standards
- Cost to refurbish prohibitive



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## Capital Replacement Fund position



## Key considerations

- No current evidence of a growing demand for Pensioner Housing in the District
- Portfolio requires extensive modification and investment to become fit for purpose
- Gap in funding
- Scale makes it difficult to self sustain



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## Option 1

Do nothing

- Continue with current capital works renewal programme



## Option 2

Revise capital works programme to provide sufficient funding to cover preventative as well as reactive maintenance

- Significant initial funding required to bring units up to standard
- Affordability of ongoing renewal programme to be considered



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## Option 3

Consider divestment or options around alternative ownership structures

- Consider “the business Council is in”
- Will allow for alternative use of funds
- May open up funding assistance and better support services for our pensioners



## What is Council's preference?

- Option 1- do nothing
- Option 2 – revise capital works programme
- Option 3 – consider divestment or alternative ownership structure

Where a change is proposed appropriate consultation will be undertaken



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## Next Steps

- Report to Council alongside TPG report
- Consultation as needed
- Look to include any operational changes in the 2018-2028 Long Term Plan
- Further planning around capital works or structure can be included in the 2018-2028 Long Term Plan for planning with outcome to be reflected in the 2021-2031 Long Term Plan



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In reply please quote

If calling, please ask for



30 November 2020

Name  
ADDRESS

Dear Tenant

**Ngaruawahia Office**(Head office)  
15 Galileo Street,  
Ngaruawahia, 3720  
Ph: 07 824 8633**Postal Address**Private Bag 544  
Ngaruawahia, 3742  
New Zealand

0800 492 452

[www.waikatodistrict.govt.nz](http://www.waikatodistrict.govt.nz)**Waikato District Council Pensioner Housing Review**

We are writing to all our Pensioner Housing tenants to let you know that the Waikato District Council is carrying out a review of its Pensioner Housing Activity.

The purpose of the review is to consider the best way of providing the Pensioner Housing Activity for our tenants, and the ratepayers of the District. As part of the review we are required to consider alternative options through the 2021-31 Long Term Plan process.

Waikato District Council staff have investigated a number of options and will recommend to the Council that the entire Pensioner Housing portfolio is transferred to a sympathetic social housing provider. Under this option, the new operator would be required to:

- Continue to use the properties for social housing
- Keep all existing tenants
- Keep rent within affordable limits.

**WHAT HAPPENS FROM HERE**

The Council will consider options and the staff recommendation at a meeting on 14 December 2020.

If the Council decides to accept the staff recommendation the next step is to present all the options to our community through the 2021-31 Long Term Plan Consultation Document.

The options put forward will be open for submissions from the community in March next year. Once public feedback is received on the options presented, the Councillors will make a decision on the best way forward with our Pensioner Housing portfolio.

We thought it was important that you are the first to know about this upcoming review.



**HAVE A CHAT WITH US**

We want to hear about any of your concerns or thoughts about the review, so we will be coming to the Paul Reeves Court/ Huntly/Jellicoe/Henderson units on **Thursday 3 December 2020 from 9am to 10am/10.30am to 11.30am/2pm to 3pm/3.30pm to 4.30pm)** to talk to you and answer any of your questions.

We'll be set up outside, so please come and have a chat with us.

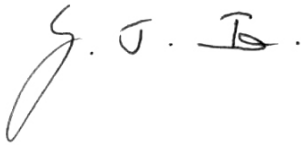
There is also a fact sheet included with this letter, which may provide answers to some of the questions you may have.

In conclusion, I stress that throughout this review it is you, our tenants, that are our top priority.

Our recommendation to transfer our Pensioner Housing assets to a sympathetic social housing provider is just a recommendation.

There is still community consultation and a Council decision to be made on this review, so it is by no means a 'done deal' at this stage.

Yours sincerely

A handwritten signature in black ink, appearing to read 'G. J. I.', with a large, stylized flourish on the left side.

Gavin Ion  
**CHIEF EXECUTIVE**

## **PENSIONER HOUSING REVIEW - FREQUENTLY ASKED QUESTIONS**

### **Why are you carrying out a Pensioner Housing review?**

The welfare of our Pensioner Housing tenants is important to the Council. We believe that there are better ways of providing Pensioner Housing. Because Pensioner Housing is a strategic activity the Council is required to review the way the activity is provided and to consult with the tenants and the community.

### **What are you recommending?**

Staff are recommending to the Council that the entire Pensioner Housing portfolio is transferred to a sympathetic social housing provider. It is important us that tenants are well looked after. The new owner would be required to:

- Keep all existing tenants (providing current tenancy obligations are met) – meaning that no existing tenant will be left without a home as a result of any sale.
- Keep the Pensioner Housing properties for social housing purposes for at least 10 years after any sale – they cannot be used as private rentals, or on-sold on the open market.
- Keep the same overall number of social housing units so that there is no decrease in the number of units available for social housing in the District.

### **Why are staff recommending transferring the Council's Pensioner Housing portfolio to a sympathetic social housing provider?**

While our team strives to provide the best service possible, social housing is not Council's core business. We believe a sympathetic social housing provider would provide a better, more "wrap-around" service to tenants.

### **Why doesn't Council just continue to offer a pensioner housing service?**

We provide subsidised rental housing to a small number of elderly people, provide a lease and tenancy management service, and provide facilities maintenance.

We don't provide any comprehensive "wrap-around" services such as pastoral care, community activities, assistance with appointments, additional social services, significant capital upgrades or have access to Government funding.

We also do not have funding to expand or enhance the service, and our portfolio requires extensive modification and investment for it to remain fit-for-purpose.

### **Would you sell the units on the open market?**

It is Council's intention to transfer the Pensioner Housing portfolio to a sympathetic social housing provider.

### **What happens if you don't attract any potential buyers from the social housing sector?**

Other Councils have successfully transferred their Pensioner Housing portfolios to social housing providers in the same way. There are many professional social housing providers who have resources and capacity to purchase the portfolio.

### **The decision to sell to a sympathetic social housing provider has already been made hasn't it?**

No. We are very much at the start of the process. Under the review, all reasonable options must be presented to the community in the 2021-31 Long Term Plan Consultation Document. Waikato District Councillors will consider all public submissions when they make a decision on the future of Council's Pensioner Housing portfolio.

### **What are the other options being put forward in the review?**

While council staff recommend the option of transferring the Pensioner Housing portfolio to a sympathetic social housing provider, we are required to present other options, such as:

- Continue to provide the Pensioner Housing service in the same way.
- Retain the Pensioner Housing service and increase investment to enhance levels of service.
- Contract out (continue to own assets but lease them and the service to another provider)
- Sell the Pensioner Housing portfolio on the open market.

### **What's the bottom line?**

We think that a professional, sympathetic social housing provider can provide a better-quality service for our tenants. Transferring the Pensioner Housing portfolio to a sympathetic social housing provider will benefit the tenants, and the ratepayers of the district.

## **Open Meeting**

<b>To</b>	Waikato District Council
<b>From</b>	Clive Morgan General Manager Community Growth
<b>Date</b>	4 December 2020
<b>Prepared by</b>	Melissa Russo Corporate Planning Team Leader
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318 / 2961036
<b>Report Title</b>	Adoption of the Significance and Engagement Policy

### **1. EXECUTIVE SUMMARY**

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Council staff have been working on the Long Term Plan 2021-31 throughout 2020. As part of the process, Council has reviewed its Significance and Engagement Policy.

The purpose of this report is to provide information to Council and to seek adoption of the Significance and Engagement Policy following feedback received at the Policy and Regulatory Committee meeting in November 2020.

### **2. RECOMMENDATION**

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**THAT** the report from the **General Manager Community Growth** be received;

**AND THAT** Council adopt the **Significance and Engagement Policy** as set out in **Appendix I** of this report.

### **3. BACKGROUND**

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As part of the Long Term Plan 2021-31 process staff have reviewed the Significance and Engagement Policy (Policy). The Policy has been through a formal public consultation process and results of the feedback were presented to Council informally at a workshop on 28 October and formally to the Policy and Regulatory Committee at their November meeting.

## 4. DISCUSSION AND ANALYSIS OF OPTIONS

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### 4.1 DISCUSSION

Following consultation and a Council workshop, the proposed Policy was presented to the Policy and Regulatory Committee at their November meeting seeking adoption.

At that meeting, concerns were raised about the proposal to remove the financial thresholds and as a result, further information was sought on instances where the financial thresholds contained in the Policy had been triggered in recent times.

The table below provides four examples of consultation that was triggered by the financial thresholds.

Project	Proposal	Rate Type	New/increase rate
Water metre charging	\$335	Targeted	Increase
Whatawhata Community Hub	\$25-\$35	Targeted	New
Raglan Food Waste	\$79	Targeted	New
Matangi Hall	\$6 increase (\$24 to \$30)	Targeted	Increase

Based on this, and the concerns raised by the Policy and Regulatory Committee in excluding the financial thresholds, staff are seeking adoption of the Significance and Engagement Policy, including the financial thresholds as they exist in the current Policy.

### 4.2 OPTIONS

#### Option 1 – adopt the Significance and Engagement Policy including the financial thresholds

The inclusion of the financial thresholds provides a clear criteria of financial triggers for consultation, therefore staff recommend this option. The triggers include a ‘de minimum’ threshold of \$20 for increases in targeted rates, so that very small increases do not require consultation. The trigger is also increased slightly from 7.5% to 10% of operational expenditure, for ease of interpretation for Elected Members, staff and the public.

#### Option 2 – adopt the Significance and Engagement Policy not including the financial thresholds

The removal of the financial thresholds would mean that the financial impact would be taken into consideration when considering the significance of a proposal, however the removal of the financial thresholds has the potential for ambiguity and inconsistent application of the Policy, therefore, staff do not recommend this option.

## 5. CONSIDERATION

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### 5.1 FINANCIAL

There is no direct financial impact of Council adopting the proposed Significance and Engagement Policy.

### 5.2 LEGAL

Council is required to have a Significance and Engagement Policy however the Local Government Act 2002 is silent on the review frequency. The current Policy was adopted in

2014 and best practice recommends policies be review approximately every 5 years, or as is the case with this policy, alongside a long term plan process.

### **5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT**

The Significance and Engagement Policy aligns with Council's intention to consult the community on matters that are of interest to them.

### **5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS**

Council has formally consulted the public on the proposed Significance and Engagement Policy.

## **6. CONCLUSION**

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Following a formal consultation process and a number of workshops and meetings with Council, staff are seeking adoption of the Significance and Engagement Policy, including the financial thresholds as they exist in the current Significance and Engagement Policy.

## **7. ATTACHMENTS**

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1. Significance and Engagement Policy for adoption
2. Significance and Engagement Policy showing tracked changes

# Significance and Engagement Policy

Policy Owner:	Corporate Planning Team Leader
Date approved:	XX
Next review date:	December 2023
Document number:	XX
Required by legislation:	Local Government Act 2002 (Section 76AA)

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## 1 Introduction

Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

## 2 Purpose

- 2.1 To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- 2.2 To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- 2.3 To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

## 3 Definitions

**Community:** a group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders

**Core Service:** includes

- a. network infrastructure;
- b. public transport services;
- c. solid waste collection and disposal;
- d. the avoidance or mitigation of natural hazards;
- e. libraries, reserves, and other recreational facilities and community amenities.

**Decisions:** refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).

**Engagement:** is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.

**Significance:** as defined in Section 5 of the Local Government Act 2002 (LGA) ‘in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- a. the district or region:
- b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter:
- c. the capacity of the local authority to perform its role, and the financial and other costs of doing so’.

**Significant:** as defined in Section 5 of the (LGA) ‘means that the issue, proposal, decision, or other matter has a high degree of significance’.

**Significant Activity:** is a term used to describe those groups of activities which Council has historically invested substantial funding. These include:

- Roading
- Water
- Wastewater
- Stormwater
- Libraries
- Reserves
- Recreational facilities
- Solid waste

**Strategic asset:** as defined in Section 5 of the Local Government Act (LGA) ‘in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - i. a port company within the meaning of the Port Companies Act 1988:
  - ii. an airport company within the meaning of the Airport Authorities Act 1966’.

## 4 Application

- 4.1 This policy applies to all Decisions taken where there is or likely to be an impact on the community.



## 5 Policy statements

The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

- a. Whether there is a legal requirement to engage with the community.
- b. The degree to which the issue has a financial impact on Council or the rating levels (both targeted and general) of its communities:
  - i. Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined in the LGA or listed in this policy.
  - ii. Decisions or proposals in excess of 10% of operating expenditure or which would result in a 5% or more increase to rates that are charged to all properties in the district, including the General Rate and the Uniform Annual General Charge, which has not been provided for in the Long Term Plan.
  - iii. Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property, except where the 10 per cent targeted rate increase is less than \$20.
  - iv. Decisions or proposals relating to capital expenditure in excess of 10% of operating expenditure, which has not been provided for in the of the Long Term Plan.
  - v. The formation of a new Council Controlled Organisation (CCO), or any decision or proposal relating to the sale of more than 40% of the Council's shareholding in any CCO.
- c. Whether the proposal or decision will affect a large portion of the community
- d. The likely impact on present and future interests of the community, recognising Maaori Tikanga (culture values) and their relationship to land and water
- e. Whether the proposal affects the level of service of a significant activity
- f. Whether community interest is likely to be high
- g. Whether the likely consequences are controversial
- h. Whether community views are already known, including the community's preferences about the form of engagement
- i. Whether there is more than one viable option.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.

In general, the more significant an issue, the greater the need for community engagement.

The Council will apply a consistent and transparent approach to engagement.

Council is required to undertake a Special Consultative Procedure as set out in Section 83 of the LGA, or to carry out consultation in accordance with or giving effect to Section 82 of the LGA on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

The Community Engagement Guide (Schedule 2) identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when local communities could expect to be engaged in the decision making process.

Council recognises the important role community boards, and other community committees and groups have in connecting our communities to Council. Council engage these groups as and when appropriate.

Council will also engage with its Maaori communities in forums including long-standing hui such as poukai or Marae committee hui, and/or other iwi, hapuu and mana whenua forums where appropriate. Hui associated with formal agreements such as Joint Management Agreement and MOU's will also be utilised when appropriate.

When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the LGA will be undertaken.

Once Council has made a decision following public consultation the decision will be made publicly available.

## **6 Policy review**

This policy shall be reviewed at three yearly intervals or as otherwise required by the Chief Executive or Corporate Planning Team Leader.

## Schedule I – Strategic Assets

Section 76AA of the LGA requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - i. a port company within the meaning of the Port Companies Act 1988
  - ii. an airport company within the meaning of the Airport Authorities Act 1966

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

### Waikato District Council's strategic assets

- The roading network as a whole
- Reserves listed and managed under the Reserves Act 1977
- Water plants and reticulation network as a whole
- Consents for watertakes
- Wastewater treatment plants and network as a whole
- Stormwater network as a whole
- Raglan Wharf and Raglan Harbour endowment properties
- Pensioner housing/housing for the elderly buildings
- Shareholding in Waikato Regional Airport Ltd and any other companies

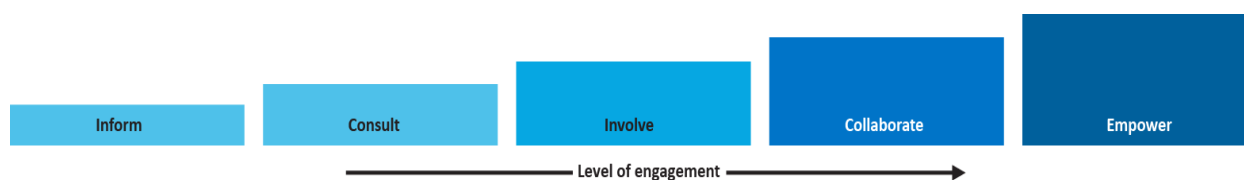
## Schedule 2 – Community Engagement Guide

Community engagement is a process, involves all or some of the public and is focused on decision-making or problem-solving.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.

In general, the more significant an issue, the greater the need for community engagement.



### Forms of engagement

The Council will use the Special Consultative Procedure as set out in section 83 of the LGA where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan in accordance with section 93 A of the LGA
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption, amendment or revocation of an Easter Trading Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amending the annual plan if required under section 95 of the LGA 2002
- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a council-controlled organisation
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Maaori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA, will make this available to the public, allow written submissions for a period deemed appropriate by Council but which is not usually less than four weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of issues that we might use this for	<ul style="list-style-type: none"> <li>- Water restrictions</li> <li>- Library office hours</li> </ul>	<ul style="list-style-type: none"> <li>- Long Term Plan or Annual Plan Consultation Document (CD)</li> <li>- proposed District Plan</li> <li>- Rates review</li> <li>- Local Alcohol &amp; Gambling Policy</li> <li>- Bylaws* e.g. Solid Waste</li> <li>- Walking and Cycling Strategy</li> <li>- Plan Changes</li> </ul>	<ul style="list-style-type: none"> <li>- Community Plans</li> <li>- District Plan Review*</li> <li>- Long Term Plan*</li> <li>- Annual Plan*</li> <li>- Polices and Strategies</li> </ul>	<ul style="list-style-type: none"> <li>- JMA with Waikato Tainui and Ngati Maniapoto</li> <li>- MOU with Ngati Maahanga</li> <li>- Any other JMAs or MOUs</li> <li>- Reserve Management Plans*</li> <li>- Structure Plans</li> <li>- Management Plans*</li> <li>- Blueprints</li> </ul>	<ul style="list-style-type: none"> <li>- Local Authority Elections</li> </ul>
Tools Council might use	<ul style="list-style-type: none"> <li>- Websites</li> <li>- Information flyer</li> <li>- Public notices</li> <li>- Social media</li> <li>- Media releases</li> <li>- Community notices</li> <li>- Community Boards/local committees</li> </ul>	<ul style="list-style-type: none"> <li>- Formal submissions and hearings</li> <li>- Focus groups/panels</li> <li>- Surveys</li> <li>- Community Boards/local committees</li> </ul>	<ul style="list-style-type: none"> <li>- Workshops</li> <li>- Focus groups/panels</li> <li>- Community Boards/local committees</li> </ul>	<ul style="list-style-type: none"> <li>- External working groups (involving community experts)</li> <li>- Community Boards/local committees</li> </ul>	<ul style="list-style-type: none"> <li>- Binding referendum (Local body elections)</li> <li>- Community Boards/local committees</li> </ul>

When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.
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\* Will require Special Consultative Procedure as per relevant legislation.

### Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

# Significance and Engagement Policy

Policy Owner:	Corporate Planning Team Leader
Date approved:	XX
Next review date:	<u>December 2023</u> <del>XX</del>
Document number:	XX
Required by legislation:	Local Government Act 2002 (Section 76AA)

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## I Introduction

Engaging with the community is needed to understand the views and preferences of people likely to be affected by or interested in a proposal or decision.

An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.

## 2 Purpose

- 2.1 To enable Council and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions and activities.
- 2.2 To provide clarity about how and when communities can expect to be engaged in decisions made by Council.
- 2.3 To inform Council from the beginning of a decision-making process about the extent, form and type of engagement required.

## 3 Definitions

**Community:** a group of people living in the same place or having a particular characteristic in common. Includes interested parties, affected people and key stakeholders

**Core Service:** ~~is a term defined in Section 11A of the LGA2002 “In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities: includes~~

- a. network infrastructure:
- b. public transport services:
- c. solid waste collection and disposal:
- d. the avoidance or mitigation of natural hazards;
- e. libraries, ~~museums~~, reserves, and other recreational facilities and community amenities”.

**Decisions:** refers to all the decisions made by or on behalf of Council including those made by officers under delegation. (Management decisions made by officers under delegation during the implementation of council decisions will not be deemed to be significant).

**Engagement:** is a term used to describe the process of seeking information from the community to inform and assist decision making. There is a continuum of community involvement.

**Significance:** as defined in Section 5 of the [Local Government Act 2002 GA2002 \(LGA\)](#) 'in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for,—

- a. the district or region;
- b. any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter;
- c. the capacity of the local authority to perform its role, and the financial and other costs of doing so'.

**Significant:** as defined in Section 5 of the [\(LGA\)Local Government Act 2002](#) 'means that the issue, proposal, decision, or other matter has a high degree of significance'.

**Significant Activity:** is a term used to describe those groups of activities which ~~are both a core service of Council and which~~ Council has historically invested substantial funding. These include:

- Rooding
- Water
- Wastewater
- Stormwater
- Libraries
- ~~Museums~~
- Reserves
- Recreational facilities
- Solid waste

**Strategic asset:** as defined in Section 5 of the Local Government Act [\(LGA\)](#) 'in relation to the assets held by a local authority, means an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future well-being of the community; and includes—

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - i. a port company within the meaning of the Port Companies Act 1988;
  - ii. an airport company within the meaning of the Airport Authorities Act 1966'.

## 4 Application

- 4.1 [This policy applies to all Decisions taken where there is or likely to be an impact on the community.](#)



## 5 Policy statements

~~An assessment of the degree of significance of proposals and decisions, and the appropriate level of engagement, will therefore be considered in the early stages of a proposal before decision making occurs and, if necessary, reconsidered as a proposal develops.~~

The Council will take into account the following matters when assessing the degree of significance of proposals and decisions, and the appropriate level of engagement:

~~a. Whether there is a legal requirement to engage with the community.~~

~~a.~~

b. The degree to which the issue has a financial impact on Council or the rating levels (both targeted and general) of its communities:

~~i.~~ Any transfer of ownership or control, or the construction, replacement or abandonment, of a strategic asset as defined in the Local Government Act 2002 LGA or listed in this policy.

~~ii.~~

~~iii.~~ Decisions or proposals in excess of 7.5~~10~~% of operating expenditure or which would result in a 5% or more increase to rates that are charged to all properties in the district, including the General Rate and the Uniform Annual General Charge, which has not been provided for in the Long Term Plan.

~~iv.~~ Decisions or proposals which would result in a new or increased targeted rate of more than 10% of existing rates per property, except where the 10 per cent targeted rate increase is less than \$20.

~~v.~~ Decisions or proposals relating to capital expenditure in excess of 10~~7.5~~% of operating expenditure, which has not been provided for in the of the Long Term Plan.

~~vi.~~ The formation of a new Council Controlled Organisation (CCO), or any decision or proposal relating to the sale of more than 40% of the Council's shareholding in any CCO.

c. Whether the proposal or decision will affect a large portion of the community

d. The likely impact on present and future interests of the community, recognising Maaori Tikanga (culture values) and their relationship to land and water

e. Whether the proposal affects the level of service of a significant activity

f. Whether community interest is likely to be high

g. Whether the likely consequences are controversial

h. Whether community views are already known, including the community's preferences about the form of engagement

- i. ~~The form of engagement used in the past for similar proposals and decisions~~Whether there is more than one viable option.

If a proposal or decision is affected by a number of the above considerations, it is more likely to have a higher degree of significance.

In general, the more significant an issue, the greater the need for community engagement.

The Council will apply a consistent and transparent approach to engagement.

Council is required to undertake a ~~Special Consultative Procedure~~ as set out in Section 83 of the ~~Local Government Act 2002~~, or to carry out consultation in accordance with or giving effect to Section 82 of the ~~LGA Local Government Act 2002~~ on certain matters (regardless of whether they are considered significant as part of this policy).

For all other issues requiring a decision, Council will determine the appropriate level of engagement on a case by case basis.

The Community Engagement Guide (~~attached~~Schedule 2) identifies the form of engagement Council will use to respond to some specific issues. It also provides examples of types of issues and how and when local communities could expect to be engaged in the decision making process.

Council recognises the important role community boards, and other community committees and groups have in connecting our communities to Council. Council engage these groups as and when appropriate.

~~As a starting point,~~ Council will ~~also organise~~ engagement with ~~theits~~ Maaori communities in forums including long-standing hui such as poukai ~~or and~~ Marae committee hui, ~~and/or other iwi, hapuu and mana whenua forums~~ where ~~possible~~appropriate. Hui associated with formal agreements such as Joint Management Agreement and MOU's will also be utilised when appropriate.

When Council makes a decision that is significantly inconsistent with this policy, the steps identified in Section 80 of the ~~LGA Local Government Act 2002~~ will be undertaken.

Once Council has made a decision following public consultation the decision will be made publicly available.

## 6 Policy review

This policy shall be reviewed at ~~five~~three yearly intervals or as otherwise required by the Chief Executive or ~~XX Manager~~Corporate Planning Team Leader.

## Schedule 1 – Strategic Assets

Section [76AA5](#) of the ~~LGALocal Government Act~~ requires the following to be listed in this Policy:

- a. any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
- b. any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- c. any equity securities held by the local authority in—
  - i. a port company within the meaning of the Port Companies Act 1988
  - ii. an airport company within the meaning of the Airport Authorities Act 1966

The following is a list of assets or group of assets that the council needs to retain if it is to maintain its capacity to achieve or promote any outcome that it determines to be important to the current or future well-being of the community.

### Waikato District Council's strategic assets

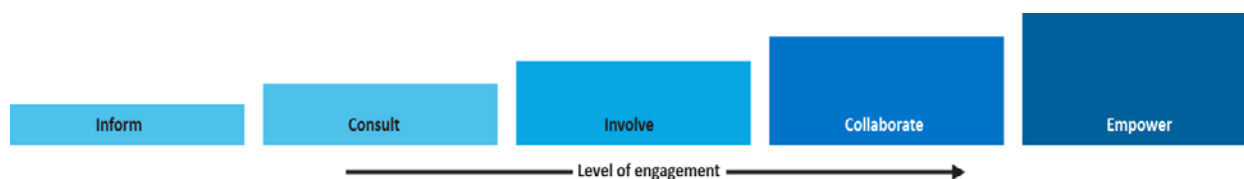
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- Reserves listed and managed under the Reserves Act 1977
- Water plants and reticulation network as a whole
- Consents for watertakes
- Wastewater treatment plants and network as a whole
- Stormwater network as a whole
- Raglan Wharf and Raglan Harbour endowment properties
- Pensioner housing/housing for the elderly buildings
- Shareholding in ~~Strada Corporation Ltd~~ and Waikato Regional Airport Ltd and any other companies
- \_\_\_\_\_

## Schedule 2 – Community Engagement Guide

Community engagement is a process, involves all or some of the public and is focused on decision-making or problem-solving.

The International Association for Public Participation (IAP2) has developed a Public Participation Spectrum to demonstrate the possible types of engagement with the community. This model also shows the increasing level of public impact as you progress through the spectrum from left to right - 'inform' through to 'empower'. In simply 'informing' stakeholders there is no expectation of receiving feedback, and consequently there is a low level of public impact. At the other end of the spectrum, 'empowering' stakeholders to make decisions implies an increase in expectations and therefore an increased level of public impact. Differing levels of engagement may be required during the varying phases of decision-making on an issue, and for different stakeholders.

It will not always be appropriate or practicable to conduct processes at the 'collaborate' or 'empower' end of the spectrum. Many minor issues will not warrant such an involved approach. Time and money may also limit what is possible on some occasions.



In general, the more significant an issue, the greater the need for community engagement.

### Forms of engagement

The Council will use the Special Consultative Procedure (as set out in section 83 of the LGA-2002) where required to do so by law, including for the following issues requiring decisions:

- The adoption or amendment of a Long Term Plan (in accordance with section 93 A of the LGA 2002)
- The adoption, amendment, or revocation of bylaws if required under section 156(1)(a) of the LGA-2002
- The adoption, amendment or revocation of a Local Alcohol Policy
- The adoption, amendment or revocation of an Easter Trading Policy
- The adoption or review of a Local Approved Products (Psychoactive Substances) Policy
- The adoption or review of a class 4 venue policy under the Gambling Act 2003
- The preparation, amendment or revocation of a waste management and minimisation plan

Unless already explicitly provided for in the Long Term Plan, the Council will seek to amend its Long Term Plan, and therefore use the Special Consultative Procedure, when it proposes to:

- alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of Council, including commencing or ceasing such an activity; or
- transfer the ownership or control of strategic assets, as listed in Schedule 1.

The Council will consult in accordance with, or using a process or a manner that gives effect to the requirements of, section 82 of the LGA-2002 where required to do so by law, including for the following specific issues requiring decisions:

- Adopting or amending the annual plan if required under section 95 of the LGA 2002
- Transferring responsibilities to another local authority under section 17 of the LGA 2002
- Establishing or becoming a shareholder in a council-controlled organisation
- Adopting or amending a revenue and financing policy, development contributions policy, financial contributions policy, rates remission policy, rates postponement policy, or a policy on the remission or postponement of rate on Maori freehold land

For such consultation, Council will develop information fulfilling the requirements of Section 82A of the LGA-2002, will make this available to the public, allow written submissions for a period deemed appropriate by Council but which is not usually less than four weeks of up to 4 weeks, and will consider all submissions prior to making decisions.

For all other issues, the following table provides an example of the differing levels of engagement that might be considered appropriate, the types of tools associated with each level and the timing generally associated with these types of decisions/levels of engagement.

Level	Inform	Consult	Involve	Collaborate	Empower
What does it involve	One-way communication providing balanced and objective information to assist understanding about something that is going to happen or has happened.	Two-way communications designed to obtain public feedback about ideas on rationale, alternatives and proposals to inform decision making.	Participatory process designed to help identify issues and views to ensure that concerns and aspirations are understood and considered prior to decision-making.	Working together to develop understanding of all issues and interests to work out alternatives and identify preferred solutions.	The final decision making is in the hands of the public. Under the LGA 2002, the Mayor and Councillors are elected to make decisions on behalf of their constituents.
Types of issues that we might use this for	<ul style="list-style-type: none"> <li>- Water restrictions</li> <li>- Library office hours</li> </ul>	<ul style="list-style-type: none"> <li>- Long Term Plan or Annual Plan Consultation Document (CD)</li> <li>- proposed District Plan</li> <li>- Rates review</li> <li>- Local Alcohol &amp; Gambling Policy</li> <li>- Bylaws* e.g. Solid Waste</li> <li>- Walking and Cycling Strategy</li> <li>- Plan Changes</li> </ul>	<ul style="list-style-type: none"> <li>- Community Plans</li> <li>- District Plan Review*</li> <li>- Long Term Plan*</li> <li>- Annual Plan*</li> <li>- Polices and Strategies</li> </ul>	<ul style="list-style-type: none"> <li>- JMA with Waikato Tainui and Ngati Maniapoto</li> <li>- MOU with Ngati Maahanga</li> <li>- Any other JMAs or MOUs</li> <li>- Reserve Management Plans*</li> <li>- Structure Plans</li> <li>- Management Plans*</li> <li>- Blueprints</li> </ul>	<ul style="list-style-type: none"> <li>- Local Authority Elections</li> </ul>
Tools Council might use	<ul style="list-style-type: none"> <li>- Websites</li> <li>- Information flyer</li> <li>- Public notices</li> <li>- Social media</li> <li>- Media releases</li> <li>- Community notices</li> <li>- Community Boards/<a href="#">local</a> committees</li> </ul>	<ul style="list-style-type: none"> <li>- Formal submissions and hearings</li> <li>- Focus groups/panels</li> <li>- Surveys</li> <li>- Community Boards/<a href="#">local</a> committees</li> </ul>	<ul style="list-style-type: none"> <li>- Workshops</li> <li>- Focus groups/panels</li> <li>- Community Boards/<a href="#">local</a> committees</li> </ul>	<ul style="list-style-type: none"> <li>- External working groups (involving community experts)</li> <li>- Community Boards/<a href="#">local</a> committees</li> </ul>	<ul style="list-style-type: none"> <li>- Binding referendum (Local body elections)</li> <li>- Community Boards/<a href="#">local</a> committees</li> </ul>

When the community can expect to be involved	Council would generally advise the community once a decision is made	Council would advise the community once a draft decision is made Council and would generally provide the community with up to 4 weeks to participate and respond.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process.	Council would generally involve the community at the start to scope the issue, again after information has been collected and again when options are being considered.	Council would generally provide the community with a greater lead in time to allow them time to be involved in the process. e.g. typically a month or more.
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\* Will require Special Consultative Procedure as per relevant legislation.

### Engagement tools and techniques

Over the time of decision making, Council may use a variety of engagement techniques on any issue or proposal based on a range of other factors, including history and public awareness of the issue, stakeholder involvement, and timing related to other events and budgets. Council will also take into consideration that the community can feel 'over consulted'. Each situation will be assessed on a case-by-case basis.

### Open Meeting

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	14 December 2020
<b>Prepared by</b>	Brendan Stringer Democracy Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1301
<b>Report Title</b>	Delegations to Chief Executive – Christmas-New Year 2020-21

## I. EXECUTIVE SUMMARY

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The purpose of the report is to seek the Council's approval to a temporary, conditional extension of the Chief Executive's delegations to enable urgent Council decisions to be made during the Christmas/New Year period. For the purpose of this report, the "Christmas/New Year period" is from Thursday, 24 December 2020 until Sunday, 17 January 2021.

The Epidemic Preparedness (COVID-19) Notice 2020 enables the Council (and its Committees) to hold meetings virtually, without the usual requirement that a quorum be physically present at a specified venue. If the Notice is not renewed beyond its current expiry date of 22 December 2020, *and* an urgent matter arises requiring a decision of the Council or a Committee over the Christmas/New Year period, then a meeting would need to be called requiring a quorum to be physically present. Alternatively, the decision will need to wait until such meeting could be called. This is likely to be practically and logistically difficult for both elected members and staff, and have potential adverse consequences for the Council (as an organisation).

As such, it is proposed that in that situation (i.e. the Notice *is not* renewed), Council delegates its responsibilities, duties and powers to the Chief Executive (except those that cannot be delegated) in respect of urgent matters for the limited festive period, subject to certain limitations and conditions. If the Notice *is* renewed (and therefore meetings could be convened virtually), it is proposed that the Emergency Committee be on 'stand by' should any urgent decisions be required during the Christmas/New Year period. Either way, any extended delegations would only apply for the restricted time period noted.

The recommendations in this report are to ensure there is an effective contingency plan in place in the event that urgent decisions need to be made on Council business during the Christmas/New Year period. It is Council's decision whether to approve such a plan or retain the status quo.



## **2. RECOMMENDATION**

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**THAT** the report from the Chief Executive be received;

**AND THAT**, except as otherwise recorded in this resolution, the Council extends the Chief Executive's current delegations (detailed in the Council's Delegations Register) to include all of Council's responsibilities, duties, and powers currently retained by the Council or delegated to the Council's standing Committees (except the District Licensing Committee), subject to the following conditions:

- a. the extended delegations will have effect only:
  - i. in the event that the Epidemic Preparedness (COVID-19) Notice 2020 ('Epidemic Notice') is not renewed beyond its current expiry date of 22 December 2020; and
  - ii. subject to (a)(i) above, for the period from Thursday, 24 December 2020 until Sunday, 17 January 2021;
- b. the extended delegations do not include a delegation of any Council responsibilities, duties or powers which are prohibited by law from delegation - including, without limitation, those set out in clause 32(1) of Schedule 7 to the Local Government Act;
- c. the Chief Executive may only exercise the extended delegations for those matters that cannot reasonably wait until the next Council or relevant Committee meeting;
- d. where reasonably practicable, the Chief Executive must, before exercising an extended delegation responsibility, duty or power, first consult with:
  - i. the Mayor (or the Deputy Mayor, in the event that the Mayor is not available); and
  - ii. the Chairperson (or Deputy Chairperson, in the event that the Chairperson is not available) of the relevant Committee, which would otherwise have the delegated authority to determine the issue for which the Chief Executive is intending to exercise the extended delegations.
- e. any decisions made and documents executed in exercising the extended delegations must be reported to the next meeting of Council or relevant Committee;
- f. the extended delegations may be revoked at any time by the Council or the Emergency Committee. In the event there is any inconsistency between this delegation and any other delegations made by the Council, this delegation takes precedence.

**AND FURTHER THAT** the Council notes and agrees that, in the event that the Chief Executive is not available, the Chief Operating Officer can exercise any of the extended delegations noted above, subject to the same conditions;

**AND FURTHER THAT, Council temporarily amend the Emergency Committee's Terms of Reference and Delegations to remove the pre-requisite that a Council meeting is precluded due to a lack of quorum before an Emergency Meeting can proceed, provided that:**

- a. the Epidemic Notice is renewed beyond its current expiry date of 22 December 2020;**
- b. such amended Terms of Reference and Delegations shall apply only for the period from Thursday, 24 December 2020 until Sunday, 17 January 2021; and**
- c. all Councillors be invited to any Emergency Committee (virtual) meeting convened during that period.**

### **3. DISCUSSION AND ANALYSIS OF OPTIONS**

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#### **3.1 DISCUSSION**

During the Christmas/New Year period (i.e. from 24 December 2020 until Sunday, 17 January 2021), it is important that a process is in place to enable urgent decisions to be made, if required.

As a result of Covid-19, Council delegated all powers, responsibilities and duties (except those delegated to staff and which cannot be delegated under legislation) to the Emergency Committee, in the event that a full meeting of Council cannot proceed due to a lack of quorum. The Emergency Committee's membership and terms of reference are set out in the [Governance Structure](#), and it has a quorum of two members. In short, the Committee was established to enable urgent decisions to be made should a Council (or Committee) meeting not be able to take place.

The Epidemic Notice, issued and renewed by the Prime Minister because of the Covid-19 pandemic, amended legislation to enable local authorities to hold public meetings by audio/visual conference without requiring a quorum to be physically present at a specified venue. As such, there is currently more flexibility in how Council (or its Committees) holds its meetings. The Notice is due to expire on 22 December 2020 and at the time of this meeting it will not be known whether the Notice will be renewed again.

If the Notice is renewed, then it is suggested that the Emergency Committee could operate, remotely if required, to make urgent decisions during the Christmas/New Year period when it is likely that a validly constituted Council or Committee meeting may not be able to be called. This assumes there would be at least two members of the Emergency Committee available, if required, over this period.

If the Notice is not renewed, then it is recommended that the Chief Executive's delegations are extended to enable urgent decisions to be made, on behalf of the Council, during the same holiday period. This reflects the difficulty in convening a meeting (of Council or the Emergency Committee) where a quorum of members would need to be physically present at a specified venue.

The proposed temporary extended delegations for the Chief Executive are similar to the arrangement that the previous Council approved for the interregnum period at the end of the last triennium (i.e. before the current Council was sworn in). Similar conditions would apply to the extended delegations, as detailed in the Recommendation section above. This is to ensure that these delegations only empower the Chief Executive to make such decisions as are necessary for the effective and efficient day-to-day conduct of Council's business during the period in question. For example, the extended delegations do not include Council's responsibilities, duties or powers that cannot be delegated under legislation. The Chief Executive's current delegations are set out in [the Delegations Register](#).

## 3.2 OPTIONS

Option 1: No extended delegations to the Chief Executive during the holiday period (i.e. status quo)

The Council has the option of not delegating any of its responsibilities, duties and powers to the Chief Executive, during the noted holiday period. Should a Council or Emergency Committee meeting not then be able to be convened, this could prevent the Council from being able to make urgent decisions during this period and therefore restrict the ability for Council to undertake its business. This situation would be more likely if the Epidemic Notice is not renewed again. This option is not recommended.

Option 2a: Approve extended delegations to the Chief Executive – Epidemic Notice not renewed.

The Council has the option of delegating to the Chief Executive all of its responsibilities, duties and powers for the interim election period, except those set out in clause 32(1)(a) to (h) of Schedule 7 of the Local Government Act. Such delegation would be subject to the conditions and limitations detailed in the Recommendation section of this report, which are intended to limit the use of the extended delegations to the most urgent situations. The period in question is also relatively short, being 13 working days.

This option is recommended on the proviso that the Epidemic Notice is not renewed. In the event that the Epidemic Notice is renewed for a further three months, it is proposed the Emergency Committee, instead of the Chief Executive, take on the extended delegations for the same limited period. This contemplates that at least two Emergency Committee members would be available for a virtual meeting.

Option 2b: Approve extended delegations to the Chief Executive – Epidemic Notice renewed.

As an alternative option, Council could approve the Chief Executive extended delegations to apply regardless of whether the Epidemic Notice is extended or not. This would provide greater administrative certainty going into the Christmas/New Year period. However, given the low likelihood of the extended delegations being required and the importance that the elected governance bodies make the decisions for which they are normally delegated, where possible, it is suggested that this alternative option is not needed in the circumstances.

## 4. CONSIDERATIONS

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### 4.1 FINANCIAL

There are no material financial considerations in relation to the decision required in this report.

### 4.2 LEGAL

The recommended, conditional extended delegations to the Chief Executive comply with the requirements of the Local Government Act 2002 and Local Government Official Information and Meetings Act 1987. For clarity, the extended delegations do not include any responsibility, duty or power that cannot be delegated under legislation.

For clarity, it should also be noted that the extended delegations proposed do not extend to matters covered under the Civil Defence and Emergency Management Act 2002, which are dealt with separately by that legislation.

### 4.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

There are no planning or policy implications.

### 4.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

Staff have considered the Council's Significance & Engagement Policy, and recommend that the matters in this report are of low significance. No consultation will be required and the Council's decision will be publicly available.

Planned	In Progress	Complete	
		✓	Internal
			Community Boards/Community Committees
			Waikato-Tainui/Local iwi (provide evidence / description of engagement and response)
			Households
			Business
			Other Please Specify

## 5. CONCLUSION

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The Council is asked to consider arrangements to ensure the continued effective and efficient conduct of the Council's business during the Christmas/New Year period from Thursday, 24 December 2020 until (and including) Sunday, 17 January 2021.

## 6. ATTACHMENTS

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Nil

### Open Meeting

<b>To</b>	Waikato District Council
<b>From</b>	Gavin Ion Chief Executive
<b>Date</b>	2 November 2020
<b>Prepared by</b>	Brendan Stringer Democracy Manager
<b>Chief Executive Approved</b>	Y
<b>Reference #</b>	GOV1318
<b>Report Title</b>	Exclusion of the Public

## I. RECOMMENDATION

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

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:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
1 – Confirmation of Minutes 2 November 2020 and 2 December 2020	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
2.1 – Contract 15/111 Xtreme Zero Waste – Increase to Approved Contract Sum		
2.2 - Contract 15-127 Smart Environmental – Increase to Approved Contract Sum		
2.3 - C20/006 Te Awa Cycleway Contract Award		

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
2.4 - Horsham Downs Link Road Budget Review		
2.5 - Variations to Contracts for Proposed District Plan Hearings Panel members		
2.6 - Amendments to the Development Agreements for the provision of infrastructure at Northgate Business Park at Horotiu		

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, as follows:

Item No.	Section	Interest
Item Confirmation of Minutes	I	Refer to the previous Public Excluded reason in the agenda for the relevant meeting.
Item 2.1 - Contract 15/111 Xtreme Zero Waste - Increase to Approved Contract Sum	7(2)(b)(ii)	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.
Item 2.2 - Contract 15-127 Smart Environmental - Increase to Approved Contract Sum	7(2)(b)(ii)	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.
2.3 - C20/006 Te Awa Cycleway Contract Award	7(2)(b)(ii)	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.

Item No.	Section	Interest
	7(2)(i)	To enable the Council to carry out, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.4 - Horsham Downs Link Road Budget Review	7(2)(h)	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.
	7(2)(j)	To prevent the disclosure or use of official information for improper gain or improper advantage.
2.5 - Variations to Contracts for Proposed District Plan Hearings Panel members	7(2)(a)	To protect the privacy of natural persons, including that of deceased natural persons.
	7(2)(b)(ii)	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.
2.6 - Amendments to the Development Agreements for the provision of infrastructure at Northgate Business Park at Horotiu	7(2)(b)(ii)	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.