

Extraordinary Whangarei District Council Meeting

Agenda

Date: Wednesday, 29 May, 2024

Time: 9:00 am

Location: Civic Centre, Te Iwitahi, 9 Rust Avenue

Elected Members: His Worship the Mayor Vince Cocurullo
Cr Gavin Benney
Cr Nicholas Connop
Cr Ken Couper
Cr Jayne Golightly
Cr Phil Halse
Cr Deborah Harding
Cr Patrick Holmes
Cr Scott McKenzie
Cr Marie Olsen
Cr Carol Peters
Cr Simon Reid
Cr Phoenix Ruka
Cr Paul Yovich

For any queries regarding this meeting please contact the Whangarei District Council on (09) 430-4200.

1. Karakia/Prayer	
2. Declarations of Interest / Take Whaipānga	
3. Apologies / Kore Tae Mai	
4. Information Reports / Ngā Pūrongo Kōrero	
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Recommendations contained in the Council agenda may not be the
final decision of Council.

Please refer to Council minutes for final resolution.

4.1 Managing Carry Forwards

Meeting: Extraordinary Whangarei District Council
Date of meeting: 29 May 2024
Reporting officer: Jim Sephton (General Manager – Infrastructure)

1 Purpose / Te Kaupapa

To provide Elected Members with a summary of the Carry Forwards going into the Long Term Plan, exploring how we will reduce carry forwards and a Ten Point Plan for how we will improve how we deliver the programme.

2 Recommendation / Whakataunga

That Council notes the Managing Carry Forwards Report.

3 How will we improve the way we deliver the programme

Although carry forwards are an inevitable part of delivering an infrastructure programme, there are measures we will take to improve the way we deliver the programme to create a realistic capex program that is achievable. This ten-point plan has been developed through discussions with the Infrastructure Chair.

1. **Streamline the approval process** – We need to reduce the time it takes us to deliver projects from start to finish. We lose a lot of time when we haven't made the right decision - conversely we can spin wheels not getting a decision. The new Investment Management Framework sets out clear gateways where Governance can challenge the teams, be involved and have the right information to make decisions.
2. **Get the scope right early** – In the Analyse stage we need staff and governance to be on the same page about what is in and out of scope. Our Business Cases should be clear on what the benefits, risks and costs of the investment are. Going forward Business Cases should be adopted by Council for transparency and accountability.
3. **Forecasting** – The budgeting and forecasting system is being improved so that Project Managers have better access to budget information over multiple years and be able to forecast more realistically. There will be one source of the truth that can also be used by finance to report on annual spend of budget as well as by the PMs to report to Elected Members on actual Project Budgets where they span multiple years.
4. **Engage early** – The benefits of engaging early and having community, landowners and mana whenua on board are huge. We need the right people in the community to allow effective engagement so that we don't have hold ups later on in the project. We will ensure that engagement takes place from the Business Case stage and explore how we can align engagement resource with communities and programmes of work.

5. **One Team** – If we keep our EMs and Partners informed and involved then we can work more effectively to deliver an agreed programme. We will explore ways we can work more closely with Elected Members and Mana Whenua at a Governance level. Through the Investment Management Framework we will establish appropriate gateway stages and steering groups.
6. **Pipeline visibility** – We need to continue to work hard on sharing the pipeline of work and improving Consultant and Contractor confidence that the work is coming. This helps our Contractors to plan resources and have the confidence to invest. We will continue to issue on a monthly basis a procurement pipeline to the industry and use Integrated Delivery Frameworks to deliver programmes of work more efficiently.
7. **Effective Procurement** – We have and will continue to make changes to how we procure. Putting out three year programmes or work, packages etc will help our suppliers with managing workload, reduce costs and improve timeframes. The most appropriate procurement process will be evaluated and executed so that we get work out the door quickly and keep our market vibrant – e.g. direct awards and local supply panels.
8. **Budget accommodation** – We will always have situations where individual projects run into difficulty. Providing Budget Holders with the ability to develop more projects than are funded within a given year will enable them to deliver alternative projects within the same activity. Having visibility of project budgets in future years will reduce the need to over budget within a financial year.
9. **Flexible programme** - We need to give our supply chain flexibility in when projects start – we need to keep the timeframes tight to get best value – but being flexible on start dates gives the Contractor more resource planning time.
10. **Early Contractor Delivery Model** – The Integral Report highlighted the need to move to a more collaborative model. We are working with the industry to develop a more integrated approach to capital delivery. This includes a framework with WDC being the lead integrator and supply chain partners.

4 Why do we have Carry Forwards?

In the Long Term Plan we set out budgets for projects on an annual basis. These are generally phased at a high level – i.e. budgets spread over years to represent the design, consent and construction phases of a project.

In our Annual Plans we can refine these budgets which includes consideration of deliverability. The 2023/24 Annual Plan included a predicted carry over of \$60m from the previous year and subsequently we deferred \$70m from the 2023/24 year of the Long Term Plan.

Carry forwards for projects that are executed over multiple years is not unusual. This year we started or completed the majority of the projects that were carried forward from the previous financial year

LTP Activity	Carried forward into 23/24	Status	Forecast spend this FY (\$m)
Cycleways Subsidised	\$4.3m	Complete	\$5.9
Kamo Reservoir Additional Capacity	\$4.1m	Underway – Construction	\$0.4

OMB Fire Rebuild	\$3.9m	Underway – Construction	\$3.2
Urban Intersection Upgrades	\$3.9m	Complete	\$6.8
Whangarei Wastewater Treatment Plant Building Upgrade	\$3.3m	Underway – Business Case Complete	\$0.1
Poroti Water Treatment Plant Upgrade	\$3.0m	Deferred – Ready to procure once consents issued.	\$0.1
Seal Extensions – Unsubsidised	\$3.0m	Complete	\$1.4
Dog Pound Renewal	\$2.9m	Underway – Construction	\$3.0
Three Mile Bush Reservoir Additional Capacity	\$1.6m	Underway – Construction	\$0.3
Coastal Structure Renewals	\$1.6m	Complete	\$0.6
Water Reticulation Programmed Work	\$1.4m	Complete	\$4.6
Whangarei Wastewater Treatment Plant Odour Control	\$1.3m	Underway – Construction	\$1.2
New Airport Evaluation	\$1.3m	Underway – Protection	\$0.4
Drainage Renewals	\$1.2m	Underway – Construction	\$1.8
Unsealed Roads Metalling	\$1.1m	Complete	\$3.2

So whilst we have a high value of carry forward, these are partway through being delivered and it is not a case of project budget being carried forward and not spent.

Project Management Practice

A Project Manager (PM) needs to make sure that they have sufficient budget to deliver their project. Whilst they could have funding in future years, they have to get approval to bring forward budget which results in further delays. As a result :

- A PM will have more budget in the financial year then they might require
- The PM has to assume that things will go as planned and so the budget tends to be optimistic

This means that over the course of the year, the level of carry forward will increase as issues arise and budget is reallocated into the next financial year.

Project delays

There are some common themes as to why projects were delayed in the previous year,

- Not getting the scope and budget right early on – having to go back to a Business Case stage or finding that the costs in the market are greater than we anticipated
- Not undertaken engagement early enough in the process or changes in representation, Mana Whenua and community groups – resulting in consenting delays and redesign
- Dependencies on other projects – e.g. the Brynderwyn Closure

- Not having full Council buy in to the project resulting in delays to procurement and contract award.

Delivering additional work

We have also delivered work during the course of the year (circa \$7m) that we didn't expect to deliver which in some cases has resulted in us changing our resource priorities. Externally funded projects also come with different reporting and funding rules that we have to follow.

Significant changes that occurred in this financial year include

- CERF Funding - allowed us to bring forward projects (Kamo Priority Lane, Kamo Shared Path, Bus Terminal, Raumanga Shared Path) from future years of the LTP. However, funding rules changed so that the work could be undertaken over two years.
- Cyclone recovery – Work to date has largely been delivered through our Maintenance Contract whilst we worked through funding applications with Waka Kotahi to achieve a higher Funding Assistance Rate. Hence more work undertaken.
- Emergency waste water works at Kepa Road
- Emergency works at Parua Bay Wharf and Pontoon
- Bringing Forward Budget (shown as overspend) that was deferred in the AP – e.g. Springs Flatt, Better Off Funding – where we are delivering ahead of programme
- Undertaking utility work as part of other projects to be efficient – e.g. Delivering utility work as part of the Port Road Roundabout Project

5 What do the carry forwards from this year look like?

The Capital Projects Report at the end of April 2024 indicates that we will deliver circa \$108m this year. This includes the delivery of additional work (circa \$7m) that was not included in the original \$161m budget.

There is expected to be at least \$60m of carry forward (based on estimates from the end of April) with a large portion being projects spanning multiple years and the budget is being carried forward into the new financial year. The final carry forward amount will be based on end of year actual figures. The table below explains at a project level the work which will be carried forward into future years.

Contracted work that is underway is highlighted in Green

Work that is contracted but not underway or at procurement stage is Amber

Some budgets will not be carried forward if there is funding in the LTP

	Carry Fwd (k)	Explanation
Transport		
Bridge & Structural Renewals	\$800	Work delayed due to Brynderwyns Bypass needs. Contract is awarded with specific Separable Portions on hold. All \$800K is programmed to be completed in Yr 1.
Cyclone Gabrielle	\$2,700	Was added to budget in this financial year however programme complex slips is over the next 2 years - Y1 – \$1,200 and Y2 \$1,500.

	Carry Fwd (k)	Explanation
		Slip repairs to date have been funded through opex. Procurement of Design and Construction services is underway.
CERF Funded	\$8,735	At the Annual Plan stage this was required to be spent in one year. Subsequent direction from NZTA was to spend over two financial years. This carry forward will be completed in Year 1. Physical works contracts have been or are in the process of being awarded.
Parking [meter] renewals	\$496	Do not carry forward
Seal extensions (unsubsidised)	\$2,572	Do not carry forward – LTP has budget for <ul style="list-style-type: none"> • McLean Road RP 400-1910 • Ormandy Road RP 4791 – 6791 • Gray Road RP 25-1325
Whangarei City Centre Plan	\$3,104	The procurement of the design services for John Street has been undertaken however award has been delayed. Phased over multiple years. Following design of the corridor, construction of utilities will commence in Year 4 subject to Council approval.
Water		
Fairway Drive Pump Station	\$216	Project underway
Kamo Reservoir	\$3,676	Project underway
Maungakaramaea Reservoir	\$175	Land purchase – confirmation of site in progress
Reticulation	\$416	Project underway
Three Mile Bush Reservoir	\$2,448	Project underway
Water Meter Renewal	\$51	Delayed due to supply issue – project now underway
Wastewater		
Sewer Network Upgrades	\$668	Delays to Parua Bay Tank during design development stage
Wastewater Pump Station Monitoring	\$415	Project underway – delayed due to resource issues
Wastewater Treatment Plant Upgrade	\$1,382	Odour Control (\$1,052) underway
	\$330	Admin Building Business Case complete – Delayed to ensure that scope is agreed and Business Case signed off. Carry forward is to complete design and procurement documents

Stormwater		
Delays in this activity were signalled at the start of the triennium as we have historically under resourced this area and do not have project Business Cases developed. This has now been addressed.		
Blue-Green	\$826	Stream improvements (\$500k) – Contract has been awarded and projects are underway Raumanga Rec Corridor (\$178k) – Being delivered alongside shared path and stream works Lower Waiarohia Loop (\$148k) – Contract awarded for works adjacent to Hihihaua development
Improve Community Wellbeing (BOF)	\$263	Oakura Wetland – Design being completed and consents being sought.
Stormwater renewals	\$400k	Serrento Street – Contract awarded and project underway
Stormwater upgrades	\$267	Delay as projects needed to be developed. Now have a forward programme that is being developed
Transition to Sustainable Economy (BOF)	\$361	Hikurangi Business Case reaching completion. Noted that projects are already being constructed off the back of the BC work. Likely to be a diversion of some BOF funding towards the development of a Water Services Plan
Flood Protection – Hikurangi		
Stop bank renewals	\$113	Work started this year – weather dependent
Community & Facilities		
Tsunami Sirens	\$1,129	Works started this year – being rolled out by NRC with completion expected in 2025
Blue Green	\$1,262	Raumanga Corridor – Work underway Waiarohia Corridor - Design being completed
Coastal Structures Renewal	\$1,190	Nunguru Seawall – Delay related to consents
Community Buildings	\$3,806	OMB – Construction underway with expected completion first half of 2025
Cyclone Gabrielle	\$512	Quarry Gardens – Procurement underway following Council direction.
NEC Building renewals	\$1,230	Stadium Roof – This will be utilised to complete the design, consenting and procurement stages.
Playgrounds – LoS	\$432	Raumanga and Parua Bay – Procurement being finalised
Playgrounds – Renewals	\$329	Lake Wero – delayed due to change in direction towards Sports Hub. Include a new project as part of the Hikurangi Sports Hub
Visitor Destination Upgrades	\$345	TIF funding for second toilet at Matapouri

Libraries	\$943	Book purchases and Library improvements – purchasing normal BAU
Neighbourhood & Public Garden LoS	\$476	Civic Precinct works
Sport & Rec – Growth	\$408	Ruakaka Recreation Centre – Contract Awarded and being delivered by the Trust. Delays as costs came in above budget and we have asked them to Value Engineer.
Sport & Rec – LoS	\$430	Tikipunga Soccer Hub Lights – To be delivered in future year as part of Tikipunga upgrade. Was delayed to allow Business Case to be updated to consider all weather pitch
Sport & Rec Renewals	\$350	Takahiwai and Onerahi underway – delayed start whilst procurement processes completed
Governance & Strategy		
Airport Renewals & Improvements	\$637	Council share of renewals and improvements required to maintain safe operations at the Airport. Delays due to vacant role, which has now been filled.
Commercial Property	\$1,225	Carry forward covers purchase in Hikurangi (to be finalised July), and other commercial property projects/purchases.
Enable Housing Development	\$155	Tikipunga Infrastructure Servicing Plan – In progress - being developed to inform the infrastructure required to service the Future Development Area. Should have been phased over two years.
New Airport Evaluation	\$835	Delayed due to capacity constraints
Parihaka Transmission Mast	\$610	Contract awarded – constraints in access due to road being closed following cyclone Gabriel
WAMT Air Conditioning Upgrade	\$319	Project put on hold pending ceiling replacement as part of proposed level 1 development. Council decision not to proceed with Level 1 development, Air Conditioning Upgrade needs to be revisited.
Planning & Regulatory		
Dog Pound	\$1,739	In construction. Initially delayed due to going to the market to test price following feedback from councillors. This resulted in a very competitive price). Also some design issues, in part based the need to use concept drawings for tender. On track for completion late July, with CoC/handover in August.
Support Services		
ICT	\$4,234	Major upgrade of Enterprise systems has changed from a 'big bang' approach to a phased implementation spanning several years.

Summary

The majority of the predicted Carry Forward is already in progress,

- \$26.8m is currently in delivery with contracts awarded
- \$22.4m is being or has been procured and implementation is imminent

Also \$3.4m no longer needs to be carried forward now that the LTP Capital Programme is being confirmed.

The carry forward has been forecast over multiple years so that it is more realistic in terms of deliverability

	Estimated Carry Forward
Year 1	\$43m
Year 2	\$11m
Year 3	\$5m

6 What can we do to reduce carry forwards?

We have identified that in previous Annual Plans, Carry Forwards were all entirely carried into the next financial year.

Going forward these have been phased so that the budget goes into the right year.

If Project Managers have a multi-year view of their budget then they will be able to forecast more realistically knowing that there is budget in future years if it is required. Reporting at a Project Level allows for this – currently financial reports are at an LTP Activity level and reflect what we spend in the year as this is a legislative requirement.

Multi-year forecasting is being developed and expected to go live later this year.

The budget we have for the next financial year will also have a level of carry forward. Generally, one can assume that 20% of a programme will be carried over – the only way to spend 100% of budget is to over subscribe the programme (120%).

We have updated our Investment Management Framework which includes critical stages with gateway approvals required

- Validate – make sure we're clear on the problem we're trying to solve
- Analyse – get the scope right including budget estimate and whole of life costs
- Plan – get the procurement approach right and have a good engagement plan
- Deliver – Get through the design, consent and construction within budget and timeframes
- Close – Make sure we delivered what we set out to do
- Realise – Measure the benefits that we said we'd achieve at the start.

Budgets and forecasts will be phased more accurately to reflect the different stages. We will allow sufficient time to get the appropriate approval before moving onto the next phase.

More detailed multi-year reporting will be provided to Elected Members through the year.

7 Significance and engagement / Te Hira me te Arawhiti

The matters of this Agenda do not trigger the significance criteria outlined in Council's Significance and Engagement Policy, and the public will be informed via Agenda publication on the website.

5.1 Fees and Charges and Consultations Alongside the 2024-34 LTP - Deliberations

Meeting: Extra ordinary Whangarei District Council
Date of meeting: 29 May 2024
Reporting officer: Aaron Taikato, General Manager Strategy and Democracy

1. Purpose / Te Kaupapa

The purpose of this report is to provide a summary of the Issues and Options Briefings (10 and 21 May 2024) to enable Council to formally consider submissions received during the statutory consultation period for Fees and Charges and consultations alongside the proposed 2024-34 Long Term Plan (LTP).

2. Recommendations / Whakataunga

That Council:

1. Notes the total of 422 formal submissions were received on the LTP and Concurrent Consultations:
 - 8 of the total submissions related directly to the Draft Rates Remissions and Postponement Policy and Early Repayment of Rates Policy
 - 8 of the total submissions related directly to the Draft Revenue and Financing Policy
 - 8 of the total submissions related directly to the Draft 2024 Development Contributions Policy
 - 4 of the total submissions related directly to the Draft 2024 Significance and Engagement Policy
 - 5 of the total submissions related directly to the Draft Fees and Charges 2024-2025.
2. Confirms the responses as recommended in Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan
3. Note that submitters will be informed of the outcome of their submissions.

3. Recommendation – Draft Revenue and Financing Policy

That Council:

1. Acknowledges the feedback received on the Draft Revenue and Financing Policy.
2. Notes that there is no requirement, following the public consultation, to amend, revise or change any part of either policy.

3. Approves the preparation of the final Revenue and Financing Policy and present to the July 2024 meeting of Council, for adoption.

4. Recommendation – Draft Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy

That the Council:

1. Acknowledges the feedback received on the Draft Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy.
2. Notes that the policy 24/102 Remission of Excess Water Rates will be amended to reflect an improved method for calculating the remission on excess water consumption due to a leak.
3. Approves the preparation of the final Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy for presentation to the June 2024 meeting of Council, for adoption.

5. Recommendations – Draft Development Contributions Policy

That Council

1. Acknowledges the feedback received on the Draft 2024 Development Contributions Policy.
2. Notes that the policy will be amended to include a category identifying retirement villages and the assessment criteria as discussed in **Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan**
3. Approves the preparation of the final revised Draft 2024 Development Contributions Policy for presentation to the July 2024 meeting of Council, for adoption.

6. Recommendations – Draft 2024 Significance and Engagement Policy

That Council:

1. Acknowledges the feedback received on the Draft 2024 Significance and Engagement Policy.
2. Notes that the policy will be amended with minor wording changes to clarify significant assets.
3. Approves the preparation of the final revised 2024 Significance and Engagement Policy for presentation to the June 2024 meeting of Council, for adoption.

7. Recommendations – Fees and Charges

That Council:

1. Acknowledges the feedback received in relations to the Fees and Charges Statement of Proposal.

2. Notes that there is no requirement, following the public consultation, to amend, revise or change any part of either policy.
3. Approves the preparation of the final 2024-2025 Fees and Charges schedule and present to the June 2024 meeting of Council, for adoption.

8. Background / Horopaki

Section 102 of the Local Government Act 2002 (LGA) sets down the funding and financial policies required. Section 76AA of the LGA sets down the significance and engagement policy requirements. The following four consultations were held alongside the LTP:

- Revenue and Financing Policy.
- Rates, Remission and Postponement Policy and Early Payment of Rates Policy.
- Development Contributions Policy.
- Significance and Engagement Policy.

Consultation on Fees and Charges took place at the same time as the above matters but was a stand-alone consultation.

9. Discussion / Whakawhiti kōrero

Analysis of feedback on the concurrent consultations through formal submissions has been undertaken and was submitted to Elected Members for review within the Issues and Options Report Briefing on 10 May 2024.

Council received a total of 33 submissions through the concurrent consultation process of which are broken down as follows:

- 8 submissions on the Statement of Proposal Draft Revenue and Financing Policy.
- 8 submissions on the Statement of Proposal Draft Rates Remission and Postponement policy & Early Payment of Rates Policy.
- 8 submissions on the Statement of Proposal Draft Development Contributions Policy.
- 4 submissions on the Statement of Proposal Draft Significance and Engagement Policy.
- 5 submissions on the Statement of Proposal Draft 2024-25 Fees & Charges.

9.1 Revenue and Financing Policy

The Revenue and Financing Policy is a requirement of s103 of the LGA and outlines Council's funding sources for operating and capital expenditure. The policy is supported by analysis of the funding of each activity group and recognises that the funding policy is more than just a device for raising revenue but is also one of the instruments that can be used to promote community wellbeing.

The Revenue and Financing Policy is fundamentally the same as the previous Policy supporting the 2021-31 LTP, with some additional and minor changes including:

- Addition of Parks and Recreation and Coast Systems and Flood Management activities
- Additional information about Council's support of the principles of the Te Ture Whenua Māori Act 1993
- Removal of information concerning the legislative process which is now included as part of the Funding Needs Analysis

- Inclusion of full Funding Needs Analysis as an attachment to the Revenue and Financing Policy
- Summary of overall funding considerations
- Changes to anticipated funding streams for the Stormwater Activity.

Council received eight submissions on the proposed Revenue and Financing Policy, along with feedback from hapū.

Key themes specific to the policy included rates funding and affordability, land versus capital value for valuations and smoothing of the targeted rates for water. Staff analysis of these themes is included within **Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan**

Concerns about land versus capital value and the rates burden will be considered as part of the next full rating review.

A larger increase in water rates in year one, although preferable, is not recommended at this point to reduce the burden on ratepayers in year 1 and to allow Council to better understand the impacts of Local Waters Done Well. Council can rely on the current water reserve balance in the short term. Water rate increases for year 2 can be considered again as part of the Annual Plan.

Staff will continue to monitor performance against the activity funding bands provided in the policy. Changes in operating expenses and overhead allocations have a direct impact on the revenue percentage recovered for each activity. These bands are indicative and operational changes and anomalies can result in slight deviations to these ranges.

No changes to the draft Policy are recommended except for any required after LTP deliberation outcomes.

9.2 Rates, Remissions and Postponement Policy and the Early Payment of Rates Policy

Council is required under sections 108, 109 and 110 of the LGA to adopt policy on rates remission and postponements. Council may adopt policy for the early payment of rates under sections 55 and 56 of the Local Government (Rating) Act 2002. The objective of rating policy is to ensure the fair and equitable collection of rates from all sectors of the community.

There were eight submissions received on rating policy:

The subjects covered were:

- Rates relief for whenua Māori.
- Water leak remission.
- No remissions so that there is no rates increase.
- Discount for early payment – increase the discount from 0% if the annual rates are paid in full by 20 August.
- Discount for early payment – increase the discount from 0% if the rates are paid by the due dates.
- Postponed rates for farmland – support for the change.
- Rates relief for three properties with a high level of general rates in Marsden Point.

Officers are recommending the following change to the policy:

- Changes to the method for calculating the remission on excess water consumption due to a leak (Policy 24/102).

9.3 Development Contributions Policy

Council is required under S102 of the LGA to adopt either a policy of Development Contributions or Financial Contributions, and to review any policy in accordance with the provisions of the LGA. Development Contributions are an integral component of Council's Financial Strategy, particularly with regards to funding growth -related infrastructure.

This is the ninth review of Councils Development Contributions Policy.

Two submissions were received regarding Council not undertaking any growth-related projects to "live within our means." The Development Contributions Policy seeks to recover the cost of infrastructure that is allowed for in the LTP. The Policy is not a document that makes decisions on what infrastructure is planned. Those decisions are part of the AMP and LTP decision making process.

One submission was received from Summerset Ltd; a retirement village developer and operator.

Their submission requests a category which identifies retirement villages and their specific impacts. Officers are recommending that the submission is accepted in part and propose the inclusion of a category specifically for retirement villages.

The table below outlines the changes proposed to the policy:

Activity	HUEs per Retirement Village (max 3 br)		HUEs per Aged Care Bedroom	
	Proposed Change	WDC Existing	Proposed Change	WDC Existing
Transport	0.3	0.44	0.1	Per traffic engineers report
Libraries (2024-25 only)	0.3	0.44	No change	0
Parks and Recreation	0.3	0.44	No change	0
Water	No change	0.44	0.4	0.4
Wastewater	No change	0.44	0.4	0.4

It is noted that whilst officers are recommending some change to the Transport assessment they are not as low as Summerset are requesting. The recommended change considers the average vehicle movements and the lack of public transport system in Whangarei.

No further changes are recommended.

9.4 Significance and Engagement Policy

Council needs to have a Significance and Engagement Policy to respond to requirements set out in the LGA. The LGA requires every local authority to have a policy on significance and engagement. The purpose of the policy is to ensure Council takes a consistent and transparent approach in determining the significance of a decision and the appropriate level of engagement for that decision.

The significance and engagement policy is reviewed and updated every three years.

Four submissions were received on the Significance and Engagement Policy with one not related to the policy that has been included in submissions on the LTP instead.

Comments centred on Forum North as a strategic asset. One submitter asked for the policy to be clearer on what is/is not included in the description. Others suggested that the disused offices and facilities in Forum North should be used as temporary accommodation for the homeless.

Officers recommend that the description of the Forum North Entertainment Centre be included in the policy for clarification. With the future of the disused offices and facilities area being uncertain, officers are not recommending any changes relating to the request for it to be used as accommodation for the homeless.

9.5 Fees and Charges

Whangarei District Council's Statement of Proposal for the Draft Fees and Charges for 2024-2025 was adopted for consultation on 21 March 2024 in accordance with the requirements of the Special Consultative Procedure (SCP) of the LGA. The fees subject to consultation included:

- Drainage (Wastewater and Trade Waste).
- Bylaw Enforcement.
- Food Premises.
- Gambling and Racing Act.
- Health Act Registered Premises.
- Public Places Bylaw.
- Resource Management Act: Resource Consents and District Plan Development.
- Resource Management Administrative Charges.
- Council Professional Fees.
- Monitoring and Land use.
- District Plan/Private Plan Changes.
- Rubbish Disposal.
- Water Supply.

All remaining fees and charges were not subject to consultation and were adopted at the 21 March 2024 meeting of Council for implementation on 1 July 2024.

Submissions received concerned:

- Council should not be raising fees and charges in the current economic climate;
- Clarity sought over the delivery fee for new crates;
- Positive feedback on holding the kerbside rubbish bag pricing;
- Comments on the higher fees at the rubbish transfer station;
- The water consumption rate;
- Impact of growth on fee increases;
- Requests to cut costs, avoid debt and reduce expenditure.

Staff analysis of these issues is included within **Attachment 1** of this report. No changes are recommended as a result of the submissions received.

10. Significance and engagement / Te Hira me te Arawhiti This agenda considers matters of significance of which have been through public consultation and public hearings alongside the LTP. The following four consultations were held alongside the LTP:

- Revenue and Financing Policy.
- Rates, Remission and Postponement Policy and Early Payment of Rates Policy.
- Development Contributions Policy.
- Significance and Engagement Policy.

Consultation on Fees and Charges took place at the same time as the above matters but was a stand-alone consultation.

The LTP process included consultation with the public who have had the opportunity to fully consider the issues and present their views to Council which will in turn be taken into consideration during deliberations. The public were engaged fully in the LTP process and will have access to the agenda through Council's website.

Elected Members should be aware in their discussions that the provisions of the current Significance and Engagement Policy apply. In particular, the criteria should be considered:

<i>Criteria</i>	<i>Measure</i>
Impact on Council's direction	Major and long-term
Change in Council's current level of service	Major and long-term
Level of public impact and/or interest	Major and district-wide, or Major for an identified community of interest
Impact on Council's capability (non-cost)	Major and long-term
Net financial cost/revenue of implementation, excluding any financial impact already included in a Long-Term Plan / Annual Plan	Net capital expenditure >10% of total rates in year commenced, and/or Net operating expenditure >2.5% of total rates in year commenced

A decision is typically considered significant if two or more of these criteria and measures are triggered. In the case of the policy being triggered then Council would be required to consult with the community and in some cases using a Special Consultative Procedure.

11. Attachment / Ngā Tāpiritanga

Attachment 1 Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan

Attachment 1:

Deliberations on Fees and Charges and Consultations Alongside the 2024-2034 Long Term Plan

Whangarei District Council

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Background

This report is split into the following parts:

Part One – Concurrent Consultations

1. Analysis of feedback on the consultation questions through formal submissions on:
2. Draft Revenue and Financing Policy
3. Draft Rates Remission and Postponement Policy & Early Payments of Rates Policy
4. Development Contributions Policy
5. Significance and Engagement Policy

Part Two – Fees and Charges (stand-alone consultation)

Part One – Concurrent Consultations

Topic – Revenue and Financing Policy

Feedback from Consultation

Submissions Analysis:

There were three submissions received, not relating to the policy, these have been included with the submissions on the LTP. Eight submissions were received.

Key Issues raised from submissions:

A brief summary of key messages from submissions is included below. Some of these are not directly related to the Revenue and Financing Policy and will be considered in other applicable subject areas:

- Support for the principles of Te Ture Whenua Māori Act
- No to fluoridated water
- Suggestion to review the volumetric consumption rates and consider a greater increase in years one and two, to avoid large increase in years three and four.
- Concern about using land value to assess rates and the burden placed on rural landowners
- Suggestion to use capital value to ensure rates are fair, and questioning what services/costs Council has looked at to save money
- Projects taking longer and costing more than budgeted. Suggestion to look beyond local business to introduce more competition so that cost plus a margin is paid instead of the 'council price'.
- Re commercial property and Northland Inc – commercial activities are for businesses. Businesses are about maximising profit. Council is not-for-profit and minimising risk.
- Sell Hundertwasser building for one dollar to a group of supporters to save Council millions.
- Proposed rates increase is too much in this economic climate and Council should look at some other ways of funding like selling real estate
- It seems there's very little going on in town around the arts space. The new theatre is really why I'm here. We need it.
- Stop taking on debt. Cut expenditure. Cut staff numbers. Stop pay increases. Stop grand projects. Live within WDC income stream.

Staff Analysis:

Many of the submissions received do not relate directly the Revenue and Financing Policy and have been considered as part of other areas within this agenda.

Rating items concerning land v capital value and rates burden should be considered as part of the next full rating review.

A larger increase to water rates in year one was discussed during the formation of the draft LTP. This was not pursued in order to:

- Reduce any additional burden on ratepayers in year 1 considering the larger general rates increase
- Better understand the impacts of Local Waters Done well
- Rely on the current water reserve balance in the short term.

Water rates increases for year 2 can be considered again as part of the next Annual Plan.

The proposed rates increase is necessary to maintain current service delivery.
Continued focus on finding efficiencies and cost savings going forward.

Recommendation(s):

- a) Council acknowledges the feedback received in relation to the Revenue and Financing Policy.
- b) Council adopts the Revenue and Financing Policy as consulted on alongside the LTP 2024-34, subject to any changes required as a result of deliberations.

Financial Impact:

No change.

Topic – Rates Remissions and Postponement Policy, Early Repayment of Rates Policy

Feedback from Consultation

Submissions Analysis:

There were 8 submissions received.

Key Issues raised from submissions:

The subjects covered were:

- rates relief for whenua Māori,
- water leak remission,
- no remissions so that there is no rates increase,
- discount – increase the discount percentage (currently zero) if the annual rates paid in full by 20 August
- discount – if paid by the due date
- postponed rates for farmland – support for the proposed changes
- rates relief for three properties with a high level of general rates in Marsden Point

Staff Analysis:

Council staff reviewed the submissions and:

- suggest, continuing with policy allowing for rates relief policies where they meet Council's desired outcomes
- suggest, to allow for discount when the annual rates are fully paid by 20 August if the interest rates increase sufficient to make this cost neutral (reviewed annually)
- suggest the submission made by Cazeca Marsden Ltd is considered with the rates policy review
- During the submission period, Council officers suggested the method for calculating the remission on excess water consumption due to a leak is detailed further in the proposed policy 24/102. The suggested changes are highlighted below
 - Immediate action to repair or minimise water loss is taken by the ratepayer on notification to it of a leak or damage by the Council. Proof of repairs are required, e.g. plumber's report, plumber's invoice, receipt for materials and photo of repair: and meter readings before and after the repairs. Any remission will only apply from the previous reading date to the date of repair and consequential meter reading.
 - That rating units used for residential purposes and rating units used for small businesses with usages equivalent to the average household be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. At least two previous readings for the same period as the leak occurred are used to calculate the daily average for the property. Where that is less than the actual consumption recorded, any excess consumption over and above that charged is remitted.
 - That rating units used for business purposes with water usages more than the average household be charged for consumption based on the daily average for the period in question for the given property, plus 50% (fifty per cent) of the said average consumption. At least two previous readings for the same period as the leak occurred are used to calculate the daily average for the property. Where that is less than the actual consumption recorded, any excess consumption over and above that charged is remitted. However, in extenuating circumstances, e.g. leak difficult to find, extremely high quantity leaked, any

further remission will only be given at the discretion of the Water Services Manager or Revenue Manager.
Recommendation(s): <ul style="list-style-type: none"> a) Council acknowledges the submissions received on the Rates Remissions and Postponement Policy, Early Repayment of Rates Policy b) Council adopts the Rates Remissions and Postponement Policy, Early Repayment of Rates Policy as consulted on alongside the 2024-34 Long Term Plan incorporating the suggested changes to the policy 24/102 Remission of Excess Water Supply Rates.
Financial Impact: None

Topic – Development Contributions Policy

Feedback from Consultation

Submissions Analysis:

There was one submission received, not relating to the policy, this has been included with the submissions on the LTP. Eight submissions relating to the DC Policy were received.

Key Issues raised from submissions:

1. I understand that growth is one of the reasons there is a big gap between income and expenses at WDC. So the obvious thing to do is increase the cost of growth (building consents, land development fees, etc). It might slow down growth which is better than bankruptcy.
2. Downsize the policies to live within WDC income stream
3. Summerset is New Zealand's second largest developer and operator of retirement villages, which makes it one of New Zealand's largest home-builders. Summerset has 38 villages completed or in development across New Zealand and provides a range of living options for more than 8,000 residents.
 - New Zealand is facing a housing crisis, including a retirement living and aged care crisis. The Whangārei District Council's draft Long-Term Plan consultation document notes the district's fastest growing age group over the last two decades has been the 65 and over age group. This is expected to continue to be the fastest growing age group over the next 10 years, which will result in even further demand for retirement villages. It is vital that the regulatory environment recognises and provides for the development that is required to meet this growing demand, and funding for associated infrastructure, but does so on a fair, equitable and proportionate basis that reflects, for comprehensive care retirement villages like Summerset's:
 - reduced occupancy per unit when compared to a typical household unit - Summerset's average occupancy for its independent units is 1.3 residents per unit and for its care units is 1 resident per unit; and
 - the typically low pattern of demand on community infrastructure, amenities and facilities when compared against the demand assumptions for a typical household unit - residents entering Summerset's villages average 81 years, have specialist physical and social needs, and access Summerset's extensive range of on-site amenities.
 - Summerset notes that the draft Policy (at paragraph 11.7.2) states the Council may apply a pro-rata development contribution rate to multi-unit developments, where each additional dwelling has less than 100 m² of gross floor area and, in the Council's opinion, it is likely to generate less demand than an average dwelling. However, any such pro-rata reduction is limited to being no less than 40% of a HUE.
 - Summerset submits that the Council must provide more certainty by defining categories of activities that are considered as having a lesser impact than an average HUE (such as retirement village units and aged care rooms) and provide a specific HUE calculation for that category of activity as a starting point. It should not be left for each applicant to rely on the Council to apply an appropriate pro-rata rate, as that approach produces administrative inefficiencies, ambiguity/subjectivity from the officer assessing and allows for inconsistent calculations and approaches across and between activities within the same category. In the case of

retirement villages and in particular comprehensive care retirement villages, floor area per retirement unit or aged care room is not the best indicator of demand.

- To fairly account for the lower demand profile, both a population per unit discount (to account for the lower occupancy) and a demand factor discount (to account for the older demographic and on-site amenities) should be applied to set specific contribution calculations for comprehensive care retirement villages. This should distinguish retirement units, and aged care rooms, and provide separate rates for each. In setting calculations, the Council needs to clearly demonstrate the causal connection between any infrastructure required as a result of the increase in demand (if any) directly attributable to retirement village development. 6. For example, in determining community infrastructure impact, the Draft Development and Financial Contributions Policy 2024 (Draft Policy) assumes 2.6 people in residence per household unit equivalent (HUE), each placing demand on the funded community infrastructure. By contrast, average occupancy within Summerset's villages is 1.3 and 1 residents per unit for independent and care units respectively, with typically very low demand on the community infrastructure being funded.
- Similarly, for transport impact, the Draft Policy assumes 10 trips per day per HUE. Retirement units generate around 20% of the trips of a standard dwelling and aged care rooms generate around 10% of the trips of a standard dwelling. These figures are based on information published in an independent review commissioned by the Tauranga City Council in July 2023 into infrastructure demand by retirement village residents, the report of which is set out in Appendix 1. They include allowance for staff and visitor transport. 8. Taking into account both population per unit/room, and demand factors, Summerset suggests the rates in the following table. These are based on the equivalent rates in the most recent Tauranga City Council Development Contributions Policy, which were established following the independent review into infrastructure demand by retirement village residents. The review found that on average residents have a demonstrably lower demand for transport, reserves and community facilities, due to villages providing many on-site facilities/amenities and, for aged care residents, a higher need for 24/7 medical care and reduced mobility. We encourage the Council to review the contents of the report set out in Appendix 1 and seek an independent review of its own, which we would be happy to contribute to.

Development type	Activity	Units of demand
Retirement unit	Transport	0.2 HUE per unit
	Community infrastructure	0.1 HUE per unit
	Parks and Open Spaces	0.1 HUE per unit
Aged care room	Transport	0.1 HUE per room
	Community infrastructure	0.05 HUE per room
	Parks and Open Spaces	0.05 HUE per room

4. Support Whangārei District Council removing requirement of development contributions on Māori freehold land. (3 Submissions)

1. Support Whangārei District Council not requiring development contributions on Māori freehold land.

Staff Analysis:

1. Two submissions have been received regarding not undertaking growth related projects in order to 'live within our means'. The Development Contributions Policy (DCP) seeks to recover the cost of infrastructure that is allowed for in the LTP the Policy is not a document that makes decisions on what infrastructure is planned. Those decisions are part of the LTP decision making.
2. Summerset Retirement Village have submitted requesting a category which identifies Retirement Villages and their specific impacts. Of particular interest is the report and analysis commissioned by Tauranga City Council in response to ongoing queries from the retirement village industry. The submission is accepted in part and it is proposed to include a category specifically for retirement villages.

The table below outlines the changes proposed to the assessment

Activity	HUEs per Retirement Village (maximum 3br)		HUES per Aged Care Bedroom	
	Proposed Change	WDC Existing	Proposed Change	WDC Existing
Transport	0.3	0.44	0.1	Per traffic engineers Report
Libraries (2024 - 25 only)	0.3	0.44	No Change	0
Parks and Reserves	0.3	0.44	No Change	0
Water	No Change	0.44	0.4	0.4
Wastewater	No Change	0.44	0.4	0.4

It is noted that whilst staff are recommending some changes to the Transport assessment they are not as low as Summerset are requesting this takes into account the average vehicle movements in the report and the lack of public transport systems in Whangarei.

3. Submissions in support of the proposed changes regarding recognition of the Te Turi Whenua provisions and not requiring development contributions for Whenua Māori

Recommendation(s):

Item 1 – no change.

Item 2 – Change the Policy to include a category identifying retirement villages and the assessment criteria as discussed in the staff analysis – Thank the submitter for the thoughtful evidence based submission.

Item 3 – Acknowledge and thank the submitters

Financial Impact:

Item 2 is the only change which potentially has a financial impact – however the impact will be minimal. It is rather a refinement of the calculation of the actual impact. Development contributions for additional capacity will be collected over a longer period of time.

Topic – Significance and Engagement Policy

Feedback from Consultation

Submissions Analysis:

There were four submissions received, and one tagged for this submission which was not relating to the policy and has been included with the submissions on the LTP.

Key Issues raised from submissions:

Comments on Forum North as a Strategic Asset:

The list includes the Forum North Entertainment Centre as a strategic asset. It is not clear what is/is not included in this description. What has changed after the move of Council function from Forum North to Te Iwitahi? The community will be very interested in this asset, and its development.

The disused offices and facilities in Forum North should be used as temporary accommodation for the homeless who have been evicted from our city streets and other shelters such as under bridges. These offices and the presently disused old town hall should be developed at minimal expenditure to provide permanent facilities for such people.

Staff Analysis:

Clarity on the description of the Forum North Entertainment Centre will be included in the Significance and Engagement Policy.

The change in description for Forum North will be updated as follows:

Forum North Entertainment Centre, comprising Te Kotahitanga Exhibition Hall, Concourse and bathrooms, Cafler Suite, Bounty room and Captain Bougainville Theatre including dressing rooms, workshop, loading bay and ticket kiosk

Recommendation(s):

Council adopts the proposed 2024 Significance and Engagement policy as consulted on alongside the LTP 2024-34, with wording changes to clarify significant assets. This policy replaces the 2020 Significance and Engagement Policy.

Financial Impact:

None

Part Two – Fees and Charges

Topic – Fees and Charges

Feedback from Consultation

Submissions Analysis:

There were five submissions received concerning Fees and Charges.

There was one submission received, not relating to Fees and Charges, and has been included with the submissions on the LTP.

Key Issues raised from submissions:

- Council shouldn't be increasing fees and charges in the current environment
- Clarity sought on proposed new delivery fee for recycling crates i.e. is this in additional to the cost of the replacement recycling crate.
- Positive feedback on holding kerbside rubbish bag prices, and aligning the price for rubbish bag disposal at transfer stations with kerbside collection.
- Comment around the larger increase to the fee for rubbish per ton at transfer station to align with Re:Sort, and that this increase could have been explained in more detail.
- Is the water consumption rate sufficient to prepare for new drinking water standards? Small, incremental increases are preferable to large increases.
- A question around how growth is considered in fee increases and whether the fee increases are enough.
- Cut costs. Stop taking on debt. Reduce drastically expenditure.

Staff Analysis:

Fees have been set in accordance with the Funding Needs Analysis and Revenue and Financing Policy.

Staff acknowledge the constructive feedback on Rubbish fees in particular and note future improvements to ensure any increases about LGCI are clearly explained within the Statement of Proposal.

Water rates has been addressed in other areas of this report. A larger increase to water rates in year one was discussed during the formation of the draft LTP. This was not pursued in order to:

- Reduce any additional burden on ratepayers in year 1 considering the larger general rates increase
- Better understand the impacts of Local Waters Done well
- Rely on the current water reserve balance in the short term.

Water rates increases for year 2 can be considered again as part of the next Annual Plan.

Population growth does impact on the services provided. While these fees go some way to fund this growth, general rates, targeted rates, debt and development contributions all contribute to the funding requirements to enable our core infrastructure and services to keep up with growth.

Recommendation(s):

- a) Council acknowledge the submissions received on the 2024-25 Fees and Charges Statement of Proposal.
- b) Council adopts the 2024-25 fees contained within the Statement of Proposal consulted on alongside the 2024-34 Long Term Plan.

Financial Impact:

None

5.2 Long Term Plan 2024-34 Deliberations

Meeting: Whangarei District Council Extraordinary
Date of meeting: 29 May 2024
Reporting officer: Aaron Taikato, General Manager Strategy and Democracy

1 Purpose / Te Kaupapa

For Council to formally consider submissions received on the Consultation Document for the 2024-34 Long Term Plan (LTP).

2 Recommendations / Whakataunga

That the Council

1. Notes and considers the 425 formal submissions received on the 2024-2034 Long Term Plan and Concurrent Consultations.
2. Confirms the non financial responses as recommended in the attached report, including changes in the timing of some projects.

3 Recommendations – LTP Question 1 – Becoming a Northland Inc Shareholder

That the Council:

1. Acknowledges the feedback received on the topic.
2. Becomes a shareholder in Northland Inc with effect from 01 July 2024 and approves the additional investment funding of \$370,000 in the 2024-25 year and \$482,000 in the 2025-26 year as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes the funding required has already been included within the Draft 2024-34 Long Term Plan budget.
4. Reviews the benefits of Council's involvement in Northland Inc before committing further funding beyond Year 2 (2025 – 26).

4 Recommendations – LTP Question 2 – Freedom Camping Monitoring and Compliance

That the Council:

1. Acknowledges the feedback received on the topic.
2. Resolves not to fund Freedom Camping Monitoring and Compliance enforcement services going forward.

3. Notes that unless funding can be secured from external parties, and/or increased revenue can be secured, this will result in Council not responding to Freedom Camping enquiries and complaints going forward.
4. Directs staff to continue to investigate options for external funding of a reduced Freedom Camping Monitoring and Compliance enforcement service, along with any unbudgeted revenue streams that could be used to fund this service.

5 Recommendations – LTP Question 3 – Commercial Property Options

That the Council:

1. Acknowledges the feedback received on the topic.
2. Notes that while revenue generation can be incentivised, current modelling indicates that there is insufficient scale and commercial opportunities to generate a profit from properties within the identified portfolio in the life of this plan.
3. Focuses on commercial property/opportunities to deliver strategic outcomes, including outcomes that could be delivered in partnership.
4. Does more detailed analysis of specific development opportunities within the commercial property portfolio (including defining the outcomes that Council is seeking from the portfolio / the trade-offs that it is willing to accept) before progressing to any preferred option, allocating \$150,000 in year 1 of the Long Term Plan for this work.
5. Establishes mechanisms for the governance and oversight of commercial property, with hapu involvement and external expertise being provided for, and clear delegations.
6. Notes that sufficient budget will be required to attract appropriate skills and expertise and undertake work necessary to progress development proposals, reviewing budgets and funding mechanisms through the detailed investigation stages.
7. Excludes the ex-Balance Site from development opportunities at this time in order to enable further discussion with hapu.
8. Retires the Property Reinvestment Reserve (PRR) at 30 June 2024 with components of existing resolutions for the accounting of future PRR transactions rescinded (for the avoidance of doubt this relates to only to the accounting treatment of the transaction to the PRR, not the underlying property transaction, with property transactions proceeding and being accounted for to the relevant cost centre).
9. Takes a staged approach to work through these matters once a preferred option is identified, looking at a fully-fledged internal business unit or CCO/CCTO once analysis is completed, success is proven, and/or market conditions are more favourable.
10. Having considered the matters above Council determines its preferred option as an enhanced status quo with a more modest increase to staffing levels and budgets (\$500,000 per annum from year 2 of the Long Term Plan), realignment of functions to outcomes and clear governance mechanisms/delegations surrounding the development of the identified commercial property portfolio.
11. Includes commentary within the Long Term Plan around the potential for a fully-fledged internal business unit or CCO/CCTO once further analysis is completed, success is proven, and/or market conditions are more favourable.

6 Recommendations – Transportation

That the Council:

1. Acknowledges the feedback received on the topic and the issues they raise and, where possible, will include these in Council's business as usual work.
2. Allocates an additional \$250,000 capital expenditure per annum across years 1 to 10 of the Long Term Plan unsubsidised specifically for new footpath projects in rural and coastal areas and notes this will be funded by additional debt.
3. Allocates programme funding to the following footpaths raised through consultation in rural and coastal areas subject to budget and feasibility:
 - a. Hikurangi – King St
 - b. Ruakaka /One Tree Point– Marsh Street, Slacko Crescent, Albany Crescent
 - c. Ngunguru Kopipi Crescent.

7 Recommendations – Parks and Recreation

That the Council:

1. Acknowledges the feedback received on the topic and the issues they raise and, where possible, will include these in Council's business as usual work.
2. Considers undertaking a Reserve Management Plan prioritisation in year 3 and allocates \$50,000 additional operating expenses in year 3 of the Long Term Plan to undertake the priority Reserve Management Plan.
3. That an additional \$100k capital expenditure (debt funded) be added to year 3 of the Long Term Plan to enable the development of the Recreation Hub design. The design and construction is currently signalled in year 11-13 (\$35 Million) of the Infrastructure Strategy.
4. Progress the development of the Tikipunga Sports Park Turf Development by:
 - a. Supporting the business case for artificial sports turf surface; and
 - b. Including an additional \$50,000 operating expenditure in year 1 of the Long Term Plan for producing a business case; and
 - c. Including an additional total of \$2.5m capital expenditure, to be split \$2m in year 2 and \$500,000 in year 3 of the Long Term Plan for the development of an artificial sports turf; and;
 - d. Including \$30,000 operating expenditure for the maintenance and operation of the artificial sports turf in years 3-10.
5. Approves operating expenditure funding for the Ruakaka Recreation Centre of \$70,000 in year 1 and \$35,000 in years two and \$35,000 in year three of the Long Term Plan.
6. Approves amalgamating the funding of existing projects associated with the Hikurangi Sports Hub so that it can be delivered earlier without increasing the overall budget:
 - a. \$50,000 operating expenditure in year 2 to complete the masterplan
 - b. \$100,000 capital expenditure in year 3
 - c. \$500,000 capital expenditure in year 4
 - d. \$500,000 capital expenditure in years 5

- e. \$500,000 capital expenditure in year 6
 - f. \$100,000 capital expenditure in year 7
7. Notes that the amalgamation of the funding for Hikurangi Sports Hub includes the replacement of the Lake Waro skatepark with a new skatepark at the Hikurangi Sports Hub.
 8. Notes that the amalgamation of the funding for Hikurangi Sports Hub, as shown above in recommendation 6, includes existing projects included in the Long Term Plan as below:
 - a. Skatepark (\$343,000)
 - b. Playground (\$226,000)
 - c. Sports Hub (\$124,000)
 - d. Car Parking (\$298,000)
 - e. Drainage (\$323,000); and
 - f. Floodlights (\$373,000)
 Totalling \$1,686,000 in the Long Term Plan.
 9. Removes funding for existing conveniences investigation of \$100,000 from year 1 as this will be undertaken internally and the budget used to offset other increases.

8 Recommendations – Water

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters can be accommodated in Council's planned activities.
4. Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

9 Recommendations – Wastewater

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.
4. Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

10 Recommendations – Stormwater

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.

11 Recommendations –Coastal Systems and Flood Management

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.
3. Notes that most of the actions requested by submitters are accommodated in Council's planned activities.
4. Notes that the Tutakaka boat ramp project will be supported through a funding agreement (\$100,000 capital grant) with the Tutukaka Marina to replace the pontoon which will be vested as a Council Asset.
5. Continues using the Coastal Protection Policy for assessing coastal protection.
6. Directs staff to undertake a review of targeted rates for specific coastal protection projects.

12 Recommendations – Flood Protection

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes there are no recommended changes to this activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.

13 Recommendations – Solid Waste

That Council:

1. Acknowledges the feedback received on the topic.
2. Discontinues the twice weekly collection of waste from the coastal settlements in January in order that service levels across the district are consistent.

14 Recommendations – Community Facilities and Services / Strategy and Planning: Knowledge Precinct Plan, including New Theatre and the Redevelopment of Forum North.

That Council:

1. Acknowledges the feedback received on the topics.
2. Approves moving operating expenses and capital expenses funding currently allocated for the renovations of Forum North from years 1 and 2 of the Long Term Plan to years 1-4 of the Long Term Plan as follows:
 - a. Move \$400,000 operating expenses to year 1, divided between progressing the Knowledge Hub Precinct Plan and carrying out remedial works to keep the current Forum North venue spaces fit for purpose.
 - b. Move \$500,000 operating expenses to year 2 providing \$375,000 to fund potential Knowledge Precinct technical reports for any application to central government, and \$125,000 to bring forward the commitment by Council for design costs and a sustainable operating model for a new theatre in support of the Forum North Trust.
 - c. Move \$375,000 operating expenses to year 3 to fund potential Knowledge Precinct technical reports for any application to central government.
 - d. Move \$750,000 capital expenses for Forum North Renovations from year 1 to year 3, and remove year 2 capital budget of \$2,500,000.
3. Notes the capital expenses funding allocated to the new theatre is unchanged between years 4-7 of the Long Term Plan.

15 Recommendations – Community Facilities and Services – Whangarei Art Trust (WAT)

That Council:

1. Acknowledges the feedback received on the topics.
2. Approves \$90,000 operating expenses funding in year 1 of the Long Term Plan to the Whangarei Art Trust, split between \$29,600 to the Hundertwasser Art Centre and \$60,400 to the Whangarei Art Museum to enable Whangarei Art Museum to deliver education programmes and top up the guarantee funding available for the Hundertwasser Art Centre.
3. Approves \$480,000 operating expenses funding in year 2 and \$480,000 operating expenses in year 3 of the Long Term Plan to the Whangarei Art Trust, which is additional funding to the existing operating grant.

16 Recommendations – Community Facilities and Services – Community Safety and CitySafe

That Council:

1. Acknowledges the feedback received on the topics.

2. Approves operating expenses funding of \$54,405 in years 1-3 of the Long Term Plan to maintain the CitySafe contract and provide the living wage until the right of renewal in 2027.

17 Recommendations – Community Facilities and Services – (Libraries, Community Property, Community Development, Community Funding, Pensioner Housing, Venues & Events, Customer Services, Civil Defence Emergency Management/CDEM)

That Council:

1. Acknowledges the submissions received and the issues raised, and that staff will address as many of the issues through their work programmes where possible where funding is not available.
2. Approves operating expenses funding of \$50,000 in years 1-4 of the Long Term Plan to progress the implementation of the Council Housing Strategy with a focus initially on new pensioner housing.
3. Approves operating expenses funding of \$60,000 in years 1-10 of the Long Term Plan to the Mayoral budget in support of large or major events for the Whangarei District.
4. Approves a reduction in operating expenses funding of \$48,000 across years 1-10 from the Venues and Events flags and decorations budget.

18 Recommendations – Support Services

That Council:

1. Acknowledges the feedback received on the topics.
2. Notes that no changes to the activities are proposed from that set out in the Draft 2024-34 Long Term Plan Consultation Document.

19 Recommendations – Planning and Development

That Council:

1. Acknowledges the feedback received on the topics.
2. Notes the operational initiatives already in place relating to these submissions with no changes to the activity as set out in the Draft 2024-34 Long Term Plan Consultation Document.

20 Recommendations – Governance and Strategy Services

That Council:

1. Acknowledges the feedback received on the topics.
2. Notes that no changes to the activity are proposed from that set out in the Draft 2024-34 Long Term Plan Consultation Document.

21 Recommendations – Māori Outcomes

That Council:

1. Prioritises investment to the development of a Māori Engagement framework including:
 - a) Designing and implementing a system for Māori Engagement.
 - b) Establishing Hapū consenting capability and capacity to expediate consenting processes.
 - c) Establishing Hapū positions in Council's project framework for Steering and Control Groups.
2. Approves operating expenses funding of \$115,000 operating expenses per annum through years 1 to 10 of the Long Term Plan to support this work.

22 Recommendations – Aquatic Centre Repairs

That Council:

1. Approves a capital grant of \$2.2m (funded by debt) in year 1 of the Long Term Plan to Sport Northland for critical plant repairs and replacements.
2. Allocates an additional \$650,000 capital grant (funded by debt) in year 2 of the Long Term Plan to address the most urgent non critical renewals.
3. Allocates \$20,000 operating expenses in one for a business case to evaluate the long term investment path for the Aquatic Centre.
4. Directs staff to commence planning for future aquatic facilities that is aligned to the planning of a Sports/Recreation Hub.
5. Notes that indications are that Council may need to bring the Aquatic Centre 'in house' and that this option may trigger a future consultation process.
6. Notes that \$1.6m operating expenses funding may be required for remaining renewal items over year 3-10 of the Long Term Plan but that this requirement will be considered in more depth for the next Long Term Plan once the business case has been completed.

23 Recommendations – Hikurangi and Oakura WWTP Consents and Renewals

That Council:

1. Acknowledges the requirement to apply for Resource Consents Renewals for the Hikurangi and Oakura Wastewater treatment plants.
2. Approves bringing forward \$320,000 from years 6 and 7 to years 1 and 2 of the Long Term Plan for wastewater treatment plant consents.

24 Recommendations – Large Event Funding

That Council approves operating expenses funding of \$350,000 in year 1 and \$215,000 in year 2 of the Long Term Plan to provide an opportunity for Council to exclusively host an NRL game featuring the NZ Warriors in 2025 at the Northland Events Centre.

25 Recommendations – Northland Events Centre Trust 2021 Annual Operating Grant

That Council:

1. Acknowledges the concerns of the Northland Events Centre Trust 2021 regarding the expenses of the lease.
2. Retains the current annual operating grant of \$662,784 for Northland Events Centre Trust 2021 in the Long Term Plan.
3. Continues to pay commercial rates on behalf of Northland Events Centre Trust 2021.
4. Reviews the annual operating grant amount for Northland Events Centre Trust 2021 once the Stadium Asset Management and Maintenance Plan is complete and future costs are known.

26 Recommendations – AH Reed Canopy Walkway

That Council:

1. Approve additional operating expenses funding of \$50,000 in year 1 of the Long Term Plan for the detailed investigation of the AH Reed canopy walkway.

OR

2. Consider closing the canopy walkway.

27 Recommendations – Rating Policy

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes that the issues raised will be considered at the next review of the rating policy.
3. Notes that the rating policy review is conducted after the completion of the 2025 General Rating Revaluation so that the impacts on all ratepayers from any changes can be fully understood.

28 Recommendations – Rates Increases

That Council:

1. Acknowledges the feedback received on the topic.
2. Approves increasing general rates by 17.2% for 2024-25.
3. Approves increasing the targeted rates for 2024-25:
 - a. wastewater rates by 2.9%;
 - b. water rates by 5.4%;
 - c. flood protection rates by 4.9%.
4. Notes Council's responsibility to continue to provide the necessary services to the community within its financial benchmarks.
5. Instructs staff to continue to work with ratepayers struggling to make rates payments.

29 Recommendations – Spending and Debt

That Council:

1. Acknowledges the feedback received on the topic.
2. Notes that changes to both debt and expenses will be required as a result of other decisions made through the deliberations process.
3. Notes that in order to incorporate additional operational expenses arising from deliberations, as contained within recommendations above, a pro-rata budget reduction will be applied to existing budgets across Council activities, excluding Transportation. Management will provide additional information as to the allocation of these cuts in a separate briefing.
4. Continues to explore opportunities to reduce costs and improve efficiencies where practicable.

30 Recommendations – Consultation and Engagement

That Council:

1. Acknowledges the feedback received on the topic.
2. Instructs officers to investigate options for engagement tools.

31 Non-Staff Alternate Recommendations – Changes to the Capital Programme

That the Council:

1. Reduce the capital expenditure on cycleways by a total of \$2,000,000 in years 4 - 10 of the Long Term Plan.
2. Reduce the capital expenditure on community led cycle projects by \$1,000,000 over 10 years noting that the reduction is not to affect the Waipu project.
3. Reduce the capital expenditure on low cost, low risk walking and cycling by \$1,000,000.
4. Reduce the capital expenditure on mid-block raised priority crossings (Zebra/Signal) by \$2,000,000.
5. Reduce the capital expenditure on works on John Street by \$13,200,000 and bring the project forward to year 4 of the Long Term Plan.
6. Reduce the capital expenditure on fleet replacement by \$500,000 over 10 years.
7. Reduce the capital expenditure on coastal seawall renewals by removing \$100,000 from year 1 of the Long Term Plan.
8. Reduce the capital expenditure on the resurfacing of off-street carparks by removing \$200,000 from year 1 of the Long Term Plan.
9. Reduce the capital expenditure on parking meters (new and renewals) by reducing years 1 - 3 to \$100,000 per year.
10. Approve an additional capital budget of \$2m in years 1 to 5 for Ward priority level of service projects with the Community Facilities and Services Activity. Any expenditure from this budget will require authorisation by resolution of full Council and will be recognised within the appropriate activity.

32 Background / Horopaki

Long Term Plans are a typically fraught process, but the 2024-34 Long Term Plan (LTP) has been particularly so, overshadowed as it has been by uncertainty and legislative change resulting in a significantly compressed timeframe. This has been exacerbated by external factors that have created a big gap between our income and expenses including:

- inflation,
- rising construction, insurance and interest costs,
- the need to fund infrastructure for growth,
- higher expectations from the community,
- more complex legislative environment and higher environmental standards,
- the ongoing catchup required from the effects of covid and extreme weather events.

Throughout this, Elected Members have remained steadfast in their determination to provide the District with the best possible LTP and to do so in a timely manner with minimal impact on ongoing business as usual.

After more than twenty formal briefings, workshops and meetings, along with countless additional informal meetings and discussions, consultation and hearings, Council is within striking distance of achieving their goal.

The Process

Some preparatory work was done, particularly in relation to the vision, key priorities and community outcomes desired, but work in earnest commenced on 13 July 2023 with a presentation on the key issues and themes. Since then there have been more than 50 reports and/or presentations for Elected Members to consider and provide direction or make decisions on.

Key Junctures and Decisions

Activity Profiles

Activity managers were asked to prepare presentations for their activity to take to Council. A series of briefings were held on 30 August 2023, 19 September 2023, 26 September 2023, 17 October 2023 and 22 February 2024 at which 23 presentations were made to Elected Members highlighting for each activity the purpose and strategic fit, contributions to the four well-beings and the four community outcomes along with the levels of service and performance measures.

Feedback from Elected Members was uniform in their desire that there be no changes to levels of service as it is believed that this is what the community expects.

Financial Principles and Initial Targets

The briefing on 15 August 2023 presented the forecast financial landscape for 2024-34 and allowed Elected Members to settle on their 12 financial principles for the LTP. These were presented back in the briefing on 30 August and comprised:

- Council should focus on achieving a balanced budget beyond Year 1.
- Everyday operating expenses should be covered by everyday funding from Year 4 onward.
- Intergenerational funding is only to be used for major assets.
- Depreciation is to be fully funded.
- Debt is to be controlled.
- Capital expenses should focus on renewals first unless levels of service improvements and growth is legislated.
- The renewals programme must be completed.
- Council's credit rating should be actively managed with no further drops during the LTP term.
- Some levels of service may need to drop to manage affordability.
- Council should position itself as mid-pack with regards to rating.
- Year 1 of the LTP should focus on clearing the capital expenses backlog.
- There should be a strong focus on efficiency, effectiveness and reducing waste through careful management of operational costs.

Direction was also provided on 15 August 2023 for the workshop held on 23 August 2023 to model scenarios and determine initial targeted rates increases that would best achieve Elected Members' financial principles. Elected Members requested that staff attempt to achieve the following scenario seven:

Year 1	Year 2	Year 3	Year 4	Year 5
10%	10%	10%	5%	5%

All scenarios were based on what was known at the time and the following assumptions:

- Council would receive an estimated \$100m No Worse Off Funding in relation to the transfer of three waters.
- 1.3% annual growth following the adoption of the high growth projections.
- \$3m additional operating expenses added for contract escalations.
- Stormwater funding retained.
- No extra capital expenses.

Elected Members then held a workshop on 6 November 2023 to consider potential savings highlighted by members of the senior leadership team (SLT).

Staff pointed out the scenario targets followed various austerity measures taken in previous years, where most operating budgets were re-set each year without any inflation adjustments. This allowed any inflation or growth adjustments in rating income to be applied to costs that were effectively outside WDC's budget managers' control. These included:

- Depreciation (driven by the replacement cost and remaining useful lives of our fixed assets).
- Interest (driven by net debt and global economic conditions).
- Insurance (driven by the impact of global and national events such as flooding and earthquakes).
- Contract commitments above inflation (driven by contract and/or market conditions).

At the same time, we were absorbing gaps between budgeted and actual inflationary impacts, as shown in the table below:

	LGCI Forecast	Actual LGCI	Difference
2021-22	2.5%	7.6%	5.1%
2022-23	2.4%	5.9%	3.5%
			8.6%

This impacted the increases we applied to Rates, as well as our Expenses budgets, with an impact of approx. \$15 million of 'forced' efficiencies in the years shown in the table above.

In setting the 2023/24 Annual Plan, as well as absorbing these impacts, Elected Members re-allocated an extra \$2 million to roading from all other Activities. This placed further downwards pressure on operating budgets for the rest of the organisation, which had already set budgets with no inflation movement (i.e.) they had already foregone 5.9% of the previous year's buying power.

At the Elected Members' request SLT then identified a further \$635k of efficiencies/savings.

The cumulative effect of these budget adjustments meant that the organisation has effectively found savings of around \$25 million over the last three years. Any further significant budget reductions would mean either reductions in service delivery or operating an unbalanced budget which is financially imprudent.

However, SLT also presented potential additional savings to the 6 November 2023 workshop. Elected Members noted the potential service level effects of these savings and elected to take up only three totalling \$3.295m:

- \$150k per annum reduction years 1 – 10 in Events funding (CC 80033) for Bernina, International Rally, Pasifika and half the Christmas budget. Total \$1.5m.
- \$185k per annum reduction years 4 – 10 in City Safe contract (CC 80032). Total \$1.295m.
- \$50k per annum reduction years 1 – 10 in District Development, commercial property professional fees (CC 47103). Total \$500k.

Investment Decision Making

In order to try and achieve the net funding targets outlined in scenario seven, activity managers were asked to prepare 2024-25 budgets based on:

- no increases for inflation,
- increases only for committed or legislative changes.

Finance modelled a “start line” budget based on Elected Member direction. This included activity managers again having to absorb inflation without adjustments. The result was a potential 10.2% increase in rates for year 1 as requested. However, there were issues.

There was initially operating expenses outside that budget envelope identified as high risk insufficient budget (HRIB) activities totalling \$5.7m in year one (estimated as a 6.5% rates increase).

The initial 10 year capital expenses programme was also too high by just under \$300m.

An estimated 2% general rates increase would be required to achieve balanced budget from year 2 onwards and everyday funding from year 4 onwards as per the financial principles.

SLT met and refined the HRIB operating expenses and the capital expenses programme over October 2023 (the 9th, 10th, 16th and 24th). The result was:

- HRIB operating expenses reduced to just over \$4m (estimated as a 4.66% rates increase).
- HRIB operating expenses ranked as either level 1, 2 or 3 with:
 - Level 1 = Critical due to safety and/or legislative requirements.
 - Level 2 = Required to maintain level of service.
 - Level 3 = Discretionary.
- The 10 year capital expenses programme reduced by around \$285m.

On 31 October 2023 this was presented to Elected Members along with the 10.2% rates increase and collated lists of Elected Member operating expenses and capital expenses requests.

Discussions during briefings on 31 October and 6 November 2023 allowed Elected Members to provide further direction to staff to remodel the budgets based on the following:

- 10.2% initial staff budgeted rates increase.
- 2% to achieve Elected Member balanced budget and everyday funding objectives.
- Approximately \$4.3m HRIB operating expenses to be added including Elected Member requests.
- A revised capital expenses programme including Elected Member requests.

The remodeled rates increases from Elected Member changes resulted in estimated rates increases of:

Year 1	Year 2	Year 3	Year 4	Year 5
17.2%	9.5%	9.7%	4.7%	4.6%

Three Waters

The future of three waters (waters) and the October 2023 general election created considerable uncertainty for the LTP with the policy of one major party removing waters from Council oversight while the other party promised to leave them with Councils. Council was initially required by legislation to progress the LTP with the understanding that waters would be going to the new entity.

Work done to this point was prepared under this understanding.

A change in government resulted a reverse in the waters policy and an undertaking by government that existing legislation would be repealed with their first 100 days in office. In the meantime Councils were still bound by legislation and details of the implications of the repeal for the LTP were vague.

The waters legislation was repealed and direction received in February 2024. This allowed for an unaudited consultation document (CD) and a three month extension to 30 September 2024.

At a Council meeting on 22 February 2024, Elected Members decided to accept the extension and proceed with an unaudited CD.

It was noted that the extension does create challenges for Council in terms of being able to invoice for 2024-25 rates instalment 1 which typically goes out in July. If that invoicing date was to be deferred a number of risks were highlighted:

- Payment issues for rates payers if billing is moved from four to three instalments for the year. May create affordability problems.
- Water rates billing on a different schedule.
- Rates rebate processes timeline and would need to change.
- Potential issues for settlement of sold houses and the calculation of rates owing.
- Complications with Northern Regional Council's rates (collected on their behalf).
- Internal issues including disruption to normal cashflows including possibly requiring bridging finance, potential delays to the 2024 general revaluation, IT system changes, greatly increased communication/customer services interaction and a manual intervention to over 11,000 direct debits.

With this in mind a plan was agreed to for reaching adoption of the LTP on 9 July 2024, the latest date to ensure the issues above could be avoided.

Funding Impacts of Three Waters

Modelling determined that the inclusion of waters back into the LTP could be absorbed with no impact to the rates increase. This was because:

- Water and wastewater are rated separately and these rates along with development contributions mean Council holds enough reserves to fund necessary investment in the short term.
- Stormwater has historically been funded out of general rates but Council is waiting on Government direction on how this will be funded in the future as we respond to climate change.

- Elected Members agreed to the funding of Stormwater through debt in Year 1 to allow more time to receive this direction before working through the best and fairest way to fund this and work through proposed options with the community as part of next year's Annual Plan consultation.

Consultation

Elected Members considered the draft consultation document (CD) and provided their feedback on this at briefings on the 5th and 12th of March 2024. The CD was adopted on 21 March 2024 along with the supporting documents, draft policies for consultation alongside and the SoP for fees and changes for concurrent consultation.

Councillors elected to not consult on alternative rates increases but instead inform the community of the reasons for a proposed 17.2% rates increase. The three consultation topics were:

- Becoming a Northland Inc shareholder.
- Freedom camping monitoring and compliance.
- Commercial property options.

Consultation on the LTP was conducted between 25 March and 25 April 2024 with formal submissions closing at 5.30pm on Thursday the 25 April.

419 Submissions were received prior to the deadline with six late submissions added. A total of 425 formal submissions were received.

105 (25%) of submitters indicated they would like to be heard. 90 (21%) were scheduled to speak (15 were unavailable or changed their mind). Hearings were held on 2 and 3 May 2024.

Public meetings were held during the period of 25 March 2024 – 25 April 2024, which included a total of 325 people attending at least one public meeting:

- 4 public meetings around the District (Hikurangi, Parua Bay, Ruakaka and Te Iwitihi Civic Centre).
- 1 Hapū o Whangārei engagement drop-in session at Te Iwitihi Civic Centre.
- A hosted webinar.
- 1 Business After 5 hosted in partnership with Northland Chamber of Commerce.
- 1 Interactive workshop with key groups representing the community.

Issues and Options

A high-level summary and analysis of submissions (the draft Issues and Options Report) was worked through with Elected Members in the briefing on 10 May 2024. Councillors were unable to reach a consensus to provide staff with direction for deliberations and elected to organise a Councillor only meeting on Tuesday 14 May 2024.

The Tuesday 14 meeting also didn't result in consensus and Elected Members added some operating expenses for specific projects. This resulted in a shortfall in funding if the 17.2% rates increase is to be retained.

Subsequent discussions led to a second issues and options briefing held on 21 May 2024. Elected Members were clear that they did not want to move higher than a 17.2% so Additional operating expenses Elected Members

It was agreed that the additional operating expenses added by Elected Members will be funded collectively with other approved recommendations by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in Year 1 and \$1,686,000 in Year 3.

33 Discussion / Whakawhiti kōrero

In compiling the Deliberations report staff analysed submissions to identify where issues and requests are already provided for within operational programmes/budgets, or within the 10 year capital programme. A number of matters raised in submissions fall into this category.

In addition staff have identified those requests that are not specifically provided for under existing programmes or budgets, but could be added to programmes for consideration and/or prioritisation alongside existing requests (e.g. rural and coastal footpaths, progressing the Knowledge Hub concept, large event funding, etc).

Staff have reflected on their priorities and have made some suggestions. These have been included in the Issues and Options summary for consideration during deliberations.

Issues and Options for Deliberation

At the Council Briefing on 10 May 2024, the Elected Member only meeting on 14 March and the second Issues and Options briefing on 21 March 2024, Elected Members were provided analysis of the submissions received (via the draft Issues and Options Report) before giving staff feedback and direction on:

- Staff recommendations that were supported;
- Staff recommendations that were not supported;
- The issues and funding changes that were missing from the staff analysis and recommendations.

This feedback (together with the Elected Member suggestions made subsequently enabled staff to finalise the draft Issues and Options Report for formal consideration and debate (Attachment 1).

Councillor feedback provided on 10, 14 and 21 May 2024 has been incorporated in the report with the recommendations being adjusted based on feedback received.

The final LTP Deliberations report includes detailed analysis of the key issues, inclusive of staff and elected member feedback. Recommendations are now presented to Council for formal consideration and decision making.

Key Topics

Northland Inc

While there was a clear majority of submissions that opposed Option 1, Council becoming a shareholder, there was also support for this. Reasons for not becoming a shareholder predominantly focused submitters' desire to not increase rates or spend more money and, to a lesser extent, on the efficiency of Northland Inc and what role Council should play in economic development.

Economic development, along with social, cultural and environmental well-being is recognised in the Local Government Act 2002 and councils often contribute to economic development by supporting a local or regional agency designed to drive sustainable economic growth. This Council has identified economic development as a key objective of their current term and the objective aligns with the concept that a key enabler of economic development is to ensure communities are viewed as attractive places to live and work and can stimulate new economic opportunities through all sorts of economic cycles.

There are things that Council does as business as usual that form a component of economic development, such as supporting local economies and driving growth through their procurement processes, their employment policies, their contribution to infrastructure, providing 'business friendly' services – responsive regulatory and consent regimes, low

competitive rates – efficient infrastructure, positive promotion of the local area and attracting tourists and events.

Then there are elements of economic development that require a more focussed, strategic outlook that is integrated at a regional and national level. It is in this sphere that economic development agencies -such as Northland Inc- are best placed to achieve meaningful results.

Freedom Camping Monitoring and Compliance

The majority of submitters wish to see a continuation of freedom camping monitoring and enforcement for a variety of different reasons, including to maintain the integrity of the related bylaw, to protect the district / camping areas from the negative impact of freedom camping, and for council to be able to respond to complaints about those negative impacts caused by irresponsible freedom campers.

However, the funding from Ministry for Business Innovation and Employment to operate the service ends shortly meaning that continuation of the service would result in a further increase on the rates.

Commercial Property Options

The depth and breadth of submissions on this topic is acknowledged and appreciated. A number of broad themes can be found within the submissions, with some relating to multiple options, and others specifically relating to a potential shift to property development under options 1 or 2. Key themes are responded to below, with other submissions noted.

A number of submitters sought that commercial property development undertaken by Council generate a profit. Concerns were raised by some submitters as to whether there is sufficient scale to do this within the proposed property portfolio. As outlined in the Consultation Document the portfolio is not likely to generate a profit based on initial modelling. While it can be incentivised to maximise return, high-level modelling indicates that there is insufficient scale and commercial opportunities to generate a profit. An indicative 15% return would be required to break even based on estimated costs, assuming the sale of developed properties from year 2. This is not considered realistic.

As such a conservative projection of 5% return on sale from year two was also modelled. This recognised that Council would likely have to make strategic trade-offs in developing its property (discussed in more detail below) and formed the basis for options included within the Consultation Document. Based on this projection property development would not break even over the life of this plan. This modelling applies regardless of whether property development is undertaken in house or through a CCO/CCTO. There is nothing inherent in a CCO/CCTO model that would make it more profitable. However, there are some characteristics (discussed below) that could make it more responsive (i.e. to respond to and deliver on strategic opportunities and/or secure funding and opportunities that Council alone may not), and better positioned to attract the necessary expertise. As such advice is that property development under options 1 and 2 is unlikely to generate a profit in the life of this plan.

However, and as advised previously, these financial projections were hypothetical, with it not being possible to accurately forecast development cash flows until due diligence on specific projects has been completed. In some cases, greater strategic trade-offs could be required in the development of a site (i.e. where there is parking on that site that Council wants to replace), while in other cases a site may have less impediments to development. As such the actual rate of return could be higher, or lower. It is therefore critical that there is clear direction up front on the outcomes sought, and the trade-offs that Council would accept.

Through discussions on this topic there have been a range of views expressed. While strategic drivers have been clearly articulated as the primary driver, there is also a desire to generate a return/profit over time. While this is not anticipated within the plan based on indicative/high level modelling, it is important to note that the actual return would need to be

worked through as part of the detailed analysis of development opportunities, considering the trade-offs sought by Council. A range of possible outcomes and trade-offs for commercial property were also expressed through submissions (from parking, community use and redevelopment/use of Forum North through to being purely profit driven and bringing down rates).

As discussed within the Consultation Document, projects may be progressed where the financial benefits do not meet market related targets to catalyse or deliver wider urban outcomes. This came from previous advice where it was noted that Council will need to consider the key reasons for taking a more active role in property development. In doing so Council has discussed wider strategic outcomes that could be achieved relative to its desire to make a profit, noting that many of these (i.e. regeneration, Knowledge Hub activation, broader urban and economic outcomes) would have a non-financial return for the District, including potentially acting as a catalyst for wider development and economic outcomes, and/or attracting external funding. It is important that these outcomes are clearly defined however, with any business unit or entity created having clarity of purpose.

Transportation

It is noted that a number of submissions were received on transportation including:

- The roading network including an alternative to the Brynderwyns, Punaruku flood mitigation and unsealed road improvements and/or extensions.
- Roadside spraying.
- Speed management.
- Shared paths.
- Community led non-urban trails.
- Footpaths.
- Public transport.
- Passenger rail.
- Parking.
- Te Kamo specific issues.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Parks and Recreation

It is noted that a number of submissions were received on parks and recreation including:

- Provision of green spaces.
- Dog parks.
- Parks and gardens maintenance.
- Recreation for the disabled and aged.
- Mountain biking.
- Cemeteries.
- Recreation facilities including the Hikurangi sports hub and a regional sports hub.
- Artificial turf.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Water

It is noted that a number of submissions were received on water including:

- Water rating.
- Informing the public.
- Gomez road.
- Fluoridation.

- Poroti water treatment plant.
- Water takes/climate change.
- Planning for growth.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Wastewater

It is noted that a number of submissions were received on wastewater including:

- Funding and rating of wastewater.
- New facilities for dump stations.
- Parua Bay pump station.
- Managing Ruakaka wastewater.
- Planning for growth.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Stormwater

It is noted that a number of submissions were received on stormwater including:

- Culverts.
- Stormwater data.
- Targeted rates for stormwater.
- Sustainability.
- Consents.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Coastal Systems and Flood Management

It is noted that a number of submissions were received on coastal systems and flood management including:

- Climate impacts.
- City centre.
- Rates and funding.
- Beaches.
- Tutukaka breakwater and boat ramp.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Flood Protection

It is noted that a number of submissions were received on flood protection including:

- Communications and community involvement.
- Ownership.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Solid Waste

It is noted that a number of submissions were received on solid waste including:

- Waste collection services.
- Litter collection.
- Waste minimisation and education.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Community Facilities and Services

It is noted that a number of submissions were received on community facilities and services including:

- The Knowledge Hub precinct / master plan.
- Forum North renovation/redevelopment and a new theatre.
- Forum North Trust.

These are acknowledged along with the issues they raise and, where possible, will include these in business-as-usual work. Specific recommendations have also been made.

Whangarei Art Trust (WAT)

It is noted that a number of submissions were received on WAT entities including the Whangarei Art Museum and the Hundertwasser Art Centre. It is noted that Elected Members requested additional grant funding for WAT as is understood that there is significant pressure on WAT's finances going forward and, depending on whether the revenue projection from admissions prove accurate, the Trust could face going concern issues in the near future. If this were to occur, it could impact both WAT and Council's Audit process/opinion.

Specific recommendations have been made.

Community Safety and CitySafe

It is noted that a number of submissions were received on community safety and CitySafe including:

- The importance of these services.
- Anti-social behaviour.
- Safety in the Central Business District (CBD) and City Centre

These are acknowledged along with the issues they raise and, where possible, will include these in business-as-usual work.

Specific recommendations have also been made.

Community Facilities and Services

It is noted that a number of submissions were received on community facilities and services including:

- Libraries including Te Kamo library.
- Community property particularly spaces for youth and building spaces for community group use.
- Accessibility.
- Pensioner housing.
- Funding for community groups, projects, initiatives and wellbeing.
- Venues and events.
- Civil Defence Emergency Management.

These are acknowledged along with the issues they raise and, where possible, will include these in business-as-usual work.

Specific recommendations have also been made.

Support Services

It is noted that a number of submissions were received on support services including:

- The Civic Centre.
- Staff costs.
- Service options.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Planning and Development

It is noted that a number of submissions were received on planning and development including:

- Provision of housing and infrastructure.
- Compliance requirements and costs including inspections and signoffs.
- Consent timeframes.
- Planning for growth.
- Clarification of 'Tangata Whenua' status in Whangarei.
- Regulation and funding relating to animal control.
- Relocation of NEST.
- Rules and bylaws.
- The sale of commercial properties to fund activities.
- Benefits of the arts and creative sector.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Governance and Strategy

It is noted that a number of submissions were received on governance and strategy including:

- Representation arrangements.
- How to ensure that Māori are engaged in the democratic processes of Council.
- Council's involvement in LGNZ.
- Northland regionalism.
- Better off funding allocations.
- Resilience and climate Change.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Māori Outcomes

It is noted that a number of submissions were received on Māori outcomes including:

- Hapū seek to be active partners in decision-making regarding commercial property development options within our community.
- Gratuity and/or compensation to hapū for past injustices.
- The possibility of hapū becoming shareholders in development projects.
- The return of lands that were unjustly taken from hapū through past legislation.
- Hapū representation on development boards or committees.
- Punaruku Flood Mitigation 2024-34 and Matapōuri Beach Replenishment
- Resource Consents and District Plan: sites of significance.
- Rates.
- Treaty of Waitangi, the environment and resourcing Hapū.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Aquatic Centre Repairs

The Whangarei Aquatic Centre Review and Condition Assessment was completed in February 2024. The reports highlighted a number of short and long term issues.

- Lack of asset planning and underinvestment has resulted in the pool plant being assessed as very poor or poor and in imminent risk of failing resulting in the facility closure.
- Other assets have been condition rated and require renewal over the next 10 years.
- The main pool has a crack in it due to ground movement. The crack is being monitored and managed for now, but the indications are there is a maximum 10 years lifespan for the main pool.
- The Aquatic centre is experiencing flooding and there are concerns the location is not suitable in the long term.
- The district is currently undersupplied for aquatic space.
- Sport Northland no longer want to own pools in Northland and are wanting Council to take back ownership.

Specific recommendations have been made.

Hikurangi and Oakura Wastewater Treatment Plant Consents and Renewals

Northland Regional Council Wastewater Discharge Consents expire in 2025. Funds to develop the consent applications including technical reports and minor improvements to support the consents are not currently included in the LTP.

The consent renewals were not identified in the accelerated process when the Draft LTP was developed but have been confirmed as essential to meet legislative requirements.

Wastewater treatment plant discharges require Northland Regional Council consents to operate. Without consents we are in breach of the Resource Management Act.

The consents expire in 2025. The consent applications need to be submitted 3 months before expiry to enable the plants to continue operating under their current consents.

Minor works may also be required to improve discharge quality identified in the technical report and consenting phase.

Specific recommendations have been made.

Large Event Funding

A proposal from D&L Events has been offered to council to have exclusive hosting rights for a regular season NRL Rugby League game featuring the NZ Warriors. Councillors have requested this be brought through the Issues and Options Deliberations of the LTP due to its funding requirements.

During the LTP early stages, council decided to reduce the Venues and Events budget which fund and support large events by \$150,000 operating expenses per year. Therefore, there is now no available funding for annual / returning large events.

New large events can be supported through the event development fund, but this support is reduced to zero over a 2–3-year period. The recent proposal to hold a regular season NRL Rugby League game featuring the NZ Warriors is another major event opportunity presented to council by D&L Events.

The cost proposed for exclusive hosting rights is \$545,000 + council services costs which have been calculated by staff estimated to be an additional \$80,000 – \$120,000 which would include:

- Additional gardening and toilets clean for the city.
- Marketing.
- Advertising.
- Corporate hosting.
- Community benefits.
- Grass roots.

Specific recommendations have been made.

NECT2021 Annual Operating Grant

The Community Development Committee passed a resolution on 18 April 2024, that the Northland Events Centre Trust 2021 annual operating grant would be reviewed due to the Trusts concerns regarding the additional expenses the lease agreement would bring to the Trust and the financial impact to the Trust of the Outgoings clause.

NECT2021 board requested a cap on the Outgoings clause obligations under the lease agreement at \$150,000 as the Trust has concerns the obligations of the Outgoings clause would place the Trust in a financially unstable position.

The Community Development Committee resolved to omit any financial cap within the lease and proceed with the signing of the council approved lease, but that council would review the NECT2021 annual operating grant during the Issues and Options deliberations of the long-term plan 2024-2034 regarding the financial impacts of the lease.

Specific recommendations have been made.

AH Reed Canopy Walkway

The AH Reed canopy tree top walkway is a recreation and tourist key asset for Whangarei. It provides a treetop view of significant kauri trees within the AH Reed Reserve. The walkway was assessed in 2022/23 as part of a periodic structural assessment of all bridges and structures. The report noted that a further detailed structural inspection and potential consequential maintenance is required to address health and safety requirements.

When preparing the Draft LTP it was initially thought the costs could be accommodated in BAU however further interrogation of budgets has determined this is possible and specific budget will be required for the detailed structural assessment.

As part of a periodic structural assessment in 2022, the AH Read canopy walkway, engineering reports identified the structure as requiring detailed assessment of connecting joints, bracings and steel rope connectors. The initial report did not provide the level of detail to assess the risk and determine any consequential maintenance and renewals. A further detailed structural report is required to determine the level of risk. If this is not completed it may require the walkway to be closed to mitigate any potential risk.

At present no budget is allocated to this project.

Specific recommendations have been made.

Rating Policy

It is noted that a number of submissions were received on rating policy including:

- A higher rates differential for residential lots >1012m².

- A smaller share of rates for small residential properties.
- Use capital value rather than land value.
- Higher rates to property owners with vacant home and business properties, and increasing rates on farmland that is currently zoned for housing to encourage the land-owners to develop that land quicker.
- Lower rates for small businesses.
- Lower rates for rural properties.
- Rates aligned with user pays basis rather than property values.
- Lower the uniform annual general charge as it is a regressive tax.
- Targeted rates for road(s) leading to properties.
- Targeted rates for stormwater.
- Targeted rates for coastal structures.
- Water rating policy to be reviewed.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Rates Increases

It is noted that a number of submissions were received on rates increases including:

- Consider spreading the increase across multiple years.
- Support community development.
- Support infrastructure renewal and growth.
- Support the arts.
- Increase by 5% or inflation.
- Increase by 10%.
- The increase is unaffordable for young families.
- The increase is unaffordable for beneficiaries e.g. solo parents, pensioners.
- The increase is unaffordable for farmers.
- The increase is unaffordable for businesses.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Spending and Debt

It is noted that a number of submissions were received on spending and debt including:

- Reduce rates by abandoning fluoridation scheme.
- Support for the everyday funding benchmark.
- Cut budgets to suit, live within your means, do better with what you have, maintain what we've got, stop wasting money, spend wisely, tightened existing services, trim the fat, learn to budget, save money, curb spending on things that do not directly benefit the ratepayers, review spending, look at costs and efficiencies, decrease staff, eliminate non-essential services.
- Focus on core activities, stick to your knitting not your wish list, nice to have projects should be delayed, make wise decisions.
- Rate payers can't afford an increase, cost of living crisis, recession, will be forced to sell up, consider impact on labour market, ratepayers are on fixed incomes, how much can ratepayers afford?
- Work more effectively.
- Review processes and staff competencies, review the effectiveness and efficiency of council services, get control of your accounting.
- NTA is clearly not a good structure.
- Stop buying and hoarding land, sell some property.

- Council has squandered development contributions on consultants' fees for advice they ignore.
- Negative comments surrounding spend on Hundertwasser, Oruku, Civic Centre.
- Understanding of serious funding deficits Council faces.
- Move towards more of a user pay model.
- Stop borrowing money, irresponsible to keep incurring this level of debt for our future generations, level of debt is unsustainable.
- Complete overhaul of the way Councils are funded and infrastructure decisions made, what services/staff costs/efficiencies need to be reviewed?
- Projects should have detailed business case studies to ensure its fit for purpose.
- Don't increase rates for vanity projects such as joining Northland Inc or creating a new CCO that isn't required.
- Rates need to ensure provision is made for Emergency Services support.
- Growing the district should not come at the ratepayers expense.
- Work backwards from 11% and find the savings for this next period.
- Sell Hundertwasser and Events Centre.
- Cap borrowing and spending, no debt is sustainable.
- Improve efficiency of current services.
- Council has a wayward way of spending tax payers rates money.
- trim your expenses/debt as these households have to - they have no 'contingency plan' or anyone to fall back on to feed and house their families.
- reduce the increase to 7 percent, if an increase is strictly necessary.
- Other Councils are reducing their costs, WDC should be too.
- ballooning debt the WDC plan to accumulate over the next five years is simply unacceptable during a cost-of-living crisis and a recession, with almost daily stories of redundancies.
- request a full refund of all monies paid by ratepayers for Channel Infrastructure's water usage.
- Against the funding of Hikurangi sports hub, not enough engagement funding or support. A simplistic upgrade of current facilities would be good enough in the current climate. Please do not lose our playground and skate park.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work.

Consultation and Engagement

It is noted that a number of submissions were received regarding consultation and engagement approaches and timing including:

- Council providing funding to support the community engaging amongst themselves, with hapu and key stakeholders on specific matters.
- Involving the diverse community in the development of projects not at the end.

These are acknowledged along with the issues they raise and, where possible, will include these in our business as usual work. Specific recommendations have also been made.

Airport Statement of Intent – Outstanding Matters

In addition, through the Airport SOI, and in conjunction with requests from MOT following the change of government, a detailed analysis of capital expenses required over the next 4 years in order to maintain operations, manage risk and ensure health and safety at the airport was undertaken.

This resulted in an additional \$660k of capital expenses being included for the sealing Taxiway Alpha, along with a number of other changes to the capital programme that were not

considered material. These changes were presented to the Strategy, Planning and Development Committee for feedback on 21 March 2024, before reporting capital requirements back to MOT.

While there was support for the SOI (inclusive of additional capital expenses), and the projects have been included in the LTP capital expenses programme for final consideration of Council, we are yet to receive approval from MOT for their contribution in some instances. As such, if these projects are adopted by Council it is proposed to include narrative in both the SOI and LTP detailing the projects that are not yet funded by MOT, and that they will not proceed if MOT approval funding is not provided.

Salaries and Wages

At the briefing on 21 May 2024 Elected Members raised the issue of staff salaries and wages.

WDC uses job evaluation, market data analysis, performance, and the budget available to determine how much we pay staff. Together these factors ensure we are able to attract and retain people with the right skills and experience.

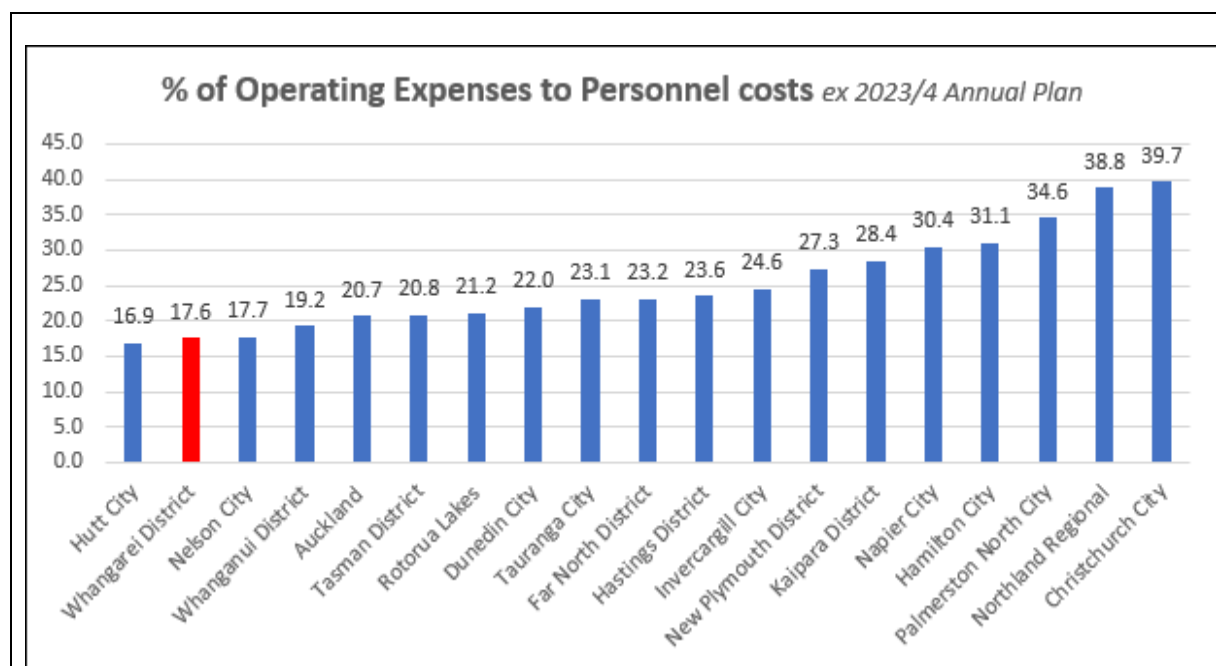
The purpose of job evaluation is to ensure that employees are paid fairly for the work they do. It is a systematic process that allows us to assess the value of each role relative to other roles in the organisation and external roles. This process is key for a diverse organisation like ours where we employ accountants, building Control Officers, librarians, Wastewater treatment technicians, administrators, engineers, planners to name a few.

Market data analysis shows us what the remuneration is for each role in the market.

Performance is measured by each Team Leader and/or Manager over the year.

We work hard to set a remuneration budget that is controlled and relative. Our personnel costs are low as shown in this graph from data compiled by the New Zealand Taxpayers Union.

Personnel costs include salaries, wages, Kiwisaver, ACC, allowances and overtime.



We use Strategic Pay to provide the market analysis and they provide data across many sectors including local government and private industry. As at 30 April 2024 our average pay

calculates at 98.1%. This means we are paying just below the average across the sectors used in the market analysis.

34 Significance and engagement / Te Hira me te Arawhiti

The Local Government Act 2002 requires special consultation procedures to be undertaken when developing a Long Term Plan.

This has been completed in accordance with statutory requirements, including the use of the special Consultative Procedure, with Council now in a position to deliberate on submissions received and heard.

35 Attachment / Ngā Tāpiritanga

Attachment 1: Deliberations on the 2024-34 Long Term Plan

Attachment 1

Deliberations on the 2024-34 Long Term Plan

Whangarei District Council

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Background

Public consultation on the Long Term Plan 2024-2034 was undertaken for one calendar month between 25 March 2024 and 25 April 2025.

The Consultation Document, adopted by Council on 21 March 2024, presented three specific questions for community feedback:

1. Should Council become a shareholder in Northland Inc?
2. Should Council allocate funding to continue its Freedom Camping Monitoring and Compliance service after the funding from Ministry for Business Innovation and Employment ended?
3. Which of three options should Council pursue to address improved outcomes for its commercial property portfolio?

Consultation and Engagement

Consultation and Engagement Programme

Public meetings were held during the period of 25 March 2024 - 25 April 2024, which included a total of 325 people attending at least one public meeting

- 4 public meetings around the District (Hikurangi, Parua Bay, Ruakaka and Te Iwitihi Civic Centre)
- 1 Hapū o Whangārei engagement drop in session at Te Iwitihi Civic Centre
- A hosted webinar
- 1 Business After 5 hosted in partnership with Northland Chamber of Commerce
- 1 Interactive workshop with key groups that represent the community.

Social media campaign

This campaign aimed to inform people within a social-media environment and give them what they needed to give meaningful feedback on the Long Term Plan.

The campaign was made up of a variety of different types of media and engagement methods, including:

- A prepared “day in the life” video highlighting the diversity of services rendered by the Council
- Repeated use of the LTP graphics to gain audience-familiarity
- Promotion of the in-person drop-in events
- A live-streamed interactive “questions and answers” video with Chief Executive and other staff answered questions from a live audience
- Use of Facebook and *Neighbourly* platforms, and use of Facebook event-pages and local Groups to promote regional drop-in sessions.

All paid promotion was targeted to people living in Whangarei District.

Key figures and estimates

- Estimated total campaign impressions: 100,000
- Estimated total single-impression population reach through social media: 35%
- Hero video: 19,000 views (10 seconds or more, includes paid promotion). About 10% of viewers watched the whole video.
- LTP graphic posts: about 5k reach each
- Other photographic posts: about 5k reach each

Livestreamed public meeting:

- Peak 45 live-viewers on the night
- Total reach of 5222 including 3000 video-views (3 seconds or more)
- 257 views of 1 minute or more
- 60 comments including questions that were answered live

Formal submissions & analysis

Formal submissions were able to be made online, electronically, verbally over the telephone, via post and/or delivered to Council offices.

Submissions closed at 5.30pm on Thursday 25 April 2024.

419 Submissions were received prior to the deadline with six late submissions added. A total of 425 formal submissions were received as follows:

- 303 (71%) on-line submissions
- 122 (29%) by email – note: the six late submissions were emails and included in this total.
- 105 (25%) of submitters indicated they would like to be heard.
- 90 (21%) were scheduled to speak (15 were unavailable or changed their mind).

Hearings were held on 2 and 3 May 2024.

Analysis of feedback

This part of the report is split into the following parts:

Part One - Consultation Topics

- Analysis of feedback on the consultation questions through formal submissions.

Part Two - Submissions

- Analysis of submissions received.

Note; some figures within this report (i.e. those received through submissions) have not been run through the financial model resulting in a mix of inflated and uninflated figures

LTP Question 1 – Becoming a Northland Inc Shareholder

Option 1 - “Become a shareholder of Northland Inc and contribute to the wider Investment and Growth Reserve.”

Option 2 - “Stick with what we do now.”

Feedback from Consultation

Submissions Analysis:

289 submissions (raw data) selected an option relating to Becoming a Northland Inc Shareholder in submissions received. Of those:

- 108 supported Option 1, become a shareholder of Northland Inc
- 181 supported Option 2, stick with what we do

Of the 130 submissions where no option was selected, 15 submitters provided comments on Becoming a Northland Inc Shareholder in the associated feedback box.

Of these the majority supported providing no funding to Northland Inc (while not a consultation question and unable to be used for analysis for completeness it was considered important to note this here), or did not have an opinion. One of these submitters clearly supported becoming a shareholder of Northland Inc.

This means that the total number of submissions which selected either Option 1 or Option 2, inclusive of those who clearly did so in their comments, was 290. Of those

- **109 (38%) supported Option 1**, become a shareholder of Northland Inc
- **181 (62%) supported Option 2**, stick with what we do

Key Issues raised from submissions:

OPTION 1: Become a shareholder of Northland Inc and contribute to the wider Investment and Growth Reserve. The key points raised by submitters supporting Option 1 include:

- Shareholding provided an opportunity to provide direction /control over the activities of Northland Inc
- As the Region’s largest Council, it allowed Council to demonstrate leadership
- There was value in the relationship and speaking with a single voice on Northland Inc’s behalf
- They had previously had positive experiences with Northland Inc

The following comments typify these themes

Northland Inc brings a research capability by experienced and specialist individuals, not always available to WDC. 2. It introduces a degree of independence from internal WDC politics, which will be welcome. 3. Being a shareholder will provide a mechanism for a logical COORDINATION of approaches for Government funding, rather than haphazard competition within the region. 4. MOST IMPORTANTLY, Northland Inc is preferred by the Government as a coherent and reliable research unit for the region, rather than approaches by individual councils. This alone justifies becoming a shareholder. It is a signal to the

Government of acceptance by WDC of a responsible and coordinated regional initiative.

OPTION 2: Stick with what we do now. The key points raised by submitters supporting Option 2 include:

- It would cost too much or was not good value for money
- Economic development was not Council's core business or role
- There was insufficient information or knowledge as to what Northland Inc did
- They had interacted with Northland Inc in the past and the interaction had not been positive

The following comments typify these themes

Northland Inc brings a research capability by experienced LTPs should include enough information for readers to understand the full implications and risks around significant assumptions and their potential effects. I believe the majority of ratepayers know very little if anything about Northland Inc. except for the three paragraphs in the LTP document that provide a very basic overview. After further investigations, I know now that Northland Inc is a large organisation with 33 staff, 6 board of directors and 1 CEO and are involved in activities over a wide range of sectors and initiatives throughout Northland. Becoming a Northland Inc shareholder raises a number of questions that requires more information, consultation and consideration. Is it a priority and/or the responsibility of WDC to enable the sustainable economic development of the District? Any decrease in rates must be a priority as time are tough as economic activity slows, rising unemployment, wage rate forecast to peak lower, interest rates are likely to stay higher for longer, with so much uncertainty around Central Government actions and policy changes and especially when it is difficult to quantify economic development outcomes and the return on investment in becoming a shareholder of Northland Inc.

Of those submitters who did not actively support either of the options presented 15 provided comments. Some doubted the effectiveness of Northland Inc, with others expressing a desire for Tangata Whenua to have more say. Some opposed the rates increase and/or did not support further spending in this area.

Staff Analysis:

While there was a clear majority of submissions that opposed Option 1 of Council becoming a shareholder there was also support for becoming a shareholder. Reasons for not becoming a shareholder predominantly centered on a desire of submitters not to increase rates or spend more money and to a lesser extent of the efficacy of Northland Inc / what role Council should play in economic development.

Economic development, along with social, cultural and environmental well-being is recognised in the Local Government Act 2002 and councils often contribute to economic development by supporting a local or regional agency designed to drive sustainable economic growth. This Council has identified economic development as a key objective of their current term. This objective aligns with the concept that a

key enabler of economic development is to ensure communities are viewed as attractive places to live and work and can stimulate new economic opportunities through all sorts of economic cycles.

There are things that Council does as business as usual that form a component of economic development such as supporting local economies and driving growth through their procurement processes, their employment policies, their contribution to infrastructure, providing 'business friendly' services - responsive regulatory and consent regimes, low competitive rates - efficient infrastructure, positive promotion of the local area and attracting tourists and events.

Then there are elements of economic development that require a more focussed, strategic outlook that is integrated at a regional and national level. It is in this sphere that economic development agencies -such as Northland Inc- are best placed to achieve meaningful results.

Broadly speaking the key benefits of Whangarei District Council joining the other councils in the Region as shareholders are that it would enable:

- Central Government to communicate with one agency for Northland, and this would likely gain support from Central Government, where government would be communicating at a regional level and Northland Inc. effectively harnessing available central government funding and support.
- Council will have greater control and insight into the monitoring of performance and the distribution of benefit throughout the region. This can be done by regular meetings between Northland Inc. and the formal Joint Committee, Annual strategy sessions with individual Councils, regular meetings between CEs of councils and CE of Northland Inc, and overall reporting of progress to Council.
- Greater alignment of economic development priorities and outcomes across councils and Northland Inc even more so with the development of Te Rerenga, the regional economic development strategy.
- Supporting economic recovery following states of emergency.
- Greater ability to help Council develop funding applications for projects
- Development of a regional destination marketing and event strategy
- Increased funds in the IGR to be able to allocate as project investment co-funding for new initiatives

To achieve these outcomes, requires:

- Organisational and financial stability to last a decade or more
- Political buy-in, Councils must agree that Northland Inc is the provider of economic development services in Northland
- Building trust and stability, monitoring effort and distribution of benefit
- Equitability by medium term equitable distribution in proportion to contribution

The proposal addresses each of these issues, either through the business model originally proposed, the long-term funding contributions from NRC and the district councils, the commitment from Northland councils that the Northland Inc will be the primary organisation to deliver economic development services for the region.

The Council will also have input to the Statement of Intent process via the formal Joint Committee, and the Consensus Voting model promotes building trust. The out-put out-

come framework together with the performance and reporting framework enable the monitoring of effort and measurement of the distribution of benefit.

Council has budgeted for this within their proposed long-term plan and the proposed rate increase. Furthermore, that the quantum concerned as a percentage of overall Council spending is not large.

Being a shareholder of Northland Inc allows an opportunity to positively impact on the efficacy and direction of Northland Inc and to provide more visibility as to the work it is already undertaking in Whangarei on behalf of the Whangarei community. As outlined above, Council does have a role to play in Economic Development

Feedback from councillors following hearings:

Following hearings councillors showed general support for proceeding as per the consultation document, which was the staff recommendation. In the Issues and Options Briefing councillors questioned whether further consultation would be necessary following any review of Council's membership of Northland Inc. The proposal as consulted on allowed for Council to review membership of Northland Inc to determine whether the benefits outlined above have been satisfied before committing funding beyond year two of the plan (2025 – 26). It did not require consultation. The recommendation has therefore been amended to reflect this. It is considered that a review would enable a stronger case to base any future decision to approve or otherwise further investment, with consultation (if any) able to be considered at that time.

Recommendation(s):

That Council

- a) notes the submissions made on the topic, and;
- b) becomes a shareholder in Northland Inc with effect from 01 July 2024 and approves the additional investment funding of \$370,000 in the 2024-25 year and \$482,000 in the 2025-26 year as set out in the Consultation Document, and;
- c) notes the funding required has already been included within the draft LTP budget
- d) reviews the benefits of our involvement in Northland Inc before committing further funding beyond Year 2 (2025 – 26).

Financial Impact:

No change to the budget.

LTP Question 2 – Freedom Camping Monitoring and Compliance

Option 1 - “We keep this service at a slightly reduced level.”

Option 2 - “We stop this service.”

Feedback from Consultation

Submissions Analysis:

289 submissions (raw data) selected an option relating to Freedom Camping in submissions received. Of those:

- 197 supported Option 1, we keep this service at a slightly reduced level
- 92 supported Option 2, we stop this service

Of the 130 submissions where no option was selected, nine (9) submitters provided comments on freedom camping in the associated feedback box. Two (2) of those submitters supported ongoing enforcement, with two (2) seeking that we stop this service.

This means that the total number of submissions which selected either Option 1 or Option 2, inclusive of those who clearly did so in their comments was 293. Of those

- **199 (68%) supported Option 1**, we keep this service at a slightly reduced level
- **94 (32%) supported Option 2**, we stop this service

Key Issues raised from submissions:

OPTION 1: The key points raised by submitters supporting Option 1 include:

The majority of submitters wish to see a continuation of freedom camping monitoring and enforcement for a variety of different reasons, including to maintain the integrity of the related bylaw, to protect the district / camping areas from the negative impact of freedom camping, and for council to be able to respond to complaints about those negative impacts caused by irresponsible freedom campers.

OPTION 2: The key points raised by submitters supporting Option 2 include:

Those who do not support this service mainly focused on their believe that campers could or should “self-regulate” ; that locals could monitor and move on non-compliant campers; that central government should continue fund enforcement is some way; that freedom camping could/should be banned; or didn’ t see the value/need of the programme.

The remaining five (5) submitters who did not chose an option and selected “None” but then added comments stated the following:

- Continuation of Ambassador Programme (no comments on its costs)
- Council to provide free camping grounds (which is within the realm of the Freedom Camping Act, and has not been costed within the draft plan)
- Questioning the logic making this part of the consultation process - should rather ask staff what’ s needed.
- Advocating for monitoring and enforcement partnerships with hapu.
- Advocating the development of a freedom camping strategy.

Staff Analysis:**Option 1 - “We keep this service at a slightly reduced level.”**

More than two-thirds (68%) of all submissions were in favour of Option 1, supporting Council continuing to fund freedom camping monitoring and enforcement, at a slightly reduced level from previous MBIE funded years. Doing so will ensure the integrity of Council’s Camping in Public Places Bylaw and the underlying legislation, the Freedom Camping Act. In addition, this will allow council to respond to complaints regarding freedom camping, continue with the education first principles and take enforcement action where necessary, which in turn will avoid public dissatisfaction. While staff will continue to seek funding options from external parties, and look for other revenue streams that could be used to offset the cost, funding is required in the plan if this of the service is to be guaranteed from year 1.

Option 2 - “We stop this service.”

Less than one-third (32%) of submitters chose option 2 and were of the view that Council should stop this service. However many of the submissions in support of this option did not fully consider the impact that “no service” would have on the environment, the area or affected local communities. These submitters generally felt that either there was little to gain from this service, or that the cost was unnecessary. Furthermore, submitters felt that “locals” (the public) could/would enforce the freedom camping rules, or that freedom campers should be left alone, as they would do the “right thing”. A number of submitters felt that freedom camping should be stopped, or that ratepayers should not be liable to fund freedom camping enforcement, both of which is not legally possible under legislation. Additionally, the public are not able to legally enforce the legislation nor Council’s bylaw, and unfortunately not all freedom campers ‘do the right thing’. Most importantly however, in choosing option 2, Council would likely lose the ability to respond to complaints, which would lead to public dissatisfaction and the loss of the gains made in this area since 2017.

Feedback from councillors following hearings:

While a continuation of the programme is recommended by staff given the matters outlined above, the financial pressures facing Council are acknowledged and acutely appreciated. While the staff recommendation remains a 0.16% rates increase for a reduced Freedom Camping Monitoring and Enforcement programme (as consulted on), through the issues and options Briefing, and in subsequent councillor sessions, clear feedback was provided to staff around the unacceptability of a further rates increase.

As such, while also acknowledging that a Briefing is not a decision making forum, staff acknowledge that this is not possible within Council’s preferred financial parameters. An alternative recommendation has therefore been presented which notes that if a reduced service is to be funded it would need to be delivered via external funding (which is unlikely but will continue to be explored), or through unbudgeted revenue from other areas (i.e. from revenue associated with infringements, which is currently tracking slightly above budget). It is recommended that staff continue to actively investigate these avenues, with a view to reporting back to the Council or the Strategy Planning and Development Committee prior to the commencement of the 2024 season (around October 2024).

Recommendations:

That Council:

- a) Resolves not to fund Freedom Camping Monitoring and Compliance enforcement services going forward.

- b) Notes that unless funding can be secured from external parties, and/or increased revenue can be secured, this will result in Council not responding to Freedom Camping enquiries and complaints going forward.
- c) Directs staff to continue to investigate options for external funding of a reduced Freedom Camping Monitoring and Compliance enforcement service, along with any unbudgeted revenue streams that could be used to fund this service.

Financial Impact:

There is no financial impact associated with a decision to cease the provision of this service.

LTP Question 3 – Commercial Property Options

Option 1 – “Create an in-house dedicated business unit.”

Option 2 – “Create a Council Controlled Organisation-Council Controlled Trading Organisation.”

Option 3 – “Stick with what we do now.”

Feedback from Consultation

Submissions Analysis:

255 submissions (raw data) selected an option relating to Commercial Property Options in submissions received. Of those:

- 46 supported Option 1, create an in-house unit.
- 55 supported Option 2, create a CCO/CCTO
- 154 supported Option 3, stick with what we do now.

Of the 164 submissions where no option was selected, 27 submitters provided comments on Commercial Property Options in the associated feedback box. One (1) of those supported Option 1 (create an inhouse business unit), one (1) supported Option 2 (Create a CCO/CCTO) and seven (7) of those submitters supported Option 3 (sticking with what we do now). The remainder did not indicate a clear preference.

This means that the total number of submissions which selected either Option 1, Option 2 or Option 3, inclusive of those who clearly did so in their comments was 264. Of those

- 47 (18%) supported Option 1, create an in-house unit
- 56 (21%) supported Option 2, create a CCO/CCTO
- 161(61%) supported Option 3, stick with what we do

Key Issues raised from submissions:

Submissions in support of Option 1, create an inhouse business unit, raised a number of points for consideration of Council which have been broadly summarised as:

- Several submitters sought that Council consolidate resources in house, with appropriate expertise added where necessary.
- A more cost-effective option with more direct control.
- CCO/CCTO was seen to have more bureaucracy, cost, lack accountability and/or not necessarily able to achieve positive outcomes (some highlighted Far North Holdings as an example).
- A number saw a CCO/CCTO as higher risk.
- CBD is run down, ‘we need to breathe life back into it’.
- These assets need proper management.
- Create an internal business unit but focus on community/housing outcomes.
- In house could be reviewed in future for alignment to Northland Inc.
- More efficient but need an advisory panel.
- Portfolio not viable, better off consolidating and selling to a developer.
- Council has no business sense.
- Run an inhouse unit as a pilot, providing council informed outcomes for a potential CCTO.
- Not core business of Council, need to minimise cost/resourcing.
- Benefits of options 1 and 2 but given the size of Council's balance sheet and land opportunities Option 1 favoured.

- Keen to work in partnership as a CHP.
- Assets need to be better utilised. In house allows use of these spaces for economic gain for good of community and hapu.
- There should be opportunities for hapu priority setting.
- Needs broad community input and representation.

Submissions in support of Option 2, create a CCO/CCTO, raised a number of points for consideration of Council which have been broadly summarised as:

- Must be profit generating in order to minimise rates in future.
- A number of submissions in support of a CCO/CCTO stressed the need for separation from Council, specific reasons cited for this included:
 - It would increase speed/be less restricted.
 - It would allow these assets to be managed/developed by an experienced company.
 - It would be able to take risks/generate economic outcomes.
 - Council has no business sense.
 - This is not core business of Council.
 - It would prevent development becoming politically motivated.
 - It would ensure enduring outcomes.
- Support development of CBD.
- Development of Whangarei key to economic prosperity.
- Supports better utilisation of Council land, including for housing.
- No guarantees of success as Council will appoint the board.
- A vehicle to generate profits and reinvest in the community.
- Board must be accountable. No cost overruns must generate a profit.
- Needs broad community input and representation.
- Needs to respond to community/arts initiatives.
- Current model ineffective, change needed to improve asset control/management.
- Need to be 'Designing Inclusivity Building Accessible Cities for All'.
- Far North Holding cited as a successful example by a number of submitters.
- Forum Nth should be returned to the community and run through a separate entity for predominantly community use, with a grant from Council.
- Needs to be commercially run.
- Provides vehicle to strategically manage commercial property but must have assurance and control mechanisms in place (i.e. conflicts, SOI, reporting, accountability and transparency).
- Don't want a rates increase.
- Provides vehicle to strategically manage commercial property in partnership with commercial sector. Should collaborate with FNHL and NRC.
- Considered to lead to a more diverse board with proven skill sets.
- Has the potential to respond to climate change and infrastructure needs, deliver on FDS and/or create a vibrant residential/pedestrian/business hub.
- Commercial property not a core function of Council.
- Free of government influence. Accountable to public.
- Only commercial property, needs to be managed actively.
- Role in activating the city and delivering on long term plans.
- Needs to have a clear mandate, not only economic gains that are desirable.
- Needs council control, and a strong focus.

Submissions in support of Option 3, stick with what we do, raised a number of points for consideration of Council which have been broadly summarised as:

- There were several submissions indicating variations of:
 - Not a core function of Council.

- Not likely to be profitable and/or insufficient scale.
 - A desire to see Council focus on infrastructure/cut spending.
 - Don't support rates increases associated with options 1 and 2, too expensive and need to cut spending/stick to core business.
 - Need to right expertise/leave to the experts/market
 - Timing not right, need a better market and/or financial position
 - You have no money/not essential/a luxury/keep rates down.
 - Decide what you need to keep in order to operate, sell the rest.
 - Status quo is adequate/cheapest, get current properties operating well.
 - Parking needs to be increased throughout the city, not lessened.
 - Support options 1 or 2 if focused primarily on high-density affordable housing, supporting infrastructure in the inner city and revitalisation.
 - Needs to be delivered by the market, Oruku and Hundertwasser cited as examples. Don't want to see Council promote something similar.
 - Build on what we have, bring current teams together / better coordination.
 - Ratepayers have already told you "No thanks" / Council empire building.
 - If you are going to invest then invest in a community resource like forum north, be transparent about it and let theatre and arts have a space.
 - Forum North is a fully paid for rate payers event centre. Make necessary upgrades to lifts for accessible entry.
 - Important that hapū and Iwi have a say in active development of properties, and/or their transfer to a separate entity.
 - Restrain the stripping and sale of our assets, particularly overseas without benefit to our local communities.
 - Prefer some less expensive way be found to identify shared values, priorities and direction setting with hapū and other local stakeholders.
 - Central Govt reducing costs in all areas, doesn't make economic sense.
 - More boards mean more expense/bureaucracy with little impact.
 - Vote Councillors to do job, not change everything / bring in more people. Councillors need to be accountable.
 - Need to cut our costs, limit consultants, experts and analysts.
 - Unsure about the other options / insufficient information.
 - Less government intervention, is it necessary for WDC to own properties?
 - In house ensures better strategic alignment with Council priorities.
 - Council must act in interests of ratepayers/not have a property portfolio.
 - Cut losses and sell down its holdings before the market deteriorates further.
 - The central city needs a climate mitigation and sustainability assessment before more money is spent on building there.
 - Do not have the populus and critical mass to fund this.
 - Look at other ways to achieve vibrancy (i.e. landlord/council rent relief, parking), incentivise and capitalise on initiatives such as cruise ships etc.
 - Sell Hundertwasser, didn't want it and now costing ratepayers.
 - Don't believe case put forward strong enough, create an environment for staff to perform and be successful.
 - WDC are inefficient / waste ratepayer money. Ever increasing headcount, siloed and not good at business.
 - Whangarei needs profitable sustainable business to provide employment, like the oil refinery, the closed timber mill. Not Oruku, not Hundertwasser
- Of the submissions that did not pick a preferred option themes arising included:
- Having access to the smartest people in this field should be a prerequisite.
 - Whatever you do it needs to be reflective on current environment/constraints
 - Sell Council owned properties/bring down debt/decrease staff numbers.

- Should be market driven.
- Submissions raised the alienation of land from hapū, the need for a partnership model to ensure grievances are not exacerbated and a need to look at opportunities for the return of lands to hapū so that hapū led development can be realised.
- Substantive consultation with hapū sought to ensure appropriate representation, participation and rights upheld. It may be best to delay option 1 or 2 to allow for this engagement to occur.
- Whatever you do here it should not cost the rate payer any more money.
- Council needs to be inventive and find a way to cut the percentage increase down so we can all live within our means.
- Comments on the need to support and look after homeless.

Staff Analysis:

The depth and breadth of submissions on this topic is acknowledged and appreciated. A number of broad themes can be found within the submissions, with some relating to multiple options, and others specifically relating to a potential shift to property development under options 1 or 2. Key themes are responded to below, with other submissions noted.

A number of submitters sought that commercial property development undertaken by Council generate a profit. Concerns were raised by some submitters as to whether there is sufficient scale to do this within the proposed property portfolio. As outlined in the consultation Document the portfolio is not likely to generate a profit based on initial modelling. While it can be incentivised to maximise return, high-level modelling indicates that there is insufficient scale and commercial opportunities to generate a profit. An indicative 15% return would be required to break even based on estimated costs, assuming the sale of developed properties from year 2. This is not considered realistic.

As such a conservative projection of 5% return on sale from year two was also modelled. This recognised that Council would likely have to make strategic trade-offs in developing its property (discussed in more detail below) and formed the basis for options included within the Consultation Document. Based on this projection property development would not break even over the life of this plan. This modelling applies regardless of whether property development is undertaken in house or through a CCO/CCTO, there is nothing inherent in a CCO/CCTO model that would make it more profitable. However, there are some characteristics (discussed below) that could make it more responsive (i.e. to respond to/deliver on strategic opportunities and/or secure funding and opportunities that Council may not), and better positioned to attract the necessary expertise. As such advice is that property development under options 1 and 2 is unlikely to generate a profit in the life of this plan.

However, and as advised previously, these financial projections were hypothetical, with it not being possible to accurately forecast development cash flows until due diligence on specific projects has been completed. In some cases, greater strategic trade-offs could be required in the development of a site (i.e. where there is parking on a development site that Council wants to replace), while in other cases a site may have less impediments to development. As such the actual rate of return could be higher, or lower. It is therefore critical that there is clear direction up front on the outcomes sought, and the trade-offs that Council would accept.

Through discussions on this topic there have been a range of views expressed. While strategic outcomes have been clearly articulated as the primary driver, there is also a desire to generate a return/profit over time. While this is not anticipated within the plan

based on indicative/high level modelling, it is important to note that the actual return would need to be worked through as part of the detailed analysis of development opportunities, considering the trade-offs sought by Council. A range of possible outcomes and trade-offs for commercial property were also expressed through submissions (from parking, community use and redevelopment/use of Forum North through to being purely profit driven and bringing down rates).

As discussed within the Consultation Document, in reality projects may be progressed where the financial benefits do not meet market related targets in order to catalyse or deliver wider urban outcomes. This came from previous advice where it was noted that Council will need to consider the key reasons for taking a more active role in property development. In doing so Council has discussed wider strategic outcomes that could be achieved relative to its desire to make a profit, noting that many of these (i.e. regeneration, Knowledge Hub activation, broader urban and economic outcomes) would have a non financial return for the District, including potentially acting as a catalyst for wider development and economic outcomes, and/or attracting external funding. It is important that these outcomes are clearly defined however, with any business unit or entity created having clarity of purpose.

If Council is to step into active property development, it is therefore recommended that it;

- Accepts that this is unlikely to be profit generating within the life of this plan (to be reviewed through more detailed analysis).
- Be singular in the focus on commercial property/opportunities (i.e. not focusing on nonprofit generating assets or issues, particularly in the early stages) that could drive strategic outcomes.
- Do more detailed analysis of specific development opportunities
- clearly define the enduring outcomes that Council is seeking for the community, and the trade-offs that it (and ideally future councils) is willing to accept.

While this could be done in a staged approach if Council were to favour an inhouse model, there is a much higher risk if Council were to create an arm's length CCO or CCTO without this clarity from the outset. An alternative, which was supported by some submissions, could be to provide funding/focus via an internal team, looking at a fully fledged business unit or CCO/CCTO once success is proven, and market conditions are more favourable (i.e. through a more modest increase to staffing levels and budgets, and realignment of functions to outcomes).

Regardless of the model submissions on the need for appropriate skills and expertise if Council is to take a more active role in property development are acknowledged and supported. Currently Council has one FTE focussed on commercial property management across the broader \$90m + portfolio. It does not have development expertise, and has not positioned roles within the market to attract these. While both Option 1 and 2 are premised on paying market rates to attract appropriate expertise and staffing, a CCO/CCTO that is well set up and removed from Council may be better placed to attract suitable candidates (i.e. outside of the constraints of Council).

While submissions that property development is not core business of Council are acknowledged, along with those relating to the potential to compete with the market (and associated risks), this activity does fall within broader functions of Council, with Council already holding a commercial portfolio. Taking an active role in property development is ultimately a political decision relating to priorities and funding allocation. If Council is to take a more active role in property development (under either option 1 or 2, or an

enhanced status quo) having the right skills, expertise and budget is strongly recommended. This was supported through submissions received.

As outlined previously, and supported by submissions received, the key distinction if Council were to create a CCO/CCTO would be the degree of separation of any entity created. Key advantages highlighted in submissions included the separation of this activity from Council systems, processes, and political cycles/influence. If a CCO/CCTO is preferred it is recommended that appointments go through a robust process to ensure that they are the best candidate, and that appointees be independent of Council.

Any CCO/CCTO would also need clear direction from Council through mechanisms such as the statement of intent/KPIs. This would ensure transparency and accountability but would need to be underpinned by clear outcomes and trade-offs sought from the entity in development (as discussed above it is recommended that these be defined up front if this is the preferred option). Alongside this there would need to be political mechanisms/commitment to monitor any CCO/CCTO, and hold it accountable where it is not performing. This work is critical to the success of a CCO/CCTO. If this is the preferred option it is recommended that this work be undertaken upfront, through a staged approach to implementation.

Dedicated mechanisms to ensure strategic direction/alignment and provide for accountability are considered necessary regardless of the preferred option of Council. This came through strongly in submissions from hapu where a partnership approach, and a voice in these mechanisms, was sought. Alongside this hapu sought that arrangements put in place going forward don't exacerbate the grievances of the past, and that Council look at opportunities for ongoing to work through historic concerns. Ex harbour board lands were identified as being of specific concern. It was noted that substantive consultation with hapū is required and suggested that *"it may be best to delay option 1 or 2 to allow for this engagement to occur judiciously"*.

Regardless of the option preferred it is recommended that mechanisms be established for the governance and oversight of commercial property, with hapu involvement and input being specifically provided for. It is also recommended that the ex-Balance Site not be included in development opportunities at this time in order to enable further discussion with hapu, recognising that the site is ex harbour board land that has been identified as having cultural importance.

Summary of staff recommendation:

In summary while the staff advice is that the status quo needs to change, the scale and return from the identified properties (noting the potential removal of the ex-Balance site from this portfolio) does not lend itself to a CCO/CCTO or an IBU set up to generate a profit. The key driver must be strategic accepting that, based on the information available at this time, a profit will not be generated within the life of this plan.

If an independent entity is preferred, and it is not commercially driven, a CCO may be more appropriate than a CCTO. It may also be that further analysis identifies specific/targeted opportunities that could best be delivered through a mechanism such as a CCO (i.e. redevelopment opportunities focused on clearly defined strategic outcomes), recognising that others may not. This comes back to the need for clarity of purpose from the outset. It is recommended that more work be done to analyse and quantify the outcomes trade-offs for specific development opportunities, with a staged approach taken.

As outlined above this could involve providing funding/focus via an internal team, looking at a fully-fledged business unit or CCO/CCTO once analysis is completed, success is proven, and/or market conditions are more favourable. Based on information available at

this time this is recommended by staff under the recommendations below. However, it is important to note that if Council does wish to do further analysis of an IBU or CCO/CCTO prior to making a final decision this must be included within the LTP.

Feedback from councillors following hearings:

As outlined above, taking a more active role in property development is ultimately a decision for Council based on priorities and funding allocation.

While recommendations have been framed to cover the staff advice and submission analysis, while giving Council options for further analysis of specific development opportunities, feedback from councillors through the Issues and Options Briefing outlining the collective desire to proceed with a lower budget CCO/CCTO is acknowledged and appreciated. As such, and recognising that Briefings are not a decision-making forum, this is worked through here, along with an alternative recommendation that could be moved instead of the staff recommendation should councillors wish to do so.

Through briefings Council supported further work being undertaken in year 1, proposing a \$150k budget. This is consistent with, and provided for in, staff recommendations. Councillors also indicated that they would like to see a smaller budget allocated to a CCO/CCTO once established, proposing \$500k per annum from year 2 of the LTP. Based on the modelling and assumptions considered by Council to date this could result in an annual allocation of:

- Audit and director fees associated with a CCO/CCTO (\$100k)
- 1 – 2 staff, depending on the skills and expertise targeted (\$200k)
- A work up budget for 1 - 2 properties per annum i.e. consenting, legal fees, due diligence, and design (\$200k)

Actual funding would need to be worked through, but this would be a very lean entity. It is recommended that budgets be tested against development opportunities. Ultimately the number of properties that can be progressed will depend on the expertise that a CCO/CCTO is able to attract, the resulting capacity/capability of any entity and the complexity of properties to be developed.

Should a CCO/CCTO be preferred these are factors that could be assessed in further work undertaken in year 1, along with the outcomes and trade-offs for an individual properties (i.e. Council's desired treatment of existing uses such as parking and the loss of revenue from properties, estimated at \$270k + any parking revenue). Given this uncertainty it is not possible to determine the timing of any property transfers, or account for them within the LTP at this time, with further work being required on both this and the final funding mechanism.

While funding from the Property Reinvestment Reserve was discussed in the Issues and Options Briefing, this is a not a funded Reserve within the draft LTP (excluding a budgeted carry forward which is in part being used to purchase a property in Hikurangi). Essentially the Reserve represents an 'IOU' for commercial properties sold to fund specific Council works, notably Te Matau a Pohe. As such there is no material funding within the reserve that could be transferred to any CCO/CCTO created, with any draw on the reserve having to be debt funded. Given this, and that Council is now looking a fundamentally different commercial property model, staff have previously recommended that Council retire the reserve. This was included within the consultation materials for the LTP and has been provided for in the recommendations below for consideration of Council. It is important to note that this only relates to the accounting of transactions to the PRR, with property

transactions still proceeding as per existing resolutions and being accounted for to the relevant cost centre.

Should Council wish to proceed with a CCO/CCTO as its preferred option it is considered that points 1 – 7 of the staff recommendation remain applicable. However, recommendation 8, 9 and 10 could be deleted, with a new recommendation 8 being moved by Council that that:

Having considered the matters above determines its preferred option as a CCO/CCTO with a more modest budget (\$500k per annum from year 2 of the LTP), noting further work to be undertaken in year 1 of the LTP.

Should this option be moved by councillors point 10 of the staff recommendation would become redundant, with commentary being included in the final Long Term Plan to reflect the decision of Council. In it's entirety the alternative recommendation (addition in bold) could be that Council:

- *Notes that while revenue generation can be incentivised, current modelling indicates that there is insufficient scale and commercial opportunities to generate a profit from properties within the identified portfolio in the life of this plan.*
- *Focuses on commercial property/opportunities to deliver strategic outcomes, including outcomes that could be delivered in partnership.*
- *Does more detailed analysis of specific development opportunities within the commercial property portfolio (including defining the outcomes that Council is seeking from the portfolio / the trade-offs that it is willing to accept) before progressing to any preferred option, allocating \$150k in year 1 of the LTP for this work.*
- *Establishes mechanisms for the governance and oversight of commercial property, with hapu involvement and external expertise being provided for, and clear delegations.*
- *Notes that sufficient budget will be required to attract appropriate skills and expertise and undertake work necessary to progress development proposals, reviewing budgets and funding mechanisms through the detailed investigation stages.*
- *Excludes the ex-Balance Site from development opportunities at this time in order to enable further discussion with hapu.*
- *Retires the Property Reinvestment Reserve (PRR) at 30 June 2024 with components of existing resolutions for the accounting of future PRR transactions rescinded (for the avoidance of doubt this relates to only to the accounting treatment of the transaction to the PRR, not the underlying property transaction, with property transactions proceeding and being accounted for to the relevant cost centre).*
- ***Having considered the matters above determines its preferred option as a CCO/CCTO with a more modest budget (\$500k per annum from year 2 of the LTP), noting further work to be undertaken in year 1 of the LTP.***

Recommendations:

That Council:

- 1) Notes that while revenue generation can be incentivised, current modelling indicates that there is insufficient scale and commercial opportunities to generate a profit from properties within the identified portfolio in the life of this plan.
- 2) Focuses on commercial property/opportunities to deliver strategic outcomes, including outcomes that could be delivered in partnership.

- 3) Does more detailed analysis of specific development opportunities within the commercial property portfolio (including defining the outcomes that Council is seeking from the portfolio / the trade-offs that it is willing to accept) before progressing to any preferred option, allocating \$150k in year 1 of the LTP for this work.
- 4) Establishes mechanisms for the governance and oversight of commercial property, with hapu involvement and external expertise being provided for, and clear delegations.
- 5) Notes that sufficient budget will be required to attract appropriate skills and expertise and undertake work necessary to progress development proposals, reviewing budgets and funding mechanisms through the detailed investigation stages.
- 6) Excludes the ex-Balance Site from development opportunities at this time in order to enable further discussion with hapu.
- 7) Retires the Property Reinvestment Reserve (PRR) at 30 June 2024 with components of existing resolutions for the accounting of future PRR transactions rescinded (for the avoidance of doubt this relates to only to the accounting treatment of the transaction to the PRR, not the underlying property transaction, with property transactions proceeding and being accounted for to the relevant cost centre).
- 8) Takes a staged approach to work through these matters once a preferred option is identified, looking at a fully-fledged internal business unit or CCO/CCTO once analysis is completed, success is proven, and/or market conditions are more favourable.
- 9) Having considered the matters above Council determines its preferred option as an enhanced status quo with a more modest increase to staffing levels and budgets (\$500k per annum from year 2 of the LTP), realignment of functions to outcomes and clear governance mechanisms/delegations surrounding the development of the identified commercial property portfolio.
- 10) Includes commentary within the Long Term Plan around the potential for a fully-fledged internal business unit or CCO/CCTO once further analysis is completed, success is proven, and/or market conditions are more favourable.

Financial Impact:

An increase in the general rate of \$150,000 in Year 1 and \$500,000 per annum for the years 2-10 of the LTP.

Further Comments – Transportation

Feedback from Consultation

Submissions Analysis:

103 responses were received that covered some facet of transportation.

Submissions have raised issues around:

- Road network maintenance
- Brynderwyn alternative access
- Speed reviews and safety
- Footpaths
- Cycleways and Paths

A large proportion of the response was in support of additional investment in accessibility, speed management and shared paths.

Key Issues raised from submissions:

Road Network

Submissions were related to specific roading projects or routes including:

- Ngunguru Rd/Sands Rd roundabout
- Reyburn St to Port Road 4 laning and bridge replacement
- Marsden Bay Drive remediation
- Replace one land bridge on Ruakaka Beach Rd
- Maunu Rd congestion

Staff Analysis

Submitters raised the issue of increasing congestion on the main roads throughout the City particularly on Maunu Rd by the hospital and in the Reyburn St /Port Rd area.

Councils program of Urban Intersection Improvements as set out in the Draft LTP has been developed to address safety and congestion issues over the period of the LTP.

Council is working with NZTA who are leading the development of a Business Case for SH14 and access to the Hospital in conjunction with the hospital. Councils position is that the infrastructure improvements associated with the Hospital should be funded externally. Funding to support business case and design development is currently identified in the long term plan.

A request for a new roundabout at Sands Rd, improvements to the bridge on Beach Rd, Ruakaka and upgrade of Marsden Bay Dr are all projects contained in the current Draft LTP.

Recommendation

No changes to the Draft LTP required.

Brynderwyns Alternative Route

Submissions were received on the need for an alternative State Highway route through the Brynderwyn section of SH1 and for upgrades on the alternative detour routes including replacing the one way bridges.

Staff Analysis

Submitters support the upgrading of the Brynderwyn alternative detour routes including the upgrading of the existing one way bridges.

A business case is required to be undertaken to justify the required funding for this project. Funding for the business case to determine alternative routes upgrade options is included in the draft LTP as well as \$8m for implementation.

Council as part of its submission of the Government Policy Statement for Land Transport prioritised its support for the Roads of National Significance in Northland including the Brynderwyns alternative route.

Recommendation

No changes to the Draft LTP required.

Safety - Speed management

Several submissions were in support of completed traffic calming such as in Te Kamo and Oakura. Requests were received for further traffic calming at Raumanga kindergarten and Morningside School, Parua Bay School, Corks Rd/Station Road intersection and Beach Rd, Onerahi.

Further submissions were received in support of a speed review for Tutukaka, speed review and traffic calming for the Whangaruru area, review of the Whangarei heads scheme and for the implementation of red-light cameras.

Staff Analysis

A reduced program of traffic calming and road safety crossings has been included in the draft LTP.

Funding for consultation and implementation of the Tutukaka Catchment and all schools is included in the draft LTP (years 1-3) and consultation only of Whangarei City is in LTP (years 1-3). The balance of the network is identified for consultation in years 4-10 of LTP. This is subject to NZTA confirming subsidy.

A request for the installation of Red-Light cameras and increased speeding enforcement is not within Councils jurisdiction. The responsibility for the installation and operation of Red Light Cameras has recently been shifted from the Police to NZTA who have yet to establish their policy on new installations. The responsibility for speeding enforcement rests solely with the Police.

Recommendation

No changes to the Draft LTP required.

Shared Paths

The majority of submissions received regarding shared paths were in support of both the existing network and for extending the network around the Whangarei urban area.

Specific support was received for the Tikipunga shared path, extension of the Onerahi shared path to the Onerahi shops, Kamo shared path to the loop path connection and Raumanga improvements and the extension of the shared path to Hikurangi. Only one submission was against expenditure on cycling and shared paths.

Staff Analysis

Council has funded a significant program of shared path construction over recent years and is currently completing the Raumanga Shared Path using Transport Choices funding,

Kamo Shared Path stage 5 using NZTA funding and the extension of the Kamo SP to the Springsflat Roundabout using AIF funding.

No further projects are currently proposed in the first three years of the LTP.

Funding to establish project business case and funding applications is included for projects such as Tikipunga to be developed in the future and project funding is provided in years 4-10 of the Draft LTP.

Recommendation

No changes to the Draft LTP are proposed.

Community Led/Non-Urban Trails

Community Led Cycleways were a relatively new focus within submissions. Requests were received to support the:

- Wairahi Tracks Trust – Langs Beach to Tarata Place project
- Bream bay – One Tree Point to Ruakaka initiative
- Waipu Cycle & Walkway Track between Riverview Place and the Cemetery
- Beach Rd, Onerahi to Parua Bay
- Whananaki Coastal Trail

Northland Regional Trails Project – A request has been received for Council to continue funding to support the Northland Regional Trails Project. This is a joint funded initiative with NRC and Bike Northland to undertake planning, support external funding applications and community led projects.

The Waipu Cycle and Walkway Trust are requesting an estimated \$600,000 is required to complete the 650m length remaining on the cycleway.

Staff Analysis

Funding in the first 3 years of the LTP is reduced but the provision of seed funding to establish project business case and funding applications is provided and project funding is provided in years 4-10 of the Draft LTP.

A potential option available to Council is to bring forward funding from the later years of the LTP to support the Community organisations to complete these Community led projects.

Northland Regional Trails Project – Provision for this funding has already been made in the Draft LTP.

Recommendation

Council considers bringing forward funding \$600,000 for the first 2 years from future years of the Draft LTP to support the Community led projects in Waipu and Ruakaka.

No other changes to the Draft LTP are proposed.

Accessibility

Submissions were received on a wide range of issues that touch on accessibility and safety.

Submissions have been made requesting improvements to accessibility in the CBD particularly relating to pedestrian safety and better pedestrian crossings infrastructure, better parking management and improved accessibility for people with disabilities.

A further submission raised increasing the time for pedestrians on signalised pedestrian crossings.

Staff Analysis

Funding for the implementation of the CBD Masterplan has been provided in the Draft LTP. Initial funding for investigation and design has been made in the first 3yrs.

Recommendation

No changes to the Draft LTP are proposed.

Footpaths

A number of submissions sought improvements to the existing footpath network and new footpaths and in some instances the installation of new kerb and channelling.

Specific areas raised included:

- Hikurangi – King St
- Ruakaka /One Tree Point– Marsh St, Slacko Cres, Albany Cres
- Ngunguru Kopipi Cres

The disability community advocate for wider smoother and accessible footpaths and support the shared path program.

Staff Analysis

The Draft LTP makes a provision for \$1M per annum for new footpaths as part of the NZTA subsidised program. The NZTA requirements for this programme require projects to be ranked using the prioritisation matrix which favours urban footpaths due to numbers of pedestrians, traffic and therefore safety issues. New footpath projects in the rural and coastal areas may miss out under this current program,

Council could consider an additional program of unsubsidised funding targeting new footpaths in the rural and coastal villages.

The upgrade of King St, Hikurangi between Church St and Valley Rd is available from Council's footpath renewals budget for which there is adequate provision in the Draft LTP. Staff can investigate the development of this project with Community involvement, and due to the size of the project this may be implemented over several years.

Recommendation

That Council consider providing unsubsidised funding for footpaths that do not meet the criteria set out in the current Footpath Prioritisation spreadsheet. This would particularly benefit rural and coastal villages as well as fixing existing gaps.

That either

- An additional \$250,000 per annum unsubsidised is included for new footpath projects, or;
- That of the \$1m currently allowed for in the Long-Term Plan (including subsidy), Council agrees to provide additional funding to cover any shortfall in NZTA subsidy

Public Transport

A number of submissions called for increased investment in public transport as well as more specific requests for services as well as infrastructure investment. Submissions have been passed to the Northland Regional Council to be considered as part of the Public Transport Network.

Some submissions sought investigation and implementation of alternative public transport infrastructure including:

- Commuter rail for Whangarei including light rail
- Inter-regional passenger rail between Whangarei to Auckland
- Park and ride facilities
- Bus stops
- Inter-city bus stop (Ruakaka)

Cleaning and maintenance of bus stops was also raised.

A submission from the NRC supports Councils program for mode shift in the City which incorporates improved public transport services, active modes -shared paths and walking and cycling facilities, parking management, the provision of "park n ride" facilities and the urban intersection upgrade program which incorporates pedestrian safety and congestion relief across the city.

Staff Analysis

The Northland Regional Council are responsible for the provision and management of the Public Transport services in the region. Council works with the NRC regarding the provision of additional and supporting infrastructure to support the bus service. The requests for additional bus stops will be investigated with the NRC and can be managed within current budgets.

Requests for the development of "Park n Ride" facilities for the City will continue to be investigated and Council has allowed funding for "Park n Ride" facilities in years 7-10 of the Draft LTP.

The existing inter-city bus stop at the Port Marsden Roundabout is a private service and situated on private land. Council has no involvement with this however a request for an improvement to this service can be investigated and possibly incorporated in the proposed new service centre adjacent to the roundabout,

Passenger Rail – A request for investment in passenger rail infrastructure across the District is not included in the Draft LTP.

Recommendation

No changes to the Draft LTP are proposed.

Roadside Spraying

One submission requested Council reconsider its use of herbicide sprays in the roadside maintenance vegetation control program and consider alternatives.

Staff Analysis

Council has made provision in the Draft LTP to investigate this matter and look at possible trials for alternatives and this is covered in more detail under Parks and Reserves response.

Recommendation

No changes to the Draft LTP are proposed.

Unsealed Road Improvements / Seal extensions

Submissions have been received that raise concerns about dropping the seal extension programme and requesting sealing of gravel roads. This includes requests for:

- Ngunguru Ford Rd

Other submissions support the stopping of the seal extensions.

Submissions have been received that raise concerns with the condition of roads in the district, with a specific focus on the poor maintenance (and performance of contractors) of rural and coastal roads.

Staff Analysis

Council has made provision in the Draft LTP to fund \$3.0M of ratepayer subsidised seal extension projects to complete the last 3 roads previously approved in the 2021-24 LTP and for which consultation with the residents has already been undertaken.

No further provision is planned.

Issue relating to maintenance of specific unsealed roads will be looked at as part of ongoing operations.

Recommendation

No changes to the Draft LTP are proposed.

Parking

Submissions have raised the need for:

- More car parking in retail and urban areas.
- A car parking building
- More mobility parking in the city centre
- More car parking in the town and local centres across the district
- Changes to time zones
- Park and rides

Generally, there is a perception of either insufficient car park numbers and/or that the existing car parking is not in the best location.

Staff Analysis

Council has developed a draft Parking Strategy and Draft Whangarei Centre Parking Plan that will address the allocation and future direction of Parking. Once this has been through consultation and adoption, Council will work with the disability sector to ensure the current provision of mobility car park spaces are in the right locations and suitable for the required use. Additional spaces will be considered if justified.

Funding for the investigation of an additional car parking building is identified in Yrs 7-10 of the draft LTP.

Recommendation

No changes to the Draft LTP are proposed.

Punaruku Awa Flood Mitigation

The Otetao Reti Marae has requested that Council improve road access resilience of the road network within and through Punaruku, Mōkau and Ngaioitonga.

Staff Analysis

Council in partnership with hapū and the Northland Regional Council has completed a business case exploring flood protection initiatives in Punaruku and considers long term climate change impacts. Council is committed to addressing the flooding issues for the Punuruku community. Of the options developed in the business case Option 1 – river pathway is to be provided by the Northland Regional Council.

Option 2, Road Pathway provides 3 options to be implemented incrementally.

Funding for Option 2 A can be managed within the existing road improvement budget. Options timing and funding for Stage 2B and 2C are proposed to be incorporated into the Community Led Adaptation Project being initiated in Whangarauru catchment and incorporating the Punuruku area.

Recommendation

No changes to the Draft LTP are proposed.

Te Kamo Specific Issues

Te Kamo Community Inc. has requested Council support for the development of the Ten Year Te Kamo Community Plan 2024-34 and in particular an identified improvement project called “Te Kamo traffic flow, parking and pedestrian safety project”.

Kamo community Inc would like to discuss partnership options with WDC to implement this project within the 10 yr timeframe of this LTP 2024-34.

The project includes improved traffic flow, more parking and angled parking, disability car parks, clear delineation for pedestrians and vehicles, pedestrian safety and road crossings, bike stands and speed reduction.

Staff Analysis

Council can work with the Kamo Community Inc to develop and implement the proposed “Te Kamo traffic flow, parking and pedestrian safety project”.

Initial design and planning works can be funded from existing budgets, minor works may also be funded from existing budgets and more significant works prepared for inclusion in future LTP programs.

Recommendation

No change to the Draft LTP is proposed.

Waipu Specific Issues

Submissions were received regarding safety problems with the conflict between cars and pedestrians particularly outside the Four Square and Caledonian Dairy shopping areas. Submissions also included requests for additional parking spaces in Wapiu town centre and a roundabout at Nova Scotia Dr and the Centre.

Staff Analysis

The Four Square and Caledonian Dairy shopping areas involve private land. Council will need to discuss any improvements with the property owners.

The request for additional parking spaces in Wapiu town centre will be investigated. The request to investigate the installation of a roundabout at the intersection of Nova Scotia Dr and the Centre is part of the future Urban Intersection upgrade program but not specifically identified and funded at this time in the first 3 years of the Draft LTP.

Recommendation

No change to the Draft LTP is proposed.

Recommendation(s):

That Council:

- A) Acknowledges the submissions received and the issues they raise and, where possible, will include these in our business as usual work, and;
- B) Allocates an additional \$250,000 capital expenditure per annum across years 1 to 10 of the Long Term Plan unsubsidised specifically for new footpath projects in rural and coastal areas and notes this will be funded by additional debt; and
- C) Allocates programme funding to footpaths raised through consultation in rural areas subject to budget and feasibility
 - Hikurangi – King St
 - Ruakaka /One Tree Point– Marsh St, Slacko Cres, Albany Cres
 - Ngunguru Kopipi Cres

Financial Impact:

Footpaths (Rural and Coastal unsubsidised) \$250,000 CAPEX per annum funded by debt.

Further Comments – Parks and Recreation

Feedback from Consultation

Submissions Analysis:

125 submissions were received on Parks and Recreation. Topics were varied. A number of submissions received sought improvements to our parks, reserves and public spaces. Several submissions expressed specific support for our recreation facilities and plans for new developments.

Key Issues raised from submissions:

Provision of Green Spaces

Support for the development of green spaces over the past years. Submissions were received relating to the development of William Fraser Memorial Park / Pohe Island, specifically the construction of the spine path and tidying up around the bike park.

Staff Analysis

Council provides parks and reserves for the benefit of the community. Provision of green space allows the community to keep fit, play sport, have fun and enjoy nature.

As the community population grows there is a need to continue providing green spaces for recreation and respite. Provision of green space within new housing developments is critical for these new communities. Council works with developers to advocate for provision of open spaces within new developments.

The development of the spine path on Pohe Island is included in the draft LTP. The clean up around the Bike Park will be reviewed.

Recommendation(s):

Council continues to provide parks, gardens and green space and maintain its levels of service.

Dog Parks

Submissions were received to develop of a dog park for small dogs and well as an off lead dog area/dog park for Hikurangi.

Staff Analysis:

Council is currently consulting on the Dog Management Policy and Bylaw. The smaller dog exercise area on Pohe Island can be used by any dog owner.

Recommendation(s):

Allow the consultation process for the Dog Management Policy and Bylaw to run its course. No changes are proposed to the LTP.

Hikurangi Sports Hub

Submissions were received both in support and against the Hikurangi Sports Hub. These included requests for a Reserve Management Plan for the Sports Hub and other areas of Hikurangi open space. Submissions also included a request for part of the space to be allocated to become a public garden.

Staff Analysis:

The Hikurangi sports hub is a concept being led by the sports park stakeholders. Facilities at the park are run down and no longer fit for purpose. The concept of a multi-sport hub is widely accepted as the preferred solution as multiple sports codes have their own aging facilities on parks. This concept is strongly supported by Sport NZ and funding agencies.

Council has plans and budget in the LTP for the development of a playground and skatepark at the Sports Park which will contribute to the vibrancy of the venue.

Hikurangi is in need of a Reserves Management Plan (encompassing the Sports Park, Lake Waro and Gomez Road land) given the debate in the community of the purposes of these three parks. No budget or resourcing is currently available to produce a reserve management plan for Hikurangi.

Recommendation(s):

That Council:

- A) Considers undertaking a Reserve Management Plan Strategy, including the option of an omnibus Reserve Management plan, process in year 1 and 2 of the LTP and allocates \$50,000 additional OPEX in year 3 of the LTP to undertake the priority RMP or;
- B) Provide no funding for a reserve management plan within this LTP.

Parks and Gardens Maintenance

Submissions were received requesting increased funding and provision of pest weed control on council land. There were also submission requesting a reduction of mowing of open spaces, fencing of play areas, and provision of food gardens.

The Weed Action Native Habitat Restoration Trust has requested \$20,000 per annum (an increase of \$5,000 per annum) for weed control at Reotahi Reserve.

Staff Analysis

Weed and pest control is a crucial component of parks and reserves management. Council is unable to maintain all of the reserves within its portfolio and relies on community groups to play its part in managing weeds and pests.

Council spends approximately \$300,000 per annum on weed and pest animal control, which is over and above the Parks and gardens maintenance contract which also includes weed management on parks within the contract.

Parks and Recreation has overspent the non-contract parks maintenance budgets over the past few years by \$300,000 per annum as funding has not kept pace with increasing costs yet there is pressure to maintain the facilities to a required level of service. The number of new parks and green space which have come online due to vestments and developers including open space in their developments which become a maintenance issue for Council is putting additional pressure on budgets.

If Parks and Recreation maintain its parks within budget, non-contract maintenance will be restricted to health and safety items only resulting in a decline in levels of service.

Council has a no mow programme at Pohe island as part of an initiative to mow less. A number of reserves are unmaintained and a number of esplanade reserves are not mowed in efforts to reduce costs and for environmental benefit.

Council has no plans of developing food groves however does support communities with community gardens which are often used for food production.

Community weed action groups such as the Weed Action Native Habitat Restoration Trust will be encouraged to apply to Council for grants to support weed action initiatives in the community.

Budget is included in the draft LTP for a review of glyphosate use and alternative methods on parks and open spaces.

Recommendation(s):

- A) Council encourages weed and pest action groups to apply for funding through community grants and other funding sources to support pest control initiatives.
- B) Council continue to maintain parks and gardens with the resources provided acknowledging existing budgets are insufficient to meet community expectations; or
- C) Provide additional funding \$300,000 per annum in the LTP to maintain parks and reserves to meet levels of service.

Staff recommend option A and B

Recreation for disabled and aged

Submission on provision on recreational activities for children with disabilities.

Staff Analysis:

It is acknowledged play opportunities for those with disabilities is limited and Council could do better. Council has partnered with Sport NZ who is funding a Play Advocate position in Council for 2024/25 and 2025/26. The Play Advocate role will develop a Play Strategy for the district which will consider all users including those with disabilities and older adults.

Recommendation(s):

No changes to the LTP

Note that a Sport NZ funded Play Advocate role is to develop a play strategy for Whangarei and that this will include mobility impaired users.

Mountain Biking

Submissions were received on the importance and potential for mountain biking in Whangarei. Submissions relate to requests to allocate maintenance and renewals funding to bike tracks.

Staff Analysis:

Most bike tracks have been created through volunteers using seed funding from Council. The resulting tracks are not vested as Council assets and are therefore not included in our renewal budgets.

Council provides an annual grant of \$12,000 to the mountain bike club to maintain mountain bike trails on Parihaka.

Recommendation(s):

That Council continues to fund the Parihaka mountain bike club via an annual grant.

Cemeteries

Submissions were received in support of the development of a Ruakaka Cemetery. A request was received to support the expansion of the Kaurikohore Cemetery.

Staff Analysis

The development of a Ruakaka Cemetery has been proposed for the past 10 years. Land was purchased in 2022 and designated for Cemetery activities. Initial development work is allocated for in the draft LTP.

The Kaurikohore Cemetery is managed by the Kaurikohore Cemetery Board, an Incorporated Society registered as a Charitable Trust. Council does not own the land that contains the cemetery. Maunu Cemetery is the primary cemetery for the Whangarei District. A master plan for the Maunu site has been completed and has established that the site has capacity for the next 20+ years. As cemeteries reach the limit of available plots they are closed to new interments. As Maunu Cemetery has capacity for the district there is no necessity to grow Kaurikohore

Council has not budgeted for additional cemetery land outside of that already purchased for the Ruakaka Cemetery.

Recommendation(s)

That Council

- A) Continues to undertake planned development of a cemetery for Ruakaka within planned budgets.
- B) Continue to promote Maunu Cemetery as the primary site for cemetery internments.

Recreation Facilities

Submissions have been received in relation to funding and expansion of recreation facilities including:

- D) Operational grant for the Ruakaka Recreation Centre
- E) Expansion of the Trigg Stadium at Kensington Park to accommodate changing gymnastic priorities including tumbling and trampoline.

Staff Analysis:

Ruakaka Recreation Centre

Annual operating grants are provided for Council Controlled Organisations. Community funding may provide opportunities for recreational projects and activities to be undertaken through contestable funds, the funding applications can be accessed online or contacting council for support completing an application.

The District Amenities Fund (DAF) provides ringfenced operating grants to key community amenities. Ruakaka Recreation Centre is a regular recipient of District Amenities Funding and have a current application in the system for an increase from \$46,000 to \$116,000 in Year 1, \$127,000 in Year 2, and \$140,000 in Year 3.

Council is now considering organisations to receive funding from the DAF for the next three years during June for the next three years of the LTP. The Community Development Committee will consider the awarding of these multi-year grants in June 2024.

The DAF budget is the same as last year, we will not be able to meet this request without an LTP top up to the Fund.

There are also other organisations requesting an increase in their DAF funding for the next three years. There is a gap of \$365,000 between requests and available budget, excluding inflation adjustments for each year (not able to be supported).

If Councillors wish to support RRC, Kiwi North, Quarry Gardens and other recipients, extra budget would be required as per below table.

	Year 1	Year 2	Year 3
Total requested	\$1,810,421	\$1,909,574	\$2,025,150
Funding gap	-\$150,421	-\$249,574	-\$365,150

This supports additional submissions for support from Kiwi North and Quarry Gardens as Community Facilities and Services.

Northland Athletics and Gymnastics Stadium Trust (NAGST) manage the Gymnastics Stadium via an operational grant. The proposal put forward by NAGST has not been able to be fully assessed by officers but has merit in further investigation.

Recommendation(s):

Work with NAGST to develop a business case for the future expansion of Trigg Stadium including funding options for consideration in the next LTP.

The District Amenities Fund is increased in support of significant community amenities services in the district by Year 1 \$150,421 opex, Year 2 \$249,574 opex and Year 3 \$365,150 opex and inflation adjusted.

Sports Hub

Submissions were received supporting the Sports Hub project identified in the Sport and Active Recreation Strategy. Comments included those on the timing of the development of the sports hub being outside of the 10 years of the LTP which does not address the current need for fields and indoor sports facilities. Submissions ask Whangarei District Council to consider allocating funding in the period 2024 – 2034.

Staff Analysis:

Parks and Recreation are currently evaluation land options for the future hub facility. \$5.5m is included in year 3 of the LTP for land purchase.

No budget has been included for planning work and the budget for the build is outside the 10 year LTP window.

The Active Sport and Recreation Strategy and Indoor and Outdoor Courts Strategy identify a critical shortage of indoor court space in the district and sports fields are also in short supply. Volleyball teams are currently training on the sports fields and carpark at Kensington due to the shortage of available indoor space. Whangarei has the least provision of sports courts per population in the country where sports such as basketball are one of the fastest growing sports.

A 10+ wait for the development of indoor sports courts will accentuate the problem and funding could be brought forward to fast track this development.

Recommendation(s):

That \$100k of budget currently signalled in year 11-13 of the Infrastructure Strategy be brought forward into the LTP year 3 to enable the development of a concept design following confirmation of the preferred location.

Note that at this stage no Detailed Design or Construction funding to enable the development of the Recreation Hub will be brought forward however this will be considered in the next LTP.

Tikipunga Artificial Turf Field

Submissions were received from both the Northland Regional Football Association and from Tikipunga Association Football Club in support of this project proceeding.

Staff Analysis

Council was planning the construction of a new sports field at Tikipunga Sports Park in the 2023/24 financial year to help address the shortage of sports fields in the district. A budget of \$435,000 had been allocated to the project however tender pricing came back at \$1.4m. A significant contributor to the cost is the considerable enabling works required to build a pitch in the proposed location.

Building a sand/grass-based pitch for the cost quoted is poor value for money and Council are better to consider alternative technologies such as artificial turf which although more expensive to build provide far better value due to the play hours an artificial turf can sustain.

Where a sand-based turf can provide approximately 15-18 hours capacity an artificial turf can provide in excess of 60 hours per week, the equivalent of approximately 4 fields.

Artificial turf is considered a key technology to help the district meet demand. Other technologies such as hybrid turf (natural grass and artificial) will also extend the playing hours of fields and should be considered as part of the WDC's delivery strategy.

A business case/strategy for artificial turf surfaces should be completed in year 1 of LTP.

Recommendation

That Council:

Progresses the development of the of the Tikipunga Sports Park Turf by:

- A) Supporting the business case for artificial sports turf surface, and;
- B) Includes \$50,000 (opex) in year 1 of the LTP for producing a business case, and;
- C) Includes \$2.5m (capex) in year 2 of the LTP for the development of an artificial sports turf, and;
- D) Includes \$30,000 per annum Opex for the maintenance and operation of the turf from year 3.

Recommendations:

That Council:

- A) acknowledges the submission received and the issues they raise and, where possible, will include these in our business as usual work, and;
- B) Considers undertaking a Reserve Management Plan prioritisation in year 3 and allocates \$50,000 additional OPEX in year 3 of the LTP to undertake the priority RMP.

- C) That an additional \$100k capex (debt funded) be added to Year 3 of the LTP to enable the development of the Recreation Hub design. The design and construction is currently signalled in year 11-13 (\$35 Million) of the Infrastructure Strategy.
- D) Progress the development of the Tikipunga Sports Park Turf Development by:
- Supporting the business case for artificial sports turf surface, and;
 - Including an additional \$50,000 (opex) in year 1 of the LTP for producing a business case, and;
 - Including an additional \$2.5m (capex) in year 2 and 3 of the LTP for the development of an artificial sports turf, and;
 - Including \$30,000 per annum Opex for the maintenance and operation of the turf from year 4.
- E) Approves funding of \$70,000 opex per annum in year 1 of the LTP, \$35,000 opex in years two and three for the Ruakaka Recreation Centre.
- F) Agrees to amalgamate funding of existing projects associated with the Hikurangi Sports Hub so that it can be delivered earlier without increasing the overall budget
- a. \$50,000 opex in year 2 to complete the masterplan,
 - b. \$100,000 capex in year 3,
 - c. \$500,000 capex in year 4,
 - d. \$500,000 capex in years 5
 - e. \$500,000 capex in year 6
 - f. \$100,000 capex in year 7
 - g. Notes that this funding includes the replacement of the the Lake Waro skatepark with a new skatepark at the Sports Hub.
 - h. Notes that the scope includes existing LTP projects - Skatepark (\$343k), Playground (\$226), Sports Hub (\$124k), Car Parking (\$298k), Drainage (\$323k) and Floodlights (\$373k) - \$1,686 total in Draft LTP.
- G) Removes funding for existing conveniences investigation of \$100,000 from year 1 as this will be undertaken in house and the budget used to offset other increases.

Financial Impact:

Reserve Management Plans \$50,000 OPEX in year 3.

Sports Hub Development - additional \$100,000 capex in year 3 funded by debt.

Tikipunga Sports Turf Development

- \$30,000 (opex) in year 1 included. Where possible this additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.
- \$0.5m (capex) in year 2 of the LTP funded by debt
- \$2.0m (capex) in year 3 of the LTP funded by debt
- Includes \$30,000 per annum Opex for the maintenance and operation of the turf from year 4. Where possible this additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a

further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.

Ruakaka Recreation Centre

\$70,000 opex per annum in year 1 of the LTP and \$30,000 opex in year two

Where possible additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.

Proposal to reduce operating costs to accommodate the above

- Remove \$100,000 opex for investigation of existing public conveniences as this will be done in house
- Remove \$130,000 opex from year 1 of the Town Basin Investigations – Leaves a \$200k budget to address high risk areas only
- Reduced funding for toilet repairs from \$175k to \$100k for years 1 to 3. May result in some toilets being closed for longer periods
- Delayed opening of Tikipunga All Weather Pitch by a year - \$20k

Further Comments – Water

Feedback from Consultation

Submissions Analysis:

67 submissions were received that had some comment on Water Services. The largest issue raised was fluoridation. There was also comment on the repeal of the three waters legislation and potential amalgamation of services with the other Northland Councils.

There was also support for ongoing renewals, upgrades and growth projects. Some submitters commented on the uneven spread of water rates increases over the 10 years of the plan.

Submissions suggested strong support for growth related infrastructure planned for in Kensington and Ruakaka.

Key Issues raised from submissions:

Rating

Submissions included requests to implement tiered water rates and review the spread of water rates increases more evenly over the 10 years. These requests have been addressed under the Targeted Fees and Charges sections.

Communication

There was a request to provide more information to the public on water quality.

Gomez Rd

Several submitters requested that a Reserves Management Plan was prepared for the Gomez Rd Dam land.

Poroti Water Treatment Plant

There was support for the Poroti Wastewater Treatment Plant as it would ensure water security for the district.

Water Takes/Climate change

Some submissions suggested better management of water use to reduce the reliance on increasing water takes.

Growth

Submitters requested more planning for growth in city centre to ensure development can occur this includes the hospital and city centre.

Staff Analysis:

Rating - A full review of water rates would be beneficial and will be undertaken once there is more certainty about Council's response to the Local Water Done Well Reforms. This will allow time to develop an informed view on the future work program and enabling funding program, which will in turn drive rating policies. This is discussed further in the Rating section.

Communication - Ways to improve customer knowledge of what services we provide and how we provide them should be considered.

Gomez Dam - There are a number of Reserve Management Plans that need to be progressed. There is currently insufficient internal resource or budget to execute these. This is discussed in the Parks and Reserves section.

Water Treatment Plant at Poroti - The support for the Poroti upgrade project is noted. This is the key strategic project for water supply in the Infrastructure Strategy. The importance of demand management is also noted.

Water Takes - The importance of complying with consent conditions is noted. It is expected that all water take requirements are fully met. NRC hold all compliance information and would be better placed to report on performance at a regional level.

Climate Change Impacting Raw Water - This feedback is noted. Water Services will work with NRC to understand these impacts at a catchment level.

Growth - Officers acknowledge the importance of good modelling to support growth projects and effective strategic planning across the district. A project is underway to update the water model but no funding is allocated yet to develop a comprehensive strategic plan. A strategic plan will be required to identify growth projects needed in the next LTP.

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Notes there are no recommended changes to this activity as set out in the Consultation Document; and
- c) Notes that most of the actions requested by submitters can be accommodated in Council's planned activities; and
- d) Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

Financial Impact:

There is no financial impact on this activity.

Further Comments – Wastewater

Feedback from Consultation

Submissions Analysis:

29 submissions were received relating to Wastewater.

Most submissions identified specific renewal and upgrade projects of interest such as the:

- Ruakaka Growth - Options for wastewater upgrades and disposal.
- City Growth - General support and encouragement - particularly Bank Street
- Request for a Waste Dump Station for Waipu
- Whangarei Heads - Richie Road Pump Station

Key Issues raised from submissions:

Funding / Rating

Submitters were interested in changes to funding/rating of wastewater services to a volumetric charge.

New Facilities

Submissions included requests for a Motor Home Dump Station and Water Filling Facility for Waipu and a Dump station for Tutukaka.

Parua Bay

Submissions from the Parua Bay community requested a solution for Ritchie Road pump station issues.

Ruakaka

Submissions showed interest in options for managing growth and planning for wastewater disposal and suggested these were funded from development contributions.

Growth

Submitters requested more planning for growth in city centre to ensure development can occur this includes the hospital and city centre.

Staff Analysis:

Local Government legislation does not currently allow volumetric wastewater charges. A full review of wastewater rates would be beneficial and will be taken once there is more certainty about Council's response to the Local Water Done Well Reforms. This will allow time to develop an informed view on the future work program and enabling funding program, which will in turn drive rating policies. If legislation changes to allow volumetric charging this would be included in the review.

There is a reasonable level of support for additional investment in wastewater systems to support growth and minimise impact on the environment.

Plans for installation of a new motorhome dump station in Tutukaka is currently within the LTP. Additional facilities for Waipu will be reviewed for potential scheduling in future plans.

Planning for growth is a key element of current activity and is part of the wider Future Development Strategy implementation plan. Work is underway to determine the

prioritisation of projects for the City area including the city centre so that developers have greater confidence to build.

Officers note that work is to be undertaken on Local Waters Done Well including the development of a Water Services Plan. This plan may look at options relating to different funding and charging models for Wastewater but no change is proposed at this stage.

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Notes there are no recommended changes to this activity as set out in the Consultation Document, and;
- c) Notes that most of the actions requested by submitters are accommodated in Council's planned activities, and;
- d) Notes that central government's Local Waters Done Well programme will provide greater certainty for future options for this activity.

Financial Impact:

There is no financial impact on this activity.

Further Comments – Stormwater

Feedback from Consultation

Submissions Analysis:

18 submissions were received on stormwater. There was general support for stormwater renewal and upgrade projects. The submissions mainly focussed on specific stormwater problem areas.

Key Issues raised from submissions:

Stormwater culverts

Submissions included requests for fixes on stormwater culverts between 17 and 19 Reotahi Road, McLeod Bay and Millbrook Rd. These requests have been passed to the Transportation Department for consideration.

Stormwater Data

There was support in the submissions for the Stormwater Data Improvement Programme and for the provision of funding for condition assessments and modelling on network assets. One submission requested increased funding for condition assessments rather than it being maintained at current levels.

Rates

Submission indicated support for a targeted rate for Stormwater.

Sustainability

There was support for catchment planning, improving water quality through use of wetlands and swales. One submitter requested increased gross pollutant traps. Another suggested removing the ban on residents collecting and storing water for use on gardens.

Consents

Submissions indicated support for stormwater consent programme

Staff Analysis:

Stormwater culverts

The culverts identified are managed as part of ongoing operations. Requests for service have been passed to the relevant departments for consideration as part of their regular maintenance programmes.

Stormwater Data

The Stormwater Data Improvement Programme is a key element of the asset management framework. The Condition assessment programme is projected to increase as we grow capacity. Both these activities are funded as part of the LTP.

Rates

Note that a Stormwater targeted rate is proposed in yr 2 on the Long Term Plan.

Sustainability

The Council Engineering Environmental Standards are developing more water sensitive design solutions for stormwater management. This is an ongoing work programme. There is no ban on water tanks, but new developments are encouraged to connect to the Water Network if located within the catchment area.

Consents

A stormwater network consent programme is underway.

Recommendation(s):

That Council:

- Acknowledges the submission received and the issues they raise; and
- Notes there are no recommended changes to this activity as set out in the Consultation Document, and;
- Notes that most of the actions requested by submitters are accommodated in Council's planned activities.

Financial Impact:

There are no financial changes to this activity.

Further Comments – Coastal Systems and Flood Management

Feedback from Consultation

Submissions Analysis:

22 submissions were received that discussed coastal or flood management issues. There is some overlap with the stormwater activity.

Key Issues raised from submissions:

Climate impacts

Submitters suggested that flood management from Mt Aubrey onto Reotahi Road needs addressing with a genuine engineering solution instead of orange hazard netting. They also expressed concern about the impact of higher tides on roading network. Submissions also included a request to minimise the numbers of new hard protection structures such as seawalls.

City Centre

There were comments on the need for remediation and flood management planning for the city centre including options to minimise managed retreat.

Rates and Funding

Submissions included a request to review funding for coastal protection and to investigate a targeted rate for coastal and flood works.

Beaches

Some submitters requested the removal of vehicles from beaches and that nature based coastal protection was implemented.

Tutukaka

Several submissions expressed support for the Tutukaka Marina breakwater and the upgrade of the Tutukaka boatramp.

Staff Analysis:

Council has produced the Coastal Protection Works Policy which guides when and how Council will invest in coastal protection structures. It also sets out how it will support the community with their own initiatives where deemed appropriate.

Climate impacts

A programme of climate adaptation projects and flood studies are proposed in the long term plan to address concerns raised over climate change.

City Centre

City Centre Flood report/modelling is proposed to address concerns over flood issues in the city centre.

Rates and Funding

There is no capital funding allocated for new coastal protection activities in the plan. A process for project specific targeted rates is planned to be investigated.

Beaches

Vehicles on beaches are managed through the bylaw process. Nature based solutions for coastal erosion are identified within the recently adopted Coastal Protection Policy.

Tutukaka

The Tutukaka Marina breakwater is not a council project but is supported by Council. Council has a programme of renewals and improvements of coastal assets and Tutukaka will be assessed within this programme. The Tutuaka Boatramp is well used in holiday periods and funding from the Coastal Structures budget will be allocated in support of this project.

Where appropriate council can consider a targeted rate for communities where they are the main beneficiaries of coastal protection.

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Notes there are no recommended changes to this activity as set out in the Consultation Document,
- c) Notes that most of the actions requested by submitters are accommodated in Council's planned activities,
- d) Notes that the Tutakaka boat ramp project will be supported through a funding agreement (\$100k capital grant) with the Marina to replace the pontoon which will be vested as a Council Asset;
- e) Continues using the Coastal Protection Policy for assessing coastal protection
- f) Undertake a review of targeted rates for specific coastal protection projects.

Financial Impact:

There are no financial changes to this activity.

Further Comments – Flood Protection

Feedback from Consultation

Submissions Analysis:

8 submissions were received in relation to the flood protection activity. There is some overlap with the stormwater activity.

Key Issues raised from submissions:

Communications

Submissions included a request for more community involvement and communications about the Hikurangi Repo.

Ownership

Submissions did not support farmers taking ownership of the scheme.

Staff Analysis:

Communications

There is opportunity to ensure information is provided more frequently through the Council Projects page.

Ownership

The business case developed for the Hikurangi Repo looks at a wide range of solutions. Work to determine options and solutions is ongoing,

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Notes that there are no recommended changes to this activity.

Financial Impact:

There are no financial changes to this activity.

Further Comments – Solid Waste

Feedback from Consultation

Submissions Analysis:

Twenty-three submissions were received in relation to the solid waste activity. They covered various issues related to the kerbside waste collection services, waste minimisation initiatives and education, and litter collection.

Key Issues raised from submissions:

Waste Collection Services

Requests included:

- removing the twice weekly collection service for coastal communities during January
- wheelie bins for rubbish and or recycling
- food scraps collection
- reduction of rubbish collection frequency to fortnightly
- inorganic waste collection service
- recycling collection services for businesses

Litter Collection

Request included:

- the provision of more litter bins
- more frequent litter collections

Waste Minimisation and Education

Requests included:

- increased education regarding recycling and waste minimisation
- more support for electronic waste recycling

Staff Analysis:

Waste Collection Services

- The twice weekly collection service for coastal communities during January is not well utilised after the first week in January. The service often creates confusion for residents and visitors and is no longer required now that the capacity of recycling collections has increased.
- Food scraps collections may be required by central government in the coming years. If the collection of food scraps becomes mandatory then changes to the kerbside services (frequency, collection container) would best be done at the same time as the new service is introduced.
- Inorganic collections and recycling collections from businesses are expensive services that very few New Zealand Councils provide due to the various problems that they create.

Litter Collection

The location and number of both litter bins and litter collections is under constant review. We agree that it is an important service and appreciate your support for the resource required to perform the work.

Waste Minimisation and Education

A national electronic waste recycling scheme is due to be introduced soon. Until the details of such a scheme are clear it is a difficult area to invest in.

Education and support for waste minimisation is supported through the Council's waste minimisation fund - we encourage anybody in the community with an initiative in this area to make an application.

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Discontinues the twice weekly collection of waste from the coastal settlements in January in order that service levels across the district are consistent.

Financial Impact:

There would be a financial saving of approximately \$15,000 per annum if the twice weekly collection service was removed.

Further Comments – Community Facilities and Services / Strategy and Planning: Knowledge Precinct Plan, including New Theatre and the Redevelopment of Forum North.

Feedback from Consultation

Submissions Analysis:

Several submissions were received regarding the Knowledge Hub Precinct Plan, and these were generally incorporated within the submissions on Forum North.

A significant number of submissions were received regarding Forum North in relation to the following options:

- New 800 seat theatre
- A ‘black box’ theatre potentially in the existing Forum North building (which is adaptable to different settings and seating configurations) with surrounding performance rooms.
- Events Centre with flexibility for different event types and sizes accessible for all community members.
- Support for the Performing Arts and Culture sector of the district and region

Key Issues raised from submissions:

Knowledge Hub Precinct Plan / Master Plan

Proactive planning for the area around and including Forum North through a master plan / Knowledge Hub Precinct Plan.

Openness and transparent processes including:

- Thorough robust communication and engagement that includes the community and industry consultation (Creative New Zealand, PAANZ, Tour makers, professional contemporary performance companies).
- Governance processes.

A hub of activities that contribute to the social, cultural, economic, and environmental well-being of our community, in alignment with the four well-beings including:

- Tertiary education.
- Multi-functional spaces dedicated to arts such as theatre, cinemas.
- Hospitality activities (restaurants, bars etc).

An inclusive approach for the area which considers diverse groups and the affordability of the facilities for different potential users.

Forum North / New Theatre

Key issues raised included the lack of a venue large enough and with modern facilities in the district to hold national / international touring events, productions and shows.

Currently companies touring NZ with larger shows and events do not come to Whangarei anymore because facilities are outdated, and with a low people capacity it does not make financial sense to bring events to the district. Submissions included a call to put Whangarei back on the map for larger entertainment events.

Staff Analysis:**Knowledge Hub Precinct Plan**

The Knowledge Hub Precinct Plan is a graphical spatial/master plan covering a vision for a large area, generally including key moves and changes over the long-term. It is an action from the Whangarei City Centre Plan and is the final precinct plan to be developed in the city. It covers a large area; there are multiple landowners; multiple outcomes sought. It will be developed with the community, hapu and stakeholders. Importantly, it informs investments and decisions from Council but also other partners including government and other entities.

The consideration of options for the Knowledge Hub Precinct Plan will consider the requirements of both the LGA and Council's Significance and Engagement Policy, including the need for engagement and consultation.

While there is funding in the draft LTP for a theatre and Forum North - the funding is conditional and the details of the use, ownership and occupancy of the assets has not been subject to specific community engagement. The Precinct Plan is a vehicle for that alongside other community outcomes and development opportunities.

As discussed with Elected Members at the beginning of the LTP process, there is currently no Strategy department budget for the Knowledge Hub Precinct Plan beyond 1 FTE staff salary. Additional resourcing was not needed if the project was delivered at a pace that considered existing resourcing limitations. Recent activity with external parties and Government Ministers has forced the work to be expediated beyond internal capacity.

To enable the Precinct Plan to be developed at pace, additional OPEX resourcing of \$200,000 is sought. This is consistent with the budget initially allocated to the project in previous years though unused due to prolonged staff vacancies.

There is some possibility that components of the Knowledge Hub Precinct Plan might be appropriate for the Government's new Fast Track approval process. The Fast Track approval process does not create any additional funding streams.

If a Fast Track application is accepted to be heard by a Panel, then significantly more OPEX resourcing would be required to prepare the technical reports and information required and undertake the consultation expected within the Fast Track Bill. While timing is yet to be confirmed, it is likely that this would be required within the Years 2 and 3 of the LTP. A conservative figure for the work required to achieve this could be upwards of \$750k, potentially materially so. This matter is included in the discussion below.

Forum North renovation and a new Theatre submissions

The sentiment portrayed through the submissions is passion for the sector and strong support for the re-development of Forum North including an Events Centre / new Theatre configuration and Community Arts, Culture and Heritage Facility.

A couple of submissions were sceptical that a large new theatre was the solution for the Arts Sector in the district and this should be considered carefully as to what would best serve the Arts and Culture Sector in a multifunctional way as well as be accessible and equita

le for the wider community to participate.

All submissions align with the funding included in the draft LTP budgets 2024-2034 for Forum North redevelopment and seed funding towards a potential new theatre as the need for an Arts and Culture hub are expressed.

Forum North Trust

The FNT LTP submission requests Council to commit financially (dollar for dollar WDC/FNT) to jointly proceed with the Theatre design costs and associated sustainable operating model in 2024/2025 and 2025/2026. The estimated cost for this would be \$500,000 split 50/50, a council contribution of \$250,000 opex.

If council decides that no funding is available until 2027 (Capex is allocated from year 4) and there is no final decision on the build by that date, then it is unlikely FNT would be able to raise a considerable portion of the build costs in support of the project.

FNT would also lose \$1m which is conditional on council 'committing' to starting the build by June 2027 (End of LTP year 3). FNT currently have \$2,250,000 available for the project.

The FNT believe it is fundamental that this preliminary work for a new theatre should be completed as soon as possible before any expenditure is also allocated to the existing Forum North facilities being retained.

Once this commitment from council is made (\$250,000 opex) FNT will start their significant fund-raising campaign and maximise external funding opportunities and have a proposal from Strategic Grants which they would take up once council make a commitment in Year 1 to assist with their fund-raising efforts. FNT aim to match the

council \$6m seed funding in the first instance.

Extensive additional external funding would be required for a new theatre space, estimated \$60m to \$80m+.

The Government identified the Lyric Theatre as a standalone 'fast track' project and FNT have requested a copy of the recent council 'Fast Track' submission so they can fully understand how the Lyric theatre may fit into the Knowledge Hub jigsaw.

FNT welcome the opportunity to be represented on the Knowledge Precinct Plan Project Advisory Board (PAB) and have Trustees and associates who have experience in projects of this size who are committed to the huge fundraising that will be required. FNT also welcomed the signed Memorandum of Understanding with council to work together on a theatre project investigation.

The Trust recognises the financial constraints of council, especially in year 1 of this LTP and would like feedback from council on how thi

project can be progressed.

Forum North Entertainment Centre

The renovation of Forum North Entertainment Centre has the potential to not only enhance the cultural and social wellbeing of the community but also provide economic and environmental benefits.

Renovation of the existing building to an events centre could give flexibility for the community to the size and types of events that could be held and community groups who could have access to its facilities, and consideration for an additional new theatre configuration (Black box theatre) which gives function and

flexibility for the future of the Arts and Culture sector in the district and region.

The Forum North site is part of the Knowledge Hub Precinct Plan, and any redevelopment will progress through that process. As Forum North is a strategic asset of councils as described in the Significance and Engagement Policy, public consultation would be required during the decision-making process on the future of the current Entertainment Centre site.

Funding allocated in the draft LTP 2024-2034 for the renovation of Forum North was in two projects as follows:

Demolition and make good of Council offices:

Year 2 \$2,500,000 capex \$2,500,000 opex

Renovation and strengthening of existing theatre facilities:

Year 1 \$750,000 capex - renovation of FN

Year 3 \$5,000,000 capex

Year 4 \$5,000,000 capex

Funding allocated in the draft LTP for a new Lyric theatre:

Year 4 \$750,500 capex

Year 5 \$1,111,500 capex

Year 6 \$1,111,500 capex

Year 7 \$3,334,500 capex

Remedial Works at Forum North Entertainment Centre

To enable the current operations within the venues at Forum North to continue, immediate remedial works are required, including roof repairs which requires Opex funding. The remedial work and maintenance can be undertaken while the future project is progressed to keep the entertainment centre venues of the building useable and safe.

The opex funding of \$2.5m allocated in the draft LTP year 2, towards the renovation and any demolition and make good works to maintain safety of Forum North. This project has

changed so a portion of this opex could be brought forward into year 1 to fund opex works including the Knowledge Hub Precinct Plan, remedial works, and a commitment by council to progress a design cost and a sustainable operating model in 2024/2025 and 2025/2026.

Options

1. Year 1 - \$825,000 opex . \$200,000 to cover the costs of progressing the Knowledge Precinct Plan, \$500,000 for remedial work and \$125,000 to bring forward the commitment by council options for a new theatre in support of the Forum North Trust's request while the Knowledge Hub Precinct Plan is progressed.

AND

2. Year 2 - \$500,000 opex. \$375,000 for the technical reports and information needed for the Fast Track consenting. To meet Government's requirements, Council will have 2 years maximum to submit a substantive application for assessment by the Expert Panel and \$125,000 to bring forward the commitment by council for design costs and a sustainable operating model for a new theatre in support of the Forum North Trust.

AND

3. Year 3 - \$375,000 Opex for the technical reports and information needed for the Fast Track consenting. To meet Government's requirements, Council will have 2 years maximum to submit a substantive application for assessment by the Expert Panel.

AND

4. The remaining \$800,000 opex and \$2,500,000 capex from year 2, could be removed / reallocated as it is not currently allocated to this project, but it is important to note, there will likely be further funding required as the Knowledge Hub Precinct Plan, the renovation of Forum North Entertainment Centre and a new theatre progress in future years, this may require consultation through a future annual plan or long-term plan.

OR

5. Council could defer another opex project until later years to prioritise this Programme of works.

OR

6. Council could choose to move a different opex and capex amount across multiple years and allocate remaining opex to other projects to avoid negatively impacting rates further.

Risks

Risks associated with the allocation of funding for this programme of work:

- Council does not provide opex funding to demonstrate commitment to furthering a new theatre and Forum North Trust which has the following effects:
 - FNT miss the deadline to start possible construction by June 2027 and lose \$1m of their funding contribution.
 - The significant fundraising required by FNT is delayed.
 - The Strategic Grants offer to support fundraising cannot be undertaken.

- Council does not provide the \$500,000 for remedial works in year 1 of the LTP, the leaking roof in the Forum North Entertainment Centre will damage the interior fitout and has potential to make the venue un-useable.
- If the Knowledge Precinct Plan opex funding is not allocated in year 1, 2 and 3, the required resources available to further the plan and funding for the technical reports to Government would not be progressed.
- Any renovation of Forum North will have to undergo a public consultation process.

Council provided feedback to staff during LTP discussions, and this feedback has been incorporated into the following recommendations which align with option 6 presented above.

Recommendation(s):

Council approves:

1) Moving opex and capex funding currently allocated for the renovations of Forum North from years 1 and 2 across years 1-4 of the Long-term plan 2024-2034 as follows:

- a) \$400,000 opex to year 1, divided between progressing the Knowledge Hub Precinct Plan, and carry out remedial works to keep the current Forum North venue spaces fit for purpose.
- b) \$500,000 opex, divided \$375,000 to fund potential Knowledge Precinct technical reports for any application to Government, and \$125,000 opex year 2 to bring forward of the commitment by council for design costs and a sustainable operating model for a new theatre in support of the Forum North Trust.
- c) \$375,000 opex year 3 to fund potential Knowledge Precinct technical reports for any application to Government,
- d) \$750,000 capex for Forum North Renovations from year 1 to year 3.

2) Notes the CAPEX funding allocated to the new theatre is unchanged between years 4-7 of the LTP

Forum North Redevelopment	CAPEX	OPEX
Yr1	\$0 (\$750,000 was in 2024-2034 LTP for FN Renovation now moved to Yr. 3)	\$400,000 OPEX total <ul style="list-style-type: none"> • To progress the knowledge Hub Precinct Plan • To fund remedial works at FN.
Yr2	\$0	\$500,000 OPEX total <ul style="list-style-type: none"> • \$375,000 OPEX to compile potential technical reports for any application to Government. • \$125,000 to contribute to a sustainable operating model and design costs in partnership with the Forum North Trust.

Yr 3	\$5,750,000 (Original \$5,000,000 + \$750,000 from LTP 2021-2031 renovation FN)	\$375,000 OPEX total • \$375,000 OPEX to compile potential technical reports for any Government.
Yr 4	\$5,000,000 no change – Renovation FN	0
New Theatre Seed Funding	CAPEX	OPEX
Yr 4	\$750,500 no change	0
Yr 5	\$1,111,500 no change	0
Yr 6	\$1,111,500 no change	0
Yr 7	\$3,334,500 capex no change	0

Financial Impact:

This additional operation expenditure will be funded collectively with other approved recommendations, by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in year 1 and \$1,686,000 in year 3.

Further Comments – Community Facilities and Services – Whangarei Art Trust (WAT)

Feedback from Consultation

Submissions Analysis:

A significant number of submissions were received regarding the Whangarei Art Trust (WAT) which covers both Hundertwasser Art Centre (HAC) and the Whangarei Art Museum (WAM).

Most submissions received were against supporting the Hundertwasser Art Centre (HAC) financially. Several submissions were received in support of HAC and the Whangarei Art Museum, with Northport and Marsden Maritime Holdings providing submissions identifying the value of the Hundertwasser Art Centre particularly drawing cruise ships to Whangarei and that council continue to support these facilities.

There was also general feedback that the district requires a central place for the arts and local artists to grow and display work as there is so much local talent in the district.

The Whangarei Art Trust board have provided their own submission to the LTP.

Key Issues raised from submissions:

Most submissions were expressive that ratepayers should not be asked to contribute towards the HAC and that an alternate use for the building should be considered.

The submissions in support of HAC and WAM were in support of the uniqueness of HAC, the current and future economic benefit to the city, district and region and the continued draw for cruise ships to Whangarei. The continued success of WAM and the contribution to Arts and Culture in the district and region was also appreciated and identified.

The Whangarei Art Trust submission states implicitly that for both entities governed by the Trust to be effectively managed it would require a financial contribution from council on an annual basis through an annual operating grant.

HAC is currently run commercially with paid entry, while WAM is run as a Community Service in the Arts sector and funded by a council annual operating grant. The Whangarei Art Trust have rising expenses which are out of their control including audit fees, power and gas prices, and insurance costs.

An annual operating grant of \$900,000 is requested by the Trust to reach a comfortable financial position for both HAC and WAM entities governed by the Trust. (This figure includes the current WAM grant amount).

Staff Analysis:

From submissions it is clear the community value the Arts and Culture sector in the district and see its value in community wellbeing, there seems no dispute on this view; but several submitters are clear that many ratepayers did not want the Hundertwasser Art Centre for Whangarei, the Deloitte report was not accurate and therefore ratepayers should not be required to fund HAC.

There are several submitters who see the value in both HAC and WAM for the district and region, the economic benefit, the art and culture benefit and the potential for the future, including the draw of cruise ships to Whangarei and that council should be supporting the CCO.

The Whangarei Art Trust are in financial difficulties due to the challenges faced by HAC after opening. The Trust are working towards reducing expenses and increasing revenue to improve the situation. HAC also houses the Wairau Māori Art Gallery, which has its own board, but a close relationship and relies on the support from the WAT board and HAC staff for their operations.

The HAC financial difficulties are starting to impact the Whangarei Art Museum (WAM) which has functioned through an annual operating grant from council for many years. This grant is currently \$471,239 and a rent concession of \$186,100. Total support received \$657,339. The draft LTP figure for the annual operating grant is reduced to \$418,739 plus rent concession.

The WAM grant has not been increased for several years, although a \$200,000 injection of funds was provided in year 1, then \$100,000 in year 2 and \$50,000 in year 3 of the 2021-2031 LTP support the museum, this is not included in the draft budgets for the 2024-2034 LTP, making operations for WAM untenable into the future without falling into a financial deficit and having the additional impact of HAC losses. WAM have requested \$60,400 opex each year 1-10 in support of the Whangarei Art Museum educational programmes that have begun, and they would like to continue.

The Trust would require an additional \$481,261 per year for operations to cover both HAC and WAM to form a \$900,000 annual operating grant across two entities.

Council has the Deed of Guarantee funds, which it has used to support HAC over the last two years, with \$450,000 remaining to date for the 2024-2025 financial year.

The Whangarei Art Trust stated in their submission that in return for an annual operating grant total of \$900,000 to support both HAC and WAM operations they will:

- Offer free entry to the Hundertwasser Art Centre for Whangarei District residents and retain free entry for all visitors to the Whangarei Art Museum.
- Maintain a continuous focus on seeking opportunities to further reduce costs for the Hundertwasser Art Centre and the Whangarei Art Museum.
- Maintain a continuous focus on seeking additional revenue streams to contribute to a net increase in operational income for both the Hundertwasser Art Centre and the Whangarei Art Museum.
- Determine annually whether a portion of the grant funding is returned to the Council because of either reduction in operational costs or increases in net operational revenue, resulting in a cash surplus.

It should be noted that WAM houses the council's art collection and provides free entry to all visitors with regularly changing art displays. HAC charges for entry to the art centre and has a mostly static display of Hundertwasser art works. The Wairau Māori Art Gallery has changing displays and relies on the Trust and HAC for its operations.

Options

1. Funding \$160,000 opex year 1 and \$60,400 year 2-10 - Increase the annual operating grant to WAT by \$60,400 opex years 1-10 in support of the Whangarei Art Museum educational programmes and provide \$100,000 opex year 1 for an independent review of the HAC to be completed to identify future options for the building. Use the \$450,000 guarantee for HAC.

2. Funding \$131,261 opex year 1 - Increase the WAT annual operating grant by \$31,261 opex year 1 to add to the Guarantee funding of \$450,000 in 2024/2025 and \$100,000 for an independent review

of HAC, reassess the annual operating grant through the next annual plan. WAM educational programmes cease.

3. Funding \$131,261 opex year 1 and \$60,400 year 2-10 - Increase the WAT annual operating grant by \$31,261 opex year 1 to add to the Guarantee funding of \$450,000 in 2024/2025 and \$60,400 year 2-10 for WAM educational programmes, \$100,000 for an independent review of HAC and reassess the annual operating grant through the next annual plan.

4. Funding \$191,661 year 1 opex and \$60,400 year 2-10 - Increase the WAT annual operating grant by \$191,661 in year 1 made up of \$31,261 to top up the Guarantee funding of \$450,000 and \$60,400 year 1-10 to enable WAM to deliver education programmes and \$100,000 for an independent review of HAC.

5. Funding \$31,261 opex year 1 and \$481,261 year 2-10 - Increase the WAT annual operating grant by \$31,261 opex year 1 to add to the Guarantee funding of \$450,000 in 2024/2025 and increase the Whangarei Art Trust annual operating grant by \$481,261 opex year 2-10 to create an annual operating grant total of \$900,000 opex. WAM educational programmes start year 2.

6. Funding \$91,661 in year 1 and \$481,261 year 2-10 - Increase the WAT annual operating grant by \$91,661 in year 1 made up of \$31,261 to top up the Guarantee funding of \$450,000 and \$60,400 to enable WAM to deliver education programmes and \$481,261 years 2-10 to create a \$900,000 annual operating grant.

7. Leave the WAT annual operating grant at its current level.

8. Council could choose another amount to increase the annual operating grant for the Trust.

Funding Options Table

Option	Funding option HAC	Funding option WAM	Total Funding Opex year 1	Rates Impact Year 1	Future funding years 2- 10	Comments
1	\$100,000	\$60,400	\$160,400		\$60,400	<ul style="list-style-type: none"> The Trustees may resign. Independent review undertaken of HAC. HAC liquidation Oct 2025 latest Council risk re-entry costs. Reputational risk positive / negative
2.	\$131,261	-	\$131,261		-	<ul style="list-style-type: none"> Assess through next annual plan. Trustees may resign. Independent review undertaken. WAM education programmes end WAM may suffer financial losses. Reputational risks positive / negative

3.	\$131,261		\$131,261		\$60,400	<ul style="list-style-type: none"> • Independent review undertaken. • Trustees may resign. • WAM educational programmes continue. • HAC topped up for 1 year. • Reputational risk positive / negative.
4.	\$131,261	\$60,400	\$191,661		\$60,400	<ul style="list-style-type: none"> • Assess through next annual plan. • Trustees may resign. • Independent review undertaken. • WAM education programmes continue. • WAM may suffer financial losses. • Reputational risks positive / negative
5.	\$31,261	-	\$31,261		\$481,261	<ul style="list-style-type: none"> • Trust remains in place due to commitment from year 2. • HAC is supported year 1. • WAM educational programmes restart in year 2. • Reputational risk positive / negative • Economic benefit and tourism benefits retained
6.	\$31,261	\$60,400	\$91,661		\$481,261	<ul style="list-style-type: none"> • Trustees likely remain, and WAM / HAC operations continue uninterrupted due to commitment from year 2. • HAC is supported year 1. • WAM educational programmes continue. • Reputational risk positive / negative • Economic benefit and tourism benefits retained.

						<ul style="list-style-type: none"> Greater impact to rates year 2 onwards.
7.	-	-	-	-	-	<ul style="list-style-type: none"> No impact on rates or other council services. HAC will go into liquidation Oct 2025 Trustees may resign. WAM may also be affected. Council face re-entry costs. Reputational risks positive / negative.
8.	Council chooses another funding amount					<ul style="list-style-type: none"> Impacts unknown

Risks

The following risks are associated with the funding of the Whangarei Art Trust:

- Not funding the Whangarei Art Museum (WAM) will have the following impacts:**
 - WAM accounts will fall in a financial deficit.
 - The council art collection is at risk of being damaged, lost and not being displayed or having suitable storage to maintain it if WAM are not financially viable and do not have the facilities it requires to undertake operations.
 - Art and Culture educational programmes for the community will cease.
 - A loss of the Art Museum in Whangarei
 - Free options for accessing to art and exhibitions within the district will be reduced for all the community.
- Not funding the Hundertwasser Art Centre (HAC) will have the following impacts:**
 - Liquidation of the Trust and HAC forecast October 2025
 - Re-entry costs to council will likely be larger than the required annual operating grant due to potential legal action by the Foundation, the returning of highly valuable artworks to Vienna, management of the current staff, management of the shop, art centre costs, building costs, outstanding / unpaid expenses, and an active restaurant lease.
 - Loss of a national art centre
 - Loss of the economic benefits to the city, district, and region
 - Loss of an international visitor attraction
 - Unknown negative impacts to cruise ship bookings
 - Unknown negative impact to domestic tourism
 - Loss of a home for the Wairau Māori Art Gallery and an unknown future for them.
 - Potential loss of volunteers who contribute to HAC operations.
 - The building needs to remain functional due to the active lease to the restaurant located within the building.
 - Council become responsible for building maintenance, insurance, audit fees
 - Funding would be required for resources within council to manage these responsibilities.

- Loss of experience, skills, and dedicated Trustees if Trustees resign.
 - May negatively impact council's reputation when re-entry costs must be covered by council and may be unbudgeted.
 - Negative feedback on Council lack of support for its CCO.
 - May increase rates significantly in future years with re-entry costs and future for HAC.
 - Potentially negatively impact the overall Town Basin area and experience for locals, visitors, and businesses.
- **Funding WAM will have the following impacts:**
 - Enable the community educational programmes to continue.
 - Secure the future of the art museum and provision of Art experiences for the community.
 - Provide a home of council's art collection in a suitable environment.
 - Impact rates or impact service delivery of another council service to provide funding.
 - **Funding the HAC will have the following impacts:**
 - Negative for members of the community who pay rates and do not want to support HAC.
 - Negative impact to councils' reputation with some members of the community who do not support HAC
 - Impact rates from year 2 onwards.
 - Positively impact councils' reputation with supporters of HAC and those who benefit from it socially, economically, environmentally.
 - Positive for members of the community who pay rates and want to see HAC supported.
 - Whangarei Art Trust achieve financial stability for both HAC and WAM and long term assurance
 - Whangarei Art Trustees remain place and their skills, experience and expertise are retained.
 - An international art centre is retained for the city/ district/ region.
 - Councils funding has a cost benefit – the economic benefit to the district which can be measured in future years.
 - The relationship with the Hundertwasser Foundation is retained.
 - The Wairau Māori Art Gallery and restaurant lease can continue uninterrupted.
 - Avoid any potential legal action against council and associated costs.
 - Avoid re-entry costs and liquidation of Council's CCO
 - Reduce negative impacts to cruise ship visits.
 - Retain a domestic tourism attraction.
 - Staff and volunteer roles are retained with no negative impacts to them.
 - Council would not be directly responsible for building maintenance, insurance, and audit fees.
 - Council is supporting its CCO

Council could choose to financially support the Whangarei Art Trust as a CCO with an amount up to what has been requested by the Trust of \$481,261 opex.

Staff advise the re-entry costs of HAC would likely be considerably higher than the operating grant funding requested and the amount required is considered comparable to funding support provided to other CCO's and community district amenities.

Council has provided direction to staff through the LTP discussions and the following recommendation has been provided.

Recommendation(s):

That Council:

1. Fund \$90,000 opex in year 1 to the Whangarei Art Trust, split between \$29,600 to the Hundertwasser Art Centre and \$60,400 year 1 to the Whangarei Art Museum to enable Whangarei Art Museum to deliver education programmes and top up the guarantee funding available for the Hundertwasser Art Centre.
2. \$480,000 opex year 2 and 3 to the Whangarei Art Trust, which is additional funding to the existing operating grant.

Financial Impact:

This additional operation expenditure will be funded collectively with other approved recommendations, by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in year 1 and \$1,686,000 in year 3.

Further Comments – Community Facilities and Services – Community Safety and CitySafe

Feedback from Consultation

Submissions Analysis:

Two group submissions were received on Community Safety from NorthChamber and the Youth Advisory Group.

Several individual submissions are generally in support of Council's community safety services.

Key Issues raised from submissions:

The importance of CitySafe and Community Safety is clear within the submissions received, with the focus being on the central city and the service CitySafe provides to the public and businesses alike.

NorthChamber representative stated, since the inception of CitySafe, the environment has improved within the CBD including anti-social behaviours and people feeling safer, the service has been transformational and needs to be maintained.

Since the Better Off Funding the difference has been noticeable again with further reduction in anti-social behaviour, therefore funding needs increasing not decreasing, the cost of not fully supporting CitySafe is fundamentally higher than the funding of the service. If people do not feel safe to come to town, the associated loss to businesses comes at a huge cost to the community, hence this service needs to continue at the current levels.

Some of the other community safety feedback included comments such as more of a security presence in the CBD, both with CitySafe personnel staying later, and simply keeping the streetlights on later in the centre of town.

Having a greater security presence (promoting a safe environment) in town allows for a safer environment that in turn attracts more of a youth presence, revitalising the town centre.

Staff Analysis:

In the current long-term plan 2021-2031 the community safety budget is reduced from LTP Year 4 onwards and will result in either the disestablishment of, or a significant reduction to, the CitySafe Community Officer programme as there would not be enough funding to exercise the 3-year right of renewal.

From a community safety perspective, a significant reduction in hours of service or disestablishing the programme would have an adverse impact on safety in the inner city, and (under its Significance and Engagement Policy), Council may also be required to undertake public consultation on the matter.

With the significant success of the CitySafe program in reducing anti-social behaviours in the CBD, council should consider how this programme is currently funded.

The Better Off Funding contribution provided \$200,000 to increase the minimum wage of CitySafe staff to the Living wage which attracted experienced people into the roles and kept them in the roles and increased service delivery at the Rose Street Bus Station over the last 18 months. This funding will come to an end at the end of June this year.

The business community and youth advisory group have submitted that this service is vital to reducing anti-social behaviours in the CBD and keep people coming to town and supporting business. Front facing council staff also rely on CitySafe services alongside their service delivery i.e. Library, Forum North, Civic Centre.

Current funding does not enable the current level of service and the living wage to continue past June this year. Therefore, the impacts and risks of the funding ending are identified below, and funding options provided to be considered.

Risks

- Although the BOF funding agreement explicitly and clearly stated that Council made no commitment to continue the living wage funding beyond 30 June 2024, it is difficult to manage expectations that may have been inadvertently created in the public realm through the funding allocation.
- The contractor is obligated to continue to pay staff the ‘living wage’ rate and would have to self-fund the living wage payments and have advised that, under the current contract, it is unsustainable to retain experienced staff that are currently paid the living wage as community officers.
- Possible withdrawal from the CitySafe Community Officer contract by the contractor.
- Paying the minimum wage doesn’t promote CitySafe as a viable career pathway and impacts negatively on the quality of candidates that apply for community officer roles, length of tenure in the roles, and the accumulation of experience, local knowledge and good working relationships with the public, police, and other organisations.
- If the contractor withdraws from the contract and the service is discontinued, it is likely that there will be push back from key stakeholders in the central city resulting in reputational damage to Council and an economic impact over the longer term.
- Disruption to service provision if Council were to re-tender the contract.
- A contract with a new provider may cost Council the same or more than the current proposed increase.
- Council may garner adverse media coverage.

Options

Options for funding CitySafe service levels and possibly maintaining the living wage and maintaining the Summer Safe Carpark initiative are outlined below. Funding that is currently allocated in the draft long-term plan is outlined in the following table.

Additional projected budget required to, **(A)** maintain the current contracted levels of service **excluding** the Summer Safe Carpark Programme; **(B)** increase the value of the contract to enable living wage remuneration for the CitySafe community officers; **(C)** increase the value of the contract to enable living wage remuneration for the CitySafe community officers and allow the Summer Safe Carpark Programme to continue. **(D)** Fund the Summer Safe Carpark programme and the CitySafe Contract at minimum wage. **(E)** requires no additional funding.

LTP Year	Community safety budget draft LTP 2024-2034 (currently allocated)	Option A: Additional funding required for CitySafe Community Officer programme in line with	Option B: Additional funding required to increase contractor’s hourly rate, enabling living wage remuneration for	Option C: Additional funding required to increase contractor’s hourly rate, enabling living wage remuneration for Citysafe Community	Option D: Funding the Summer Safe Carparks programme and Option A of CitySafe
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		current contract until 2030	Citysafe Community Officers	Officers <i>and</i> to allow Summer safe carpark programme to continue.	
1	\$585,073	\$0	\$54,405	\$76,592	\$28,000
2	\$585,073	\$0	\$54,405	\$76,592	\$28,000
3	\$585,073	\$0	\$54,405	\$76,592	\$28,000
4	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
5	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
6	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
7**	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
8**	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
9**	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
10**	\$400,000	\$185,073	\$239,478	\$261,665	\$213,073
Total additional funding requested to be included in draft LTP, by option.		\$1,295,511	\$1,839,561	\$2,061,431	\$1,575,511

LTP Budget considerations

Option A: Increased cost over the Long-Term Plan of \$1,295,511 opex

Option B: Increased cost over the Long-Term Plan of \$1,839,561 opex

Option C: Increased cost over the Long-Term Plan of \$2,061,431 opex

Option D: Increase cost over the Long-Term Plan of \$1,575,511

Option E: No increase in funding

Option Alignment

A council resolution in 2022 was made to increase staff and contractor wages when possible to the living wage. Earlier council direction was to reduce the levels of service to maintain the living wage if possible. The current contract hours cannot be reduced sufficiently to reduce the levels of service and maintain the living wage. Hence the options provided to council for consideration.

The financial principles provided by council align with Option E, but this would mean returning staff to the minimum wage and reviewing service levels again in 2027. The risks associated with this have been outlined above.

Options in order of alignment with financial principles

Option E provides an opportunity for council to keep the contracted hours at minimum wage and review service levels in 2027 when the contract comes up for renewal.

Option A provides an opportunity for council to keep the contracted hours at a minimum wage and enable a right of renewal in 2027.

Option D provides minimum wage and the Summer Safe Carparks.

Option B enables council to maintain the living wage and enable the contract renewal in 2027 but lose the Summer Safe Carparks programme.

Option C maintains the living wage and the Summer Safe carparks programmes.

Councillors may opt for another variation on one of the options stated, but align with the council resolution in 2022 for moving employees and contractors from minimum to living wage Option B aligns. Therefore the following recommendation has been provided.

Recommendation(s):

That Council:

1. Fund \$54,405 opex year 1-3 of the Long-Term Plan 2024-2034, to maintain the CitySafe contract and provide the living wage until the right of renewal in 2027.

Financial Impact:

Based on the above Options:

Option	Impact year 1	Impact Years 1-3 opex	Impact Years 4-6 opex	Impact Years 7-10 opex
Option A Current Contract minimum wage	none	none	\$551,219	\$740,292
Option B Current Contract with Living Wage	\$54,405 opex	\$163,215	\$718,434	\$957,912
Option C Current Contract with Living Wage and Summer Safe Carparks	\$76,592	\$229,776	\$784,995	\$1,046,660
Option D Current Contract and Summer Safe Carparks	\$28,000	\$84,000	\$639,000	\$852,073
Option E Current Contract	\$0	\$0	\$0	\$0

Impact on rates for Option B

This additional operation expenditure will be funded collectively with other approved recommendations, by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in year 1 and \$1,686,000 in year 3.

Further Comments – Community Facilities and Services (Libraries, Community Property, Community Development, Community Funding, Pensioner Housing, Venues & Events, Customer Services, Civil Defence Emergency Management/CDEM)

Feedback from Consultation

Submissions Analysis:

Key Issue - Te Kamo Library

There was only one submission on libraries regarding Te Kamo Library as a vital community service in Te Kamo village and surrounding area. That the library requires a fit for purpose review of the building and ideally improved and for it not to be removed from the community completely. Kamo Community Inc would like to work alongside council on what a new library for Te Kamo would be like to service the needs of the community.

Staff Analysis

A review of Te Kamo branch library is required to ensure it stays fit for purpose. Basic repairs and maintenance continue to be carried out on the building, but future planning for the branch library is required in the next 3 years. Staff would like to explore a community hub model which incorporates libraries, with community meetings spaces and council customer service presence which aligns with emissions reduction with less travel to access services, climate change and transport choices.

Key Issue - Community Buildings

There needs to be better spaces for youth to meet and feel safe. A survey by the Youth Advisory Group found 100 youth responded that a safe, free, fun and inclusive space was needed by youth.

Further submissions were received requesting that council continue to support community building spaces where community groups can meet and use as its contribution towards community wellbeing.

Staff Analysis

The Community Development Department will be developing a Community Tenancy Occupancy Policy which will assist with assessing the use of community buildings owned by council, their tenancy and equitable use.

The future use of community buildings such as the Old Municipal Building and the old Library will be assessed by council soon as renovations progress and tenancy leases near end of life. Community buildings owned by council are vital to community wellbeing and the provision of these spaces should be protected and maintained. The Community Development Team will continue to work closely with council advisory groups in this matter.

Key Issue - Accessibility Strategy

Several group submissions received specified the need for council to prioritise accessibility across the district for disabled persons. A disability lens has not been put across the long-term plan and providing equity for disabled people across council services is a necessity which is missing. The accessibility strategy also needs funding to enable its implementation and there is a shortage of funding for this.

The Disability Advisory Group would also like the \$40 fee for travel to meetings to be reviewed as this does not reflect the costs incurred by members of the group being able to attend meetings (transport etc.).

Staff Analysis

The Community Development Advisors (CDA) continue to work with community organisations who support disabled persons and with councils' disability advisory group to participate in councils planning. The disability strategy is currently endorsed by all the Northland councils' chief executives, but funding has not been prioritised through the long-term plan of \$25,000.

CDA's will implement parts of the accessibility strategy where they are able with minimal funds from existing budgets. Staff can review the fees and make recommendations where possible with available budgets.

Key Issue - Pensioner Housing

Submissions received specified the need for new and affordable pensioner housing in the district. For council to consider private partnerships and invite developers to create more opportunities for pensioner housing in the future.

Staff Analysis

The Pensioner Housing Review of the current stock of council's pensioner housing is due in the next two months, options will be presented to council on next steps for current stock and future housing models.

In the LTP there is \$4m set aside for new pensioner housing. Staff initially recommended waiting for this review, which was requested by council, to assist with the next steps decision making on current and new pensioner homes and a future operating model. Since the initial staff advice, steps have been taken by staff to investigate new pensioner housing options and this is progressing. The constraints for this piece of work are around resourcing and in-house developer expertise.

To support the progression of the wider Council Housing Strategy and new pensioner housing staff would recommend additional funding of \$50,000 per year to keep implementation moving forward.

Key Issue - Community Funding

Submissions were in support of continued community funding and its vital role in supporting community projects, initiatives, and wellbeing. That council continue to provide community funding.

Staff Analysis

Community funding has remained at the same level for several years and there is no increase included in the draft LTP budgets. There is an increasing demand on council funding across funds.

A review of Community Funding processes and structure is underway with the aim to provide an easier pathway for communities to apply for funding, be equitable across funding provided and strengthen accountability of funding recipients. The review will be complete by the end of June to coincide with implementation at the beginning of the financial year in July.

Venues and Events

Submissions on Venues focussed on Forum North are covered in a separate item.

Submissions on events were few and varied and ranged from supportive of all events large and small, and their contribution to community wellbeing, and economic benefits.

There were also submissions to reduce event funding for large events and using funding to focus on core infrastructure.

Staff Analysis

Council's support of events in the district provides economic and social benefits for everyone whether directly or indirectly. Ongoing funding to support events is important to council but staff recognise the concerns of community members through the submissions.

Therefore staff would recommend the following support, that \$60,000 opex per year is added to the Mayoral budget in support of large or major events for the district but the flags and decorations budgets of \$48,000 opex each year be removed.

Customer Services

There were no submissions received which focussed specifically on customer services operations.

Civil Defence Emergency Management

A few submissions were received regarding CDEM, with communities wanting to work with council on emergency planning and a request for CDEM staff to work with the disability community on emergency planning.

Staff Analysis

CDEM community planning has been underway for over a decade and more communities can join the planning process by contacting council directly.

Support is currently underway but in the early stages, working alongside people with disabilities and emergency management planning. This work is also supported through the Northland Regional Council who work together through our shared service.

Community Facilities and Services – General

There were several submissions which specified the value of council providing community services and how they contribute to community wellbeing and give people joy and a sense of place and culture in the district. Submissions support council to continue delivering on its community services.

Recommendation(s):

That Council:

- 1) Acknowledges the submissions received and the issues raised, and that staff will address as many of the issues through their work programmes where possible where funding is not available.
- 2) Fund \$50,000 opex years 1-4 to progress the implementation of the Council Housing Strategy with a focus initially on new pensioner housing.
- 3) Fund \$60,000 opex years 1-10 to the Mayoral budget in support of large or major events for the district.
- 4) Remove \$48,000 opex years 1-10 for the Venues and Events flags and decorations budget.

Financial Impact:

This additional operation expenditure will be funded collectively with other approved recommendations, by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in year 1 and \$1,686,000 in year 3.

Further Comments – Support Services

Feedback from Consultation

Submissions Analysis:

Six submissions were received with the Support Services classification attached. Many of these do not relate to Support Services and are considered elsewhere within this report.

Key Issues raised from submissions:

The issues raised covered a broad range of topics. Key themes relating to Support Services include:

- A comment with regards to employee medical insurance
- The cost of the Civic Centre building and the need to focus on Councils core activities
- Suggestions to better serve the community including improving communication, website and online portals, staff training and development, communication strategy, streamline processes, efficient workflows, digital capabilities, data analytics, mobile app for residents, cash payment option

Staff Analysis:

Staff continue to make continuous improvements and look for efficiencies within current work programmes and budgets.

Recommendation(s):

That Council:

- a) Acknowledges the submissions received and the issues they raise and notes that no changes are proposed as a result.

Financial Impact:

None.

Further Comments – Planning and Development

Feedback from Consultation

Submissions Analysis:

53 submissions were received relating to the services of the Planning and Development Group outside of the three consultation topics. These related to:

- Planning and Consents

- Regulation and funding relating to animal control/rescue
- A number of other matters including NEST, new bylaws, potential to sell commercial properties to fund activities and the economic benefits of the Arts and Creative sector.

Key Issues raised from submissions:

Planning and consents

A number of submitters raised a desire to see simplified District Plan, Resource Consent and/or Building Consent processes. Others stressed the need for robust planning processes that address the effects of development.

In many instances submissions relating to planning highlighted the need for housing supply, and the efficient and effective provision of housing and infrastructure.

A number of submissions highlighted a desire for reduced compliance requirements/costs.

A submitter raised concerns over consent timeframes, outlining a number of operational changes that could be implemented to stream line these and improve customer service

A submitter sought to decrease building inspections and signoffs, instead relying on LBP and Engineer sign off.

Submitters sought that Council clarify 'Tangata Whenua' status in Whangarei and surrounds, requiring during pre-Application that any and all Resource Consent applicants properly engage with 'Tangata Whenua' (it was noted that 'properly engage' will need to be clearly defined and agreed to by both parties). It was sought that if applicants had not done that pre-Application, then a sufficient time is set by Council for this to take place, prior to their application being considered.

Alongside this submissions raised the need for robust planning for growth. Submissions outlined some of the risks and challenges associated with Genetic Engineering (GE) and Genetically Modified Organisms (GMOs), along with the policy position of the current government. It was considered important that Northland retain protections in relation to GE and GMOs.

Submitters raised a need to plan for growth (including alignment of the District Plan and FDS).

Regulation and funding relating to animal control/rescue:

A number of submitters suggested changes to allow for more grant funding for dogs. Others sought changes to how annual dog registration fees are determined, along with changes to the delivery of services in this area.

Seeking further additional cat desexing/microchipping and bylaw compliance officer funding, along with support for bird recovery.

Other matters raised:

Submitters raised concerns about the potential relocation of NEST to Onerahi airport, seeking that Council aided NEST to relocate to a non residential area. Others submitted in support of the services provided by NEST, with some seeking continued funding of NEST.

A submitter raised the need for rules/bylaws phasing out ICE powered lawnmowers, weed eaters and chainsaws in residential areas to reduce noise and carbon emissions.

A submitter raised the potential to sell commercial properties to fund activities.

A submission highlighted the economic benefits of the Arts and Creative sector, highlighting examples including the export of Gangnam Style from Korea, through to the application of AI. The submitter indicated that Northland is uniquely placed to position itself.

Staff Analysis:

Planning and consents

The planning processes of Council, including timeframes, are defined under legislation. In addition, compliance requirements are often driven through the hierarchy of planning documents from Government and Regional Council. This includes National Policy Statements, National Environmental Standards, the National Planning Standards and the Regional Policy Statement and Regional Plans. The District Plan cannot be inconsistent with regional plans and must give effect to national policy statements and regional policy statements.

This framework drives the format, and much of the content, of the District Plan. In doing so it also drives significant compliance requirements at the time of consent. Similarly the Building Code and building consent timeframes are set by Government, with Councils being responsible for implementing the code through their Building Control Authority functions. It is also important to note that the key focus of these compliance measures, and the assurance processes that Council undertakes to assess information provided, is to ensure that buildings are safe and meet the requirements of the Code, while also mitigating the risk to ratepayers in the event that something goes wrong.

Statutory requirements imposed on Councils drive significant compliance requirements (and associated costs) and determine processing requirements relating to timeframes, information and notification/engagement (including in relation to Tangata Whenua involvement in the consent process, noting that Council cannot direct applicants in the pre-application stages nor determine Tangata Whenua status). However, Council is continually looking for ways to streamline these services and improve customer service in

o
r implementation. Two recent examples are our:

- E plan - the ePlan will change the way users view plans, providing an online interactive version of the district plan accessed via our website. In doing so it will make it easier to find information relevant to a specific property and to submit on a policy statement or plan online via tool that is linked to the system. The eplan is set to go live in May.
- Business friendly council - this is a key initiative to review and streamline our regulatory processes. While the team have commenced engagement with the regulatory teams within Council to assess how they enable our communities to meet their aspirations by consistently and proactively delivering positive experiences through all interactions, the project had to be put on hold due to vacancies. With these roles now filled we will recommence this initiative.

Submissions relating to Genetic Engineering (GE) and Genetically Modified Organisms (GMOs), along with the policy position of the current government, are acknowledged. However, Council's policy position/regulatory framework on this matter is included within the District Plan and, recognising current constraints, no further work is scheduled in this space prior to any future review of the Plan. We will maintain a watching brief of changes

proposed nationally. Ultimately Council must implement any legislative requirements passed on from Central Government, however.

Significant work is being done on planning for growth through our Strategy Department and District Plan teams. This includes the development of the Future Development Strategy (which will direct future plan changes) and the Housing and Business Development Capacity Assessment. This work is critical for ensuring that there is sufficient land available for both future housing and business development, along with the necessary infrastructure capacity to enable development. Within this LTP there is a focus on renewal and growth infrastructure required to service zoned land.

Regulation and funding relating to animal control/rescue:

Additional funding for cat desexing, bylaw compliance and/or bird recovery is not recommended within this LTP cycle given the financial challenges facing the District, and the direction of Council. However, contestable grant funding from our Community Development team may be able to be applied for in relation to some of these activities. While submissions to change the operational delivery and fee structure relating to dogs are acknowledged, these would result in potentially material changes to service de

ivery and contract terms. These changes have not been costed or consulted on. While staff will continue to look for operational improvements in this space, changes are not recommended from the draft LTP.

Other matters raised:

Submissions relating to NEST are acknowledged. Council is currently working through the lease process for NEST, having established an Airport Noise Management Committee to provide feedback and recommendations on noise and operations at the airport. It is noted that funding relating to NEST is provided by the Regional Council, with NEST being responsible for the identification (and funding of) a suitable site for its operations.

Given workloads and priorities relating to existing bylaws it is not proposed to investigate further rules (beyond any applicable District Plan rules) or bylaws for phasing out ICE powered lawnmowers, weed eaters and chainsaws in residential areas.

Council reviews the sale of surplus properties to fund activities on a case by case basis. Within this plan Council is also consulting on a change to the delivery of commercial property, which could result in further work in this space.

The submission relating to the economic benefits of the Arts and Creative sector is noted. Council will continue to support activities in this space through applicable existing funding streams, and through our broader support to economic development.

Recommendation(s):

That Council:

- a) Acknowledges the submissions received and the issues they raise; and
- b) That the operational initiatives already in place relating to these submissions be noted, with no changes made from the draft LTP as notified.

Financial Impact:

Nil

Further Comments – Governance and Strategy Services

Feedback from Consultation

Submissions Analysis:

The submissions on governance processes covered a range of issues in this broad area including comments on:

- representation arrangements,
- how to ensure that Māori are engaged in the democratic processes of Council
- Council' s involvement in LGNZ.
- Northland regionalism
- better off funding allocations
- Resilience and climate Change

All of these are matters that are being worked on internally and will be taken into consideration by staff, but they are not points to cause any changes to the Long Term Plan proposal.

Key Issues raised from submissions:

None

Staff Analysis:

That Council:

- a) Acknowledges the submissions received and the issues they raise; and
- b) Notes that issues raised will be taken into consideration by staff but do not impact on the proposed Long Term Plan.

Recommendation(s):

No changes to this area of the Long Term Plan.

Financial Impact:

None

Further Comments – Māori Outcomes

Feedback from Consultation

Submissions Analysis:

Total number of submissions specifically on Māori Partnerships: 1

Submitter noted:

- Te Huinga and Whangārei Hapū seek to be active partners in decision-making regarding commercial property development options within our community for meaningful involvement in shaping the future of our region.
- providing gratuity and/or compensation to hapū for past injustices.
- exploring the possibility of hapū becoming shareholders in development projects, either through gifted shares or as part of a gratuity arrangement.
- consideration to be given to the return of lands that were unjustly taken from hapū through past legislation, such as the Harbour legislation.
- Hapū representation on development boards or committees to ensure Hapū interests are considered in decision-making processes.

Submitters on Maori Partnerships also provided comment through other LTP topics. These are summarised as follows:

Coastal Systems and Flood Management |

- Punaruku Flood Mitigation 2024-2034
- Matapōuri Beach Replenishment

Planning and Regulatory Services |

- Resource Consents
- District Plan: sites of significance

Rates |

- Rates Rise

Other |

- Treaty of Waitangi
- Environment
- Resourcing Hapū

Submissions Analysis:

Total number of submissions making comment on matters relating to Maori Partnerships: 5 (raw data)

1. Otetao Marae | endorsement from Ngātiwai Trust Board & Punaruku Marae
2. Hapū member | Patuharakeke o Te Parawhau
3. Whānau | Mackie Family of Te Whānau a Rangiwhakaahu

4. Whānau Member | Te Whānau o Mānihera
5. Te Huinga Society Incorporated (Te Huinga)

The submission topics fall under the following key points raised in the consultation document:

Coastal Systems and Flood Management |

- Punaruku Flood Mitigation 2024-2034
- Matapouri Beach Replenishment

Both these topics sit in the coastal area of the hapū of Ngāti Wai.

- a) The first project is related to the long-standing issue of flooding in Punaruku where \$150K was approved from Better Off Funding to support a case study. From the case study a business case was produced to propose river pathway improvements and the first stage of road pathway improvements. While this matter has come via related hapū, marae and iwi entity, it is an infrastructure matter and has been registered via the Infrastructure Group.
- b) The second project is completed and relates to damage clean-up following Cyclone Gabrielle in 2023. The submission centres on engagement which will be attached to 'Māori Engagement' accordingly.

Planning and Regulatory Services |

- Resource Consents & District Plan: sites of significance.

The District Plan and referenced topic is among the topics scheduled for review for which hapū are being engaged for currently.

Rates |

- Rates Rise.

This matter challenges whether WDC has genuinely assessed the impact on Māori landowners and rural and coastal residents. The total sum of submissions for rates rises is covered by Revenue.

Other |

- Environment
- Treaty of Waitangi
- Māori Engagement
- Hapū Capacity.

The themes raised across these topics largely entail long held positions advocated for by Te Huinga and the Whangārei Hapū as per legislative obligations.

Key Issues raised from submissions:

Treaty of Waitangi | Tangata Whenua | Resource Consents

- Historical grievances between Ngā Hapū o Whangārei, local government and central government have left a lasting negative impact on hapū.
- Whānau and hapū have absorbed the cost of land confiscations to provide the public with housing, roading, walkways, cycleways, freshwater, electricity, recreation facilities, and civil defence.
- Employment predicated on forestry, agriculture, fossil fuels, and the port industry.
- The unremitting subdivision of land and the division of labour resulted in admirable levels of productivity, but not for Māori.
- Ensure that Council no longer consents to industries building on confiscated land and businesses taking water from confiscated land without taking into account New Zealand's European Pākehā history more seriously in planning for the future.
- That WDC 'Act in Good Faith' and in accordance with the principles of the Treaty of Waitangi, namely, Participation, Protection and Partnership.
- That WDC undertake appropriate and thorough research in conjunction with 'Te Iwitahi Manihera whanau' of 'Te Parawhau ki Whangarei' to clarify who are the true and evidenced 'Tangata Whenua' to Whangārei CBD and surrounding areas. That this be in conjunction with other whānau and hapū, as appropriate. Resources used should include Waitangi Tribunal findings and the MACA High Court evidence and findings along with other sources of evidence.

Maintain and improve opportunities for Māori to contribute to local government decision-making processes.

- A commitment to facilitate meaningful relationships and partnerships.
- Strengthening engagement with the broader community and other Hapū within the Whangarei District Council rohe is essential for fostering collaboration, sharing knowledge and resources, and addressing common challenges.
- Hapū possess local knowledge and understanding of ecosystems within their lands, both current and historically significant, which can contribute to more effective and sustainable solutions.
- To ensure meaningful participation, it is essential to provide resources that facilitate Hapū engagement in local government decision-making, remunerating time, expertise, and contribution to the community; support for capacity building, investment in resources, support for staffing, training programs, and infrastructure development.

Planning and Regulatory Services

That WDC urgently work with whānau and hapū - including Te Iwitahi Manihera whanau, Te Parawhau ki Whangarei - to map and protect sites of significance (including Heritage Sites).

Coastal Systems and Flood Management

The Matapōuri Beach Replenishment project failed to yield the desired outcomes. There was a lack of thorough and inclusive consultation regarding fencing of dunes under restoration including protecting native wildlife and the improper use and access to adjacent public reserve, resulting in another unsuccessful initiative. These instances of

failure incurred significant costs and have provided reasons for mistrust in Council processes and decision-making and created a barrier to engagement with local Hapū.

Rates

Caused worry among various groups due to inadequate information on its potential impacts, especially from Māori landowners and small rural communities who feel that their needs and interests were not considered. The rationale behind the proposed increase is attributed to rising costs, but lacks evidence of analysis of:

- a) previous expenditure, service rates and delivery standards, Council performance.
- b) unique challenges and needs of small rural and coastal communities.
- c) limited resources and infrastructure.
- d) how proposed increase would affect Māori landowners, rural and coastal communities.
- e) economic, social, and cultural implications.

Environment

Hapū within the Whangarei District remain resilient and committed to ensuring the well-being of Te Taiao (the environment), ngā Tangata (the people), and their communities.

Staff Analysis:

Largely the issues draw long standing issues for Māori within the District, region and across the nation concerning acts and omissions by Crown leading to large scale land alienation, economic and commercial opportunity displacement, perceived by Māori as advantaging local and central government bodies and their constituencies.

WDC is like many Councils who continue to field and respond where local powers can remedy in small parts these issues, but the powers of responsibility to addressing these matters sit with central government.

Second fold theme centres also on the long-standing matter regarding Māori engagement and the many facets to give effect to statutory obligations, namely, “to maintain and improve opportunities for Māori to contribute to local government decision-making processes” (LGA2002 S4). The solution for this issue is being proposed in recommendations a), b) and c). WSP facilitates Making Good Decisions two-day course which formally accredits attendees to respond to consenting matters addressing a current issue of hapū capacity and capability in this area.

WDC is like many Councils who continue to respond and demonstrate commitment as seen in the structure of operations and governance to address Māori engagement which is complex across the vast tiers of decision-making in local government. WDC have grown its Māori Department as an ongoing response precipitating a change in engagement since 2022.

Due to the ongoing fiscal restraints, staff are exploring the option of building a hapū engagement system utilising the existing Tech One programme licenses we currently hold.

Recommendation(s):

That Council:

- A) Prioritises investment to development of Māori Engagement framework:
 - a) Māori Engagement system design and implementation.
 - b) Establishing Hapū consenting capability and capacity to expediate consenting processes
 - c) Establish hapū positions in WDC's project framework for Steering and Control Groups
- B) Allocates funding of \$115,000 opex per annum through years 1 to 10 of the LTP to support this work.

Financial Impact:

\$100,000 opex per annum of the LTP starting in year 1. Where possible this additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.

Issue Name – Aquatic Centre Repairs

Reason for Officer Proposal

The Whangarei Aquatic Centre Review and Condition Assessment was completed in February 2024. The reports highlighted a number of short and long term issues.

Key Issues:

1. Lack of asset planning and underinvestment has resulted in the pool plant being assessed as very poor or poor and in imminent risk of failing resulting in the facility closure.
2. Other assets have been condition rated and require renewal over the next 10 years
3. The main pool has a crack in it due to ground movement. The crack is being monitored and managed for now, but the indications are there is a maximum 10 years lifespan for the main pool.
4. The Aquatic centre is experiencing flooding and there are concerns the location is not suitable in the long term
5. The district is currently undersupplied for aquatic space.
6. Sport Northland no longer want to own pools in Northland and are wanting Council to take back ownership

Staff Analysis:

1. The cost to address critical plant renewals is \$2.2m (opex) required in year 1 of the LTP to ensure the facility is safe and remains open.
 2. Non-critical asset renewals requires an additional \$2.2m (opex) over the remaining 9 years of the LTP to maintain a reliable level of service. Of this, \$650,000 is required in yr 2 to continue to ensure continue to maintain the facility at an acceptable level for the community.
 3. Council's agreement with Sport Northland is Council will pay for all operational costs, renewals and maintenance which can not be covered by Sport Northland or CLM.
 4. Demand for aquatic facilities exceeds supply. Discussions with schools has taken place to gain public access to school pools however school pools are a challenge with regards accessibility and liability and not proving a viable alternative to public pools.
- The location of the Aquatic Centre is proving problematic with the facility flooding in extreme weather and ground movement creating cracks in the main pool.
- Planning should commence for the future of aquatic facilities in the district. The planning could be aligned to the planning of the sport/recreation hub.
5. A business case for the transfer of ownership of the Aquatic Centre back to Council should be considered.

Recommendation(s):

That Council:

1. Provide a capital grant of \$2.2m (funded by debt) in year 1 of the LTP to Sport Northland for critical plant repairs and replacements, and;
2. Allocates an additional \$650,000 capital grant (funded by debt) in Year 2 of the LTP to address the the most urgent non critical renewals, and

3. Allocates \$20,000 opex for a Business Case to evaluate the long term investment path for the Aquatic Centre
4. Commences planning for future aquatic facilities that is aligned to the planning of a Sports/Recreation Hub, and
5. Notes that indications are that Council may need to bring the Aquatic Centre in house and that this option may trigger a consultation process; and
6. Notes that \$1.6m funding will possibly be required for remaining renewal items over year 3-10 of LTP but that this requirement will be considered in more depth for the next LTP once the Business Case has been completed.

Financial Impact:

That Council;

1. Approves a \$2.2m capital grant to Sport Northland in year 1 of LTP to address critical plant repairs, noting that in accordance with Councils Revenue and Financing policy, capital grants paid are able to be funded via debt rather than a rates increase. Council will incur interest charges on this debt that will impact balanced budget and potentially rates, and;
2. Approves a further \$650,000 capital grant in year 2 to address noncritical items rated fair and which improve the customer experience. In accordance with Councils Revenue and Financing policy, capital grants paid are able to be funded via debt rather than a rates increase. Notes that Council will incur interest charges on this debt that will impact balanced budget and potentially rates.
3. Approves \$20k in LTP Year 1 to commence the Business Case to evaluate the long term investment path for the Aquatic Centre

Issue Name – Hikurangi and Oakura WWTP Consents and Renewals

Reason for Officer Proposal

Northland Regional Council Wastewater Discharge Consents expire in 2025. Funds to develop the consent applications including technical reports and minor improvements to support the consents are not currently included in the LTP.

The consent renewals were not identified in the accelerated process when the Draft LTP was developed but have been confirmed as essential to meet legislative requirements.

Key Issues:

Wastewater treatment plant discharges require Northland Regional Council consents to operate. Without consents we are in breach of the Resource Management Act.

The consents expire in 2025. The consent applications need to be submitted 3 months before expiry to enable the plants to continue operating under their current consents.

Minor works may also be required to improve discharge quality identified in the technical report and consenting phase.

Staff Analysis:

The consents expire in 2025 and the consent applications need to be submitted 3 months before expiry to enable the plants to continue operating under their current consents. To undertake an application, technical reports on current performance, options analysis and consultation need to occur. Recent applications for the Portland and Tutukaka Waste Water Resource Consents cost in the order of \$250,000 each which has informed the requested budget.

There is no in house capacity or expertise to undertake

this technical reporting and consent application process. Not undertaking the renewals would put us in breach of the Northland Regional Plan and the RMA. There is a risk that the plants could be asked to cease to operate although this risk is low.

Recommendation(s):

That Council:

- a) supports the requirement to apply for Resource Consents Renewals for the Hikurangi and Oakura Wastewater treatment plants and
- b) Agrees to bring forward \$320,000 from years 6 and 7 to years 1 and 2 for Treatment Plant Consents.

Financial Impact:

\$320,000 brought forward from years 6 and 7 to years 1 and 2 for Treatment Plant Consents

Issue Name – Large Event Funding

Reason for Officer Proposal

A proposal from D&L Events has been offered to council to have exclusive hosting rights for a regular season NRL Rugby League game featuring the NZ Warriors.

Councillors have requested this be brought through the Issues and Options Deliberations of the LTP due to its funding requirements.

Key Issues:

During the LTP early stages, council decided to reduce the Venues and Events budget which fund and support large events by \$150,000 opex per year. Therefore, there is now no available funding for annual / returning large events.

New large events can be supported through the event development fund, but this support is reduced to zero over a 2–3-year period.

The recent proposal to hold a regular season NRL Rugby League game featuring the NZ Warriors is another major event opportunity presented to council by D&L Events.

The cost proposed for exclusive hosting rights is \$545,000 + council services costs which have been calculated by staff estimated to be an additional \$80,000 – \$120,000 which would include:

- Additional gardening and toilets clean for the city.
- Marketing
- Advertising
- Corporate hosting
- Community benefits
- Grass roots

Staff Analysis:

Major and large events held in the Whangarei district provide economic growth, social and cultural enrichment, and opportunities for the community. Council investment in major and large events varies and any investment council has previously made does not make a direct return on investment for the council but does bring economic and social benefit to the district and wider region.

Council has invested funding towards major and large events in recent years. Examples of these investments with an economic and social benefit for the district / region are the Women's Rugby World Cup 2021 (held in 2022), Wahine Toa Championship Boxing, Oceania Cup Hockey and NAZCAR Street Sprints.

With the council requested funding contribution and the investment from D&L events (D&L Events receive revenue from ticket sales, corporate hosting, and beverage sales) the total expected amount to run the event is just over \$1,200,000.

NECT2021

The Northland Events Centre 2021 (NECT2021) are the Council Controlled Organisation created by council to undertake major and large stadium events of this type for the district and region on behalf of the council.

NECT2021 have been approached by council staff regarding this event and possible funding options, this included a full underwrite by NECT2021 or a 50/50 share of costs with council.

The NECT2021 board have declined to fund this event for the following reasons:

- It is not financially prudent or viable for the Trust to use its equity on this event.
- The Trust will suffer a loss by funding this event, because some of the costs are their revenue streams from an event of this type. The costs cover promotional costs, marketing, cost of sales, venue expenses (including venue rental/event staffing /Cleaning /Traffic management /Digital signage /Production crew travel accommodation/Game caller /Accreditation, game costs).
- The Trust deed states the trust will seek major and large event opportunities for the Northland Events Centre for the benefit of the community, but there is no requirement to fund these events against being financially prudent.

The Trust are keen to hold the event with their associated costs and revenue in relation to the event itself.

Options Considerations

If council chose to underwrite this event, funding would be split across year 1 and year 2 LTP financial years as a 60/40 split to ensure costs leading up to the game can be paid.

The total sum of costs for the event would be recognised in year 2 of the LTP as all event costs are captured in the financial year of when the event takes place (July / August) 2025.

A 'cost up' for the event management for Contract for Services Agreement would need to be undertaken and completion of the partnership framework between Council and NECT2021 and D&L Events. The timing of the funding decision and the work required to form a contract and partnership framework are out of sync with the funding decision, which is required by D&L Events before the contract arrangements can be confirmed between any of the parties.

External funding will be applied for through the current external funding application to the New Zealand Regional Events Promotion Fund through MBIE for \$150,000 towards the promotional costs of the event. An application of \$100,000 to the MBIE Major Events Fund will also be submitted.

Costs will be reduced by using existing V&E budgets of \$100,000 split across the 2 years.

Options

Councillors have signalled this as one of their priorities. However, the funding request at this stage in the LTP process does not fit in the financial principles established by Council at the start of the Long-Term Plan process. Officers have prepared an analysis of the options available to Council and the likely implications.

Option 1. The funding required for this event cannot be met so council decline the proposal.

Option 2. Council could fully underwrite to ensure the event is secured for \$665,000. The cost to council is estimated to be an additional \$565,000 opex after using \$100,000 of existing budgets, to cover the proposal and required council services for the event (external funding would be sought by council staff to reduce the financial deficit but a commitment to the event would need to be secured before staff know the outcomes of any external funding applications).

Risks

Funding this event in years one and two has impacts on rates or reducing a level or service, service delivery or impacting opex budgets elsewhere across council.

By declining the event proposal, the district will not benefit from the social and economic benefits of this event but other services or budgets will not be impacted. This is ultimately a decision for Council based on priorities and funding allocation.

Funding could be sourced and divided up as follows:

Funding	Amount	Source
Total Funding required.	\$665,000	Council
Potential External Funding Contribution	-\$150,000 requested -\$100,000 requested	MBIE – Regional Promo MBIE – Major Events
Council Event Development Funding contribution	-\$100,000 over 2 years (\$50,000 per year)	Current V&E Budgets
Event Finder Ticket sales commission	-\$20,000	Event Finder commission
Total possible future cost of event if external funding is received	\$295,000	

The following table demonstrates funding across Year 1 and 2 and options to fund.

<u>Funding allocation</u>	<u>Total</u>	<u>Options</u>
Year 1 LTP 2024-2025 council funding 60% of total funding	<p><u>\$350,000 opex Year 1</u></p> <p>\$400,000 -\$50,000 from V&E current budgets</p> <p>May be reduced due to the following:</p> <ul style="list-style-type: none"> • -\$150,000 external funding from MBIE NZ Regional Events Promotional Fund 	<p>1. Allocate \$350,000 in year 1 of the long-term plan.</p> <p>OR</p> <p>2. Reduce levels of service / service delivery or opex budgets from other areas of the business.</p> <p>AND</p> <p>3. If external funding is received, move into a budget for any deferred projects from the opex list.</p> <p>OR</p> <p>4. Decline the event proposal</p>

<p>Year 2 2025-2026 LTP Council funding 40% of total funding</p>	<p><u>\$215,000 opex Year 2</u></p> <p>\$265,000 -\$50,000 from V&E current budgets</p> <p>May be reduced due to the following:</p> <ul style="list-style-type: none"> • -\$100,000 external funding from MBIE Major Events Fund • -\$20,000 council commission on ticket sales through event finder. 	<p>1. Allocate \$215,000 opex to year 2 of the LTP</p> <p>OR</p> <p>2. Reduce levels of service / service delivery or opex budgets from other areas of the business</p> <p>OR</p> <p>3. Allocate year 2 funding through the annual plan process once the outcome of the MBIE Major Events Fund is known.</p> <p>AND</p> <p>4. If external funding is received, this can go into a budget for any deferred projects from the opex list.</p>
<p>As outlined above, declining the event would align with Councils financial principles of the LTP and reduce impacts on other services and budgets. As this is a council priority, staff have provided alternative funding options should council wish to continue with funding this event.</p>		
<p>Recommendation(s):</p> <p>That Council:</p> <p>1) Fund \$350,000 opex year 1 and \$215,000 opex year 2 to provide an opportunity for council to exclusively host an NRL game featuring the NZ Warriors in 2025 at the Northland Events Centre.</p>		
<p>Financial Impact:</p> <p>This additional operation expenditure will be funded collectively with other approved recommendations, by a pro-rata budget reduction across Council excluding Transportation to a maximum of \$642,000 in year 1 and \$1,686,000 in year 3.</p>		

Issue Name – NECT2021 Annual Operating Grant

Reason for Officer Proposal

The Community Development Committee passed a resolution on 18 April 2024, that the Northland Events Centre Trust 2021 annual operating grant would be reviewed due to the Trust's concerns regarding the additional expenses the lease agreement would bring to the Trust and the financial impact to the Trust of the Outgoings clause.

Key Issues:

NECT2021 board requested a cap on the Outgoings clause obligations under the lease agreement at \$150,000 as the Trust has concerns the obligations of the Outgoings clause would place the Trust in a financially unstable position.

The Community Development Committee resolved to omit any financial cap within the lease and proceed with the signing of the council approved lease, but that council would review the NECT2021 annual operating grant during the Issues and Options deliberations of the long-term plan 2024-2034 regarding the financial impacts of the lease.

Staff Analysis:

Post the Committee decision on 18 April, NECT2021 have provided financial information on all expenses currently incurred by NECT2021 which relate to the Outgoings clause of the lease for the two financial years 2022-2023 and 2023-2024.

Council have also incurred expenses which relate to the Outgoings obligations over the same period. Below are the expenses for both NECT2021 and Council in relation to the Outgoings clause of the lease:

Organisation	Year	Expenses incurred in relation to lease Outgoings
NECT2021	2022-2023	\$445,733.04
Council	2022-2023	\$52,809
NECT 2021	2023-2024 (forecast)	\$470,694.05
Council	2023-2024 (forecast)	\$89,321

NECT2021 have been funding most of the Outgoings clause obligations since late 2021, so the amount council has been covering will fall to the Trust after the signing of the lease. This is a known cost; unknown costs are also associated with these Outgoings and there is a need to complete an up to date Asset Management Plan and Maintenance Plan so Council and the Trust can forecast works and costs over the next few years.

NOTE: It is important to note that Outgoings by nature under a lease fluctuate each year, some years lower than the figures provided, and other years above. This is factored into the budget by the Trust under financial due diligence.

It is also worth noting the previous Trust covered all Outgoing obligations and council does not have funding set aside in the draft LTP 2024-2034 to support NECT2021 in the Outgoings of the lease as it has done in previous years.

Funding and Revenue arrangements

The current funding arrangements are:

- Annual operating grant \$662,786
- Commercial rates paid by council, incorporated into the LTP draft budgets.
- Giving a total financial package of \$696,452 this financial year
- Rent concession of \$39,000 per year.

Additionally, council is committed to the following:

- Funding repairs and maintenance of the roof for the next 2 years until replaced.

Plus, NECT2021 will receive from the lease:

- Rent concession of \$750,000 (based on a market valuation)

NECT have several revenue streams including:

- All events held at the Stadium and events centre venue spaces.
- Sub-leasing venue offices to external parties
- Stadium liquor licensing
- Event Management contracting
- Branding and naming rights

NECT2021 currently are in a stable financial position, with equity at the end of the 2022-2023 financial year of \$862,268 as stated in their Annual Report. A portion of this equity has been assigned to cover the impacts of the roof replacement over the next 3 years financial forecasts as outlined in their current draft Statement of Intent 2024-2027.

Annual Operating Grant

The annual operating grant provided to the Trust was calculated to include appropriate levels of resourcing and funding for operations as follows:

A = the old trust budgets including, all revenue and expenses (excluding the old management fee of \$150k for services provided by council at the time). Expenses included repairs and maintenance and outgoings.

Plus,

B = the operating grant. This was determined by identifying the new costs for the new Trust including, salaries, directors' fees, and the support services they would require which were previously provided by council.

A + B = the current NECT2021 \$ Annual Operating Grant.

It was therefore determined at the time that the new Trust would have sufficient funding through the operating grant and its own revenue streams to carry out the operational responsibilities of the stadium including a lease.

The comparison below demonstrates where operational costs now lie.

Table 1 Item	Intent of WDC Operating Grant	NECT2021 Statement of Intent 2023-2024
Staff Costs	\$348,000 5 FTE, 6 Casual staff, project management	\$735,000 9.5 FTE, 25 Casual staff
Director Fees	\$120,000 4 trustees	\$173,000 5 directors
Health & Safety	\$12,000	\$9,000
ICT	\$20,000 + \$18,000 = \$38,000	\$23,000
Legal	\$24,000	\$20,000
Marketing	\$25,000	\$32,000
Training	no specific budget before/paid for by WDC	\$33,000

NECT2021 stated in the draft Statement of Intent financial forecasts for 2024-2027 that an additional \$150,000 has been incorporated into draft budgets to cover the additional outgoings of the lease.

The draft financial forecasts for the next three years demonstrate a loss for each year; hence the Trust have concerns that the additional expenses make financials unfavourable.

PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME

	Budget to 30 June 2025	Budget to 30 June 2026	Budget to 30 June 2027
Income			
Revenue	\$1,821,122	\$1,419,143	\$1,737,444
Grants	\$695,925	\$728,634	\$762,880
Interest	\$86,905	\$41,567	\$28,150
Total Income	\$2,603,952	\$2,189,343	\$2,528,473
Less Expenses			
Expenses	\$2,593,625	\$2,492,413	\$2,667,467
Total Expenses before depreciation	\$2,593,625	\$2,492,413	\$2,667,467
Net Surplus (Loss) before depreciation	\$10,327	-\$303,070	-\$138,994
Depreciation	\$24,809	\$27,721	\$27,721
Net Surplus (Loss) before tax	-\$14,482	-\$330,791	-\$166,715
Tax Expense	\$0	\$0	\$0
Net Surplus/(Profit)	-\$14,482	-\$330,791	-\$166,715

The impacts of the stadium roof replacement have been calculated by the Trust to be in year 2, 2025-2026 \$301,000 and year 3, 2026 - 2027 \$50,000. Total over 2 years \$351,000. The Trust has put aside \$500,000 equity to manage the impacts of the roof replacement project over this time.

Council staff advise this to be addressed by council nearer the time of the roof replacement, the timing of this is dependent on the roof option decided by council.

Conclusion

It is not unreasonable at this stage for the Trust to cover the Outgoings of the lease as the Trust:

- Has budgeted an additional \$150,000 per annum into their 3-year financial forecasts of their draft Statement of Intent towards the additional expenses of the lease, which is more than the actual expenses covered by council in the 2022-2023 financial year.
- receives an annual operating grant from council.
- have several revenue streams additional to the annual operating grant.
- has opportunity to apply for external funding.
- Have commercial rates paid by council.
- under the lease will receive a substantial rent concession
- Currently has equity in reserve.

Once the Asset management and Maintenance Plan is complete, an accurate picture of future costs will be known, and council could review the NECT2021 annual operating grant at that stage taking into consideration those known future costs.

Options

1. Council can choose to keep the NECT2021 annual operating grant at its current amount and continue to pay the commercial rates as budgeted in the LTP 2024-2034. Provide the rent concession of \$750,000 per year and provide two years of repairs and maintenance for the

roof until it is replaced and review the annual operating grant again once the Asset Management and Maintenance Plan is complete.

2. Council could request NECT2021 to reduce expenses in other operations to cover the new obligations under the lease.

3. Council could increase the annual operating grant by the amount of funding council has spent on supporting NECT2021 with the Outgoings obligations to the amount of \$89,321.

Recommendation(s):

That Council:

1. Acknowledges the concerns of the Trust regarding the expenses of the lease

AND

2. Keeps the current annual operating grant of \$662,784

AND

3. Continues to pay commercial rates on behalf of NECT2021

AND

4. Reviews the annual operating grant amount once the Stadium Asset Management and Maintenance Plan is complete and future costs are known.

Financial Impact:

Nil based on the recommendation.

Option	Impact on Rates
Option 1 no change to the annual operating grant	No impact
Option 2 NECT2021 requested to reduce expenses to fund the obligations of the lease if necessary.	No impact
Option 3 Council increase the annual operating grant by \$89,321 opex per year	Where possible this additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.

Issue Name – AH Reed Canopy Walkway

Reason for Officer Proposal

The AH Reed canopy tree top walkway is a recreation and tourist key asset for Whangarei. It provides a treetop view of significant kauri trees within the AH Reed Reserve. The walkway was assessed in 2022/23 as part of a periodic structural assessment of all bridges and structures. The report noted that a further detailed structural inspection and potential consequential maintenance is required to address health and safety requirements.

When preparing the Draft LTP it was initially thought the costs could be accommodated in BAU however further interrogation of budgets has determined this is possible and specific budget will be required for the detailed structural assessment.

Key Issues:

As part of a periodic structural assessment in 2022, the AH Read canopy walkway, engineering reports identified the structure as requiring detailed assessment of connecting joints, bracings and steel rope connectors.

The initial report did not provide the level of detail to assess the risk and determine any consequential maintenance and renewals.

A further detailed structural report is required to determine the level of risk. If this is not completed it may require the walkway to be closed to mitigate any potential risk.

At present no budget is allocated to this project.

Staff Analysis:

The AH Reed tree top walkway is in one of Whangarei's premier parks and a popular tourist attraction.

Initial structural assessments has identified further reports are required to assess the potential issues and risk of failure. Without this additional structural information the significance of potential issues are not well understood. This creates a unquantified risk for Council. The impact of this risk on a high profile facilities could require the closure of the canopy bridge.

The outcomes of the detailed report will inform a programme of maintenance and renewals to be implemented.

Recommendation(s):

That Council:

- a) Provide additional \$50,000 opex in year 1 of the LTP for the detailed investigation of the AH Reed canopy walkway, or:
- b) Consider closing the canopy bridge.

Financial Impact:

An additional \$50k opex budget included into year 1 LTP.

Where possible this additional expense will be incorporated within the existing funding envelope. However, the cumulative impact of the individual requests approved, as well as depreciation and interest impacts, may result in a further increase to general rates to ensure Councils budget continues to operate within the parameters set as part of the Financial Strategy.

Further Comments – Rating Policy

Feedback from Consultation

Submissions Analysis:

There were 19 submitters that provided feedback on rating policy.

Key Issues raised from submissions:

Feedback on general rates:

- A higher rates differential for residential lots >1012m²
- A smaller share of rates for small residential properties
- Use capital value rather than land value
- Higher rates to property owners with vacant home and business properties, and increasing rates on farmland that is currently zoned for housing to encourage the land-owners to develop that land quicker
- Lower rates for small businesses
- Lower rates for rural properties
- Rates aligned with user pays basis rather than property values
- Lower the uniform annual general charge as it is a regressive tax

Feedback on targeted rates:

- Targeted rates for road(s) leading to properties
- Targeted rates for stormwater
- Targeted rates for coastal structures
- Water rating policy to be reviewed

Staff Analysis:

General rates

The value-based general rates are currently calculated using a property's land value.

When determining the land value of a property, the potential subdivision impacts its value, resulting in higher general rates. To promote development, Council rating policy provided relief over 5 years when a property is subdivided.

Sector-based rating differentials determine the rate in the dollar for each property.

To change the how the general rates are calculated would require a rate review so that the impacts of change can be understood.

Targeted rates

Adding targeted rates to fund the stormwater and coastal structures activities was discussed at Council Briefings on the 2024-34 Long Term Plan. More detailed analysis of the costs and funding options will occur over the next few years when rates funding becomes necessary.

Concerning the mix of fixed water rates and consumption-based water rates was discussed at Council Briefings on the 2024-34 Long Term Plan. No changes were made. How the rates, fees and charges should be determined in the future will be considered as with stormwater and wastewater in response to the activities increased funding need and the Local Waters Done Well reforms,

At the next review of rating policy, the feedback received should be considered.

Recommendation(s):

That Council:

- a) Acknowledges the submissions received and the issues they raise; and

- b) Notes that the issues raised will be considered at the next review of the rating policy.
- c) That the rating policy review is conducted after the completion of the 2025 General Rating Revaluation so that the impacts on all ratepayers from any changes can be fully understood.

Financial Impact:

Nil

Further Comments – Rates Increases

Feedback from Consultation

Submissions Analysis:

There were approximately 90 submitters that provided feedback on the proposed rates increases, 12 submitters support the proposed rates increases and the remainder do not. Note, the number of submissions is small when considering the district population.

Key Issues raised from submissions:

Support rates increases

Those supporting the proposed rates increases recognised the financial challenges Council is facing. Feedback included:

- Consider spreading the increase across multiple years
- Support community development
- Support infrastructure renewal and growth
- Support the arts

Do not support rates increases

Those not supporting the rates increases provided the feedback:

- Increase by 5% or inflation
- Increase by 10%
- The increase is unaffordable for young families
- The increase is unaffordable for beneficiaries e.g. solo parents, pensioners
- The increase is unaffordable for farmers
- The increase is unaffordable for businesses

Staff Analysis:

The level of the rates increases was determined taking in consideration the funding required to achieve Council's desired outcomes set down in the draft Infrastructure strategy and Financial strategy.

Some submitters support the proposed rates increases but the majority of submitters do not support them, mainly due to household or business financial pressures and affordability.

While the rates increases may be challenging for some ratepayers, Council needs to ensure the provision of the necessary services to the community within its financial benchmarks. Staff will continue to work with any ratepayers struggling to make rates payments and will encourage anyone eligible to apply to the Rates Rebate scheme (noting that the maximum amount available has been raised from \$750 to \$790).

Recommendation(s):

That Council:

1. Acknowledges the feedback received on the topic.
2. Approves increasing general rates by 17.2% for 2024-25.
3. Approves increasing the targeted rates for 2024-25:
 - a. wastewater rates by 2.9%;
 - b. water rates by 5.4%;
 - c. flood protection rates by 4.9%.
4. Notes Council's responsibility to continue to provide the necessary services to the community within its financial benchmarks.
5. Instructs staff to continue to work with ratepayers struggling to make rates payments.

Financial Impact:

Nil

Further Comments – Spending and Debt

Feedback from Consultation

Submissions Analysis:

There were approximately 80 submitters that provided feedback on the debt and spending. The submissions detailed below cover the following subjects:

- most submitters provided feedback on spending and debt
- 1 submitter supported the everyday funding benchmark

Key Issues raised from submissions:

The topics raised throughout these submissions are very broad. The key themes have been captured below:

- Reduce rates by abandoning fluoridation scheme
- Support for the everyday funding benchmark
- Cut budgets to suit, live within your means, do better with what you have, maintain what we've got, stop wasting money, spend wisely, tightened existing services, trim the fat, learn to budget, save money, curb spending on things that do not directly benefit the ratepayers, review spending, look at costs and efficiencies, decrease staff, eliminate non-essential services
- Focus on core activities, stick to your knitting not your wish list, nice to have projects should be delayed, make wise decisions
- Rate payers can't afford an increase, cost of living crisis, recession, will be forced to sell up, consider impact on labour market, ratepayers are on fixed incomes, how much can ratepayers afford?
- Work more effectively
- Review processes and staff competencies, review the effectiveness and efficiency of council services, get control of your accounting
- NTA is clearly not a good structure
- Stop buying and hoarding land, sell some property
- Council has squandered development contributions on consultants fees for advice they ignore
- Negative comments surrounding spend on Hundertwasser, Oruku, Civic Centre,
- Understanding of serious funding deficits Council faces
- Move towards more of a user pay model
- Stop borrowing money, irresponsible to keep incurring this level of debt for our future generations, level of debt is unsustainable
- Complete overhaul of the way Councils are funded and infrastructure decisions made, what services/staff costs/efficiencies need to be reviewed?
- Projects should have detailed business case studies to ensure its fit for purpose
- Don't increase rates for vanity projects such as joining Northland Inc or creating a new CCO that isn't required.
- Rates need to ensure provision is made for Emergency Services support.
- Growing the district should not come at the ratepayers expense
- Work backwards from 11% and find the savings for this next period
- Sell Hundertwasser and Events Centre
- Cap borrowing and spending, no debt is sustainable
- Improve efficiency of current services
- Council has a wayward way of spending tax payers rates money
- trim your expenses/debt as these households have to - they have no 'contingency plan' or anyone to fall back on to feed and house their families.
- reduce the increase to 7 percent, if an increase is strictly necessary

- Other Councils are reducing their costs, WDC should be too
- ballooning debt the WDC plan to accumulate over the next five years is simply unacceptable during a cost-of-living crisis and a recession, with almost daily stories of redundancies
- request a full refund of all monies paid by ratepayers for Channel Infrastructure's water usage.
- Against the funding of Hikurangi Sportshub, not enough engagement funding or support. A simplistic upgrade of current facilities would be good enough in the current climate. Please do not lose our playground and skate park.

Staff Analysis:

The budget for this Long Term Plan has been developed adhering to the financial principles and parameters underlying the financial strategy.

Many suggestions included specific suggestions for cost savings: e.g. funding of Hundertwasser museum, reducing staff and contractors, stopping staff medical insurance, reducing spending on roading, no water fluoridation, stopping Hikurangi sports hub.

Cost pressures due to depreciation, increased maintenance costs, insurance and other operating costs has required a larger rate increase in the early years of the plan. Throughout the development of the LTP, senior management was asked to investigate and identify budget savings and efficiencies. Many of these reductions have been made to the budget. The proposed rates increases are required in order to work towards achieving the Everyday Funding Benchmark. While reducing costs further is an alternative, this would result in reduced service delivery which Council has indicated isn't desirable.

Cost budgets have been set over the last two years without any inflationary adjustments, so that costs outside budget managers control, such as Depreciation, Insurance and Interest could be absorbed. This has led to a decrease in effective buying power of around \$25 million over the last three years.

Achieving the Everyday Funding benchmark means in the later years of the plan operating surpluses are created to enable Councils debt to reduce. Debt is used to fund Councils renewals, replacement and growth of its infrastructure and other assets. It is a necessary funding mechanism to ensure intergeneration equity is achieved.

Notwithstanding the points noted above, if it is decided to include any of the funding requests received through the consultation process there would be additional funding pressure – mainly through general rates as well as debt.

Recommendation(s):

That Council:

- a) acknowledge the submissions and feedback received; and
- b) notes that changes to both debt and expenses will be required as a result of other decision made through the deliberations process; and
- c) Continues to explore opportunities to reduce costs and improve efficiencies where practicable.

Financial Impact:

No direct financial implications, however debt and expenses will be adjusted to reflect decisions made as a result of the deliberations process.

Further Comments – Consultation and Engagement

Feedback from Consultation

Submissions Analysis:

A number of submissions were received regarding consultation and engagement approaches and timing.

Key Issues raised from submissions:

Funding engagement:

- Council providing funding to support the community engaging amongst themselves, with hapu and key stakeholders on specific matters;

Transparency of decision making and timing of engagement.

- Involving the diverse community in the development of projects not at the end.

Community reference groups or communication groups (Climate Advisory Group)

Staff Analysis:

Council staff reviewed the submissions and:

- Suggest planning for 2 x district wide Resident & Ratepayer group meetings per year.
- Inform Council of the establishment of a Communications department led ‘What’s New Whangarei’ fortnightly newsletter. The community will be encouraged to sign up to the newsletter. The newsletter can have topic specific engagement information included and can function similarly to the Auckland Have Your Say newsletter.
- Acknowledge the importance of bringing the community along in the journey to develop solutions to complex challenges like climate change. Staff will investigate this further as part of the engagement plan for climate change adaptation.
- Suggest investigation by staff across Strategy and Communications departments into interactive engagement tools including spatial tools that will lift the quality, breadth and depth of engagement across the community. Tools could be ready for the consultation on the Knowledge Hub Precinct Plan and can come out of the OPEX request included in this report. There is also the opportunity to improve the submissions management process which is particularly important for statutory processes and ensuring the Elect
- d Members receive submissions in a timely manner.
- Suggest an internal engagement calendar be developed by staff across Strategy and Communications departments.

Recommendation(s):

That Council:

- a) Acknowledges the submission received and the issues they raise; and
- b) Instructs officers to investigate options for engagement tools

Financial Impact:

No financial impact known at this point.

RESOLUTION TO EXCLUDE THE PUBLIC

That the public be excluded from the following parts of 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:

1.	The making available of information would be likely to unreasonably prejudice the commercial position of persons who are the subject of the information. {Section 7(2)(c)}
2.	To enable the council (the committee) to carry on without prejudice or disadvantage commercial negotiations. {(Section 7(2)(i))}.
3.	To protect the privacy of natural persons. {Section 7(2)(a)}.
4.	Publicity prior to successful prosecution of the individuals named would be contrary to the laws of natural justice and may constitute contempt of court. {Section 48(1)(b)}.
5.	To protect information which is the subject to an obligation of confidence, the publication of such information would be likely to prejudice the supply of information from the same source and it is in the public interest that such information should continue to be supplied. {Section 7(2)(c)(i)}.
6.	In order to maintain legal professional privilege. {Section 2(g)}.
7.	To enable the council to carry on without prejudice or disadvantage, negotiations {Section 7(2)(i)}.

Resolution to allow members of the public to remain

If the council/committee wishes members of the public to remain during discussion of confidential items the following additional recommendation will need to be passed:

Move/Second

"That _____ be permitted to remain at this meeting, after the public has been excluded, because of his/her/their knowledge of Item _____.

This knowledge, which will be of assistance in relation to the matter to be discussed, is relevant to that matter because _____.

Note:

Every resolution to exclude the public shall be put at a time when the meeting is open to the public.