

Council Briefing Agenda

Date: Wednesday, 15 July, 2020

Time: 9:00 am

Location: Council Chamber
Forum North, Rust Avenue
Whangarei

Elected Members: Her Worship the Mayor Sheryl Mai
(Chairperson)

Cr Gavin Benney

Cr Vince Cocurullo

Cr Nicholas Connop

Cr Ken Couper

Cr Tricia Cutforth

Cr Shelley Deeming

Cr Jayne Golightly

Cr Phil Halse

Cr Greg Innes

Cr Greg Martin

Cr Anna Murphy

Cr Carol Peters

Cr Simon Reid

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

1. Apologies

2. Reports

2.1 LTP Planning and Regulatory Services 1

2.2 LTP District Development 11

3. Closure of Meeting

2.1 Activity Briefings: Planning and Regulatory Services

Meeting: Council Briefing
Date of meeting: 15 July 2020
Reporting officer: Alison Geddes, GM – Planning and Development

1 Purpose

To provide elected members an overview of planning and regulatory services activities and the context in which they operate. This includes the following:

- What we do
- The key assets and levels of service
- The key issues facing this activity

2 Background

Elected members will receive briefings on the key activities of Council. Through these briefings, staff will provide an overview of the activity. Staff will also provide information on the key issues facing that activity over the next 3 and 10 years as well as into the long term. The intent is to give elected members clear visibility and knowledge of the activity.

These briefings will also help to identify common issues which may impact on multiple activities and set the scene for direction setting for the 2021 – 31 Long Term Plan.

3 Discussion

3.1 What we do

Planning and Regulatory Services

We are required to undertake planning, monitoring and enforcement activities to meet a wide range of legislation such as the Resource Management Act (RMA). This includes:

- issuing resource and building consents and ensuring they meet required conditions
- providing health and liquor licences
- monitoring and enforcing bylaws such as animal and noise control, health, liquor and parking
- undertaking district planning

The functions within this activity are covered by four separate departments: District Planning, Resource Consents, Building Control and Health and Bylaws.

The outcomes of these functions are important in ensuring our District remains attractive and that our communities thrive.

Briefings from each of these departments are addressed separately below but the context in which these functions operate is shared.

3.2 Our key assets

The animal shelter is the only significant asset operated by this Group and will be covered in the Health and Bylaws briefing. Of particular note is the need to construct a new animal shelter which will cost \$5 – 5.5m. This is explained in more detail in Section 7.2.

3.3 Our levels of service

See individual briefings

3.4 Key issues facing this activity for the short, medium and longer term

Operating in an unpredictable economic climate-post Covid-19

Post COVID-19 and into the medium to long term future we are operating in a very unpredictable and volatile economic climate which presents a significant challenge when forecasting future levels of activity and resourcing needs. Building and development activity has always been an early indicator of economic activity. Since the COVID-19 pandemic began, economists have been grappling with predictions of future economic activity and we have been provided with several different scenarios ranging from 20-50% reductions in development activity.

For the purpose of re-setting the budget for 20/21 we assumed a 25% reduction in activity levels which will result in loss of income from fees and charges. Fortunately, we have a flexible operating model which will enable us to move quickly with fluctuations in volumes of consents in both RMA and Building Control. This reduced level of activity is expected to continue at least for the next three years and possibly beyond. We must remain flexible and ready to respond to fluctuations in the economy.

Ongoing changes to legislation and national direction

Currently there are significant legislative changes in progress in resource management and the Building Act and the Urban Development Bill which brings fundamental changes for Kāinga Ora is well advanced. This is likely to continue into the medium and longer term.

The Government is also very active with issuing national directives such as developing rules for liquefaction, highly productive land and significant natural areas, some of which have significant financial implications for Councils and short time-frames to deliver.

Currently MBIE is conducting a rolling review of the Building Act and Building Code. This is likely to continue over the next 3 years, the outcomes of which are unpredictable in terms of workloads and resourcing needs. Many of these changes will have adverse financial consequences for Councils.

There are a number of trends emerging with recent changes to legislation which will increase compliance and enforcement burdens for Councils and reduce fee-earning activities. For example, there appears to be a trend for Government agencies to be given greater freedom to avoid or reduce regulatory requirements but monitoring responsibilities and costs to remain with local authorities (e.g. Post-COVID-19 changes to RMA) and there is a shift from regulation to greater owner's responsibility (e.g. extending exemptions from requiring building consent 30sqm buildings) which will inevitably drive a shift from the beneficiary consenting processes to the ratepayer compliance functions.

Through these ongoing reviews there will be changes around product certification and innovative construction methods, for example, but there are no changes planned to reapportion the burden of responsibility and liability for Councils. This will continue to drive up costs and have financial implications for Councils.

Maintaining adequate service levels in regulatory compliance

There will also be ongoing change in the Health and Bylaws functions as the economy readjusts post COVID-19. However, the demand for regulatory services are unlikely to reduce with economic contraction. In fact, it may increase if unemployment and social deprivation increase. If these activities are not adequately funded, the level of dissatisfaction with services may increase.

Economic and social change as a consequence of COVID-19 may have a significant effect on our business and over time changes in technology and building materials and methods (for example) will have a profound effect on how we operate in the future. The long-term future is hard to predict but we must remain flexible and open to change as future trends emerge. Some of these changes will be rapid and responsive and some change will be strategic and gradual. We need to be in a position to anticipate the need for change and manage it proactively.

Key issues in the medium and long term have been identified for each of the activities in their individual briefings.

4 District Plan

4.1 What we do

Deliver planning outcomes and environmental regulation through the Resource Management Act (RMA), principally through the District Plan. The District Plan manages how and where Whangarei District develops, it is essential to ensuring Whangarei District is attractive and vibrant through good design and protection of natural environment.

The District Plan *must* give effect to National and Regional policy direction and every provision *must* be reviewed within a 10-year period. We review, update and manage the District Plan following the plan change process specified in Schedule 1 of the RMA.

Council is undertaking a rolling review of provisions and plan changes to create the second-generation District Plan under the RMA. The following plan changes are scheduled for the next three years:

- Tangata Whenua / Mana Whenua
- Biodiversity
- Natural Hazards
- Hazardous Substances
- Temporary Activities
- Esplanade Reserves and Priority Areas
- National Planning Standards Implementation

Council will be required to immediately create a third-generation district plan, either by way of a full review or rolling review.

4.2 Our levels of service

Develop, implement and maintain a District Plan in accordance with the RMA while reflecting the desires of the community and issues of sustainability. Plan changes must be researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory requirements.

4.3 Key issues for the next 3 Years

- Completing the rolling review of the District Plan, will require significant resourcing the following plan changes are required:
 - Tangata Whenua / Mana Whenua
 - Biodiversity
 - Natural Hazards
 - Hazardous Substances
 - Temporary Activities
 - Esplanade Reserves and Priority Areas
 - National Planning Standards Implementation
- Creation of an electronic district plan to comply with the National Planning Standards requires upgrading of IT systems to create an interactive map based Eplan.
- Possible plan change required to implement the new Kaipara Harbour Management.

4.4 Key issues for the next 10 years

- Requirement to give effect to on-going changes to National and Regional policy, will require changes to the District Plan ahead of the expected 10-year review cycle.
- Need to implement spatial plans (structure planning), may require changes to the District Plan ahead of the expected 10-year review cycle.
- Treaty settlements may change engagement processes and resourcing with Iwi and Hapu (e.g. consultation requirements, co-management).
- Incremental changes to RMA, require responsive changes to process and the District Plan.
- Review and possible major rewrite of RMA could completely change how District Plan is created.
- Attracting and retaining qualified and experienced planners.

4.5 Key issues in the long term

- Increasing research, science and knowledge about risks and uncertainties e.g. climate change, energy efficiency may require District Plan response and wider technical expertise.
- Changing online platforms and consultation process may increase level and types of public engagement, requiring updated technology and public education.
- Changing functions or roles of Council (e.g. social housing).

5 RMA Consents

5.1 What we do

The primary roles of RMA Consents is to administer the district plan through the processing of resource consent applications and to undertake monitoring of those consents. The processing of these applications assists in delivering the planning and environmental outcomes sought by our community through the district plan. The direction set by the district plan and its implementation by RMA Consents assists in promoting the sustainable

management of our natural and physical resources and ensuring that Whangarei District is attractive and vibrant through good design and protection of natural environment.

In addition to processing resource consent applications and undertaking required monitoring of activities (including subdivision and landuse) RMA Consents process related applications under the Local Government Act 1974 and the Reserves Act 1977.

5.2 Our levels of service

Levels of service performance measures are to process 95% non-notified resource consent applications within statutory timeframes, to process 95% of post approval subdivision applications within statutory timeframes and to monitor 100% of landuse resource consent conditions.

5.3 Key issues for the next 3 Years

- Continue to satisfy community demand in terms of consent processing with reduced resourcing due to COVID-10 budgetary constraints
- Respond to amendments to RMA and new legislation which may change resource consent processes including greater monitoring responsibilities.
- Increase efficiencies in resource consent processing to assist with economic recovery from COVID-19 impacts.
- Uncertainty in cost recovery to potential significant drop in application numbers.
- Managing the perception that consents staff have wide discretion to grant or decline applications.

5.4 Key issues for the next 10 years

- To encourage greater consultation with Iwi and Hapu by RMA applicants.
- Attracting and retaining qualified and experienced planners.

5.5 Key issues in the long term

- Increasing research, science and knowledge about risks and uncertainties e.g. climate change, energy efficiency may require an RMA response and wider technical expertise.
- Changing online platforms and consent processes may change traditional ways of resource consent processing, requiring updated technology and public education.
- Changing functions or roles of Council (e.g. social housing).

6 Building Control

6.1 What we do

Building Control implements and administers the Building Act 2004. As this council is an accredited authority, we carry both roles and all the functions of a building consent authority and territorial authority. This includes receiving, assessing, inspecting and certifying applications for project information memorandums, building consents, certificates of acceptance, certificates of public use, building exemptions, code compliance certificates, dangerous affected and insanitary buildings, earthquake prone functions and inspecting swimming pools tri annually.

Additionally, the department administer Land Information Memorandums (LIMs) under Local Government Official Meetings Act 1987(LGOIMA), property searches under the National

Environment standards and amusement device permits under the amusement device legislation.

6.2 Our levels of service

The Building Act 2004 stipulates 10 and 20 working days for the issue of a building consent depending on the application type. This service has an Annual Plan performance measure of 96% for building consent applications issued within statutory timeframes and 98% of inspections completed within two days. These are reported to Council regularly along with additional internal measures of LIMs completed within 7 days and PIMs completed within 5 days. The Local Government and Meeting Act 1987 stipulates 10 working days for a LIM.

6.3 Key issues for the next 3 Years

- Continue to satisfy community demand in terms of consent processing with reduced resourcing due to COVID-10 budgetary constraints
- Increase efficiencies in building consent processing to assist with economic recovery from COVID-19 impacts.
- Respond to amendments to Building Act 2004 and new legislation which may change building consent processes including greater monitoring responsibilities and information monitoring.
- Uncertainty in cost recovery due to potential significant drop in application numbers.
- Remaining flexible enough to respond to emerging trends: identifying trends in building construction methods and practices and responding appropriately.
- Risk management – joint/several liability makes council responsible even if culpability is minor.
- RFI's (requests for further information) – striking the balance between being the designers Q/A system and not asking for too much information.
- Educating applicants about the low level of discretion building officers have.

6.4 Key issues for the next 10 years

- To encourage greater consultation with MBIE and building practitioners.
- Attracting and retaining qualified and experienced building officers.
- Ensuring staff competencies keep pace with technological changes and developments in building products and methods.

6.5 Key issues in the long term

- Increasing technical knowledge in relation to modern methods of construction and adapting to new technologies in building related functions.

7 Health and Bylaws

7.1 What we do

This department undertakes monitoring and enforcement functions across a wide cross section of statutes focusing on the protection of community health, safety and amenity. As the name suggests, we have two teams, (a) health and (b) bylaws. These are discussed in greater detail below:

(a) Health

The Health component of the Health & Bylaws department is predominantly performed by the Environmental Health Officers (EHO) within the Environmental Health team.

The functions performed by the team fall largely into the following legislative categories:

- Food Act 2014
- Health Act 1956
- Sale and Supply of Alcohol Act 2012

Food Act

Under the Food Act the following functions are required and performed:

- Registration – the Act and related regulations stipulate which food businesses must be registered and under which risk category these businesses fall, either the so-called Food Control Plan (FCP) or National Program 1 to 3 categories.
- Verification (audits) – EHO's are appointed as Food Act Verifiers by the Ministry for Primary Industries and can therefore verify our registered food businesses and by doing so ensure that food safety is maintained.
- Food Safety Officer – Appointed EHO's can investigate general food complaints, such as illegally operating food businesses, complaints into food safety or alleged food poisoning cases and take appropriate enforcement actions.

Health Act 1956

Under the Health Act the following functions are required and performed:

- Registration – the Act and related regulations stipulate which premises must be registered, annually.
- Inspections – registered premises must be inspected annually to ensure compliance with the act and regulations.
- Complaint investigations – in relation to public health nuisances.

Sale and Supply of Alcohol Act 2012

Under the Sale and Supply of Alcohol Act, EHO's are appointed as Licensing Inspectors and perform the following functions:

- Applications under the Act – the Act stipulates that all businesses wishing to sell alcohol must first obtain an appropriate licence. Licences obtained must be maintained through a renewal process. The same applies to the so-called "Manager Certificates". The Act provides for applications to be heard and granted by the District Licensing Committee.
- Inspections of alcohol licensed premises – the Act requires that all licensed premises be inspected for compliance at least once a year.
- Complaint investigations – Inspectors investigate and follow up on complaints, or alleged breaches under the Act, which can lead to applications for suspension or cancellation of licences / manager certificates, before the Authority.

(b) Bylaws

Bylaw compliance and enforcement services are predominantly provided through an external contractor, Armourguard, which have been contracted for close to four years now. Their activities are coordinated and supplemented through our Bylaws Enforcement Coordinator and the department manager. These services are discussed further below:

Dog control

The Dog Control Act 1996 requires WDC to adopt and maintain a dog policy and provide dog control services in accordance with that policy and as defined under the Act. This includes:

- Annual dog registration processes, including fees
- Appoint dog control officers
- Investigations of dog related complaints, infringements and prosecutions
- Operating a “dog pound” (animal shelter)
- Annual reporting to the Department of Internal Affairs on Councils operations

Stock control

- Comply with the requirements of the Impounding Act 1955
- Appoint enforcement officers
- Investigate complaints about stock on public roads and take appropriate actions
- Establish and operate a stock pound

Noise control

- Appoint noise control officers
- Operate noise control services to investigate complaints
- Issue noise directives, seize equipment and issue noise infringements (fines)

Parking enforcement

- Enforcement of the Land Transport legislation and our parking management related Policies/Bylaws to ensure cars are parked legally and to ensure suitable vehicle turnover at car parks, which have high levels of use
- Appointment of Parking Wardens
- To ensure the public’s safety within the district
- Towing of cars from Clearways
- The towing, storage and disposal of abandoned cars
- Ensuring that vehicles are road legal, by enforcing the rules around expired vehicle registration certificates and warrant of fitness checks

General Bylaw enforcement

- Enforcement of Council’s Bylaws, mainly reactively, through complaints
- Appointment of Enforcement Officers
- Proactive summer season enforcement of the “Camping in Public Places” Bylaw

7.2 Our key assets

Animal Shelter

The department’s key asset is our existing dog pound and our planned new proposed animal shelter. The existing dog pound is aging, often at capacity and for several years running the risk of being shut down, due to animal welfare concerns.

The purchase of land at 95 Kioreroa Road for the construction of a new animal shelter and the subdivision of this land is progressing well. Once the subdivision conditions have been met the land will transfer to WDC’s ownership, most likely before the end of 2020.

Previous Infrastructure Committee briefings and workshop project updates highlighted detailed floor plans for 50 dog kennels and associated facilities.

The future construction and facility fitout costs are currently estimated to range between \$5m and \$5.5m. Funding is sought through the 2021 - 2031 LTP to ensure the construction of this project can commence during the 2021-22 annual plan budgets. This has become urgent as the current animal shelter (dog pound) is inadequate and does not meet standards.

7.3 Our key levels of service

(a) Provision of regulatory compliance and enforcement services

The department's most critical levels of service relate to the current Regulatory Services Contract, which Armourguard delivers for us. This contract is currently in its final year and will end on 30 June 2021, prior to which a new contract needs to be secured.

A workshop with Councillors was held on 4 March 2020 to obtain direction on Council's preferred option for the future provision of Regulatory Services. At the workshop a number of options were presented, with Councillors consensus being that an "Enhanced Contract" option be pursued, i.e. continuation of outsourced contract, but with enhanced specifications and contractual terms, such as hourly rate increases and more staff resources and report back to Council on the scope and cost of such an enhanced contract model.

The current contract costs approximately \$1.7m per year. Based on the feedback from the Council Workshop, a detailed report on the provision of an enhanced Regulatory Services contract which would meet Council's service level expectations in the future and the financial implications for this LTP and future annual plans, is currently being prepared.

(b) Health – level of service in the future

Health's mandatory levels of service mainly relate to staff time/cost to perform the legislated functions and does not have or maintain physical assets. However, the maintenance and annual external auditing of our Quality Management System ensures that WDC and EHO's can continue to register and verify food businesses. Adequate budgetary provision needs to be made to cover the cost of these external audits and internal QMS maintenance by staff.

(c) Legal fees for dog prosecutions

In order to maintain the 2019/20 momentum with dog prosecutions, it is important that there is ongoing adequate funding provided for legal fees to enable us to continue to prosecute for dog attacks. This funding has been reduced post COVID-19.

(d) Camping in Public Places Bylaw

Where Council chooses to continue to enforce our Camping in Public Places Bylaw to the levels/cost of previous years, the future LTP will have to allocate adequate funds to do so.

7.4 Key issues for the next 3 Years

The key issues being addressed in the first 3 years of the plan are:

Bylaws:

- Construct and equip the new animal shelter at 95 Kioreroa Road at an estimated cost between \$5m and \$5.5m.
- Obtain agreement on what an "enhanced" future Regulatory Services contract might look like and to ensure that adequate funding is allocated.

Health:

Food Act 2014 – Sufficient resources, both human and financial to maintain workload, update our Quality Management System and retain our MPI accreditation.

Health Act 1956 - Enough staff resources to perform these functions.

Sale and Supply of Alcohol Act 2012 - Enough resources to perform these functions.

7.5 Key issues for the next 10 years

Longer term, the key issues highlighted for the next 3 years continue to apply, especially where the district grows and where business numbers/request for service increase, but resourcing does not match demand.

Some unknowns are, the impact that new /additional legislation and changes to existing legislation will have on team functions and capacity, which would most likely require additional funding.

7.6 Key issues in the long term

Similar to point 7.5 above, especially the unknown growth of the district and impact of legislative changes to our business environment.

2.2 Activity Briefing: District Development

Meeting: Council Briefing
Date of meeting: 15 July 2020
Reporting officer: Tony Collins – Manager, District Development

1 Purpose

To provide elected members an overview of the District Development activity. This includes the following:

- What we do
- the key assets and levels of service
- the key issues facing this activity

2 Background

Elected members will receive briefings on the key activities of Council. Through these briefings, staff will provide an overview of the activity. Staff will also provide information on the key issues facing that activity over the next 3 and 10 years as well as into the long term. The intent is to give elected members clear visibility and knowledge of the activity.

These briefings will also help to identify common issues which may impact on multiple activities and set the scene for direction setting for the 2021 – 31 Long Term Plan.

3 Discussion

3.1 What we do

Council has a part to play in many aspects of building a strong foundation for economic prosperity. Some strategic objectives include:

- Creating a vibrant and attractive district where people want to live
- Promoting the district's opportunities (including brand/reputation)
- A district plan with the appropriate kind and amount of business zones and housing choice
- A distribution network that connects businesses with customer, workers with businesses
- A customer centric attitude with efficient and easy to understand consent processes
- Create environments and provide a level of service that will continue to attract visitors to our District

In other words, a well-run district

The Te Tai Tokerau Action Plan identifies local government as having a role – along with central government, private sector and iwi – to develop an enabling environment that will see our District thrive. The implied roles for Council are therefore leadership, provision of infrastructure, regulation, and advocacy.

One of the key leadership roles is to have a positive vision for the future. Council uses its influence through:

- Economic development
- Commercial landholdings

In its simplest form economic development can be seen as creating a platform off which businesses can be successful. It is about creating economic wellbeing through a resilient, inclusive and sustainable business ecosystem. We invest in economic development to provide local economic leadership and collaboration with key parties such as central government, economic development agencies, community and industry.

District Development focusses on attracting and encouraging people to work live and play in our District. This involves both business attraction by assisting or navigating inward investment from outside the district as well as economic gardening. Economic gardening in its simplest form involves working with existing businesses to help them develop and grow. Councils post-COVID-19 response focusses on forming partnerships and support initiatives that will assist existing business survive in the first instance, then develop and grow. The sale and acquisition of land provides opportunities to increase financial return, while supporting future infrastructure initiatives and urban design through new development.

3.2 Our key assets

Commercial Property Portfolio

- Ground Lease Portfolio – 5,7,21-year rent reviews in perpetuity. (66)
- Commercial Freehold Property – various commercial / light industrial sites.
- Town Basin – boutique shopping/ casual dining precinct with recreational amenity value.
- Central City Carpark – a multi-level parking building in the CBD.
- Parihaka Transmission Mast – the dominant transmission facility in the District.
- Future Use – sites identified for future development or to aid future urban development

Forestry

Eight registered forestry sites across the district (Whau Valley, McLeods Bay Mania, Ocean Beach, Sargents Hill, Purua, Oakura, Waikaraka). Parihaka no longer commercial and managed under Parihaka Management Plan.

Whangarei District Airport (WDA)

Joint Venture Airport with the Ministry of Transport providing a fully serviceable airport for the use of visitors, residents and ratepayers through scheduled and non-scheduled operators. Managed as a Controlled Council Organisation under LGA legislation

Digital Assets

Facebook/Whangarei District Love It Here!
WhangareiNZ.com

3.3 Our levels of service

Commercial Property Portfolio Objectives in accordance with the Property Policy include;

- Maximise cash returns – achieve market rents
- Dispose of non-strategic sites over time, unless providing exceptional returns.
- Maintain asset to optimise returns over long term.
- Consider capitalising improvements into lease to increase returns and/or encourage effective use.

Forestry:

- Maximise Net returns.
- Maintain Carbon Emission Trading Scheme (ETS) legislation.

3.4 Post-COVID-19 assumptions

It is unclear what the real impact on our local economy will be as a result of recent events. Predictions or forecasts have been variable and often contradictory. However, it is reasonable to expect that there will be an increase in unemployment, there will be business failures, our population will continue to grow and there will be increase pressure from domestic tourism. There may also be a reduction in our connectivity resulting from a reduced capacity for regional air travel.

3.5 KEY issues for the next 3 Years

- Response to COVID-19
- Business communities desire and expectation to engage with a business-friendly council will not change even though council resources will be reduced. Managing this expectation and engaging with these businesses in a constructive manner will be critical.
- Commercial property tenure rationalisation
- Property Reinvestment Reserve
- Procurement process that is fit for a post-COVID economy
- Visitor attraction
- Regionally integrated economic development approach
- National connectivity

3.6 Key issues for the next 10 years

- Whangarei District Airport.
- Physical condition of our commercial property portfolio.
- Enabling the Maori economy.
- Densification of commercial hubs.
- Developing a diverse and resilient business ecosystem that more resilient to future shocks through a broader economic base.
- Preparing to mitigate negative impacts of growth.
- Visitor pressure.

3.7 Key issues in the long term

- Ensuring our unique points of difference are maintained in the face of intensification and continued growth.
- Demand for labour.