



**AGENDA FOR A MEETING OF THE COUNCIL (VARIOUS) TO BE HELD IN THE CIVIC  
CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON WEDNESDAY, 14 JUNE 2006  
COMMENCING AT 9.30 AM.**

---

**TABLE OF CONTENTS**

<b><u>ITEM</u></b>		<b><u>PAGE NO.</u></b>
1	APOLOGIES	1
2	URGENT BUSINESS	1
3	REGIONAL BROADBAND CHALLENGE APPLICATION	1
4	REGULATION OF UNADDRESSED ADVERTISING MATERIAL UNDER PART 5 OF THE WAITAKERE CITY COUNCIL WASTE BYLAW 2005	10
5	PUBLIC TRANSPORT PROCUREMENT LEGISLATION REVIEW	14
6	AUCKLAND TRANSPORT STRATEGIC ALIGNMENT	16

**AGENDA FOR A MEETING OF THE COUNCIL (VARIOUS) TO BE HELD IN THE CIVIC  
CENTRE, 6 WAIPAREIRA AVENUE, LINCOLN, WAITAKERE CITY,  
ON WEDNESDAY, 14 JUNE 2006  
COMMENCING AT 9.30 AM.**

---

**1 APOLOGIES**



**2 URGENT BUSINESS**

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 provides that where an item of business is not on the agenda, it may only be dealt with at the meeting if:

- (i) the Council by resolution so decides; and
- (ii) the Chairperson has explained at the beginning of the meeting (when open to the public) that the item will be raised for discussion and decision, why the item is not on the agenda, and why it cannot be delayed until a subsequent meeting.

The Council may make a decision on a matter determined to be urgent.

**NOTE:** Urgent Business need not be dealt with now and may be delayed until later in the meeting.



**3 REGIONAL BROADBAND CHALLENGE APPLICATION**

**PURPOSE OF THE REPORT**

The purpose of this report is to update the Council on the regional application for Central Government's Broadband Challenge funding and raises concerns regarding the transparency of the process, specifically:

- Engagement of and the role of the contractor engaged to prepare the application;
- The costs, benefits and risks of the proposal put forward.

**BACKGROUND**

**Background to the Central Government Process**

On Monday, 16 May 2005 the Government released the *Digital Strategy* as part of its programme of ensuring New Zealand is a world leader in the use and availability of information technology. One of the outputs of the *Digital Strategy* was to establish the Broadband Challenge "...to accelerate the provision of affordable Broadband services to regional centres and previously unconnected areas."

The *Broadband Challenge* allocates \$24 million over four years for selected fibre optic network projects. Auckland Regional Council officers have advised that they anticipate the Auckland region accessing \$7 to \$8 million of the available funds. The *Broadband Challenge* is a two stage competitive process where applicants across New Zealand seek a share of the fund.

The fund is administered by the Digital Strategy Secretariat, which sits within the Ministry of Economic Development. Regional and Council liaison with the Digital Strategy Secretariat has been through a consultant, Mr Peter Macaulay, who Council officers understand is engaged by the Ministry of Economic Development.

The first stage of the *Broadband Challenge* process was an expression of interest stage. Its purpose was to determine which applicants would be invited to submit a full application, including a full business case detailing how their proposal would work (the fund made \$50,000 available as a contribution to developing the business case). Expressions of interest were submitted by North Shore City Council, and the Auckland region (where local authorities were represented through the Broadband Liaison Group (BBLG)).

Both expressions of interest were accepted and the applicants invited to submit a full application.

### **Parties Involved in the Regional Application**

The following groups are involved in the Regional Broadband Challenge application:

#### The Auckland Regional Economic Development Forum

The Auckland Regional Economic Development Forum (EDF) is a committee of the Auckland Regional Council that was established in July 2005. The Auckland Regional Economic Development Forum's delegations are to:

- Provide a platform for discussion on economic development;
- Provide leadership and advocacy on economic development issues;
- Oversee the on-going implementation, monitoring, and review of the Auckland Regional Economic Development Strategy;
- Facilitate integration and alignment of activities in economic development, and with other strategies.

The Auckland Regional Economic Development Forum members are:

- Michael Barnett (Chair Economic Development Forum) Councillor, Auckland Regional Council;
- Craig Little, Councillor, Auckland Regional Council;
- Dianne Hale, Deputy Mayor - North Shore City Council (Local Authority representative);
- Sandi Morrison, Chair of the Auckland Regional Economic Development Agencies (AREDA);
- Ross Peat, Foundation Member of Committee for Auckland, Managing Director of Microsoft;
- Professor Ian Shirley, Pro Vice Chancellor (Research), Director, Institute of Public Policy (AUT);
- Michael Wood, Lead Organiser, Auckland Office, Finsec;
- Daryl Jeffery, Chairman of the Auckland Utility Operators Group Inc;
- Doug Heffernan, Chief Executive Mighty River Power;
- Uluomatootua S. Aiono, Founder of Cogita (Software Company).

This Committee is supported by the Auckland Regional Council's Economic Development Unit.

### The Broadband Liaison Group

The Broadband Liaison Group is a group of officers representing the local authorities of the Region. It was formed under Auckland Regional Economic Development Strategy to coordinate the regional response to Project PROBE (a project focussed on expanding Broadband access through the school network). Over the past four years the Broadband Liaison Group has evolved into a forum for regional officers to share information, ideas and opportunities about local Broadband projects, collaborate on region wide projects, and build relationships with public and private sector stakeholders. The Council is represented on the Broadband Liaison Group by the Project Manager: E- Infrastructure, Strategic Projects Group.

### E-Regions

E-Regions is a trust that grew out of partnerships established during the Government's national rollout of Broadband to schools across New Zealand.

Two core objectives have formed the foundation for E-Regions trust's constitution:

- ***"E-Regions will meet the need for ongoing liaison between Central Government and regions on Broadband and other digital opportunities."***
- ***"E-Regions will help New Zealand become a model country for the widespread availability and effective use of Broadband and other ICT technologies by: forming regional alliances for the innovative deployment of these technologies in four priority sectors—health, education, commerce and local government enabling New Zealand to capture the full economic and social benefits of Broadband connectivity, and working constructively in pursuit of its vision as out lined in the Government's Digital Strategy."***

### **The Regional Application Process: Stage One**

In September 2005 the Broadband Liaison Group was advised by Mr Macaulay that in allocating funding the Government would be looking for a partnership based approach. The group agreed that if they were to submit an application to the Broadband Challenge, this would best be managed by the Auckland Regional Council's Economic Development Unit, (which is now called Auckland Plus). The Group Manager of the Economic Development Unit at the Auckland Regional Council indicated that it would be willing to fund 50% of the costs of developing a business case. They suggested that local authorities across the region could provide the balance of the funding.

In October 2005 the Broadband Liaison Group was advised that E-Regions Trust would be willing to develop a registration of interest for Broadband Challenge funding on behalf of the Broadband Liaison Group (as representatives of the Auckland region). The local authorities were advised that the Regional Council would manage this relationship and that they would not have to contribute financially to the development of an expression of interest, as E-Regions were willing to develop an expression of interest free of charge. It is not known if there was any commitment by Regional Council officers to engage E-Regions to develop the full business case if invited to proceed to the second stage.

Alongside the regional application, the North Shore City Council also lodged an application in conjunction with Vector Communications Limited.

### The Regional Expression of Interest

The expression of interest included a proposal to develop and establish a suitable 'Network Entity' to:

- Create and engage numerous partners with appropriate expertise and resources to contract and operate the Metropolitan Fibre Networks across the Region;
- To let and manage construction projects that expand Broadband networks in the Region.

The application noted that clear details about how this entity could work would be developed if the proposal was chosen to proceed to full application stage.

As the model for expanding open access Broadband networks to key anchor tenants in the Auckland Region was not clearly developed at this first expression stage, the Broadband Liaison Group did not clearly understand how the final model would work, but was encouraged by Peter Macaulay of the Digital Strategy Secretariat, to submit the registration of interest and consider if they wanted to proceed with the application if they were invited to proceed to the second stage of this process.

The expression of interest for the Urban and Metropolitan Networks fund was forwarded to the Ministry of Economic Development on the 12 December 2005.

In December 2005 a report was taken to the Chief Executive Officer's Forum which outlined the Broadband Challenge process. The recommendations of this report were that the Chief Executive Officers and relevant officers commit to working collaboratively to support the development of the application to access the Broadband Challenge fund.

### The North Shore/ Vector Communications Expression of Interest

At the expression of interest stage North Shore City Council and Vector Communications lodged an application that described their intent to connect schools, libraries and council buildings on the North Shore to high speed fibre optic connections. The rationale behind this proposal was that if high speed technology is available to these core anchor tenants, other government facilities and businesses will also demand these services in future, thereby providing a driver for creating innovation to utilise these services. In addition Vector Communications would be free to sell commercial services on an open access basis through their enlarged network, thereby increasing competitive pressure for the supply of broadband services.

The provision of the fibre optic infrastructure would be a partnership approach with direct investment from Vector Communications, and North Shore City Council facilitating this process. The application noted that a full application would need to demonstrate a business model where an independent entity would manage open access to this infrastructure. The expression indicated that if the investment on the North Shore proved to be a successful pilot, this model could be rolled out across the region.

The core difference between the two expressions of interest was that the North Shore City/Vector Communications model immediately invested in infrastructure and established an independent entity to own and manage the open access capacity this would create. The regional proposal was to develop a business based upon linking and using publicly owned infrastructure.

In late January 2006 the Broadband Liaison Group were advised that two applications from the Auckland region had been invited to proceed to the second stage of the process. The application prepared for the region by E-Regions as the consultant, and a further application prepared by North Shore City Council in partnership with Vector Communications.

### The Regional Mandate and Process

A report on the project was taken to the Regional Economic Development Forum on 28 February 2006, which resolved:

- That the Forum delegate to Councillor M F Barnett, Chairman, Regional Economic Development Forum, the authority to appoint a champion for Broadband initiatives from within its membership (subsequently two Auckland Regional Economic Development Forum members were appointed, Mr Ross Peat, and Mr Uluomatootua Aiono);
- That the Forum endorse the work being undertaken by the Broadband Liaison Group to establish a regional partnership to respond to the Government Digital Strategy and drive an open access network in the Auckland Region.

Around this time the Project Manager: E-Infrastructure raised concerns about how the project was developing with the Manager: Strategic Projects Group.

At a meeting of the Broadband Liaison Group on 16 February 2006 a presentation was made to the Broadband Liaison Group by E-Regions on the regional application. Auckland Regional Council officers sought endorsement from the Broadband Liaison Group to progress the regional application, advising that they proposed to engage E-Regions to develop a full business case by 16 May 2006 deadline. A contribution was sought from the local authorities toward the total cost of preparing the application, which was estimated to be \$300,000. Officers from Auckland City Council and Waitakere City Council raised concerns about the large cost, and the lack of understanding of the costs and benefits of what was being proposed, and the fundamental issue of whether or not local authorities should be getting into the telecommunications business. There were also concerns over the transparency of the process to engage E-Regions as consultants. Waitakere City also raised concerns that the application did not appear to provide the Region with a clear strategy or 'end game' for improving the uptake of Broadband in the Region. Staff indicated that the Council would be unlikely to support the preparation of a full business case on this basis. The Broadband Liaison Group asked the Auckland Regional Council to commission a full cost benefit analysis of their options for responding to the second stage of the Broadband Challenge process.

At this time Mr Peter Macaulay from the Digital Strategy Secretariat suggested that funding would only be provided for one project in the Region and that the North Shore City proposal needed to be amalgamated with the regional proposal.

It was agreed that the cost benefit work should be progressed with urgency, and that a more modest form of the original concept should be progressed, whereby a regional trust would be established, to 'own' the open access component of the North Shore project. It was felt that this trust could evolve over time if need be. The Auckland Regional Council's Group Manager Economic Development was to commission this work.

After this meeting the Manager: Strategic Projects Group was asked to chair the Broadband Liaison Group.

On 27 March 2006 the Manager: Strategic Projects Group, as chair of the Broadband Liaison Group, was invited to a meeting between Auckland Regional Council officers and Mr Peter Macaulay of the Digital Strategy Secretariat. Mr Macaulay was concerned that the region may not meet the timeframes for the Broadband Challenge funding, and expressed disappointment that the full 'E-Regions' proposal was not being put forward. Mr Macaulay commented that the Councils' requirement for a cost benefit assessment of the proposal to be developed before funding/resources were committed was not necessary. Staff characterise the meeting as being one where significant pressure was applied in order to convince the Councils to follow a particular path.

Subsequent to this meeting an article then appeared in the 21 April 2006 edition of the National Business Review titled *"Auckland Broadband in Disarray"*, quoting responses from the Regional Council's Group Manager Economic Development to the effect that progress was being impeded because of the need to coordinate between seven local authorities. Council staff reject this viewpoint as inaccurate and rather simplistic.

At this stage it became apparent that a member of the E-Regions Trust was actively lobbying around the region for support for the E-Regions authored proposal. This sort of behaviour runs contrary to public sector good practice in terms of procurement/selection. Another staff concern relating to E-Regions trust is a lack of clarity over their role. On one hand they are acting as a consultant and on the other appear to be lobbying for their own interests. For this reason it has been difficult to rely on the independence of their advice to the Broadband Liaison Group.

On 27 April 2006 a meeting of the Broadband Liaison Group was called to consider the report back on the cost/benefit analysis, prepared by a separate consulting firm. The draft report failed to address any of the requirements of the brief, and the consultants were asked to go away and re-do the report in accordance with the brief. Council officers were also somewhat surprised at the progress report on the application as the original application was 'back on the table' and being developed. When questioned about this, Auckland Regional Council officers advised that they did not require any contribution from the local authorities to complete the application and that they were mandated under the Regional Economic Development Forum resolution of 7 February 2006 to complete this work.

Waitakere City Council officers advised that they could make no commitment of Council resources whatsoever at this stage.

A further meeting of the Broadband Liaison Group was held on 8 May 2006. At this stage the cost benefit report was still deficient in many regards. Given this situation, the impending deadline for the application, and the fact that the Auckland Regional Council seemed prepared to go ahead with the application in any regard, the Broadband Liaison Group determined to take a pragmatic approach and support the submission of the regional application on the understanding that none of the councils would be committing any resources to the application or its implementation should it be successful.

At the same time the councils of North Shore, Auckland, Manukau and Waitakere chose to support the North Shore City Council/Vector Communications proposal, and supporting letters from the Chief Executive Officers of these Councils were forwarded with the North Shore/Vector application. The key reason for this was that they recognised that the North Shore proposal demonstrated the immediate undertaking of physical works to expand Broadband networks, which was seen as an immediate tangible outcome of the Broadband Challenge process.

### **The Regional Application Process: Stage Two**

The Digital Strategy Secretariat has suggested to the Region that they will only allocate funds to one proposal from the Auckland Region. They also advised the Broadband Liaison Group that the North Shore City/Vector Communications proposal could only succeed if it could be demonstrated that it is a regional proposal. Accordingly the Auckland Regional Council asked E-Regions to refine their proposal so that they could demonstrate that the North Shore pilot could be incorporated into a number of projects around the Region that could be pulled under a regional umbrella and managed by a regional entity to provide affordable open access Broadband to the Region.

### The Auckland Regional Proposal (Prepared by E-Regions)

The final regional application involves a model that brings together one or more current network operators under a new regional entity to ensure affordable and high speed open access infrastructure is available to selected high Broadband users, schools, hospitals, universities, and local authorities. This application states that *“as a premise, the physical construction of “Greenfield” infrastructure is the last resort. “The planner preferred approach is to utilise existing infrastructure and lease or rent capacity”*. The application also states that *“the key proposal is to ultimately create a number of ‘satellite’ fibre networks in each of the Auckland Regions cities and have these interconnected through a backbone network to a central hub located in the city”*.

In trying to merge the regional and North Shore/Vector proposal, the regional model highlights the first stage of the project as being the pilot to extend the existing Vector Communications owned fibre network in the North Shore area. It notes that during the implementation of this pilot, *“processes, governance, funding and operational processes will be tested so that a sound model can be established for the Auckland Region”*.

The regional proposal is in many respects a proposal to develop a project plan and business model. No funding is sought to implement this model. The proposal identifies nine future work-streams:

- **Project Management** - developing project management tools to make the project work.
- **Business Case Development** - establishing a business governance structure which meets the Government's requirement for a “Network Entity”, identifying business partners, developing a financial model, and identifying risks;
- **Product and Service Assembly** - establish a defined set of products and services that are consistent with open access principles and a methodology for ensuring that products and services meet the needs of key anchor tenants;
- **Demand** - analyse market demand for products and services and identify particular needs of high speed users or anchor tenants;
- **Network Architecture** - provide specifications to construct and operate a network based on the services required and ensure specifications are consistent with the open access network requirements;
- **Network Implementation** - identify a phased network construction plan;
- **Network Assembly** - to assemble and commission a high speed Urban Fibre Network over the next three years;
- **Funding Applications** - ensure Broadband Challenge funding requirements are met;
- **Support pilot projects** - i.e. the North Shore City/Vector Communications proposal.

The application also outlines a timeline for undertaking these work-streams and the development of the full business case will occur as the tasks are developed over the next twelve months or more. The application is for around \$900,000 plus the capital investment contribution of the rollout of the North Shore/Vector pilot. It is not clear if the Region intends to competitively tender the project management and entity building aspect of the proposal, should the application be successful.

### The North Shore City/Vector Communications Model

The North Shore/Vector Communications model is a partnership between a local authority and a private telecommunications provider where either an independent entity is established or suitable contractual arrangements are put in place to manage open access to the infrastructure owned by the wholesale provider. Details on the final application are still commercially sensitive in nature and not yet available for the Council to review. However, a senior officer from North Shore City Council took a report to the Regional Economic Development Forum on 9 May 2006 which stated that the project “is network based on new and existing Vector owned fibre that would give connectivity on an open-access basis to community buildings, schools and potentially tertiary facilities across North Shore City in the first instance”. The report also confirmed that if successful it could be used as a model to roll out across the region and that discussions were proceeding with the intention of bringing together the regional application and the North Shore Vector.

Vector Communications did not wish to share their network model with E-Regions because of the commercial sensitivity of this information and lack of transparency about what the role of E-Regions is (i.e. consultant to Auckland Regional Council or independent trust with separate objectives). However, both applications referenced each other and the regional application attempted to demonstrate how the North Shore City/Vector application could be merged into the regional bid.

Both applications are currently being considered by the Ministry of Economic Development.

### **STRATEGIC CONTEXT**

Council’s strategic position on Broadband is outlined in the draft Waitakere Information Access Strategy. This strategy has recently been published and Council have invited public submissions on this strategy. A further report will be taken to the City Development Committee where any changes to the framework that result from public submissions, will be considered before the framework can be adopted. The framework currently identifies Council’s role in mitigating high costs and low uptake of Broadband in Waitakere as being:

- **E-Government** - to provide meaningful online services that support our civic role.
- **Partnerships for Primary Infrastructure** - seek public and private sector partnerships for the deployment of Broadband Infrastructure across the City and Council should only invest directly in this infrastructure where there is a clear business case to support this action.
- **Aggregating Demand** - develop projects that encourage community and business networks to create online content; i.e. Waitakere Online, and set examples by supporting products and services that will raise awareness of the benefits of Broadband to our communities and our local economy.

Supporting measures to improve Broadband uptake and capacity in Waitakere City will demonstrate tangible benefits for creating a stronger local economy and aiding the implementation of Waitakere’s Economic Development Strategy. It will also support internet access and mobility in Waitakere’s Town Centres, provide a greater reach in spreading civic information and online democracy, and provide alternatives to the motor vehicle and the increasing traffic flows on the roading network.

## ISSUES

Key issues are as follows:

- The role of E-Regions Trust is unclear. On the one hand they have been engaged on a consultancy basis by the Auckland Regional Council. On the other hand they are lobbying to pursue their own agenda (which may or may not be the same as the regions). There is, in the view of Council staff, a potential conflict of interest with E-Regions continued involvement in the contractor role that needs to be addressed;
- If the regional proposal is successful in securing Government funding, Auckland Regional Council officers have indicated that local authorities would be asked to allocate resources to support the rollout of Broadband Infrastructure across parts of the City to fit with the regional model. The Long Term Council Community Plan has no current provision for financial resources towards a regional model. Furthermore, the costs, benefits and risk associated with the regional model are still not known. However, Council could choose to participate through the contribution of non-financial resources, such as providing access to Council's own fibre optic networks, as well as assessing the costs and benefits as they become available for consideration through future Annual Plan processes. Associated costs and risks would need to be clearly defined and understood before Council could consider such an arrangement. Council also needs to ensure that the process for determining its role and any contribution is transparent;
- The competitive process that was set up by the *Broadband Challenge* has caused confusion and has complicated the cooperative regional relationships that were previously in place.

## RESOURCES

No resources have been allocated to the regional proposal; however, this may need to be considered at a later date when the costs and benefits and Council's role in this project are clear.

## CONCLUSION

The Broadband Challenge applications from North Shore City/Vector Communications and the Auckland Region, have been submitted to the Ministry of Economic Development. Waitakere City has chosen to support the North Shore/Vector application while at the same time adopting a "wait and see" approach with the regional application. At this stage Council is in no position to make a financial commitment to the regional proposal.

## RECOMMENDATIONS

1. That the Regional Broadband Challenge Application report be received.
2. That Council maintain its position of evaluating the costs and benefits of the regional proposals submitted before committing resources.
3. That Council officers provide feedback to Central Government officials on process difficulties encountered in the Broadband Challenge process.

Report prepared by: Rochelle Edwards, Project Manager E-Infrastructure: Strategic Projects Group and Fraser Henderson, Manager: Strategic Projects Group.



**4 REGULATION OF UNADDRESSED ADVERTISING MATERIAL UNDER PART 5 OF THE WAITAKERE CITY COUNCIL WASTE BYLAW 2005**

**PURPOSE OF THE REPORT**

The purpose of this report is to advise the Council on progress with the National Code of Practice developed by the Marketing Association to address issues around the delivery of unaddressed advertising material, and to make a decision on whether or not to make Part 5 of the Waitakere City Council Waste Bylaw 2005 operative.

**BACKGROUND**

Waitakere City Council, jointly with North Shore City Council and Rodney District Council, investigated the options for addressing waste issues. As background information, Hill Young Cooper prepared two reports; one concluding that a bylaw was the most appropriate mechanism for the councils to achieve their waste objectives. The second report proposed the form the bylaw might take.

The issue of unaddressed advertising material was canvassed in the second report by Hill Young Cooper (Determination Part Two: Form of Bylaw), which is the background report for the development of the waste bylaw, as follows:

“Unaddressed advertising

*Unaddressed advertising includes leaflets and pamphlets that are deposited in the mailbox or on car windows. The problem associated with such advertising is that inappropriate disposal often results in littering in public places. Responsibility for collecting and disposing of littered advertising then becomes the Council’s, with no ability to recover these costs. The intention of the draft bylaw is to establish “generator” liability for unaddressed advertising, including the placement in mailboxes clearly marked with “No Junk Mail” (or similar), with the objectives of minimising this waste stream and allocating “shared” responsibility for any resultant littering. The councils have determined that a bylaw is the most appropriate way of addressing this problem and achieving the outcome sought because it is able to clearly establish liability.*

*Other options considered by council:*

<b>STRATEGY OPTION</b>	<b>DESCRIPTION</b>	<b>COMMENT</b>
Strategy 1: Status Quo	<i>Rely on Litter Act; do not develop bylaw provisions</i>	<i>Would not assist council in achieving the particular objective; generator not responsible under the Litter Act.</i>
Strategy 2: Public education	<i>Educate public about the costs of littering and impacts on environment</i>	<i>Is part of the solution but will not achieve the particular objective in the short term. An essential part of Council’s longer term strategy.</i>
Strategy 3: Educate advertisers/delivery organisations	<i>Educate advertisers and delivery organisers about the costs of littering and the impacts on the environment</i>	<i>Is part of the solution but will not achieve the particular objective in the short term. An essential part of Council’s longer term strategy.</i>

<b>STRATEGY OPTION</b>	<b>DESCRIPTION</b>	<b>COMMENT</b>
<i>Strategy 4: Enforcement under other Acts</i>	<i>Explore strategies to use the Litter Act</i>	<i>Existing provisions exist but onus of proof beyond reasonable doubt is cumbersome and costly. Legal fees paid by ratepayers.</i>
<i>Strategy 4: Develop Bylaw provision</i>	<i>Develop waste bylaw provisions and implement where appropriate</i>	<i>Most likely to be effective in meeting the particular objective.</i>

Consequently, the bylaw was drafted with provisions to regulate the delivery of unaddressed advertising material by making it an offence to deliver unaddressed mail to letterboxes that indicated otherwise and to place these items on parked cars on public land, as this was considered the most effective means of meeting the objective of reducing street litter 'at source'. It was not considered that any issues arose under the New Zealand Bill of Rights Act 1990 in relation to the proposed bylaw provisions. The bylaw did not affect the right of freedom of expression; it merely attempted to address the consequential littering issues. In any event there must always be a balance between the right of free speech on the one hand, and the right of every person in a free society to make a personal decision as to the nature and quantity of printed information received through the mail box on the other hand.

As a result of the draft Waitakere City Council Waste Bylaw 2005 Special Consultative Procedure, 29 of the 50 submitters, all retailers, circular distributors or advertising companies, opposed Part 5 of the draft bylaw that regulated the delivery of unaddressed advertising material. Submitters indicated that they believed regulation was unnecessary as letterbox stickers were generally being observed, and that self regulation by the industry would be more effective than the bylaw. There were no submissions in support of these provisions.

The Planning and Regulatory Committee sat in May 2005 for two days hearing submissions, including substantial presentations from fifteen organisations opposing Part 5. At the Hearing the Marketing Association proposed that a voluntary code of practice for delivery of advertising material, to be developed by the Association, would be a more effective mechanism to control unwanted deliveries of advertising material. The proposed National Code of Practice was supported by other presenters from the advertising sector.

At the deliberations on the submissions, the Planning and Regulatory Committee agreed to recommend to the Council that Part 5 of the bylaw be adopted but not be made operative for one year to allow a National Code of Practice to be drafted and put into action. The Council would participate in the drafting of the National Code of Practice, and would monitor and report back to the Council on its effectiveness, at which time a decision would be made whether or not Part 5 would become operative, or be repealed.

Subsequent to the recommendations from the Planning and Regulatory Committee, the Council resolved:

- “3. That the Council adopts the Waitakere City Council Waste Bylaw as amended by the Planning and Regulatory Committee and by the Council’s legal advisors Kensington Swan, as attached to the Agenda at pages A80-A118.
6. That the Council considers at its meeting in June 2006, whether or not Part 5 becomes operative on 1 July 2006, depending upon the success of the voluntary Code of Practice in respect to the generation of street litter.”

North Shore City Council similarly resolved to adopt their waste bylaw but not make the unaddressed advertising material provisions operative for a period of one year. Rodney District Council resolved, as a result of the submissions, to not adopt that part of the waste bylaw.

A survey of the effectiveness of the National Code of Practice was contracted jointly by Waitakere and North Shore City Councils in July 2005. The work was undertaken by Envision between September 2005 and April 2006, with a report finalised in May 2006. An analysis of this survey was to provide the information on which to base the decision regarding whether or not Part 5 of the bylaw would be made operative.

## **STRATEGIC CONTEXT**

Zero Waste is one of the Council's strategic platforms. Street litter is a significant component of the waste that goes to landfill, and unaddressed advertising contributes to this waste stream when it is delivered to unwilling recipients. Part 5 of the Waitakere City Council Waste Bylaw 2005 attempts to address this litter issue by enforcing the letterbox owner's wishes with respect to the material delivered into letterboxes.

## **ISSUES**

### **National Code of Practice for the Distribution of Unaddressed Mail**

Initially it was anticipated that a draft National Code of Practice, to be developed by the Marketing Association, would be trialled in Waitakere and North Shore Cities during 2005, and that a finalised National Code of Practice would then be rolled out across the country.

A1-A3

However, instead of trialling a draft, the Marketing Association has released and promoted its National Code of Practice for the Distribution of Unaddressed Mail (National Code of Practice) only just this month (attached at pages A1 to A3). The National Code of Practice is intended to provide voluntary guidelines for 'responsible delivery' of advertising material, by ensuring letterboxes with 'No Junk Mail' (or similar) stickers are observed. In promoting the National Code of Practice, the Association also usefully provides an 0800 number for any issues or concerns to be logged and resolved.

Currently, approximately 95% of letterbox advertising material is delivered by companies associated with the Marketing Association and therefore parties to the National Code of Practice. The Marketing Association is now encouraging those deliverers outside the Association, which are the local advertisers and Real Estate salespeople to also adopt the National Code of Practice.

### **Survey Results**

In July 2005, North Shore City Council and Waitakere City Council commissioned Envision New Zealand to conduct an independent survey into the effectiveness of the draft National Code of Practice. However, as no draft was released for trialling, and the National Code of Practice was not released until May 2006, the survey only measures the effectiveness of letterbox stickers under current practice, prior to the National Code of Practice or even a draft being released.

The survey was conducted over three stages, with the survey dates kept confidential from the council and the advertising industry until the survey was concluded.

The survey indicated that stickers are effective in reducing the amount of unaddressed mail delivered. The survey further indicated that participants in Waitakere City with letterbox stickers received approximately one piece of unaddressed mail per week compared with those participants who did not have a letterbox sticker receiving approximately sixteen pieces of unaddressed mail per week.

It should be noted that "no junk mail" (or similar) stickers do not totally eliminate unaddressed mail with the vast majority of survey participants receiving it despite having a sticker displayed. On average, 80% of participants received unaddressed mail regardless of having stickers displayed.

The survey identified that the main deliverers ignoring letterbox stickers are Real Estate agents, followed by local advertisers, The Warehouse, Countdown and Foodtown/Woolworths.

As the National Code of Practice was put in place in May 2006, which was after the completion of the survey, the survey results only provide an assessment of the effectiveness of letterbox stickers and not of the effectiveness of the National Code of Practice as anticipated. An additional survey or other assessment of the effectiveness of the National Code of Practice will be required over the next year in order to inform a decision on Part 5 of the bylaw.

### **What Other Councils Are Doing**

North Shore City Council is reporting on this same issue to its Infrastructure and Environment Committee at its meeting on 6 June 2006, recommending that the part of the bylaw that regulates the delivery of unaddressed advertising material not be made operative for a further two years to enable the National Code of Practice to take effect.

Auckland City Council has drafted similar provisions regulating the delivery of unaddressed advertising material in its waste bylaw for the Isthmus.

### **Options for Part 5**

The options analysis undertaken by Hill Young Cooper in 2005 and referred to earlier in this report remains valid. Accordingly, the options open to the Council for Part 5 of the bylaw are:

1. Allow Part 5 to become operative on 1 July 2006, notwithstanding that the Council has not been able to assess the effectiveness or otherwise of the National Code of Practice which has only recently been put in place.
2. Delay making Part 5 operative for a further period to allow time for the National Code of Practice to take effect and be audited.
3. Acknowledge that the National Code of Practice for the Distribution of Unaddressed Mail has every chance of success, particularly as it is in the interests of the Marketing Association for it to be effective, and revoke Part 5 of the Waitakere City Council Waste Bylaw 2005. Revocation of a bylaw presently requires the Council to undertake a special consultative procedure.

### **RESOURCES**

Additional resources would be required for enforcement if Part 5 of the bylaw is to become operative.

## CONCLUSION

It has not been possible to assess the effectiveness of voluntary means of addressing the delivery, and so litter-generating, issues around unaddressed advertising material. The National Code of Practice for the Distribution of Unaddressed Mail was released in May 2006 and it is recommended that the Council continues to work co-operatively with the Marketing Association to encourage further education of the membership of the Association (and others in the advertising sector, including the Real Estate industry), and to promote greater awareness of the letterbox stickers and full compliance with the National Code of Practice.

## RECOMMENDATIONS

1. That the Regulation of Unaddressed Advertising Material Under Part 5 of the Waitakere City Council Waste Bylaw 2005 report be received.
2. That Part 5 of the Waitakere City Council Waste Bylaw 2005 be deferred until 1 July 2008, or such earlier date as the Council may determine.
3. That the Council continue to monitor and assess the effectiveness of the National Code of Practice for the Distribution of Unaddressed Mail jointly with North Shore City Council.
4. That no later than Wednesday, 30 April 2008, Council officers bring a further report back to the Council on the outcome of the introduction of the National Code of Practice and recommending whether or not there was a continuing need for the retention of Part 5 of the Waitakere City Council Waste Bylaw 2005.

Report prepared by: Carol Bergquist, Senior Analyst Environmental Policy.



## 5 PUBLIC TRANSPORT PROCUREMENT LEGISLATION REVIEW

### PURPOSE OF THE REPORT

This report seeks the Council's endorsement of the proposed regional submission on the current review of public transport procurement legislation. This submission has been prepared by the Regional Transport Executive Group (RTEG) in conjunction with Auckland Regional Transport Authority (ARTA) and is proposed to be adopted by the Regional Land Transport Committee.

### BACKGROUND

Currently the Transport Services Licensing Act 1989 determines the basis upon which bus and ferry services are either contracted or approved under a commercial registration system.

The Ministry of Transport is currently consulting on a proposed reform of the Transport Services Licensing Act. This review has taken place at the behest of the Auckland region and is intended to address long-standing issues of misalignment between the intentions of the deregulation of public transport and its actual practical consequences. Submissions close on 23 June 2006.

## STRATEGIC CONTEXT

The Regional Land Transport Strategy 2005 provides a high investment in passenger transport, supported by policies of integrated services, fares and ticketing. Auckland Regional Transport Authority's draft Passenger Transport Network Plan requires significant coordination of passenger transport services, rather than competition between services, in order to achieve the objectives of the strategy.

The reform of public transport procurement legislation has the potential to have a strong positive influence on the Council's strategic platforms, particularly integrated transport and communications; urban and rural villages; strong innovative economy; strong communities; and sustainable energy and clean air. This is because this reform will allow public transport services to be planned and implemented in accordance with the strategy.

## ISSUES

Since deregulation and the introduction of the current public transport procurement legislation in 1989, Auckland has moved from being the second highest user of bus services to the second worst when compared with other New Zealand and Australian cities. On a per capita basis, bus use has dropped by over a third in this period. In comparison, cities with contracted procurement arrangements have achieved very substantial per capita patronage growth.

Auckland Regional Transport Authority's draft Passenger Transport Network Plan requires the development of a high-quality integrated public transport network that provides a real alternative to car travel. This involves integrated services, tickets and fares and a very substantial public sector investment. However, current procurement legislation effectively leaves public transport service planning in the hands of private service providers, whose goals all too often do not align with those of the Region. Critical system integration elements such as integrated ticketing and modal integration - for example between buses and trains at New Lynn and Henderson - is very difficult, if not nearly impossible to achieve under the current legislation.

A4-A24

Regional Transport Executive Group has recommended the draft submission attached at pages A4 to A24, which is to be considered by the Regional Land Transport Committee at its meeting on 20 June 2006. Regional Transport Executive Group also recommends that the submission includes support for Auckland Regional Transport Authority's proposed submission. Both the Regional Transport Executive Group submission and Auckland Regional Transport Authority's submission favour a change to the legislation which would allow Auckland Regional Transport Authority to contract with operators for the provision of bus and ferry services.

## RESOURCES

No resources other than staff time are required.

## CONCLUSION

The current review of public transport procurement legislation provides the first opportunity in 15 years to achieve real change that will give the Region a firm basis on which to plan the "high Passenger Transport" option in the Auckland Regional Land Transport Strategy 2005 and to implement Auckland Regional Transport Authority's draft Passenger Transport Network Plan. Without this reform, it will be very difficult, if not impossible to achieve the Region's agreed public transport network.

## RECOMMENDATIONS

1. That the Passenger Transport Procurement Legislation Review report be received.
2. That the submission of the Regional Transport Executive Group be endorsed as the Council's submission on the Public Transport Procurement Legislation Review.
3. That the Council's submission includes support for Auckland Regional Transport Authority's submission on the Public Transport Procurement Legislation Review.
4. That the Chief Executive Officer be delegated authority to sign the submission on behalf of the Waitakere City Council.

Report prepared by: Darren Davis, Strategic Advisor: Transport.



## 6 AUCKLAND TRANSPORT STRATEGIC ALIGNMENT

### PURPOSE OF THE REPORT

The purposes of this report are to inform the Council of a joint project to reach a common strategic view regarding Auckland transport and to seek appointment of a Council representative on the proposed Political Steering Group.

### BACKGROUND

At a meeting among Mayors, the Auckland Regional Council Chairman and Ministers on 9 May 2006 it was agreed that, before decisions could be taken by local and central political leaders on specific Auckland transport issues, a common strategic vision for Auckland transport, including passenger rail - agreed between the Crown and the region - was required.

Specifically, Ministers approved the following recommendation:

*“Strategic alignment*

- g note that the Crown's and the Regions views of the long term development of the Auckland land transport system, including rail, are not well aligned;*
- h agree that [a high level steering group] seeks to improve this alignment by recommending:*
  - i actions for both parties to take to improve matters in the short term;*
  - ii systemic options (processes) to deliver a consistently higher degree of alignment over the medium term, within the context of the Auckland Regional Land Transport Strategy.”*

### STRATEGIC CONTEXT

The Auckland Regional Growth Strategy 1999, adopted by all Councils in the region, provides for a compact urban form and identifies nodes and corridors for intensive mixed-use growth.

The Auckland Regional Land Transport Strategy 2005 supports the growth strategy and allocates significant funding for major improvements to the roading and passenger transport networks over the next 10 years. In order to achieve the intended timetable for implementing projects, funding arrangements need to be in place.

Central Government has not been a signatory to either of these strategies and requires a fuller understanding before commitment to funding programmes to implement these strategies.

## ISSUES

Ministers have agreed to establish a joint Central Government-Auckland Local Government project. The proposed name is the Auckland Transport Strategic Alignment Project.

The objective of the project is to reach a common strategic view of the long-term development of the Auckland land transport system, including the role for rail, and recommend actions needed (if any) to adjust current and future land transport strategies to reflect this common view. 'Long-term' in this context means 20+ years.

The initial focus will be on having Central Government understand the scale and intensity of growth in Auckland, and the principles of the Auckland Regional Growth Strategy.

That will be followed by a "robust" benefit-cost analysis of projects (probably Treasury led). The significant advance over previous studies seems to be the preparedness to focus on land use aspects of growth, the veracity of growth, and the urban form that is desirable for the region if it is to be sustainable and competitive. The obvious hurdle will be reaching agreement on what is meant by "benefit" and "cost" in this wider context, and extent to which the calculation includes the benefits of economic growth, town centre functionality or quality of life in a high rise residential apartment close to a rail/bus interchange in New Lynn.

This project is intended to get Central Government Ministers and Auckland Elected Representatives "on the same page" regarding the long term vision for Auckland land transport. This is a prerequisite for, but does not include, agreement about the proposed projects that make up the strategy and/or the level of funding needed. This project should therefore provide the basis for further work that is likely to be needed to reach agreement about projects and funding.

To progress this work Ministers have agreed to establish a joint Central Government-Auckland Local Government project under the overall leadership of a Chief Executive level steering group. By agreement of the members, this group will be chaired by Secretary to the Treasury. The Chief Executives of Auckland City and the Auckland Regional Council have previously been delegated by the Chief Executive Officer Forum to be the lead sponsors for all regional work on transport. Accordingly, the Chief Executives of Auckland City and the Auckland Regional Council have been appointed to this group as Auckland's representatives.

A joint Auckland-Wellington working group will be responsible for commissioning work, drafting reports and liaising with all relevant government agencies, local authorities and external stakeholders as required. The working group will endeavour to reach a common view on all important matters, but may escalate defined points of difference to the steering group for resolution if necessary. It will consult closely with the key agencies. There will be several streams of work, and Council officers will be requested to participate, probably at short notice.

It is proposed that there will also be a Political Steering Group, made up of one elected representative from each Council and Auckland Regional Transport Authority. It will be expected to exercise a regional consensus-forming mandate, and be prepared to meet frequently, with a rapid turnaround on determining hard to solve, cross-cutting issues.

#### Political Steering Group

A key to the success of this project will be ensuring that there is effective political engagement in the Auckland region. It is critical that Elected Representatives are as well informed as possible and that political decisions can be made in a timely manner.

In order to achieve effective political engagement it is proposed to form a political steering group consisting of one representative from each of the Councils in the region and Auckland Regional Transport Authority.

The role of this group will be to act as the political champions in the region for this project, to approve certain reports and documents within the scope of the powers delegated to this group, to keep informed of the work being undertaken and to provide consistent advice to their respective organisations to ensure that broader political engagement is achieved. This will be vital in order to ensure regional buy-in to this process. The group will be expected to resolve issues referred to them by the steering group and working group.

Appropriate delegations would need to be considered to ensure this approach is effective. The first decision required from the Political Steering Group will be approval of the project scope. It is proposed that representatives on the Political Steering Group be delegated with responsibility for making initial decisions around the scope of work and a common strategic vision for transport.

To be effective the Political Steering Group is expected to be required to meet regularly, probably on a fortnightly basis and will receive progress reports approximately fortnightly, identifying progress towards deliverables and any key issues or risks arising in the course of the project. Representatives will need to be able to work collaboratively and constructively towards a cross-Council view on the difficult issues referred to them by the working group.

It will be necessary for the representative to have an understanding of the Regional Growth Strategy, the Regional Land Transport Strategy, the Council's own transport strategy, growth management plan, and economic development strategies.

It will be necessary for the Political Steering Group to be formed and operational by the end of June at the latest.

#### Timeline

The timeline for this project has yet to be agreed. It is apparent that Auckland Regional Transport Authority would like a three month timeline in order to make a decision about rail rolling stock (and electrification) by the end of August 2006. However, it appears that the following indicative timeline appears more likely:

- |                   |  |
|-------------------|--|
| Within 1 month -  | A brief report to Ministers and Auckland elected representatives which succinctly sets out the current strategic view for the Auckland land transport system. This report should provide a comprehensive picture.              |
| Within 3 months - | A report to Ministers and Auckland elected representatives which provides a first draft of an agreed strategic view, identifying key points of difference (if any) and proposing common positions on these points if possible. |

Within 6 months - A report to Ministers and Auckland elected representatives which proposes (a) short term actions to give effect to the agreed strategic view; (b) changes to ongoing processes for developing/reviewing the Auckland Regional Land Transport Strategy to ensure that central Government and the region continue to have a common strategic view.

## RESOURCES

No resources other than staff time are required.

## CONCLUSION

Ministers have agreed to establish a joint Central Government - Auckland Local Government project to reach a common strategic view of the long term development of the Auckland Regions transport system. A key to the success of this project will be effective political engagement through a Political Steering Group, with a representative from each of the Councils and Auckland Regional Transport Authority.

## RECOMMENDATIONS

1. That the Auckland Transport Strategic Alignment report be received.
2. That Council agree to appoint a representative on the Auckland Transport Strategic Alignment Project Political Steering Group.
3. That the Council's representative on the Auckland Transport Strategic Alignment Project Political Steering Group is delegated the authority to making decisions around the scope of the work and a common strategic vision for transport.

Report prepared by: Kevin Wright, Manager Transport Strategy.

