

# **Finance and Operational Performance Committee**

**Monday, 6 August 2007  
Commencing at 9.30 am**

**Item 13: Shadbolt House - Auckland University of  
Technology Proposal**

**Item 14: Debt Overview**

**Item 15: Waste Minimisation (Solids) Bill -  
Supplementary Submission**

**SUPPLEMENT TO A MEETING OF THE FINANCE AND OPERATIONAL PERFORMANCE COMMITTEE TO BE HELD AT WAITAKERE CENTRAL, 6 HENDERSON VALLEY ROAD, HENDERSON, WAITAKERE, ON MONDAY, 6 AUGUST 2007, COMMENCING AT 9.30 AM.**

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**13 SHADBOLT HOUSE - AUCKLAND UNIVERSITY OF TECHNOLOGY PROPOSAL**

**PURPOSE OF THE REPORT**

The purpose of this report is to bring to the Finance and Operational Performance Committee a proposal from the Auckland University of Technology (AUT) to establish a Centre for Modern Writing at the Shadbolt House site.

**BACKGROUND**

The negotiation with the family of the late Maurice Shadbolt to purchase the house at 35 Arapito Road, Titirangi, as a site of national and local cultural heritage significance, took place over a two-year period and was concluded in September 2006 when Council resolved to purchase the property for a future trust to establish a writers' residency programme.

The resolutions relating to that decision to purchase are as follows:

1.
  - a) *That the purchase of the property at 35 Arapito Road, Titirangi, be approved at a value of \$550,000 (inclusive of GST);*
  - b) *That the house be rented out until such time as a trust is set up, and able to fund a portion of the purchase price, with the amount of that portion yet to be decided;*
  - c) *That, should the future trust be unable to fund the agreed portion of the purchase price within three years, the Council reserves the right to sell the house.*
2. *That the Shadbolt House Purchase agenda report and associated resolutions remain confidential until such time as the reasons for confidentiality no longer exist."*

1838/2006

Following this decision, the purchase of the property was completed and initial steps taken by Council officers to manage and ready the house for interim rental at a suitable market rate. An informal Building Condition assessment completed at that time indicated that approximately \$64,000 plus GST would be needed to bring the house up to a high standard to maximise a rental return. However, there is no dedicated budget for this and the potential rental return was not deemed sufficient to justify expenditure beyond basic maintenance.

In January 2007, an informal approach was made to the Mayor by AUT to propose the establishment of a Centre for Modern Writing at the Shadbolt property. This was followed by a formal confirmation of interest. The Mayor asked that this proposal be explored and reported to the appropriate Committee. Since then, Council officers have been engaged in investigating the implications of this proposal with AUT's consultant to the project. This proposed change to the implementation of the original resolutions approved by Council introduces considerable potential benefit to the City. It brings a small but potentially-significant post-graduate faculty to the Titirangi Arts precinct; a creative sector course which is not replicated anywhere else in the region. However, it does change the future use of the site and brings it more directly under a longer-term relationship with Council. This has financial impacts which require further consideration by Council.

A111-A126

A report outlining and describing the proposed AUT Centre for Modern Writing is attached at pages A111 to A126. The faculty would initially enrol a maximum of ten post-graduate students to complete a one-year masters degree in creative writing. Further post-graduate courses may be developed in future years if parking can be developed on an adjacent site. Tertiary provision in the City is currently provided by Unitec and is located around the Henderson Central Business District. Council has a formal Memorandum of Understanding with Unitec. It should be noted that Unitec has fully funded all of its programmes and investment in the City and has not received Council subsidy for any of its developments.

### STRATEGIC CONTEXT

The purchase of the home of New Zealand writer, Maurice Shadbolt, for the purpose of establishing a cultural heritage focus for the celebrating and nurturing of New Zealand writing, is consistent with the wider aims of the Arts and Cultural Strategy (2002) to develop and strengthen the Titirangi Cultural Precinct.

The purchase also supports 'cultural wellbeing' aspirations under the Local Government Act (2002) and enhances the profile of the City as a culturally rich environment.

The proposal also supports the Council's commitment to strong communities and life-long learning opportunities.

### ISSUES

The directive from the September 2006 resolutions, to establish an independent trust to undertake the development of a writers' residency programme and to part-purchase the property, has not been furthered while the current proposal from AUT is under investigation. The proposal is predicated on AUT negotiating a direct lease from Council. Should this proceed there would be no clear role for a trust at the present time. However, the potential for a trust to protect the intention of Council in purchasing the property for future generations has merit and is worthy of further consideration.

There are a number of issues that arise from the AUT proposal. They are as follows:

- The setting up of a Centre for Modern Writing would result in a change of use of the property from a residential to a non-residential activity under the provisions of the Operative District Plan. AUT have engaged both Planning and Traffic Consultants and a heritage architect to assist them in the resource consent process. No formal application has been lodged at the time of writing. From initial information, the resource consent would be a Discretionary Activity Consent. As such, public notification and/or written consent(s) from affected parties will need to be firstly assessed prior to determining the overall application.

No certainty as to whether Council will grant resource consent can be firmly established. An assessment from AUT's Planning Consultant's report is draft in nature and a full assessment will be required at the time of the application's lodgement. Any outstanding issues would be the subject of further work by AUT should this proposal meet with Council's approval in principle.

- The most significant physical impact(s) on the use of the property for educational purposes is the introduction of a non-residential activity within a predominantly residential neighbourhood and the traffic generated by the activity and subsequent parking. Arapito Road is a very narrow, no-exit residential street and roadside parking is not an option. However, extensive discussions have been held with Council traffic and roading officers and an independent consultant engaged by AUT to address solutions to this situation. It has been informally agreed that the obligatory use of a minibus to transport students to the site for the limited times that a full complement of students is required to be in attendance, is a short to medium-term solution. This is yet to be fully addressed by Council officers.

- A heritage architect has also been contracted to undertake an independent building condition report, to evaluate any heritage issues and to propose a programme and budget for the refurbishment of the house to make it fit for the purpose. This report confirms that the house has little architectural heritage significance but major cultural heritage value as the site of a seminal period in the development of a New Zealand literary culture. The report outlines the need for a very basic upgrade which will leave the layout of the house virtually unchanged. The estimated cost of this upgrade is in the vicinity of \$150,000. This does not include the cost of the fit-out required for the establishment and running of the course.
- The preliminary reports undertaken by AUT have dealt with the obvious and most pressing issues, i.e. change of use, and traffic and parking issues. It is clearly understood that in order to obtain a Resource Consent for this project, further work to address all issues raised would be required. AUT wish to establish Council's response to the proposal before taking this next step.
- AUT wish to set up the Centre for Modern Writing in time to offer the first masters degree course beginning March 2008. To achieve this, given the quantum of work needed to refurbish the property, an indication of Council's position would be desirable at this stage.

The proposal from AUT for the establishment of a Centre for Modern Writing at the Shadbolt property introduces the potential for significant benefits to Waitakere. They are as follows:

- The establishment of a unique cultural institution in the Titirangi area with positive flow-on effects to Lopdell House Gallery and the village and community in general;
- The entry of another tertiary provider to the City;
- An investment in the capital expenditure required to bring the property up to standard for a tertiary institution;
- A positive link to the Going West Books and Writers Festival; and
- A future potential link, via the adjacent reserve, to a designated marine walkway and the opportunity to create a 'writers' memorial park' encompassing the standalone studio used by Maurice Shadbolt.

The proposal also carries with it a potentially-significant change to Council's future financial investment in the site. The AUT proposition requests that Council provides a portion of the capital expenditure required to bring the site up to an acceptable operating standard and then negotiate a nominal rental for a three-year period, with a right of renewal for a period to be established. A capital expenditure figure has not been fully established but it has been indicated that a significant contribution, say 50%, to the \$150,000 estimated, would be proposed. The balance of the refurbishment costs and the further costs of fit-out would be provided by AUT.

Should Council agree to these requests, this would represent a significant subsidy of a tertiary education provider. However, much of the capital funding would be directed to upgrading a Council-owned asset. Should Council approve in principle the proposal from AUT, the following next steps are envisaged:

- Further work around the issues pertaining to the change of use proposed and application for a Resource Consent;
- The establishment of a formal lease agreement with Council for an initial three-year period with a right of renewal for two further three-year periods;
- Agreement between AUT and Council as to the level of financial contribution from each party; and
- Full Council approval for each of the steps above.

## RESOURCES

There are currently no allocated resources for this project. Apart from minor maintenance expenditure through Council's Properties Assets, there is no budget for upgrading Shadbolt House and Council would need to find and allocate monies for that purpose.

Should Council wish to progress the proposal from AUT, it would need to find a capital expenditure sum of approximately \$75,000 to the upgrade of the property to make it fit for purpose.

## CONCLUSION

This report outlines a proposed change to the future management of the Shadbolt House property at 35 Arapito Road, Titirangi. The proposal from AUT for the setting up of a Centre for Modern Writing carries with it significant benefits for the City. However, this proposal signals a significant change to the governance and management structure from the one approved by Council In September 2006 and carries with it financial implications not anticipated at that time.

## RECOMMENDATIONS

1. That the Shadbolt House - Auckland University of Technology Proposal report be received.
2. That the Finance and Operational Performance Committee give direction to the Shadbolt House - Auckland University of Technology Proposal.

Report prepared by: Naomi McCleary, Manager: Arts.



## 14 DEBT OVERVIEW

### PURPOSE OF THE REPORT

The purpose of this report is to provide to the Finance and Operational Performance Committee an overview of debt management covering aspects of the forecasted debt level as indicated in the Long Term Council Community Plan 2006-2016, prudent debt level policy guidelines, credit rating, use of major asset sale proceeds and options for managing debt.

### BACKGROUND

Waitakere City Council was formed in 1989 as a result of Local Government reform during the late 1980's. The amalgamating Local Authorities comprised the Waitemata City Council, New Lynn Borough Council, Glen Eden Borough Council and Henderson Borough Council. Each of these Local Authorities had varying levels of developed infrastructure networks for roading, wastewater, water, stormwater and community facilities.

Borrowings were subject at that time to approval from the Local Authority Loans Board and ratepayers could prevent loans being approved by demanding a loan poll. Waitakere City Council's first Annual Report for the year ended 30 June 1991 showed gross debt of \$90.1 million, with sinking fund investments of \$5.4 million set aside for loan repayments. Infrastructure assets at that time were first valued at \$605.657 million. Debt per capita was \$633 and equity per capita \$4,732.

Since that time there have been changes to the Local Government Act that included, amongst other things, a greater emphasis on strategic long-term planning and a focus on prudent financial management principles and funding. These changes in legislation have led to the statutory requirement to have specific policies on borrowing and investment that must be consulted upon. Processes such as the Loans Board and loan pool have been disestablished. The Local Government Act 2002 requires a Local Authority to have a Liability Management and Investment Policy. That Policy must be consulted upon at least once every three years. The Council operates within the parameters of its adopted policy and the Finance and Operational Performance Committee receives a regular monthly report on estimated levels of debt and actions taken under the Policy.

In 2003 the Council obtained an internationally-recognised credit rating from Standard and Poor's. This credit rating is reviewed annually. The management of debt is performed internally, with any specialist advice required being outsourced.

### **STRATEGIC CONTEXT**

The use of loan funding provides a mechanism for timely investment in network infrastructure, community facilities, and City-wide projects. It is considered appropriate to fund these major long-term investments in the City, that are of benefit to both present and future residents, through loans over the life of the asset. In this way both costs and benefits are shared between present and future generations. Loan funding is a funding tool provided for within the Local Government Act 2002 and avoids the impact of potentially severe rates increases to fund necessary capital projects.

### **FORECAST DEBT LEVEL - LONG TERM COUNCIL COMMUNITY PLAN 2006-2016**

The Long Term Council Community Plan 2006-2016 shows the following forecasted debt position at 30 June 2016:

Gross debt	\$728.870 million
Less Strategic Land Holdings	\$77.789 million
Net Term Debt	\$651.081 million

The above debt level is within the parameters of the Liability Management and Investment Policy.

The gross debt is dependent upon a number of relevant factors, these being:

- The extent of development in the North West Sector of the City;
- Receipt of development contributions and financial contributions;
- Completion of programmed capital works programmes;
- Contributory funding from various Government agencies;
- Planning approvals where necessary;
- Town Centre developments; and
- Resourcing.

Major gross capital investment in the Long Term Council Community Plan 2006-2016 occurs in the following areas:

	<u>\$Million</u>
Roading	477.113
Stormwater	202.373
Wastewater	177.861
Parks	105.935
City Development	66.756
Water	60.939
Strategic Projects	48.273
Libraries	42.905
Leisure	30.266
Cemetery	19.732
Other	130.260

Other expenditure in the above table relates to information technology, equipment and property. Growth funded from Development Contributions has been assessed at \$211.263 million and the funding requirement is further financed by surplus depreciation funds from 2009 onwards, along with government grants and subsidies. The City is expected to have an increase in population of over 60,000 by 2020.

The estimated issued debt at 30 June 2007 is \$283.526 million. This represents a debt per capita level of \$1,429 and equity per capita of \$10,462. The debt per capita at 30 June 2016 is estimated to rise to \$2,916 and equity per capita to \$12,564. The revaluation of assets during the course of the Long Term Council Community Plan 2006–2016 will fluctuate and will likely increase leading to a higher equity per capita result.

For some years, the City has been experiencing growth in population resulting in the creation of new subdivisions. When a new subdivision is developed, its infrastructure, including roads and reticulation for wastewater, stormwater and water supply, are vested in the Council. The Council is then responsible for the maintenance and renewal of these assets. The increase in population places pressure on existing infrastructure and creates increased demand for community facilities. This increase in demand has resulted in new community facilities coming on stream over the last few years. New libraries have opened in Massey, Glen Eden, New Lynn and the Waitakere Central Library at Henderson. The Trusts Stadium is also fully operative and the Council now provides significant funding to its operation.

New subdivisions result in an increase in the Council's rating base, but this increase is sufficient to fund the additional costs resulting from growth. Developers pay a contribution to the Council for the cost of growth-related capital expenditure. However, the Council is then responsible for the ongoing operating costs.

In addition to capital expenditure for growth, the Council also needs capital expenditure to maintain its levels of service, to renew its assets, contribute to the Community Outcomes and its strategic priorities, and to expand and improve other assets such as information systems, property and plant. This capital expenditure is funded from loans, proceeds from rating for depreciation, subsidies and reserves.

### PRUDENT DEBT LEVEL POLICY GUIDELINES

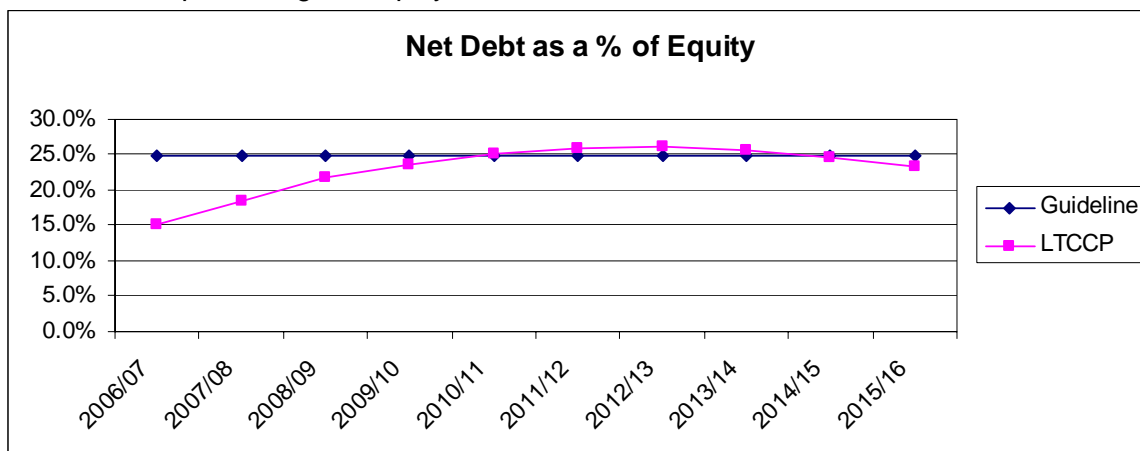
The Council has adopted a Liability Management and Investment Policy which defines key responsibilities, risk management procedures and ratios for the management of debt and investments.

The five ratio guidelines below govern the level of debt the Council could have:

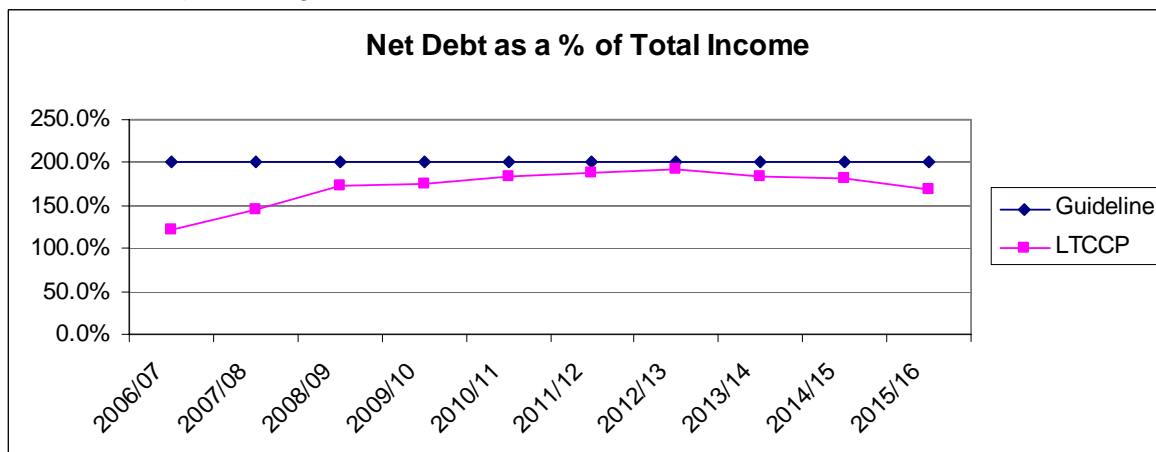
- Net debt as a percentage of equity;
- Net debt as a percentage of income;
- Net Interest as a percentage of income;
- Net Interest as a percentage of annual rates income (including water charges, but excluding external regional levies); and
- Liquidity.

Based on the Long Term Council Community Plan 2006–2016 these ratios can be graphically represented. It is important to understand the use of the word guideline. Due to the uncertainty of time, it would not be appropriate to “draw a line in the sand” for the financial management of the Council. Instead, the ratios are guidelines to the level of debt the Council could have. In some years of the Long Term Council Community Plan, some of the ratios are challenged. However, in reality, timing is important and it is not uncommon to have a number of projects deferred into future years or eliminated because of changed circumstances.

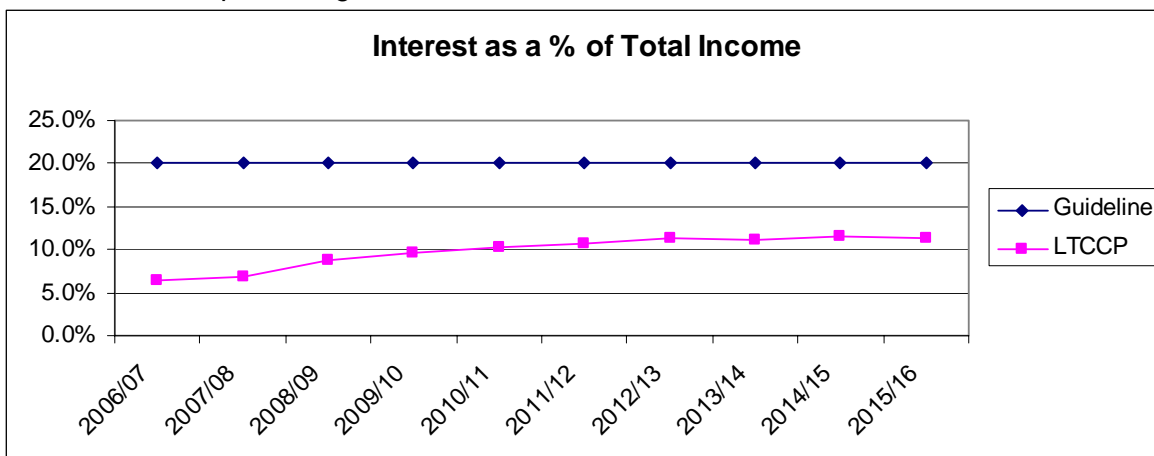
Net debt as a percentage of equity:



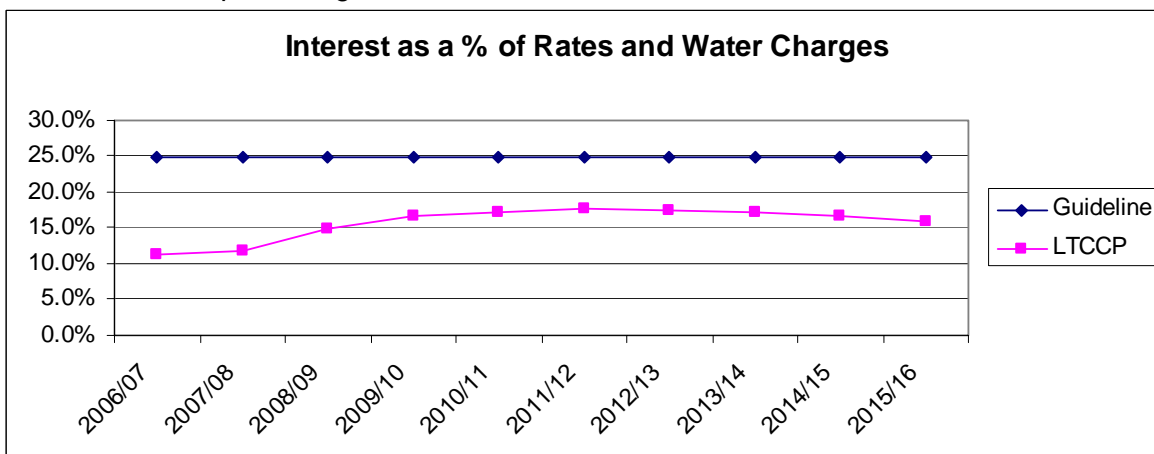
Net debt as a percentage of income:



Net Interest as a percentage of income:



Net Interest as a percentage of annual rates income:



Some ratios look directly at debt levels while others look at the cost of borrowing. The ratios are the product of discussions with external advisers, banks and credit rating agencies. They are adopted through the Long Term Council Community Plan and require special consultative procedures to change.

It is also important to note that due to the timing of when a capital project might be undertaken, a certain amount of flexibility is required around the ratios. Historically, as much as 50% of the approved loan funded capital works are carried forward into future years. This has significant effects on plan ratios within Long Term Council Community Plan and Annual Plan documented debt levels.

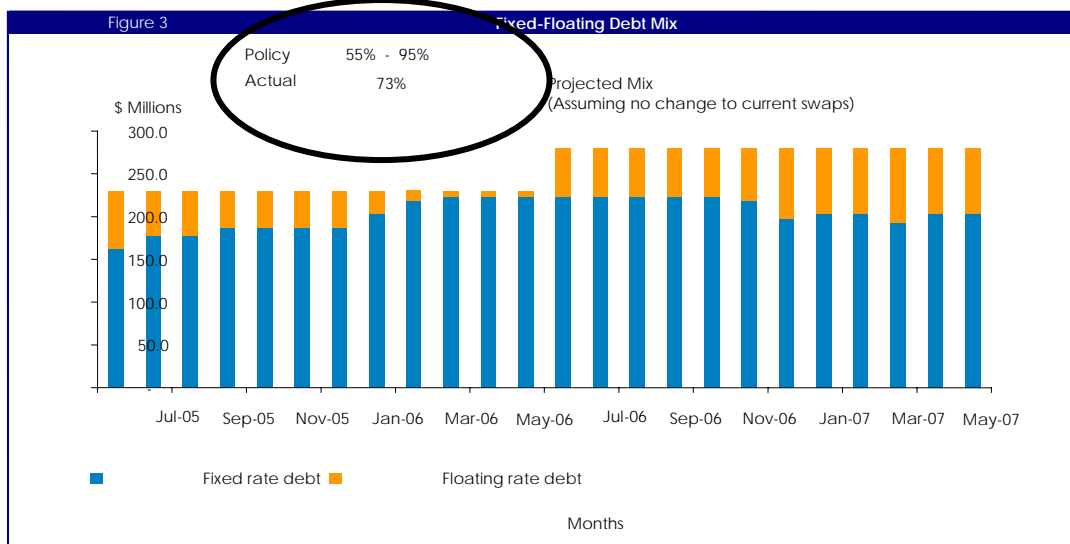
### HOW DEBT IS MANAGED

The Liability Management and Investment Policy has further ratio guidelines to assist how debt should be managed. These relate more closely with the day-to-day management of debt. The ratios below are reported to the Finance and Operational Performance Committee on a monthly basis in the Borrowing and Investment Report.

### Master Fixed Floating Risk Control Limit

This limit manages the overall level of fixed interest and floating interest exposure. The Council's policy requires a minimum fixed component of 55% and a maximum level of 95%.

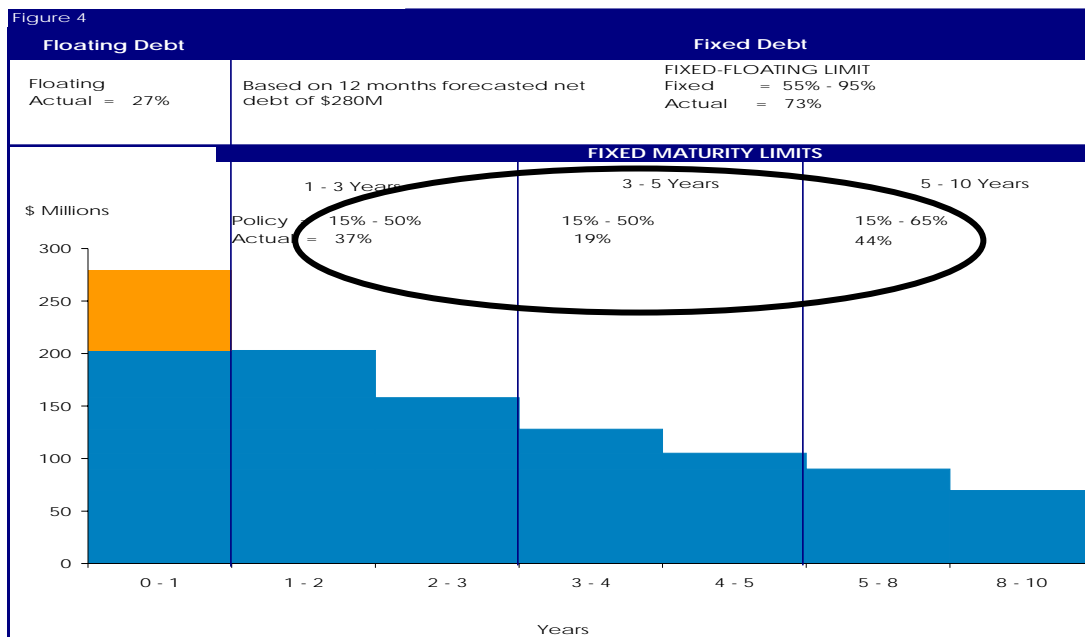
Fixed-Floating Debt Mix



### Fixed Rate Maturity Profile Limit

Period	Minimum Cover	Maximum Cover
1 to 3 years	15%	50%
3 to 5 years	15%	50%
5 plus years	15%	65%

This limit aims to ensure a spread of fixed interest across the debt portfolio, rather than having concentrated exposures to say short or very long terms.

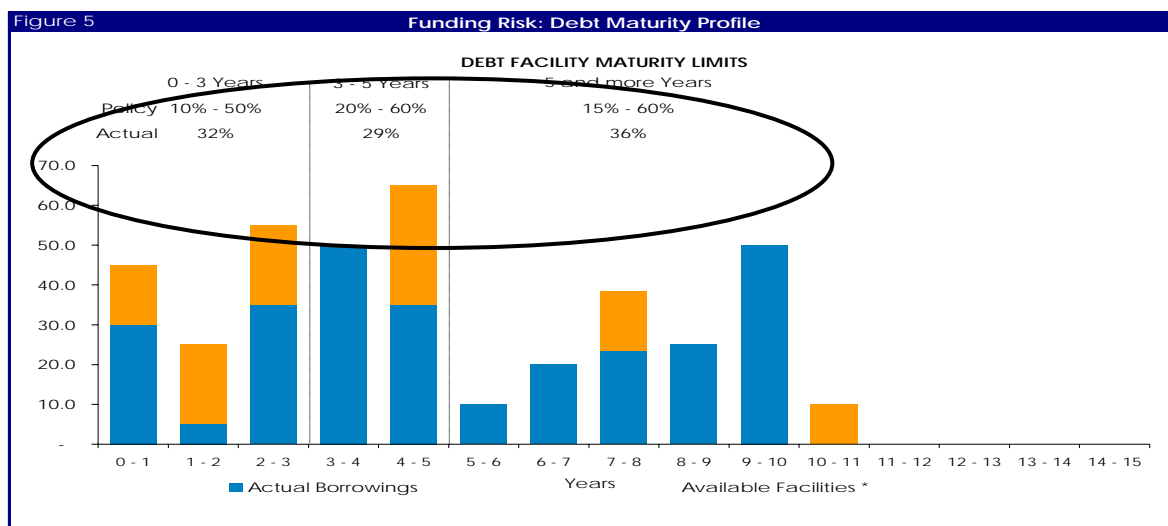


### Liquidity and Funding Risk

This measures the overall debt portfolio’s maturity profile and also shows any committed funding lines that are not currently drawn upon. The intention is to not have a concentration of debt in any particular area, rather to have it spread so that the Council is not exposed to a liquidity risk due to maturing debt or significant projects being undertaken. The guidelines for risk management of liquidity and funding are:

<u>Duration</u>	<u>Minimum</u>	<u>Maximum</u>
0 to 3 years	10%	50%
3 to 5 years	20%	60%
5 plus years	15%	60%

Graphically, this is presented to the Finance and Operational Performance Committee on a monthly basis as shown:



(1) Council is in the unique position of having \$85 million committed funding facilities. The nature of these facilities may, depending on the utilisation, result in a breach of the funding maturity limits. As this facility is very much in Council's favour this is an acceptable breach of policy.

The orange bars represent debt facilities that are available but not drawn. The Council manages \$85 million in bank committed cash advance facilities as stand-by for debt maturities or capital projects that have not been funded with an alternative.

### USE OF PROCEEDS FROM MAJOR SHAREHOLDING SALES

The Council has in the main used proceeds from major shareholding sales to retire debt. These actions are consistent with the Council’s policy to repay debt from asset sales, unless the Council resolves otherwise to redirect proceeds.

In 1998 the Council sold its shares in Auckland International Airport Limited when the company was publicly floated. The proceeds from that sale amounted to \$38.063 million, including interest savings, and \$36.598 million was used to retire debt.

In October 2002 the Council, along with North Shore City Council and Rodney District Council, sold their rights to shares in UnitedNetworks Limited, due to a takeover offer from Vector Limited. The proceeds from that sale of \$57.946 million, including interest earned, was used to retire debt.

In 2006 the Council directed Waitakere City Holdings Limited, a fully-owned Council Controlled Organisation, to sell its 50% shareholding investment in Techscape Limited. This action took place in conjunction with North Shore City Council, which owned the other 50% of the shareholding and wished to sell its investment. The gross proceeds of that sale, along with a final dividend to the Holding Company, totalled \$7.491 million. The Holding Company passed \$5.943 million on to Council and of that \$4.286 million is available to retire debt, the balance being used to pay various costs associated with the sale process and an asset management interface system to monitor contracts with the new owner Bilfinger Berger Services (New Zealand) Limited.

### **CREDIT RATING**

The Council has a current credit rating of A+ (long term) and A1 (short term). This credit rating represents the rating agents' perceived risk of the Council being in a position that it could not pay its debts when they fall due over both the short term and longer term of approximately 5 years. The following explanations are given on Standard and Poor's ratings:

- **AAA** - suggests the ability to repay interest and principle is extremely strong.
- **AA** - implies the ability to repay interest and principle is very strong.
- **A - suggests there is a strong ability to pay, but the debt is somewhat susceptible to adverse economic conditions.**
- **BBB** - suggests adequate capacity to repay interest and principle, but more subject to default in adverse economic conditions.
- **BB** - suggests less near term vulnerability to default than other speculative grade debt. However, it faces major ongoing uncertainties or exposure to adverse business, financial or economic conditions.
- **B** - suggests greater vulnerability to default, but currently has the capacity to meet interest payments and principle repayments. Adverse economic business or financial conditions may impair this ability.
- **CCC** - represents debt that is currently vulnerable to default, but at the present time has the capacity to meet interest payments and principle repayments. Adverse economic, business or financial conditions would suggest that the issuer is not likely to have the capacity to pay interest and repay principle.
- **CC** - represents a highly speculative debt and generally applies to debt subordinated to senior debt.
- **C** - has a high risk of default or is reliant on third parties to prevent a default.
- **D** - in default or bankruptcy has been filed.

The credit rating is usually reviewed annually in late October following the preparation of the Annual Plan and completion of the Annual Report. The credit rating allows the Council to attract a wider range of investors at potentially lower borrowing margins.

### **OPTIONS FOR MANAGING DEBT DIFFERENTLY**

The management of debt on a day-to-day basis is a by-product of the decisions of the Council. In the process of considering and approving projects and programmes that result in spending, the Council should consider the costs and benefits of its various actions. Debt and its costs are a part of this consideration.

Choices around expenditure decisions depend upon the community's expectations, quality of life in the City, service levels of assets and growth in the City. The financing of expenditure can be provided from various sources such as user charges, government grants, rates, asset sales, development and financial contributions, joint ventures, shared services' agreements, Council Controlled Organisations, establishment of Trusts and loan funding. The Council's Revenue and Financing Policy contains the key activities of the Council and appropriate funding mechanisms.

The Council needs to consider these potential funding sources when approving expenditure. The Council has signalled in its Long Term Council Community Plan that it will over time move to fully fund depreciation, and use surplus depreciation funds to retire debt. It has also approved funding for strategic property acquisitions subject to satisfactory business cases being provided that promote the strategic needs of the City. The intention being to stimulate economic activity from the development of those properties and then dispose of the asset in a productive and efficient manner. The sale proceeds can then be reinvested in pursuit of other strategic objectives or used to retire debt.

Opportunities exist for partnerships to be formed where the Council can lease assets rather than purchase. Waitakere City Holdings provides a mechanism for these opportunities to be pursued.

The Long Term Council Community Plan provides the best opportunity for Council to consider the levels and management of debt in the context of its overall programme and its strategic goals for the City. Debt, its repayment and affordability, is just one factor for Council in the Long Term Council Community Plan decision-making process.

## **RESOURCES**

The Council has approved a Long Term Council Community Plan that sets out its activities and funding requirements. Each year the Council must review its intended work programme and undertake public consultation.

## **CONCLUSION**

Debt is managed within the parameters of the Council's adopted Liability Management and Investment Policy, which is based upon best practice. Regular reporting is provided to this Committee and the capital expenditure programmes are reviewed annually as part of the Annual Planning cycle. The level of debt is currently sustainable within the current approved work programme contained within the Long Term Council Community Plan.

## **RECOMMENDATION**

That the Debt Overview report be received.

Report prepared by: Andrew Pollock, Director: Finance; and Bruce Wilkin, Treasury Manager.



15 **WASTE MINIMISATION (SOLIDS) BILL - SUPPLEMENTARY SUBMISSION**

**PURPOSE OF THE REPORT**

The purpose of this report is to seek approval from the Finance and Operational Performance Committee to forward a supplementary submission to the Select Committee on the Waste Minimisation (Solids) Bill.

**BACKGROUND**

A Bill entitled "Waste Minimisation (Solids) Bill" is currently being considered by Local Government and the Select Committee. Council made two submissions to the Select Committee. The first was a joint submission agreed through a working party, which included representation from the Ministry for the Environment, Local Government New Zealand, private sector representatives and officers from selected councils. The second was Waitakere City Council's own submission.

Waitakere City Council also presented submissions orally to the Select Committee on 27 April 2007. This was followed by a supplementary joint submission with Auckland City, Rodney District, Papakura District and North Shore City Councils on the need to further consider container deposit legislation. In addition, Waitakere City Council also made an individual submission on the need for container deposit legislation.

**STRATEGIC CONTEXT**

In 1994, as part of Waitakere City Council's Eco City principles, Waitakere adopted the "Greenprint" targets that included waste reduction as a key objective. In 1996, the Local Government Act, Part 31, Amendment Number 4, required councils to reduce waste. In 2002, Waitakere City Council adopted the strategic platform of Zero Waste as one of the City's nine strategic platforms. This commitment is also reflected in the Sustainable Environment Community Outcome.

**ISSUES**

Further to the July 2007 report on Waste Minimisation Legislation, it is understood that a Supplementary Order Paper is due to be presented to the Environmental Select Committee in mid August 2007 and it is expected that the Select Committee will call for further submissions from existing submitters on the content of the Supplementary Order Paper.

A127-A131 There is a general awareness by Council officers of the direction of the Supplementary Order Paper and this has been anticipated in the response contained in Council's proposed supplementary submission, attached at pages A127 to A131. The supplementary submission is consistent with previous submissions and Council's Waste Management Plan.

In addition to these matters, there is further anticipation of the Court of Appeal decision in relation to the interpretation of, and regulation for recyclable material as 'waste'. This issue is further addressed in the supplementary submission.

It is intended that Council's proposed supplementary submission also includes previous submissions from Council, which includes the Container Deposit Legislation.

As the contents of the Supplementary Order paper at this stage are unknown to Council, a recommendation from this Committee is also sought that Council's supplementary submission make reference to the Supplementary Order Paper once the content is known and that, because of the timeframes involved, final sign-off be delegated to the Chairman of this Committee.

The Select Committee is due to report back to Parliament in October 2007 and it is likely the window for consideration, preparation and approval of a further submission will be extremely narrow.

It is intended to circulate to other councils for support of this submission, which will further reduce the available time for a final submission.

## **RESOURCES**

The ongoing work is resourced and funded within current Council budgets.

## **CONCLUSION**

The current Waste Minimisation (Solids) Bill that is before the Select Committee will be reported back to Parliament in October 2007. Council's supplementary submission has been prepared in accordance with the anticipated direction of the Supplementary Order Paper and is consistent with Council's previous submissions. Once the Supplementary Order Paper is released, reference will be made to it in the submission.

## **RECOMMENDATIONS**

1. That the Waste Minimisation (Solids) Bill - Supplementary Submission report be received.
2. That the supplementary submission to the Environmental Select Committee considering the Waste Minimisation (Solids) Bill be approved and submitted.
3. That upon release of the Supplementary Order Paper on the Waste Minimisation (Solids) Bill, Council officers make reference to this in the supplementary submission to the Environmental Select Committee and that authorisation to sign-off on these amendments be delegated to the Chief Executive Officer.

Report prepared by: Jon Roscoe, Service Manager: Solid Waste.

