



Strategy Working Committee Minutes from 5 June 2024

- Present:** Deputy Mayor Melissa Sadler-Futter (Chair), Mayor Martin Connelly, Councillors Colin Olds, Kaye McAulay, Alistair Plimmer, Rebecca Gray, Martin Bosley, Pip Maynard, Aaron Woodcock (from 9:10am), Aidan Ellims and Violet Edwards (Māori Standing Committee Representative).
- Apologies:** Councillors Aidan Ellims and Kaye McAulay
- In Attendance:** Janice Smith (Chief Executive Officer), Stefan Corbett (Group Manager Infrastructure and Community Operations), Russell O’Leary (Group Manager Planning and Regulatory), Paul Gardner (Group Manager Corporate Services), Charly Clarke (Chief Financial Officer), Alex Pigou (Team Lead Communications), Robyn Wells (Principal Advisor - Waters), James O’Connor (Manager Community Operations), Mia Wilton (Manager Environmental Services), Joelle Thompson (Communications Advisor), and Amy Andersen (Lead Advisor Democracy and Committees).
Charles Barker and Adam Mattsen (Wellington Water)
- Via Zoom:
Mark Fenwick (Māori Standing Committee)
Richard Knott (Consultant)
Diane Livingston, Andy Lyon (Kiwirail)
Laurence Edwards (Wellington Water)
- Public participation:** Rebecca Kempton, Jane Gibben and Linda Kirkland.
- Conduct of Business:** This meeting Supper Room, Waihinga Centre, 62 Texas Street, Martinborough, and was livestreamed on the Council’s YouTube Channel. The meeting was held in public where noted from 9:00am to 11:38am.
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A Open Section

A1. Karakia Timatanga - Opening

Cr Gray opened the meeting.

A2. Apologies

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/51) to accept apologies from Cr Woodcock (for late arrival), Cr Ellims and Cr McAulay.

(Moved Cr Gray/Seconded Cr Maynard)

Carried

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A3. Conflicts of Interest

There were no conflicts of interest.

A4. Acknowledgements and tributes

Cr Olds acknowledged the Keith Snell passing, bull breeder long-time resident.

A5. Public participation

Rebecca Kempton

Ms Kempton gave a brief presentation in support of their lease application on behalf of Te Hupenui / Greytown Artists Incorporated in respect to item F2: *Leasing of Greytown old library building – EOI responses and assessment Report*).

Cr Woodcock arrived at 9:10am.

Linda Kirkland

Ms Kirkland presented a video to the Committee to support Te Hupenui / Greytown Artists Incorporated's application in respect to item F2.

Jane Gibben

Ms Gibben also spoke in support of Te Hupenui / Greytown Artists Incorporated's application in respect to item F2. Members queried whether there were other areas in South Wairarapa that could benefit from this model; whether the group would need ongoing support required financially from Council; if the grounds around the building could still be used by the community for other functions; and the inclusion of Toi Māori at the gallery space.

Members acknowledged the quality of the presentations given to the Committee.

A5. Actions from public participation

As item F3 was scheduled to be discussed in public excluded session, there were no actions from public participation.

A6. Extraordinary business

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/52) to agree to an additional recommendation in the Chairperson's report for discussion and decision regarding the roading differential for forestry.

(Moved Deputy Mayor Sadler-Futter/Seconded Mayor Connelly)

Carried

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/53) to agree to discuss an LGNZ remit from Gisborne District Council as a verbal Members Report from Mayor Connelly. The remit was received after the agenda was released and discussion cannot be delayed until the next meeting due to the deadline for the application to LGNZ (18 June 2024). This will be added to the agenda as item E2.

(Moved Mayor Connelly/Seconded Cr Olds)

Carried

A7. Confirmation of minutes

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/54) to accept that the minutes of the Strategy Working Committee meetings held on 8 May 2024 are a true and accurate record, subject to the follow change: Resolution SWC2024/39, point 3 to read as - *Seconded Cr Gray*.

(Moved Cr Gray/Seconded Edwards)

Carried

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A8. Matters arising from previous meetings

There were no matters arising.

B Decision Reports from the Chief Executive and Staff

B1. Adoption of the Featherston Masterplan and Implementation Plan

Cr Woodcock left at 9:30am.

Mr O'Leary spoke to matters included in the report.

Cr Woodcock returned at 9:35am.

Mr O'Leary provided the Committee with key updates in relation to changes and updates since the April deliberations, including flood maps, updates to the principles and map/key for green fields (for consideration in future).

Mr Knott provided further details regarding specific sections that will be updated for readability.

Mr O'Leary responded to the Committee's queries including what changes to the WCDP would be required to allow for the green fields as proposed during the development of the masterplan; and inclusion of future roundabouts and timeframes required.

Mr O'Leary summarised the process and work that has taken place in order to produce the Featherston Masterplan and Implementation Plan, and responded to questions regarding the pedestrian crossing at the east end of Fitzherbert Street.

Members discussed access between Featherston Community Centre to Fitzherbert Street. Members noted that more signage around that area would be beneficial to businesses in the vicinity.

Members discussed the feedback from Kiwirail– for Fox or Bell Street level crossing update which was tabled at the meeting. Ms Livingston noted that Kiwirail would be completing further work in collaboration with SWDC to inform the community about the crossings. Members suggested a minor edit to include the *Featherston Community Board* rather than reference *SWDC Community Board*.

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/55) to:

1. Receive the *Adoption of the Featherston Masterplan and Implementation Plan Report*.
(Moved Deputy Mayor Sadler-Futter/Seconded Cr Gray) Carried
2. Adopt the Featherston Masterplan.
(Moved Cr Olds/Seconded Cr Maynard) Carried

Foreshadowed amendments which became part of substantive motion:

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3. Agree that the Implementation Plan will be considered as part of future LTP cycles.
(Moved Cr Gray/Seconded Cr Olds) Carried
4. Delegate minor tweaks of the Featherston Masterplan to the Chief Executive.
(Moved Cr Gray/Seconded Cr Maynard) Carried
5. Provide a maximum capital budget in 2024/25 of \$132,000 to investigate and construct an access way from Featherston Community Centre to Fitzherbert Street and car parking capacity.
(Moved Cr Olds/Seconded Edwards) Carried
6. Approve that Kiwirail proceed with the closure of the Bell Street level crossing and continue with upgrade work on the Fox Street level crossing.
(Moved Deputy Mayor Sadler-Futter/Seconded Cr Gray) Carried

Ms Edwards left at 10:10am.

C Information Reports from the Chief Executive and Staff

Ms Edwards returned at 10:12am.

C1. Action Items

Updates: Action 38 – Ms Smith will be reporting to the Community Board in July 2024.

Closed: Action 191 – Mr Gardner confirmed that under section 5.1, this cap covers the entire region, which currently stands at 10. Noted that in the South Wairarapa District, there are currently 4 such venues.

D Reports from the Chairperson

D1. Chairperson's Report

Ms Smith provided further information regarding the additional recommendation from extraordinary business: roading differential for forestry, and confirmed that this action is necessary to avoid a potential legal challenge as it was not included in the recent consultation for the review of the rating methodology or the enhanced annual plan. Ms Smith noted this could be withdrawn from the current plan cycle and raised again for review as part of the Long Term Plan 2025-2034; and this would bring SWDC in line with other local councils. The aim is to consult on this regionally, rather than separately.

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/56) to:

1. Receive the Chairperson's Report.
2. Approve the appointment of Mark Fenwick to the Māori Standing Committee.
3. Approve the appointment of Karen Mikaera to the Assurance, Risk and Finance Committee.
4. Approve the appointment of Whitu Karauna as an alternate to the Assurance, Risk and Finance Committee.
5. Approve the amended Terms of Reference for Council and Committees, as per Appendix 2.

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Additional recommendation (as per extraordinary business) became part of the substantive motion:

6. Approve the withdrawal of the 5X differential proposed for forestry as part of the roading targeted rate.
[Items 1-6 read together]
(Moved Cr Gray/Seconded Edwards) Carried

E Members Reports

E1. Community, Climate and Environmental Wellbeing Portfolio Update

Cr Gray spoke to matters included in the report.
Members discussed recent Civil Defence
Mid-scale events conversation about emergency management.

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/57) to receive the Community, Climate and Environmental Wellbeing Portfolio Update Report.
(Moved Deputy Mayor Sadler-Futter/Seconded Cr Bosley) Carried

Item added from Extraordinary Business:

E2. Verbal Members Report from Mayor Connelly

Mayor Connelly spoke to the Committee regarding an LGNZ remit from Gisborne District Council for a *proactive lever to mitigate the deterioration of unoccupied buildings*. Mayor Connelly sought support from members to endorse the remit.

Please refer to Appendix 2 for all details regarding the remit.

STRATEGY WORKING COMMITTEE RESOLVED (SWC2024/58) to support the LGNZ remit from Gisborne District Council, as follows:

That LGNZ advocate to Government:

- 1. For legislative change enabling local authorities to remediate the decaying condition of unoccupied derelict buildings that have deteriorated to a state where they negatively impact the amenity of the surrounding area.*
- 2. To incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.*

(Moved Mayor Connelly/Seconded Cr Olds) Carried

Meeting adjourned at 10:29am.

Meeting reconvened at 10:42am.

F Public Excluded Section

Cr Plimmer queried why item F3 was being discussed in public excluded. Ms Smith confirmed there is currently information in the report which should not be in the public space.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

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Report/General Subject Matter	Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
Public excluded minutes 8 May 2024 (Chief Executive KPIs)	Good reason to withhold exists under section 7(2)(a)	Section 48(1)(a)
Leasing of Greytown old library building – EOI responses and assessment	Good reason to withhold exists under section 7(2)(h)	Section 48(1)(a)
Greytown Water Treatment Plant Upgrade Options Project – Final Report	Good reason to withhold exists under section 7(2)(h)	Section 48(1)(a)

This resolution (SWC2024/59) is made in reliance on Section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

Reason for passing this resolution in relation to the matter	Ground(s) under Section 48(1) for the passing of this Resolution
The withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons.	Section 7(2)(a)
The withholding of information is necessary to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	section 7(2)(h)

(Moved Deputy Mayor Sadler-Futter/Seconded Cr Gray)

Carried

G Karakia Whakamutunga - Closing

Cr Gray closed the meeting.

The meeting closed at 11:38am.

Appendices:

Appendix 1 – Feedback from Kiwirail - for Fox or Bell Street level crossing update

Appendix 2 – Gisborne District Council LGNZ Remit

Confirmed as a true and correct record

.....(Chair)

.....(Date)

.....(Chief Executive)

.....(Date)

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5 June 2024

Feedback for Fox or Bell Street level crossing upgrade

Purpose

This paper outlines the results from the recent level crossing survey, and seeks a decision from Council on which of the two crossings (Bell or Fox Street) they would prefer KiwiRail to upgrade and keep open to traffic.

Background

Greater Wellington Regional Council and KiwiRail are working together to boost commuter train services as part of the Wellington Region Metro Upgrade Project – Future Rail. In the Wairarapa services are set to double from 10 to 20 per day from 2029. With more trains on the line moving at faster speeds, it's essential that we look at safety. Level crossings present a documented risk to pedestrians and vehicles, and this risk goes up as trains run more often and at faster speeds.

During 2023 KiwiRail contracted Aurecon and JM DR (consulting engineers and rail specialists) to carry out engagement and undertake a formal safety assessment of each of the crossings on the Wairarapa line between Featherston and Masterton. Their report takes into account safety, community amenity, and traffic flow. You can see the report here at [Wairarapa Line | KiwiRail](#).

In Featherston the decision has been made to upgrade three of the five level crossings, and close two. The two crossings identified for closure are Brandon Street, and one of either Fox Street or Bell Street.

What the community said

During May 2024 KiwiRail ran a survey inviting the community to have their say on which of the Bell or Fox Street level crossing they would like to see upgraded and kept open.

We asked people to select their preference:

- Upgrade Fox Street level crossing and close Bell Street.
- Upgrade Bell Street level crossing and close Fox Street.

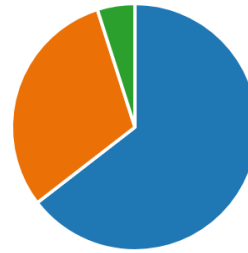
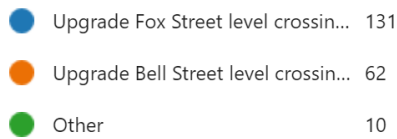
The survey ran online between 1 and 15 May, and was promoted via an article in the Featherston Phoenix, printed flyers in the community and on trains, Antenno and social media. We shared information and a link to the survey with the Featherston Community Board and met with the local volunteer fire service.

We received 167 responses. 131 of those said they would prefer to see the Fox Street crossing upgraded and kept open.



1. Which crossing would you prefer to see upgraded?

[More Details](#)



Feedback relating to keeping Fox Street open

Most of the people who selected Fox Street felt that it was important to keep this crossing open because it is a vital thoroughfare for the town, and to maintain access for emergency services.

Feedback from the Fire Service was that the closure of Fox Street would have a greater impact on their ability to service the Featherston community than the closure of Bell Street. Of particular concern was the impact on staff journey times to the station when responding to a call as 50% of their volunteers travel via the Fox Street level crossing.

Some people commented that keeping Fox Street open and closing Bell would make Bell Street more pedestrian friendly for students and families accessing St Theresa's the school.

"There are more community benefits for the closure of Bell Street. This creates a Cul de sac where traffic entry and exit is Birdwood/Bell intersection. The Cul de sac provides pedestrians a safer space for the children getting to school, people that use the hall and slows traffic for those getting to their houses."

Feedback relating to keeping Bell Street open

People with a preference for keeping Bell Street open mostly talked about maintaining vehicle access to the school, Anzac Hall and Catholic Church.

Closing Fox street may have less impact on school traffic. Presumably the south bound trains will be travelling slower at Bell St because it is closer to the station, making the Bell St crossing the slightly safer crossing compared to Fox St.

Next steps

Given the additional information that has come to light through this consultation, particularly the impact on emergency services, KiwiRail recommends the closure of Bell Street.

We seek a decision from South Wairarapa District Council on which crossing (Bell or Fox Street) you would prefer KiwiRail to upgrade and keep open.

Based on this decision, we will progress our work plan accordingly with the aim of carrying out the level crossing upgrade work for Featherston from around mid-year 2025.





REMIT APPLICATION FORM

How to submit a remit/

Remits are positions or policies put to LGNZ's AGM for a vote.

Any remit needs the support of either an LGNZ Zone, Sector or five councils.

LGNZ reviews all proposed remits to ensure they meet the criteria below.

If your council wants to propose a remit for consideration by the 2024 AGM, please complete this form and email it, along with any supporting information, to agm@lgnz.co.nz by Tuesday 18 June, 2024.

If you have any questions about the remit process, or want help completing your application, please contact [Simon Randall](#), Policy and Advocacy Manger.

Criteria for remits/

1. The remit is relevant to local government as a whole, not just a single Zone, Sector or council;
2. The remit relates to significant matters, including constitutional and substantive policy, rather than matters that can be dealt with administratively;
3. The remit concerns matters that can't be addressed through channels other than the AGM.
4. The remit does not deal with issues that are already being actioned by LGNZ. This covers work programmes underway as part of LGNZ's strategy.

The process from here/

Once LGNZ receives your proposed remit, it will be considered by our Remit Screening Committee. This Committee is made up of LGNZ's President, Vice-President, Chief Executive and Director of Policy and Advocacy. The Remit Screening Committee will determine whether your proposed remit satisfies the criteria above, and whether or not to put it forward to the 2024 AGM.

We will let you know whether your remit is going forward to the AGM by Tuesday 2 July 2024.



REMIT APPLICATION FORM

Council proposing remit: Gisborne District Council

Contact name(s): Rehette Stoltz

AGM speaker: Rehette Stoltz

This person must attend the AGM and be registered as a delegate.

Phone: 06 867 2049

Email: Mayor@gdc.govt.nz

Remit subject: Proactive lever to mitigate the deterioration of unoccupied buildings

Remit: That LGNZ advocate to Government:

- Starting with "That LGNZ", this is a statement of the specific position or action to be progressed by LGNZ.
1. For legislative change enabling local authorities to remediate the decaying condition of unoccupied derelict buildings that have deteriorated to a state where they negatively impact the amenity of the surrounding area.
 2. To incentivise repurposing vacant buildings to meet region-specific needs, for example, accommodation conversion.

Who supports the proposed remit? The support of five councils must be secured prior to LGNZ submission.

Remits must be endorsed by either an LGNZ Zone, Sector Group, or five councils.



Why is this remit important?

Briefly describe what the issue is and why it requires action.

Max. 150 words

There is no legislation enabling councils to take proactive action on the decaying condition of vacant buildings. Intervention is only possible when buildings become so dangerous that the Building Act 2004 (BA04) allows for dangerous building notices.

The absence of enabling regulations and enforcement tools can result in derelict sites negatively affecting both neighbourhoods and city centres. The public expects their local authorities to maintain community standards and they are frequently disappointed by our inability to intervene. Especially where keystone buildings deteriorate over decades.

The economic and social consequences of unoccupied derelict buildings negatively affect local businesses, city centre revitalisation, regional economic development, and tourism activity. Negative impacts suppress local investment and the prosperity of regional centres throughout New Zealand. Legislative change to enable the remediation of decaying building conditions and unlock their economic potential is in the national interest and significant to local government as a whole.



Background and context:

You may wish to include:

- > What has caused this issue?
- > Relevant legislation, policy or practice
- > Key statistics to show the scope of the issue
- > An outline of what your council/others have already done to address this issue or bring about the proposed change.

Max 500 words

EXISTING BUILDING LEGISLATION IS TOO LATE TO MITIGATE DECAYING BUILDINGS

Once a Code Compliance Certificate has been issued, there is no regulatory avenue for proactive remediation of a vacant building's decaying condition. The BA04 is silent on maintenance responsibilities until the public is likely to be harmed by unsafe building conditions.

The BA04's approach to dangerous buildings is reactive as it seeks only to remediate dangerous conditions. The impact of a deteriorating building on its surrounding environment is not taken into consideration.

Waiting until a building becomes dangerous is too late to remediate the significant economic and social effects of vacant and deteriorating buildings.

In regional centres like Gisborne, a small number of deteriorating assets can have a significant impact on surrounding businesses and perceptions of the city centre. Long-term underinvestment means significant capital is required to restore these buildings before prospective owners and/or tenants can reoccupy the space. Investment is often cost-prohibitive, leaving vital buildings empty and further deteriorating.

In May 2024, Gisborne's Mayor wrote to Government detailing the national impact of this legislative gap (letter attached). The letter's appendix, TEN YEARS OF THE NATIONAL PROBLEM, outlines how problematic buildings are challenging local authorities throughout New Zealand.

LOCAL AUTHORITIES HAVE DEVELOPED AD HOC, IMPERFECT SOLUTIONS TO ADDRESS THE LEGISLATIVE GAP

Upper Hutt City Council's Unoccupied Commercial Premises Bylaw and Clutha District Council's Regulatory Bylaw both aim to prevent building deterioration. However, bylaw solutions are unenforceable without costly prosecutions that risk uncertain outcomes.

In Rotorua, where houses are problematic, rather than commercial buildings, Rotorua District Council has spent \$60,000 on consultants' reports and legal advice for a single



abandoned property because it lacks the authority to require its demolition.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because it does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problems are significant, sometimes beyond repair.

Wellington City Council recently signalled its intention to remove ten buildings from its heritage list as part of a district plan review. Among those buildings were the dangerous, unoccupied Gordon Wilson Flats, a contentious feature of the Wellington skyline intended for demolition by their owner, Victoria University, due to restoration cost.

List removal failed to secure ministerial approval. However, this situation illustrates the impossible predicament faced by local authorities when heritage buildings have not been adequately maintained, and the extraordinary measures they must take when buildings have deteriorated beyond repair. Local authorities' inability to prevent the deterioration of vital assets threatens a loss of national heritage and identity through demolition. The solution must be to enable proactive measures addressing deteriorating conditions before buildings are demolished by neglect.

MITIGATING THE SOCIAL AND ECONOMIC CONSEQUENCES OF UNDERUTILISED BUILDINGS URGENTLY REQUIRES:

- a new legislative lever that will enable earlier intervention and action to remediate deteriorating building assets and or
- collaboration between local and central government and regional providers to develop region-specific incentives encouraging the use of unproductive assets, e.g., repurposing buildings for accommodation.



How does this remit relate to LGNZ's current work programme?

Briefly describe how the proposed remit aligns with [LGNZ's Strategy](#) and policy priorities but does not duplicate existing or planned work.

Approx. 150 words

Addressing the gap in building legislation and its consequences for regional economic development does not currently feature in LGNZ's broader advocacy work programme. However, LGNZ has for some time been aware of the legislative gap and advocated on this issue as it aligns with their strategic priority of focusing advocacy on the big issues impacting local government.

In 2014, LGNZ wrote to the Minister of Building and Construction suggesting the BA04 define derelict sites, which would allow for such properties to be included in their Dangerous and Insanitary Buildings Policies. LGNZ's 2015 submission to the Rules Reduction Taskforce highlighted that derelict building issues are a regular source of community distress, presenting risks to health, fire hazards, and sites for criminal behaviour. In 2022, LGNZ again proposed that the government define derelict buildings; however, attempts to meet the Minister of Building and Construction were unsuccessful.

While these efforts failed to find favour, advocacy to political leaders is urgently required because:

- Current BA04 considerations are inadequate in addressing building issues that need to be remediated before buildings become derelict.
 - The Government's accelerated review of building code requirements extends to improving economic activity.
 - The Government has signalled its intention to develop housing improvement strategies through a cross-government Ministerial Working Group on Housing.
 - Legislative change and incentives to activate unproductive buildings and unlock regional economic improvement align with the Coalition's Decision-Making Principles A – E.
-



How will your council help LGNZ to make progress on this remit?

Briefly describe the steps that your council would be prepared to take to assist LGNZ to progress the remit

100 – 300 words

Gisborne District Council will:

- Continue advocating directly to the Ministers for Building and Construction, Housing and Local Government.
 - Collaborate with LGNZ, Councils, Government and stakeholders to develop new legislative tools to tackle this issue, strengthening our national economic resilience.
 - Share any appropriate research and development, and data analysis from our region.
 - Undertake any pilot programme involving temporary rule changes or funding initiatives, such as incentivising the conversion of commercial buildings to housing.
 - Identify and work with local providers and property owners on the implementation of any pilot.
-

Supporting information and research

Please attach to your email:

- > A copy of this application form.
- > Evidence of support from an LGNZ Zone or Sector Group or five councils. This could be in the form of emails, letters or Zone/Sector Group meeting minutes or resolutions.
- > Any further contextual/background information you'd like to share, combined in a single word or PDF file.

2 May 2024

Hon Chris Penk - Minister for Building and Construction
Hon Chris Bishop - Minister for Housing
Hon Tama Potaka - Associate Minister Social Housing
Hon Simeon Brown - Minister Local Government



GISBORNE
DISTRICT COUNCIL

Office of the Mayor

Email: christopher.penk@parliament.govt.nz, Chris.Bishop@parliament.govt.nz,
Tama.Potaka@parliament.govt.nz, Simeon.Brown@parliament.govt.nz

Cc: Dana.Kirkpatrick@parliament.govt.nz, cushla.tangaere-manuel@parliament.govt.nz

**LEGISLATIVE CHANGE IS REQUIRED TO UNLOCK SUBSTANTIAL ECONOMIC AND HOUSING
IMPROVEMENTS IN NEW ZEALAND'S REGIONAL CENTRE**

Good morning Ministers,

I would like to bring to your attention a gap in current building legislation, which is affecting local businesses, city centre revitalisation, regional economic development and tourism activity in our region.

In short, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings.

Intervention is only possible when buildings become so dangerous that the Building Act 2004 allows for dangerous building notices. The absence of enabling regulations and enforcement tools, results in keystone buildings remaining idle and unproductive, sometimes for decades.

The attachments to this letter provide more information on the challenges facing Gisborne District Council and many other local authorities across New Zealand.

Legislative change to unlock the economic potential of underutilised and decaying buildings is in the national interest because the negative economic and social impacts created by underutilised buildings are nationally significant.

Unproductive buildings negatively impact regional prosperity throughout the country. We believe:

- New legislative tools are needed to unlock the economic potential of underutilised buildings.
- Urgent collaboration between local and central government is needed to develop a solution that will enable earlier intervention and action on commercial building issues.


15 Fitzherbert Street, Gisborne • PO Box 747 Gisborne 4040 New Zealand

- Activating unproductive buildings to support regional economic development is strongly aligned with the Government's Ongoing Decision-Making Principles A – E.

As this matter is significant for local government as a whole, Council will be putting forward a remit on this matter at the upcoming LGNZ Annual General Meeting.

We look forward to working with the Government to develop new legislative tools to enable us to tackle this issue and continue to strengthen our national economic resilience.

Warm regards,



Rehette Stoltz
Mayor Gisborne District Council

Attachments:

Attachment 1 – Gisborne’s Deteriorating Buildings

Attachment 2 – Problem definition: Current legislation is too late to mitigate decaying buildings

Attachment 3 – Ten Years of the National Problem

Attachment 4 – Seized buildings in Gisborne

Attachment 1 – Gisborne’s Deteriorating Buildings

Main Street retail space. Corner Gladstone Rd and Peel St



Former Westlake Hotel. Corner Gladstone Rd and Peel St



Premium retail space. Peel St



Deteriorating building. Lowe St



Main Street retail space. Gladstone Rd



Deteriorating building. Childers Rd



Masonic Hotel decaying façade. Lowe St



Masonic Hotel frontage. Gladstone Rd



Abandoned detritus. Adjacent to Masonic Hotel



Main Street building decay. Gladstone Rd



Attachment 2: Problem definition: Current legislation is *too late* to mitigate decaying buildings

During deliberations on the Gisborne Dangerous, Affected and Insanitary Buildings Policy 2024¹ under the Building Act 2004 (the BA04), Gisborne District Council (Council) identified inadequacies in the existing building legislation framework. Also identified were the negative impacts these deficiencies are having both regionally and nationally.

Once a code compliance certificate (CCC) has been issued, there is no enabling legislation that allows regulatory agencies to take proactive action on the decaying condition of vacant buildings. Mitigation of problematic buildings is only possible when they eventually deteriorate to a condition so dangerous that BA04 provisions allow for dangerous building notices. The absence of enabling regulations and enforcement tools, in between CCC and dangerous building notices, results in essential buildings remaining idle and unproductive, sometimes for decades.

The BA04's approach to dangerous buildings is reactive. It seeks only to remediate dangerous conditions and does not consider the impact a decaying building has on its surrounding environment. This means it is both *too late* to remediate problematic conditions and an *inadequate tool* to address the significant economic effects caused when buildings become locked in a deterioration spiral. In Gisborne's case, deteriorating conditions negatively impact surrounding businesses and perceptions of the city centre, affecting a decline in economic activity. As regional economies underpin national economic prosperity,² the negative impact of underutilised buildings has a ripple effect on the national economy.

As a building's condition declines, the required investment in its essential maintenance and works (e.g. earthquake strengthening and cosmetic upkeep) decreases. The deteriorating condition of commercial buildings is particularly problematic in regional city centres, as this inefficient use of key placemaking assets contributes to poor amenity.

In regional centres, where the *heart of the city* is comprised of only a handful of buildings, even a small number of deteriorating assets can have a significant impact. A prolonged lack of maintenance requires significant investment to get a building back up to scratch before prospective owners and/or tenants can once again operate out of it. The required work is often cost-prohibitive, and vital buildings can remain empty, which leads to further deterioration.

The BA04 seeks to ensure safety and well-being, sustainable development, and building code compliance. However, because the current BA04 legislation does not provide local authorities with effective tools to encourage essential maintenance and building utilisation, we have no way to intervene when buildings are deteriorating until the problem is significant. We can only intervene when buildings have decayed to such a condition that they are likely to harm the public.

The public expects their local authorities to prevent city centre building deterioration, and they are frequently disappointed by our inability to intervene. Regional communities such as Gisborne, where the problem is acutely felt, are unable to prevent the gradual decline of their city centres. Without a legislative tool enabling the remediation of inactive buildings, and no central Government solution either, Council cannot achieve its aspiration of maintaining a

¹ Gisborne Dangerous, Affected and Insanitary Buildings [Policy](#) 2024.

² Hon Steven Joyce (2016) *Regions lead recovery from Global Financial Crisis*. This Beehive [Release](#) emphasises the instrumental role regional economies, including Gisborne, played in leading New Zealand's economic recovery from the Global Financial Crisis.

high-quality urban environment that capitalises on heritage, tourism, and lifestyle to attract economic investment and development.

The Problem in Gisborne

Gisborne's Central Business District (CBD) contains several **vacant** and **underutilised buildings** that have been **neglected for long periods**.³ Their deteriorating aesthetic condition **negatively affects the city's appearance, impacting tourism experiences** and **suppressing local utilisation, economic growth**, and community wellbeing.

Deterioration of Buildings: A lack of basic maintenance has led to the disrepair of unoccupied buildings in Gisborne. This includes premium ground-floor retail spaces on Gladstone Road, Gisborne's main street (see **Attachment 1 – Gisborne's Deteriorating Buildings**).

Negative Community Impact: Reduced vibrancy in the CBD has suppressed community utilisation and local commerce,⁴ making it less attractive to new businesses and shoppers. This decline in activity fosters increased incidences of vandalism and the impression of an unsafe CBD.

Homelessness Consequences: The declining condition of city buildings leads to squatters occupying vacant buildings, resulting in litter, sanitation issues, and antisocial behaviour adversely affecting adjacent businesses, some of which are rate-paying owner-occupiers. Council increasingly incurs the financial burden of cleanup and the disassembly of homeless encampments in conjunction with the Police.

Economic Investment Deterrence: Visible city centre decline creates the perception of an economically depressed area and discourages economic investment from outside the region, weakening local economic resilience. Decreased revenue from idled assets reduces the likelihood that owners of earthquake-prone buildings will fund reinforcement works, threatening key buildings with demolition.

Suppressed Tourism and Economic Growth: Tourism, a vital part of Gisborne's economy, is growing slower than the national average,⁵ limiting regional employment opportunities. The declining state of Gisborne's CBD negatively impacts tourists' experiences in our region, which challenges the Government's recent commitment to support tourism.⁶ A vibrant and welcoming city centre is essential for creating positive visitor experiences, as it influences overall impressions of a place.⁷ However, buildings becoming locked into a spiral of declining

³ In June 2007, Gisborne witnessed a 1.3% decline in retail sales despite national economic growth accelerating to 2.6%. In the same period. The number of commercial permits issued in Gisborne also fell by 13%. In December 2008, Gisborne experienced the largest quarterly decline in retail sales at a time when national retail sales were trending upward. Commercial building consents dropped by 6.1% in the same quarter. Sources: The National Bank Regional Trends Economics reports, February 2007, February 2008. In the wake of the global financial crisis, Council's 2010/11 Annual [Report](#) identified Gisborne's retailers among those most affected by economic conditions at the time.

⁴ Over 55% of Gisborne employment is currently located outside of land zoned for business.

⁵ The tourism sector contributed \$56.3 million to Gisborne GDP in 2022, accounting for 2.3% of the region's economic output and 7.1% of total annual employment. In 2022, total tourism spending in Gisborne was down 0.1% year on year, while national tourism spending increased by 1.4% in the same period. In the 10-year period 2012-2022, Gisborne has experienced only 1.8% annual employment growth, lagging 2.1% national growth. Sources: Trust Tairāwhiti (2023) [Draft Destination Management Plan](#) utilising data retrieved from Infometrics.co.nz; Infometrics (2023) *Tairāwhiti at a Glance: 2022* retrieved from Infometrics.co.nz on 7 March 2023.

⁶ Acknowledging tourism is the second biggest contributor to New Zealand's recent economy, the Tourism Minister, Hon. Matt Doocey, recently affirmed government commitment to supporting the growth of tourism and hospitality operators. Source: Hon Matt Doocey (2024) *Tourism data shows determination of sector*. Beehive [Release](#).

⁷ The Ministry of Business, Innovation and Employment [Destination Management Guidance](#) emphasises that supporting infrastructure and amenities are essential to cultivating compelling visitor experiences.

investment and physical deterioration presents a significant barrier to regional aspirations for a vibrant, thriving city that is a destination for business, employment, and tourism.

Figure 1 - the old Masonic Hotel greets cruise-ship tourists walking from Gisborne's port to the city centre.



The Problem nationwide

Gisborne is not the only region with declining, under-utilised buildings. Provincial areas are experiencing a downward spiral in the status of city centre vitality when compared to major urban areas.⁸ Unoccupied buildings are contributing to this decline. They pose safety risks and affect community well-being, property values, and public perception of city centres around the country.

Attachment 3 – Ten Years of the National Problem outlines how issues with idle, unproductive buildings have become a nationwide concern in the last decade. Neglected heritage buildings face significant challenges as councils struggle to intervene where *demolition by neglect*⁹ becomes irreversible. The lack of clear criteria for identifying and addressing derelict properties hinders councils' ability to take proactive measures to remediate these buildings as they deteriorate.

Legislative Inadequacies Prevent a Proactive Approach

1. Building Maintenance Responsibility

- After local authorities have issued code compliance certificates and no further building work is required, building maintenance is the responsibility of property owners.
- Local authorities have no means to enforce minimum maintenance standards for dormant or underutilised buildings, even in cases where buildings are left to decay.
- The absence of any tool to encourage proactive maintenance means local authorities can be left with unsightly buildings, often in prominent locations. This creates a cycle of declining investment that negatively impacts regional prosperity.
- Gisborne has five large, central buildings locked in an ongoing legal dispute between the Police and silent offshore owners. This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions.

2. The Building Act 2004 Does Not Adequately Consider Remediation

- The BA04 enables local authorities to compel remediation via dangerous or insanitary building notices only when building issues become so dangerous, they may harm occupants or the public.
- These notices are a last resort. They cannot address situations where buildings essential to a city's social, cultural and economic fabric decay due to neglect. This is because the BA04 does not consider the negative consequences experienced during a building's decline when its conditions are deteriorating but not yet dangerous.
- Councils can intervene when there is evidence of infestation or fire risk; however, the threshold for action is high.¹⁰

⁸ Aigwi, I., et al. (2019). *A performance-based framework to prioritise underutilised historical buildings for adaptive reuse interventions in New Zealand*. *Sustainable Cities and Society*, [48](#), 101547-101547.

⁹ Dunedin City Council defines *demolition by neglect* as a building being allowed to deteriorate to the point that demolition becomes necessary, or restoration becomes economically unreasonable. In some cases, building owners may allow this to happen to bypass heritage protections and the substantial financial investment to enable ongoing use. Source: Dunedin City Council's 15 May 2023 [Agenda](#).

¹⁰ [Newshub](#). (2022). Call for law change as councils say there is an increasing problem of derelict, unoccupied houses.

- Neglected heritage buildings are particularly vulnerable to becoming dangerous and, in instances of continued neglect, demolition.¹¹ Heritage New Zealand Pouhere Taonga recently requested Council policy¹² encourage heritage building owners to undertake preventative maintenance and upgrades to conserve their essential heritage character. However, BA04 considerations do not provide any mechanism for local authorities to encourage such action. Therefore, any suggestion or encouragement of proactive maintenance via a dangerous building policy would be unenforceable under the current BA04 considerations.
- In cases where heritage buildings have been neglected, the costs associated with restoration or repurposing can be prohibitive for building owners. Lotteries funding is not always readily available¹³ and heritage funding prioritises category-one buildings. Not all vital buildings are so categorised, and few buildings in Gisborne meet eligibility requirements.

Solution needed: Legislative Change

Activating unproductive buildings to unlock regional economic improvements aligns with the Coalition's Decision-Making Principles A – E:

- **Principled** decisions based on sound policy principles and economic efficiency;
- **Focused** on improving productivity and economic growth to increase prosperity, and enhance housing affordability, efficiency and effectiveness.
- Stopping interventions that aren't delivering **Results**.
- **People-focused** public services will be designed around the needs of public and tourist users. The Government will be **accountable** for clear public service targets and regular progress reporting on these objectives.

Proactive remediation measures do not sit comfortably within the BA04 framework because it was not designed to address the problem of inactive buildings and the associated economic consequences. Fixing the problem requires:

- a lever compelling proactive remediation of deteriorating city centre assets and or
- incentivising the utilisation of unproductive assets.

Examples of proactive legislative tools for unlocking the potential of unproductive buildings can be found in both the United Kingdom and the Republic of Ireland.

United Kingdom's Town and Country Planning Act 1990

The UK mitigates unproductive buildings via Section 215,¹⁴ which enables Local Planning Authorities to:

- take proactive steps towards sustainable regeneration of local areas, including conditions that adversely affect the amenity of the surrounding area
- consider local circumstances, such as site conditions and impact on the surroundings
- require a broad scope of works, including painting, external repairs, demolition and re-building

¹¹ The Ministry of Culture and Heritage identified late requests to 'save' buildings are commonly requested at the last possible moment due to communities not seeking remediation until a building is under threat of demolition. Source: Ministry for Culture and Heritage. (2018). *Strengthening protections for heritage buildings: [Report](#) identifying issues within New Zealand's heritage protection system.*

¹² HNZPT (2023) [submission](#) (Page 51) on the Gisborne District Council Dangerous Buildings Policy 2024.

¹³ Lottery Environment and Heritage Committee year on year funding [declined](#) by 46% in the 2023/24 financial year.

¹⁴ Town and Country Planning Act 1990 Section 215 [Best Practice Guidance](#) and [Act](#).

- use Section 215 notices in conjunction with other powers, such as repair notices for heritage-listed or dangerous buildings.

'Amenity' is a broad concept not formally defined in the legislation. This means assessment is a matter of degree. A clear and well-presented case that stresses the adverse impact of the site on the local street scene has proven more effective than a technical definition of 'loss of amenity'.

The Republic of Ireland Derelict Sites Act 1990

Ireland mitigates unproductive buildings with the Derelict Sites Act,¹⁵ which defines *derelict sites* and makes local authorities responsible for dealing with them. Derelict sites are defined as detracting from the amenity, character or appearance of the neighbourhood with:

- structures in a ruinous, derelict or dangerous condition
- land or structure condition that is neglected, unsightly or objectionable
- deposits or collections of litter, rubbish, debris, or waste.

Under the legislation, local authorities can mitigate problems by:

- prosecuting owners who do not comply with notices
- making compulsory land purchases
- carrying out necessary work and recovering cost.

Proactive Measures to Mitigate Inactivity would not conflict with the New Zealand Bill of Rights 1990 (BORA)

BORA protects human rights and fundamental freedoms; however, it does not provide for a general right to privacy or property enjoyment. BORA protections are subject to reasonable limitations where they are demonstrably justifiable in a free and democratic society.¹⁶ Indeed, the Justice Minister, Hon Paul Goldsmith, has indicated the government wishes to strike an appropriate balance between individual rights and the public interest.¹⁷

Therefore, it is reasonable to expect that the public interest should be safeguarded from neglected buildings and the significant negative impacts they have on our communities' life, livelihood, and economic output.

The [New Zealand Bill of Rights \(Right to Lawfully Acquired Property\) Amendment Bill](#) (introduced into Parliament on 27 July 2023) proposes reasonable compensation for property owners when deprived of the right to own and use lawfully acquired property. Enabling local authorities to encourage and or incentivise remediation or utilisation of vacant buildings would not conflict with this amendment, should it become law.

Alignment with improving housing availability

The Minister of Housing, Hon Chris Bishop, seeks to fix the housing crisis by increasing supply through the removal of barriers to construction. The Minister's recent Cabinet Briefing Paper *Fixing the housing crisis*¹⁸ outlines a programme to lift productivity, wages and ultimately national income by unleashing urban growth. The briefing paper identifies that:

- New Zealand's houses are among the world's least affordable due to persistent undersupply
- unaffordable housing has far-reaching social and economic consequences.

¹⁵ Republic of Ireland Derelict Sites [Act](#) 1990.

¹⁶ New Zealand Bill of Rights Act 1990, [Section 5: Justified limitations](#)

¹⁷ [RNZ](#) (2024) Bill of Rights won't stop gang patch ban - Justice Minister

¹⁸ [Hon Chris Bishop \(2024\) Fixing the Housing Crisis Cabinet Paper](#).

- increasing housing supply and lowering housing costs will improve the living standards of all New Zealanders and lift productivity and wages by allowing more workers to live and work in cities.

Council agrees with the Minister's assessment that fixing the housing crisis will involve collaborative actions across Government and by different Ministers.

Gisborne is currently experiencing a critical housing shortage while city centre buildings deteriorate due to a lack of investment. There is an opportunity for the Government to address the housing shortage by incentivising building owners to repurpose buildings for accommodation before they decay beyond repair.

As an example, in 2017, the city of Vancouver introduced an [empty homes tax](#). Which currently charges owners three per cent of a property's value if it remains unoccupied for more than six months. Since inception, the number of vacant properties in Vancouver has decreased by 54% and CAD\$142 million has been raised for the city's housing initiatives.¹⁹

Figure 2 - Trends in Vancouver's Declared Vacant Properties 2017 – 2022. Source: City of Vancouver



¹⁹ Housing Vancouver. (2023). Empty Homes Tax Annual [Report](#) 2023. City of Vancouver.

Attachment 3 – Ten Years of the National Problem

27 February 2013: Upper Hutt City Council adopted an Unoccupied Commercial Premises [Bylaw](#) that aims to prevent unoccupied commercial premises from falling into disrepair by setting standards for the maintenance of unoccupied commercial premises. By requiring commercial premises be maintained to an immediately tenantable standard, the bylaw attempts to address issues such as rubbish, boarded windows, vermin and overgrown foliage. However, at best, this is a half-measure because it does not address utilisation and investment issues, which are the underlying cause of cosmetic conditions.

A fundamental problem with use of bylaws is unless new regulation enables fines, enforcement requires a prosecution. This would be cost-prohibitive with no guarantee of success or remediation of problematic conditions. This would waste a lot of time and resources that ratepayers expect to be well-utilised elsewhere.

2014: Following discussion with a number of councils, including discussion at an LGNZ Rural and Provincial Sector meeting, LGNZ wrote to the Minister of Building and Construction asking that the Government provide councils with powers to deal with problems created by derelict buildings to combat demolition by neglect. Specifically: "That a definition for derelict sites and homes be developed and included in the Building Act. This would enable Territorial Authorities to include such properties in their Dangerous and Insanitary Buildings Policy and update their procedures to respond in a timely and cost-effective manner to the needs of their community." However, as [reported](#) in Dunedin City Council's 15 May 2023 Agenda, the MBIE response was this was not a priority at the time.

22 April 2014: South Wairarapa District Council identified derelict commercial [buildings](#) as a problem that did not qualify as dangerous or unsanitary. The inability to take proactive remediation action has resulted in a perception of Featherston's town centre as unattractive and run-down.

4 May 2015: LGNZ's [submission](#) to the Rules Reduction Taskforce highlights that councils regularly face derelict building issues with requests for action coming from many sources, including neighbours and health officials. Buildings in serious disrepair cause neighbours distress, are a risk to health, a potential fire hazard, and are sites for criminal activity. However, councils have limited powers to remediate derelict properties. Over a period of five years, Rotorua District Council has spent more than \$60,000 on consultants' reports and legal advice for a single abandoned property because they lack the authority to require its demolition.

1 August 2016: The Christchurch City Development Forum, made up of city councillors and the business community, [urged](#) Christchurch City Council to develop an incentivisation policy to encourage owners to develop their derelict sites. Frustrating city revitalisation efforts are buildings that remain in limbo due to unresolved intentions or insurance disputes. High-profile heritage buildings are also part of the concern. However, despite derelict buildings being dangerous, unsanitary and an eyesore the city council had limited powers to deal with them.

21 October 2016: Stuff.co.nz reporting [highlights](#) that shuttered, deteriorating buildings are frustrating towns around the country, with Councils in these towns having found there is virtually nothing they can do legally about it. South Wairarapa District Council found that despite complaints that problematic buildings were holding the town back, there was no effective legal remedy. While the council can take the owners of these buildings to court under the Resource Management Act for loss of amenity, it is a subjective rather than objective issue, making it challenging to win in court. Additionally, even if they did win, taking someone to the Environment Court is expensive, with potential costs ranging from \$60,000 to \$100,000. Enforcement remains difficult even after winning a case. In Rotorua, the problem is with houses

rather than commercial buildings, but the issue remains the same. Derelict sites have potential fire risks, and the impact of these structures negatively impacts the value of surrounding properties. These abandoned buildings are eyesores; however, what is considered offensive is debatable under the law.

19 May 2017: Christchurch City Council outlines their [plan](#) for tracking derelict CBD sites they consider a barrier to the regeneration of the city centre. The plan of action seeks to address concerns about the sites, to improve investor confidence and to create a more positive impression of the central city. The third and final phase of their plan (to be used only as a last resort) involves joint action by agencies with enforcement and land acquisition powers. **This plan illustrates the problem: without legislative change, local authorities cannot prevent buildings from deteriorating to such a condition that outside agencies are required to facilitate collaborative solutions.*

16 June 2021: In the wake of a derelict house fire that destroyed a neighbouring house and damaged two others in Wellington, experts [question](#) why only a limited number of buildings meet strict criteria for dangerous or insanitary criteria. Otago University housing expert researcher Dr Lucy Telfar-Barnard said the bar was set too high for a dangerous or insanitary building. Regarding derelict houses, Victoria University Professor of Building Science Robyn Phipps says: "It's a ticking time bomb."

23 April 2022: Local authorities called for a change in the law to address the problem of derelict and unoccupied houses. In Whanganui, absentee owners are responsible for 10% of the derelict CBD buildings, committing to *demolition by neglect*. Litigating problem buildings is cost-prohibitive, and the bar is extremely high. Councils are completely powerless if a building simply looks terrible. As a result, LGNZ has [proposed](#) that the government define derelict buildings so that action can be taken. Stuart Crosby, LGNZ president, has highlighted that this problem is growing and needs to be addressed.

12 May 2022: Clutha District Council [identified](#) that its staff do not currently have the necessary tools to deal with abandoned buildings that become a target for vandals or unsightly in a town's main shopping street or issues of excessive waste and vegetation growth on private property.

May 2022: Dunedin City Council reports* that In May 2022, another attempt by LGNZ to meet the Minister of Building and Construction regarding derelict sites was unsuccessful. *Recounted in Dunedin City Council's 15 May 2023 [Agenda](#).

February 2023: As part of its submission to the Environment Select Committee on the Natural and Built Environment Bill and Spatial Planning Bill, DCC requested* the inclusion of "provisions in the NBEA to explicitly enable the management of neglected heritage buildings where a lack of maintenance is having an adverse effect on the structural stability, weather tightness, or long-term retention of a scheduled heritage building (aka demolition by neglect). This is urgently necessary for DCC (and other territorial authorities) to take actions to save heritage buildings where neglect has not yet progressed to a point of no return". *Reported in Dunedin City Council's 15 May 2023 [Agenda](#).

15 May 2023: Dunedin City Council (DCC) [identifies](#) that demolition by neglect is an issue in cities across New Zealand, yet is not regulated nor specifically referred to in either the Resource Management Act 1991, the Building Act 2004 or the Local Government Act 2002. DCC reports demolition by neglect is an issue for historic buildings that require significant investment to enable ongoing use. DCC asserts that, in the absence of legislative change, incentivisation is required to help motivate building owners to maintain buildings.

9 August 2023: The Press [reports](#) that the absence of legislation dealing with derelict properties has resulted in a derelict Christchurch property that, despite significant decay, does not meet the threshold for action.

6 September 2023: Considering lower rates for businesses and higher rates for vacant land, Wellington City Councillors express [frustration](#) with the inability of local authorities to target underutilised land due to it being too difficult to define: "It's deeply frustrating ... we can't make people do more with their land."

8 February 2024: Homeless persons squatting in a derelict building near Point Chevalier's town centre raise well-being and safety [concerns](#). Local businesses report daily harassment from intoxicated individuals and an increase in shoplifting, which they attribute to the squatters.

8 April 2024: Wellington City Council aims to remove ten buildings from the heritage list as part of its district plan review, utilising a 2012 amendment to the Resource Management Act (RMA) amendment aimed at ensuring more housing intensification in the country's largest cities. Among the ten buildings are the dangerous, unoccupied Gordon Wilson Flats. Considered unsafe due to potential earthquake and wind damage and empty since 2012, the flats have become a contentious feature of the Wellington skyline.

This move by Wellington City Council illustrates the extraordinary measures local authorities must take when buildings have deteriorated beyond repair resulting in a loss of national heritage and identity. The solution must be to enable proactive measures that address deteriorating conditions before buildings reach this level of decay.

Attachment 4 - Seized buildings in Gisborne

For almost a decade, five prominent Gisborne buildings have been the subject of an ongoing legal dispute between the Police and silent offshore owners. One of these buildings is Gisborne's finest, the heritage-listed [Masonic Hotel](#), and another features prominently in the Gisborne skyline (Figures 13 and 14, overleaf).

In 2016, Singaporean national Thomas Cheng was arrested in Gisborne for the importation and supply of methamphetamine. The Police subsequently obtained restraining orders over six commercial properties in Gisborne as part of a wider investigation into alleged tax evasion and money laundering by Cheng's father, William Cheng, and stepmother Nyioh Chew Hong, who live in Singapore.

An investigation into the "complex" ownership structure of the buildings saw restraining orders placed on associated bank accounts along with nine other buildings across Whanganui, Te Puke, Pahiatua, Timaru, and Gisborne. In 2020, the Police applied for the forfeiture of these buildings and associated bank accounts. The courts have recently declared the buildings to be beyond the reach of the drug investigation. However, legal proceedings continue to restrain the buildings.

In 2023, the Wellington High Court [ruled](#) that Cheng Jnr does not hold an interest in or have effective control of Cheng Snr's property. Therefore, the properties are not subject to forfeiture relating to Cheng Jnr's drug crimes. However, as the Police have appealed the ruling, the buildings remain in limbo, further complicated by possible [tax-evasion and money laundering](#) by Cheng Snr and Ms Hong.

Council has found it impossible to address building issues via Cheng Snr's New Zealand representatives. Cheng Snr is likely reluctant to undertake works without knowing what percentage of the buildings he will retain. The Police will not do anything as they are temporary custodians ill-equipped to deal with building remediation and unsure what percentage of the buildings they will retain.

This contested ownership status prevents building remediation, even under dangerous building notices, as no party assumes responsibility for remediating the unsafe conditions. Council has issued one seized building with a dangerous building notice; however, as ownership is contested, mitigation of dangerous conditions is not easily progressed. The restrained buildings, including the Masonic Hotel, continue to decline but are a long way from becoming Dangerous. Continued attempts by Council to engage building owners have met with little success.

Seized building: Gisborne's Masonic Hotel (now closed) prior to its decline. 46 Gladstone Rd



Seized building (left). 200 Gladstone Road.

