**Manurewa Local Board**

**OPEN MINUTE ITEM ATTACHMENTS**

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**Note:** The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
I had a dream
Item 8.1

Dreams do come true and so can yours.
Item 8.1

Working with young people in Auckland south and expanding, since 2008
Engaging over 65,000 young people from 91 Primary Schools & 14 Secondary Schools each year.
Delivering seven programmes

Run, Jump & Throw for Gold
Throw & Lift for Gold West
Lift for Gold South
Community Swim
Youth Leadership
Primary Sport
BLENNZ Sport
Community Swim has delivered over 1,000,000 FREE swimming lessons since 2008
Item 8.1

Community Swim our flagship programme, 8 free lessons per annum to Primary School years 3 to 6. Including free transportation in one of YFOD's buses.
Attachment A

Item 8.1

Offering a variety of sporting and youth leadership opportunities.
## Manurewa Local Board Members Report

*Joseph Allan - August*

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<tr>
<th>Date</th>
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<tr>
<td>15 August</td>
<td>Creative Hub in Manurewa Meeting</td>
<td>Attend meeting discussing framework and work streams.</td>
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<td>13 August</td>
<td>Events Meeting with Stella Cattle and SDW Events.</td>
<td>Discuss events calendar and next steps.</td>
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<td>11 August</td>
<td>Tree planting with Friends of Totara Park</td>
<td>250 trees planted by 25 volunteers.</td>
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<td>10 August</td>
<td>Tiaki Expo</td>
<td>Manukau Beautification Trust</td>
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<td>27 July</td>
<td>Puhinui Reserve Planting</td>
<td>Million Trees Matariki Planting</td>
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<td>27 July</td>
<td>CF Workshop</td>
<td>Clarification of work programme with CF &amp; Chair Angela Dalton.</td>
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<td>25 July</td>
<td>Totara Park Stakeholder Group Meeting</td>
<td>SDW Events attended to make connections for the Totara Park Event.</td>
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<td>20 July</td>
<td>Events Meeting</td>
<td>Chair &amp; SDW Events.</td>
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31 July 2018

Submission to the Credit Contracts and Consumer Finance Act 2003 (CCCFA) Review

The Manurewa-Papakura ward contains within its rohe the Manurewa and Papakura Local Boards, two of the 21 Local Boards under Auckland Council governance. It is located in the southern part of Auckland with a population of 127,878 (as per the 2013 census data).

The median household income across the ward is $66,850, significantly lower than the regional median of $76,500. It has the highest proportion across all areas of residents of Auckland who identify as Māori, at 28 per cent. Pacific Peoples make up 15 per cent of the Papakura area and 33 per cent of the Manurewa area.

The ward, in general, is acknowledged as a low socio-economic area and faces a range of social issues that come with this.

Mobile truck vendors and payday lenders are not welcome in our ward. Evidence gathered over several years has proven these vendors prey on our most vulnerable residents. Those include people with physical disabilities who are restricted from accessing the supermarket or retail stores to our families living in poverty who are attracted to the $10 a week payback under a contract fraught with extortionist interest rates and sale of goods prices.

The reputation of payday lenders and mobile truck vendors is so poor Kiwibank recently announced they are ‘declining to bank organisations that don’t provide fair and transparent information to their customers’ adding ‘there are payday lenders and truck shops in particular preying on the most vulnerable people in our communities’.1

While the sickening stories of those trapped in debt by these predators are endless, the odds for those affected by these crippling debts in asking for help are limited. In a recent article Lezanne Gibbs, credit advocacy advisor from the Commerce Commission’s competition and consumer branch said ”They (purchasers) are highly unlikely to tell the Commerce Commission about it when they think they are being ripped off in some way. In fact, they are more likely to protect the lenders. That’s a problem for a law enforcement agency.” Susan Taylor, chief executive of Financial Services Complaints, said the scheme did not receive many complaints about predatory lending practices, despite extensive anecdotal evidence.2

These experiences were also identified in the 2007 Ministry of Consumer Affairs research findings report and the government’s response strategy to Pacific Consumers’ Behaviours and Experience in Credit Markets, with Particular Reference to the ‘Fringe Lending’ Market.

This report is 11 years old in August 2018, and here we are dealing with exactly the same issues. How was this report used to mitigate the financial burden imposed by the fringe lending market?

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Key problems raised by consumers interviewed in 2007 are still relevant today:

- An urgent need for Pacific consumer protection
- Oppressive credit contracts and their hidden costs
- Inadequate focussed monitoring and enforcement of credit provider practices in areas such as disclosure
- No definition of what is ‘reasonable’ in terms of interest rates and administration and other charges and what amounts to ‘oppressive’ conduct
- Aggressive marketing of fringe credit and the targeting of Pacific Peoples in lower socio-economic areas such as South Auckland.

The above ‘problems’ from 2007 can still be found today in all of the literature referenced in this submission which cover a time-span of 2015 – 2018. We know that most affected by mobile truck vendors and pay day lenders don’t complain when they are in crisis from debt. While there may have been some changes to the legislation and code of compliance in the past 11 years, there is clearly still something fundamentally missing in terms of the protection of vulnerable consumers through preventative measures.

**The Problem**

The forming of a sale and/or contract by these vendors traverses poverty, low financial literacy, English as a second language and desperation. Buyers often do not have the cash to purchase the same products available in mainstream retail outlets, there are often no credit checks which suits the purchaser, and the onsite shopping opportunity is convenient for them.³

The short-term gain in immediate gratification of purchasing goods ends in untenable debt gained through extortionate product prices and interest rates. Both the companies and customers focus on weekly repayments required rather than the total amount to be paid. This explains why people sign agreements to pay inflated prices for items which they could purchase more cheaply in the local supermarket. A local budgeting service has seen contracts charging $20 for a can of corned beef, $35 for a packet of noodles and $66 for powdered milk.⁴

One budgetary service has dealt with cases in which the original documents have differed from the carbon copies leaving the purchaser hundreds of dollars more in debt for goods they didn’t purchase.⁵

There are examples of mums who have no transport to go to the shops with their young children and are paying $90 for corned beef, noodles, milk and bread.

**Contract**

The primary purpose of the of Credit Contracts and Consumer Finance Act 2003⁶ (the Act) is to protect the interests of consumers in connection with credit contracts, consumer leases,
and buy-back transactions. Guidance for the implementation of this Act is provided in the Responsible Lending Code (the Code).

It is our view s9F of the Act, with weight on S9F 1(b)(i)(iii)(v) and (vii) is being regularly breached by mobile truck vendors. If the Act is difficult for vendors to understand, S 7.14 of the Code is clear:

7.14. Where a lender reasonably suspects that the borrower does not have a good understanding of the English language, a lender should provide, or refer the borrower to, alternative methods or mechanisms for receiving the relevant information. This could involve the lender providing access to, or referring the borrower to, an interpreter or a member of staff who is fluent in the relevant language, or providing access to the information in that particular language. A lender should not rely on children under 18 or those with a potential conflict of interest to act as interpreters; for instance, where a parent is obtaining a loan for an adult child’s benefit, the child should not be an interpreter.

The Commerce Commission Mobile Trader 2014/15 project also identified that many of the sales agreements and credit contracts do not comply with the disclosure requirements of the FTA7 and the CCCFA8. They often fail to detail the goods purchased, the exact payment terms, the total amount owed and an end date.

The barriers to entering the market are low in this industry; currently there are about 40 companies with one of the largest operating 73 trucks. The government has no plans to regulate the mobile truck business and some central government politicians view it to be the role of local government to regulate this industry. I doubt any council will have an appetite to regulate these businesses.

Recommendations

- Introduce a total cost of credit cap.
- Improve disclosure requirements.
- Increase penalties and enforcement on oppressive contracts.
- Increase preventative measures for ESOL and consumers living in areas of poverty.

Angela Dalton
MANUREWA LOCAL BOARD CHAIR

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7 Fair Trading Act 1986
8 Credit Contracts and Consumer Finance Act 2003
08 August 2018

Richard Northey
Chairperson
Joint Governance Working Party

Dear Richard,

I request the Joint Governance working party direct priority be given to the deliverables of the ‘Improving the process of regional policy development’ key project as articulated in the Governance Framework Review Implementation Plan.

These deliverables were reached from the Governing Body recommendations¹ c) and d) below:

Regional policy and decision-making processes

c) approve the implementation of new mechanisms that ensure effective local board input to regional policy decisions, via a framework that sets out, at a minimum:
   i) a process for involving local boards in the development of regional work programmes at the beginning of each term and in an annual refresh
   ii) earlier, and more, joint engagement between local boards and the governing body in regional decision-making processes
   iii) requirements for analysis of local impacts and local interest of regional decisions and options, and reporting of this to local boards and the governing body
   iv) specified criteria for categorising the potential local impact and local board interest of regional decisions
   v) processes and methods for tailoring local board engagement so it is consistent with the local impact and local interest of regional decisions
   vi) specified methods for engagement and communication with local boards at all stages of the decision-making process.

d) approve local boards being consulted on the details of these mechanisms prior to implementation.

Furthermore, that recommendation 3) also be delivered:

e) endorse organisational capacity to enable local boards to be provided with policy advice on issues of local significance being considered through the organisational support workstream of the Governance Framework Review.

¹ Governing Body meeting held Thursday 28th September 2017
I hold a concern there is no operational ‘owner’ of ‘Improving the process of regional policy development’ noted in the implementation plan, however, ‘Improving organizational capacity to enable local boards to be provided with quality advice’ is owned by the Chief Planning Office, in my view there is an obvious link to ownership between the two deliverables and I further request the political working party confirm ownership for both deliverables.

I hold significant concerns with regard to how the role of Local Boards are viewed in terms of contribution to policy development by leadership within Community and Social Policy. It is my experience that Local Boards continue to receive limited information, suboptimal advice and time restrained opportunity for feedback on policy development. This of course contradicts the recommendations from the Gareth Stiven Report and the subsequent recommendations by the Governance Framework Review Committee which were endorsed the Governing Body.  

A current example is the Dog Bylaw Review. The referenced report has been ‘pulled’ from the Manurewa Local Board August business meeting as it does not meet expectations. Dog bylaws are one of the most sensitive of by-laws. My Board was provided with an opportunity to only give feedback on multiple dog ownership (with no supporting data), a time and season rule and a regional default rule for off leash. We were provided with no information or time to discuss changes to on leash/off leash designated areas within our ward.

We are about to head into a heavy workload of by law and policy development. It is critical that the leadership within Community and Social Policy are onboard with co-governance, specifically the recommendations by the Governing Body referenced in this letter to ‘effective local board input to regional policy decisions.’

Yours sincerely

Angela Dalton
MANUREWA LOCAL BOARD CHAIR

cc Joint Governance Working Party
Local Board Chairs

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1 Governance Framework Review Final Report 17 November 2016; Gareth Stiven
2 Governing Body meeting held Thursday 28th September 2017
3 Manurewa Local Board Dog Management workshop feedback report 16 August 2018
4 Manurewa Local Board Governance Review Final Report 17 November 2016; Gareth Stiven