

Notice is given that an ordinary meeting of the Full Council will be held on:

**Date:** Thursday 1 December 2016  
**Time:** 9.30 a.m.  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

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## Full Council

### AGENDA

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#### MEMBERSHIP

<b>Mayor</b>	Mayor R Kempthorne	
<b>Deputy Mayor</b>	Cr T King	
<b>Councillors</b>	Cr S Brown	Cr D McNamara
	Cr S Bryant	Cr D Ogilvie
	Cr P Canton	Cr P Sangster
	Cr M Greening	Cr T Tuffnell
	Cr P Hawkes	Cr A Turley
	Cr K Maling	Cr D Wensley

(Quorum 7 members)

Contact Telephone: 03 543 8444  
Email: [hannah.simpson@tasman.govt.nz](mailto:hannah.simpson@tasman.govt.nz)  
Website: [www.tasman.govt.nz](http://www.tasman.govt.nz)



## **AGENDA**

**1 OPENING, WELCOME**

**2 APOLOGIES AND LEAVE OF ABSENCE**

**Recommendation**

**That apologies be accepted.**

**3 PUBLIC FORUM**

**4 DECLARATIONS OF INTEREST**

**5 LATE ITEMS**

**6 CONFIRMATION OF MINUTES**

**That the minutes of the Full Council meeting held on Thursday, 10 November 2016, be confirmed as a true and correct record of the meeting.**

**7 PRESENTATIONS**

Nil

**8 REPORTS**

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## 8 REPORTS

### 8.1 A&P ASSOCIATION'S REQUEST FOR THE TAKAKA GRANDSTAND STAIRS TO BE RE-INSTATED

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Susan Edwards, Community Development Manager
<b>Report Number:</b>	RCN16-12-01

#### 1 Summary

- 1.1 Council has received a request from the Golden Bay A&P Association “for the two sets of stairs to be reinstated on the grandstand at the Golden Bay Recreation Park, subject to the decision from Heritage New Zealand being that the grandstand is to remain”. The Association would like the grandstand available for use at its January 2017 show.
- 1.2 At the time of writing this report the decision of Heritage New Zealand has only just become known. The decision is that the grandstand can be removed, subject to various conditions including the need for an archaeologist to be present during the demolition to record any materials of archaeological or heritage importance. The implications of the conditions are still being assessed due to the decision only just being received. The decision is subject to an appeal period of 15 days from Monday 21 November. The appeal rights only apply to those directly affected by the decision.
- 1.3 The A&P Association was advised of Heritage New Zealand’s decision on 22 November. Any response from them relating to their request in light of the decision will be verbally reported at the meeting.
- 1.4 The A&P Association’s request is coming to Council for a decision, as on 9 June 2016 Council decided not to reinstate the stairs following previous requests from grandstand supporters. That decision would need to be rescinded if Council agrees to the Association’s request.
- 1.5 The contractor building the new Golden Bay Community Recreation Facility has estimated the cost of replacing both sets of stairs at approximately \$4,000.
- 1.6 Council has the options of:
  - 1.6.1 agreeing to reinstate both sets of stairs to the grandstand, if Heritage New Zealand reverses its decision on any appeal;
  - 1.6.2 declining the request to reinstate the stairs.
- 1.7 The advantages and disadvantages of these options are outlined in this report.

- 1.8 Council also has the opportunity to appeal the decision or conditions contained in Heritage New Zealand decision which allows Council to remove the grandstand. In our view the conditions are fairly standard and the decision should not be appealed.

<b>2 Draft Resolution</b>
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**That the Full Council**

- 1. receives the A&P Association's Request for the Takaka Grandstand Stairs to be Re-Instated report RCN16-12-01; and**
- 2. notes that the grandstand building has received an initial engineering assessment of “potentially earthquake prone” with a “provisional rating of 31% of new building standard”; and**
- 3. notes that the decision of Heritage New Zealand that the grandstand can be removed is still subject to an appeal period of 15 days from Monday 21 November 2016; and**
- 4. declines the request dated 28 October 2016 from the Golden Bay A&P Association to reinstate the stairs to the grandstand at the Golden Bay Recreation Park, whether or not the decision of Heritage New Zealand is that the grandstand can be removed once the appeal period has elapsed; and**
- 5. agrees not to appeal the conditions contained in the Heritage New Zealand authority number 2017/389: N26/308 for Council to remove the grandstand.**

### 3 Purpose of the Report

- 3.1 This report's purpose is to seek a decision from Council on a request from the Golden Bay A&P Association to reinstate the stairs to the grandstand at the Golden Bay Recreation Park, subject to a decision from Heritage New Zealand that the grandstand is to remain.

### 4 Background and Discussion

#### Grandstand Stairs

- 4.1 The balance of this report was written prior to Heritage New Zealand's decision on the Council's application being known. The decision, subject to appeal, is that the grandstand can be removed. As the A&P Association's request was contingent on the decision being that the grandstand was required to stay, I have not rewritten the report and tried to second guess what the A&P Association may do but will report verbally to the meeting.
- 4.2 Council has received a request from the Golden Bay A&P Association "for the two sets of stairs to be reinstated on the grandstand at the Golden Bay Recreation Park, subject to the decision from Heritage New Zealand being that the grandstand is to remain". A copy of the request is attached as Attachment 1 to this report.
- 4.3 The Association notes that "the grandstand provides an announcers booth and covered seating not currently available elsewhere on show day." The request is to provide access for the show being held on Saturday 21 January 2017.
- 4.4 This request is coming to Council for a decision, as on 9 June 2016 Council decided not to reinstate the stairs following previous requests from grandstand supporters. The Association is aware of Council's decision and has asked for the matter to be reconsidered if Heritage New Zealand decide to decline Council's request to remove the grandstand. It would take a further Council resolution to change the direction to staff in the previous decision, should the Council wish to do so. The resolution from the meeting on 9 June was:

#### **CN16-06-1**

#### **That the Full Council**

- 1. receives the Grandstand Removal report RCN16-06-03; and**
  - 2. confirms that the grandstand building at the Golden Bay Recreational Park will be removed at the end of the 2016 rugby season to enable the clubroom and toilet facilities to be used until the end of the season; and**
  - 3. notes that part 2 of this resolution is subject to the granting of an authority to modify or destroy the grandstand under the Heritage New Zealand Pouhere Taonga Act 2014; and**
  - 4. declines the request to reinstate the southern stairs at the grandstand.**
- 4.5 The background on how the stairs came to be removed from the grandstand building is that Council staff gave the approval, following a request from the contractor building the new Facility, for the northern stairs on the grandstand to be removed. The stairs were obstructing the building access for the contractor to the building site for the new Facility. The contractor needed to be able to secure the building site with sufficient room to move machinery around within the fenced area and with sufficient room for the public to walk between the grandstand and the building site security fence.

- 4.6 At the same time as the northern stairs were removed the contractor removed the southern stairs, without express approval from Council.
- 4.7 Our understanding from the advice we've received is that due to fire egress requirements there can be a maximum of 50 people up in the grandstand if there is only one set of stairs. The grandstand can hold approximately 360 people. Therefore, we have not been able to replace only the southern stairs without doing further work to restrict numbers using the grandstand. If only the southern stairs are replaced, we would need to do some work to restrict the numbers of people who can use the grandstand.
- 4.8 The contractor building the new Golden Bay Community Recreation Facility has estimated the cost of replacing both sets of stairs at approximately \$4,000.
- 4.9 The request from the A&P Association is that, if Heritage New Zealand states that the grandstand is to remain, Council agrees to reinstate both sets of stairs.
- 4.10 At the time of writing this report the decision of Heritage New Zealand has only just become known. The decision is that the grandstand can be removed, subject to various conditions including the need for an archaeologist to be present during the demolition to record any materials of archaeological or heritage importance. The implications of the conditions are still being assessed due to the decision only just being received today. The decision is subject to an appeal period of 15 days from Monday 21 November. The appeal rights only apply to those directly affected by the decision.
- 4.11 The A&P Association will be advised of Heritage New Zealand's decision on 22 November. Any response from them relating to the decision will be verbally reported at the meeting.
- 4.12 At the show in January, there will be some covered viewing available without the use of the grandstand. The mezzanine floor in the new Community Facility can hold 40 people who will have viewing over the recreation park where the show is held. There is also viewing for 30-40 people available from the upper level of the old squash court building attached to the grandstand, which the squash club has agreed to make available on the day. People will also be able to stay undercover to view the show's grand parade from the function room in the new Facility and in the rugby clubroom under the grandstand. However, viewing from these areas could be impeded by people standing between the buildings and the recreation park.
- 4.13 We recommend that the stairs are not reinstated to the grandstand. If the Council wishes to reinstate the stairs to enable the grandstand to be used for the A&P show on 21 January 2017, then our recommendation is that this only occurs if Heritage New Zealand decides that the grandstand must remain, subject to no appeals being received during the appeal period.

#### **Heritage New Zealand Decision and Right of Appeal**

- 4.14 Council also has the opportunity to appeal the decision or conditions contained in the Heritage New Zealand decision which allows Council to remove the grandstand. The decision is attached in Attachment 2 for Council reference.
- 4.15 The guidance for applications made to Heritage New Zealand states that "only parties who are **directly** affected by the proposed activity can appeal the authority decision...The *Heritage New Zealand Pouhere Taonga Act 2014* does not define what a 'directly affected party' is, but the Environment Court determined the following: A directly affected party includes:
- any person with a proprietary interest in the land,



- the applicant for the authority that is the subject of the appeal,
- Tangata Whenua or Moriori (Chatham Islands) who are linked to the site through their ancestry, or
- other persons without a proprietary interest in the land such as children and grandchildren being directly affected by a proposal to dig up a grandparents grave.”

4.16 The above means that Council has standing to appeal, given we have a proprietary interest in the land and we are the applicant for the authority. However, in my view the conditions are fairly standard and reasonable. Therefore, my recommendation is that Council should not be appealing the decision.

## 5 Options

5.1 The Council has the following options for the stairs:

5.1.1 Option 1: agree to reinstate both sets of stairs to the grandstand at a cost of approximately \$4,000 if Heritage New Zealand declines Council's request to remove the grandstand following the appeal period (note: Heritage New Zealand has agreed to Council removing the grandstand, however, there is a 15 day appeal period on the decision from 21 November). This option will provide viewing for approximately 360 people for the A&P Show, particularly the grand parade. The disadvantages of this option are the cost associated with reinstating the stairs and the risk of allowing so many people into a building which has received an initial engineering assessment of “potentially earthquake prone” with a “provisional rating of 31% of new building standard”. Given the current seismic activity in the upper South Island, the risk of allowing use of the grandstand building could be fairly high. Also, some people attending the show may not wish to use the grandstand building if they were made aware of the building's provisional rating, which it would be sensible for us to make clear to users. Also, if Council is required to retain the grandstand by Heritage New Zealand, it will need upgrading at some stage at which time the stairs would need to be removed again.

5.1.2 Option 2: decline the request from the Golden Bay A&P Association for Council to reinstate the stairs. This option has the least financial cost to Council and is consistent with Heritage New Zealand's decision to allow Council to remove the grandstand, subject to the outcome of the appeal period. It does, however, pose reputational risk to Council of having the grandstand still present for the show but not being able to be used. However, if Council decides to remove the grandstand, then it will not be available for future shows and at some point the show organisers and patrons will have to adapt to not having the grandstand available. This option has less risk in the unlikely event that an earthquake occurs during the show at a time when the grandstand is being used. There would still be some risk in the event of an earthquake, as the old squash court and rugby clubrooms would be being used during the show. This is the recommended option.

5.2 The Council has the following options on the decision as to whether or not to appeal the Heritage New Zealand decision.

5.2.1 Option 1: Appeal the decision or the conditions attached to the decision. The decision was to grant Council approval to remove the grandstand building which was the

decision sought by Council. I consider that there are not grounds for Council to lodge an appeal as the conditions contained in the authority are fairly standard and are reasonable. This option is not recommended.

5.2.2 Option 2: Do not appeal the decision or the conditions attached to the decision. As noted above, I consider that there are not grounds for an appeal on the Heritage New Zealand decision and that Council should decide not to lodge an appeal. This is the recommended option.

## 6 Strategy and Risks

6.1 The risks of each of the options are outlined above in the analysis of the options available to Council.

## 7 Policy / Legal Requirements / Plan

7.1 The Council's current position, given its decision in June, is that the stairs should not be reinstated to the grandstand.

7.2 The Council sought approval from Heritage New Zealand to grant it approval to remove the grandstand and approval has been granted under the *Heritage New Zealand Pouhere Taonga Act 2014*.

## 8 Consideration of Financial or Budgetary Implications

8.1 The cost of reinstating the stairs, should Council choose to do so, is approximately \$4,000. There is currently no budget to cover the cost of this work. The project budget for the new Community Facility cannot afford this additional cost. We suggest that if the stairs are to be added back, that the cost of the work is paid for by the A&P Association.

## 9 Significance and Engagement

9.1 As noted in the assessment table below, this decision is likely to have some public interest to various groups in Golden Bay and to those people attending the A&P Show. The decision is also likely to be controversial, whichever option Council chooses. The decision is unlikely to have wider public interest outside Golden Bay and show attendees.

9.2 The Council is well aware of the mixed views of the Golden Bay community on the retention/removal of the grandstand. However, Council will have less understanding of the views of the community on whether to reinstate the stairs.

9.3 Overall, the decision is likely to have low to moderate significance. Given this level of significance, the time available to make a decision before the January 2017 show, and the cost of seeking public views relative to the cost of reinstating the stairs, I consider that consultation and public engagement is not needed prior to Council making the decision sought through this report.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Moderate	There will be a fairly high level of interest in this decision from the Golden Bay A&P Association, the Golden Bay Shared Recreational Facility Committee, the Keep Our Grandstand group, and attendees at the A&P Show in January. However, the decision is unlikely to be of much interest to the wider public. No matter which decision Council makes there is likely to be some controversy associated with it, due to the strong views in the community on the grandstand's future.
Is there a significant impact arising from duration of the effects from the decision?	Low	Whichever decision Council makes could be reversed at some stage in the future depending on the grandstand's future.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	The grandstand is not listed as a strategic asset in the Significance and Engagement Policy.
Does the decision create a substantial change in the level of service provided by Council?	No	The decision does not impact on the levels of service in Council's Long Term Plan.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any year or more of the LTP?	Low	The cost of reinstating the stairs is in the order of \$4,000. This cost is not substantial.
Does the decision involve the sale of a controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out service delivery?	No	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

## 10 Conclusion

10.1 The Golden Bay A&P Association has requested that Council reinstate the stairs to the grandstand at the Golden Bay Recreation Park, if Heritage New Zealand declines Council's request to allow it to remove the grandstand. Heritage New Zealand has approved Council's application to remove the grandstand, but that decision is subject to a 15 day appeal period from Monday 21 November. My recommendation is that the stairs are not reinstated,

whether or not the final approval of Heritage New Zealand is obtained to the removal of the grandstand.

- 10.2 My recommendation is that Council does not appeal the decision or the conditions in the decision from Heritage New Zealand.

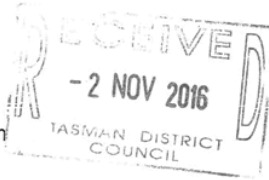
#### **11 Next Steps / Timeline**

- 11.1 Once Council makes the decision, I will advise the Golden Bay A&P Association of the decision.

#### **12 Attachments**

- |    |   |    |
|----|---|----|
| 1. | Letter from A&P Association re Takaka Showgrounds Grandstand Access | 13 |
| 2. | Heritage NZ Decision and Right of Appeal                            | 15 |

ALSO EMAILED 28/10/16



Golden Bay A&P Association  
c/- Cindy Rosser  
271 Uruwhenua Road  
RD1  
Takaka. 7183

Ph: 03 525 6227  
E: [goldenbayshow@gmail.com](mailto:goldenbayshow@gmail.com)  
Charities Comm. No. CC30313

28 October 2016

James Frater  
Tasman District Council  
Private Bag 4  
Richmond 7050

To Whom It May Concern

TAKAKA SHOW GROUNDS GRANDSTAND ACCESS

The Golden Bay A&P Association would like to formally request the access to the grandstand at Takaka Show Grounds be reinstated with 2 sets of stairs located at each end as previously erected. This request is subject to the decision from Heritage NZ being that the grandstand is to remain.

The grandstand provides an announcers booth and covered seating not currently available elsewhere on show day. This request is to provide access for the show being held on Saturday 21st January 2017.

Regards

Cindy Rosser  
Secretary Golden Bay A&P Assn.





HERITAGE NEW ZEALAND  
POUHERE TAONGA

S:\Archaeology\Archaeological Authorities

21 November 2016

File ref: 2017/389  
11013-049

Tasman District Council  
Private Bag 4  
RICHMOND 7050  
Attn: Susan Edwards  
Community Development Manager

Tena koe Susan

**APPLICATION FOR ARCHAEOLOGICAL AUTHORITY UNDER HERITAGE NEW ZEALAND  
POUHERE TAONGA ACT 2014: Authority no. 2017/389: N26/308, Golden Bay Recreation  
Park, 2032 Takaka Valley Highway, Takaka Valley**

Thank you for your application for an archaeological authority which has been granted and is attached.

In considering this application, Heritage New Zealand Pouhere Taonga notes that you wish to demolish the grandstand at Golden Bay Recreation Park and undertake development for a new community recreation facility and its associated car parking in Takaka Valley. This activity will affect a recorded archaeological site. The Golden Bay Grandstand has been a gathering-space for recreation and civic events for more than 117 years.

Although the grandstand has been extensively modified and added on to over the years, it still possesses important social and historical values. The proposed demolition of the building will remove the remaining archaeological and associated values that are retained within the structure.

We appreciate the consultation you have undertaken with Manawhenua Ki Mohua, who have indicated that they neither oppose or supports either side of the grandstand discussion.

Please inform the approved archaeologist and the Heritage New Zealand Pouhere Taonga Regional Office of start and finish dates for the work.

An appeal period from receipt of decision by all parties applies. Therefore this authority may not be exercised during the appeal period of 15 working days or until any appeal that has been lodged is resolved.

If you have any queries please direct your response in the first instance to:

Christine Barnett  
Regional Archaeologist  
Heritage New Zealand Pouhere Taonga, Wellington Office  
PO Box 2629, Wellington 6140

Phone (04) 494 8323 Email [Archaeologist1CR@heritage.org.nz](mailto:Archaeologist1CR@heritage.org.nz)

Yours sincerely

A handwritten signature in black ink, appearing to be 'Pam', with a horizontal line extending to the right.

Pam Bain  
Senior Archaeologist



cc: Tasman District Council  
Attn: Susan Edwards  
via email at [susan.edwards@tasman.govt.nz](mailto:susan.edwards@tasman.govt.nz)

cc: Deb Foster  
via email at [mamakunelson@xtra.co.nz](mailto:mamakunelson@xtra.co.nz)

cc: Manawhenua Ki Mohua  
via email at Bev Purdie [bpurdie1902@gmail.com](mailto:bpurdie1902@gmail.com)

cc: Planning Manager  
Tasman District Council  
via email at [susan.edwards@tasman.govt.nz](mailto:susan.edwards@tasman.govt.nz)

Pursuant to Section 51 Heritage New Zealand Pouhere Taonga Act 2014 Heritage New Zealand Pouhere Taonga must notify TLAs of any decision made on an application to modify or destroy an archaeological site. We recommend that this advice is placed on the appropriate property file for future reference.

cc: Ministry for Culture and Heritage  
via email at [protected-objects@mch.govt.nz](mailto:protected-objects@mch.govt.nz)

Pursuant to Section 51 Heritage New Zealand Pouhere Taonga Act 2014

cc: NZAA Central Filekeeper  
c/o DOC, WELLINGTON  
Attn: Nicola Molloy  
via email at [nmolloy@doc.govt.nz](mailto:nmolloy@doc.govt.nz)

cc: Heritage New Zealand Pouhere Taonga Regional Archaeologist, Christine Barnett

cc: Heritage New Zealand Pouhere Taonga Central General Manager, Claire Craig

cc: Heritage New Zealand Pouhere Taonga Maori Heritage Advisor, Dean Whiting



HERITAGE NEW ZEALAND  
POUHERE TAONGA

## **AUTHORITY**

### **Heritage New Zealand Pouhere Taonga Act 2014**

**AUTHORITY NO:** 2017/389

**FILE REF:** 11013-049

**DETERMINATION DATE:** 21 November 2016

**EXPIRY DATE:** 21 November 2021

**AUTHORITY HOLDER:** Tasman District Council

**POSTAL ADDRESS:** Private Bag 4, RICHMOND 7050

**ARCHAEOLOGICAL SITES:** N26/308

**LOCATION:** Golden Bay Recreation Park, 2032 Takaka Valley Highway, Takaka Valley

**APPROVED ARCHAEOLOGIST:** Deb Foster

**LANDOWNER CONSENT:** Completed

**This authority may not be exercised during the appeal period of 15 working days or until any appeal that has been lodged is resolved.**

#### **DETERMINATION**

Heritage New Zealand Pouhere Taonga grants a general authority pursuant to section 48 of the Heritage New Zealand Pouhere Taonga Act 2014 in respect of the archaeological described above, within the area specified as Pt sec 1, Sec 22 Takaka District Block X, Waitapu SD. NN75/221 Nelson Registry to Tasman District Council for the proposal to demolish the grandstand building at Golden Bay Recreation Park and undertake development of a new community recreation facility, infrastructure works and associated car parking at Golden Bay Recreation Park, 2032 Takaka Valley Highway, Takaka Valley, subject to the following conditions:

#### **CONDITIONS OF AUTHORITY**

1. The authority holder must ensure that all contractors working on the project are briefed by the approved archaeologist on the possibility of encountering archaeological evidence, how to identify possible archaeological sites during works, the archaeological work required by the conditions of this authority, and contractors' responsibilities with regard to notification of the discovery of archaeological evidence to ensure that the authority conditions are complied with.

2. The authority must be exercised in accordance with a Demolition and Building Recording Methodology Management Plan to be prepared prior to the start of works and approved by Heritage New Zealand Pouhere Taonga, and any changes to the plan require the prior written agreement of Heritage New Zealand Pouhere Taonga.

This plan should be developed by the approved archaeologist, the Tasman District Council Project Manager and the demolition contractor in order that the archaeological elements of the project can be carried out in conjunction with the demolition process to allow for efficient and effective archaeological site recording.

3. All earthworks that may affect any archaeological sites must be monitored by an archaeologist approved by Heritage New Zealand Pouhere Taonga.
4. Any archaeological evidence encountered during the exercise of this authority must be investigated, recorded and analysed in accordance with current archaeological practice.
5. The buildings at Golden Bay Recreation Park, 2032 Takaka Valley Highway, Takaka Valley must be investigated, recorded and analysed prior to their demolition to document and recover information about their construction, alteration and use through time. This is to be undertaken to a minimum standard of Level IV recording as defined in Guidelines for the Investigation and Recording of Buildings and Standing Structures (Archaeological Guideline Series No. 1).
6. The authority holder must ensure that if any possible taonga or Maori artefacts, or sites of Maori origin are encountered, all work should cease within 20 metres of the discovery. The Heritage New Zealand Pouhere Taonga Regional Archaeologist must be advised immediately and no further work in the area may take place until they have responded.
7. That within 20 working days of the completion of the on-site archaeological work associated with this authority;
  - a) An interim report outlining the archaeological work undertaken must be submitted to the Heritage New Zealand Pouhere Taonga Regional Archaeologist.
  - b) Site record forms must be updated or submitted to the NZAA Site Recording Scheme.
8. That within 12 months of the completion of the on-site archaeological work, the authority holder shall ensure that a final report, completed to the satisfaction of Heritage New Zealand Pouhere Taonga, is submitted to the Heritage New Zealand Pouhere Taonga Regional Archaeologist.
  - a) One hard copy and one digital copy of the final report are to be sent to the Heritage New Zealand Pouhere Taonga Regional Archaeologist.
  - b) Digital copies of the final report must also be sent to: NZAA Central Filekeeper; Nelson Provincial Museum; Manawhenua Ki Mohua

Signed for and on behalf of Heritage New Zealand.



Nicola Jackson  
National Heritage Policy Manager  
Heritage New Zealand Pouhere Taonga  
PO Box 2629  
WELLINGTON 6140

Date *21 November 2016*

**ADVICE NOTES****Contact details for Heritage New Zealand Regional Archaeologist**

Christine Barnett  
 Regional Archaeologist  
 Heritage New Zealand Pouhere Taonga, Wellington Office  
 PO Box 2629, Wellington 6140

Phone (04) 494 8323 Email [Archaeologist1CR@heritage.org.nz](mailto:Archaeologist1CR@heritage.org.nz)

**Current Archaeological Practice**

Current archaeological practice may include, but is not limited to, the production of maps/ plans/ measured drawings of site location and extent; excavation, section and artefact drawings; sampling, identification and analysis of faunal and floral remains and modified soils; radiocarbon dating of samples; the management of taonga tuturu and archaeological material; the completion of a final report and the updating of existing (or creation of new) site record forms to submit to the NZAA Site Recording Scheme. The final report shall include, but need not be limited to, site plans, section drawings, photographs, inventory of material recovered, including a catalogue of artefacts, location of where the material is currently held, and analysis of recovered material.

Please note that where one is required, an interim report should contain a written summary outlining the archaeological work undertaken, the preliminary results, and the approximate percentage of archaeological material remaining *in-situ* and a plan showing areas subject to earthworks, areas monitored and the location and extent of any archaeological sites affected or avoided.

**Rights of Appeal**

An appeal to the Environment Court may be made by any directly affected person against any decision or condition. The notice of appeal should state the reasons for the appeal and the relief sought and any matters referred to in section 58 of the Heritage New Zealand Pouhere Taonga Act 2014. The notice of appeal must be lodged with the Environment Court and served on Heritage New Zealand Pouhere Taonga within 15 working days of receiving the determination, and served on the applicant or owner within five working days of lodging the appeal.

**Review of Conditions**

The holder of an authority may apply to Heritage New Zealand Pouhere Taonga for the change or cancellation of any condition of the authority. Heritage New Zealand Pouhere Taonga may also initiate a review of all or any conditions of an authority.

**Non-compliance with conditions**

Note that failure to comply with any of the conditions of this authority is a criminal offence and is liable to a penalty of up to \$120,000 (Heritage New Zealand Pouhere Taonga Act 2014, section 88).

**Costs**

The authority holder shall meet all costs incurred during the exercise of this authority. This includes all on-site work, post fieldwork analysis, radiocarbon dates, specialist analysis and preparation of interim and final reports.

**Assessment and Interim Report Templates**

Assessment and interim report templates are available on the Heritage New Zealand Pouhere Taonga website: [archaeology.nz](http://archaeology.nz)

**Guideline Series**

Guidelines referred to in this document are available on the Heritage New Zealand Pouhere Taonga website: [archaeology.nz](http://archaeology.nz)

**The Protected Objects Act 1975**

The Ministry for Culture and Heritage (“the Ministry”) administers the Protected Objects Act 1975 which regulates the sale, trade and ownership of taonga tūturu.

If a taonga tūturu is found during the course of an archaeological authority, the Ministry or the nearest public museum must be notified of the find within 28 days of the completion of the field work.

Breaches of this requirement are an offence and may result in a fine of up to \$10,000 for each taonga tūturu for an individual, and of up to \$20,000 for a body corporate.

For further information please visit the Ministry’s website at <http://www.mch.govt.nz/nz-identity-heritage/protected-objects>.



HERITAGE NEW ZEALAND  
POUHERE TAONGA

## **APPROVED ARCHAEOLOGIST**

### **Heritage New Zealand Pouhere Taonga Act 2014**

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**AUTHORITY NO: 2017/389**

**FILE REF: 11013-049**

**APPROVAL DATE: 21 November 2016**

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**This approval may not be exercised during the appeal period of 15 working days, or until any appeal that has been lodged is resolved.**

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#### **APPROVAL**

Pursuant to section 45 of the Act, **Deb Foster**, is approved by Heritage New Zealand Pouhere Taonga to carry out any archaeological work required as a condition of authority 2017/389, and to compile and submit a report on the work done. Deb Foster will hold responsibility for the current archaeological practice in respect of the archaeological authority for which this approval is given.

**Signed for and on behalf of Heritage New Zealand.**

A handwritten signature in black ink, appearing to read 'NJ'.

**Nicola Jackson  
National Heritage Policy Manager  
Heritage New Zealand Pouhere Taonga  
PO Box 2629  
WELLINGTON 6140**

**Date** *21 November 2016*





**8.2 SAXTON FIELD JOINT COMMITTEE****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Susan Edwards, Community Development Manager
<b>Report Number:</b>	RCN16-12-02

**1 Summary**

- 1.1 This report seeks Council's agreement on the governance structure for Saxton Field being a Joint Committee of Nelson City and Tasman District Councils; agreement on the Terms of Reference for the Saxton Field Committee; and the appointment of Tasman District Council's members to the Joint Committee.
- 1.2 Saxton Field is an important regional recreation complex providing for a range of sports and recreational activities. Nelson City Council and Tasman District Council both own land and facilities in the complex and it has been managed and funded jointly for many years.
- 1.3 The Saxton Field Working Party was originally established (in 2003) to provide guidance on the creation of the Saxton Field Development Plan. The Working Party approach worked well initially, although there was always the need for decisions to be referred back to each Council for adoption.
- 1.4 In recent years the Working Party has failed to meet. Staff need decisions on a range of matters relating to the Saxton Field complex and for some time both Councils have agreed that there is a need to review the governance structure for Saxton Field. Various options for governance of the complex have been discussed over the years, without agreement being reached between the two Councils.
- 1.5 At the last joint Councils meeting prior to the elections, Saxton Field governance was discussed again. The option of having a Joint Committee governing Saxton Field was canvassed at the meeting and the indications at that time were that a Joint Committee of both Councils to govern Saxton Field was likely to be the preferred option. Staff were requested to bring back a report on a Joint Committee to the two Councils following the election for a decision.
- 1.6 A range of governance options are canvassed in this report, along with an analysis of their benefits, disadvantages and risks. Staff at both Councils recommend the Joint Committee option, as the preferred option.
- 1.7 We have jointly prepared a draft Terms of Reference for the Joint Committee, which we consider also meet the requirements of an agreement between the Councils, as required under the Local Government Act 2002. The draft Terms of Reference are attached for Council's consideration. The Terms of Reference provide for the Joint Committee to be comprised of 5 members, two from each Council and one independent person.

**2 Draft Resolution****That the Full Council**

- 1. receives the Saxton Field Joint Committee report RCN16-12-02; and**
- 2. approves the following recommendations, subject to approval of identical recommendations by the Nelson City Council:**
  - 2.1 establishes the Saxton Field Committee as a Joint Committee of Nelson City and Tasman District Councils to provide governance for Saxton Field; and**
  - 2.2 approves the terms of reference for the Saxton Field Committee contained in Attachment 2 to this report; and**
  - 2.3 confirms that the terms of reference for the Saxton Field Committee (Attachment 2) constitute an agreement as required under Schedule 7, clause 30A, of the Local Government Act 2002; and**
- 3. appoints Councillors King and Maling as Tasman District Council members of the Saxton Field Committee; and**
- 4. agrees to the Mayor, Councillors King and Maling, and the Chief Executive being delegated the power to make any minor amendments to the Terms of Reference for the Joint Committee, should that be necessary to deal with any amendments sought by Nelson City Council.**

### 3 Purpose of the Report

- 3.1 To agree on the governance structure for Saxton Field being a Joint Committee of Nelson City and Tasman District Councils; to agree the Terms of Reference for the Saxton Field Committee; and to appoint Tasman District Council's members on the Joint Committee.

### 4 Background and Discussion

- 4.1 The Saxton Field Working Party was originally established (in 2003) to provide guidance on the creation of the Saxton Field Development Plan. This was at a time when significant capital development was about to take place and there was a need to align capital budgets between Nelson City and Tasman District Councils. Saxton Field contains land owned by Nelson City Council and Tasman District Council – refer to attached map for details (Attachment 1).
- 4.2 In 2008 the Saxton Field Reserve Management Plan was approved by both Councils, following recommendation of the Working Party. It sets out the vision, objectives and policies for Saxton Field's development and management. The management objectives include the statement:
- 'Saxton Field in its entirety will be governed and managed as a regional reserve through a single organisation and set of policies.'*
- 4.3 Various options for governance have been explored over the years since that plan was adopted, without consensus being reached as to what the structure should be for governance, who should be represented on the group, or what decision making powers (if any) the governance group should have.
- 4.4 As a result, the Working Party has continued to meet, on a somewhat ad hoc basis, with no agreed terms of reference and no delegation to make any decisions. Recommendations made by the group are considered individually by the two Councils, which could potentially lead to inconsistent decision making, and different policies being applied.
- 4.5 In 2010 Nelson City Council received an independent report which recommended that the Councils should create a new business unit to manage Saxton Field, and a Saxton Field Board to provide governance to that business unit.
- 4.6 It was recommended that the Board should be given delegated authority to:
- act within Saxton Field's financial envelope including operational and general development budgets; and
  - set policy for the approach to fees and charges for the use of Saxton Field and its facilities; and
  - develop joint strategic direction for the facility based upon clear parameters as set in the overriding principles; and
  - oversee the development of operational management processes; and
  - develop a memorandum of understanding to be agreed by both Councils.
- 4.7 At this point in time there is no perceived need to establish a standalone business unit for operational management of Saxton Field, but there is merit in considering the recommendations in relation to governance.

- 4.8 It is noted that officers from both Councils have been working on this issue and options for some time now and are of the view that a Section 17A Service Delivery Review under the Local Government Act 2002 is not required for the governance of Saxton Field. Essentially, this report covers the review of governance options for Saxton Field and replaces the need to undertake a Section 17A review. A full range of governance models were considered at a meeting between two Councillors from each Council (refer Attachment 3). A joint committee was preferred by the majority of the Councillors present at that meeting. Operational and management contracts will be reviewed once a decision has been made on the governance issues. At this point a Section 17A review may be undertaken and the new governance body for the complex could assist with this process.
- 4.9 At the last joint Councils meeting prior to the elections, Saxton Field governance was discussed. The option of having a Joint Committee governing Saxton Field was canvassed at the Joint Councils meeting and the indications at that time were that a Joint Committee of both Councils to govern Saxton Field was likely to be the preferred option. Staff were requested to bring back a report on a Joint Committee to the two Councils following the election for a decision.
- 4.10 There are some key issues facing Saxton Field that would benefit from governance direction through a Joint Committee. These include:
- Saxton Field Funding (see below); and
  - marketing, management and maintenance of the complex; and
  - Saxton Field Events strategy; and
  - clear point of governance contact for Saxton Field user groups; and
  - determining future development requirements; and
  - review of the Saxton Field Reserve Management Plan; and
  - review of budgets relating to Saxton Field prior to both Councils drafting their Long Term Plans 2018-2028; and
  - identifying other policies required for Saxton Field (e.g. procurement/ticketing/catering) and any Section 17A review of operational and management contracts for the complex.
- 4.11 With the structure currently in place each of these issues is either subject to the policies of one of the Councils or is subject to resolution by the two Councils at two different meetings. This has the potential to result in a lack of consistency and could be inefficient for all concerned if the two Councils' resolutions do not match up.
- 4.12 We have prepared and provided Draft Terms of Reference (Attachment 2) to give clarity around the roles and responsibilities of the proposed Saxton Field Committee.

### **Saxton Field Funding**

#### Capital Funding

- 4.13 Historically, proposals for capital projects at Saxton Field have been considered by the Regional Funding Forum. The Forum had no formal delegations, but would make recommendations to both Councils regarding the funding split. It was then up to each Council to make the necessary provision within its Long Term Plan.

- 4.14 The Regional Funding Forum has not met for two years, and the pace of new development at Saxton Field has slowed significantly. It is therefore recommended that if the Councils set up a governance structure with delegated authority that it would be charged with making recommendations to the Councils in relation to new capital projects at Saxton Field.

#### Operating Funding

- 4.15 Operational funding is currently split between the two Councils, using a formula which takes into account the additional maintenance costs experienced by both Councils since Saxton Field was declared a regional facility, and the maintenance costs experienced by Tasman District Council in relation to the Avery fields.
- 4.16 One of the key roles of any governance structure for Saxton Field is to review and make recommendations on this funding split. Staff at both Councils are aware of the need to review the formula as a result of recent population changes. It has, however, been difficult to undertake such a review without the Working Party or some other governance structure being in place for Saxton Field.
- 4.17 Council's Community Facilities Activity Management Plan contains the following wording:

*'To date the development of Saxton Field has been carried out by the Working Party. Council proposes to work together with Nelson City Council to review and formalise the governance arrangements for, and future management of, Saxton Field. The governance arrangements will cover:*

- *the future development programme for new facilities (including those required to service the new velodrome and Avery football fields, located on land owned by Tasman District Council);*
- *review of charging regimes;*
- *review of user contributions towards development / maintenance / renewals of facilities;*
- *review of the Saxton Field Management Plan; and*
- *development of Levels of Service for Saxton Field.*

*Council's borrowing for Saxton Field facilities will be limited to the size of the outstanding loans in 2014/15. Council's contribution to additional capital expenditure will only be met from principal repayments on existing loans. Further investment in Saxton Field will be limited to an amount equivalent to the principal repayments Council makes on the existing loans, averaged over the years of the Long Term Plan 2015-2025.'*

#### **Agreement with Nelson City Council**

- 4.18 Clause 30A(2), of Schedule 7 of the Local Government Act 2002 requires councils to reach agreement on:
- (a) the number of members each local authority or public body may appoint to the joint committee; and
  - (b) how the chairperson and deputy chairperson of the committee are to be appointed; and
  - (c) the terms of reference of the committee; and
  - (d) what responsibilities (if any) are to be delegated to the committee by each local authority or public body; and
  - (e) how the agreement may be varied.

- 4.19 The terms of reference have been written in a way such that they represent the agreement between the two Councils and cover the requirements of Clause 30A in Schedule 7 of the Act.
- 4.20 Nelson City Council will be receiving a similar report to this one at its meeting on 15 December 2016.

## 5 Options

- 5.1 There are several governance options for Saxton Field open to the Councils.
- 5.2 The Councils could decide that they want to provide direct governance to the facilities and the part of Saxton Field owned by their respective Council. This option would run counter to the policy of shared governance by the two Councils within the Reserve Management Plan and would result in weaker strategic alignment of management, marketing and policy across the whole Saxton Field complex. This option is not supported as it comes with risk in relation to the relationship with, and funding received from, the Nelson City Council, which is also an owner and key stakeholder in the regional facility.
- 5.3 Other options rely on Council continuing to share governance with Nelson City Council. There are a number of ways this could be structured.
- 5.4 Firstly, the Councils could agree to continue with the Saxton Working Group. This has no delegations and means that governance decisions still need to be referred back to the two Councils. The potential difficulties with this approach have been outlined earlier in this report.
- 5.5 Alternatively, the Councils could set up a Joint Committee of the two Councils with delegation to make decisions in relation to Saxton Field. This is the preferred option. This option would streamline decision making and give users and events organisers a single forum to talk to. If this option is adopted, then consideration needs to be given to:
- the number of Councillors from each Council to be represented on the committee; and
  - whether any independent members should be appointed to the committee; and
  - who would chair the committee; and
  - what level of delegation the committee should have for decision making.
- 5.6 If this option is approved, we recommend that the committee is made up of 5 members, two Councillors from each Council and one independent member. The Mayor has advised me that his suggestions are for Councillors King and Maling to be Tasman District Council's representatives on the Joint Committee, should Council agree to its establishment.
- 5.7 Chairmanship of the committee could rotate between Councils. However, we recommend that the independent member be appointed Chair to ensure consistency and continuity if elected membership is changed. An independent member will be appointed at the inaugural Saxton Field Committee meeting, upon consideration of an officer report on the matter.
- 5.8 Finally, the Councils could set up a CCO to manage and govern Saxton Field. This option would potentially make it more difficult to maintain the integration of Saxton Field facilities with other Council facilities, particularly in relation to sports field allocations. It would also impose significant extra costs on the Councils and is not recommended at this point in time.

- 5.9 Whichever option is chosen, it is important to give clarity in relation to delegations, roles and responsibilities. Attachment 2 contains draft terms of reference for a Saxton Field Board, based on the Joint Committee model. The Terms of Reference cover the matters of membership; meetings; areas of responsibility; powers to decide and recommend; roles of the Committee, Chair and staff; the appointment and remuneration of the independent member; reporting; and varying and reviewing the Terms of Reference.
- 5.10 The table below summarises an analysis of the various options available to the Councils.

#### **Option 1: Direct Governance of facilities by each Council**

Advantages	Brings decision makers closer to facility users Brings clarity of responsibility and accountability.
Risks and Disadvantages	Not aligned with Reserve Management Plan. Could impact on operational funding received from Nelson City Council. Could result in inconsistency of policies and standards across the complex.

#### **Option 2: Status Quo – continue with a working group**

Advantages	Can be serviced within existing staff resources.
Risks and Disadvantages	No decision making powers Places an additional tier of governance between users and decision makers.

#### **Option 3: Establish joint committee of the two Councils**

Advantages	Brings decision makers closer to facility users. Ensures co-ordination and consistency across facilities owned by the two Councils.
Risks and Disadvantages	Likely to increase demands on staff time on policy and operational matters. Additional administrative support required (to be provided by Tasman District Council).

#### **Option 4: Establish a joint CCO to manage and govern Saxton Field**

Advantages	Brings decision makers closer to facility users. Ensures co-ordination and consistency across facilities owned by the two Councils.
Risks and Disadvantages	Additional costs associated with CCO's (board and audit fees). Reduced integration with other sports fields and facilities. Blurring of roles as Council officers and contractors would have to operate under two governance frameworks.

**6 Strategy and Risks**

- 6.1 The key risks associated with the options outlined in the report have been discussed in the table in section 5.
- 6.2 The risk with Council making a decision on the contents of this report and on the Terms of Reference in Attachment 2 is that the Nelson City Council will opt for a different option or seek changes to the Terms of Reference. The option of having a Joint Committee was canvassed at a Joint Councils meeting not long before the election and the indications at that time were that a Joint Committee of both Councils to govern Saxton Field was the preferred option which staff were requested to bring back to the two Councils following the election for a decision.

**7 Policy / Legal Requirements / Plan**

- 7.1 As noted in paragraph 4.18 above, the establishment of a Joint Committee is governed by the provisions of clause 30A in Schedule 7 of the Local Government Act 2002. Staff consider that the requirements of the legislation have been met.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 The decisions being sought in this report do not have financial or budgetary implications. While the Joint Committee will meet more frequently than the Working Party did we are not expecting the costs of servicing the Joint Committee to be very different from the costs of servicing the previous Working Party.
- 8.2 The one exception to this will be the cost of the Independent Chairperson appointed to the Joint Committee. There will be the cost of paying them to prepare for and attend Committee meetings.

**9 Significance and Engagement**

- 9.1 The significance of the decisions sought in this report is likely to be of a low to moderate level overall. The decisions will be of low to moderate level of public interest, given that they deal with the governance of Saxton Field, which is a regional recreation facility well-used by many residents of both Tasman and Nelson.
- 9.2 Good governance of the complex is important to help maximise the community, recreational and economic benefits it brings into the region. Establishing a Joint Committee to govern Saxton Field will help facilitate engagement and communication with relevant stakeholders.
- 9.3 No specific consultation has taken place in relation to this report, other than with officers of the Nelson City Council.
- 9.4 However, Council is aware that the users of Saxton Field have been asking for some time for the Councils to improve the governance of the complex and to have a single governance body for the complex. These requests provide the Councils with an indication of the views of Saxton Field users on which they can rely when making these decisions. The proposed Joint Committee will provide a single governance point of contact requested by some user groups.



- 9.5 The proposal to have a single governance body is contained with the Saxton Field Reserve Management Plan and the Community Facilities Activity Management Plan, both of which were consulted on.
- 9.6 Staff are, therefore, of the view that consultation is not required prior to the Councils making the decisions sought in this report.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low to moderate	Saxton Field is a well-used and high profile complex. Therefore, its governance will be of some interest to the community.
Is there a significant impact arising from duration of the effects from the decision?	Low	The decision on how to govern Saxton Field could be changed fairly easily at some stage in the future if required.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
Does the decision create a substantial change in the level of service provided by Council?	No	The decisions sought in this report will not change any levels of service in Council's Long Term Plan 2015-2025, however, they will improve access to the governing body of the complex for user groups.

Does the proposal, activity or decision substantially affect debt, rates or Council finances in any year or more of the LTP?	No	
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	The decisions sought further develop the existing partnership Council has with Nelson City Council. It is not a private sector partnership as Nelson City Council is another local authority. The decisions do not affect a group of activities, as Saxton Field is a component of the wider Community Facilities and Reserves group of activities.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	The Council will be retaining joint control of Saxton Field with Nelson City Council, and, as noted above, the complex is not a separate group of activities.

## 10 Conclusion

10.1 The issue of Saxton Governance has not been adequately resolved for some time. We recommend that both Councils make a decision on the preferred governance structure being a Joint Committee of both Councils and agree to the levels of delegated responsibility outlined in the Terms of Reference for the Saxton Field Committee.

## 11 Next Steps / Timeline

11.1 If both Councils agree to the establishment of the Saxton Field Committee and appoint their members to the Committee, staff will organise the meetings for the Committee. The independent member of the Committee is to be agreed to by both Councils prior to June 2017.

## 12 Attachments

- |                                    |    |
|------------------------------------|----|
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| 2. Draft Terms of Reference        | 37 |
| 3. Saxton Field Governance Options | 41 |

**Attachment 1: Map of Saxton Field Ownership**





## Saxton Field Committee

### **DRAFT** Terms of Reference

#### **1. Purpose**

The Saxton Field Committee (the Committee) is to oversee the development and management of Saxton Field on behalf of Nelson City Council and Tasman District Council (the councils).

#### **2. Membership**

Each council must appoint two elected members to the Committee.

An independent member will be appointed at the inaugural Saxton Field Committee meeting, upon consideration of an officer report on the matter. At the inaugural meeting a Chairperson will be elected for the purposes of the inaugural meeting only, and will not have a casting vote at that meeting.

The independent member will be the Chair of the Committee.

If the Chair is unavailable a Chairperson will be elected from among members attending on the day.

#### **3. Stakeholders**

Representatives from iwi, relevant sporting codes, relevant community groups, and Sport Tasman may be invited to attend Committee meetings as key stakeholders when required. However, these representatives will only have speaking rights with the agreement of the Committee Chair. The representatives will not have voting rights.

#### **4. Quorum**

Quorum for the Committee is three members, including a minimum of one councillor each from Nelson City Council and Tasman District Council.

#### **5. Meeting Frequency**

Ordinary Committee meetings will be held at least three times per year, or as needed.

#### **6. Areas of Responsibility**

The Committee is responsible for:

- Considering proposals for reserve development
- Promotion and marketing of Saxton Field as a regional venue
- Capital development of Saxton Field
- Developing a naming and signage policy and considering requests under this policy
- Considering applications for leases and licenses

- Activities, developments and management actions provided for in the adopted Saxton Field Reserve Management Plan and associated policies
- Developing a work programme including any community consultation required.

### **7. Powers to decide**

- Matters relating to items provided for in the approved operations, capital expenditure and maintenance budgets for Saxton Field
- Matters relating to marketing of Saxton Field, within approved budgets and policies
- Approval of applications for concessions

### **8. Powers to recommend**

The Committee has powers to recommend to the Nelson City Council, and the Tasman District Council:

- Future capital works programmes
- Financial contributions for the operations, maintenance and capital development of the reserve
- Reserve policies for approval including the Saxton Field Reserve Management Plan and any Development Plan
- Leases, licenses and easements (to the relevant Council)
- Any other matters within the areas of responsibility noted above

All recommendations will carry the rider that it shall be subject to adoption by the other Council, unless for a matter specific to one Council.

### **9. Role of the Committee**

- To act as a governance group for matters relating to Saxton Field
- To request, receive and consider any information relevant to the areas of responsibility
- To be an interface between community groups and the two councils
- To report to Nelson City Council, and Tasman District Council when required

### **10. Role of the Chair**

- To review the agenda with staff prior to Committee meetings
- To chair meetings according to the agreed agenda and to assist the Committee to reach consensus on issues and options

## 11. Role of staff

Staff provide technical expertise, project management and administrative support to the Committee. Their role is to:

- Provide advice and reports to enable full consideration of the options before the Committee
- Provide advice to the Committee on legal and statutory issues and obligations
- Lead technical discussions on options under consideration
- Manage project resources (budget and staff time)
- Manage project issues, risks, changes and advise the Committee of issues as they arise
- Provide staff reports to meetings at decision making points
- Organise and manage engagement with key stakeholders and the wider community
- Keep Committee members briefed on key communications with key stakeholders and the public
- Prepare and distribute agendas for Committee meetings
- Maintain records of processes used, options considered, key decisions made by the Committee and reasons for decisions, so that the decision making process can be clearly understood

## 12. Independent member

The independent member will be appointed to ensure national good practice is represented on the Committee. The independent member will have skills in one or more of the following areas:

- Recreation planning
- Sport and Recreation Management Marketing
- Communications
- Events Management

The independent member should also be able to demonstrate:

- Experience in chairing committees, boards or trusts
- Effective communication and facilitation skills
- Strong leadership qualities
- An ability to get along well with a range of people
- An understanding of local government processes.

**13. Remuneration**

The independent Chair will be remunerated in accordance with the rates set out in the Local Government Elected Members (certain Local Authorities) Determination for resource consent hearings.

A minimum fee rate of one hour and a maximum fee rate of three hours will be paid to the independent Chair, per legally constituted meeting.

Reimbursement of the independent Chair's expenses relating to vehicle mileage and travel time will be done in accordance with the Tasman District Council Expenses Policy for Elected Members. To claim expenses the independent chair is required to fill out and submit a claim form to seek reimbursement. Any such claim must be made within the relevant financial year.

**14. Interests**

Interests should be declared at the start of Committee meetings.

**15. Reporting**

- Agendas and minutes of Committee meetings will be prepared by Tasman District Council.
- Minutes of Committee meetings will be received by each Council, at which point any recommendations to the Council/s will be considered.
- Committee meetings will comply with the Local Government Official Information and Meetings Act 1987 (Part 7, 45(1)).
- Tasman District Council Standing Orders apply to Committee meetings.

**16. Varying Terms of Reference**

These terms of reference may be varied by resolution of both councils and any such resolution shall carry the rider that it shall be subject to adoption by the other council.

**17. Review of Terms of Reference**

These Terms of Reference will be reviewed after one year of Committee operations, and no later than the third year of the 2016-19 triennium.

**18. Dissolution of the Committee**

The councils may dissolve the committee at any time. Any such dissolution is completed once both councils have separately confirmed the decision by resolution.



**Saxton Field Governance Options**

The purpose of this paper is to examine the options for governance arrangements at Saxton Field between Nelson City Council (NCC) and Tasman District Council (TDC).

The intent is that this work may feed into discussions with NCC on the options for Saxton Field governance.

Governance model	Circumstances when used	Examples
<p><b>Joint Committees</b></p> <p>Under this option the two Councils would form a joint Committee with a formal Terms of Reference (ToR) and delegations to make specific decisions and clear indication of when decisions need to be recommended back to the Councils.</p>	<ul style="list-style-type: none"> <li>• Where the two Councils are comfortable with delegating decision making to a subset of Councillors from each Council.</li> <li>• Where the two Councils have a common objective to achieve</li> <li>• Where shared governance arrangements and decision-making provide benefits to the Councils involved</li> <li>• Where there is a need for strategic input from the Councils involved</li> <li>• Where they deal with cross-Council matters</li> </ul>	<p>Joint Shareholders Committee (NCC/TDC)</p> <p>Waimea Rural Fire Committee (TDC/NCC/others)</p> <p>NRSBU (NCC/TDC)</p>
<p><b>Joint Working Party</b></p> <p>(This has been the traditional governance arrangement between the two Councils for Saxton Field)</p> <p>Under this option the Councils would form a joint working party involving Councillors and staff from each Council. A formal ToR would be prepared outlining the responsibilities of the working party and all decision would be recommended back to the two Councils.</p>	<ul style="list-style-type: none"> <li>• Where the two Councils are comfortable with discussing matters collaboratively between a subset of Councillors and staff from each Council and with powers to recommend back to the two Councils, but where the Councils are not comfortable with delegating decision making</li> <li>• Where the two Councils have a common objective to achieve</li> <li>• Where shared governance arrangements and input from Councillors and staff provide benefits to the Councils involved</li> <li>• Where there is a need for strategic input from the Councils involved and issues need to be discussed collaboratively before being taken back to the two Councils for a decision</li> <li>• Where they deal with cross-Council matters</li> </ul>	<p>Saxton Field Working Party</p> <p>Joint Waste Working Party</p>
<p><b>Formal service agreements</b></p> <p>Under this option one Council could pass over its responsibility for managing and developing Saxton Field to the other Council under a formal service agreement and for a specified and agreed cost.</p>	<ul style="list-style-type: none"> <li>• Where pooling of resources &amp; where sharing of knowledge or expertise provide advantages</li> <li>• Where specialist knowledge is held in one Council</li> <li>• Where the Councils want to retain control of service levels and the levels of service can be easily identified, explicitly stated in agreements and performance can be measured</li> <li>• Where one of the Councils has a short-term increase in workload, when others may have some capacity to help out</li> <li>• Where implementation is needed after the time it takes to negotiate and prepare an agreement (i.e. short to medium term)</li> </ul>	<p>Biosecurity – joint Regional Pest Management Strategy &amp; biosecurity operations (TDC lead/NCC)</p> <p>Hydrology services (TDC lead/NCC)</p> <p>Civil Defence Emergency Management</p>

	<ul style="list-style-type: none"> <li>• Where there a limited financial implications and the costs of the service can be easily quantified</li> <li>• Where the Councils involved benefit from economies of scale</li> <li>• Where there may be moderate levels of risk and accountability that need to be formally addressed through an agreement</li> </ul>	<p>services (NCC lead/TDC)</p> <p>Saxton Field (NCC/TDC)</p>
<p>Joint outsourcing of management services</p> <p>Under this option the Councils could consider handing over responsibility for Saxton Field to a Trust or company to manage and develop on their behalf.</p>	<ul style="list-style-type: none"> <li>• Where there is specialist expertise outside of the Councils needed for the management of the facility</li> <li>• Where the Councils involved want to procure consistent services, and where the levels of service can be easily identified, explicitly stated in agreements and performance can be easily measured</li> <li>• Where the service or activity undertaken is repetitive or it is needed regularly</li> <li>• Where there is little need for strategic input from the Councils involved</li> <li>• Where implementation is needed after the time it takes to negotiate and prepare an agreement (i.e. short to medium term)</li> <li>• Where there are financial benefits or economies of scale from procuring the services by two or more of the Councils</li> <li>• Where the service’s risks and accountabilities can be transferred to a Trust or service provider</li> </ul>	<p>Management of TDCs community halls is undertaken by Hall Committees</p>

Ownership model	Circumstances when used	Examples
<p>Council Controlled Organisation (CCO)</p> <p>Under this option the Councils would form a CCO with either independent directors or a mix of Councillors and independent directors.</p>	<ul style="list-style-type: none"> <li>• Where there are benefits from involving people with specialist technical knowledge in governance arrangement</li> <li>• Where there are benefits from having independence from the Councils or where the Councils want independence from the activity</li> <li>• Where there is plenty of time available to set up a CCO and go through the legislative requirements</li> <li>• Where management and finances can be easily separated from other Council activities</li> <li>• Where levels of service expected are not as critical to the Councils and where they can be covered adequately through having input through Statements of Intent</li> <li>• Where there are moderate to high levels of risk</li> </ul>	<p>Nelson Airport Ltd</p> <p>Nelson Tasman Tourism (Tourism Nelson Tasman Ltd)</p>
<p>Trust - Council Controlled Organisation (CCO)</p> <p>Under this option the Councils would form a Trust (CCO) with either independent trustees or a mix of Councillors and independent trustees.</p>	<ul style="list-style-type: none"> <li>• Where there is the opportunity to receive other financial benefits from being part of a Trust structure</li> <li>• Where there are benefits from involving people with specialist technical knowledge in governance arrangement</li> <li>• Where there are benefits from having independence from the Councils or where the Councils want independence from the activity</li> <li>• Where there is plenty of time available to set up a CCO and go through the legislative requirements</li> <li>• Where management and finances can be easily separated from other Council activities</li> </ul>	<p>Tasman Bays Heritage Trust</p>

	<ul style="list-style-type: none"> <li>• Where levels of service expected are not as critical to the Councils and where they can be covered adequately through having input through Statements of Intent</li> <li>• Where there are moderate to high levels of risk</li> </ul>	
<p>Sale of TDC portion of Saxton Field to NCC</p> <p>This option would mean that TDC would sell the portion of Saxton Field it owns to NCC and to exist from the shared service arrangement. The Councils would need to consider whether it is appropriate for Avery Field to be included in any area sold.</p>	<ul style="list-style-type: none"> <li>• Where there is a view that Saxton Field is better managed and developed solely by one Council</li> <li>• Where the benefits of providing the service related to the residents of one area only or that the benefits provided to the other area can be contributed through an alternative means (e.g. annual operating grant only)</li> <li>• Where implementation is needed after the time it takes to negotiate and prepare an agreement (i.e. medium term)</li> <li>• Where there is sufficient time to consult the public on the proposed sale of a significant asset and change in delivery of an activity</li> <li>• Where there is little need for strategic input from TDC in the delivery of the service</li> <li>• Where the financial benefits and costs can be appropriately defined and allocated.</li> </ul>	



**8.3 EASTER SUNDAY TRADING****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Sharon Flood, Strategic Policy Manager
<b>Report Number:</b>	RCN16-12-03

**1 Summary**

- 1.1 The Government recently introduced a new law to allow shop trading on Easter Sunday. Decision making has been devolved to each territorial authority to decide whether retailers in their districts can open on Easter Sunday.
- 1.2 The public surveys undertaken indicate that overall our community is divided as to whether shops should be allowed to trade on Easter Sunday. The online survey, which was self-selecting, indicated that approximately 62% were against allowing trading on Easter Sunday, while 38% were in support. This compared to the independent telephone survey where a total of 595 individuals were interviewed across the Nelson/Tasman Region. In this survey 55% were in support, and 45% against Easter Sunday trading.
- 1.3 Based on the survey results, staff recommend that before a final decision is made, the attached draft Easter Sunday Shop Trading Policy is released for public consultation and submissions.
- 1.4 Nelson City Council will be considering the survey results and the draft policy at their Council meeting on 15 December 2016. It is proposed that we have a joint Nelson/Tasman Easter Sunday trading policy and also a joint hearing panel to hear submitters and make a recommendation back to Council for a final decision.

**2 Draft Resolution**

**That the Full Council**

- 1. receives the Easter Sunday Trading report RCN16-12-03; and**
- 2. approves the release in mid-December 2016 of the draft Nelson/Tasman Easter Sunday Shop Trading Policy for implementation in Easter 2017; and**
- 3. appoints the following three members to joint Nelson/Tasman Hearing Panel to hear submissions and make recommendations back to Council for a decision:**
  - a. Councillor \_\_\_\_\_**
  - b. Councillor \_\_\_\_\_**
  - c. Councillor \_\_\_\_\_; and**
- 4. agrees to the Mayor, Cr Canton, and the Chief Executive Officer signing off any minor editorial amendments to the Policy prior to it being released for public consultation and submissions, including the ability to change the Policy should Nelson City Council decide not to proceed.**

### 3 Purpose of the Report

- 3.1 To consider the results from the online community survey and telephone survey, and to make a decision as to whether to release a draft policy on Easter Sunday shop trading for public submissions. If a policy is released, a decision is also required as to when to undertake the public consultation process.
- 3.2 To determine who will represent our Council on the joint Nelson/Tasman hearing panel.

### 4 Background and Discussion

- 4.1 The Government recently introduced a new law to allow shop trading on Easter Sunday. Instead of making a decision at central government level, decision making has been devolved to each territorial authority to decide whether retailers in their districts can open on Easter Sunday.
- 4.2 A report on Easter Sunday shop trading (report RCN16-10-10) was received by Council on 27 October 2016, and again on 10 November 2016 (report RCN16-11-10). At the meeting on the 27 October, Council agreed to undertake a public survey to gather the views of the community before a decision on whether to release a policy was made. It was also agreed that staff would work with Nelson City Council in an effort to align any adopted policy.
- 4.3 As requested by Council, the report on 10 November 2016 presented two potential timelines for the public release of any proposed Easter Sunday Shop Trading Policy. The first timeline was for the policy to be in place for Easter trading in 2017, and the second for Easter trading in 2018. A decision is required as to which timeline should be adopted if a policy is released. Both timelines are appended in Attachment 1.
- 4.4 The legislation prescribes that in order to adopt an Easter Sunday shop trading policy, the special consultative procedure must be used as set out in section 83 of the Local Government Act 2002.

### Survey Results

#### Online Survey

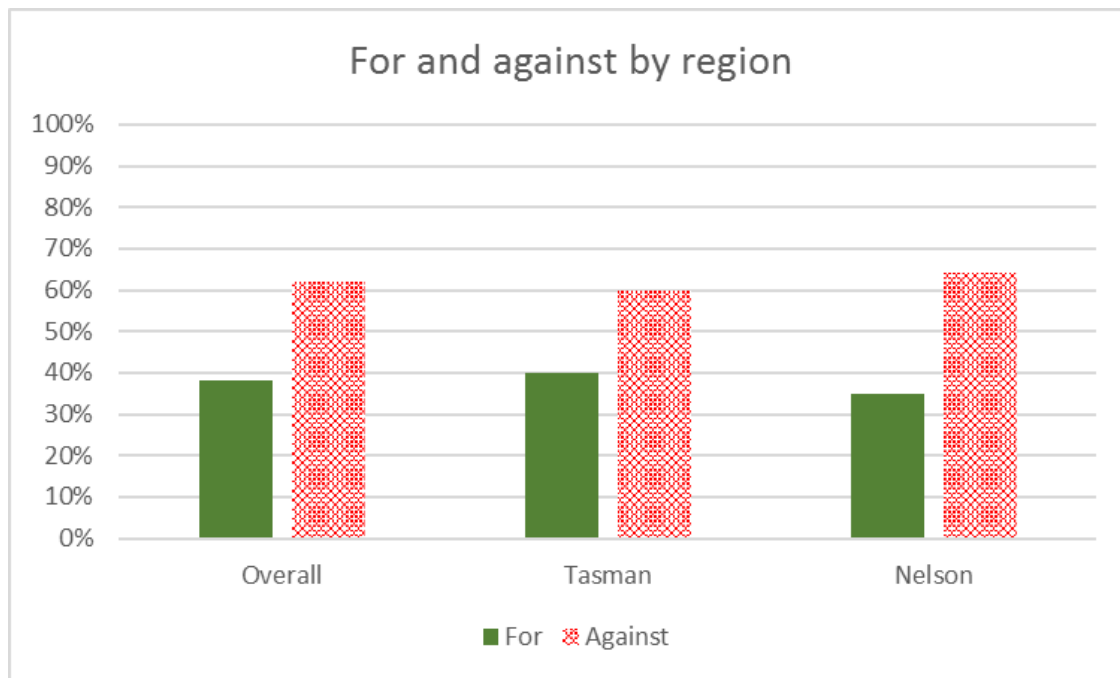
- 4.5 A joint Nelson/Tasman online survey was undertaken between 31 October 2016 to 17 November 2016. A total of 1421 participants took part. This was a 'self-selection' survey rather than a 'random sample' of residents. Of those respondents that answered the question (1421) 62% were opposed to Easter trading and 38% were in support (see graph below).
- 4.6 There were a number of comments received in response to the online survey both for and against Easter Sunday trading.
- 4.7 Of those respondents in favour of Easter Sunday trading, reasons cited included:
  - *Stronger local economy*
  - *For the benefit of traveller's and local's to enjoy shopping*
  - *Grow into the 21st century, we are multi denominational now. Anyway service industries are able to trade and some tourist towns*

- *This is 2016 not 1916*
- *There is no longer a 'Monday to Friday' working week, or 8 - 5 working hours. because we are a hospitality country a lot of us have to work crazy hours - sometime not even getting 2 consecutive days off. Shopping when and whenever should be permissible to let those of us on anti-social working conditions have shopping opportunities too.*

4.8 Of those in opposed to Easter Sunday trading, reasons cited included:

- *I am not religious but feel that this should continue to be a family time which gives everyone (particularly retail/hospitality workers) the chance for a rest and quality time, without feeling the commercial pressure of shopping and getting 'bargains'*
- *It would give more family time to parents who are already stretched as it is with work and we do not need to have the shops open*
- *Employees should be able to spend Easter with their families*
- *We only have very limited family time as is and do not want this encroached on any further. As an employer I think it will be difficult to get sufficient staff who want to work and as a store I think it will be uneconomic*

The graph below shows results from the online survey of 1421 people:



4.9 Of the respondents that answered whether we should have a joint Nelson /Tasman policy (1398), 66% were in favour, 8% were opposed and 25% said they didn't mind. This supports our proposed approach to develop a joint policy with Nelson City Council. Respondents were also in favour of a Nelson/Tasman region wide policy, with 69% in support.

Telephone Survey

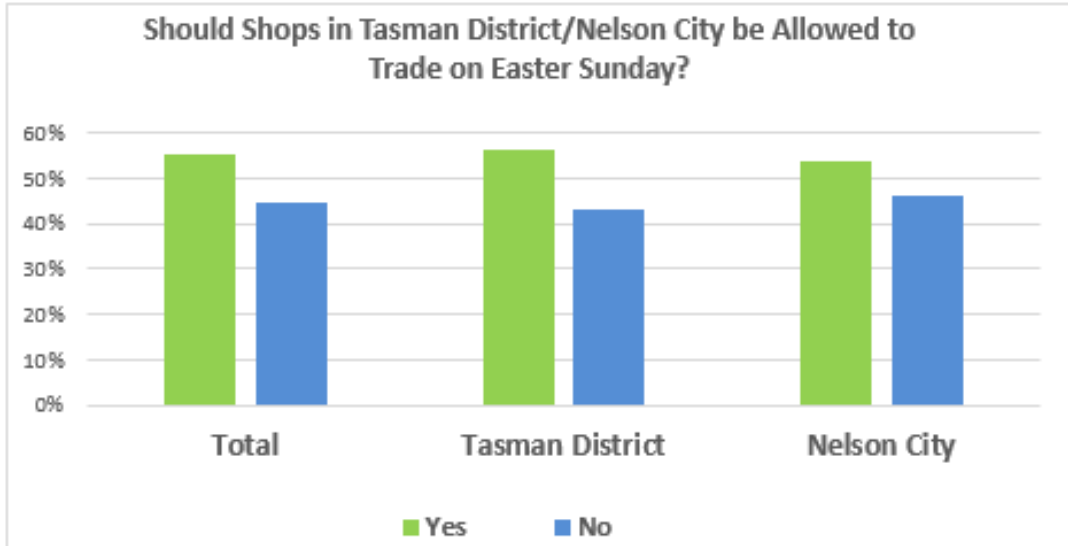
4.10 As a result of concerns expressed about the self-selecting nature of the online survey and it potentially not being a representative sample of community views, an independent consultant (National Research Bureau) was contracted to carry out a random selection telephone survey. The survey took place between 10 November 2016 to 17 November



2016, and involved a sample of 595 residents. The interviews were evenly divided between Tasman District and Nelson City.

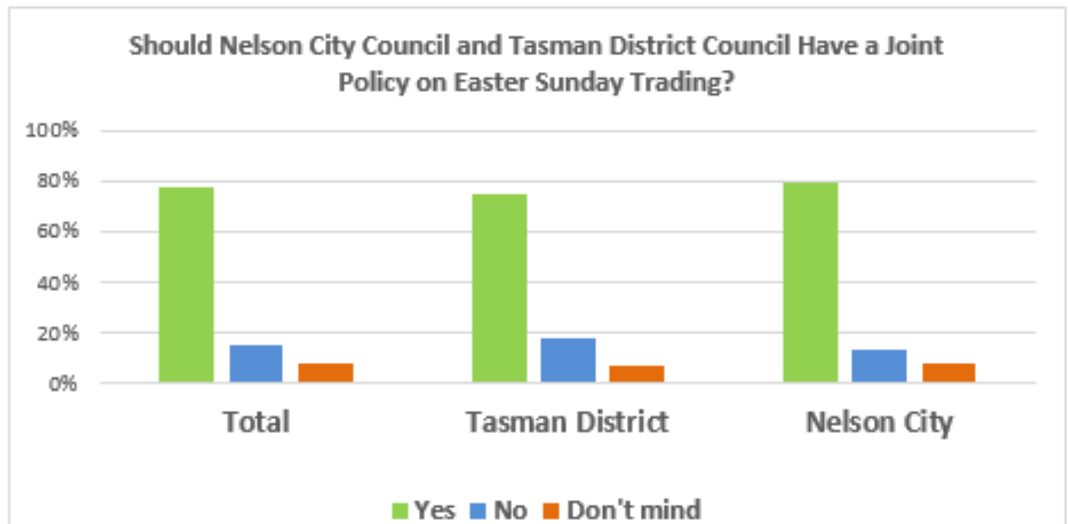
4.11 Overall the results from the telephone survey reported that 55% were in support of Easter Trading while 45% were opposed. The graph below shows the variances between the Tasman and Nelson City residents.

The graph below shows results from the telephone survey of 595 people:



4.12 The majority of residents surveyed, indicated that if a policy was adopted, then they supported a joint Nelson Tasman approach.

The graph below shows results from the telephone survey of 595 people:



4.13 Attachment 2 sets out the full results of the online survey and Attachment 3 sets out the results of the phone survey.

**Nelson City Council**

4.14 Nelson City Council will be considering the results from the surveys at their Council meeting on 15 December 2016. Based on the results, staff at Nelson City Council will also be recommending to their Council that the attached joint draft policy is released for public consultation.

- 4.15 As public awareness over Easter Sunday trading has been raised with the recent online and telephone surveys, Nelson City Council support the public consultation of the policy in time for trading in Easter 2017. In order to align with Nelson City Council, staff recommend that an Easter 2017 implementation timeline is also adopted.
- 4.16 In the event that Nelson City decides not to release the policy, then we will need to amend the draft policy so that it refers only to the Tasman District.

### **Draft Easter Sunday Trading Policy**

- 4.17 A draft Nelson/Tasman Easter Sunday Shop Trading Policy is attached in Attachment 4.
- 4.18 The Policy has been drafted with Nelson City Council staff so that it enables trading to occur across the entire Nelson/Tasman Region. The Policy has also been checked by our in-house legal adviser. A statement of proposal which sets out the background and more detail about the Act and policy will be developed if a draft policy is to be released for public consultation.

### **Joint Nelson/Tasman Hearing Panel**

- 4.19 If Council decides to release the draft Policy, and Nelson City Council are also of the same view, then it is proposed that a joint Nelson/Tasman hearing panel is established.
- 4.20 As there appears to be a high degree of public interest in this matter and it is likely we will receive a large number of submissions. It is recommended that a hearing panel of six members is established, consisting of three councillors from each Council.

## **5 Options**

There are three options for you to consider as part of your decision making on this matter.

**Option 1: Status quo** – Retain the status quo where generally shops are not allowed to trade on Easter Sunday, with the exception of those listed in the Shop Trading Act.

- 5.1 The advantages of the status quo are that we continue as a region to maintain Easter Sunday as a non-trading day where generally families can spend the day together. It also recognises the religious importance of this day.
- 5.2 The disadvantages of maintaining the status quo are that businesses in areas with exemptions would continue to gain benefit of trading on Easter Sunday, while other businesses would miss out on opportunities for additional revenue on Easter Sunday. Most shop workers will have an unpaid day off unless they take annual leave (as Easter Sunday is not a public holiday).

**Option 2: 2017 Easter Trading** - Release a draft policy for public consultation to allow Easter Sunday trading for implementation in 2017. Preferred Option

- 5.3 The advantages of adopting a policy are that it provides both shop owners and employees choice about whether to open and whether to work on Easter Sundays. It also caters for the many visitors that the Region experiences over the Easter period. This option also aligns with Nelson City Councils timeline, therefore enabling us to adopt a joint policy approach.
- 5.4 Public awareness of this issue has also been raised as a result of the recent resident survey. Therefore, there is some sense in undertaking public consultation now for Easter 2017

implementation. Staff resources are also available to manage the consultation and submission process.

- 5.5 The disadvantage is that some of our community do not want trading on Easter Sunday. Consultation is also scheduled to occur over the Christmas period from mid-December 2016 until early February 2017 which may hinder the ability of some of our community to participate in the submission process.

**Option 3: 2018 Easter Trading** - Release a draft policy for public consultation that would enable Easter Sunday trading to be in place by Easter 2018.

- 5.6 The advantages are the same as for Option 2, with two exceptions. The first being that consultation on the issue would be delayed until May 2017, and that it does not align with Nelson City Councils proposed timeline.
- 5.7 The disadvantages are that the work will need to be externally resourced and funded due to a full staff work programme over that period. There may be a reputational risk to Council if consultation and implementation of any policy is delayed. This issue is not new, the recent surveys have raised public awareness of this issue and it is likely the community will already have fixed views.

## 6 Strategy and Risks

- 6.1 The online survey and independent telephone survey indicate that our community is currently divided as to whether Easter Sunday trading should be allowed across the Nelson Tasman Region. As the results do not clearly favour one option, there is a compelling case to release a draft policy and seek community views via the submissions and hearing process.
- 6.2 Based on the survey results, Council could be open to challenge if a decision is made not to release a draft policy for public consultation.
- 6.3 There is a reputational risk to Council if a decision is made to delay consultation on the policy for a 2018 implementation date. This issue is not new and it is likely the community will already have fixed views. There is also a risk of a judicial review by business owners regarding lost earnings if the policy is delayed until 2018 for no material reason.

## 7 Policy / Legal Requirements / Plan

- 7.1 The development of any Easter Sunday Trading Policy must be undertaken in accordance with The Shop Trading Hours Act 1990, which stipulates that the Special Consultative Procedure must be followed.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 If Option 2 is adopted, any associated costs will come from the Strategic Policy budget.
- 8.2 If Option 3 is adopted there are likely to be additional associated costs as the work will need to be externally resourced and funded. There is currently no budget to fund this additional resource.

<b>9 Significance and Engagement</b>
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- 9.1 The Special Consultative procedure is required under the Shop Trading Hours Act 1990 to adopt an Easter Sunday trading policy.
- 9.2 This activity is considered to be of medium significance to local residents and visitors to the Region.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	medium	Easter Sunday is currently a restricted trading day, but is not a public holiday. There will be a range of views amongst the community as to whether shop trading should be permitted in the Region.
Is there a significant impact arising from duration of the effects from the decision?	low	Shops will be able to trade, but this does not restrict or impact on others. Under the Act, employees have the right to refuse to work without any adverse penalties. Business owners can also open at their discretion.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	no	
Does the decision create a substantial change in the level of service provided by Council?	no	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	no	
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	no	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	no	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	no	

**10 Conclusion**

- 10.1 The Shop Trading Hours Act (1990) now enables councils to determine whether retailers in their district can open for business on Easter Sunday. The online and telephone surveys undertaken indicate that the community is divided as to whether Easter Sunday trading should be permitted in our Region.
- 10.2 The surveys indicated that if a policy is adopted, there is strong support for a joint Nelson Tasman policy.
- 10.3 Nelson City Council will be considering this issue at their meeting on 15 December 2016. If they support the release of a policy, then we will work together to publicly consult on a joint Easter Sunday Shop Trading Policy. We will also hold a joint hearing to hear submitters and make a decision on the policy.
- 10.4 It is recommended that we consult on a policy in time for adoption in Easter 2017 to align with Nelson City Council.

**11 Next Steps / Timeline**

- 11.1 We will work with Nelson City Council to develop a Statement of Proposal for public release of the draft Nelson/Tasman Easter Sunday Trading Policy.
- 11.2 We will update you of the outcome of the Nelson City Council decision via your weekly Councillor update.

**12 Attachments**

1.	Timelines for Implementation of an Easter Sunday Shop Trading Policy	55
2.	Easter Trading online survey results	57
3.	Easter Trading phone survey results	67
4.	Draft Nelson/Tasman Easter Sunday Shop Trading Policy	77



## Easter Sunday Trading Timelines for Public Consultation

### Easter Sunday Trading in 2017

Date	Action
31 Oct – 17 Nov 2016	Informal survey open for public comment (3 weeks)
10 Nov - 17 Nov 2016	Resident telephone survey
1 Dec 2016	Council considers survey results and determines whether to approve notification of a Draft Policy. If a policy is to be released appointment of Hearing Panel members.
16 Dec 2016 – 7 Feb 2017	Draft Policy released and open for formal public consultation (7 weeks)
8 Feb – 10 Feb 2017	Scheduling of hearings and circulation of submissions to Hearings Panel
15, 16 & 17 Feb 2017	Public hearings for those wishing to speak to their submission
21 Feb 2017	Circulate hearings report with staff recommendations to Hearings Panel
28 Feb 2017	Deliberations by Hearing Panel
1 – 3 March 2017	Draft Hearing Panel's report to Council with recommendations or options.
6 March 2017	Circulate Hearing Panel's report to Council
9 March 2017	Council considers recommendations from Hearing Panel as to whether to adopt an Easter Sunday Trading Policy. (policy must be adopted before 19 March 2017)
10 March 2017	Easter Sunday Trading Policy comes into effect
16 April 2017	Easter Sunday

### Easter Sunday Trading in 2018

Date	Action
31 Oct – 17 Nov 2016	Informal survey open for public comment (3 weeks)
10 Nov - 17 Nov 2016	Resident telephone survey
1 Dec 2016	Council considers survey results and determines whether to approve notification of a Draft Policy
Early May 2017	Draft Policy adopted by Full Council
Early May - mid June 2017	Draft Policy released and open for formal public consultation
Mid – late June 2017	Scheduling of hearings and circulation of submissions to Hearing Panel members
3 days in July 2017	Public hearings for those wishing to speak to their submission

July – August 2017	Circulate hearings report with staff recommendations to Hearings Panel
August 2017	Hearings Panel deliberates
August 2017	Draft Hearings Panel report to Council with recommendations or options
August 2017	Circulate report to Council
August 2017	Council considers recommendations from Hearing Panel as to whether to adopt an Easter Sunday Trading Policy. (policy must be adopted before 19 March 2017)
August/ September 2017	Easter Sunday Trading Policy comes into effect
1 April 2018	Easter Sunday



## Easter Trading - Survey Monkey Analysis, November 2016

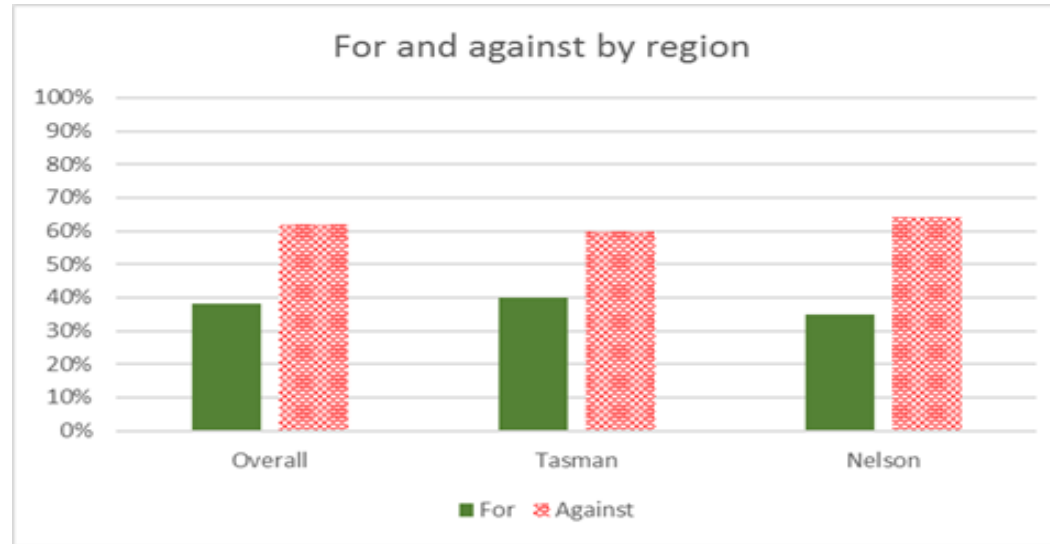
### Q1 Should shops in Nelson/Tasman be allowed to trade on Easter Sunday?

Responses by region. 1,429 people participated in the survey, but 8 did not respond to question 1.

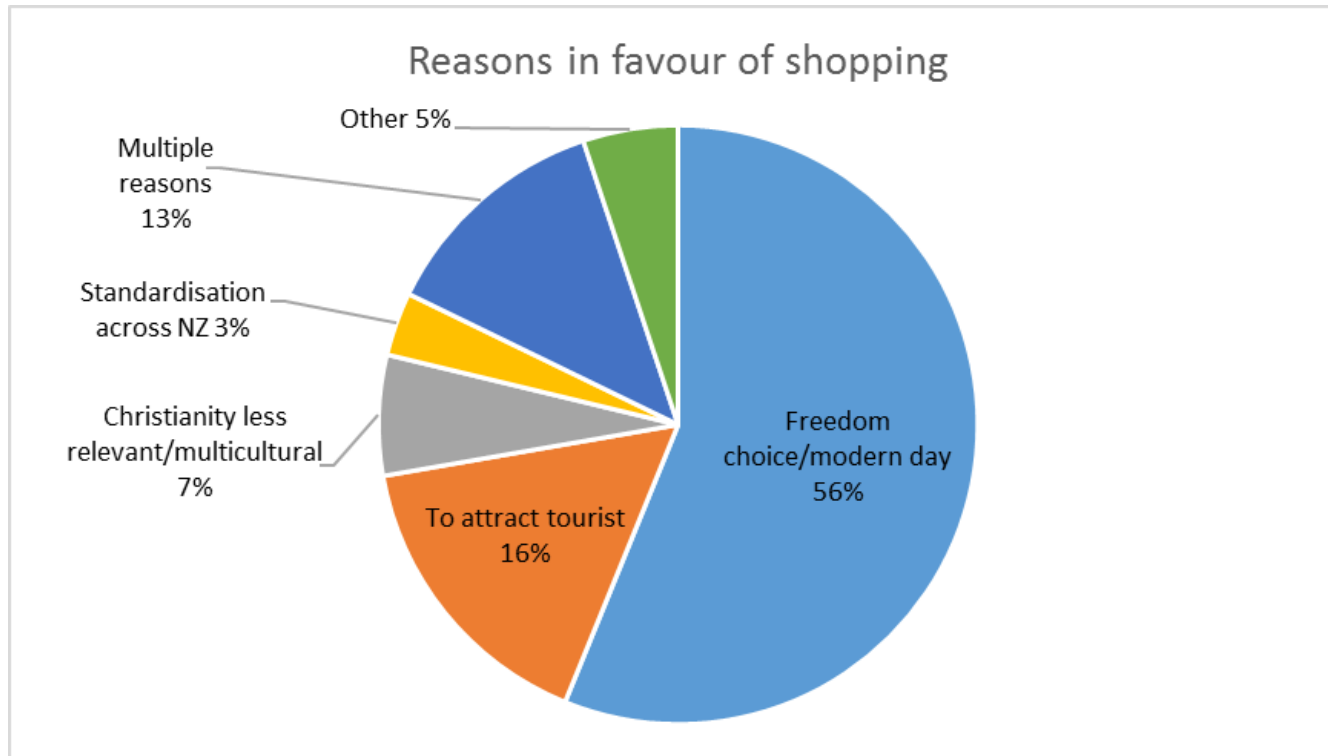
	Over the total area	Just the Tasman area	Just the Nelson area	Breakdown of Tasman area					
				G Bay	Lakes Murch	Motueka	Moutere Waimea	Richmond	Other
<b>Yes</b>	<b>536</b> (38%)	<b>289</b> (40%)	<b>243</b> (35%)	<b>55</b> (65%)	<b>12</b> (31%)	<b>63</b> (56%)	<b>51</b> (38%)	<b>98</b> (32%)	<b>10</b> (23%)
<b>No</b>	<b>885</b> (62%)	<b>428</b> (60%)	<b>441</b> (64%)	<b>29</b> (35%)	<b>27</b> (69%)	<b>49</b> (44%)	<b>82</b> (62%)	<b>208</b> (68%)	<b>33</b> (77%)
Proportion of <u>all</u> responses	<b>1,421</b> 99% <sup>1</sup>	<b>717</b> (50%)	<b>684</b> <sup>2</sup> (48%)	<b>84</b> (3%)	<b>39</b> (3%)	<b>112</b> (8%)	<b>133</b> (9%)	<b>306</b> (22%)	<b>43</b> (3%)

<sup>1</sup> Not all respondents answered this question.

<sup>2</sup> 20 respondents did not give their location, so the total of Tasman plus Nelson differs from the overall total by 20.



Reasons for and against



“Freedom of choice/modern responses” cover comments about and from employees, employers, people that might want to shop and a need for choice for tourists:

- “I believe there are enough people looking for work that the hours could be filled. The traditional working week/hours are no longer relevant.”
- “We are paying rent anyway and customers want to be able to shop.”
- “If it is acceptable for some businesses to be allowed to open (apart from essential services) it should be available for all businesses who wish to. However, staff should not be penalised if they do not wish to work.”

“To attract tourist” responses include:

“We are a holiday destination and retailers can only benefit from the extra trading day. Holiday makers will have more option and add to their experience.”

“We are a visitor destination, there is an expectation of service and by not providing it a loss of regional income.”

“Christianity less relevant/multicultural” examples:

“Multi-cultural society - people should be free to choose whether they trade/shop on these days.”

“A substantial proportion of the population is not of the Christian faith and imposed observance of such religious days is inappropriate.”

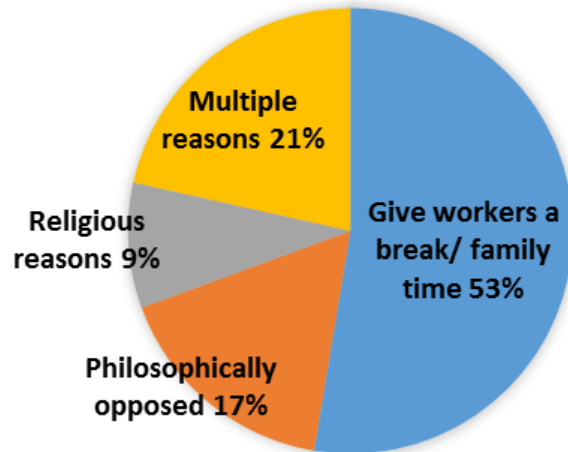
“Standardisation across NZ” responses examples:

“If it's good enough for Queenstown it's good enough for the rest of the country.”

“It makes no sense to have the inconsistencies there have been where some can trade and some can't.”

NB: Some of those saying trading should be allowed also say they think there should be safeguards in place to protect workers from being forced or coerced to work

## REASONS OPPOSED TO SHOPPING



Comments have been categorised as above, but there is some overlap between categories. The predominant reason has been chosen where it is clear, but in other cases the comments may be assigned to the “multiple reasons” reasons category.

“Give workers a break/family time”, was the reason with the highest number of responses. Comments were made by employees, employers and others. Examples include:

“Because everyone in retail should be able to have a long weekend off with family.”

“It is one of the very few days families can spend together.”

“As a business owner who is open every day except the enforced holidays, both myself and my staff look forward to this day off.”

“I am an owner operator of an independent retail store in the Nelson CBD. I value the no trading on Easter Friday and Sunday at present to give myself and my staff time away with family without feeling the pressure of having to open to compete with the "chain" stores.”

“I work in retail and find it very difficult if we have friends/family visit.”

“I work in my business 6 days per week, often on the 7th day as a consultant. “Many people return from bankrupting their business to be successful; very few return from bank rupturing their family to be successful” I run a successful business; this day is important to run a successful family.

Religious or not, self-employed or not...days off are vital to the fabric of our families, our society! My work is important to me...but my family is more important...please don't take one of the few days I am guaranteed not to get a call from my staff..."

"Philosophically opposed" respondents said things like:

"Absolutely no need for shopping every day."

"It's a strongly religious day but, whether or not you are Christian, it has traditional been a day when families have some together time which doesn't include shopping."

"It is a time, like Christmas, to have family time rather than shop. People already can shop online on that day. Why treat Easter Sunday differently to Christmas day?"

"Religious reasons" include:

"Easter Sunday is an important day in the life of the Christian community."

"As a Christian I strongly believe we need to recognise this holiday."

"Multiple reasons"

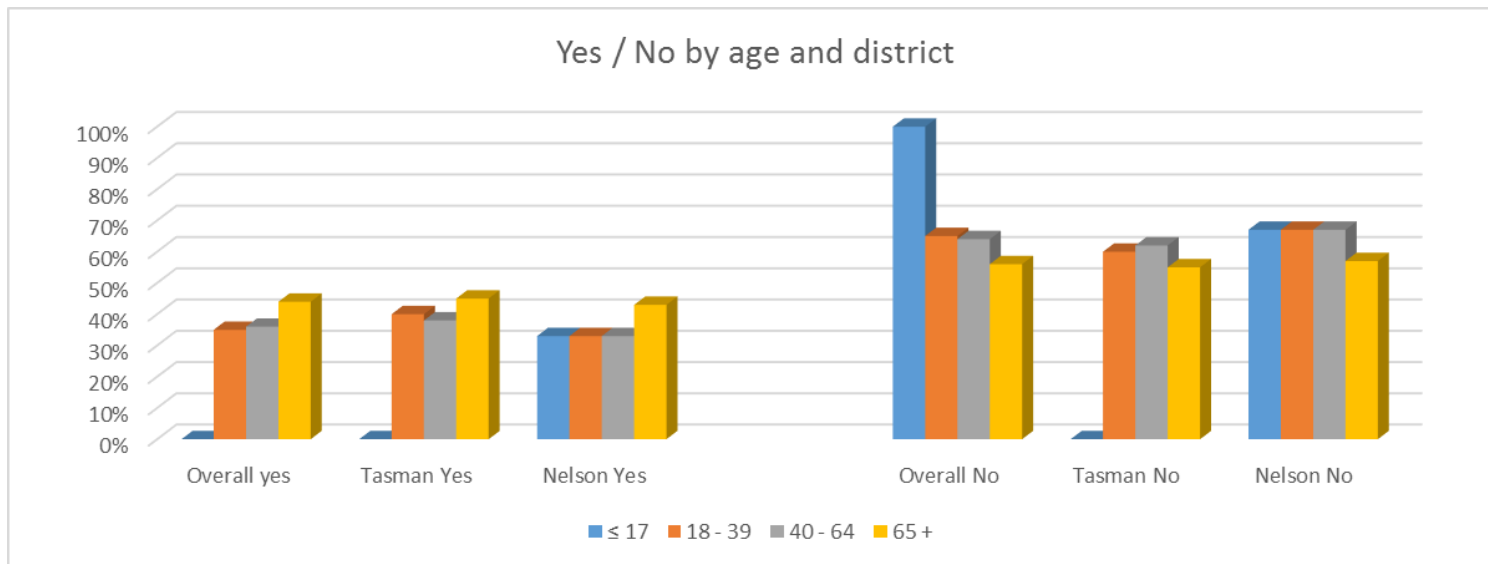
"Grow into the 21st century, we are multi denominational now. Anyway service industries are able to trade and some tourist towns."

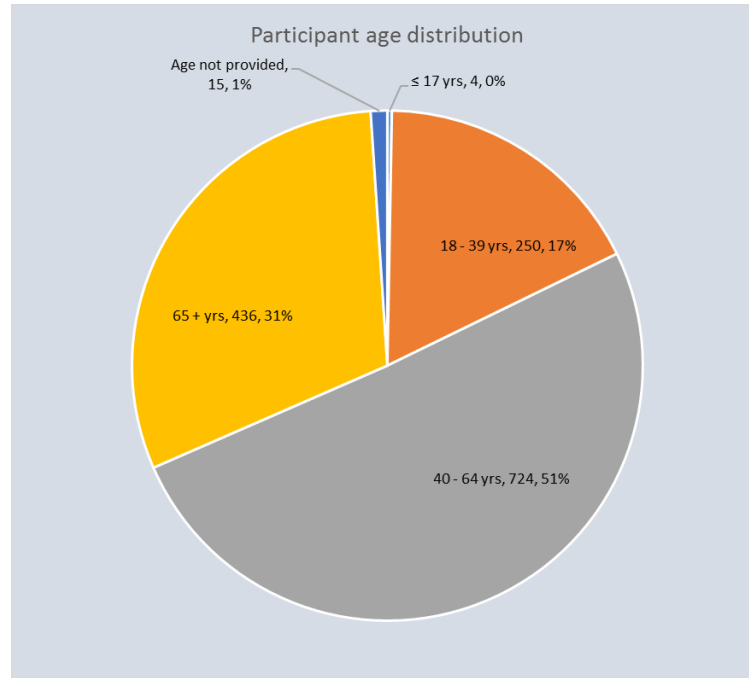
"I feel it jeopardises enjoyment of a public holiday and also tourism"

Responses by Age and Region

NB: 1,388 participants answered the question and provided both their location and age. Their responses are as follows:

	Overall proportion	Over the total area		Just the Tasman area		Just the Nelson area	
		Yes	No	Yes	No	Yes	No
17 or less	4 (0%)	1 (25%)	3 (75%)	0 (0%)	1 (100%)	1 (33%)	2 (67%)
18 – 39	249 (18%)	88 (35%)	161 (65%)	38 (40%)	58 (60%)	50 (33%)	103 (67%)
40 – 64	709 (51%)	253 (36%)	456 (64%)	148 (38%)	243 (62%)	105 (33%)	213 (67%)
65 +	426 (31%)	188 (44%)	238 (56%)	103 (45%)	124 (55%)	85 (43%)	114 (57%)

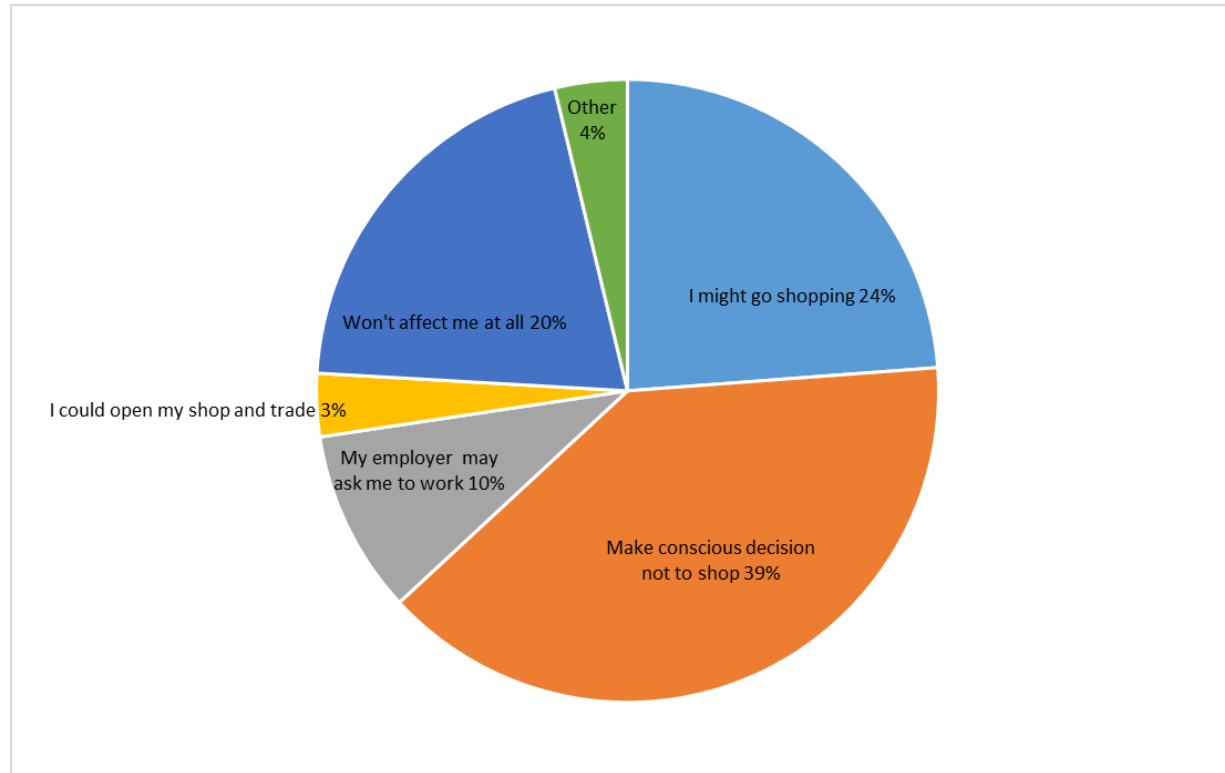






**Q2 How would you be affected if shops could trade on Easter Sunday in Nelson/Tasman?**

98% of participants answered this question



**Q3 If Easter Sunday trading was to be allowed, should trading be allowed anywhere or only in defined areas?**

84% of participants answered this question.

Of those 69% said trading should be allowed anywhere, and 31% said trading should only be in defined areas.

The composition of preferred defined areas is as follows:

<i>CBD</i>	4%
<i>Tourist areas only</i>	14%
<i>Hospitality only</i>	6%
<i>Markets</i>	2%
<i>Supermarket only</i>	1%
<i>Petrol stations only</i>	4%
<i>Garden Centre/DIY*</i>	1%
<i>Dairies only</i>	4%
<i>Mixed locations/type business</i>	17%
<i>Business owner choice</i>	1%
<i>As now, "essential"</i>	18%
<i>Other</i>	11%
<i>None</i>	15%

**Q4 Should Nelson and Tasman councils have a joint policy on Easter Sunday trading?**

Yes – 65%

No – 8%

Don't mind – 25%

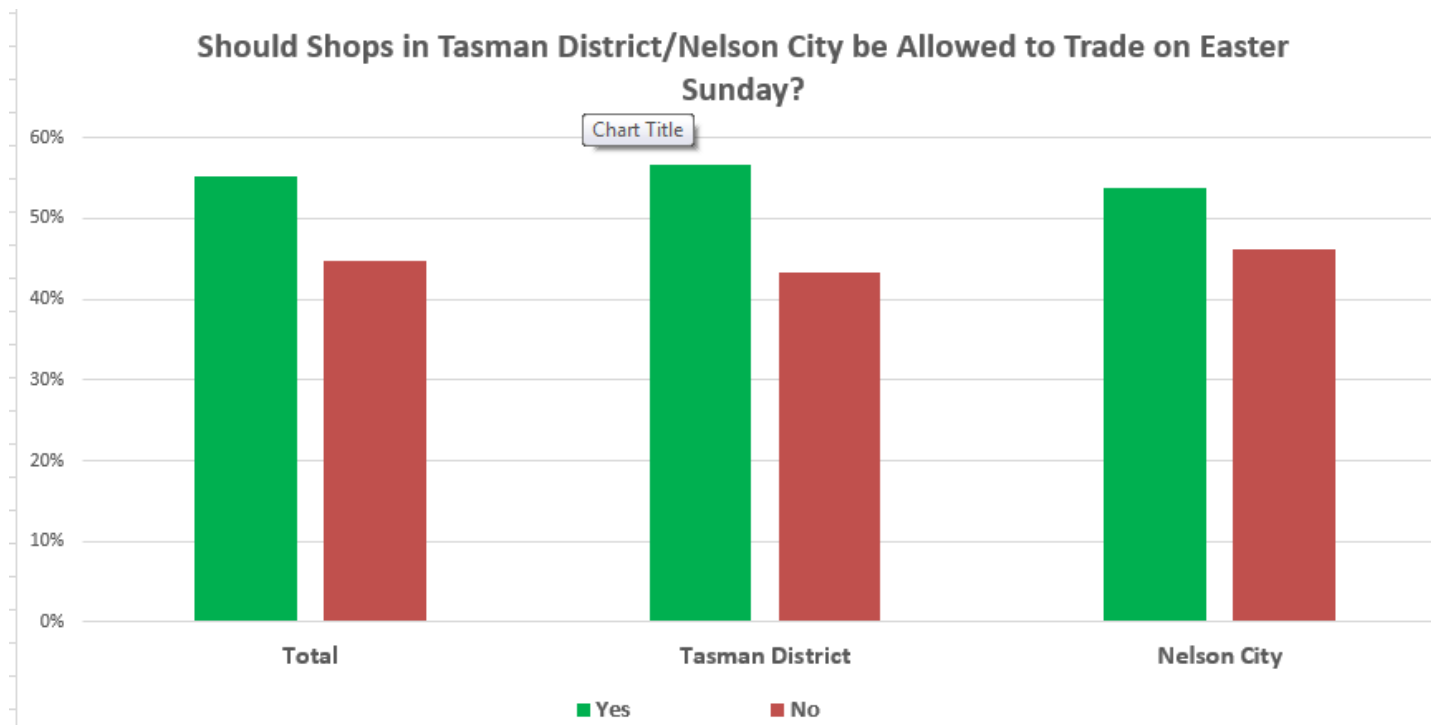
Did not answer – 2%

Of those that answered (just) Yes or No, 89% said Yes and 11% said No.

**Tasman District Council and Nelson City Council’s Easter Sunday Trading Survey - November 2016**

**Q1 Whether shops in Tasman District/Nelson City be allowed to trade on Easter Sunday..**

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
Yes	328 55.2	168 56.6	161 53.8	13 60.7	24 74.0	47 64.0	46 60.6	38 40.5	103 62.0	157 54.1	68 49.5	181 63.6	148 47.5	328 100.0	0 0.0
No	267 44.8	129 43.4	138 46.2	9 39.3	8 26.0	26 36.0	30 39.4	56 59.5	63 38.0	133 45.9	70 50.5	104 36.4	163 52.5	0 0.0	267 100.0



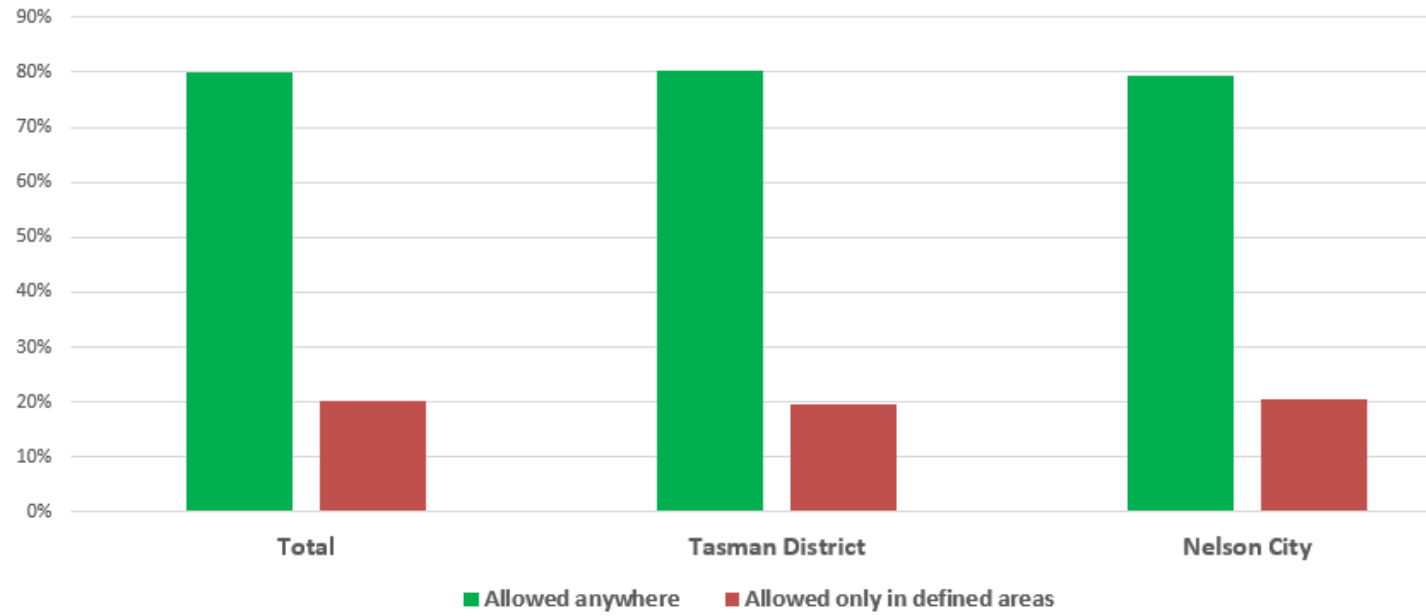
## Q2a How affected they would be if shops could trade on Easter Sunday in Tasman District/Nelson City..

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 yrs	40-64 yrs	65+ yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
I could open my shop and trade	25 4.1	14 4.7	10 3.5	1 3.7	1 2.1	7 9.7	4 5.7	1 1.2	3 1.9	17 6.0	4 2.8	13 4.6	11 3.7	19 5.9	5 1.9
My employer may ask me to work on Easter Sunday	79 13.3	39 13.3	39 13.2	1 3.7	1 3.8	6 8.5	16 21.2	15 16.1	37 22.3	36 12.5	5 3.9	33 11.5	46 14.8	37 11.3	42 15.7
I might go shopping	262 44.0	125 42.0	137 45.9	3 14.7	12 38.4	38 51.7	44 57.3	28 29.7	90 53.9	127 43.9	44 32.1	132 46.3	130 41.8	226 68.9	35 13.3
I will make a conscious choice not to shop, work or trade on Easter Sunday	196 32.9	86 28.8	110 37.0	2 7.7	8 24.2	15 20.4	23 30.9	38 40.3	40 24.2	101 34.7	55 39.7	83 29.1	113 36.4	20 6.0	176 66.1
It won't affect me at all	283 47.5	161 54.1	122 41.0	18 83.5	11 33.2	37 50.7	38 49.4	57 60.9	74 44.4	132 45.4	77 55.9	148 52.0	135 43.5	177 53.8	106 39.8
It would affect me in some other way	36 6.0	19 6.3	17 5.7	0 0.0	1 2.1	9 12.5	8 10.1	1 1.4	14 8.3	17 5.9	5 3.4	21 7.5	15 4.7	6 1.8	30 11.2

**Q3a If Easter Sunday trading was to be allowed, whether trading should be allowed in Tasman District/Nelson City, or only in defined areas of the District/City..**

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Tasman District	18-39 Yrs	40-64 Yrs	65+ Yrs	Motueka	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
Allowed anywhere	475 79.9	239 80.4	237 79.4	20 90.1	25 77.6	61 82.8	69 91.4	64 68.1	142 85.2	233 80.3	100 72.5	233 81.8	243 78.2	310 94.3	166 62.2
Allowed only in defined areas	120 20.1	58 19.6	61 20.6	2 9.9	7 22.4	13 17.2	7 8.6	30 31.9	25 14.8	57 19.7	38 27.5	52 18.2	68 21.8	19 5.7	101 37.8

**If Allowed, Should Easter Sunday Trading be Allowed Anywhere or Only in Defined Areas of Tasman District/Nelson City?**



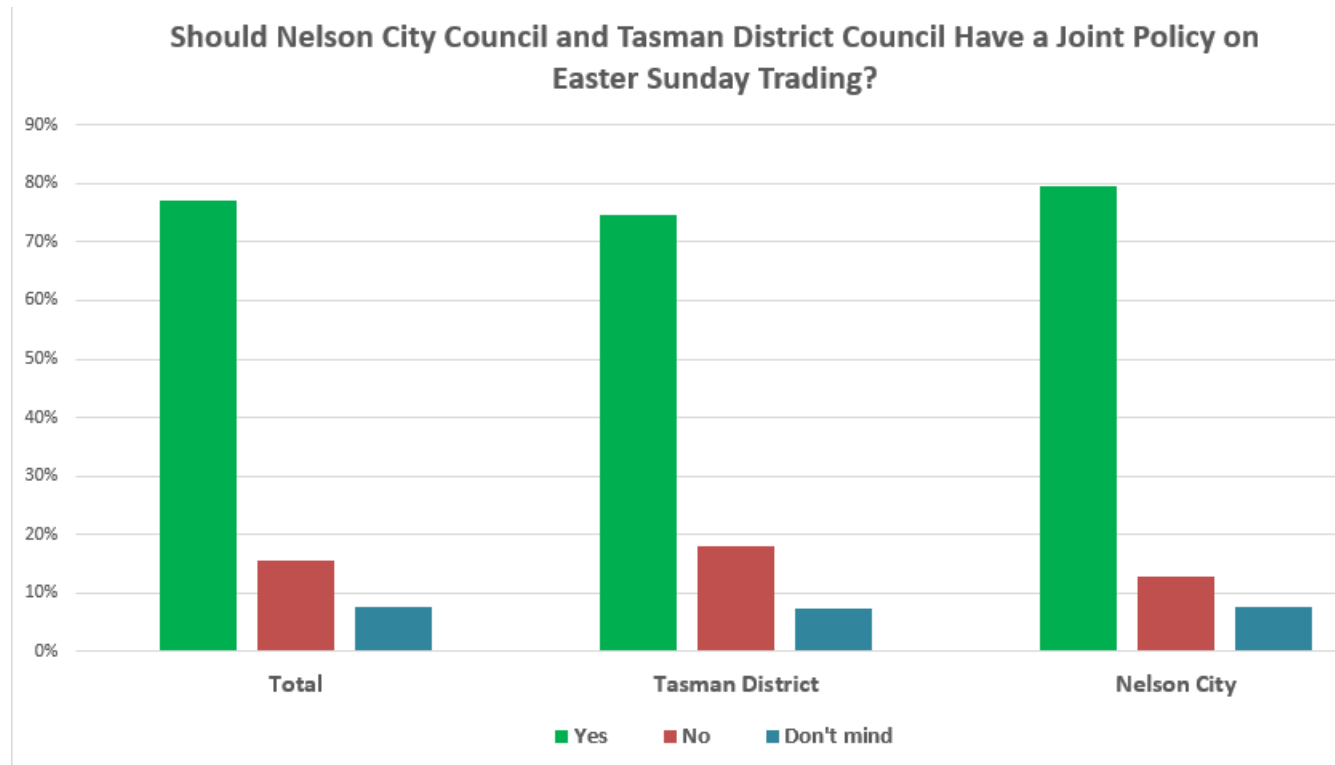
**Q3b Specific location(s) that should be allowed to open for trading on Easter Sunday in Tasman District/Nelson City..**

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchlson	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	124	57	67	4	6	13	8	26	17	51	56	56	68	18	106
Weighted Base	120	58	61	2	7	13	7	30	25	57	38	52	68	19	101
None/shouldn't be allowed	42 35.1	18 30.7	24 39.3	0 18.9	2 21.4	5 41.9	1 9.1	10 33.8	3 11.2	20 35.6	19 49.8	14 27.8	28 40.6	0 0.0	42 41.6
Tourist/holiday based industries/recreational	20 16.8	15 26.1	5 8.0	1 62.3	6 78.6	0 0.0	3 43.8	5 17.6	3 12.8	13 23.4	4 9.4	17 32.0	3 5.1	7 36.4	13 13.1
Restaurants/cafes/hospitality/food outlets	20 16.4	12 19.9	8 13.1	1 29.3	0 0.0	0 0.0	2 38.1	8 28.4	4 17.6	11 18.8	5 12.1	7 12.9	13 19.1	1 3.3	19 18.8
Essential services eg, dairies, supermarkets, garages, etc	13 11.2	6 9.7	8 12.5	0 0.0	0 0.0	1 6.9	2 34.8	3 8.4	3 12.4	8 13.6	3 6.7	2 4.4	11 16.3	2 8.1	12 11.7
CBD/main business areas	11 9.3	1 1.5	10 16.7	0 0.0	0 0.0	1 6.9	0 0.0	0 0.0	8 32.3	0 0.0	3 8.3	4 8.5	7 9.9	6 30.5	5 5.3
Garden centres/hardware outlets/outdoor businesses	10 8.2	2 3.7	8 12.4	0 0.0	0 0.0	0 0.0	1 16.8	1 3.5	2 6.9	5 7.9	4 9.4	3 5.4	7 10.3	3 18.2	6 6.3
Only specific businesses as now/keep it as it is	5 4.6	4 6.5	2 2.8	0 0.0	0 0.0	3 21.4	0 0.0	1 3.7	2 6.9	2 4.3	1 3.6	4 8.0	1 2.0	0 0.0	5 5.5
Other areas	11 9.1	6 11.1	4 7.3	0 18.9	0 0.0	3 22.9	1 9.1	3 8.7	3 13.1	4 7.0	4 9.8	5 8.8	6 9.4	2 9.5	9 9.1
Don't know/not sure	3 2.9	2 4.1	1 1.8	0 0.0	0 0.0	0 0.0	0 0.0	2 8.0	1 5.2	2 3.8	0 0.0	3 6.7	0 0.0	1 5.9	2 2.3

## Q4 Whether Nelson and Tasman Councils should have a joint policy on Easter Sunday trading..

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
Yes	458 77.1	221 74.6	237 79.5	20 91.5	25 76.9	48 65.0	57 74.4	72 77.5	135 80.9	217 74.6	107 77.5	217 76.4	241 77.6	246 74.8	213 79.8
No	92 15.5	54 18.1	38 12.9	2 8.5	5 16.7	19 25.6	16 20.9	12 12.6	23 13.6	48 16.5	21 15.6	41 14.4	51 16.4	55 16.7	37 13.9
Don't mind	44 7.5	22 7.3	23 7.6	0 0.0	2 6.3	7 9.4	4 4.7	9 9.9	9 5.6	26 8.8	9 6.9	26 9.1	18 5.9	28 8.5	17 6.2





## Q5 Age group..

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
18-39 years	167 28.0	76 25.5	91 30.6	6 26.0	8 23.2	20 27.9	18 24.1	24 25.4	167 100.0	0 0.0	0 0.0	81 28.4	86 27.7	103 31.5	63 23.8
40-64 years	290 48.8	151 50.8	140 46.8	13 57.0	17 53.0	33 44.8	43 57.0	45 48.2	0 0.0	290 100.0	0 0.0	139 48.8	152 48.8	157 47.8	133 50.1
65+ years	138 23.1	70 23.7	67 22.6	4 17.0	8 23.8	20 27.3	14 18.9	25 26.3	0 0.0	0 0.0	138 100.0	65 22.8	73 23.5	68 20.7	70 26.1
Refused	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0

## Q6 Gender..

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
Male	284 47.8	144 48.4	141 47.2	11 51.0	16 49.3	35 48.0	38 49.8	44 46.8	81 48.5	139 47.8	65 47.1	284 100.0	0 0.0	181 55.1	104 38.9
Female	311 52.2	153 51.6	158 52.8	11 49.0	16 50.7	38 52.0	38 50.2	50 53.2	86 51.5	152 52.2	73 52.9	0 0.0	311 100.0	148 44.9	163 61.1

## Q7 Council area..

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	595	296	299	39	40	55	80	82	105	271	219	293	302	323	272
Weighted Base	595	297	298	22	32	73	76	93	167	290	138	284	311	328	267
Tasman District	297 49.9	297 100.0	0 0.0	22 100.0	32 100.0	73 100.0	76 100.0	93 100.0	76 45.4	151 51.9	70 51.1	144 50.6	153 49.3	168 51.1	129 48.4
Nelson City	298 50.1	0 0.0	298 100.0	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	91 54.6	140 48.1	67 48.9	141 49.4	158 50.7	161 48.9	138 51.6

Q8 Tasman District Wards

	Total	Council area		Tasman District Wards					Age group			Gender		Q1 Allow trading on Easter Sunday	
		Tasman District	Nelson City	Lakes-Murchison	Golden Bay	Motueka	Moutere Waimea	Richmond	18-39 Yrs	40-64 Yrs	65+ Yrs	Male	Female	Yes	No
Unweighted Base	296	296	0	39	40	55	80	82	48	147	101	147	149	166	130
Weighted Base	297	297	0	22	32	73	76	93	76	151	70	144	153	168	129
Lakes-Murchison	22 7.4	22 7.4	0 0.0	22 100.0	0 0.0	0 0.0	0 0.0	0 0.0	6 7.5	13 8.3	4 5.3	11 7.8	11 7.0	13 7.9	9 6.7
Golden Bay	32 10.9	32 10.9	0 0.0	0 0.0	32 100.0	0 0.0	0 0.0	0 0.0	8 9.9	17 11.4	8 11.0	16 11.1	16 10.7	24 14.3	8 6.6
Motueka	73 24.6	73 24.6	0 0.0	0 0.0	0 0.0	73 100.0	0 0.0	0 0.0	20 27.0	33 21.7	20 28.4	35 24.4	38 24.9	47 27.9	26 20.4
Moutere-Waimea	76 25.6	76 25.6	0 0.0	0 0.0	0 0.0	0 0.0	76 100.0	0 0.0	18 24.2	43 28.7	14 20.4	38 26.3	38 24.9	46 27.4	30 23.2
Richmond	93 31.4	93 31.4	0 0.0	0 0.0	0 0.0	0 0.0	0 0.0	93 100.0	24 31.3	45 29.8	25 34.9	44 30.3	50 32.4	38 22.5	56 43.1

## Draft Nelson/Tasman Easter Sunday Shop Trading Policy

### Introduction

This policy is made under Subpart 1 of Part 2 of the Shop Trading Hours Act 1990 (the Act). The purpose of the Act is to regulate the opening of shops on Anzac Day morning, Good Friday, Easter Sunday, and Christmas Day. The Act was amended in 2016 to allow councils to have a policy to permit shops to open on Easter Sunday. The restrictions applying to Anzac Day morning, Good Friday and Christmas Day remain unchanged.

Terms used in this Policy (such as “shop” and “shop employee”) have the meanings set out in the Act, unless the context indicates otherwise.

### Executive Summary - Nelson and Tasman’s Policy

Shop trading is permitted on Easter Sundays throughout Nelson and Tasman. This is subject to any restrictions set out in the Act, for example it does not apply to the sale or supply of alcohol.

### Background

Prior to the changes to the Shop Trading Hours Act, most shops in most districts around New Zealand were unable to open for trade on Easter Sunday because of the day’s status as a restricted trading day under the Act. The Act allows shops selling certain types of goods (examples included dairies, service stations, restaurants and cafes, garden centres and duty free stores) to remain open on the restricted trading days.

With the changes to the legislation a district can now trade on Easter Sunday if it has put in place a policy that allows trading. Without any policy the status quo of no shop trading remains in place.

### Shop trading permitted

Shop trading is permitted on Easter Sundays throughout the Nelson and Tasman regions as provided for under the Act.

### Scope of policy

This Policy applies to the whole of the Nelson and Tasman Region (see map below).

This Policy does not apply to the sale or supply of alcohol. Alcohol sale and supply is regulated under the Sale and Supply of Alcohol Act 2012.

In accordance with the Act, this policy does not —

- a) permit shops to open only for some purposes; or
- b) permit only some types of shops to open; or
- c) specify times at which shops may or may not open; or
- d) include any other conditions as to the circumstances in which shops in the area may open.

### Shop employees’ right to refuse to work

Easter Sunday continues to be a day of significance across New Zealand and some people would rather not work on this day.

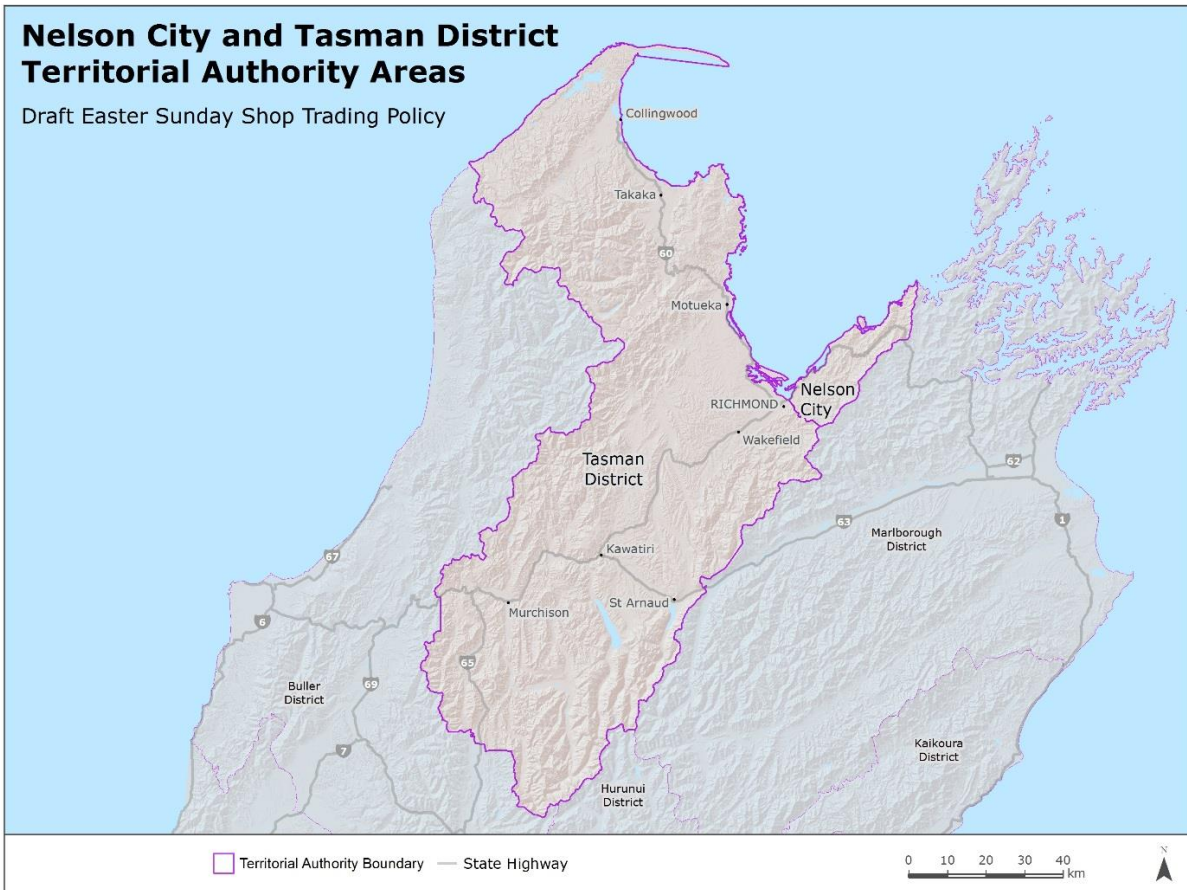
There are 'right to refuse' provisions in the Act that enable employers and employees to negotiate freely, and means that all shop employees will have the ability to refuse to work on Easter Sunday without any repercussions for their employment relationship.

Employers have an obligation under the Act to notify shop employees of their right to refuse to work on Easter Sunday. Employers should become familiar with their obligations and employees rights under the Act.

**Review**

This policy comes into force on day/ month 2017 and will be reviewed within five years of adoption.

**Map of the Nelson and Tasman Region covered by this Policy**



## 8.4 CHARGING FOR RESPONDING TO LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT REQUESTS

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Alan Bywater, Senior Policy Advisor
<b>Report Number:</b>	RCN16-12-04

### 1 Summary

- 1.1 As the result of (a) the Ombudsman reviewing the guidelines on charging for responding to Local Government Official Information and Meetings Act (LGOIMA) recently; and (b) receiving an inquiry from the Ombudsman about a recent LGOIMA request, we have become aware that our staff charge out rate for responding to requests under LGOIMA is significantly higher than recommended in the Ombudsman's guidelines.
- 1.2 There is a potential risk that our public reputation could be damaged if we are taken to review by the Ombudsman and it is determined that our charge is unreasonable.
- 1.3 Council is requested to consider whether to amend the hourly charge rate for responding to LGOIMA requests to bring it in line with the Ombudsman's guidelines.
- 1.4 You have two options if you agree to reduce the hourly LGOIMA charge out rate. We recommend the first option, which is to amend the charge immediately; or alternatively the rate can be amended when the Schedule of Charges is reviewed as part of the Annual Plan 2017/2018 process.

### 2 Draft Resolution

**That the Full Council:**

- 1. receives the Charging for Responding to Local Government Official Information and Meetings Act Requests report RCN16-12-04; and**
- 2. approves the amendment of the staff charge out rate for responding to LGOIMA requests, to \$38 (GST inclusive) per half hour of staff time in excess of one hour effective immediately.**

### 3 Purpose of the Report

- 3.1 The Council's charge for staff time in responding to Local Government Official Information and Meetings Act (LGOIMA) requests is significantly higher than the Ombudsman's guidelines. Council is asked to consider whether the charge should be amended, and whether this should be undertaken immediately, or as part of the review of the Schedule of Charges under the Annual Plan 2017/2018.

### 4 Background and Discussion

- 4.1 We have recently become aware that our staff charge out rate for responding to requests under LGOIMA is significantly higher than recommended in the Ombudsman's guidelines. This is as the result of the Ombudsman reviewing the guidelines on charging for responding to Local Government Official Information and Meetings Act (LGOIMA), and a recent inquiry from the Ombudsman about a LGOIMA request.

#### Our Current Policy

- 4.2 Our 'Requests under the Local Government Official Information and Meetings Act 1987 Policy' states that the charges are set through the Schedule of Charges. The current fees approved in the Annual Plan 2016/2017 are as follows:

*Staff time will be charged out at a rate of \$150 per hour after the first half hour in responding to a request. Copying will be charged out at the normal rate applicable.*

1. First 20 pages for requests under the Official Information Act	Free
2. Additional copies: A4 black and white <ul style="list-style-type: none"> <li>• Single sided</li> <li>• Double sided</li> </ul>	20c 40c
3. A3 black and white <ul style="list-style-type: none"> <li>• Single sided</li> <li>• Double sided</li> </ul>	40c 70c
4. Colour copies A3 and A4	\$2.00

- 4.3 The Schedule of Charges, including the LGOIMA staff charge out rates, were all subject to public consultation through a Special Consultative Procedure as part of the Annual Plan 2016/2017.

#### The Ombudsman's Guidelines

- 4.4 The Ombudsman has recently updated guidance on charging to respond to official information requests for government agencies and local government. The guidelines note that it is only reasonable to charge to recover some of the costs associated with requests that require considerable labour and materials. The purpose of charging is to enable these larger requests to be met.
- 4.5 Under LGOIMA the charge must be 'reasonable' both in terms of whether a charge is made at all and if so, the level of charge made. In determining what is a reasonable charge, regard



may be had to the cost of labour and materials involved in making the information available, and any costs incurred in meeting an urgent request.

- 4.6 The guidelines state that charging under LGOIMA is not generally about full cost-recovery. To charge at full cost-recovery would be inconsistent with the purpose of the legislation; which is to progressively increase the availability of official information to the people of New Zealand.
- 4.7 The Charging Guidelines for Official Information Act 1982 Requests, which were reviewed in 2002, specify standard charges of \$38 (GST inclusive) per half hour of staff time in excess of one hour; and \$0.20 per page for photocopying in excess of 20 pages. Higher rates for staff time may be charged where staff with specialist expertise, that are not on a salary (i.e. contractors), are required to process the request.
- 4.8 The Ombudsman states that 'Although the Charging Guidelines do not apply to local government agencies, it is reasonable for such agencies to make their charging decisions in accordance with the guidelines'.
- 4.9 The guidelines state that 'Agencies may develop their own charging policies. However, the application of an internal charging policy that is inconsistent with the Charging Guidelines, for example, by charging higher rates for staff time or photocopying, risks an Ombudsman's finding on review that the charge in question was unreasonable'.
- 4.10 LGOIMA provides the Ombudsman with the function of investigating and reviewing any decision by which a local authority decides to make a charge for responding to a LGOIMA request.
- 4.11 LGOIMA further requires that where a recommendation is made by the Ombudsman to a local authority, it has a public duty to observe that recommendation on the commencement of the 21st working day after the day on which that recommendation is made. This is unless, before that day, the local authority, by resolution, decides otherwise and records that decision in writing.
- 4.12 This is the case regardless of whether or not the local authority has made a charge that is consistent with the fees and charges consulted on and decided through an Annual Plan or Long Term Plan. It is possibly questionable as to whether the Ombudsman can find a charge that has been properly consulted on as unreasonable.
- 4.13 The Ombudsman quotes some examples in the guidelines in which councils have charged hourly rates higher than the guidelines, and one example of a photocopying fee higher than the guidelines being charged. In these examples, the Ombudsman determined that the charges were unreasonable.
- 4.14 It should be noted that the guidelines specifically identify that costs of responding to LGOIMA requests that result from administrative inefficiencies or poor record keeping should not be charged for, nor the time required to decide whether to grant the request or not. However, often requests are made for information in a form that is not readily available and additional staff time is required.

#### **Current charging practice and budgetary impact**

- 4.15 This year we have received approximately 200 LGOIMA requests through the CEO's Executive Officer. A number of other requests that would qualify as requests for information under LGOIMA have been dealt with by individual staff. Of those recorded, there is only one

case where staff time has actually been charged. In this case the customer was charged \$3,585 for responding to their LGOIMA request.

- 4.16 In a number of cases, where staff have indicated that there would be a charge of \$150 per hour associated with the work, the customer has revised their request.
- 4.17 Some requesters of information have divided their information requirement into several LGOIMA requests with the intention of avoiding or minimising any charge. Our Policy notes that '*Charges should represent a reasonable fee for access and retrieval of information. In occasional situations, it is a matter of discretion of the manager as to what number of hours to charge the requester*'. This discretion may be utilised by managers in appropriate situations to consider multiple requests on the same topic as one request and charge accordingly.
- 4.18 In the vast majority of cases we do not charge for responding to LGOIMA requests, even if doing so would be consistent with the Council's policy. The staff charge out rate of \$150 per hour is one consideration in the infrequency of charging. If Council decides to reduce the staff charge out rate in line with the Ombudsman's guidelines, it is likely that charging will become a more common occurrence.

#### **Other hourly rate charges**

- 4.19 We have hourly charge out rates for a range of other (i.e. not responding to LGOIMA requests) activities, such as resource management work, building control work, food management plans in environmental health, responding to corridor access requests, and supplying electronic files (e.g. maps and GIS data in electronic form). The rate set out in our Schedule of Charges for all of these is \$150 per hour.
- 4.20 These charges are covered by legislation other than LGOIMA. In these cases, our charges have been set to be reasonable to recoup our costs. The legislation concerned also generally does not have an explicit public good purpose that runs counter to charging for cost recovery, nor are there specific guidelines from the Ombudsman on charge out rates for these services.

#### **Other Council charges**

- 4.21 Nelson City Council's charges are in line with the Ombudsman's guidelines. Marlborough District Council currently has an hourly rate of \$60, lower than the recommended rate. Auckland Council charge \$38 a half hour (in line with the guidelines, but provides the first four hours free).

<b>5 Options</b>
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There are three options to choose from for this matter.

- 5.1 **Option 1** - Status quo: Retain the existing hourly rate for responding to LGOIMA requests.
- 5.2 **Option 2** – Adjust the hourly rate for responding to LGOIMA requests in line with the Ombudsman's Guidelines from the start of the 2017/2018 year.
- 5.3 **Option 3** - Recommended Option - Adjust the hourly rate for responding to LGOIMA requests in line with the Ombudsman's Guidelines immediately.

<b>Option 1: Retain the existing hourly rate for responding to LGOIMA requests</b>	
Advantages	<ul style="list-style-type: none"> <li>Continues with the rate approved by Council in the Annual Plan 2016/2017.</li> <li>Recoups our associated costs as rate is based on an estimate of actual staff costs in responding to LGOIMA requests.</li> </ul>
Risks and Disadvantages	<ul style="list-style-type: none"> <li>The charge may be considered inconsistent with the purpose of LGOIMA.</li> <li>Risk of Ombudsman review and finding that the charges are unreasonable, resulting in reputational damage.</li> </ul>
<b>Option 2: Adjust the hourly rate for responding to LGOIMA requests in line with the Ombudsman's Guidelines from the start of the 2017/2018 year.</b>	
Advantages	<ul style="list-style-type: none"> <li>Same as Option 1 for the remainder of the 2016/2017 year.</li> <li>Charges in line with the Ombudsman's guidelines from the start of 2017/2018 year – subject to SCP process and Council decision.</li> <li>If any LGOIMA fee charged is reviewed by the Ombudsman before 30 June 2017, we are able to indicate that the fee is being reviewed for the 2017/2018 year.</li> </ul>
Risks and Disadvantages	<ul style="list-style-type: none"> <li>Same as Option 1 for the remainder of the 2016/2017 year.</li> <li>Lower fee from 1 July 2017, only partially recovers the actual staff costs related to LGOIMA requests.</li> </ul>
<b>Option 3: Adjust the hourly rate for responding to LGOIMA requests in line with the Ombudsman's Guidelines <u>immediately</u>.</b>	
Advantages	<ul style="list-style-type: none"> <li>Brings our charge into line with the Ombudsman's guidelines at the earliest opportunity.</li> <li>Reduces the risk of a review by the Ombudsman, and determining that the fee charged is unreasonable.</li> </ul>
Risks and Disadvantages	<ul style="list-style-type: none"> <li>Fee only partially recovers the actual staff costs.</li> <li>Lack of equity for any customer who may have paid the previously higher fee.</li> </ul>

## **6 Strategy and Risks**

- 6.1 Our main exposure to risk is public reputation. Should a customer contact the Ombudsman with concerns about our charge out rate to supply information under LGOIMA, we could be subject to a review.
- 6.2 We have recently been questioned by the Ombudsman about a fee estimate we provided to a customer to respond to a LGOIMA request. If we are subject to a review for using the

current staff charge out rate, the risk of the Ombudsman finding this rate to be unreasonable is considered to be relatively high.

- 6.3 To reduce the risk of any fee related review, the charge out would need to be changed immediately. To leave this change until the review of the Schedule of Charges in 2017 would leave Council exposed to some risk.

#### **7 Policy / Legal Requirements / Plan**

- 7.1 The purpose of LGOIMA is to progressively increase the availability of official information to the people of New Zealand.
- 7.2 The LGOIMA makes it clear that local authorities may charge for the supply of official information. Any charge must be 'reasonable' and regard may be had to the cost of labour and materials in making the information available.
- 7.3 The Council is required to act in ways consistent with LGOIMA and has a current policy - Requests under the Local Government Official Information and Meetings Act 1987.

#### **8 Consideration of Financial or Budgetary Implications**

- 8.1 As noted above, the occasions on which charges are made for responding to LGOIMA requests are relatively few, and the overall revenue received from this source is low.

#### **9 Significance and Engagement**

- 9.1 The level of significance of this decision is considered to be low.
- 9.2 The existing level of charge was consulted on as part of the Annual Plan 2016/2017 with little, if any, comment from the public. The decision facing the Council is whether to reduce the fee, which is likely to have a beneficial effect on those most affected by it i.e. those seeking information from the Council.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	The existing fee was previously consulted on with little if any feedback from the community. Decision is whether to reduce the fee.
Is there a significant impact arising from duration of the effects from the decision?	Low	The Council reviews its fees and charges on an annual basis.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	NA	
Does the decision create a substantial change in the level of service provided by Council?	NA	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	The occasions on which charges are made for responding to LGOIMA requests are few and the overall level amount of revenue received is low.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	NA	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	NA	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	NA	

## 10 Conclusion

- 10.1 Our staff charge out rate for responding to LGOIMA requests is nearly twice that recommended in the Ombudsman's guidelines, which creates a reputational risk for us.
- 10.2 Reducing this risk by revising the charge out rate will only have a small financial impact as we do not generally charge for LGOIMA requests.
- 10.3 There is an option about whether to reduce the charge out rate or not, and if so whether to do so immediately or to introduce the revised charge out rate at the start of the 2017/2018 financial year.

- 10.4 For the reasons discussed in this report, it is recommended that our charge out rate for responding to LGOIMA requests be brought in to line with the Ombudsman's guidelines effective immediately.

**11 Next Steps / Timeline**

- 11.1 If Council resolves to change the charge rate immediately, then we will update the LGOIMA charging information in the Schedule of Charges. Alternatively, we will take the revised charge through our public consultation process as part of the review of the Schedule of Charges for the Annual Plan 2017/2018.

**12 Attachments**

Nil

## 8.5 RATES REMISSION APPLICATION - LAND SUBJECT TO COUNCIL INITIATED ZONE CHANGES

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Kelly Kivimaa-Schouten, Revenue Accountant; Russell Holden, Finance Manager
<b>Report Number:</b>	RCN16-12-05

### 1 Summary

- 1.1 Council has a Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes (the Remission Policy). This is policy is attached (Attachment 1).
- 1.2 The objective of the Remission Policy is to temporarily offer rates relief to property owners who reside on land that was rezoned who have had rates increases. The intention of the Remission Policy is that the remission will stop when the property is sold or the ratepayer has realised significant financial gain as a result of the rezoning.
- 1.3 Council can only legally approve rates remissions if they are satisfied that the conditions and criteria of the Remission Policy are fully met. The costs of rates remissions are met by other ratepayers through increased rates.
- 1.4 The Remission Policy states that Council may delegate authority to consider and approve applications to Council officers, however in the event of any doubt, the application is to be referred to the Corporate Services Committee for a decision. The decision has been referred to Full Council because there is no longer a Corporate Services Committee.
- 1.5 An application for a rates remission for valuation #1957020502 has been received. This property is a portion of a property that had received full remissions under the Remission Policy in prior years. Since the prior year, the applicants have sold a portion of their property and the applicants are not presently residing on the property that the current year remission application is for.
- 1.6 In light of the applicants' changed circumstances, the likely request to refer a staff decision to Council for review, and the precedent setting nature of this application, the Corporate Services Manager declined to exercise his delegation and the remission has been referred to Full Council for consideration in the first instance.
- 1.7 Staff recommend declining this application because we do not consider that it meets the conditions and criteria set out in the Remission Policy regarding principal residence, and we consider it relevant that the applicant has now realised a significant financial benefit as a result of the zone change.

**2 Draft Resolution**

**That the Full Council**

- 1. receives the Rates Remission Application - Land Subject To Council Initiated Zone Changes report RCN16-12-05; and**
- 2. declines to remit rates in accordance with Council's Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes for the 2016-2017 year for valuation # 1957020502.**



### 3 Purpose of the Report

- 3.1 The purpose of this report is to consider the remission application for property valuation #1957020502 under the Council's Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes.

### 4 Background and Discussion

- 4.1 The owners of property valuation #1957020502 have applied for a rates remission under Council's Policy on Remission of Rates for land Subject to Council Initiated Zone Changes (the Remission Policy) for 2016-2017.
- 4.2 The Remission Policy delegates to staff the ability to consider and approve applications. The Corporate Services Manager was not comfortable that this application met the conditions and criteria of the Remission Policy and could have declined the application on this basis. The Remission Policy states that in the event of doubt or dispute, the application should be considered by the Corporate Services Committee. Since this application falls outside of the policy intent, is precedent setting in nature, and since it is probable that a request would be made for Council to review a staff decision, the Corporate Services Manager considered that the decision should most appropriately be made by Full Council in the first instance. The decision has been referred to Full Council because there is no longer a Corporate Services Committee.

#### When can a Council remit rates and how are remissions funded?

- 4.3 Councils have limited discretion to reduce rates that have been validly set, but Section 102 (3) of the Local Government Act 2002 permits Councils to set a rates remission policy.
- 4.4 Section 109 of the Local Government Act 2002 requires the remission policy to state the objectives to be achieved by the remission of the rates and the conditions and criteria to be met in order for rates to be remitted.
- 4.5 Section 85 of the Local Government (Rating) Act 2002 restricts the ability of Councils to remit rates to those circumstances when the local authority has adopted a rates remission policy and the Council is **satisfied** that the **conditions and criteria in the policy are met**.
- 4.6 The Council has budgeted for remissions expense under the Remission Policy. This remission expense is directly funded by rates i.e. everyone's rates are slightly higher in order to fund the expected costs of rates remissions.

#### Remission History of the Applicants

- 4.7 In prior years, the applicant has applied for a remission on valuation # 1957020500. In the prior year, this rating valuation was composed of two Certificates of Title for land totalling 10.2620ha. Rating records indicate there was one dwelling on this property, and the applicant's past applications indicated they resided on the property.
- 4.8 The applicant has received remissions on #1957020500 of \$8,390 for 2012-2013, \$8,611 for 2013-2014, \$8,930 for 2014-2015, and \$8817.86 for 2015-2016.
- 4.9 The methodology for calculating the prior year remissions was to take the rates that were calculated based on land valuation, and reduce them to what they would have been if the

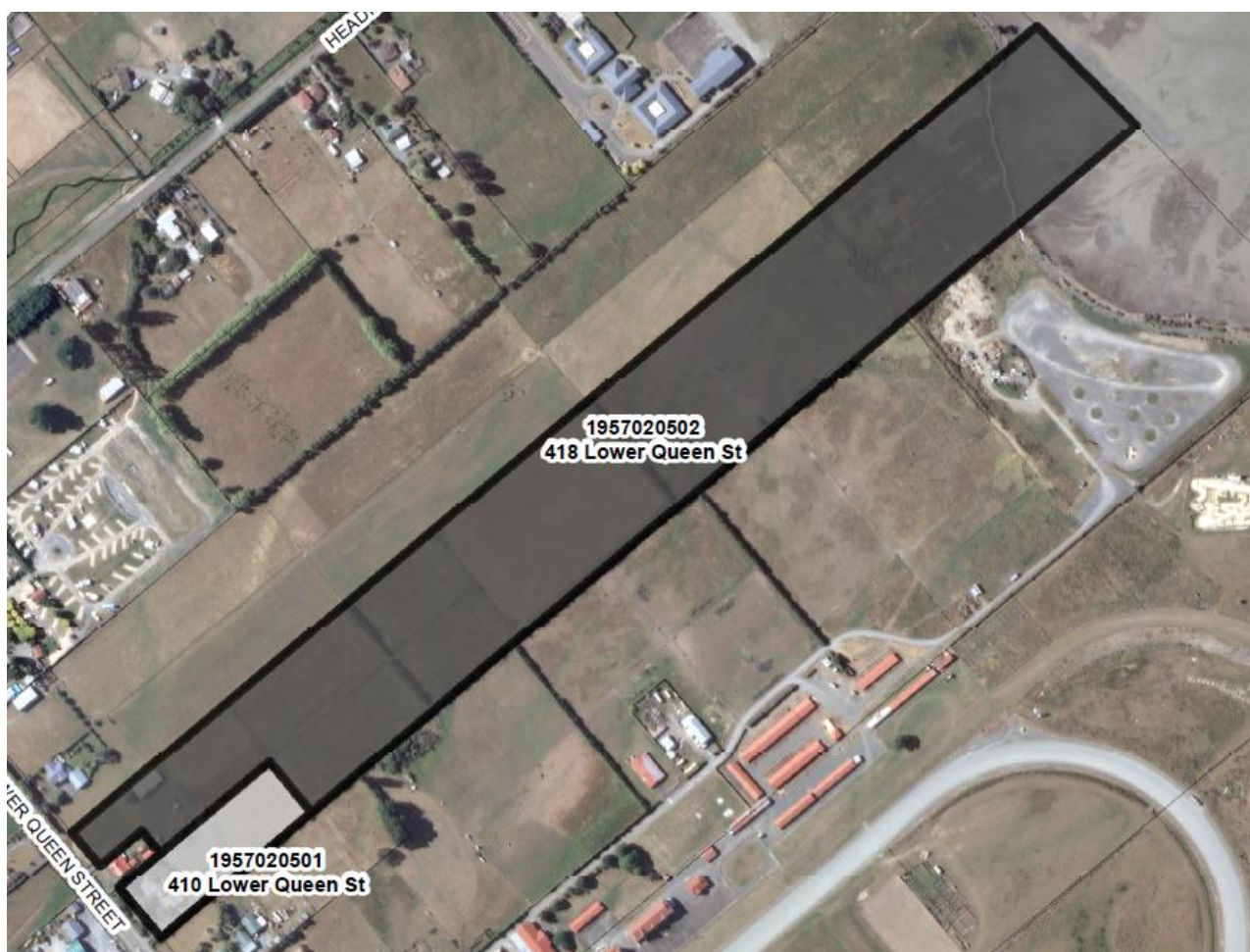
rezoning had not occurred, using valuation figures provided by Council's registered valuer, QV.

4.10 On 16 June 2016, a property settlement occurred. One of the Certificates of Title that was included in valuation #1957020500 was sold to a third party. For rating purposes, two new rating units were created for the 2016-2017 rating year commencing on 1 July 2016.

4.10.1 Valuation #1957020501 is the rating valuation now owned by a third party. Rating records indicate this property is 0.7571ha and contains a dwelling.

4.10.2 Valuation #1957020502 continues to be owned by the applicant. It is a larger property, listed at 9.5049 hectares and does not presently have a dwelling.

4.10.3 See a map of the two properties below.



4.11 On 4 August 2016, the Council received a rates remission application for valuation #1957020502.

4.12 On 9 August 2016 staff wrote to the applicant to clarify matters contained in the application form including where the applicant resided. This is because the application form indicated the property was the applicants' primary residence but the rating database did not show there was a dwelling on the property.

4.13 A consultant acting on behalf of the applicant replied to clarify the applicant's original residence will be shifted from 410 Lower Queen Street (valuation #1957020501) to 418 Lower Queen Street (the property retained by the applicant, valuation #1957020502).

- 4.14 It therefore appears that eventually the applicants will reside in the original dwelling, relocated on to the part of the property they have retained (valuation #1957020502).
- 4.15 The consultant has indicated they intend to move the present residence 50 meters generally to the northwest. (See Attachment 2 showing where the house will be relocated).
- 4.16 The applicant has verbally confirmed that at present they continue to reside in the original residence on the property that was sold (#1957020501). A review of the property information at the time of writing the report shows a resource consent having been issued regarding relocating a dwelling to 418 Lower Queen Street.
- 4.17 Rating factors are set once per year, immediately prior to the rating year commencing. At the start of the current rating year, the values upon which the rates were based do not include a dwelling on the property the remission is being applied for.

### **Remission Policy Factors to Consider**

#### **Objectives of the policy**

- 4.18 Council can only legally remit rates that meet its remission policy. The objectives of the remission policy state that “This Policy is to allow Council, at its discretion, to remit rates charged on any rating unit used for residential purposes that is rezoned as a result of a Council initiated zone change. The aim of this Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected... The Council’s preference is to allow a transition period before affected ratepayers are required to pay the increased rates in full.”
- 4.19 Council will need to consider whether the applicants are still among those most adversely affected by the zone change.
- 4.20 The policy does not explicitly state what would happen if a portion of the rezoned property was sold, or if a dwelling was relocated. Council will need to apply the conditions and criteria that have been written and included in the policy to determine the outcome of the application.

#### **Does the applicant qualify under Clause 3 of the policy?**

- 4.21 Clause 3 of the Policy states that “To be considered for a rates remission under this Policy:...
- d) The rating unit must be the applicant ratepayer’s principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.” We will refer to this as the “principal residence” criteria.
- 4.22 Although clause 5 of the policy states that a decision to remit rates is at the sole discretion of Council, staff consider that since clause 3 is included in the policy, in order to grant a remission, this criterion must be met.
- 4.23 Rating unit is defined in the Rating Valuations Act 1998 and for Valuation #1957020502 is the land comprised in the Certificate of Title.
- 4.24 In the prior year, the applicants resided on a rating unit that was their principal place of residence and therefore they met the principal residence criteria in the prior year.
- 4.25 In the current rating year although there is an intention to move their previous dwelling to the new rating unit which includes part of the property they resided on last year, at present there

is no dwelling on the property, and they do not reside there, making it unlikely that the “principal residence” criterion is met.

- 4.26 The applicant has verbally confirmed they continue to reside in their original dwelling which is not on the rating unit the application is for. This would mean the applicants would not be eligible to be considered for a rates remission under the policy.
- 4.27 This conclusion drawn by staff has been supported by independent legal advice taken on this matter.

**Financial benefit and financial circumstances of the applicants and the precedent effect**

- 4.28 Clause 9 of the Remission Policy states that the Council “may” consider and be guided by criteria including whether the applicant ratepayer has “realised a financial benefit from the zone change” and the “personal circumstances including financial circumstances of the applicant ratepayer” and “the precedent effect”.
- 4.29 The remission on the applicant property in previous years was set with a capital value of \$<1m for the whole 10.262 hectares. The applicant’s consultant has noted that the land sold to “free up 410 Queen Street for more commercially minded development”. The 0.7571 hectares sold for in excess of \$1m which is more than the expected capital value of the whole 10.262 hectares if there had been no rezoning. Therefore it does appear the applicant has achieved some considerable financial benefit from the rezoning, although not on the property that the current year remission application relates to.
- 4.30 Regardless of whether or not the clause about financial benefit was intended to cover the sale of a portion of a property, staff consider it relevant to consider the financial circumstances of the applicant, who appears to have benefitted financially from the zone change.
- 4.31 In a Report to the Full Council on 19 September 2013, staff noted that the Corporate Services Committee determined that “No reduction in remission will be made where land has been sold to Council and Council could have compulsorily acquired that land.” This precedent was set at the 22 August 2013 Corporate Services Committee meeting. This situation does not apply to the property sale on this remission application and the financial sums involved in this property sale are more significant.
- 4.32 In the past, Council has declined a remission application due to new commercial activity on a property, despite the applicant being unlikely to have realised a significant financial benefit in that early period of that commercial operation. This decision was made on 15 October 2015 by the Corporate Services Committee who had been asked to consider the application because the use of the property had changed since the rezoning with the development and opening of a holiday park, and because the application was received after the deadline.
- 4.33 Staff also consider it important to consider the impact this decision will have in terms of precedent moving forward. Staff note that the property the remission application is for is currently listed for sale with Bayleys. By granting a full remission on the property in the current year, despite the changes to the original rating unit that was granted remissions, it may create a precedent effect and expectation that as long as some land is retained by the original owner, remissions will continue to be granted on the balance of the land.

**5 Options**

## 5.1 Option 1: Decline Remission

- 5.1.1 The Council can decline to grant a remission for this application. This option is recommended by staff.
- 5.1.2 Staff do not consider that the application meets the remission policy criteria because the policy states that the rating unit must be the principal place of residence of the applicant and there was no dwelling on the rating unit at the start of the rating year.
- 5.1.3 Additionally, the policy states that Council may consider and be guided by whether the applicant ratepayer has benefitted from the zone change and consider financial circumstances. By selling off a portion of the property at a higher value than the whole property was expected to have had without rezoning, it appears the applicant has financially benefitted from the rezoning.
- 5.1.4 Council has in the past stopped remitting rates when the land use of a portion of the property changed, even though the property owner is unlikely to have had a significant financial position improvement in the first year of their new business's operation.
- 5.1.5 Selecting this option may set the precedent that when a property owner sells off property with a significant value, they would no longer receive a remission under the Remission Policy.
- 5.1.6 Land use change may be better incentivised by selecting this option.
- 5.1.7 Selecting this option would mean that even though the applicant intends to relocate their original dwelling to a portion of the land that was receiving remissions, they would not receive a remission. Some may view this as an inequitable result.
- 5.1.8 Selecting this option would mean that the rates on the property which reflect the increased property values from rezoning would be paid for by the property owner rather than the general ratepayer.

## 5.2 Option 2: Grant Remission of between 0-100%

- 5.2.1 Council can grant a remission if they do interpret that the conditions and criteria of the Remission Policy are met. This option is not recommended by staff for the reasons set out above as the property does not appear to meet the "principal residence" criteria and this conclusion is supported by legal advice.
- 5.2.2 It could be considered fair and equitable to remit rates on this property because the applicants have continued to own the property and intend to move their original residence on to the property. However the Council can only apply the policy as it is written and cannot change a Rates Remission Policy without a consultation process.
- 5.2.3 If Council selects this option it would indicate that they did not consider the applicant's part sale of the original property owned to be significant or relevant when applying the policy.
- 5.2.4 It is possible that the applicant will apply for a remission next year when the rating unit may once again be their principal residence.
- 5.2.5 Granting a remission would be of financial benefit to the applicant, with the rates cost resulting from value increases due to rezoning being paid by other ratepayers in the district.

## 6 Strategy and Risks

- 6.1 The rates remission policy was put in place to consider remitting rates for those ratepayers adversely affected by an increase in rates when the land value of their rating unit has increased as a result of a Council initiated zone change, with the intention that full rates would ultimately be paid. Council will need to apply its remission policy to determine whether this application meets the objectives and conditions and criteria of the policy.
- 6.2 Council rezoned this land with an expectation of land use change. Precedent will be set if full remissions continue to be granted when financially significant portions of the property have been sold off, and this may conflict with the Council's objective to incentivise land use change.

## 7 Policy / Legal Requirements / Plan

- 7.1 Legal requirements are set out in clauses 4.3-4.6 and 4.21-4.33 above.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 If approved, any remission granted under this application would be covered by Council's current year remission expense budget, which will be funded by the ratepayer.

## 9 Significance and Engagement

- 9.1 This decision is of high significance to the applicant because of its immediate impact on their rates. The decision is of low to moderate significance for the rest of the ratepayers in the district as it is a unique remission application and the current pool of applicants under this policy are limited to those with rates that have increased as a result of a Council initiated zone change. This precise situation is expected to be unusual even within that smaller pool.
- 9.2 The Remission Policy under which the application has been considered has already been subject to consultation and no consultation is required on this decision.

## 10 Conclusion

- 10.1 The Council is asked to consider the rates remission application for Valuation #1957020502.

## 11 Next Steps / Timeline

- 11.1 The applicant will be notified of the decision.

## 12 Attachments

- |    |   |    |
|----|---|----|
| 1. | Policy on Remission of Rates for Land Subject to Council Initiated Zone Changes | 97 |
| 2. | Photo showing where dwelling will be relocated                                  | 99 |







## POLICY ON REMISSION OF RATES FOR LAND SUBJECT TO COUNCIL INITIATED ZONE CHANGES

### OBJECTIVES

This Policy is to allow Council, at its discretion, to remit rates charged on any rating unit used for residential purposes that is rezoned as a result of a Council initiated zone change. The aim of this Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected by an increase in rates when the land value of their rating unit increases as a result of a Council initiated zone change. The Council's preference is to allow a transition period before affected ratepayers are required to pay the increased rates in full. It is accepted that the rates remitted will be paid by other ratepayers.

### APPLICATION

This policy applies to properties located in the Tasman District.

### POLICY

#### 1 CONDITIONS AND CRITERIA

1. The Council may, on the application of a ratepayer, remit all or part of the rates on a rating unit, if
  - a) the rating unit is used for residential purposes, and
  - b) the rating unit has been rezoned as a result of a Council initiated zone change made under Part 1 Schedule 1 of the Resource Management Act 1991, and
  - c) the zone change was notified after 5 October 2007, and
  - d) the effect of that zone change is that the land value of the rating unit increases, and
  - e) consequently the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
2. The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as result of the zone change.
3. To be considered for a rates remission under this Policy:
  - a) the rating unit must be situated within the area of land that has been rezoned; and
  - b) the rating unit must be used for residential purposes, and must have been used for residential purposes prior to the zone change being initiated by the Council; and
  - c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
  - d) the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.
4. The remission of all or any part of the rates on a rating unit may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the rates payable in respect of the rating unit, provided that no rates shall be remitted that were due in a financial year (1 July to 30 June) prior to the one in which this Policy commenced.
5. The decision to remit all or any part of the rates on a rating unit shall be at the sole discretion of the Council.
6. The Council may refuse to remit rates even where the conditions set out in this Policy are met by a ratepayer.
7. Subject to clause 8 of this Policy the remission of rates on a rating unit will cease upon the happening of any of the following events:
  - a) the death of the ratepayer; or
  - b) the ratepayer ceases to be the owner of the rating unit; or
  - c) the ratepayer ceases to use the rating unit as his/her principal place of residence; or
  - d) a date determined by the Council in any particular case; or
  - e) any earlier date determined by the ratepayer in any particular case.

## POLICY ON REMISSION OF RATES FOR LAND SUBJECT TO COUNCIL INITIATED ZONE CHANGES (CONT.)

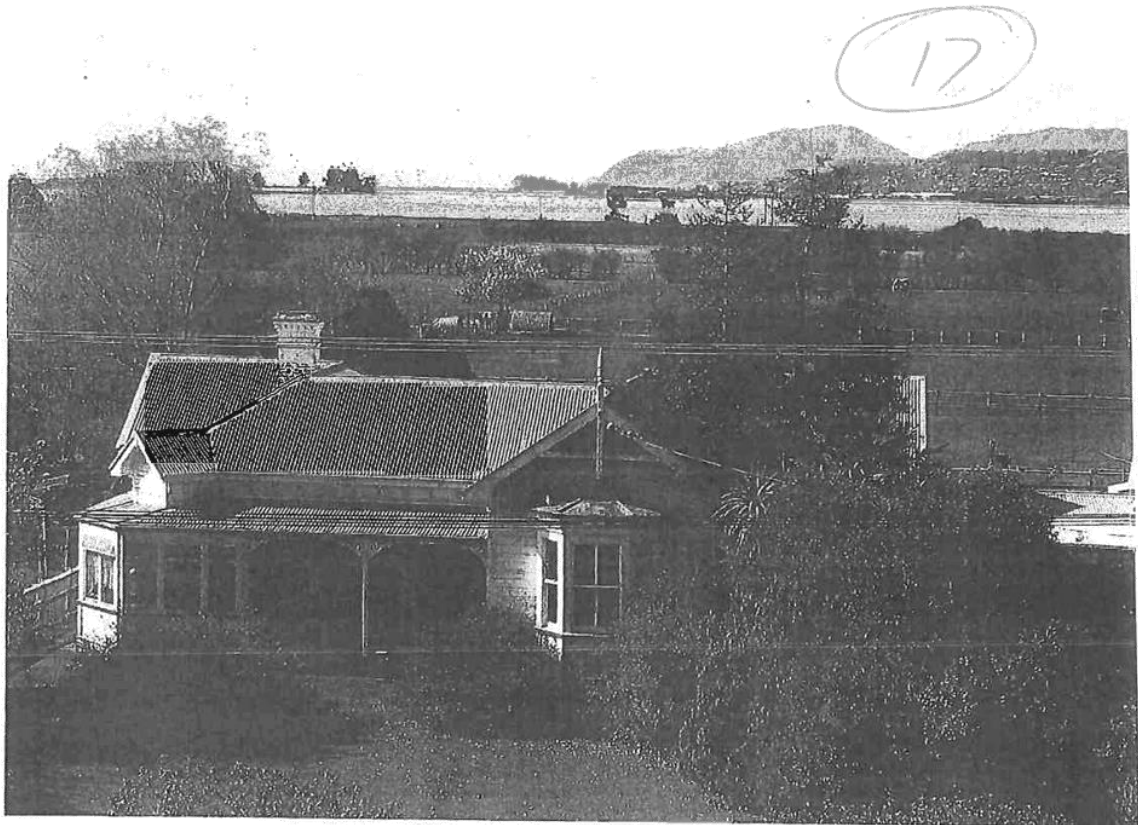
8. The Council may at any time at its discretion grant the ratepayer an extension of the rates remission period previously agreed to by the Council.
9. The Council may consider and be guided by the following criteria in its decisions on applications for a rates remission under this Policy –
  - a) those relevant matters set out in s101 of the Local Government Act relating to the determination of appropriate funding sources;
  - b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
  - c) whether the applicant ratepayer has realised a financial benefit from the zone change;
  - d) the influence of market movements on land values;
  - e) the personal circumstances including the financial circumstances of the applicant ratepayer;
  - f) equity and fairness among ratepayers;
  - g) the precedent effect.

### Definitions

10. In this Policy residential purposes means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the ratepayer as their principal place of residence.
11. In this Policy ratepayer means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.
12. In this Policy rates means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.

### 2 PROCEDURE

1. The application for rates remission must be made to the Council on or before 15 September of a rating year if the applicant wishes the remission to apply to rates payable in that year.
2. Applications for remission must be made on the prescribed form.
3. Applications will not be accepted for prior years.
4. Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council.
5. As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any remission will be based on valuations supplied by Council's valuation service provider.
6. Council may recover costs from applicant ratepayers in accordance with the Fees and Charges Policy.
7. Council may delegate authority to consider and approve applications to Council officers. In the event of any doubt or dispute arising, the application is to be referred to the Corporate Services Committee for a decision.





## 8.6 SEPTEMBER 2016 QUARTERLY FINANCIAL UPDATE - INCLUDING END OF YEAR FORECASTS

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Matthew McGlinchey, Senior Management Accountant; Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN16-12-06

### 1 Summary

- 1.1 The September 2016 quarterly financial report provides Councillors with an update of key financial information and the forecast year end position.
- 1.2 This report provides the opening position for the 2017/18 Annual Plan. It is also a formal mechanism for budget managers to escalate issues through to senior management and Council.
- 1.3 This is the second year that Council has forecast out the year end position. As such it is still a relatively new process for staff. Staff have been cautious and conservative in terms of their forecasting assumptions. Current indications are that the final year end position will be better than forecast because of lower debt and the resulting savings.
- 1.4 This is the first of three reforecasts that are undertaken during the year with the others occurring in January and April. A formal report, like this one, will be reported back to Council, at those times.
- 1.5 The table below is a high level summary of the financial highlights for the first quarter. The full report is attached as Attachment 1. Council is forecasting to better the revised budget expectations by year end by an operating surplus of \$5.0 million.

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Accounting Surplus/(Deficit)	1,895	8,685	4,083	4,602
Operating Surplus/(Deficit)	2,338	1,676	(3,324)	5,000
Total Net Debt	119,273	139,050	166,405	(27,355)
Expenditure	23,950	103,852	107,729	(3,877)
Income	25,845	112,537	111,812	725
Capital Expenditure	4,102	43,965	58,543	14,578

- 1.6 Please note the positive result is being compared back to the revised budget which comprises the adopted 2016/17 Annual Plan plus projects carried forward as part of the 22 September 2016 Carry Over Report to Council.
- 1.7 The report also seeks approval to delegate to the Engineering Committee the ability to approve changes to their capital programme.

<b>2 Draft Resolution</b>
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- 1. That the Full Council receives the September 2016 Quarterly Financial Update - including End of Year Forecasts Report RCN16-12-06; and**
- 2. That the Full Council delegate authority to the Engineering Committee to agree to changes to the 2016/17 Annual Plan.**

**3 Purpose of the Report**

- 3.1 To advise Council of the financial performance and position for the three months ended to September 2016, and forecast position at the end of the current financial year.

**4 Background and Discussion**

- 4.1 This is the first quarterly financial report for the 2016/17 financial year. Another two will be completed in January and April 2017.
- 4.2 Operating activity expenditure is \$23.9m as at September year to date, and is forecast to reach \$103.8m by year end. This is a favourable variance of \$3.8m on the approved annual budget of \$107.7m.
- 4.3 Operating income is \$37.9m as at September year to date, and is forecast to reach \$112.5m by year end. This is a favourable variance of \$725,000 on the approved annual budget of \$111.8m.
- 4.4 Capital expenditure totals \$4.1m as at September, and is forecast to reach \$44m by year end. This is a variance of \$14.6m on the approved annual budget of \$58.5m.
- 4.5 Total net debt is forecast to be \$139m as at 30 June 2017 compared to a budget of \$166m. This reflects the strong operating surpluses that Council have had over the last two years. This reduction is a key driver of the favourable movement shown in 4.2 above.
- 4.6 The full Quarterly Financial Report September 2016 is attached (Attachment 1).
- 4.7 A summary of the significant Debtor Accounts is also provided in this quarterly report. The outstanding debtor position is continuing its downward trend in both quantity of accounts and dollar value. This is consistent with the debt management processes being put in place.
- 4.8 A delegation document is to be adopted at this meeting that will set out the rules around the realignment of capital program. Until this occurs Council need to sub delegate this authority to the Engineering Committee so this realignment can occur. A report will come to the Engineering Committee on 15 December 2016 seeking approval for this realignment.

**5 Attachments**

1. September 2016 Quarterly Financial Report and Year End Forecast to 30 June 2017 105





Tasman District Council  
Quarterly Financial Report  
and Year End Forecast to June 30<sup>th</sup> 2017

September 2016

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**At a Glance – TDC Financial Position as at 30 September 2016**

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Accounting Surplus/(Deficit)	1,895	8,685	4,083	4,602
Operating Surplus/(Deficit)	2,338	1,676	(3,324)	5,000
Total Net Debt	119,273	139,050	166,405	(27,355)
Expenditure	23,950	103,852	107,729	(3,877)
Income	25,845	112,537	111,812	725
Capital Expenditure	4,102	43,965	58,543	14,578

**Commentary**

Tasman District Council is projecting an operating surplus of \$5.0m over and above budget expectations for the year ended 30 June 2016.

A more detailed analysis of the make-up of this favourable variance is provided later in this report.

The forecast surplus above assumes that an emergency event will occur in the financial year and those funds will be drawn on. If there was no event, then the surplus will be higher.

**Revised Budget 2016/17** – this represents the approved 2016/17 Annual Plan as adopted by Council on 12 May 2016. It also includes any Council resolved decisions that impacted budgets, for example, the carry over report that was approved on 22 September 2016 by Council.

**Annual Forecast 2016/17** – this represents a reforecast of the revised budget position. Budget managers are instructed to forecast out their expected 30 June 2017 end of year position. The Finance team then take these inputs and calculates interest, depreciation etc. via the financial model. The end result is this column.

## Overall Financials

## Statement of Comprehensive Financial Performance

For the year to September 2016

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/Fcst \$000
<b>INCOME</b>				
Revenue from Rates				
General rates	8,876	35,505	35,470	35
Targeted rates (other than for water supply)	7,436	29,555	29,525	30
Targeted rates for a water supply	1,074	3,956	3,956	0
Operating Activities				
Development and financial contributions	761	5,794	5,807	(13)
Operating subsidies and grants	1,459	4,823	4,833	(10)
Capital Subsidies	133	3,737	3,747	(10)
Other revenue	7,308	27,793	27,171	622
<b>Total Revenue</b>	<b>27,047</b>	<b>111,163</b>	<b>110,509</b>	<b>654</b>
Fair value movement on revaluation	(1,481)	653	653	0
Other gains	126	181	93	88
Finance income	153	540	557	(17)
<b>TOTAL INCOME</b>	<b>25,845</b>	<b>112,537</b>	<b>111,812</b>	<b>725</b>
<b>EXPENSE</b>				
Finance expense	1,746	7,804	9,367	1,563
Employee related expense	5,310	21,241	21,145	(96)
Expenditure on operating activities	8,145	32,936	33,457	521
Maintenance	3,187	18,581	18,525	(56)
Depreciation and amortisation	5,562	23,290	25,235	1,945
<b>TOTAL EXPENSE</b>	<b>23,950</b>	<b>103,852</b>	<b>107,729</b>	<b>3,877</b>
<b>TOTAL OPERATING SURPLUS/(DEFICIT)</b>	<b>1,895</b>	<b>8,685</b>	<b>4,083</b>	<b>4,602</b>
Share of joint ventures	0	1,166	1,166	0
Share of associates surplus/deficit	0	0	0	0
<b>NET SURPLUS/(DEFICIT) BEFORE TAXATION</b>	<b>1,895</b>	<b>9,851</b>	<b>5,249</b>	<b>4,602</b>
Income tax expense	0	0	0	0
<b>NET SURPLUS for the year</b>	<b>1,895</b>	<b>9,851</b>	<b>5,249</b>	<b>4,602</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
Gain on asset revaluations	0	0	0	0
Asset impairment Loss	0	0	0	0
Share of associate other comprehensive income	0	0	0	0
<b>TOTAL OTHER COMPREHENSIVE INCOME</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(0)</b>
<b>TOTAL COMPREHENSIVE INCOME for the year</b>	<b>1,895</b>	<b>9,851</b>	<b>5,249</b>	<b>4,602</b>
<b>TOTAL OPERATING SURPLUS (as above)</b>	<b>1,895</b>	<b>8,685</b>	<b>4,083</b>	<b>4,602</b>
Less Non-Controllable Activities				
Capital Subsidies	133	3,349	3,747	(398)
Vested assets	905	3,007	3,007	0
Fair value movement on revaluation	(1,481)	653	653	0
<b>Total Non-Controllable Activities</b>	<b>(443)</b>	<b>7,009</b>	<b>7,407</b>	<b>(398)</b>
<b>TOTAL CONTROLLABLE OPERATING INCOME</b>	<b>2,338</b>	<b>1,676</b>	<b>(3,324)</b>	<b>5,000</b>

Commentary is provided on the revenue and expenditure forecast changes later in the report.

Please note the Annual Plan as adopted in May 2016 by Council budgets a deficit of \$1.40m as opposed to the deficit of \$3.3m above. This reflects the carry forward of some projects are being funded from existing surpluses.

## Income Analysis

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Environment & Planning	4,067	15,201	15,211	-10
Engineering	14,215	59,107	59,739	-632
Community Development	4,700	18,664	18,601	63
Council Enterprises	634	6,676	5,109	1,567
Governance	881	3,541	3,517	24
Departmental Overheads	1,792	2,339	2,228	111
<b>Total Controllable Income</b>	<b>26,288</b>	<b>105,528</b>	<b>104,405</b>	<b>1,123</b>
<b>Non-Controllable Income</b>				
Capital subsidies	133	3,349	3,747	-398
Vested assets	905	3,007	3,007	0
Fair value movement on revaluation	-1,481	653	653	0
<b>Total Income</b>	<b>25,845</b>	<b>112,537</b>	<b>111,812</b>	<b>725</b>

### Commentary

Controllable income is forecast to be \$1.123m above budget at year end. When non controllable income is added back this reduces to \$725,000. This \$398,000 reduction was predominantly caused by a decreased forecast capital spend on the Great Taste Tasman Trail and the resulting decrease in how much Council would receive from external funding providers.

The reduction of \$10,000 in Environmental and Planning is made up as follows:

- \$126,000 additional revenue for plan changes associated with Progressive Enterprises in Champion/Salisbury Rd, and Spat Catching Group in Wainui Bay; along with \$44,000 from the Ministry for the Environment relating to Community Environment Fund recoveries.
- Reduction of \$125,000 to remove contributions for the Top of the South Marine Biodiversity Group which has been passed on to Nelson City Council. Similarly, expenditure for this has also been removed.
- Reduction of \$74,500 relating to the distribution of prior year Abel Tasman Foreshore Funds forecast for this year.

The reduction in revenue expectations in Engineering Services relates to:

- Income expectations around the implementation of trade waste fees have been revised to reflect the revenue reality of this new fee.
- Solid waste – the 2016/17 Annual Plan was prepared on the assumption that we would be operating a joint landfill with Nelson City Council. Because we are not we will receive less revenue than expected. However, there is an offset in expenditure as well. We also received a large waste disposal revenue stream when the Nelson BP was decommissioned.

The additional \$1.567m of revenue in the Commercial area relates to:

- additional harvesting revenues from the Borlase Forestry of \$1.53m. The harvesting has been brought forward a year as per the strategy approved by Council, as have the additional harvesting costs.

The additional revenue was offset by:

- reductions in the revenue predictions at Port Tarohe of \$51,000 and Aerodromes \$20,000. Where appropriate these reductions have been reflected in the 2017/18 Annual Plan.

The additional \$111,000 income in departmental overheads is due to:

- Rates remissions are forecast to be \$80,000 less than budget.

## Operating Expenditure Analysis

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Environment & Planning	3,512	14,938	14,211	-727
Engineering	7,357	32,666	34,594	1,929
Community Development	3,373	13,194	13,760	566
Council Enterprises	759	5,093	3,465	-1,628
Governance	635	2,899	2,872	-27
Departmental Overheads	1,006	3,969	4,226	257
<b>Total</b>	<b>16,642</b>	<b>72,758</b>	<b>73,127</b>	<b>370</b>
Finance Expenses	1,746	7,804	9,367	1,563
Depreciation	5,562	23,290	25,235	1,945
<b>Total</b>	<b>7,308</b>	<b>31,094</b>	<b>34,602</b>	<b>3,508</b>
<b>Total Expense</b>	<b>23,950</b>	<b>103,852</b>	<b>107,729</b>	<b>3,877</b>

### Commentary

Overall expenditure is forecast to be under budget by \$3.88m at the end of the financial year.

A significant portion of this underspend is driven by the reduced debt figure as discussed earlier. In total interest savings of \$1.56m are expected because of the reduced level of debt, savings in the weighted average interest rate that Council pays, and a lower forecast capital spend than budgeted.

Depreciation is under budget as a revaluation exercise occurred in 2014/15 on infrastructure assets. The budgeted depreciation impact of this revaluation was not as high as expected. A slowdown in the capital works programme also contributes to this expenditure category being under budget. As such there are savings of \$1.94m in this area.

Environmental and Planning is forecasting an over budget position in the following areas:

- Resource consents – additional resources for increased consent applications and PIMs/LIMs. Additional water and land use consents revenue is forecast to fund the majority of this increase.
- Building control – \$90,000 is for the digital platform implementation project procurement and implementation costs. Additional consultancy costs of \$200k, which are required to help process the number of building consents in the District within statutory timeframes, and to pay professional fees for the leaky home cases which are active - this is an increase on previous years. Additional technical and administrative staff resources have also been employed to keep abreast with the rising demand in this area.

The 2017/18 Annual Plan budgets have been amended to reflect these changes.

Engineering Services is forecasting an overall underspend. This predominantly relates to the continued operation of Eves Valley landfill. As previously reported income for solid waste is also

forecasting less revenue. The two do not match as additional costs have been incurred in relation to the Commerce Commission decision. The rivers area is also forecasting to underspend in operating budgets.

Community Development is forecasting an underspend of \$566,000 in the reserve financial contribution area. This relates to a change in the category used for expenditure in this area. It had incorrectly been reported as operating in nature when it was a capital spend. As such the offsetting overspend is showing in the capital spend area for Community Development. The net impact is zero. This has been corrected in the 2017/18 Annual Plan.

Council enterprise is forecasting an overspend due to additional harvesting costs associated with the Borlase forestry. Again this offsets with the increased revenue described above. Additional costs are also forecast for the roll out of the Rabbit Island Reserve Management Plan.

Departmental overhead is forecasting an underspend in relation to reduced consultancy costs, valuation fees and remission penalties.



## Accounting Surplus v Operating Surplus

Tasman District Council			
Accounting Surplus v Operating Surplus			
	Forecast 2016/17 \$000	Budget 2016/17 \$000	Var Bud/F'cst \$000
<b>Accounting Surplus/(Deficit)</b>	8,685	4,083	<b>4,602</b>
<b>Less Non Controllable</b>			
Revaluation of Swaps (non cash)	653	653	<b>0</b>
Vested Assets (non cash)	3,007	3,007	<b>0</b>
Capital Subsidies	3,349	3,747	<b>(398)</b>
<b>Total</b>	<b>7,009</b>	<b>7,407</b>	<b>(398)</b>
<b>Controllable Operational Surplus/(Deficit)</b>	<b>1,676</b>	<b>(3,324)</b>	<b>5,000</b>
<b>Explained by</b>			
Income	<b>(105,528)</b>	<b>(104,405)</b>	<b>1,123</b>
Expenditure	103,852	107,729	<b>3,877</b>
<b>Total</b>			<b>5,000</b>

## Commentary

The above table shows a reconciliation of the accounting surplus compared to the controllable operational surplus. The table strips out items that can only be used to fund capital expenditure or are non-cash in nature i.e. swap revaluations/vested assets. This provides a clearer view of the core operating position.

## Statement of Financial Position

As at September 2016

Actual 2016 \$000		YTD Actual Sep 2016 \$000	Budget 2016/17 \$000
<b>CURRENT ASSETS</b>			
3,221	Cash and cash equivalents	2,496	7,364
13,275	Trade and other receivables	12,241	15,389
1,521	Other financial assets	1,521	1,537
770	Non current assets held for resale	0	288
<b>18,787</b>	<b>TOTAL CURRENT ASSETS</b>	<b>16,258</b>	<b>24,578</b>
<b>CURRENT LIABILITIES</b>			
12,290	Trade and other payables	10,493	17,143
1,772	Employee benefit liabilities	2,077	2,216
-	Current portion of borrowings	3	16,047
3	Current portion of Derivative financial instruments	0	53
<b>14,065</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>12,573</b>	<b>35,459</b>
<b>4,722</b>	<b>WORKING CAPITAL</b>	<b>3,685</b>	<b>(10,881)</b>
<b>NON CURRENT ASSETS</b>			
109,933	Investments in associates	109,933	92,212
6,165	Other financial assets	6,161	8,454
984	Intangible assets	313	1,147
-	Trade & other receivables	0	0
32,848	Forestry assets	32,848	21,227
4,620	Investment property	5,080	1,323
1,301,387	Property, plant and equipment	1,301,751	1,368,139
<b>1,455,937</b>	<b>TOTAL NON CURRENT ASSETS</b>	<b>1,456,086</b>	<b>1,492,502</b>
<b>NON CURRENT LIABILITIES</b>			
133,006	Term borrowings	123,290	159,259
17,946	Derivative Financial Instruments	19,427	8,075
512	Employee benefit liabilities	512	577
1,680	Provisions	1,680	1,053
<b>153,144</b>	<b>TOTAL NON CURRENT LIABILITIES</b>	<b>144,909</b>	<b>168,964</b>
<b>1,307,515</b>	<b>TOTAL NET ASSETS</b>	<b>1,314,862</b>	<b>1,312,657</b>
<b>EQUITY</b>			
554,438	Accumulated equity	561,753	543,522
17,447	Reserve funds	17,479	18,610
735,630	Revaluation reserves	735,630	750,525
<b>1,307,515</b>	<b>TOTAL EQUITY</b>	<b>1,314,862</b>	<b>1,312,657</b>

## Commentary

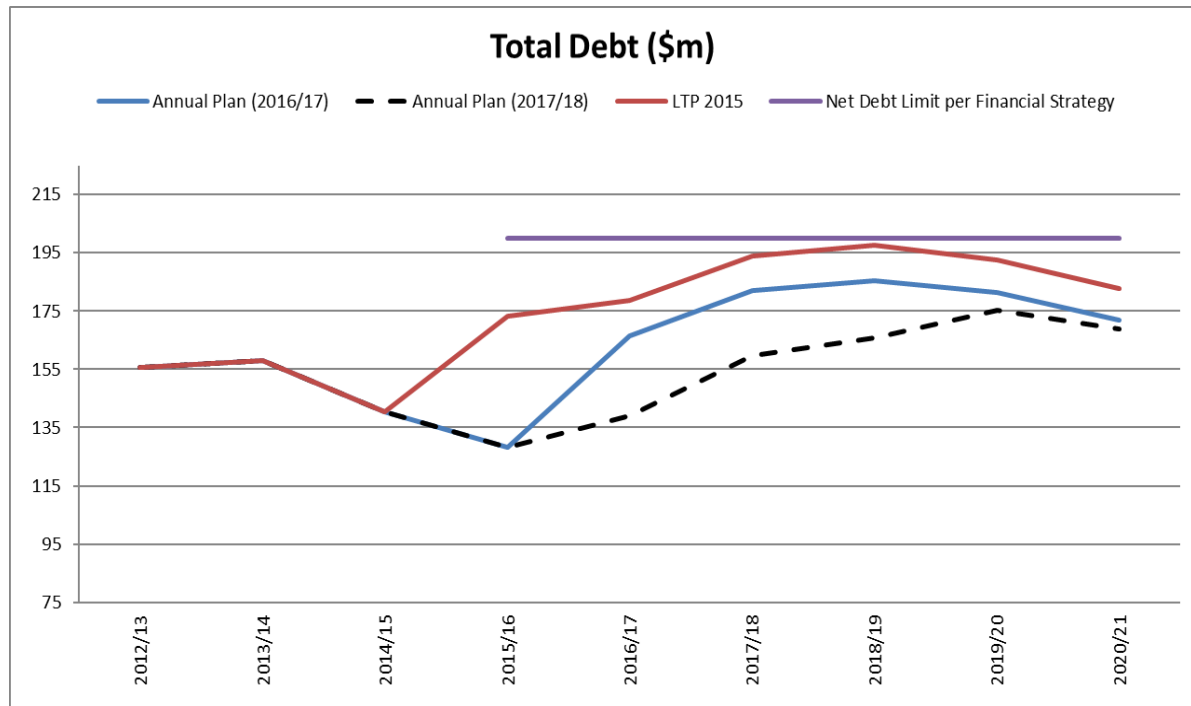
Overall the financial position of Council remains extremely strong and in line with yearend budget expectations. The material exception is debt which is discussed on the next page.

The derivative financial instruments reported in the non-current liabilities section reflects the lower interest rate and thus higher liability, should the derivatives be cashed out.

**Total Net Debt**

	<b>\$000</b>
Opening Net Debt July 2016	128,267
Net Debt September 2016	119,273
Net Debt Reforecast June 2017	139,050
Net Debt June 2017 per 2016/17 Annual Plan	166,405

**Predicted Net Debt**



**Commentary**

Council debt levels are forecast to be considerably less than budgeted due to previous years' surpluses coupled with a lower forecast capital spend.

*Please note: Net debt is gross debt less cash on hand and other financial assets. While an updated 10-year profile has been provided this is indicative only, as only 2017/2018 Annual Plan numbers have been updated by Council staff.*

## Capital Expenditure Analysis

	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Environment & Planning	32	521	597	76
Engineering	2,691	32,345	47,015	14,670
Community Development	1,023	7,620	6,794	-825
Council Enterprises	147	1,189	1,870	681
Governance	2	2	2	0
Departmental Overheads	207	2,288	2,265	-23
<b>Total Capital Expenditure</b>	<b>4,102</b>	<b>43,965</b>	<b>58,543</b>	<b>14,578</b>

### Commentary

Capital expenditure is forecast to be underspent by \$14.6m at the end of the financial year.

Within Community Development the majority of the forecast over budget relates to spend on the reserve financial contribution account. The reason for this apparent overspend is that operating costs have been reclassified as capital. When capital and operating are considered together the impact is negligible.

The Commercial activity is forecasting an underspend as the buy-back of the Pohara campground is unlikely to occur this year. The planned improvements at the Collingwood camping ground are also unlikely to occur as a result of resourcing issues. The Commercial Committee has requested the Chief Executive review resourcing with a view to getting the capital programme timeline back on track in this area. These planned underspends are offset by a planned increase in Port Tarakohe for work on expanding fuel facilities, and reducing health and safety risks by removing pile berths with a fit for purpose new concrete marina for commercial boats.

### Engineering Services Capital Expenditure

By Activity	YTD Actual Sep 2016 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000
Coastal Structures	0	58	140	82
Rivers & Flood Protection	145	917	1,501	583
Roading - Non Subsidised	283	3,779	4,375	596
Roading - Subsidised	882	6,528	7,702	1,174
Solid Waste	19	1,796	1,665	-132
Stormwater	408	5,418	10,129	4,710
Wastewater & Sewerage Disposal	676	5,302	9,325	4,023
Water Supply	278	8,546	12,179	3,633
<b>Total Capital Expenditure</b>	<b>2,691</b>	<b>32,345</b>	<b>47,015</b>	<b>14,670</b>

**Rivers** - the forecast underspend is largely due to a low level of reactive works over the last two years. As such the forecast has been reduced to better reflect the historic spend in this area. Please note there is an inherent risk that flood events will occur which will mean over expenditure

will occur. It should be noted that the Rivers closed account has a surplus that will accommodate such an occurrence.

**Coastal** - the forecast underspend is because work on the Mapua boat ramp will occur next year. This will be carried over.

**Roading** – the forecast underspend is primarily a result of staging of the Queen St upgrade project to avoid working in the Christmas period and land access issues for the Tasman Great Taste Trail projects.

**Solid Waste** – the forecast underspend is mainly a result of the expected transition to the shared landfills with Eves Valley. The budget spend will no longer be required at the Eves Valley site.

**Stormwater** – the forecast underspend is due to a number of major projects that are still in the investigation/design phase, specifically Pohara improvements, storm water remodelling, Richmond central improvements and Lower Queen Street three waters upgrade. Work has also been delayed in the Borck Creek and Lower Queen Street improvements as a result of private development and land access issues. Funds will generally need to be carried forward to allow major projects to be completed next year.

**Wastewater** – the forecast underspend is due to contract works on the Motueka Treatment Plant upgrade coming in under budget. The construction of the Kaiteriteri wastewater pipeline replacement project will now also occur in 2017/18.

**Water Supply** – the forecast underspend is a result of a number of factors:

- work delayed and budgets retained for the Richmond central improvements project Richmond \$540,000;
- The renewal of water meters is a multi-year project with \$1.4m being moved to 2017/18.
- Church Street Richmond water main renewal delayed until 2017/18 pending the outcome of storm water design for Richmond central improvements upgrade plans;
- Kaiteriteri/Riwaka Water Treatment Plant \$1.06m

**Tasman District Council  
Accounts Receivable Reporting  
30 September 2016**

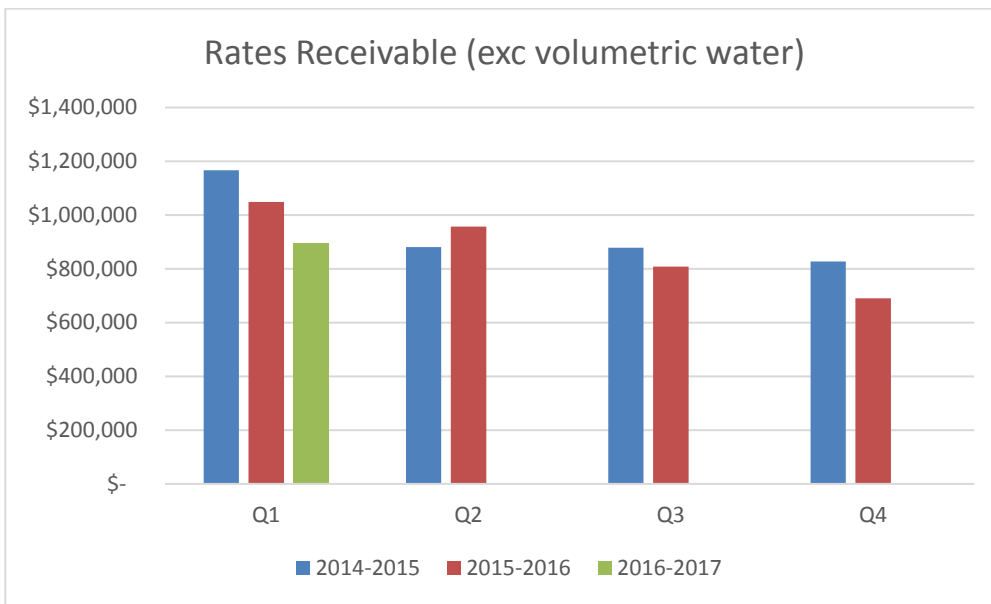
This section of the report covers:

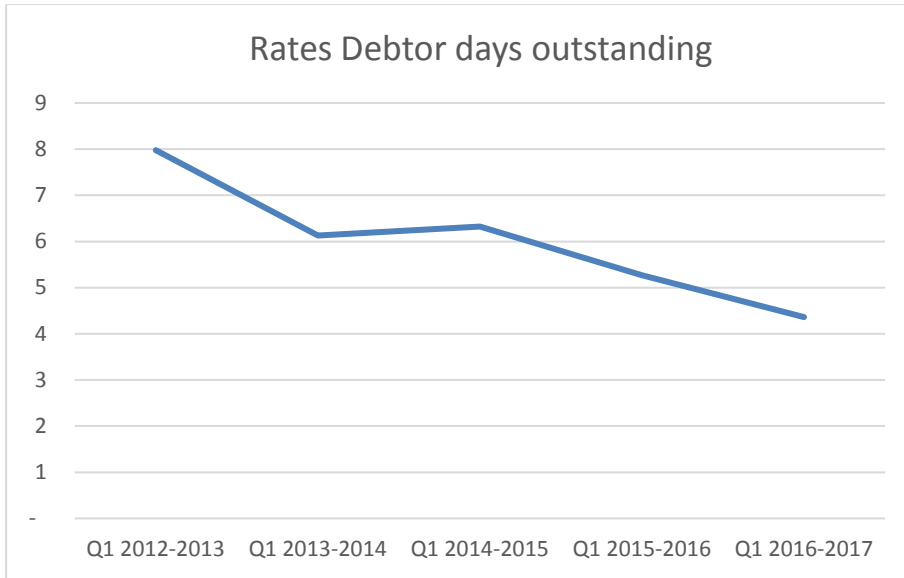
- Rates collections
- Water billing collections
- Accounts receivable collections (excluding animal control and infringement income, as well as rates and water billing collections)  
Note: Animal control/infringement are not reported here as they are not financially significant
- The Rates rebate scheme update

**Rates Receivable (excluding volumetric water)**

Rates income (excluding volumetric water) was budgeted to be ~\$75M in 2016-2017.

Rates receivables continue to trend down, despite district growth and increases in rates year over the year.

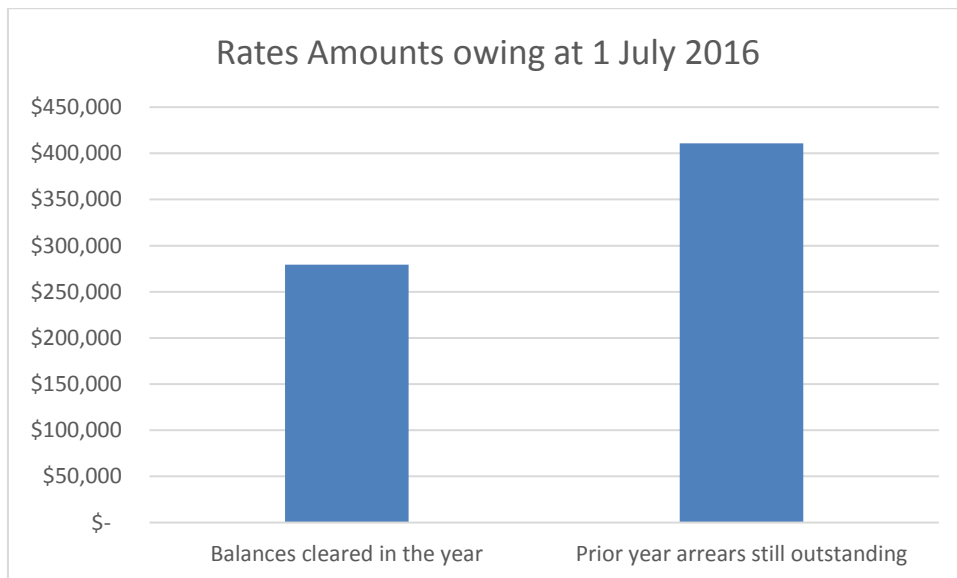




Rates debtor days shows the average number of days revenue outstanding.

Rates debtor days outstanding would be zero if all instalments were paid by the due date.

Debtor days trending down reflects staff focus on debt management procedures in the rates area including positive methods of collections such as direct debit, rates rebates, and payment arrangements.

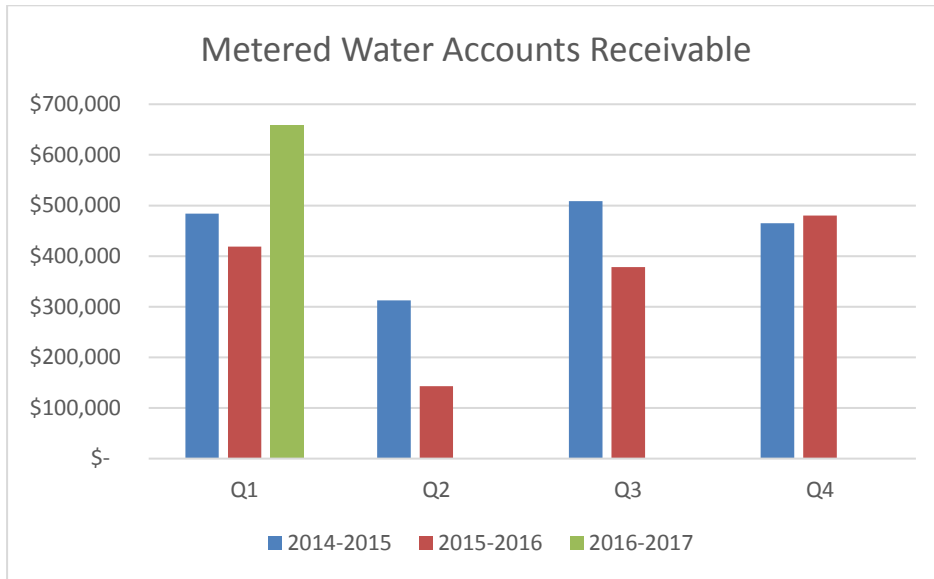


About 40% the rates owing at 1 July 2016 have been paid by 30 Sept 2016.

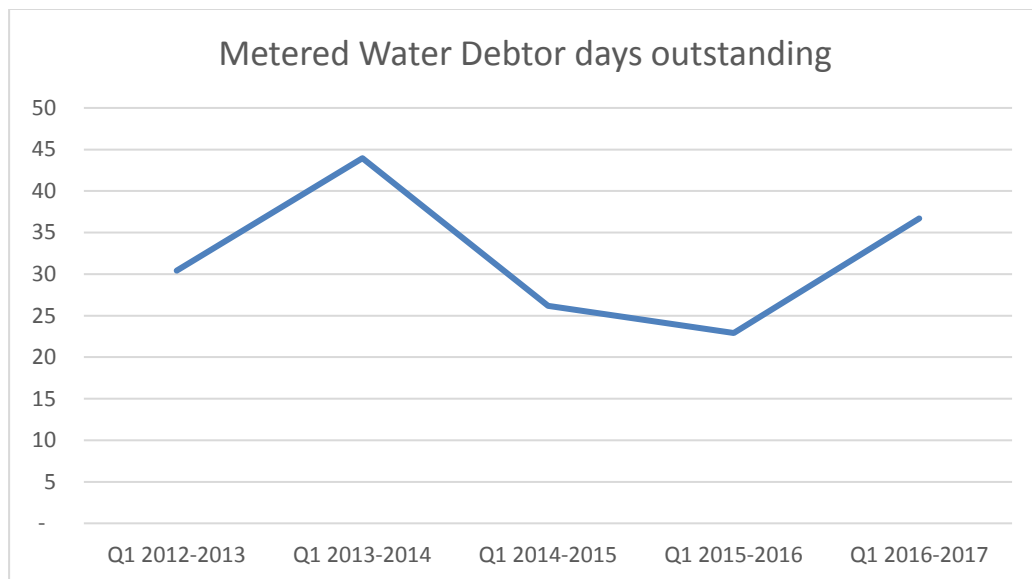
The big push for debt management procedures follows a strict timeline. The majority of these debts are expected to be collected by Q3 2017.

**Metered Water Billing**

Metered water income was budgeted to be ~\$6M in 2016-2017.



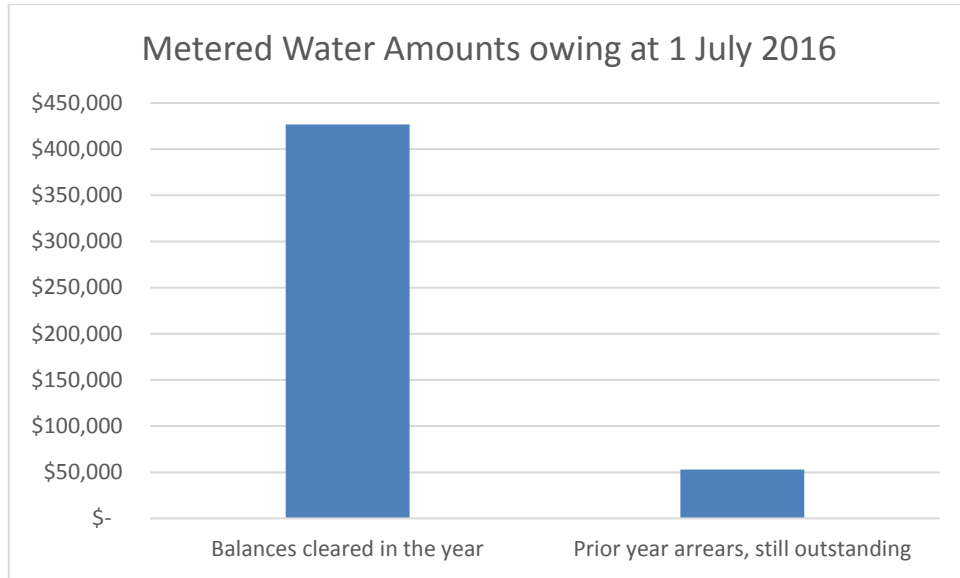
Balances appear to have increased from prior years however 2016-2017 is the first quarter where credits have been reclassified out of the balance. Without the reclassification, water debtors would have been \$291K and continue the downward trend.



If all water invoices were paid on time, debtor days would still be at about 35 days since water bills are issued every month and they are due the 20<sup>th</sup> of the following month.

2016-2017 is the first year where credits have been reclassified out of the balances. This has caused the appearance of an increase in debtor days against the prior year, however they fall very close to expectation.



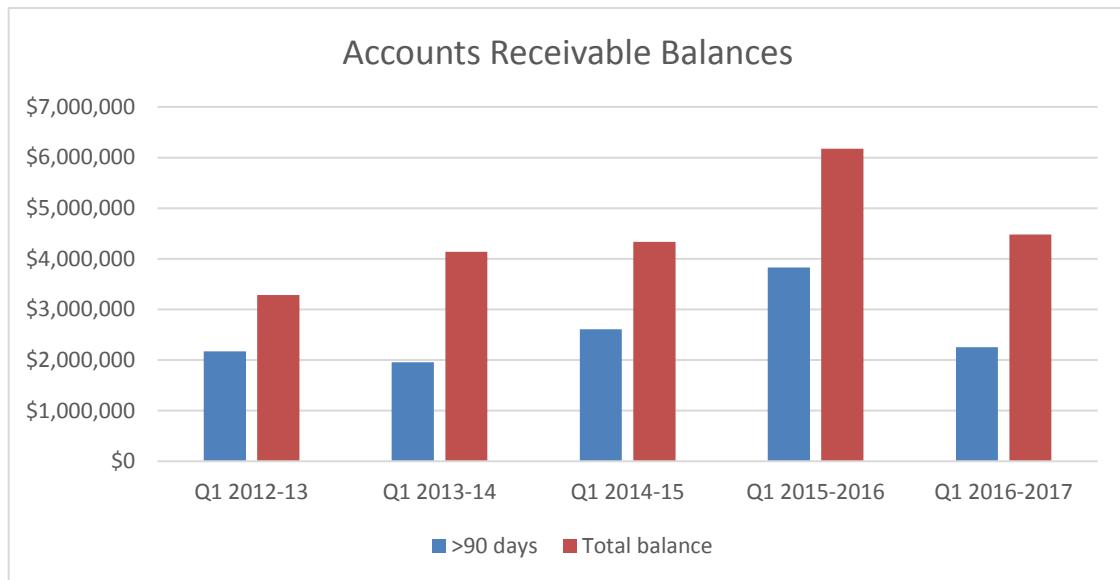


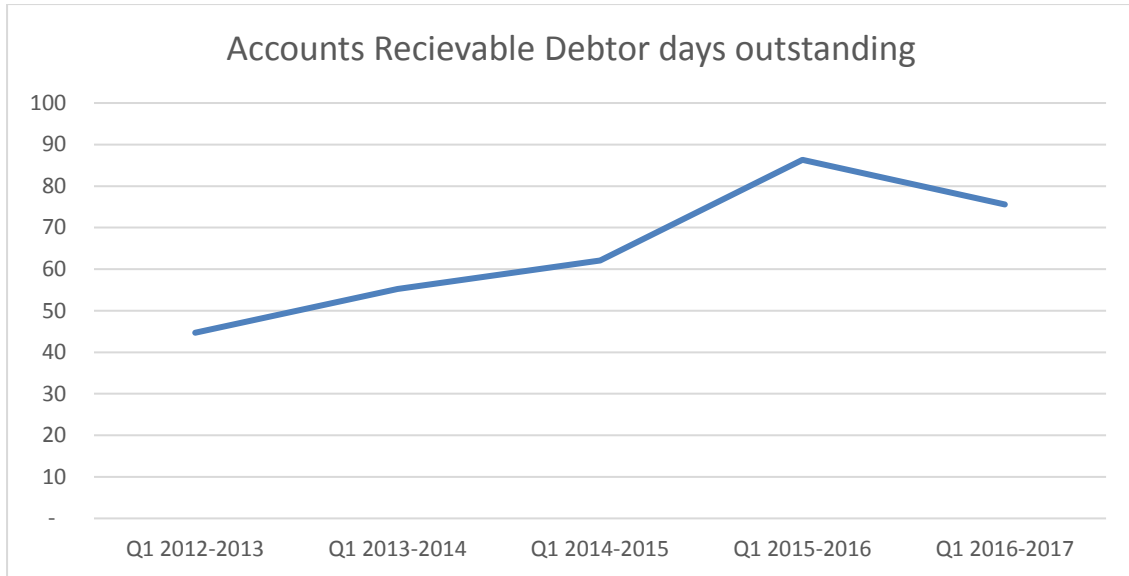
The majority of metered water owing at 1 July 2016 has been paid, with a significant portion of this being June invoices falling due in July.

The debt management procedures for water rates arrears follow a strict timeline and most of the balances outstanding are expected to be collected by Q3 2017.

**Accounts Receivable**

Council invoiced ~\$30M in the prior year.





Debtors aged >90 days have declined substantially (~\$1.6M) since the previous year, reversing a trend of increasing aged debt over the past number of years.

Debtor days have also started to decline.

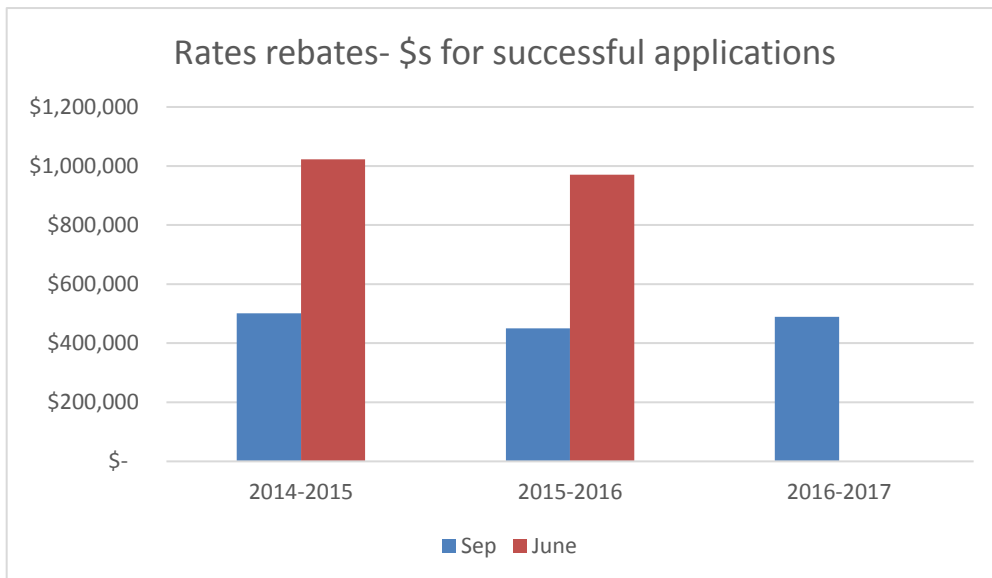
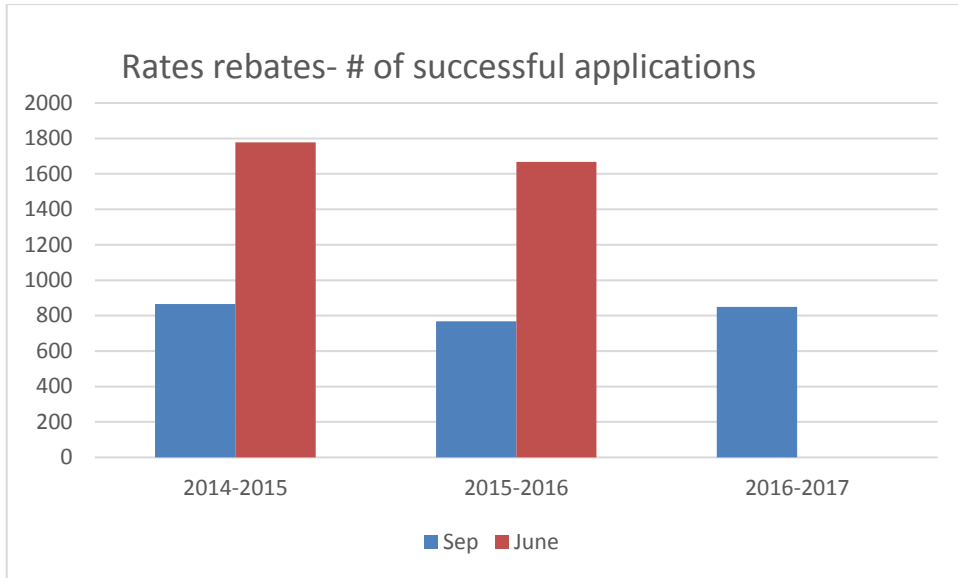
These positive results have occurred as a result of the additional staff resource invested into the debt management stream. This is not only increasing cash flow, but improving equity across the customer base.

### Rates Rebates

#### Background:

The Rates Rebate Scheme, run by the Department of Internal Affairs, and administered by local Councils, provides a subsidy to low income home-owners on the cost of their rates.

Application forms for the income year ending 31 March 2016 must be in to Council no later than 30 June 2017.



- Rates rebate claims are slightly up on the prior year, and more similar to claims in the 2014-2015 year.



**8.7 MAYORAL RELIEF FUND TASMAN/NELSON - REQUEST TO DISSOLVE**

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Bryce Grammer, Financial Accountant; Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN16-12-07

**1 Summary**

- 1.1 The Mayoral Relief Fund Tasman/Nelson (the Trust) is a small charitable trust set up after the rain event and flooding in December 2011, to receive donations from the public to assist the families and communities adversely impacted by disasters in the Tasman/Nelson region.
- 1.2 A number of the current trustees have stated their desire to resign from the Trust. The trustees also believe that the Trust has fulfilled the requirement that it was set up for and should now be dissolved. As the Trust is a Council Controlled Organisation (CCO), this report has been brought to Council to inform the Council of the trustee's resolution.
- 1.3 The Trust has not been a cost effective mechanism for channelling donations. For most years, the audit and administration costs have exceeded donations.
- 1.4 More efficient mechanisms for collecting public donations are available through the community.

**2 Draft Resolution****That the Full Council**

- 1. receives the Mayoral Relief Fund Tasman/Nelson - Request to dissolve report RCN16-12-07; and**
- 2. instructs Council staff to prepare the necessary documentation and undertake the process to dissolve the Mayoral Relief Fund Tasman/Nelson charitable trust.**

**3 Purpose of the Report**

- 3.1 To inform the Council of the decision of the Mayoral Relief Fund Tasman/Nelson trustees to dissolve the charitable trust.

**4 Background and Discussion**

- 4.1 The Mayoral Relief Fund Tasman/Nelson was formerly the Richmond Pool Charitable Trust. This Trust was dormant for a number of years while Council considered whether to wind up the Trust, or to change the Trust so that it could be used for wider purposes.
- 4.2 Following the flooding and rain event in December 2011 (the Disaster), it was deemed that a charitable vehicle was required to receive donations from the public to assist the families and communities adversely impacted by the Disaster. The former Richmond Pool Charitable Trust's name and purpose were changed as this was the most expedient way to set up a Mayoral Relief Fund. The Mayoral Relief Fund was set up to cover both the Tasman District and Nelson City regions. A copy of the original trust deed, resolution to change the name and purpose, and confirmation of the change from the Registrar of Incorporated Societies is attached.
- 4.3 The Trust was set up to allow donors to receive a donations rebate, due to the fact they are making donations to a registered charitable trust.
- 4.4 The Trust is deemed to be a Council Controlled Organisation (CCO) as the Council has, jointly with the remaining members of the Board, the right to appoint 50% or more of the Trustees.
- 4.5 A requirement of the Trust Deed is for the Trust to be audited. Due to the high professional standards required in an audit, the cost of an annual audit for the Trust is approximately \$1,700 + GST, even if there have been no transactions during the year. In addition to this there are the ongoing administration costs.
- 4.6 The latest audited Annual Report for the Trust has been attached to this report.
- 4.7 The Trust has not been an effective mechanism for receiving and disbursing donations. Over the past five years, the Trust has received approximately \$16,000 in donations. These donations have been disbursed to other charitable trusts (which the donors could have contributed to directly themselves). The audit fees for the Trust have totalled over \$8,000 over this period. (Note: The audit fees and administration costs have been met by Council, rather than being charged to the Trust).
- 4.8 A number of the current trustees have stated their desire to resign from the Trust, which would require Council to advertise for and appoint new trustees. This would incur additional administration costs and would need to follow the formal process set out in Council's Policy on the appointment of Directors and Trustees (modified to meet any specific requirements in the trust deed). The current trustees are Richard Kempthorne, Judene Edgar and Chris Clenshaw. [There is a vacancy due to the resignation of John Hurley]. Judene Edgar and Chris Clenshaw have both stated their desire to resign from the Trust.
- 4.9 The trustees now believe that the Trust has fulfilled the requirement that it was set up for and should now be dissolved. There are other well established and professionally run charitable

organisations which are set up and available for the public to use should a disaster event occur.

## **5 Options**

### 5.1 Option One

5.1.1 Continue the Mayoral Relief Fund Tasman/Nelson Charitable Trust. Council would then need to advertise for, and appoint new trustees. There will also be an ongoing cost to administer the Trust and audit the Annual Report each year, even when no donations have been received.

5.1.2 Council may also wish to consider the appropriate funding for the audit, trustee appointment and administration costs.

### 5.2 Option Two (recommended)

5.2.2 Endorse the trustee's resolution to dissolve the Trust. If this option is selected, staff would undertake the necessary, but minimal, administrative requirements to dissolve the Trust.

## **6 Policy / Legal Requirements / Plan**

6.1 The appointment or reappointment of trustees must be done in accordance with both the trust deed and the Council policy on the appointment of Directors and Trustees.

6.2 There is a prescribed form to be completed to dissolve a charitable trust.

6.3 The dissolution of the trust and distribution of any trust assets will need to be done in accordance with the trust deed.

6.4 There is no statutory requirement to undertake consultation prior to disestablishing a CCO. The Local Government Act 2002 (LGA) requires consultation before a CCO is established (section 56) but the Act is silent about consultation prior to disestablishment of a CCO. It is therefore at Council's discretion whether to undertake consultation in this situation. In making a decision about the disestablishment of the Trust, Council must give consideration to the views and preferences of any persons likely to be affected by, or to have an interest in, the matter (s 78, LGA). In this situation there is unlikely to be anyone who will be affected by, or who has an interest in the disestablishment of the Trust (other than the trustees who support its disestablishment). It is believed that the costs of any consultation would outweigh any benefits obtained through a consultation process. In fact, in this situation, running a consultation process (which is felt to be unnecessary) is more likely to risk drawing criticism (for wasting time and resources) than not running one.

## **7 Consideration of Financial or Budgetary Implications**

7.1 There are minimal costs required in dissolving the Trust as recommended. If however Council decides to continue with the trust there are ongoing costs in relation to audit, administration and appointment of trustees.

## 8 Significance and Engagement

- 8.1 This decision is considered to be of low significance, given that it is giving effect to decisions for a small, non-trading CCO. The decision is of low public interest does not impact on levels of service, involve strategic assets or have a material impact on rates. Therefore no formal consultation is considered necessary.

## 9 Other considerations

- 9.1 Previous Councils have raised the idea of having a wider purpose charitable trust which could be used for disaster relief purposes as well as to distribute Council grants from rates and other donations in a more tax effective manner. This option would need to be researched fully, if required, due to the recent legislative changes to charities, as well as recent tax case law. It would be more cost effective and efficient to set up a new charitable trust for this purpose than to amend the trust deed of an existing trust.

## 10 Next Steps / Timeline

- 10.1 Assuming Council endorses the decision made by the Trustees and instructs Council staff to undertake the process of dissolving the Trust, the trustees will be advised and the work to windup the trust will be attended to over the next three months.

## 11 Attachments

1.	Mayoral Relief Fund Tasman/Nelson - Annual Report 30 June 2016	129
2.	Original Trust Deed	141
3.	Confirmation change of trust name	149
4.	Resolution changing trust name and purpose	151



**Mayoral Relief Fund Tasman/Nelson**  
**Annual Report**  
**For the Year ended 30 June 2016**

**Mayoral Relief Fund Tasman/Nelson****Table of Contents****For the Year ending 30 June 2016**

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**Mayoral Relief Fund Tasman/Nelson****Business Directory****As at 30 June 2016**

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<b>Nature of Business</b>	The principle purpose of the Trust is to assist the families and communities adversely impacted by disasters
<b>Trustees</b>	R G Kempthorne C Clenshaw J Edgar
<b>Address</b>	189 Queen Street Richmond
<b>Accountants</b>	Tasman District Council Richmond
<b>Bankers</b>	ASB Bank Ltd Queen Street Richmond
<b>Solicitors</b>	Fletcher Vautier Moore 265a Queen Street Richmond
<b>Auditors</b>	Audit New Zealand on behalf of the Office of the Auditor General

**AUDIT NEW ZEALAND**  
Mana Arotake Aotearoa

### Independent Auditor's Report

#### To the readers of Mayoral Relief Fund Nelson/Tasman's financial statements for the year ended 30 June 2016

The Auditor-General is the auditor of Mayoral Relief Fund Nelson/Tasman (the Trust). The Auditor-General has appointed me, Bede Kearney, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements of the Trust on her behalf.

#### Opinion

We have audited the financial statements of the Trust on pages 7 to 12, that comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information.

In our opinion, the financial statements of the Trust:

- present fairly, in all material respects:
  - its financial position as at 30 June 2016; and
  - its financial performance and cash flows for the year then ended; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) standards.

Our audit was completed on 13 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities, and explain our independence.

#### Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the preparation of the Trust's financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Trustees;
- the adequacy of the disclosures in the financial statements; and
- the overall presentation of the financial statements.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

### **Responsibilities of the Trustees**

The Trustees are responsible for the preparation and fair presentation of financial statements for the Trust that comply with generally accepted accounting practice in New Zealand.

The Trustees' responsibilities arise from clause 8.2 of the Trust Deed of the Trust.

The Trustees are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The Trustees are also responsible for the publication of the financial statements, whether in printed or electronic form.

### **Responsibilities of the Auditor**

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001 and clause 8.2 of the Trust deed.

### **Independence**

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in the Trust.



Bede Kearney  
Audit New Zealand  
On behalf of the Auditor-General  
Christchurch, New Zealand

## Mayoral Relief Fund Tasman/Nelson

### Entity Information

For the Year ended 30 June 2016

#### Legal name

Mayoral Relief Fund Tasman/Nelson (the Trust)

#### Type of entity and legal basis

The Trust is incorporated under the Charitable Trusts Act 1975 and commenced on 24 March 2003. The Trust was formerly called the Richmond Pool Charitable Trust. As the Richmond Pool Charitable Trust was dormant, the Trustees decided to change the name and purpose of the Richmond Pool Charitable Trust to establish a fund to meet the welfare needs of the people of Tasman District and Nelson City following the flooding and rain event in December 2011. This change was made by a Trust Resolution dated 19 December 2011.

#### The Trust's purpose or mission

The principle purpose of the Trust is to assist the families and communities adversely impacted by disasters, through:

- (a) Relieving hardship via the provision of financial assistance and other welfare support.
- (b) Seeking public donations and raising funds.
- (c) Undertaking other exclusively charitable purposes, within the meaning of section 5 (1) of the Charities Act 2005.

#### Structure of the Trust's operations, including governance arrangements

The Trust has three trustees. Nominations are called from the community to fill any outstanding trustee positions and the Tasman District Council and remaining Board members decide who shall be appointed.

#### Main sources of the Trust's cash and resources

The main source of the Trust's cash is from community donations.

**Mayoral Relief Fund Tasman/Nelson**  
**Statement of Financial Performance**  
**For the Year ended 30 June 2016**

	Note	2016	2015
<b>Revenue</b>			
Fundraising	1	\$ -	\$ -
Interest		\$ -	\$ -
<b>Total Revenue</b>		<u>\$ -</u>	<u>\$ -</u>
<b>Expenses</b>			
Other Expenses		\$ -	\$ -
Grant		\$ -	\$ -
<b>Total Expenses</b>		<u>\$ -</u>	<u>\$ -</u>
<b>Operating Surplus before tax</b>		\$ -	\$ -
Taxation		\$ -	\$ -
<b>Net Surplus</b>		<u>\$ -</u>	<u>\$ -</u>

(The accompanying notes form part of the financial statements)

**Mayoral Relief Fund Tasman/Nelson**

**Statement of Changes in Equity**

**For the Year ended 30 June 2016**

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	2016	2015
Trust equity at beginning of year	\$ -	\$ -
Surplus	\$ -	\$ -
Trust equity at end of year	<u>\$ -</u>	<u>\$ -</u>

(The accompanying notes form part of the financial statements)



**Mayoral Relief Fund Tasman/Nelson**

**Statement of Financial Position**

**As at 30 June 2016**

	Note	2016	2015
<b>Current Assets</b>			
Bank		\$ -	\$ -
<b>Total Current Assets</b>		<u>\$ -</u>	<u>\$ -</u>
<b>Current Liabilities</b>			
Grant Payable		\$ -	\$ -
<b>Total Current Liabilities</b>		<u>\$ -</u>	<u>\$ -</u>
<b>Net Assets</b>		<u>\$ -</u>	<u>\$ -</u>
<b>Equity</b>			
Trust Equity		<u>\$ -</u>	<u>\$ -</u>

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Trustee

\_\_\_\_\_  
Date

(The accompanying notes form part of the financial statements)

**Mayoral Relief Fund Tasman/Nelson**

**Statement of Cash Flows**

**For the Year ended 30 June 2016**

<b>Cash from operating activities</b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<i>Cash was provided from:</i>			
Fundraising		\$ -	\$ -
Interest		\$ -	\$ -
		<u>\$ -</u>	<u>\$ -</u>
<i>Cash was disbursed to:</i>			
Grants Paid to Tasman District Council for distribution		-	-
Bank Fees Paid		-	-
		<u>-</u>	<u>-</u>
Net Cash Flow from operating activities	2	<u>-</u>	<u>-</u>
Net Increase(Decrease) in Cash Held		<u>-</u>	<u>-</u>
Opening Balance		\$ -	\$ -
Closing Balance		<u>\$ -</u>	<u>\$ -</u>

(The accompanying notes form part of the financial statements)

**Mayoral Relief Fund Tasman/Nelson****Statement of Accounting Policies****For the Year ended 30 June 2016****Basis of preparation**

The Board has elected to apply PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million.

All transactions in the financial statements are reported using the accrual basis of accounting.

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future

**SIGNIFICANT ACCOUNTING POLICIES**

- a) Fundraising revenue is recorded when received  
Interest revenue is recorded as it is earned during the year
- b) **Bank accounts and cash**  
Bank accounts and cash comprise cash on hand, cheque or savings accounts and deposits held at call with banks.
- c) **Accounts Payable**  
Payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**Taxation**

The Trust has charitable status and is exempt from income tax on income, other than business income, derived by the Trust in trust for charitable purposes.

**Changes in Accounting Policies**

There have been no changes in accounting policies during the year.

**Mayoral Relief Fund Tasman/Nelson**

**Notes to and forming part of the Financial Statements**

**For the Year ended 30 June 2016**

<b>Note 1 Operating Revenue</b>	<u>2016</u>	<u>2015</u>
Fundraising comprises:		
Donations	-	-
Other	-	-
	-	-

**Note 2 Grants Paid**

There was no distribution of grants during the financial year [2015: \$Nil].

**Note 3 Reconciliation of Net Surplus with Cash Inflows from Operating Activities**

Net Operating Surplus	-	-
<i>Movement in Working Capital</i>		
Increase/(Decrease) in Grants Payable	-	-
	-	-
Net Cash Inflow from Operating Activities	-	-

**Note 4 Event Occurring after Balance Date**

No significant events have occurred since balance date that affect these financial statements.

**Note 5 Commitments and Contingencies**

The Trust did not have any capital commitments or contingent liabilities at year end (2015: Nil).

**Note 6 Related Parties**

During the 2016 year the Trust donated \$Nil (2015: \$Nil) to Tasman District Council, for distribution to the Agencies as approved by the Trustees (The Trust does not have a cheque book). R G Kempthorne, a Trustee, is the Mayor of Tasman District Council, and J Edgar, a Trustee, is a Councillor of Tasman District Council. The amount outstanding at balance date was \$Nil (2015: \$Nil) which is payable on normal trading terms.

DATED \_\_\_\_\_ 200

**RICHARD GEOFFREY KEMPTHORNE**

-Declarant-

\_\_\_\_\_  
STATUTORY DECLARATION PURSUANT  
TO S.10 CHARITABLE TRUSTS ACT 1957

\_\_\_\_\_  
FLETCHER VAUTIER MOORE  
SOLICITORS  
MOTUEKA

27776393D030313RDS

2

**RICHMOND POOL CHARITABLE TRUST**

**TABLE OF CONTENTS**

1	Name
2	Office
3	Purposes
4	Members of the board
5	Powers
6	Income, benefit or advantage to be applied to charitable purposes
7	Proceedings of the board
8	Accounts
9	Power to delegate
10	Common seal
11	Alteration of rules
12	Disposition of surplus assets

THIS DEED is made the 24 day of March 2003

**BETWEEN** **JOHN CLIFFORD HURLEY**, Mayor, 90 Poole Street, Motueka, **RICHARD GEOFREY KEMPTHORNE**, Businessman, 11 Hillpilogue Heights, Richmond, **CHRISTOPHER ROGER GLENSHAW**, Businessman, 78 Hill Street, Richmond, **BARBARA MARY HEATON**, Manager, White Road, Hope.

**WHEREAS**

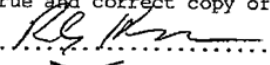



- A** The parties to this deed wish to establish a charitable trust ("the Trust") for the purposes described in clause 3 of this deed.
- B** They have agreed to enter into this deed specifying the purposes of the Trust and providing for its control and government.

**THIS DEED WITNESSES**

- 1 Name**  
The name of the Trust shall be the "**RICHMOND POOL CHARITABLE TRUST**".
- 2 Office**  
The office of the Trust shall be such place in Nelson as the Board of Trustees may

I, **RICHARD GEOFREY KEMPTHORNE** of Richmond, Businessman being a subscriber to the Application for Incorporation of Trustees as a Board hereby certify that this is a true and correct copy of the Trust Deed for Richmond Pool Charitable Trust this 24 day of March 2003

Richard Geoffrey Kempthorne

determine from time to time and shall first be care of 189 Queen Street, Richmond.

- 2 -

**3 Purposes**  
The purposes of the Trust are as follows:

(a) To assist with the construction, establishment, funding and ongoing operation, availability, maintenance, extensions and related actions of a pool and leisure complex for the benefit of persons in the Nelson Province in general and for all persons from time to time in the Nelson Province at large and to receive and apply donations to achieve those purposes on the basis that acceptance and application of funding is the primary purpose of the Trust and it is not intended that the Trust be a trading trust.

(b) Without restricting the scope of the foregoing to take all ancillary and related actions to achieve those purposes.

**4 Members of the board**

**4.1 Number of board.** The Board of Trustees ("the Board") shall consist of not less than four (4) nor more than six (6) members. The initial members of the Board shall be the signatories to this deed.

**4.2 Term of Board.** Unless otherwise specified in this deed each initial member of the Board shall hold office for a term of three (3) years or until she or he dies or is declared bankrupt or is found to be a mentally disordered person within the meaning of the Mental Health Act 1969 or indicates in writing that she or he wishes to resign from the Board.

Any retiring member shall be eligible for re-appointment.




**4.3 Appointment of new trustees.** The filling of vacancies on the Board shall be carried out as follows:

In the case of retirement or replacement of members of the Board nominations shall be called for from the community to fill the position or positions and at the end of one (1) month from the date nominations are called for nominations shall close and the Tasman District Council and the remaining Board members shall decide who shall be appointed.

**4.4 Appointment of further trustees.** The Board may at any time appoint up to two further members for terms which shall expire no later than the time when the terms of the members of the Board last appointed expire.

**4.5 Termination of trusteeship.** The Board may, by a motion decided by a two-thirds majority of votes, terminate a member's membership of the Board if it believes that such action is in the best interest of the trust.

**4.6 Name of the board.** The name of the Board shall be the "**RICHMOND POOL**"

AMH.   

**CHARITABLE TRUST BOARD**

**5 Powers**

**5.1 General and specific powers.** In addition to the powers implied by the general law of New Zealand or contained in the Trustee Act 1956, the powers which the Board may exercise in order to carry out its charitable purposes are as follows:

- (a) to use the fund of the Trust as the Board thinks necessary or proper in payment of the costs and expenses of the Trust, including the employment of professional advisers, agents, officers and staff as appears necessary or expedient; and
- (b) to purchase, take on lease or in exchange or hire or otherwise acquire any land or personal property and any rights or privileges which the Board thinks necessary or expedient for the purpose of attaining the objects of the Trust and to sell, exchange, bail or lease, with or without option of purchase, or in any manner dispose of any such property, rights or privileges as aforesaid; and
- (c) to carry on any business; and
- (d) to invest surplus funds in any way permitted by law for the investment of Trust funds and upon such terms as the Board thinks fit; and
- (e) to borrow or raise money from time to time with or without security and upon such terms as to priority and otherwise as the Board thinks fit; and
- (f) to do all things as may from time to time be necessary or desirable to enable the Board to give effect to and to attain the charitable purposes of the Trust.

**5.2 Employment.** Under rule 5.1(a) the Board may employ as agents, officers and staff persons who are members of the Board.

**6 Income, benefit or advantage to be applied to charitable purposes**

**6.1 Application.** Any income, benefit or advantage shall be applied to the charitable purposes of the Trust.

**6.2 Influence.** No member or person associated with a member of the Trust shall derive any income, benefit or advantage from the Trust where they can materially influence the payment of the income, benefit or advantage except where that income, benefit or advantage is derived from:

- (a) professional services to the Trust rendered in the course of business charged at no greater rate than current market rates; or
- (b) interest on money lent at no greater rate than current market rates.


  
 BMH.



- 4 -

- 7**  
**7.1** **Proceedings of the board**  
Meetings. The Board shall meet at such times and places as it determines and the first chairperson shall be appointed at the first meeting of the Board or as elected by the members of the Board from time to time.
- 7.2** **Chairperson.** The chairperson shall preside at all meetings of the Board at which she or he is present. In the absence of the chairperson from any meeting, the members present shall appoint one of their number to preside at that meeting.
- 7.3** **Quorum.** At any meeting of the Board a majority of members shall form a quorum and no business shall be transacted unless a quorum is present.
- 7.4** **Voting.** All questions before the Board shall be decided by a majority of votes unless otherwise specified in this deed. If the voting is tied, the chairperson shall have a casting vote.
- 7.5** **Reports.** The Board shall report regularly on its activities to the Tasman District Council, and in particular, shall present a detailed annual report to the November meeting of the Tasman District Council.
- 8**  
**8.1** **Accounts**  
**True and fair accounts.** The Board shall keep true and fair accounts of all money received and expended.
- 8.2** **Audit.** The Board shall as soon as practicable after the end of every financial year of the Board, cause the accounts of the Board for that financial year to be audited by an accountant appointed for that purpose and the audited accounts shall be made available to the public.
- 9**  
**9.1** **Power to delegate**  
**Power to delegate.** The Board may from time to time appoint any committee and may delegate any of its powers and duties to any such committee or to any person, and the committee or person, as the case may be, may without confirmation by the Board exercise or perform the delegated powers or duties in like manner and with the same effect as the Board could itself have exercised or performed them.
- 9.2** **Delegate bound.** Any committee or person to whom the Board has delegated powers or duties shall be bound by the charitable terms of the trust.
- 9.3** **Delegation revocable.** Every such delegation shall be revocable at will, and no such delegation shall prevent the exercise of any power or the performance of any duty by the Board.
- 9.4** **Delegate need not be trustee.** It shall not be necessary that any person who is



appointed to be a member of any such committee, or to whom any such delegation is made, be a member of the Board.

- 5 -

**10 Common seal**

The Board shall have a Common Seal which shall be kept in the custody of the Secretary, or such other officer as shall be appointed by the Board and shall be used only as directed by the Board. It shall be affixed to documents only in the presence of and accompanied by the signature of two members of the Board.

**11 Alteration of rules**

The Board may pursuant to a motion decided by a two thirds majority of votes, by supplemental deed make alterations or additions to the terms and provisions of this deed provided that no such alteration or addition shall:

- (a) detract from the exclusively charitable nature of the Trust or result in the distribution of its assets on winding up or dissolution for any purpose that is not exclusively charitable; or
- (b) be made to rules 6 or 12 unless it is first approved in writing by the Department of Inland Revenue.

**12 Disposition of surplus assets**

On the winding up of the Trust or on its dissolution by the Registrar, all surplus assets after the payment of costs, debts and liabilities shall be given to such exclusively charitable organization or organizations within Nelson, New Zealand of a similar nature to the Trust as the Tasman District Council decides, to be used for exclusively charitable purposes, or, if the Tasman District Council is unable to make such decision, shall be disposed of in accordance with the directions of the High Court pursuant to section 27 of the Charitable Trusts Act 1957.

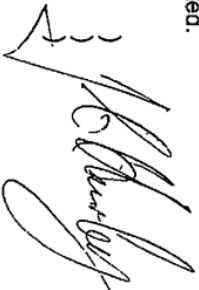
IN WITNESS this deed is duly executed.

SIGNED by  
**JOHN CLIFFORD HURLEY**

in the presence of:

*Kennedy*  
Manager

*Radmond*  
Manager



SIGNED by  
**RICHARD GEOFFREY KEMPTHORNE**

in the presence of:

*Kennedy*  
Manager

*Radmond*  
Manager



SIGNED by  
**CHRISTOPHER ROGER CLENSHAW**  
in the presence of:

*Kennedy*  
Manager

*Kidman*  
Manager

SIGNED by  
**BARBARA MARY HEATON**  
in the presence of:

*Marshall*  
Secretary

*Stoker*  
Secretary

*B M Heaton*



- 6 -

DATED \_\_\_\_\_ 2003

THE RICHMOND POOL CHARITABLE  
TRUST DEED

FLETCHER VAUTIER MOORE  
SOLICITORS  
MOTUEKA

G:\Client Data\2727639\030313\RDs-RD Pool Charitable Trust Deed

Copy for Y.I. O'Connell  
- Russell



# CERTIFICATE OF INCORPORATION

**MAYORAL RELIEF FUND TASMAN/NELSON  
1287406**

This is to certify that RICHMOND POOL CHARITABLE TRUST was incorporated under the Charitable Trusts Act 1957 on the 26th day of March 2003 and changed its name to MAYORAL RELIEF FUND TASMAN/NELSON on the 22nd day of December 2011.

*Neelke Harris*

Registrar of Incorporated Societies  
22nd day of December 2011



For further details visit [www.societies.govt.nz](http://www.societies.govt.nz)

Certificate printed 22 Dec 2011 12:29:44 NZT



COPY

**Richmond Pool Charitable Trust**

The Trustees of the Richmond Pool Charitable Trust wish to change the name and purpose of the Richmond Pool Charitable Trust to establish a fund to meet the welfare needs of the people of Tasman District and Nelson City following the flooding and rain event in December 2011 (the Disaster).

**RESOLVED THAT:**

- 1 The name of the Trust be changed from Richmond Pool Charitable Trust to Mayoral Relief Fund Tasman/Nelson
- 2 The purpose of the Trust be changed. The principle purpose of the Trust now is to assist the families and communities adversely impacted by the Disaster, through:
  - (a) Relieving hardship via the provision of financial assistance and other welfare support.
  - (b) Seeking public donations and raising funds.
  - (c) Undertaking other exclusively charitable purposes, within the meaning of section 5 (1) of the Charities Act 2005.
- 3 In carrying out the above purposes, all financial and other relief or assistance shall be paid, given or granted to organisations or individuals for the purposes set out above.

Date: 19 December 2011

J Hurley .....

R G Kempthorne .....

C Clenshaw .....

J Edgar .....





**8.8 MOTUEKA HARBOUR AND COASTAL WORKS RESERVE FUND POLICY UPDATE****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN16-12-08

**1 Summary**

- 1.1 The Motueka Harbour Works and Coastal Reserve fund was managed by the Commercial Subcommittee on a fully commercial basis with dividends being paid to satisfy policies established for the use of the funds.
- 1.2 Day to day management of the fund rests with the Commercial Manager. The fund is being rebuilt with income being reinvested back into the fund. The fund has land in Motueka and has provided a loan to the Campground activity for which it receives a commercial return.
- 1.3 With the change in committee structures post the 2016 local body elections it is necessary to update the Motueka Harbour Works and Coastal Reserve fund policy to refer to the Commercial Committee. As the policy was recently reviewed (2015), it is considered unnecessary to do a fuller review at this time.
- 1.4 This is a routine consequential decision that flows from the change in committee structures. The staff recommendation is to adopt the amended policy.

**2 Draft Resolution****That the Full Council**

- 1. receives the Motueka Harbour and Coastal Works Reserve Fund Policy update report RCN16-12-08; and**
- 2. approves the amended Motueka Harbour and Coastal Works Reserve Fund Policy update (Attachment 1).**

**3 Purpose of the Report**

- 3.1 To amend the Motueka Harbour and Coastal Works Reserve Fund Policy to reflect the changes to the committee structures following the 2016 Local Body elections.

**4 Background and Discussion**

- 4.1 The Motueka Harbour and Coastal Works Account was established in 2012. A confidential report “Motueka Harbour Endowment Fund” to the Corporate Services Committee on 16 August 2012 covered its establishment and a subsequent report to the Committee on 27 September 2012 provided the policies and processes around the account, which were adopted.
- 4.2 The Corporate Services Committee on advice, acknowledged that the Motueka Harbour Endowment Fund ceased to exist as a closed account following the decision of the High Court in December 2009 which resulted in the funds and assets becoming general funds of the Council.
- 4.3 The Committee further resolved that the account (fund) would be managed by the Commercial Subcommittee on a fully commercial basis with dividends being paid to satisfy policies established for the use of the funds generated.
- 4.4 The policy covering the reserve fund was reviewed and approved by the Corporate Services Committee at its meeting on 12 February 2015. (Report RFN 15-02-02). The policy is scheduled for review again in March 2018.
- 4.5 Day to day management of the fund rests with the Commercial Manager. The fund is being rebuilt with income being reinvested in the fund. The fund has land in Motueka and has provided a loan to the campground activity for which it receives a commercial return.
- 4.6 Following the October 2016 local body elections Council resolved to change the committee structures. These changes now need to be reflected in a minor update to the Motueka Harbour and Coastal Works Reserve Fund Policy update. There are no other changes proposed for the policy at this time.

**5 Options**

- 5.1 The Council can choose to amend the policy, leave it as is, or request a wider review. The staff recommendation is to amend the policy to reflect the committee structure changes only. Leaving the policy unamended is likely to cause some confusion and uncertainty over the oversight of the fund. Given the policy was fully reviewed in 2015 there would be little benefit in undertaking a substantive review at this time.

**6 Strategy and Risks**

- 6.1 This is a mechanical low risk decision to update the policy for the changes in committee structures post the 2016 elections.

**7 Policy / Legal Requirements / Plan**

- 7.1 It is expected that policies are reviewed from time to time. Policies need to refer to the appropriate Council and committee structures.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 There are no financial or budgetary implications arising from this decision.

**9 Significance and Engagement**

- 9.1 This decision is of very low significance. It does not impact on levels of service, strategic assets, and public interest would be minimal if any.

**10 Conclusion**

- 10.1 This is a routine consequential update to a policy that flows from the change in committee structure.

**11 Next Steps / Timeline**

- 11.1 On approval the updated Policy will be published.

**12 Attachments**

1. Policy - Mouteka Harbour and Coastal Works Reserve Fund - updated 2016 157



# Policy: Motueka Harbour and Coastal Works Reserve Fund

## ORGANISATIONAL POLICY

### POLICY REFERENCES

• Sponsor:	<b>Corporate Services Manager</b>
• Effective date:	<b>1 December 2016</b>
• Internal review due:	<b>1 December 2018</b>
• Legal compliance:	LGA2002
• Associated Documents/References	
• Policy Number	CS03
• Approved by Chief Executive	N/A
• Approved by Council (If Applicable)	2015 Policy approved by Council 12 February 2015 report RFN15-02-02 Updated 2016 Policy approved by Council ...

### Policy Contents:

[Purpose](#)  
[Definitions](#)  
[Application](#)  
[Background](#)  
[Policy](#)  
[Area Map](#)

### Purpose

The purpose of this policy is to:

- Set out clearly the principles and decision guidelines for the management of investments, assets and loans that make up the Motueka Harbour and Coastal Works (MH&CWR) Reserve Fund.
- Set out clearly the principles and decision guidelines for use of the Income generated from the Motueka Harbour and Coastal Works reserve (MH&CWR).
- Set out clearly responsibility for the management and reporting on the Reserve fund.

## Definitions

**MH&CWR** – Motueka Harbour and Coastal Works Reserve fund

**Motueka Harbour and Coastal Works Reserve area** - the defined boundaries will be the coastal area from the Riwaka River mouth, to the northern end of the Kina Peninsular, including all of the Moutere Inlet, plus any assets, land or otherwise, held within the Motueka Harbour and Coastal Works as shown on the attached map.

## Application

This policy applies to staff, elected members and contractors involved in the management of the Motueka Harbour and Coastal Works Reserve fund and its assets.

## Background

As a result of the decision of the High Court on 2 November 2009, the Motueka Harbour Endowment Account which was created by statute in 1905, ceased to exist as a closed account. While the Council recognised that the funds were legally available for use across the district it determined that they should generally be used for activities within the area set out in the 1905 vesting Act.

The passing of resolution FN12-08-13 in 2012 established a closed account for Motueka Harbour and Coastal Works (MH&CWR) over the area described as *“the boundary commencing at the western shore of Tasman Bay at a point which used to be the southern boundary of Section 91 of Block I of the Moutere Survey District and is now known as the southern boundary of Pt Lot 1 DP 8511 in Computer Freehold Register NL8B/1027. It continues north along the coast, crossing streams and rivers until it reaches a point on the coast due east of Trig Station A. Jackett Island is also included but roads and rivers are excluded.”*

The resolution directed that the assets, balances, commitments etc from the Motueka Harbour Endowment Account be placed into the new account. This included any commitments and approved expenditure as at the passing of the resolution.

The Motueka Harbour and Coastal Works Reserve is not a *restricted reserve* and is not disclosed separately in Council’s Annual report. A restricted reserve is a one that is subject to external restrictions:

- The reserve is subject to legal requirements that govern the use of the funds; or
- The reserve includes funds that have not been utilised for the purpose for which they were received, and an obligation or requirement to return funds to its contributor exists.

## Policy

Overall control of the reserve is delegated to the Commercial Committee under its terms of reference. The Commercial Committee will focus on the investment assets, fixed or otherwise, as well as funds generated from earnings, investments and sales.

The Commercial Manager has responsibility for the maintenance, management and budgeting related to those assets that make up the reserve fund. The Commercial Manager will work with the Engineering staff to ensure budget provision is made in the Motueka Harbour and Coastal Works Reserve, for MH&CWR related assets or activities included in the Engineering Activity Management plans.

#### Use of the funds in the reserve

- other than for the costs of administration or maintaining the assets held in as part of the reserve or
- Council approved works in the Motueka Harbour and Coastal Works Reserve area are subject to approval based on a separate full business case. The business case will outline the advantages to the MH&CWR or the Council of the proposed investment and is to be presented through the Commercial Committee.

The Commercial Committee may approve such expenditure up to a limit of \$50,000, provided it is in an approved budget. Any proposed expenditure above \$50,000 will require approval Council.

The first call on funds generated from the MH&CWR will be utilised for:

- a) The maintenance and improvements of any of the assets held as part of the MH&CWR;
- b) Any maintenance and development of the Motueka harbour;
- c) Council approved works in the Motueka Harbour and Coastal Works Reserve area;
- d) Approved Council use, should the capital assets in the account increase to such extent that the Commercial Subcommittee considers that the funds being generated are surplus to the current requirements in a), b) or c) above.

In the event that the Commercial Committee recommends the use of funds other than for items a), b) or c), consultation with the Motueka Community Board will be required prior to consideration of such a proposal being given by Council.

The capital assets will be managed with the intention of increasing the value of the assets held in the reserve fund and providing improved returns. Subject to complying with the policies set out herein, assets may be bought, sold, leased, licensed or otherwise disposed of. Any related borrowings are to be a charge to the reserve fund.

Reporting to the Commercial Committee is to occur not less than every three months and will include statements of the financial performance.

This policy shall be reviewed by Council triennially.

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**Authorised by Council**

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**Date of approval:**



Area Map





**8.9 CHAIRPERSON'S REPORT - COMMERCIAL COMMITTEE**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Paul Sangster, Councillor
<b>Report Number:</b>	RCN16-12-09

**1 Summary**

- 1.1 Welcome to the second Full Council meeting of the new term. As this is my first report as Chairman of the Commercial Committee, I would like to thank the Mayor and Councillors for their confidence in electing me to this position. I look forward to working with Gene Cooper and Mike Drummond and the Commercial Committee as we endeavor to gain the best return from all Council's Commercial activities. I look forward to a tour of all the Councils commercial properties to familiarise ourselves with these so that any decisions that we make are made with insight and knowledge.
- 1.2 In this term of Council, I would like to see Tarakohe wharf and harbour set up to handle the expected expansion of the mussel industry and other potential growth.
- 1.3 I would also like to see some reinvestment back into the forestry portfolio. We have been informed that around 80% of Council's forests goes into local markets. We must then keep ahead of the demand so that our Nelson District businesses can expand in the future. I was involved in the previous expansion of up to 3000 hectares and we can all see the benefits of that now.
- 1.4 I look forward to ending this term of Council with all the camping grounds in excellent condition: Collingwood's ground upgraded and made legal, Pohara Top Ten 'buy-back' completed, Murchison upgraded and financially stable and Motueka Top Ten paying a dividend after Council's buy-back.
- 1.5 I look forward to working with an active and progressive committee.

**2 Draft Resolution****That the Full Council**

- 1. receives the Chairperson's Report - Commercial Committee report RCN16-12-09.**

<b>3 Attachments</b>
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Nil

**8.10 CORPORATE SERVICES - QUARTERLY REPORT**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN16-12-10

**1 Summary**

- 1.1 As proposed when the Corporate Services Committee was not established post the elections, I am reporting quarterly to the Council on the activities in my Department. Any urgent departmental matters will be reported via the Chief Executive's activity report at other times.
- 1.2 The October year to date Corporate Services Department (Department) financial performance is showing a positive variance of 9% or \$287K. This early in the year this primarily relates to timing differences.
- 1.3 The Department is currently well staffed with no notable vacancies. We are completing the formal staff annual performance reviews and these show that staff as a whole are performing well. The part time Principal Legal Advisor Sarah Taylor has commenced.
- 1.4 The Information Services section has completed the role out of iPads and electronic Council papers. The Cyber Security Review has been completed. Developing the Council Digital Strategy will be a focus over the next 6 -12 months.
- 1.5 The Property Services section is now fully staffed. The new Manager Paul Farrar is developing the work programme for the next 12 to 18 months. The EROAD vehicle management and monitoring system is being progressively rolled out. This system will provide better management information and reporting on fleet vehicles. A renewed focus on customer service is resulting in changes to fees and a more efficient approach to issuing licences.
- 1.6 Commercial activities are fully reported through the Commercial Committee. Overall, Commercial activities are on track although the work programme is being reassessed in light of the limited resourcing available to support initiatives.
- 1.7 The finance team is very busy with a heavy work programme. They are continuing with their improvement project work. The team have been heartened by the recent external reports, including the Audit report and the credit rating upgrade.
- 1.8 Reports on the Local Government Funding Agency (LGFA), Local Authority Protection Programme (LAPP) and the Motueka Clock Tower Trust have been received.
- 1.9 We have made a short submission on the Funding Fire and Emergency Services levy proposed for the 2017/18 year. The levy increase for that year is minimal (\$30-40K).

However, the likely changes in future years due to the wider scope of assets being levied will be substantial for Council.

- 1.10 At the time we completed the Long Term Plan 2015-2025 the sale of assets/investments was considered. Staff were requested to develop sale options. The Council's financial position has changed. Before we commit to a significant expenditure in staff resources and professional fees, we will be looking to Council to re-confirm the scope and approve expenditure for developing any proposals.

<b>2 Draft Resolution</b>
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**That the Full Council**

- 1. receives the Corporate Services - Quarterly Report RCN16-12-10.**

### 3 Purpose of the Report

- 3.1 To provide Councillors with a quarterly update on the activities and performance of the Corporate Services Department.

### 4 Financials

- 4.1 For the October year to date, Department overheads including Property, Information Services and Finance are showing an overall favourable variance to forecast of \$287K (9%). Only four months into the year most variances will be related to timing differences and phasing of budgets. There are four main areas contributing to this YTD result.
- Employee related expenses \$37K (3%) Favourable
  - Maintenance and General Operating Costs \$144K (12%) Favourable
  - Depreciation \$85K (26%) Favourable
  - Professional Fees \$25K (13%) Favourable
- 4.2 The Treasury cost centre (Council's internal Bank) is reporting a \$335K YTD favourable result. This is being driven by the lower than forecast debt and the slightly lower than budget finance costs.

### 5 Human Resources

- 5.1 Overall the Department staffing position is acceptable. We are currently completing the formal Annual Review process. This has not highlighted any significant concerns with staff performance levels. Workloads remain high especially in the Commercial activity support area. In early November staff achieved a milestone with zero overdue Customer Service requests. This reflects the teams strong focus on customer service.
- 5.2 The Property Services team is up to full strength with Sandy Pomeroy transferring from the Finance team as the new Administration Officer Property Services. A range of staff have been trained to carry out critical tasks for emergency cover, should the Administrator Commercial Property depart on maternity leave earlier than planned.
- 5.3 Luke Chignell joined Information Services on 17 October, as Programme Leader for Systems and Development. Geographic Information Systems (GIS) Analyst Bianca De Jong leaves us on 25 November to take up a role with Waimakariri District Council. We are taking this opportunity to review the role and see what opportunities there may be to refine the skill set within the IS teams.
- 5.4 The Principal Legal Advisor, Sarah Taylor has commenced. This part time role will provide both legal support and provide for the intelligent purchasing of legal services.

### 6 Information Services

- 6.1 **Councillor iPads** - Councillors moved to our new Diligent Board Books online meeting papers application in November as part of the new Council triennium. Paper agendas for

Councillors and the Executive team will be phased out at the end of 2016 as part of this change.

- 6.2 **Library Self-Checkout System (RFID)**- Information Services Administrators have been heavily involved in the rollout of self-checkout systems (RFID) over the last two months. This included planning, network configuration changes and hardware installations.
- 6.3 **IS Infrastructure Planning for 2017** - Several significant IT infrastructure projects are planned for 2017 including the upgrades of the server infrastructure that manages the Engineering pump stations network (SCADA) and the Hydrology data reader (Telemetry) network. This work will happen in close coordination with the Utilities and Hydrology teams and any associated contractors and vendors.
- 6.4 **Cyber Security** – a review has been completed along with penetration testing. The results of the review and recommendations are being reported to the Audit and Risk Committee. Overall the result of the review shows that high levels of security are maintained by the IS team. Where systems are maintained by other areas there were some concerns raised over system administration, and these concerns are being addressed.
- 6.5 **Digital Strategy Update** - In the first half of 2016, Councillors and staff worked on a Digital Strategy process resulting in the creation of a model to support the transformation of Council services from traditional manual and paper-based ones to digital services that can be accessed online or via Council offices and Customer Services staff. To ensure the organisation has capability to support this and other change programmes, we have secured High Performance Workplace Initiative (HPWI) funding from the Callaghan Innovation Fund to develop systems and practices improvements aimed at the creation of a Total Innovation Model for the organisation. This model focuses on improving internal business processes, knowledge management and people capabilities in a way that will improve services and the value that our customers/residents/ratepayers receive when dealing with Council. This work will be completed near the end of the first quarter of 2017 and will support the work projects and challenges associated with funding and implementing the Digital Strategy and other business change programmes at Council.

## 7 Property Services

- 7.1 The findings from the condition survey carried out on the Golden Bay Museums have been sent out for a quote. We have difficulty securing the services of a builder in Golden Bay to carry out the required minor works and this is causing delays in getting the work done. This is proving frustrating for both the Museum Committee and the Property Services Staff. We are actively trying to source other builders and get them to qualify for our approved contractor list.
- 7.2 A new EROAD monitoring system is being installed progressively on the vehicle fleet. The system allows us to track vehicles and alert us to vehicles being operated outside our guidelines. The key focus is to enhance health and safety around vehicle use. This initiative is being funded from the existing vehicle budget. The system will provide better management information and reporting. This will guide activities like the vehicle replacement programme and right sizing the fleet.
- 7.3 We have reviewed the Motueka Recreation Centre air conditioning system access requirements for servicing. The initial findings of the building assessment report found that structural elements in the roof were preventing access to the filters and no maintenance had been carried out. Further investigation revealed that an additional duct to another filter was

installed during installation and this filter has been correctly maintained. Our records have been updated and steps taken to ensure that this information is not lost.

- 7.4 The focus on improving customer service has resulted in new procedures being adopted for issuing leases. The new approach while protecting Councils' interests requires less time for legal consultation and thus reduces the legal bill which is passed to the lessee.
- 7.5 The Property Services Team is moving to a set of standard fees and charges for issuing a Licence to Occupy, this is yet to be approved by Council. This is another Customer service initiative. Currently staff spend approximately one hour researching an application and calculating the fees to be charged. A set of standard fees enables the applicant to check the costs, either from the website or Customer Services, before making the application. This reduces workload for the Property Services team and speeds up the process for obtaining a License to Occupy.
- 7.6 To ensure transparency, and meet the delegations obligations, the Property Manager advises Council regularly of any documents that have been signed under delegated authority. The use of delegations for routine transactions is an efficient and effective way to provide good customer service.
- 7.7 The following documents have been signed under delegation for the period 1 September 2016 to 31 October 2016:
- 7.7.1 Village Mall Café Licence to Occupy for outdoor dining – signed 8th September 2016 for period 1st May 2016 to 31 January 2016 and month to month thereafter until the start of the Queen Street upgrade.
- 7.7.2 Cathy Klein Grazing Licence for Rangihaeata Road – signed 12th October 2016 for period 1 October 2016 to 30 September 2019.
- 7.7.3 Estate of Wayde Carson Lease of Bermlands – signed 31 October 2016 for period 1 March 2016 to 28 February 2026 (2 x 5 year terms).
- 7.8 The Property Services team is working on a backlog of community/sporting lease renewals, many of which will require public notification. The team face a challenge as historically the community groups are slow to respond.

## 8 Commercial Activities

- 8.1 Commercial activities are reported in full through the Commercial Committee. The latest reports went to the Committee meeting on 4 November 2016. These confidential reports are available to Councillors on request. Below is a summary of commercial activities for the year to date.
- 8.2 **Aerodromes** operational and financial performance is on track with forecasts. This activity is expected to deliver a cash trading surplus, but will not generate sufficient funds to cover the full depreciation costs. The forecast net loss is \$30k per annum. Management is largely focused around leases and the honesty based landing fee collection programme. We have two new ground leases at Motueka. The focus for the year ahead is the development of and alignment between Motueka and Takaka Aerodrome Advisory Committees.
- 8.3 **Campgrounds** as an activity have a Council strategy of land and improvement ownership being with Council rather than the lease. This was to be supported by proactive

management. In the current LTP, all council campgrounds were to move to this model. This required Council buy back of assets and proactive asset condition management. Delays to project work streams across all but the Motueka Top 10 camp have occurred because of resource constraints within the commercial activity. Campground performance is on track and the first three months shows a net trading deficit. This is seasonal and will correct itself in the second and third quarters of the year.

- 8.4 **Commercial property holdings** income is on track, however expenses are significantly higher due to unbudgeted professional and maintenance costs associated with property issues at Armadillo's (Richmond) and Jellyfish (Mapua Wharf) properties. A trading surplus will still occur from this activity.
- 8.5 **Forestry** is on track with harvesting activities currently at Borlase and Rough Island. We expect to harvest to reach 40,000 tonnes this year, the same level as last year.
- 8.6 **Port Tarakohe** financial results are tracking on budget. The Port is evidencing growth in aquaculture income of 60% year to date. There is significant anecdotal evidence from the mussel industry of increasing activity. The Council's recent Commerce Commission response and their decision, has cleared the way forward for the strategic review. It has also allowed us to continue with the ongoing fees and charges strategy. A new activity management plan will be developed to deal with:
- addressing health and safety issues
  - the changing Port configuration
  - impact of growth
  - the new fuel arrangement
  - the proposed removal of the pile berths and replacement with a new floating concrete commercial marina.

## 9 Finance

- 9.1 There was a time when there was a break between major projects for the finance team, like the Annual Report and Annual Plan. Those days have gone. The team now works on the Annual Report, Annual Plan, and Long Term Plan concurrently.
- 9.2 With the Annual Report follow up work almost complete, work on the Annual Plan and Long Term Plan take a further step forward with presentations to the senior management team, and preparation for Council workshops, well underway.
- 9.3 Alongside these major undertakings there is the ongoing business as usual, also with a mix of smaller projects. Work currently underway within the team includes:
- System improvements in banking and receipting transactions
  - Review of the water billing invoices
  - The Accounts Receivable Review Project
  - Ongoing rates maintenance and RID tidying
  - Quarterly reforecast reporting



- Enhancements to the monthly financial reports
- Internal Audit Reviews on health and safety processes, and cyber security
- Policy development

9.4 The Finance team has been heartened by recent external reports, such as the upgrading of Council's credit ranking by Standard & Poor's, to AA- positive, and the very encouraging Audit Management Report from the Annual Report 2016 audit process. Both reports underpin the investments we have made in processes and management systems.

## 10 CCO's and Other Matters

10.1 The Local Government Funding Agency (LGFA) was set up to provide funding to Local Authorities. This Council was one of the original nine Councils that along with the Crown set up the LGFA. The LGFA is a Council Controlled Organisation and reports quarterly to its members. The LGFA's credit rating is equal to the NZ Government sovereign rating (AA+). As at the end of September the LGFA had borrowed \$6.4 billion and on lent this to Local Authorities. Council currently has \$90m funded through the LGFA.

10.2 We have received the LGFA first quarter 2016 report. We have also received the LGFA 2015/16 Annual report. The full reports are available to Councillors on request. Highlights of the first quarter report include:

10.2.1 The September quarter was a positive one for credit markets. The LGFA was able to capitalise on this to the benefit of Local Authority borrowers.

10.2.2 During the quarter, the LGFA issued a modest \$215m of bonds. This was well below the historical quarterly average of \$371m and reflects lower borrowing demand from Councils.

10.2.3 Yields on LGFA bonds reached historic lows during the quarter, in line with the decline in NZ government bond yields.

10.2.4 On-lending to Council borrowers was \$199million during the quarter including \$66m of bespoke issuance (outside of the seven LGFA bond fixed maturities).

10.2.5 Councils are continuing to use the new short term borrowing options with an increase in lending \$21m to a total outstanding of \$180m as at 30 September.

10.3 **Motueka Clock Tower Trust** – As required by its borrowing arrangement with Council, the Trust has provided a copy of its annual accounts for the year ending 29 February 2016. The trust is meeting its obligations under the loan.

10.4 **Local Authority Protection Programme LAPP** – Council provides for catastrophe cover on its underground assets through the LAPP programme. LAPP provides the local government 40% part of the 60/40 Central/Local Government financial split for repairing underground assets following a natural disaster. This forms part of our risk management programme which also includes insurance on our other assets. The fund was exhausted by the Canterbury earthquakes and is being rebuilt over time. We have received the 2016 LAPP Annual Report. The full Annual Report is available to Councillors on request. Highlights of the report include:

- The settlement of the Canterbury earthquake claims (\$635m)
- An increase in the unallocated funds held by LAPP to \$21.5 million
- The retirement of long time LAPP Director and Chairman Kinsley Sampson

- 10.5 **Fire and emergency services levies** - We have made a short submission on the Funding Fire and Emergency Services levy proposed for the 2017/18 year. Submissions needed to be made by 30 November. These levies are collected via insurers. Currently levies are charged only on contracts for fire insurance (rather than material damage insurance) and the current exemptions set out in the Fire Service Act still apply. As a result, for the 17/18 year there will be a minimal increase in costs to Council of around \$30-\$40k. We note that the non-fire incidents which the NZFS respond to now make up 38% of all incidents.
- 10.6 We will not know what the longer term financial impacts will be as the regulations and both the scope and rate of levies post the 2017/18 year have not been set. We have asked that Council be consulted when these regulations are being developed. We have a particular concern that costs will be disproportionately passed on to local authorities. This will occur if levies are applied to material damage insurance policies and large community infrastructural assets are not excluded. These Council assets are unlikely, if ever to require fire service resources. Our insurers have also pointed out that the amount of levy paid by motor vehicle owners should fully fund the costs related to attending motor vehicle and related incidents. This will be problematic given the number of uninsured or third party only insured vehicles.
- 10.7 **LTP asset sales programme** - At the time we completed the Long Term Plan 2015-2025. The sale of assets/investments was considered. This was an option to reduce the Council's high debt level or help fund its proposed investment in the Waimea Community Dam project. Due to the high level of uncertainty for both the timing and the level of proceeds from potential sales, no sales were included in the Long Term Plan. Staff were however requested to review assets and investments for potential sales. No specific budget provision was made for this work stream.
- 10.8 Council has approved the sell down of its shares in the LGFA (Local Government Funding Agency). We are also proceeding to sell our minor shareholding in Civic Assurance which are held for historical reasons. Both shareholdings are subject to pre-emptive rights and sell into a restricted market. The investment valuations and legal costs for these two sales will be met from the Corporate Services professional services budget and are estimated to be circa \$40,000.
- 10.9 The current LTP financial strategy has been very successful in delivering reduced Council's debt levels. While debt levels remain high they are well down on LTP projections. Develop an asset sales work stream will require a large investment in both professional fees and a reprioritization of staff time. Some of the more valuable investments are jointly owned with Nelson City Council, are considered strategic or have a high public interest. These factors will make any sale process quite complex and will likely require major public consultation. Given the improved financial position and recognizing the councilor changes arising from the October elections, I will be seeking a renewed Council mandate (or otherwise) for this work stream including its scope in the first quarter of 2017.

## 11 Attachments

Nil

**8.11 TREASURY REPORT****Information Only - No Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	1 December 2016
<b>Report Author:</b>	Bryce Grammer, Financial Accountant
<b>Report Number:</b>	RCN16-12-11

**1 Summary**

- 1.1 This report updates Committee members on compliance with the Council's Treasury Management Policy as at 31 October 2016.
- 1.2 The Council is in full compliance with its Treasury Management Policy except the Fixed/Floating Profile. The swap cover when compared to the current debt level is over 100%. The level drops to 94% (limit 90%) of the forecast debt 12 months out. It is considered more cost effective to allow contracts maturing in the next 12 to 18 months to do so rather than to cancel or blend and extend the contracts to create policy compliance. This over cover position has arisen directly from the dramatically lower than forecast debt levels.
- 1.3 The Council borrowings at 31 October 2016 totalled \$131.5million down on the \$133million outstanding at 30 June 2016. November is also expected to be cash positive with the receipt of the quarterly rates instalments.
- 1.4 The weighted average interest rate on borrowings is 5.207%. The Council's cost of funds, including interest rate swaps, bank margins and line fees being taken into account is 5.253%, compared to a budget of 5.90%. Staff continue to closely monitor the markets in order to capitalise on any opportunities to reduce the Council's borrowing costs.
- 1.5 A further 25 basis point cut to the OCR was made on the 10th November. Any further cuts are dependent on future inflation, growth figures, and the strength of the NZ dollar.
- 1.6 The Treasury Cost Centre which operates as the Council's internal bank, is operating as per the Treasury Risk Management Policy, with internal interest rates being set quarterly. From 1 October 2016, interest has been charged at 5.2%, and paid on credit balances at 2.2%. These lower costs are flowing through to the cost centres through lower interest charges. A balance is still being maintained in the cost centre as a prudent buffer.
- 1.7 The Treasury Cost centre is reporting a \$335K October YTD favourable result. As noted above this is being driven by the lower than forecast debt levels and the slightly lower than budget finance costs.
- 1.8 Standard and Poor's Global Ratings (S&P), following their annual review, lifted their credit rating for Council from AA – (stable) to AA – (positive).

<b>2 Draft Resolution</b>
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**That the Full Council**

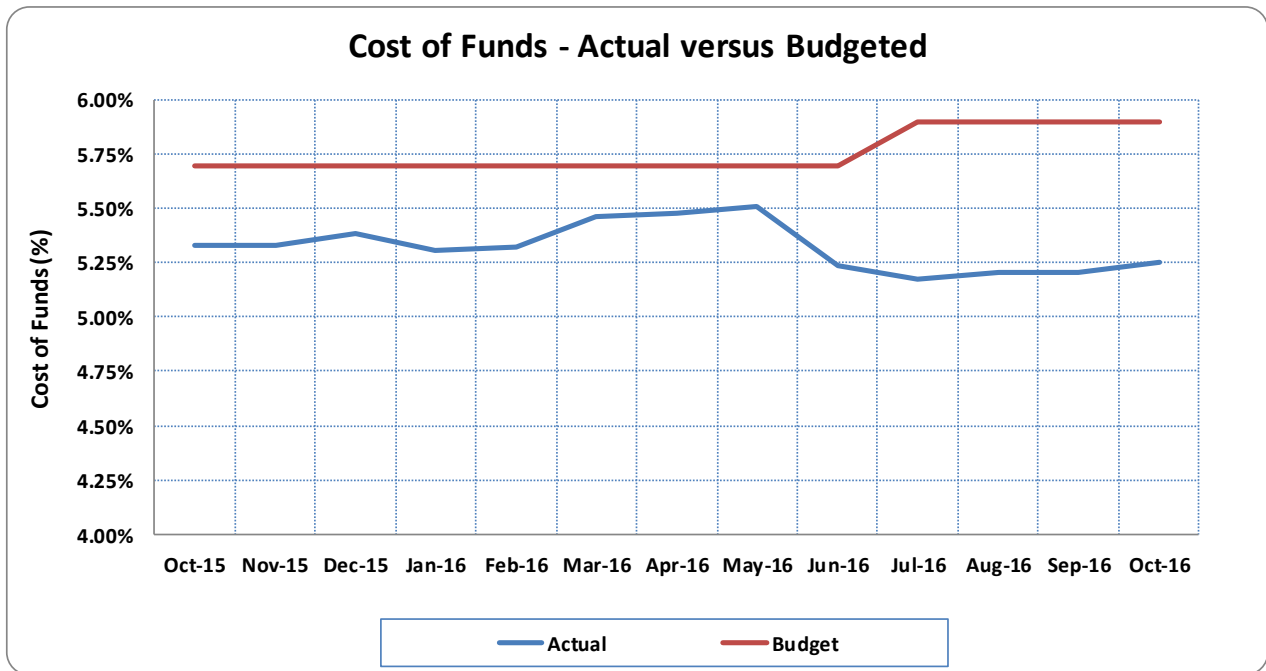
- 1. receives the Treasury Report RCN16-12-11.**

**3 Treasury: October 2016**

**Debt Levels**

3.1 Council's debt at 31 October 2016 stands at \$131.5 million, with an average interest rate of 5.207% (June 2016: 5.19%).

**Cost of Funds**



3.2 This graph shows the Council's actual weighted average cost of funds at 31 October 2016, including interest rate swaps, bank margins, and line fees at 5.253% against a budgeted rate of 5.9%. The decrease in June is due to an increased debt position (more debt raised in June) and the swap restructure in May. The swap restructure occurred following a revision downward of Council's debt forecasts. This means that the Council's debt is now over covered by interest rate swaps. The weighted average cost of funds will decrease further as the Council takes on more debt, as we will not need additional interest rate swap cover over that new debt, in the short-term.

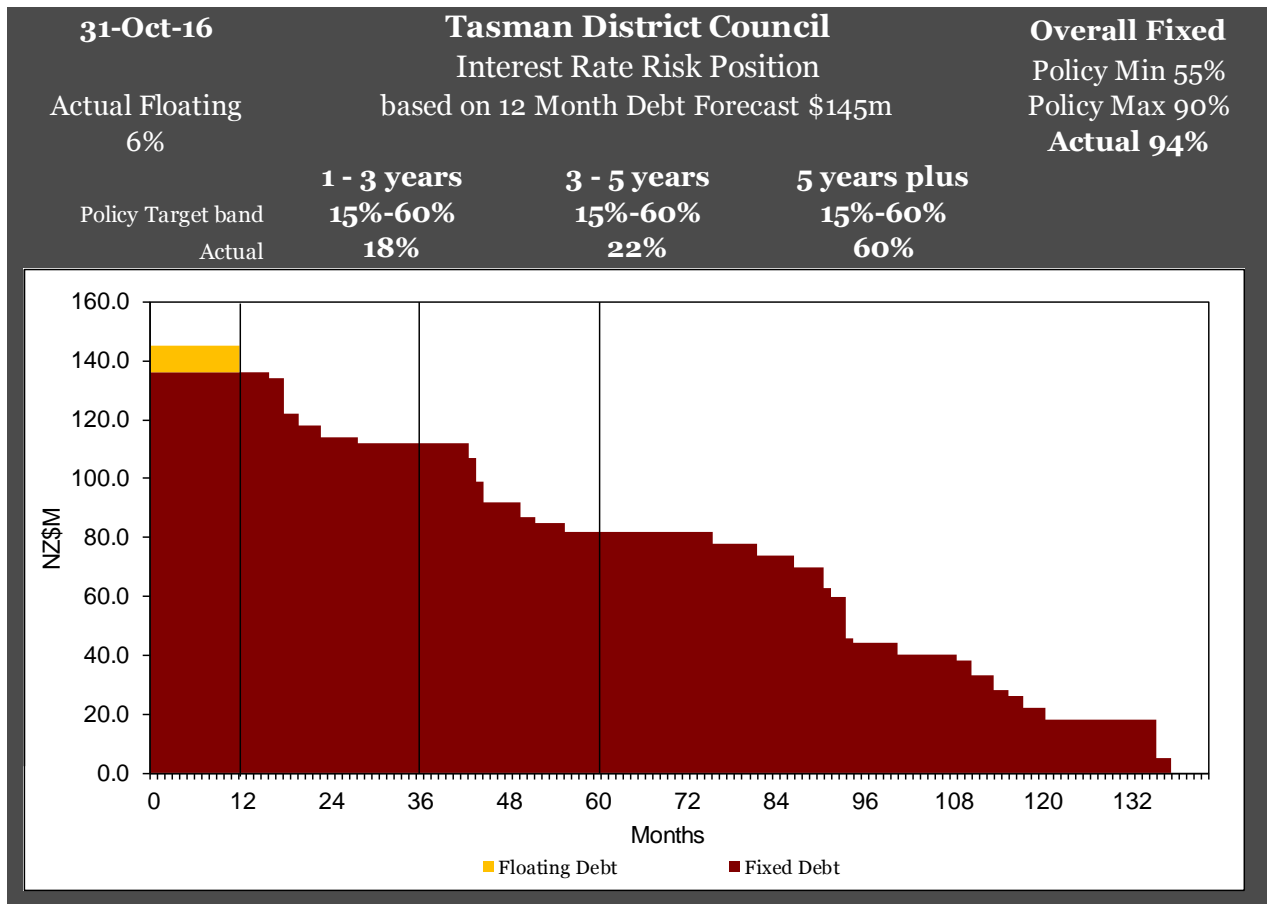
Interest rate	5.253%
Less commitment fee	(0.047%)
Less bank margin	<u>(0.753%)</u>
Net interest rate	4.453%

**Interest Rate Swaps**

- 3.3 The Corporate Services Manager has delegated authority to enter into interest rate swaps on behalf of the Council on the proviso that it is reported back to Council. Council approval is required before entering into long-dated swaps with a maturity over 12 years. There have been no new swap transactions since the last report.
- 3.4 At 31 October 2016 the Council had \$147.78 million of interest rate swaps in place, including some “forward start” swaps. After adjusting for the forward start swaps, \$140.78 million is “live” which is equal to 107% cover over existing debt and 94% over forecast 31 October 2017 net debt (i.e. 12 month debt forecast). Council staff after consideration and advice from their treasury advisors, have decided to let the swap cover contracts expire naturally rather than undertake an expensive restructure of the swap portfolio to bring us into full policy compliance.

**Treasury Limits**

- 3.5 The following are details of the Council’s compliance with Treasury limits. The chart below displays the interest rate risk position of the Council.



**Interest Rate Risk Position Graph**

- 3.6 The interest rate risk position graph visually represents the interest rate position within approved interest rate control limits as set out in the Council Treasury Policy document. The chart takes a snapshot of the risk position as at the reporting date.

- 3.7 The crimson part of the graph depicts the amount of debt which is fixed – this includes fixed rate bonds, together with payer swaps, meaning debt which gets repriced in one year's time or later. The top of the yellow area represents the forecast debt in a year's time. The yellow area therefore illustrates the amount of debt deemed floating rate and will include any forecast debt which has not been pre-hedged. Any existing loans or financial instruments which will be repriced within the next 12 months are included in the red area.
- 3.8 The key areas of focus are:

**Fixed Rate Percentage Limit: (wholesale interest rate certainty)**

The fixed rate percentage calculation is the total amount of fixed rate debt/interest rate hedges over the 12 month forecast net debt amount. Fixed rate is defined as having an interest rate resetting maturity/expiry date of greater than 12 months.

**Fixed Rate Maturity Limits: (spreading of wholesale interest rate maturity risks)**

Fixed rate repricing maturity dates are spread based on defined maturity band limits; 1 - 3 years, 3 - 5 years and 5 - 10 years. Minimum and maximum percentage limits within each time band ensures a spread of maturities and reduces the risk of maturity concentrations.

**Fixed Rate Maturity Profile Limit**

- 3.9 This measures the spread of the Council's risk of refinancing interest rates, achieved through the use of interest rate swaps.

	Minimum	Maximum	Actual: Oct 2016	Within Limits
1 – 3 years	15%	60%	18%	✓
3 – 5 years	15%	60%	22%	✓
5 – 10 years	15%	60%	60%	✓

**Fixed/Floating Profile**

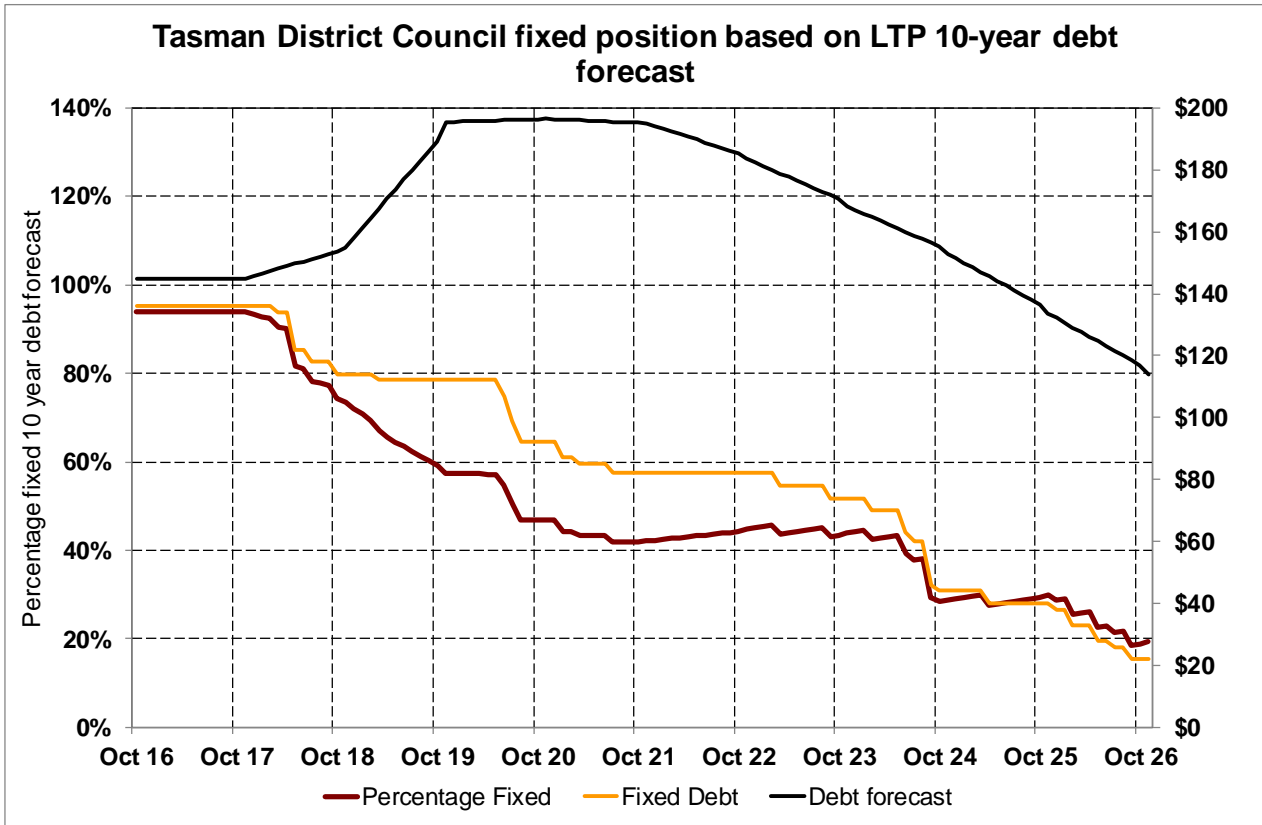
- 3.10 This measure shows the balance between minimising exposures to negative fluctuations in floating rates against savings opportunities. The Council's strategy is to limit negative exposures and provide certainty of future interest rate costs. This is achieved through its use of interest rate swaps.

(A maturity greater than one year is defined as fixed)

Minimum	Maximum	Fixed Actual: October 2016	Within Limits
55%	90%	94%	☒

**Cumulative Interest Rate Position**

- 3.11 The chart below shows a cumulative interest rate position for the Council. The chart represents the actual percentage of 12 month debt (\$145 million) which has a fixed interest rate out to 10 years.

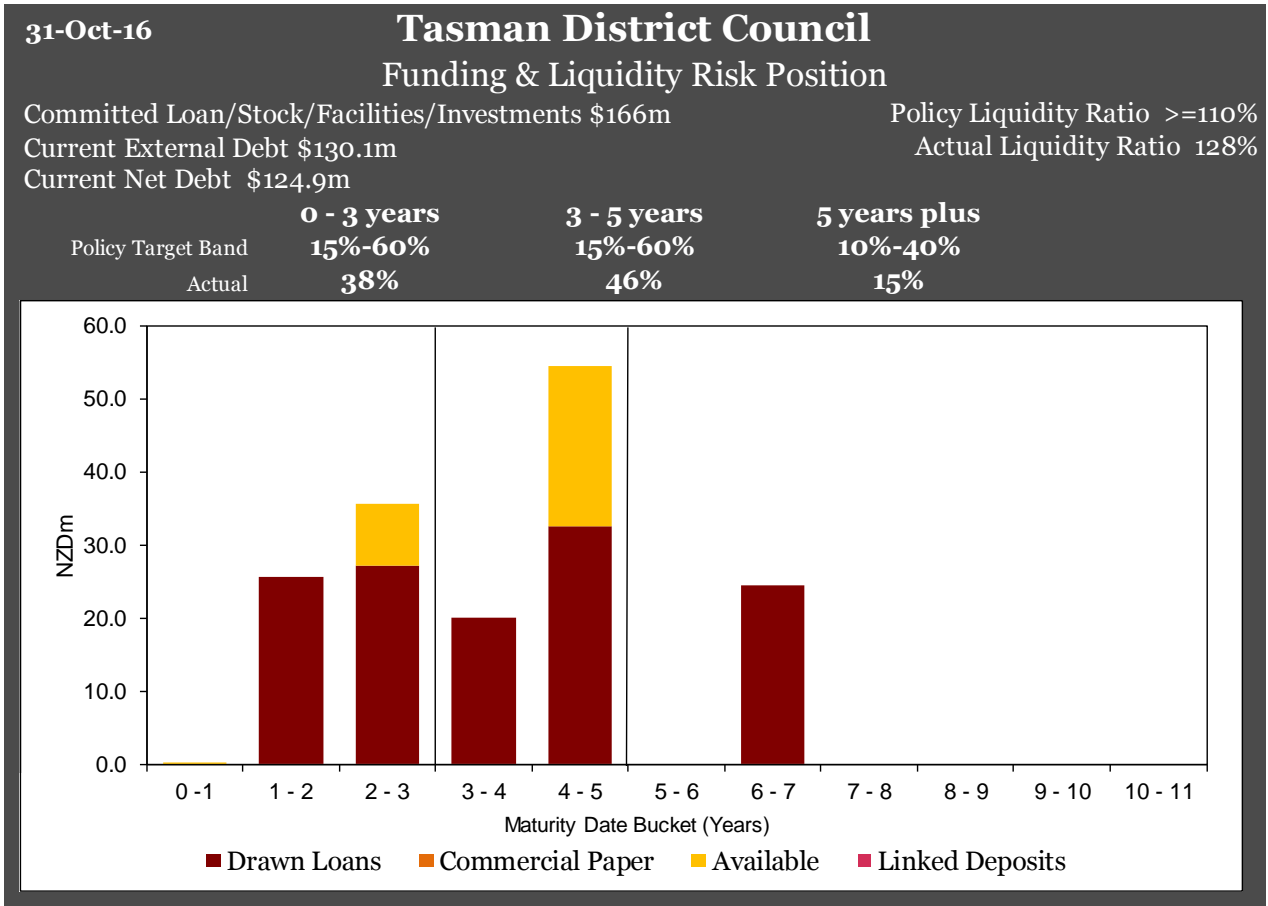




**Facility Maturity Limit**

3.12 Total committed funding in respect to all loans and committed bank facilities is reported as follows:

The chart below represents the Council’s funding maturity profile. The measures indicate how effectively the Council has spread the risk of refinancing its facilities and loans. The Liquidity Ratio represents the debt headroom available in the Council’s facilities, along with cash available over and above its existing external debt.



**Liquidity and Funding Maturity Risk Position Graph**

3.13 The liquidity and funding risk position visually represents the approved funding maturity limits as set out in the Council’s Treasury Policy document. The chart takes a snapshot of the risk position as at the reporting date.

3.14 The key areas of focus are:

**Liquidity Ratio: (maintaining additional committed liquidity)**

The Liquidity Ratio Calculation represents the total committed bank facilities and term debt amounts, together with liquid investments, over the total debt amount.

**Funding Maturity Risk Position: (spreading of debt maturity dates)**

Existing committed bank facility expiry dates and term debt maturity dates are spread based on defined maturity band limits of 0-3 years, 3-5 years and 5 years plus. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduce the risk of maturity concentrations.

- 3.15 The Council is complying with its Treasury Management Policy, and is within all treasury limits.
- 3.16 The Council currently has \$30m in private placements. The private placements allow the Council to place longer term debt in the years between Local Government Funding Agency (LGFA) issues. The Council also has \$90m of debt placed with the LGFA.

Treasury Limits	Actual Oct 2016	Within Limits
Net Debt not to exceed 20% of equity	9.6%	✓
Net external debt not to exceed 225% of total operating revenues	114.3%	✓
Net interest as a % of total revenues to be less than 20%	6.5%	✓
Net interest as a % of total annual rates to be less than 25%	10.8%	✓
Liquidity over existing external debt to be at least 110%	128%	✓

**Counterparty Credit Risk**

- 3.17 The Council's policy is that NZ Registered banks must have a minimum Standard & Poor's (or equivalent) short term rating of A-1+ or long term rating of AA-. All counterparty banks are Standard & Poor's AA-rated.
- 3.18 The policy credit limit (NZ\$) for each NZ Registered bank is \$30 million. This covers the Council's interest rate risk management instruments and cash investments.

Bank	Cash/Cash Investments \$m	Notional Swaps \$m	Credit Exposure \$m	Compliance
Westpac	1.21	65.05	17.2	Within Policy
ASB	3.93	45.73	13.5	Within Policy
ANZ	Nil	37.00	10.7	Within Policy

## Funding Mix

3.19 The objective is to have a mix of 80% debt capital markets (such as the LGFA, private placements and commercial paper) and 20% committed bank facilities. The current mix is as follows:

Funding Source	\$m	%
Bank Debt	11.5	8.8%
Private Placement	30.0	22.8%
LGFA Debt	90.0	68.4%
<b>Total</b>	<b>131.5</b>	<b>100.0%</b>

## 4 Investments

4.1 The Council cash investments total \$2.926 million dollars with an average interest rate of 2.70% (June 2016 2.89%). In line with the revised Treasury Policy, specific reserves are not kept as cash. The Council continues to maintain adequate cash reserves and committed bank facilities to support any drawdown against specified reserves. The majority of the cash investments are held in the short term Money Market account.

4.2 The individual investment balances are as follows:

	\$ Invested	Interest Rate
Term Deposit (224 days)	1,200,000	3.34%
Money Market account (on call)	1,726,000	2.25%
<b>Total</b>	<b>2,926,000</b>	<b>2.70%</b>

## 5 Emissions Trading Scheme (ETS)

### ETS hedging Limits

5.1 There have been no new transactions entered into since the last report.

5.2 From 1 June 2015, only NZUs are allowed to be used towards ETS liabilities. The current spot rate for NZUs is \$18.50 per unit.

5.3 Due to the deferral of the regional landfill, the Council will have a liability under the ETS for the 2016 calendar year. The Council's forestry assets and the related ETS liabilities/credits are accounted for separately to the landfill.

5.4 Following consultation held between Dec 2015 and Feb 2016, the Government has passed the Climate Change Response (Removal of Transitional Measure) Amendment Act which will phase out the one-for-two (50%) transitional measure in the NZ ETS. This change will take effect from 1 January 2017. From 1 January 2017, Council will need to surrender one unit for every 1.5 whole tonnes of CO<sub>2</sub>-e emissions (67% of full liability). This surrender will be due 31 May 2018.

- 5.5 The landfill joint venture is proposed to commence from 1 July 2017, at the earliest. This means that the Council will have ETS obligations for the December 2016 return year as well as for the six months to 1 July 2017.
- 5.6 The Council has investigated purchasing NZUs internally, at market rates, from the Forestry activity, to meet these obligations. There are sufficient NZUs available which were allocated to the pre-1990 land to meet these obligations. (These NZUs can be sold at any time, as there is no liability at time of harvest of pre-1990 forestry, unless the land is not replanted.)
- 5.7 ETS credits are managed in defined time buckets incorporating minimum or maximum hedging.

	<b>Minimum Cover</b>	<b>Maximum Cover</b>	<b>Actual Oct 2016</b>	<b>Within Limits</b>
<b>*Committed</b>	80%	100%	100%	✓
<b>Forecast period</b>				
0 – 1 years	0%	80%	80%	✓
1 – 2 years	0%	50%	50%	✓
2 – 3 years	0%	30%	0%	✓

*\*exposure becomes committed in January-March (quarter following emission period as Council must report emission from the previous year).*

## **6 Commercial Paper and Working Capital**

- 6.1 The Local Government Funding Agency has made available short-term borrowing from 30 days to one year. The current rates for 30-day debt is 5bps over BKBM (compared to bank facility borrowing at 80 to 90 bps). Staff, with our treasury advisors, are investigating options to maximise this opportunity.

## **7 Market Comment**

- 7.1 A further 25 basis point cut to the OCR was made on the 10th November. Any further cuts are dependent on future inflation, growth figures, and the strength of the NZ dollar.

## **8 Treasury Cost Centre**

- 8.1 The Treasury Cost Centre operates as the Council's internal bank. In essence, the Cost Centre manages the external costs of borrowing and allocates them across internal loans within individual activities. It also pays/charges interest on reserves and activity balances. As per the Treasury Risk Management Policy, these interest rates are set quarterly. From 1 October 2016, interest is charged on loans and overdrawn closed account balances at 5.2%, and paid at 2.2% on credit balances for the next quarter.

**9 Standard and Poor's Rating**

- 9.1 Standard and Poor's Global Ratings (S&P), following their annual review, lifted their credit rating for Council from AA – (stable) to AA – (positive).
- 9.2 In their full report issued on 9 November 2016, S&P noted that the strong financial management with commitment to improve the financial position; the after capital account surpluses; a strong budgetary performance; and the declining debt burden and interest expenses were strong factors in upgrading the credit rating.
- 9.3 This is a very good result for Council, and the continuation of these factors will be viewed favourably by S&P in next year's review.

**10 Attachments**

Nil



## 9 CONFIDENTIAL SESSION

### 9.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

**That the public be excluded from the following part(s) of the proceedings of this meeting. 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 follows.**

**This resolution is made in reliance on section 48(1)(a) 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, as follows:**

### 9.2 Motueka Top 10 Holiday Park - Capital expenditure 2016/2017 Changes

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

### 9.3 Port Tarakohe Capital work

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

### 9.4 Capital Repairs to Commercial Property - Referral from Commercial Committee

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

**9.5 Proposal to Purchase Property - Lower Queen Street**

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a)  The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.