

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

**Date:** Thursday 7 September 2017  
**Time:** 9.30am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

---

## Full Council

### AGENDA

---

#### MEMBERSHIP

<b>Mayor</b>	Mayor Kempthorne	
<b>Deputy Mayor</b>	Cr King	
<b>Councillors</b>	Cr Brown	Cr McNamara
	Cr Bryant	Cr Ogilvie
	Cr Canton	Cr Sangster
	Cr Greening	Cr Tuffnell
	Cr Hawkes	Cr Turley
	Cr Maling	Cr Wensley

(Quorum 7 members)

Contact Telephone: 03 543 8405  
Email: [kate.redgrove@tasman.govt.nz](mailto:kate.redgrove@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

That the In Committee late item 5.1 Waimea Community Dam Joint Venture Funding Proposal report be received. This item is late because information essential to the report was not available at the time the agenda was published. Delaying consideration of this item would compromise project workstreams.

## 6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 27 July 2017, be confirmed as a true and correct record of the meeting.

## 7 PRESENTATIONS

7.1 Treasury Update (11.00 am) ..... 5

## 8 REPORTS

8.1 Corporate Services - Quarterly Report ..... 7

8.2 Treasury Report..... 41

8.3 Traffic Control Bylaw - Parking control update ..... 51

8.4 Lower Queen Street Stormwater Project - Funding Request ..... 61

8.5 Proposal to Stop Unformed Legal Road - Rainbow Community Golden Bay -  
Endorsement of Hearing Panel Resolution ..... 69

8.6 Portable Recycling Containers..... 93

8.7 Change to the Delegations Register ..... 99

8.8 Electoral Systems ..... 109

8.9 2017 Residents Survey Report ..... 129

8.10 Mayor's Report to Full Council ..... 137

8.11 Chief Executive's Activity Report..... 155

8.12 Waimea Community Dam Project Report..... 169

## 9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public..... 185

9.2 John Krammer (Tapu Bay) - offer of surrender of lifetime occupation licence .. 185

9.3 Nelson Airport Director Appointment..... 185





## 7 PRESENTATIONS

### 7.1 TREASURY UPDATE

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Russell Holden, Finance Manager

#### PRESENTATION

Jason Bligh and Brett Johanson from Council's Treasury providers, PricewaterhouseCoopers, will give an update on Treasury to the Full Council.

#### Appendices

Nil



## 8 REPORTS

### 8.1 CORPORATE SERVICES - QUARTERLY REPORT

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN17-09-01

#### 1 Summary

- 1.1 **Financials** – The Department finances will be included in the next report. The first monthly financial reports for the year (August month end) are not yet available.
- 1.2 **Human Resources** – The re-organisation of the Commercial and Property activities is on track. Staff across the department are under pressure due to resourcing levels and current work demands. The recruitment for a new Commercial Advisor will commence in the near future. The two property team leader level roles are being re-advertised.
- 1.3 **Information Services** – An upgrade to the Top of the South Maps application is underway. In response to increasing cyber security threats the Council's network security gateway is being upgraded. Information Services are working with the Building Assurance team on the selection of a new digital building consent processing system.
- 1.4 **Property Services** – The focus remains on essential day to day business as the reorganisation occurs. The start date for the new Property Services Manager, Mark Johannsen, is 4 September.
- 1.5 **Commercial activities** – Commercial activities have operated well during the past year. Campgrounds are slightly down on budget. Commercial property holdings have delivered an overall result \$56k behind budget. Forestry harvesting finished slightly behind the volume forecast but delivered a surplus of \$2.4m. At Port Tarakohe, there was a cash loss of \$34k. It is worth noting that the Port traded profitably in the last two months of the financial year for the first time ever.
- 1.6 **Finance Section** – The focus has been on key work streams in the 2017 Annual Report; the Long Term Plan (2018-2028) (LTP); and the 2017/18 first rates instalment. The focus on debtors continues with good results being achieved. This section along with several others was adversely impacted by a problematic upgrade to the MagiQ core system.
- 1.7 **Legal** – the request for proposal (RFP) to set up a panel of external legal providers for both Tasman District Council and Nelson City Council is progressing well. The team has implemented a suite of contract and procurement template documents for use by Council staff. This is highlighting areas of risk and the need to better resource the procurement function. Work continues to provide ongoing legal and strategic advice and support across a range of areas.

- 1.8 **Risk Management** - Council has had confirmation that its 2017/18 insurance programme has been successfully placed with the insurers. As a result of a number of factors, including the Christchurch and Kaikoura earthquakes, The ports collective which includes Port Nelson has been unable to source insurance cover at the previous years levels. The port is comfortable with the level of cover they have secured which exceeds their maximum probable loss. An issue may arise if there were multiple large events or an event that had a major impact on multiple ports that exceeded the total collective's policy limit.
- 1.9 **Council Controlled Organisations and other** - We have received the Annual Report from Richmond Unlimited, the Quarterly Report from the Local Government Funding Agency (LGFA) and the Statement of Intent (SOI) from the LGFA. We have also received dividend statements from Nelson Airport Ltd and Port Nelson. The dividends being paid are above those forecast in the respective SOI's.
- 1.10 We have received notice of a Special Shareholders Meeting of Civic Financial Services to discuss the sale of their Wellington building. The staff recommendation is to support that sale.

<b>2 Draft Resolution</b>
---------------------------

**That the Full Council**

- 1. receives the Corporate Services - Quarterly Report RCN17-09-01; and**
- 2. notes the documents that have been signed under delegation as set out in section 7.8; and**
- 3. authorises the Mayor to vote Council's shares in Civic Financial Services Ltd in favour of the sale of Civic Assurance House; and**
- 4. receives the Local Government Funding Agency final Statement of Intent.**

### 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 There are no financials included in this report. The first monthly financial reports for the year (August month end) are not yet available. There are no known financial issues at this time and measuring performance against annual budgets this early in the year is difficult.

### 5 Human Resources

- 5.1 Since the last Quarterly Report, the new Property Services Manager, Mark Johannsen, has been appointed. Mark commences with Council on 4 September. He will have a comprehensive orientation planned for his first month. We are looking forward to the management focus and stability his appointment will bring as he works with the new combined property and commercial structure to pull the team together, as well as recruit for the vacant roles in the new structure.
- 5.2 Gene Cooper, who took the Principal Commercial Advisor role in the reorganisation, has resigned with his last day 23 August. In the interim, commercial activities have been managed by a variety of staff and contractors to ensure that projects keep progressing as intended. Recruitment for this role is currently underway.
- 5.3 The Property Services team continues to be under-resourced in the short term, until both the new Property Manager starts, and the extra roles in the reorganised structure are finally filled. We were unsuccessful in recruiting for the two team leader level roles and these are being re-advertised. Day to day oversight has been provided by the Information Services Manager.
- 5.4 We are very pleased that Nicky Kolk has started with the IS team as of 7 August, to assist with the ongoing implementation of the document management programme (EDRMS).
- 5.5 Annual performance reviews were completed on time.
- 5.6 As Corporate Services Manager, the Waimea Community Dam project continues to be both a focus and also a significant resource commitment, for me. That commitment impacts greatly on my ability to deliver day to day management of the department.

### 6 Information Services

- 6.1 The development of the latest version of the Top of the South Maps is underway. This new version will move the application up to the latest version of the software and will make the site viewable natively on mobile devices such as smartphones and tablets. Updated imagery and data will also be included in the new application. It is planned that the new application will 'go live' in late September 2017.
- 6.2 Information Services are working with the Building Assurance team on the selection of a digital building consent processing system that aims to improve efficiency in the processing of building consent applications. This system will be integrated with the online building consent application system, GoShift that went live at the end of June.

- 6.3 Council's network security gateway will be upgraded to the latest generation technology over September - October 2017. At the time of writing this report, proposals are currently being assessed with a successful vendor to be confirmed by 18 August. The new gateway will offer more proactive defence against the latest malware threats and allow for richer management and monitoring of online activities to ensure Council information and data remain protected.
- 6.4 The IS section is under pressure once again due to increasing customer demands. This is especially evident with the resourcing needed to setup and support contractors requiring access to Council systems and data.

## **7 Property Services**

- 7.1 Property Services are being managed within the resourcing currently available. This means there is a focus on the essential business as usual work streams only. Where practical, work is being contracted out in the short term. The previous Property Services Manager is being utilised on a part-time basis to deal with urgent work in relation to the aerodromes activity. In particular the Motueka Aerodrome and Long Term Plan (LTP) work streams.
- 7.2 The comprehensive review of Council's accommodation requirements in the Richmond Office is underway. As advised previously, the purpose of the review is to address current accommodation issues as well as identify requirements for the next three to five years.
- 7.3 The following documents have been signed under delegation for the period 8 June 2017 to 8 August 2017:
- Punt to Council A&I (Authority and Instruction) – allows registration of easement at Lord Rutherford Road. Signed 7 June 2017
  - McMillan and Crowe – consent to survey plan as an adjoining owner. Signed 4 July 2017
  - Puketutu Wahanga Ltd – road stopping agreement – confirms technical details of road stopping near Motueka cemetery. Signed 4 July 2017
  - Higgins renewal of lease Appleby Bermland – lease with right of renewal. Signed 12 July 2017
  - Fulton Hogan renewal of lease Murchison Depot – lease with right of renewal. Signed 12 July 2017
  - Gowans Family – road stopping agreement Kaiteriteri – road stopping where existing house partly occupies legal road. Signed 20 July 2017
  - Tweedy and Clark – acquisition agreement near Motueka for corner snipe to improve visibility. Signed 22 June 2017
  - Assignment of lease Oxford St Plunket – technical change of ownership to Plunket NZ. Signed 26 July 2017
  - John Krammer – conditional agreement to surrender lifetime occupation and buy bach Tapu Bay. Signed 19 July 2017.
  - Allied Petroleum – licence to occupy legal road near St Arnaud for diesel tank which will supply road maintenance vehicles. Signed 8 August 2017.

- Punt to Council A&I (Authority and Instruction) – allows registration of easements Council is obliged to grant as part of land acquisition for storm water. Signed 8 August 2017

## 8 Commercial Activities

- 8.1 Commercial activities are reported in full through the Commercial Committee. The latest reports went to the Committee meeting on 11 August 2017. These confidential reports are available to Councillors on request. Below is a summary of commercial activities for the full year to 30 June 2017.
- 8.2 **Campgrounds** - campground income is 1% down on last year at \$957k and the activity shows a trading surplus of \$112k after funding depreciation of \$351k.
- 8.3 **Commercial property holdings** - income is on budget and expenses up \$50k, with an overall result \$56k behind budget. A trading surplus of \$144k has been achieved after depreciation of \$15k and a cash result deficit of \$142k after funding all depreciation and debt servicing and capex. The repair work on the Jellyfish building at Mapua is now underway and is expected to be completed 22 August 2017.
- 8.4 **Forestry** – Harvesting finished slightly behind volume forecast due to managing health and safety concerns and wind throw events at Rabbit Island during the year. Borlase harvests account for 37% of revenue, the balance at Rabbit Island. Income is \$5.5m (\$0.5m ahead of last year) and a surplus of \$2.4m has been achieved.
- 8.5 **Port Tarakohe** - Revenue was at \$0.552m (up from \$0.490m last year). Costs were tightly controlled at \$10k under budget. The cash loss was \$34k (before depreciation). The Port is evidencing growth with the rock contracts starting and the Dolomite recovery as the dairy industry has recovered. We have traded profitably in the last two months of the financial year for the first time ever. The proposed pile berths removal and upgrade is set to commence in September and fuel and landscaping work will follow, leading through until Christmas.

## 9 Finance section

- 9.1 This report covers a purple patch of activity for the Finance team, who have been working simultaneously on the 2017 Annual Report; the LTP 2018-2028; the 2017/18 first rates instalment; as well as significant work on our MagiQ systems.
- 9.2 The audit team are on-site from 21 August for three weeks. We have made significant steps towards completing the Annual Report by supplying some of the larger items to the audit team prior to their arrival on site. By providing this information to them early, we are better placed to respond to their follow-up queries well ahead of time. The plan is that immediately on arrival the team is off to a flying start, rather than the historical process of spending the initial stages file gathering. This is our preference, as it provides a solid foundation and focus at the outset of the audit, leading to less rush at completion.
- 9.3 The Long Term Plan (LTP) takes substantial effort over a long period. Added to the mix this year is the significant change to the Development Contribution Policy and ensuing financial modelling to capture the new catchment basis. Work is progressing well, with analysis of preliminary outputs underway.

- 9.4 There was the expected rush of rates enquiries for the first instalment for the 2017/18 year. August is the busiest month for the rates team with significant public enquiries, information updates, and payment plan alterations.
- 9.5 The Accounts Receivable report is attached (see attachment 1). The report continues the good news trends of previous reports with overall debtors down, including a significant reduction in the 90 days and over accounts. The time taken to pay accounts (debtor days), is also still falling. This is now 40 days for accounts receivable, 30 days for water rates, and just above three days for rates. Of the rates owing as at 1 July 2016, 92% were collected by 30 June 2017. The cumulative effect of these measures is that Council's cash flow has increased, and there is improved equity across the customer base.
- 9.6 The report also touches on the Department of Affairs Rates Rebate Scheme, which saw 1,603 claims processed for a total of \$917k. Whilst this is a good result for Tasman ratepayers, it is a reduction on the 2015/16 year.

## 10 Legal

- 10.1 Over the last three months, the main priorities of the Principal Legal Advisor have included:
- 10.1.1 Issuing a request for proposal (RFP) jointly with Nelson City Council to set up a panel of external legal providers for both Councils. Tenders were due on 14 August and will be evaluated by staff from both Councils. The aim in establishing a panel is to improve efficiency, transparency, fairness and cost effectiveness in the procurement of external legal services.
- 10.1.2 Procuring and implementing a suite of template contract and procurement documents for use by Council staff – thereby increasing efficiency/reducing workloads (i.e. not needing to “reinvent the wheel” each time a contract is needed); establishing some consistency in the use of contract terms (across the Council and with other Councils); and reducing the risks associated with using inappropriate/inadequate contract terms.
- 10.1.3 Assisting with follow-up actions resulting from the Environment Court decision on the Golden Bay Grandstand.
- 10.1.4 Ongoing legal and strategic advice and support across a range of areas.

## 11 Risk Management

- 11.1 Port Nelson Ltd have advised shareholders that it faces challenges obtaining a sufficient level of material damage and business interruption insurance for the 30 June 2018 year. The Port is in an insurance collective with five other NZ Ports. While they will be able to obtain cover, it is likely to only be at 75% of the Port's estimated maximum loss. This is the outcome of a hardening market and the number of events that have occurred in NZ e.g. Christchurch and Kaikoura earthquakes.
- 11.2 Council has received confirmation from our Brokers, Jardine Lloyd Thompson Ltd (JLT), that the Top of the South Group policies have been placed for the period 30 June 2017 to 30 June 2018. That concludes the 2017/18 Council insurance placement programme.

## 12 CCO's and Other



- 12.1 The audited annual accounts for the year ending 31 March 2017, have been received from Richmond Unlimited. Attached is a copy of the Chairperson's report (attachment 2). Highlights include facilitation of a Business Brainstorming meeting with members on the Queen Street upgrade project; providing free workshops and mentoring for businesses through the Business Trust; promotion and information campaigns for Richmond businesses and specific campaigns to help bring the public into the Richmond area; as well as installation of CCTV cameras in the Richmond central business area to deter petty crime. A full copy of the audited accounts are available on request.
- 12.2 The Local Government Funding Agency (LGFA) Quarterly Report to shareholders for the June 2017 quarter has also been received and is available to Councillors on request. Under the Guarantee and Indemnity Deed the LGFA is required to inform Council of any changes to guarantors. While it is outside of the June quarter, they have advised that Horizons Regional Council has acceded as a Guarantor during July. They were previously a non-guarantor borrower.
- 12.3 We received the LGFA Statement of Intent (SOI) for 2017/18 year in June. The SOI is managed through the LGFA Shareholders' Council. Council is a representative on this. A copy is attached (see attachment 3). The following points regarding the SOI are worth noting:
- The SOI performance targets are similar to the previous year's targets except that the LGFA now include short dated lending in the volume and pricing measures.
  - There is some uncertainty within the SOI forecasts relating to both Local Government loans and LGFA bonds outstanding, as Councils work through their borrowing assumptions underlying their 2018/28 Draft LTPs in the coming months. The LGFA is also unsure what impact the Housing Infrastructure Fund will have on those eligible Councils borrowing requirements over the forecast period. Hence they have adopted a conservative approach to forecasting borrowing demand.
  - At the request of the Shareholders Council, the LGFA have added an additional objective to take a proactive role to enhance the financial strength and depth of the local government debt market.
- 12.4 We have received a Shareholders Dividend Statement for the year ended 30 June 2017 from Nelson Airport Ltd (NAL). The NAL Board decided to increase the 2016/17 dividend over that forecast and previously estimated to a total dividend of \$720,000 (\$360,000 for each Council shareholder). The Board noted the companies step change in business performance and thought it appropriate that a step change in dividends to shareholders was made. The dividend was paid, fully imputed on 30 June 2017.
- 12.5 We have received a Shareholders Dividend Statement for the year ended 30 June 2017 from Port Nelson Ltd. The Port Board has resolved to pay a final dividend of \$5m. An interim dividend of \$1.5m was paid earlier in the year. This brings the total dividend to \$6.5m. This compares very favourably with the \$4.9m forecast in the Statement of Corporate Intent.
- 12.6 We have been advised by Civic Financial Services Ltd (previously Civic Assurance) that they intend to sell their Wellington building (see attachment 4). Council is a very minor shareholder in Civic Assurance. Council has previously approved the sale of Council's shares in this company. The sale requires shareholder approval and if it proceeds Council would receive a special dividend in the order of \$44k. The staff recommendation is to authorise the Mayor to vote Council's shares in favour of the decision to sell the property.

**13 Attachments**

- |    |  |    |
|----|--|----|
| 1. | Q4 Accounts Receivable Summary Report                                | 15 |
| 2. | Richmond Unlimited - Chair's Report                                  | 21 |
| 3. | LGFA Statement of Intent 2017/18 Year                                | 23 |
| 4. | Informal Notice of Meeting - Potential Sale of Civic Assurance House | 37 |

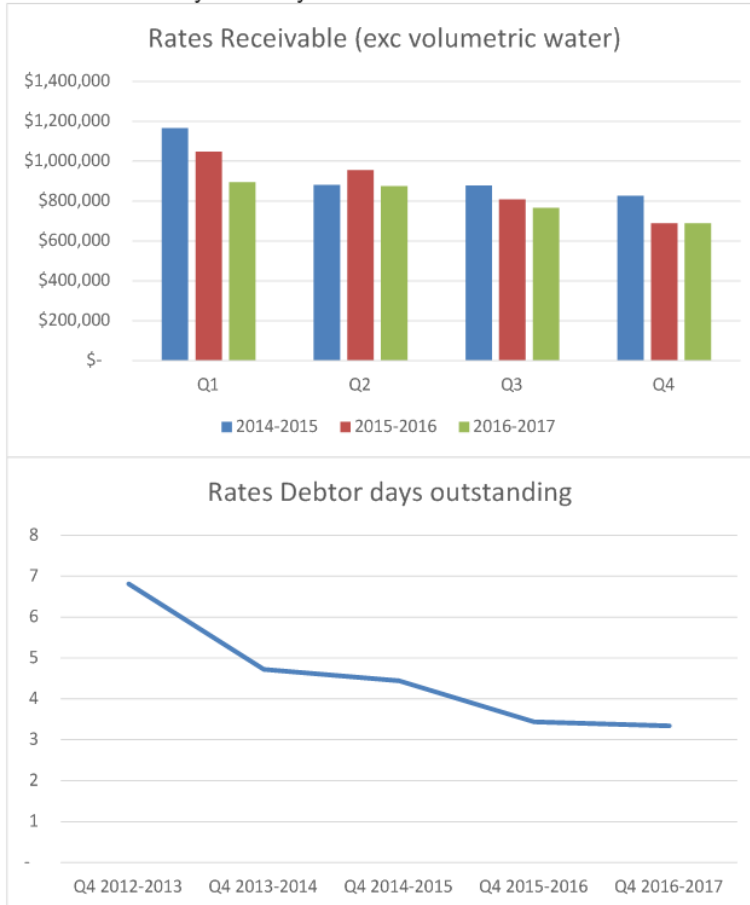
**Tasman District Council  
Accounts Receivable Reporting  
30 June 2017**

This report covers:

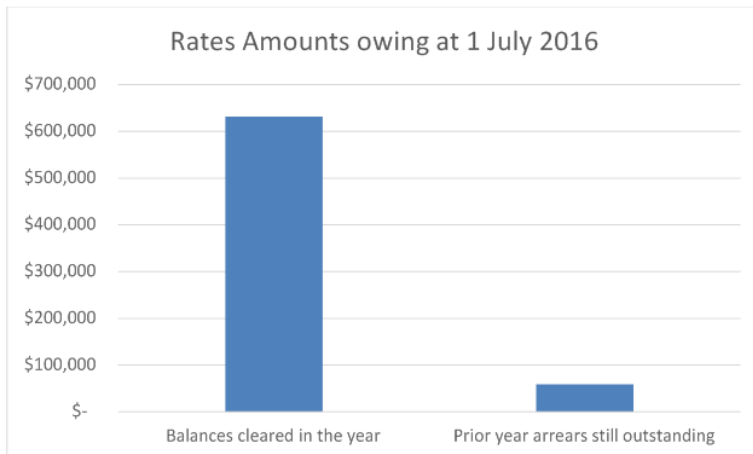
- Rates collections
- Water billing collections
- Trade accounts receivable collections (excluding animal control, infringement income, forestry income, and other sundry type receivables)
- The rates rebate scheme - update

**Rates Receivable (excluding volumetric water)**

- Rates income (excluding volumetric water) was budgeted to be ~\$75m in 2016-2017
- Outstanding rates receivables continue to trend down, despite district growth and increases in rates year over year.



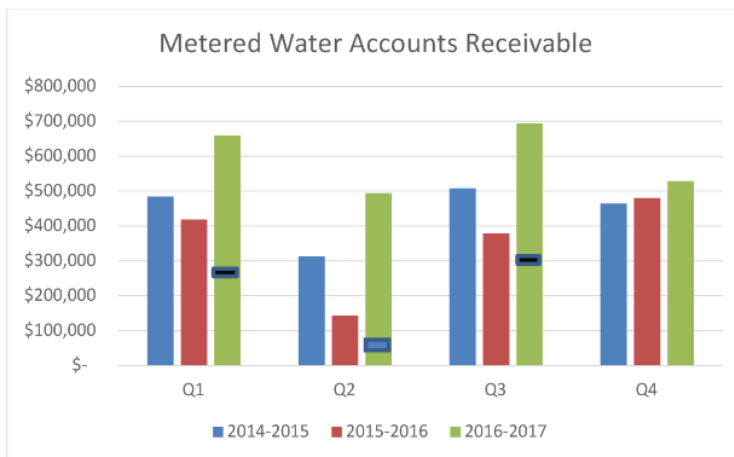
- Rates debtor days shows the average number of days revenue is outstanding
- Rates debtor days outstanding would be zero if all instalments were paid by the due date
- Debtor days trending down reflects the staff focus on debt management in the rates area, including positive methods of collections such as direct debit, rates rebates, and payment arrangements.

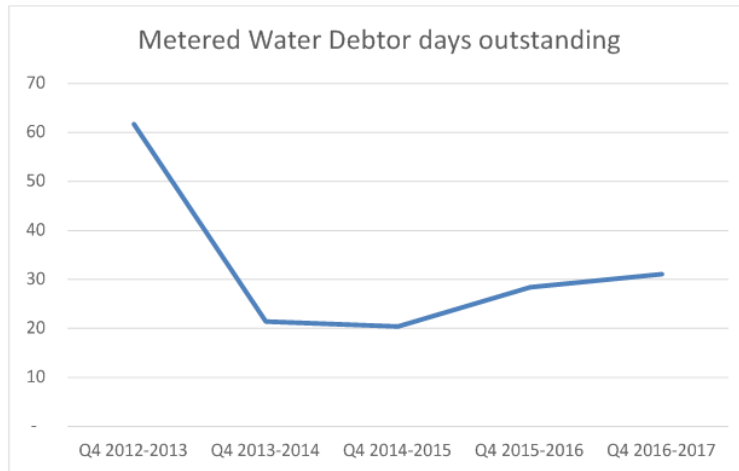


- About 92% of the rates owing at 1 July 2016 have been cleared by 30 June 2017. A significant portion of the remaining balance relates to long standing “abandoned land” and we have recently publicly advertised our intention to apply to the Court to have the land declared abandoned and request authorisation to sell the land.

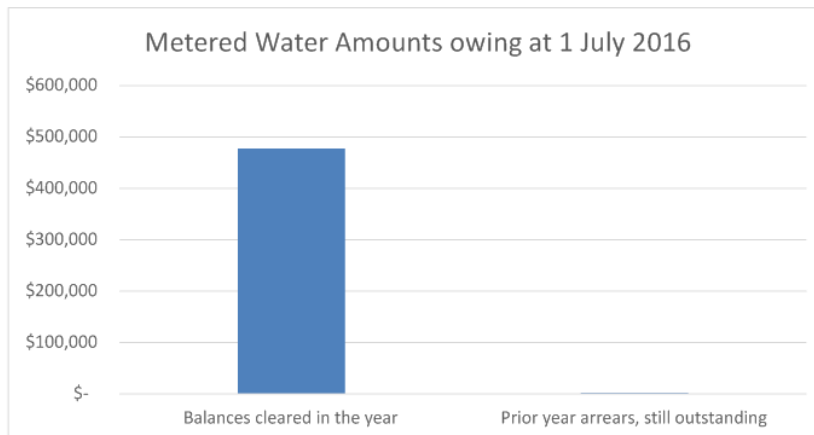
**Metered Water Billing**

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





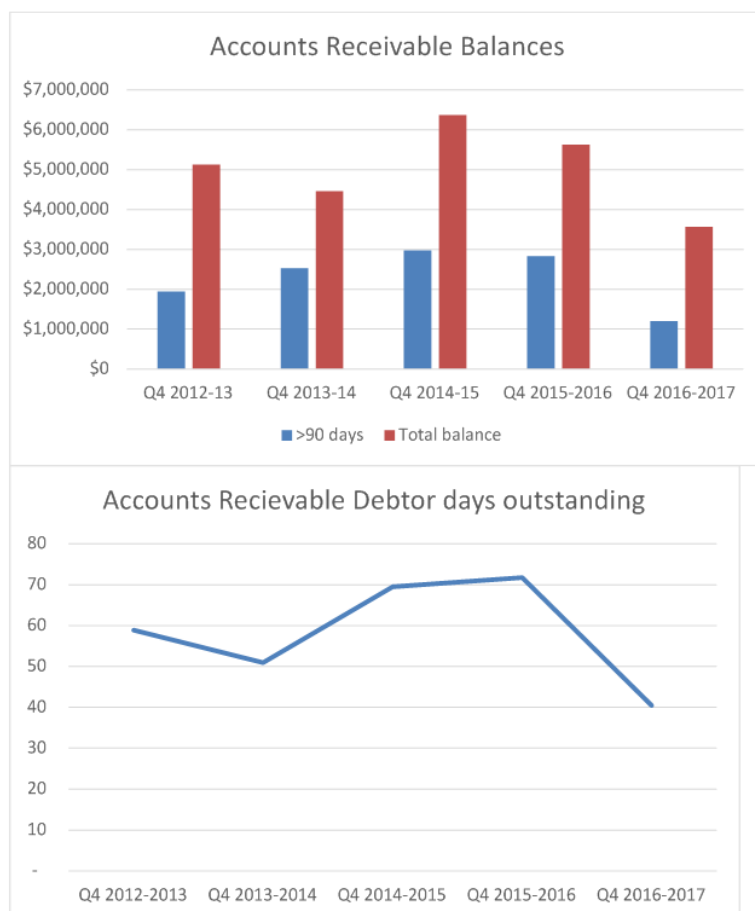
- Balances and debtor days appear to have increased from prior years in Q1-Q3 because credits, which have always been reclassified at year end, were also reclassified these quarters.
- Q4 water billing receivable is up by \$50k, due to higher invoicing in the month of June by approx. \$100k, this is partly offset by faster collections of amounts that were due.
- 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 are due on the 20<sup>th</sup> of the following month.



- Over 99% of metered water owing at 1 July 2016 has been paid.

**Accounts Receivable**

- Council invoiced ~\$30m in the prior year



- Debtors aged >90 days have declined substantially (~\$1.6m) since 30 June 2016, reversing a trend of increasing aged debt over the past years which has also contributed to a substantial decline in the total outstanding (~\$2m decrease).
- Debtor days have also declined as a result of faster collections.
- 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.

#### DIA Rates Rebates Scheme

##### Background:

The rates rebate scheme, run by the Department of Internal Affairs (“DIA”), and administered by local Councils, provides a subsidy to low income home-owners for 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 have continued to trend down slightly against prior years.

	<b>2015-2016</b>	<b>2016-2017</b>
Number of claims	1,668	1,603
Dollar of claims	\$971k	\$917k





Richmond Unlimited  
Chairman's Annual Report – 18 July 2017

A warm welcome to everyone and thank you for coming.

This meeting comes at a busy time for this organisation. We have seen the commencement of the major work on the town centre infrastructure with Queen Street being dug up for major flood prevention work.

Richmond Unlimited has already played a major role by way of communication with members and the TDC. We have been facilitating critical business input and have been actively seeking input from our members. We see our role as being the collective voice for the businesses in this process which TDC supports and wants to work. Richmond Unlimited sees this as a perfect opportunity to engage with both our members and TDC. We have already facilitated a Business Brainstorming Meeting with our members on this project. We plan to facilitate another similar meeting as the work moves down Queen Street.

From the Business Brainstorming Meeting held came the opportunity for retailers to participate in free group workshops held by the Business Trust by a mentor on ways to help their business succeed.

We have undertaken a promotion & information campaign for Richmond businesses. This is been in conjunction with the TDC on information by placing features in the Waimea Weekly giving progress updates. We have also commenced specific campaigns to bring the general public into Richmond. This has been by way of a Digger Hunt promotion – finding diggers placed strategically in shops in Richmond and the Cash on Queen Promotion which has just finished. Another Digger promotion will run as the project moves up Queen Street.

This year Richmond Unlimited also undertook the installation of CCTV cameras in the CBD to try and deter the increasing graffiti and petty crime in the area. This has been successful in the resolution of some of those cases.

We are pleased to have members of our committee who are skilled in marketing and promotion which is allowing us to focus more in this area and become more effective in our promotion of Richmond businesses.

Thank you to the volunteers, both committee members and others who have given considerable time as well as their skills and knowledge to help promote the Richmond Business District and run our successful community events and current projects. The committee farewelled Kim Quint and thanked her for her input to the Richmond business community as Administrator and Events Co-ordinator over the past 5 years. We welcomed Charlotte Bidlake into the position who is doing a fantastic job.

Our main events and projects include;

- Events
  - o Santa Parade
  - o Market Day
  - o Summer Fare

- Projects
  - o Gateway signage – consent has been confirmed for the third blade on lower Queen Street
  - o Free Wi-Fi – Increased usage and looking to extend coverage.
  - o Installation of CCTV cameras in the CBD.
  - o Development of our use of multimedia and facebook pages
  - o Town centre upgrade – Continuation of our action plan to assist businesses through this process and to promote the fact that the town is still open for business.

We look forward to a successful year ahead and continued growth and prosperity for the Richmond business community.

Marina Buonocore  
Chairperson  
Richmond Unlimited



## Statement of Intent 2017/18

### 1. Introduction

This Statement of Intent (SOI) sets out the intentions and expectations of New Zealand Local Government Funding Agency Limited (LGFA).

The LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

### 2. Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities, and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

The LGFA will only lend to local authorities that enter into all the relevant arrangements with it (Participating Local Authorities) and comply with the LGFA's lending policies.

In lending to Participating Local Authorities, LGFA will:

- Operate in a manner to ensure LGFA is successful and sustainable in the long-term;
- Educate and inform Participating Local Authorities on matters within the scope of LGFA's operations;
- Provide excellent service to Participating Local Authorities;
- Ensure excellent communication exists and be professional in its dealings with all its stakeholders; and
- Ensure its products and services are delivered in a cost-effective manner.

### 3. Objectives

#### Principal Objectives

In accordance with the Local Government Act 2002, in carrying on its business, the principal objectives of LGFA will be to:

- Achieve the objectives and performance targets of the shareholders in LGFA (both commercial and non-commercial) as specified in this SOI;
- Be a good employer;
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- Conduct its affairs in accordance with sound business practice.

#### Primary Objectives

LGFA will operate with the primary objective of optimising the debt funding terms and conditions for Participating Local Authorities. Among other things this includes:

- Providing savings in annual interest costs for all Participating Local Authorities on a relative basis to other sources of financing;
- Making longer-term borrowings available to Participating Local Authorities;
- Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice; and
- Offering more flexible lending terms to Participating Local Authorities.

LGFA will monitor the quality of the asset book so that it remains of a high standard by ensuring it understands each Participating Local Authority's financial position and the general issues confronting the Local Government sector. This includes

- LGFA will review each Participating Local Authority's financial position, its financial headroom under LGFA policies and visit each Participating Local Authority on an annual basis;
- LGFA will analyse finances at the Council group level where appropriate;
- LGFA will work closely with the Department of Internal Affairs (DIA), Office of the Auditor General (OAG) and Local Government New Zealand (LGNZ) on sector and individual council issues; and
- LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market.

LGFA Statement of Intent 2017/18. Page 2

**Additional objectives**

LGFA has a number of additional objectives which complement the primary objective. These objectives will be measurable and achievable and the performance of the company in achieving its objectives will be reported annually. These additional objectives are to:

- Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy set out in section 6;
- Provide at least 50% of aggregate long-term debt funding to the Local Government sector;
- Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses set out in section 4;
- Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015;
- Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency;
- Achieve the Financial Forecasts (excluding the impact of AIL) set out in section 4;
- Meet or exceed the Performance Targets outlined in section 5; and
- Comply with its Treasury Policy, as approved by the Board.

#### 4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2020 are:

FINANCIAL YEAR (\$M)			
	Jun-18	Jun-19	Jun-20
<b>Comprehensive income</b>			
Interest income	239.52	248.25	254.29
Interest expense	221.30	230.98	239.95
<b>Net Interest income</b>	<b>18.22</b>	<b>17.27</b>	<b>14.34</b>
Issuance and on-lending costs	2.33	2.36	2.39
Approved Issuer Levy	1.89	1.64	1.23
Operating expenses	3.12	3.22	3.31
<b>Issuance and operating expenses</b>	<b>7.34</b>	<b>7.22</b>	<b>6.94</b>
<b>P&amp;L</b>	<b>10.88</b>	<b>10.06</b>	<b>7.40</b>
Financial position (\$m)			
	Jun-18	Jun-19	Jun-20
Capital	25.00	25.00	25.00
Retained earnings	38.11	46.66	52.57
Total equity	63.11	71.66	77.57
Shareholder funds + borrower notes / Total assets	2.29%	2.38%	2.46%
Dividend provision	1.50	1.50	1.50
Total assets (nominal)	8,266.17	8,324.67	8,443.17
Total LG loans - short term (nominal)	260.00	260.00	260.00
Total LG loans (nominal)	7,868.00	7,928.00	8,131.00
Total bills (nominal)	300.00	300.00	325.00
Total bonds (nominal) ex tsy stock	7,740.00	7,790.00	7,875.00
Total borrower notes (nominal)	125.89	126.85	130.10

Note that there is some forecast uncertainty around the timing of Net Interest Revenue, Net Profit, Total Assets, LG Loans, Bonds and Borrower Notes depending upon council decisions regarding the amount and timing of refinancing of their March 2019 and April 2020 loans. LGFA will work with council borrowers to reduce this uncertainty.

## 5. Performance targets

LGFA has the following performance targets:

- The average margin above LGFA's cost of funds charged to the highest rated Participating Local Authorities for the period to:
  - 30 June 2018 will be no more than 0.10%.
  - 30 June 2019 will be no more than 0.10%.
  - 30 June 2020 will be no more than 0.10%.

The above indicators include both LGFA Bills and Bonds and short dated and long dated lending to councils.

- LGFA's annual issuance and operating expenses (excluding ALL) for the period to:
  - 30 June 2018 will be less than \$5.45 million.
  - 30 June 2019 will be less than \$5.58 million.
  - 30 June 2020 will be less than \$5.70 million.
- Total lending to Participating Local Authorities<sup>1</sup> at:
  - 30 June 2018 will be at least \$8,128 million.
  - 30 June 2019 will be at least \$8,188 million.
  - 30 June 2020 will be at least \$8,391 million.
- Savings on borrowing costs for council borrowers:
 

LGFA will demonstrate the savings to council borrowers on a relative basis to other sources of financing. This will be measured by maintaining or improving the prevailing secondary market spread between LGFA bonds and those bonds of a similar maturity issued by (i) registered banks and (ii) Auckland Council and Dunedin Council as a proxy for single name issuance of council financing.

## 6. Dividend policy

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders. Consequently, it is intended to pay a limited dividend to Shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

<sup>1</sup> Subject to the forecasting uncertainty noted previously

## 7. Governance

### Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board will comprise between four and seven directors with a majority of independent directors.

The Board's approach to governance is to adopt best practice<sup>2</sup> with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter, to be reviewed from time to time in consultation with Shareholders.

The Board will meet on a regular basis and no less than 6 times each year.

### Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

## 8. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

<sup>2</sup> Best practice as per NZX and Institute of Directors guidelines



**Annual Report**

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act and Financial Reporting Act. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

**Half Yearly Report**

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Un-audited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

**Quarterly Report**

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Local Authorities (in credit rating bands).
- Comparison of LGFA's performance with regard to the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of

LGFA Statement of Intent 2017/18. Page 7

the preceding financial year).

- To the extent known by LGFA, details of all events of review in respect of any Participating Local Authority that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).

#### **Statement of Intent**

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

#### **Shareholder Meetings**

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

#### **9. Acquisition/divestment policy**

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

#### **10. Activities for which compensation is sought from Shareholders**

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such as activities.

Currently there are no activities for which compensation will be sought from Shareholders.

#### **11. Commercial value of Shareholder's investment**

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA cost of funds plus 2.00% over the medium term.

LGFA Statement of Intent 2017/18. Page 8

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considers that at establishment the commercial value of LGFA is equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares - \$25 million.

## **12. Accounting policies**

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice. A Statement of accounting policies is attached to this SOI.

**The following statement is taken from the Financial Statements presented as part of LGFA's Annual Report 2015-2016 (updated where necessary).**

### **a. Reporting Entity**

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating local authorities.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

The financial statements are as at and for the year ended 30 June 2016.

These financial statements were authorised for issue by the Directors on 20 September 2016.

### **b. Statement of Compliance**

LGFA is an issuer in terms of the Financial Reporting Act 1993. The financial statements comply with the Financial Reporting Act 1993, in accordance with the transitional provisions under Section 55 of the Financial Reporting Act 2013 and Schedule 4 of the Financial Markets Conduct Act 2013.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards ("IFRS").

**c. Basis of Preparation****Measurement base**

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

**Functional and presentation currency**

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

**Foreign currency conversions**

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

**Changes in accounting policies**

There have been no changes in accounting policies.

**Early adoption standards and interpretations**

NZ IFRS 9: Financial Instruments. The first two phases of this new standard were approved by the Accounting Standards Review Board in November 2009 and November 2010. These phases address the issues of classification and measurement of financial assets and financial liabilities.

**Standards not yet adopted**

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements. Those which may be relevant to LGFA are as follows: NZ IFRS 9: Financial Instruments (2014) – Effective for periods beginning on or after 1 January 2018. This standard aligns hedge accounting more closely with the risk management activities of the entity and adds requirements relating to the accounting for an entity's expected credit losses on its financial assets and commitments to extend credit.

**d. Financial instruments****Financial assets**

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand; cash in transit, bank accounts and deposits with an original maturity of no more than three months.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date an assessment is made whether a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s), and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

LGFA Statement of Intent 2017/18. Page 10

**Financial liabilities**

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

**Derivatives**

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

**Fair value hedge**

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

**e. Other assets****Property, plant and equipment (PPE)**

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

**Intangible Assets**

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight line basis over the estimated useful life of the software (3 to 7 years). Costs associated with maintaining computer software are recognised as expenses.

**f) Other liabilities****Employee entitlements**

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

**g) Revenue and expenses****Revenue****Interest income**

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of

LGFA Statement of Intent 2017/18. Page 11

the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

#### **Expenses**

Expenses are recognised in the period to which they relate.

#### **Interest expense**

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

#### **Income tax**

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

#### **Goods and services tax**

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **h. Lease payments**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

#### **i. Segment reporting**

LGFA operates in one segment being funding of participating local authorities in New Zealand.

#### **j. Judgements and estimations**

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. For example, the present value of large cash flows that are predicted to occur a long time into the future depends critically on judgements regarding future cash flows, including inflation assumptions and the risk free discount rate used to calculate present values. Refer note 2b for fair value determination for financial instruments.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these

LGFA Statement of Intent 2017/18. Page 12

estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Where these judgements significantly affect the amounts recognised in the financial statements they are described below and in the following notes.

**Item 8.1**

**Attachment 3**





Lindsay McKenzie  
Chief Executive  
Tasman District Council  
Private Bag 4, Richmond  
NELSON 7050

28 June 2017

Dear Lindsay

#### INFORMAL NOTICE OF MEETING

##### Information for Potential Sale of Civic Assurance House

In my letter of 20 March 2017 accompanying the Statement of Intent and Annual Report for Civic Financial Services Limited I mentioned that Civic was intending to hold a Special General Meeting in September for shareholders to vote on whether the Company should sell Civic Assurance House.

This meeting has now been scheduled to be held in the Company's Boardroom, Level 3, Civic Assurance House, 116 Lambton Quay, Wellington on Thursday 5th October 2017 commencing at 11:30 am. Formal notification and voting papers will be sent to you before the end of August.

This informal notice is to provide you with relevant information that will allow you sufficient time to assess the proposal and make an informed decision. The attached explanatory note provides you with relevant details on the building and the impact and process of the potential sale.

You are a valued shareholder of the Company; as such I encourage you to read through this information and cast your vote once you have received your voting papers.

Yours sincerely

Ian Brown   
Chief Executive  
DDI: 04-978-1263  
Email: [ian.brown@civicfs.co.nz](mailto:ian.brown@civicfs.co.nz)

**POTENTIAL SALE OF CIVIC ASSURANCE HOUSE**

Your Board is putting forward a proposal to all shareholders of Civic Financial Services Limited ("Civic") to consider whether Civic should sell or retain ownership of Civic Assurance House at 114-118 Lambton Quay, Wellington.

You will be invited to vote on this at a Special General Meeting ("SGM") to be held in Wellington at 11:30am on Thursday 5 October 2017.

**BACKGROUND****Building**

In 1963 the directors of Municipalities Cooperative Insurance Company Limited, one of the companies that merged in 1989 to form Civic, agreed to erect a building in Lambton Quay. The Local Government Building, which was renamed Civic Assurance House in 2007, was completed in 1967. The building cost just over \$1 million to construct and today is valued at just under \$8 million.

Until recently Civic and a number of local government entities occupied the building but at present only two, being Civic and SOLGM, remain as tenants. The remainder of the current tenants include consultants, legal service providers, retail outlets, eateries and charitable organisations.

**Operations**

Your Board decided at the end of 2016 to withdraw Civic's application for a full insurance licence and not offer property insurance. This decision was not taken lightly, but in the current market Civic cannot write insurance profitably. However, Civic will be able to provide property insurance through Civic Property Pool (CPP) in the future if this is what the sector wants and market conditions favour doing so.

Civic continues to administer the local government SuperEasy KiwiSaver Scheme and the SuperEasy scheme and the four local government mutual pools: LAPP, Riskpool, CLP and CPP.

**PROPOSAL**

As at 31 December 2016 the net equity of Civic was \$17.2 million which includes a \$3.2 million net deferred tax asset.

As it will not be offering insurance, Civic is able to return some of its capital to shareholders. Your Board signalled in the 2017 Statement of Intent that it would ask shareholders whether they wished to retain ownership of Civic Assurance House or whether they wished to sell the building.

If shareholders supported a sale and a satisfactory price can be obtained, then the building will be sold and the sale price of the building net of selling costs will be distributed to shareholders.

**Current Valuation**

Civic Assurance House was valued at \$7.9 million on 31 December 2016. Two subsequent independent valuations have valued the building between \$7.8 - \$8.1 million and \$7.5 - \$8.0 million. These valuations take into account the age, state and earthquake rating (50% of NBS) of the building. The building currently has 85% occupancy with a weighted average lease term of two years. Obviously if the building had a greater occupancy it would be valued higher. We are however, with the current earthquake rating, having difficulty letting the vacant space.

**Impact of Sale**

Over the last five years Civic assurance House has generated an average net income of \$0.368 million per annum. In December 2011 the building was valued at \$6.9 million. In December 2016 the building was valued at \$7.9 million. The five year capital growth has therefore been 2.73% per annum. The five year return (income and capital) to 31 December 2016 for the building has been 7.96% per annum.

On the assumption Civic Assurance House was able to be sold for a value of \$7.8 million – \$8.0 million and allowing for estimated transaction costs of \$0.4 million the sale price could return a special fully imputed cash dividend of around 68 cents per share. Resident withholding tax will not be deducted from the dividend payment.

For Tasman District Council's holding of 65,584 shares that approximates to \$44,597.12 plus \$17,343.32 imputation credits. These imputation credits fully offset the amount of tax that the shareholders would otherwise be liable to pay on those dividends.

If shareholders support the sale and a special dividend is paid obviously both Civic's profit and possible future dividends to shareholders would reduce. The 2017 Statement of Intent projects that Civic will continue to produce a surplus if Civic Assurance House is sold and the net proceeds from the sale are distributed to shareholders.

If the property sale is supported by shareholders a two month tender process will be initiated. If a satisfactory price is obtained through this process there is expected to be a one month settlement period. Distribution of the net proceeds of the sale via a special dividend would be completed within two months of the settlement date.

**Impact of Retention of Civic Assurance House**

If Shareholders vote against the sale of Civic Assurance House, Civic would retain the property income stream (both operating and capital).

Civic would also investigate using a portion of Civic's capital to carry out earthquake strengthening of Civic Assurance House. This would only be undertaken if it was considered the cost would lead to greater occupancy, rental returns and capital growth.



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

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Bryce Grammer, Financial Accountant
<b>Report Number:</b>	RCN17-09-02

**1 Summary**

- 1.1 The Council borrowings at 30 June 2017 are \$126m, down from the \$133m at 30 June 2016.
- 1.2 The Council is in full compliance with its Treasury Management Policy apart from two exceptions:
  - the three to five year fixed maturity level, and
  - the five-year plus fixed rate maturity level.
- 1.3 The non-compliance is considered minor. These exceptions are a result of Council having more interest rate swap cover than currently needed to cover the forecast debt. This position is due to lower than forecast debt levels and strong financial management. The treasury management team have reviewed this position and consider it more cost effective to allow the swap contracts to mature, rather than take any other action to force policy compliance.
- 1.4 The Council's cost of funds, including interest rate swaps, bank margins and line fees is 5.349%, compared to a budget of 5.90%. Staff continue to closely monitor the markets to capitalise on opportunities to reduce Council's borrowing costs.
- 1.5 Market expectation is the Official Cash Rate, (OCR) will remain at 1.75% until early/mid 2019. Any further changes are dependent on future inflation, growth figures, and the strength of the New Zealand dollar. The OCR only impacts on Council's short term borrowing costs, with longer term costs being influenced by external factors.
- 1.6 The Treasury Cost Centre operates as the Council's internal bank and is reporting a surplus on the June year to date results. This was driven by the lower than forecast debt levels and the slightly lower than budgeted finance costs.

**2 Draft Resolution**

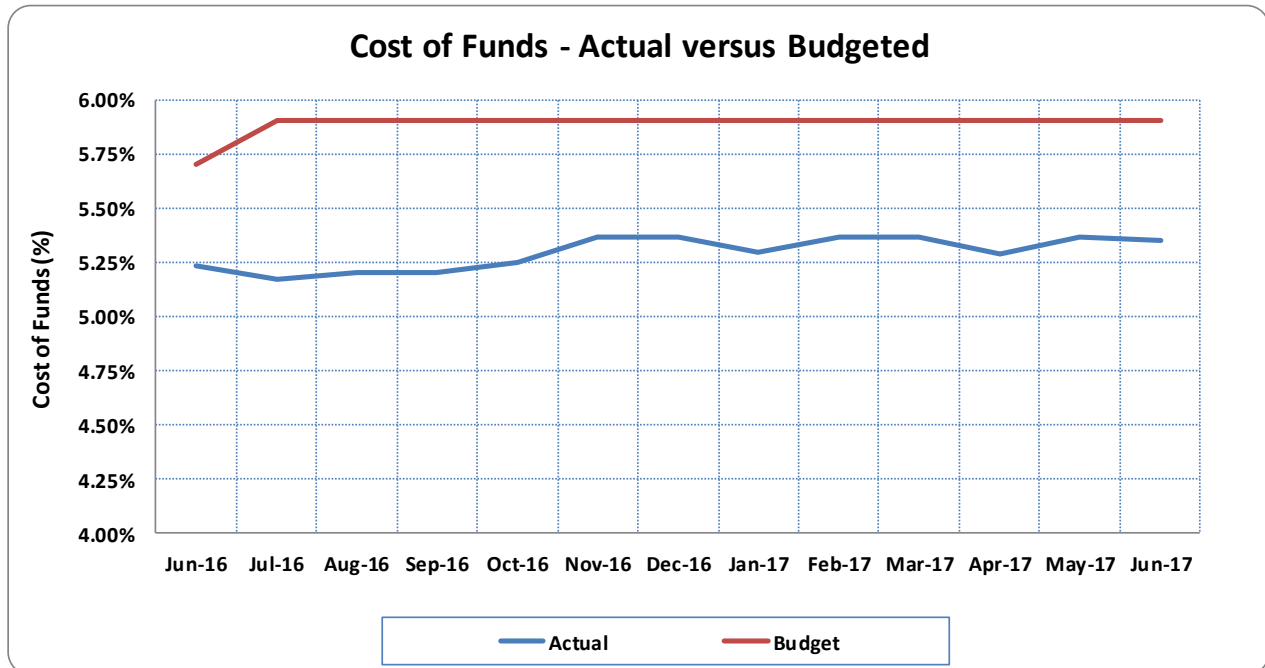
**That the Full Council receives the Treasury Report RCN17-09-02.**

**3 Treasury: June 2017**

**Debt Levels**

3.1 Council’s debt at 30 June 2017 stands at \$126m, with an average interest rate of 5.302% (June 2016: 5.19%). [31 July 2017 debt is \$132.5m. This includes short term commercial paper financing through the LGFA of \$4.2m which was used to pay the joint landfill equalisation payment to Nelson City Council].

**Cost of Funds**



3.2 The graph above shows the Council’s actual weighted average cost of funds at 30 June 2017, including interest rate swaps, bank margins, and line fees at 5.349% against a budgeted rate of 5.90%. The decrease in June 2016 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. In the short term we will not need additional interest rate swap cover over new debt.

**Interest Rate Swaps**

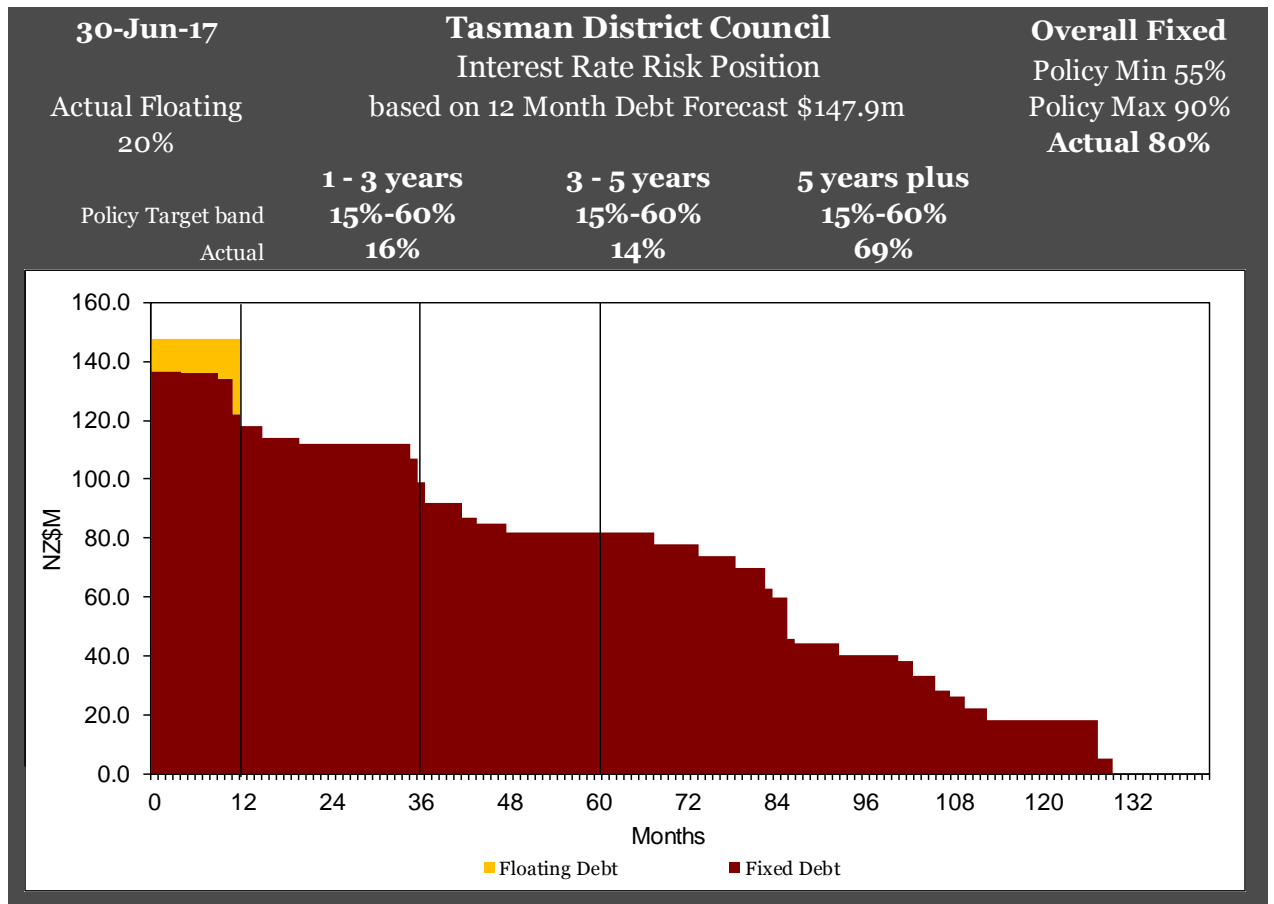
3.3 The Corporate Services Manager has delegated authority to enter into interest rate swaps on behalf of the Council, on the proviso that such transactions are reported back to the Council. Council approval is required before entering into long-dated swaps with a maturity over 12 years. There have been no new swap transactions since the last report.

3.4 At 30 June 2017 the Council had \$147.78m of interest rate swaps in place, including some “forward start” swaps. After adjusting for the forward start swaps, \$140.78m is “live” which is

equal to 112% cover over existing debt and 80% over forecast 30 April 2018 net debt (ie, 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 meet 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; one -three years, three -five years and five -ten years. Minimum and maximum percentage limits within each time band ensure a spread of maturities and reduce 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: June 2017	Within Limits
1–3 years	15%	60%	16%	✓
3–5 years	15%	60%	14%	☒
5–10 years	15%	60%	69%	☒

The non-compliance is considered minor. These exceptions are a result of Council having more interest rate swap cover than currently needed to cover the forecast debt. This position is due to lower than forecast debt levels and strong financial management. The treasury management team have reviewed this position and consider it more cost effective to allow swap contracts to mature, rather than take any other action to force policy compliance.

**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.

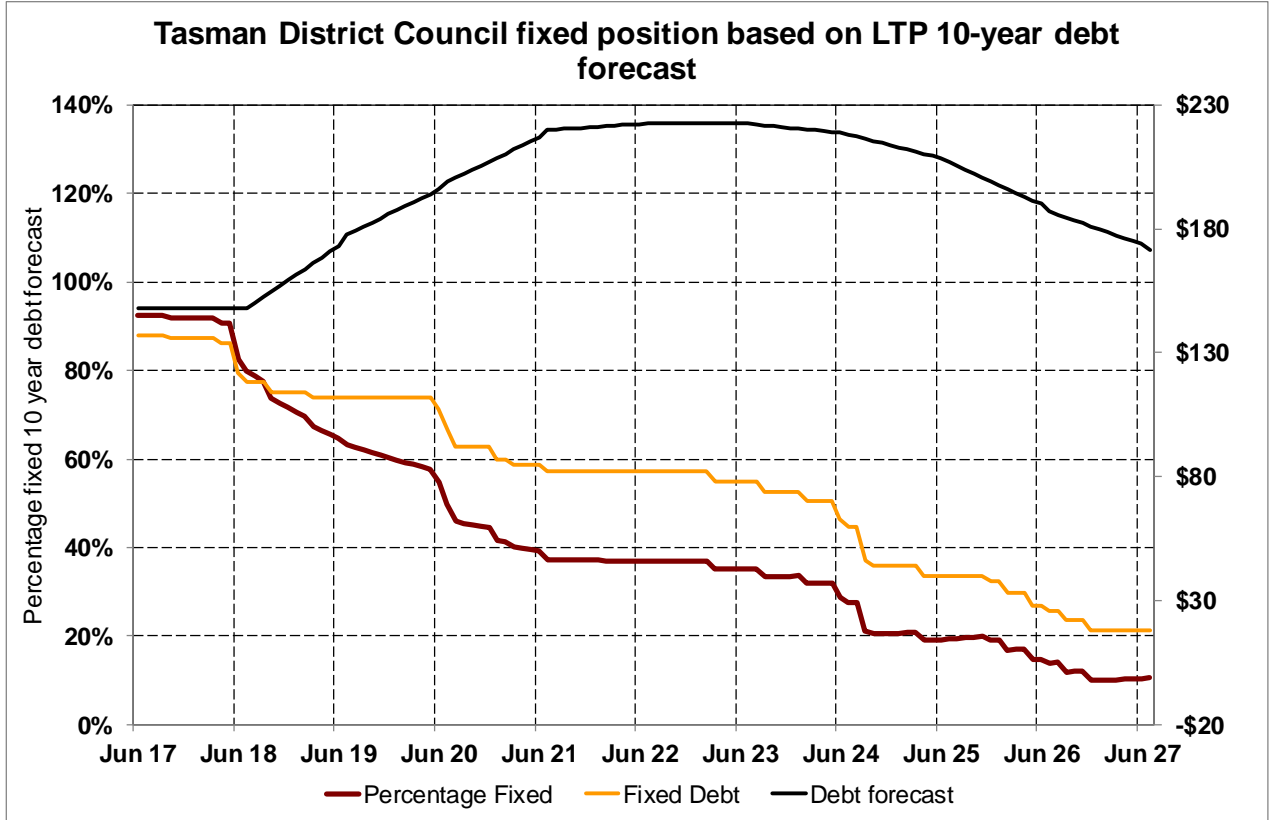
(A maturity greater than one year is defined as fixed)

Minimum	Maximum	Fixed Actual: June 2017	Within Limits
55%	90%	80%	✓



**Cumulative Interest Rate Position**

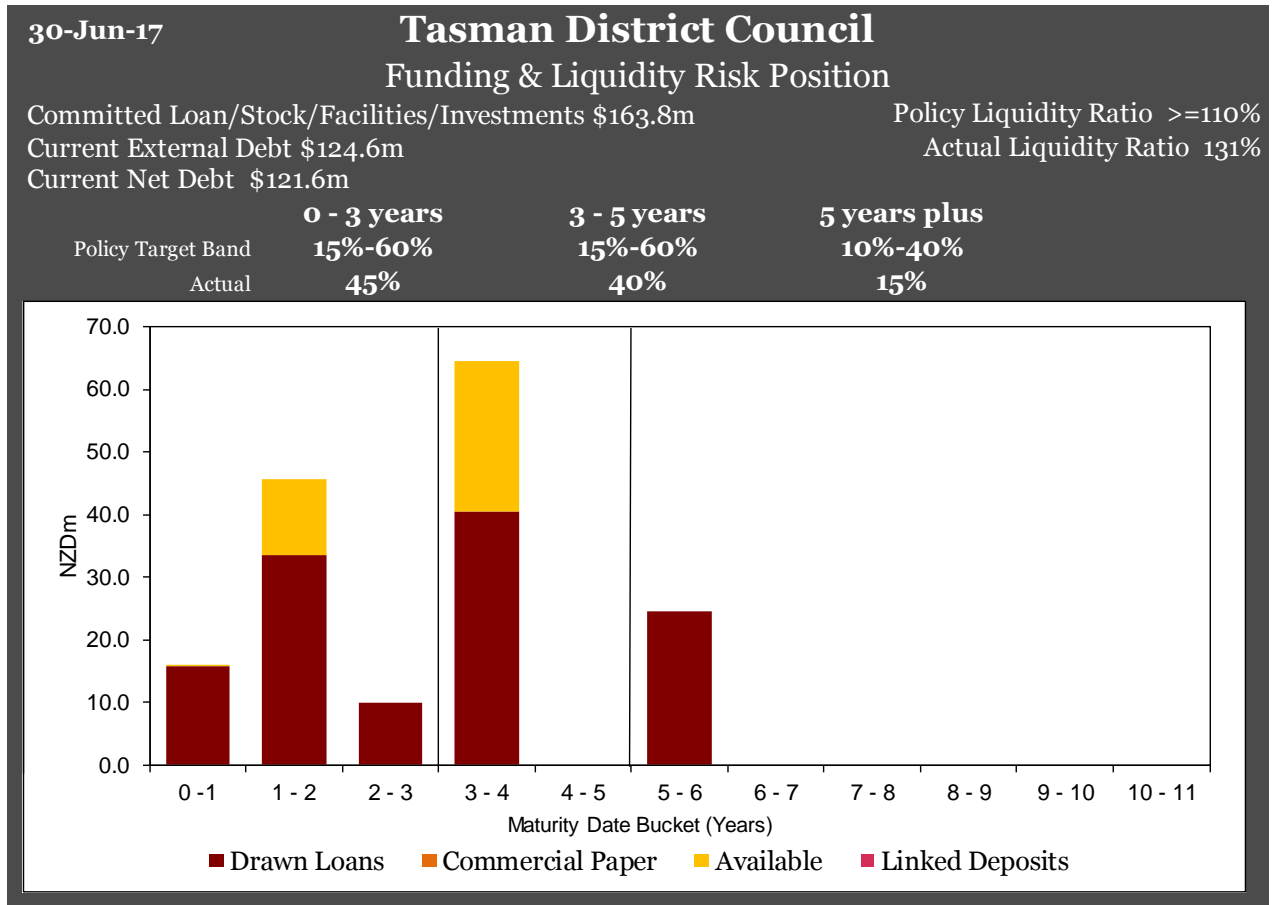
3.11 The chart below shows the cumulative interest rate position for Council. The chart represents the actual percentage of 12 month debt (\$147.9m) which has a fixed interest rate out to 10 years.



**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 up to three years, three -five years and five 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 June 2017	Within Limits
Net debt not to exceed 20% of equity	8.9%	✓
Net external debt not to exceed 225% of total operating revenues	109.9%	✓
Net interest as a % of total revenues to be less than 15%	5.1%	✓
Net interest as a % of total annual rates to be less than 25%	9.7%	✓
Liquidity over existing external debt to be at least 110%	131%	✓

### 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 \$30m. 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	1.20	65.05	15.3	Within Policy
ASB	1.06	45.73	9.1	Within Policy
ANZ	Nil	37.00	9.6	Within Policy
BNZ	0.66	Nil	0.7	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	6.0	4.8%
Private Placement	30.0	23.8%
LGFA Debt	90.0	71.4%
<b>Total</b>	<b>126.0</b>	<b>100.0%</b>

#### 4 Investments

- 4.1 The Council cash investments total \$1.28m with an average interest rate of 3.29% (June 2016 2.89%). In line with the 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:

	<b>\$ Invested</b>	<b>Interest Rate</b>
Term Deposit (148 days)	1,200,000	3.40%
Money Market account (on call)	81,607	2.00%
<b>Total</b>	<b>1,281,607</b>	<b>3.29%</b>

#### 5 Emissions Trading Scheme (ETS)

##### ETS Hedging Limits

- 5.1 From 1 June 2015, only New Zealand Units (NZUs) are allowed to be used towards ETS liabilities. The current spot rate for NZUs is \$18 per unit.
- 5.2 Due to the deferral of the regional landfill, the Council will have a liability under the ETS for the 2016 calendar year, as well as the six months to 30 June 2017. The 2016 liability of 20,526 units was surrendered on 9 May 2017. These units were purchased internally from the forestry account. [The Council has investigated purchasing NZUs internally, at market rates, from the Forestry activity, to meet these obligations from the Eves Valley landfill. 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.)]
- 5.3 The Council's forestry assets and the related ETS liabilities/credits are accounted for separately to the landfill.
- 5.4 Following consultation held between December 2015 and February 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 ETS credits are managed in defined time buckets incorporating minimum or maximum hedging.

	Minimum Cover	Maximum Cover	Actual June 2017	Within Limits
<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 an additional margin of 9 basis points (bps), or 0.09% compared to bank facility borrowing at 80 to 90 bps (0.8% to 0.9%).
- 6.2 Council, on the 3 July 2017, borrowed the \$4.2m paid to Nelson City Council towards the joint landfill on short term LGFA borrowing. This is being repaid on the 25 August 2017 after the receipt of the first rates instalment.

## 7 December 2017 LGFA debt

- 7.1 Council has \$16m of December 2017 loans maturing on the 15 December 2017. Due to the favourable interest rates, we are currently refinancing the December 2017 loans through the 28 August 2017 LGFA tender.
- 7.1.1 Borrow \$8m of the 2033 bonds (with a fixed interest rate of 4.53% p.a.)
- 7.1.2 Borrow \$8m of the 2027 bonds (with a fixed interest rate of 3.9264% p.a.),
- 7.2 These funds will be used to repay bank debt maturing on the 28 August, if necessary, with the remainder invested in short term, term deposits until the funds are required on the 15 December.

## 8 Market Comment

- 8.1 Market commentators are expecting the OCR to remain at 1.75% until early/mid 2019. Future changes are dependent on inflation, growth figures, the strength of the NZ dollar, and other matters external to New Zealand.
- 8.2 The first quarter (Q1) of 2017 saw 16 local government issuers raise \$305m in 23 separate transactions. Despite there being only one tender in the quarter almost all of these transactions (96%) were conducted through LGFA which lent 92% (\$280m) of total funds raised. Of the total \$305m raised, 81% of this was for seven years or longer suggesting that local government issuers continue to see value in longer dated tenors to meet long term debt funding requirements.

- 8.3 The quarter also saw many local government issuers become proactive in pre-funding ahead of the maturity of the LGFA's Dec-17 bond. Given that only a single tender was held during the quarter, PricewaterhouseCoopers (PwC) consider it likely that such borrower interest in pre-funding contributed to the strong volume observed.
- 8.4 The recent increase in swap rates have caused credit margins in the bond markets to decrease as the all up yield offered by such instruments has increased. This has meant that lower credit margins have been required to meet issuer pricing targets, whilst achieving investor yield expectations. In addition, lower default probabilities associated with improved economic conditions are also playing a part.
- 8.5 By contrast, credit margins on bank debt have been significantly impacted by the increases to the banks own funding costs. Regulations requiring banks to seek more stable funding from sources such as term deposits (TDs) have pushed bank credit margins up as banks have had to increase TD rates in order to attract deposits.

## **9 Treasury Cost Centre**

- 9.1 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 April 2017, interest is charged on loans, and overdrawn closed account balances at 5.4%, and paid at 2.0% on credit balances for the next quarter. These rates will be adjusted, if necessary, for the quarter beginning 1 July.

## **10 Standard and Poor's Rating**

- 10.1 Standard and Poor's Global Ratings (S&P), following their annual review, lifted their credit rating for Council from AA – (stable) to AA – (positive).
- 10.2 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.
- 10.3 S&P advised that the continuation of these factors will be viewed favourably in next year's review.

## **11 Attachments**

Nil

**8.3 TRAFFIC CONTROL BYLAW - PARKING CONTROL UPDATE****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Jamie McPherson, Transportation Manager
<b>Report Number:</b>	RCN17-09-03

**1 Summary**

- 1.1 As a result of the Queen Street Upgrade construction works, car parking availability in Queen Street, Richmond has been disrupted.
- 1.2 Now that the construction works have moved further along Queen Street, public feedback has shown that there is further need for short term parking in this area.
- 1.3 Various changes to traffic control devices including parking restrictions, as outlined in this report require the Council's approval to be included in the Traffic Control Devices register that is part of the Traffic Control Bylaw approved by the Full Council in 2016.
- 1.4 If approved by the Council, the new parking restrictions will take effect from 8 September 2017.

**2 Draft Resolution**

That the Full Council

1. receives the Traffic Control Bylaw - Parking control update report, RCN17-09-03; and
2. approves the following changes to the Traffic Control Devices register under the Traffic Control Bylaw 2016 with effect from 8 September 2017 (as shown in the diagrams in Appendix 1):
  - twenty three of the current “all day” parking spaces at the south east end of the Petrie carpark be designated as “P120” car parking
  - an additional one parking space in the same vicinity be designated for use by electric vehicles to allow efficient use of the charging station nearby.
  - an additional space adjacent to the entry ramp at the rear of the Richmond Library is designated for mobility card holders only
  - seventeen of the current “all day” parking spaces at the north west end of the Petrie carpark be designated as “P120” car parking
  - an additional length of “no parking” road marking on the northern corner of the intersection of Doran Street and McGlashen Avenue
  - approximately 52m of kerbside on the south west side of McGlashen Avenue immediately south east of McIndoe Place be designated as “P120” car parking
  - approximately 16m of kerbside on the south west side of McGlashen Avenue adjacent to 13 McGlashen Avenue be designated as “P30” car parking
  - approximately 37m of kerbside on the south west side of McGlashen Avenue adjacent to 7 and 9 McGlashen Avenue be designated as “P120” car parking



### 3 Purpose of the Report

- 3.1 The purpose of this report is to gain the Council's approval to update the Traffic Control Bylaw 2016 with the latest changes in parking restrictions in the Richmond town centre.

### 4 Background and Discussion

- 4.1 At the Full Council meeting on 22 September 2016, the Council approved the Traffic Control Bylaw 2016 and Traffic Control Devices Register (Report RCN16-09-15).
- 4.2 A new feature of the Traffic Control Bylaw 2016 is the ability for the Council to establish, alter or remove traffic control devices by resolution. Previously any change to a traffic control device required an amendment to the bylaw itself.
- 4.3 The Traffic Control Devices Register is the mechanism for the Council to record all authorised existing traffic control devices under the Consolidated Bylaw – Chapter 7 – Traffic Control Bylaw.
- 4.4 As a result of the Queen Street infrastructure upgrade, many time-restricted car parking spaces on Queen Street will be unavailable while the contractor moves along the street. This situation will continue until the upgrade is completed in April 2018.
- 4.5 This loss of car parking spaces was, and continues to be a key concern for business owners and retailers and their customers in Queen Street. They have specifically lobbied the Council for more short-term car parks for customer use within the vicinity of Queen Street.
- 4.6 In April 2017 some time-restricted parking was introduced in Papps carpark. Monitoring by staff has shown this is being well used.
- 4.7 Additionally, there have been requests from businesses for time restrictions on some of the parking on McGlashen Avenue. Given the close proximity of these parking spaces to the town centre, it is reasonable for them to be time-restricted rather than having them occupied all day with little turnover of vehicles.
- 4.8 There are a number of other minor parking restriction changes that are needed to make visiting the town centre easier for mobility card holders and drivers of electric vehicles wanting to recharge their vehicle at the Petrie carpark charging station. These miscellaneous changes have been included in this update report.

### 5 Options

- 5.1 The Council has several options to consider.
- 5.2 **Option 1** – do nothing and not approve any changes. This will limit the availability of parking to customers of businesses in the area.
- 5.3 **Option 2** – approve the following changes to the parking restrictions in the Richmond town centre with effect from 8 September 2017:
- twenty three of the current “all day” parking spaces at the south east end of the Petrie carpark be designated as “P120” car parking

- an additional one parking space in the same vicinity be designated for use by electric vehicles to allow efficient use of the charging station nearby.
- an additional space adjacent to the entry ramp at the rear of the Richmond Library is designated for mobility card holders only
- seventeen of the current “all day” parking spaces at the north west end of the Petrie carpark be designated as “P120” car parking. (Note these parks have already been signed as P120, in response to Queen St project delays and unexpected disruption to the access to Noel Leeming carpark. Monitoring has shown they are being well used).
- an additional length of “no parking” road marking on the northern corner of the intersection of Doran Street and McGlashen Avenue
- approximately 52m of kerbside on the south west side of McGlashen Avenue immediately south east of McIndoe Place be designated as “P120” car parking
- approximately 16m of kerbside on the south west side of McGlashen Avenue adjacent to 13 McGlashen Avenue be designated as “P30” car parking
- approximately 37m of kerbside on the south west side of McGlashen Avenue adjacent to 7 and 9 McGlashen Avenue be designated as “P120” car parking

5.4 **Option 3** – approve some of the proposed changes to parking restrictions.

5.5 Staff recommend **Option 2**.

## 6 Strategy and Risks

- 6.1 This report is consistent with the Council’s existing approach to provide both “all day” and “time-limited” parking free of charge in the Richmond town centre.
- 6.2 There are no substantial risks to providing additional time-limited car parks, although demand for all-day parks means some current all-day users will be forced elsewhere.
- 6.3 A risk of not providing additional short-term parking to balance out the loss of on-street short term parking on Queen Street is that customers may choose not to visit businesses in this area.

## 7 Policy / Legal Requirements / Plan

- 7.1 This request meets the requirements of the Tasman District Council Traffic Control Bylaw 2016.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 The cost of extra signage associated with these changes is approximately \$1400 and this cost can be met from the existing road maintenance budget.

## 9 Significance and Engagement

- 9.1 Staff consider that this decision is of very low significance to the residents and ratepayers of Tasman District.
- 9.2 Staff consulted widely with the landowners and business owners in Queen Street prior to the upgrade work commencing. There is also support from residents and ratepayers for extra time-limited parking in the area to make up for the loss of time-limited parking on Queen Street itself.

## 10 Conclusion

- 10.1 The provision of additional time-limited car parks in the Richmond town centre will alleviate anticipated parking issues for the customers who use the businesses in the Richmond town centre during the Queen Street infrastructure upgrade project.

## 11 Next Steps / Timeline

- 11.1 If the Council approves the provision of additional time restricted car parks in the Richmond town centre, staff will update the Traffic Control Devices register and maps and ensure they are included on the Council's website, and install signs and road marking as soon as possible.

## 12 Attachments

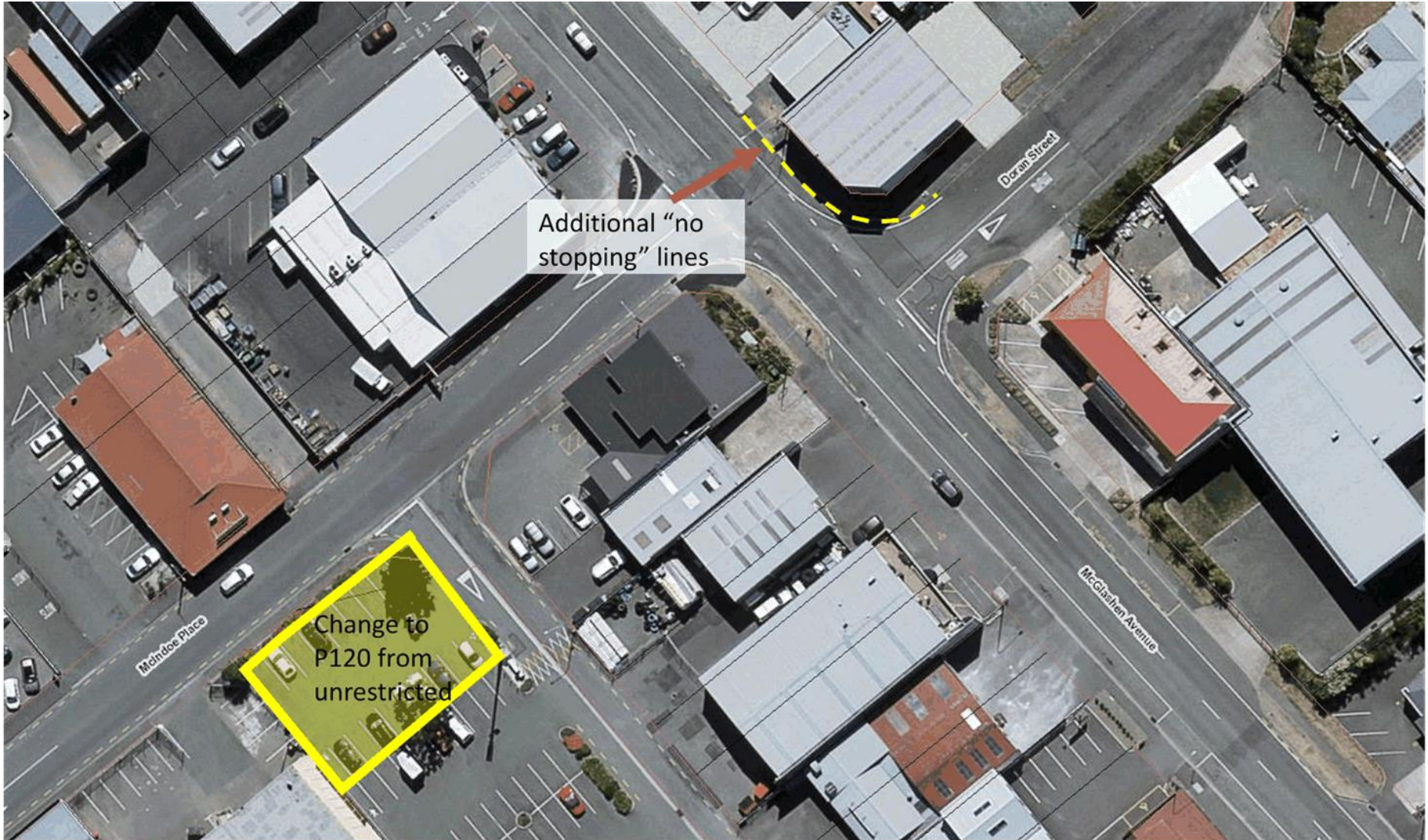
1. Richmond CBD parking restriction changes

57

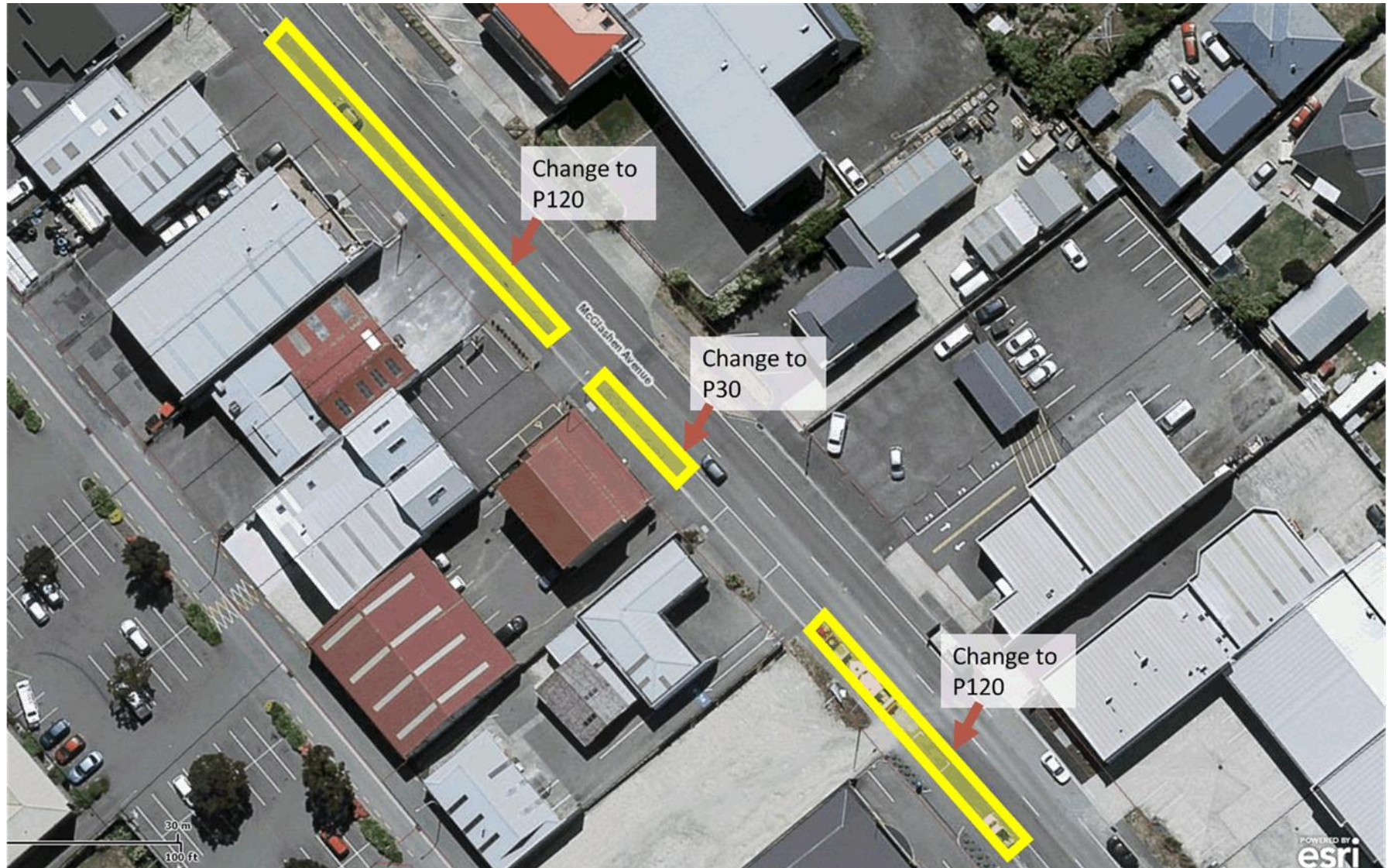
















**8.4 LOWER QUEEN STREET STORMWATER PROJECT - FUNDING REQUEST****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Chris Blythe, Project Manager
<b>Report Number:</b>	RCN17-09-04

**1 Summary**

- 1.1 The Lower Queen Street Stormwater Upgrade will improve stormwater drainage and enable development of land zoned for development in Richmond West.
- 1.2 The project is currently planned to take place in two stages, one this financial year and the second in year three of the Long Term Plan 2018-2028. There is an opportunity to bring forward the second stage of work to this financial year by working in partnership with a developer. This reduces the project costs and brings forward the stormwater benefits for the wider community.

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

- 1 receives the Lower Queen Street Stormwater Project - Funding Request report, RCN17-09-04; and**
- 2 approves up to \$840,000 of new funding to bring forward construction of a stormwater network in Lower Queen Street; and**
- 3 approves that funding of \$990,000 is carried forward from the 2016-17 project budget to the 2017-18 financial year to fund the Lower Queen Street Stormwater project.**

### 3 Purpose of the Report

- 3.1 This report seeks approval to combine two stages of the Lower Queen St stormwater upgrade, to improve efficiency and bring savings. This will require carrying forward **\$990,000** from the 2016-17 project budget, reallocating **\$900,000** from the Borck Creek programme and approving **\$840,000** of new funding.

### 4 Background and Discussion

- 4.1 The Lower Queen Street Stormwater Upgrade is one of the projects in the Borck Creek Catchment programme of works. This is an ongoing programme undertaken over several years to improve stormwater management to meet growth and level of service demands. This project improves the stormwater network along a section of Lower Queen Street serving a catchment between Poutama Drain and the Waimea Estuary. This area contains rural land zoned for future residential, mixed business and light industrial.
- 4.2 The Council entered into an agreement with a developer to upgrade the stormwater network to allow residential development at 387 Lower Queen Street. The agreement requires the Council to provide the stormwater connection by March 2018.
- 4.3 In order to meet the March 2018 construction deadline, staff had proposed to split the project into two parts, thus removed the risk of the land negotiations delaying the project. A full-size pipe would be placed in the road up to 428 Lower Queen Street where a future connection to the estuary would turn northwards. An upsize of the pipeline from 428 Lower Queen Street to Borck Creek would be put in place, sized only for short-term flows to meet the agreement with the developer. This also allowed for some phasing of capital spend over three years, with the second stage proposed in year three of the next Long Term Plan.
- 4.4 The current plan is to undertake the work in two stages (see map in **Attachment 1**);
- 4.4.1 Stage 1: Pipework in Lower Queen Street discharging to Borck Creek below the Lower Queen Street bridge at Headingly Lane.
- 4.4.2 Stage 2: Pipework in Lower Queen Street from East to West and then turning northwards to the estuary through private land.
- 4.5 Stage 1 temporarily discharges stormwater into Borck Creek to enable the legal agreement for 387 Lower Queen St to be met by March 2018. This also allowed time to gain landowner agreements for stage 2.
- 4.6 Stage 2 completes the project by diverting the stormwater through 428 Lower Queen Street which has a better hydraulic grade and provides for a larger catchment (25 hectares)
- 4.7 Stage 2 was planned to take place in year three of the next Long Term Plan to allow sufficient time for land negotiations. However, there is now an opportunity to accelerate the project and combine the two stages this financial year.
- 4.8 During July 2017 Council staff were approached by two different developers regarding development of 428 Lower Queen Street. Both were open to working in partnership with the Council to install the stormwater pipe in the future road and create an open channel between the end of the road and the estuary.

- 4.9 This development opportunity will increase the community benefit of the work by reducing the total project capital costs while bringing forward the stormwater and land development benefits.

## 5 Options

**Option 1:** status quo – not recommended.

- 5.1 Funding is allocated for stage one in 2017-18 with construction planned to be completed by March 2018 to meet our obligations with the developer. The second stage is proposed for construction in year three of the next Long Term Plan, pending approval by the Council.
- This option allows the Council to meet its obligations with the developer.
  - However, the levels of service for stormwater cannot be met in the short term until stage two is completed.
  - The stormwater pipework between 428 Lower Queen Street to Borck Creek could be upsized to meet levels of service, but this capacity will not be required once stage two is completed.
- 5.2 This option is also estimated to cost an extra \$1 million compared with completing the two stages in one construction contract.
- 5.3 The Annual Plan 2017-18 budget for this work is \$1,708,500. The carry forward from 2016-17 is \$990,000, giving a total budget of \$2,698,500. Additional funding of \$473,000 would be required to implement this work. This additional funding could be allocated from the 2017-18 Borck Creek budget.

Option 1	Estimate	Current budget
Stage One	\$3,171,500	\$2,698,500
Stage Two	\$2,317,000	\$2,317,000
<b>Total</b>	<b>5,488,500</b>	<b>\$5,015,500</b>

- 5.4 Note that funding for stage two is being requested through the LTP 2018-28 and is not yet an approved budget.

**Option 2:** bring work forward – recommended.

- 5.5 Negotiations have taken place with the developer / landowner of 428 Lower Queen Street to reach agreement for Council to excavate the road area and open drain, and install a large stormwater pipe with sump connections. The developer would then complete the road base-course, kerbs and seal. This agreement would enable the Council to complete the full stormwater upgrade three years ahead of schedule, thereby enabling development to progress along Lower Queen Street. The stormwater catchment served by the pipe network will include the Lot at 428 Lower Queen Street.
- 5.6 The project estimate for option two is **\$4,438,500**. Currently Option 1 is estimated at \$3,171,500 and Stage 2 at \$2,317,000. Combining the stages offers cost savings of around \$1 million owing to efficiencies in design, construction, consenting and land negotiations.

Option 2	Estimate	2017-18 Annual Plan and Carry Forward
Stage One and Two	\$4,438,500	\$2,698,500

#### Proposed funding sources

2017-18 Annual Plan (approved funding)	\$1,708,500
Carry Forward from project budget 2016-17	\$990,000
Borck Creek funding 2017-18	\$900,000
New funding requested	\$840,000
<b>Total Budget</b>	<b>\$4,438,500.00</b>

- 5.7 In summary, this option requests \$840,000 of new funding this financial year instead of requesting \$2.1 million for year three of the next Long Term Plan. Some of the project shortfall is met by reallocating \$900,000 of the 2017-18 Borck Creek budget, This can be made available as a developer is undertaking some widening work as part of their subdivision development work.
- 5.8 Funding of \$900,000 from the Borck Creek 2017-18 budget is available as the planned work on Borck Creek has been postponed until the next Long Term Plan because a developer is excavating the channel for fill material. The balance of the work will be completed at a later date by the Council.

## 6 Strategy and Risks

- 6.1 This stormwater upgrade will enhance the opportunities for development of land in Richmond West. This will attract the Development Contributions which would contribute to this investment.
- 6.2 There is a risk is that work cannot be completed by March 2018. We will work with the developer to ensure their needs are met.
- 6.3 The project is likely to face timeline challenges in obtaining resource consent, approvals from iwi, Heritage New Zealand Authority and lead-in times for procuring large concrete pipes. If the developer is unwilling to extend the construction deadline, it is possible to temporarily divert stormwater to Borck Creek using the current stormwater network (as per stage one).

## 7 Policy / Legal Requirements / Plan

- 7.1 The Council has an agreement with the developer at 387 Queen Street to provide a stormwater outlet by 1 March 2018. As the process evolves, should it become apparent that the deadline will not be met, further discussions will be held with the developer to determine how to amend the agreement to meet their requirements.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 The majority of the Borck Creek programme is 63% funded by Development Contributions.
- 8.2 New loan funding of \$840,000 will result in loan repayments of \$42,000 and interest of \$42,000.

## 9 Significance and Engagement

- 9.1 This is a decision of low to medium significance. Developers in Richmond West have a high level of interest in this project as it has the potential to open up land for development. However, for the wider community, the decision is of a low significance. The ongoing upgrade of the Richmond stormwater network is a critical factor to enable urban growth.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	There is no significant public interest in the decision. The decision affects one landowner and two developers.
Is there a significant impact arising from duration of the effects from the decision?	Low	The Council has a legal agreement with a developer to provide the stormwater upgrade.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	The stormwater network is a strategic asset and the Borck Creek catchment is a significant proportion of the Richmond network. This decision only affects part of the network.
Does the decision create a substantial change in the level of service provided by Council?	Low	No, the overall system design is consistent with the Stormwater AMP. There may be a short-term shortfall in meeting the level of service if the Borck Creek option is required. To gain consent for the work, the project will need to ensure flood risk is not increased owing to the changes to the network.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	There are some costs in loan interest for the additional funding.

## 10 Conclusion

- 10.1 The partnerships with land developers in Lower Queen Street and Borck Creek offer an opportunity for the Council to save capital expenditure on the Richmond West stormwater network while bringing forward stormwater improvements. This requires funding sooner than planned in the Activity Management Plan, but lowers the overall cost by \$1 million.

**11 Next Steps / Timeline**

11.1 Should the Council approve the recommendation to proceed with the full project in 2017-18, Council staff will commence formal legal agreements with the developer and procurement for the works.

**12 Attachments**

1. Proposed stormwater works

67











## 8.5 PROPOSAL TO STOP UNFORMED LEGAL ROAD - RAINBOW COMMUNITY GOLDEN BAY - ENDORSEMENT OF HEARING PANEL RESOLUTION

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Robert Cant, Senior Property Officer
<b>Report Number:</b>	RCN17-09-05

### 1 Summary

- 1.1 The Council has been considering an un-named and unformed road stopping proposal near the Rainbow Valley Community (RVC) property in the Anatoki Valley. The road stopping was requested by the RVC which has built several homes on the legal road. The road stopping is the most practical solution to resolve that legacy issue and provides improved public access alongside the Anatoki River.
- 1.2 In exchange for Council stopping the relevant parts of the road, the RVC have offered to provide legal public access to land alongside the Anatoki River which is currently in private ownership.
- 1.3 The proposal has been carefully thought out and is considered to enhance public access. Walking NZ have indicated they are comfortable with the proposed outcome.
- 1.4 The road stopping proposal was publicly notified, and drew concerns from one objector. A copy of the plan describing the road stopping is attached to this report, along with the staff report to the hearing panel, and the minutes of the hearing.
- 1.5 A public hearing was undertaken on the 23 June 2017. A hearing panel comprising Cr Bryant, Cr Brown, and Abbie Langford (Golden Bay Community Board) considered the matters raised by the objector, and matters raised in response by the RVC.
- 1.6 The hearing panel resolved to not allow the objections, and to recommend to the Full Council that it refer the road stopping to the Environment Court (the next step required in the process).
- 1.7 The Council has a signed agreement with the RVC which clarifies that the RVC will cover the cost of the entire road stopping process, so there are no financial implications for the Council in taking the road stopping to the Environment Court.
- 1.8 If Council does not endorse the hearing panel's resolution it would have the effect of allowing the objection and stopping the proposal from proceeding. This would risk a challenge from the RVC as it has invested significant time and money in getting the issue resolved.
- 1.9 In anticipation of an Environment Court hearing, Council sought legal advice on its processes in dealing with this matter. Advice from Fletcher Vautier Moore was that Council had undertaken the appropriate legal process.

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

- 1. receives the Proposal to Stop Unformed Legal Road - Rainbow Community Golden Bay - Endorsement of Hearing Panel Resolution report RCN17-09-05; and**
- 2. endorses the resolution of the hearing panel, and therefore**
- 3. resolves that the objections from Lee Wild to the road stopping proposal for part of an un-named and unformed road near the southern end of McCullum Road not be allowed, and**
- 4. resolves that the road stopping proposal be referred to the Environment Court.**

### 3 Purpose of the Report

- 3.1 To ask the Full Council to endorse the resolution of a hearing panel which considered objections to a proposal to stop an unformed (and un-named) legal road near the Rainbow Valley Community (RVC) at the end of McLellan Road, and near the Anatoki River.

### 4 Background and Discussion

- 4.1 A copy of the staff report to the hearing panel is attached.
- 4.2 To summarise:
- There are several homes built on an unformed legal road.
  - The homes are owned and occupied by members of the RVC.
  - The RVC has been trying to resolve the anomaly for many years.
  - A proposal was pieced together with Council and the RVC that involved the RVC providing legal public access where it doesn't currently exist in exchange for the stopping of relevant parts of the road.
  - A plan outlining the road stopping proposal is attached to this report.
- 4.3 There was one objector, Ms Lee Wild. Efforts were made to encourage the RVC and the objector to resolve the objector's concerns. These efforts were not successful. The objection was therefore required to be heard by a hearing panel.
- 4.4 The objector raised a number of concerns.
- 4.5 The hearing panel considered the matters raised. The concerns were either not considered to be relevant to the road stopping, as they did not involve questions of public access, or did not justify ceasing progress on the road stopping.
- 4.6 At the hearing, both the objector (via written material) and the RVC made a number of comments which could be described as 'historic grievances'. The hearing panel heard the material. This material is available but as it is not considered relevant to consideration of the matter at hand, is not attached.

The minutes of the hearing panel's consideration are also attached.

With the road stopping process, which is set out in the Tenth Schedule of the Local Government Act 1974 (so over 40 years old), the Council only has two options for dealing with an objection. The options are set out in section five below.

**5 Options**

- 5.1 The first (and recommended) option is for Council to endorse the hearing panel's resolution to not allow the objection. If Council endorses the decision to not allow the objection, the next step is for the road stopping to be referred to the Environment Court.
- 5.2 The second option is to decide against endorsing the hearing panel's resolution. This would have the effect of allowing the objection. This would effectively stop the proposal to undertake the road stopping. This would carry a number of risks, which are outlined in the next section of this report. This option is not recommended.

**6 Strategy and Risks**

- 6.1 The risks, like the options, relate to whether the Council endorses the hearing panel resolution or not.
- 6.2 If Council endorses the panel's resolution, the matter will be referred to the Environment Court. There is a risk the Court would refuse to stop the road, which would carry a reputational risk for the Tasman District Council. The proposal has been carefully put together, and is considered to enhance public access. Walking Access NZ have indicated they are comfortable with the proposed outcome.
- 6.3 If Council does not endorse the hearing panel's resolution, this would effectively terminate the road stopping process. The Council would need strong justification to overturn the panel's decision. Given the time, effort and funding the RVC has put towards this project, there seems a reasonable likelihood of it challenging any decision not to endorse the hearing panels' resolution. The RVC could also stop the public using presently available access on its private land.

**7 Policy / Legal Requirements / Plan**

- 7.1 The legal requirements of the road stopping process are complex. Once the Council received the objection, and it was confirmed the objection would not be withdrawn, staff sought legal advice from Fletcher Vautier and Moore. As there was a reasonable likelihood that the proposal would be sent to the Environment Court, the Council's processes to that point were reviewed. Legal advice was that Council had undertaken the appropriate legal process with the road stopping.
- 7.2 The road stopping was considered by the Council's road stopping staff committee many years ago. Because of complex land status issues, it was many years before the proposal was finalised to a point where it was able to be publicly notified.
- 7.3 The Council does not have a firm policy on when it will or won't promote a road stopping. Each case is carefully considered on its own merit. The road stopping committee has good guidance from road stopping case law which suggests that roads should not be stopped solely to facilitate private benefit. Public access is of paramount consideration.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 The RVC have covered the costs of the road stopping process, including surveying, and public notification. Staff time was initially covered by the original application fee paid many years ago. A signed agreement with the RVC obliges it to meet all costs. As such, there are no financial implications for the Council.
- 8.2 The RVC have faced costs in the multiple tens of thousands to take the matter to this point. The Environment Court process will add to that significantly. In recognition that the RVC have volunteered to create an esplanade strip, at its cost, if the road stopping is successful, the Council is not intending to seek compensation for the stopped road land. The land is in a very remote location, and would not be worth anywhere near the amount the RVC have already paid towards the cost of the road stopping application.

**9 Significance and Engagement**

- 9.1 This road stopping was initially considered unlikely to draw much public interest. This is partly because of the improvement in public access it facilitated, and partly because of the remoteness of the location. The matter was relatively technical. Not much (if any) physical change occurs as a result of the road stopping proposal. For many years the RVC had encouraged public access on its land, and had created and maintained a walking track alongside the Anatoki River. Walking Access New Zealand is aware of the proposal and has indicated it has no concerns.
- 9.2 Because there are more attractive walking options available nearby (partly on the RVC's land), demand for public access on the unformed legal road is essentially nonexistent. However, because of the alternative nature of the RVC lifestyle, there was always a chance of objections targeted towards the Rainbow Valley Community.
- 9.3 The hearing was not attended by the objector (who lives in Wellington) and the only observers were members of the RVC.
- 9.4 As such it seems the matter is really only of interest to the RVC, and the objector. Walking Access New Zealand will retain a cursory interest in the outcome.

**10 Conclusion**

- 10.1 The hearing panel considered a reasonably technical and complicated proposal. It considered the information provided by an objector who raised a number of concerns, some of which were quite emotive, but not directly relevant to the road stopping proposal. It also heard a response from the RVC, which refuted some of the emotive issues raised by the objector. The panel did a very professional job of considering some technical material and some emotionally charged statements. It considered all aspects of the road stopping proposal and reached a soundly based recommendation.
- 10.2 It is recommended that the Full Council endorse the hearing panel's resolution.

**11 Next Steps / Timeline**

- 11.1 Providing the Council endorses the hearing panel's resolution, the matter will be referred to the Environment Court. Fletcher Vautier and Moore will undertake the Environment Court process. The RVC are aware they will be expected to fund the Environment Court costs.

**12 Attachments**

- |    |  |    |
|----|--|----|
| 1. | Rainbow Valley Road Stopping - Staff report          | 75 |
| 2. | Rainbow Valley Road Stopping - Hearing Minutes       | 87 |
| 3. | Rainbow Valley Road Stopping - plan showing proposal | 91 |



Submissions Hearing - 23 June 2017

**3.1 CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

Decision Required

**Report To:** Submissions Hearing  
**Meeting Date:** 23 June 2017  
**Report Author:** Robert Cant, Senior Property Officer  
**Report Number:**

<b>1 Summary</b>
------------------

- 1.1 The Rainbow Valley Company Limited (a limited liability company hereafter referred to as "Rainbow Community") have, for many years, sought to resolve a situation where a number of homes were erected on an unformed and un-named legal road along the true right bank of the Anatoki River. Three are wholly on legal road, and another is partially on legal road.

The Property team's file starts in 2008, but it is obvious from the early file correspondence that discussions were ongoing at that time.

The issues, which have caused many delays, are best explained with the aid of the plan attached. The land labelled "Crown land" had an uncertain ownership status. The Rainbow Community spent considerable time and money to obtain confirmation that this land was not part of the Anatoki riverbed.

The reason the land status was critical is because Section 345(3) of the Local Government Act 1974 specifies that where any road adjacent to a riverbed is stopped, the land would automatically become esplanade reserve. As such it would not be available for sale. Until the land was confirmed as general "Crown land" (the technical term is *Unalienated Crown Land*) the road stopping result, if successful, would not have achieved the outcome of Council being able to transfer ownership to the Rainbow Community. The houses would have been on esplanade reserve rather than road, so the outcome would have been no better than the status quo.

The Rainbow Community paid for the land status investigation and the land was confirmed by LINZ as being general Crown land. If the road is stopped, Council can transfer ownership of the un-named road to the Rainbow Community as freehold land (to be incorporated into the adjoining title).

The Rainbow Community have established a walking track (on private land owned by the Community) alongside the Anatoki River. This is currently used by the public from time to time. The Rainbow Community have agreed to formalise that walking track as an esplanade strip, subject to the road being stopped. This is a positive effect of the road stopping.

Page 1



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

Once the proposed road stopping was surveyed, the proposal to stop the road was publicly notified in accordance with the provisions of Schedule 10 of the Local Government Act 1974. The closing date for submissions was 18 December 2015.

- 1.2 One objection was received from Lee Wild. Lee objected on 15 December 2015, before the closing date for objections. A copy of that objection is attached. Lee provided further details in March 2016, well after the closing date for objections. That information is also attached.

**2 Draft Resolution**

**That the hearing panel resolves to:**

- (a) **Not allow the objections presented by Lee Wild, and recommend that the Council refer the road stopping proposal and objections to the Environment Court to determine**

**OR**

- (b) **Allow one or more of the objections presented by Lee Wild on the basis that:**

.....

**And recommend to the Council that the objection(s) be allowed and the road stopping process cease.**





Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

**3 Purpose of the Hearing**

- 3.1 The road stopping process is set out in Schedule 10 of the Local Government Act 1974 ("Tenth Schedule"). The Council is required to prepare a survey plan of the road intended to be stopped. Once that has been approved by the Chief Surveyor, the Council makes the survey plan available for public inspection, and gives public notice of the road stopping. The public notice explained the reason for the road stopping. The Council is required to serve notice on adjoining owners, but in this instance the Community was the only adjoining owner. The Council is also required to put notices at both ends of the road intended to be stopped.
- 3.2 The Council complied with the requirements of Schedule 10 of the Local Government Act 1974. A scan of the relevant page of the "Newline" is attached to this report.
- 3.3 The purpose of this hearing is to consider Lee Wild's objection/s. If any part of the objection is sustained, the road stopping process will stop (the full Council would need to confirm the panel's recommendation that the objection be allowed). If the Council does not allow the objection, then the matter must be referred to the Environment Court.
- 3.4 The road stopping proposal is best described with the use of the attached plan, which is identical to the plan available as part of the road stopping notification. The area outlined in orange is proposed to become stopped road, and added to the adjacent title owned by the Rainbow Community. The intended stopped road has three houses situated on it, plus another house which is partially on the road (near where it intersects with McCallum Road).
- 3.5 The road proposed to be stopped is largely 40m wide (twice the width of standard roads which are usually 20m). At the northern and southern ends only 20m of the road is intended to be stopped, leaving a standard width 20m road in its place. In the middle, the full 40m road width will be stopped. Consideration was initially given to stopping less than the full width, but because of the location of the homes, this was not practical as the remaining road would have been too close to the houses.
- 3.6 If the road is stopped, the Rainbow Community has agreed to grant an esplanade strip encumbrance on its private land. There is no public right of access along the Anatoki River between the road to be stopped and McCallum Road. At the moment, access along the Anatoki River from the northern end of McCallum Road is on a 'Grace and Favour' basis. The Rainbow Community has fenced a walking track out from its private land, and allows the public to walk alongside the river.
- 3.7 The Rainbow Community has created and maintained a public walking track through the "Crown land" as well. This runs through mature native forest.
- 3.8 The blue line on the plan shows the public access that will be guaranteed alongside the Anatoki River if this road stopping proceeds. At the moment, the legal road provides public access, but for only about half the distance of what is proposed if the un-named road can be stopped and exchanged for an esplanade strip. Further, much of the public access provided by the road is set some distance back from the river itself. It is considered that the provision of public access is significantly improved by having a right of access next to the river (as shown with the blue line on the plan).

Page 3



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

Prior to notifying the intention to stop the public road, the proposal was discussed with the then field officer for Walking Access NZ, Chris Tonkin. Chris' verbal advice was that the proposal would improve public access and was supported by him.

**4 Site Description**

- 4.1 The land on which the present road is situated is flat. Both the un-named road, and the proposed public access are on easy terrain and can be walked without significant exertion.

**5 Status of Application**

- 5.1 The application to stop the road was publicly notified in accordance with Schedule 10 of the Local Government Act 1974. Submissions closed on 18 December 2015. One objection was received. Another person wrote expressing concern about the proximity of the houses to the Anatoki River, and the risk of flooding, but they confirmed their correspondence was not an objection. They also confirmed they did not want to be heard.
- 5.2 The Minister of Lands has provided his consent to the stopping of a rural road under Section 342(1)(a) of the Local Government Act 1974.

**6 Notifications and Submissions**

**6.1 Submissions**

Lee Wild submitted an objection on 15 December 2015. A copy of the submission is attached.

Lee Wild wrote again submitting further information in objection on 29 March 2016 – also attached. This information was received well outside the deadline stated in the public notice. It is, however, recommended that the hearing panel consider this late information because no party is prejudiced by its receipt as Ms Wild's interest in the road stopping was known.

The Rainbow Community may also wish to present information, submissions, or evidence to the panel in support of the proposal to have the road stopped. The panel should consider whether or not hear this evidence.

The Rainbow Community has obviously not made an objection. It should be noted, however, that parties often make submissions in support of a proposal even though the Tenth Schedule does not strictly allow for them. The practice tends to be that a person or organisation that has requested the Council consider a road stopping and will purchase the land if the road is stopped, has the opportunity to appear before a decision-maker. I understand this may be because it is understood that if the matter is referred to the Environment Court a party could have a right to be heard under section 274 of the Resource Management Act 1991 because they have an interest in the proceeding greater than the public generally.

I recommend that if the panel accepts the objections received from Lee Wild in the information she provided on 29 March 2016, the panel consider information the Rainbow

Page 4



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

Community provides at the hearing. This gives the community the opportunity to respond to matters about the likelihood of flooding, and claimed lack of building consents.

**6.2 Comments on Submissions**

The first submission on 15 December 2015 argued against the road stopping on the basis that Lee Wild, as a shareholder of the Rainbow Community Limited Liability Company was not consulted. This is not considered to be a matter relevant to the road stopping. It was more of a matter of process for the Rainbow Community.

If there was a flaw in the way the Rainbow Community decided to enter into an agreement with the Council, that is a private matter for it.

It was suggested to Lee Wild, following her objection dated 15 December 2015, that this question be resolved directly between the Rainbow Community and herself. Lee advised that those discussions did not resolve her concerns and that she wanted her objection to stand.

Comments on Lee's later material in objection to the road stopping are as follows:

**Point 1**

The Rainbow Community advise that all the homes have building consents from the (then) Golden Bay County Council. They were originally consented to in the 1970s.

River protection works have been undertaken by the Rainbow Community, under the supervision of Rick Lowe, the Council's River Engineer. He commented on the river protection works as follows:

*"The Rainbow Community sustain some damage in January 2011 flood to an old gabion type groyne probably originally built by the community.*

*The original structure provided some flood relief and erosion protection to the community by reducing flood overflows entering a back channel and flooding parts of the land used by the community.*

*The gabion type structure was probably original constructed to reduce flooding in the area occupied by the community.*

*I expect the area without some form of stopbanking may of experience frequent flooding by flood waters entering the flood overflow channel at the upstream point as seen on the old photos.*

*The original structure while it serviced a limited purpose was not that well engineered and resulted in the structure being undermined and damaged during the 2011 flood event.*

*I visited the site back in May 2012 and recommended that they undertake a more substantial repair by providing a higher stopbank height and protecting the area of erosion with rock rip rap.*

*The community agreed to undertake this work which involved the realignment of the Anatoki River using the gravel from the realignment works to reinforce the existing stopbank on the right bank previously constructed by the community. It was also slightly extended downstream to give additional flood protection.*

Page 5





Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

*There has been some further minor repairs undertaken since the work carried out in 2012.*

*The new works undertaken since 2012 do provide a better level of protection to the community than existed prior to this.*

*As with any protection works there is a need to ensure that the existing works are maintained.”*

Based on this advice from Rick Lowe, it is clear that the river protection available is substantially improved on what was in place before 2011. The houses have been in the same locations for decades, and have superior river protection now compared to the past.

Point 2

As part of the road stopping it was necessary to clarify the legal status of an area of land adjacent to the Anatoki River. The Rainbow Community went to some time and trouble to establish that the land is general *Crown land*, subject to the Land Act 1948.

The Department of Conservation (DOC) had an interest in this particular area of native vegetation, but the cost of a land status investigation was not a high priority. Now the land is confirmed as general Crown land, the DOC can seek to have the land declared a reserve. I understand in the longer term it may be added to Kahurangi National Park which is the status of DOC land on the other side of the river.

However, that action is likely to occur regardless of whether this road stopping occurs. If the road stopping is not successful, DOC can still seek to have the Crown land declared a reserve.

Not all of McCallum Road is formed to public road standard (the Council does not maintain McCallum Road all the way to the Rainbow Community boundary). The road stopping proposal does not change the physical roading in this location. The walking track is already established, and the Rainbow Community advise it is used occasionally by local walking groups and families. The road stopping proposal intends to protect public walking access in perpetuity with a formal esplanade strip. The public do not use this road because of the presence of houses. Any public benefit from the road is allowed for by offering the walking track and the existing access along the side of the Anatoki River. If the road stopping isn't successful, it leaves a dilemma for the occupants of the houses, and the potential loss of the walking route provided by the Rainbow Community. This road stopping will not necessarily increase the demand for public access.

The objector has presented an argument that increased public access will result in an increased risk of didymo invasion. This isn't considered a relevant consideration to the road stopping as this action in itself won't increase public use. Any increase in public use will have positive and negative impacts on the environment but in either event would be quite minor. Given roads exist to allow public access, it is unusual to argue this road shouldn't be stopped because it might create more demand for public access. While this decision won't necessarily impact on public use, an increase in public recreational use would be seen by most as being positive.

Page 6



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

Point 3.

The plan is considered to be a reasonable depiction of what is intended. The public notice clearly advised that further information could be obtained. This was not sought by Lee. Further, the actual survey plan was available on the Council's website and was displayed at the Council offices.

**7 Statutory Considerations**

- 7.1 Schedule 10 of the Local Government Act 1974 sets out the process for the stopping of legal roads.
- 7.2 The Council may stop part of any road within its district.
- 7.3 Following public notification and service the Council considers any objections received and if it determines not to allow those objections must refer the matter to the Environment Court. Therefore the Council has two choices. It can either uphold the objections and end the process or send the matter to the Environment Court.
- 7.4 The Court can confirm, modify or reverse the Council's decision after considering:
- (a) The district plan;
  - (b) The plan of the road to be stopped;
  - (c) The Council's explanation as to why the road is to be stopped and the purpose or purposes to which it will be put; and
  - (d) Any objections.
- 7.5 While these matters are not Council considerations per se, Council has obtained legal advice that these matters should also be considered by Council when determining if it should uphold the objections.
- 7.6 Case law has determined the following matters are relevant for the Court (and Council):
- (a) The Court must be satisfied from the Council's explanation that there is reasonable cause to justify the proposal;
  - (b) The Court is required to consider the merits of the proposal and judge whether the public benefit of the stopping is outweighed by any private injury that would follow from the proposal;
  - (c) The public interest in the purpose to which the road is to be put;
  - (d) Adequacy of access to lands in the vicinity of the roads to be stopped; and
  - (e) The central issue is the need for the road for public use now and in the future.
- 7.7 The proposed road stopping, when factoring in the Rainbow Community's offer to allow an esplanade strip, should improve public foot access because the present road does not go to any particular location of interest, and is surrounded by the Rainbow Community's land. It is

Page 7



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

40m wide in places. Except where the road stopping is adjacent to Crown Land, the proposal only affects road which is 20m back from the river. A corridor of 20m minimum width is retained – either 20m of legal road, or a much larger area of Crown Land.

- 7.8 The stopping of a road, however, will mean that the public cannot drive a vehicle along the stopped legal road as of right. The topography is such that this would be possible as it is reasonably flat, albeit there is no formation in place at the present time. However, this particular section of legal road was somewhat of a dead end – it doesn't link to any other road or particular point of interest. It exists from the southern end of McCallum Road and stops within the boundary of land owned by the Rainbow Community. It is very unlikely it would ever be formed for vehicle traffic by the Council, unless requested by the Rainbow Community (as adjoining owner).
- 7.9 Lee Wild's first objection, on 15 December 2015, is not a relevant consideration when considering the road stopping because her complaints appear to relate to her relationship with the Rainbow Community. As such this is a private matter. There are other means of resolving this question, and the Council does not have a role in resolving this dispute.
- 7.10 If the panel allows the late information presented by Lee Wild, these matters are covered in the key issues section following:

<b>8 Key Issues</b>
---------------------

- 8.1 The key issues pertaining to a road stopping are considered to be that of retaining public access.
- 8.2 The matters raised in the objection dated 15 December 2015 are not considered to be a relevant consideration because they don't relate to any of the matters in the Tenth Schedule or the central issue of the need for the road for public use.
- 8.3 It is recommended that the panel allow the late information presented by Lee Wild in support of her objection, provided in her email of March 2016. The matters raised in the late submission are marginally more relevant to the road stopping. It is considered appropriate to give the matters due regard.
- 8.4 Lee Wild argues that the road to be stopped could be subject to flooding. While not a matter that relates to the statutory consideration, the fact extensive flood protection work was undertaken in 2012 indicates that the land is now far less likely to flood than it would have been before the flood protection work.
- 8.5 Lee Wild has argued "a scenic reserve is unsuitable for the area". This is not considered a relevant consideration for the road stopping process. Land with the status of general Crown land could be declared a reserve (most likely it would be declared a scenic reserve). A declaration that the land become a reserve can occur regardless of whether the road stopping is completed or not. The decision is a matter for the Ministers of Conservation and Land Information to decide. The Council has no statutory role in any decision on the future status of the Crown land.
- 8.6 The plan attached to this report is identical to that made available to the public during the notification timeframe. There is always a balance between providing so much information

Page 8





Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

that the plan is confusing, and not providing enough information for the public to be reasonably informed. The information on the plan is considered to provide a reasonable indication of what is intended.

**9 Summary of Key Issues**

**9.1 Lee's initial objection is not relevant to the road stopping.**

Her later objection material includes some issues that are marginally relevant, and others which are not considered relevant.

It is recommended below that the panel not recommend the objection be allowed.

**10 Recommendations**

**10.1 First Recommendation**

The objection received on 15 December 2015, which argued the Rainbow Community had not consulted Lee Wild as a shareholder, is considered irrelevant to the matter of whether or not the road should be stopped. It does not relate to public access in any way. It is **strongly recommended** that the panel **not allow** this objection.

The Crown land/reserve matter is not relevant to this consideration. The Department of Conservation can ask for the Minister for Land Information's consent to declare the Crown land area a reserve without any reference to the Council. The matters raised by Lee Wild are more appropriately directed to the Department of Conservation, so are not relevant to this hearing. It is **strongly recommended** that the panel **not allow** this objection.

**10.2 Second Recommendation**

10.2.1 Given the houses have remained in place for decades, and are less likely to flood now than previously, it is **recommended** the panel **not allow** the objections relating to the argument that the houses are not permitted and prone to severe flooding. Any increased risk of didymo is not considered a reason to not follow through on the road stopping process which aims to improve public access.

10.2.2 The plans are considered to adequately describe the intended road stopping. Full Survey plans were available to interested parties on the Council's website, and were on display at the Council's offices (the latter being a requirement of Schedule 10 of the Local Government Act 1974). The adverts clearly stated that further information could be obtained. The objector did not seek any further information. As the person who prepared the public notice, and arranged for the plans to be published, the panel should consider whether the report writer can impartially advise on this matter. However if the panel is satisfied that the plan attached is able to be interpreted in such a way that the road stopping proposal can be understood by the average person, it is **recommended** the panel **not allow** the objection arguing the plans were misleading.

Page 9



Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

**11 Next Steps/Options**

- 11.1 If the panel decides to allow all or any of the objections, it will resolve to recommend to the Council that the objections be upheld. Provided the Council endorses the panel's resolution, the road stopping proposal would be unsuccessful, and the land would remain legal road.
- 11.2 If this were to occur, the Council would have to decide what to do about the private dwellings on the legal road. That would be a separate matter.
- 11.3 If the panel resolves to not allow all the objections, the Council will be asked to endorse the panel's resolution. If the objector does not then withdraw her objections the matter must be referred to the Environment Court. The objector does not have to participate in the Environment Court, but if she does the Court has mediation available and it would be hoped that the concerns could be resolved at that level, but if they cannot an Environment Court hearing remains a possibility.

**12 Risks**

- 12.1 If the panel does allow all or any of the objections (and the panel's recommendation are endorsed by the Council) the road stopping process will cease and the land will remain legal road. This leaves the Rainbow Community owning dwellings located on legal road. There is a risk to both the Rainbow Community and the Council with that situation. The risk to the Rainbow Community is that it could be required to remove the homes. The risk to the Council is that the Rainbow Community might argue the Council was negligent in granting building consents and allowing the homes to be built on the road. This type of situation is, unfortunately, far from unique. It is not in itself a valid argument to stop a road without providing alternative public access.
- 12.2 If the panel does not allow the objection and refers the matter to the Environment Court, there is a risk the Environment Court will allow all or any of the objections and the road will not be stopped. The Environment Court has turned down a number of road stopping proposals, including one proposal by the Tasman District Council to stop a through road in the Moutere area in 2009. Recent Environment Court cases have clearly indicated that private benefit is not something it considers as relevant. Ongoing public access is the priority.
- 12.3 This road stopping does involve stopping a legal road, which could theoretically be driven along, albeit for only a few hundred metres. The road stopping proposal has a clear private benefit in that land under houses will be sold to the owner of the homes. It also has what is considered to be a clear public benefit roughly doubling the length of walking access land the public will be able to use as of right if the offered esplanade strip is formalized and granted in favour of the Council. There remains a risk that if the matter is referred to the Environment Court, it will not see sufficient public benefit in the road stopping and consider the road is needed for public use, meaning it would refuse to allow the road to be stopped.
- 12.4 It is believed the public access benefits from this proposal are sufficient to justify the road stopping. The Court's agreement with that is uncertain.

Page 10





Submissions Hearing - 23 June 2017

**CONSIDERATION OF SUBMISSION OPPOSING THE STOPPING OF AN UN-NAMED ROAD AT THE SOUTHERN END OF MCCULLUM ROAD - RAINBOW COMMUNITY GOLDEN BAY**

12.5 The Rainbow Community has entered into an agreement with the Council providing that it will meet the costs of the road stopping process, which limits any financial risk to the Council.

**13 Attachments**

1. Lee Wild objection 15 Dec 2015
2. Lee Wild objection 29 March 2016
3. Rainbow Community Road Stopping proposal
4. Public Notice of intention to stop road






---

**MINUTES**  
of the  
**SUBMISSIONS HEARING MEETING**  
held  
**12.00pm, Friday, 23 June 2017**  
at  
**Tasman District Council, Golden Bay (Takaka) Service  
Centre, Takaka**

---

**Present:** Cr S Bryant (Chair), Cr S Brown, A Langford

**In Attendance:** Senior Property Officer (R Cant), Executive Assistant (P Francis)

**1 OPENING, WELCOME**

Cr Bryant introduced the panel. There were no apologies.

**2 SUBMISSIONS**

**Moved Cr Brown/A Langford**

**SH-17-06-1**

**That the Submissions Hearing Panel receives all submissions, including the late submission of The Rainbow Community.**

**CARRIED**

**Lee Wild**

Ms Wild was unable to be present at the Hearing and asked that in her absence a statement be read out. Robert Cant, Senior Property Officer read the submitter's statement.

Ms Wild's submission covered some items not relevant to the road stopping hearing, as they related to issues Ms Wild had with the Rainbow Valley Company. However it also outlined her reasons for objection to the proposal including:

- use of the land in question
  - the design of the stopbank
  - how the houses will be affected
  - the likely event of severe flooding
  - liability for the cost of damage
  - the issue of retroactive permits
  - water provision for future development
  - that the scenic reserve was unsuitable for the area; and
  - that the public submission and maps were inaccurate.
-

**Rainbow Valley Community**

Simon Jones and William Holloway presented the submission and evidence on behalf of the Rainbow Valley Company, which originally requested Council propose to stop the road. They also appended a specific response to Ms Wild's points of objection to the proposal.

In addition, the Rainbow Valley Company asked to read out in public forum a response to Ms Wild's email regarding issues Ms Wild had with the Rainbow Valley Company. These comments are not relevant to the road stopping hearing.

Cr Bryant, Chair, cautioned that all responses read out will become public documents. Rainbow Valley Company representatives confirmed this was understood. The response was then read out.

**3 REPORTS**

Senior Property Officer, Robert Cant, spoke to his report contained within the agenda.

He explained that the panel are making a recommendation to Full Council. If the objections are upheld, and Council endorses the panel's resolution, then the matter stops and the process ceases, with the land remaining legal road.

If the panel resolves not to allow all the objections, the Council will be asked to endorse the panel's resolution. If the objector does not then withdraw her objections the matter must then be referred to the Environment Court.

In response to a question, on the situation if Ms Wild withdraws her objections following the Hearing, Mr Cant's understanding is that it would not need to go to the Environment Court (however this is not confirmed and Mr Cant would take legal advice).

**Moved Cr Bryant/Cr Brown****SH17-06-2**

**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:**

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
Discussion on Submissions for Objections to Road Stopping Proposal	Consideration of Submissions.	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official

		information for improper gain or improper advantage.
--	--	--

**CARRIED**

Resumption of Public Meeting at 1.30pm

**Moved Cr Bryant/Cr Brown**

**SH17-06-3**

**That the open meeting be resumed and the resolution passed in committee be confirmed in open meeting.**

**CARRIED**

**Moved Cr Brown/A Langford**

**SH17-06-4**

**That the Submissions Hearing receives the Consideration of submission opposing the stopping of an un-named road at the southern end of McCullum Road – Rainbow Community Golden Bay report**

**CARRIED**

**Moved Cr Brown/A Langford**

**SH17-06-5**

**That the hearing panel resolves to:**

**Not allow the objections presented by Lee Wild, and recommend that the Council refer the road stopping proposal and objections to the Environment Court to determine.**

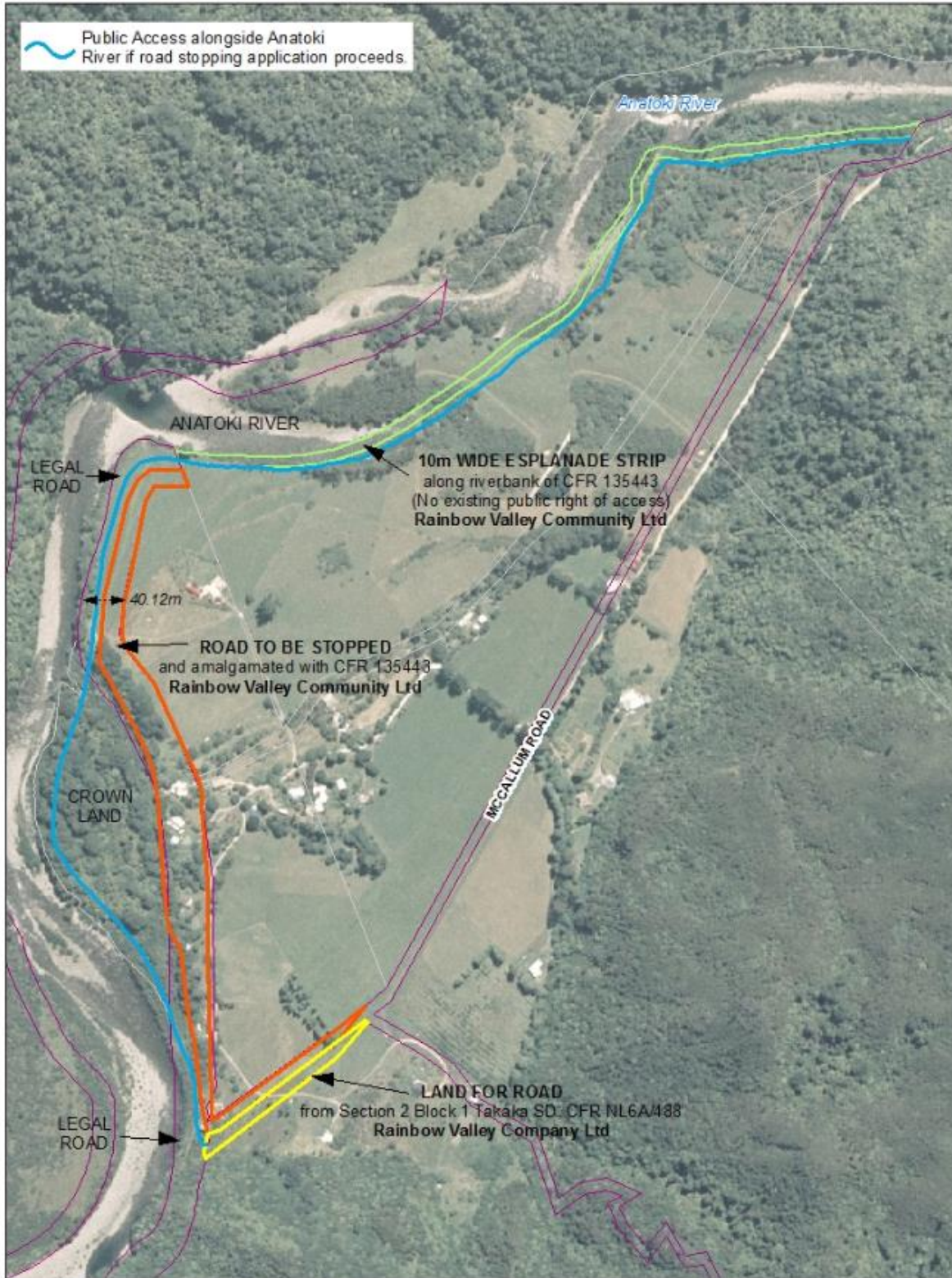
**CARRIED**

The meeting concluded at 1.39pm

Date Confirmed:

Chair:





**Rainbow Community Esplanade Strip,  
Road Stopping and Exchange Plan**







**8.6 PORTABLE RECYCLING CONTAINERS**

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	David Stephenson, Asset Engineer - Waste Management and Minimisation
<b>Report Number:</b>	RCN17-09-06

**1 Summary**

- 1.1 The purpose of this report is to seek approval to purchase and implement four portable recycling containers this year.
- 1.2 In preparing budgets for the Long Term Plan 2018/28 we have reviewed options for recycling services in Murchison and other isolated rural areas. We presented two options to Councillors in a workshop on 9 August 2017 and one of these was a portable recycling container. The container is based on a design successfully used by Hastings District Council.
- 1.3 We are seeking approval to purchase four of these containers for use in Murchison and two other locations over the coming summer period. The cost of these is \$176,000.
- 1.4 The Council has just under \$400,000 of unallocated funding from the New Zealand Government Waste Levy that has been accumulated in previous years. We are proposing to fund the purchase of the containers from these funds. Funding the purchase from the Waste Disposal Levy allocation will have no rating impact.

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

1. receives the Portable Recycling Containers report RCN17-09-06; and
2. approves funding of \$176,000 in the 2017/18 financial year, for public place recycling; and
3. notes that the public place recycling funding of \$176,000 will be funded by the waste minimisation closed account using funds accumulated from Council's share of the New Zealand Waste Disposal Levy.

### 3 Purpose of the Report

- 3.1 The purpose of this report is to seek approval to purchase and implement four portable recycling containers ready for the coming summer period.

### 4 Background and Discussion

- 4.1 In preparing budgets for the Long Term Plan 2018-2028 staff have reviewed options for recycling services in Murchison and other isolated rural areas.
- 4.2 For Murchison we have considered two options;
- Extending kerbside recycling to Murchison, and
  - Improved recycling drop off options
- 4.3 An extension of kerbside recycling would service approximately 270 households between Kohatu and Murchison. The route would be an extension of 120 km to the existing route.
- 4.4 We estimated that extending the kerbside recycling service to Murchison would cost in the order of \$85,000 per annum plus an additional one-off cost of \$32,000 to supply and deliver recycling bins to 270 households.
- 4.5 Under the current Revenue and Financing Policy, the extension would be funded by the Refuse/Recycling targeted rate which for 2016/17 is \$141.77 per annum. All properties on the collection route would be rated. We estimate that this Murchison extension would add approximately \$3 to the Refuse/Recycling targeted rate.
- 4.6 We also considered the installation of a portable recycling container in Murchison. The container would be based on a design successfully used by Hastings District Council, as shown below.



- 4.7 The recycling container is based on a standard 20 foot shipping container, divided into six adjustable bays. The containers average between one and six tonnes per load, depending on the mixture of recycling accepted.
- 4.8 We estimate for Murchison that the containers would take 4 tonnes per load and would require emptying 12-15 times per annum. This container would be compatible with the Council's existing bulk refuse bins and be transported by the Council's waste transport contractor.
- 4.9 We estimate that the annual operating cost of each container would be \$13-15,000 per annum, with a one-off capital cost of \$44,000 to supply and install. The operational costs will be included in the Long Term Plan 2018/28.

- 4.10 When considering the portable recycling container options we propose implementing one in Murchison from October. We also propose to trial the other two containers in holiday locations this summer.
- 4.11 Hastings District Council have recently tendered the supply of these bins and have offered to supply these to Tasman District Council. Hastings District have two brand new bins that they have offered to supply to the Council immediately and are willing to supply additional bins with a six week lead time.
- 4.12 We are requesting funding of \$176,000 for four containers for use this summer. This funding includes transport, guiderails and installation.

## 5 Options

5.1 The options available to the Council are:

- Option 1: Approve purchasing and implementing the four portable recycling containers, and
- Option 2: Delay consideration of the proposal until the Long Term Plan 2018/28 deliberations.

### 5.2 Option 1

Purchase of four portable recycling containers ready for implementation this summer. We also propose installing one in Murchison, one in the eastern Golden Bay and one in the Marahau/Kaiteriteri region. The fourth container will be used as a rotating spare.

5.3 This will improve the capacity and reduce the cost of recycling transport out of the Murchison Resource Recovery Centre and allow us to evaluate the use of the bins in two other holiday locations where demand for recycling stretches resources.

5.4 It is intended to leave the recycling bins open for public access 24/7 and to monitor the public feedback, recycling quantities and levels of contamination. Discussion and feedback from Hastings District officers indicate that the containers work well. In the event that the service is not successful in public areas, it is proposed that the containers be used inside the resource recovery centres. **Staff recommend this option.**

### 5.5 Option 2

The Council could choose to delay this decision and include it in the deliberations as part of the Long Term Plan 2018/28. The current recycling services will continue in the meantime. **Staff do not recommend this option.**

## 6 Strategy and Risks

- 6.1 We consider the purchase and implementing of these portable recycling containers to be low risk.
- 6.2 Using these containers in Murchison will lower our handling and transport costs for recycling. Purchasing four containers will allow us to implement them over the summer period and monitor their success. Because the bins are easily relocated, we will be able to place them at different locations as necessary.

**7 Policy / Legal Requirements / Plan**

- 7.1 We are proposing to fund the capital costs of the portable recycling containers from the Council's share of New Zealand Government Waste Levy that has been accumulated over previous years. The Council may spend the levy money it receives if it is to promote or achieve waste minimisation and is in accordance with its waste management and minimisation plan.
- 7.2 This proposal is consistent with the Council's Joint Waste Management and Minimisation Plan 2012 which states that the Council may use this funding to provide public place recycling facilities.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 The Council has just under \$400,000 of unallocated funding from the New Zealand Government Waste Levy that has been accumulated in previous years. We are proposing to fund the purchase from these funds.
- 8.2 Funding the purchase of these units from the Waste Levy allocation will have no rating impact.

**9 Significance and Engagement**

- 9.1 We have assessed the impact of this decision in terms of the Council's significance and engagement policy, as detailed in the following table. We consider a decision on the implementation of portable recycling containers is of low significance.
- 9.2 Staff have met with the Murchison and Districts Community Board and a small number of retailers in Murchison who all support the proposal.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low-Medium	There is unlikely to be a high level of public interest and the decision is unlikely to be controversial. By implementing the options in a small number of locations, we can gather feedback before rolling out a wider number of sites.
Is there a significant impact arising from duration of the effects from the decision?	Low	Because the recycling containers are portable there are no long term impacts from this decision.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Nil	This decision does not relate to a strategic asset.
Does the decision create a substantial change in the level of service provided by Council?	Low-Medium	This decision is likely to increase the level of service in a small number of locations.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	This decision has no impact on general rate, but will increase net debt (to a minor degree).
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	Nil	This decision does not relate to a CCO or CCTO.
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?	Nil	This decision does not involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	Nil	This decision does not involve Council exiting from or entering into a group of activities.

## 10 Conclusion

- 10.1 In reviewing recycling options for the Murchison community we have identified an opportunity to offer a drop-off option for the coming summer that will have no rating impact, will reduce operational costs and improve recycling options for the community.

**11 Next Steps / Timeline**

- 11.1 Hastings District Council indicate that two bins are available for immediate delivery and that two further bins would be available within 6-8 weeks of order.
- 11.2 If this proposal is approved by the Council we would expect to have a portable recycling container on site in Murchison in early October, with a second bin as an exchange bin. We expect that the third and fourth bins would be available in mid-November, ready for the busy summer period.
- 11.3 We would work with the Murchison community to gauge success of the recycling containers. We will also gauge the success of the service in the other two sites as well.

**12 Attachments**

Nil

**8.7 CHANGE TO THE DELEGATIONS REGISTER****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Kate Redgrove, Governance Advisor - Executive Assistant to CEO; Phil Doole, Resource Consents Manager
<b>Report Number:</b>	RCN17-09-07

**1 Summary**

- 1.1 Changes to the Tasman District Council Delegations Register are proposed to align with statutory amendments to the Resource Management Act 1991. Those changes involve resource consent provisions of that Act, including the new categories of boundary activities and deemed permitted activities, which will come into force from 18 October 2017; and changes to the plan-making processes.
- 1.2 New delegations are proposed for implementing the Housing Accords and Special Housing Areas Act 2013 (HAASHA), specifically for processing consent applications received under that Act.
- 1.3 Three other minor changes to the Register are also proposed to clarify and update existing delegations.

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

1. receives the Change to the Delegations Register report RCN17-09-07; and
2. adopts the amendments to the Tasman District Council Delegations Register set out in Attachment 1 to Report RCN17-09-07 to have immediate effect, except that the new delegations relating to amendments to the Resource Management Act 1991 that come into force on 18 October 2017 shall take effect from that date.

**3 Background and Discussion**

- 3.1 Draft amendments to Tasman District Council Delegations Register are set out in Attachment 1 to this report. There are three sets of proposed amendments.
- 3.2 With amendments to the Resource Management Act 1991 coming into force on 18 October 2017 it is appropriate to update the Delegations Register. The delegated powers to staff have been amended to carry over the current delegations that staff have for processing resource consents and they now include the categories of boundary activities and assessments of permitted activities. The suggested changes also extend the power of decision on notification of applications. They also reflect changes to the plan making process.
- 3.3 The proposed amendments also include decision-making powers in respect of processing consent applications received for Special Housing Areas under the Housing Accords and Special Housing Areas Act 2013 (HAASHA). The proposed delegations mirror those in the RMA and while there are cross-overs between the two statutes, there are some powers specific to the HAASHA that require new delegations.
- 3.4 The third set of proposed changes to the Register comprise an amendment to recognise that Councillors need to be accredited under the Resource Management Act 1991 to be authorised as a Hearings Commissioner under that Act; and to clarify a potential uncertainty regarding the ability for staff to sign off on Environment Court consent orders relating to appeals under the Resource management Act 1991. The interpretation and practice of the delegation has been that when staff represent Council at Environment Court mediation they have power to settle. Normally we try to defend the Council decision but if there is evidence otherwise and the prospect of settlement without incurring the full cost of going to Court and doing so does not create any longer term issues for Council, settlement is preferred. When in doubt staff will discuss with the Chair of the Environment and Planning Committee. A question was recently asked as to whether staff have power to act, so we are proposing to clarify the relevant delegated power in Section 4.12 of the Register.
- 3.5 Amendments to the formatting, page numbering and index in the Delegations Register will be finalised following adoption of these amendments.
- 3.6 One further amendment is administrative and reflects a change in the title of a staff role:  
The financial delegation (page 114) for: Principal Planner - Environmental Policy 50,000 should read: Environmental Policy Manager 50,000

**4 Risks**

- 4.1 The principal risks associated with these proposed delegations are the uncertainties and inefficiencies that would result from not having the decision-making responsibilities clearly defined within the staff structure.



**5 Conclusion**

- 5.1 Delegation of Council’s powers under the RMA and HAASHA is well established practice to ensure efficient implementation of these two statutes. The proposed changes to the Delegations Register listed in Attachment 1 generally reflect the current level of delegations for decision-making by staff and are considered to be at the appropriate level of responsibility.

**6 Attachments**

1. Attachment 1 - Proposed Changes to the Delegations Register 103



**Attachment 1****Proposed Amendments to Tasman District Council Delegations Register****1 Amendment to the Delegation for Responding to Appeals to the Environment Court under the Resource Management Act 1991****4.0 Subdelegations to Staff below Senior Management Level**

## 4.12 Legal Proceedings

The Authority to file in the name of the Council a Statement of Defence or other appropriate response, to any proceedings against the Council, commenced in any Court or Tribunal is delegated to:

4.12.1 The Environmental Policy Manager (in relation to policy statement and plan proceedings, including the authority to negotiate or mediate and settle the proceedings).

4.12.2 Resource Consents Manager (in relation to resource consent proceedings, including the authority to negotiate or mediate and settle the proceedings).

4.12.3 Commercial Manager.

4.12.4 Principal Legal Advisor.

**2 New Staff Delegations Required for Implementation of Special Housing Areas**

<b>Housing Accords and Special Housing Areas Act 2013</b>		
Under Section 76 of the Housing Accords and Special Housing Areas Act 2013 the following delegations apply:		
1.	The delegations for the Resource Management Act 1991 shall apply to the provisions of that Act which also apply under this Act.	
2.	Section 26 Power to require an applicant to submit a request for a plan change or variation	E&P Mgr, EPM, RCM
3.	Section 29 Power to decide to notify persons in accordance with the provisions of Section 29	E&P Mgr, EPM, RCM
4.	Section 30 Power to determine whether a formal hearing is needed and to determine hearing date, time and location.	E&P Mgr, EPM, RCM, PRCA
5.	Section 34 Power to direct infrastructure providers to provide information.	E&P Mgr, EPM, RCM, CRC, PRCA, CP
6.	Section 36 (subject to Section 34(2)) Power to grant or refuse resource consent	E&P Mgr, EPM, RCM, CRC, PRCA, CP

7.	Section 37 Power to include conditions on resource consents	E&P Mgr, EPM, RCM, CRC, PRCA, CP
8.	Section 53 Power to notify and hold a hearing on review	E&P Mgr, EPM, RCM, PRCA,
9.	Section 58 Power to grant a Certificate of Compliance	E&P Mgr, EPM, RCM, CRC, PRCA, CP
10.	Section 77 Power to set charges, provide estimates, remit the whole or any part of any charge	E&P Mgr, EPM, RCM

### 3 Amendments to Staff delegations required to implement changes to the Resource Management Act 1991 made by the Resource Legislation Amendment Act 2017.

#### Acronyms

##### Key to Staff Positions

AO	Administration Officer - Regulatory	EIM	Environmental Information Manager
APM	Activity Planning Manager	EMO	Environmental Monitoring Officer
BCO	Building Consent Officer	EPM	Environmental Policy Manager
BI	Building Inspector	ESM	Engineering Services Manager
BM	Building Control Manager	FM	Finance Manager
BO	Biosecurity Officer	HMR	Harbourmaster
BOC	Building Officer Compliance		
CBC	Coordinator Building Consents	PDM	Programme Delivery Manager
CBI	Coordinator Building Inspectors	PP	Policy Planner
CCM	Coordinator Compliance Monitoring	PRCA	Principal Resource Consents Advisor
CDM	Community Development Manager	PSM	Property Services Manager
CE	Chief Executive	PW	Parking Wardens
CEH	Coordinator Environmental Health	RA	Revenue Accountant
CEM	Coordinator Environmental Monitoring	RCAO	Resource Consents Administration Officer (and any Senior RCAO)

CEP	Coordinator Natural Resources Policy Coordinator Urban & Rural development Principal Environmental Policy Advisor	CM	Commercial Manager
CO	Compliance Officer	RCE	Rivers and Coastal Engineer
CP	Consent Planner	RCM	Resource Consents Manager
CPC	Community Partnerships Coordinator	RegM	Regulatory Manager
CRC	Coordinator Resource Consents (includes Coordinator Land Use Consents, Coordinator Natural Resource Consents, Coordinator Subdivision Consents)	RFM	Reserves and Facilities Manager
CSM	Corporate Services Manager	RO	Rates Officer
CSO	Customer Services Officer	RS	Resource Scientist
CuSM	Customer Services Manager	SBIC	Senior Building Inspector - Compliance
DE	Development Engineer	SAPA	Senior Activity Planning Advisor
E&PMgr	Environment & Planning Manager	SCSO	Senior Customer Services Officer
EHO	Environmental Health Officer	TM	Transportation Manager
		UM	Utilities Manager

<b>Resource Management Act 1991</b>		
Under Section <u>s</u> 34 and 34A of the Resource Management Act the following delegations apply:		
11.	<a href="#">Section 27</a> <a href="#">Power to supply information as requested by the Minister</a>	<a href="#">E&amp;P Mgr, RCM, EPM, Reg M</a>
12.	Section 34A(1) Power to appoint and delegate the functions and powers of the Council to <del>one or more an independent</del> Hearing Commissioners <del>or panel of Commissioners</del> to hear and decide on any application for resource consent or to hear and recommend on any private plan change request that was accepted by Council. Such appointments shall be made following following consultation with the Chairperson of the Environment & Planning Committee.	E&P Mgr, RCM, EPM

13.	Section 36, <a href="#">36AAB</a> Power to set additional charges, provide estimates, <del>and</del> remit the whole or any part of any charge, <a href="#">and make decisions on non-performance pending payment of charge.</a>	E&P Mgr, RCM, CRC
14.	Section 41B and 41C, <del>excluding 41c(7)</del> In consultation with the Chairperson of a hearing panel or a sole Commissioner, power to issue directions or requests to applicants and/or submitters, including to provide briefs of evidence before commencement of a hearing, and to direct certain procedural aspects of the hearing before the hearing	E&P Mgr, RCM, EPM, PRCA
15.	Section 41 <del>D</del> <del>e(7)</del> The power to strike out a submission, <del>under section 41G(7).</del>	E&P Mgr, RCM, EPM
<a href="#">16.</a>	<a href="#">Section 58I(2) and (7)</a> <a href="#">If so directed by a national planning standard, power to amend any planning document</a>	<a href="#">E&amp;P Mgr, EPM,</a>
<a href="#">17.</a>	<a href="#">Section 87BA</a> <a href="#">Power to decide and give notice on boundary activities</a>	<a href="#">E&amp;P Mgr, RCM, PRCA, CRC, CP</a>
<a href="#">18.</a>	<a href="#">Section 87BB</a> <a href="#">Power to decide and give notice on deemed marginal or temporary permitted activities</a>	<a href="#">E&amp;P Mgr, RCM, PRCA, CRC, CP</a>
19.	<del>Sections 95, 95A and 95D</del> <del>Power to determine whether to publicly notify an application for resource consent, including whether special circumstances exist and to decide whether the activity will have, or is likely to have adverse effects on the environment that are more than minor.</del>	E&P Mgr, RCM, <del>EIM,</del> <a href="#">PCRA, CRC</a>
20.	Sections <del>95,</del> 95B, 95E, <del>and</del> 95F, <a href="#">and 95G</a> Power to <del>decide if there are any affected persons or affected order holders, to</del> determine whether limited notification is required, <a href="#">including whether special circumstances exist.</a>	E&P Mgr, RCM, <a href="#">PCRA, CRC</a>
<a href="#">21.</a>	<a href="#">Section 114(7) and (8) and 116B</a> <a href="#">Power to give notice in relation to applications involving an exchange of reserve land</a>	<a href="#">E&amp;P Mgr, RCM</a>

<p><a href="#">22.</a></p>	<p><a href="#">Section 360D</a> <a href="#">Power to notify changes to plans as directed by any Regulation</a></p>	<p><a href="#">E&amp;P Mgr, EPM</a></p>
<p><b>First Schedule (of the Resource Management Act)</b></p>		
<p><a href="#">23.</a></p>	<p><a href="#">Clause 4A</a> <a href="#">Power to provide copies of planning documents to iwi and determine time for advice</a></p>	<p><a href="#">E&amp;P Mgr, EPM,</a></p>
<p>24.</p>	<p>Clause 5, <a href="#">5A</a> Power to fix notification date, and decide on whom public notices shall be sent in relation to a policy statement or plan or a change or variation thereto, <a href="#">including limited notification</a>.</p>	<p>E&amp;P Mgr, EPM, CEP, PP</p>
<p>25.</p>	<p>Clause 7, <a href="#">51</a> Power to summarise for and on behalf of the Local Authority submissions made in respect of a policy statement or plan or a change or variation thereto.</p>	<p>E&amp;P Mgr, EPM, CEP, PP</p>
<p><a href="#">26.</a></p>	<p><a href="#">Clause 10A</a> <a href="#">Power to apply for extension of time if local authority is unable, or likely to be unable, to meet decision making obligations under Clause 10(4)(a)</a></p>	<p><a href="#">E&amp;P Mgr, EPM</a></p>
<p><a href="#">27.</a></p>	<p><a href="#">Clause 43, 45, and 49</a> <a href="#">Power to give public notice if Council decides to establish a collaborative group and to notify any report from a collaborative group, and any proposed planning instrument as determined under Clause 46</a></p>	<p><a href="#">E&amp;P Mgr, EPM</a></p>
<p><a href="#">28.</a></p>	<p><a href="#">Clause 57</a> <a href="#">Power to publicly notify a local authority decision</a></p>	<p><a href="#">E&amp;P Mgr, EPM</a></p>
<p><a href="#">29.</a></p>	<p><a href="#">Clause 64</a> <a href="#">Power to establish a review panel to consider submissions arising from a collaborative planning process. Such appointments shall be made following following consultation with the Chairperson of the Environment &amp; Planning Committee.</a></p>	<p><a href="#">E&amp;P Mgr, EPM</a></p>

<a href="#">30.</a>	<a href="#">Clause 88, 90</a> <a href="#">Power to publicly notify Minister's decisions under the streamlined planning process</a>	<a href="#">E&amp;P Mgr, EPM</a>
---------------------	---	----------------------------------



**8.8 ELECTORAL SYSTEMS****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Sandra Hartley, Policy Officer - Strategic Development
<b>Report Number:</b>	RCN17-09-08

**1 Summary**

- 1.1 The Local Electoral Act 2001 provides councils with the opportunity to review the electoral system that is to be used for the next two triennial elections.
- 1.2 The review of the electoral system must be completed by 12 September 2017. The purpose of this report is for you to decide whether:
- 1.2.1 to retain the status quo of First Past the Post (FPP) electoral system; or
  - 1.2.2 introduce the Single Transferable Voting (STV) electoral system; or
  - 1.2.3 to hold a poll on which electoral system is to be used for the next two triennial elections; or
  - 1.2.4 to retain First Past the Post (FPP) electoral system, and hold a poll, in conjunction with the 2019 triennial elections, on which electoral system is to be used for the 2022 and 2025 triennial elections.

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

- 1. receives the Electoral Systems report RCN17-09-08; and**
- 2. pursuant to Section 27 of the Electoral Act 2001**
  - (a) retains the status quo of First Past the Post electoral system for the 2019 and 2022 triennial elections; or**
  - (b) changes to the Single Transferable Voting electoral system; or**
  - (c) undertakes a poll of electors on the electoral system to be used for the 2019 and 2022 elections; or**
  - (d) retains the status quo of First Past the Post, and undertakes a poll of electors on the electoral systems in conjunction with the 2019 triennial elections.**
- 3. notes that whatever decision is made, a public notice must be given by 19 September 2017 outlining Council's decision and advising electors of their right to demand a poll on the electoral system to be used.**

### **3 Purpose of the Report**

- 3.1 This report provides information for Council to consider and decide today on whether to:
- 3.1.1 retain the status quo of First Past the Post electoral system for the 2019 and 2022 triennial elections, including subsequent elections and polls; or
  - 3.1.2 change the electoral system to Single Transferable Vote for the 2019 and 2022 triennial elections, including subsequent elections and polls;
  - 3.1.3 hold a poll for electors to decide which electoral system is to be used for the next two triennial elections, including subsequent elections and polls; or
  - 3.1.4 hold a poll, in conjunction with the 2019 triennial elections, on which electoral system is to be used for the 2022 and 2025 triennial elections.

### **4 Background and Discussion**

#### **Background**

- 4.1 Section 27 of the Local Electoral Act 2001 (LEA) provides local authorities the opportunity of reviewing the electoral system to be used for the next two triennial elections (2019 and 2022) and subsequent elections and polls.
- 4.2 Council must consider by 12 September 2017 whether to retain the First Past the Post (FPP) electoral system or make a decision to adopt the Single Transferable Vote (STV) electoral system. If Council does not make a decision on the electoral system, FPP will remain as the electoral system to be used. Regardless of what Council decides, it must give public notice of the right of the community to demand a poll on the issue.

#### **Electoral Systems**

- 4.3 There are two electoral systems for local body elections in New Zealand, FPP and STV.
- 4.4 Tasman District Council has historically used the FPP system.
- 4.5 In 2002 the public demanded a poll on the electoral systems, which took place in 2003. The poll resulted in favour of retaining the FPP system, which Council has used since.
- 4.6 Appended to this report for your information is a copy of “The Local Government Electoral Option 2008” paper by Dr Janine Hayward. Although this guide was prepared in 2008, the explanations about the two electoral systems remain current.

#### **First Past the Post (FPP)**

- 4.7 Basically this electoral system requires voters to place ticks on voting documents next to the names of the candidates they wish to be elected. For example, if there is an election to select three councillors for a ward, and there are seven candidates standing, voters would place a tick next to the three candidates they prefer.

#### **Single Transferable Vote (STV)**

- 4.8 This electoral system requires voters to rank their candidates in their order of preference. For example, if there is an election for three councillors for a ward, and seven candidates were standing, voters would rank the seven candidates by placing a “1” against their most preferred candidate, “2” by their next preferred candidate, and so on until they have ranked

all seven candidates. In this system the number of vacancies and number of votes determines the “quota” a candidate must reach to be elected. STV is broadly a proportional representation system.

**Advantages/Disadvantages**

4.9 The following table outlines some of the advantages and disadvantages of both systems:

<b>First Past the Post (FPP)</b>	<b>Single Transferable Vote (STV)</b>
<p>Is a straightforward system of voting and counting.</p> <p>Is an electoral system that is familiar to most people and it is generally easy to understand.</p> <p>Preliminary election results are usually announced shortly after polls close. The official results (including special votes) are published in a format that is simple to understand, and shows who ‘won’ and who ‘lost’, or who ‘topped the poll’ and who ‘just made it’.</p> <p>Is different to the system used for District Health Board elections, which can lead to confusion between the different voting systems.</p>	<p>Is more complex, particularly STV vote counting.</p> <p>This electoral system is not commonly used by most Councils (only 8 out of 78 local authorities use STV). Many people understand how to cast their votes (by ranking candidates in order of preference) but they do not understand how the result is arrived at.</p> <p>Any ‘on the day’ results are far less indicative of final or official results. Accordingly there will be a greater delay before ‘meaningful’ results are available.</p> <p>The results of STV elections can be published in a form that enables people to identify which candidates have been successful and which have not.</p> <p>The notice does not readily identify the candidate with the greatest level of voter support as all successful candidates are elected with the same proportion of the vote.</p> <p>This is the electoral system used by District Health Boards. The two systems would align and electors would be able to vote for both the Council and the Health Board using the same system on the one voting document.</p>

More detail on the two electoral systems, including advantages and disadvantages, can be found in the paper “Local Government Electoral Options” appended to this report (Attachment 1).

**Electors Right to Demand A Poll**

4.10 Under Section 28 of the LEA, Council must give public notice by 19 September 2017 of the right of electors to demand a poll on the electoral system to be used for the 2019 and 2022 triennial elections. If Council passes a resolution under Section 27 of the LEA to change the electoral system from FPP to STV, the public notice must include:

- (a) Notice of the resolution; and
- (b) A statement that a poll is required to countermand that resolution

4.11 Section 29 of the LEA allows that 5% of electors enrolled who were eligible to vote in the 2016 triennial election can demand a poll on a specified electoral system is to be used for the next two triennial elections. In 2016 there were 36,547 electors enrolled for the triennial election, therefore the 5% threshold for a valid demand for a poll would be 1,827 electors.

- 4.12 Any valid demand for a poll must be received by 21 February 2018. A poll must be completed by 21 May 2018. The results of the poll would take effect for the next two triennial elections, i.e. 2019 and 2022.
- 4.13 Any valid demand for a poll received after 21 February 2018, with the poll being held after 21 May 2018, would mean that the result of the poll would take effect from the 2022 triennial election.
- 4.14 The cost of holding such a poll is estimated to be between \$80,000 to \$90,000, and this cost is borne by Council.

#### **Council may decide to hold a poll of Electors**

- 4.15 Council could also resolve to have a poll by 21 February 2018, and to be effective for the next two triennial elections, the poll would need to be completed by 21 May 2018. Council does not have to specify a date for the poll.
- 4.16 Council could also resolve to hold a poll in conjunction with the 2019 triennial elections, with the outcome to take effect from the 2022 triennial elections. The indicative cost of combining a poll with the election is \$8,000.

### **5 Options**

- 5.1 Council could resolve to either:
- 5.1.1 Retain the status quo of FPP as its electoral system for the next two triennial elections. The advantages and disadvantages are discussed in paragraph 4.11 above.
- 5.1.2 Change the electoral system to STV. The advantages and disadvantages are discussed in paragraph 4.11 above.
- 5.2 Alternatively, Council could resolve to either:
- 5.2.1 Defer its decision and resolve to hold a poll of electors.
- 5.2.2 Retain the status quo of FPP, and undertake a poll of electors on the electoral systems in conjunction with the 2019 triennial elections.

### **6 Strategy and Risks**

- 6.1 The Local Electoral Act 2001 requires Councils to publicly notify by 19 September 2017 the right of electors to demand a poll on the electoral system.
- 6.2 The main risk associated with this is that if there is a valid demand for a poll, this could cost Council up to \$90,000, for which there is currently no budget allowance.
- 6.3 Of note, the public demanded a poll in 2002, which was carried out in 2003. The results were 9,356 in favour for FPP as against 5,867 for STV.

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

- 7.1 Section 27 (1) of the LEA states:
- Any local authority may, not later than 12 September in the year that is 2 years before the year in which the next triennial general election is to be held, resolve that the next 2 triennial*

*general elections of the local authority and its local boards or community boards (if any), and any associated election, will be held using a specified electoral system other than that used for the previous triennial general election.*

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

- 8.1 There is currently no funding in the budget to undertake a poll.
- 8.2 If the FPP system is retained, there are no additional costs to Council above those already budgeted. The public notice will be included in Newslite.
- 8.3 If there is a demand for a poll, the cost of a stand-alone poll is estimated to be between \$80,000 and \$90,000.
- 8.4 Should Council decide to hold a poll in conjunction with the next triennial election, the additional cost of this would be approximately \$8,000.
- 8.5 If Council resolves to use the STV electoral system, this would incur additional costs for vote processing. This is estimated to be \$6,000 per election.

## **9 Significance and Engagement**

- 9.1 Staff consider that the Council's decision on which electoral system is to be used for the next two triennial elections would be of low to moderate significance, noting that any Council decision could trigger a demand for a poll. The result of any such poll is binding, and could reverse Council's decision.
- 9.2 There is no requirement under the LEA to carry out prior consultation with the community.

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	If Council resolved to change the electoral system, this could have a high level of public interest, and possibly result in a demand for a poll.
Is there a significant impact arising from duration of the effects from the decision?	Low	The decision can be changed after the next two elections.
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, 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 Section 27 of the Local Electoral Act 2001 provides Council the opportunity of reviewing the electoral system to be used for the next two triennial elections (2019 and 2022) and subsequent elections and polls.
- 10.2 Consideration must be given by 12 September 2017 as to whether to retain the FPP electoral system or decide to adopt the STV electoral system.
- 10.3 If Council does not make a decision on the electoral system, FPP will remain as the electoral system to be used.
- 10.4 Regardless of what Council decides, it must give public notice of the right of the community to demand a poll on the issue.

## 11 Next Steps / Timeline

11.1 The LEA requires a local authority to comply with the following timeline when deciding which electoral system will be used.

Date	Option/Requirement	LEA 2001
By 12 September 2017	A local authority <b>MAY</b> resolve to change the electoral system for the next two triennial elections, or resolve to do nothing.	Section 27
By 19 September 2017	A local authority <b>MUST</b> give public notice of the right of 5% of the electors (refer to 4.11) to demand a poll on the future electoral system for the next two triennial elections, and if a resolution has been made by a local authority by 12 September 2017, then this must be included in the notice.	Section 28
By 28 February 2018	The public can demand a poll to decide which electoral system should be used. If a demand is received prior to 28 February 2018, the poll is required by 21 May 2018. The results are effective for the next two triennial elections.	Sections 29, 30 and 33
By 28 February 2018	A local authority <b>MAY</b> resolve to undertake a poll of electors on a proposal that a specified electoral system be used for the next two triennial elections.	Section 31

11.2 A report on whether or not to establish a Maori ward will be included on the Council agenda for 19 October 2017.

## 12 Attachments

1. The Local Government Electoral Option 2008

117





## **The Local Government Electoral Option 2008**

This guide was prepared for the Department of Internal Affairs,  
the Society of Local Government Managers Electoral Working Party  
and Local Government New Zealand  
by Dr Janine Hayward  
Senior Lecturer/Pukenga Matua  
Department of Politics/Te Tari Torangapu  
University of Otago/Te Whare Wananga o Otago

*Acknowledgements*

In preparing this guide, Dr Hayward acknowledges the input received from Gavin Beattie, Department of Internal Affairs.

Contact details for Dr Hayward are:

PO Box 56/Pouaka Poutapeta 56

Dunedin/Otepoti

Tel/Waea 63 3 479 8666

janine.hayward@otago.ac.nz

### Introduction

The Local Electoral Act 2001 offers the choice between two electoral systems for local government elections: first past the post (FPP) and the single transferable vote (STV).

The option was first offered for the 2004 local government elections. As a result of that option, ten city/district councils used STV at the 2004 elections (Kaipara, Papakura, Matamata-Piako, Thames-Coromandel, Kapiti Coast, Porirua, Wellington, Marlborough, Dunedin and the Chatham Islands). After the 2004 election, two councils (Papakura and Matamata-Piako) resolved to change back to FPP. The remaining eight councils used STV at the 2007 elections.

Councils now have the option to decide, by 12 September 2008, whether to stay with their current electoral system (either FPP or STV), or whether to change to the alternative system for the 2010 elections.<sup>1</sup>

Whether or not a council passes a resolution by 12 September 2008, it must give public notice by 19 September of the right for 5% of electors to demand a poll on the electoral system to be used at the 2010 local elections.

This guide has been developed to help councils reach their decision. It is also intended to provide a basis for information to help local communities understand the issues. Communities have an important role to play in the decision. They must be consulted by way of public notice and may be polled on their preferred electoral system or demand a poll themselves.

The guide includes:

1. a brief description of the two electoral systems including important differences
2. some commonly identified advantages and disadvantages of each electoral system
3. responses to common concerns and questions councils and the public have raised about each electoral system and the electoral option.

This guide does not intend to influence councils either way in their decision-making. It presents arguments for and against both systems and encourages councils to make an informed choice about the electoral system best suited for their community.

---

<sup>1</sup> This option does not apply for any council that for the 2007 elections had the electoral system determined by way of a poll. The outcome of such a poll applies for two triennial elections i.e. 2007 and 2010.

**1. The Choice: First Past the Post (FPP) or the Single Transferable Vote (STV)**

*(a) How do the two electoral systems work?*

FPP	STV
<p>FPP: casting a vote</p> <ul style="list-style-type: none"> <li>You place ticks equal to the number of vacancies next to the candidate(s) you wish to vote for.</li> <li>In multi-member wards/constituencies you cast one vote for each vacancy to be filled, as above.</li> <li>In single-member wards/constituencies you cast one vote.</li> </ul> <p>FPP: counting votes</p> <ul style="list-style-type: none"> <li>The candidate(s) with the most votes win(s). Each winning candidate is unlikely to have a majority of votes, just the largest number of votes cast.</li> </ul>	<p>STV: casting a vote</p> <ul style="list-style-type: none"> <li>You cast one <i>single</i> vote regardless of the number of vacancies.</li> <li>You cast this <i>single</i> vote by consecutively 'ranking' your preferred candidates beginning with your most preferred candidate ('1') your next preferred candidate ('2') and so on.</li> <li>In multi-member wards/constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish, as above.</li> <li>In single-member wards/constituencies you cast a <i>single</i> vote by ranking as few or as many candidates as you wish.</li> </ul> <p>STV: counting votes</p> <ul style="list-style-type: none"> <li>The candidate(s) are elected by reaching the 'quota' (the number of votes required to be elected).<sup>2</sup></li> <li>Vote counting is carried out by computer.<sup>3</sup></li> <li>First preference votes ('1s') are counted. Candidates who reach the quota are 'elected'. The 'surplus' votes for elected candidates are transferred according to voters' second preferences. Candidates who reach the quota by including second preferences are 'elected'. This process repeats until the required number of candidates is elected.<sup>4</sup></li> </ul>

<sup>2</sup> The quota is calculated using the total number of valid votes cast and the number of vacancies.

<sup>3</sup> The New Zealand method of STV uses the 'Meek method' of counting votes. Because this method transfers proportions of votes between candidates, it requires a computer program (the STV calculator).

<sup>4</sup> If at any point there are no surpluses left to transfer, the candidate with the lowest number of votes is excluded and the votes redistributed according to voters' next preferences. For further information on the details of vote counting, see, for example, STV Taskforce, 'Choosing Electoral Systems in Local Government in New Zealand: A Resource Document', (May 2002).

FPP	STV
<p>FPP: announcing results</p> <ul style="list-style-type: none"> <li>• FPP results can usually be announced soon after voting ends.</li> <li>• Results are announced and published showing the total votes received by each candidate.</li> </ul>	<ul style="list-style-type: none"> <li>• In multi-member constituencies, despite voters casting only a <i>single</i> vote, a voter may influence the election of more than one representative (if their vote can be transferred to other candidates according to voters' preferences)</li> </ul> <p>STV: announcing results</p> <ul style="list-style-type: none"> <li>• Because vote counting is multi-part, it is likely to take longer than for FPP election results.</li> <li>• Results are announced and published showing elected candidates in the order they reached the quota and unsuccessful candidates in the reverse order they were excluded. All elected candidates will have the same share of the vote.</li> </ul>

***(b) What are the most important differences between the two electoral systems?***

To understand the important differences between the two electoral systems it is helpful to think about what happens to ‘wasted votes’ in both cases. A ‘wasted vote’ is a vote that does not help to elect a candidate. This might be because the candidate was very popular (so did not need all the votes received), or was very unpopular (and had no chance of being elected).

Let’s imagine that you vote in a local government FPP election to fill two vacancies, with four candidates standing for election. You vote for Candidates A and B. Imagine Candidate A wins by a landslide and Candidate B is the least popular of all the candidates. The vote for the other candidate to be elected is very close between Candidates C and D; in the end Candidate D wins the second vacancy by a very small margin. Candidate D is your least preferred candidate.

You might think to yourself, once you see the results, ‘I wish I had known that Candidate A didn’t need my vote to win, and that Candidate B didn’t have a chance of being elected as I would have voted differently. I may have still voted for Candidate A, but would have voted for Candidate C instead of Candidate B.’

Now imagine you vote in the same election using STV. You have a *single* transferable vote even though there are two positions to fill. Again Candidate A wins by a landslide and Candidate B is the least popular candidate. Candidates C and D are very close on first preference votes and so second and subsequent preferences become important.

You cast your vote by ranking the candidates according to your preferences; you rank Candidate A as '1', Candidate B as '2' and Candidate C as '3'. You don't rank candidate D at all because you don't want that candidate to be elected. Under STV:

- Candidate A is very popular and is elected on first preferences
- Candidate A has votes surplus to the number required to reach the quota and these are transferred according to voters' second preferences
- the surplus portion of your vote for Candidate A is transferred to your second preference, Candidate B
- both Candidates C and D are very close to the quota at this point and Candidate B is least popular
- Candidate B is excluded and the proportion of your vote for this candidate is transferred to your third preference, Candidate C
- when preferences are counted again Candidate C reaches the quota and is elected.

Under STV, unlike the FPP election, your ranking of the candidates made your vote more effective and avoided it being 'wasted' on Candidates A (who had a surplus of first preference votes) and B (who was excluded once surplus votes from Candidate A were transferred). In other words, despite Candidates A and B being your most preferred candidates, under STV you were also able to influence the race between Candidates C and D because you showed a preference between them on your voting document.<sup>5</sup>

These election results reveal an important difference between FPP and STV electoral systems. Think again about your FPP vote. You voted for two candidates to fill two vacancies. If you are part of the largest group of like-minded voters, even if that group is not the majority, you could determine the election of both candidates. Other voters (from perhaps only slightly smaller groups) won't have gained any representation at all.

In the STV election, however, you cast only one *single* transferable vote, even in multi-member wards/constituencies. That vote is used to greater effect as long as you rank all the candidates you like in order of preference. Because your vote is a single vote that can be transferred in whole or in part according to your wishes, you and other voters will not be over-represented or under-represented. This is why STV, unlike FPP, in multi-member wards or constituencies, is called a proportional representation system. The outcomes potentially better reflect community views.

<sup>5</sup> These scenarios oversimplify how the vote count actually works under NZSTV, in order to explain the principle of vote transfers. The STV calculator uses a complex mathematical set of rules to ensure that the appropriate proportions of votes are transferred between candidates.

## 2. What are the advantages and disadvantages of each system?

No electoral system is perfect. Both FPP and STV have advantages and disadvantages.

Overall, the advantages of STV relate to the people who get elected using STV.<sup>6</sup> The system potentially achieves:

- broad proportionality (in multi-member wards/constituencies)
- majority outcomes in single-member elections
- more equitable minority representation
- a reduction in the number of wasted votes.

The disadvantages of STV relate to:

- the public being less familiar with the system and possibly finding it harder to understand
- matters of process such as the way votes are cast and counted (for example perceived complexity may discourage some voters)
- the information conveyed in election results.

The advantages of FPP, on the other hand, relate to the simplicity of the process including the ways votes are cast, counted and announced.

The disadvantages of FPP relate to:

- the results of the election, including the generally 'less representative' nature of FPP councils
- the obstacles to minority candidate election
- the number of wasted votes.

Deciding which electoral system is best for your community may come down to deciding which is more important: process, or outcome. Unfortunately, neither electoral system can claim to achieve well in both.

---

<sup>6</sup> For further discussion, see Graham Bush, 'STV and local body elections – a mission probable?' in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

*More detailed advantages and disadvantages*

FPP	STV
<p>FPP: casting votes</p> <ul style="list-style-type: none"> <li>• FPP is a straightforward system of voting.</li> <li>• FPP is familiar to most people.</li> <li>• ‘Tactical’ voting is possible; votes can be used with a view to preventing a candidate from winning in certain circumstances.</li> </ul> <p>FPP: counting votes</p> <ul style="list-style-type: none"> <li>• FPP is a straightforward system for counting votes.</li> <li>• Votes can be counted in different locations and then aggregated.</li> <li>• Election results are usually announced soon after voting ends.</li> </ul> <p>FPP: election results</p> <ul style="list-style-type: none"> <li>• Official results show exactly how many people voted for which candidates.</li> <li>• Results are easy to understand.</li> <li>• A ‘block’ of like-minded voters can determine the election of multiple candidates in multi-member wards/constituencies, without having a majority of the votes, thereby ‘over-representing’ themselves.</li> <li>• The overall election results will not be proportional to voters’ wishes, and will not reflect the electoral wishes of the <i>majority</i> of voters, only the <i>largest group</i> of voters who may not be the majority.</li> </ul>	<p>STV: casting votes</p> <ul style="list-style-type: none"> <li>• STV is a less straightforward system of voting.</li> <li>• There is a need for more information for people to understand the STV ranking system of candidates.</li> <li>• It is virtually impossible to cast a ‘tactical’ vote under STV. As a result, voters are encouraged to express their true preferences.</li> </ul> <p>STV: counting votes</p> <ul style="list-style-type: none"> <li>• STV vote counting requires a computer program (the STV calculator).</li> <li>• Votes must be aggregated first and then counted in one location.</li> <li>• Election results will usually take a little longer to produce.</li> </ul> <p>STV: election results</p> <ul style="list-style-type: none"> <li>• Official results will identify which candidates have been elected and which have not and in which order. They do not show how many votes candidates got overall, as all successful candidates will have the same proportion of the vote (the quota). This information, at stages of the count, can still be requested.</li> <li>• Results can be easy to understand if presented appropriately.</li> <li>• STV moderates ‘block’ voting as each voter casts only one <i>single</i> vote, even in multi-member wards/constituencies.</li> <li>• The overall election results reflect the wishes of the majority of voters in proportion to their support for a variety of candidates.</li> </ul>



FPP	STV
<ul style="list-style-type: none"> <li>• In single-member elections, the winner is unlikely to have the majority of votes, just the largest group of votes.</li> <li>• There will be more ‘wasted’ votes (votes that do not contribute to the election of a candidate).</li> </ul>	<ul style="list-style-type: none"> <li>• In single-member wards/constituencies, the winner will have the majority of votes (preferences).</li> <li>• Every vote is as effective as possible (depending on the number of preferences indicated) meaning there are fewer ‘wasted votes’ and more votes will contribute to the election of a candidate than under FPP.</li> </ul>

### 3. Common Questions and Concerns

#### *FPP ain’t broke: so why fix it?*

For those voters supporting candidates who tend to get elected under FPP, it can appear that there is nothing wrong with this system. But FPP councils do not truly ‘represent’ their community in terms of their composition. STV is a proportional representation voting system that means (if a diversity of candidates stand for election and a diversity of electors vote) the candidates elected will better represent the wishes of a greater number, and a wider diversity of voters.

#### *FPP is easy to understand. I can’t trust a complicated system like STV.*

It is true that FPP is a very easy way to vote, and to count votes. Voting under STV is less straightforward, but as long as a voter knows how to rank their preferred candidates, they will find it easy to vote. A post-election survey has found that most people found it easy to fill in the STV voting document and rank their preferred candidates.<sup>7</sup> The way votes are counted is complicated. That is why it requires a computer program (STV calculator). The STV calculator has been independently certified and voters *can* trust that it only transfers a vote according to voters’ preferences ranked on their voting documents. Nothing (and no person) can influence the transfer of votes set out on voting documents.

#### *Won’t voters be put off if the voting system is too complicated?*

Voter turnout (the number of people voting) in 2004 and 2007 in the STV local body elections was mixed. Some councils’ turnout was higher than the national average, and some lower.<sup>8</sup> Turnout for DHB elections (which must use STV) can be seen to be

<sup>7</sup> Local Government Commission, ‘Report to the Minister of Local Government on the review of the local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation’ (February 2008), p 14

<sup>8</sup> Local Government Commission, ‘Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation’ (February 2008), p 13

influenced by a range of factors including elections being at large for seven vacancies, the number of candidates (and often less well-known than council candidates) and the fact this issue is usually at the end of the voting document).

Overall, voter turnout has been on the decline for many years. It is possible that *more* voters would turn out to local elections in the future if they feel with STV they have a better chance of electing a representative who better represents them than FPP has in the past.

***Won't there be more blank and informal votes under STV, which is not good for democracy?***

Despite voters saying in the Local Government Commission survey that they generally found STV an easy way to vote, some voters did cast an invalid vote in STV elections (including DHB elections). A small proportion of these voters seemed confused by the voting system. But most blank and informal votes are thought to be due to two different voting systems (FPP and STV) appearing on the same voting document and to other factors, rather than being due to the way STV votes are cast.<sup>9</sup>

***STV will not work for our council because of our ward/at large system.***

Eight of the ten councils using STV in 2004 had wards, one used the at large system, and one had a combination of wards and at large. There is no 'rule' about the need or otherwise for wards or constituencies, but STV can be seen to provide the greatest benefit in wards or constituencies of between three and nine candidates. If there are fewer than three candidates, the benefits of the transferable vote in terms of proportionality are not likely to be evident. If there are a very large number of candidates to choose from, voters are likely to find it a more difficult task to rank preferred candidates (though there is no need to rank all candidates).

***STV hasn't made any difference to the diversity of representation in STV councils***

Until a greater variety of people stand for local body election and a wide diversity of electors vote, no representation system will be able to improve the diversity of representatives elected. There has been some change in the gender, ethnicity and age of some members elected by STV in 2004 and 2007 which may be due to STV.<sup>10</sup> But it will take some time for a diversity of candidates to see the opportunities of standing in an STV election and more electors to see the potential benefits of voting under a proportional representation system. Two elections in a small number of councils is not enough time to judge the difference STV could make over time.

<sup>9</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 13–18

<sup>10</sup> Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008), pp 18–19

**Useful resources**

Graham Bush, 'STV and local body elections – a mission probable?' in J. Drage (ed), *Empowering Communities? Representation and Participation in New Zealand's Local Government*, pp 45–64 (Wellington: Victoria University Press, 2002).

Local Government Commission, 'Report to the Minister of Local Government on the review of the Local Government Act 2002 and the Local Electoral Act 2001: Special topic paper: Representation' (February 2008)

*(Note: this paper has now been withdrawn from the Commission's website but its contents may be found in the Commission's main report on its review of the above legislation which will be posted on its website in the near future at [www.lgc.govt.nz](http://www.lgc.govt.nz).)*

Justice and Electoral Committee, 'Inquiry into the 2004 local authority elections' reported to Parliament in August 2005.

Christine Cheyne and Margie Comrie, 'Empowerment for Encumbrance? Exercising the STV Options for local Authority Elections in New Zealand, *Local Government Studies*, Vol. 31, No. 2, 185-204, (April 2005).

STV Taskforce (The Department of Internal Affairs, Ministry of Health, SOLGM, Electoral Commission and Local Government New Zealand), 'Choosing Electoral Systems in Local Government in New Zealand: A Resource Document', (May 2002). [[http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/\\$file/STV.pdf](http://www.dia.govt.nz/Pubforms.nsf/URL/STV.pdf/$file/STV.pdf)]



**8.9 2017 RESIDENTS SURVEY REPORT****Information Only - No Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Sandra Hartley, Policy Officer - Strategic Development
<b>Report Number:</b>	RCN17-09-09

**1 Summary**

- 1.1 Since 1996 we have commissioned a survey of residents' views on a range of services delivered by the Council. The survey is undertaken by the National Research Bureau (NRB) to ensure independence and impartiality.
- 1.2 The results contained in the NRB report cover satisfaction levels with Council services. They also provide data on where people find out information about the Council and on which Council decisions they approve or disapprove of. The information on levels of satisfaction with our services have been compared against our peer groups (33 similar local authorities) and the national average of all local authorities (based on the NRB 2016 nationwide survey). Satisfaction with our services is generally higher than our peers and national averages.
- 1.3 A snapshot of some of the key findings includes:
  - 1.3.1 87% of residents are satisfied with recreational facilities, such as playing fields and neighbourhood reserves.
  - 1.3.2 80% of residents feel there is more than enough/enough information supplied.
  - 1.3.3 75% of residents are satisfied with the way rates are spent on the services and facilities provided.
  - 1.3.4 69% of residents feel our Council has a good reputation.
  - 1.3.5 24% of residents are not very satisfied with roads (excluding State Highways), but this is on par with both the peer group and national average comparison.
- 1.4 Much of the information from the survey is used for Council's annual reporting on performance measures. Staff also use the information to assist with prioritisation of system improvements.
- 1.5 Overall, the results have exceeded the targets specified in the Long Term Plan 2015-2025.
- 1.6 We asked some new questions in this year's survey covering:
  - satisfaction with Council's refuse/waste transfer stations; and
  - spend emphasis for services.
- 1.7 Once again we asked questions about our reputation, based on the Local Government New Zealand's questionnaire.

**2 Draft Resolution**

**That the Full Council:**

- 1. receives the 2017 Residents Survey Report RCN17-09-09; and**
- 2. receives the Communitrak Survey May 2017 Report prepared by the National Research Bureau; and**
- 3. notes that staff will bring forward into the Long Term Plan process matters identified in the survey which relate to concerns about levels of services that we provide.**

**3 Purpose of the Report**

- 3.1 The purpose of this report is for Council to receive the residents' survey report prepared by the National Research Bureau (NRB) and to discuss any recommended actions to improve our services and subsequent survey results. Some actions to improve our levels of service will be reported directly through to the relevant Council committee once further research has been completed.

**4 Background and Discussion**

- 4.1 A hardcopy of the full NRB survey report has been sent to you under separate cover.
- 4.2 Since 1996 we have commissioned a survey of residents' views on a range of services delivered by Council. Information and graphs on trends is included in the survey report. The survey is undertaken by NRB to ensure independence and impartiality.
- 4.3 A total of 400 residents over 18 years of age were surveyed. The interviews were conducted across the five wards, targeting set age cohorts and genders to ensure a representative sample. The survey was conducted by telephone between 5 and 14 May 2017, and had a margin of error of  $\pm 5\%$ .
- 4.4 Much of the information from the survey is being used for our annual reporting on performance measures for the Annual Report 2016/2017. Staff also use the information to assist with prioritisation of system improvements. The report will be made available on our website and the results will be summarised in a future edition of Newsline.
- 4.5 The survey results cover community satisfaction levels with our services. They also provide data on where people find out information about the Council and which Council decisions they approve or disapprove of. The information on levels of satisfaction with our services has been compared to our peer group (similar local authorities) and the national average of all local authorities. The results are also broken down across the wards. The residents' satisfaction levels for many of our activities will be reported on as performance measures in the Annual Report 2016/2017.

**Key results**

- 4.6 Overall the satisfaction results have exceeded the targets specified in the Long Term Plan 2015-2025.
- 4.7 The activities where we have met or exceeded our performance measure targets for this year are set out in the table below. This year's survey indicates that satisfaction levels for over 50% of our activities has decreased since 2016, although our targets have still been met. In all of those cases, except for recreation facilities, user satisfaction has only decreased by 1% over that time (which is well within the survey's margin of error).

Activity	2016 Users	2016 All Respondents	Target 2016	2017 Users	2017 All Respondents	Target 2017
Footpaths		71%	≥ 70%		74%	≥ 70%
Roads, excluding State Highway		75%	≥ 70%		76%	≥ 70%
Sewerage System	95%	71%	80%	94%	63%	80%*
Kerbside Recycling	93%	82%	90%	92%	81%	90%*
Rubbish Collection	88%	59%	70%	90%	60%	70%*
Libraries	89%	79%	83%	88%	78%	83%*
Recreation Facilities	94%	92%	85%	89%	87%	85%*

\*Please note these targets relate specifically to “users” of the service, as against “all respondents”.

- 4.8 Satisfaction with footpaths met their target, and the results are above the peer group and national average.
- 4.9 Satisfaction with roading exceeded its target by 6%, and was on par with last year’s figures. The results were similar to the peer group and national average comparison.
- 4.10 Users satisfaction of the sewerage systems exceeded its target by 14%, which was on par with the 2015/2016 results. These results were on par with users in the peer group results and national average. Of note, there was there was a fairly large decrease in satisfaction for all respondents.
- 4.11 User satisfaction for kerbside recycling and rubbish collection exceeded the targets and were above the peer group and national average for users of this service.
- 4.12 Library user satisfaction is similar to last year. Once again, the Motueka Ward had the highest level of residents who were dissatisfied. Reasons cited included that the Motueka Library was too small and in need of upgrading, and people using free Wi-Fi were taking up the limited space in the library.
- 4.13 Satisfaction with the following two activities were again below the performance targets set for the 2016/2017 year:

Activity	2016	Target 2016	2017	Target 2017
Emergency Management	58%	70%	57%	70%
Council’s Environmental Planning and Policy	58%	65%	59%	68%

- 4.14 Similar to last year, only 57% of respondents were satisfied with our Emergency Management services. This is below our performance target of 70% and the national average of 60% and peer group of 65%. Reasons given by respondents included: lack of information, not enough publicity, lack of knowledge, not prepared or organised, delays in response, and little help. These results are at odds with the national evaluations of Civil Defence Emergency Management (CDEM) Groups done by Ministry of CDEM in 2015, which identified that the Nelson/Tasman CDEM Group had the top rating in New Zealand. Nevertheless, the survey results will be reviewed for ways to improve the services.
- 4.15 A total of 57% of respondents were satisfied with our Environmental Planning and Policy services, short of our 68% target. Answers to questions about satisfaction rates indicate that there is potential confusion and lack of knowledge as to what activities and services Environmental Planning and Policy provides. Those respondents who did have knowledge



of the services, and who expressed a lower level of satisfaction, commented on water issues, restrictions and regulations, and housing developments/subdivisions. There are no comparative peer group or national averages for this activity.

- 4.16 For both the Emergency Management and Environment Planning and Policy activities show high levels of “don’t knows” in the responses. If the “don’t knows” are removed and only those how are either satisfied or dissatisfied as considered, this would result in a much higher level of overall satisfaction with the activities and our targets are likely to be achieved. What the results highlight is the need for us to create a greater level of understanding in our community on what these two activities area about and what they deliver.
- 4.18 Overall the activities for which the highest proportion of respondents indicated they were not very satisfied are:
- a. Roads 24% (on par with 2016 24%) but 76% were happy (which is above our target) - reasons included: potholes/uneven/rough/bumpy; poor condition/need upgrading/improving; and lack of maintenance/slow to maintain.
  - b. Environmental Planning & Policy 23% (2016 27%) - reasons included: water supply/management/allocation; pollution of rivers/streams/poor water quality; poor performance/decisions/financial management; too restrictive/slow/costly/over regulated.
  - c. Footpaths 21% (2016 22%) – reasons included: uneven/cracked/rough/broken/bumpy/potholes; poor design/narrow/difficult access; no footpaths/lack of footpaths/only on one side.
  - d. Stormwater 19% (on par with 2016 at 19%) – reasons for dissatisfaction levels included: flooding in street/area/surface flooding; drains/culverts blocked/need cleaning/maintenance; poor drainage/inadequate system/needs upgrading/improving.

#### **Services with high levels of satisfaction or use**

- 4.19 Generally, the libraries, parks and reserves and kerbside recycling activities all received good levels of satisfaction. These are activities where the public have a strong interaction with Council and which can help enhance the public perception of our performance.
- 4.20 For recreational facilities 87% of all respondents were very or fairly satisfied, with a high percentage of users, 89%, satisfied. Of note there was a 5% drop in satisfaction levels for both users and all respondents since the survey undertaken in 2016.
- 4.21 81% of respondents are satisfied/very satisfied with kerbside recycling (82% in 2016), with 92% of users satisfied/very satisfied (93% in 2016).
- 4.22 79% of respondents are satisfied with multi-purpose public halls and community buildings. The percentage not very satisfied is similar to the national average and peer groups.
- 4.23 Overall satisfaction levels with our libraries has dropped slightly over the years (but within the survey margin of error) to 78% (79% 2016). These levels are also below the Peer Group of 80% and the National Average of 86%. The Motueka Ward has the highest levels of dissatisfaction. The main reasons stated are the small size of the library and the need to upgrade and that people are taking up space in the library to access the free Wi-Fi.

#### **Comparison to peer group and national averages**

- 4.24 There are three activities where dissatisfaction levels are higher than the peer group and/or national average. The main reasons cited for dissatisfaction with the Aquatic Centre are that it is too expensive, and there is too much chlorine.

Activity	% of respondents not very satisfied		
	Council	Peer Group	National Average
Stormwater services	19%	17%	14%
Aquatic Centre**	14%	6%	8%
Emergency management	12%	7%	7%

\*\*Richmond and Moutere-Waimea Ward residents only

### Council actions/decisions/management residents approve/disapprove of

4.25 Overall 40% of respondents can cite an action they approve of. This is similar to the peer group average (42%) and slightly below the national average (46%).

4.26 The main actions, decisions, and management that respondents most approve are:

- upgrade of Richmond/Queen Street (7% of total district, with Richmond residents the highest at 17%).
- Beautification, upgrades and upkeep of parks, reserves and public areas (5%).
- cycleways and walkways (4%).

4.27 Overall 49% of respondents have in mind a recent Council action, decision, or management action they disapprove of. This is above the peer group average (41%), and the national average (46%). Respondents in Lakes-Murchison and Golden Bay Wards are slightly more likely to have in mind a recent action/decision they disapprove of.

The Council decisions respondents disapproved of were:

- dam issues (10%).
- lack of consultation/information/not listening (7%).
- Council spending/overspending/debt/priorities wrong (6%).
- town planning/developments (5%).
- water supply issues (5%).

### Contact with Council

4.28 Of the 62% of respondents who contacted us (by phone, in person, in writing, by email and/or by online contact form in the last 12 months), 90% were satisfied (85% in 2016). This includes 50% who were very satisfied (44% in 2016). A total of 10% were not very satisfied (15% in 2016).

4.29 The main source of information about Council for residents is from Newsline (64% compared with 63% in 2016), with less people receiving most of their information from newspapers (20% compared with 28% in 2016). A total of 94% of respondents say they have seen, read or heard information from us through Newsline (96% in 2016). 80% of residents say they receive enough information about Council.

### Satisfaction with the way rates are spent

4.30 Overall, 75% of respondents are satisfied with the way rates are spent on services and facilities provided by Council.

- 4.31 A total of 20% of respondents are not very satisfied with the way their rates are spent. Some of the reasons provided were: rates too high, increases too high for services received or used; some areas neglected/unfair allocation of rates money; waste money/priorities wrong/overspending/debt/admin costs; roading could be improved/spend more on cycleways.

#### **Does Council have a good reputation**

- 4.32 This question was first asked in 2016. This year 69% of residents agreed that we had a good reputation (62% in 2016), while 22% (26% in 2016) didn't agree, and 9% (12% in 2016) were unable to comment. Reasons included: that we were doing a good job; people were happy with what we do as we get things done; they never hear negatives/complaints against us; no real issues; good to deal with and approachable; staff are helpful and accessible; read and hear good things about us; very good Council with good leadership, and Councillors do a good job.
- 4.33 The main reasons residents felt that Council did not have a good reputation included: heard/read negative things; issues with building consents/permits; poor decisions/planning/priorities; personal experience with Council/difficult to deal with/not happy with service.

#### **Local Government New Zealand (LGNZ) perception questions**

- 4.34 This year's survey once again included questions about satisfaction levels with our Council based on the 2015 Local Government New Zealand (LGNZ) questionnaire. The aim of the LGNZ survey, which is supported by councils, is to reduce the percentage of people who talk negatively about local government across New Zealand to less than 10%.
- 4.35 Overall respondents satisfaction levels for these LGNZ questions have increased from the satisfaction levels achieved in 2016.

#### **New questions asked**

- 4.36 In addition to the new questions on kerbside recycling and our rubbish collection services, respondents were asked about their level of satisfaction with our refuse and waste transfer stations. This question was last asked in 2014. Overall, 70% were satisfied (74% in 2014), 15% not satisfied, and 15% didn't know. In comparison, satisfaction rates from the peer group (63%) and national average (64%) was lower. Of note, 92% of respondents in Golden Bay were satisfied with their transfer station.
- 4.37 Respondents were asked if they would like to see more, about the same, or less spent on a list of services, noting that Council cannot spend more on every service or facility without increasing rates and/or user charges. Roads, stormwater and public toilets were respondents top priorities in terms of spend. Kerbside recycling and rubbish collection services were the lowest priorities.

## **5 Strategy and Risks**

- 5.1 The information from this report contributes to our annual reporting on our performance measures and services. It is an important part of our planning work and future actions to improve our services for our residents and customers.

5.2 Surveying our residents contributes to Council's strategic pillars, particularly "high quality customer services", "quality partnerships and relationship" and "better engagement". It helps us measure how we are delivering against these pillars.

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

6.1 Any additional actions that are required as a result of this report, and that have a financial implication, will be reported through to Council or the relevant committee or be brought back to Council through the Long Term Plan or future Annual Plans.

## **7 Significance and Engagement**

7.1 Council receiving the survey results is of low significance as it does not require any specific actions. This report is for information only and the results contained in the survey help us report on our performance and levels of service.

7.2 Of greater significance is how we use the information to improve our services. There will be references made to the survey in future Council reports to provide you with information on residents' views when discussing particular activities and services.

## **8 Conclusion**

8.1 This year's survey indicates that satisfaction levels for over 50% of our activities has decreased since 2016, although our targets have still been met apart from Emergency Management and Environmental Planning and Policy services. These results will be reported in our Annual Report 2016/2017, and will assist us with prioritisation of future system improvements.

## **9 Next Steps / Timeline**

9.1 We consider that the survey will be useful for staff and Councillors throughout the year. Your comments and suggestions on areas of importance are welcomed. These can be provided to staff during the year as reports on particular services are discussed, or when actions for delivering on our strategic priorities are being developed.

9.2 Staff will use the information in the survey to refine work programmes and improve services to residents and businesses.

9.3 We will be preparing a summary of the key results to include in our Newline magazine, and we will upload a copy of the full survey results on our website and note its availability on our facebook page.

## **10 Attachments**

Nil

## 8.10 MAYOR'S REPORT TO FULL COUNCIL

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Richard Kempthorne, Mayor
<b>Report Number:</b>	RCN17-09-10

### 1. Summary

- 1.1. The attached report is a commentary of the Mayor's activities for the months of July and August for Councillors' information.

### 2. Draft Resolution

**That the Tasman District Council receives the Mayor's Report to Full Council RCN17-09-10.**

**1 Activities**

- 1.1 I officiated at the 26 July **Citizenship Ceremony**, during which I was very pleased to welcome 38 new Citizens from 12 different nationalities to our district.
- 1.2 Jane and I attended the **Nelson Marlborough Civil Contractors Annual Awards** on 28 July. My congratulations go to all of the winners, but it was particularly great to see Concrete and Metals Ltd and Taylors Contracting Company Ltd recognised for their work on the Kaiteriteri Beach Sand Relocation and the Richmond Resource Recovery Centre Coastal Protection projects respectively.
- 1.3 On 29 July I joined Council staff and ward Councillors in Mapua for an 'In Your Neighbourhood' session to talk about the **Mapua Waterfront** plan.
- 1.4 Since my last Mayor's Report I have attended several **Top of the South Rural Support Trust** meetings.
- 1.5 Jane and I attended a **Nelson Hospice Fundraising Event** at Fairfield House on 2 August.
- 1.6 I attended a **Sport Tasman Trust Board Meeting** in Blenheim on 4 August. I also took the opportunity while in Blenheim to meet with Marlborough District Council Mayor John Leggett.
- 1.7 Council staff and I met on two separate occasions with landowners who have property along the **Riwaka river front**. We met to discuss their concerns and to talk about ecological improvements to the river.
- 1.8 I gave an interview to **Carly Flynn's Saturday lifestyle show on Radiolive**. The show is doing a series on small town New Zealand and wanted to include a segment on Motueka.
- 1.9 I spent an enjoyable evening attending the **Motueka Recreation Centre 30<sup>th</sup> Birthday celebration**. It was a very well attended event and it was great to see so many people come to support and celebrate the success of one of our community facilities.
- 1.10 I met with and gave an interview to Lindsay Wood, who will be delivering a paper at the EU's Cities and Climate conference in Berlin in September. Lindsay's paper will be on the theme '**Towards better civic decision-making on climate change**'. This will be a case-study based approach using the Nelson/Tasman context to reveal lessons that might have more generic relevance. Lindsay hopes to provide feedback to the region following the conference and I will share any feedback with Councillors.
- 1.11 Dennis Bush-King and I met with members of the **Golden Bay Grandstand Community Trust** to discuss the draft Deed.
- 1.12 I attended the **Citizen's Advice Bureau AGM** on 23 August to present certificates of service and recognition to members.
- 1.13 Councillors, staff and I attended the **Community Awards Ceremony** held on 24 August at the Headingly Centre. This is always an important event, to acknowledge the extraordinary people in our community who provide outstanding service and help make our district such a great place to live.
- 1.14 I attended the opening of the **Jellyfish Restaurant** at Mapua Wharf following completion of the refurbishment and restoration work.
- 1.15 I have attended **Motueka Community Board, Murchison and Districts Community Council** and **Rotoiti District Community Council** meetings.

- 1.16 At their request, I have also made several **visits to members of the community** at their residences throughout the district to discuss concerns they have that relate to their properties.

<b>2 Other</b>
----------------

### **Local Government Leaders Climate Change Declaration**

- 2.1 At the Local Government New Zealand (LGNZ) 2017 conference in July, LGNZ publically released the Local Government Position Statement on Climate Change and Local Government Leaders Climate Change Declaration.
- 2.2 The Local Government Position Statement and the Climate Change Declaration outline local government's acknowledgement of the important and urgent need to address climate change for the benefit of current and future generations. They also call for a collaborative approach by central government and local government to addressing climate change. As such, LGNZ have invited all Mayors and Chairs to sign the Climate Change Declaration.
- 2.3 I have attached copies of both of these documents to this report for Councillors information.
- 2.4 At conference, I had the privilege of chairing two workshops about climate change. The question was asked (and plenty of opinions were given) about what Councils should do to either adapt for or mitigate climate change. At the end of each session, I asked participants whether they felt enough was being done in New Zealand to address concerns about climate change. Everybody in both workshops considered more should be done.
- 2.5 I would like to sign this declaration as I consider this a very important issue for our community. Collectively we need to do all that we can to address the issues of concern. This is particularly pertinent when we consider the future generations that will follow us.
- 2.6 I am seeking the support of Council and an agreement that I sign the Local Government Leaders Climate Change Declaration.

### **LGNZ Conference 2017**

- 2.7 CEO Lindsay McKenzie, Deputy Mayor Tim King and I attended the LGNZ conference in Auckland from Sunday 23 July until mid-day Tuesday 25 July. From the conference there are various observations that I noted that Councillors may find interesting.
- 2.8 The Governor General gave an opening address and the leaders of all of the main parties spoke at various times throughout the conference.
- 2.9 I discussed the way local government works in Europe. I was interested that Switzerland is particularly devolved to localism compared to New Zealand, where there is more central direction. In Switzerland there is strong local ownership in decision making, something we encourage in Tasman and I believe throughout local government in New Zealand. One of the cultural aspects of doing business in Switzerland is that employers see it as a matter of pride that they value and make room for young people coming through into their workforce. This is of interest to me as I have an initiative of connecting our college age young people to our local industries so that they know what opportunities are available in our primary industries, trades and businesses so that they can focus their learning on what suits them.
- 2.10 We had an interesting presentation by Auckland Transport and the opportunities and challenges they face. Much of what they accomplish in the city of Auckland is different to us

in Tasman, but it is still interesting to see what opportunities we can learn from what others are achieving.

- 2.11 We had a very interesting presentation by Holly Ransom, noted as a futurist and global strategist. Hers was a very interesting presentation, discussing many aspects of life that are challenging and the opportunities they present. She made an interesting observation that when communicating on key issues we have three seconds to catch people's attention and generally four minutes to communicate our message, after which we have an increasing risk of losing our audience. She suggested that our focus should be on WHY is an issue important, HOW we are dealing with it and WHAT we are proposing to do.
- 2.12 There was a considerable focus by various speakers on creating enjoyable living spaces for our community. The theme of conference was ***Livable Spaces and lovable places.***
- 2.13 I had the privilege of chairing two Interactive sessions focussed on managing uncertainty and impacts of climate change and this is also a focus of the separate report in today's agenda. I was particularly interested to note that all the attendees of these two workshops thought that we in New Zealand should be doing more to address climate change.
- 2.14 As always, the conference is a great time for networking and catching up with Mayors, Councillors and Executive Officers at work in local government throughout our country, seeking to serve our communities with excellence.

#### **Murchison and Districts Community Council Petition**

- 2.15 At the Murchison and Districts Community Council meeting on 14 August 2017, I was presented with a petition signed by residents who do not support the proposed Waimea Community Dam. I will table this petition at the meeting. People have expressed their view, but I have noted that some of the claims that form the basis for people signing the petition are inaccurate. The petition incorrectly sights that the Dam project will cost \$80 million more than estimated and that there will be no benefit to people outside of the Waimea Plains, among other things.

#### **Issues Councillors would like to raise**

- 2.16 A reminder that when this report comes up for discussion on 2 February, this is also a time for Councillors to raise any issues that they would like myself or the Council to consider.

#### **Appendices**

- |    |   |     |
|----|---|-----|
| 1. | Local Government Climate Change Position Statement  | 141 |
| 2. | Local Government Leaders Climate Change Declaration | 149 |



Who's  
putting local  
issues on  
the national  
agenda?

**We are.  
LGNZ.**

# LGNZ 2050

## Local Government Position Statement on Climate Change

June 2017

**We are.  
LGNZ.**

### Introduction

Responsive leadership and a holistic approach to climate change is urgent<sup>1</sup>. We must act now to avoid future risk and, at the same time, agree how to manage safety, existing risks, limitations and liabilities, to underpin effective adaptation.

Climate change will affect us all during our lifetimes. The impacts that we observe today are the result of historical emissions, and the increase in emissions in recent decades will lead to significant change in the coming years.

Local government has a shared vision for what prosperous communities will look like in 2050 – and beyond. The 2050 vision<sup>2</sup> encompasses four well-beings of environmental, social, cultural and economic prosperity. Climate change creates both opportunities and significant challenges in achieving prosperity in these four areas.

**Environmental prosperity** - We want to nurture our natural resources and ecosystems as environmental stewards, promoting biodiversity and environmental sustainability, and embodying the concept of kaitiakitanga. We want our social, cultural and economic activities to be aligned with our goals for the environment, and to be secure and resilient to the effects of climate change.

**Social prosperity** - We want communities that are characterised by equality, social cohesion and inclusiveness. In the face of the long-term implications of climate change, we also want our communities to promote inter-generational equity—where we meet the needs of the present population, without compromising the ability to meet the needs of future generations.

**Cultural prosperity** - We want our communities to be empowered and enabled to express and celebrate their diverse cultural heritages, and recognise the particular cultural significance of Māori as tangata whenua of New Zealand. We want to support all cultures as they adapt to significant changes in climate, and influence how our society manages the environment.

**Economic prosperity** - We want to have a sustainable economy with world-leading productivity in which all New Zealanders have the opportunity to contribute and succeed. We want an economy that adapts to issues, like climate change, while still supporting the living standards New Zealanders need to lead happy, healthy lives.

<sup>1</sup> Local Government Leaders Climate Change Declaration 2015/2017

<sup>2</sup> LGNZ, The 2050 challenge: future proofing our communities (July 2016)

**We are.  
LGNZ.**

Climate change actions have three components:

1. actions to reduce emissions (mitigation);
2. planning and actions at the national and local level to support public safety and effective adaptation; and
3. limiting or removing pressure on systems affected by climate change.

All local authorities (city, district, regional and unitary) are at the frontline of climate change adaptation and have a role to play in mitigation.

Property owners and communities already facing the impacts of climate change are seeking assistance from local government. Decisions that are made today (or even where no decision is made) about infrastructure, land and water use, and urban development will determine the extent and impact of climate change, community vulnerability and resilience outcomes.

City councils are well-positioned to lead and co-ordinate communities to reduce their emissions, both directly as a provider of infrastructure and services, and indirectly, through their influence over activities responsible for emissions. Internationally, cities emissions reduction efforts complement national strategies to building economic competitiveness through low carbon development.

Local government recognises a critical need for proactive collaboration between central and local government, and between city, district, regional and unitary councils which recognises the different mandates and roles for climate change responses. We will work together with our communities.

Action on climate change requires coherent and consistent governance across central and local government. Action on climate change requires a comprehensive understanding of the opportunities and risks, innovation, and prioritised actions to achieve our vision for prosperous communities.

This Local Government Position on Climate Change Position Statement is in two parts:

1. Part One describes local government led action on climate change; and
2. Part two describes what local government requires of central government to support action on climate change.



## Part One: Local Government led action on climate change

### 1. Local government will collaborate

Local government (city, district, regional and unitary councils) will collaborate to achieve our shared vision for prosperous New Zealand communities in 2050.

All of local government is charged with meeting the current and future needs of communities for infrastructure, local public services, and regulatory functions (Local Government Act, Section 10b). The focus of regional (and unitary) councils and district or city councils can differ however. Regional councils focus on decisions that relate to resource use and hazard management, while district councils provide core services that can impact on resources including land, water and coastal areas. By utilising the full range of skills and capabilities in local authorities we can align and support decisions to achieve a consistent understanding of environmental, social, cultural and economic opportunities and consequences of climate change in our communities. This requires strong leadership across all levels of local government.

**LGNZ will advocate for and support collaborative efforts within the sector to improve the effectiveness of land use, service delivery and planning.**

### 2. Local government will incorporate climate change implications into urban development and land-use decisions and take a long term approach to waste management and energy use including transport infrastructure.

Local government recognises the value of explicitly incorporating climate change considerations, including emissions, into land-use decisions, and into district plans, urban design and development, energy use, transport planning and waste management.

Local government is working to proactively develop New Zealand's urban centres into sustainable, liveable, globally competitive 21 century cities. To achieve this, cities need to promote high quality, higher-density living. **Local government will ensure that low carbon, climate-resilient development is adopted as a key tenet of urban growth and development and land use decisions.**

Encouraging more intensive use of zoned land to avoid the need to build new infrastructure to reach outlying businesses avoids emissions that would result from construction, and from servicing and maintaining the infrastructure itself, and promotes lower emissions from those living and working in the area.

This approach is not limited to urban environments. Land-use decisions made in regional and provincial New Zealand have an equally significant effect on emissions and on community resilience to climate change impacts. To make land-use decisions that mitigate emissions, **local government will develop its understanding of the impacts of zoning and land use decisions on the emissions trajectory for their communities.**

**We are.  
LGNZ.**

Global emissions will need to pick up momentum to limit warming to the internationally agreed goal of staying below 2°C above pre-industrial levels but New Zealand's greenhouse gas emissions continue to rise. By 2014 they had risen 6 per cent from 2000 levels and 23 per cent from 1990 levels. Road transport, industry and agriculture are the main drivers of this increase. New Zealand ratified the Paris Agreement on 4 October 2016, submitting a target to reduce greenhouse gas emissions by 30 per cent below 2005 levels by 2030. This target is equivalent to 11 per cent below 1990 levels by 2030. Achieving reductions will require action across land use and forestry, urban development and planning, energy and transport.

**Local government will incorporate emissions reduction targets into investment decisions that it makes on transport, fleet procurement and waste management.**

### **3. Local government will take an all hazard approach to managing risks**

Local government has responsibilities to plan for and provide infrastructure, and to avoid or reduce the risk of hazards such as floods, storms, and sea level rise. It is understood that climate change is changing the severity and frequency of these events. Local government recognises that these changing patterns also means that these hazards can interact in new ways. For example, the combination of an extended drought and sea level rise could have a worse impact on water supply than either event alone.

**Local government will explicitly build in the effects of climate change as part of an all hazards assessment to inform decision making.**

The cost of climate exacerbated natural hazard events in our communities is on the rise. Historic settlement patterns leaves people, public assets and private investments exposed to storms, sea level rise and flooding (including flooding from rising ground water levels). Local government costs include damage and renewals of infrastructure, and civil defence responses. In the interests of the public good these costs are borne by the community as a whole. **Compensation for loss of private investments will not be funded by local government.**

### **4. Local government will include the impact of climate change on water security**

Local government will factor climate change projections into all freshwater investments and adapt water management practices to match these changing conditions. This includes investment in land use change and green infrastructure eg wetlands, rain gardens and swales.

Future climate projections show that changing meteorological conditions will alter the amount of rainfall around the country and at the same time there is likely to be increased societal demand for freshwater. This will affect the amount of water able to be allocated and in turn, the efficient provision of three water services.

**Local government will include the impacts of climate change on water security.** Local government will identify the changes required in infrastructure investment, including green infrastructure (wetlands, rain gardens and swales), and the management of water quality and quantity.

**We are.  
LGNZ.**

## Part two: What Local Government requires of Central Government

Government at all levels, individuals and the private sector, have different but complementary roles in adapting to climate change. Effective responses to climate change are context specific and are therefore best addressed at the regional and local level. Internationally, cities and regions are increasingly seen as policy laboratories for action on climate change. There is an opportunity for local authorities in New Zealand to try different approaches.

Innovative technological practices and the implementation of strategies are needed at the appropriate levels for adaptation and mitigation. Central government needs to support local government's search for appropriate responses by encouraging innovation within local government.

To effectively address climate change at a national level, local government seeks central government action in four key areas:

### 1. National campaign to raise awareness of climate change

A central government led campaign is needed to make New Zealanders aware of the opportunities and risks of climate change, and the options for communities to contribute to reducing emissions.

Many New Zealanders understand the fundamental causes and impacts of climate change at a global level but most remain uninformed about the impacts that climate change could have on their daily lives, and are unaware of how the actions of their community can help to mitigate emissions. While local government can educate their communities on the impacts of climate change, **we seek a national campaign (comparable to central government campaigns on smoking and road safety) to raise awareness and to promote specific actions individuals and communities can take to support the reduction of greenhouse gas emissions and adaptation measures.**

### 2. Policy alignment and a clear mandate and to address climate change

Central government policies can support (or hinder) council, private sector and community action to respond to climate change.

Effective climate policy involves a diverse range of adaptation and mitigation actions. A broad review of existing policy is required to support climate change adaptation and mitigation actions.

To highlight that local government's actions to address climate change are part of a national effort, **we seek an explicit mandate under the Local Government Act to consider how decisions affect climate change outcomes.**

### 3. A decision on fiscal responsibility for adaptation

Responding to the challenges posed by rising sea levels and increased rainfall requires national consensus on who will bear the costs. As the national policy setter, central government needs to lead the discourse on allocating roles and responsibilities for adaptation actions, including fiscal responsibility.

**We are.  
LGNZ.**

The effects of climate change, such as rising sea-levels, create a new set of social, economic and political challenges, for instance in supporting people that are displaced by eroding coastlines and flooding. These decisions will have repercussions for all communities and need to be considered as a matter of urgency as the effects of climate change are already being felt in the form of increased flooding and exacerbated erosion on our coasts.

**We seek a clear statement from central government on responsibilities (for government at all levels, private sector and individual) for adaptation actions, including fiscal responsibility.**

**4. Co-investment with central government to support low carbon, climate resilient infrastructure.**

Central government policy settings and incentives must provide clear, consistent and enduring direction to ensure we are investing in low carbon, climate resilient infrastructure. The Government Policy Statement on Land Transport, for example, should incorporate aims for emissions, including active transport (walking and cycling), public transport and consider the cumulative effects of emissions.

**Local government seeks to work with central government to develop a joint response to climate change including a clear pathway to a low carbon economy.**





Who's  
putting local  
issues on  
the national  
agenda?

**We are.  
LGNZ.**

## Local Government Leaders Climate Change Declaration

In 2015, Mayors and Chairs of New Zealand declared an urgent need for responsive leadership and a holistic approach to climate change. We, the Mayors and Chairs of 2017, wholeheartedly support that call for action.

Climate change presents significant opportunities, challenges and risks to communities throughout the world and in New Zealand. Local and regional government undertakes a wide range of activities that will be impacted by climate change and provides infrastructure and services useful in reducing greenhouse gas emissions and enhancing resilience.

We have come together, as a group of Mayors and Chairs representing local government from across New Zealand to:

1. acknowledge the importance and urgent need to address climate change for the benefit of current and future generations;
2. give our support to the New Zealand Government for developing and implementing, in collaboration with councils, communities and businesses, an ambitious transition plan toward a low carbon and resilient New Zealand;
3. encourage Government to be more ambitious with climate change mitigation measures;
4. outline key commitments our councils will take in responding to the opportunities and risks posed by climate change; and
5. recommend important guiding principles for responding to climate change.

We ask that the New Zealand Government make it a priority to develop and implement an ambitious transition plan for a low carbon and resilient New Zealand. We stress the benefits of early action to moderate the costs of adaptation to our communities. We are all too aware of challenges we face shoring up infrastructure and managing insurance costs. These are serious financial considerations for councils and their communities.

To underpin this plan, we ask that a holistic economic assessment is undertaken of New Zealand's vulnerability to the impacts of climate change and of the opportunities and benefits for responding. We believe that New Zealand has much at stake and much to gain by adopting strong leadership on climate change emission reduction targets.

We know that New Zealanders are highly inventive, capable and passionate about the environment. New Zealanders are proud of our green landscapes, healthy environment and our unique kiwi identity and way of life. Central and local government, working together with communities and business, can develop and implement ambitious strategies based on sound science, to protect our national inheritance and security.

### Council Commitments

For our part we commit to:

1. Develop and implement ambitious action plans that reduce greenhouse gas emissions and support resilience within our own councils and for our local communities. These plans will:
  - a. promote walking, cycling, public transport and other low carbon transport options;
  - b. work to improve the resource efficiency and health of homes, businesses and infrastructure in our district; and
  - c. support the use of renewable energy and uptake of electric vehicles.
2. Work with our communities to understand, prepare for and respond to the physical impacts of climate change.
3. Work with central government to deliver on national emission reduction targets and support resilience in our communities.

We believe these actions will result in widespread and substantial benefits for our communities such as; creating new jobs and business opportunities, creating a more competitive and future-proof economy, more efficient delivery of council services, improved public health, creating stronger more connected communities, supporting life-long learning, reducing air pollution and supporting local biodiversity. In short, it will help to make our communities great places to live, work, learn and visit for generations to come.

### Guiding Principles

The following principles provide guidance for decision making on climate change. These principles are based on established legal<sup>1</sup> and moral obligations placed on Government when considering the current and future social, economic and environmental well-being of the communities they represent.

#### 1. Precaution

There is clear and compelling evidence for the need to act now on climate change and to adopt a precautionary approach because of the irreversible nature and scale of risks involved. Together with the global community, we must eliminate the possibility of planetary warming beyond two degrees from pre-industrial levels. This could potentially threaten life on Earth (Article 2 of the UNFCCC). Actions need to be based on sound scientific evidence and resourced to deliver the necessary advances. Acting now will reduce future risks and costs associated with climate change.

#### 2. Stewardship / Kaitiakitanga

Each person and organisation has a duty of care to safeguard the life-supporting capacity of our environment on which we all depend and to care for each other. Broad-based climate policies should enable all organisations and individuals to do all they feasibly can to reduce emissions and enhance resilience. Policies should be flexible to allow for locally and culturally appropriate responses.

---

<sup>1</sup> *These Guiding Principles are established within the: Treaty of Waitangi, Resource Management Act 1991, Local Government Act 2002, Civil Defence and Emergency Management Act 2002, Oslo Principles 2014, Principles of Fundamental Justice and Human Rights.*

**3. Equity / Justice**

It is a fundamental human right to inherit a habitable planet and live in a just society. The most vulnerable in our community are often disproportionately affected by change and natural hazards. Approaches need to consider those most affected and without a voice, including vulnerable members in our community, our Pacific neighbours and future generations.

**4. Anticipation (thinking and acting long-term)**

Long-term thinking, policies and actions are needed to ensure the reasonably foreseeable needs of current and future generations are met. A clear and consistent pathway toward a low carbon and resilient future needs to provide certainty for successive governments, businesses and communities to enable transformative decisions and investments to be made over time.

**5. Understanding**

Sound knowledge is the basis of informed decision making and participatory democracy. Using the best available information in education, community consultation, planning and decision making is vital. Growing understanding about the potential impacts of climate change, and the need for, and ways to respond, along with understanding the costs and benefits for acting, will be crucial to gain community support for the transformational approaches needed.

**6. Co-operation**

The nature and scale of climate change requires a global response and human solidarity. We have a shared responsibility and can not effectively respond alone. Building strong relationships between countries and across communities, organisations and scientific disciplines will be vital to share knowledge, drive innovation, and support social and economic progress in addressing climate change.

**7. Resilience**

Some of the impacts of climate change are now unavoidable. Enhancing the resilience and readiness of communities and businesses is needed so they can thrive in the face of changes. Protecting the safety of people and property is supported by sound planning and a good understanding of the risks and potential responses to avoid and mitigate risk.

THE FOLLOWING MAYORS SUPPORT THIS DECLARATION



**Mayor Dave Cull**  
Dunedin City Council



**Mayor Lianne Dalziel**  
Christchurch City Council



**Mayor Grant Smith**  
Palmerston North City Council



**Mayor Ray Wallace**  
Hutt City Council



**Mayor Rachel Reese**  
Nelson City Council



**Mayor Steve Chadwick**  
Rotorua Lakes Council



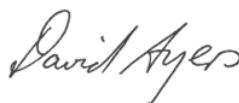
**Mayor Wayne Guppy**  
Upper Hutt City Council



**Mayor Don Cameron**  
Ruapehu District Council



**Chris Laidlaw, Chair**  
Greater Wellington Regional Council



**Mayor David Ayers**  
Waimakariri District Council



Mayor

**Mayor Winston Gray**  
Kaikoura District Council



**Mayor Bill Dalton**  
Napier City Council



**Mayor Gary Tong, JP**  
Southland District Council



**Mayor Lyn Patterson**  
Masterton District Council



**Mayor Andy Watson**  
Rangitikei District Council



**Mayor Stephen Woodhead**  
Chair Otago Regional Council



**Mayor Allan Sanson**  
Waikato District Council



**8.11 CHIEF EXECUTIVE'S ACTIVITY REPORT**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Lindsay McKenzie, Chief Executive
<b>Report Number:</b>	RCN17-09-11

**1 Summary**

- 1.1 This activity report covers the period since Council's 27 July 2017 meeting. During that time, I took 3 weeks annual leave. Dennis Bush-King was **Acting Chief Executive**. I am grateful to him and my colleagues for covering my commitments and giving me a break away. When you are at work, things seem to move slowly. You realise when you go away how fast things do move.
- 1.2 The news that the Council's \$7M application to the **Freshwater Improvement Fund** had been successful did filter through. We are all delighted with the outcome and proud of the team effort that went into the application. I also had contact with The Property Group over that time as they worked on strategies to try and resolve the objections of Matt Stuart and David Irvine to take some of their land for the Waimea Water Augmentation Project compulsorily. The outcome is covered in the Waimea Water Augmentation Project status report on this agenda.
- 1.3 Given that it is still early in the 2017/18 financial year, I haven't reported **on year to date financials**. The Annual Report 2016/17 and next Long Term Plan is our focus in any event. The auditors have been on site since 21 August. We are on track to have the report for you to adopt on 28 September 2017. As part of that agenda we will be reporting up on the various 'bids' that have been made to use the 2017/18 surplus.
- 1.4 At about this time of the year we report on the **annual human resources statistics** (see attachment 1). For the first time we took part in the Australasian Local Government Performance Excellence Programme. Our final data went in and was 'locked down' on 25 August. The benchmarking report will be available later in the year.
- You will also have seen publicity about the 'Taxpayers Union' **local government benchmarking report**. Their previous effort was withdrawn because of the errors it contained. This survey was better but still contained errors. The biggest issue is timeliness (the data is from 2015/16) and therefore relevance. It also does not help that they and the media analyse the data and present ratios that are meaningless.
- 1.5 Following the 27 July Council meeting a draft agreement reflecting the Council resolutions on that day was sent to the **Golden Bay Grand Stand Community Trust**. A meeting with the Mayor, Cr Sangster and the Acting Chief Executive took place on 16 August at which a number of issues were discussed. At the time of writing we are still awaiting a response from the Trust and we have yet to provide a demolition cost. For structural reasons it has been agreed to delay removal of the front part of the rugby clubrooms but this obligation will transfer to part of the restoration plan.

<b>2 Draft Resolution</b>
---------------------------

**That the Full Council**

- 1. receives the Chief Executive's Activity Report report RCN17-09-11; and**
- 2. notes the Council Action Sheet.**



### 3 Purpose of the Report

- 3.1 The purpose of this report is to inform you about my activities since the 22 July 2017 Council meeting and to report on the matters of the Council meeting action sheet.

### 4 Strategy and Planning

- 4.1 Councillors will be aware of **the demanding meeting schedule** that you have and that staff are servicing. In the year preceding adoption of a Long Term Plan (LTP), this is the pattern. In addition, you have been dealing with long term plans for the future of Mapua, the Motueka Reserves Management Plan is on the agenda, the review of representation and electoral arrangements is underway as well as the Waimea Water Augmentation Project.
- 4.2 We can handle the planned work reasonably well but do struggle with the additional workloads consenting and the Special Housing Areas and placing on us.
- 4.3 While I was away, the wider management team considered the **first draft of the LTP budgets** including the forecasts rates and debt numbers. The first 'cut' takes an 'all bids in all capital works programmed will be deliver' sort of approach. On the face of it, we should be able to present a budget and work plan that is politically acceptable noting of course the work still to do on Waimea Water Augmentation Project funding and cost allocation.

### 5 Advice and Reporting

- 5.1 We will have the **Annual Report 2016/17** on the 28 September 2017 Council meeting to adopt. Council has been given an early 'heads-up' on the finances. The story there is very positive with the third year in a row is substantial surplus.
- 5.2 Overall, the report reads very well. We have achieved a lot. I do note that fewer performance targets were achieved last year compared to the year prior. The report explains them. I observed two themes – the effects of resourcing and work load challenges in the property/commercial activity and infrastructure fails due to growth pressures and some service life issues.
- 5.3 The auditors have been on site since 21 August doing their final reviews.
- 5.4 As a follow up to Council's decisions on the **Golden Bay Grandstand** a draft agreement between the Council and the Trust has been prepared. The Mayor, Cr Sangster and Dennis Bush-King met Trust representatives on site on 16 August. As the Trust was awaiting advice from its lawyer the draft agreement wasn't discussed in any depth.
- 5.5 Dennis confirmed that the Code Completion Certificate cannot be issued until the car parking layout is confirmed and storm water runoff is managed. A notice to fix has been issued to the Council to stop storm water on site entering the sewer as it has caused a surcharge and overflow of sewerage 'downstream'.
- 5.6 A further quote to demolish the additions to the grandstand (squash courts and rear lean to) has been obtained and was provided to the Trust. The quote provides for the rugby clubrooms to remain at this stage as they are holding the front of the grandstand up.
- 5.7 The delay in resolving the future of the grandstand is presenting operational challenges to the Council and the Shared Recreation Facility Committee. The Senior Management Team

has proposed to Susan Edwards that she set up a separate account code to record the costs that are being incurred, as they are not attributable to the project to build the new facility. In addition, the costs fall outside the policy in relation to the use of the district wide shared facilities rates.

- 5.8 Sadly the social media beat up of the Council, the Shared Recreation Facility Committee and some members of both organisation continues. While most of it can be dismissed for what it is, Council needs to remember that it has relevant good employer obligations, which it shares with me.

## 6 Management of Council Resources

- 6.1 As noted, **there is no financial update in the activity report**. If anything material arises before the meeting, I will report on it verbally.
- 6.2 The **Annual Report 2016/17 and next Long Term Plan** is our focus at present. Along with the Waimea Water Augmentation Project financial work Mike Drummond and his team a stretched. The auditors have been on site since 21 August. We are on track to have the report for you to adopt on 28 September 2017. As part of that agenda, we will be reporting up on the various 'bids' that have been made to use the 2017/18 surplus. Requests for funding to assist build a temporary stadium for the All Blacks v Argentina rugby test and to support the Regional Economic Development Agency's regional identity programme will be included in the report.
- 6.3 We are currently reviewing the office layout. An external contractor is undertaking the work. The purpose of this review is to ensure that we are making the best use of the space we have got and are meeting the Council's obligations relating to the quality of the working environment.
- 6.4 Work on the responses to **complaints that the Office of the Auditor General received** about Mayor Kempthorne's and Councillor Maling's involvement in Waimea Water Augmentation Project decision making continues. Substantive responses to both complaints have been sent. We will deal with follow-up questions as and when they arrive and will advise Council of the outcome when that is known.
- 6.5 I have previously briefed Council about a **Capability and Capacity Review** that the State Services Commission is undertaking. The proposal went to them in late July. A response is due about the time of the Council meeting. Depending on time available on the meeting day, and the Commission's response, I would like to update councillors on the work, what it is going to deliver and how councillors can influence and provide an input into it. That would be best in a councillor only time after the close of the meeting.
- 6.6 The **risk management** framework project is on track. Staff have completed the 'risk appetite' statements and the consultant is reviewing them. A further workshop for staff is planned for mid-September to finalise the work which will be reported to the Audit and Risk Committee then to Council to adopt.

## 7 Managing People

- 7.1 We currently have Roger Lewis, a contractor to the Organisational Development Institute in the organisation reviewing the operation and **performance of the senior management**

**team** (SMT). He sat in on a recent management meeting and is interviewing key staff. His work is part of our leadership development and organisation performance improvement programme. The focus on SMT is to ensure the people in the team and our processes and performance are supporting the wider organisation to achieve its aims. If we are not then changes will be made.

- 7.2 The **annual human resource statistics** for the year ending June 2017 are shown in Appendix 1 of this report. The current headcount is 290 (Full Time Equivalent of 263.5) and this has increased from last year's count of 283 (Full Time Equivalent of 254). The new positions are listed in Appendix 1. Our annual turnover was 14.4% and is higher than previous years. The National Average turnover (sourced from Lawson Williams NZ Turnover Survey released March 2017) for 2016 was 18.8%. The average length of staff service is currently 7.7 years and the average staff age is 48.5 years.
- 7.3 The content of this report is reduced in comparison to previous as the Human Resources Manager has been on leave for the past four weeks.
- 7.4 There have been three staff related health and safety events since my last report. Two were minor bruising injuries and the third was relating to car fumes coming through the window affecting air quality in the office. Additionally there have been three sensitive events reported by staff.
- 7.5 Health and Safety Steering Group (Moturoa-Rabbit Island) is meeting on 14 September 2017.
- 7.6 The Vault Contractor Module is now live. This is an electronic tool Council purchased to digitize the health and safety prequalification process of contractors. Contractors now submit their health and safety prequalification information via an online portal. The implementation of this module has streamlined our process and shown resource efficiency benefits by reducing manual processing, and applications being received and responded to in real time.
- 7.7 As noted in my 27 July 2017 report, we are participating in this year's **Australasian Local Government Performance Excellence Programme**. Price Waterhouse Cooper have reviewed our initial data submission and given us the opportunity to recheck and finalise our data. Price Waterhouse Cooper will now begin the analysis and report preparation phase of the program.
- 7.8 There is an investigation underway regarding an employment relationship issue between two staff members. This is being carried out by an external investigator.
- 7.9 We are currently at various stages of recruiting for a:
- Co-ordinator Subdivision Consents (replacement)
  - Asset Systems Team Leader (replacement)
  - Property Services Programme Leader – Land & Leases (new position)
  - Property officer – Maintenance & Facilities (new position)
  - Building Technical Officer (replacement)
  - Policy Planner – Urban & Rural Development (replacement)
  - Information Services Developer (replacement)
  - Summer Student Holiday Employment x 8 (replacement)

Transportation Graduate Engineer (new position)

Compliance & Investigations Officer (replacement)

Principal Commercial Advisor (replacement)

Since my last report 6 appointments have been made:

Growth Co-ordinator (new position)

Administration Officer – Human Resources/Health and Safety (fixed term to permanent replacement)

Administration Officer – Utilities / Activity Planning (fixed term new position)

Administration Officer – Building Assurance (fixed term to permanent replacement)

Customer Services Officer (fixed term replacement)

LIM Officer (fixed term replacement)

## **8 Relationship Management**

8.1 I have had the following meetings and commitments over the period since Council last met –

8.1.1 Special Housing Area issues from both a developer's and affected neighbours' point of view;

8.1.2 Regional Sector Group meeting with the Mayor on 1 September which I will report on later;

8.1.3 Environment Court mediation on Public Works Act proceedings;

8.1.4 Pakawau coastal protection works consent progress;

## **9 Council Action Sheet**

9.1 The Council Action Sheet is attached for Councillor's information, including updates from the 27 July and 17 August 2017 Full Council meetings.

## **10 Attachments**

- |    |   |     |
|----|---|-----|
| 1. | Annual Human Resource Statistics - Year Ended June 2017 | 161 |
| 2. | Action Sheet as at 7 September 2017                     | 165 |

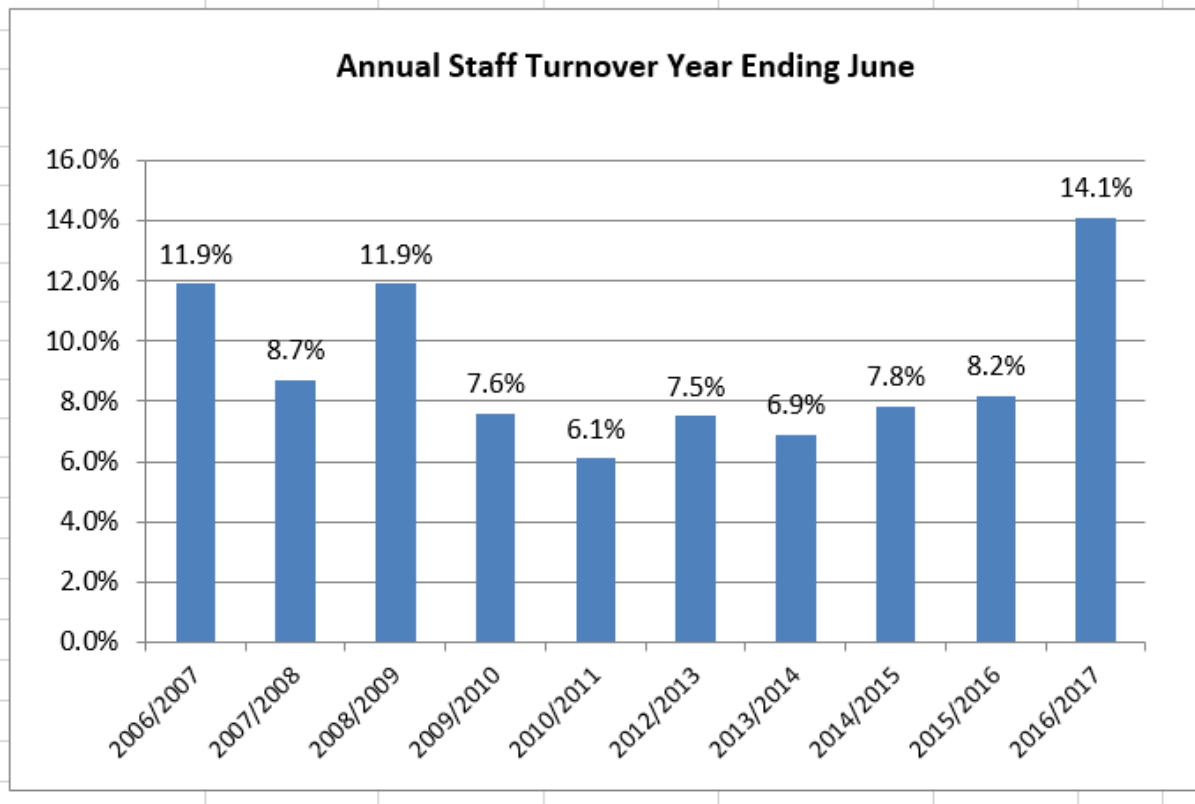
<b>1 Staff Numbers Statistics for June 2017</b>
---

	Full Time	Part time	Casual	Fixed Term
Community Development	52	30	2	
Corporate Services	39	3		4
Engineering Services	43	2		1
Environment & Planning	90	10		6
Office of the CEO	6			2
<b>Headcount = 290</b>	<b>230</b>	<b>45</b>	<b>2</b>	<b>13</b>
<b>FTE = 263.5</b>				

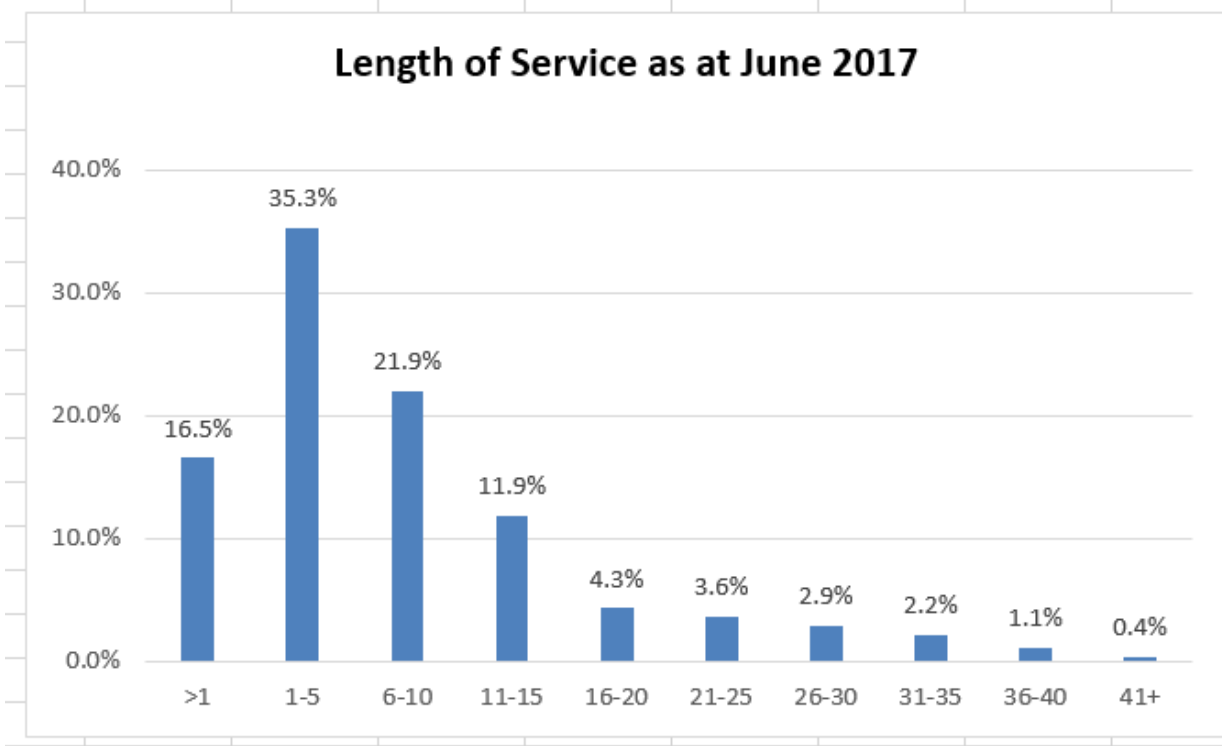
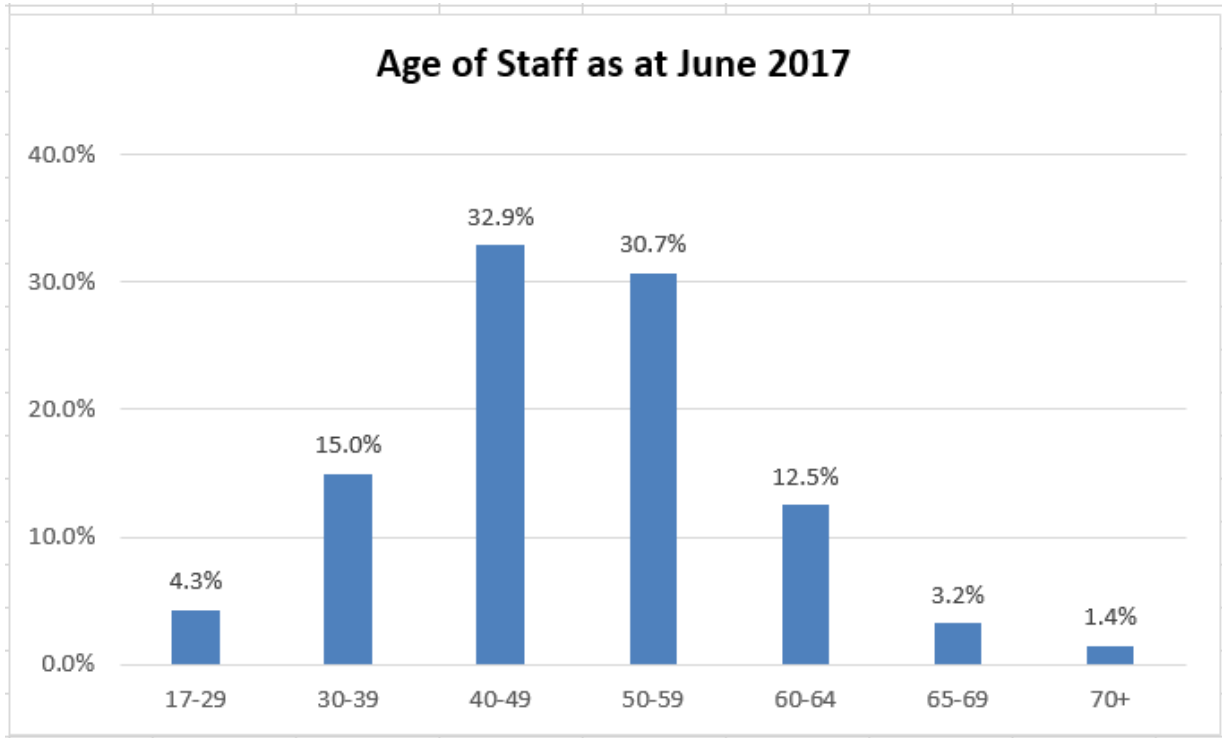
	June 2017	June 2016	June 2015	June 2014	June 2013
Community Development	84	86	80	83	84
Corporate Services	46	45	42	41	42
Engineering Services	46	43	43	40	40
Environment & Planning	106	102	97	92	89
Office of the CEO (previously included in Corporate Services)	8	7	7	6	
<b>Headcount =</b>	<b>290</b>	<b>283</b>	<b>269</b>	<b>262</b>	<b>255</b>
Increase on headcount	2.5%	4.9%	2.6%	2.7%	6.7%
<b>FTE =</b>	<b>263.5</b>	<b>254</b>	<b>244.5</b>	<b>234.5</b>	<b>228</b>
% increase on FTE	3.7%	3.7%	4.1%	2.7%	8.0%

Activity Area	Position Title
Community Development (2 roles disestablished)	<ul style="list-style-type: none"> <li>Library Assistant – Circulation, Richmond x 2</li> </ul>
Corporate Services (1 new role)	<ul style="list-style-type: none"> <li>Principal Legal Advisor (part time)</li> </ul>
Engineering Services (3 new roles)	<ul style="list-style-type: none"> <li>Data Analyst – Utilities</li> <li>Administration Officer – Solid Waste (12 months fixed term)</li> <li>Project Manager</li> </ul>
Environment & Planning (4 new roles)	<ul style="list-style-type: none"> <li>Principal Planner – Environmental Policy</li> <li>Consent Planner – Natural Resources</li> <li>Administration Officer – Regulatory</li> <li>Consent Planner – Motueka (part time 6 months fixed term)</li> </ul>
Office of the CEO (1 new role)	<ul style="list-style-type: none"> <li>Administration Officer – Health &amp; Safety (12 months fixed term)</li> </ul>

**2 Staff Turnover Statistics**



**3 Staff Age and Length of Service Statistics**







**Action Sheet – Full Council as at 7 September 2017**

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 1 December 2016			
Policy on Rates Remissions	Report back on likely impact of the Policy on Council's ability to achieve objectives of NPS on Urban Development Capacity in time for this to be consulted on ahead of LTP 2018-2028.	Finance Manager / Community Development	Report back will occur within the context of the Long Term Plan. The matter has been workshopped and will be reported to a future Council meeting.
Meeting Date 2 March 2017			
Appointment of Directors to Nelson Airport Ltd and Port Nelson Ltd Boards	Commence process to appoint Council director to Nelson Airport Limited Board	Mayor	Underway, Committee met on 29 August 2017 to consider applications. Report on agenda for 7 September Full Council.
Meeting Date 23 March 2017			
Remuneration of Independent Member to Nelson Regional Sewerage Business Unit (NRSBU)	Draft Policy and procedure for appointing and remunerating independent members of Council committees and business units	Corporate Services Manager / Finance Manager	Draft Policy underway, to be presented to November Full Council meeting.
Meeting Date 11 May 2017			
General Disaster Fund	Review scope of the General Disaster Fund.	Finance Manager	Underway – update to Council at 28 September Full Council.
Meeting date 14 June 2017			

Item	Action Required	Responsibility	Completion Date/Status
	Commence work on a Statement of Proposal for community consultation on the Waimea Water Augmentation Project.	Community Development Manager	Underway
Meeting date 27 July 2017			
Golden Bay Recreation Park Grandstand (CN17-07-2)	<ul style="list-style-type: none"> <li>Progress formal agreement with Golden Bay Grandstand Community Trust.</li> <li>Arrange staged demolition of the Grandstand.</li> </ul>	Environment & Planning Manager (while Acting CE)	Draft agreement prepared and sent to Trust for feedback. Staff have arranged for staged demolition.
	Report to 16 November 2017 Full Council meeting: <ul style="list-style-type: none"> <li>in the event that the outcomes resolution CN17-07-2 seeks cannot be achieved; <b>OR</b></li> <li>on plan for public consultation in the event that the Trust's proposal to restore and protect the grandstand is supported by Council</li> </ul>	Chief Executive	Underway – update in CE Activity Report.
Harry Rankin Street Stormwater Upgrade (CN17-07-03)	Progress work to upgrade stormwater network.	Utilities Manager	Following up with contractor, intention to complete end October. <a href="#">Will transfer to Engineering Services Action Sheet.</a>
Poole Street Motueka (CN17-07-04)	Bring Poole Street stormwater upgrade construction forward to 2017/2018 financial year works programme.	Utilities Manager	Following up with contractor, intention to complete before Christmas. <a href="#">Will transfer to Engineering Services Action Sheet.</a>
Mapua Water and Wastewater (CN17-07-05)	<ul style="list-style-type: none"> <li>Progress design and land acquisition works needed to enable renewal of Mapua water and wastewater network</li> <li>Allocate funds for this work as outlined in the resolution</li> </ul>	Senior Activity Planning Advisor	Brief drafted for Programme Delivery. <a href="#">Will transfer to Engineering Services Action Sheet.</a>

Item	Action Required	Responsibility	Completion Date/Status
Havelock North Water Supply - Stage 1 Enquiry (CN17-07-6)	<ul style="list-style-type: none"> <li>Assess and consult with users on water treatment options as required for rural agricultural water supplies</li> <li>Review Council processes to ensure appropriate monitoring, recording and accessibility</li> <li>undertake a risk assessment of private water bores in Motueka</li> <li>review the permitted activity rules for bores/wells in regard to potential contamination</li> </ul>	Utilities Manager	Will progress through LTP 2018-2028 process. <a href="#">Will transfer to Engineering Services Action Sheet.</a>
Tasman Regional Transport Committee (CN17-07-9)	Advise Committee Chair and new advisory member of appointment.	Executive Assistant - Engineering Services	<b>Complete.</b>
CE's Activity Report	Send copy of report referenced in item 4.1 of CE's Report to Councillors.	Chief Executive	<b>Complete.</b>
NPS on Urban Development Capacity (CN17-07-11)	Publish copy of Nelson-Tasman Monitoring Report on the Council website	Policy Planner – Environment & Planning	<b>Complete</b> (28/07).
Waimea Community Dam	Refer Council's position to 15 August 2017 negotiation meeting.	Corporate Services Manager	<b>Complete.</b>
	Advise Russell McVeagh about Council's negotiating position on land and access.	Chief Executive	<b>Complete.</b>



**8.12 WAIMEA COMMUNITY DAM PROJECT REPORT**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	7 September 2017
<b>Report Author:</b>	Lindsay McKenzie, Chief Executive
<b>Report Number:</b>	RCN17-09-12

**1 Summary**

- 1.1 This is the **sixteenth status report** on the Waimea Community Dam Project. The Project Board met on 18 August 2017 while I was on leave. This status report draws on the notes of that meeting and my own involvement with the land and access work stream over the past two weeks.
- 1.2 Since the 27 July 2017 Council meeting, Mike Drummond and our advisers have put a massive amount of work into the **commercial negotiations**. The work has resulted in the arrangements set out in the separate 'in-committee' report on this agenda. Council is asked to direct staff to report back with a draft Statement of Proposal for public consultation later in the year.
- 1.3 I am also pleased to report that the Council's application for \$7M from the Ministry for the Environment's **Freshwater Improvement Fund** was successful. This funding recognises the environmental benefits that the project will deliver. The application was high quality and it was great to get independent reviewer and political support for the project's environmental credentials.
- 1.4 You will recall that **three of the private landowners have objected** to the Notices of Intention to acquire their land for the scheme. Two others did not. The Environment Court granted Council a priority fixture to have the objections heard. A Court assisted mediation was held in Nelson on 28 August 2018. Agreements were reached with Matt Stuart and Mitch Irvine at mediation.
- 1.5 The **Department of Conservation** has advised that it hasn't yet formed a view on the implications of the Supreme Court's Ruataniwha decision. They have advised that the conservation values of the 9.9ha of land that is proposed to be transferred to the Council from the Mt Richmond Forest Park will need to be assessed. Most of this work was done at the time the resource consents were processed so there should be no issue meeting the Department's needs.

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

- receives the Waimea Community Dam Project Report RCN17-09-12;**

### 3 Purpose of the Report

- 3.1 The purpose of this report is to provide an update on Waimea Community Dam project work streams.

### 4 Overall Project Timeline

- 4.1 The latest version of the overall project timeline is attached. It gives you an idea of the scope of the current work streams and how they mesh. Actual timing depends on today's Council decisions amongst other factors. I would prefer not to have the Christmas break come between the consultation period and the hearings but that may be unavoidable. At the moment we expect the timing of the Councils' consultation periods and Waimea Irrigators Limited (WIL) capital raising to overlap but not coincide exactly.

### 5 Risks

- 5.1 The contingent risks associated with irrigator uptake has been a concern to Council. WIL was asked to undertake an independent audit of the non-binding expressions of interest.
- 5.2 The audit shows that the 3000ha target was reached. The audit results are attached.
- 5.3 Councillors have were advised some time ago that we had received the draft GNS report on the question of whether the Kaikoura earthquake had changed the seismic risk to the dam and or required design changes. The final report has been received and has been referred to Ian Walsh of Opus the dam design peer reviewer. His work will be used by Tonkin and Taylor in finalising the dam design.
- 5.4 The design work needs to be reviewed in any event to ensure we meet the NZ Society of Large Dams most recent dam safely guidelines. I am told that the GNS report is not able to be interpreted by a lay person and that we should rely on the dam designers interpretation of it and their advice. Russell McGuigan will provide further information at the meeting.

### 6 Finance and Funding

- 6.1 The Council's application for \$7M from the Ministry for the Environment's **Freshwater Improvement Fund** was successful. This funding recognises the environmental benefits that the project will deliver. This was a genuine team effort. Everyone should take comfort that the environmental credentials of the project have been thoroughly reviewed and tested through the Ministry's processes.
- 6.2 The money will not be released until other parties can confirm the availability of their funding. The parties were cited as WIL, CIIL, Nelson City and Tasman District Councils. A copy of the approval agreement is attached.
- 6.3 Mike Drummond and our advisers have put a massive amount of work into the **commercial negotiations**. The work has resulted in the arrangements set out in the separate 'in-committee' report on this agenda. Council is asked to direct staff to report back with a draft Statement of Proposal for public consultation later in the year.
- 6.4 It's a matter to be discussed in-committee but worth noting here that the funding arrangements and the commercial terms are significantly more favourable than any of the options that have been considered before. That is mainly a result of the Crown's funding

support for the environmental flow component/public good. The financial benefits of that support will accrue to urban and rural water users and to ratepayers generally.

- 6.5 The level of Crown support and its timing means that there is no going back; that the funding proposal is the best that can be negotiated. It follows that the decision whether or not to proceed to public consultation will determine the fate of the project here and now.

## 7 The Council Controlled Organisation and Commercial Terms

- 7.1 The legal and financial work on the commercial terms of the agreements for the JV Partners has been stepped up.
- 7.2 Staff have done a lot of groundwork on the Statement of Proposal (SOP), and the s101 Local Government Act rationale for the options Council may consider for allocating costs to beneficiaries and others. That is being done in anticipation of having a short lead time between Council agreeing to the commercial terms and having to consider a draft SOP
- 7.3 Initial rating impact work has also been carried out.

## 8 Contractor Procurement

- 8.1 A procurement workshop was held in late July. The purpose was to review the construction risk and the approach to managing and allocating the residual risk. This work is critical to understanding risk exposure and how that translates to costs and pricing.
- 8.2 I advised in June that work on contractor procurement was being timed to avoid it getting out of phase with the JV Working Group's report back on the commercial terms. This work stream is being ramped up now.
- 8.3 The next step in providing comprehensive tender documents to the three short listed companies will be completed before the end of September.

## 9 Land and Access

- 9.1 I've previously advised Council that **three of the private landowners have objected** to the Notices of Intention to acquire their land for the scheme. They were Matt Stuart, Mitch Irvine and JWJ Forestry. Two others did not. They were David Irvine and Lee Forests.
- 9.2 The Environment Court granted Council a priority fixture to have the objections heard. A Court assisted mediation was held in Nelson on 28 August 2018. Agreements were reached with Matt Stuart and Mitch Irvine at mediation. As a consequent of those agreements it is almost certain that David Irvine and Lee Forests will agree without the need for a proclamation. JWJ, whose land is at the upstream end of the reservoir, has a live objection that we will work on resolving.
- 9.3 The Notices of Intention and the objections to them will be withdrawn as part of the settlement. A joint memorandum to that end was to be submitted to the Court on 1 September 2017. These agreements resolve the discovery applications that concerned the Council from a confidentiality perspective.
- 9.4 The agreements follow 18 months or so of hard work by The Property Group especially. While the owners drove hard bargains, I should also acknowledge the concessions that they

have made. Mitch Irvine explained his family's history of land ownership in the area to me. It extends back well over 100 years. Despite the compensation paid to him, I have acknowledged the concession he has made, given that history, in enabling part of his land to be used for this public work.

- 9.5 The Director of Planning, Permission and Land with the **Department of Conservation** has advised that the department hasn't yet formed a view on the implications of the Supreme Court's Ruataniwha decision. The 'implications' referred to relate to the proposed use of s50 of the Public Works Act and the provisions of the Conservation General Policy that mean that only land of low or no conservation value may be disposed of.
- 9.6 They have advised that the conservation values of the 9.9ha of land that is proposed to be transferred to the Council from the Mt Richmond Forest Park will need to be assessed. Most of this work was done at the time the resource consents were processed so there should be no issue meeting the Department's needs. In addition, a land status check and survey to determine the boundaries of the Park will be needed.
- 9.7 We have put our 'reapplication' for consent to transfer the land on hold while we consider these matters.
- 9.8 We are planning to re-engage Ngati Koata over access to their land in the next two weeks. Work with Tasman Pine Forests (the Crown Forest Licensee) has been a precursor to furthering talks with Ngati Koata.
- 9.9 As advised, it is likely that the Land and Access budget will be exceeded. This is due in part to our decision to propose 'suspension of harvesting payments' to owners during the 4 years of construction activity. While this increases the compensation paid, it decreases traffic management costs and should be reflected in lower construction tenders. I will report to Council more fully when the situation becomes clearer.

## **10 Project Management and Direction**

- 10.1 The Interim Project Director's contract has been extended to March 2018, as there is an ongoing role for him. The arrangement can be terminated earlier on notice.
- 10.2 The task of recruiting a 'permanent' Project Director has begun with a view to confirming an appointment around the time consultation on the Statement of Proposal concludes.
- 10.3 A lease has been taken on part of the building at 3 Wensley Road as a possible future base for the Project Office. The budget for the Project Office over the four years to dam commissioning is around \$1.8m.
- 10.4 The Heads of Agreement between Council and WIL that currently covers the procurement costs is being redrafted to cover the operations of the unincorporated joint venture through until the time the consultation on forming the CCO has occurred, the WIL capital has been committed and there is financial close. It is possible that one or more of those events won't happen of course. The agreement will need to provide for that.

## **11 Strategic Relationships**

- 11.1 There was a further joint workshop with Nelson City Council 30 August 2017.
- 11.2 We need to engage Royal Forest and Bird at a national level to understand their concerns about the project that appear to be behind their recent official information requests.

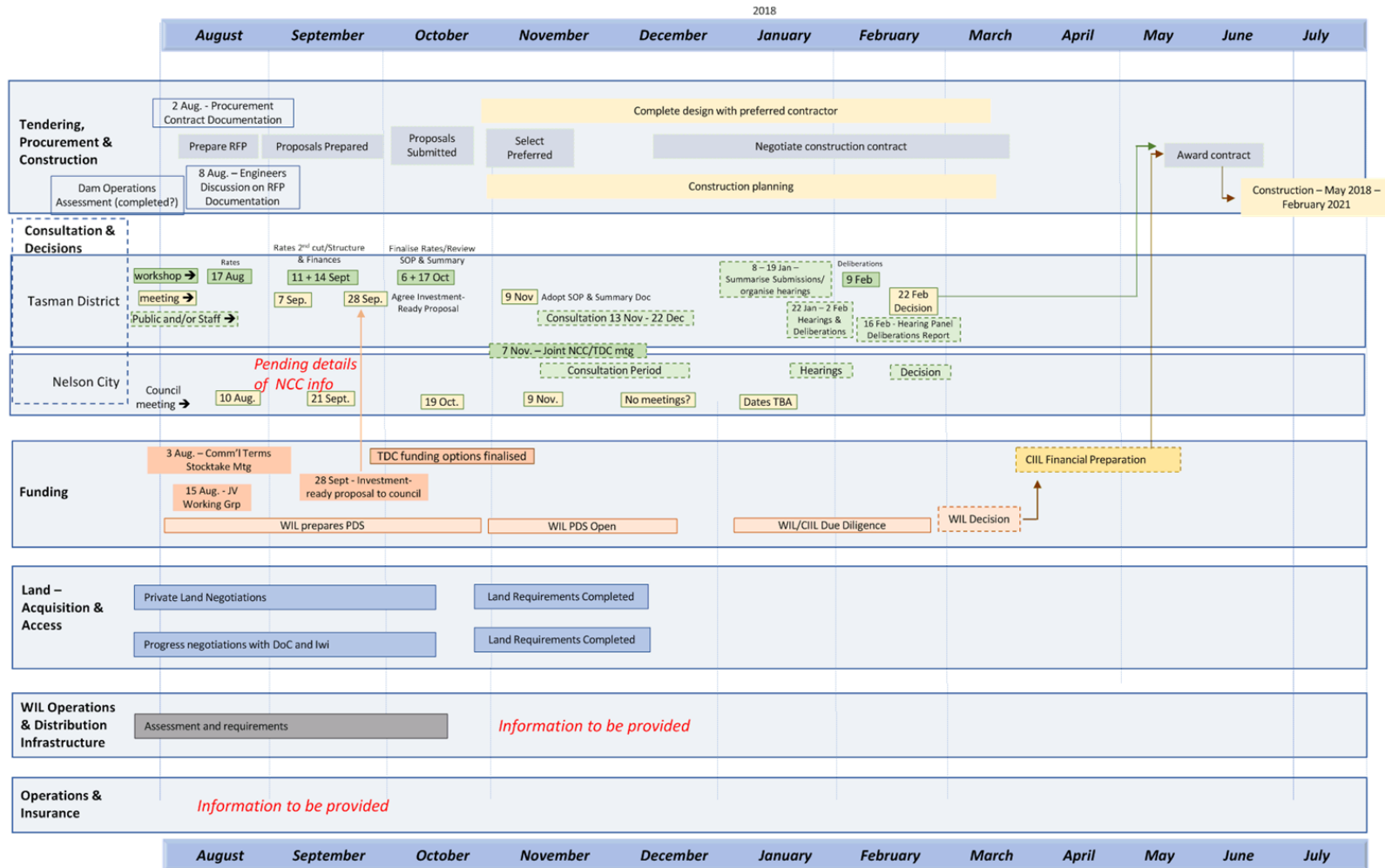


**12 Attachments**

- |    |  |     |
|----|--|-----|
| 1. | Waimea Community Dam Project Timeline as at 7 September 2017 | 175 |
| 2. | Independent risk audit.                                      | 177 |
| 3. | FIF Letter of Conditional Offer                              | 181 |



Waimea Water Limited -- Project Timeline



Version 2.2 – 1 August 2017



**INDEPENDENT AUDITORS** LTD

www.auditprofessionals.co.nz

29 August 2017

The Directors  
 Waimea Irrigators Limited  
 C/- PO Box 3171  
 RICHMOND 7050

Via email: [Natasha@waterforlife.nz](mailto:Natasha@waterforlife.nz)

Dear Directors

**Re: Assurance on results of the Waimea Irrigators Ltd survey of the expression of interest in purchasing water shares**

This letter documents our findings upon the completion of the agreed upon procedures as detailed in our letter of 8 August 2017. We undertook this work in accordance with the APS-1 *Statement of Agreed-upon Procedures Engagement Standard* and Guidelines of the New Zealand Institute of Chartered Accountants (NZICA).

Please note that our examination presents a factual report on what we tested and the results of that testing. It is for the reader to determine whether factual findings provided by us, in combination with other information obtained, provide a reasonable basis for any conclusion which you wish to draw on the subject matter.

**Summary of Findings:**

- Total expressions of interest in purchasing Water Shares in Waimea Irrigators Ltd, at the time of the survey was over 3,000 shares.
- All survey responses sampled (approximately 20% of all responses) were considered to be authentic.

Our detailed results are presented in the appendix to this letter.

If there are any questions on the above work and subsequent findings, please contact the undersigned.

Yours faithfully  
**INDEPENDENT AUDITORS LTD**



Graeme Scarlett  
 Director

WIL – 2017 – Cit Report Letter.doc



E-mail [info@auditprofessionals.co.nz](mailto:info@auditprofessionals.co.nz)  
 Mail PO Box 1042, Nelson 7040  
 Web [www.auditprofessionals.co.nz](http://www.auditprofessionals.co.nz)

Phone 03 928 0371  
 Offices Level 2, Lucas House, 51 Halifax Street, Nelson 7010  
 Level 1, Hunter Building, 118 Hardy Street, Nelson 7010

## INDEPENDENT AUDITORS LTD

www.auditprofessionals.co.nz

## Detailed reporting of findings

Procedures	Factual findings	Errors or exceptions identified
1. Obtain details of the communication to be issued outside of Waimea Irrigators Ltd to Tasman District Council and the detailed analysis spreadsheet of survey results	Specific matters to validate: <ul style="list-style-type: none"> <li>the total expressions of interest in shares in Waimea Irrigators Limited at the time of survey was over 3000, and</li> <li>the authenticity of the survey forms was satisfactory</li> </ul> Survey results spreadsheet received.	N/A
2. Re-perform all calculations on the spreadsheet to confirm the numeric accuracy.	We confirmed that the spreadsheet total was numerically accurate.	None Noted
3. Validate all responses (100% sample) on the detailed analysis spreadsheet to the completed survey forms.	All expressions of listed on the spreadsheet were checked against the survey response form, specifically agreeing: <ul style="list-style-type: none"> <li>the owner or lessee details, and</li> <li>the number of shares subject to an expression of interest.</li> </ul>	Two survey forms were missing. <ul style="list-style-type: none"> <li>One was subsequently emailed and</li> <li>the second interest in purchasing shares was removed from the spreadsheet as the property is now in a special housing area.</li> </ul> One expression received was in the form of letter of commitment not a completed survey form. This was accepted as a valid expression of interest in share purchase and retained on the spreadsheet One expression of interest was removed as the email was received in August 2017 and was not a part of the initial survey.  It was noted that some expressions of interest included a part share, which were rounded up. We discussed this situation with Waimea Irrigators Ltd and the number of shares was subsequently rounded down (ie excluded the part share).  The expression of interest spreadsheet total was updated to reflect the above adjustments.
4. Review the spreadsheet for any anomalies, such as duplication of entries, or omissions noted from review of completed survey forms.	When reviewing 100% of the survey forms as above, we noted a small number of survey forms with a mix of pen colours or crossing out of numbers. These were included in the sample to contact the party of confirm the authenticity of the form.	Refer below for results of follow-up.  While not an exception, we noted that the survey forms were neither signed nor dated. This would be a useful addition to any future stage of the Waimea Dam Project.

Procedures	Factual findings	Errors or exceptions identified
5. Select a sample of survey forms where the original form is on file seek to contact the party that completed the form to confirm the authenticity of the survey form.	A sample of 56 (20% of respondents) to authenticate the survey form. 45 were contacted directly by ourselves, seeking to confirm the authenticity of their survey form response.	None noted. There are four non-responses at the time of writing, however all responses received provided affirmative responses, validating the survey form.
6. Select a sample of survey forms where a copy is on file, as an e-mailed response was received. Seek to receive a copy of the original e-mail delivering the form, to confirm the authenticity of the survey form.	Of the sample of 56 above, 11 were authenticated by receiving a copy of the original e-mail response, to validate the source of the response.	None noted, all e-mails agreed to the survey form.
7. Provide a report confirming the findings arising from the procedures undertaken.	This report. <ul style="list-style-type: none"> <li>• Total expressions of interest in purchasing Water Shares in Waimea Irrigators Ltd, at the time of the survey was over 3,000 shares.</li> <li>• All survey responses sampled (approximately 20% of all responses) were considered to be authentic.</li> </ul>	N/A







07 August 2017

PO Box 10362, Wellington 6143  
 Website: [www.mfe.govt.nz](http://www.mfe.govt.nz)  
 Freephone: 0800 499 700

Dennis Bush-King  
 Tasman District Council  
 Dennis.bush-king@tasman.govt.nz

Tēnā koe Dennis,

### **Waimea Water - Invite to Stage 2 Freshwater Improvement Fund (FIF-1010)**

Thank you very much for submitting your application entitled "Waimea Water", which was received in the 2017 funding round of the Freshwater Improvement Fund. We appreciate the amount of work involved in preparing an application and thank you for your patience in waiting for a decision.

I am pleased to inform you that you are now invited to proceed to Stage 2 of the funding process. The maximum funding available is up to \$7,000,000 over the duration of the project. Note that the project is expected to be completed over a maximum timeframe of three years from 2019/20 onwards.

As your project will be receiving over \$1 million from the Freshwater Improvement Fund, the Ministry requires that you undertake an independent financial audit at the end of each year of your project.

**Please note that conditions of funding have been identified during the assessment process. For your application these are:**

- Funding subject to confirmation of co-funding from Crown Irrigation Investments Limited, Waimea Irrigators Limited and Nelson City Council
- Funding to contribute towards the environmental flow/public good component of the project only (\$22.5 million)
- Governance group to include representation by Ministry
- Work Programme to be developed with the inclusion of detailed project budget and funding stage-gates
- Independent financial audit to be undertaken each year of the project

### **Requirements of Stage 2:**

During Stage 2, you will be required to complete and submit a work programme, project budget and an annual work programme to the Ministry for the Environment. You must develop these using Ministry templates, which will be provided shortly. The completed templates must demonstrate how you will deliver your project in sufficient detail to support the deed of funding. Funding is not guaranteed until each of these documents has been accepted by the Ministry and both parties have signed a deed of funding

To support you in the development of the work programme, project budget and annual work programme, the Ministry will provide you with an upfront payment of \$10,000. The amount has been determined based on the value and duration of your project. To be eligible to receive the upfront payment, you must:



*Making Aotearoa New Zealand  
 the most liveable place in the world*  
 Aotearoa – he whenua mana kura mō te tangata

- accept all of the funding conditions described above
- confirm your intent to proceed with the project
- commit to finalising the work programme, project budget and annual work programme and signing a funding deed within six months of confirming your intention to proceed with the project
- sign a deed of contribution with the Ministry for the Environment.

Representatives from the Ministry's Hono Tahua – Communities & Freshwater Investments team are available to meet with you in person. This will be an opportunity for you to discuss your project in detail and ask any questions about the next steps. Please contact Allison Bockstruck on (022) 068 4921 to arrange a suitable date and time to meet.

If your project documents are approved, a funding deed will be developed for signature by the Ministry and your organisation. Please note, expenses related to the delivery of the project incurred before the funding deed is signed by both parties, are not eligible for reimbursement.

**Please note:**

- The work programme, annual work plan and funding deed **must** be agreed by both parties no later than 6 months from date of letter, after which the offer of funding may expire.
- Expenses related to the delivery of the project incurred before the deed of funding is signed by both parties, are not eligible for reimbursement.
- The Minister for the Environment will announce all approved projects. Please ensure that you do not release details of your project in relation to Freshwater Improvement Fund funding before the Minister's announcement.

**Next steps**

The table below illustrates the next steps required from you to proceed to Stage 2.

Step No.		Key dates
1	<p><b>Confirm that you intend to proceed with Stage 2 of the application process.</b></p> <p>Please read the enclosed <i>Confirmation of intent to proceed</i> form to ensure that you are able to satisfy all the points covered by the declaration.</p> <p>Should you choose to proceed, complete and sign the confirmation form and email it back to <a href="mailto:fif@mfe.govt.nz">fif@mfe.govt.nz</a>.</p> <p>If you choose not to proceed, please let us know as early as possible.</p>	7 days from date of letter
2	<p><b>Sign a deed of contribution and receive an upfront payment</b></p> <p>Once we receive your <i>Confirmation of intent to proceed</i> form, we will provide you with a deed of contribution, which must be signed in duplicate by a person with the relevant financial delegation within your organisation.</p> <p>Once this document has been signed in duplicate, please return both <b>hard copies of the signed deed of contribution</b>, and a copy of a <b>bank deposit slip</b> for your organisation to:</p> <ul style="list-style-type: none"> <li>• Ministry for the Environment, PO Box 10362, Wellington 6143.</li> </ul>	4 weeks from receiving the intent to proceed form

Step No.		Key dates
	We will then counter-sign the deed of contribution (sending you back one signed original) and process the payment through our Accounts Payable team.	
<b>2</b>	<p><b>Stage 2 meeting</b></p> <p>This meeting will be an opportunity to talk through your work programme and annual work plan and ask any questions about the funding process.</p> <p>A draft work programme, annual work plan and funding deed will be emailed to you shortly before the meeting. Note that some of the sections will be pre-populated for you based on the information from your application form.</p> <p>We recommend that you undertake a legal review of the funding deed to confirm your acceptance of all the clauses.</p> <p>You will also be sent the Guide for Funding Recipients – please read this thoroughly as it is a primary source of information for all stages of your project from Stage 2 onwards.</p>	September onwards
<b>3</b>	<p><b>Commence drafting your work programme, project budget and annual work plan.</b></p> <p>We recommend that you commence drafting your work programme and annual work plan as soon as possible after the Stage 2 meeting. Applicants must complete the first draft of the work programme within <b>4 weeks</b> of the Stage 2 meeting.</p> <p>Funding approval is dependent on the development of a satisfactory development of these project documents. These documents are in turn used to create the deed of funding for your project.</p>	September 2017
<b>4</b>	<p><b>Finalise work programme, project budget, annual work plan and funding deed</b></p> <p>The work programme, annual work plan, and deed of funding must be agreed and signed by both parties no later than 6 months from date of letter. After this date, the offer of funding may be withdrawn.</p> <p>Delivery of your project may only commence once the deed of funding has been signed by a person with the relevant financial delegation within your organisation and the Ministry.</p>	September 2017-January 2018

Contact Allison Bockstruck from the Ministry's Hono Tahua – Communities and Freshwater Investments team on (022) 068 4921 or email [fif@mfe.govt.nz](mailto:fif@mfe.govt.nz) if you have any queries at this stage.

Please note that this letter does not constitute a binding agreement.

Nāku noa, nā

Annabelle Ellis  
Manager, Hono Tahua – Communities and Freshwater Investment





## 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 John Krammer (Tapu Bay) - offer of surrender of lifetime occupation licence

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	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 Nelson Airport Director Appointment

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)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person.	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.