

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

Date: Thursday 5 April 2018
Time: 9.30 am
Meeting Room: Tasman Council Chamber
Venue: 189 Queen Street
Richmond

Full Council

AGENDA

MEMBERSHIP

Mayor	Mayor Kempthorne	
Deputy Mayor	Cr King	
Councillors	Cr Brown	Cr McNamara
	Cr Bryant	Cr Ogilvie
	Cr Canton	Cr Sangster
	Cr Greening	Cr Tuffnell
	Cr P Hawkes	Cr Turley
	Cr Maling	Cr Wensley

(Quorum 7 members)

Contact Telephone: 03 543 8405
Email: kate.redgrove@tasman.govt.nz
Website: www.tasman.govt.nz

AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

3.1 Presentation of petition by ‘Save our Springs 2018’

N.B. maximum 25 petitioners allowed in the Chamber for this item. Presentation limited to a maximum of 5 minutes.

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 22 February 2018 and the minutes of the Extraordinary Full Council meeting held on Friday, 16 March (reconvened 22 March) 2018, be confirmed as a true and correct record of the meeting.

7 PRESENTATIONS

Nil

8 REPORTS

8.1	Recovery from Ex-Cyclones Fehi and Gita	5
8.2	Contract 1065 - Three-Waters Operations and Maintenance Contract.....	43
8.3	Referral of Saxton Field Committee minutes and recommendations	51
8.4	Provincial Growth Fund.....	75
8.5	Representation Review Update	85
8.6	Motueka Hall Charges	99
8.7	December 2017 Quarterly Financial Update	103
8.8	Treasury Report.....	117
8.9	Six Monthly Review of Levels of Service Performance.....	129
8.10	Nelson Tasman Quarterly Monitoring Report Under National Policy Statement on Urban Development Capacity	223
8.11	Local Government Funding Agency Draft Statement of Intent and Half Year Report to 31 December 2017	229
8.12	Waimea Community Dam - CCO Formation	253
8.13	Waimea Community Dam Project Report.....	259

8.14 Chief Executive's Activity Report	265
8.15 Mayor's Activity Report to Full Council.....	281
8.16 Machinery Resolutions Report.....	291

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public	292
9.2 Appointment of Chief Executive Officer to Tasman District Council.....	292
9.3 Richmond Aquatic Centre Lane Pool Retiling	292

8 REPORTS

8.1 RECOVERY FROM EX-CYCLONES FEHI AND GITA

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Richard Kirby, Engineering Services Manager; Susan Edwards, Community Development Manager
Report Number:	RCN18-04-02

1 Summary

- 1.1 On 01 February 2018 the remnants of Cyclone Fehi impacted on the Nelson-Tasman region. Residential areas in Monaco, Ruby Bay and Mapua were particularly heavily impacted with residential properties and commercial properties rendered unfit for use by severe flood damage and/or contamination. Council reserves in Tasman took severe damage during this event.
- 1.2 On 20 February 2018 the remnants of Cyclone Gita impacted particularly hard on the Marahau, Brooklyn Valley, Takaka Hill and Motueka West Bank areas of Tasman District. Nelson City and other areas in Tasman were also impacted but to a lesser extent.
- 1.3 Severe damage to significant Council infrastructure has either been repaired or is being repaired. Some work will take several months to complete. Staff have estimated that the cost of remediating the damage to Tasman District Council infrastructure will exceed \$10 million.
- 1.4 The Council can access funding to meet the damage costs from several sources including the disaster relief fund, roading subsidy from the New Zealand Transport Agency and the Council's insurance providers.
- 1.5 This report provides detail on the extent of damage to Council infrastructure and the work being carried out to remediate that damage and to get the District back to business as usual.

2 Draft Resolution

That the Full Council

- 1. receives the Recovery from Ex-Cyclones Fehi and Gita report RCN18-04-02; and**
- 2. notes that in the first instance costs would be charged against operating budgets;**
- 3. notes that in most cases this result in an over expenditure of the operating budgets;**
- 4. notes that the overall deficit in the respective activity will be brought back to council for a final decision on funding;**
- 5. notes that additional funding may involve utilising the General Disaster reserve, Rivers Emergency and Parks and Reserves Emergency funds.**

3 Purpose of the Report

- 3.1 This report provides a full account of the two storm events that impacted on the Nelson-Tasman region during February 2018. The report also includes indications of financial costs to repair the damage to Tasman District Council's infrastructure.

4 Overview of the Ex-Cyclone Events

- 4.1 On 1 February 2018 the remnants of Cyclone Fehi impacted on the Nelson Tasman region. Residential areas in Monaco, Ruby Bay and Mapua were particularly heavily impacted with residential properties and commercial properties rendered unfit for use by severe flood damage and/or contamination. Council reserves in Tasman also suffered severe damage during this event.
- 4.2 On 20 February 2018 the remnants of Cyclone Gita impacted particularly hard on the Cobb Valley, Rockville (Golden Bay), Marahau, Brooklyn Valley, Takaka Hill and Motueka West Bank areas of Tasman District. Nelson City and other areas in Tasman were also impacted but to a lesser extent.
- 4.3 Post ex-Cyclone Fehi the response and recovery operations were limited primarily to the Ruby Bay/Mapua areas in Tasman and Monaco in Nelson City. After the effects of Cyclone Gita were felt, the response operations and subsequent recovery operation were expanded to cope.
- 4.4 During the ex-Cyclone Gita event, a Civil Defence Emergency was declared at 19.20hrs on Tuesday 20 February 2018 and remained in force until noon on Friday 23 February 2018. At that time the emergency moved into a Civil Defence Transition Period which lasted 28 days and expired at noon on Friday 23 March 2018.
- 4.5 By Friday 23 March 2018 the recovery had evolved into an extension of the 'business as usual' activities of Council. The powers available under a Civil Defence Transition Period were considered to no longer be required and the Council could use its normal powers to effect the remainder of the recovery.
- 4.6 The recovery is now primarily focused within the Tasman District where the most severe damage occurred.
- 4.7 A Recovery Manager, Alternate Recovery Manager and Recovery team were formed to manage the recovery process. Other agencies including the New Zealand Response Team-2, the Red Cross, Ministry of Social Development, Inland Revenue Department, Rural Support Trust, Nelson Marlborough District Health Board, Insurance Council of New Zealand and the Earthquake Commission were involved during the emergency event and through the recovery phase.
- 4.8 During and post both the Fehi and Gita events, welfare visits were carried out on over 630 properties in Tasman and Nelson City. This resulted in 193 cases being identified which required follow up. Around 33 residents are still considered vulnerable, seven of whom are high priority. Tasman District and Nelson City staff along with some external volunteers were assigned as "navigators". The navigators were assigned to those people identified during the welfare as needing help, to provide ongoing support and a 24-hour contact point. The navigators also provided advice about agencies that can assist those in need, e.g. Ministry of

Social Development, Nelson-Marlborough District Health Board, Inland Revenue Department etc.

- 4.9 The Nelson-Marlborough District Health Board authorised free GP visits for referrals to psychiatric support for those people suffering from the effects of the storm events.
- 4.10 A significant number of private properties were adversely affected by both storm events. Of the 633 residential buildings assessed by the Building Inspectors, eight were red-stickered (deemed uninhabitable) under the CDEM Act, 14 were yellow-stickered (restricted access) and 14 Section 124 notices (deemed dangerous, affected or insanitary) were issued under the Building Act.
- 4.11 As well as damage to private buildings many properties were impacted by deep silt deposits and tree and slash debris from both pinus radiata and native forests.

5 Overview of Response

- 5.1 The Response Phase lasted around three days and primarily during the Declaration phase.
- 5.2 There was significant activity under the banner of Civil Defence across the district. The personnel comprised Civil Defence Staff, Council staff from Nelson City and Tasman District, staff from other agencies and volunteers.
- 5.3 The Civil Defence Centres in Takaka and Motueka were activated on Tuesday 20 February.
- 5.4 Six teams comprised of Building Inspectors and RT2 personnel completed assessments in Marahau, Riwaka township and Brooklyn area and valley, Shaggery Valley, Rocky River Valley and Herring Stream Valley.
- 5.5 Red Cross teams visited properties and completed welfare needs assessments.
- 5.6 Power supplies were disrupted at specific locations. By Friday 23 February 2018 most were restored across the network. Some local connections from the network supply to properties in Riwaka, Motueka, and Marahau areas took longer to restore.
- 5.7 The closure of SH60 on the Riwaka end of the Takaka Hill Road meant that Golden Bay was isolated to road access for a few days. Consequently food and fuel supplies needed to be delivered to Golden bay by barge and sea shuttle.
- 5.8 A fuel conservation plan was issued for Golden Bay from Wednesday 21 February and lasted until 9:00am Monday 26 February 2018. This was to protect fuel stocks for emergency vehicles and those repairing the roads and infrastructure.
- 5.9 Personnel from Marlborough and Canterbury were also deployed in the Emergency Operations Centre and in reconnaissance teams, and also helping with other aspects of the response.

6 Overview of Damage

- 6.1 Significant damage from both storm events impacted on the District roads, stormwater systems, water supplies, bridges, culverts, wastewater systems, reserves and facilities and coastal structures.

Roading

- 6.2 Several roads were closed for short and longer periods. Some roads were restricted to 4WD vehicles and residents access only. Riwaka Valley Road and Brooklyn Valley Road incurred significant damage including deposits of silt up to eight metres above the road surface mixed with significant forestry debris including slash. Riwaka-Sandy Bay Road remained closed for five weeks, however Marahau was accessed via the Kaiteriteri-Sandy Bay Road. Graham Valley Road (to Mt Arthur) was closed until contractors “blasted” a dangerous overhang and then cleared it.
- 6.3 In Golden Bay two bridges at Carter Road and the Cobb Road were seriously damaged. The Kaituna River bridge on Carter Road will require a complete rebuild/replacement and the contractors have commenced work on this. Local farmers have generously provided temporary access for residents in Carter Road via private properties and a private bridge.
- 6.4 State Highway 60 over the Takaka Hill was severely damaged and it was closed for several days while the New Zealand Transport Agency assessed the damage and started on remediation. The road was initially opened on Sunday 25 February to a limited number of “essential” vehicles. It was subsequently opened with restricted access times and restricted vehicle weights. It will take several months for NZTA to fully repair the road back to its pre-storm state.
- 6.5 Council’s contractor (Downer) was fully committed to the ex-Cyclones Fehi and Gita recovery in the Marahau-Riwaka area. Every possible digger and loader and many subcontractors were involved in the removal of silt and debris from these areas (see photos below). Approximately 60 km of the network has been affected.
- 6.6 The worst affected areas were Marahau Valley Road, Riwaka Valley Road, Brooklyn Valley Road, Motueka Valley Highway and Motueka River West Bank Road.
- 6.7 The next stage of the recovery will involve cleaning of blocked culverts, replacement of damaged culverts and the reinstatement of roads and bridges. The bulk of the work will be completed by June this year, although some permanent reinstatement works such as retaining walls or culvert replacements may continue into 2018/19.
- 6.8 A big challenge for the wider team of Council staff and contractors has been ensuring ‘business-as-usual’ issues can be resourced adequately. In response to this, Downer and the Council have established dedicated recovery resources to work alongside the maintenance team.



Silt and Debris - Riwaka-Sandy Bay Road



Rocky River Bridge, West Bank Road



Hodgens Bridge, Dovedale Road



Silt and Debris – From Riwaka-Sandy Bay Road

6.9 Ex-cyclones Fehi and Gita as well as other localised weather caused a moderate amount of damage to parts of the Golden Bay road network.

- 6.10 During ex-cyclone Fehi much of the coastline around Pohara, Wainui and Pakawau was damaged by storm surges which has resulted in road reinstatement and further rock protection to these coastal roads.
- 6.11 Ex-cyclone Gita had less of an impact on roads directly but caused significant damage to the Takaka River Bridge on the Cobb Valley Road and to the Kaituna and Carter Bridges on Carter Road in the Aorere. Repairs to the Takaka River Bridge and Kaituna Bridge are underway, while Carter Bridge is still being assessed.



Cobb Valley Bridge approach washed away



Carter Bridge became a debris trap



Kaituna Bridge central pier has settled

6.12 The damage to SH60 on the Takaka Hill has is such that over-dimensioned and overweight vehicles cannot gain access to Golden Bay. The Council needed to initiate repairs to the Kaituna Bridge so a barge was needed to carry the crane and equipment from Kaiteriteri to

Port Taranaki. This took place on Monday 19 March and work on the Kaituna Bridge has subsequently started. It is intended the bridge will be repaired by at least the end of April.



The crawler crane (39 tonne) transported by low-bed transporter (truck and cargo total approx. 65 tonne) loaded onto Barge at Kaiteriteri.



Crane safely delivered to Carter Road to Repair Kaituna Bridge

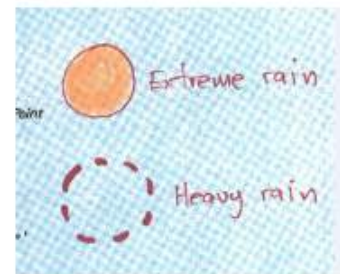
Rivers and Streams

6.13 After near drought conditions in November and December 2017, we have now experienced the wettest January/February on record. Much higher than usual sea temperatures have contributed to this, fueling the two extreme lows from the tail end of ex-cyclones Fehi and Gita

which hit in February. A high rainfall event on 11 February between the two ex-cyclone events also caused erosion in some River Z waterways.

- 6.14 There was no heavy sustained rainfall with ex-cyclone Fehi and effects were confined to the coast. However, ex-cyclone Gita caused damage and flooding in the Upper Takaka and many of the Separation Point Granite catchments in the Lower Motueka area, as well as the Dove, Moutere and Wai-iti catchments. These last three were also worst affected in the Easter 2017 event with those repairs only being fully completed late last year.
- 6.15 Effects particularly along the West Bank Motueka area downstream of Alexander Bluff Bridge were more widespread and of higher magnitude in places to the December 2011 Pohara and 2013 West Bank events, characterised by slips generating large debris flows.
- 6.16 Large woody debris, rocks and many thousands of tonnes of sand and silt have filled in stream and river channels and spewed out over the alluvial fans where various West Bank tributaries meet the Motueka floodplain.
- 6.17 A rapid assessment of most of the affected catchments on this side of the Takaka Hill has been carried out.
- 6.18 Assessments have been focused on River Z rated areas (outside the fully maintained river network containing 285km of rivers). This is due to the nature of the event with high intensity, short duration rainfall causing slips and debris flows on land with Separation Point granite geology. Specifically in the Lower Motueka West Bank area including the Shaggery Road Stream and Brooklyn Valley Stream. It also extended to the Marahau area and nearby Otuwhero plus Orinoco/Ngatimoti.
- 6.19 There have been no requests for assistance in the Buller catchment but we currently have previously identified work there being completed on a number of rivers.
- 6.20 Going by calls for assistance and the limited inspections of the fully maintained network carried out to date, we do not expect there to be significant damage in the rivers not yet inspected other than an increased scope of works for currently programmed work. Additional rock and reconstruction of river control structures, vegetation or debris clearance and a small amount of new bank protection works are likely to be required.
- 6.21 The worst affected fully maintained rivers in the Tasman Bay area include the Dove River, which suffered a larger flood than the Easter 2017 event. To a lesser extent the Moutere River, with also some damage in the Wai-iti River. Interestingly, these are the same rivers that were affected by the Easter 2017 event.
- 6.22 Repairs are also required on many of the tributaries of these three rivers where we have carried out a number of inspection at landowner's request (i.e. River Z waterways).
- 6.23 We have not undertaken a detailed assessment of the Golden Bay rivers. We have received only half a dozen enquiries to since Fehi so early indications are that the damage is not as severe as it was in the Tasman Bay catchments.
- 6.24 We expect that the scheduled work in the fully maintained rivers in the Takaka and Aorere catchments that was underway when ex-cyclone Fehi hit, will likely have increased in scope. However this needs to be confirmed. High flows were experienced in the Waitui (Z rated tributary of the Upper Takaka), Upper Takaka, Waingaro and Anatoki rivers.
- 6.25 There have been several reports of damage especially in the Waingaro River.

- 6.26 It is likely that we will identify further work once Golden Bay becomes more accessible and time allows to undertaken further inspections.
- 6.27 Below is a map showing the areas of heavy and extreme rain from ex-cyclone Gita overlaid on a map showing the river rating classes. The fully maintained waterways are those contained within the red shading (X and Y River Rating Areas).



Map Showing River Classification Boundaries and the areas of Heavy and Extreme Rain

River Z (Z rated river sections)

- 6.28 The majority of the damage from ex-cyclone Gita was in the River Z network. Full inspections of all the X and Y rivers affected have not yet been completed and while some damage has been noted as mentioned above we do not expect a lot of new work in other X and Y areas given the flows experienced and discussions with landowners to date.
- 6.29 We are preparing to start repairs in the worst affected River Z sites, however given the available resources completing the full scope of works is likely to take at least eighteen months.

- 6.30 We will need to draw on emergency funds as although the budget next year is doubling to \$400,000 much of this was already committed, and we now have about that much again (Council's 50% share) in additional damage from February.

Coastal Structures

Ruby Bay

- 6.31 The Ruby Bay sea wall that is maintained by the Council is from 50 metres north of Tait Street through to the Talleys wall to the south, an approximate distance of 1100 metres. This was over topped during the ex-cyclone Fehi event. The most damage occurred along the section of wall between Tait Street through to the Chaytor Reserve. This section of revetment has been repaired using approximately 600 tonnes of additional rock.
- 6.32 The revetment from Chaytor Reserve through to the Talleys wall has had some repairs to the back landward of the wall which has scoured out in places from over topping of wall. This work is in progress with 132 tonnes of rock placed to date.
- 6.33 A survey was due to be completed on 1 February 2018 but ex-cyclone Fehi delayed this and the survey will now be undertaken at the conclusion of the storm damage repairs to the revetment walls.
- 6.34 Other storm damage repairs along Ruby Bay on private property are being dealt with by the Environment and Planning team.

Water Supplies

- 6.35 The Dovedale water supply scheme was severally impacted by ex-cyclone Gita. A large boulder damaged the upper intake and high flows scoured out pipework, damaged the access track and put the intake out of commission for six days. In addition, the temporary Dove river crossing installed after the January storm, was severely damaged by large trees floating downstream with the high flood level. The temporary crossing has been re-established one metre higher than before.



3-4 Tonne Boulder that rolled through intake



Damaged temporary stream crossing

6.36 Cyclone Gita did not have any other impacts on the District water supply schemes.

Wastewater Networks

6.37 Since 24 January there have been three weather events that have impacted on the operation of the wastewater networks. The 2 February storm surge event impacted Kaiteriteri, Riwaka, Mapua and Richmond networks.

02 February 2018 Storm Surge

6.38 In Kaiteriteri, tidal flooding inundated the Little Kaiteriteri pump station. While the water did not affect the pump station electrical cabinet (it was raised in 2016), the power supply box supplying the pump station and a neighbouring property burnt out.



Flooding around Little Kaiteriteri WWPS

6.39 In Riwaka, Green Tree, Lodder Lane and Riwaka main pump stations were flooded but continued to operate. The Riwaka main pump station was submerged by at least 500mm but the electrical cabinet was remarkably watertight. An additional 350m³ was pumped from Riwaka to the Motueka WWTP as a result.



Flooding around Riwaka WWPS (red line marks flood water level)

- 6.40 Both Ruby Bay Shop and Tait pump stations were inundated by the tidal surge. Both pumps operated throughout the event. Approximately an extra 1,100m³ of water (sea water) was pumped out of Mapua/Ruby Bay. High volumes continued for several days.
- 6.41 The Mapua Leisure Park pump station was inundated by over a metre of water. Power to the Park was shut down due to widespread flooding, including the pump station. The controls for the pump station were damaged but planning for replacing the electrical and telemetry systems were already underway at the time of the event. The pump station has been operating on one pump with temporary manual controls since.
- 6.42 The tidal surge inundated the NRSBU Beach Road pump station that pumps all of the wastewater from Waimea Basin to Bell Island WWTP. Water got into the electrical controls and the pump station shut down. Between 2000 and 3000m³ of wastewater was discharged into Beach Road drain while the pump station was out of action.



Beach Road WWPS Richmond

Sunday 11 February 2018

6.43 During the Sunday 11 February storm event, there were multiple wastewater overflows around the District. Downer staff worked extremely hard, along with Nelson Marlborough Waste to prevent overflows at the Mapua School. However, the rain event was beyond the capacity of our infrastructure and a small overflow resulted. Downer had the school cleaned up just before 9am on Monday. Flows through the Mapua Wharf pump station reached 1,910m³ on Sunday compared to a normal daily flow of 390m³. Flows remained high throughout the subsequent week.

Tuesday 20 February 2018 – Ex-Cyclone Gita

6.44 In preparation for ex-cyclone Gita, a manhole and valve were installed on one of the three wastewater connections to the Mapua School. The manhole provides 2m³ of storage, which exceeds the anticipated daily volume from the school. The valve is closed during an event to prevent wastewater from the Council network overflowing at the schools main toilet block.

6.45 During the event many of the Council's wastewater networks were affected. However very few overflows were reported.

- Wastewater tankers were used in Motueka and Mapua to manage wastewater flows. Overflows occurred in eight locations in Motueka but none in Mapua.
- The three hour power outage in Takaka resulted in overflows outside the Pohara Camp and at the Pohara Valley pump station.

Mapua Leisure Park Pump Station

6.46 Structural investigations at Mapua Leisure Park pump station concluded that the wet well is structurally sound but the concrete haunching in the base needs to be replaced. The first stage

of repairs are planned to be completed on 7 March, with a new pump installed and operated using temporary controls. The second new pump is expected to be installed within six weeks with final concreting work completed then. The electrical and telemetry renewal work will be completed by the end of May. The pump station will be operating in a limited capacity until the electrical work is completed. The campground is expected to remain closed for some time, so the load on the pump station is limited to the café and any permanent residents.

Stormwater

- 6.47 The sea surge on 1 February 2018 was not accompanied by significant rainfall and therefore the public stormwater system coped well during this event. However, significant damage occurred along the coastline with Ruby Bay which requiring the most attention in relation to checking and clearing blockages of the stormwater system.
- 6.48 Two of the “duckbill” stormwater outlets at Patons Rock were recovered (see photo) after being disconnected by the wave action that occurred during the event and they will be reinstated over the next few weeks.
- 6.49 Significant rain occurred on 11 and 20 February with many of the Urban Drainage Areas experiencing surface flooding during these events. However, there were very few flooding complaints received from within the Urban Drainage Areas as a result of these two events.



Duckbill Stormwater Outlets – Patons Rock

Reserves and Facilities

- 6.50 The major impacts on Council’s reserves and facilities occurred during the ex-cyclone Fehi event. Fifteen reserves in Tasman Bay and seven in Golden Bay have suffered storm effects. This report covers the ones with the most significant damage. Staff presented an update on the impacts at the Community Development Committee meeting on 1 March 2018. However, the key matters are identified in this report for completeness.
- 6.51 Staff have estimated the cost of the **clean-up** of Council’s reserves and facilities as in the order of \$460,000. Staff have prepared a list of work, which needs to be undertaken (**Attachment 1**). Staff have not yet costed much of the work associated with reinstatement of beaches or infrastructure. Also, the cost does not include the costs associated with any reinstatement of infrastructure at McKee Memorial Recreation Reserve, which are likely to be even higher than the clean-up costs.

McKee Memorial Recreation Reserve

- 6.52 One of the key areas impacted by ex-cyclone Fehi was the McKee Memorial Recreation Reserve. The reserve has been damaged by storm inundation in the past. However, this was by far the worst event. The area remains closed to public use. Staff are organising the clean-up of the reserve. However, the damage to the infrastructure on the reserve is significant and will be expensive to repair. The Community Development Committee considered a staff report on the matter at the 1 March 2018 meeting and staff will prepare a further report on the options for the reserve for the 12 April 2018 Committee meeting.
- 6.53 The main entrance road has been severely damaged by stormwater runoff from the cliff face beside Stafford Drive and inundation by the sea. Work will be needed to make the road useable again.



McKee Memorial Recreation Reserve

- 6.54 Seawater inundation and mud have affected the toilet blocks and the sewerage pump station. Staff will be organising the clean-up of these facilities. The report to the 12 April 2018 Community Development Committee will consider options for these facilities in the future, including whether the toilet blocks need to be raised.



McKee Memorial Recreation Reserve entrance road and toilet block



McKee Memorial Recreation Reserve – Toilet Block

6.55 Seawater inundation, debris and mud have also damaged the picnic areas and children's playground. Staff are organising the clean-up of these areas.



McKee Memorial Recreation Reserve - Playground

Moturoa/Rabbit Island

6.56 Another severely impacted reserve is Moturoa/Rabbit Island. The causeway was inundated by the sea storm surge, blocking off access into the reserve. A report on the front beach damage and repairs is being prepared for the 12 April Community Development Committee.



Ken Beck Drive – Moturoa/Rabbit Island

6.57 Due to the inundation by salt water, large numbers of trees are dying throughout the islands and other Council reserves. Staff have already removed some of the most dangerous trees

and will monitor others to determine whether they will recover. Arboriculture work and tree removal are likely to be ongoing work and associated costs throughout Council’s reserves for some time. The costs of this work are hard to estimate until we know whether some trees will recover.



Moturoa/Rabbit Island – dying trees from salt water inundation

6.58 The photograph below shows how the front beach at Moturoa/Rabbit Island has been washed away, and the road has been partly washed away and undercut. The road is unlikely to be able to be reinstated and staff are working on what to do with the chip seal.



Moturoa/Rabbit Island – erosion of beach and along road edge

Coastal cycle trail – Fittal Street to Sandeman Reserve

- 6.59 A large area of the coastal cycle trail from Fittal Street to Sandeman Reserve in Richmond has been washed away and needs reinstating. The Tasman's Great Taste Trail Cycle Trust is undertaking much of this work. Their aim is to have this section open for Easter.



Coastal cycle trail – Fittal Street to Sandeman Reserve



Coastal cycle trail – Boardwalk Damage

Kina Reserve

- 6.60 Salt water and debris inundated approximately 70 percent of Kina Reserve. We also had salt water contamination of the water supply and the toilet containment chamber. Staff are working through the clean-up of the area, and investigating the possible relocation of the water supply and toilets. The reserve is currently open for use and camping.



Kina Reserve – salt water inundation



Kina Reserve – salt water inundation

Coastal reserve areas

6.61 Council's coastal reserves have also suffered inundation and erosion in many areas. The following photographs illustrate some examples. The first photograph is of Little Kaiteriteri.



Little Kaiteriteri Beach – Coastal Erosion

6.62 Golden Bay beaches also suffered damage. The following photograph illustrates the inundation at Rototai Beach Esplanade Reserve.



Rototai Beach Esplanade Reserve – debris and silt

6.63 At Pohara Beach from the Selwyn Street area to the Golf Course, the storm surge damaged beach accessways and eroded the dunes.



Pohara Beach – Coastal Erosion

6.64 At Patons Rock beach old sand bags have been exposed around stormwater pipes.



Patons Rock – coastal erosion and old sandbags exposed

6.65 There has also been substantial erosion at Awaroa and staff are currently in discussions with landowners on the matter.



Awaroa – Coastal erosion

7 Overview of the Recovery

- 7.1 All Council sewer and water supplies are functioning normally.
- 7.2 All roads and bridges have been inspected for safety and controls put in place as required.
- 7.3 The New Zealand Transport Agency (NZTA) have made good progress with repairing the State Highway, most notably Takaka Hill.
- 7.4 A vast amount of debris and silt has been removed from public areas and disposed of appropriately.
- 7.5 Most roads have been reopened, at least for resident's access.
- 7.6 The sea wall at Ruby Bay has been "patch" repaired.
- 7.7 Residents in Stafford Drive, Ruby Bay have been given advice on how to remove the beach material from their properties and where to place it for best effect.
- 7.8 A survey of the sea walls in Ruby Bay and Marahau is being carried out to assess suitability and possible improvements. Once completed any options for improvement will be presented to Council and the local residents.
- 7.9 NIWA has carried out a modelling survey to assess the effects of coastal inundation in Ruby Bay. The report is still to be released.

- 7.10 Surveys of the Ruby Bay stormwater systems have been carried out and some areas for improvement identified. Public systems will be modified where necessary and ongoing negotiations with private landowners regarding their drainage.
- 7.11 Nelson Marlborough District Health Board has authorised free GP visits for referrals to psychiatric support for those suffering from the effects of the cyclones.
- 7.12 Public information meetings have been held as follows:
- Ruby Bay – 7 February
 - Ruby Bay/Mapua 8 February
 - Marahau 22 and 28 February
 - Riwaka 28 February
 - Takaka 12 March
 - Brooklyn 14 March
 - Ngatimoti 14 March
- 7.13 Drop in sessions were held on 1 March (Riwaka) and 2 March (Marahau). These sessions enabled access to organisations such as EQC, IRD, MSD, Rural Support Trust, NMDHB, Insurance Council NZ as well as Council recovery staff.
- 7.14 Access to barges has been made available to Federated Farmers if they need to move large numbers of stock out of Golden Bay.
- 7.15 Geotech engineers have visited two properties and given advice to property owners.
- 7.16 The forestry industry has been involved in discussions as to how they can assist in removing forestry slash from properties and providing dump sites. The companies and their contracted management groups have been involved in assisting those affected by adjacent forestry.
- 7.17 Temporary Accommodation Service (TAS) has been set up by Ministry of Business Innovation and Employment (MBIE) to assist with finding accommodation to those who have been displaced.
- 7.18 Navigation Safety Warnings have been issued as appropriate due to debris in coastal waters.
- 7.19 Water, shower and laundry facilities have been made available for those in need at Kaiteriteri Motor Camp.
- 7.20 Useful information has been distributed to the public in both paper and electronic formats.
- 7.21 The Mayor has acted as an advocate to various Ministries for support to local communities and businesses.
- 7.22 The Council has agreed to work with the Ministry of Social Development (MSD) on providing assistance through Enhanced Task Force Green (ETFG). A company called VETEL are interviewing, training, equipping and supervising individuals to work for ETFG. It is hoped to get the teams “on the ground” as soon as possible. A governance group consisting of Council, Rural Support Trust, MSD and the Ministry of Primary Industries (MPI) will prioritise support.
- 7.23 Welfare support continues to be given to those that require it. The use of “navigators” – people who assist those in need to obtain support – continues. The list of those who are receiving direct support is approximately 33 with seven considered high risk. Several Council staff have been assisting with the navigator work. Where appropriate welfare staff are working with other

agencies such as MSD and the DHB to ensure that the correct type of support is being provided. Where possible support will be handed to other agencies who are better equipped to assist.

- 7.24 MCDEM has provided \$20,000 to the Mayoral Relief Fund. Other donors have also given money to the fund.
- 7.25 MBIE has given \$80,000 to the Council to assist affected businesses in the District. Applications have been received for this funding. Criteria has been established to help allocate funding.
- 7.26 The damage to private property mainly comprises of silt, debris and slash. Some properties were more adversely affected than others. There were some in the community who had expectations that the Government and/or the Council would help fund the clean up their properties.
- 7.27 All the way through the Recovery Period we have been consistent in our messaging about what the Council does and does not do. Many still believe that the Council has a liability to those affected by the ex-cyclones and should compensate them. The Councils position has always been that it will repair public infrastructure and assist the public in recovery wherever possible, however, it has no remit to spend public money on private problems.
- 7.28 Immediately post Gita many property owners removed silt from their properties and placed it on the road verge, presumably expecting the Council to remove and dispose of it. These piles of silt and debris not only created a safety risk for road users but a maintenance risk in that in the event of further rain it would fill up water tables, culverts and drains.
- 7.29 We found ourselves in a very awkward situation. Given the stress that many in the community were experiencing we agreed to help residential property owners who had put their silt out on the road verge. We commissioned former-Councillor and Motueka Community Board Member Barry Dowler to coordinate this aspect of the work. Former Councillor Trevor Norriss supported and deputised for Barry when he was not available.
- 7.30 The offer was on condition that it was only silt from under and within eight metres of residential dwellings and up to 60metres of driveway. This is the same criteria utilised by EQC. This has been well received. However there have been some orchardists and farmers who have taken advantage of this and expect the Council to pick up silt on their road frontages. Often it is difficult to confirm where the silt came from, but it is clear that some have taken advantage of Council in this regard.
- 7.31 The costs of collecting the silt and debris this offer is estimated to be around \$12-\$14,000. This is not considered significant in the context of the scale of the event.

Private Land and Buildings

- 7.32 Clearly the weather events significantly impacted on private land owners. Eight buildings are still subject to s124 Notices under the Building Act which prevent use and occupation. Owners are in discussion with their insurance companies and Council staff continue to monitor progress and assist where they can. Rapid assessments have identified a number of unauthorised buildings that have been impacted by ex-cyclone Gita. Owners of these

buildings will be contacted by council and they will be required to either legitimize the buildings or have them removed..

- 7.33 Compliance staff have also been working with property owners and forestry companies to identify those situations where land use practice may have accentuated impact. It has been established so far that the intensity of rainfall in certain areas combining with the Separation Point Granite geology has resulted in slope failure regardless of land use. The Council is soon to workshop the National Environmental Standard on Production Forestry where these matters will be further discussed.

8 Options

- 8.1 The only option is to progress with the recovery. The Council could decline funding but that is not really an option. The community expects the Council to restore the levels of service expected by the community.
- 8.2 There are reinstatement options within each of the activities that are being considered on a case-by-case basis. However that is a level of detail that is not being considered in this report.

9 Strategy and Risks

- 9.1 The strategy is to focus on repairing the damage to the Council's infrastructure as outlined in this report.
- 9.2 The primary risks relate to the estimates and funding. The risk that the estimates exceed what has been anticipated to date is considered to be much lower than the risks around obtaining the funding from external agencies and property owners. The risk of exceeding the estimates given above are considered low, however until the scope of the recovery is given more certainty this cannot be guaranteed.
- 9.3 The risk of not receiving all of the funding from the various agencies and property owners is considered to be moderate. The River Z funding does require commitment from affected property owners. The MCDEM funding does require the Council preparing accurate claims and there may be some costs that may not be funded. This aspect is still to be confirmed.
- 9.4 The funding from NZTA does have certainty, provided the Council produces the necessary supporting information in an accurate and substantive manner.

10 Policy / Legal Requirements / Plan

- 10.1 The Recovery phase is primarily being undertaken as an adjunct to Council's normal operations. The policies and legal requirements that are currently being used will still apply.

11 Consideration of Financial or Budgetary Implications

- 11.1 The estimates to reinstate the damage that ex-cyclones Fehi and Gita caused are outlined in the following table;

Activity	Estimate (\$)
Rivers	\$1,560,000
Water Supplies	\$150,000
Reserves (Parks)	\$460,000
Coastal	\$80,000
Roading	\$9,400,000
Administration	\$190,000
Total Gross Estimate	\$11,840,000

Table showing estimates of damage for each activity

- 11.2 The administration estimate includes the support given to the response and recovery from other departments within Council such as, finance, property, communications and information services. It also includes the costs directly attributed to the response phase.
- 11.3 The Reserves (Parks) estimate excludes costs associated with upgrading McKee Reserve infrastructure and beach restoration.
- 11.4 The other activities include assessments of the time commitments by Council staff directly involved in each of the respective activities. It is estimated that around 4,700 hours of staff time will be committed to the response and recovery effort.
- 11.5 These estimates will become more certain as the recovery progresses. This is a priority for the roading activity as the Council is currently finalising the costs of the repair works with its contractor. These should be finalised with more certainty by the end of April 2018.
- 11.6 The following table outlines the potential funding that could come from other sources;

Activity	Estimate (\$)
River Z Properties	\$331,000
MCDEM Response (100%)	\$60,000
MCDEM 60/40 Threshold	\$500,000
Council Insurance	\$335,000
NZTA (\$1.5m at 51%)	\$765,000
NZTA (Balance at 70%)	\$5,500,000
Total External Funding Estimate	\$7,491,000

Table showing sources and estimates of external funding

- 11.7 The net cost to Council is estimated to be around **\$4,349,000**.

11.8 The following table summarises the current emergency fund balances for each of the activities;

Activity	Funds (\$)
General Disaster	\$3,889,949
Rivers Emergency	\$1,132,000
Stormwater	\$315,000
Wastewater	\$150,000
Parks and Reserves	\$190,339
Total Gross Estimate	\$5,677,288

Table showing current Emergency Fund Balances

11.9 The stormwater and wastewater activities have not had sufficient damage to justify utilising emergency funds. It is therefore proposed that these emergency funds not be utilised for other activities.

11.10 The Rivers Emergency (\$1,132,000) and Parks and Reserves (\$190,000) funds are not sufficient to fully fund the damage estimated for each activity.

11.11 The General Disaster (\$3,889,949) fund plus the Rivers Emergency (\$1,132,000) and Parks and Reserves (\$190,000) funds gives a total of **\$5,212,288** funding available.

11.12 It is proposed that in the first instance costs would be charged against operating budgets. Any capital component would be treated as capex and loan funded. In most cases this will result in an over expenditure within the operating budgets. Once the work is underway and costs are known the overall deficit in the activity balance (after consideration of carried forward balances and the revised operational plans) can be brought back to council for a final decision on funding. Additional funding would consider utilising the emergency fund reserves.

11.13 There is no impact on the overall council borrowings as the allocation of costs is an internal matter. This approach also assists in preserving as much of the disaster fund as possible. This is important given the frequency of events.

12 Significance and Engagement

12.1 Although the scale of the recovery is reasonably large and the required funding reasonably moderate, it is not considered significant enough to undertake comprehensive engagement.

12.2 Aspects of the recovery will require engagement and consultation with directly affected parties in specific areas. However, from a district-wide perspective it is not considered significant.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	Although many in the community have been adversely affected by these events and there is a high level of public interest in the recovery, the decision to fund the recovery is not likely to be controversial.
Is there a significant impact arising from duration of the effects from the decision?	Low	There will be an impact to sectors of the community affected by these events, however the duration of the effects will not be significant.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	The decision does relate to components of some of Councils strategic assets but does not have a significant impact on the strategic assets as a whole themselves.
Does the decision create a substantial change in the level of service provided by Council?	Low	The decision effectively restores the levels of service already established and being delivered.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	Council has emergency funding set aside and although this is largely being depleted, it does not have a direct impact on rates or debt. However replenishing the emergency funds may impact on rates and Council finances.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	No it does not involve the sale of part sale of any CCO or CCTOs.
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	Some of the works may involve contracting services to effect the repairs. The bulk of the repairs are being undertaken by current contracts Council has for delivery of services.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

13 Conclusion

- 13.1 There has been significant damage inflicted on infrastructure and on private properties by ex-Cyclones Fehi and Gita.
- 13.2 The cost to the Council to recover from the events and repair the damaged infrastructure is estimated at \$11.8 million.
- 13.3 With funding from external sources estimated at \$7.5 million the net cost to Council is estimated at \$4.3 million.
- 13.4 The Council has emergency funding of \$5.7 million, of which \$5.2 million is available to fund the estimated net cost.
- 13.5 The General Disaster Emergency Fund is estimated to drop to around \$0.9 million after this recovery period is completed. The Council will need to consider building these funds up again.

14 Next Steps / Timeline

- 14.1 The recovery will continue and the damaged infrastructure will be restored over time. Some components will take longer than others. Most of the damage will be restored in the next few months, however other aspects like bridges and streams may take up to two years to recover.

15 Attachments

1. Reserve Area Effects from Ex-Cyclones Fehi and Gita

39



Reserve area effects from Cyclone Fehi – 1 February 2018

Reserve area	Effects	Remedies
Coastal cycle trail (Aquatic centre to Sandeman)	Sections of timber boardwalk broken and missing	Repair and rebuild where necessary
Sandeman Reserve	Sections of trail eroded and scoured	Widen and repair trail surface
	Areas of debris lying on trail	Clear all debris
Rough Island	Dead and damaged vegetation from salt water inundation	Remove all dead trees and shrubs - start replanting programme
	Hundreds of dead trees and shrubs from salt water inundation	Remove all dead trees and shrubs - start replanting programme
	Large areas of dead grass from salt water inundation	Re-establish grass where necessary
	Large amounts of debris on roads and grass areas	Remove all debris tidy up plant guards
Moturoa/Rabbit Island	4 trees fallen across Tic Toc road	Remove and make safe
	Erosion and under cutting to front beach chip seal roads	Remove all damaged chip seal road material
	Major erosion/ loss of beach dune area	Tidy and re-shape where possible
	Debris to clear off roads and grass areas	Remove all debris
	All beach accessways damaged including fully accessible ramp	Repair and make safe all accessways
	All beach fencing damaged or lost	Repair once debris cleared
	Fallen and destabilised pine trees along front beach	Fell and remove 8 dangerous pine trees

Reserve area	Effects	Remedies
Research Orchard Reserve	Many dead trees and shrubs from salt water inundation	Changes to roading layout Initial clean up removal debris and plant guards Remove all dead trees and shrubs - start replanting programme
Grossi Point Reserve	Tree fallen over toilet block Large areas of dead grass from salt water inundation	Remove and repair toilet block roof Re establish grass where necessary
Old Mill Walkway	Pathway eroded where not protected behind rock wall Debris lying over pathway	Initial clean up removal debris Repair trail surface
Pine hill walkway	One collapsed pine tree along roadside	Remove and make safe Assess remaining trees for stability
McKee Reserve (Currently Closed)	Large amounts of debris on roads and camping grass areas Dead and damaged vegetation from salt water inundation Playground bark contaminated with debris and saltwater Large areas of dead grass from salt water inundation 3 destabilised pine trees gravel washed away from root zone Sewer pumpstation flooded with sea water Inundation of entrance area	Huge clean up required Remove all dead trees and shrubs - start replanting programme Replace playground bark Re-establish grass where necessary Fell and make safe Pump out and test system operation Re-direct stormwater flowing off Mapua Ruby Bay road
Kina Reserve	Large amounts of debris on roads and grass areas 70% of area Contamination of water supply Damage to coastal fencing	Remove all debris Flush out existing well Repair as required

Reserve area	Effects	Remedies
Trewavas Street	Dead trees and fallen Ngaio trees along coastal edge	Remove and make safe
	Self contained toilets filled with salt water	Toilets pumped out
Motueka Quay/Kumara's	Erosion damage to locally made sea walls	Work with neighbours to improve estuary edge
	Localised erosion along estuary edge	Minor sand rebuild and planting
Stephens Bay	Debris lying over pathway	Clear all debris and repair surface
	Sand eroded from upper beach exposing underlying soil layer	Possible sand push up to help hold the line Additional coastal planting required
Little Kaiteriteri	Beach accessways damaged	Repair accessways but removed wooden steps structure
	Vehicle track along western end eroded away	Possible sand push up to help hold the line
Breaker Bay	Many trees fallen onto beach at western end	Remove fallen trees from site
	Toilet block foundations exposed	Structure to be assessed for strength
Torrent Bay	Toilet block steps damaged	Access steps to be rebuilt
	Sand inside pipe from inspection vent	Sand to be cleaned out of pump before entering pump station
Tata Beach	Sand washed over reserve area	Remove debris but leave sand in place and re-seed grass area
	Coastcare fences damaged	Repair fencing
Ligar Bay	Erosion beside boat ramp	Sand replenishment required
	Plantings washed out western end or covered eastern end	Replant as required
Pohara	Minor plant areas covered with sand	Replant as required
	Most beach accessways damaged	Temporary repair to get open
	Severe erosion of beach dunes	Tidy and re-shape where possible

Reserve area	Effects	Remedies
Golf Course	Severe erosion of beach dunes	Tidy and re-shape where possible
Rototai esplanade reserve	Severe inundation and debris Damage to vegetation	Remove all debris off site as first step Replant where required
Rototai Reserve	Trees and shrubs dying from salt water inundation	Remove and make safe
Clifton Reserve	Large areas of grass dying Trees and shrubs dying from salt water inundation	Re-sow where required Remove and make safe
Patons Rock	Erosion along beach front Some beach accessways damaged but still usable Large areas of grass dying Stormwater pipes washout and lying on reserve	Tidy and re-shape where possible Repair and make safe Re-sow where required Follow up with engineering
Parapara	South-eastern end eroded beach front area	Possible sand push up to help hold the line Replant when possible
Rangihaeata	Not yet inspected	
Linden Place	Sediment removal	
Riwaka Tennis	Clean Courts and repairs to building	
Dummy Bay	Asset repairs (steps) and track repairs	
DSIR Sports Grounds	Sediment removal and drain clearing	
Rabbit Island Showers at Depot	Repair walling within showers and kitchen block	
Brooklyn Domain	Sediment removal	

Total Estimated Cost: \$460,000

8.2 CONTRACT 1065 - THREE-WATERS OPERATIONS AND MAINTENANCE CONTRACT**Decision Required**

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Jenny Callaghan, Project Manager - Engineering Services; Mike Schruer, Utilities Manager; Richard Kirby, Engineering Services Manager
Report Number:	RCN18-04-03

1 Summary

- 1.1 The Council currently contracts out the operations and maintenance services for the 3-waters activities comprising, water, wastewater and stormwater. Downer is the current contractor under Contract 688 which has been in place since 2007.
- 1.2 This Contract 1065 replaces the existing Three Waters Operations and Maintenance Contract C688 which expires on 3 July 2018.
- 1.3 On 23 November 2017 the Tenders Panel awarded preferred contractor status to Downer New Zealand Ltd (Downer) and authorised staff to enter into negotiations with Downer to agree risk allocation, scope and pricing.
- 1.4 Staff are recommending the award of the Three-Waters Operations and Maintenance Contract 1065 to Downer New Zealand Ltd.

2 Draft Resolution**That the Full Council**

- 1. receives the Contract 1065 - Three-Waters Operations and Maintenance Contract report RCN18-04-03; and**
- 2. approves the award of Contract 1065 for the Three-Waters Operations & Maintenance to Downer New Zealand Ltd for the sum of \$22,871,110 (excluding GST); and**
- 3. notes that the budgetary implications will need to be incorporated into the Long Term Plan 2018/2028.**

3 Purpose of the Report

- 3.1 This report outlines the outcome of negotiations with Downer New Zealand Ltd (Downer) for the Three-Waters Operations and Maintenance Contract (C1065) and recommends that the contract be awarded to Downer for an initial period of five years.

4 Background and Discussion

- 4.1 The Council currently contracts out the operations and maintenance services for the three waters activities. Downer is the current contractor under Contract 688, which has been in place since 2007. In recent years, Downer have consistently met or exceeded the monthly Contract 688 performance measures, based on staff audits routinely reported to the Engineering Services Committee. Downer's response to events has been very good.
- 4.2 Contract 1065, Three-Waters Operations and Maintenance, will replace the existing Three-Waters contract (Contract 688) which expires on 3 July 2018. It covers the operations and maintenance of the Council's three-waters storage, reticulation, treatment and disposal networks and systems.
- 4.3 The Three-Waters networks are:
- Water supply
 - Wastewater
 - Stormwater
- 4.4 The previous contract was very prescriptive with detailed schedules requiring a high level of claim checking, monitoring work sites and auditing jobs. Council staff resources were deemed to be insufficient to manage Contract 688 effectively and for this reason the Council approved a move to a performance-based operations and maintenance contract for the three-waters. The performance-based contract placed the risk on the contractor for compliance with resource consents, drinking water standards and reactive maintenance below a specified threshold.
- 4.5 The contract covers a mix of routine and reactive maintenance and minor capital and renewal works. The primary objectives of this contract are to:
- Efficiently and sustainably manage three-waters operations and maintenance;
 - Achieve a quality public profile through good customer relations;
 - Improve operational resilience, reliability and responsiveness;
 - Provide better information on the location, asset characteristics and condition of assets;
 - Keep the information in the Council's Active Manuals up to date with well documented system operation plans, handbooks and guidelines;
 - Provide timely and accurate as-built information; and
 - Operate under a no surprises approach.
- 4.6 Contract 1065 will be a different form of contract to the existing Contract 688. It is a move from a traditional approach to a more collaborative partnering approach.

- 4.7 A collaborative partnering contract has been adopted as the best method to share responsibilities and financial information in a transparent manner to manage the three-waters activities effectively and sustainably for the long term lifecycle of the asset components.
- 4.8 The overarching philosophy is to balance the work programme against service levels within the Council's budget expectations.
- 4.9 To achieve this a Target Outturn Cost (TOC) for the routine and reactive operations and maintenance costs has been agreed between the Council and Downer based upon the agreed work programme and key performance indicators.
- 4.10 This approach allocates risks appropriately and is more cost effective.
- 4.11 Through the Request For Tender (RFT) procurement process, the adjusted tender prices for the two conforming tenders were as per the table below. Three tenders were received but one of the tenders was nonconforming so was not considered any further.

Tenderer	Tender Prices (adjusted for tags and with provisional sums included)	Adjusted Evaluation Prices (excluding provisional sums and adjusted for PQM)
Tender A (Downer)	\$32,293,298	\$25,341,844
Tender B	\$33,155,038	\$29,566,038

- 4.12 Downer had the lowest adjusted tendered price. The Tenders Panel considered a report on the outcome of the tender evaluation and awarded preferred status to Downer. The Tender Panel also approved progressing negotiations with Downer.
- 4.13 Key outputs of the negotiation phase with Downer were:
- Understanding and clarification of price differences and tags;
 - Understanding of risk, aligning and transferring as appropriate;
 - Reviewing options to modify/reduce scope as necessary;
 - Understanding and aligning priorities e.g. to reduce reactive maintenance;
 - Agreement to focus contract on Target Outturn Costs with embedded trust between parties; and
 - Agreement on measures to manage performance such as mandatory reporting and KPIs
- 4.14 When the three tenders were submitted the prices were all very similar (within about 3% of each other), which indicated that the costs were a realistic market rate for the works being tendered under a performance-based contract.
- 4.15 However, these costs exceeded the current LTP budgets by a large margin and required the Council to review the scope, risk and costs of the proposed contract. Staff entered into negotiations with Downer, which involved reassigning some of the risk back to the Council and a more collaborative approach to running the contract. An outcome of this negotiation is the option to transfer some of the tasks in the original tender scope back in-house. At this

stage the outcome is a requirement for additional resources in-house, dedicated to collaboratively delivering the services required in this contract.

- 4.16 The net financial effect of these negotiations is that the tendered price for “on the ground identified work programmes” was reduced by approximately \$1.5 million per annum. Although the negotiated contract has reduced by \$1.5 million per annum the implications are that approximately \$250,000 to \$300,000 per annum may need to be funded to manage these functions in-house.
- 4.17 The proposed contract, as negotiated, will ensure that appropriate routine operations and maintenance programmes are followed and in the long term reduce the proportion of reactive maintenance and overall costs.

5 Options

5.1 The Council has two options:

5.1.1 Option 1 (preferred) – award the contract to Downer New Zealand Limited. This is recommended as providing best value for the Council.

5.1.2 Option 2 – retender the contract. This option could not be achieved within the required timeframes and would require an extension to the current contract 688. This would result in additional delays in implementing a Contract 1065 and potentially additional cost.

6 Strategy and Risks

- 6.1 Council staff have undertaken best endeavours to reduce risk on the contract and have refined the scope with Downer to explore short and long term cost savings without impacting on service levels and increasing risks.
- 6.2 Areas of risk transferred back to the Council as a result of the proposed partnering contract are likely to result in a requirement for additional resource, as discussed in Section 4 above.

7 Policy / Legal Requirements / Plan

- 7.1 Morrison Low have continued to provide probity assurance services during the negotiations with Downer.

8 Consideration of Financial or Budgetary Implications

- 8.1 The Council’s Long Term Plan 2018/2028 (LTP) budgets over five years for the three-waters operations and maintenance is \$21,451,625.
- 8.2 Forecast spend for Contract 1065 is \$4.574 million per year versus a \$4.213 million 2018/19 budget (for reactive and routine operations and maintenance only and excludes capital works).

Account	Budget 2017/18 \$	Proposed LTP 2018/19 \$	Contract 1065 2018/19 \$	Change from Proposed LTP \$
Stormwater - Reactive & Routine Maintenance	486,504	379,134	363,132	(16,002)
Wastewater - Reactive & Routine Maintenance	1,355,959	1,271,737	1,421,954	150,217
Water Supply - Reactive & Routine Maintenance	2,470,267	2,561,730	2,789,136	227,406
Grand Total	4,312,730	4,212,601	4,574,222	361,621
Over 5 Years	21,563,650	21,063,005	22,871,110	1,808,105

- 8.3 The additional \$1,808,105 is required over 5 years which equates to around \$361,000 per annum.
- 8.4 The contract includes \$1 million of capital works per annum, which are funded from capital works budgets and not included in operations and maintenance figures above.
- 8.5 The proposed Contract 1065 will likely result in a need for additional in-house resources, which could cost in the order of \$250,000 to \$300,000 per annum. This would be in addition to the contract prices outlined above. The implication being an additional \$610,000 to \$660,000 per annum.
- 8.6 Other than the rural water supply accounts, all other utilities accounts have a surplus, as shown in the table below. These surpluses could be used to offset this extra expenditure for Year 1 of the LTP 2018/2028. The funding for future years could then be adjusted through subsequent annual plan reviews.
- 8.7 Current balances for each of the water accounts are as follows:

Activity Balances	As at 1 July 2017
Stormwater	498,000
Wastewater	240,000
Water Supply - Urban	384,000
Water Supply - Motueka	200,000
Total	1,321,999

The Rural Water Supply Schemes balances are not listed as they are in deficit, which we are looking to recoup over the LTP 2018/2028.

9 Significance and Engagement

- 9.1 This decision is considered to be of low significance as we are replacing an existing contract with a collaborative partnering contract which better manages Council's risk in delivering the service.
- 9.2 The services under this contract are primarily the same as being delivered to date so it is considered unnecessary to undertake any specific engagement 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	There will be some interest in that there are Long Term Plan 2018/28 implications with this contract
Is there a significant impact arising from duration of the effects from the decision?	Low	The contract is for a term of five years and roll over is subject to performance.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	High	Three-waters infrastructure is an essential service to the District and are listed as strategic assets in Council's Significance and Engagement Policy.
Does the decision create a substantial change in the level of service provided by Council?	No	The intention is to maintain existing levels of service but the requirements to meet the drinking water standards have been raised.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Medium	There will be an increase in rates.
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 It is recommended that Downer be awarded Contract 1065.

10.2 The financial implications of this contract and the additional resources required will need to be considered in the Long Term Plan 2018/2028 deliberations.

11 Next Steps / Timeline

11.1 Award the contract

11.2 Complete preparations to implement the new contract as from 3 July 2018.

12 Attachments

Nil

8.3 REFERRAL OF SAXTON FIELD COMMITTEE MINUTES AND RECOMMENDATIONS

Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Susan Edwards, Community Development Manager
Report Number:	RCN18-04-04

1 Summary

- 1.1 The Saxton Field Committee met on 14 February 2018. I have attached the minutes of the meeting to this report (**Attachment 1**). The minutes contain two recommendations to this Council. I have attached a copy of the report relating to those matters (**Attachment 2**), so Councillors have the background to the matters for your consideration.
- 1.2 The first matter is a recommendation to the Council to accept the Saxton Field Capital Works Programme 2018-2028 for incorporation into the final budgets as part of the Tasman District Council's Long Term Plan process.
- 1.3 The second matter relates to a recommendation to the Council to carry forward the funding in the 2017/2018 budget for Stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

2 Draft Resolution**That the Full Council**

1. **receives the Referral of the Saxton Field Committee Minutes and Recommendations Report RCN18-04-04 and**
2. **notes the recommendations to the Tasman District Council contained in the minutes of the Saxton Field Committee meeting on 14 February (Attachment 1 to this report); and**
3. **accepts the Saxton Field Capital Works Programme 2018-2028 contained in Attachment 2 for consideration as part of the final budgets as part of the Tasman District Council's Long Term Plan process; and**
4. **approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.**

3 Attachments

- | | | |
|----|--|----|
| 1. | Minutes of the Saxton Field Joint Committee - 14 February 2018 | 53 |
| 2. | Saxton Field Capital Works Programme 2018-2028 Report | 59 |



MINUTES
of the
SAXTON FIELD COMMITTEE MEETING
held
1.30 pm , Wednesday, 14 February 2018
at
Saxton Netball Pavilion, Stoke, Nelson

Present: Judene Edgar (Chair), Councillors T Tuffnell, K Maling (Tasman District Council), Councillor T Skinner (Nelson City Council)

In Attendance: Tasman District Council: Community Development Manager (Susan Edwards), Reserves and Facilities Manager (Beryl Wilkes), Executive Assistant (Tracey Barron)
Nelson City Council: Group Manager Community Services (Chris Ward), Manager Capital Projects (Shane Davies), Property, Parks and Facilities Asset Planner (Paul Harrington), Manager Parks and Facilities (Rosie Bartlett)

1 OPENING, WELCOME

Meeting opened at 1.30 pm.

2 APOLOGIES AND LEAVE OF ABSENCE

Moved Cr Maling/Cr Skinner
SFC18-02-12

That apologies for absence be accepted from Cr Noonan.

It was noted Mayor Reece and Pat Doherty, CE Nelson City Council, had advised they would not be in attendance at the meeting.

CARRIED

3 PUBLIC FORUM

David Kemp a local resident, spoke to the Committee. Mr Kemp wanted to note the Saxton complex was a credit to the community and all those involved over the years. He raised a concern about the availability of seating areas within the complex. He noted the value of making seating areas 'destinations' available for all ages to meet and socialise. Mr Kemp felt such areas would help in addressing social isolation and anxiety within the community and encourage getting people outdoors. Mr Kemp spoke to recent good examples of destination seating, outside the Richmond Library where there are also historic information panels, and the new Day's Track seat.

Tasman District Council Minutes of Saxton Field Committee – 14 February 2018

In reply to a question asked by the Committee Mr Kemp said putting a table with the seating would also be an advantage.

4 DECLARATIONS OF INTEREST

Nil

5 LATE ITEMS

Nil

6 CONFIRMATION OF MINUTES

Moved Cr Maling/Cr Skinner
SFC18-02-13

That the minutes of the Saxton Field Committee meeting held on Monday, 16 October 2017, be confirmed as a true and correct record of the meeting.

CARRIED

7 PRESENTATIONS

Nil

8 REPORTS**8.1 Saxton Field Capital Works Programme 2018-2028**

Paul Harrington Property, Parks and Facilities Asset Planner took the report as read. The report outlined the revised capital works programme for Saxton Field over the coming ten years for inclusion in Nelson City Council's draft budgets for their Long Term Plan consultation document and for inclusion in Tasman District Council's final Long Term Plan. The revised capital works programme had been discussed with Committee members at a workshop held 17 January 2018.

The Committee agreed to the proposed changes from the previous programme they had seen in late 2017. The Committee agreed that completing the link road from Champion Road to Saxton Drive is a priority project. The Committee also agreed that other projects would need to be delayed to ensure the capital works budget was not all loaded into the first few years.

Moved Cr Maling/Cr Skinner
SFC18-02-14

1. That the Saxton Field Committee:

- a. receives the report Saxton Field Capital Works Programme 2018-2028 (R8889) and its Attachments A1896519, A1899471 and A1904948; and
- b. notes that the two Councils will be asked to carry forward into the 2018/2019 financial year their funding for construction of stage 1 of the Champion Link Road; and
- c. subject to the Councils agreeing to b. above, approves proceeding with stage 1 construction for Champion Link Road; and

- d. notes that the programme contained in Attachment 1 (A1896519) provides funding for the stage 2 design for the Champion Link Road to be undertaken in the 2019/2020 financial year and for the construction of stage 2 in the 2020/2021 financial year; and

2. Recommends to Nelson City Council that it:

- a. accepts the Saxton Field Capital Works Programme 2018-2028 contained in Attachment 1 (A1896519) to report R8889 for incorporation into the draft budgets as part of the Nelson City Council's Long Term Plan process; and
- b. approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

3. Recommends to Tasman District Council that it:

- a. accepts the Saxton Field Capital Works Programme 2018-2028 contained in Attachment 1 (A1896519) to report R8889 for incorporation into the final budgets as part of the Tasman District Council's Long Term Plan process; and
- b. approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

CARRIED

8.2 Saxton Field Naming and Signage Policy

Susan Edwards spoke to the report advising the Naming and Signage Policy was brought forward as a necessity for the ability to commence advertising revenue for the velodrome. Ms Edwards noted number 3 of the resolution seeks the Committees approval for the first \$115,000 funding revenue to go towards the Saxton Velodrome Trust funding contribution.

The Committee noted the necessity to ensure all advertising was signed off by staff, so that all advertising was of a high standard and appropriate.

Cr Skinner asked if the policy could be renamed as the Saxton Velodrome Naming and Signage Policy not the Saxton Field Policy as this was to cover the velodrome only not the entire complex. It was agreed that any overarching policy should be reviewed in the Saxton Reserve Management Plan.

A question was asked if sponsorship funding of \$115,000 was not achieved what would the impact be. Ms Edwards advised that Tasman District Council may be reluctant to commence new projects related to the velodrome if the Trust's funds were still outstanding.

It was also asked if there was any view on how long it would take to raise \$115,000 through sponsorship, Ms Edwards advised it was anticipated 2 to 3 years. It was agreed with the official opening coming up it was a good time to initiate contacts for funding avenues.

It was asked to amend Part B of the policy to include the bullet point from Part A of the policy "**Implementation of the Policy vi)**". The purpose of the addition is to make it explicit in both Part A and Part B of the Policy that these types of products are not appropriate for advertising signs or sponsorship. The change also aligns with Nelson City Council policy on advertising exclusions.

The Committee asked if staff could arrange to provide a financial update on sponsorship income

prior to each Committee meeting.

The Committee asked to officially note in the minutes that any Signage and Naming policy for the whole of Saxton Field is to be reviewed through the Saxton Field Management Plan review process.

Moved Cr Skinner/Cr Maling
SFC18-02-15

That the Saxton Field Committee

1. receives the Saxton Field Naming and Signage Policy report SFC 18-02-01; and
2. approves Parts A and B of the Saxton Velodrome Naming and Signage Policy contained in Attachments 1 and 2 respectively to this report (SFC 18-02-01) as amended at the meeting, including delegating to staff the power to approve or decline advertisers, sponsors and the content and style of any proposed advertising signs; and
3. agrees that the first \$115,000 of advertising and sponsorship revenue from sales related to the velodrome, be used to complete the funding obligations of the Saxton Velodrome Trust; and
4. notes that the \$115,000 will be managed by Tasman District Council as an internal loan and will be reviewed by staff each year.

CARRIED

8.3 Update on Saxton Field Capital Projects

Susan Edwards spoke to the report and provided an update on the velodrome opening on 13 February which went very well. A community opening is in planning for March or early April.

Ms Edwards advised bookings for the velodrome will be done through Glenn Thorn, Tasman District Council. There will be a notice board provided at the track on events being held. A question was raised on an events programme for Saxton Field being available through Council websites. Staff to investigate the matter.

A question was asked if there was a specific plan in place on use of the learn to ride section. It was advised staff were currently looking at contacting schools and other possible interested parties.

Councillors who attended the opening said it was great to see some of the smaller contractors being involved in the project and attending the opening.

Shane Davies advised the aim is to tender the physical works for stage 1 of the roading project on the Committee's agreement.

Mr Davies spoke to the Saxton Creek upgrade update. He also advised some of the plantings had suffered during the drought.

Moved Cr Skinner/Cr Maling
SFC18-02-16

Tasman District Council Minutes of Saxton Field Committee – 14 February 2018

That the Saxton Field Committee receives the Update on Saxton Field Capital Projects Report SFC18-02-03.

CARRIED

The meeting concluded at 2.15 pm

Date Confirmed:

Chair:

Unconfirmed



Saxton Field Committee - 14 February 2018

8.1 SAXTON FIELD CAPITAL WORKS PROGRAMME 2018-2028

Decision Required

Report To: Saxton Field Committee

Meeting Date: 14 February 2018

Report Author: Susan Edwards, Community Development Manager

Report Number: SFC18-02-02

1 Summary

- 1.1 Attached is a report (R8889) from Nelson City Council staff requesting amendments to the Saxton Field Capital Works Programme 2018-2028 due to Nelson City Council not accepting the recommendations from this Committee's August 2017 meeting. Under the Terms of Reference for this Committee the report and attachments need to be considered at this meeting before they can be recommended for approval by the two Councils.
- 1.2 Staff from both Councils have worked on the amended capital works programme. The amended programme has moved some projects forward and pushed others out to try to keep within the financial limits for both Councils and the maximum budget of \$3.2 million over the ten-year period requested by Tasman District Council.

2 Draft Resolution**Recommendations:**

1. That the Saxton Field Committee:
 - a. receives the report **Saxton Field Capital Works Programme 2018-2028 (R8889)** and its Attachments **A1896519, A1899471 and A1904948**; and
 - b. notes that the two Councils will be asked to carry forward into the 2018/2019 financial year their funding for construction of stage 1 of the Champion Link Road; and
 - c. subject to the Councils agreeing to b. above, approves proceeding with stage 1 construction for Champion Link Road; and
 - d. notes that the programme contained in Attachment 1 (A1896519) provides funding for the stage 2 design for the Champion Link Road to be undertaken in the 2019/2020 financial year and for the construction of stage 2 in the 2020/2021 financial year; and
2. Recommends to Nelson City Council that it:
 - a. accepts the Saxton Field Capital Works Programme 2018-2028 contained in Attachment 1 (A1896519) to report R8889 for incorporation into the draft budgets as part of the Nelson City Council's Long Term Plan process; and

Page 1



Saxton Field Committee - 14 February 2018

SAXTON FIELD CAPITAL WORKS PROGRAMME 2018-2028

- b. approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

- 3. Recommends to Tasman District Council that it:
 - a. accepts the Saxton Field Capital Works Programme 2018-2028 contained in Attachment 1 (A1896519) to report R8889 for incorporation into the final budgets as part of the Tasman District Council's Long Term Plan process; and
 - b. approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.



Saxton Field Committee - 14 February 2018

SAXTON FIELD CAPITAL WORKS PROGRAMME 2018-2028

3 Attachments

1. Saxton Field Capital Works Programme - Nelson City Council Report R8889

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028



Saxton Field Committee

14 February 2018

REPORT R8889

Saxton Field Capital Works Programme 2018-2028

1. Purpose of Report

- 1.1 To adopt the draft Saxton Field Capital Works Programme 2018-2028 for recommendation to Tasman District and Nelson City Council to guide their respective 2018-2028 Long Term Plans.

2. Summary

- 2.1 This report has specifically been requested by the Saxton Field Committee.

3. Recommendation

That the Saxton Field Committee

Receives the report Saxton Field Capital Works Programme 2018-2028 (R8889) and its Attachments A1896519, A1899471 and A1904948; and

Notes that the two Councils will be asked to carry forward into the 2018/2019 financial year their funding for construction of stage 1 of the Champion Link Road; and

Subject to the Councils agreeing to the recommendation above, approves proceeding with stage 1 construction for Champion Link Road; and

Notes that the programme contained in Attachment 1 (A1896519) provides funding for the stage 2 design for the Champion Link Road to be undertaken in the 2019/2020 financial year and for the construction of stage 2 in the 2020/2021 financial year.

Recommendation to the Tasman District and Nelson City Councils

That the Nelson City Council

R8889

1

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

Accepts the Saxton Field Capital Works Programme 2018-28 contained in Attachment 1 (A1896519) for incorporation into the draft budgets as part of the Nelson City Council's Long Term Plan process; and

Approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

That the Tasman District Council

Accepts the Saxton Field Capital Works Programme 2018-28 contained in Attachment 1 (A1896519) for incorporation into the final budgets as part of the Tasman District Council's Long Term Plan process; and

Approves the carry forward of the funding in the 2017/2018 budget for stage 1 of the construction of the Champion Link Road into the 2018/2019 financial year.

4. Background

- 4.1 The Saxton Field Committee meeting of 30 August 2017 adopted the draft Saxton Field Capital Works Programme 2018-28 and recommended it to the two Councils for inclusion in their respective Long Term Plans.
- 4.2 Tasman District Council (TDC) approved the recommendations from the August 2017 Saxton Field Committee meeting and included the figures in their draft budgets for their Long Term Plan process. It is too late for those budgets to be changed now prior to consultation.
- 4.3 Nelson City Council (NCC) during the December 2017 LTP workshop questioned some aspects of that programme and asked officers to meet with TDC officers and, if a similar view was held, to report back to the Saxton Field Committee to review the programme.
- 4.4 A Saxton Field Committee workshop on 17 January 2018 discussed possible changes and requested a report on a revised Capital Works Programme showing a revised timetable and in particular providing for the construction of the Champion Link Road with amendments to other projects to accommodate this change. These included consideration of deferral of the velodrome pavilion.

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

5. Discussion

Amendments to Previous Development Plan

- 5.1 The Saxton Field Capital Works Programme 2018-28 has been amended and is attached to this report as Attachment 1 A1896519

The following amendments have been addressed:

Champion Road Link and Velodrome Pavilion

- 5.2 Regional Cycling has yet to determine a liaison representative with the two Councils for the Saxton Velodrome.
- 5.3 Two members of the Tasman Wheelers submitted to the Saxton Field Committee on 30 August 2017 advocating a shared Velodrome pavilion. This project was included in the draft Capital Works Programme for 2020/21 and 2021/22 with a budget of \$930,000.
- 5.4 Subsequently, Cycling Nelson, the cycling advocates for the Trafalgar Park track met with officers from both Councils and put forward an alternative view. The Club is not opposed to the need for a building at the Saxton Velodrome but at this point in time it is not seen as a priority. The Club's priorities are:
- 5.4.1 Roading and carparking;
 - 5.4.2 Secure storage facilities; and
 - 5.4.3 Winter lighting to encourage year round usage.
- 5.5 The Velodrome Trust has a similar view to Cycling Nelson (confirmed in a telephone discussion with Rob Ford 17 January 2017). Officers agree that the pavilion is not a priority.
- 5.6 Officers recommend that until advised differently by regional cycling, that Cycling Nelson be regarded as the liaison for the Velodrome and that completion of the Saxton Field link road to Champion Road take priority over a pavilion (refer to Attachment 2 'Letter from Cycling Nelson').
- 5.7 An existing changing facility on Avery Field was intended to meet the immediate demands of the Velodrome until such time that needs had been determined and other Saxton Field priorities were met. This building is less than 40 metres from the Velodrome.
- 5.8 The attached Capital Works Programme (line 3) includes the approved budget of \$960,000 for stage 1 of the link road carried forward from 2017/18 to 2018/19. \$967,000 previously included in 2024/25 has been brought forward to 2020/21 and increased to \$1,500,000 to complete the project. \$96,700 remains in 2019/20 to complete the design works.

R8889

3

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

- 5.9 A number of the six options associated with supplying parking and road access, identified in the Saxton Committee Meeting of October 2017, were considered and costed in 2016 and are as follows (GST exclusive):
- 5.9.1 Stage 1 with car parking \$967,919
 - 5.9.2 Stage 1 without car parking. This was not costed as was not seen to be a viable option, completing a short access road without parking associated would result in substantial rework in the future.
 - 5.9.3 Stage 2 with car parking \$1,500,000
 - 5.9.4 Stage 2 without car parking \$820,700
 - 5.9.5 Whole road with car parking \$2,050,000
 - 5.9.6 Whole road without car parking was not costed
 - 5.9.7 Champion Carpark and road off Stage2: \$701,600
 - 5.9.8 Cycleway to Main Road Stoke: \$102,750

Future Pavilion/Storage/Toilet

- 5.10 The future Pavilion/Storage/Toilet facility (line 9) has been moved out to 2026/27/28.

Regional Playground

- 5.11 The regional playground or series of smaller playgrounds (line15) have been moved out to 2023/24/25.

6. Alliance Green levelling, irrigation, drainage and wicket blocks

- 6.1 The Alliance Green budget, (lines 16 and 17), has been updated to \$25,000 for design in 2019/20 and \$250,000 in 2021/22. The Alliance Green is proposed for cricket and a winter sport yet to be determined.
- 6.2 Nelson Cricket has proposed a trial of two Flexi turf wicket blocks for these grounds and indicated that they will be seeking sponsorship. The budget has been decreased to \$30,000 from \$45,000 (line 25).

7. BMX Track

- 7.1 A potential building has been removed from the scope of the BMX project (line 18) and \$35,000 has been brought forward to 2020/21 for design and \$150,000 in 2021/2022 for construction. BMX have indicated that they will be fundraising towards construction to meet the 20% requirement for new facilities.

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

8. Options

8.1 There are six options that have been considered for the Champion Drive Link Road work, and two options in respect of the Capital Programme.

8.2 Champion Drive Link Road

Option 1: Completion of the full works road access, car parking and footpath's from Saxton Road – out to Champion Drive.	
Advantages	<ul style="list-style-type: none"> • Completes the original planned access and parking to both the velodrome and Champion Green. • Completes the potential criterion track. • Allows access from both Nelson and Richmond sides if needed.
Risks and Disadvantages	<ul style="list-style-type: none"> • Funding not available in 16/17 budget to complete full works. • Delaying option until funding is available results in no available access and parking to the velodrome.
Option 2: Building a road only – no parking or footpaths	
Advantages	<ul style="list-style-type: none"> • Gives access from both Nelson and Richmond if required.
Risks and Disadvantages	<ul style="list-style-type: none"> • Substantial future funds would be required to complete parking at a later date. • Becomes a through road with potential speed and safety issues. • No parking available for users of velodrome.
Option 3: Completing stage 2 without parking	
Advantages	<ul style="list-style-type: none"> • Would gain access to Champion Green.
Risks and Disadvantages	<ul style="list-style-type: none"> • Would be a road that would stop prior to reaching the velodrome, resulting in no real access to the facility. • Access to Champion Green but cars would then need to leave and find parking elsewhere, and walk back to the Green.
Option 4: Completing stage 2 with car parking	
Advantages	<ul style="list-style-type: none"> • Access from Saxton and car parking available beside Champion Green.

R8889

5

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

Risks and Disadvantages	<ul style="list-style-type: none"> Little benefit to the completed velodrome, users would need to walk their bikes and equipment from the carpark and navigate over unfinished area to reach the facility.
Option 5: Completing stage 1 with car parking	
Advantages	<ul style="list-style-type: none"> Access to the velodrome with parking would be established. Parking by Champion Green available.
Risks and Disadvantages	<ul style="list-style-type: none"> Creates more traffic on Champion Drive. Removes 3 potential car parking spaces on Champion Drive.
Option 6: Complete stage 1 with car parking, and stage 2 access road only.	
Advantages	<ul style="list-style-type: none"> Access to the velodrome with parking would be established. Parking for Champion Green available, although in a different location to the actual Champion Green carpark facility. Access from Saxton side reducing need to enter and exit via Champion.
Risks and Disadvantages	<ul style="list-style-type: none"> Funding for stage 2 access road not available resulting in delay in gaining access from Saxton for a delayed period.

8.3 Option 1 remains the preferred option – undertake the planned and designed stage 1 access and car parking as soon as possible. Bring funding forward into 2019/20 and 2020/21 and complete the design for stage 2, construct during the 2020/21 year.

8.4 Capital Works Programme

Option 1: Adopt this updated Capital Works Programme as presented and recommend to the two Councils for inclusion in their respective LTP's	
Advantages	<ul style="list-style-type: none"> This updated Capital Works Programme better meets the needs of the users of Saxton Field both in the short and longer terms.
Risks and Disadvantages	<ul style="list-style-type: none"> TDC has prepared its draft budgets for its LTP and this updated Capital Works Programme will need to be considered at the time when its LTP budgets are being finalised.

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

Option 2: Retain the existing capital works programme	
Advantages	• No advantages.

Andrew Petheram
Property, Parks and Facilities Asset Manager

Attachments

- Attachment 1: A1896519 - Saxton Field Capital Works Programme 2018-28
Attachment 2: A1899471 - Letter from Cycling Nelson
Attachment 3: A1904948 - Sketch Showing Champion Drive Link Road Option

R8889

7

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028

Important considerations for decision making	
1. Fit with Purpose of Local Government	Contributes to filling the need for facilities to encourage active healthy communities.
2. Consistency with Community Outcomes and Council Policy	This report will inform the Long Term Plans of both Councils.
3. Risk	No undue risk is foreseen. Advance design work will determine more accurately construction costs and enable decisions to be made as to whether to continue with the project.
4. Financial impact	The programme will be considered within the Long Term Plans of both Councils.
5. Degree of significance and level of engagement	This matter is of low significance. Saxton Field is not a strategic asset. Engagement will be through the Long Term Plan process of both Councils.
6. Inclusion of Māori in the decision making process	Māori has not been consulted.
7. Delegations	The Saxton Field Committee has the power to make a recommendation to the two Councils on this matter.

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028: Attachment 1

Saxton Field Development 2018-28 (18 Jan 2018)											
A	B	C	D	E	F	G	H	I	J	K	L
	1 (18/19)	2 (19/20)	3 (20/21)	4 (21/22)	5 (22/23)	6 (23/24)	7 (24/25)	8 (25/26)	9 (26/27)	10 (27/28)	10 yr totals
1	Project										
2	Clumpion Drive (link)	\$960,000 (c fund)	\$96,700	\$1,500,000							\$1,596,700
3	Hydromex landscaping		\$5,000								\$5,000
4	Hydromex lighting/shade shelter	\$120,000									\$120,000
5	Hockey Turf No 1 resurface	\$150k (c fund)									\$0 (c fund)
6	Hurricane bike track development (P59)	\$30,000									\$30,000
7	Solar path development at ser Bahn	\$20,000	\$20,000								\$240,000
8	Future pavilion/storage/boort								\$50,000		\$50,000
9	Future pavilion/storage/boort									\$51,300	\$51,300
10	Complete tree planting (Alliance and Champion)	\$20,000	\$50,000								\$70,000
11	Complete tree planting (Alliance and Champion)										\$30,000
12	Goal wicket boots renewal				\$20,000						\$100,000
13	Goal wicket boots renewal										\$280,000
14	Goal wicket boots renewal										\$400,000
15	Regional playground with skate facility or several smaller satellite playgrounds										\$0
16	Alliance Green leveling, irrigation and drainage										\$75,000
17	Alliance Green leveling, irrigation and drainage										\$275,000
18	Box track development and asphalt track										\$0
19	Alliotts Track resurface										\$880,000
20	Alliotts Track resurface										\$400,000
21	Fitness Trail										\$20,000
22	Alliance Green car park and paths										\$30,000
23	Barrier/cross country running tracks with treecles etc										\$6,000
24	Path from Indoor Nets to Football pavilion with bridge/cuverts on 2 walks										\$20,000
25	Alliance Green cricket wickets x2 (artificial)										\$20,000
26	Alliance Green toilets and pavilion										\$40,000
27	Flood lighting for concert safety										\$40,000
28	Hockey Turf No 2 resurface										\$20,000
29	Hockey Turf No 2 resurface										\$20,000
30	General development										\$50,000
31	General development										\$50,000
32	General development										\$50,000
33	General development										\$50,000
34	General development										\$50,000
											\$6,400,000
											\$95,300
											\$160,000
											\$615,000
											\$2,700,000
											\$3,200,000

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028: Attachment 1

	A	B	C	D	E	F	G	H	I	J	K	L
	Saxton Field Development 2018-28 (18 Jan 2018)											
	1 (18/19)	2 (19/20)	3 (20/21)	4 (21/22)	5 (22/23)	6 (23/24)	7 (24/25)	8 (25/26)	9 (26/27)	10 (27/28)	10 yr Totals	
1	Project											
2	Champion Drive (link)	\$960,000 (c fwd)	\$96,700	\$1,500,000							\$1,596,700	
3	Windrome landscaping	\$5,000									\$5,000	
4	Woodrome lighting/shade shelter	\$120,000									\$120,000	
5	Woodrome lighting/shade shelter	\$550k (c fwd)									\$550,000 (c fwd)	
6	Hockey Turf No 1 resurface	\$30,000									\$30,000	
7	Mountain bike track development (P59)	\$20,000									\$20,000	
8	Cycle/path development as per plan	\$20,000									\$20,000	
9	Future pavilion/storage/hoist	\$70,000									\$70,000	
10	Oil embankment signs/accessibility stand	\$30,000									\$30,000	
11	Complete tree planting (Alliance and Champion)										\$100,000	
12	Oil cricket back renewal				\$70,000						\$70,000	
13	Oil cricket surface renewal				\$280,000						\$280,000	
14	Regional playground with skate facility or several smaller satellite playgrounds					\$25,000		\$125,000			\$275,000	
15	Alliance Green levelling, irrigation and drainage		\$25,000								\$25,000	
16	Alliance Green levelling, irrigation and drainage										\$185,000	
17	Row track development and asphalt track			\$35,000							\$35,000	
18	Row track development and asphalt track				\$150,000						\$150,000	
19	Row track development and asphalt track				\$70,000						\$70,000	
20	Row track development and asphalt track				\$20,000						\$20,000	
21	Fitness trail										\$20,000	
22	Alliance Green car park and paths										\$60,000	
23	Hermer/Cross country running tracks with trellis etc										\$60,000	
24	Path from Indoor Nets to football pavilion with bridge/overst on 2 walks										\$20,000	
25	Alliance Green cricket wickets x2 (artificial)				\$30,000						\$30,000	
26	Alliance Green toilets and pavilion						\$40,000	\$400,000			\$440,000	
27	Flood lighting for concert safety							\$20,000			\$20,000	
28	Hockey Turf No 2 resurface										\$50,000	
50	General development	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$90,000	\$900,000	
51	General development	\$280,000	\$446,700	\$1,643,000	\$560,000	\$1,370,000	\$115,000	\$255,000	\$615,000	\$160,000	\$951,300	\$6,400,000
52												
53											TDC 50P	3,700,000
54											MCC 50P	3,700,000

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028: Attachment 2



Cycling Nelson
PO Box 269
NELSON
W www.cyclingnelson.co.nz
E admin@cyclingnelson.co.nz

10 December 2017

Nelson City Council
PO box 645
Nelson 7040

Dear Nicky

SAXTON VELODROME FACILITY BUILDINGS

You have asked us to comment on the immediacy of building a facility building to support the Saxton Velodrome.

We are not opposed to the need for a building at the Saxton Velodrome, but at this point in time we do not see this as a priority. On opening of the Saxton Velodrome our immediate priorities will be on growing our membership and indirectly the utilization of the Velodrome.

We understand other Saxton buildings have rent charged for the utilization of the building. Until we are able to regrow the membership base the affordability to rent any facility will be limited. Our experience of operating at Trafalgar Park has been that "club room" facilities are not an immediate necessity. Storage and toilet facilities are a priority. The ability to collaborate with local businesses in the short term offers a solution and the building of connections with the business community.

We would recommend the priorities be as follows

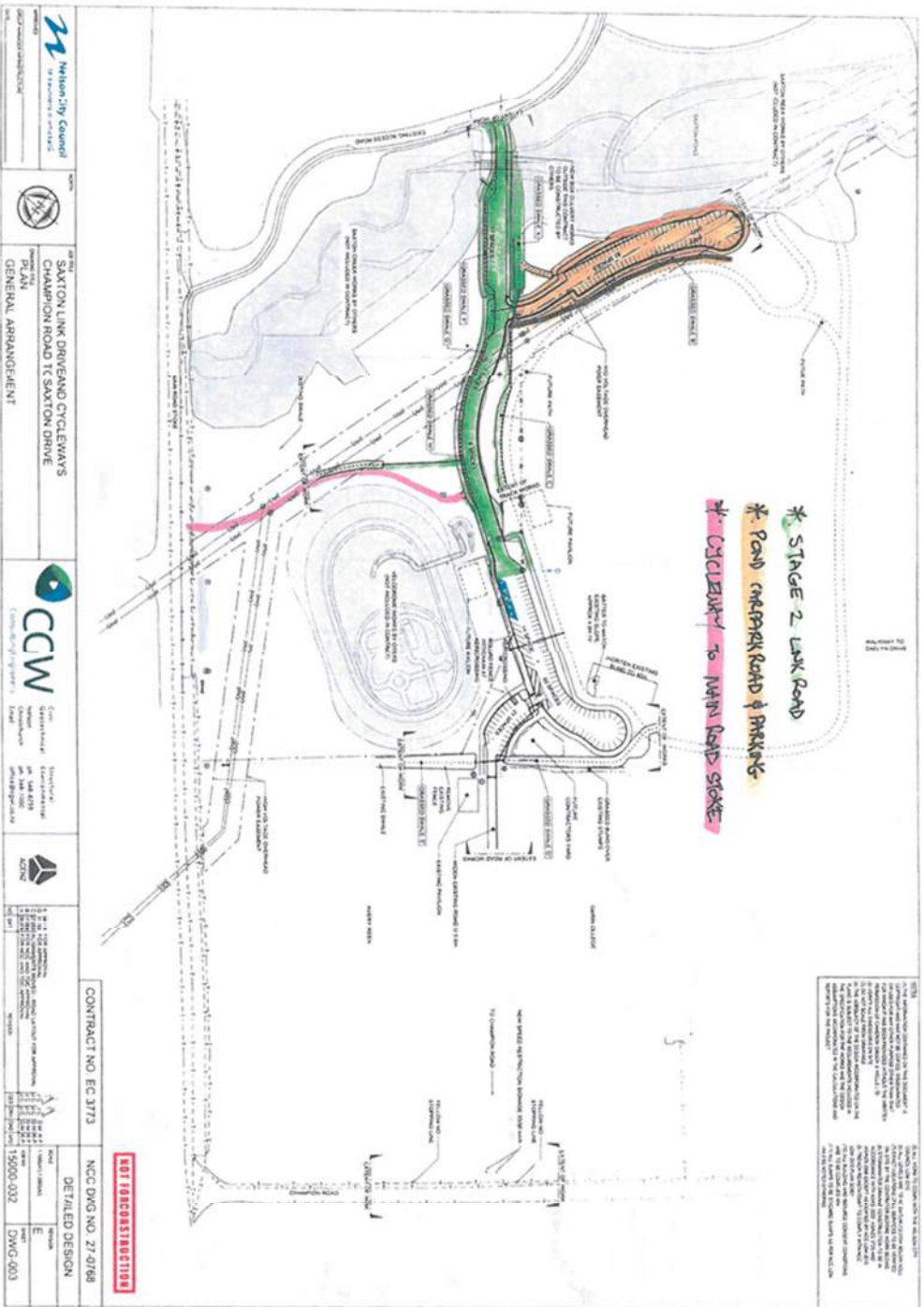
1. Roading & carparking (immediate)
2. Secure storage facilities
3. Winter lighting to encourage year round usage for working professionals outside of business hours

We thank you for the opportunity to provide our comment on this matter.

Yours sincerely

Jason Craig
President
Cycling Nelson

Item 3.3.3: Saxton Field Capital Works Programme 2018-2028: Attachment 3



8.4 PROVINCIAL GROWTH FUND**Decision Required**

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN18-04-05

1 Summary

- 1.1 In December 2017 the Government agreed to establish the Tuawhenua Provincial Growth Fund (PGF) of \$1 billion per annum over three years with the overarching objective of lifting productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.
- 1.2 Your staff have been considering whether or not the Fund may assist in meeting some of Tasman's future infrastructure and development needs, noting that the Fund's objectives relate to regional scale investments (Nelson/Tasman).
- 1.3 While the fund is open to all regions, given their needs, Northland, East Coast, Bay of Plenty, Manawatu/Whanganui and the West Coast have priority.
- 1.4 Applications to the Fund need to be aligned with the Regional Economic Strategy. That means collaborating with Nelson and Marlborough, in our case through the Nelson Regional Development Agency (NRDA).
- 1.5 This report invites you to consider the opportunities, to discuss some proposals staff have and to direct further work on them and any other proposals that you may have.

2 Draft Resolution**That the Full Council**

1. receives the Provincial Growth Fund report RCN18-04-05; and
2. approves further work in support on the Te Tau Ihu Economic Development Strategy on the applications to the Provincial Growth Fund for investment in –
 - a. *(Council to determine)*
 - b. *(Council to determine)*
 - c. *(Council to determine)*
 - d. *(Council to determine)*

3 Purpose of the Report

- 3.1 The purpose of this report is to invite Council to consider the opportunities that the Provincial Growth Fund may present to help lift economic performance in the region. This could occur through a sector investment such as in support of tourism, horticulture or aquaculture or by enabling infrastructure investments.
- 3.2 Staff have discussed some proposals and invite Council's comments on these and others projects that could qualify for the Funds.
- 3.3 If agreed, further work on any proposals would be needed to align the (yet to be prepared) Regional Economic Development Strategy, in close collaboration with the Nelson and Marlborough Councils through the NRDA.

4 Background and Discussion

- 4.1 The Provincial Growth Fund is overseen by a core group of Regional Economic Development Ministers who will monitor the Fund's performance and discuss regional opportunities. The Fund is administered by the Ministry of Business, Innovation and Employment.
- 4.2 The type of project and scale of investment will determine how funding is approved and whether by senior government officials or Ministers. Cabinet has agreed to a set of delegations for the Fund that effectively set up three approval bands – Senior Regional Officials (for up to \$1 million), delegated Ministers (between \$1 and \$20 million) and Cabinet (over \$20 million).
- 4.3 Projects are assessed to ensure that any investment fits with their scale and risk profile. There are no application rounds for the Fund. The application process depends upon how developed the project is, whether the funding request is over \$1 million, and what involvement central government has previously had with the project, if any.

4.4 There are three investment tiers:

- Regional projects and capability: Projects \$1 to \$10 million
- Supporting initiatives for economic development, feasibility studies and capability building;
- Sector investment (including the One Billion Trees programme): Projects \$10 million +
- Investing in initiatives targeted at priority and/or high value economic opportunities; and
- Enabling infrastructure projects: Major infrastructure projects
- Investing in regional infrastructure projects that will lift productivity and grow jobs.

4.5 Projects will be assessed against criteria organised around four themes linked to the Fund and Government's outcomes. The project should lift the productivity potential of a region or regions and contribute to other Fund objectives;

Additionality:

The project needs to add value by building on what is there already and not duplicating existing efforts. The project also needs to generate clear public benefit;

Connectivity to regional stakeholders and frameworks:

Projects should fit in with agreed regional priorities and need to be discussed with relevant local stakeholders; and

Governance, risk management and project execution:

Projects will need to be supported by good project processes and those involved should have the capacity and capability to deliver the project.

4.6 All provinces are eligible for funding however, Tairāwhiti/East Coast, Hawke's Bay, Tai Tokerau/Northland, Bay of Plenty, West Coast and Manawatū-Whanganui have been identified for early investment.

4.7 To date \$61.7 million has been allocated including \$28.75 million Northland; \$5 million Napier; \$6 million Whangarei; \$250,000 for rail studies in Kawerau, Southland and New Plymouth; \$1.5 million West Coast; and \$16.1 million Gisborne and Hawkes Bay. The first round of projects is reported to create 700 direct jobs and 60 indirect jobs.

4.8 **Potential Council Projects**

Six potential projects were assessed internally against the Fund criteria:

- Motueka Infrastructure
- Southern Link extension
- Port Tarkohe development
- Waimea Dam financing
- Waimea (Wakefield/Brightwater/Hope) facility
- Marahau: Abel Tasman gateway

4.9 Motueka Infrastructure

Funding to bring forward a suite of growth projects in Motueka, specifically water reticulation and a new wastewater treatment plant.

The Motueka township does not have a full urban water supply. Only parts of the urban area are reticulated and connection to this is on a voluntary basis. Where there is no reticulated water supply shallow private bores are generally used. Approximately \$17 million is provided for in Years 26 to 30 of the Water Supply Activity Management Plan 2018 currently out for public consultation as part of the Long Term Plan 2018 to 2028.

The Motueka Wastewater Treatment Plant (WWTP), located just south of the Motueka River mouth, was constructed in 1980. The treatment plant has undergone several upgrades, the most recent in 2015/16. The Motueka WWTP is located in an area of significant risk which will increase as sea level rises. There is a strategic study budget planned for 2018 to 2020 for a Motueka Long Term Wastewater Strategy that will determine the long term requirements of the scheme however, the WWTP will need to be relocated away from the coast as the impacts from sea level rise mean it will become uneconomic to continue operating at the site. A new inland WWTP is scheduled between Years 15 and 20 in the LTP. \$300,000 has been allocated for the strategy and \$54 million for land purchase and construction of the new plant.

As the largest non-reticulated town in New Zealand and the need to move the wastewater treatment plant due to sea level rise, these two critical pieces of infrastructure meet key fund objectives. Investment in three waters infrastructure is currently excluded from the Fund until the government has determined its approach. It has been indicated that these may be assessed on a case-by-case basis. Subject to confirmation of the process and the inclusion of three waters infrastructure, due to the criticality of these projects to Motueka's future, they should be prioritised by the Council for potential PGF funding.

It is recommend Council further consider this proposal.

4.10 Southern Link extension

Funding to support an extension link to form a limited access arterial route from Hope/Appleby to the Port.

Traffic volumes in Richmond have increased as a result of new commercial development on Gladstone Road (SH6) and side roads. State Highway 6 is experiencing increased congestion, especially at peak times, as well as poor multi-modal accessibility. State Highway 6 is a strategic route that impacts on the region's economic growth and productivity.

With Richmond's population predicted to increase as well as an increasingly older demographic, the transport network needs to be planned and managed accordingly. A Network Operating Framework (NOF) determines the level of priority each mode receives on the transport network to achieve agreed strategic outcomes. It guides future network development and will help determine the next steps for the Hope Bypass designations, which lapse in 2018 and 2023, along with options for the local roading networks. The NOF is expected to be released later this year.

As the project has significant productivity and economic growth drivers, subject to the findings of the NOF and the 2018 to 2021 National Land Transport Programme (NLTP), which is scheduled to be adopted by 31 August, it is considered to meet key fund objectives. While transportation initiatives must align with the NLTP, the fund enables a greater number of projects to be supported. Any work on funding from the PGF will be reported through to the Regional Transport Committee.

It is recommend Council further consider this proposal.

4.11 Port Tarakohe development

Investment in Port Tarakohe to enhance community resilience for Golden Bay, to enable economic development of the mussel industry, and to support economic development and major infrastructure projects in the south of the North Island (supply of rock for example).

Port Tarakohe is a significant asset in Golden Bay. Owned by Tasman District Council since 1994, the port's main assets comprise 120 metre concrete wharf, 57 floating berths, 10 inner and 10 outer harbour moorings and a boat ramp. There is also a modern weighbridge, harbour manager's office and a two-storey building owned by the Pohara Boat Club. Despite historically operating at a loss, significant work has been undertaken in recent years to address financial sustainability including a significant investment in port facilities to meet increasing demand.

While the port facilities and infrastructure are adequate to handle the current activity at Port Tarakohe, growth is starting to place pressure on these facilities and the scale of the committed Aquaculture Management Areas for mussel farming in Golden Bay. The condition of some parts of the port facilities will require improvement to keep pace with changing requirements, port growth and health and safety legislative changes. The port's water supply is a key risk area, and a significant investment may be required to develop a sustainable water supply. Other key developments that have been identified are the removal of heavy traffic from the coastal route, the relocation and expansion of the recreational marina, replacement of the derelict wharf, and the development of barge facilities.

Community access and resilience issues were also highlighted as a consequence of Cyclone Gita, with the Port becoming the primary access route for food, supplies, freight and people. As a development package, the Port Tarakohe redevelopment is a significant project that would ultimately enhance productivity and build community resilience however, it would be important to demonstrate industry partnership and economic benefits. Accurate modelling that develops a fit-for-purpose port that delivers on actual industry requirements is key to providing an effective, efficient and viable port operation.

A development plan was prepared in 2012 and a Strategic Plan was scheduled to be completed by 2016. In light of the limited timeframe for the PGF, it is recommended that Council proceed with an application, noting that a full Treasury-style business case would be required in parallel with the development of the Strategic Plan and Activity Management Plan.

It is recommend Council further consider this proposal.

4.12 Waimea Dam financing

Seek funding to alleviate ratepayer risk with regards to any potential cost over-runs for construction of the Waimea Dam and to remove the underwrite risk.

The Long Term Plan 2018 to 2018 includes a proposal that the Council would carry any cost overruns for the construction of the Waimea Dam above \$3 million and underwrite up to \$29 million for a proposed loan from the Crown through Crown Irrigation Investments Ltd for the benefit of Waimea Irrigators Ltd. The primary argument to cover any cost overruns and to underwrite the loan financing is to reduce these key areas of risk for the Tasman community. Further, by council underwriting the loan, local government is essentially de-risking central government funding.

While these arguments have merit and the Dam project meets key fund objectives, funding to mitigate potential ratepayer risk would not be eligible as it would not specifically add or provide for any benefits not already being provided for as part of the proposed Dam project.

It is recommended not to proceed with an application for funding for this project.

4.13 **Waimea community facility**

Obtain funding from Government to enable the Wakefield/Brightwater/Hope community facility project to be brought forward.

Council has reduced its overall capital expenditure programme in order to reduce Council debt and keep rates affordable over the long term. Accordingly, a new multi-use facility servicing Wakefield, Brightwater and Hope communities is currently in Year 12 of the Long Term Plan. Growth-related projects included in the 20 year forecast include acquisition of new reserves in strategic locations throughout the District, and provision of a new multi-use community recreation facility servicing Wakefield and Brightwater at the earliest in 2029/2030, to provide sufficient capacity for the projected population growth.

Due to the success of facilities such as the Moutere Hills Community Centre and Murchison Sport, Recreation and Cultural Centre, there have been a number of requests for a fit-for-purpose community facility to service the Waimea area. Not only do multi-purpose facilities provide for an increased number of people, they enable a wider range of sporting, recreational and social activities that meet localised community needs. Generally, population growth leads to intensification of the use of existing facilities. The current Wakefield Hall has reduced its occupancy levels due to earthquake risk and the Brightwater and Hope halls may require modification to cater for intensification of use.

While the fund does not specifically include community infrastructure as one of its objectives and “social assets” such as hospitals and schools are explicitly excluded, social inclusion and participation is one of the key fund objectives. It is also noted that the Labour manifesto includes re-establishing the four well-beings, which has subsequently been discussed at the Rural and Provincial Sector Meeting. The value of the facility would be around social inclusion and participation, capability building, community growth and resilience. Creating a sense of place is also critical to attracting talent and contributes to overall community wellbeing.

Such facilities make the area more attractive to live in, promoting growth and development on the plains, should the project proceed.

Due to the social nature of the project it is recommended to submit an expression of interest for assessment against the fund criteria and to proceed to a full application if invited.

4.14 **Marahau: Abel Tasman gateway**

Marahau settlement is the gateway to the Abel Tasman National Park but is suffering from tourism growth as well as tourism and erosion impacts.

Announced as part of Budget 2017, the government’s Tourism Infrastructure Fund (TIF) provides up to \$25 million per year for four years to support local communities facing pressure from tourism growth, particularly areas with high visitor numbers but small ratepayer bases. The TIF supports the development of tourism-related infrastructure such as carparks, freedom camping facilities, sewerage and water works and transport projects.

Tasman District Council received \$335,000 from the first funding round mid December 2017 to improve the visitor and camping experience in high use areas.

Perennial issues are impacting on Marahau settlement, namely insufficient parking for trailers/boats, traffic congestion, beach access, persistent beach erosion, launching facilities for kayaks and the need to preserve sensitive environmental and ecological attributes. An application for co-funding from the TIF for a feasibility study to consider and develop practical, sustainable solutions to these issues was unsuccessful in round one.

It is recommended to proceed to apply for funding to support the Marahau settlement development.

5 Options

- 5.1 Council has the option of applying to the Provincial Growth Fund or not. Even though there is doubt about the priority Nelson Tasman may get and about how the criteria will be applied, the time, cost and effort in collaborating with the other Top of The South Council appears to be justified.
- 5.2 Failing to at least explore the opportunity could result in an opportunity foregone.

6 Strategy and Risks

- 6.1 The Provincial Growth Fund appears to offer the prospect of the Council meeting some of its infrastructure challenges and enabling growth and development sooner than would have been possible using our own resources. There is also the prospect that community resilience can be enhanced especially through investments in Golden Bay and at Motueka.
- 6.2 There is minimal risk in collaborating with our neighbours to develop proposals and to apply. Different priorities across the councils, differing opinions on where the real regional opportunities lie, and the like, may present challenges.
- 6.3 Future risks will need to be considered at the application stage. There is a deliverability risk given the demanding capital works programme we have. There is a risk that future strategic infrastructure could be driven by the Funds criteria rather than the growth model or community needs. There will be others.
- 6.4 There is a risk that if we do not partner in the regional economic development work and its funding this opportunity will be lost to Tasman.

7 Policy / Legal Requirements / Plan

- 7.1 The Fund objectives, priorities and criteria set the scene. Council will need to be mindful of any change to the Long Term Plan that successful applications may require.

8 Consideration of Financial or Budgetary Implications

- 8.1 Other than for resourcing the applications, there are no immediate resourcing issues. In the long run, Council's capital requirement may be reduced but operating budgets increased.

9 Significance and Engagement

- 9.1 A decision to apply to the Fund is one of low significance and doesn't require community engagement. Engagement with the Nelson and Marlborough Councils and the NRDA is required.
- 9.2 In the event that applications are approved that affect the Council's priorities as set out in the Long Term Plan, an amendment, variation and/or community re-engagement may be needed.

10 Conclusion

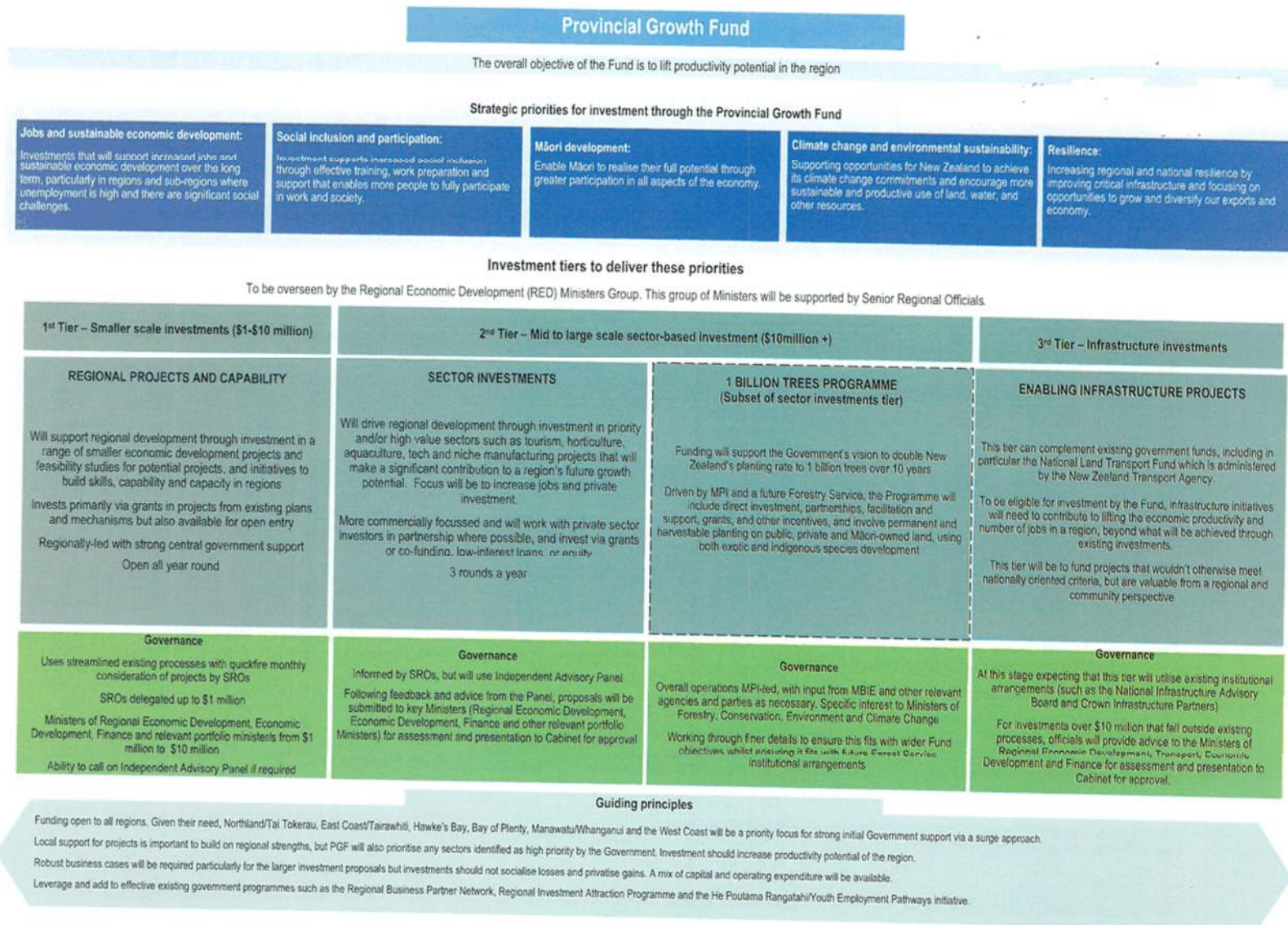
- 10.1 Staff consider there is merit in applying to the Provincial Growth Fund to progress regional scale sector and infrastructure project investment.

11 Next Steps / Timeline

- 11.1 The next step will be to liaise with the NRDA to confirm alignment with the Regional Economic Development Strategy and to develop the applications.

12 Attachments

- | | |
|---|----|
| 1. Provincial Growth Fund Priorities and Overall Objectives | 83 |
|---|----|



Provincial Growth Fund

Priorities

The Provincial Growth Fund will lift productivity potential in the provinces. Its priorities are to enhance economic development opportunities, create sustainable jobs, enable Māori to reach their full potential, boost social inclusion and participation, build resilient communities, and help meet New Zealand's climate change targets.

Investment tiers

The Fund has three investment tiers which will deliver these priorities:



Regional projects and capability
Supporting initiatives for economic development, feasibility studies and capability building.



Sector investment (including the One Billion Trees programme)
Investing in initiatives targeted at priority and/or high value economic opportunities.



Enabling infrastructure projects
Investing in regional infrastructure projects that will lift productivity and grow jobs.

Oversight

The Fund will be overseen by a core group of Regional Economic Development Ministers. The group will monitor the Fund's performance and discuss regional opportunities. To support the Fund's implementation two new groups will be established - a Regional Economic Development Unit in the Ministry of Business, Innovation and Employment, and an Independent Advisory Panel. The Unit will be responsible for

leading the Fund's design, its administration and monitoring its operation in consultation with other government agencies.

The Panel will provide independent advice on sector projects and the balance of the portfolio of investments.

The type of project and scale of investment will determine how funding is approved - whether senior government officials or Ministers.

Criteria for all tiers

Projects will be assessed against criteria organised around four themes:

- **Link to Fund and government outcomes** - The project should lift the productivity potential of a region or regions, and contribute to other Fund objectives. This includes jobs, community benefits, and improved use of Māori assets, sustainability of natural assets, and mitigating and adapting to climate change.
- **Additionality** - The project needs to add value by building on what is there already and not duplicating existing efforts. The project also needs to generate clear public benefit.
- **Connected to regional stakeholders and frameworks** - Projects should fit in with agreed regional priorities and need to be discussed with relevant local stakeholders.
- **Governance, risk management and project execution** - Projects will need to be supported by good project processes and those involved should have the capacity and capability to deliver the project. Projects need to be sustainable in the longer term beyond the Fund's life.

Surge regions

All provinces are eligible for funding (outside the three main cities). However, these regions have been identified as needing early investment:



8.5 REPRESENTATION REVIEW UPDATE

Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Sandra Hartley, Policy Officer - Strategic Development
Report Number:	RCN18-04-06

1 Summary

- 1.1 Every six years, Council's representation arrangements need to be reviewed. This 'representation review' considers the number of elected members (councillors), how they are elected (by ward, at large or combination of both), ward names and boundaries, and whether or not to have community boards.
- 1.2 At a workshop on 26 July 2017, Councillors agreed to involve the Mayor and all Councillors in the representation review process, rather than delegating to a subcommittee or independent committee.
- 1.3 During workshops, Councillors have indicated that their first preference would be to retain the status quo for representation arrangements. However, neither the Golden Bay nor Moutere-Waimea Wards comply with the '+/- 10% rule' set out in Section 19V of the Local Electoral Act 2001 (LEA). Under this rule, and using the 2017 estimated population figures, the 13 Tasman District Councillors should **each** represent a minimum of 3,544 people and a maximum of 4,331 people.
- 1.4 The Local Government Commission (LGC) has previously ruled in favour of allowing two councillors to represent the Golden Bay Ward, as they agree that this area is an isolated community. However, the LGC will expect to see evidence that Council has considered options for adjusting the boundaries of Moutere-Waimea Ward with adjacent Wards, to make it comply with the +/- 10% rule.
- 1.5 At a recent Council workshop (held on 27 February 2018), staff outlined the representation review process. We presented some possible scenarios, based on the current wards and number of elected members, to ensure that the Moutere/Waimea Ward complied with the +/- 10% rule. These scenarios included an extended Richmond Ward, taking in Waimea West, and an extended Motueka Ward taking in Tasman/Kina.
- 1.6 Councillors were not in favour of an extended Richmond Ward, but asked staff to create two maps:
 - (i) showing an extended Motueka Ward taking in Motueka Valley; and
 - (ii) showing an extended Motueka Ward including an area around Tasman/Kina.

Councillors then took these maps (appended) to meetings of the respective community associations for their feedback.

2 Draft Resolution

That the Full Council

1. receives the Representation Review & Electoral System Update report RCN18-04-06;
2. instructs staff to bring back to the 24 May 2018 Council meeting an initial representation review proposal for consideration and possible adoption for consultation, based on either:
 - a) retaining the current representation arrangements, comprising 13 councillors plus the Mayor, the five wards, current boundaries and names, and the retention of the community boards for Golden Bay and Motueka Wards; or
 - b) Option A which is based on the current arrangements, but with an enlarged Motueka Ward boundary to include Motueka Valley and reduced Moutere/Waimea Ward for compliance with the +/- 10% rule; or
 - c) Option B which is based on the current arrangements, but with enlarged Motueka Ward boundary to include Tasman/Kina, and a reduced Moutere/Waimea Ward for compliance with the +/- 10% rule; or
 - d) undertake a complete review of the current representation arrangements.

3 Purpose of the Report

- 3.1 The purpose of this report is to:
- a) provide an update on the feedback received at the March 2018 meetings of the Motueka Valley Association and Tasman Area Association, on the two scenarios of potential extensions to the Motueka Ward boundaries (to enable the Moutere/Waimea Ward to comply with Section 19V of the Local Electoral Act 2001 (LEA) by reducing its size and population); and
 - b) seek Council instruction and direction on the representation review, to enable staff to prepare a report and draft an initial representation proposal for consideration at the 24 May 2018 Council meeting.

4 Background and Discussion**Representation Review**

- 4.1 Every six years, Council's representation arrangements need to be reviewed. This 'representation review' considers the number of elected members (councillors), how they are elected (by ward, at large or combination of both), ward names and boundaries, and whether or not to have community boards.
- 4.2 The primary objective of the representation review is to ensure fair and effective representation for individuals and communities. There are three factors which must be dealt with:
- a) Defining communities of interest;
 - b) Effective representation of communities of interest; and
 - c) Fair representation of electors.
- 4.3 Taking these factors into consideration, the following questions need to be answered:
- Where are our communities of interest?
 - How many councillors are required to represent them effectively?
 - How should those councillors be elected – district wide, by ward or a combination of both?
 - If a ward system is favoured, what should the names and boundaries of those be and do they comply with the +/- 10% rule?
 - Are community boards required, and if so, how many, their names, boundaries and membership?
- 4.4 At a workshop on 26 July 2017, Councillors agreed that the Mayor and all Councillors be involved in the representation review process, rather than delegating to a subcommittee or independent committee.
- 4.5 During workshops, Councillors have indicated that their first preference would be to retain the status quo for representation arrangements. However, neither the Golden Bay nor Moutere-Waimea Wards comply with the '+/- 10% rule' set out in Section 19V of the Local

Electoral Act 2001. Under this rule, and using the Statistics NZ 2017 population estimates of 51,180 for the district, and the current representation arrangements, the 13 Tasman District Councillors should each represent between a minimum of 3,544 people and a maximum of 4,331 people.

- 4.6 Using the current representation arrangements and the 2017 population estimates, the following would apply:

Ward	Population	Number of Councillors	Population per Councillor	% deviation from District average population per Councillor
Golden Bay	5,320	2	2,660	-32.43*
Motueka	12,300	3	4,100	4.14
Moutere/Waimea	13,500	3	4,500	14.30*
Lakes/Murchison	3,660	1	3,660	-7.03
Richmond	16,400	4	4,100	4.14
	51,180	13	3,937	

*Non-compliance with +/- 10% rule

- 4.7 The table shows that both the Golden Bay and Moutere/Waimea Wards do not comply with the +/-10% rule under the LEA:
- Each of the two Golden Bay Ward Councillors represent 2,660 people (i.e. each Councillor is representing 884 people less than the minimum allowed by the +/- 10% rule).
 - Each of the three Moutere-Waimea Ward Councillors represents 4,500 people (i.e. each Councillor is representing an additional 169 people than the maximum allowed by the +/- 10% rule).
- 4.8 The Local Government Commission (LGC) has previously ruled in favour of allowing two councillors to represent the Golden Bay Ward, as they agreed that this area is an isolated community. We anticipate that they will continue to view the Golden Bay as an isolated community.
- 4.9 Staff are aware that the LGC will expect to see evidence that Council has considered options for adjusting the boundaries of Moutere-Waimea Ward with adjacent Wards, to ensure compliance with the +/- 10% rule.
- 4.10 At the Council workshop held on 27 February 2018, staff outlined the representation review process and presented two possible scenarios for the Moutere/Waimea Ward to comply with the +/- 10% rule. Those scenarios included an extended Richmond Ward, taking in Waimea West, and an extended Motueka Ward taking in Tasman/Kina. Councillors did not favour a proposal which would extend the Richmond Ward, and asked staff to consider the option of moving the Motueka Valley area into the Motueka Ward, along with the Tasman/Kina option.
- 4.11 Staff have subsequently investigated two potential scenarios for extending the Motueka Ward: Option A – including Motueka Valley; and Option B – including an area around Tasman/Kina. Both scenarios are based on 2013 census data, as the 2017 population estimates are not available at the meshblock level.
- 4.12 The population ratio per councillor for each scenario would be as follows:

Option A: Extended Motueka Ward to include Motueka Valley

Ward	Population	Number of Councillors	Population per Councillor	% deviation from District average population per Councillor
Golden Bay	5,004	2	2,502	-31.03
Motueka	11,967	3	3,989	9.96
Moutere/Waimea	11,682	3	3,894	7.35
Lakes/Murchison	3,429	1	3,429	-5.47
Richmond	15,075	4	3,768.75	3.89
	47157	13		

*Non-compliance with +/- 10% rule

Option B: Extended Motueka Ward to include Tasman/Kina

Ward	Population	Number of Councillors	Population per Councillor	% deviation from District average population per Councillor
Golden Bay	5,004	2	2,502	-31.03
Motueka	11,952	3	3,984	9.83
Moutere/Waimea	11,607	3	3,869	6.66
Lakes/Murchison	3,429	1	3,429	-5.47
Richmond	15,075	4	3,769	3.89
	47157	13		

*Non-compliance with +/- 10% rule

- 4.13 Option A (extending the Motueka Ward to include Motueka Valley) and Option B (extending the Motueka Ward to include Tasman and Kina) would result in a smaller Moutere/Waimea Ward and a larger Motueka Ward. In both these two options the Motueka and Moutere/Waimea Wards would comply with the +/- 10% rule.
- 4.14 Note that the Golden Bay Ward does not comply in either example, as discussed in paragraph 4.8 above.
- 4.15 Both Options A or B have been discussed with the respective community associations for their feedback.
- 4.16 The Motueka Valley Association meeting was held on 14 March 2018. Councillors King, McNamara and Turley attended. The feedback received by Councillors at that meeting was that residents of the Motueka Valley area identify with the Moutere/Waimea Ward and don't want to become part of the Motueka Ward.
- 4.17 The Tasman Area Community Association meeting is to be held on 28 March 2018. A verbal update on the feedback received will be provided at the Council meeting.

Council direction required for initial proposal

- 4.18 Council's direction is now sought on whether or not to proceed with the status quo, which does not comply with the +/- 10% rule for the Moutere/Waimea Ward or the Golden Bay Ward (noting the latter has been accepted in the past as an isolated community).
- 4.19 Alternatively, if there was some support from either Motueka Valley or Tasman/Kina residents for inclusion in the Motueka Ward, you may wish to pursue altering the Motueka Ward boundaries to enable the Moutere/Waimea Ward to comply.
- 4.20 On your direction, staff will draft an initial proposal for consideration and possible adoption at the 24 May 2018 Council meeting.

Key steps in the representation review process

- 4.21 Once the initial proposal is adopted for consultation, it will be publicly notified calling for submissions, with a submission period of one month.
- 4.22 At the end of the submission period, those submitters who indicated they wished to speak to their submissions will have an opportunity to do so at a Council hearing.
- 4.23 After consideration of the submissions, Council will formulate its final proposal, which will also be publicly notified calling for objections or appeals, for a period of one month.
- 4.24 If any ward does not comply with the +/- 10% rule, or objections and/or appeals are received, Council must submit everything to the Local Government Commission for their final determination.

Poll on electoral systems

- 4.25 Councillors were advised at the February 2018 workshop that there is a petition being circulated around the District calling for a poll on the electoral systems, and that the cost of conducting such a poll would be approximately \$90,000 if it was stand-alone, and approximately \$8,000 if the poll was combined with the triennial elections.
- 4.26 Staff were asked to report back on the possibility of Council deciding to hold a poll on electoral systems in conjunction with the 2019 triennial elections.
- 4.27 The Local Electoral Act 2001 is unclear and ambiguous on whether Council can pass a resolution to hold a poll on electoral systems after 21 February, with the poll being held in conjunction with the next election. We are currently seeking advice on the matter and will report back to Council at a later date.

5 Options

Representation Review

5.1 Status Quo

Retain the current representation arrangements, comprising of 13 members plus the Mayor, the five wards, current boundaries and names, and the retention of the community boards for Golden Bay and Motueka Wards.

- 5.1.1 The advantage of this option is that these arrangements have been used since 2007 and, based on the number of submissions received to the 2012 initial and final representation proposals, it is fair to say residents and ratepayers are familiar and happy with these arrangements.

5.1.2 The disadvantage is that you may feel there has not been enough discussion, and pre-consultation for you to look at alternative options that comply with the +/- 10% rule. However, the purpose of developing the initial proposal is to enable Council to receive comment from the public on that proposal.

5.2 Option A: Extended Motueka Ward to include Motueka Valley under paragraph 4.13.

This option would reduce the extent of the Moutere/Waimea Ward, by including the Motueka Valley area within the Motueka Ward. The number of Councillors, number of wards and names of wards would remain, along with the two community boards.

5.2.1 The advantage of this option is that both the Moutere/Waimea Ward and Motueka Ward would comply with the +/- 10% rule.

5.2.2 The disadvantage is that the feedback received from ratepayers and residents of the Motueka Valley was that they identified themselves with the Moutere/Waimea Ward, and did not want to become part of the Motueka Ward. Also, the Golden Bay Ward does not comply with the +/- 10% rule.

5.3 Option B: Extended Motueka Ward to include Tasman/Kina

This option would reduce the extent of the Moutere/Waimea Ward, by including the Kina/Tasman area within Motueka Ward. The number of Councillors, number of wards and names of wards would remain, along with the two community boards.

5.3.1 The advantages of this option is that both the Moutere/Waimea and Motueka Wards would comply with the +/- 10% rule.

5.3.2 The disadvantage could be that Tasman/Kina ratepayers and residents may not identify themselves with the Motueka Ward, and again the Golden Bay Ward does not comply with the +/- 10% rule.

5.4 Completely review the current representation arrangements

This option would allow Council to look at other possibilities, such as: reducing or increasing the number of elected members; removing or reducing wards; electing members at large or a combination of wards and at large; introduce more community boards; or disestablish the current community boards.

5.4.1 The advantage of this option is that Council could look at a wide range of scenarios, and seek further feedback from communities.

5.4.2 The disadvantage of this option is that it could take considerable time to carry out the process, resulting in statutory deadlines not being met.

6 Strategy and Risks

Representation Review

6.1 There is a risk is that the LGC may not accept Council's preferred option due to any non-compliance with the +/- 10% rule, and they could impose something that is unpalatable for our communities.

7 Policy / Legal Requirements / Plan

- 7.1 The representation review process is a requirement of Sections 19A-19Y of the Local Electoral Act 2001. Council has to carry out the review at least once every six years. Council's last review was in 2012, and therefore has to be undertaken again this year prior to the 2019 triennial elections.

8 Consideration of Financial or Budgetary Implications

- 8.1 The representation review is covered by the Governance activity budget.

9 Significance and Engagement

- 9.1 The decision sought in this report is of relatively low significance if Council retains the current representation arrangements, given that most people seem reasonably happy with them. The level of significance is likely to change if Council (or the LGC) considers changing the current representation arrangements.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low-Moderate	Ratepayers/residents are reasonably happy with the status quo on the representation arrangements. If Council decides to deviate from that, it could result in a high level of public interest.
Is there a significant impact arising from duration of the effects from the decision?	Low	The duration of the decision sought in this is low.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	N/A	
Does the decision create a substantial change in the level of service provided by Council?	Low	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
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?	N/A	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	

10 Conclusion

10.1 Local authorities must review their representation arrangements at least once every six years. The review considers the number of elected members, how they are elected, if by wards the ward names and boundaries, and whether or not to have community boards. Council last carried out a review in 2012, therefore a review has to be undertaken this year in time for the 2019 triennial elections. The review has two formal processes for public consultation, an initial representation review proposal, and after consideration of submissions, a final representation review proposal. Staff will draft an initial representation

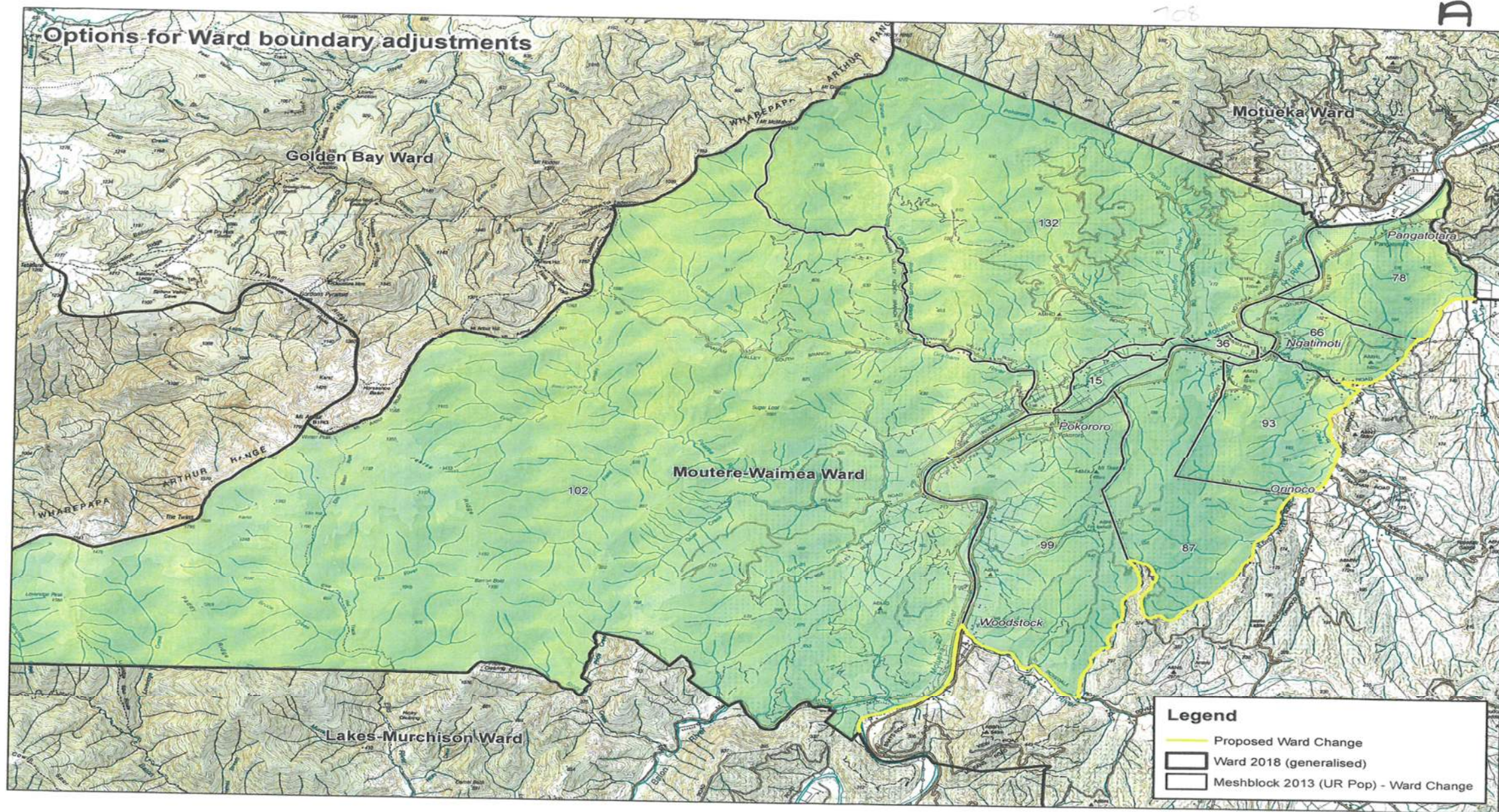
review proposal based on Council's preferred option, which will be brought to the 24 May 2018 Council meeting.

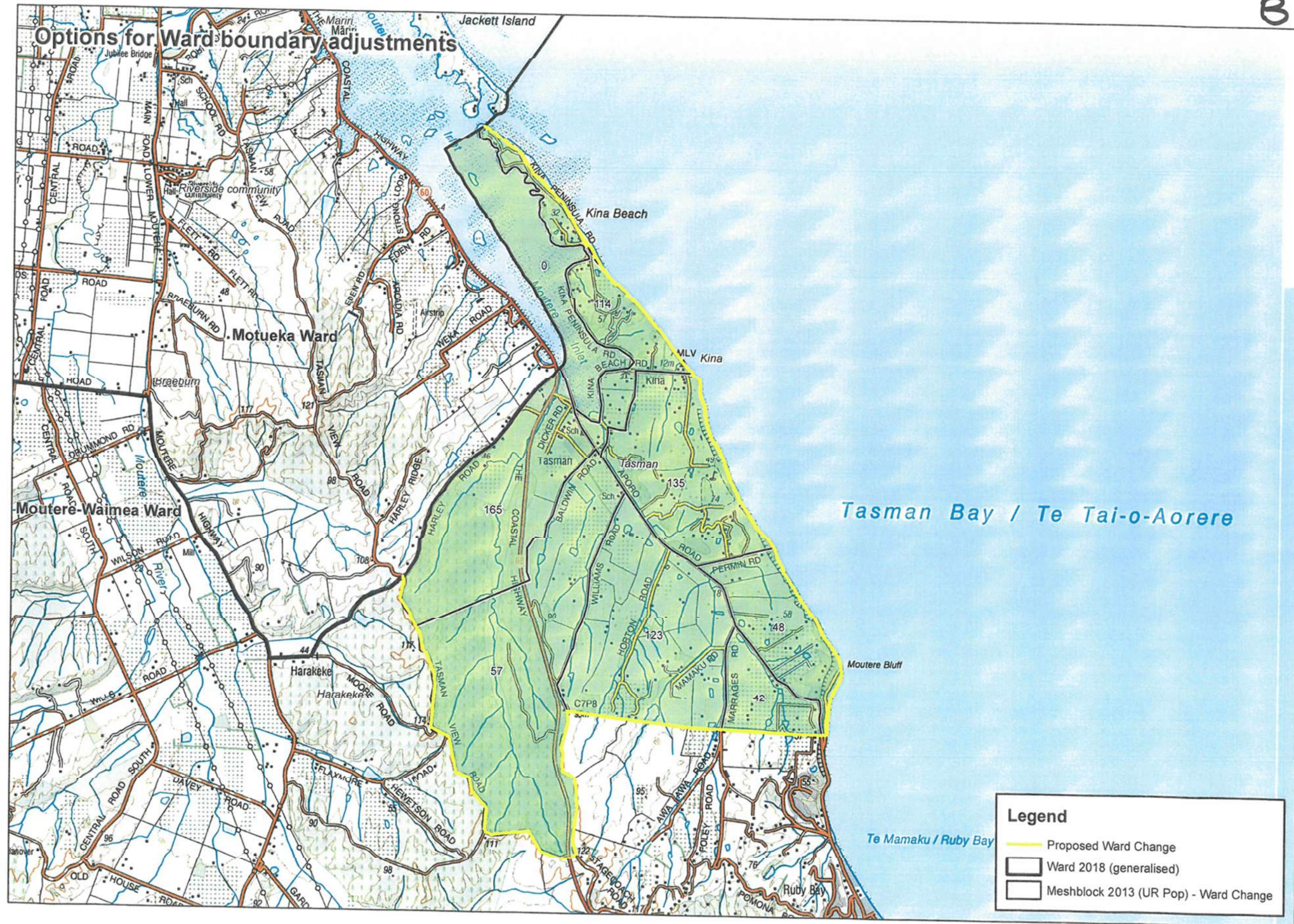
11 Next Steps / Timeline

- 11.1 Staff will draft an initial proposal for representation arrangements and bring it back to a Council meeting for your consideration and possible adoption for public consultation.
- 11.2 Based on Council adopting an initial proposal at the 24 May 2018 Council meeting, we will advertise it calling for submissions in Newsline updates, in the 8 June 2018 Newsline edition, and on Council's website. Staff will make copies available at Council offices and libraries.
- 11.3 Hearing dates for those submitters who wish to present their submissions on the initial proposal are scheduled for 18 and 19 July 2018.
- 11.4 After taking these submissions into consideration, you will decide on a final proposal, which will be advertised calling for appeals (made by someone who submitted on the initial proposal, about matters related to their original submission) or objections (made by any person if Council's final proposal differs from the initial proposal). Council's decision on the final proposal needs to be made by 8 November 2018 at the latest, with objections and appeals closing on 20 December 2018.
- 11.5 If Council's final representation proposal does not comply with the +/-10% rule for the member/population ratio for any ward, it will be referred to the LGC for their determination. This will happen if Council resolves to retain the current arrangements for the Golden Bay Ward and the Moutere/Waimea Ward.
- 11.6 If Council receives any objections or appeals, the final proposal will be referred to the LGC for their determination.

6 Attachments

- | | | |
|----|---|----|
| 1. | Option A - Extended Motueka Ward including Motueka Valley | 95 |
| 2. | Option B - Extended Motueka Ward including Tasman/Kina | 97 |





B

8.6 MOTUEKA HALL CHARGES

Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Francie Wafer, Reserves and Facilities Administrator
Report Number:	RCN18-04-07

1 Summary

- 1.1 The Motueka Community Board met on 20 February 2018. At that meeting, the Board resolved as follows:

Motueka Memorial Hall Hire Charges**Moved Board Member Dowler/Cr Hawkes****MCB18-02-32**

1. That the Motueka Community Board receives the Motueka Memorial Hall Hire Charges RMCB18-02-06 report RCN18-04-07; and
2. Recommends to Full Council that it accepts the charges noted in the amended resolution to report RMCB18-02-06.

CARRIED

- 1.2 The report presented to the Motueka Community Board recommending this resolution is attached (Attachment 1)
- 1.3 This report recommends that the Full Council adopts the increased hire charges for the use of the Motueka Memorial Hall.

2 Draft Resolution**That the Full Council**

1. receives the Referral report of the Motueka Community Board regarding the increase in hire charges for the use of the Motueka Memorial Hall; and
2. approves the increase in hire charges for the use of the Motueka Memorial Hall.

3 Attachments

1. Report to Motueka Community Board-2018-02-20

101

7.5 MOTUEKA MEMORIAL HALL HIRE CHARGES

Decision Required

Report To:	Motueka Community Board
Meeting Date:	20 February 2018
Report Author:	Heather Spiers, Motueka Community Board Secretary; Francie Wafer, Reserves and Facilities Administrator
Report Number:	RMCB18-02-06

1 Summary

- 1.1 The purpose of this report is to advise Board members of a proposal to increase the Motueka Memorial Hall hire charges from 1 July 2018. (Attachment 1).
- 1.2 The hire charges have not increased for seven years and due to increases in electricity charges, cleaning and other maintenance costs, it is proposed to increase the charges to help cover some of these extra costs.
- 1.3 The increase in charges will also make renting the hall comparable to charges for other local venues in the area that are smaller or similar in size.
- 1.4 Income from hire charges from 01/07/2015 to date is \$44,688.00. Expenditure for maintenance, cleaning and electricity for the same period is \$77,422.00

2 Draft Resolution

That the Motueka Community Board receives the Motueka Memorial Hall Hire Charges RMCB18-02-06 report; and

- 1. accepts the charges noted in Attachment 1; or**
- 2. declines the proposed new charges due to**

3 Purpose of the Report

- 3.1 To gain the Board's support to increase the Motueka Memorial Hall hire charges to help cover increased costs for maintenance, cleaning and electricity.

4 Background and Discussion

- 4.1 Electricity charges, cleaning costs and other maintenance costs have increased over this period.

5 Options

- 5.1 The Board has three options.
5.2 **Option 1** – The Board can approve the proposed new charges.
5.3 **Option 2** – The Board can decide to update partial charges
5.4 **Option 3** – The Board can decline the proposed new charges.

6 Strategy and Risks

- 6.1 There are no risks

7 Policy / Legal Requirements / Plan

- 7.1 Hall charges are not included in the Annual Plan.

8 Conclusion

- 8.1 There has been no increase in hire charges over the last seven years and maintenance, cleaning and electricity costs relating to the hall have increased.

9 Next Steps / Timeline

- 9.1 If the Board agrees to accept the new charges, the regular users will be notified and the information will be updated on the hall hire application form and the Tasman District Council website.

10 Attachments

1. Memorial Hall Hire fees comparison

8.7 DECEMBER 2017 QUARTERLY FINANCIAL UPDATE

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Matthew McGlinchey, Senior Management Accountant; Kelly Kivimaa-Schouten, Revenue Accountant
Report Number:	RCN18-04-08

1 Summary

- 1.1 This quarterly financial report provides Councillors with an update on key financial information to the end of December. For clarity we have presented in this report, new tables that we feel better outline the financial results of the organisation.
- 1.2 Please note that no re-forecast exercise was undertaken by Council on the December results because of the LTP workload in Jan/Feb 2018.
- 1.3 A final reforecast exercise for this financial year is occurring in April based on the March results. This report will be tabled at the 24 May Council meeting.
- 1.4 The 2017/18 published Annual Plan budgeted for a surplus of \$406,000. In September Council forecast a surplus of \$1.7m against that budget, meaning a favourable variance of \$1.3m was projected.

Tasman District Council	\$000
Budgeted Total Controllable Operating Surplus	406
September Reforecast Controllable Operating Surplus	1,718
Favourable Forecast Surplus to June 2018 as at September	1,312
Key Drivers	
Reduced Finance costs	680
Net Solid Waste surplus	200
Net Forestry income	432
Total	1,312

- 1.5 The December Year to Date (YTD) result suggests a further favourable movement of \$1.57m against the original budget. In total, the favourable variance to budget is now \$2.9m.

Tasman District Council		\$000
How does the December YTD Surplus impact this?		
Budgeted Total Controllable Operating Surplus		406
September Reforecast Controllable Operating Surplus		1,718
Projected additional Year End Surplus at December 2017		1,577
Favourable variance to Budget		3,295
Indicative Favourable Forecast Surplus variance		2,889
Key Drivers		
Reduced Finance costs		700
Increase in DC revenue		1,100
Net Solid Waste surplus		57
Net Forestry income		1,032
Total		2,889

- 1.6 However since the Annual Plan was adopted Council have approved \$2.4m of expenditure to be funded from Activity Account surpluses. Because of the strong indicative forecast results it is likely that this spend can be met from the current year surpluses outlined above as opposed to reducing existing reserves.

Tasman District Council		\$000
How does Approved additional expenditure funded from Activity Balances impact this result?		
Budgeted Total Controllable Operating Surplus		406
Favourable variance to Budget		3,295
Approved additional expenditure funded from Activity Balances		(2,403)
Reported Surplus		892
Indicative Total Controllable Operating Surplus variance		486

- 1.7 Council are obligated to report against the approved annual plan at year end. The expected surplus is \$892,000 and this equates to a favourable variance against the Annual Plan of \$486,000.

- 1.8 The focus of this report are the YTD results for the period ending 31 December. The December YTD results are forecasting an additional surplus of \$1.57m. There are a number

of items that contribute to the increased surplus, with the most significant being the forestry harvesting which is ahead of plan. The table below summarises the December YTD results.

Tasman District Council			
Accounting Surplus v Operating Surplus - YTD Position			
	Act YTD Dec 2017	YTD Fc'st Dec 2017 \$000	Variance YTD \$000
Accounting Surplus/(Deficit)	4,051	2,017	2,034
Less Non Controllable items			
Revaluation of Swaps (non cash)	(653)	(934)	281
Vested Assets (non cash)	2,254	1,997	257
Capital Subsidies	796	877	(81)
Total	2,397	1,940	457
Controllable Operational Surplus/(Deficit)	1,654	77	1,577
Explained by			
Income	55,933	52,348	3,585
Expenditure	54,279	52,271	2,008
Total	1,654	77	1,577

- 1.9 A verbal update will be given on the February 2018 YTD position which will indicate further favourable results.
- 1.10 Net debt at the end of December is \$123.7m and is forecast to be \$163m by year-end, which is higher by \$4.4m than the net debt position in the 2017/18 Annual Plan. This is assuming a one-off contribution to the Waimea Community Dam in May, which is now unlikely. If this does not occur the forecast debt position will be \$146m.
- 1.11 Capital expenditure is \$18.2m against a revised budget of \$66.5m. The forecast year-end position is \$58.8m. The Richmond Town Centre spend is \$4.97m to the end of December and equates to 27% of the total capital spent to date.
- 1.12 In general the outstanding balances of Accounts Receivable across Council continues to trend down.

2 Draft Resolution

1. That the Full Council receives the December 2017 Quarterly Financial Update report RCN-18-04-08 and notes the End of Year Forecasts Report (RCN17-12-04).

3 Purpose of the Report

- 3.1 To report to Council on the year to date financial performance to 31 December.

4 Background and Discussion – Quarterly Financial Report and Year End Forecast to 30 June 2018

- 4.1 This is the second quarterly financial report for the 2017/18 financial year. A final reforecast will occur in April based on March year to date (YTD) results. These results will be presented to Council in May.
- 4.2 Controllable operating income is \$55.9m, and is forecast to reach \$109m by year-end. This is a favourable variance of \$689,000 on the Revised Budget of \$108.3m. The key drivers are set out in section 6. On a YTD basis income is \$4.0m more than previously forecast for December, and again, the key drivers are set out in section 6.
- 4.3 Operating expenditure is \$54.3m, and is forecast to reach \$109.7m by year-end. This is a favourable variance of \$624,000 on the Revised Budget of \$110.3m. The key drivers are set out in section 7. On a YTD basis expenses are \$2m more than previously forecast for December and again, the key drivers are set out in section 7.
- 4.4 Capital expenditure totals \$18.2m as at December, and is forecast to reach \$58.8m by year-end. This is a variance of \$7.7m on the budget of \$66.5m. Expenditure by Department is set out in section 11.
- 4.5 Total net debt is forecast to be \$163.1m as at 30 June 2018 compared to the budgeted \$158.6m. This is assuming a one-off contribution to the Waimea Community Dam in May, which is now unlikely. If this does not occur the forecast debt position is \$146m.
- 4.6 A summary of the debtor position is included with this report. The result of the strong focus on debt management sees the continued downward trend in both debtor numbers and dollar value. A summary of significant debtor accounts is also provided.

5 Statement of Comprehensive Financial Performance

Tasman District Council

Statement of Comprehensive Revenue and Expense

For the year to December 2017

	YTD Actual Dec 2017 \$000	YTD Fc'st Dec 2017 \$000	Variance YTD \$000	Variance YTD %
INCOME				
Revenue from Rates				
General rates	18,591	18,595	(4)	0%
Targeted rates (other than for water supply)	14,548	14,533	15	0%
Targeted rates for a water supply	1,890	1,847	43	2%
Operating Activities				
Development and financial contributions	3,857	2,654	1,203	45%
Operating subsidies and grants	1,777	1,700	77	5%
Capital Subsidies	796	877	(81)	-9%
Fees and Charges	9,025	8,720	305	3%
Other revenue	8,175	6,047	2,128	35%
Total Revenue	58,659	54,973	3,686	7%
Fair value movement on revaluation	(653)	(934)	281	-30%
Other gains	11	28	(17)	-61%
Finance income	313	221	92	42%
TOTAL INCOME	58,330	54,288	4,042	7%
EXPENSE				
Finance expense	3,761	3,783	22	-1%
Employee related expense	11,187	11,415	228	-2%
Expenditure on operating activities	15,813	14,955	(858)	6%
Maintenance	10,874	10,393	(481)	5%
Waimea Dam	906	0	(906)	0%
Depreciation and amortisation	11,738	11,725	(13)	0%
TOTAL EXPENSE	54,279	52,271	(2,008)	-4%
TOTAL OPERATING SURPLUS/(DEFICIT)	4,051	2,017	2,034	101%
Share of joint ventures	0	0	0	0%
NET SURPLUS/(DEFICIT) BEFORE TAXATION	4,051	2,017	2,034	101%
Income tax expense	0	0	0	0%
NET SURPLUS for the year	4,051	2,017	2,034	101%
TOTAL COMPREHENSIVE INCOME for the year	4,051	2,017	2,034	101%
TOTAL OPERATING SURPLUS (as above)	4,051	2,017	2,034	101%
Less Non-Controllable Activities				
Capital Subsidies	796	877	(81)	-9%
Vested assets	2,254	1,997	257	13%
Fair value movement on revaluation	(653)	(934)	281	-30%
Total Non-Controllable Activities	2,397	1,940	457	24%
TOTAL CONTROLLABLE OPERATING INCOME	1,654	77	1,577	

5.1 Commentary is provided on the revenue and expenditure forecast changes in sections 6 and 7 with particular focus on the December variance.

5.2

6	Income Analysis
----------	------------------------

	YTD Actual Dec 2017 \$000	YTD F'Cast Dec 2017 \$000	YTD Var
Environment & Planning	8,650	8,635	15
Engineering	29,988	27,930	2,058
Community Development	9,340	9,080	260
Council Enterprises	4,863	3,850	1,013
Governance	1,680	1,677	3
Departmental Overheads	1,412	1,176	236
Total Controllable Income	55,933	52,348	3,585
Non-Controllable Income			
Capital subsidies	796	877	-81
Vested assets	2,254	1,997	257
Fair value movement on revaluation	-653	-934	281
Total Income	58,330	54,288	4,042

- 6.1 Additional controllable income of \$4m is possible based on the YTD results. This will be reviewed again via a Council wide reforecast exercise occurring in April.
- 6.2 The increase in revenue expectations in Environment and Planning relates to additional revenue in the parking enforcement area and more fuel excise duty refund on the Harbourmaster's vessel.
- 6.3 The increase in revenue expectations in Engineering Services relates to increased revenue in solid waste. Council budgeted on income based on a disposal charge of \$121 per tonne (including GST). In April last year Council adopted an increase of \$16 per tonne to reflect increased disposal charges at the York Valley landfill, but this late change was not included in the 2017-18 budget. The increased revenue forecast (\$396,000) is offset by a matching increase in disposal charges and will be neutral overall.
- 6.4 Council have received 71% of the annual DC revenue budget in the first six months of the financial year. This is contributing to both the Engineering Services and Community Development favorable variance.
- 6.5 The increase in revenue in Council Enterprises is in relation to additional income from harvesting of the Eves Valley and Rabbit Island forests.
- 6.6 The additional income in departmental overheads is mainly because Engineering Services is expecting to charge more time against capital projects as a result of additional project staff. This additional income is offset by increased salaries relating to those same project staff that have been employed to deliver the capital works programme.

7 Operating Expenditure Analysis

	YTD Actual Dec 2017 \$000	YTD F'Cast Dec 2017 \$000	YTD Var
Environment & Planning	2,039	2,102	63
Engineering	14,297	12,034	-2,263
Community Development	4,826	5,407	581
Council Enterprises	2,565	2,150	-415
Governance	837	872	35
Departmental Overheads	14,216	14,198	-18
Total	38,780	36,763	-2,017
Finance Expenses	3,761	3,783	22
Depreciation	11,738	11,725	-13
Total	15,499	15,508	9
Total Expense	54,279	52,271	-2,008

- 7.1 Additional expenditure of \$2m is possible based on the YTD results. This will be reviewed again via a Council-wide reforecast exercise occurring in April.
- 7.2 A significant portion of the forecast underspend is driven by the reduced debt figure as reported earlier. In total, interest savings of \$624,000 are expected because of the reduced level of debt, lower than budget weighted average interest rate that Council pays, and a lower forecast capital spend than budgeted.
- 7.3 Depreciation is slightly under budget as a result of the capital programme not being delivered as expected.
- 7.4 Environment and Planning is forecasting to be under budget because of the change in the treatment of the rural fire levy. This has resulted in \$350,000 of savings. This surplus will help to mitigate any future cost associated with the change in how this service is funded.
- 7.5 Engineering Services has a YTD overspend because of additional cost associated with solid waste and costs associated with the Waimea Community Dam.
- 7.6 Currently Council have a mix of capital and operational spend that has been incurred in relation to the Waimea Community Dam. Depending on the outcome of negotiations with WIL, a decision will be made on the proportion of cost to be met from this year's budget.
- 7.7 The Governance area is forecasting a \$30,000 overspend due to the cost of the by-election for the Takaka Community Board.
- 7.8 Council Enterprises are forecasting an overspend due to the spend required on plant pest control costs in the Kingsland Forest and an increase in harvesting and maintenance costs at Rabbit Island.

8 Statement of Financial Position

Tasman District Council

Statement of Financial Position

As at December 2017

	YTD Actual Dec 2017 \$000	Revised Budget 2017/18 \$000
CURRENT ASSETS		
Cash and cash equivalents	6,997	7,987
Trade and other receivables	9,665	14,030
Other financial assets	1,529	1,521
Non current assets held for resale	0	770
TOTAL CURRENT ASSETS	18,191	24,308
CURRENT LIABILITIES		
Trade and other payables	11,272	16,143
Employee benefit liabilities	1,942	2,028
Current portion of borrowings	5,228	3
Current portion of Derivative financial instruments	0	0
TOTAL CURRENT LIABILITIES	18,442	18,174
WORKING CAPITAL	(251)	6,134
NON CURRENT ASSETS		
Investments in associates	123,311	109,933
Other financial assets	11,019	14,328
Intangible assets	656	984
Trade & other receivables	0	0
Forestry assets	35,461	34,298
Investment property	4,700	4,620
Property, plant and equipment	1,371,677	1,412,893
TOTAL NON CURRENT ASSETS	1,546,824	1,577,056
NON CURRENT LIABILITIES		
Term borrowings	127,002	185,061
Derivative Financial Instruments	12,119	20,071
Employee benefit liabilities	470	592
Provisions	1,783	3,093
TOTAL NON CURRENT LIABILITIES	141,374	208,817
TOTAL NET ASSETS	1,405,199	1,374,373
EQUITY		
Accumulated equity	595,908	581,620
Reserve funds	18,132	17,447
Revaluation reserves	791,159	775,306
TOTAL EQUITY	1,405,199	1,374,373

- 8.1 Overall, the financial position of Council remains extremely strong and ahead of year-end budget expectations.
- 8.2 The derivative financial instruments reported in the non-current liabilities section reflect the higher interest rate and thus lower liability, should the derivatives be closed out.

- 8.3 The Investment in Associates is higher than budget because Port Nelson had strong financial results in 2016/17 and these have now flowed into our consolidated balance sheet.

9 Total Net Debt

	\$000
Opening Net Debt July 2017	122,155
Net Debt December 2017	123,704
Net Debt Reforecast June 2018	163,044
Net Debt June 2018 per 2017/18 Anr	158,674

- 9.1 Total net debt is forecast to be \$163m as at 30 June 2018 compared to a budget of \$158.7m. The forecast is in line with the 2017/18 budget despite being a lot less than was initially forecast to occur. This is assuming a one-off contribution to the Waimea Community Dam in May, which is now unlikely. If this does not occur the forecast debt position will be \$146m.
- 9.2 Net debt is gross debt less cash on hand and other liquid financial assets.

10 Capital Expenditure Analysis

	YTD Actual Dec 2017 \$000	Annual Forecast 2017/18 \$000	Budget 2017/18 \$000	Var Bud/F'cst \$000
Environment & Planning	109	551	555	4
Engineering	15,497	48,505	54,711	6,205
Community Development	607	5,681	5,923	242
Council Enterprises	1,443	2,350	3,859	1,509
Governance	13	10	2	-8
Departmental Overheads	562	1,694	1,793	99
Total Capital Expenditure	18,231	58,791	66,842	8,052

- 10.1 Capital expenditure is \$18.231m at the end of the December quarter.
- 10.2 Overall, the capital programme is forecast to be underspent by \$8.052m at year end.

Engineering Services Capital Expenditure

By Activity	YTD Actual Dec 2017 \$000	Annual Forecast 2017/18 \$000	Budget 2017/18 \$000
Coastal Structures	0	64	155
Rivers & Flood Protection	830	1,236	1,170
Roading - Non Subsidised	2,886	7,034	8,006
Roading - Subsidised	1,311	5,263	7,633
Solid Waste	1,008	1,973	1,835
Stormwater	3,206	13,241	16,052
Wastewater	3,771	10,885	11,678
Water Supply	2,485	7,402	8,181
Total Capital Expenditure	15,497	47,098	54,711

- 10.3 **Coastal Structures** – the forecast underspend is because work on the proposed Mapua boat ramp will not occur in the current year.
- 10.4 **Rivers & Flood Protection** – the activity is on target to fully spend the capital programme in 2017/18. Should a flood event occur it may result in additional expenditure. It should be noted that the Rivers closed account has a surplus that will accommodate such an occurrence.
- 10.5 **Roading** – the forecast underspend is primarily a result of staging the Bateup Road Widening. Tender documents are now out, with construction starting in February 2018. This will mean a carryover is required.
- Land access issues and delays in MBIE approval of the business case for funding means funds for the Great Taste Tasman Trail will require carryforward.
- 10.6 **Solid Waste** – the activity is on target to fully spend the capital programme in 2017/18.
- 10.7 **Stormwater** – the forecast underspend is due to a number of Pohara projects that are still in the investigation/design phase. The Richmond Central Improvements project is also forecasting a \$400k underspend that will be required in 2018/19.
- 10.8 **Wastewater** – the activity is on target to be within 97% of the capital programme in 2017/18.
- 10.9 **Water Supply** - the activity is on target to be within 97% of the capital programme in 2017/18.

11 Accounts Receivable Report 31 December 2017

11.1 This section of the report covers:

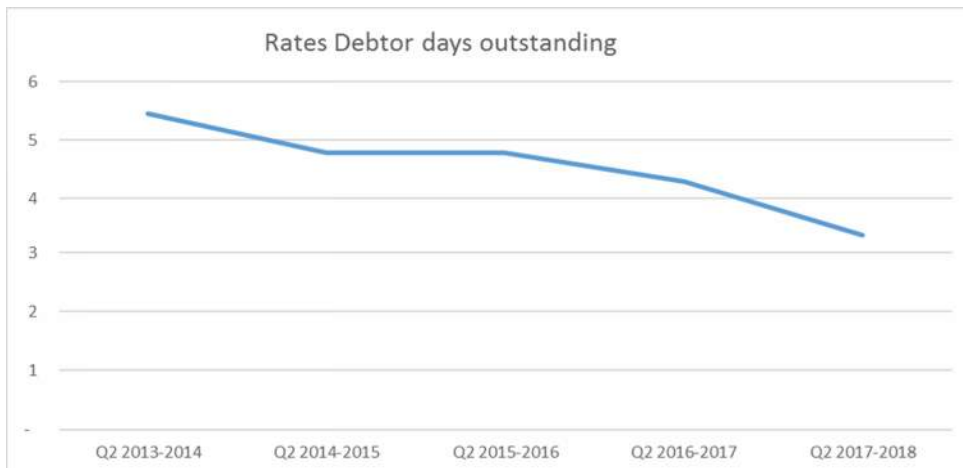
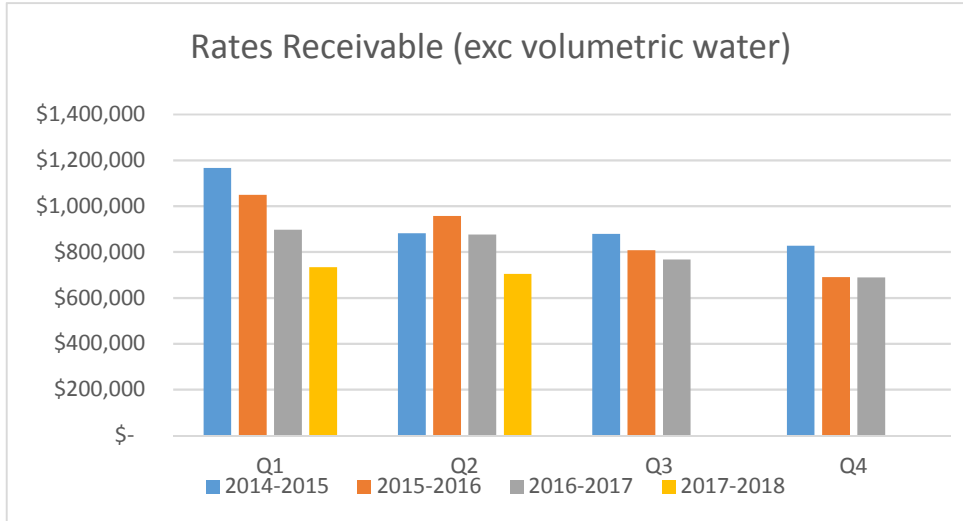
- Rates collections
- Water billing collections

- 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)

11.2 Rates income (excluding volumetric water) was budgeted to be \$76m in 2017-2018.

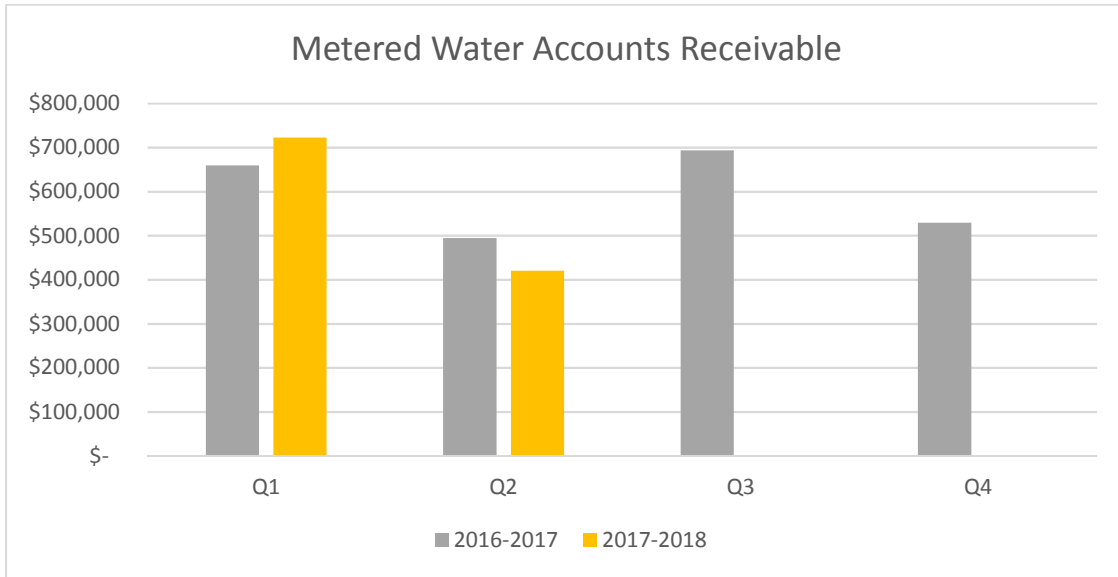
11.3 Outstanding rates continue to trend down, despite district growth and increases in rates.



- Rates debtor days show the average number of days that revenue is outstanding and would be zero if all instalments were paid by the due date and also continue to trend down.
- About 77% of the rates owing at 1 July 2017 had been cleared by 31 December 2017, well ahead of last year. The majority of these debts are expected to be collected by Q3 2018. This is mainly driven by the statutory timeframes in approaching mortgagees.

Metered Water Billing

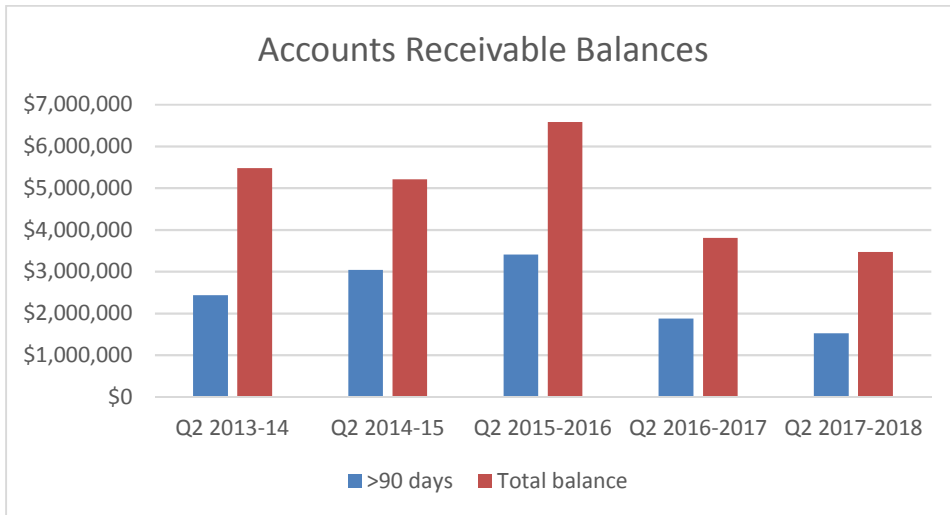
11.4 Metered water income was budgeted to be \$5.8m in 2017-2018.

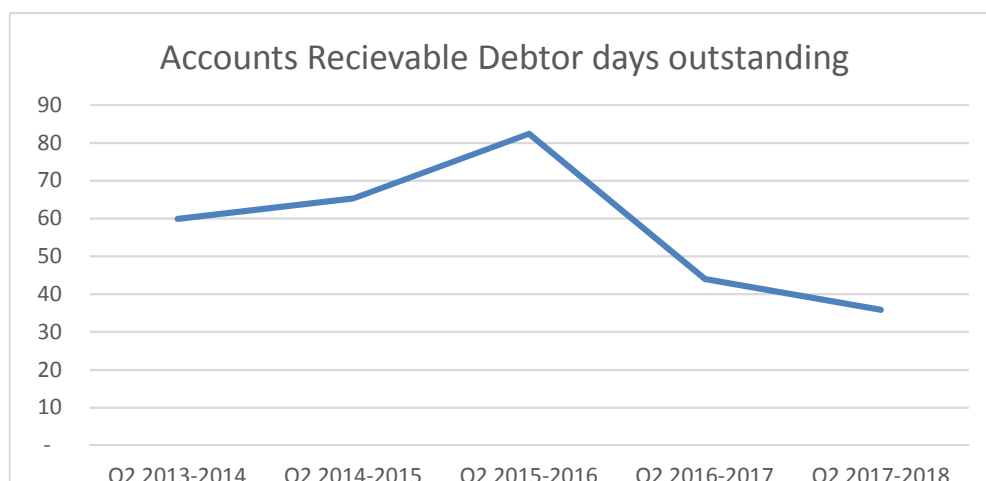


- Water balances are down slightly on the prior year at Q2.
- Over 98% of metered water owing at 1 July 2017 has been paid.

Accounts Receivable

11.5 Council invoiced \$32m in the prior year.





- Debtors aged >90 days have declined again (~\$0.4m) since the prior year, which has also contributed to a substantial decline in the total outstanding (~\$0.3m) due to additional staff resource invested into the debt management stream.
- Debtor days have also declined as a result of faster collections.

Department of Internal Affairs Rates Rebates Scheme

11.6 The rates rebate scheme, run by the Department of Internal Affairs (DIA), and administered by local councils, provides a subsidy to low income homeowners for their rates.

11.7 Rates rebate claims are up slightly against prior year at 31 December, which could be due to timing of claims:

	2016/17	2017/18
Number of claims	1128	1163
Dollar value of claims	\$649K	\$675K

12 Attachments

Nil

8.8 TREASURY REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Bryce Grammer, Financial Accountant
Report Number:	RCN18-04-09

1 Summary

- 1.1 The Council borrowings at 28 February 2018 are \$135.5m, up from the \$126m at 30 June 2017. The projected debt level out 12 months is \$160.9m. Following the receipt of the February rates instalment, the **net debt** level at the end of February is \$123m. The funds on deposit will be applied against bank debt maturing in March 2018 (\$7m).
- 1.2 Council's funding and liquidity risk position is currently compliant with Treasury Management Policy parameters. However, by 30 June 2018, Council will be non-compliant with the 0 - 3 year facility maturity limit due to the Westpac banking facility and a \$10m Westpac private placement falling due within this period. This means that in order for Council to remain compliant with the Treasury Policy at 30 June 2018, the following strategy is being implemented.
- We are applying for a three year extension to the current Westpac bank funding facility of \$12m from 31 August 2019 to 31 Mar 2022 (currently awaiting facility pricing from Westpac.)
 - We have pre-funded the upcoming \$10m Westpac private placement maturing on 19 September 2018 with a Floating Rate Note (FRN) through the LGFA with a maturity date of 15 April 2026 and at an initial floating rate of 2.55%.
 - With Council not having a requirement for the \$10m in funds until the Westpac private placement matures in September 2018, these have been placed on term deposit with the BNZ at 3.34%pa to mature on 17 September 2018.
- Note that the positive interest rate spread differential between the amount we borrowed from the LGFA and the amount we re-invested with the BNZ is a side benefit and not the main driver of the pre funding strategy. The driver was to maintain policy compliance and mitigate the repricing risks through to September.
- 1.3 The Council is not in full compliance with its Treasury Management Policy due to two exceptions:
- the three to five year fixed maturity level, and
 - the five year plus fixed rate maturity level.

- 1.4 This non-compliance is considered minor, as these exceptions are a result of Council having more in interest rate swap cover than is 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 immediate policy compliance.
- 1.5 Council implemented an interest rate hedging strategy recommendation in March. The strategy is to lengthen the term of the interest rate hedge position and forward manage the declining level of interest rate hedges. The start dates of the new forward starting borrower swaps will coincide with the maturity dates of existing borrower swaps. Therefore, the new swaps do not add any additional swap cover. They just extend the term of Council's current portfolio to further protect the Council's long term interest rate position.
- 1.6 The Council's cost of funds, including interest rate swaps, bank margins and line fees is 5.08%, compared to a budget of 4.61% [2017: 5.9%]. The Treasury cost centre has a surplus due to the lower than forecast debt levels and the slightly lower than budgeted finance costs, over the past few years. This surplus is being returned to Council activities by reducing the budgeted internal interest rate in the current year. Staff continue to closely monitor the markets to capitalise on opportunities to reduce Council's external borrowing costs.
- 1.7 Market expectation is that the Official Cash Rate (OCR) will remain at 1.75% until mid to late 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.
- 1.8 The Treasury cost centre operates as the Council's internal bank. It is reporting a deficit on the February year to date results, due to the decision to return prior year surpluses to Council's activities through lower internal interest rate charges. This deficit is offset by an activity opening surplus carried forward from previous years.

2 Draft Resolution

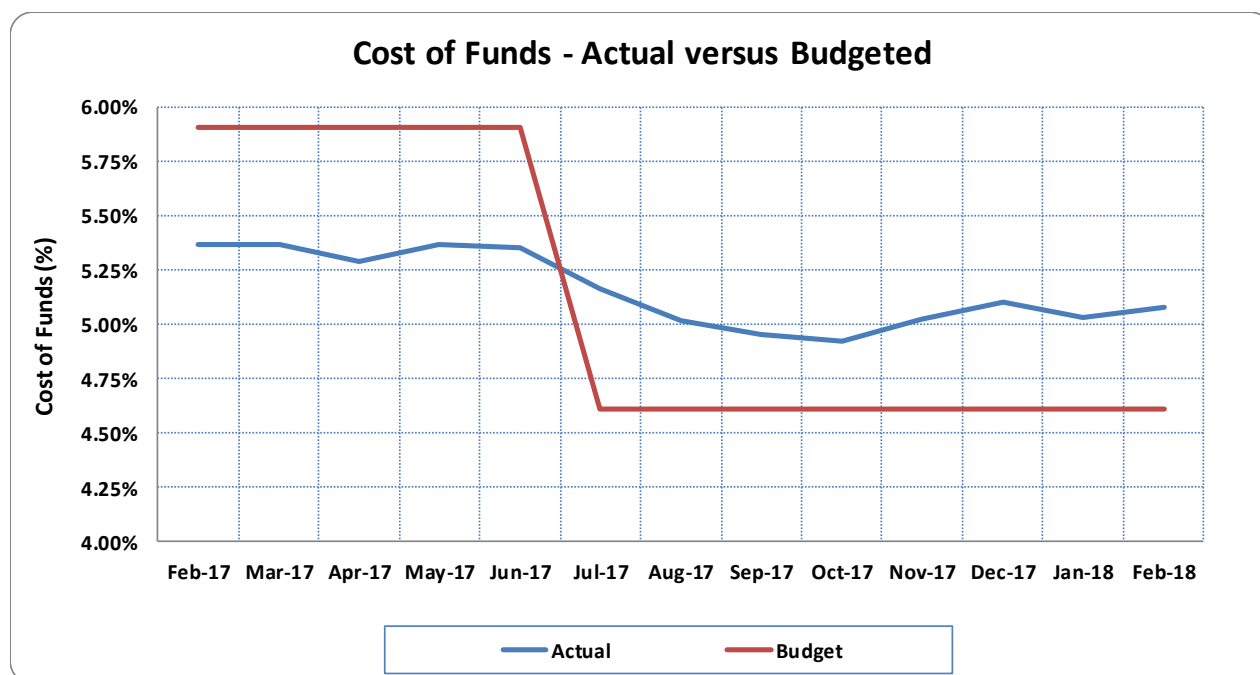
That the Full Council receives the Treasury Report RCN18-04-09

3 Treasury: February 2018

Debt Levels

- 3.1 Council's debt at 28 February 2018 stands at \$135.5m, with an average interest rate of 5.03% (June 2017: 5.302%).

Cost of Funds



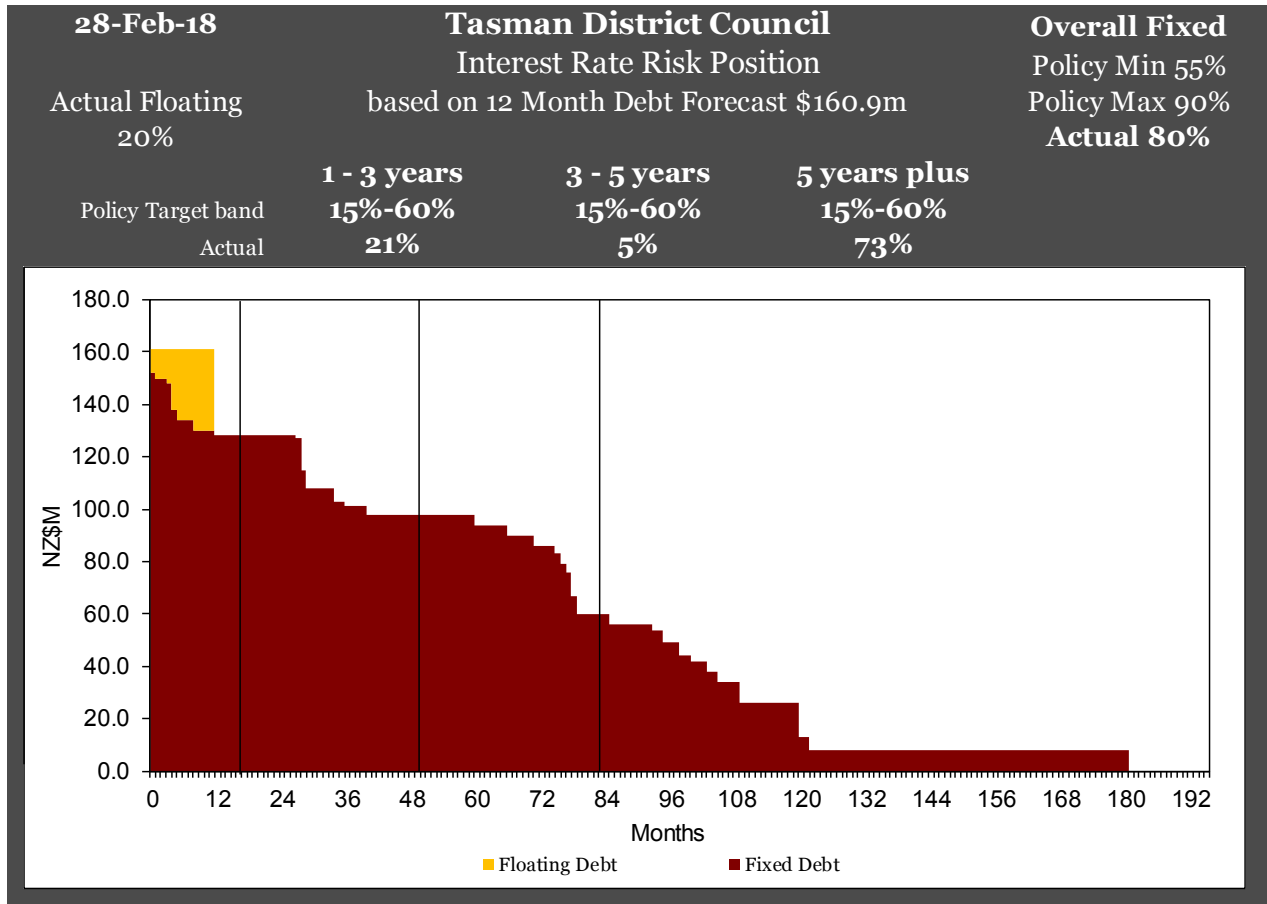
The graph above shows the Council's actual weighted average cost of funds at 28 February 2018, including interest rate swaps, bank margins, and line fees at 5.08% against a budgeted rate of 4.61%. The weighted average cost of funds will decrease further as the Council takes on more debt.

Interest Rate Swaps

- 3.2 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. There will be some swap transactions undertaken in March to lengthen the term of the hedge position and forward manage the declining hedge profile.
- 3.3 As at 28 February 2018, the Council had \$147.78m of interest rate swaps in place, including some "forward start" swaps. After adjusting for the forward start swaps, \$142.05m is "live" which is equal to 105% cover over existing debt and 80% over forecast 28 February 2019 net debt (i.e. 12 month debt forecast). Council staff, after consideration and advice from their treasury advisors, have decided to let the swap cover contracts expire naturally rather than undertake an expensive restructure of the swap portfolio to meet full policy compliance.

Treasury Limits

3.4 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

3.5 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.

3.6 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.

3.7 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

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

	Minimum	Maximum	Actual: February 2018	Within Limits
1–3 years	15%	60%	21%	✓
3–5 years	15%	60%	5%	☒
5–10 years	15%	60%	73%	☒

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 meet monthly and 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

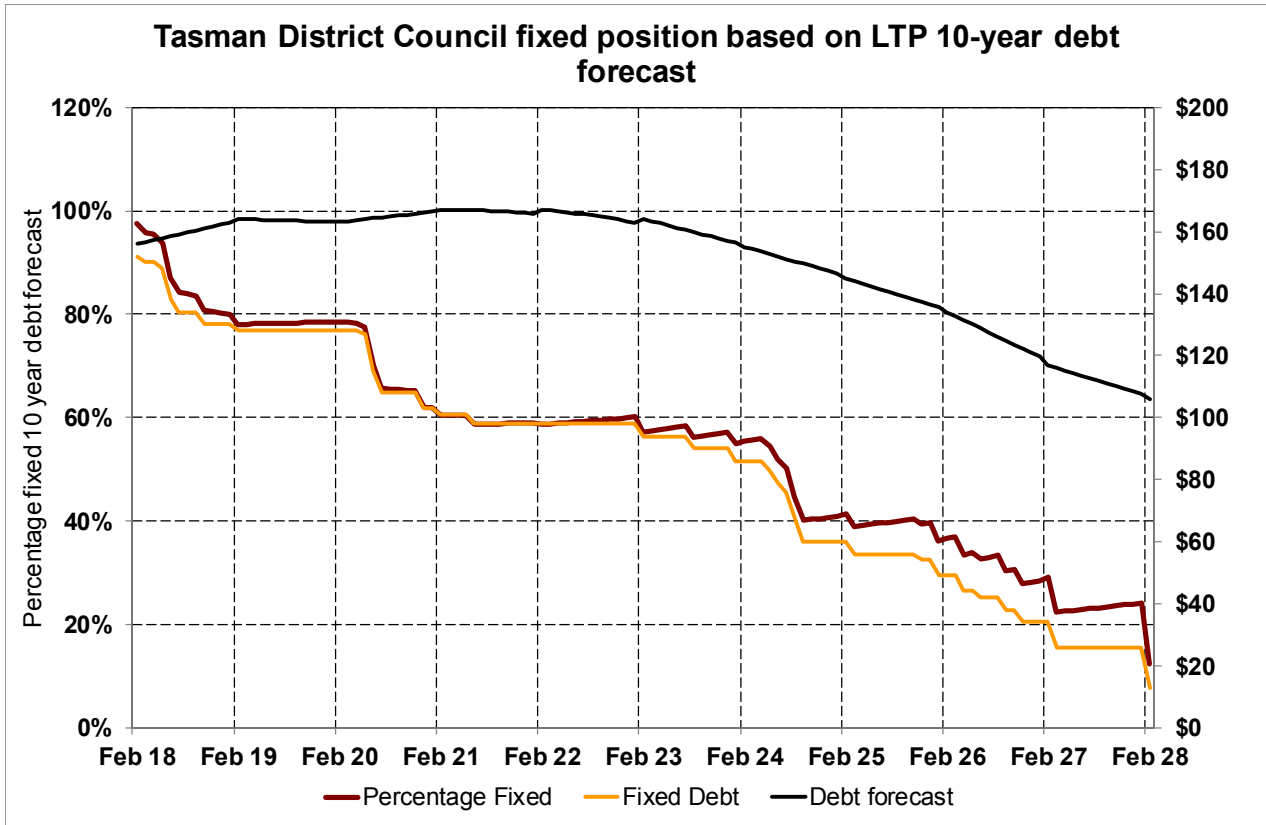
- 3.9 This measure shows the balance between minimising exposures to negative fluctuations in floating rates against savings opportunities. The Council's strategy is to limit negative exposures and provide certainty of future interest rate costs. This is achieved through its use of interest rate swaps.

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

Minimum	Maximum	Fixed Actual: February 2018	Within Limits
55%	90%	80%	✓

Cumulative Interest Rate Position

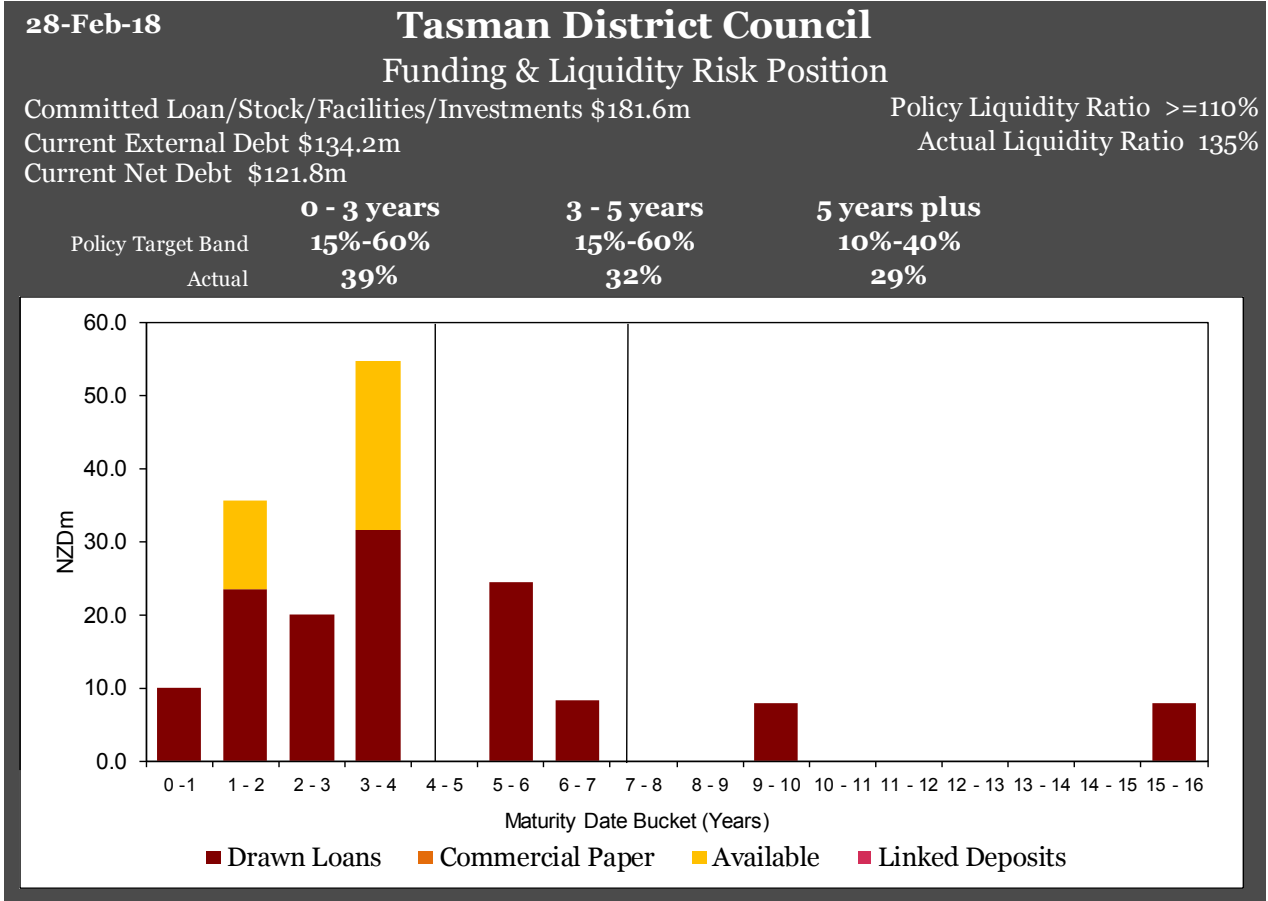
- 3.10 The chart below shows the cumulative interest rate position for Council. The chart represents the actual percentage of 12 month debt (\$160.9m) which has a fixed interest rate out to 10 years.



Facility Maturity Limit

3.11 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

3.12 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.

3.13 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.

3.14 The Council is complying with its Treasury Management Policy, and is within all funding and liquidity limits.

3.15 The Council currently has \$30m in private placements. The private placements allow the Council to place longer term debt in the years between LGFA issues. The Council also has \$98.5m of debt placed with the LGFA.

Treasury Limits	Actual February 2018	Within Limits
Net debt not to exceed 20% of equity	8.7%	✓
Net external debt not to exceed 225% of total operating revenues	116.4%	✓
Net interest as a % of total revenues to be less than 15%	6.5%	✓
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%	135%	✓

Counterparty Credit Risk

- 3.16 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.
- 3.17 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	1.2	65.05	13.5	Within Policy
ASB	10.9	45.73	17.5	Within Policy
ANZ	Nil	37.00	8.5	Within Policy
BNZ	0.26	Nil	0.3	Within Policy

Note: We are within the overall policy for ASB but we have breached the \$10m cash investment section of the policy. This breach is rectified in March.

Funding Mix

- 3.18 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	7.0	5.2%
Private Placement	30.0	22.1%
LGFA Debt	98.5	72.7%
Total	135.5	100.0%

4 Investments

- 4.1 The Council cash investments total \$11.9m with an average interest rate of 2.15% (June 2017 3.29%). 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 high Money Market account balance at the end of February is due to the receipt of the February rates instalment. These funds will be applied against bank debt maturing in March (\$7m).
- 4.2 The individual investment balances are as follows:

	\$ Invested	Interest Rate
Term Deposit (148 days)	1,200,000	3.45%
Money Market account (on call)	10,700,000	2.00%
Total	11,900,000	2.15%

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 \$20.90 per unit.
- 5.2 Due to the deferral of the regional landfill, the Council has a liability under the ETS for the six months to 30 June 2017. Over this period of time, Council landfilled 19,343 tonnes of waste, which gives us a total assessed emission of 23,018 tonnes CO₂ with a surrender obligation of 15,345 NZU. This liability is due on 31 May 2018.
- 5.3 Council also pre-purchased 20,000 NZUs for their obligation to the joint regional landfill. These NZU's were transferred to Nelson City Council in March 2018.
- 5.4 The Council's forestry assets and the related ETS liabilities/credits are accounted for separately to the landfill.
- 5.5 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 took effect from 1 January 2017. From 1 January 2017, Council needs to surrender

one unit for every 1.5 whole tonnes of CO2 emissions (67% of full liability). This surrender will be due 31 May 2018.

- 5.6 ETS credits are managed in defined time buckets incorporating minimum or maximum hedging.

	Minimum Cover	Maximum Cover	Actual October 2017	Within Limits
*Committed	80%	100%	100%	✓
Forecast period				
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 LGFA 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%).

7 Market Comment

- 7.1 Market commentators are expecting the OCR to remain at 1.75% until mid to late 2019. Future changes are dependent on inflation, growth figures, the strength of the NZ dollar, and other matters external to New Zealand.

8 Treasury Cost Centre

- 8.1 The Treasury Cost Centre operates as the Council's internal bank. In essence, the cost centre manages the external costs of borrowing and allocates them across internal loans within individual activities. It also pays/charges interest on reserves and activity balances. As per the Treasury Risk Management Policy, these interest rates are set quarterly. From 1 January 2018, interest is charged on loans, and overdrawn closed account balances at 5.1%, and paid at 1.9% on credit balances for the next quarter.
- 8.2 The Commercial Committee has asked the Corporate Services Manager to review the Treasury Policy with a view to allowing the commercial activities to arbitrage their own group activity "balance sheet".

9 Attachments

Nil

8.9 SIX MONTHLY REVIEW OF LEVELS OF SERVICE PERFORMANCE

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Alan Bywater, Senior Policy Advisor
Report Number:	RCN18-04-10

1 Summary

- 1.1 Council reports its performance against levels of service targets formally through the annual report each year.
- 1.2 On this occasion, our performance is being reported for the first six months of the 2017/2018 financial year.
- 1.3 Of the targets that were measured during the first six months, 75% are considered to be on target to achieve the intended level at year end and 25% are considered not to be on target to achieve the intended level by year end. 34% of all targets have not yet been measured in the first six months.

2 Draft Resolution**That the Full Council**

1. **receives the Six Monthly Review of Levels of Service Performance report RCN18-04-10; and**
2. **notes that of the targets measured in the first six months 75% are considered to be on target, while 25% are considered not to be on target to achieve the intended level by year end.**

3 Purpose of the Report

- 3.1 This report is to provide information on Council's performance against our levels of service targets for the period 1 July to 31 December 2017.

4 Background and Discussion

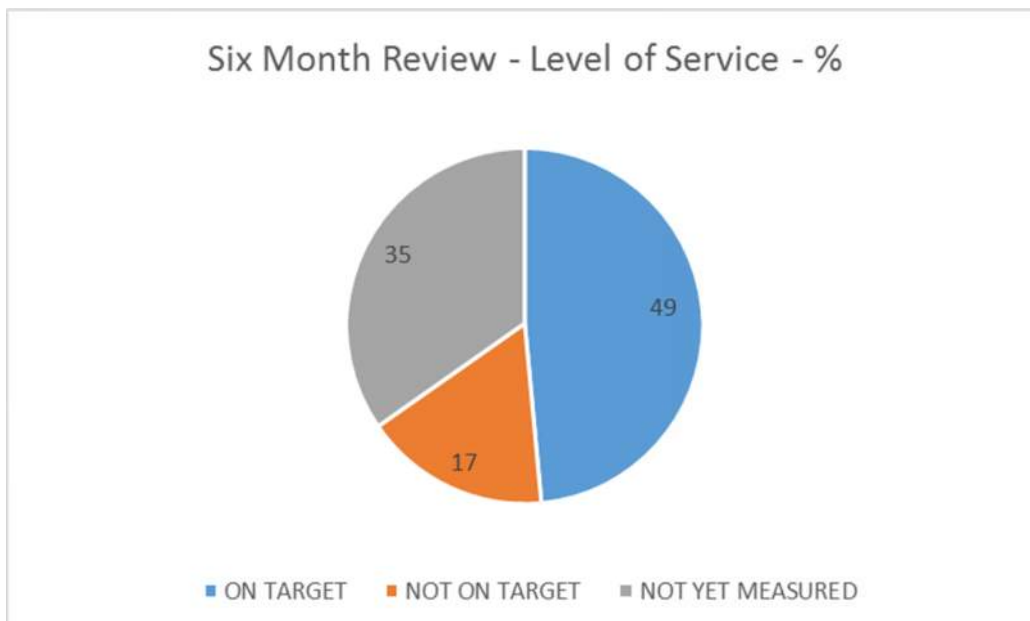
- 4.1 In the Long Term Plan (LTP) 2015-2025 we identified the levels of service and associated targets for the range of service we provide. Through the Annual Report we formally report performance against these targets each year.
- 4.2 In the current financial year we are also reporting progress against these targets for the first six months. As the levels of service targets are established on an annual basis, and some are only measured at one point in the year, it is not possible to present comprehensive results for six months against every target.
- 4.3 To provide progress on achieving the annual levels of service targets staff have been asked to report performance for each target in one or other of the following categories:

On target to achieve performance target - (*i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end*).

Not on course to achieve performance target - (*i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end*).

Target not yet measured – (*report how and when will this target be measured*).

- 4.4 Overall performance for the period between 1 July and 31 December 2017 is as follows:



Note: Due to rounding the percentages add up to 101%.

- 4.5 More detailed information on the performance against targets for each activity is provided in Attachment 1.

- 4.6 As noted 34% (48) of the targets were not measured in the first six months. Of these 17 targets are measured using the Communitrak survey which takes place once a year in May. There are three targets where we do not have measurement systems in place and it is unlikely that we will be able to report on these at year end. One target that we no longer will report on relates to rural fire as this function has been transferred to Fire and Emergency New Zealand. The remaining targets are due to be measured by other surveys that have not yet taken place or other processes that take place once a year.
- 4.7 The Transportation (38%) and Solid Waste (33%) activities have the highest proportion of targets reported as not on course to achieve the performance level. Most of these Transportation targets relate to the number of crashes on our roading network. The Solid Waste targets relate to satisfaction with our resource recovery centres and the solid waste diverted from landfill. The results of the latter measure are distorted by green waste in Richmond now being managed by a private company, meaning this waste is not seen as a diversion from our landfill.
- 4.8 The target for the total area of park land provided by Council is indicated as not on course to achieve the target level. We reported a level of 16.8 hectares per 1,000 residents in the 2016/2017 Annual Report. However the most recent Yardstick Survey (used to measure this target) has returned a figure of 13 hectares per 1,000 residents. It seems unlikely that in reality the quantity could have changed that much in six months or so. Consequently we are investigating to try to ensure that there is consistency and reliability in the way this is being measured.
- 4.9 It should be noted that since this six monthly period the District has been affected by ex-tropical cyclones Fehi and Gita. These events and the resources required to undertake recovery work may adversely affect the end of year performance against some targets.

5 Consideration of Financial or Budgetary Implications

- 5.1 The six monthly review has been prepared using existing staff resources.

6 Conclusion

- 6.1 Of the targets that were measured during the first six months, 75% are considered to be on target to achieve the intended level at year end and 25% are considered not to be on target to achieve the intended level by year end. 34% of all targets have not yet been measured.
- 6.2 As this is the first time for a number of years a six monthly review has been carried out, we do not have results from recent years to compare against. This is intended to be a feature of future six monthly reports however it should be noted that there are changes to a number of the levels of service targets in the LTP 2018-2028. Consequently, next year's six monthly performance will not be directly comparable with this year's.

7 Next Steps / Timeline

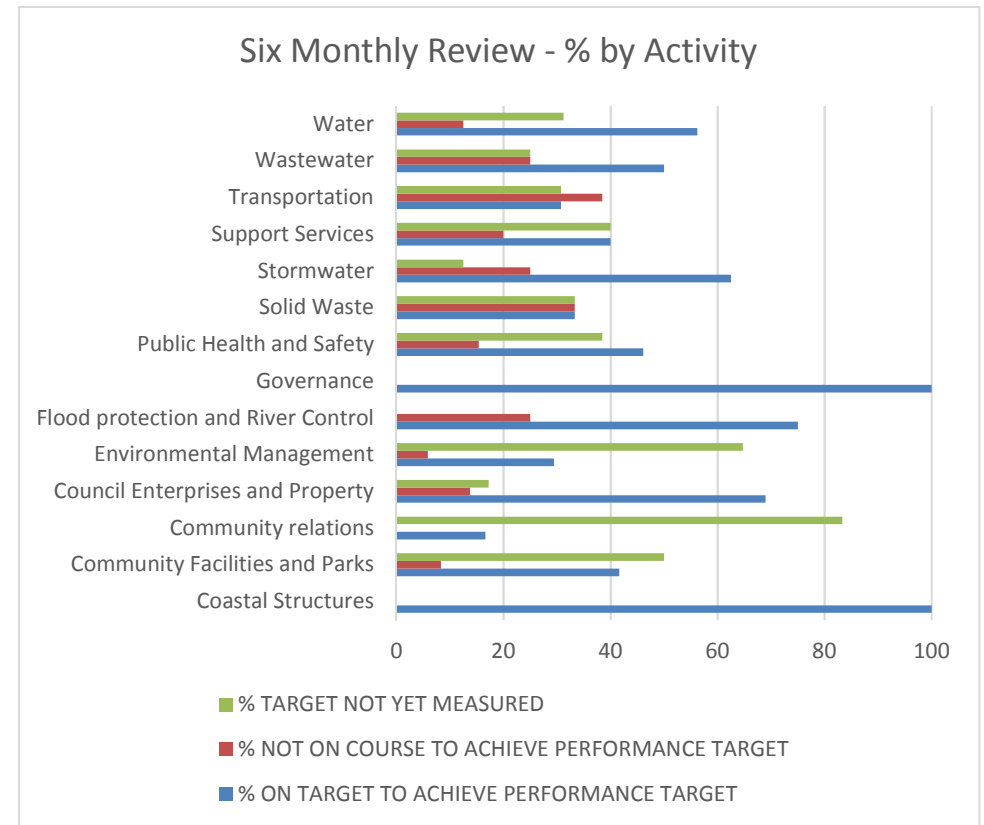
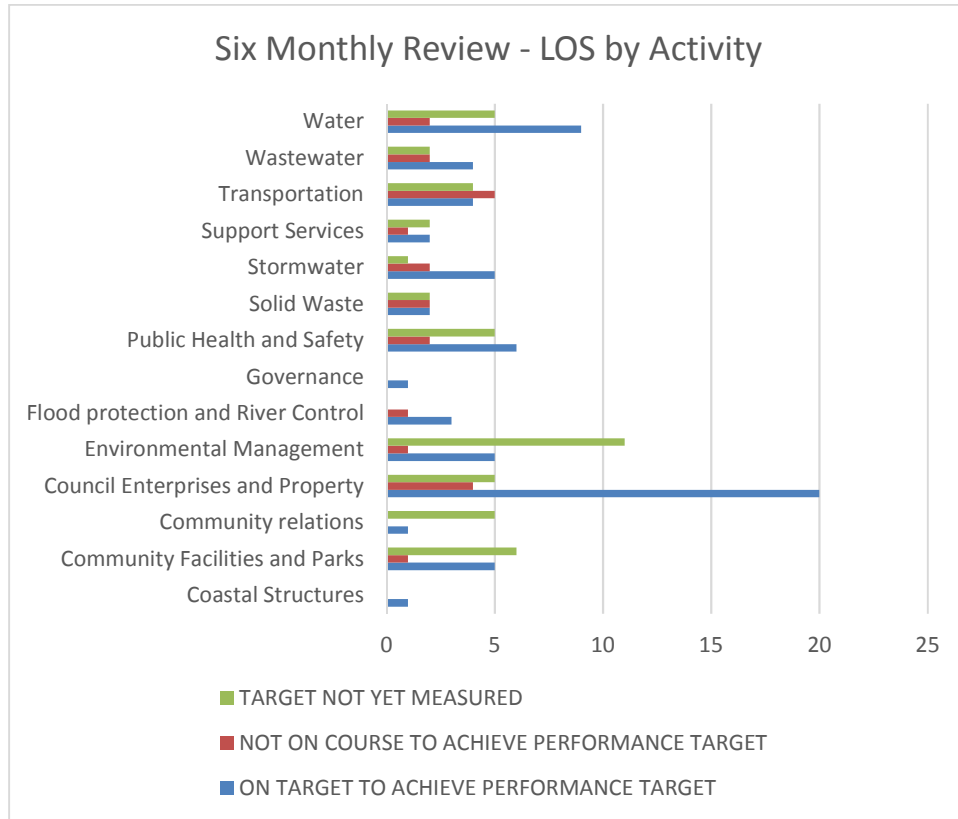
- 7.1 The annual residents Communitrak Survey, which is used to report on a number of levels of service targets, will be carried out in May 2018.
- 7.2 Work will commence on the Annual Report 2017/2018 in the next few months.

- 7.3 A draft of the Annual Report 2017/2018 will be reported to the Audit and Risk Committee at its 23 August 2018 meeting.
- 7.4 The Annual Report 2017/2018 will be presented for adoption at the 27 September 2018 Council meeting.

8 Attachments

- | | |
|--|-----|
| 1. Six Monthly Review - Detailed Results by Activity | 133 |
|--|-----|

PERFORMANCE BY ACTIVITY



COASTAL STRUCTURES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our works are carried out so that the impacts on the natural coastal environment are minimised to a practical but sustainable level.	Resource consents are held and complied with for works undertaken by Council or its contractors on Council owned coastal protection – as measured by the number of notices issued to Council. (Target: no notices issued.)	On target. No notices issued for breach of consent.		

COMMUNITY FACILITIES AND PARKS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>An interconnected open space network and recreation facilities that provide a range of leisure opportunities and meet the needs of users and the community.</p>	<p>The total area of park land* provided by Council exceeds the industry average, as measured by Yardstick Parkcheck. (Target: 16.8 ha per 1000 residents.) <small>*Includes all park and reserve land provided by Tasman District Council, but excludes esplanade strips.</small></p>	<p>.</p>	<p>Yardstick Survey November 2017 produced the result 13.0 hectares per 1,000 population. This is a significant drop from last year’s reported result. Yardstick result is being queried.</p>	
	<p>Overall customer satisfaction with the facilities in parks and reserves exceeds 85%, as measured by the triennial Yardstick ParkCheck Visitor Measures Survey. (Target: >85% overall satisfaction with Tasman parks and reserves)</p>	<p>94.1% of users satisfied in December 2017/ January 2018</p>		
	<p>At least 85% of respondents rate their satisfaction with recreational facilities (which</p>			<p>To be measured through the Communitrak Survey in May 2018.</p>

	include playing fields and neighbourhood reserves) as “fairly satisfied” or better in the annual residents’ surveys.			
--	--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Public toilets at appropriate locations that meet the needs of users and are pleasant to use and maintained to a high standard of cleanliness.	At least 70% of respondents rate their satisfaction with public toilets as “fairly satisfied” or better in the annual residents’ surveys.			To be measured through the Communitrak Survey in May 2018.
A network of public halls and community buildings (including multi-purpose community and recreation facilities in major centres and local halls) that provide reasonable access to indoor activities, and recreation space.	A community building is available within a 15-minute drive for 95% of the population (i.e. 20km radius catchment).	99%		

<p>Accessible and affordable housing to eligible people within the community.</p>	<p>Tenants' overall satisfaction with community housing is at least 80%, as measured through a biennial survey of tenants.</p>	<p>85% as at November 2017 survey</p>		
---	--	---------------------------------------	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Swimming pools that meet the needs of users and provide opportunity for aquatic based recreation activities and learn to swim programmes.	Admissions to the Richmond Aquatic Centre per m ² of swimming pool per annum is not lower than 10% below the peer group average, as measured by Yardstick (once every three years). 205 swims/m ²			To be measured through Yardstick at the end of the financial year.
	At least 85% of respondents rate their satisfaction with Aquatic Centre facilities as fairly satisfied or better, in annual surveys of customers. (Target: 85%)			To be measured through the Communitrak Survey in May 2018.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>The provision of access to a wide range of information relevant to the community’s recreation and learning needs.</p>	<p>The number of lending/reference items available at Tasman libraries is 3.0 items per resident.</p> <p>Stock numbers will be measured quarterly using information available from the Library Management System software.</p> <p>(Target: 3.0 items per resident).</p>	<p>Items available at 31 December 2017 totalled 152,153, comprising 141,377 physical items and 10,776 electronic items; this equates to 3.0 items per resident. The number of electronic items includes items available through e-book consortia shared purchasing arrangements.</p>		
	<p>At least 83% of residents are fairly or very satisfied with the public libraries, as measured through the annual residents’ survey.</p> <p>Target: 83%</p>			<p>To be measured through the Communitrak Survey in May 2018</p>

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
The provision of safe, welcoming, attractive and accessible library facilities for customers to access library services.	Tasman District Council library buildings provide adequate spaces to enable the delivery of quality library services as measured against the Library and Information Association of New Zealand Aotearoa (LIANZA) standard. (Target 1: The Richmond, Takaka and Murchison libraries floor areas are maintained at the current size.	The Richmond, Takaka and Murchison Libraries have all been maintained at their current size. The floor space of the Richmond and Takaka Libraries meet the LIANZA standard. The Murchison Library building at 16m ² is less than the 210m ² recommended in the LIANZA standard		

	<p>Target 2: Motueka Library floor area does not meet the LIANZA standard)</p>		<p>The Motueka Library floor area achieves only 48% of the LIANZA standard. A feasibility study to investigate redevelopment options is currently underway. Funding for the redevelopment of the library is proposed to be included in the LTP 2018-2028.</p>	
--	--	--	---	--

COMMUNITY RELATIONS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Promotion and delivery of community events and recreational services.	Residents attending a range of Council-organised community events rate their satisfaction as “fairly satisfied” or better, as measured through the residents’ survey three yearly. (Target: 80%.)	<i>Not measured, however the anecdotal feedback is positive to the events managed and partnered by the Council</i>		This is measured through the Communitrak Survey on a three yearly basis. To be measured through the Communitrak Survey in May 2018.
Grants to community groups to deliver services and facilities that enhance community wellbeing.	Groups are delivering the services outlined in their applications and that they receive grant money to provide services to the community. (Target: 100% of accountability forms are returned completed.)			This is an annual measure with the reporting period for the 2017/18 grants round yet to be completed

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Leadership and co- ordination to schools and early childhood centres, to protect and enhance our local environment through education.	<p>The number of schools and early childhood centres developing and maintaining environmental care practices is sustained.</p> <p>The achievement level of each Enviroschool improves over time, as measured by the Enviroschools stages of Bronze, Silver to Green-Gold. (Target 1. 26 schools are engaged in Enviroschools programme).</p>	<p>At this stage of the year the school year has started with 35 Tasman schools within the EnviroSchools programme with another 10 being supported in their sustainability curriculum.</p>		<p>This is measured annually through the national Enviroschools national census</p>
	<p>(Target 2. Enviroschools achievement levels improve over time.)</p>			<p>This is measured annually through the national Enviroschools national census</p>

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide a range of communication channels that enhance Council's ability to engage and connect with the communities it serves.	Residents are informed and actively engage with Council: At least 80% of residents consider the information supplied by Council to be sufficient (i.e. enough or more than enough), as measured by the annual residents' survey.			To be measured through the Communitrak Survey in May 2018. The Community Relations group continues to deliver, manage and grow communications channels to ensure residents are well informed and able to contribute to Council decision-making
	Usage of Council's website (i.e. sessions, users and page views) increases at a rate of 5% or more per year.			This is an annual measure, however we provide 6 weekly (committee reporting cycle) reports that is currently measuring beyond this target

COUNCIL ENTERPRISES AND PROPERTY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Buildings and property services that comply with legislative and resource and building consent requirements.	All operational buildings (offices and libraries) and commercial buildings comply with resource, building consent and any other legislative requirements. (Target: 100% compliance.)	<i>All buildings are currently compliant. Do not anticipate any non-compliance issues before 30 June 2018.</i>		
Property and building assets that are functionally appropriate and meet the needs of users and customers.	Customers and users are satisfied with the buildings they occupy and the level of service provided. As measured by a three-yearly survey of selected customers. (Target: 75%)			To be measured through the Communitrak Survey in May 2018.
Our aerodromes are operated in a safe manner.	Our aerodromes are managed in accordance with Civil Aviation Authority (CAA) requirements.	<i>On target- No CAA audit yet undertaken</i>		

	As measured through a CAA audit. (Target: 100%.)			
	The glide path for planes is free of obstructions, as determined by CAA. (Target: 0 non-compliances.)		<i>Known height issues established by glide path survey. Discussions held with BC and RC staff.</i>	

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our aerodromes are operated in a safe manner (cont.)	No Health and Safety incidents. (Target: 0 non-compliances.)	<i>No health and safety incidents to date.</i>		
Faults in the aerodromes system are responded to and fixed promptly.	We respond to Customer Service Requests regarding faults on our aerodromes within the timeframes we have agreed with our suppliers and operators, and within available funding.	<i>On target Nil faults reported to date. All responded to promptly.</i>		

	(Target: 100%)			
Aerodromes managed in a financially sustainable manner.	Aerodromes managed in a financially sustainable manner. (No target.)		<i>Budgets not yet at breakeven point.</i>	

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Campground Health and Safety procedures are in line with industry best practice and improved to external audit findings.	Fully compliant at all times, or if issues identified a corrective plan implemented within three days. (Target: Compliant)	<i>Our Holiday Parks are maintained in a fully compliant state and any new issues are addressed immediately.</i>		
Campground financial sustainability must be achieved.	Earnings Before Interests, Taxes, Depreciation and Amortisation (EBITDA) performance of the campgrounds must provide 1.2 times funding cover. (Target: 1.5 times)	<i>On target-currently tracking at 1.84</i>		
Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community.	Condition assessment is based on lease or management model. It should include a focus to improve ratings. (Target: 3 star average)	<i>Compliant but no longer using star rating. (Top 4 have their own rating system)</i>		

--	--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Effective, and responsible management of campground assets ensuring achieving financial sustainability, whilst recognising the social and recreational benefits of campgrounds to the community (cont.)	Occupancy should sit within a 10% variable of the regional average by Year 3 for similar campground activities. (Target: 40%)			Unsure how this data could be sourced –private facilities would deem this commercially sensitive.
	Achieving financial returns in line with the budget projections while not compromising the level of service to the community on most assets. (Target: 90%). Model Mixed	<i>Financial performance currently tracking to budget. Level of service being met.</i>		
	Council's return will improve based on reinvestment levels. Levels of service (LOS) changes in new financial strategy adoption. (Target: 17%)		<i>Currently not tracking for a 17% revenue increase. Pohara reinvestment deferred.</i>	

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Commercial property assets that are financially sustainable.	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) performance of the commercial property portfolio will increase towards 1.0 times funding cover of all depreciation and debt servicing. (Target: Actual 0.8)	<i>Financial performance currently tracking to budget. Level of service being met.</i>		
	Occupancy of all commercial tenancies at or above 90% at all times. (Target: Occupancy= 100%.)	<i>Current tenancy level 100%.</i>		

	Weighted lease terms evenly spread with three year average. (Target: average lease three years)	<i>Currently average lease terms are at least 3 years.</i>		
	Condition assessment programme reviewed every three months. (Target: regular completion or quarterly condition assessment – no variation.)		<i>Programme deferred due to lack of resource. Buildings will be reviewed on an ongoing basis.</i>	
OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM				
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i>	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i>	TARGET NOT YET MEASURED Report how and when will this target be measured
Fit for purpose commercial assets that are required to comply with legislative needs, minimise health and safety issues, providing effectiveness	No health and safety issues arise directly attributable to Council inaction/control. (Target nil.) Council is able to respond to reasonable Customer Service	<i>No issues have occurred.</i> <i>Anecdotally all requests have been completed within 48</i>		<i>No formal measurement of service requests which are</i>

and efficiencies now and into the future	Requests within the timeframes we have agreed with our suppliers and within the available funding. (Target: all service requests completed with 48 hours and within budget.)	<i>hours unless parts are required.</i>		<i>minimal but turnaround is within 48 hours</i>
	Resource consents and building consents are held and complied with for works undertaken by Council or its contractors. As measured by inspections, defaults and abatement notices issued to Council. (Target: all buildings and activities consents – no variation.)	<i>All works that require consents have them.</i>		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET	TARGET NOT YET MEASURED
		<i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	<i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	Report how and when will this target be measured

Forestry health and safety procedures are in line with industry best practice and improved to external audit findings.	Forestry is a high risk activity. Regular external audit of all Council processes will occur. (Target: compliant.)	<i>On target - external audit in 2017.</i>		
	Contractors are to have their own health and safety processes which are externally audited and assessed within Forest Stewardship Council (FSC) accreditation process. (Target: accredited.)	<i>All contractors have authorised Health and Safety plans.</i>		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council.	External six monthly risk reviews identifying key risks and actions required to mitigate. (Target: key risks = not met or measured.)	<i>On target-ongoing by PF Olsen`s.</i>		
	Quarterly internal processes have been refined throughout 2014 to ensure full quarterly review identifies and limits key risks. (Target: quarterly processes underway – met.)	<i>On target quarterly reporting is provided by PF Olsens.</i>		

	External quarterly reporting is required within 45 days of period end by contractor. (Target: contractor reporting –no exceptions.)	<i>On target quarterly reporting is provided by PF Olsen.</i>		
--	--	---	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Forestry fit for purpose condition assessment is required to comply with legislative and user requirements whilst providing efficient and effective Forestry operations. This LOS will be directly related and recognise the commercial returns required by further investment by Council.	We respond to customer service requests within 48 hours and within available budget funding. (Target: service requests – no exceptions.)			No formal measurement of service requests which are minimal but turnaround is within 48 hours.
	Appropriate consents are held and complied with. Measured by inspections, defaults and abatement notices issued to Council. (Target: consents – no exceptions.)	<i>All works that require consents have them.</i>		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Forestry financial sustainability must be achieved.	Performance of Forestry must provide a net Return on Assets return (ex replanting, management and all activities) of 4%. (Target: 2.5%)	<i>Currently ahead of target at Dec 2017</i>		
Port Tarakohe health and safety procedures are in line with industry best practice and improved to external audit findings.	There will be no health and safety events at the port that are attributed to Council or the Port Manager. (Target: compliant.)	<i>No H&S events reported</i>		
Financial sustainability for Port Tarakohe must be achieved.	Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) performance of the Port must provide 1.2 times funding cover of all depreciation and debt servicing. The main activities at the port (wharf, marina, recreation) are self- funding.			Unlikely to achieve- current performance at 0.4.

	(Target: 1.7 times.)			
--	----------------------	--	--	--

ENVIRONMENTAL MANAGEMENT

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
An appropriate policy framework that effectively promotes the sustainable management of the District's natural and physical resources by: identifying and responding to resource management policy issues; and providing a sound and appropriate policy planning framework that will protect and enhance our unique environment and promote healthy and safe communities.	At least 70% of respondents are fairly or very satisfied with Council's resource management policy and planning work, as measured via the annual resident's survey. (Target: 70%.)			To be measured through the Communitrak Survey in May 2018.
Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks.	Council meets the Air Quality National Environmental Standard (NES) by 2020 (i.e. no more than one day per year when air quality is > 50 µg/m ³ PM ₁₀).		The Air Quality Annual Report (REP17-11-03) was delivered to the Environment and Planning Committee on 9 November. The target was not achieved as we experienced four exceedences during the	

	<p>(Target: Number of exceedances of the Air Quality National Environmental Standard is no more than three.)</p>		<p>winter of 2017 when the target was 'no more than three'.</p>	
--	--	--	---	--

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks (cont.)	Air quality at the Richmond Central monitoring site will be reported on Council's website, including any air quality breaches.	Website is operational and all available data is kept up to date.		
	One issue based State of the Environment report to be released each year. (Target one report released by 30 June.)	The State of the Environment report covering Freshwater Fish is being drafted at present and it is expected to be delivered by the end of June 2018.		
	An annual Recreational Bathing Water summary report is drafted and reported to Council or a Committee by 31 July each year.			The Summer recreational bathing water programme is still underway so reporting has not yet started

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Monitoring of environmental trends and conditions and reporting systems that protect and inform the community about environmental conditions, changes and risks (cont.)	Swimming beaches and rivers are suitable for contact recreation, all or most of the time. (Target 1: 98% of swimming beaches and rivers are suitable for contact recreation using fine weather sample; and			The Summer recreational bathing water programme is still underway so reporting has not yet started. There have been a few rain influenced samples this year so the targets may not be met.
	Target 2: 92% of swimming beaches and rivers are suitable for contact recreation using all weather samples.)			The Summer recreational bathing water programme is still underway so reporting has not yet started. There have been a few rain influenced samples this year so the targets may not be met.
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	At least 85% of survey respondents rate their satisfaction with Council's resource consent processing work as fairly satisfied or better.			To be measured through the Communitrak Survey in May 2018.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)	Consent applications are processed within statutory timeframes (where they exist). (Target: Notified consents 100%			Target to be measured at the completion of the financial year (Annual report (REP17-08-09) delivered 3 August 2017
	Non-notified consents 100%			Target to be measured at the completion of the financial year (826 in 2016-17 & 95% on time)
	Limited notified consents 100%)			Target to be measured at the completion of the financial year (48 in 2016-17 & 100% on time)
	An annual report is prepared and presented to Council or a Council committee each year. This report details the level of compliance with consent	The Compliance Annual Report (REP17-08-10) was delivered to the Environment and Planning Committee 31 August 2017.		

	<p>conditions or plan rules for those undertaking activities under resource consents or permitted activities, as described under tailored monitoring programmes.</p> <p>(Target: Annual report tabled to Council or a Council committee by 31 October, showing that all resource consents that are monitored are assigned appropriate compliance performance grades</p>	<p>Over the 2016/17 year a total of 2,340 resource consents and targeted permitted activities were monitored. Compliance with conditions or plan rules was reasonably high this year, with 2,022 (86%) recorded as being fully compliant. Of the 318 that failed to achieve full compliance with one or more consent conditions, 247 (78%) were graded as having only nil or minor adverse effect and required no further enforcement action. The remaining 71 recorded non-compliances were of a level sufficient to require some type of action and were scaled as moderate or significant depending on the level of offending and environmental effects.</p> <p>During the year Council undertook a number of enforcement actions for breaches of consent, plan rules, or regulations, with 54 abatement notices, 68 infringements notices, two enforcement orders and four</p>		
--	---	--	--	--

		prosecutions initiated or finalised during the period.		
--	--	--	--	--

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 month & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced.	Where significant non-compliance is recorded, that resolution is achieved within appropriate timeframes. (Target 1: 80%, are resolved within nine months)			Target to be measured at the completion of the financial year
	(Target 2: 95% within 12 months.)			Target to be measured at the completion of the financial year
	An annual report is prepared and presented to Council committee or Council meeting on Water Metering Compliance detailing the performance of consented and permitted activity ground and surface water abstractions requiring monitoring as defined in the	The annual report for the 2016-17 year covering Water Metering Compliance (REP17-08-01) was delivered to the Environment and Planning Committee 3 August 2017.		

	<p>Tasman Resource Management Plan.</p> <p>(Target: Annual report tabled to Council or a Council committee by 31 October.)</p>			
--	--	--	--	--

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide a responsive and efficient process for assessing resource consent applications and ensuring compliance obligations are fairly and appropriately enforced (cont.)	<p>An annual Dairy Monitoring report is prepared detailing the performance of the District’s dairy farms against the Council’s dairy effluent discharge rules and Clean Streams Accord targets.</p> <p>(Target: 100% fully compliant.)</p>			2017/2018 monitoring will be reported to Environment and Planning Committee by end of August 2018.
We will implement the provisions of the Regional Pest Management Strategy in Tasman and in Nelson to ensure that pests included in the Strategy are managed to minimise their	<p>Timely reporting of pest management operations in accordance with requirements of the Biosecurity Act.</p>	<p>Biosecurity annual report (REP17-11-02) delivered to the Environment and Planning Committee 9 November 2017.</p>		

impact on our productive sector and our natural areas.	(Target: Annual report tabled to Council or a Council committee by 30 November.)			
--	--	--	--	--

FLOOD PROTECTION AND RIVER CONTROL WORKS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>We maintain Council’s stopbank assets in River X classified areas to deliver flood protection to the level that the stopbanks were originally constructed.</p>	<p>The major flood protection and control works that are maintained, repaired and renewed to the key standards defined below (Mandatory Performance Measure 1):</p> <p>Our stopbanks are maintained to their original constructed standard.</p> <p>(Riwaka River = 1 in 10 year flood return in 1950).</p> <p>(Lower Motueka River = 1 in 50 year flood return in 1950).</p> <p>(Waimea River = 1 in 50 year flood return in 1950).</p>	<p>On target.</p> <p>The stopbanks have been mowed with weed spraying programmed for winter 2018. The necessary flap gate inspections and repairs have been completed.</p>		

	<p>No failure of flood protection in the existing stopbank system maintained by Council below the specified design levels.</p> <p>(Target: Riwaka River 88% Motueka River 100% Waimea River 100%.)</p>	<p>On target.</p> <p>No significant flood events occurred.</p>		
--	--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
River maintenance tasks are carried out in a safe, efficient and sustainable manner.	<p>Council holds appropriate consents for the work it does.</p> <p>As measured by the number of notices issued to Council's flood protection and rivers control activity.</p>	<p>On target.</p> <p>No complaints, notices issued and no compliance action pending for the work we have carried out for the period.</p>		

	(Target: no notices issued.)			
We manage waste/ rubbish in the river system.	<p>Complaints about illegal dumping in the X and Y classified rivers and on adjacent beaches on public land are actioned within five days.</p> <p>As measured through Customer Service Requests in Council’s database. CSR’s are responded to within five days.</p> <p>(Target: 100%.)</p>		<p>Below target</p> <p>92% of 26 jobs for fly tipping and abandoned car pick-ups completed within one week.</p>	

GOVERNANCE

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET	TARGET NOT YET MEASURED
		<p><i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i></p> <p>Report performance at 6 months & commentary</p>	<p><i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i></p> <p>Report performance at 6 months & commentary</p>	<p>Report how and when will this target be measured</p>

We effectively run election processes.	Electoral processes are carried out within statutory requirements and there are no successful challenges.	Bye election process for Golden Bay Community Board is underway and scheduled to meet statutory requirements.		
--	---	---	--	--

PUBLIC HEALTH & SAFETY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	Applications for building consent (BC) and code compliance certificates (CCC) are processed within statutory timeframes. (Target 1: 100% of BC's)	<i>Target 1: Results at 31 December 2017 99% achieved. This target remains on track for year end.</i>		
	(Target 2: 100% of CCC's.)		<i>Target 2: Results at 31 December 2017 93% achieved. There are a large number of legacy CCC which affect % results as they are completed.</i>	

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We will provide building control services in a professional and timely manner to ensure building work is safe and in accordance with the New Zealand Building Code.	The average time taken to process a Building Consent is 10 working days.	On track to meet target. Performance measured at 31 December 2017 as 11 working days		
	We maintain Building Consent Authority Accreditation.	Achieved. BCA reaccredited in October 2017. Next assessment scheduled for October 2019.		
	At least 85% of survey respondents rate their satisfaction with Council's building control work as fairly satisfied or better			No current results available.

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>We will provide an environmental health service that:</p> <p>(a) In association with other agencies, fosters the responsible sale and consumption of liquor.</p> <p>(b) Ensures that food provided for sale is safe, free from contamination and prepared in suitable premises</p>	<p>(a) In conjunction with the New Zealand Police, we detect no sale of liquor to minors through random controlled purchase operations (CPOs) run annually.</p> <p>(Target: At least two annual operations with no offences detected.)</p>			<p>Not yet measured as annual report</p>
	<p>(b) All food premises are inspected at least once annually for compliance and appropriately licensed.</p> <p>(Target: 100%.)</p>			<p>Not yet measured as annual report</p>
<p>We will provide animal control services to minimize the danger, distress, and nuisance caused by dogs and wandering stock and to</p>	<p>All known dogs are registered annually by 30 September.</p> <p>(Target: 100%.)</p>		<p>92% of dogs were registered by this date. As at 1 January we had 80 dogs unaccounted for (0.7%).</p>	

ensure all known dogs are recorded and registered	We respond to high priority dog complaints within 60 minutes, 24 hours a day, seven days a week. (Target: 100%.)	100% so far		
---	---	-------------	--	--

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
A civil defence and emergency management system that is designed to promote the safety of people and a resilient community in the event that emergencies occur.	The level of community support for Council's civil defence emergency management (CDEM) activity is rated as fairly satisfied or better through community survey. (Target: 70%.)			To be measured through the Communitrak Survey in May 2018.
	The Nelson Tasman CDEM Group Plan is reviewed and kept up to date. Target: Implement CDEM Group Plan.	Achieved		

<p>To safeguard life and property by the prevention, detection, restriction and control of fire in forest and rural areas.</p>	<p>The area of forest lost through fire annually does not exceed 20 hectares. (Target: No more than 20 ha lost through fire annually.)</p>			<p>No longer a Council responsibility, now under control of Fire & Emergency New Zealand.</p>
--	---	--	--	---

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We will provide Maritime Administration services to ensure Tasman's harbour waters are safe and accessible and that all known commercial vehicle operators are licensed.	All known commercial vessel operators are licensed. (Target: 100%.)	Achieved		
We will provide parking control services to facilitate the public's access to urban retailers and services, respond to any misuse of disabled parking, and remove reported abandoned vehicles.	Compliance by not less than 85 out of every 100 vehicles parking in time controlled areas within the Traffic Bylaw, based on an annual snap survey. (Target: 85%.)			Not yet measured

SOLID WASTE

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide effective waste minimisation activities and services.	There is an increase in resources diverted from landfill by Council services. As measured monthly and reported annually on a per capita basis (Target 223kg/capita.)		79.65 kg per person in 6 months to December, projected 160 kg per person for the full year. Greenwaste processed in Richmond is now excluded from this performance measure. It previously averaged just under 4000 t per annum (accounting for 80kg diverted per person). Other diversion is tracking above last year's totals.	
	There is a reduction in waste per capita going to landfill as measured by tonnage recorded at landfill. (Target: 560kg/capita.)	<i>In the 6 months to December 2017 there were 13,717 tonnes transported to landfill from Tasman District Council Resource Recovery Centres. This equates to 273kg per capita, and if this trend continues then the annual</i>		

		<p><i>total will be 546kg per capita.</i></p> <p><i>However, in the same period 344kg per capita was landfilled in the total Nelson-Tasman region and some of this material is likely to originate in Tasman District. If this trend continues then the regional total will be 688kg per capita.</i></p>		
--	--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide effective waste minimisation activities and services. Our kerbside recycling and bag collection services are reliable and easy to use.	% of enquiries resolved within 24 hours – as measured through Confirm. (Target: 95%.)	<i>The contractor has responded to 96% of enquiries within 24 hours. Some enquiries are not required to be resolved within 24 hours. Of those that are required to be resolved within 24 hours, 97% have been, while 54% of all enquiries were resolved within 24 hours.</i>		
	% customer satisfaction with kerbside recycling services. As measured through annual resident survey of those provided with Council’s kerbside recycling collection services. (Target: 90%.)			To be measured through the Communitrak Survey in May 2018.

	<p>% customer satisfaction with kerbside bag collection services.</p> <p>As measured through annual resident survey of those provided with Council's kerbside bag collection services. (Target: 70%.)</p>			<p>To be measured through the Communitrak Survey in May 2018.</p>
--	---	--	--	---

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our resource recovery centres are easy to use and operated in a reliable manner	% customer satisfaction based on-site surveys – as measured by annual customer surveys at the resource recovery centres. (Target: 95%.)		<i>Preliminary results from this survey indicates a 93% satisfaction level</i>	

STORMWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our stormwater systems do not adversely affect or degrade the receiving environment.	Council has resource consents in place for each of the 15 stormwater UDAs. Resource consents are held in Council's Confirm database (Target: 4 out of 15 [Takaka & Mapua].)		No resource consents have been applied for yet. A resource consent application for all UDAs within the District is planned to be applied for before the end of June 2018.	
	Compliance with resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices (≤1) • infringement notices (0) • enforcement orders (0), or • convictions issued (0). (Mandatory measure 2).	Compliance achieved over the six month period. Expect to achieve target at year end.		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We have adequate knowledge of our stormwater systems capacity and usage to facilitate Improvement.	The number of Urban Drainage Areas that have Catchment Management Plans meets the target. (Target: 4)		No catchment management plans (CMP) have been produced yet. Richmond CMP being developed and finished by end of December 2018. Motueka CMP finished by end of June 2019 and then at least 1 finished over each subsequent year.	
	The number of flooding events that occur (per year) is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1). (Target: <20.)	No flooding events in the six month period that have affected habitable floor levels.		
We have adequate knowledge of our stormwater systems capacity	Number of habitable floors affected in each flood event for each 1000 properties	No habitable floors flooded in the six month period.		

and usage to facilitate Improvement (cont.)	connected to the stormwater system is less than the target. As measured through complaints recorded in the Confirm database. (Mandatory measure 1). (Target: < 5.)			
---	--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our stormwater activities are managed at a level which satisfies the community	Percentage of customers satisfied with the stormwater service – as measured through the annual residents' survey. (Target: 80%.)			To be measured through the Communitrak Survey in May 2018.
	Complaints per 1000 connections are less than the target – as recorded through Council's Confirm database. (Mandatory measure 4). (Target: < 20.)	There were 29 complaints recorded. This equates to 2.2 complaints per 1,000 connections (or 4.4 on an annualised basis).		

<p>We have measures in place to respond to and reduce flood damage to property and risk to the community within stormwater UDAs.</p>	<p>The median response time to attend a flooding event, is less than the target (3 hours) – as recorded through Council’s Confirm database. (Mandatory measure 3). (Target: < 3 hours.)</p>	<p>1.7 hours. This is a median of only 3 enquiries in Confirm, 2 of which met the target and 1 which didn’t. A very small sample size.</p>		
--	--	--	--	--

SUPPORT SERVICES

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We respond to customer requests in a timely and professional manner.	At least 85% of respondents are either fairly satisfied or very satisfied with the service they receive when they contact Council, as measured by the annual residents' survey. (Target: 86.5% customer satisfaction rate.)			To be measured through the Communitrak survey in May 2018.
We produce high quality, fit for purpose and accessible Long Term Plans (LTP), Annual Plans (AP) and Annual Reports (AR).	The Long Term Plan, Annual Plans and Annual Reports are prepared within statutory timeframes and there are no successful challenges to these processes. (Target: All LTP, AP and AR statutory timeframes are met. LTP amendments are managed to meet statutory requirements.)	Annual Report 2016/2017 completed within statutory timeframes. No challenges to the process received. LTP 2018-2028 on track to meet statutory timeframes.		


LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide resolution of most customer phone enquiries during the initial conversation with a Customer Services Officer.	80% of customer phone calls are resolved at first point of contact (i.e. without the need to transfer the call to another staff member). (Target: ≥80% of customer phone calls resolved at first point of contact.)			37,015 calls received. Resolution at first point of contact to be measured at year end.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

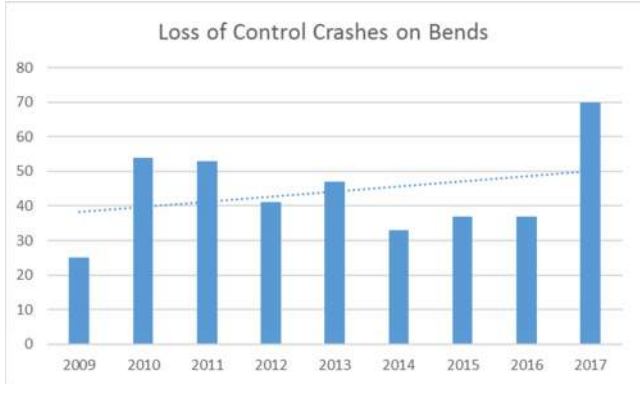
LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
We provide Land Information Memorandums (LIMs) to customers within 10 working days.	100% of LIM applications are processed within the statutory timeframes (i.e. 10 working days). (Target 1: 100% of LIMs are processed within statutory timeframes.)	404 LIMS processed. Average time 7 working days.		
	The average time taken to process a LIM is reduced to 5 working days by 2016. (Target 2: The average LIM processing time is 5 working days.)		404 LIMS processed. Average time 7 working days. New system being introduced that should speed processing time.	

TRANSPORTATION, ROADS AND FOOTPATHS

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM


LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>Safety</p> <p>Our transportation network is becoming safer for its users.</p>	<p>There is a downward trend in the number of serious and fatal injury crashes occurring on our road network.</p> <p>Measured using the NZ Transport Agency’s crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December.</p> <p>One Network Road Classification Safety (ONRCS) – Outcome Measure 1.</p> <p>(Target: decreasing.)</p>		 <p>Not on target – there is an upward trend in total serious and fatal crash numbers.</p>	

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured																				
<p>Safety</p> <p>Our transportation network is becoming safer for its users.</p>	<p>The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network expressed as a number.</p> <p>Local Government Act Mandatory Measure. (Target: -1.)</p>		<p>2016-17 Financial Year – 12 crashes</p> <p>2017-18 Financial Year to Date (6months) – 12 crashes</p> <p>Not on target.</p>																					
	<p>There is a decreasing number of loss of control crashes occurring on bends on our road network each year.</p> <p>Measured using NZ Transport Agency’s crash database. The crash database is assessed annually on a</p>		 <table border="1"> <caption>Loss of Control Crashes on Bends</caption> <thead> <tr> <th>Year</th> <th>Crashes</th> </tr> </thead> <tbody> <tr><td>2009</td><td>25</td></tr> <tr><td>2010</td><td>55</td></tr> <tr><td>2011</td><td>52</td></tr> <tr><td>2012</td><td>40</td></tr> <tr><td>2013</td><td>48</td></tr> <tr><td>2014</td><td>32</td></tr> <tr><td>2015</td><td>38</td></tr> <tr><td>2016</td><td>38</td></tr> <tr><td>2017</td><td>70</td></tr> </tbody> </table>	Year	Crashes	2009	25	2010	55	2011	52	2012	40	2013	48	2014	32	2015	38	2016	38	2017	70	
Year	Crashes																							
2009	25																							
2010	55																							
2011	52																							
2012	40																							
2013	48																							
2014	32																							
2015	38																							
2016	38																							
2017	70																							

	<p>calendar year basis, i.e. 1 January to 31 December. (Target: Decreasing.)</p>		<p>Not on target. There is an increasing trend although the significant majority of crashes are non-injury.</p>	
--	---	--	---	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>Safety Our transportation network is becoming safer for its users (cont.)</p>	<p>There is a decreasing number of loss of control crashes on straights on our road network each year. Measured using the NZ Transport Agency’s crash database. The crash database is assessed annually on a calendar year basis, i.e. 1 January to 31 December. (Target: Decreasing.)</p>		 <p>Not on target. There is an increasing trend.</p>	
<p>Resilience We proactively maintain roads in high risk areas to minimise unplanned road closures.</p>	<p>Specified sites that Council considers to have a high risk of failure are inspected and attended to if necessary in response to severe weather warnings. Measured through the road maintenance</p>	<p>On target. Specified checks are being completed</p>		

contractor’s monthly reports. (Target: Sites are inspected in response to severe weather warnings at least 100% of the time.)			
--	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Accessibility Our transportation network enables the community to choose from various modes of travel.	Council constructs a minimum of 500 metres of new footpath each financial year to reduce the length of gaps in the existing footpath network. Measured using RAMM Inventory data and GIS mapping. (Target: ≥500 metres.)	On target. Construction underway for footpath on Higgs Road (630m).		
Value for money Our transportation network is maintained cost effectively and whole of the costs are optimised.	The percentage of sealed local road that is resurfaced each financial year. Local Government Act Mandatory Measure.	On target. Planned resurfacing is 57km (5.9%) out of total sealed network length of 970km. Contractor is on track for completion.		

	(Target: >4.8%.)			
<p>Travel time</p> <p>Our transportation network is managed so that changes to normal travel time patterns across the network are communicated effectively.</p>	<p>Council communicates planned works programme and road closures to road users via the weekly road status report published on Council's website.</p> <p>Measured by tracking weekly website updates.</p> <p>ONRC TTR – PMI.</p> <p>(Target: 100%.)</p>	On target. Status reports published weekly.		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community’s expectations.</p>	<p>The percentage of footpaths with the Tasman District that are maintained to a condition of average or better.</p> <p>As measured through the triennial footpath condition rating survey (completed in 2016/2017, next due 2019/2020). ONRC Safety – PM8.</p> <p>Local Government Act Mandatory Measure. (Target: N/A)</p>			<p>Next footpath condition inspection to be completed as planned in 2019/20.</p>

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM (CONT.)

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured										
<p>Amenity The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.).</p>	<p>The proportion of travel undertaken on the sealed road network meets the specified comfort levels. Known as Smooth Travel Exposure (STE).</p> <p>Smooth travel exposure is defined as the proportion of vehicle kilometres travelled on roads with roughness below the following thresholds:</p> <p>Urban Roads</p> <table border="1" data-bbox="600 986 996 1316"> <thead> <tr> <th>VEHICLES PER DAY</th> <th>ROUGHNESS (NAASRA)</th> </tr> </thead> <tbody> <tr> <td><500</td> <td>≤180</td> </tr> <tr> <td>500 – 3,999</td> <td>≤150</td> </tr> <tr> <td>4,000 – 9,999</td> <td>≤120</td> </tr> <tr> <td>≥10,000</td> <td>≤110</td> </tr> </tbody> </table>	VEHICLES PER DAY	ROUGHNESS (NAASRA)	<500	≤180	500 – 3,999	≤150	4,000 – 9,999	≤120	≥10,000	≤110			<p>Next roughness measurement due to be completed in last quarter of financial year 2017/18.</p>
VEHICLES PER DAY	ROUGHNESS (NAASRA)													
<500	≤180													
500 – 3,999	≤150													
4,000 – 9,999	≤120													
≥10,000	≤110													

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured						
<p>Amenity The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.).</p>	<p>Rural Roads</p> <table border="1" data-bbox="600 596 999 788"> <thead> <tr> <th>VEHICLES PER DAY</th> <th>ROUGHNESS (NAASRA)</th> </tr> </thead> <tbody> <tr> <td><1,000</td> <td>≤150</td> </tr> <tr> <td>≥1,000</td> <td>≤130</td> </tr> </tbody> </table> <p>(NAASRA is an acronym for the National Association of Australian State Road Authorities) As reported through RAMM, based on traffic count and roughness survey data.</p> <p>One Network Road Classification Amenity – Outcome Measure 1. Local Government Act Mandatory Measure. (Target 95%.)</p>	VEHICLES PER DAY	ROUGHNESS (NAASRA)	<1,000	≤150	≥1,000	≤130			<p>Measured later in the financial year.</p>
VEHICLES PER DAY	ROUGHNESS (NAASRA)									
<1,000	≤150									
≥1,000	≤130									
	Residents are satisfied with Council's roads and footpaths in the District.			Communitrak survey to be completed May 2018.						

As measured through the annual Communitrak survey. (Target: Footpaths ≥ 70%; Roads ≥ 70%.)			
---	--	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
<p>Amenity</p> <p>The travel quality and aesthetics of our transportation network is managed at a level appropriate to the importance of the road and satisfies the community's expectations (cont.)</p>	<p>Customer Service Requests relating to the transportation network and activities are completed on time.</p> <p>As measured by the maintenance contractor's compliance with fault response time requirements (using RAMM Contractor), and the percentage of requests assigned to Council staff which are attended to within 5 days (using NCS).</p> <p>ONRC Safety PM7.</p>		<p>Jul 91% Aug 75% Sep 89% Oct 88% Nov 85% Dec 94%</p> <p>Average 87%</p> <p>Numbers of CSRs received appears to be an increasing trend creating pressure of staff and contractor resources.</p>	

	Local Government Act Mandatory Measure. (Target: ≥ 90%.)			
--	--	--	--	--

WASTEWATER

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our wastewater systems do not adversely affect the receiving environment	All necessary consents are held. Measured by resource consents held in Council's NCS database. (Target: 100%.)	100%		
	The number of temporary wastewater overflow signs are erected at waterways is minimised. Measured by the number of contractor job requests. (Target: <5.)		6 (at 15 February 2018). This is the total number of events that resulted in at least one sign being erected. During some rain events, multiple overflows resulted across several wastewater networks.	
	Compliance with resource consents for discharges from wastewater systems is achieved, as measured by the number of: • abatement notices (≤1)	0 While there have been non-compliances with consent conditions, none have been		

	<ul style="list-style-type: none"> • infringement notices (0) • enforcement orders (0); or • convictions (0). 	significant enough to require legal action.		
--	--	---	--	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our wastewater systems reliably take our wastewater with a minimum of odour or disturbance to the public.	The total number of complaints received about: odour, system faults, blockages, and Council's response to issues for each 1,000 properties connected to the wastewater system is less than the target. (Target: ≤ 35.)	Likely to be well below target.		To be measured for the Annual Report
Our wastewater systems reliably take our wastewater with a minimum of odour or disturbance to the public (cont.).	The number of dry weather wastewater overflows from all wastewater systems, expressed per 1,000 wastewater connections in Tasman District. Dry weather is defined as a continuous 96 hours with	1.2 (17 dry weather overflows)		

	less than 1mm of rain within each 24 hour period. (Target: <5.)			
Our wastewater activities are managed at a level that satisfies the community.	Percentage of customers satisfied with the wastewater service meets our targets. As measured through the annual residents' survey. (Target: 80%.)			To be measured through the Communitrak Survey in May 2018.

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our wastewater systems are built, operated and maintained so that failures can be managed and responded to quickly	Overflows resulting from blockages or other faults in the wastewater system are responded to within the target timeframes. As recorded in Confirm. Attendance time – from the time Council received notification of the fault to the time that service personnel reach the site (Target: Median ≤ 60 mins), and		3 hours (from 10 records), note data is not considered accurate	
	Resolutions time – from the time notification is received to the time that the service personnel confirm resolution of the blockage or other fault. (Target: Median ≤ 9 hours)	7.2 hours (from 10 records), note data is not considered accurate		

WATER SUPPLY

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our water takes are sustainable.	All water takes have resource consents. All resource consents are held in NCS. (Target: 100%.)	All Consents are in place		
	Compliance with water resource consents is achieved, as measured by the number of: <ul style="list-style-type: none"> • abatement notices (≤1) • infringement notices (0) • enforcement orders (0) • convictions (0) 	To date there have been no notices issue against any of these consents		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our water takes are sustainable.	Our percentage of real water loss from the network is less than the target. (Mandatory measure 2). (Target: 28%)			Result will be measured based on full year meter reads for each scheme. These readings do not match July –June year due to meter reading programme. It is proposed to use a outside consultant to carry out calculation this year.
	The average consumption of drinking water per day per resident is less than the target. (Mandatory measure 5). (Target: < 300L/person/day.)			As above

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our use of the water resource is efficient.	Water Demand Management Plans are in place for each water scheme. (Target: 10 out of 14.)	3 WDMPS are out of date but will be updated by the end of March 2018		
Our water is safe to drink.	Number of temporary advisory notices issued to boil water – as issued in consultation with the Medical Officer of Health. (Target: Nil.)	No temporary notices issued. Permanent notice in place at Dovedale		


OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our water is safe to drink (cont.)	We comply with part 4 (bacteria compliance criteria) of the drinking- water standards. (Mandatory measure).			Compliance is an annual reporting measure only (July to June) and requires assessment by the Drinking Water Assessor, which occurs in August.
	Bacterial water sampling results show no presence of <i>E.coli</i> . (Target: 99%)	On target to meet 99% of all samples being clear. One positive at Richmond Water Treatment Plant recorded Jan 2018.		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our water is safe to drink (cont.)	<p>We comply with part 5 (protozoal compliance criteria) of the drinking-water standards.</p> <p>As measured by a number of schemes with compliant protozoa treatment determined by the Drinking Water Assessor.</p> <p>(Mandatory measure 1)</p> <p>3 of 14 (Hamama handed back to users)</p>		Most schemes do not yet have protozoa treatment installed and so will not comply	Compliance is an annual reporting measure only (July to June) and requires assessment by the Drinking Water Assessor, which occurs in August.
Our water supply systems provide fire protection to a level that is consistent with the national standard.	<p>Our water supply systems meet the FW2 standard as per the Code of Practice for Fire Fighting Water Supplies – measured through hydraulic modelling, and field testing revised biennially.</p> <p>(Target: 90%)</p>	Testing has been completed on 10 townships and results show a 96% success rate. There was one failure in Wakefield in a known problem area and one in Richmond. No additional testing to be done this year.		

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured																																																				
Our water supply activities are managed at a level that the community is satisfied with.	% of customers are satisfied with the water supply service – as measured through the annual residents’ survey. (Target: 80%)			To be measured through the Communitrak Survey in May 2018.																																																				
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly.	Complaints per 1,000 connections are less than the target – relates to clarity, taste, odour, pressure or flow, continuity of supply and Council response to these issues – as recorded through Council’s Confirm database. (Mandatory measure 4.) (Target: <20.)		 <p>The chart, titled 'Water Complaints 2017/18', displays monthly and cumulative complaints from July to June. The y-axis represents the number of complaints, ranging from 0 to 25. The x-axis lists the months. A yellow line represents the 'Cumulative Limit', which increases linearly from approximately 1 in July to 20 in June. Blue bars represent 'Monthly Complaints', and a grey line represents 'Cumulative Complaints'. The cumulative complaints exceed the limit starting in December.</p> <table border="1"> <caption>Water Complaints 2017/18 Data</caption> <thead> <tr> <th>Month</th> <th>Monthly Complaints</th> <th>Cumulative Complaints</th> <th>Cumulative Limit</th> </tr> </thead> <tbody> <tr><td>Jul</td><td>1</td><td>1</td><td>1</td></tr> <tr><td>Aug</td><td>1</td><td>2</td><td>2</td></tr> <tr><td>Sep</td><td>1</td><td>3</td><td>3</td></tr> <tr><td>Oct</td><td>1</td><td>4</td><td>4</td></tr> <tr><td>Nov</td><td>4</td><td>8</td><td>5</td></tr> <tr><td>Dec</td><td>7</td><td>15</td><td>6</td></tr> <tr><td>Jan</td><td>0</td><td>15</td><td>7</td></tr> <tr><td>Feb</td><td>0</td><td>15</td><td>8</td></tr> <tr><td>Mar</td><td>0</td><td>15</td><td>9</td></tr> <tr><td>Apr</td><td>0</td><td>15</td><td>10</td></tr> <tr><td>May</td><td>0</td><td>15</td><td>11</td></tr> <tr><td>Jun</td><td>0</td><td>15</td><td>12</td></tr> </tbody> </table>	Month	Monthly Complaints	Cumulative Complaints	Cumulative Limit	Jul	1	1	1	Aug	1	2	2	Sep	1	3	3	Oct	1	4	4	Nov	4	8	5	Dec	7	15	6	Jan	0	15	7	Feb	0	15	8	Mar	0	15	9	Apr	0	15	10	May	0	15	11	Jun	0	15	12	
Month	Monthly Complaints	Cumulative Complaints	Cumulative Limit																																																					
Jul	1	1	1																																																					
Aug	1	2	2																																																					
Sep	1	3	3																																																					
Oct	1	4	4																																																					
Nov	4	8	5																																																					
Dec	7	15	6																																																					
Jan	0	15	7																																																					
Feb	0	15	8																																																					
Mar	0	15	9																																																					
Apr	0	15	10																																																					
May	0	15	11																																																					
Jun	0	15	12																																																					

			<p>Complaints are at a level of 17.9 per 1,000 connections after 6 months. Complaints increased from November due to the dry weather and people on restricted schemes becoming more aware of restrictor blockages as their usage increased. Of the 88 complaints in December, 20 related to the Fulton Hogan water meter shutdowns and 28 to the Richmond water main break.</p>	
--	--	--	---	--

OUR LEVELS OF SERVICE AND HOW WE MEASURE PROGRESS AGAINST THEM

LEVELS OF SERVICE (WE PROVIDE)	WE WILL KNOW WE ARE MEETING THE LEVEL OF SERVICE IF	ON TARGET TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	NOT ON COURSE TO ACHIEVE PERFORMANCE TARGET <i>(i.e. performance has been measured/recorded at six months and is not at a level at which we expect to achieve target at year end.)</i> Report performance at 6 months & commentary	TARGET NOT YET MEASURED Report how and when will this target be measured
Our water supply systems are built, operated and maintained so that failures can be managed and responded to quickly (cont.).	Median resolution times are within targets for urgent call-outs (one day). (Mandatory measure 3.) (Target: <24 hours.)	5 hours		
	Median response times are within targets for urgent call-outs (2 hours). (Mandatory measure 3.) (Target: < 2 hours.)		3 hours is over target, however there were only four urgent call-outs so the median could move markedly with more records over the remainder of the year	
	Median response times are within targets for non-urgent call-outs (72 hours). (Mandatory measure 3.) (Target: < 72 hours.)	8 hours		
	Median resolution times are within targets for non-urgent call-outs (seven working days). (Mandatory measure 3.) (Target: < 8 working days.)	21 hours		

8.10 NELSON TASMAN QUARTERLY MONITORING REPORT UNDER NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT CAPACITY

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Michael Croxford, Growth Co-ordinator
Report Number:	RCN18-04-11

1 Summary

- 1.1 The National Policy Statement on Urban Development Capacity (NPS-UDC) requires local authorities with medium or high-growth urban areas to monitor a range of indicators on a quarterly basis. The purpose is to ensure that they are well-informed about demand for housing, business development capacity, urban development activity and outcomes.
- 1.2 Nelson City Council and Tasman District Council staff have jointly produced the third monitoring report on housing and business market activity. The report covers two quarters over the period July-December 2017.
- 1.3 The main findings in the report are:
 - 1.3.1 The measure of household growth indicates a continued trend of a slight oversupply of housing in Tasman, and an undersupply in Nelson leading to an overall undersupply for the combined Nelson and Tasman areas.
 - 1.3.2 Overall, housing demand has continued to grow at a faster rate than supply, despite an annual increase in new residential dwellings and sections.
 - 1.3.3 Increased house prices and rents combined with poor housing affordability continues to be a theme for both Nelson and Tasman.
- 1.4 The Full Council meeting on 27 July 2017 approved that the quarterly monitoring reports continue to be produced jointly with Nelson City Council and to be made publicly available, in accordance with Government advice.

2 Draft Resolution

That the Full Council

1. receives the Nelson Tasman Quarterly Monitoring Report Under National Policy Statement on Urban Development Capacity report RCN18-04-11.

3 Purpose of the Report

- 3.1 To consider the third joint Nelson-Tasman quarterly monitoring report, as required under the National Policy Statement on Urban Development Capacity.

4 Background and Discussion

- 4.1 The National Policy Statement on Urban Development Capacity (NPS-UDC) came into effect in late 2016. The aim of the NPS-UDC is to ensure that planning decisions enable an adequate supply of housing and business land needed to meet current and future demand.
- 4.2 Under the NPS-UDC, local authorities must, by the end of 2018, complete an assessment in order to ensure that there is sufficient development capacity. The assessment must estimate the demand for dwellings, including the demand for different types of dwellings, locations and price points, and the supply of development capacity to meet that demand. The assessment must cover the short, medium and long-terms. Tasman District Council is well placed to meet this requirement as it already has its own Growth Demand and Supply Model which was first implemented in 2005. It is reviewed at least every three years and feeds into the Council's Long Term Plan process.
- 4.3 The NPS-UDC requires Tasman District Council to work with Nelson City Council to provide sufficient housing and business capacity for the "Nelson-Tasman Main Urban Area" which includes Richmond and Hope, extending to the Waimea River as shown in Figure 1 of the report.
- 4.4 There are also significant quarterly monitoring requirements under the NPS-UDC. Policy PB6 of the NPS-UDC states that the range of indicators shall include:
- a) Prices and rents for housing, residential land and business land by location and type; and changes in these prices and rents over time;
 - b) The number of resource consents and building consents granted for urban development relative to the growth in population; and
 - c) Indicators of housing affordability.
- 4.5 Policy PB7 of the NPS-UDC requires that local authorities use information provided by indicators of price efficiency in their land and development market, such as price differentials between zones, to understand how well the market is functioning and how planning may affect this, and when additional development capacity might be needed. Staff are still in discussion with the Ministry of Business, Innovation and Employment (MBIE) over the base data behind these indicators.
- 4.6 Local Authorities are encouraged to publish the results of their monitoring. The monitoring had to commence by June 2017, but monitoring of the price efficiency indicators (item 4.4 (d) above) did not commence until December 2017 and will be included in future reports.
- 4.7 The Ministry for the Environment (MfE) and MBIE have produced an on-line urban development capacity dashboard that provides charts, maps and underlying data on local housing markets. This can be viewed at <https://mbienz.shinyapps.io/urban-development-capacity/>. The tool includes housing data for all Tasman wards. Corresponding data has not yet been provided on business markets.

4.8 Staff from Nelson and Tasman Councils have prepared the third monitoring report required by the NPS-UDC (Attachment 1). It covers the period July to December 2017. Much of the data contained in the report comes from the MfE/MBIE dashboard.

4.9 The monitoring report is also being considered by Nelson City Council on 5 April 2018.

Main Findings

4.10 A comparison of the number of new dwelling consents to projected household growth in the combined Nelson-Tasman area indicates a regional trend of the under-supply of new dwellings since 2015 (refer Graph 1, page 5 of Attachment 1). When broken down by region the trend indicates that there is a slight oversupply in the whole of Tasman and an undersupply within Nelson (refer Graphs 2 and 3, page 6 of Attachment 1).

4.11 Dwelling sale prices and rents have both continued to increase suggesting a shortfall in housing affecting both markets (refer Graphs 4 and 5, pages 7 and 8 of Attachment 1). The median sale price for the year ended December 2017 was \$543,975 in Tasman and \$479,033 in Nelson. With prices for the combined Nelson-Tasman area having an annual price increase of 11% compared with a 14% increase to December 2016 and 4% to December 2015.

4.12 Two measures of home affordability used by MBIE indicate that:

- 83% of first home buyer households in Tasman could not comfortably afford a typical 'first-home' priced house, defined as the lower quartile price point for housing in the district; and
- 66% of renting households in Tasman are considered to have below-average income after housing costs have been factored.

4.13 It should be noted that there has been a slight improvement in both measures over time (refer Graphs 6 and 7, pages 9 and 10 of Attachment 1) and that the measures are 'typical' when benchmarked to other regions (refer Graphs 8 and 9, page 11 of Attachment 1).

4.14 Lastly, the report notes that building consents for new dwellings in the Tasman District continue to be high and exceeds the number of new residential sections created.

5 Options

5.1 The production of this report is required by the NPS-UDC. The NPS-UDC also guides its content. There are therefore few options.

5.2 The Full Council on 27 July 2017 approved similar monitoring reports to continue to be produced jointly with Nelson City and to be made publicly available, in accordance with Government advice.

6 Strategy and Risks

6.1 The current strategy is to apply the policies of the NPS-UDC to the boundaries of the Nelson-Tasman Main Urban Area. Tasman Council can in future look to other settlements in the District to help meet demand, if needed. It is considered at this stage that Richmond can meet its own demand, without needing to look to other settlements.

7 Policy / Legal Requirements / Plan

- 7.1 The Council is required by the Resource Management Amendment Act 2017 to ensure there is sufficient development capacity in relation to housing and business land to meet the expected demands of the region/district.
- 7.2 The NPS-UDC requires the Council to provide sufficient housing and business capacity for the “Nelson-Tasman Main Urban Area” which includes Richmond and Hope.
- 7.3 The quarterly monitoring reports will assist in informing the Council about demand for housing and business development, as well as urban development activity.
- 7.4 The NPS-UDC concept of ensuring that capacity exceeds demand is being used to model future growth for development in preparing the current Long Term Plan.

8 Consideration of Financial or Budgetary Implications

- 8.1 The monitoring and reporting obligations under the NPS-UDC created additional work and budgetary implications for the Council. Additional staff resourcing has been created to meet the increasing needs of the Council to plan for and manage growth in the District, including these quarterly monitoring reports and, by December 2018, the need for a full assessment of capacity and demand for both residential and business land.

9 Significance and Engagement

- 9.1 As this report is for information only, it is of low significance and no engagement is required.

10 Conclusion

- 10.1 The monitoring report shows that housing demand across both Nelson and Tasman is growing at a faster rate than supply. House prices and rents continue to increase and affordability is relatively poor.
- 10.2 Full Council has already approved on 27 July 2017 that staff continue to work jointly with Nelson City Council in producing these monitoring reports and that the reports are placed on the website.

11 Next Steps / Timeline

- 11.1 Nelson City Council is considering the monitoring report at the same time as Tasman District Council.
- 11.2 Subsequent to both Councils considering the report, it will be placed on respective Council websites.
- 11.3 Future monitoring reports will be prepared quarterly as required by the NPS-UDC.

12 Attachments



National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report July-December 2017



March 2018

Summary

The National Policy Statement on Urban Development Capacity requires local authorities within a Medium or High Growth Area to ensure they are well-informed about urban development activity by monitoring property market indicators on a quarterly basis.

The most recent Statistics New Zealand population projections for Main Urban Areas (September 2017) confirm that Nelson/Tasman Main Urban Area remains medium growth at 9.95% between 2013 and 2023.

This is the third of the quarterly monitoring reports which Nelson and Tasman officers are preparing jointly to report to both Nelson City and Tasman District Councils and covers the period July-December 2017. The indicators that are monitored in this report are population growth, affordability of housing (including building costs and social housing need), house prices and rents, new sections created, building consents for both housing and business, and resource consents for housing and business.

The current trends in Nelson and Tasman can be summarised as follows:

- **Local authority population projections:** Between 2018 and 2043 the population of Nelson and Tasman combined is projected to grow by 11,000 residents under Statistics NZ medium series projections, to reach 114,000, or by 25,000 residents under the high series projections¹, to reach 130,000. Based on both the medium and high projections, the total population would continue to be almost evenly split between Nelson and Tasman.
- **Main Urban Area growth:** projected demand for an additional 7,300 dwellings between 2018 and 2043 (refer to page 4 for a definition of the Nelson/Tasman Main Urban Area):
 - Tasman District Council's growth demand and supply model has assumed the high series projections for Richmond/Hope for the first 10 years and medium series projections thereafter. Based on that assumption, Richmond/Hope is projected to grow by 2,000 people or approximately 1,600 dwellings between 2018 and 2043, with growth of 900 dwellings expected in the first ten years. Approximately 30% of Tasman's population is in Richmond/Hope.
 - Nelson City Council is also planning for growth under the high series projections for the first ten years and the medium series thereafter, with the population of the Nelson portion of the Main Urban Area projected to grow by almost 9,400 people between 2018 and 2048, with demand for another 5,700 dwellings over that time.
- **Dwelling provision:** A comparison of estimated household growth and building consents for new dwellings indicates a recent under-supply of new dwellings when the Nelson-Tasman regions are combined.
- **House prices:** increased across the combined Nelson-Tasman regions by 11% during the year ended December 2017, compared with a 14% increase in the previous year. Both Districts experienced similar trends in prices.
- **House rents:** also generally increasing over time but at a slower rate than prices.
- **Affordability:** According to MBIE's housing affordability measure, as at March 2016, the majority of rental households in Nelson and Tasman could not comfortably afford

¹ Statistics NZ's medium series projections assume medium fertility, medium mortality and medium migration. The high series projections assume high fertility, low mortality and high migration.

the cost of purchasing a house in the typical first-home price bracket², and two-thirds of those household could also not comfortably afford typical rents in both districts.

- Other affordability indices (Massey University aggregate housing affordability index) (December 2017) show that the Nelson-Tasman-Marlborough regional cluster continues to experience affordability challenges. Based on this index the region remains the third least affordable region in the country behind Central Otago Lakes and Auckland.
- **Social housing need:** Since December 2015 applicants waiting on the Ministry for Social Development's social housing register have more than quadrupled for Nelson and have tripled for Tasman. The number on the register currently sits at 118 for the combined Nelson/Tasman district.
- **Building costs:** Nationally construction costs are increasing and QV's "costbuilder" reports average increases of 1.2% for residential buildings nationally, between Q1 2017 and Q3 2017.
- **New sections created:** There were 301 new sections created in the Nelson/Tasman Main Urban Area in the year ended December 2017, compared with 186 in the previous year.
- The number of new residential sections being created in Nelson in the last quarter was around average, but still resulted in an increase on a 12-month basis.
- In Richmond there were 64 new residential section created in the December 2017 quarter which is a sharp increase from the zero count for the previous two quarters.
- In Tasman, building consents have continued to outstrip the creation of titles over the past year, meaning that vacant titles are being taken up faster than new titles are being created. However supply of lots is expected to increase significantly in the next 12-18 months based on developments consented or under construction.
- **Building consents:** District wide and on an annual basis, Tasman continues to have record numbers of building consents issued when compared over the 10 year period. Within Richmond these are remaining high.
- On an annual basis, consents for new dwellings in Nelson have started to increase.
- **Further investigation** is required of the other factors affecting the supply of affordable homes in Nelson and Tasman. These barriers may include land banking, lending rules, construction industry capacity constraints, the market's limited provision of smaller houses and the contribution of holiday homes and impact on permanent rental stock. Once the additional affordability measure are finalised with MBIE these will be presented.

Nelson/Tasman Main Urban Area

The "Nelson/Tasman Main Urban Area", as defined by Statistics New Zealand's classification of urban areas includes most of Nelson City's area and the following area units in Tasman - Richmond East and West, Aniseed Hill, Bell Island, Best Island, Hope and Ranzau. Some of the monitoring contained within this report relates to data covering the whole of both Territorial Authorities and some relates to the Nelson/Tasman Main Urban Area only, due to the nature of the source data. Figure 1 shows the boundary of the Nelson/Tasman Main Urban Area in relation to the local authority boundaries.

² MBIE's Housing affordability measure (HAM) has proved controversial with the Reserve Bank criticising the model for using incorrect interest rates that could make houses look more affordable. MBIE will be incorporating the Reserve Bank recommendations in a later release of the HAM data.

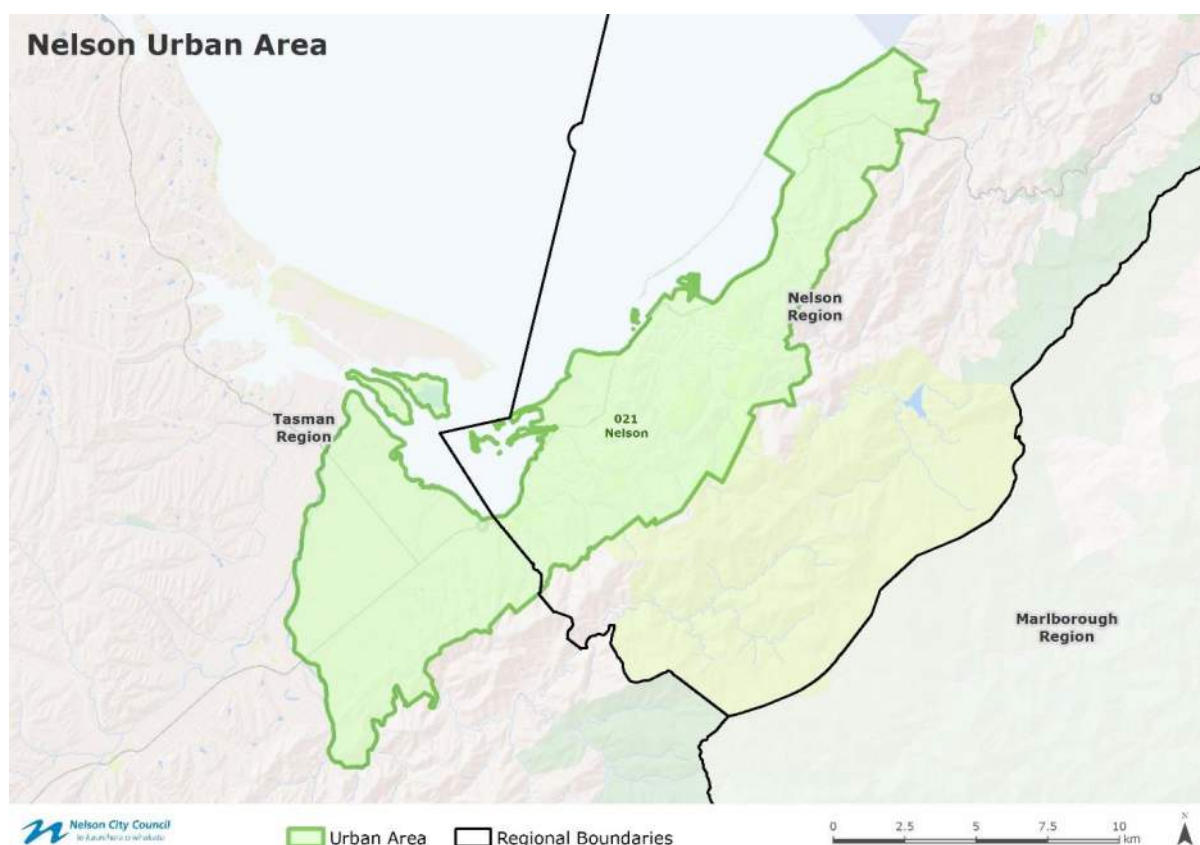


Figure 1: Nelson/Tasman Main Urban Area

Statistics New Zealand completed its progressive update of population projections for urban areas in September 2017. For the Nelson/Tasman Main Urban Area this concluded that population growth forecast between 2013-2023 has risen to 9.95%, as compared with 8.5% in 2016.³ This means the Nelson/Tasman Main Urban Area is still classified as 'medium growth', according to the NPS, falling just below the 10% threshold defining 'high growth' urban areas. The NPS-UDC notes that the definition of high and medium growth urban areas is a transitional definition and will be reviewed and amended before the end of the year.

The Ministry of Business, Innovation, and Employment (MBIE) and the Ministry for the Environment's (MfE) dashboard of data, which this report partly relies on is updated approximately 8 weeks after the quarter ends, hence the reports will lag on this basis.

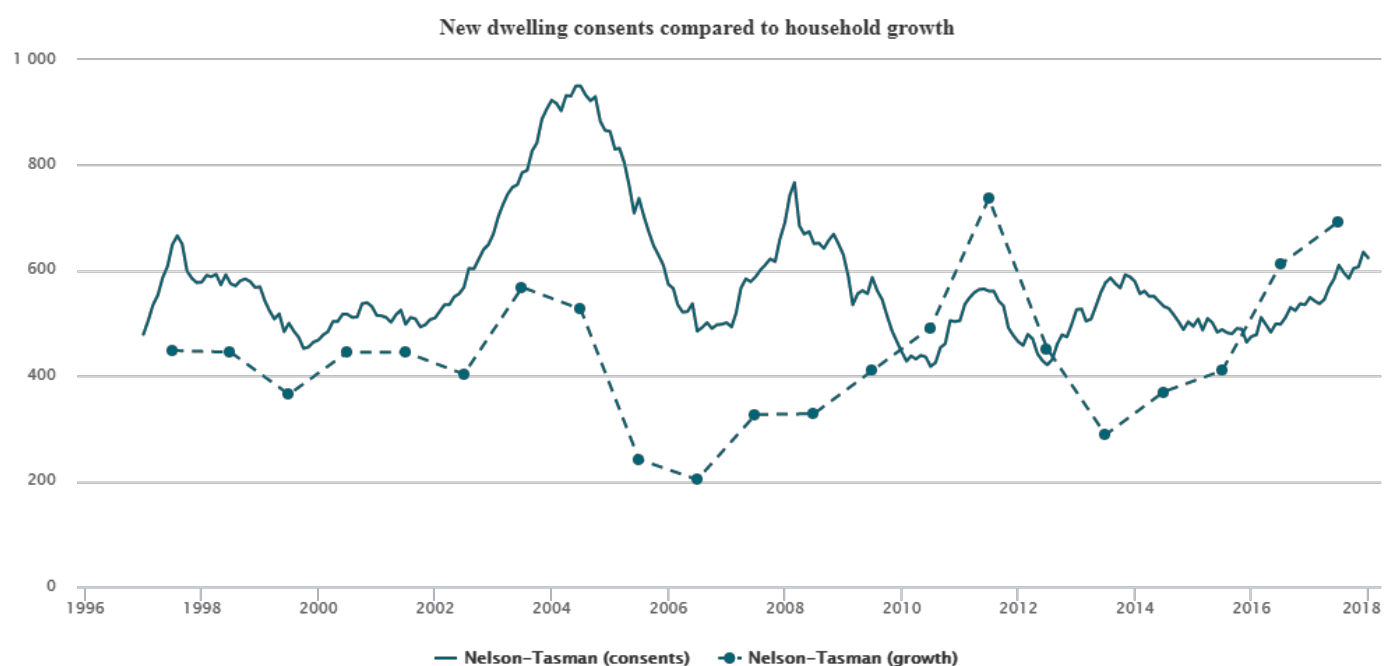
Residential Development Trends

MBIE/MfE data

The MBIE and MfE have provided local authorities with a range of market indicators that local authorities are required to monitor under policy PB6 of the National Policy Statement – Urban Development Capacity. From December 2017 further indicators have been added including price efficiency indicators. Tasman District Council is still in discussions with MBIE about some of the data assumptions behind these indicators and hence they will be included in future monitoring reports. At this stage, the data includes mainly housing indicators, with more business indicators to follow.

³ Source – Proposed National Policy Statement on Urban Development Capacity Consultation Document, MfE & MBIE (2016) National Policy Statement on Urban Development Capacity Nelson-Tasman Monitoring Report July - December 2017

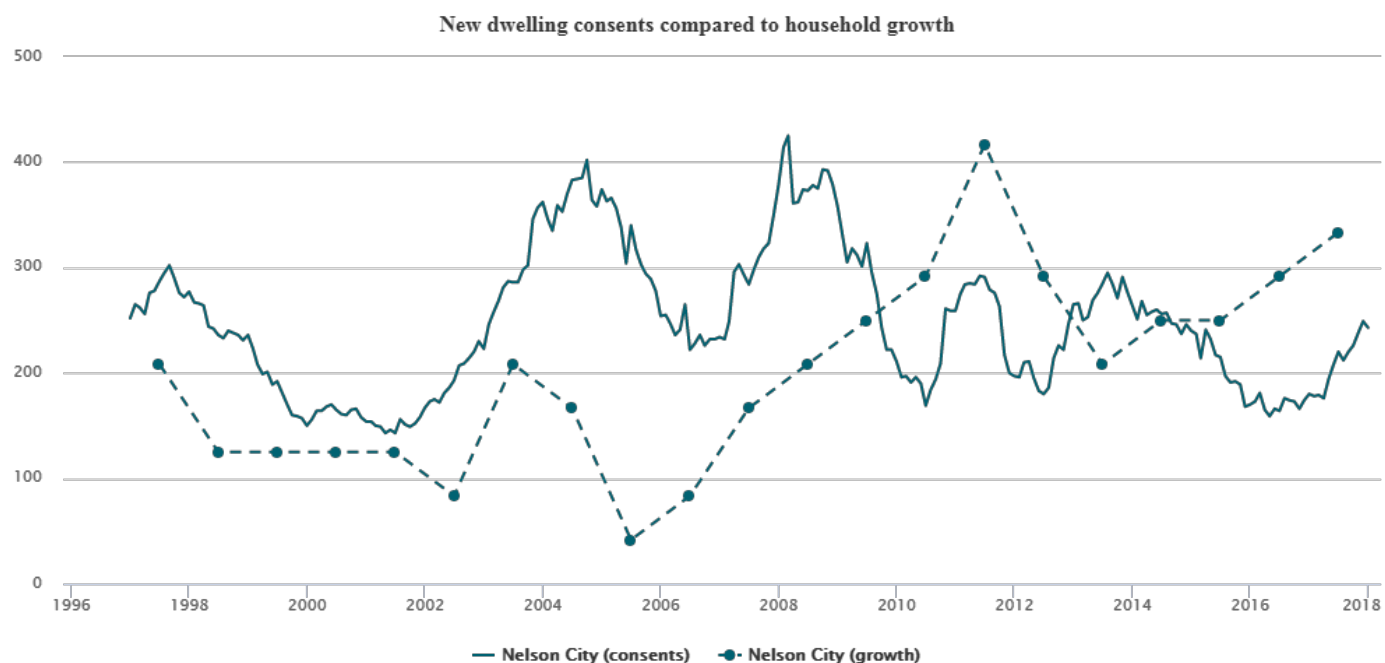
1. Demand and Supply



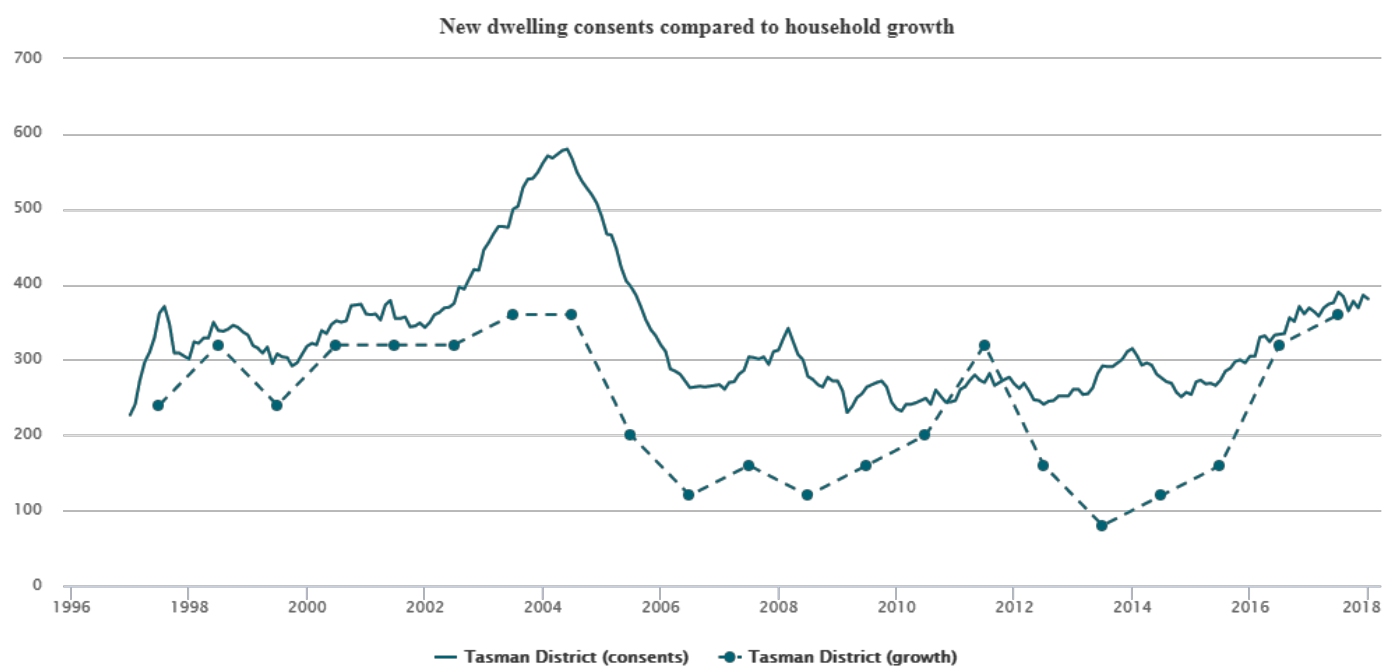
Graph 1. New dwelling consents compared to household growth – Nelson-Tasman Regions Combined.

Over the last two decades, Nelson and Tasman have generally had enough new housing to meet household growth. However, in the last few years, consents for new dwellings in Nelson do not appear to be keeping up with population growth. Despite Tasman’s growth in new dwellings exceeding household growth in the region, an apparent overall under-supply in the combined Nelson-Tasman market could be one contributor to the increase in house prices in the last year. In reality there are number of market dynamics involved that affect the supply of affordable housing, including cost of infrastructure, financing packages for low income home owners, the market’s limited provision of smaller housing, timing of release of land by owners, and building costs.

The following chart indicates there has been an apparent under-supply in housing in Nelson, while consents for new dwellings in Tasman have continued to exceed the estimated growth in new households.



Graph 2. New dwelling consents compared to household growth – Nelson City



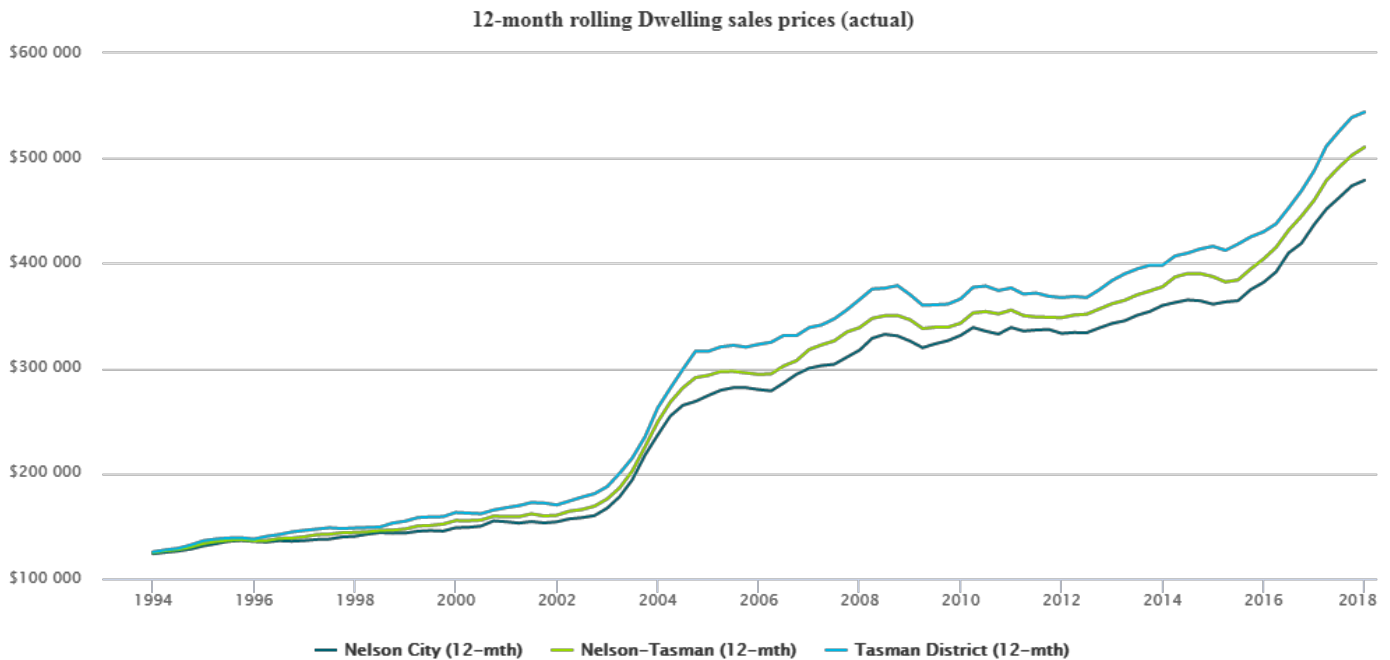
Graph 3. New dwelling consents compared to household growth –Tasman District

Household growth is the estimated number of new households and is calculated from the estimated resident population, divided by the local average housing size. The actual resident population and household numbers will be confirmed by the 2018 Census. Previous Census results have revised Nelson's population estimates by +/- 4% and Tasman's by +/- 2%.

MBIE/MfE's supply estimates use the number of new dwelling consents lagged by six months to account for the time taken from consenting to completion (presented as a 12 month rolling average).

The apparent shortage of new housing in Nelson is despite an estimated nine years' worth of dwelling capacity on land which is zoned, serviced or planned to be serviced, and feasible for residential development.

2. Prices and rents



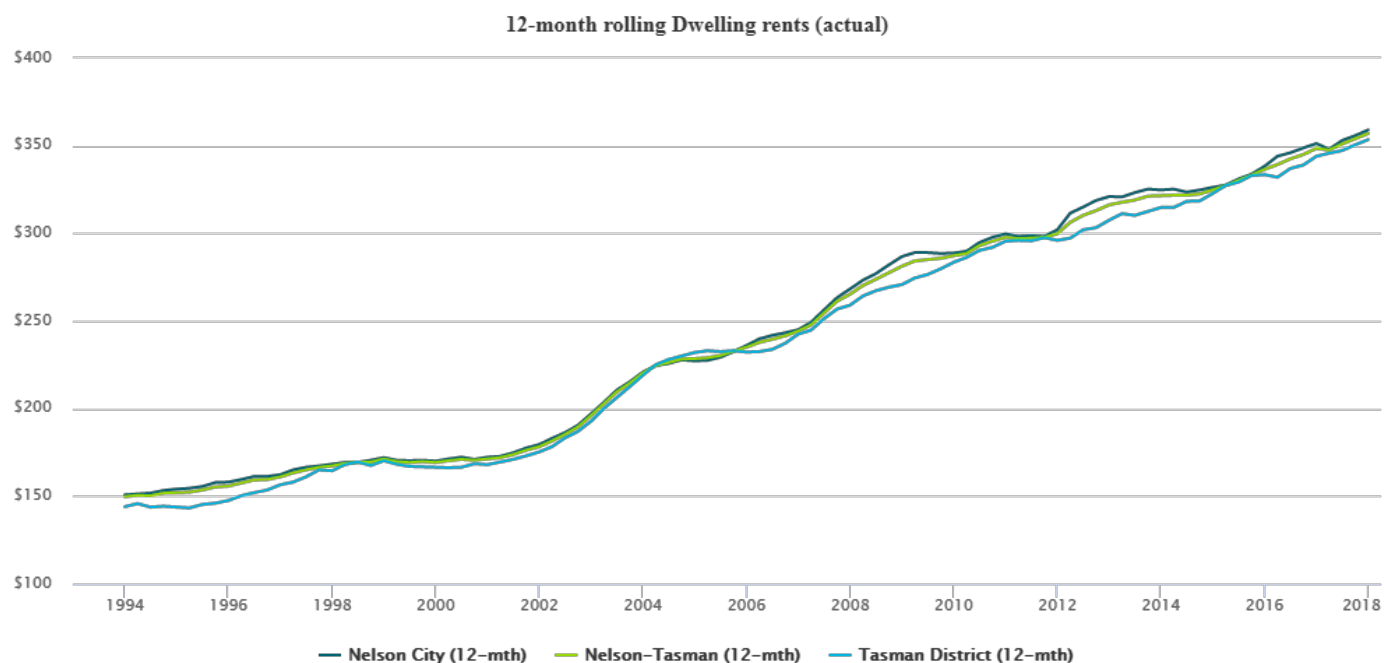
Graph 4: Dwelling sales prices – actual, rolling average, Nelson-Tasman combined, Nelson City, Tasman District

Housing prices have increased over time in both Nelson and Tasman Districts. The median sale price for the year ended December 2017 was \$479,033 in Nelson and \$543,875 in Tasman.

Across the combined Nelson-Tasman Districts area, prices increased 11% during the year ended December 2017, compared with a 14% increase in the year ended December 2016, and a 4% increase in prices in the year ended December 2015. Nelson and Tasman experienced similar trends in house prices.

Increasing prices in Tasman, despite an apparent over-supply in Tasman relative to household growth, could be due to several factors:

- meeting some of the demand from the growth in Nelson households
- increasing demand for visitor/non-resident accommodation
- an upsurge in people from other regions who are purchasing investment properties or moving to the region
- land banking



Graph 5: Dwelling rents – actual, rolling average, Nelson-Tasman combined, Nelson City, Tasman District

Residential rents have also generally been increasing over time, but at a slower rate than house prices. This increase may suggest that there is a shortfall in housing which is also affecting the rental market.

Other factors, such as the availability and cost of mortgage finance, may also affect the price that people are willing and able to pay for a home without directly increasing rents.

3. Housing affordability

MBIE has provided two Housing Affordability Measures (HAM), HAM Buy and HAM Rent, to measure trends in affordability of house prices and rents relative to income. These are initially being released as an experimental statistical series and MBIE advises that users should exercise caution given the draft state of the measure. The HAM uses data on household incomes of rental households, house prices, and rents. The HAM is designed to map shifts in affordability over time, showing whether there are more or fewer households that have more or less income left over after paying for their housing costs. The HAM data available to councils has not been updated since the last monitoring report. The previous data and summary has been included in this report for completeness.

For potential home-owning households, HAM Buy calculates what their residual income would be after housing costs if they were to buy a modest first home in the area in which they currently live. Their residual income is compared to a 2013 affordability benchmark (the median residual income, adjusted for inflation and household size). Households are classified as being either above or below the affordability benchmark. A higher number on the chart indicates a higher proportion of households that would have less than that benchmark amount left over after mortgage payments on a lower-quartile house, and therefore the less affordable is the housing.

The HAM Rent measure calculates the residual income of renting households would be after rental housing costs and compares that against the 2013 affordability benchmark. Again, a higher number on the chart indicates a lower level of affordability.



Graph 6: HAM Buy: Share of first-home buyer households below the affordability benchmark, Nelson-Tasman combined, Nelson City, Tasman District

The HAM Buy measure for Nelson and Tasman Districts suggests that housing affordability was at its worst in 2007/2008, with around 88% of first home buyer households below the 2013 national benchmark of affordability. Since then, the measure has been at least 80% for both districts. The measure indicates that at March 2016, 81% of first-home buyer households in Nelson, and 83% for Tasman, could not comfortably afford a typical 'first-home' priced house. This is defined as the lower quartile price point of housing in the area.



Graph 7: HAM Rent: Share of renting households below the affordability benchmark, Nelson-Tasman combined, Nelson City, Tasman District

The HAM Rent measure for Nelson and Tasman Districts suggests that rental affordability worsened between 2004 and 2014 but has improved in both regions since then. The measure indicates that at March 2016, 67% of rental households in Nelson, and 66% for Tasman, cannot comfortably afford typical rents, being below the 2013 national affordability benchmark.

Nationally, construction costs are increasing⁴ due to high levels of construction activity and capacity constraints. This may indicate that the local construction industry is capacity-constrained and facing challenges scaling up to build more homes in response to demand. Building costs represent the single largest cost component when building a house, at around 50% and these costs are currently rising.

“QV Costbuilder” provides a comprehensive reference to NZ building costs. The rates provided for residential buildings exclude local authority fees, external works and utilities. They are also based on flat sites and an addition would need to be made for sloping sites. The material prices for the rates are obtained from more than 70 different trade suppliers. The data is updated twice a year and data for Q3 2017 finds average increases of 1.2% for residential buildings since Q1 2017.

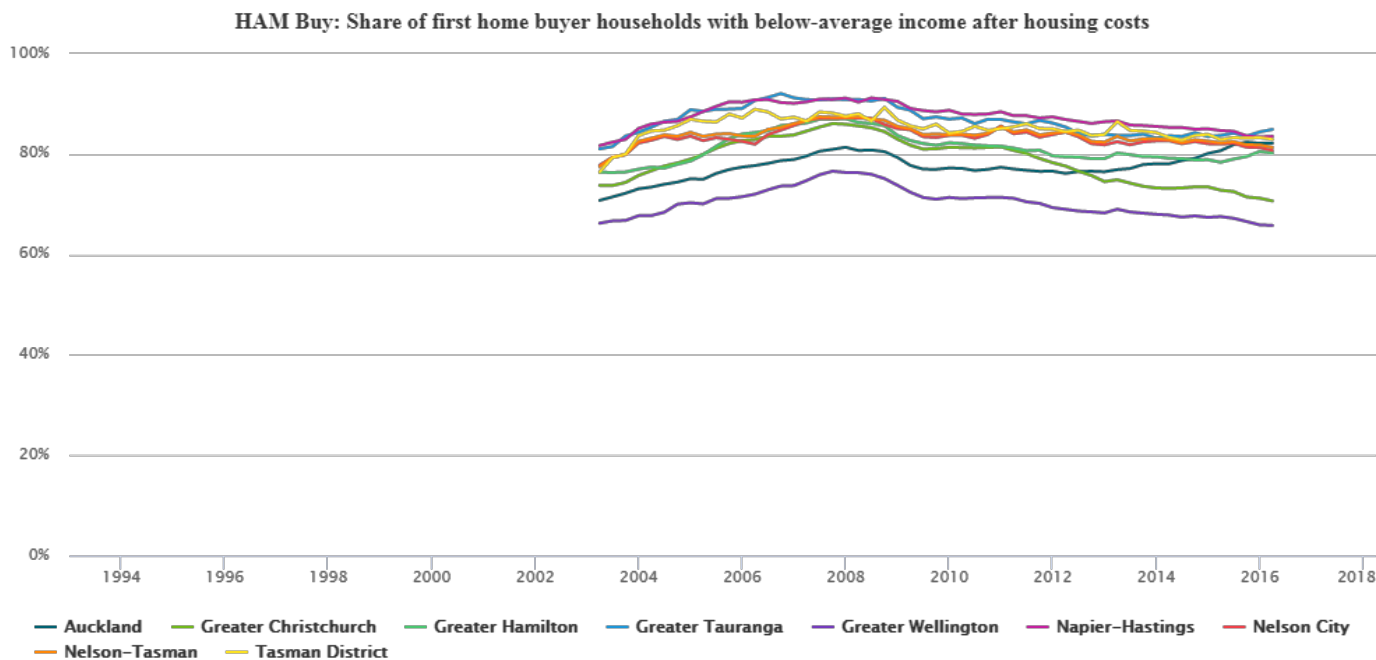
Building costs for one storey houses in Christchurch (nearest geographical region) in Q3 2017 range from \$1,625-1,825/m² for 90-130 m² properties; and \$1,875-2,075/m² for 100-250m² properties.

Building costs for two storey houses in Christchurch in Q3 2017 range from \$2,000-2,400/m² for 150-300m² properties; and \$2,650-3,650/m² for 200-350m² properties.

⁴ <http://www.stuff.co.nz/business/89470174/Construction-costs-rising-as-peak-approaches-RLB>

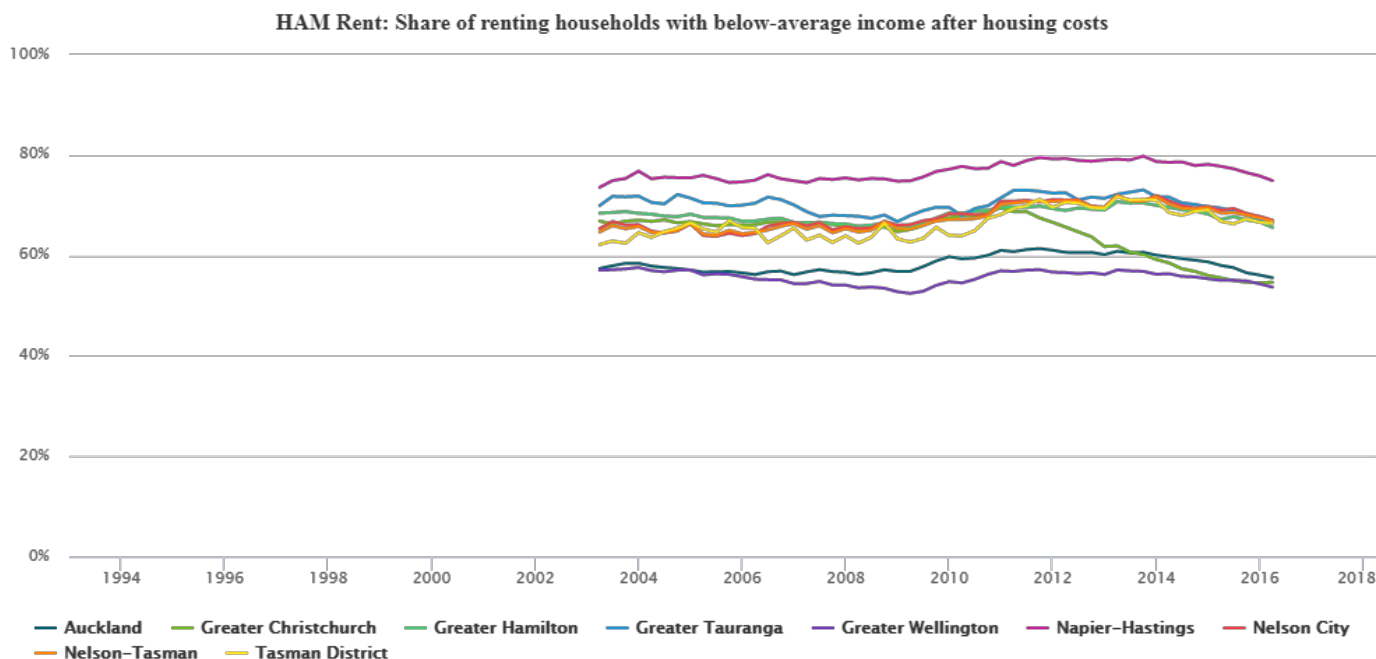
<http://www.stuff.co.nz/business/property/92322694/construction-costs-continue-to-rise-in-2017-colliers>

Benchmarking with other Expanded Urban Areas



Graph 8: HAM Buy: Share of first-home buyer households below the affordability benchmark, Expanded Urban Areas

Comparing affordability across a number of expanded Main Urban Areas shows that affordability got worse throughout New Zealand in the years leading up the Global Financial Crisis but has been relatively stable since then. However, housing affordability in Nelson/Tasman is at a similar level to Auckland and Hamilton, but is worse than in Christchurch and Wellington.



Graph 9: HAM Rent: Share of renting households below the affordability benchmark, Expanded Urban Areas

Rental affordability in Nelson/Tasman is at a similar level to Tauranga and Hamilton but is worse than in Auckland, Wellington and Christchurch.

Massey University aggregate housing affordability index

HOME AFFORDABILITY INDEX				PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 12 MONTHS		PERCENTAGE CHANGE IN HOME AFFORDABILITY IN THE LAST 3 MONTHS	
Region	November 2016	August 2017	November 2017	Improvement	Decline	Improvement	Decline
Northland	19.84	20.87	20.98		5.7%		0.5%
Auckland	35.89	36.15	36.94		2.9%		2.2%
Waikato/Bay of Plenty	22.36	24.05	24.03		7.5%		0.0%
Hawke's Bay	15.99	19.11	18.81		17.6%	1.6%	
Taranaki	15.18	13.91	15.27		0.6%		9.8%
Manawatu/Whanganui	12.77	13.82	14.61		14.4%		5.7%
Wellington	20.07	20.69	22.47		12.0%		8.6%
Nelson/Marlborough	22.56	24.32	24.20		7.3%	0.5%	
Canterbury/Westland	19.93	19.46	20.85		4.6%		7.1%
Otago	14.76	15.98	16.39		11.0%		2.6%
Central Otago Lakes	33.25	40.38	40.87		22.9%		1.2%
Southland	11.00	11.87	12.52		13.9%		5.5%
New Zealand	22.96	24.05	24.14		5.1%		0.4%

Table 1: House affordability Index (Massey University)

The Massey University aggregate housing affordability index (November 2017) shows that the Nelson-Tasman-Marlborough regional cluster continues to experience affordability challenges.

The index this quarter shows a 7.3% decline in home affordability in the last 12 months in Nelson/Marlborough - signalling a slowing in rate of decreasing affordability compared to the 23.2% on the June 2017 quarter. Based on this index the region remains again the third least affordable region in the country behind Central Otago Lakes and Auckland.

As with the HAM, the Massey Home Affordability Index also takes into account the cost of borrowing as well as house prices and wage levels. The mortgage interest rate figures are drawn from Reserve Bank data and for this quarter a 2 year fixed rate of 5.25% was used. Unlike the HAM measure, the income data is for both renting and owner-occupier households. Housing prices are released by the Real Estate Institute of New Zealand (REINZ).

The combination of this data provides the opportunity to calculate a reliable and useful summary index. The lower the index the more affordable the housing. The index allows for comparisons over time and between regions of relative housing affordability in New Zealand.

Social housing need

The Ministry for Social Development administers the Social housing register and as at December 2017 this shows for Nelson there are 78 applicants waiting on the register and for Tasman there are 40 applicants. These figures have grown respectively since June 2017 by 23 applicants and 1 applicants. Priority A applicants are people considered 'at risk' and includes severe and persistent housing need that must be addressed immediately. In Nelson 44 of the 78 applicants are priority A and in Tasman 27 of the 40 applicants are priority A. According to the social housing register, demand for housing in Nelson and Tasman is largely for 1 and 2 bedroom dwellings.

The Housing Minister announced in March 2018 that 20 new state houses will be built in the Nelson/Marlborough region. Construction is planned to commence immediately and they are expected to be available by mid-2018.

Council data

In addition to the MBIE data, both Nelson and Tasman councils have additional data on residential development trends which can provide further detail on the type and location of development. The following measures are for the parts of Nelson and Tasman that are within the Nelson/Tasman Main Urban Area.

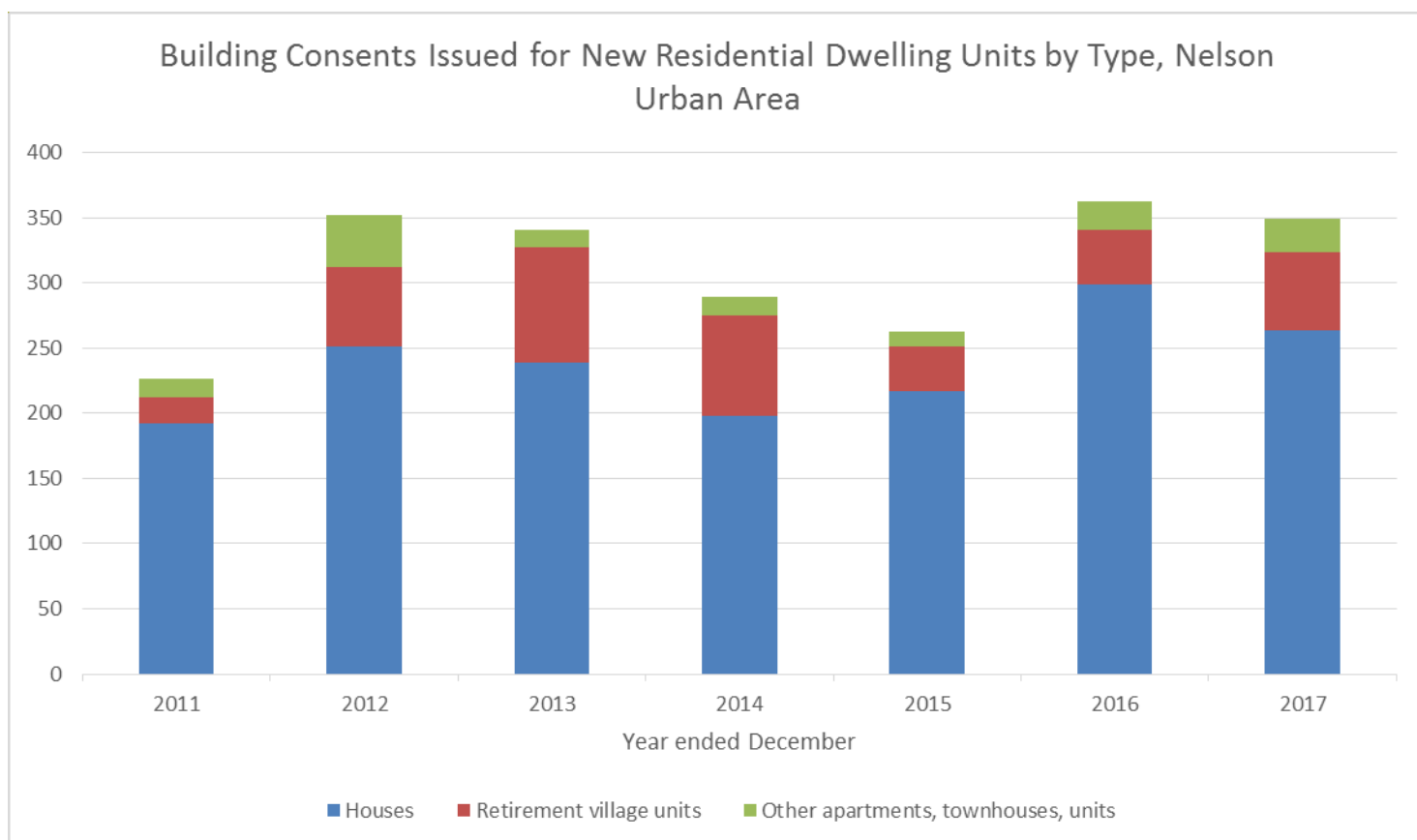
4. Building Consents Issued

Table 1 details the number of new dwellings granted building consent every quarter over the last 18 months.

	Quarter					
	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Nelson/Tasman Main Urban Area	74	111	83	95	96	75
NCC area units within Main Urban Area	49	78	50	63	62	54
TDC area units within Main Urban Area	25	33	33	32	34	21
NCC – all District	50	79	51	63	62	54
TDC – all District	97	101	83	100	110	78

Table 2. Building consents for new dwellings, actual numbers (Statistics New Zealand)

Graph 10 below summarises the number of new dwellings granted building consent by dwelling type in each year since 2011.



Graph 10: Building consent by residential building type

The majority of new dwellings in the Nelson/Tasman Main Urban Area continue to be separate houses while 17% were retirement village units in the last year.

5. Yield of serviced residential sites from residential zoned land

On an annual basis, there were 301 new sections created in the Nelson/Tasman Main Urban Area in the year ended June 2017, compared with 186 in the previous year.

Numbers of new sections can vary significantly between quarters, as it is a relatively short period of time to measure.

Nelson has seen 38 sections created in the September 2017 quarter and 35 in the December 2017 quarter. On a 12-month basis, there were 174 sections created in the year ending December 2017, compared with 133 in the previous year.

Tasman's figures represent the area units which fall within the Nelson/Tasman Main Urban Area only which essentially are Richmond and Hope. There were no new sections created in Richmond and Hope in the September 2017 quarter, but 64 sections created in the December 2017 quarter. On a 12-month basis there were 127 sections created in the year ending December 2017 in Richmond and Hope, compared with 53 in the previous year.

	Quarter							
	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	June-17	Sept-17	Dec-17
NCC area units within Main Urban Area	44	32	53	4	73	28	38	35
TDC area units within Main Urban Area (Richmond/ Hope)	Jan 16 – Jul 16 24		Jul 16- Dec 16 29		63	0	0	64

	Year ended December 2016	Year ended December 2017
Nelson/Tasman Main Urban Area	186	301

Table 3: Summary of residential resource consents.

6. Resource Consents for residential units

NCC: In the six months to the end of December 2017, there were 22 resource consents for residential subdivisions. These consents were to create 462 new residential lots.

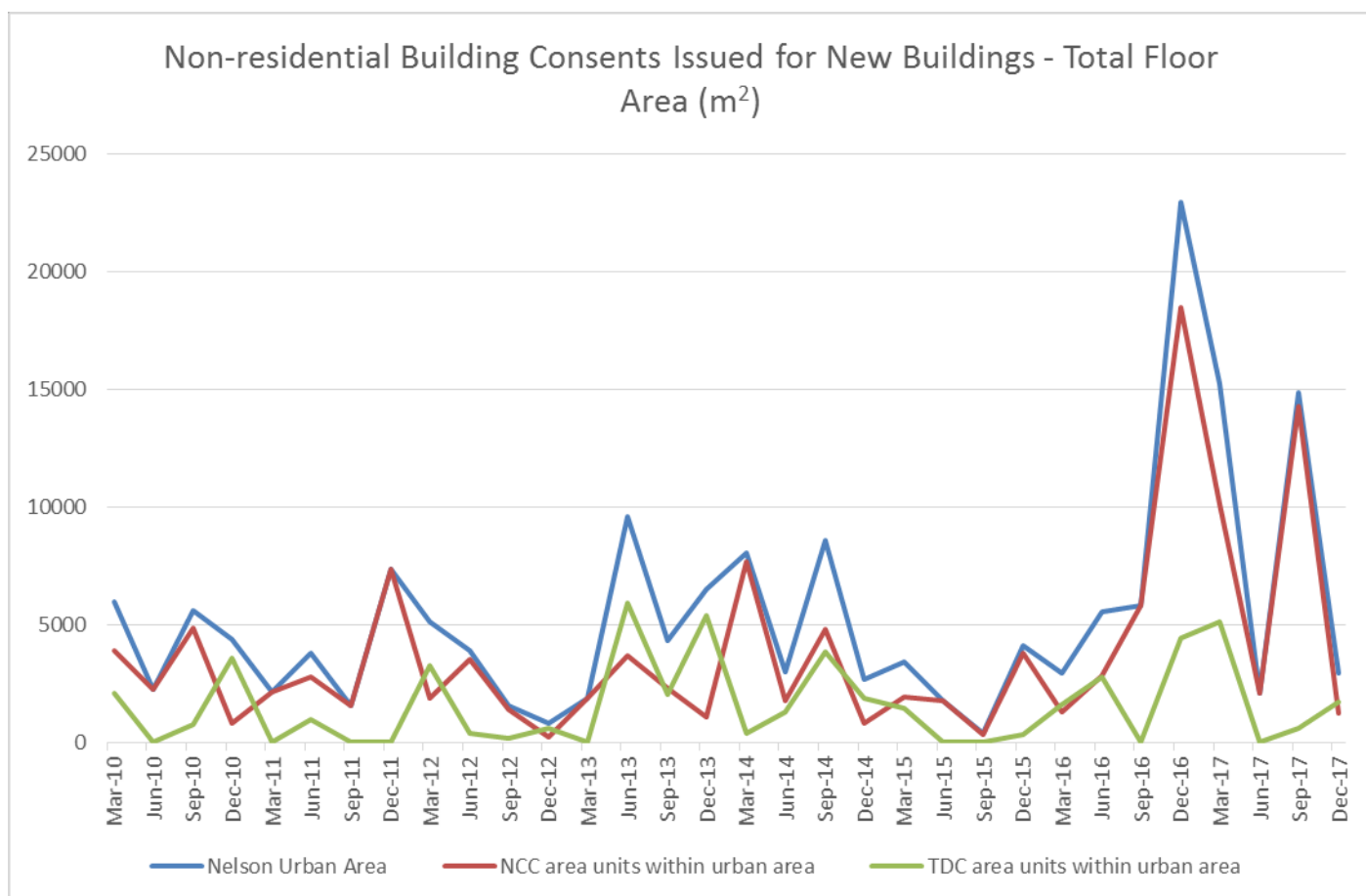
TDC: In the September 2017 quarter, there were 29 resource consents for residential subdivisions, district wide, totalling 94 lots. Within the "main urban area" there were six resource consents, totalling 25 lots. In the December 2017 quarter there were 16 resource consents for residential subdivisions district wide, totalling 230 lots. This included a large subdivision at Moutere of 135 lots. Within the "main urban area" there were 8 resource consents for residential subdivisions, totalling 31 lots.

Non-residential Development Trends

7. Building Consents Issued for New Buildings – Total Floor Area (m2)

	Quarter					
	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17
Nelson Main Urban Area	5793	22953	15243	2100	14861	2910
NCC area units within urban area	5793	18516	10126	2076	14279	1206
TDC area units within urban area	0	4437	5117	24	582	1704
All Nelson City	5793	18516	10126	2076	14279	1206
All Tasman District	1227	6588	5782	2185	4348	4620

Table 4: Summary of non-residential resource consents.



Graph 11: Non-residential building consents by quarter

This data is for consents for new buildings that are either commercial buildings, or factories, industrial, and storage buildings, or hotels, motels, boarding houses, and prisons.

8. Yield of serviced industrial/commercial sites from industrial/commercial zoned land

NCC: there were no titles issued in the six months ending Dec 2017 for new industrial or commercial sites.

TDC: for the six months ending Dec 2017, there were no titles issued for commercial/industrial subdivision.

9. Resource Consents for industrial/commercial units

NCC: In the December 2017 quarter, there were six commercial units consented for unit title subdivision.

TDC: TDC: In the six months ending Dec 2017, there were no resource consents for commercial/industrial subdivision, either district wide or within the "main urban area".

8.11 LOCAL GOVERNMENT FUNDING AGENCY DRAFT STATEMENT OF INTENT AND HALF YEAR REPORT TO 31 DECEMBER 2017

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Mike Drummond, Corporate Services Manager
Report Number:	RCN18-04-12

1 Summary

- 1.1 We received the LGFA Draft Statement of Intent 2018-19 on 22 February 2018, and the Half Year Report to 31 December 2017.
- 1.2 The draft Statement of Intent has been reviewed by the LGFA Shareholders' Council who met to discuss the deliverables and priorities they wished the Board to consider in the coming year.
- 1.3 A Letter of Expectation from the Shareholders' Council has been sent to the LGFA who have also responded. Copies of these are attached.
- 1.4 The Shareholders' Council will meet again prior to the Statement of Intent being adopted to provide further feedback. As members of the Shareholders' Council, our participation in this process is encouraged. Any Councillor feedback can be provided to the Corporate Services Manager who is the Council representative on the Shareholders' Council.
- 1.5 The LGFA is reporting another strong period of financial and non-financial performance in its Half Year Report to 31 December 2017. Highlights are provided in this report.

2 Draft Resolution

That the Full Council

- 1. receives the Local Government Funding Agency Draft Statement of Intent and Half Year Report to 31 December 2017 report RCN18-04-12; and**
- 2. receives the Local Government Funding Agency Draft Statement of Intent (Attachment 1); and**
- 3. acknowledges that the Local Government Funding Agency Shareholder Council will provide feedback on the Statement of Intent on behalf of shareholding councils; and**
- 4. notes the Local Government Funding Agency Half Year results.**

3 Purpose of the Report

- 3.1 To provide an update on the Local Government Funding Agency Draft Statement of Intent 2018/19 and Half Year Report to 31 December 2017.

4 Background and Discussion – Draft Statement of Intent 2018/19**4.1 Draft Statement of Intent 2018/19**

We have received the LGFA Draft Statement of Intent (SOI) for the 2018/19 year, and a full copy is attached (see Attachment 1).

For its shareholders, the LGFA continues to focus on delivering a strong financial performance; monitoring asset quality; and enhancing its approach to treasury and risk management.

For its borrowing councils, the LGFA seeks to optimise funding terms and conditions by achieving savings in borrowing costs; providing longer dated funding; and providing certainty of access to markets.

Prior to the Board completing this draft, the Shareholders' Council (SC) met to discuss the deliverables and priorities they wished the Board to consider in the coming year.

A copy of the Shareholders' Council Letter of Expectation is attached, along with the Board's response (see Attachment 2 and 3). Together they demonstrate a desire to take the largely 'status quo' approach, while ensuring maintenance of overall credit quality. The SC also asked the Board to take a proactive role in the development of any alternative funding options for the sector, and asked them to review their succession plan.

The SC will meet again prior to the final SOI being received and will provide further feedback if necessary. We are encouraged, as a member of the SC, to participate in this process.

The following points regarding the Draft 2018/19 SOI are worth noting:

- Profitability is forecast to remain strong with projections for Net Operating Gain of \$10.81m, \$10.44m and \$14.08m for the next three years as controllable expenses remain close to previous year budgets, but net interest income grows. However, the LGFA remains cautious in placing too much emphasis on the Year Three (2020/21) forecast given that over the next three years, \$3.79 billion of their LGFA bonds and \$3.336 billion of council loans mature. Assumptions regarding timing of refinancing and interest rates have a meaningful impact on financial projections.
- Net interest income is expected to increase over the next three years as the LGFA holds additional liquid assets to manage the LGFA bond maturities. They are also expecting councils to refinance their loans prior to maturity and depending on the timing, this is slightly positive for the LGFA.
- The LGFA have reduced their forecast for Local Government loans outstanding as at June 2019 to \$8.020 billion and to \$8.261 billion as at June 2020 (down considerably from the previous SOI). This reflects uncertainty regarding the impact on LGFA lending if councils substitute LGFA borrowing for funding from the Housing infrastructure Fund Facility and other Central Government initiatives. This is also because councils have yet to release their Long Term Plan Consultation Documents and provide indications of future borrowing intentions.

- The LGFA has made no changes to the on-lending margins given the base lending margin now averages 10 bps (0.10%). Any further reductions in the base margin is unlikely as the LGFA needs to have sufficient capital to match the growth in the balance sheet. The LGFA on-lending margins are the narrowest when compared with international peers.
- Compared to the previous SOI, issuance and on-lending costs excluding Approved Issuer Levy are forecast to be similar to the forecast in each of the 2018/19 and 2019/20 financial years.
- The SOI performance targets are the same as the targets in the previous SOI.
- There is some timing uncertainty within the SOI forecast relating to Local Government loans and LGFA bonds outstanding, due to the need to project both the repayment amount and timing of the Local Government loans that are due to mature in March 2019, April 2020 and May 2021. Decisions made by council members regarding early refinancing will have a phasing impact across all three years in the SOI forecast.

The final version of the SOI will go to shareholders by 30 June 2018.

5 Background and Discussion – Half Year Report to December 2017

5.1 Half Year Report to December 2017

We have also received the LGFA Half Year Report for the six month period to 31 December 2017. A full copy of this report is available to Councilors on request.

The LGFA is reporting another strong period of financial and non-financial performance. The following are highlights from the report:

- Total interest income for the six month period was a 14.4% increase over the 2016-17 comparable period, while Net Operating Profit was a 13.6% increase over the 2016-17 comparable period.
- Standard & Poor's and Fitch Ratings maintained the LGFA credit rating at AA+. This is the same as the NZ Government.
- Over the last six months, the LGFA has issued \$619m of long-dated bonds. While in line with their forecast, this is one of the lowest issuance amounts over a six month period, reflecting reduced borrowing from council members.
- The LGFA has \$7.5 billion of bonds (including Treasury stock used for bond lending purposes) on issue across seven maturities from 2019 to 2033. The amount of LGFA bonds outstanding has declined from \$7.9 billion as at 30 June 2017, due to the maturity of the December 2017 LGFA bonds. The council loans matching these bonds were successfully refinanced by council borrowers ahead of the maturity which resulted in an orderly repayment to investors.
- Rangitikei District Council was admitted as a new member in December 2017, bringing total membership to 54 councils.
- Long-dated lending of \$518m for the period was slightly below the SOI forecast and reflected a preference for offshore borrowing by their largest borrower, Auckland Council and reduced borrowing demand from the rest of the sector.

- Bespoke lending continues to be popular for councils as it provides flexibility for maturity dates of borrowing and the date of drawdown. Bespoke loans outstanding are now \$1.6 billion or 22% of the LGFA total loan book.
- Short-dated lending (less than 365-day terms) to councils has been very successful with loans to 25 councils of \$332m as at December 2017. This compares to \$240m lent to 17 councils as at December 2016.
- The underlying credit quality of the sector continues to improve, with all member councils remaining compliant with the LGFA lending covenants, and three councils in the 2017 calendar year either receiving an upgrade to their credit ratings or a positive outlook change to their rating.

6 Policy / Legal Requirements / Plan

- 6.1 The LGFA must have an SOI that complies with Clauses 9 and 10 of Schedule 8 of the Local Government Act 2002 (LGA). The Draft SOI complies.
- 6.2 The Statement of Intent must not be inconsistent with the company's constitution.
- 6.3 Draft SOIs must be delivered to shareholding councils on or before 1 March each year.
- 6.4 The LGA Schedule 8(3) requires the Board to consider any comments on the draft SOI that are made to it within two months and deliver a completed SOI to shareholders on or before 30 June each year.
- 6.5 S65 (2) of the LGA requires Council as soon as practicable after receiving a SOI to agree to the SOI, or, if it does not agree to take all practicable steps under clause 5 of schedule 8 of the LGA to require the SOI to be modified.
- 6.6 Clause 5 of Schedule 8 to the LGA allows shareholders to impose certain SOI provisions on the company. Such a course of action would require shareholders to agree on the changes to be imposed.
- 6.7 Clause 7 of Schedule 8 to the LGA requires the Board to make a completed SOI available to the public within one month of delivery to shareholders.

7 Consideration of Financial or Budgetary Implications

- 7.1 There are no budgetary or financial implications in receiving the report or providing feedback on the Draft Statement of Intent.

8 Significance and Engagement

- 8.1 The significance of this report is assessed as low, and no special engagement with the community is required.

9 Conclusion

- 9.1 The Draft SOI provides for the status quo in terms of direction and approach by the LGFA. The company has met in the SOI the expectations as set out in the Letter of Expectations by the Shareholders' Council.
- 9.2 The half yearly report provides an assurance that the company continues to operate in a prudent and successful manner.

10 Next Steps / Timeline

- 10.1 The Draft SOI will be reviewed by the LGFA Shareholder Council at its scheduled meeting on 15 May 2018.
- 10.2 The final SOI will be received by shareholders by 30 June 2018.

11 Attachments

1.	2018-19 Draft Statement of Intent	235
2.	Letter of Expectation from LGFA Shareholders Council re Draft SOI	249
3.	LGFA response to LoE from Shareholders Council regarding the Draft SOI	251



Draft Statement of Intent 2018/19

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 endeavour to visit each Participating Local Authority on an annual basis;
- LGFA will analyse finances at the Council group level where appropriate;
- LGFA will review its debt covenant methodology and assessment of council financial position at group vs parent. LGFA will present its findings to councils at the LGFA Shareholder-Borrower Day, including a comparison of LGFA methodology to that of the credit rating agencies;
- 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 Draft Statement of Intent 2018/19. 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.

LGFA Draft Statement of Intent 2018/19. Page 3

4. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2021 are:

FINANCIAL YEAR (\$M)

Comprehensive income	Jun-19	Jun-20	Jun-21
Interest income	239.11	241.42	254.38
Interest expense	220.64	223.71	232.86
Net Interest income	18.46	17.71	21.53
Issuance and on-lending costs	2.44	2.47	2.50
Approved Issuer Levy	2.07	1.56	1.61
Operating expenses	3.14	3.24	3.33
Issuance and operating expenses	7.65	7.27	7.44
P&L	10.81	10.44	14.08
Financial position (\$m)	Jun-19	Jun-20	Jun-21
Capital	25.00	25.00	25.00
Retained earnings	48.30	57.42	70.10
Total equity	73.30	82.42	95.10
Shareholder funds + borrower notes / Total assets	2.40%	2.49%	2.64%
Dividend provision	1.33	1.40	1.45
Total assets (nominal)	8,170.25	8,414.20	8,447.97
Total LG loans - short term (nominal)	325.00	325.00	325.00
Total LG loans (nominal)	7,695.00	7,936.50	7,972.50
Total bills (nominal)	370.00	370.00	370.00
Total bonds (nominal) excluding stock	7,699.00	7,839.00	7,879.00
Total borrower notes (nominal)	123.12	126.98	127.56

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, April 2020 and May 2021 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 2019 will be no more than 0.10%.
 - 30 June 2020 will be no more than 0.10%.
 - 30 June 2021 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 AIL) for the period to:
 - 30 June 2019 will be less than \$5.58 million.
 - 30 June 2020 will be less than \$ 5.71 million.
 - 30 June 2021 will be less than \$5.83 million.
- Total lending to Participating Local Authorities¹ at:
 - 30 June 2019 will be at least \$8,020 million.
 - 30 June 2020 will be at least \$8,261 million.
 - 30 June 2021 will be at least \$8,297 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.

¹ Subject to the forecasting uncertainty noted previously

The Board's policy is to pay a dividend that provides an annual rate of return to Shareholders equal to LGFA fixed rate bond 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.

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 comprises six directors with five being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice² 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 fewer 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.

² Best practice as per NZX and Institute of Directors guidelines

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.

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.

LGFA Draft Statement of Intent 2018/19. Page 7

- 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 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 fixed rate bond cost of funds plus 2.00% over the medium term.

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 2017 (updated where necessary).

ATTACHMENT: Statement of accounting policies

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.

b. Statement of Compliance

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

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 (N7 GAAP) and they comply with N7 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).

LGFA Draft Statement of Intent 2018/19. Page 9

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.

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 (three to seven 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 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, and 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 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.



12 February 2018

Craig Stobo
Chair
New Zealand Local Government Funding Agency Ltd
P O Box 5704
Wellington 6145

Dear Craig,

Shareholder Expectations and the Statement of Intent 2018/19

I am writing to set out the Shareholders' Council's (the Council's) expectations of the New Zealand Local Government Funding Agency Ltd (LGFA) for consideration in the LGFA's business planning for the upcoming year and the development of its 2018/19 Statement of Intent (SOI).

The Council acknowledges the LGFA's active role over the past year in seeking to coordinate a sector response to government infrastructure initiatives. We urge the LGFA to continue to seek to influence government decision-making for the benefit of the sector.

The Council also acknowledges the successful refinancing of the December 2017 bond. The careful planning and work of the LGFA ensured this occurred smoothly, and provides a template for the March 2019 refinancing.

The Council values the positive and open working relationship with the LGFA. The timely provision of information, and a 'no surprises' approach by both parties, helps ensure the relationship remains productive.

Governance

It is important that the LGFA continues to build on its board and management strengths, and works closely with the Council to ensure the board membership maintains an optimum mix of expertise and experience. We expect the LGFA to maintain a focus on longer term succession planning, particularly with regard to the role of Chair and ensuring that there is appropriate senior experience working in or with central government amongst the Board's membership.

Constancy of objectives and intentions

It is the Council's expectation that the company's objectives and operating intentions, as set out in the 2017/18 SOI, will continue to be reflected in the 2018/19 SOI. The SOI is the ideal opportunity for the LGFA to reaffirm its:

- commitment to providing a range of borrowing products and services;
- focus on lowering the cost of local government borrowing;
- strategy for maintaining a high-quality asset book;
- proactive risk management approach; and
- intention to return a dividend to shareholders.

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

Performance indicators

Performance indicators should provide a robust, meaningful performance overview for key stakeholders. The Council asks that the LGFA's performance indicators and targets are reviewed to confirm that they are providing the most effective performance picture.

Treasury policy

It is the Council's enduring expectation that the LGFA will continue to take the appropriate steps to ensure that it understands each borrower's headroom, and the overall sector's financial position. The LGFA's Lending Policies and Foundation Policies, as detailed in the company's Treasury Policy, should appropriately reflect the sector's position.

The Council asks that the LGFA considers examining the way in which debt covenants are calculated, to see whether it would be appropriate to have the LGFA methodology more closely aligned with the calculations used by credit agencies.

Financial and general reporting

The current SOI contains brief financial forecast information. The Council continues to appreciate the LGFA providing more detailed financial and operational information in the quarterly reports. It is important that this information continues to be provided in 2018/19.

The Council notes the importance of shareholders receiving full and early disclosure from the LGFA of company policy breaches by Participating Local Authorities. It is crucial that all shareholders are informed as soon as possible after an event has occurred, given their potential liability.

Delivery of draft 2018/19 SOI

The Council would welcome a discussion on the content of this letter and the LGFA's views on its priorities for 2018/19. We look forward to receiving the company's draft SOI as early as possible, to allow us to engage with shareholders in a meaningful fashion. The Council will respond with feedback as promptly as possible, and prior to the statutory deadline of 1 May 2018, in order that the company is in a position to deliver its final SOI by 30 June 2018.

It was a pleasure to attend the 2017 Annual General Meeting, and recognise the significant achievements of the LGFA over the last year. Please do not hesitate to contact me if you have any queries or comments.

Yours sincerely



Alan Adcock
Chair, LGFA Shareholders' Council
cc. Mark Butcher, Chief Executive LGFA

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz



22 February 2018

Alan Adcock
Chairman
LGFA Shareholders Council

Dear Alan,

LGFA DRAFT STATEMENT OF INTENT 2018/19

Thank you for the letter of expectations from the Shareholders Council outlining suggestions that the LGFA Board and management should consider when drafting the 2018/19 Statement of Intent ("SOI").

We have considered and are pleased to respond to the Shareholders Councils views and comments in the following order as outlined in your letter

1. LGFA will continue to assist the sector where possible in engaging with Central Government to coordinate a sector wide response to government infrastructure initiatives. It has been a focus area for LGFA over the past year and we look forward to working with our council members and the new Government in the coming years. As we outlined previously, LGFA also has a responsibility to protect the interests of councils as LGFA guarantors and to retain the confidence of investors.
2. The refinancing of the loans by councils maturing on 15th December 2017 and related refinancing of the 15th December 2017 LGFA bonds was successfully managed but we remain aware that we have a similar refinancing challenge in each of the next three years. Given the frequency of these events and the possibly volatile times ahead for markets, this is recognised as a key risk and the LGFA board is receiving regular updates from management on progress on managing these issues.
3. LGFA management and directors also value and appreciate the open relationship with the Shareholders Council and will meet the information requirements of the Shareholders Council in a timely manner. It is important to have open dialogue and communication with stakeholders so please continue to provide feedback through the board chair, directors and management.
4. We have undertaken a board review in the previous year and have added a new independent director to the board. We will focus on succession planning and ensuring we have the right skillset around the board table.
5. We agree with your comments regarding the continuing of objectives and operating intentions and these are reflected in the Draft 2018/19 SOI. There are no proposed changes to either the objectives or performance objectives (despite the difficulty of achieving some of the current performance objectives in the current year).

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

6. Treasury Policy – we closely monitor the credit position of each council borrower and make councils aware of our preference for headroom under the financial covenants. We intend to present at the Shareholders-Borrowers Day on our approach to financial covenants and group vs parent treatment. This will also include comparing LGFA methodology to that of the credit rating agencies.
7. We will continue to provide financial information to the Shareholders Council and in the Quarterly Reports that go beyond the SOI requirements provided we do not breach our commercial, strategic or regulatory requirements.
8. We will promptly advise the Shareholders Council, shareholders and guarantors of any actual or potential breach by a Participating Local Authority.

Thank you for providing us with the Letter of Expectations and we have taken your comments and suggestions on board when drafting the 2018/19 SOI.

The LGFA Board and management are confident that we can continue to deliver value to the sector and appreciate the support of and interaction with yourself and the Shareholders Council. We look forward to working together to continue the strong performance and success of the company for the benefit of the Participating Local Authority members.

Regards

A handwritten signature in blue ink, appearing to read 'Craig Stobo', is enclosed within a blue ink scribble that forms a large, irregular shape.

Craig Stobo
Chairman

NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY LIMITED
AUCKLAND Level 12, West Plaza Tower, Corner Albert and Customs Street
WELLINGTON Level 8, City Chambers, 142 Featherston Street
PO Box 5704, Lambton Quay, Wellington 6145 | PH +64 4 974 6530 | www.lgfa.co.nz

8.12 WAIMEA COMMUNITY DAM - CCO FORMATION

Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Mike Drummond, Corporate Services Manager
Report Number:	RCN18-04-13

1 Summary

- 1.1 At Council's 22 February meeting you approved the use of, and becoming a shareholder in, the Council Controlled Organisation that was proposed in the Consultation Document (SOP) for the Waimea Community Dam joint venture. The formal establishment of the Waimea Community Dam joint venture will not occur until financial close. At this time the company is proposed to be capitalised by Council and Waimea Irrigators Ltd.
- 1.2 In order to be in a position to formally establish the company in a timely manner and meet the conditions necessary for financial close, preliminary work needs to commence now on the company formation work streams. That includes developing and agreeing the company constitution, initiating the recruitment process for directors and the legal formation of Waimea Water Ltd (the Company). We seek approval for this work.
- 1.3 In developing the constitution of the Company, direction is sought from Council on providing for directors to be able to act in the best interest of Council. This needs to be expressly provided for in the Company's constitution in accordance with the provisions of the Companies Act 1993. The staff recommendation is to provide for this.
- 1.4 On approval, the preliminary work streams will be progressed through to formal establishment at financial close. Prior to financial close Council will have other decisions to make before the project proceeds to construction.

2 Draft Resolution**That the Full Council**

1. receives the Waimea Community Dam - CCO Formation report RCN18-04-13; and
2. approves the preliminary work streams to form Waimea Water Ltd, including the Company legal formation, developing the Company constitution and initiating the recruitment process for directors.
3. instructs staff in negotiations to pursue a constitutional provision that permits directors of the CCO to act in the interests of the shareholder (Council) as is provided for in the Companies Act 1993 (s131(4)).
4. notes that formal establishment (capitalisation of the Company) will not occur until financial close.

3 Purpose of the Report

- 3.1 To gain approval to commence the preliminary work to form the Council Controlled Organisation necessary for the joint venture.

4 Background and Discussion

- 4.1 The Waimea Community Dam project is progressing towards financial close. This is scheduled for late June or early July 2018. In order to achieve financial close a number of work streams need to come together by that time. These have previously been reported up to Council, with the CEO reporting on progress on the project at each full Council meeting.
- 4.2 At its meeting 22 February 2018 council resolved to
- ***receive the Decision on Waimea Community Dam Consultation Document - Statement of Proposal for Governance and Funding Arrangements report RCN18-02-01; and***
 - ***approves the use of, and becoming a shareholder in, the Council Controlled Organisation that was proposed in the Consultation Document (SOP) for the Waimea Community Dam, with its formal establishment and formation being subject to Waimea Irrigators Limited raising the necessary capital and a tender price for the construction of the Dam being agreed by Council; and***
- 4.3 It is currently proposed to call the CCO “Waimea Water Ltd” (WWL)
- 4.4 The formal establishment of the CCO company will occur at financial close. This is the point at which the Company amongst other things:
- 4.4.1 Will be capitalised by Council and Waimea Irrigators Ltd (WIL).
- 4.4.2 Shares will be issued to respective shareholders
- 4.4.3 Directors will be formally appointed
- 4.4.4 The Company will enter into the borrowing arrangements with Crown Irrigation Investments Limited (CIIL)
- 4.4.5 The land and consents will be transferred to the Company
- 4.4.6 The Company will enter into the construction contract(s)
- 4.5 If the Council or WIL at financial close determine they will not proceed with the project or the proposed CCO structure, it is a simple matter to disestablish the Company at that time.
- 4.6 In order to be in a position to give effect to financial close the Company needs to have been legally formed before that time and prerequisite work streams, like the director recruitment process, the agreement on the Company constitution and registration with the Inland Revenue Department (IRD), need to be completed.
- 4.7 In carrying out the negotiations with WIL, officers and advisors will require guidance on Council’s position on a number of key matters within the CCO company constitution. Once negotiated the final constitution will require approved by both Council and WIL.

4.8 CCO Constitution matters

- 4.9 A CCO constitution is a key governance and accountability document for Council Controlled Organisations. The Statement of Intent when it is agreed cannot be in conflict with the constitution. Making substantive changes to the constitution at a future date will require negotiation and agreement between the shareholders. For this reason it is important to ensure the intentions of Council are clearly set out in the draft CCO constitution.
- 4.10 The constitution is a means by which Council can:
- 4.10.1 Define what matters (if any) must be referred to shareholders (Council/WIL) and what can be decided by the company directors alone.
 - 4.10.2 Permit directors of the CCO to act in the interests of the shareholders (Council/WIL) rather than strictly in the interests of the Company. This option is provided for in the Companies Act 1993 (s131(4)).
 - 4.10.3 Recognise and set out procedures for managing potential conflicts between its role as owner and purchaser of water security and its regulatory role.
- 4.11 The key issue here for negotiations is the ability to permit directors of the CCO to act in the interests of Council as a shareholder rather than strictly in the interests of the Company. The usual reason for providing such a provision is to allow Council appointed directors to take account of the wider social and community obligations of Council. This approach is not unusual in some CCO and CCTO constitutions.
- 4.12 Officers propose that the constitution contain a provision as noted above which allows directors of the CCO the flexibility to act in the interests of the shareholder (Council).

5 Options

- 5.1 There are two options, as follows -
- 5.1.1 To commence the work streams and establish the CCO as a company (recommended). This option allows Council to meet its obligations to its joint venture partners and helps ensure that project timelines can be met including financial close.
 - 5.1.2 To delay the formation of the company until financial close. This option defers work until a later date. This injects additional risk into the project in terms of signaling Council's commitment and any delays in achieving financial close and the decision to proceed or not with the project will push out project timelines to the disadvantage of Council.

6 Strategy and Risks

- 6.1 The project timelines are particularly tight and have previously been extended. There is a significant risk to the project if the CCO formation work stream does not commence now in that we will not be in a position to give effect to the project's governing structure as is required at financial close.
- 6.2 The closing date for the WIL capital raising was scheduled for 22 March 2018 with share application approvals 29 March 2018. These dates have now been extended by the WIL directors. At the time of the Council meeting on 5 April 2018 we should still have an indication of how successful the capital raising was. A successful capital raising reduces a key component of risk for the overall project funding.

- 6.3 Council has given an undertaking to WIL and CIIL through the Process Letter (21/9/2017) to take the necessary steps to achieve the project milestones. The formation of the CCO and the recruitment of directors is necessary to achieve the agreed milestones. There is a risk to the relationships between WIL/CIIL and Council, if Council does not, in good faith, continue to progress the necessary work streams through to financial close.

7 Policy / Legal Requirements / Plan

- 7.1 The proposed work, while low key, is necessary to give effect to the conditional decision to form the CCO necessary for the joint venture.
- 7.2 The Companies Act 1993 Section 131 states the following in relation to the duty of directors to act in good faith and in the best interests of the company:
- (1) Subject to this section, a director of a company, when exercising powers or performing duties, must act in good faith and in what the director believes to be the best interests of the company.
 - (2) A director of a company that is a wholly-owned subsidiary may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company, act in a manner which he or she believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
 - (3) A director of a company that is a subsidiary (but not a wholly-owned subsidiary) may, when exercising powers or performing duties as a director, if expressly permitted to do so by the constitution of the company and with the prior agreement of the shareholders (other than its holding company), act in a manner which he or she believes is in the best interests of that company's holding company even though it may not be in the best interests of the company.
 - (4) A director of a company that is carrying out a joint venture between the shareholders may, when exercising powers or performing duties as a director in connection with the carrying out of the joint venture, **if expressly permitted to do so by the constitution of the company**, act in a manner which he or she believes is in the best interests of a shareholder or shareholders, even though it may not be in the best interests of the company.

8 Consideration of Financial or Budgetary Implications

- 8.1 The development of the constitution and related CCO formation work streams are provided for in existing expenditure approvals.

9 Significance and Engagement

- 9.1 This decision is considered to be of low significance in itself and no engagement is considered necessary. The key decisions on the project will be made at financial close. The project as a whole has been consulted on through the SOP on Funding and Governance and again through the engagement and consultation on the Long Term Plan 2018-2028 Consultation Document.

10 Conclusion

- 10.1 It is prudent and necessary to proceed to complete the initial formation of the Company and related work streams in order to be in a position to give effect to formally establishing the Company at financial close.

11 Next Steps / Timeline

- 11.1 A Project Board co-ordinated director recruitment process will commence, with directors to be appointed at financial close if the project is to proceed. That said, the Council's Director Recruitment Policy will apply.
- 11.2 The Project Board will also commence the work to develop a draft constitution for the CCO. The final form of the constitution will be negotiated and agreed by Council and the WIL board.
- 11.3 Following the company formation it will be registered with the IRD for tax purposes (GST, Payee, Income tax) etc.

12 Attachments

Nil

8.13 WAIMEA COMMUNITY DAM PROJECT REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN18-04-14

1 Summary

- 1.1 This is the 20th status report on the Waimea Community Dam Project. The Project Board met on 15 March 2018. The **Project Office** is now co-located with the Fulton Hogan/Taylor's Contracting JV team in Brightwater.
- 1.2 Since my last report, **the priorities** for the Project Office, Waimea Irrigators and Council have been the contactor procurement, land and access and capital raising work streams respectively.
- 1.3 The **Land and Access** work stream is the Council's priority. The Department of Conservation wrote on 23 March 2018 to advise that the proposed mechanism for the Mount Richmond Forest Park land to be transferred to the Council for the project is not available. Council and the Department had previously agreed on the approach. While the letter says that the Minister is not required to give effect to the statutory regime that was the subject of the Ruataniwha case (agrees with the Council's position) there are issues relating to the transfer of the river bed and marginal strips. They will need to be addressed.
- 1.4 **Waimea Irrigators Ltd (WIL) capital raising** was due to conclude on 22 March 2018. On Friday 23 March WIL announced that it was extending the offer period until 5 April. The company's press release contained information about progress to date, the reasons for the extension and the expected outcome. WIL has indicated that the extension to the offer period won't affect the project timeline. That may be so.
- 1.5 Nevertheless, it is time for Council to **consider the possibility that there will be a delay** in reaching financial close and commencing construction. A delay beyond 1 July 2018 will affect the project and the Long Term Plan among other things. It could affect the water management regime in the catchment. While this report highlights the risks, their consequences and mitigation, the detail may need to be discussed with the public excluded.
- 1.6 There is a separate report on this agenda that deals with forming the **proposed council controlled organisation**.

2 Draft Resolution

That the Full Council

1. receives the **Waimea Community Dam Project Report RCN18-02-14**

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 overall project timeline is unchanged from my last report. The Waimea Irrigators Ltd (WIL) Product Disclosure Statement which was released on 8 February 2018 now closes on 5 April 2018. That will extend WIL's process by about 2 weeks but they do not expect that to affect the overall project timeline. Other factors may.

5 Risks

- 5.1 The risk that the mechanism proposed for obtaining the **Mount Richmond Forest Park land** for the Waimea River flow augmentation and ground water recharge scheme would not be available, has been realised. A copy of the letter from the Department of Conservation is attached.
- 5.2 We are taking advice on the letter. On the face of it, the Department agrees that the proposed transfer mechanism would not require the Minister of Conservation to give effect to the statutory scheme of the Conservation Act as was considered in the Supreme Court's decision on the **Ruataniwha Case**. That was also Council's contention. However, there appears to be an impediment to making the decision we have requested in relation to marginal strips and riverbed.
- 5.3 The letter proposes local legislation or declaratory relief as alternative mechanisms for achieving the outcome sought. There may be others.
- 5.4 **Nelson's decision on its proposed \$5m** contribution remains a risk. Nelson City Council recently advised submitters to the proposal that it consulted on late last year that its approach to possible scheme funding was changing. In light of new information about its water supply security situation, Nelson has since proposed (and is following through) to include \$5m in its Long Term Plan 2018-2028 as a contribution to meeting its future water needs. Recent advice that the Nelson Council has received indicates that it has a medium term security of supply problem and like Tasman, few if any viable alternatives.
- 5.5 **Time line slippage** is an existing risk which is becoming increasingly critical. WIL's capital raising and Council's work on the land and access issues are critical factors in determining whether financial close can occur before 1 July 2018. To a significant extent neither WIL nor Council can control the process or outcome.
- 5.6 A **timely decision by the Coalition Government** to confirm its support for the project is becoming increasingly important. We understand that the Waimea Water Augmentation

Scheme does have government support despite the water use and water management challenges inherent in it for the coalition partners. That support needs to translate into formal approval for the proposed CIIL investments, grants and loan arrangements including to WIL and Council. The risk that WIL and Council faces is that formal approval remains an uncertainty for some time yet, compelling us to reconsider the risks of investing in project development to the extent that we are.

- 5.7 The outcome of the **contractor procurement** work stream (the ECI process) is still the most critical work stream, over which we have joint control, in determining whether or not the project can proceed.
- 5.8 There has been a referral to the Office of the Auditor General by a member of the public who has asked whether ‘due process’ has been followed when Council considered the **community benefits funding component** of the construction costs of the proposed Waimea Community Dam. This enquiry relates to the Statement of Proposal for the Governance and Funding options released for consultation in October 2017. The outcome of that referral is not yet known.

6 Finance and Funding

- 6.1 The current position on Council costs July 2015 to 28 February 2018 is \$5.5m. Of these, core project costs amount to \$4.6m and Council only costs previously charged to the project total \$0.9m. Council only costs include the hydro business case preparation by Price Waterhouse Cooper (PwC). Budget costs through to financial close are being worked through, in particular the estimates for professional fees and agreement on which costs are “core project” and met by the joint venture and which costs are to be met by WIL and Council separately.
- 6.2 Council will continue to loan fund core project costs. Other Council costs including staff time, governance support, the SOP process and hydro business case will be charged as operating costs. This may result in some over budget positions at year end. The Council internal loan for the project work in progress stands at \$4.6m as at 28 February 2018.
- 6.3 The Joint Venture project budgets continue to be refined as we approach financial close. There is some pressure on these budgets including the land and access work stream. The key budget item remains the construction cost which along with related contingencies makes up around 83% of the total budget costs for the core project.

7.0 The Council Controlled Organisation and Commercial Terms

- 7.1 There is a separate report on this agenda seeking approval to take the initial steps towards forming the proposed CCO.
- 7.2 The work on drafting/finalising the suite of project documents is on hold pending agreement on who the work will be assigned to, and how it will be managed and funded. Other than the CCO constitution, the documents include the –

- 7.2.1 Direct Deed
- 7.2.2 Project Agreement
- 7.2.3 Shareholders Agreement
- 7.2.4 Wholesale Water Augmentation Agreement and ‘downstream’ agreements
- 7.2.5 Documents relating to the CIIL/WIL facility
- 7.2.6 Documents relating to the CIIL/Council environmental loan facility
- 7.2.7 Credit Support Agreement.

8.0 Contractor Procurement

- 8.1 This work stream is progressing well. Workshops have now been held for Value Engineering, Mechanical and Electrical Design (M&E), River Diversion Strategy, Geotechnical Risks, Construction Risks, Rock Excavation, Transportation & Placing, Vegetation Clearance, Site Access & Utilities, Safety in Design, and Insurances.
- 8.2 The M&E design deals with how the dam will be operated and maintained. Joseph Thomas is supporting this work from a dam operations point of view and is providing input in relation to the design.
- 8.3 Nothing has emerged to alter the early advice to indicate that the budgeted construction cost is unachievable. As noted before, the construction cost estimate and the scope risk contingency makes up 83% of the project estimate at this time.

9.0 Land and Access

- 9.1 The risk section of this report deals with the letter from the Department of Conservation in response to the Council’s request for consent to transfer the land required for the project under the Public Works Act.
- 9.2 The outcome is disappointing but we must deal with the law as it stands and as the Department of Conservation and Land Information New Zealand are likely to interpret it.
- 9.3 In anticipation of this advice we have been considering the alternatives to achieving the outcome sought. We are currently reassessing the options in light of the Department’s letter and will update the Council meeting with any advice that we have about the options, their processes, timelines, cost, risk and potential outcomes.
- 9.4 The Local Bill option has been favoured up until now. We have taken advice on the process, timelines and possible outcomes. This option hasn’t been advanced out of respect to the Department and its due process. It’s clearly on the table now and may be the preferred option. That would be so if the Labour-led Coalition Government confirms its support for the project but is constrained in giving effect to that by a legal impediment it has inherited. Supporting a Local Bill may assist to achieve its and our water management, economic development and community wellbeing aims.
- 9.5 In contrast to these challenges we have had a series of excellent meetings with Ngati Koata and Tasman Pine Forests in relation to the Ngati Koata land. The elements of an agreement are likely to cover
 - 9.5.1 a board membership seat for Ngati Koata as presented in the SOP

- 9.5.2 an agreement to store water on Ngati Koata land for which compensation would be paid
 - 9.5.3 road access to the land to enable plantation forestry to be commercial viable
 - 9.5.4 shortcomings in the Treaty of Waitangi Settlement terms.
- 9.6 It is likely that the proposal will go to the Ngati Koata commercial board (Koata Limited) meeting at the end of April and to the Ngati Koata Trust on 1 May 2018.
- 9.7 Challenges remain in dealing with the JWW landowners and advisers. The additional time taken to negotiate with JWW combined with the issues in securing the Ngati Koata and DOC land are giving rise to higher than anticipated costs for The Property Group. This is placing pressure on the project budget.
- 9.8 It may be necessary to discuss the issues relating to the DoC land especially by going into committee to protect legal privilege and the Council's negotiating position.

10.0 Project Management and Direction

- 10.1 Other than what is noted in the summary there is nothing further to report.

11.0 Strategic Relationships

- 11.1 In addition to the key relationships that have been reported on in the past we have been developing a briefing paper for key Government Ministers in order to address the risk issues around the Crown land and formal Government approvals.

7 Attachments

Letter from Department of Conservation 23 March 2018.

23 March 2018

Lindsay McKenzie
Chief Executive
Tasman District Council
189 Queen Street
Private Bag 4
Richmond, Nelson

By email: Lindsay.McKenzie@tasman.govt.nz

Dear Lindsay

Waimea Community Dam – land requirement – Mt Richmond Forest Park

1. I refer to your letters to the Department of Conservation (the **Department**) dated 2 February 2016 and 11 September 2017 and various other correspondence with the Department between and after those dates.
2. The Department has carefully considered the Tasman District Council's (**Council**) proposal to acquire riverbed and adjoining land by a disposal from the Crown under s 50 of the Public Works Act 1981 (**Public Works Act**).
3. The Department's view is that the disposal cannot proceed as currently proposed. In summary, its views of the key issues raised by the proposal are as follows:

Who is the Minister that makes a decision:

- 3.1 The Minister that makes the substantive decision under s 50 of the Public Works Act is the Minister for Land Information. The scheme of the Public Works Act, including in particular s 39A, makes this clear.
- 3.2 The Minister of Conservation has a role under s 20 as the Crown landowner since any s 50 disposal to the Council would involve a change in ownership of the underlying conservation land. The Minister for Land Information must be satisfied the Minister of Conservation has "agreed" to the land being disposed of.

What is the effect of the Ruataniwha case¹ on decisions under s 50:

- 3.3 Section 16(1) of the Conservation Act 1987 (**Conservation Act**) expressly states that the Conservation Act's restrictions on disposal are subject to the

¹ *Hawke's Bay Regional Investment Company Ltd v Royal Forest and Bird Protection Society* [2017] NZSC 106.

Public Works Act and enables conservation areas to be disposed of other than in accordance with the Conservation Act.

- 3.4 Because the disposal would be occurring under the Public Works Act, in deciding whether or not to provide agreement under s 20, the Minister of Conservation would not be required to give effect to the statutory scheme of the Conservation Act in the sense described by the Supreme Court in the *Ruataniwha* case.

What key impediments exist to making the decision requested:

- 3.5 The marginal strip provisions in Part 4A of the Conservation Act are expressed in mandatory terms and would apply to any disposition under s 50 of the Public Works Act. This includes s 24F, which in effect means the Crown cannot dispose of the riverbed sought to the Council.
- 3.6 Additionally, before any disposal under s 50 of the Public Works Act could occur, the relevant Park land would need to be declared to be held for conservation purposes in accordance with ss 61(9) and 7 of the Conservation Act. It would, however, not be open to the Minister to use s 7 to declare the land to be held for conservation purposes when the underlying purpose is facilitating disposal of the land as opposed to a conservation based purpose.
4. The Department has also considered whether an easement could be granted under s 48 of the Public Works Act. Its view is that the grant of such an easement would also constitute a disposal requiring a declaration in accordance with ss 61(9) and 7 of the Conservation Act. It is not considered to represent a viable alternative.
5. In light of the foregoing, the Department does not consider the current proposal can be progressed using the statutory frameworks and decision-making powers proposed. To do so would put the Crown at significant risk of legal challenge.
6. Accordingly, and in light of the above position, the Department expects that the Council may wish to consider an alternative mechanism, such as proposed local legislation, to achieve its aims in this case. We provide no substantive advice on alternatives, only to note that we understand this might now need to be a matter of consideration for you.
7. If the Council does not agree with the above view, declaratory relief may be a potential alternative to provide further clarity on the legal constraints involved in the current proposal.

Yours sincerely



Mike Slater
Deputy Director-General Operations

8.14 CHIEF EXECUTIVE'S ACTIVITY REPORT

Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN18-04-15

1 Summary

- 1.1 This report updates Council on some key issues and on my activities since the 22 February 2018 Council meeting. I was on annual leave for some of this time.
- 1.2 Our priority over the past 6 weeks has been dealing with the **aftermath of subtropical cyclones Fehi and Gita**. While the focus has been on the recovery effort, with both Adrian Humphries and Richard Kirby doing excellent work, Council will soon need to consider some longer term questions relating to natural hazards and community resilience. We propose some workshops commencing early in May to address coastal management, plantation forestry management, as well as stormwater and river management. Council's proposed financial, infrastructure and policy/planning responses to these matters and the risk of future events will need to be considered.
- 1.3 The Finance Team is reporting separately on the **Council's finances**. Their paper highlights some reporting issues that I would also like to draw your attention to. The issue boils down to needing to reconcile and meet the different information needs that management and governance have. As a result of the issues they are raising, this report doesn't provide the usual update on Council's current financial position. Future reports will do so once the new approach to financial performance reporting is agreed.
- 1.4 Over the past 4 weeks staff and councillors have been busy with a round of community engagements in support of the **Consultation Document on the Long Term Plan 2018-2028**. Community attendance has been variable, current issues have dominated but the meetings have generally gone well.
- 1.5 On 15 and 16 February I attended back to back meetings of the **Chief Executives Environment and Economic Forum** and the Regional Sector Group of LGNZ in Wellington.

2 Draft Resolution**That the Full Council**

1. receives the Chief Executive's Activity Report RCN18-02-13; and
2. notes the Council Action Sheet.

3 Purpose of the Report

- 3.1 The purpose of this report is to advise Council about some key issues and about my activities since the 22 February 2018 Council meeting.

4 Strategy and Planning

- 4.1 The community engagement meetings on the Consultation Document on the **Long Term Plan 2018-2028** will have been completed by the time of the April Council meeting. They have been fairly well supported. The best engagement occurred at the Motueka market, the Richmond Rotary and Probus meetings and where there were local issues such as at Mapua.
- 4.2 Although the **Long Term Plan (LTP)** won't be adopted until 28 June, Sharon Flood and her team have run a **process debrief workshop** for staff. We looked at the programme overall, its governance (at staff level), the workshop content and programme, decision making and the like. Sharon will run a session for councillors so that the learnings can feed into the next planning round.
- 4.3 Issues of the day dominated the community meetings, notable the **recent storm events**, and are likely to dominate the LTP submissions. While councillors will need to be responsive to those submissions, you will also need to keep the longer term issues in mind.
- 4.4 While everyone affected has been recovering from **the last two storm events**, whether that be their lives, houses, businesses or in Council's case our assets, we have been thinking about the future. Some councillors have been advocating for policy changes relating to coastal infrastructure and revenue and financing as well as asset management including reserves and community facilities. Changes to the priorities in the Long Term, Plan have been mooted. The Golden Bay Community Board has responded by asking for coastal protection works to be permitted activities.
- 4.5 As a first step we are planning **a workshop for councillors on coastal management** issues. One of the firms on our legal services supplier panel (DLA Piper) will present along with staff. We will also report on MfE guidelines to assist mitigate the effects of sea level rise on developments and existing assets and communities. The workshop will cover the legal framework, your obligations, national policy guidance, appropriate local responses, compliance and asset management.
- 4.6 Future topics are likely to cover plantation forest management, river and stormwater management. The opportunities Council has to improve community resilience need to be looked at. These includes the way Council invests in assets on and near the coast, manages its community facilities, uses its financial, policy and regulatory tools to incentivise behaviour (or not) and so on.

- 4.7 As the Mayor has advised before, he and Mayor Reece have approached the **Local Government Commission** to assist with a review of the past approaches to funding and delivering regional scale activities. The aim is to develop an approach to the current and future proposals for regional scale and cross boundary services and projects that will best serve the region in the years ahead. Issues around the funding of the EDA, Saxton Field, the Waimea Water Augmentation Project and future water services precipitated the move.
- 4.8 Pat Dougherty and I have met to discuss and I followed up with a meeting with Local Government Commission officials in Wellington recently. The upshot is that the Commission has agreed to meet the costs of a workshop(s) to deal with the issues and to provide an independent person to run them.
- 4.9 It is likely that an initial scoping workshop will be held to coincide with the next Joint Shareholders Committee meeting.

5. Advice and Reporting

- 5.1 **Local Government New Zealand is calling for proposed remits** to be debated at the LGNZ conference. The LGNZ Remit Process 2018 is attached to this report. You are invited to now raise any matters that could be the subject of a remit and if agreed to request staff to prepare the required papers. The requisite level of support from a Zone or Sector meeting or individual councils would then need to be obtained.
- 5.2 The recent **storm events have impacted affected Council operations and enterprises** in two main areas ways - damage and flooding and business interruption.
- 5.3 Our coastal assets, such as Port Tarkohe and our holiday parks in Golden Bay, suffered damage and flooding during the storms that have incurred costs to repair and clean up. In addition, the coastal structure at Mapua Wharf suffered some sea wall erosion and water penetration. Many of these costs are recoverable from our insurance policies, therefore our financial exposure has been limited.
- 5.4 Damage to Takaka Hill has an ongoing significant impact to some of our activities. Marine farming and fishing in Golden Bay has been impacted, due to the reduced ability to transport product over Takaka Hill. This has forced operators to land product in other ports. In addition, our holiday parks in Golden Bay are experiencing reduced number of visitors to the area.
- 5.5 The overall financial impact will depend on the date that Takaka Hill fully reopens, however due to positive variances during the first six months, we still expect to achieve our budgeted net income from Council Enterprises.
- 5.6 The **Tasman Bays Heritage Trust – Statement of Intent 2018 – 2021 and Half Yearly Report** to 31 December 2017 has been received. In December 2017, a joint Letter of Expectation (LoE) was sent to TBHT from the Mayors of both councils. This letter set out the councils' high level strategic direction and performance expectations to be considered by TBHT in the formation of the SOI.
- 5.7 The SOI must meet the requirements as set out for a CCO in the Local Government Act. The LoE also outlined general expectations for all CCOs and two specific expectations in relation to TBHT. The TBHT have provided a letter from the Board Chair that addresses the points raised in the LoE. The draft SOI and accompanying letter will be reported through to the 17 April 2018 Joint Shareholders Committee. In accordance with legislation, the final SOI must

be delivered to both councils no later than 30 June 2018. A copy of these reports is available to councillors on request.

- 5.8 The **Digital Strategy Business Case** went to Full Council in December 2017 where an agreement on funding of the programme was reached. The Programme aims to.
- Update current Website platform and technology
 - Review identity management technology and prioritise services to transform, including developing processes that support a customer centred approach
 - Transition identified services from manual legacy ones to online
- 5.9 The **new Council Website structure** takes the approach, “What do you (the customer) want to do?”, as opposed to the current site which is more focussed on what information we want to give them. The new website structure was developed in conjunction with our external user panel set up to inform and test our decisions. So the journey towards a customer-led approach has begun. The new Website upgrade development work is now completed.
- 5.10 The next stage is working with content editors to get any required content transitioned to the new system over the next two months. Final testing will take place in May prior to the Go-Live date in June. This work will bring the Website structure and technology up to date prior to embarking on the Digital Strategy Programme with a Services Review in Year one of the 2018 LTP.
- 5.11 We have a stream of work underway to support the strategy of digitising the business. The **Digital Services Review** is part of this and will focus on two areas. Firstly, a review of identity management technology, looking at what options there are for allowing customer login and identification on to our online systems, and which services may require identification of a customer to access that service.
- 5.12 Secondly, a review of Council services to identify and prioritise those services that can be most simply transformed into online ones that will bring the most benefit to our customers. This work, including initial prototype projects will take place from July 2018 to June 2019. Prior to the new Financial Year we will be discussing options with vendors and peer organisations so that we can move swiftly once the Website upgrade project has been completed.
- 5.13 Dialogue continues, albeit slowly, with **the Golden Bay Grandstand Restoration Society**. We await a price for relocation the top section of the grandstand. Meanwhile, a certificate of public use (CPU) is being processed to enable the Water Conservation Order hearings to be held at the Recreation Centre. We are also considering a CPU for the bridge club and winter sports code use of the facility. The holdup has been Noel Baigent’s reluctance to sign a lease agreement for the use of A&P Society land for parking. The issue seems to relate to his contention that a Golden Bay County resolution from 8 September 1959 and the Reserves and Other Lands Disposals Act 1959 gives prospective “rights” to the A&P Society to new buildings or facilities on the recreation park (particularly those not previously owned by the Association).

Our view is that the Environment Court decision is highly relevant to this issue and a reliable statement of the legal position not only in respect of the issues before the Court at the time, but also for present purposes as well.

6 Management of Council Resources

- 6.1 Sarah Taylor our Principal Legal Adviser has produced a one page flow chart to assist councillors identify and manage **conflicts of interest**. She has socialised the idea and a draft with several of you. You will soon receive a copy.
- 6.2 We have received advice that a second round of the **Tourism Infrastructure Fund** is open. We don't have the resources to consider further applications at this time nor do we have the funding for a district contribution. Our priorities at the moment are to focus on emergency event recovery and the opportunities that the Provincial Growth Fund may present for the region.
- 6.3 This report doesn't not contain the usual update on the **Council's financial position** and performance. That is because the senior management team has been prompted to review the way in which financial performance is reported. The Finance Team has prepared separate reports on these matters for this agenda.
- 6.4 The differing needs of governance and management in financial reporting information have not been fully recognised in the approach we have been taking. The Finance Team's report proposes changes. Once agreed, the CE's activity report can present in the preferred way.
- 6.5 The background to the issue is that not all budget holders are taking the objective approach to budget setting, reviews and year end forecasting that we see as necessary in order to align our revenue needs with our capacity to deliver and hence actual expenditure.
- 6.6 The current approach to financial reporting against revised budgets is also open to different interpretations. For example, the February position was a \$1.3m better than budgeted operating position to which we need to add the \$1.19 m YTD sum that has been achieved.
- 6.7 Despite that, we are budgeting on a significant operating deficit (~\$10m) arising from work carried forward i.e. funded from previous years revenue/reserves. What matters from a governance position (we assume) is how the organisation is tracking compared to what is said at the beginning of the year. That information is not easy to distil currently.
- 6.8 The purpose of these comments is to draw you attention to the importance of the finance report.

7 Managing People

- 7.1 Since my last report there have been seven staff related health and safety events, ie. two near miss events; two involving vehicles; one back strain, one bruising to hand and the inhaling dust. The near miss events involved contractors working unsafely in the Richmond Office. One vehicle incident resulted in minor vehicle damage, the vehicle incident resulted in a dog being killed.
- 7.2 New asbestos regulations come into effect in April 2018 meaning when asbestos or ACM has been identified at a workplace, or is likely to be present, the PCBU that manages or controls the workplace must make sure that an asbestos management plan is prepared and kept up to date. Two contractors have been conducting asbestos surveys and writing an 'Asbestos Management Plan' for Council owned buildings.
- 7.3 Dates have been set for collective negotiations with the PSA – a series of five meetings, to begin 17 May through to 13 June.

7.4 The senior management team has reviewed the 'key issues for attention' that were flagged in the **Australasian Local Government Performance Excellence Programme (ALGPEP)** report. As a result we will be making some policy and practices changes and recording some new data to assist our human resource practices. Department Managers are working on operational improvement areas with their teams.

7.4 We are currently at various stages of recruiting for a:

- Team Leader – Building Consents (replacement)
- Team Leader – Land Use Consents (replacement)
- Consent Planner – Land Use 12 Months fixed term (replacement)
- Consent Planner – Subdivision (replacement)
- Executive Assistant to Mayor (replacement)
- Harbour Manager – Port Tarkohe (replacement)
- Environmental Monitoring Officer (replacement)
- Senior Transportation Engineer (replacement)
- Management Accountant 12 Months fixed term (replacement)
- Administration Officer – Reserves & Facilities 12 months fixed term (new position)
- Human Resources Advisors x 2 (1 replacement fixed term 12 months parental leave, 1 new position)
- Quality Assurance Officer (replacement)
- Partnerships & Education Officer (replacement)
- Online Communications Officer (new position)
- Team Leader – Customer Services Motueka (replacement)
- Technical Officer – Transportation (replacement)

Since my last report 4 appointments have been made:

- Building Technical Officers x 3 (replacements)
- Reserves & Facilities Manager (replacement)

7.4 Liz Sinclair's brief to carry out a **Capability and Capacity Review** of the organisation has been completed. She is just finalising her advice and recommendations with us and we have begun work on a road map setting out our priorities for action.

8. Relationship Management

8.1 I had the following meetings and commitments over the period since Council's last meeting:

- attended several Long Term Plan community meetings and presentations;
- visited the area most affected by the post Gita storm with the Mayor, staff and contractors;
- met Fulton Hogan board of directors and senior management at their recent Nelson stakeholder function;
- attended Wakatu Incorporation's 40th anniversary stakeholders and owners event at Te Papa;
- met Frank Hippolite to review Council's service arrangements with Tiakina Te Taiao;
- visited Nelmac CEO for discussion on contact performance and arrangements, business interests and health and safety;

- met with Mark Rawson NRDA to discuss report on Provincial Growth Fund and Regional Economic Development Strategy;
- had a regular catch up with Pat Dougherty on common issues – staffing and structures, joint services, storm, event recovery, Waimea Project, the NRSBU governance and operational arrangements;
- met Contractor’s Federation representatives to discuss council procurement approach, market conditions, gravel resources, storm event recovery work and awards sponsorship.

9 Council Action Sheet

9.1 The Action Sheet is attached for your information and review.

8 Attachments

1.	LGNZ Remit Process 2018	273
2.	Council Action Sheet as at 5 April 2018	277

MEMORANDUM

**We are.
LGNZ.**

Date: 6 March 2018
To: Mayors, Chairs and Chief Executives
From: Malcolm Alexander, Chief Executive, Local Government New Zealand
Subject: 2018 Annual General Meeting Remit Process

We invite member authorities wishing to submit proposed remits for consideration at the Local Government New Zealand Annual General Meeting (AGM) to be held on **Sunday 15 July 2018** in Christchurch, to do so no later than **5pm, Monday 21 May 2018**. Notice is being provided now to allow members of zones and sectors to gain the required support necessary for their remit (see point 3 below). The supporting councils do not have to come from the proposing council's zone or sector.

Proposed remits should be sent with the attached form. The full remit policy can be downloaded from the [LGNZ website](#).

Remit policy

Proposed remits, other than those relating to the internal governance and constitution of Local Government New Zealand, should address only major strategic "issues of the moment". They should have a national focus articulating a major interest or concern at the national political level.

The criteria for considering remits were reviewed in March 1999 and National Council adopted the following Remits Screening Policy:

1. Remits must be relevant to local government as a whole rather than exclusively relevant to a single zone or sector group or an individual council;
2. Remits should be of a major policy nature (constitutional and substantive policy) rather than matters that can be dealt with by administrative action;
3. Remits must have formal support from at least one zone or sector group meeting, or five councils, prior to their being submitted, in order for the proposer to assess support and clarity of the proposal;
4. Remits defeated at the AGM in two successive years will not be permitted to go forward;
5. Remits will be assessed to determine whether the matters raised can be actioned by alternative, and equally valid, means to achieve the desired outcome;
6. Remits that deal with issues or matters currently being actioned by Local Government New Zealand may also be declined on the grounds that the matters raised are "in-hand". This does not include remits that deal with the same issue but from a different point of view; and
7. Remits must be accompanied by background information and research to show that the matter warrants consideration by delegates. Such background should demonstrate the:
 - nature of the issue;
 - background to it being raised;

MEMORANDUM



- issue's relationship, if any, to the current Local Government New Zealand Business Plan and its objectives;
- level of work, if any, already undertaken on the issue by the proposer, and outcomes to date;
- resolution, outcome and comments of any zone or sector meetings which have discussed the issue; and
- suggested actions that could be taken by Local Government New Zealand should the remit be adopted.

Remit process

Local Government New Zealand will take the following steps to finalise remits for the 2017 AGM:

- all proposed remits and accompanying information must be forwarded to Local Government New Zealand no later than **5pm, Monday 21 May 2018**, to allow time for the remits committee to properly assess remits;
- a remit screening committee (comprising the President, Vice President and Chief Executive) will review and assess proposed remits against the criteria described in the above policy;
- prior to their assessment meeting, the remit screening committee will receive analysis from the Local Government New Zealand staff on each remit assessing each remit against the criteria outlined in the above policy;
- proposed remits that fail to meet specified criteria will be informed as soon as practicable of the committee's decision, alternative actions available, and the reasons behind the decision;
- proposers whose remits meet the criteria will be contacted as soon as practicable to arrange the logistics of presenting the remit to the AGM; and
- all accepted remits will be posted to the Local Government New Zealand website at least one month prior to the AGM.

To ensure quality preparation for members' consideration at the AGM, the committee will not consider or take forward proposed remits that do not meet this policy, or are received after **5pm, Monday 21 May 2018**.

General

Remits discussed at the AGM will be presented in the AGM Business Papers that will be distributed to delegates not later than two weeks before the AGM, as required by the Rules.

Should you require further clarification of the requirements regarding the remit process please contact Leanne Brockelbank on 04 924 1212 or leanne.brockelbank@lgnz.co.nz.

**We are.
LGNZ.**

Annual General Meeting 2018

Remit application

Council Proposing Remit:	
Contact Name:	
Phone:	
Email:	
Fax:	
Remit passed by: (Zone/Sector meeting and/or list five councils as per policy)	
Remit:	

Background information and research:

Please attach separately and include:

- nature of the issue;
- background to its being raised;
- new or confirming existing policy;
- how the issue relates to objectives in the current Work Programme;
- what work or action on the issue has been done on it, and the outcome;
- any existing relevant legislation, policy or practice;
- outcome of any prior discussion at a Zone or Sector meeting;
- evidence of support from Zone/Sector meeting or five councils; and
- suggested course of action envisaged.

Please forward to: Local Government New Zealand
Leanne Brockelbank, Deputy Chief Executive Operations
PO Box 1214, Wellington 6140
leanne.brockelbank@lgnz.co.nz

No later than 5pm, Monday 21 May 2018.

Item 8.14

Attachment 1

Action Sheet – Full Council as at 5 April 2018

Item	Action Required	Responsibility	Completion Date/Status
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	A report to Council will go to their meeting May 2018.
Meeting Date 7 September 2017			
Proposal to Stop Unformed Road – Rainbow Community Golden Bay	Refer proposal to the Environment Court	Senior Property Officer	<p>Council's lawyers have undertaken a site visit and discussed with the Rainbow Community the process to be undertaken.</p> <p>The Rainbow Community will need to agree to cover costs before the matter can be lodged with the Environment Court. The project is moving forward, albeit slowly, due to the complexity of the Environment Court process.</p>

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 19 October 2017			
Grant of Easement to Network Tasman Limited at River View Campground	<p>The Chief Executive under took to discuss the undergrounding of services with Network Tasman.</p> <p>Give effect to the resolution to grant a perpetual easement to Network Tasman Limited at River View Campground for proposed electricity infrastructure.</p>	<p>Chief Executive</p> <p>Property Officer</p>	<p>Completed.</p> <p>TDC will be asked to sign papers in due course, but for the time being the matter is with Network Tasman to progress.</p>
Meeting Date 14 December 2017			
Reserve Management Plans (RCN17-12-02)	Include budget of \$70,000 for the implementation of Freedom Camping Bylaw.	Senior Management Accountant	Only an additional \$10,000 will be required for this budget – an amendment to this effect will be by way of a staff report to the Long Term Plan.
Mayor and Chief Executive Activity Report (RCN17-12-16)	Conclude an agreement on the purchase of the joint venture partner's 80% interest in the Howard Forest Joint Venture on the terms recommended by the Commercial Committee and confirmed by Council.	Property Services Manager / Commercial Portfolio Manager	<p>Joint Venture partner wishes to negotiate the price.</p> <p>Awaiting meeting to discuss this – anticipating this will take place within the next two months.</p>

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 22 February 2018			
Waimea Community Dam Consultation Document - Statement of Proposal for Governance and Funding Arrangements report (RCN18-02-01)	<p>Staff to notify submitters of the outcome of Council's 1 & 2 February 2018 decision on the Dam, including the reasons as outlined in section 4.12 of the report;</p> <p>Staff to release a question and answer sheet to submitters on the technical matters about the Dam project as discussed at the deliberations.</p>	Chief Executive/ Strategic Policy Manager	Staff are finalising the Q&As and anticipate sending out the letters to submitter's week of 26 March 2018.
Schedule of Charges 2018/2019 (RCN18-02-02)	Publicly notify the Statement of Proposal for the Schedule of Charges on the Tasman District Council website, in publications of Newline and provide copies to Council offices and libraries.	Strategic Policy Manager	Completed and notified with LTP. Currently out for submissions until 5 April 2018.
Long Term Plan 2018-2028 Consultation Document, Supporting Information and Concurrent Consultation (RCN18-02-03)	On or before 1 March 2018, make publicly available the Long Term Plan 2018-2028 Consultation Document, supporting information and associated documentation referred to in the resolution CN18-02-6	Strategic Policy Manager	Completed. Currently out for submissions until 5 April 2018.
Amendment of Tasman District Council Standing Orders to enable Youth Council Representative attendance at Council Standing Committee Meetings	<p>Amend the Standing Orders of Council's Standing Committees (Environment and Policy, Community Development and Engineering Committees) in accordance with resolution CN18-02-12</p> <p>Investigate process of amending Council's standing orders.</p>	<p>Governance Advisor</p> <p>Chief Executive/ Governance Advisor</p>	<p>Underway.</p> <p>Included in Chief Executive's Activity Report. Completed.</p>

Item	Action Required	Responsibility	Completion Date/Status
Traffic Control Bylaw – proposed parking control changes (RCN18-02-09)	Effect the amendments approved in resolution CN18-02-14 and publicly advertise the amended Bylaw.	Transportation Manager – Engineering Services	
Chief Executive's Activity Report	Provide information on Council's contributions to Nelson based activities.	Chief Executive	Included in Activity Report for meeting 5 April 2018. Completed.

8.15 MAYOR'S ACTIVITY REPORT TO FULL COUNCIL**Decision Required**

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Richard Kempthorne, Mayor
Report Number:	RCN18-04-16

1. Summary

- 1.1. The attached report is a commentary of the Mayor's activities for the months of February and March 2018 for Councillors' information.

2. Draft Resolution

That the Tasman District Council

- 1) receives the Mayor's Activity Report to Full Council RCN18-04-16; and**
- 2) supports the request for Mayor Kempthorne to travel to Kiyosato, Japan to attend the 120th anniversary celebration of Kiyosato township and the 30th anniversary celebration and renewal of the Friendly Towns Agreement between Motueka and Kiyosato.**

1 Activities

- 1.1 On 7 February I attended a Cawthron Foundation Meeting.
- 1.2 I invited members from the New Zealand Transport Agency (NZTA), NZ Police, Hon Damien O'Connor and Hon Dr Nick Smith to a meeting on 8 February to discuss safety on our State Highways, considering the increase in accidents involving death or serious harm and in particular to review SH60.
- 1.3 I attended the Local Government New Zealand (LGNZ) National Council meetings in Wellington on 12 February and 23 March.
- 1.4 On 12 February, I Chaired a meeting regarding Motueka roading. Those invited included council engineering staff and NZTA Officers, NZ Police, Motueka ward Councillors and Community Board members.
- 1.5 I officiated at the Saxton Velodrome Official Opening on 13 February.
- 1.6 Along with other members of the Regional Sector, I met with Hon Damien O'Connor and Hon David Parker in Wellington on 15 February.
- 1.7 I met with Mayor Masaaki Kushibiki and a delegation from Kyosato in Japan to discuss the renewal of the Friendly Towns Agreement between Motueka and Kiyosato. This item is further explained in 2.6 below.
- 1.8 I attended a meeting of the LGNZ Policy Advisory Group, which I Chair, in Wellington on 26 February.
- 1.9 Lindsay and I had the opportunity on 27 February of assessing the areas on the eastern side of the Takaka Hill to view first-hand the impacts of Cyclone Gita.
- 1.10 I officiated at a Citizenship Ceremony at the Headingly Centre on 28 February. There has been a significant increase in Tasman District residents becoming NZ citizens. The last ceremony saw over 50 people becoming permanent citizens of New Zealand.
- 1.11 I attended a meeting with members of the Marahau Residents Association - John Ayling and Chris Rutledge, joined by the Managers of Engineering Services and the Environment and Planning department.
- 1.12 I presented the Long Term Plan 2018-2028 to Rotary Club members, with support from Councillors and council staff.
- 1.13 I attended a Top of the South Rural Support Trust Post Flood Meeting with rural landowners, to discuss the significant impacts they have suffered and explore measures that can be taken to assist them. This meeting was held in Riwaka on 7 March.
- 1.14 I met with Minister Kelvin Davis on 8 March to discuss the matter of Freedom Camping.
- 1.15 I attended the Rural and Provincial Sector Meeting with Community Development Manager Susan Edwards in Wellington on 8 and 9 March.
- 1.16 I briefly attended the Land and Water Forum Small Group meeting on 9 March.
- 1.17 I met with Minister David Parker to discuss the health of Tasman's rivers and the process we are undergoing in considering the proposed Waimea Community Dam. We also discussed the government grants of \$20,000 from the Ministry of Civil Defence and \$80,000 from the

Ministry of Business Innovation and Employment intended to assist our community following Cyclones Fehi and Gita.

- 1.18 I attended the National Science Technology Roadshow while it was in Richmond and happened to be there at the same time as our grand-daughter Eva, so I enjoyed being able to join in the fun.
- 1.19 I attended, spoke at and cut the ribbon for the Relay for Life function at Trafalgar Park on 17 March.
- 1.20 I attended and spoke at the unveiling of a plaque in Webby Way by the Richmond library, including a family reunion of the Webby family on 18 March.
- 1.21 I welcomed the adults and students from Fujimi Machi in Japan with their annual student exchange and visit to Waimea College.
- 1.22 I also welcomed competitors in the Teneli National Triathletics challenge at Rabbit Island on 18 March.
- 1.23 I met with Superintendent Johnson, District Commander of Police and discussed various matters regarding policing in Tasman District.
- 1.24 I joined Councillors and staff at the Motueka Community Board Long Term Plan 2018-2028 consultation in Motueka on 20 March.
- 1.25 Lindsay and I attended a meeting with Ngati Koata in Nelson on 21 March.
- 1.26 Lindsay and I also attended the Wakatu Inc 40th Anniversary Celebration on 23 March.
- 1.27 I attended the Sport Tasman Hui in Cable Bay on 23 March.
- 1.28 I attended the launch of George Bryant's book, Agents of Change in Nelson on 27 March.

2 Other

Local Government Commission Interest in Shared Services in Nelson Tasman

- 2.1 Councillors will recall that the Mayors and Chief Executives of both Tasman and Nelson met recently with Dr Suzanne Doig, Chief Executive of the Local Government Commission. We explored with her whether the commission would be comfortable in providing facilitation of discussions between both councils around the optimisation of shared services agreements, including consideration for jointly managing water supplies for our communities.
- 2.2 The commission has replied to us stating they would be interested in facilitating these conversations and I have asked Lindsay if he could progress with the Chief Executive and Nelson City Council. We can expect further developments on this in the near future.

Local Government New Zealand (LGNZ) Remit

- 2.3 Councillors will have noted that I met with officers our Engineering Services Department, NZTA, NZ Police and Nan Ward from Nick Smith's office to discuss safety on our roads in particular, on SH60.
- 2.4 We considered factors that may be contributing to the significant increase in accidents causing death or serious harm on our roads. These accidents have a massive impact on the families and friends of those involved. It was noted that there has been a significant increase in traffic on our roads over recent years. It is also of note that one factor that stands out is

the influence of alcohol and drugs in these accidents. While testing for alcohol is standard practice in such events, testing for drugs is not. It seems to me that one action that could help somewhat is mandatory drug testing following these serious accidents in order to reduce these unwanted impacts. A change of legislation is required for this to occur and also some work to ensure appropriate and affordable testing is available.

- 2.5 I would like to canvass support from Council for me to take this through to this year's LGNZ Conference as a remit. I would appreciate discussing this at this Council meeting and gathering views of Councillors before I proceed further.

Renewal of Friendly Towns Agreement with Kiyosato

- 2.6 This year will mark the 30th anniversary of the signing of a Friendly Towns Agreement between Motueka in Tasman District and Kiyosato in Japan. It is also the 120th anniversary of the founding of Kiyosato Township. I have been invited to join the Mayor and Council of Kiyosato on 2 September 2018 as they celebrate the 120th anniversary and the renewal of the Friendly Towns agreement.
- 2.7 I met with Mayor Masaaki Kushibiki, Councillor and Chair of the Kiyosato International Committee Makato Tanaka and Kiyosato town office staff member Yuriko Umemura on 19 February 2018, after they flew to Tasman District to invite me to join them in Kiyosato for these events. I am seeking support from Council to fund my return travel and accommodation for this event, in order for me to renew the Friendly Towns agreement on behalf of the Tasman District Council and the Motueka community.
- 2.8 I am in discussions with the Motueka Kiyosato Friendly Town Committee to consider whether Council should support any other attendees from Motueka to this event.
- 2.9 Initial research indicates that the approximate costs of return economy flights between Nelson and Japan for September would be \$2500NZD. The approximate costs of accommodation are \$100NZD per night.

Disaster Relief Fund Grants

- 2.10 Councillors will be aware that the two Mayoral Disaster Relief Grant Funds are now open for applications. The two funds are comprised of \$20,000 funding from the Ministry of Civil Defence Emergency Management (MCDEM) and \$80,000 funding from the Ministry of Business and Innovation (MBIE). I also contributed the balance of my Mayor's Discretionary Fund, which was \$6000. The funds have been used to establish two types of grant; one for business recovery and one for personal hardship. The total funds available have been split \$83,000 to business recovery and \$23,000 to personal hardships.
- 2.11 These funds were the outcome of several conversations and meetings I had with Members of Parliament, including Hon Kris Faafoi, Hon Damien O'Connor, Hon David Parker, Hon Shane Jones and Hon Kelvin Davis. I have attached two letters that I wrote to Ministers requesting financial support for our district.

Appendices

- | | | |
|----|--|-----|
| 1. | Letter to Minister Faafoi - Advocacy for Golden Bay | 285 |
| 2. | Letter to Minister Faafoi - Tasman District Disaster Relief Fund | 289 |



Office of the Mayor

Email mayor@tasman.govt.nz
Phone 03 543 8444



Friendly Towns
Motueka and Kiyosato, Hokkaido Japan
Richmond and Fujimi, Nagano Japan
Takaka and Grootegast, The Netherlands

7 March 2018

File: C785

Hon Kris Faafoi
Minister for Civil Defence
C/- Kris.Faafoi@parliament.govt.nz

Dear Minister Faafoi

Impacts to Golden Bay Business Community Post Cyclone Gita

I am writing to you in your capacity as Minister for Civil Defence. I am giving my full backing for the assistance needed to support all of the businesses in the Golden Bay community and I ask that you do everything in your power to provide a financial support package for these businesses.

You are of course aware that Golden Bay (the Bay) has been heavily impacted by Cyclone Gita with severe damage sustained to SH60 over Takaka Hill, the only road in and out of the Bay. As a direct result of the limited access to the Bay, there has been a significant impact to tourism that has affected businesses in the wider Golden Bay community.

The visitor industry is at what would ordinarily be one of its busiest times of the year, and the severe disruption of SH60 over Takaka Hill is causing intense hardship for the people of Golden Bay, including business owners, staff and suppliers. There are alternative air and sea access routes, but they are very limited and will not be able to pick up much capacity. Due to the nature of the access road impacts, the 'many-months' NZTA estimate it will take to get back to normal and the very high level of seasonality experienced in the Bay, the impacts of this event will be felt long-term by the Bay and its residents.

I ask that Government provide an economic support package that can assist the businesses to get through the winter and enable them to be prepared for business next summer.

Golden Bay and the wider Nelson Tasman community relies heavily on tourism for our economic prosperity. Mark Rawson, Chief Executive of the Nelson Regional Development Agency has been heavily involved in liaising with Business Owners in Golden Bay and I have included on the following pages excerpts from a report prepared by Mark on the impacts felt by Golden Bay.

Tasman District Council
Email info@tasman.govt.nz
Website www.tasman.govt.nz
24 hour assistance

Richmond
189 Queen Street
Private Bag 4
Richmond 7050
New Zealand
Phone 03 543 8400
Fax 03 543 9524

Murchison
92 Fairfax Street
Murchison 7007
New Zealand
Phone 03 523 1013
Fax 03 523 1012

Motueka
7 Hickmott Place
PO Box 123
Motueka 7143
New Zealand
Phone 03 528 2022
Fax 03 528 9751

Takaka
14 Junction Street
PO Box 74
Takaka 7142
New Zealand
Phone 03 525 0020
Fax 03 525 9972

I would like the opportunity to discuss an economic support package for Golden Bay with you as a matter of urgency and have asked my Executive Assistant to make contact with your office to arrange this.

Yours sincerely



Richard Kempthorne
Mayor of Tasman District

Richard.kempthorne@tasman.govt.nz
027 223 4000

Copied to:

Hon David Parker, Minister for Economic Development
Hon Shane Jones, Minister for Regional Economic Development
Hon Damien O'Connor, Minister for Rural Communities
Hon Kelvin Davis, Minister for Tourism

C:\Users\hannahs\Desktop\Hon Kris Fafoi - Golden Bay Advocacy 2018-03-07.docx

The Current Situation in Golden Bay

The Golden Bay Promotions team have undertaken a survey of members and the following are the results as at 7am on 6 March 2018 (Gita Economic Impact Survey Results, percentages are rounded).

- According to NRDA statistics, tourism accounts for approximately 20% of the Golden Bay economy.
- There have been 74 Responses to date, 73 of which own or operate a business in Golden Bay.
- The three main reasons the Takaka Hill is vital to Golden Bay businesses are:
 - 87% of businesses surveyed have customers that drive to Golden Bay.
 - 54% rely on goods/supplies from over the hill.
 - 13% perform services outside of Golden Bay.
- Compared to the period 21 February - 5 March 2017, the financial impact of Takaka Hill closure on each business is as follows:
 - 19% saw a decrease from 26-50%
 - 51% saw a decrease from 51-100%
 - 1 business has shut up shop.
- The anticipated impact should Takaka Hill remain similar to its current state through to the end of April (now known to be much longer):
 - 21% say will decrease 26-50%
 - 52% say will decrease 51-100%
- Employment effect:
 - 51% say they have reduced hours or laid off employees, the majority 1-3 employees with up to 10.
- We are currently ascertaining the insurance situation.
- Key Nelson/Motueka i-SITE visitor insight:

We are encouraging all customers to go if they want to explore Golden Bay. However, the reality of road challenges is putting most customers off. There is a real feeling of risk of being stuck and many tourists feel they have other options. For example:

- DOC have refunded \$30,000 for disruption of travel to access Heaphy & Abel Tasman Great Walks.
- i-SITE bookings in Golden Bay Region are 37% down on same time period last year.

Key Issues facing the Golden Bay Community

- There is potential for a long-term devastating economic and social impact for the community due to the loss of the access road. The access road is the key lifeline for the community and it is going to take many-months to be restored to business as usual, assuming no additional weather events.
- The meeting agreed it is essential that the road opening hours be extended, that the Easter and school holidays period are particularly critical and that there is better communications around the current status and future plans with the road to enable the businesses and wider community to plan ahead.
- The current road access situation is an immediate issue for the tourism, retail and transport sectors, but there are inevitable impacts on the wider economy and community. These are starting to be seen through a number of the flow-on effects eg: cost and backlog of freight.
- The Golden Bay business community have asked Tasman District Council and central government to take all possible steps to support the community in the short and longer term to restore the lifeline of the road and to protect and restore the economic and social wellbeing of the community.
- They also asked the Government to provide a summary of the key support agencies and how that support can be accessed for this community and for others who face this situation in the future.



Office of the Mayor

Email mayor@tasman.govt.nz
Phone 03 543 8444



tasman
district council

Friendly Towns
Motueka and Kjosato, Hokkaido Japan
Richmond and Fujimi, Nagano Japan
Takaka and Grootegast, The Netherlands

10 March 2018

File: C795

Hon Kris Faafoi
Minister for Civil Defence
C/- Kris.Faafoi@parliament.govt.nz

Dear Minister Faafoi

Tasman District Disaster Relief Fund

I wrote to you recently requesting that Government consider an economic support package for businesses in Golden Bay that are severely impacted by Cyclone Gita. You will be aware that settlements in Tasman District are also still recovering from coastal inundation following Cyclone Fehi two weeks earlier, Ruby Bay in particular.

It has become apparent that property owners on the eastern side of Takaka Hill in Marahau, Riwaka Valley, Brooklyn Valley and Motueka West Bank have been severely affected by flooding and an enormous amount of silt and debris that has come down off Takaka Hill and been deposited on their properties. This is posing significant challenges for them in restoring their homes to a liveable standard. Some are very stressed and struggling with what they need to do and how to fund restoration of their properties. Property owners in Ruby Bay are struggling with similar concerns following coastal inundation due to Cyclone Fehi.

The Ministry of Civil Defence Emergency Management (MCDEM) will have copies of the situation reports, which will give a very clear indication of the level of damage and the challenges being faced by property owners as a result of Cyclone Gita. I am also happy to provide any additional information in support of this request. We know that there are eight red zoned houses and fourteen yellow stickered houses under the CDEM Act, with fourteen S. 124's having been issued under the Building Act relating to Cyclone Gita.

The property damage has been predominantly caused by the extremely heavy rainfall over the Takaka Hill area, which is formed on separation point granite. Once separation point granite is fully saturated, if heavy rain continues this geological formation can slip. This is exactly what happened in this case, with torrential rain causing massive slips and significant damage. This caused extensive flooding, filled with the debris of separation point granite encompassing forestry slash, native bush and grass pasture. This combination was deposited on a large area of land, both farming, reserves and residential properties. We have highly stressed people, trying to get their properties back to an inhabitable state and limited resources with which to assist them.

Tasman District Council
Email info@tasman.govt.nz
Website www.tasman.govt.nz
24 hour assistance

Richmond
189 Queen Street
Private Bag 4
Richmond 7050
New Zealand
Phone 03 543 8400
Fax 03 543 9524

Murchison
92 Fairfax Street
Murchison 7007
New Zealand
Phone 03 523 1013
Fax 03 523 1012

Motueka
7 Hickmott Place
PO Box 123
Motueka 7143
New Zealand
Phone 03 528 2022
Fax 03 528 9751

Takaka
14 Junction Street
PO Box 74
Takaka 7142
New Zealand
Phone 03 525 0020
Fax 03 525 9972

Following Cyclone Fehi, there were five red stickered houses and four yellow stickered houses as a result of coastal inundation and flooding.

Central Government Contribution

Tasman District Council is reactivating our Disaster Relief Fund to help residents affected by flooding and property inundation. We will be opening the fund for public donations. I am also making a contribution from my Mayor's Discretionary Fund. I will also be requesting Council to support additional funding.

Tasman District Council will be spending millions of dollars in restoring our roads, streams and bridges to their previous state. It is therefore very challenging for us to give financial assistance to private property owners.

Council is seeking an initial contribution of \$50,000 from central Government to assist Tasman District residents with their immediate needs. It is apparent that the cost of heavy equipment needed to give meaningful assistance is very likely to be inadequate. The money will be used to provide one off hardship grants to residents, to cover such things as the essentials for daily life (food, utilities and accommodation) that are not already covered by other support. We will be also seeking to provide assistance to remediate damage caused by this event to land used primarily for residential purposes.

Payments will be at my discretion and guidelines will be developed to prioritise available funds on the basis of greatest need. I am very happy to work with the Ministry (MCDEM) in developing these guidelines.

I appreciate the assistance that has been given to our Council, our ratepayers and myself by members from various Ministries. I also appreciate the support that has been given by Prime Minister Ardern, Minister Damien O'Connor and yourself. I have particularly appreciated your assistance and that of your office.

Council and I look forward to your response at your earliest convenience.

Yours sincerely



Richard Kempthorne
Mayor of Tasman District

Richard.kempthorne@tasman.govt.nz
027 223 4000

G:\Mayor\Correspondence - Mayor\Outgoing 2018\Hon Kris Faafoi - Tasman District Disaster Relief Fund 2018-03-07.docx

8.16 MACHINERY RESOLUTIONS REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	5 April 2018
Report Author:	Rhian Williams, Administration Assistant - Governance
Report Number:	RCN18-04-17

EXECUTIVE SUMMARY

The execution of the following documents under Council Seal require confirmation by Council.

RECOMMENDATION/S

That the report be received and that the execution of the documents under the Seal of Council be confirmed.

DRAFT RESOLUTION

That the Tasman District Council

1. **Receives the Machinery Resolutions report RCN18-04-17 and that the execution of the following documents under the Seal of Council be confirmed:**

Dead of Lease – Lease renewal – Waimea Berm Land for grazing (Eden’s Road Fruit Limited) Property file 53320

Plan Change Approval Certificate under RMA1991- Approval and Commencement of Change 63 (Waimea Water Transition Management) and Change 65 (Wakefield Strategic Review) to the Tasman Resource Management plan to be included in the next update planned for April 7 2018.

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 Appointment of Chief Executive Officer to Tasman District Council

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 Richmond Aquatic Centre Lane Pool Retiling

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

MINUTES
of the
FULL COUNCIL MEETING
held
9.30 am, Thursday, 22 February 2018
at
Tasman Council Chamber, 189 Queen Street, Richmond

- Present:** Mayor R Kempthorne, Councillors T King, S Bryant, P Canton, M Greening, K Maling, D Wensley, D McNamara, A Turley, S Brown, D Ogilvie, T Tuffnell, P Hawkes, P Sangster (by Audio Link – Takaka Service Centre)
- In Attendance:** Chief Executive (L McKenzie), Executive Assistant (K Redgrove), Corporate Services Manager (M Drummond), Community Development Manager (S Edwards), Environment and Planning Manager (D Bush-King)
- Part Attendance:** Engineering Services Manager (R Kirby), Principal Legal Advisor (S Taylor), Strategic Policy Manager (S Flood), Finance Manager (R Holden), Revenue Accountant, (K Kivimaa-Schouten), Online Communications Officer (B Catley), Utilities Manager (M Schruer), Senior Policy Advisor (A Bywater), Policy Officer (S Hartley), Policy Advisor (A Gerraty), Activity Planning Manager (D Fletcher), Senior Policy Advisor (B Wayman), Transportation Manager (J McPherson), Technical Officer – Transportation (K Hobday), Information Services Manager (P Darlington), Programme Delivery Manager (R McGuigan), Administration Assistant - Governance (R Williams), Human Resources Manager (J Cranness), Interim Project Director – Waimea Water (A Nelson)

1 OPENING, WELCOME

The Mayor opened the meeting and explained that Cr Sangster was currently sited at the Takaka Service Centre, since there was no vehicular access through from Golden Bay following the recent storm event. Consequently, he had approved Cr Sangster's attendance at this meeting via audio-link, in accordance with Standing Order 12.11.

During the course of the meeting Cr Sangster was able to take an active part in discussions and voting via audio-link. Documents and amendments tabled were read out to Cr Sangster and/or copies of relevant documents were e-mailed to him contemporaneously by the Committee Advisor.

2 APOLOGIES AND LEAVE OF ABSENCE

Nil.

3 PUBLIC FORUM

Mr Devon Gallagher

Mr Gallagher from Ruby Bay spoke about the Tate Subdivision and the legacy issues that needed to be resolved. He referred to the draft Coastal Activity Management Plan (CAMP) and spoke about coastal structures that he considered should be there to deal with a consistent hazard. He considered the Broadsea Wall was not a sufficient coastal defence and needs to be reconstructed. He expressed a hope that landowners and Council can combine resources to protect common and individual assets around Ruby Bay. He called for an expansion of the CAMP to reflect this.

Mr Murray Dawson

Mr Dawson acknowledged that the Council and particularly the Mayor had been busy over the last few weeks with the recent storm events and Civil Defence operations.

He referred to the comments made at a recent Council meeting by Councillors confirming their support of democracy. He referred to the response to the consultation and was critical of the way in which the proposed Waimea Dam project is to be funded. He considered there were discrepancies and misleading information put forward by the consultant experts that should not be ignored.

Mr Maxwell Clark

Mr Clark was critical of the Council for having failed to provide sandbags to those in the District ahead of the ex tropical cyclone Gita.

He also referred to the experts who spoke at the recent Council Deliberations meeting to consider submissions to the proposed Waimea Dam Statement of Proposal (SOP). He did not believe the solution offered by the proposed Waimea Dam was a good investment. He believed there was a lack of willingness of the consultant experts to confirm the real facts of the project to Council and believed a number of questions raised by Councillors had been ignored.

Mr Ron Sharplin

Mr Sharplin read a prepared statement relating to the proposed Waimea Community Dam. He called for a referendum on the decision to build the Dam. He confirmed he was an opponent to the project. He reminded Councillors of their obligation to assess a decision in accordance with their Significance and Engagement policy. He surmised that the decision is one of 'high significance'. He contended the consultation processes are invalid. He believed that Council was acting ultra vires of their own policies. He concluded by emphasising there should be a referendum called for this decision.

4 DECLARATIONS OF INTEREST

Cr Canton declared an interest in item 8.9 as he owns a property situated opposite an area which will be affected by the proposed amendments to the bylaw.

Cr McNamara also declared an interest in item 8.9 although did not specify what this was.

5 LATE ITEMS

Nil.

6 CONFIRMATION OF MINUTES

Cr Wensley – page 4 – freedom camping bylaw – proposed amendment 3rd para –

Aside from the amendments that were noted in the unconfirmed minutes included with the Agenda, a further amendment was requested to page 4, item 8.1 'Proposed Freedom Camping 2017' which read:

“An amendment was suggested to the recommended resolution to include Taupata Gravel Reserve in Schedule 1 but the motion was not supported by a seconder.”

This was amended to read:

“An amendment was suggested by Cr Wensley to the recommended resolution to include Taupata Gravel Reserve in Schedule 1 but the motion was not supported by a seconder.”

**Moved Cr Wensley/Cr Brown
CN18-02-2**

That the minutes of the Full Council meeting held on 14 December 2017, as amended, be confirmed as a true and correct record of the meeting.

CARRIED

**Moved Cr Wensley/Cr Brown
CN18-02-3**

That the minutes of the Full Council meeting held on 1 and 2 February 2018, be confirmed as a true and correct record of the meeting.

CARRIED

7 DEPUTATIONS (PRESENTATIONS)

Nil.

8 REPORTS

8.1 Decision on Waimea Community Dam Consultation Document -Statement of Proposal (SOP) for Governance and Funding Arrangements

The Strategic Policy Manager spoke to the report. She explained the key obligations for consideration under the Local Government Act.

The Corporate Services Manager explained the mechanical part of the process of setting up the Council Controlled Organisation (CCO) for the governance of the proposed Waimea Community Dam project, should it proceed. He confirmed the process of incorporating a company was not an expensive one. A 'shell company' can be formed ahead of any decision and would provide the lead time required in readiness for financial close.

The Chief Executive clarified that approval was not being sought to set up the CCO but that it was

important that the draft resolution wording aligned with the Local Government Act (LGA) and what the SOP anticipated. He referred to the 'Decision Tree' that was tabled at the meeting (*a copy will be retained with minutes*) which showed the decision path for the future. He stated that no other action in relation to the forming of the CCO would be undertaken until after 5 April 2018 report to Council when the outcome of WIL's share capital raising was known.

The timeline for decision-making was discussed. There were difficulties in providing specific dates for each step but the report back on the proposal to form a CCO will come back to Council at their meeting on 5 April 2018. There would also be an update on the attachment of a hydro plant to the dam.

In response to a suggestion there was not enough work carried out on the cost benefit for the project Chief Executive explained the work that had been done. He said that if the resolution was defeated, a CCO could not be formed unless there was a further round of consultation.

The meeting referred to river flows in relation to the National Policy Statement (NPS) on Freshwater Management. The Environment and Planning Manager clarified the likely implications of water flow on a 'with dam' and 'without dam' scenario.

It was suggested that the deliberations process was not a sound one. The Chief Executive responded that the minutes showed that there was a detailed consideration of the issues topic by topic and that amounted to 'deliberations' and complied with the Council's statutory obligation. He reassured Councillors that they were still following a process and a binding decision on whether to build the proposed Waimea Community Dam has yet to be made.

An amendment to the draft resolution was put.

Moved Cr Greening/Cr Canton

That the Full Council

1. receives the Decision on Waimea Community Dam Consultation Document - Statement of Proposal for Governance and Funding Arrangements report RCN18-02-01; and
2. approves the use of, and becoming a shareholder in a Council Controlled Organisation that was proposed in the Consultation Document (SOP) for the Waimea Community Dam, subject to:
 - (a) a formal decision to proceed with the Waimea Community Dam; and
 - (b) Waimea Irrigators Limited (WIL) raising the necessary capital and a tender price for the construction of the Dam being agreed by Council; and
3. instructs staff to notify submitters of the outcome of Council's 1 & 2 February 2018 decision on the Dam, including the reasons as outlined in section 4.12 of this report; and
4. instructs staff to release a question and answer sheet to submitters on the technical matters about the Dam project as discussed at the deliberations.

On a show of hands 6 were in favour, 7 against.

LOST

The Chief Executive considered that if the resolution was not supported then the entire process

will be unravelled and the project would potentially be at an end. He confirmed there was some complication in the changing of the wording in relation to the tender process. He said that, before any significant resource is committed to the project and the formation of the CCO, the outcome of WIL's capital raising would need to be known and a higher level of certainty achieved about the tender price.

On a right of reply, Cr Bryant explained the decision would allow Council to continue the preparatory work in readiness for a positive decision on the proposed Waimea Community Dam, should that be achieved.

**Moved Bryant/Cr Tuffnell
CN18-02-4**

That the Full Council

1. receives the Decision on Waimea Community Dam Consultation Document - Statement of Proposal for Governance and Funding Arrangements report RCN18-02-01; and
2. approves the use of, and becoming a shareholder in, the Council Controlled Organisation that was proposed in the Consultation Document (SOP) for the Waimea Community Dam, with its formal establishment and formation being subject to Waimea Irrigators Limited raising the necessary capital and a tender price for the construction of the Dam being agreed by Council; and
3. instructs staff to notify submitters of the outcome of Council's 1 & 2 February 2018 decision on the Dam, including the reasons as outlined in section 4.12 of this report; and
4. instructs staff to release a question and answer sheet to submitters on the technical matters about the Dam project as discussed at the deliberations.

Cr McNamara called for a division.

Brown	For
Bryant	For
Canton	For
Greening	Against
Hawkes	For
Kempthorne	For
King	For
Maling	For
McNamara	Against
Ogilvie	For
Sangster	For
Tuffnell	For
Turley	Against
Wensley	Against

CARRIED

The meeting broke for morning tea at 11.25 am and reconvened at 11.37 am. Councillor Sangster was absent.

8.2 Schedule of Charges 2018/2019

The Policy Advisor spoke to the report. The Corporate Services Manager and the Environment and Planning Manager clarified a number of queries raised in relation to fees. They explained the fees and charges for commercial operations, such as Port Taroakohe also reflect the volume of activities/users.

Cr Sangster re-joined the meeting by audio-link at 11.43 am.

**Moved Cr Maling/Cr Canton
CN18-02-5**

That the Full Council

1. receives the Schedule of Charges 2018/2019 report RCN18-02-02; and
2. adopts the Statement of Proposal for the Schedule of Charges (Attachment 1) as the basis for public consultation in accordance with Sections 83 and 87 of the Local Government Act 2002, incorporating any minor amendments to this Statement of Proposal as agreed at the meeting; and
3. notes that an outline of the key changes to the Schedule of Charges is included in the introduction to the Statement of Proposal and will also be included in a Newsline Article; and
4. agrees that a separate Summary of Information for the Schedule of Charges Statement of Proposal is not necessary to enable public understanding of the proposal; and
5. agrees that the Statement of Proposal for the Schedule of Charges will be publicly notified in the TDC Newsline on 2 March 2018, and subsequent Newsline Updates in local papers; and
6. agrees that the Statement of Proposal for the Schedule of Charges will be made available through Council offices and libraries, and on Council's website; and
7. agrees that the consultation period for the proposed Schedule of Charges will open on 1 March and close at 5.00 pm on Thursday 5 April 2018; and
8. notes that submitters will be given an opportunity to present their views contained in their submission at a Council hearing between 18 and 24 April 2018.

CARRIED

8.3 Long Term Plan 2018-2028 Consultation Document, Supporting Information and Concurrent Consultation

The Senior Policy Manager spoke to the report. She described the process over the last two years, including community consultations and the many workshop sessions with Councillors, that had taken place to assist with their understanding and recording views expressed.

A number of amendments were tabled, largely to comply with the recommendations made by Audit New Zealand. The Senior Policy Advisor and Activity Planning Manager went through

these changes and explained the rationale behind them.

The Mayor reminded Councillors that many of the issues in the LTP had been discussed at length and matters clarified. The decision before them now was to formally adopt the document, with the amendments as tabled. There was an indication that further debate was warranted on certain issues because there was concern at the inclusion of some items where the ability to achieve them was not feasible. It was noted that the overall self-imposed constraint was that there is to be no more than a 3% rates increase. Debt caps had also been discussed. There was an acknowledgement that during the workshopping process, Councillors were given the opportunity for their Ward's ratepayers' priorities to be taken into account.

The meeting was reminded that the document was for consultation and further amendments could be made, where they were warranted and received support.

Moved Cr Sangster/Cr Wensley

CN18-02-6

PART A

That the Full Council

- 1. receives the Long Term Plan 2018-2028 Consultation Document, Supporting Information and Concurrent Consultation report RCN18-02-03; and**
- 2. adopts the following as supporting information for the Consultation Document as required by section 93G of the Local Government Act 2002:**
 - **Draft Financial Strategy (Attachment 4)**
 - **Draft Infrastructure Strategy (Attachment 5)**
 - **Draft Statement on Fostering Māori participation in Council decision making (Attachment 6)**
 - **Draft Accounting Information (Attachment 7)**
 - **Draft Assumptions (Attachment 8)**
 - **Draft Funding Impact Statement (Attachment 9)**
 - **Draft Council Activities Summaries (Attachment 10)**
 - **Draft Activity Management Plans (Attachment 11)**
 - **Growth Model 2017 Summary (Attachment 12); and**
- 3. adopts the Draft Revenue and Financing Policy (Attachment 2), for concurrent consultation with the Consultation Document under the provisions of section 82 of the Local Government Act 2002; and**
- 4. notes that, when setting development contributions, Council must consider how it sets its catchments for grouping charges by geographic areas and that the Local Government Act 2002 requires that:**
 - **the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and**
 - **grouping by geographic area avoids grouping across an entire district wherever practical; and**
- 5. proposes that for setting water, wastewater, and stormwater development contributions, the following three catchments are used:**

- i. **Waimea catchment including the settlements of Wakefield, Brightwater, Richmond, and Mapua**
 - ii. **Motueka catchment including the settlements of Motueka, Riwaka, and Kaiteriteri**
 - iii. **Golden Bay catchment including the settlements of Takaka, Collingwood, Pohara, Ligar Bay, and Tata Beach; and**
6. **agrees that the reasons for the catchment groupings in Resolution 5 above are that:**
 - **these communities share much of their infrastructure, such as wastewater reticulation and treatment and are connected;**
 - **these communities identify as individual communities, and are centred around a main settlement; and**
 - **it provides a reasonable number of catchments to ensure fairness and equity, without making the development contributions system administratively too complex for Tasman, being a small-mid size council; and**
7. **notes that within the catchments proposed in Resolution 5, not all development contributions are payable in every settlement; and**
8. **agrees that Council proposes a single development contributions catchment for transportation, incorporating all of the District and that the reasons for this are that:**
 - **transportation assets are District-wide assets that all developments are connected to and make use of;**
 - **Council does not have the complex transportation models that would be needed to adequately model and attribute growth demands (and costs) on the different parts of the network from the different parts of the District;**
 - **any apportionment on other basis would be likely to generate as many inequities as it would address; and**
 - **it is impractical and potentially inequitable as a result, to create multiple catchments for transportation at this time; and**
9. **adopts the Draft Development and Financial Contributions Policy (Attachment 3), for concurrent consultation with the Consultation Document under the provisions of section 82 of the Local Government Act 2002; and**
10. **agrees that the most appropriate means of consulting on the Draft Revenue and Financing Policy (Attachment 2), and the Draft Development and Financial Contributions Policy (Attachment 3) is a similar process to that of a Special Consultative Procedure; and**
11. **agrees that these documents will be made available to the public on or before 1 March 2018; and**
12. **agrees that the submission period for these documents closes at 5.00 pm on 5 April 2018; and**
13. **agrees to the Mayor, Deputy Mayor, and the Chief Executive Officer approving any further minor editorial amendments in these documents prior to them being printed and made available for public consultation.**
14. **notes that the Other Projects and Changes Information (Attachment 13) and Draft Settlement Area Reports (Attachment 14) will be made available as information to the public in association with the Consultation Document.**
15. **Agrees that a summary of information contained in each of the following documents adopted for concurrent consultation is not required, and that each document constitutes a statement of proposal for the purposes of public consultation:**

Draft Revenue and Financing Policy
Draft Development and Financial Contributions Policy
Draft Significance and Engagement Policy
Draft Rates Remission Policy
Draft Rates Relief for Maori Freehold Land

PART B

That the Full Council

- 1. receives the Audit Opinion from Audit New Zealand for inclusion in the Consultation Document; and**
- 2. agrees, that having considered Council's Significance and Engagement Policy and the importance of other matters to the District and its communities, that the key issues and choices facing the Council and the District for this LTP 2018-2028 are:**
 - 2.1 Rates affordability and managing Council's Debt**
 - 2.2 Growth and infrastructure**
 - 2.3 Development and Financial Contributions Policy**
 - 2.4 Drinking Water Supply and Quality**
 - 2.5 Funding Motueka's Water Supply; and**
- 3. notes that the Waimea Community Dam proposals as contained in LTP Consultation Document are consistent with the Council decision on 1 & 2 February 2018; and**
- 4. agrees that the Consultation Document in Attachment 1 to this report provides a fair representation of the matters that are proposed in the Long Term Plan 2018-2028; and**
- 4a. Agrees to incorporate the tabled changes to the Consultation Document and supporting information**
- 5. adopts the Consultation Document in Attachment 1 to this report incorporating any minor amendments agreed at the meeting, for release as the basis of a public consultation process in accordance with Sections 83, 83A, 93A, 93B, 93F and 93G of the Local Government Act 2002; and**
- 6. agrees that the Consultation Document, supporting information and further information will be made available through Council offices, libraries, other public offices and on the Council's website; and**
- 7. agrees that this document will be made available to the public on or before 1 March 2018; and**
- 8. agrees that the submission period for these documents closes at 5.00 pm on 5 April 2018; and**
- 9. agrees to the Mayor, Deputy Mayor, and the Chief Executive Officer approving any further minor editorial amendments in these documents prior to them being printed and made available for public consultation.**

CARRIED

Cr McNamara wished to have his vote against the motion recorded because he did not believe the resolution reflected that Council was acting in a financially prudent manner.

8.4 Waimea Community Dam Project Report

The Corporate Services Manager and Interim Project Director, Waimea Water Project Office, were present to clarify questions from Councillors.

The Corporate Services Manager explained how sunk costs were calculated and confirmed the amounts arose from a number of existing workstreams. The Chief Executive clarified these related to costs that were incurred in the past and that invoices had been scrutinised to distinguish the sums that were not directly relating to the Waimea Water and Waimea Irrigators Limited (WIL) joint workstreams. The Corporate Services Manager clarified these sunk costs go back to 2014/15. He said the figure of \$799,000 would be on top of any contribution Council makes as part of the final funding arrangements at financial close.

He went on to explain that this figure had been partly loan funded and some amounts are within current budget. If, at financial close, the proposed Waimea Community Dam project does not proceed, Council would have to turn its mind to how it will deal with these types of costs. The Revenue and Financing Policy has the framework to assist with that. If the \$799,000 is not dealt with as sunk costs, they could be difficult to recover from WIL.

The Chief Executive responded to questions on the draft Delegations Register for the Project Office/Director. He explained this had been written in a way that facilitated a smooth transition across to the Joint Venture Company should a decision to proceed with the Waimea Community Dam project be made by Council later this year. For the moment it relates to the delegations to the Waimea Water Project Board. He confirmed these powers align with the powers that Council has already delegated to Council's senior staff.

The Chief Executive clarified the only delegations that are proposed are either those derived from WIL and carry a mandate to the extent that WIL's Board of Directors have given. Similarly, that is the position with Council's Chief Executive and he will continue with his reporting obligation that he has been fulfilling through regular status reports. He confirmed the level of delegations for the Project Director would be less than those held by the Chief Executive in the interim, until the CCO takes over the project.

**Moved Cr Brown/Bryant
CN18-02-7**

That the Full Council

- 1. receives the Waimea Community Dam Project Report RCN18-02-04; and**
- 2. notes the Project Director Delegations Register; and**
- 3. agrees to accept \$799k of sunk costs to 31/10/2017 will be fully met by Council provided that \$4.087m of project costs to 31/10/2017 are accepted by Waimea Irrigators Limited (WIL) to be part of the core project Budget (Currently estimated for the WIL PDS to be \$82.9m).**

Procedural Motion to Exclude the Public:

Moved Cr Brown/Cr McNamara

CN18-02-8

THAT the public be excluded from the following part(s) of the proceedings of this meeting, with the exception of the Interim Project Director, Waimea Water Project Office who is permitted to remain .

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:

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
<p>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.</p>	<p>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations</p>	<p>s48(1)(a)</p> <p>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.</p>

The

meeting resumed in open meeting at 1.30 pm and the motion revisited:

That the Full Council:

- 1. receives the Waimea Community Dam Project Report RCN18-02-04; and**
- 2. notes the Project Director Delegations Register; and**

3. **agrees to accept \$799k of sunk costs to 31/10/2017 will be fully met by Council provided that \$4.087m of project costs to 31/10/2017 are accepted by WIL to be part of the core project Budget (Currently estimated for the WIL PDS to be \$82.9m).**

CARRIED

The meeting broke for lunch at 1.31 pm. Cr Sangster terminated the audio-link at 1.31 pm and did not return to the meeting. The meeting resumed at 2.07pm

8.7 Management of Council Water Supplies

The Utilities Manager, Engineering Services provided an update on the recommendations from Stage 2 of the Government's Havelock North Inquiry. He overviewed Council's current management of the District's water supply schemes and the outcomes from a recent water seminar.

The Utilities Manager explained that the report contained early and urgent 'short term' recommendations as well as long term recommendations. The longer term recommendations required changes to the Health Act and National Environmental Standards on protection of drinking water sources. He outlined the impact to Council if the longer term recommendations were passed into law.

Councillors discussed affordability and the cost implications associated with the recommendations. They heard that the major cost would be in water treatment upgrades to those water supplies not already included in the 2018-2028 LTP. The second biggest cost would be for improvements to water capacity.

It was flagged that the compulsory chlorination of drinking water may become a political public issue and subject to debate.

**Moved Cr McNamara/Cr Greening
CN18-02-10**

That the Full Council receives the Management of Council Water Supplies report, RCN18-02-07.

CARRIED

8.5 2018 Policy on the Appointment of Directors and Trustees to Council Organisations

The Corporate Services Manager provided an overview of his report.

A robust discussion was held, in reference to the Controller and Auditor General guidance included in the report and on the competency of elected members as directors of Company Organisations.

The Corporate Services Manager confirmed the new policy had been written to align with Office of the Auditor General (OAG) best practice, the Nelson City Council policy, and the Policy for Jointly Appointed Directors/Trustees. He explained the main difference is that the Tasman Council policy did not prohibit the appointment of elected members as directors or trustees.

Councillors discussed the current situation with elected members on Boards and the process as contained in the 2013 Policy. Some felt this was working well.

A motion to adopt the draft resolution was foreshadowed and the following motion put:

Moved Cr Canton/Cr McNamara

That the Full Council

1. receives the 2018 Policy on the Appointment of Directors and Trustees to Council Organisations report RCN18-02-05; and
2. continues to operate under the 2013 Policy

Councillors discussed the changes to the recruitment process as outlined in the new policy. The Corporate Services Manager explained that the comments on elected members competencies (from the OAG) are included to assist Councillors in making a decision. He cautioned reverting to the 2013 policy as there were some issues with the recruitment process last time due to inconsistencies with other policies.

The Mayor asked for a show of hands for those in support of changing the motion to 'operate under the 2013 policy'.

On a show of hands the majority did not support the motion.

LOST

Councillors asked that the policy be changed to provide for Councillors to be advised of vacancies on Boards as soon as possible. This became the new, substantive motion.

**Moved Cr Tuffnell/Cr Wensley
CN18-0211**

That the Full Council

- 1. receives the 2018 Policy on the Appointment of Directors and Trustees to Council Organisations report RCN18-02-05; and**
- 2. adopts the 2018 Policy on the Appointment of Directors and Trustees to Council Organisations (refer Attachment 1) (as amended to provide for notification to Councillors of vacancies in a timely manner)**

CARRIED

8.6 Amendment of Tasman District Council Standing Orders to enable Youth Council representative attendance at Council Standing Committee Meetings

There was a discussion about the mechanism of changing standing orders, with particular reference to the removal of the Mayor's casting vote. The Governance Advisor confirmed it would require a 75% majority vote and that this was set out in the original report to Council at their Inaugural Meeting in October 2016 when they adopted the existing Standing Orders.

The Chief Executive indicated he would investigate the process and report back.

**Moved Cr Canton/Cr Wensley
CN18-02-12**

That the Full Council

- 1. receives the Amendment of Tasman District Council Standing Orders to enable Youth Council representative attendance at Council Standing Committee Meetings report RCN18-02-06; and**
- 2. agrees to amend the Council Standing Orders adopted by the Council at its meeting on 21 October 2016 as follows:**
 - 2.1 add to standing order 2. Definitions, a new definition for Youth Council Advisor as follows:**

“Youth Council Advisor means a member of the Tasman District Youth Council who can attend and to act in an advisory capacity, at specific Council Standing Committee meetings, where the Committee has permitted their attendance.”
 - 2.2 amend standing order 3.3. Members must obey standing orders to read as follows:**

“All members of the local authority, including members of committees and subcommittees, must obey these standing orders. Local boards and community boards which have adopted these standing orders must also comply with them.

For the avoidance of doubt, Youth Council Advisors must also obey all standing orders while present at Standing Committee meetings.”

cl. 16(1) Schedule 7, LGA 2002.”
 - 2.3 amend standing order 9.14. Public excluded business on the agenda to read as follows:**

“Items that are likely to be discussed under public excluded must be indicated on each agenda and state the general subject of the item. The chief executive, however, may exclude public access to any reports, or parts of reports, which are reasonably expected to be discussed with the public excluded.

For the avoidance of doubt, Youth Council Advisors are to be excluded from the meeting during discussion on any public excluded matters, unless standing order 17.2 of these standing orders applies.

s. 46A (9), LGOIMA.”

2.4 Add a new standing order 12.1A. Youth Council Advisors attendance at meetings, as follows:

“12.1A. Youth Council Advisors attendance at meetings

Youth Council Advisors have the right to attend specific Council Standing Committee meetings where that Committee has agreed to permit their attendance.

Youth Council advisors are to attend meetings in an advisory capacity and are not elected members of the Council. They have the right to speak at meetings but do not have voting rights.

There may be up to two Youth Council Advisors at any given meeting. The Youth Council advisors may change from meeting to meeting. Youth Council Advisors do not constitute part of the quorum for Council Standing Committee meetings.

Youth Council Advisors must abide by these standing orders during Standing Committee meetings.

Youth Council Advisors are to be excluded from meetings during discussion on any public excluded matters, unless standing order 17.2 of these standing orders applies.

Youth Council Advisors will not be paid for their attendance at Council Standing Committee meetings.”

CARRIED

8.8 Mayor's Report to Full Council

The meeting received a briefing on the Civil Defence recovery process following former tropical cyclone Gita. It was confirmed staff and Councillors would continue to receive updates from Civil Defence as matters progress.

The Environment Planning Manager confirmed the Water Conservation Order draft submission was being formulated and would be circulated once the legal review had been completed. The Mayor confirmed there would be a Freedom Camping Symposium for discussions with the Minister. Councillors will be advised of the date so that they can attend if they wish to do so.

It was acknowledged that freedom camping sites in the District are often full and there are insufficient reserves in the right places to meet proposed Government standards. The provision of remote campgrounds could possibly involve the purchase of land.

The Mayor confirmed that the shortlist of candidates for the advertised role of Chief Executive had been prepared. He confirmed an Extraordinary meeting would be called for Councillors following presentations from those candidates, to consider the next step in the recruitment process. Friday 16 March was the preference for that meeting.

Moved Mayor King/Canton

CN18-02-13

That the Tasman District Council receives the Mayor's Report to Full Council RCN18-02-08.

CARRIED

The Mayor left at 3.12 pm and Deputy Mayor King was appointed Chairperson for the remainder of the meeting.

Cr Canton and Cr McNamara chose to leave the meeting at 3.13 pm, having both declared an interest in the following item.

8.9 Traffic Control Bylaw - Proposed parking control changes

The Transportation Manager – Engineering Services advised that, although many of the changes were already in place, there was still scope for further changes to be effected. Suggested changes and feedback were given by Councillors and it was confirmed they would be considered by Transportation staff.

Moved Bryant/Cr Greening

CN18-02-14

That the Full Council

- 1. receives the Traffic Control Bylaw - Proposed parking control changes report RCN18-02-09; and**
- 2. approves the following changes to the Traffic Control Devices Register under the Traffic Control Bylaw 2016 with effect from 1 March 2018.**

Richmond

- a. Warring Car Park - eight of the current "all day" parking spaces at the south east end of Warring Street car park to be designated as "P60" car parking**
- b. Otia Drive – on the eastern side of the road install 30m of no stopping lines opposite the intersection with St James Avenue, to run 10m to the north of the intersection and 20m to the south of the intersection of St James Avenue.**
- c. Dorset Street – on the eastern side of the road install no stopping lines for approximately 25m outside 26 and 28 Dorset Street, to extend 2m to the northern side on the access way for 15 Cambridge Street and to extend 2m to the southern side of the access way for 28 Dorset Street**
- d. Dorset Street – on the eastern side of the road install no stopping lines for approximately 20m outside 20 Dorset Street**
- e. Elizabeth Street – on the southern side of the road remove the existing parking bays outside 2 Elizabeth Street and replace with a parking bay to extend for 5m approximately 7m to the east of the intersection with Talbot Street. To the east of this parking bay install approximately 7.5m of no stopping lines, then install a 4.8m parking bay and then a further 3.5m of no stopping lines.**

- f. **Salisbury Road - extend no stopping lines by approximately 10m on Salisbury Road in a north east direction outside the vehicle entrance to Waimea College . Remove two parking spaces at this location.**
- g. **McGlashen Avenue – on the eastern side of the road extend the no stopping lines outside 40 McGlashen Avenue for approximately 15m to the intersection with Doran Street. On the western lane of the street install a 15m length of no stopping cross hatch to across the intersection with McIndoe Place.**
- h. **Artillery Place – on the western side of the road install approximately 120m of no stopping lines from the intersection with Barros Place extending in a southerly directions. Install approximately 20m of no stopping lines from the intersection with Barros Place extending in a northerly direction. Extend both of these stopping lines for approximately 15m around the intersection of Barros Place. On the eastern side of the street install approximately 25m of no stopping lines across the access way of 15 Artillery Place extending approximately 7m to the north of this access way and 2m to the south of this intersection. Install approximately 55m of no stopping lines around the curve in the road to the south of the intersection with Barros Place. Install approximately 4m of no stopping lines from the access way opposite 32 Artillery Place extending in a westerly direction.**
- i. **Lowry Street / Hunt Street - install approximately 20m of no stopping lines between the driveways of 1 Lowry Street and 3 Hunt Street.**
- j. **Hill Street – on the northern side of the road install no stopping lines for approximately 60m from the access way of 140 Hill Street in an easterly direction across the intersection with Stanhope Rise, On the southern side of the street install no stopping lines for approximately 45m between the intersection of Stanhope Rise and Angelus Avenue.**
- k. **McPherson Street – install no stopping lines across the access way to 20 McPherson Street.**
- l. **Stratford Street – on the northern side of the street extend the no stopping lines for approximately 15m in a easterly direction; install two park limit lines on the western side of the access way to 5 Stratford Street and one on the eastern side of the access way to 5 Stratford Street.**
- m. **Heritage Crescent – on the western side of the road install no stopping lines for approximately 4m from the access way of 18 Heritage Crescent in a southerly direction. Install seven park limit lines; on the eastern side of the road. One to the north of the access way for 8 Heritage Crescent, one to the south of the access way to 16 Heritage Crescent. One to the north of the access way to 18 Heritage Crescent, one to the north of the access way to 20 Heritage Crescent and one to the south of 20 Heritage Crescent. Install one park limit line on the western side of the road – one to the north of the access way to 9 Heritage Crescent and one to the south of the access way to number 9 Heritage Crescent.**
- n. **Dorset Street – the parking area outside the main school office entrance to the east of its turning circle at the intersection of Dorset Street and Church Street**

to be designated as P2, 8.30am to 9.30am and 2.30pm to 3.30pm, Monday to Friday. Remove the accessible park at this location.

- o. Dorset Street – to the north of the intersection with Cambridge Street remove the taxi car parking space and change all these car parking spaces to accessible parks.
- p. Church Street – on the eastern side of the road at the intersection with Dorset Street twelve “all day” car parks to be designated as P15 parks, 8.30am to 9.30am and 2.30pm to 3.30pm, Monday to Friday.
- q. Windleborn Place – install no stopping lines for approximately 55m, starting at the northern side of the access way of 10 Windleborn Place in a southerly direction around the end of the cul-de-sac to the southern side of the access way to 5 Windleborn Place.
- r. Chisnall Street – install no stopping lines for approximately 45m, starting to the south of the access way to 13 Chisnall Street in a northerly direction around the end of the cul-de-sac to the northern side of the access way to 14 Chisnall Street.
- s. Lodestone Road – install no stopping lines for approximately 45m, starting at the northern side of the access way to 9 Lodestone Road in a northerly direction around the end of this cul-de-sac to approximately 12m north of the intersection of the access way to 20 Lodestone Road.
- t. Cropp Place - install no stopping lines for approximately 50m, starting 7m north of the access way to 10 Cropp Place in a southerly direction around the end of this cul-de-sac to approximately 5m north of the access way to 3 Cropp Place.

Wakefield

- u. Edward Street – on the western side of the road install approximately 5m of no stopping lines across the access way between 18 and 22 Edward Street; install approximately 12m of no stopping lines across the access ways to 28 and 22A Edward Street.

Brightwater

- v. Ellis Street – change the Traffic Control Devices Register to show Stop Sign at the intersection of Ellis Street and Lightband Road (SH6);
- w. Ellis Street – on the western side of the road outside 56 to 58 Ellis Street change seven of the car parking spaces to P15.

Motueka

- x. Motueka Quay – on both sides of the no-exit section at the northern end of this road install no stopping lines extending for approximately 30m on both sides of the road.
- y. Everett Street and North Street – on the northern side of Everett Street install approximately 30m of no stopping lines from the intersection with North Street in a westerly direction; on the southern side of Everett Street install approximately 20m of no stopping lines from the intersection with North Street in a westerly direction. On the western side of North Street install approximately 10m of no stopping lines from the intersection with Everett

Street in a northerly direction; on the western side of North Street install approximately 10m of no stopping lines from the intersection with Everett Street in a southerly direction. On the eastern side of North Street install approximately 10m of no stopping lines opposite the intersection with Everett Street in a northerly direction; install approximately 6m of no stopping lines opposite the intersection with Everett Street in a southerly direction.

- z. George Quay – on the northern side of the Quay install P180 parking restrictions for approximately 45m.
- aa. Tudor Street – on the southern side of the road extend the no stopping lines for approximately 6m between the access ways of 17A and 19 Tudor Street.
- bb. Old Wharf Road – on the southern side of the road install approximately 23m of no stopping lines, running for 10m in a westerly direction from the centre of the access way to St Peter Chanel School. Install no stopping lines for 13m in an easterly direction from the centre of the access way to St Peter Chanel School, between 5 and 9 Old Wharf Road.

Kaiteriteri

- cc. Kotare Place – on the northern side of the road install no stopping lines for approximately 130m from the intersection with Rowling Road in a westerly direction. Install no stopping lines for approximately 75m from the southern side of the access way to 26 Kotare Place, extending around the cul-de-sac and to the southern side of the access way to number 19 Kotare Place.
- dd. Cook Crescent – install no stopping lines starting east of the access way to 24 Cook Crescent and extending approximately 50m around the end of the cul-de-sac.
- ee. Moonraker Way - remove all existing parking bay lines and extend the no stopping lines so no stopping lines run the length of the road. Install the words “no parking” at seven locations along the length of the road, evenly spaced and starting from approximately 10m from the intersection with Tokongawa Drive. Install two signs at the start of the road to warn drivers of the no parking restrictions along the length of the road – “No parking beyond this point. Drop-off and pick-up only.”

Golden Bay

- ff. Abel Tasman Drive – install a 40m section of no stopping lines directly opposite the Penguin Café and running the length of this property frontage.
- gg. Kowhatu Grove – install no stopping lines starting approximately 45m east of the intersection with Richmond Road and extending around the end of the cul-de-sac for approximately 45m to finish opposite the start point.

CARRIED

8.10 Rates Remission Application - Sporting, Recreation or Community Organisations

Moved Cr Maling/Cr Brown

CN18-02-15

That the Full Council

- 1. receives the Rates Remission Application - Sporting, Recreation or Community Organisations report RCN18-02-10; and**
- 2. approves the remission of rates for the 2017-2018 year, being \$944 for rates assessment # 1956026800D, in accordance with Council's Policy on Remission of Rates for Sporting, Recreation, or Community Organisations.**
- 3. approves the remission of rates for the 2017-2018 year, being \$951 for rates assessment # 1874015319, in accordance with Council's Policy on Remission of Rates for Sporting, Recreation, or Community Organisations.**

Cr Canton and Cr McNamara rejoined the meeting at 3.21 pm.

CARRIED

8.11 Corporate Services - Quarterly Report to end September 2017

The Corporate Services Manager and the Community Development Services Manager responded to questions raised by Councillors.

In response to a question about accommodating part time workers – the Chief Executive confirmed Council has a flexi working hours policy and dismissed the suggestion there was a policy preventing part-time working.

Moved Cr Ogilvie/Bryant

CN18-02-16

That the Full Council

- 1. receives the Corporate Services - Quarterly Report to end September 2017 RCN18-02-11; and**
- 2. notes the documents that have been signed under delegation as set out in section 7.8.**

CARRIED

MOVED Cr Ogilvie/Cr Bryant

CN18-02-17

That Council continues with the meeting beyond the prescribed maximum duration of 6 hours, in accordance with Standing Order 4.2.

CARRIED

8.12 Corporate Services - Quarterly Report to end December 2017

The Corporate Services Manager confirmed that the cost of employment an additional legal officer will be met by the existing budget. It was also anticipated that, by employing this resource, there will be a saving on external legal costs and a further saving through intelligent instruction of external legal services.

MOVED Cr Ogilvie/Cr Bryant

CN18-02-18

That the Full Council

- 1. receives the Corporate Services - Quarterly Report to end December 2017 RCN18-02-12; and**
- 2. notes the documents that have been signed under delegation as set out in section 8.2.**

8.13 Chief Executive's Activity Report

The Chief Executive advised Councillors of the opportunity to attend a workshop presented by DLA Piper. It was anticipated this would cover climate change and was relevant to those communities and individuals wanting intervention for the protection of assets and the choices that Council will have to make in relation to those expectations. Further details will be circulated by the Principal Legal Advisor.

He was pleased to report there had been an agreement reached with the recently formed Golden Bay Grandstand Restoration Society for the removal and restoration of the Grandstand. There was a separate agreement between the Society and the Golden Bay Agricultural and Pastoral Society that related to the temporary storage of the structure during restoration.

The Community Development Services Manager explained that the timeframes that were originally submitted in the application to the Tourism Infrastructure Fund were not achievable due to a delay in the Ministry of Business's release of a decision. Furthermore the recent weather events have interfered with progress.

The Chief Executive confirmed he would report back on the performance of the Nelson Regional Development Agency (NRDA). He anticipated that Central Government will work through the clusters of Districts in dealing with the investment in local communities and infrastructure. He believed there was great value in having an organisation such as NRDA, engaging with Marlborough authorities, to lobby Central Government for funding.

A question was raised regarding spending on the Murchison Recreation and Cultural Centre. The Community Development Manager explained that the issue was not a new one but had now become urgent due to pressing health and safety issues.

There was a request for a report on the Council's contributions to Nelson based activities. The Chief Executive confirmed he would include that information in a future report.

**Moved Bryant/Cr Hawkes
CN18-02-19**

That the Full Council

- 1. Receives the Chief Executive's Activity Report RCN18-02-13; and**
- 2. approves participation in the Top of The South (Te Tau Ihu) Regional Growth Strategy noting that a request for funding will be made as part of the Long Term Plan submission process; and**
- 3. agrees to the work to repair the toilet/changing room floors at the Murchison Sport, Recreation and Cultural Centre being undertaken during the 2017/2018 financial year and approves \$30,000 of unbudgeted expenditure for the project; and**
- 4. notes the Council Action Sheet attached.**

CARRIED

8.14 Machinery Resolutions Report

**Moved Cr Maling/Cr Brown
CN18-02-20**

That the Tasman District Council

- 1. Receives the Machinery Resolutions report RCN18-02-14 and that the execution of the following documents under the Seal of Council be confirmed:**
 - Deed of Lease – Diane Brooks - 864 Lower Queen Street – Waimea River Berm**
 - Grazing Lease – New lease as adjoin land ownership changed.**
 - Deed of Covenant – ENZA Fruit**
 - Deed of Variation – JK and KE Heslop Family Trust**
 - Easement – R&V Balzer and F Norton Feasey – RM170123 – Residential subdivision – Easement, right to drain sewage in gross.**
 - Deed of Surrender of Lease – Deed of Lease – Appleby Fresh Limited – Property File 53307L1 – Waimea River Berm Lease – Originally the land was leased to Mr Polglase. He has sold his land to Appleby Fresh Limited and surrendered his lease with the Council. A new lease for the land has been drafted with Appleby Fresh Limited, Commencing 1st October 2016.**

CARRIED

The meeting broke for afternoon tea at 4 pm and resumed at 4.10 pm.

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public

**Moved Cr Tuffnell/Cr Hawkes
CN18-02-21**

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 Bateup Road Widening - Project Funding

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

CARRIED

The meeting moved back into public session and concluded at 5.10 pm.

Date Confirmed:

Chair: