

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

Date: Thursday 11 May 2017
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)

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AGENDA

1 OPENING, WELCOME

2 APOLOGIES AND LEAVE OF ABSENCE

Recommendation

That apologies be accepted.

3 PUBLIC FORUM

4 DECLARATIONS OF INTEREST

5 LATE ITEMS

6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 23 March 2017 and the minutes of the Full Council meeting held on Thursday, 13 April 2017, be confirmed as a true and correct record of the meeting.

7 PRESENTATIONS

1.00pm - MidWest Ferries Whanganui to Motueka Feasibility Study 2017

8 REPORTS

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8 REPORTS

8.1 VARIABLE SCHOOL SPEED LIMITS - CHANGES TO THE SPEED LIMITS BYLAW

Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Krista Hobday, Technical Officer - Transportation
Report Number:	RCN17-05-01

1 Summary

- 1.1 This reports seeks the Council's approval to make changes to the Tasman District Council Speed Limits Bylaw 2016.
- 1.2 After consultation with the community the Council agreed to install 40 kmh/hr variable speed limit school signs at Ranzau, Hope, Motupipi, Brightwater and Motueka High Schools.
- 1.3 The 40km/hr variable speed limit school zone signs change the speed limit to 40km/hr outside of the school during a set time period and for a specific distance.
- 1.4 In order to be enforceable, the speed limit changes need to be included in the Council's Speed Limits Bylaw 2016.

2 Draft Resolution

That the Full Council

1. receives the Variable school speed limits - changes to the Speed Limits Bylaw report RCN17-05-01; and
2. approves the following amendments to the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1
 - Ranzau Road – 40km/hr variable speed limit from a point 620 metres north-west of its intersection with Main Road Hope (State Highway 6) for a distance of 240 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
 - Paton Road - 40km/hr variable speed limit from a point 1420 metres south-west from its intersection with Ranzau Road for a distance of 340 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
 - Aniseed Valley Road – 40km/hr variable speed limit from a point 680 metres south-east from its intersection with Main Road Hope (State Highway 6) for a distance of 270 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.

- **Abel Tasman Drive - 40km/hr variable speed limit from a point 220 metres north-east of its intersection with Glenview Road for a distance of 370 metres from 8.25am to 9.00am and 2.50pm to 3.10pm during school terms.**
- **Ellis Street - 40km/hr variable speed limit from its intersection with Lightband Road/Brightwater Deviation (State Highway 6) to a point 270 metres north-west of this intersection from 8.25am to 9.00am and 2.55pm to 3.15pm during school terms.**
- **Whakarewa Street - 40km/hr variable speed limit from its intersection with Grey Street to a point 260 metres east of this intersection from 8.10am to 8.45am and 3.15pm to 3.35pm during school terms.**

3 Purpose of the Report

- 3.1 The purpose of this report is to request approval from the Council to make changes to the Tasman District Council Speed Limits Bylaw 2016.
- 3.2 The speed limit changes are for the 40km/hr variable speed limit school zones at Ranzau, Hope, Motupipi, Brightwater and Motueka High Schools.

4 Background and Discussion

- 4.1 Improving safety near schools has been an ongoing project with specific funding being set aside in the Minor Improvements programme since 2015/16.
- 4.2 The project has resulted in the installation of 40km/hr variable speed limit school zones outside five schools (Ranzau, Hope, Motupipi, Brightwater and Motueka High).
- 4.3 The 40km/hr variable speed limit school zone signs change the posted speed limit to 40km/hr outside of the school during a set time period and for a specific distance
- 4.4 This information needs to be recorded in the Council's Speed Limits Bylaw.
- 4.5 In order to change a posted speed limit, the Tasman District Council Speed Limits Bylaw 2016 states that :

Council, by resolution can set and change speed limits for any road under the control or management of the Council.

Where the Council intends to make a resolution under clause 6 (5), the consultation in accordance with section 7.1(2) of the Land Transport Rule; Setting speed Limits 20034 must be undertaken.

The Council will do this in writing to:

- (a) The local community that is affected by the existing or proposed speed limit; and*
- (b) New Zealand Police; and*
- (c) Automobile Association*
- (d) New Zealand Transport Agency; and*
- (e) New Zealand Road Transport Agency; and*
- (f) Depending on the proposed change, consultation may also include any adjoining road controlling authority and a public notice*

- 4.6 The amendments to the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1 are:
 - Ranzau Road – 40km/hr variable speed limit from a point 620 metres north-west of its intersection with Main Road Hope (State Highway 6) for a distance of 240 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
 - Paton Road - 40km/hr variable speed limit from a point 1420 metres south-west from its intersection with Ranzau Road for a distance of 340 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.

- Aniseed Valley Road – 40km/hr variable speed limit from a point 680 metres south-east from its intersection with Main Road Hope (State Highway 6) for a distance of 270 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
 - Abel Tasman Drive - 40km/hr variable speed limit from a point 220 metres north-east of its intersection with Glenview Road for a distance of 370 metres from 8.25am to 9.00am and 2.50pm to 3.10pm during school terms.
 - Ellis Street - 40km/hr variable speed limit from its intersection with Lightband Road/Brightwater Deviation (State Highway 6) to a point 270 metres north-west of this intersection from 8.25am to 9.00am and 2.55pm to 3.15pm during school terms.
 - Whakarewa Street - 40km/hr variable speed limit from its intersection with Grey Street to a point 260 metres east of this intersection from 8.10am to 8.45am and 3.15pm to 3.35pm during school terms.
- 4.7 Council staff have already consulted with affected parties as required under the bylaw. All parties supported the variable school zones and no objections were received.
- 4.8 These amended speed limits will be included in Speed Limits Bylaw 2016 – Schedule 1 – Specified Speed Limits.

5 Options

5.1 Option 1 – do nothing

5.2 Option 2 – amend Schedule 1 of the Speed Limits Bylaw 2016 to include:

- Ranzau Road – 40km/hr variable speed limit from a point 620 metres north-west of its intersection with Main Road Hope (State Highway 6) for a distance of 240 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
- Paton Road - 40km/hr variable speed limit from a point 1420 metres south-west from its intersection with Ranzau Road for a distance of 340 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
- Aniseed Valley Road – 40km/hr variable speed limit from a point 680 metres south-east from its intersection with Main Road Hope (State Highway 6) for a distance of 270 metres from 8.25am to 9.05am and 2.55pm to 3.15pm during school terms.
- Abel Tasman Drive - 40km/hr variable speed limit from a point 220 metres north-east of its intersection with Glenview Road for a distance of 370 metres from 8.25am to 9.00am and 2.50pm to 3.10pm during school terms.
- Ellis Street - 40km/hr variable speed limit from its intersection with Lightband Road/Brightwater Deviation (State Highway 6) to a point 270 metres north-west of this intersection from 8.25am to 9.00am and 2.55pm to 3.15pm during school terms.
- Whakarewa Street - 40km/hr variable speed limit from its intersection with Grey Street to a point 260 metres east of this intersection from 8.10am to 8.45am and 3.15pm to 3.35pm during school terms.

5.3 Staff recommend Option 2.

6 Strategy and Risks

- 6.1 Consultation with the schools, the wider community and all parties as required in the Bylaw has been carried out and approval received. There are no apparent risks.

7 Policy / Legal Requirements / Plan

- 7.1 All speed limit changes need to be included in the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1.
- 7.2 This schedule is published on the Council's website and forms the basis of enforceable speed limits on Tasman District roads.

8 Consideration of Financial or Budgetary Implications

- 8.1 Minimal staff time will be required to update the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1 and the Council's website.

9 Significance and Engagement

- 9.1 There is likely to be a very low level of interest in this change to the bylaw schedule. The community has been consulted about the changes and feedback has been positive.

10 Conclusion

- 10.1 The 40km/h variable speed limit zones for Ranzau, Hope, Motupipi, Brightwater and Motueka High Schools require the Council's approval so they can be included in the Speed Limits Bylaw 2016, Schedule 1.

11 Next Steps / Timeline

- 11.1 Once the Council has approved the 40km/hr variable speed limit zones at Ranzau, Hope, Motupipi, Brightwater and Motueka High Schools, Schedule 1 of the Speed Limits Bylaw will be updated and included on the Council's website.

12 Attachments

Nil

8.2 APPOINTMENT OF ADVISER TO THE TASMAN REGIONAL TRANSPORT COMMITTEE**Decision Required**

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Robyn Scherer, Executive Assistant - Engineering
Report Number:	RCN17-05-02

1 Summary

- 1.1 This report recommends the appointment of Dr Kevin Thompson as an adviser to the Tasman Regional Transport Committee for the current triennium.
- 1.2 At the meeting on 23 March 2017, the Full Council approved the appointment of five non-voting advisers to the Tasman Regional Transport Committee as follows:
- Bill Findlater (Nelson Regional Development Agency) – representing economic development
 - Inspector Iain McKenzie (NZ Police) – representing safety and personal security
 - Donna Smith – representing access and mobility
 - Karen Lee – representing environmental sustainability, and
 - Frank Hippolite (Tiakina te Taiao) – representing cultural interests.
- 1.3 The Council also suggested that Dr Kevin Thompson would be a suitable adviser to the committee. Dr Thompson has a solid engineering background and experience in his roles with Opus International Consultants and Works Civil Construction (now Downer).
- 1.4 Dr Thompson has agreed to join the Tasman Regional Transport Committee as a non-voting adviser and this reports seeks the Council's endorsement of his appointment for the current triennium.

2 Draft Resolution**That the Full Council**

- 1. receives the Appointment of Adviser to the Tasman Regional Transport Committee report RCN17-05-02; and**
- 2. approves the appointment Dr Kevin Thompson as a non-voting advisory member of the Tasman Regional Transport Committee for the current triennium.**

3 Purpose of the Report

- 3.1 This report seeks the Council's approval to appoint Dr Kevin Thompson as a non-voting adviser to the Tasman Regional Transport Committee for the current triennium.

4 Background and Discussion

- 4.1 The Land Transport Management Act that governs the establishment and membership of regional transport committees was amended in June 2013. The amendment repealed the previous requirement for each Regional Transport Committee to appoint non-voting members representing the areas of environment sustainability, economic development, safety and personal security, public health, improving access and mobility and cultural interests.
- 4.2 The functions of the Regional Transport Committee as noted in the Act are:
- (a) to prepare a regional land transport plan, or any variation to the plan, for the approval of the relevant regional council; and
 - (b) to provide the regional council with any advice and assistance the regional council may request in relation to its transport responsibilities.
- 4.3 At its meeting on 27 October 2016, the Council appointed Councillors Stuart Bryant (Chair), Kit Mailing, Dean McNamara, David Ogilvie and Paul Sangster to the Tasman Regional Transport Committee along with one representative from the New Zealand Transport Agency. The New Zealand Transport Agency representative is a full member of the committee with voting rights.
- 4.4 On 23 March 2017, the Council approved the appointment of the following people to the Tasman Regional Transport Committee in a non-voting advisory capacity:
- | | |
|-------------------------|----------------------------------------|
| Karen Lee | Ensuring environmental sustainability |
| Bill Findlater | Assisting economic development |
| Inspector Iain McKenzie | Assisting safety and personal security |
| Donna Smith | Improving access and mobility |
| Frank Hippolite | Cultural interests |
- 4.5 The term of appointment is linked to the term of the local government three-yearly election cycle. Therefore, the Council has the ability to review the composition of the Tasman Regional Transport Committee every three years.
- 4.6 The Nelson Marlborough District Health Board are yet to nominate a representative to join the committee in a non-voting advisory capacity.
- 4.7 At the meeting on 23 March the Council also suggested that Dr Kevin Thompson would be a suitable adviser to the committee.
- 4.8 Dr Thompson is a professional director. He is the Deputy Chairman of the Environmental Protection Authority and a Director of KiwiRail. Previously Dr Thompson was Chief Executive of the then Works Civil Construction (now Downer) and then Chief Executive and Managing Director of Opus International Consultants. Dr Thomson has a BE (Hons) Civil, a PhD and is a Distinguished Fellow of IPENZ.

5 Options

- 5.1 The Council has two options:
- 5.2 Option 1 – Appoint Dr Kevin Thompson as a non-voting advisory member of the Tasman Regional Transport Committee.
- 5.3 Option 2 – resolve to not make an appointment to the Tasman Regional Transport Committee.

Pros and Cons

- 5.4 The appointment of advisers to the Tasman Regional Transport Committee enable specialist strategic input to the Committee's work including the development of the region's transport objectives and the Tasman Regional Land Transport Programme
- 5.5 Not appointing advisers to the Tasman Regional Transport Committee has the potential to limit the consideration of the wider community in the development of the region's transport objectives and the Tasman Regional Land Transport Programme.
- 5.6 Staff recommend Option 1.

6 Strategy and Risks

- 6.1 There is a small risk that the appointed advisers do not contribute sufficiently to represent their sectors or that they do not understand their role.
- 6.2 Dr Thompson has extensive experience in the engineering industry in his previous roles with Opus International Consultants and Downer.

7 Policy / Legal Requirements / Plan

- 7.1 There are no policy, legal or Long Term Plan ramifications for this appointment. This appointment is essentially the Council's choice. Past input from the advisers has ensured the Committee considers the relevant sectors they represent in developing the Regional Land Transport Programme.

8 Consideration of Financial or Budgetary Implications

- 8.1 Provision of \$150.00 (GST exclusive) per meeting for the non-voting members is available in the Transportation budget. The maximum annual cost to the Council is \$4,500.00.

9 Significance and Engagement

- 9.1 This decision is of low significance in terms of the Council's significance and engagement policy as these appointments to the Committee are primarily advisory.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	Public interest in the Council's Regional Land Transport Programme has been low.
Is there a significant impact arising from duration of the effects from the decision?	No	
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
Does the decision create a substantial change in the level of service provided by Council?	No	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

10 Conclusion

10.1 The appointment of Dr Kevin Thompson in a non-voting advisory capacity is an opportunity for the Council to involve specialist input in the strategic direction of the Tasman Regional Land Transport Programme.

11 Next Steps / Timeline

11.1 If the Council agrees to the appointment recommended above, staff will advise Dr Thompson and invite him to attend the Tasman Regional Transport Committee meetings scheduled for 19 June 2017 and 27 November 2017.

12 Attachments

Nil

8.3 APPOINTMENT OF A HEARING PANEL TO CONSIDER AN OBJECTION TO A ROAD STOPPING PROPOSAL FROM THE RAINBOW COMMUNITY, ANATOKI

Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Robert Cant, Senior Property Officer
Report Number:	RCN17-05-03

1 Summary

- 1.1 The Rainbow Valley Company Limited (“Rainbow Community”) asked the Council to stop part of an unformed legal road adjacent to its freehold land near the Anatoki River, Golden Bay.
- 1.2 The road stopping was publicly notified. One objection was received. The objection has not been withdrawn.
- 1.3 It is appropriate for the Council to hold a formal hearing to consider the objection.
- 1.4 This report asks the Council to appoint a hearing panel (three members), nominate one of those members to chair the hearing, and fix the date and location of the hearing.

2 Draft Resolution

That the Full Council

1. receives the Appointment of a hearing panel to consider an objection to a road stopping proposal from the Rainbow Community, Anatoki report RCN17-05-03; and
2. approves the appointment of Councillor Sue Brown, Golden Bay Community Board Chair Abbie Langford and Councillor Stuart Bryant (chair) to hear objections to the application to stop the road.

3 Purpose of the Report

- 3.1 To ask the Council to appoint a hearing committee to consider objections to a road stopping proposal near the Anatoki River, in Golden Bay.

4 Background and Discussion

- 4.1 The road stopping was requested by the Rainbow Valley Company Limited (“Rainbow Community”). To date it has been a very complicated process. The project dates back to 2008.
- 4.2 The proposal is to stop an un-named, and unformed, legal road which is in place near the Anatoki River in Golden Bay. A plan of the proposal is attached to this report.
- 4.3 The main purpose of this report is not to go into the details and merits of the road stopping, but to ask the Council to appoint a hearing panel, and establish the date on which the hearing will be held.
- 4.4 The proposal to stop the road was publicly notified in late 2015. The closing date for objections was 18 December 2015.
- 4.5 One objection was received. The Rainbow Community and the objector were encouraged to try to resolve the concerns expressed by the objector. This was unsuccessful and she has not withdrawn her objection, so the matter needs to be heard.
- 4.6 Timing for the hearing would have ideally been around September 2016, but with the elections followed by Christmas, it has been delayed.
- 4.7 The objector is based in Wellington, but it is appropriate to hold the hearing locally. It is suggested the hearing be held in Golden Bay around midday, with time available to the panel in the morning for a site visit.

5 Options

- 5.1 The recommended option is to appoint a hearing panel (including chair) to consider the objection to the application to stop part of an unformed legal road near the Anatoki River, and to fix the date and location of the hearing.
- 5.2 It remains an option for the Council to withdraw the proposal to stop the road, but this is not recommended. If this option was to be considered a more detailed report on the application would be desirable. This is the stage when the hearing panel, and subsequently the Council, should assess the application on its merits.

6 Strategy and Risks

- 6.1 It is considered that there is little risk in sending this objection to the application to a hearing panel. The risks associated with the application itself can be considered in detail by the hearing panel. The panel will report back to the Full Council in due course.

7 Policy / Legal Requirements / Plan

- 7.1 The road stopping is following the process set out in Schedule 10 of the Local Government Act 1974. This requires the Council to consider whether or not to uphold any objection(s) received. If the Council does not uphold the objection, the road stopping is referred to the Environment Court.

8 Consideration of Financial or Budgetary Implications

- 8.1 The Rainbow Community has been aware that all costs associated with the application would be met by it. As such, there are no financial implications for the Council.

9 Significance and Engagement

- 9.1 The decision to appoint a hearing panel is not thought to be significant in itself. It is unlikely the road stopping decision will be significant either, but that will be considered in more detail in the hearing report.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	No	The decision to hear the objection to the road stopping is not likely to be controversial.
Is there a significant impact arising from duration of the effects from the decision?	No	The decision to hear the objection will not directly impact on the public
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	The hearing involves unformed legal road which would not be a strategic asset.
Does the decision create a substantial change in the level of service provided by Council?	No	There will be no change to the level of service regardless of whether the application proceeds or not.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	The proposal to stop the road is essentially fiscally neutral given the applicant is meeting all of Council's costs.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	No CCO, or CCTO is involved.
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	There is no partnership arrangement involved.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	There are no new activities involved, and none exist to be exited from.

10 Conclusion

10.1 It is considered appropriate to appoint a hearing panel to consider the objection to an application by the Rainbow Community to stop part of an informed legal road adjacent to its property near the Anatoki River. It is recommended that the Council appoint three hearing panel members, and appoint one of them to chair the hearing. At the same time the Council should establish the date and location of the hearing.

11 Next Steps / Timeline

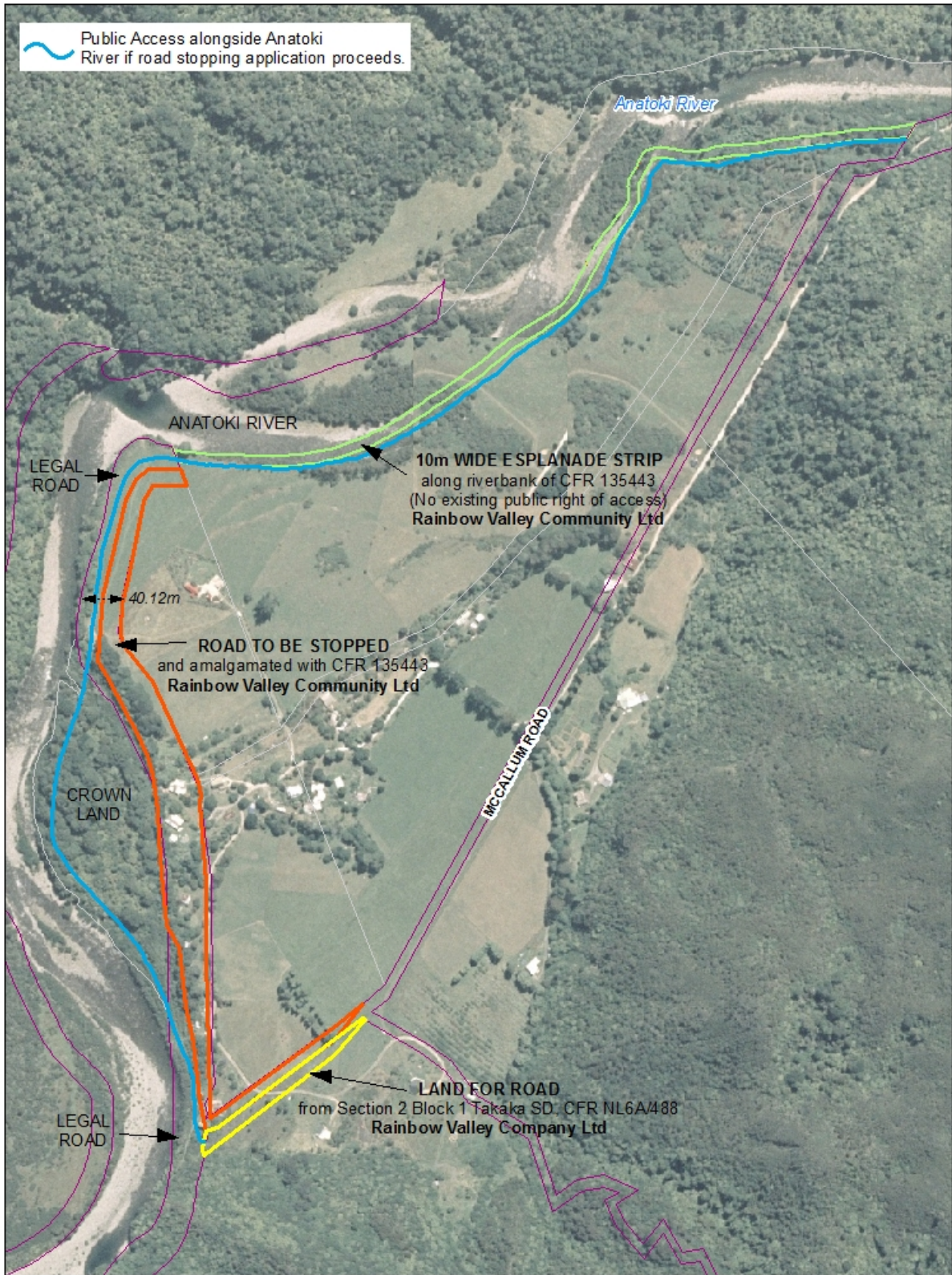
11.1 Assuming the Council appoints a hearing panel, and sets the date and location of the hearing, the objector and Rainbow Community will be notified. A venue will be booked, and

a report prepared. It is recommended the hearing date be set no less than six weeks after the date of the decision to allow the report to be prepared and circulated, and the objector to make travel arrangements if she wants to attend.

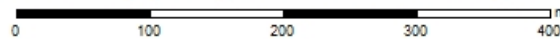
12 Attachments

1. Rainbow Community Road stopping proposal

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Rainbow Community Esplanade Strip, Road Stopping and Exchange Plan



8.4 REMISSION APPLICATION- POLICY ON REMISSION OF EXCESS METERED WATER RATES

Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Kelly Kivimaa-Schouten, Revenue Accountant; Mike Schruer, Utilities Manager
Report Number:	RCN17-05-04

1 Summary

- 1.1 A business in Collingwood (“the ratepayer”) had a water rates invoice issued to them in December 2016 (\$7,896.30) which was unusually high due to a water leak.
- 1.2 Volumetric water rates are set as a rate under the Local Government (Rating) Act 2002 (“the Rating Act”). Councils have limited discretion to reduce rates that have been validly set. Section 85 of the Rating Act specifies that Council can only remit rates if it has adopted a rates remission policy and if it is satisfied that the conditions and criteria of the policy are met.
- 1.3 Council has a Policy on Remission of Excess Metered Water Rates (“the Remission Policy”) which is included in **attachment 1**. The Remission Policy is the only Council remission policy that permits remissions for water leaks. The Remission Policy applies to applications from ratepayers who have excess water rates due to a leak in the internal reticulation to their dwelling. In other words, the Remission Policy only applies to residential ratepayers, not commercial or industrial or other non-residential properties.
- 1.4 Council has recently received an application under the Remission Policy from the ratepayer in respect of a commercial premises.
- 1.5 The Remission Policy states that Council may delegate authority to consider and approve applications to Council officers, however in the event of any doubt or dispute, the application is to be referred to the Corporate Services Committee for a decision. The decision has been referred to Full Council because a dispute is expected, and because there is no longer a Corporate Services Committee. Additionally, the amount of the remission application is beyond the delegation to staff as per the Council’s current Delegations Register.
- 1.6 The application does not relate to a residential dwelling and therefore staff do not consider that it is eligible for a remission under the Remission Policy.

2 Draft Resolution

That the Full Council

- 1. receives the Remission Application- Policy on Remission of Excess Metered Water Rates report (RCN17-05-04); and**
- 2. notes that the application relates to a leak at a commercial business and the Council's Policy on Remission of Excess Metered Water Rates only applies to leaks in internal reticulations at residential dwellings; and**
- 3. declines to issue the applicant a Rates Remission because the Council is satisfied that the application does not meet the conditions and criteria in the Council's Policy on Remission of Excess Metered Water Rates.**

3 Purpose of the Report

- 3.1 The purpose of this report is to consider an application for a rates remission under the Council's Policy on Remission of Excess Metered Water Rates ("the Remission Policy"), included in attachment 1.

4 Background and Discussion

- 4.1 In September 2016, Council became aware of a leak in Collingwood and requested an additional reading of the whole town, which detected a possible leak. Council is not obliged to undertake additional meter readings, detect leaks on private premises or advise customers of possible leaks and there is an expectation that water supply users closely monitor their water use. Nevertheless, a Council staff member responded quickly to the data and tried to contact the likely source of the leak, a business in Collingwood ("the ratepayer"), by telephone and through an online form on the ratepayer's website. A few months later, the ratepayer called to say that they had found a leak. They were advised that they had been informed about a leak several months before.
- 4.2 In December 2016 the ratepayer had a water rates invoice issued to them (\$7,896.30) which was unusually high due to a water leak. This was much higher than the ratepayer's typical water bill of under \$450 due to a water leak.
- 4.3 Shortly after receiving the invoice, the ratepayer queried it with the Mayor and the Chief Executive, who advised the ratepayer of the Council's Remission Policy and that it applies only to residential properties, not businesses.
- 4.4 In February 2017, Council received correspondence on behalf of the ratepayer requesting a reduction in their large water account. Council staff replied the same month indicating that the amount was owing and offering a payment plan.
- 4.5 In April 2017, a remission application was received relating to the December 2016 account.

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

- 4.6 Volumetric water rates are set as a rate under the Local Government (Rating) Act 2002 ("the Rating Act").
- 4.7 Councils have limited discretion to reduce rates that have been validly set, but section 102(3) of the Local Government Act 2002 permits councils to set a rates remission policy.
- 4.8 Section 85 of the Rating Act restricts the ability of Councils to remit rates, in whole or in part, to those circumstances when the local authority has adopted a rates remission policy and the Council is satisfied that the conditions and criteria in the policy are met.
- 4.9 The Council has budgeted for remissions expense under the Remission Policy. This remission expense is funded by rates i.e. everyone's water rates are slightly higher in order to fund the expected cost of water rates remissions.
- 4.10 Since the Council sets its volumetric water as a rate, Council cannot "negotiate" on the amounts of rates outstanding, but must follow procedural steps set out by legislation and its policies.

Remission Policy Factors to Consider & Background

- 4.11 The Remission Policy states that Council may delegate authority to consider and approve applications to Council officers, however in the event of any doubt or dispute, the application is to be referred to the Corporate Services Committee for a decision. The decision has been referred to Full Council because a dispute is expected, and because there is no longer a Corporate Services Committee. Additionally, the amount of the remission application is beyond the delegation to staff as per the Council's current Delegations Register.
- 4.12 The Remission Policy applies to leaks at residential dwellings, not commercial, industrial or other non-residential properties. The Remission Policy states that it applies to applications from ratepayers who have excess water rates due to a leak in the property's internal reticulation. Internal reticulation is defined as "the water supply pipe that commences at the point of supply (generally at the water meter) and goes directly to the dwelling" and "dwelling" means a building that is used or intended to be used, only or mainly for residential purposes (the full definition is in attachment 1).
- 4.13 The ratepayer does not use the property only or mainly for residential purposes and therefore staff do not consider the ratepayer to be eligible for a rates remission under the Remission Policy.
- 4.14 Council has had a Policy on Remission of Excess Metered Water Rates for a number of years. The remissions policy that was prepared as part of Council's 2009-2019 Ten Year Plan was changed from previous policies to limit remissions only to residential applicants. Since this time, Council has had to assess applications using a residential criteria.
- 4.15 Procedurally, the Remission Policy states that applications must be made within six weeks of the current water account. This application was dated 13 April 2017. An application would have needed to be made by 23 January 2017 to fall within the six week timeframe stated in the Remission Policy.

Other considerations:

- 4.16 Along with its remission application, the ratepayer raised a number of points for Council's consideration including:
- 4.16.1 The Council was aware there was a significant water leak in Collingwood in September 2016.
 - 4.16.2 The ratepayer is of the view that it is not reasonable for customers to have to monitor their own account for leaks.
 - 4.16.3 Despite Council's position that it did contact the ratepayer by telephone and an online customer form on the ratepayer's website about a possible leak, the ratepayer cannot locate records of this having been done and therefore is of the view that the Council's communication was not effective.
 - 4.16.4 The ratepayer did not locate the leak, but employed a plumber to replace the whole line.
 - 4.16.5 The ratepayer requested a reduction from the original amount billed.
 - 4.16.6 The ratepayer has signaled an intention to take the matter to the Disputes Tribunal if the remission applicant were to be declined.
- 4.17 Since the claim relates to a rate, staff believe the claim would be beyond the jurisdiction of the Disputes Tribunal.

- 4.18 The Council made a policy choice when it adopted its Remission Policy to only remit water rates for residential properties. Since then, other non-residential applicants have not been granted remissions. The Council cannot change a rates remission policy without a formal consultation process under the Local Government Act 2002. The Remission Policy is scheduled for review as part of the Long Term Plan 2018-2028 processes, with any changes applying from 1 July 2018.
- 4.19 All water users in the district have a responsibility to maintain their private water supply infrastructure to a high standard, amongst other things, to avoid the high cost of water leaks. The policy settings are designed to incentivise ratepayers to maintain their infrastructure and take their own regular readings to identify early any excessive use. Each water invoice in red font conspicuously reminds ratepayers to check for leaks, and the back of the invoice has a section discussing how to do the monitoring.
- 4.20 Despite this, Council did try and notify the ratepayer back in September 2016 when it became aware of a possible leak.
- 4.21 The Council has incurred the cost of treating and delivering water that is delivered for use. These costs still need to be met, even where a remission is made. The water supply activity is operated on a break even basis.
- 4.22 The water leak was significant. Some may view it to be inequitable that the ratepayer has to fund such a significant leak, however the Rating Act is clear that Council may only remit rates if it is satisfied that the conditions and criteria in the Remission Policy are met.
- 4.23 Council staff routinely advise non-residential water users who have incurred leaks that they are not eligible for a remission under the Remission Policy.
- 4.24 If Council granted a remission that did not meet the conditions and criteria in the Remission Policy, it would be in contravention of Section 85 of the Rating Act.
- 4.25 Council has a precedent of declining applications to non-residential customers who do not qualify for a remission under the Remission Policy:
- 4.25.1 At the Corporate Services Committee meeting on 9 October 2014, the Committee declined remission applications related to water leaks from Tapawera Area School (\$8,771 water invoice) & Wakefield Bowling Club (\$2,468 water invoice). A motion to review the scope of the Remission Policy in relation to voluntary and educational facilities was lost.
- 4.25.2 At the Corporate Services Committee meeting on 24 March 2016, the Committee declined a remission application related a water leak from a business in Murchison. The water invoice was \$5,252.40 compared with the customer's typical water invoice of under \$400.

5 Options

Option 1: Decline Remission (**Recommended option**)

- 5.1 Council may decline to grant a remission for this application. This option is recommended by staff because staff do not consider that the application meets the conditions and criteria in the Remission Policy.
- 5.2 The cost of the leak stays with the applicant under this option.

- 5.3 The water leak was significant and the Council was aware that there may have been a water leak in Collingwood. Some may view it to be inequitable that the ratepayer has to fund such a significant leak, however the Rating Act is clear that Council may only remit rates if it is satisfied that the conditions and criteria in the Remission Policy are met.

Option 2: Grant Remission

- 5.4 This option is not recommended by staff because the Remission Policy is only intended to apply to ratepayers who use their property for residential purposes. Council can only grant a remission if it is satisfied that the conditions and criteria of the Remission Policy are met. If Council granted a remission without being satisfied that it met the conditions and criteria of the Remission Policy, it would be in contravention of the Rating Act.
- 5.5 The Council made a policy choice when it adopted its Remission Policy to only remit water rates for residential properties. Since then, other non-residential applicants have not been granted remissions. The Council cannot change a rates remission policy without a consultation process.
- 5.6 Granting a remission would be a financial benefit to the applicant, with the cost being paid by urban water account ratepayers.

6 Strategy and Risks

- 6.1 Strategy & Risks are discussed in clauses 4.16 - 4.25.

7 Policy / Legal Requirements / Plan

- 7.1 Legislative and policy considerations are discussed in clauses 4.6 - 4.15.

8 Consideration of Financial or Budgetary Implications

- 8.1 The cost of remissions as a result of water leaks are met by water users through increased charges as the water activity is operated as a closed account.
- 8.2 The remissions budget has been set using the expectation that only residential customers are eligible for rates remissions due to excess metered water leaks. Should Council ever revise the Remission Policy in the future to include an expanded group of applicants, water rates would need to increase.

9 Significance and Engagement

- 9.1 The decision is of low significance because it relates to the application of a policy that has already been consulted on, and therefore only directly impacts the applicant.
- 9.2 The financial impact of the individual remission application is low to Council although it is potentially significant for the ratepayer.
- 9.3 There would be flow on effects if a non-residential application was granted a remission.

10 Conclusion

10.1 Staff do not consider that the application meets the conditions and criteria of the Remission Policy and consider that it should therefore be declined.

11 Next Steps / Timeline

11.1 The applicant will be notified of the decision.

12 Attachments

1. Policy on Remission of Excess Metered Water Rates

33

POLICY ON REMISSION OF EXCESS METERED WATER RATES

OBJECTIVES

To ensure the efficient use of water by ratepayers, and provide an incentive to ratepayers to promptly correct any leaks to their internal reticulation.

APPLICATION

The policy will apply to applications from ratepayers who have excess water rates due to a leak in the property's internal reticulation. Internal reticulation is defined as the water supply pipe that commences at the point of supply (generally at the water meter) and goes directly to the dwelling.

POLICY

1 CONDITIONS AND CRITERIA

1. A remission will only be granted on the current account.
2. Where a remission is granted the ratepayer will be charged an amount equal to the maximum consumption at any one time charged for that rating unit in the past three years, provided it has been in the same ownership.
3. Where ownership of the property has been for less than six months, staff will monitor consumption for a period of three months following completion of all repairs, to establish a reasonable consumption figure to charge.
4. Where there is an application for remission following a second leak within five years of the first application, the ratepayer will pay an additional charge of 75 per cent of the difference between the consumption as calculated in clause 2 above and the actual metered consumption during the leak period.
5. Where there is an application for remission following a third or subsequent leak within five years of the first application, the application will be declined.

No remissions to the water account will be given in any of the following circumstances:

- (i) No remissions will be given for leaking fittings connected to the "water supply connection to the dwelling".
- (ii) No remissions will be granted for a water supply connection pipe to a dwelling that has been installed within the last five years.

Definition of Dwelling: (as defined in the Building Act 2004): Dwelling means a building or group of buildings, or part of a building or group of buildings that is:

- a) Used or intended to be used, only or mainly for residential purposes; and
- b) Occupied, or intended to be occupied, exclusively as the home or residence of not more than one household; but does not include a hostel, boarding house, or other specialised accommodation.

2 PROCEDURE

1. All applicants must submit their request in writing within six weeks of the date of the current water account, stating that there are no further leaks on the property and must provide proof of repair carried out by a registered plumber. (The only exemption to this requirement is that provided for Murchison as notified in the SR1978.340).
2. Applications for remission must be made on the prescribed form.
3. Council may delegate authority to consider and approve applications to Council officers. In the event of any doubt or dispute arising, the application is to be referred to the Corporate Services Committee for a decision.

POLICY ON REMISSION OF EXCESS METERED WATER RATES (CONT.)

SANITARY PLUMBING (EXEMPTION) NOTICE 1978 SR 1978/340

PURSUANT to section 55 (1) of the Plumbers, Gasfitters and Drainlayers Act 1976, and after consultation with the Waimea County Council, the Minister of Health hereby gives the following notice:

CONTENTS

Title and Commencement

- (1) This notice may be cited as the Sanitary Plumbing (Exemption) Notice 1978.
- (2) This notice shall come into force on the day after the date of its notification in the Gazette.

Exemption from provisions relating to sanitary plumbing

The area described in the Schedule to this notice is hereby designated as an area where sanitary plumbing may be done by any person.

Schedule

Area in which notice has effect

The Murchison Division of the County of Waimea (as shown on a plan number SPE 1 deposited with the Department of Health and thereon edged with a bold black line), excluding the area situated within a radius of 1.5 kilometres of the Nelson Lakes National Park Headquarters in the Township of St Arnaud.

Explanatory Note

This note is not part of the notice, but is intended to indicate its general effect.

The effect of the notice is that, subject to the provisions of any enactment other than the Plumbers, Gasfitters, and Drainlayers Act 1976, any person may do sanitary plumbing within the area of the County of Waimea described in the Schedule to this notice. Except where an area is exempted in this way, only the holders of licences or certificates under the Act in respect of plumbing may do this work (subject to certain limited exemptions).

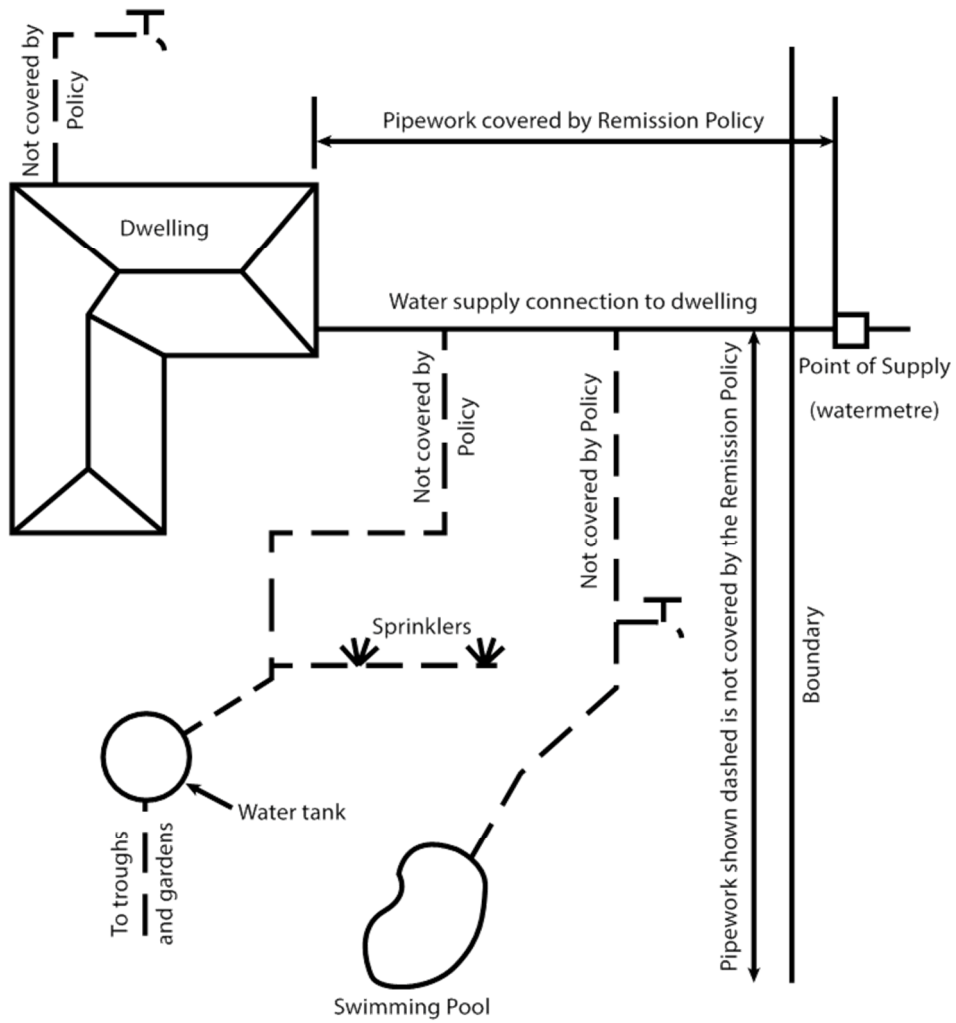
Promulgation

Issued under the authority of the Regulations Act 1936

Date of notification in Gazette: 21 December 1978

This notice is administered by the Department of Health

POLICY ON
"REMISSION OF EXCESS METERED WATER RATES"



8.5 SMALL SCALE MANAGEMENT PLAN FOR MEDITERRANEAN FANWORM

Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Dennis Bush-King, Environment and Planning Manager
Report Number:	RCN17-05-05

1 Summary

- 1.1 On 27 April 2017, the Environment and Planning Committee considered a proposal to declare a Small Scale Management Plan for Sabella Spallanzani within Tarakohe Harbour. This biosecurity incursion potentially has serious implications for the marine farming industry and the environment generally. Sabella is an invasive fanworm that attaches to vessels and structures. It is present in small numbers and the three top of the South Councils have agreed that steps should be taken now to eradicate this pest from the combined region if at all possible.
- 1.2 The Committee, therefore, resolved as follows, to:
- 1) approve the notification of a Small-scale Management Plan for Mediterranean fanworm (Sabella spallanzanii) report REP17-04-04 within the entire coastal marine area of Tasman District and coming into force on 1 July 2017; and**
 - 2) approve non-budgeted expenditure of \$110,000 spread over three years to fund the operational implementation of the Sabella Small-scale Management Plan; and**
 - 3) recommend to full Council that the funding of the Council share under Recommendation 2 come from the Council General Disaster Fund and notes that in so doing, the Council will have to agree to change the eligibility criteria for use of the emergency fund.**
- 1.3 This referral report seeks Council approval to amend the criteria for access to the General Disaster Emergency Fund (GDEF). The presence of Sabella is akin to a biosecurity emergency. No fund is available to respond and an agreement to overspend the biosecurity budget would be a cost against the general rate. The criteria for access to the GDEF is currently limited to engineering assets following a major unforeseen event such as a natural disaster, and also says the first \$200,000 of any claim should come from annual operating funds (see Attachment 1). This latter criterion assumes that a contingency fund exists within particular accounts – this is not the case in the biosecurity cost centre.
- 1.4 The need to spend money to control Sabella is designed to prevent the disaster from happening so in this respect; this would also be an extension of the criteria for accessing the GDEF. The Council could agree to this request as a one-off and it could amend the Policy to allow applications for use of the GDEF to respond to emergency biosecurity incursions (see Attachment 2).

2 Draft Resolution**That the Full Council**

1. receives the report RCN17-05-05; and
2. agrees that the funding of the Council share of \$110,000 to respond to the Sabella spallanzani incursion in Port Tarkohe come from the Council General Disaster Fund [and agrees to change the eligibility criteria for use of the emergency fund as identified in Attachment 2 to Report RCN17-xx-xx.

3 Attachments

- | | |
|---------------------------------------------------------------------------------|----|
| 1. General Disaster Fund for Council Assets | 39 |
| 2. Proposed Amendment to General Disaster Fund Policy | 43 |
| 3. Report (including attachment) to Environment & Planning Committee 2017-04-27 | 47 |

GENERAL DISASTER FUND FOR COUNCIL ASSETS

Category: [Finance Policies](#)

1. Introduction

Council has resolved to create a General Disaster Fund to fund reinstatement of services (assets) following a major unforeseen event, such as natural disaster.

2. Purpose

The purposes of the Fund are:

a) To provide an immediate cash resource

The fund should be maintained as a cash investment in accordance with the guidelines of Council's Treasury Management Policy

b) To contribute to the costs of reinstatement of Council owned services/assets following a major unforeseen event.

To contribute implies that the total value of the Fund does not necessarily need to be used for any single event. Reinstatement implies that it is critical for the service capability to be reinstated urgently. The degree of reinstatement would need to be determined on a situation basis whereby the reinstatement could be staged from emergency service capability to full or improved service capability.

Service/assets relates to the service capability which has been diminished as a consequence of the event. Generally this will relate to damage or destruction of an infrastructural asset. An infrastructural asset includes road, water works, land drainage, drainage works including stormwater and sewerage drain, as more specifically defined in the Local Government Act 2002, and harbour or coastal protection works.

Council assets are those assets 100% owned by the Tasman District Council. The fund is not available for protecting or repairing non Council property.

c) To provide a measure of self-sufficiency.

Council has various obligations under Central Government's Disaster Recovery Plan. The Plan is designed to shift the burden of recovery from, and reinstatement of infrastructural assets as a consequence of, a natural disaster. Under the Plan Local Authorities, inter alia, are required to maintain adequate reserves, funding or insurances meet those obligations.

Insurance coverage of certain service capability may not be available or economic. Council will be required to self-assess risks and consider building reserves to cover these risks.

3. Coverage

The Fund should provide coverage over Council owned property and infrastructural assets, the costs of reinstatement or prevention of potential reduction in service

capability arising from an unforeseen event and the costs incurred in a civil defence or an adverse event emergency.

Types of adverse events may include:

- Earthquakes
- Tsunami/tidal waves
- Drought / hail/ snow
- Wind storms
- Fire
- Slips / subsidence
- Chemical spill or environmental disaster
- Flood Damage throughout Tasman District

The coverage specifically excludes any events related to:

- Operational breakdown / failure
- Maintenance expenditure
- Reinstatement of river works within X and Y classified river areas

4. Use Of The Fund

The fund may be used for:

- a) Contributing to the costs incurred in any Civil Defence or adverse event emergency;
- b) Contributing to the costs of reinstatement of service capability which arises from a defined, major, short duration, unforeseen natural event.
- c) Contributing to the costs of any emergency preventative works required to protect service capability.

5. Contingency

The first \$200,000 of any claims within a financial year is to be funded from annual operating budgets.

6. Criteria

- a) All calls on the Fund should be authorised by resolution of Council but with a delegation to the Mayor and Chief Executive to spend up to \$100,000 to ensure an immediate and adequate level of service capability is restored or preventative works undertaken to minimise any threat to service capability.
- b) This is a "last resort fund". Prior to the use of this fund Council should first use up alternative funds or assess more appropriate funding sources such as:
 - available contingencies
 - current year budget/s
 - depreciation or other reserves
 - loans
 - funding from external agencies eg Land Transport NZ or Central Government.

- c) Factors to consider in determining the extent to which the Fund should be called on:
 - I. The impact or potential draw-off from the Fund particularly for a single event.
 - II. The degree of replacement/improvement service capability included in the reinstatement.
 - III. The programmed replacement cycle of the asset and any proposed change in service capability required.
 - IV. The premise that capital works are funded from capital expenditure budgets and maintenance from operational budgets.
 - V. The size of any local community or private contribution.
 - VI. The scale and magnitude of the event.
- d) Any draw-off from the Fund should be considered for reimbursement from:
 - I. Subsequent loan funds raised for reinstatement purposes.
 - II. Any insurance proceeds
 - III. Any other proceeds received by Council in respect to the event.

Approval:	Date of issue:	Replaces:

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GENERAL DISASTER FUND FOR COUNCIL ASSETS

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1. Introduction

Council has resolved to create a General Disaster Fund to fund reinstatement of services (assets) following a major unforeseen event, such as natural disaster.

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b) To contribute to the costs of reinstatement of Council owned services/assets following a major unforeseen event.

To contribute implies that the total value of the Fund does not necessarily need to be used for any single event. Reinstatement implies that it is critical for the service capability to be reinstated urgently. The degree of reinstatement would need to be determined on a situation basis whereby the reinstatement could be staged from emergency service capability to full or improved service capability.

Service/assets relates to the service capability which has been diminished as a consequence of the event. Generally this will relate to damage or destruction of an infrastructural asset. An infrastructural asset includes road, water works, land drainage, drainage works including stormwater and sewerage drain, as more specifically defined in the Local Government Act 2002, and harbour or coastal protection works.

Council assets are those assets 100% owned by the Tasman District Council. The fund is not available for protecting or repairing non Council property.

c) To provide a measure of self-sufficiency.

Council has various obligations under Central Government's Disaster Recovery Plan. The Plan is designed to shift the burden of recovery from, and reinstatement of infrastructural assets as a consequence of, a natural disaster. Under the Plan Local Authorities, inter alia, are required to maintain adequate reserves, funding or insurances meet those obligations.

Insurance coverage of certain service capability may not be available or economic. Council will be required to self-assess risks and consider building reserves to cover these risks.

3. Coverage

The Fund should provide coverage over Council owned property and infrastructural assets, the costs of reinstatement or prevention of potential reduction in service

capability arising from an unforeseen event and the costs incurred in a civil defence or an adverse event emergency.

Types of adverse events may include:

- Earthquakes
- Tsunami/tidal waves
- Drought / hail/ snow
- Wind storms
- Fire
- Slips / subsidence
- Chemical spill or environmental disaster
- Flood Damage throughout Tasman District

The coverage specifically excludes any events related to:

- Operational breakdown / failure
- Maintenance expenditure
- Reinstatement of river works within X and Y classified river areas

Access to the fund is also available to qualifying emergency biosecurity incursions where the economic or environmental consequences of not intervening are significant for the District.

4. Use Of The Fund

The fund may be used for:

- a) Contributing to the costs incurred in any Civil Defence or adverse event emergency;
- b) Contributing to the costs of reinstatement of service capability which arises from a defined, major, short duration, unforeseen natural event.
- c) Contributing to the costs of any emergency preventative works required to protect service capability or control adverse effects on the environment.

5. Contingency

The first \$200,000 of any claims within a financial year is to be funded from annual operating budgets where provision has been made for contingency funds.

6. Criteria

- a) All calls on the Fund should be authorised by resolution of Council but with a delegation to the Mayor and Chief Executive to spend up to \$100,000 to ensure an immediate and adequate level of service capability is restored or preventative works undertaken to minimise any threat to service capability.
- b) This is a "last resort fund". Prior to the use of this fund Council should first use up alternative funds or assess more appropriate funding sources such as:
 - available contingencies

- o current year budget/s
 - o depreciation or other reserves
 - o loans
 - o funding from external agencies eg Land Transport NZ or Central Government.
- c) Factors to consider in determining the extent to which the Fund should be called on:
- I. The impact or potential draw-off from the Fund particularly for a single event.
 - II. The degree of replacement/improvement service capability included in the reinstatement.
 - III. The programmed replacement cycle of the asset and any proposed change in service capability required.
 - IV. The premise that capital works are funded from capital expenditure budgets and maintenance from operational budgets.
 - V. The size of any local community or private contribution.
 - VI. The scale and magnitude of the event.
- d) Any draw-off from the Fund should be considered for reimbursement from:
- I. Subsequent loan funds raised for reinstatement purposes.
 - II. Any insurance proceeds
 - III. Any other proceeds received by Council in respect to the event.

Approval:	Date of issue:	Replaces:

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9.2 SMALL SCALE MANAGEMENT PLAN FOR MEDITERRANEAN FANWORM

Decision Required

Report To:	Environment and Planning Committee
Meeting Date:	27 April 2017
Report Author:	Paul Sheldon, Coordinator – Biosecurity and Biodiversity (Tasman District Council)
Report Number:	REP17-04-04

1 Summary

- 1.1 This report identifies the presence of Mediterranean fanworm (*Sabella spallanzanii*) in very low numbers on structures within Tarakohe Harbour. Nationally Sabella is both an unwanted and notifiable organism and is of serious concern to the marine farming industry. Sabella can grow up to 800mm long and in very dense infestations of up to 1000 worms per square meter. It is able to outcompete and smother mussels.
- 1.2 Sabella is present (in low numbers) and being controlled in both Shakespeare Bay (Marlborough) and The Haven (Nelson). However as there is no National Pest Management Plan for Sabella (and it is widespread in Auckland and Lyttleton harbours), councils lack any powers under the Biosecurity Act 1993 to inspect and enforce control on the owners of vessels and other structures infested with Sabella.
- 1.3 In order for the Top of the South councils to access powers under the Biosecurity Act, Sabella must either be within a Regional Pest Management Plan or a Small Scale Management Plan must be declared.
- 1.4 This report recommends that Tasman District Council declare a Small Scale Management Plan for Sabella within the Tasman area. Both Marlborough District Council and Nelson City Council will be considering parallel recommendations at their upcoming meetings so that the Top of the South has a full declaration of Sabella.
- 1.5 If declaration is approved a combined Operational Plan covering all three council areas will be developed so that management activity is coordinated.

2 Draft Resolution**That the Environment and Planning Committee**

- 1. approves the notification of a Small-scale Management Plan for Mediterranean fanworm (*Sabella spallanzanii*) report REP17-04-04 within the entire coastal marine area of Tasman District and coming into force on 1 July 2017; and**
- 2. approves non budgeted expenditure of \$110,000 spread over three years to fund the operational implementation of the Sabella Small-scale Management Plan**
- 3. recommends to full Council that the funding of the Council share under Recommendation 2 come from the Council General Disaster Fund and notes that in so**

doing, the Council will have to agree to change the eligibility criteria for use of the emergency fund.

3 Purpose of the Report

- 3.1 To advise Council of the presence of Mediterranean fanworm (*Sabella spallanzanii*) in Port Tarakohe. *Sabella* is both a nationally unwanted and notifiable organism.
- 3.2 To request that Council declares a Small-scale Management Programme for *Sabella* under Section 100V of the Biosecurity Act 1993 within the Tasman District Council area. This declaration will both complement and support similar declarations being considered by Marlborough District Council and Nelson City Council.
- 3.3 To request that the Committee recommend to Council that it approve special funding of \$110, 000 spread over a three year period for operational activity related to the *Sabella* Small-scale Management Programme and that the source of such funding be the general Disaster Fund..

4 Background and Discussion

- 4.1 *Sabella* is an introduced, tube-dwelling fanworm that attaches itself to natural and artificial surfaces (e.g. rocks, vessels and structures) in sub-tidal marine environments. Since 2008 it has become well established in many parts of the country (Whangarei, Waitemata, Lyttelton and Tauranga Harbor's and on the Coromandel Peninsula). Surveillance in the Top of the South (TOS) area from 2013 onwards has found small numbers of *Sabella* on commercial and recreational vessels and marine structures. It is poised to spread to marine farms and into natural ecosystems. Coordinated and timely responses are required to slow and contain the spread
- 4.2 Within the Top of the South *Sabella* has been found at Picton/Waikawa (Marlborough), Tarakohe (Tasman) and Nelson Haven (Nelson City Council) and could occur undetected at other locations. Known infestations have been suppressed to date, by physical removal of fanworms and some vessels have been treated. Responses have been led by the Top of the South Councils with both financial and technical support from the Ministry for Primary Industries (MPI) and administrative assistance from the Top of the South Marine Biosecurity Partnership (TOSMBP) of which all TOS councils and MPI are partners.
- 4.3 During 2014 Marlborough District Council commissioned Cawthron Institute to prepare a review of background information on *Sabella*. That work was undertaken to support the development of this SSMP. It found that effective *Sabella* management poses many questions and concerns, due to the following factors:
 - Rapid rates of growth and ability to regenerate damaged body structures;
 - Wide environmental tolerances and a lack of predators;
 - Ability to live on most artificial and natural habitats, including shell debris in soft sediments;
 - High reproductive rates and long spawning season (May to September);
 - High potential for natural dispersal as well as human-induced spread (through hull biofouling, ballast water and movement of aquaculture equipment).

- 4.4 The Cawthron report reviewed the potential impacts of Sabella. It found that the biggest threat was to the economic values in the TOS principally on the marine farming/aquaculture industry. Sabella can quickly become established in a wide range of habitats and can attach directly to shellfish. It will readily settle on mussel grow-out lines and may reduce mussel growth by altering water flow around the lines and competing with mussels for suspended food. The mussel industry is currently worth approximately \$193M per annum and is a significant and growing contributor to the TOS economy. Mussel farmer's representatives consider that there would be a direct correlation between increasing Sabella density and distribution and lower mussel production (and corresponding increased costs of mussel farming through having to control Sabella).
- 4.5 Sabella also has the potential to incur costs to the commercial fishing and shipping industries as more frequent hull cleaning may be necessary when vessels are docked in an infested area. If uncontrolled, it could become the dominant fouling species in a marina, weighing down structures and spreading to moored vessels, thereby incurring costs for owners
- 4.6 The Cawthron report also considered that there were potential impacts on natural values, particularly where high densities of Sabella occurred. Sabella efficiently filter food from the water column which could affect natural shellfish beds and could modify natural ecosystems through the exclusion of native species. Sabella can also out-compete native suspension feeders.
- 4.7 Currently Sabella is not within the Tasman Regional Pest Management Strategy (RPMS) although it is declared as both an "unwanted organism" and "notifiable organism" by the Ministry for Primary Industries. This results in a situation where Tasman District Council does not have any ability to compel vessel and structure owners to maintain them free of Sabella. Lack of the ability to direct and control increases the risk of ongoing spread and increasing population densities.
- 4.8 Small-scale management programmes are the primary response tools available to regional councils for managing incursions of unwanted organisms that are not declared pests in a regional pest management plan for the region (and are not managed wholly by the Ministry for Primary Industries). Sections 100V and 100W of the Act outline the process to be followed, including pre-requisites to meet around the subject organism causing serious and unintended effects (s.100V) and the exercise of Biosecurity Act powers that are proposed to be used under an SSMP (s.100W).
- 4.9 Analysis of the Biosecurity Act prerequisites indicates that a Small-scale Management Plan for Sabella meets the legal requirements; in that
- an unwanted organism is present in the region which could cause serious adverse and unintended effects unless early action is taken to control it.
 - the organism can be eradicated or controlled effectively by small-scale measures within three years of the measures starting, because of its limited distribution and the technical means available to control it.
 - the programme is not inconsistent with the National Policy Direction for Pest Management.
 - the process requirements in the national policy direction for declaring the programme were complied with.

- the taking of the measures and, if necessary, payment of compensation is likely to cost less than an amount prescribed for the purposes of this section by the Governor-General by Order in Council (\$500,000).
- the taking of the measures is unlikely to result in significant monetary loss to any person, other than a person who has contributed to the presence or spread of the organism by failing to comply with biosecurity law.

4.10 The objectives of the Small-scale Management Plan would be to provide for the control of Sabella in the Tasman District over the next three years to:

- Reduce the adverse effects on economic wellbeing; the environment; enjoyment of the natural environment and the relationship between Maori, their culture, and their traditions and their ancestral lands, waters, sites, wahi tapu, and taonga; and
- Reduce spread within the region and to other areas.

4.11 Measures to be adopted to achieve these objectives are:

- Intelligence and information gathering mainly concerning vessel and gear movements using sources such as trip reports, harbour masters and industry sources.
- Responses to Sabella on vessels and structures or in the natural environment through requiring vessels or gear is cleaned and acting on default.
- Surveillance, both active and passive including dive surveys, industry lead and private reporting.
- Direct control including harbour clearances, cleaning vessels and equipment such as floats, buoys and ropes.
- Advocacy with the general public and industry raising awareness and encouraging reporting of sightings
- Spread risk mitigation such as working with industry to ensure spat and equipment is sourced from Sabella free areas.

4.12 An Operational Plan is being developed to give effect to the Small-scale Management Plan but is difficult to fully cost at this stage as insufficient surveillance information is currently available to confirm the full extent of the infestation except in the harbor areas that have already been surveyed. Indicative costs suggest that:

- In the first year (2017-2018) the cost to Tasman District Council will be approximately \$36,000. This includes set up cost, additional surveillance and reporting systems, increased advocacy and information gathering, dive surveys and a contribution towards a floating/inflatable dock to provide rapid treatment of any Sabella fouled vessels found. This is very important in the Golden Bay area as no vessel haul out facilities currently exist. It is anticipated that the floating dock would be funded by the three TOS councils with a dollar for dollar contribution from MPI as has occurred in some other regions.
- During the second and third years of the SSMP (2018-2020) it is anticipated that the annual cost of the programme will be approximately \$37,000 per year. The majority of which would fund surveillance and response. This cost is higher than the first year as initial survey and clearance work has already occurred at Tarakohe this year prior to this consideration of the SSMP.

- 4.13 If initial surveillance work shows that the current Sabella infestation in Tasman District is substantially greater than we know (and hence the cost of control is significantly greater) the Council has the option a declaring that the SSMP has failed and to cease any operational activity.

5 Options

5.1 Do nothing

The advantage of this option is that there is no direct cost to Council

The disadvantages are:

- Sabella will continue to spread fouling harbours, marine farms and natural substrates resulting in both economic and amenity costs for Council, the marine farming industry and the public at large.
- Lack of action by Tasman District Council will likely compromise the efforts of Marlborough District Council and Nelson City Council regarding Sabella control and will likely result in additional cost to them.
- Maintenance costs will increase for vessel and facility owners and operators as fouling levels increase.
- Vessels and gear leaving Tasman District may have to be cleaned and certified before it can enter other parts of New Zealand or some overseas jurisdictions.

5.2 Undertake clearance of Council facilities only

The advantage of this option is that it saves the costs of surveillance, response and advocacy outside Council controlled assets.

The disadvantages are:

- Continued re infestation will occur as vessels and gear bring new Sabella infestations into the Council facilities.
- Natural and environmental areas outside the Council facilities will not be managed and are likely to become infested with Sabella.
- Marine farms are likely to be infested with resultant loss of productivity and higher operational costs.
- The costs to all parties will increase over time as Sabella numbers increase.

5.3 Manage Sabella via the Regional Pest Management Plan or via a Pathway Management Plan.

The main advantages of this approach are:

- It avoids a duplication of documents and involves a full public consultation process
- It allows access to Biosecurity Act powers.

The disadvantages of this option are that:

- It will take much longer to prepare and implement than a declaration of a SSMP

- The delay involved will likely allow Sabella numbers to expand to the level that exclusion or control will be much more difficult or not achievable.

5.4 Declare a Small-scale Management Plan for Sabella (The preferred option)

The advantages are:

- A Small-scale Management Plan is very quick to put in place as it can be done by declaration. Therefore the risk that Sabella numbers will further increase to the point that control is too costly or not possible will be minimised
- A Small-scale Management Plan provides Council with immediate access to the powers under Biosecurity Act including powers of inspection direction and enforcement so that the movement of risk goods and vessels can be controlled thus minimising the risk of ongoing Sabella establishment.
- If unsuccessful a Small-scale Management Plan can be simply declared to have failed and will be at an end.
- If the Small-scale Management Plan is successful any residual management or control of Sabella can be provided for under a Regional Pest Management Plan or a Pathway Management Plan and the Small-scale Management Plan can fall away.

The disadvantages are:

- Compared to the do nothing option the implementation of a Small-scale Management Plan will cost approximately \$110,000 over three years of unbudgeted expenditure.

6 Strategy and Risks

6.1 If Tasman District Council declares a Small-scale Management Plan for Sabella three main risks exit

- A fully effective response requires a co-ordinated effort. If not all TOS councils declare a Small-scale Management Plan for Sabella then the response is likely to be less effective.
- Survey information related to Sabella distribution is limited and there may be other unknown infestations of Sabella present that will make Sabella management either more expensive or impossible.
- We may not be able to fully manage Sabella arriving in the Top of the South from other national or international sources. Ongoing re-infestation, particularly if it occurs outside surveillance areas may make Sabella management more expensive or impossible to manage.

6.2 The strategy for management of these risks will be to review information as it becomes available and if the situation changes to either seek additional resources for Sabella management work or to recommend to Council that it notifies that the Small-scale Management Plan has failed and stops further Sabella management activity.

7 Policy / Legal Requirements / Plan

7.1 The Small-scale Management Programme for Mediterranean Fanworm (*Sabella spallanzanii*) (Attachment 1) has been prepared in accordance with the provisions of the Biosecurity Act 1993 and its associated National Policy Direction for Pest Management 2015. A detailed assessment of that compliance is contained within the Small-scale Management Plan itself.

- 7.2 Sabella has been declared as both an unwanted organism and notifiable organism by the Ministry for Primary industries. This Small-scale Management Plan proposal for Sabella is consistent with those declarations.
- 7.3 There are no other pest management plans or strategies operative within Tasman District that conflict with the recommended Small-scale Management Plan for Sabella declaration.

8 Consideration of Financial or Budgetary Implications

- 8.1 This is an unbudgeted item and requires approval of a special budget allocation to proceed. Biosecurity responses outside those covered by Council's Plans and Strategies generally fall into this category as they are unexpected events which usually require a rapid response sooner than can be allocated via Council's long term and annual financial cycles.
- 8.2 The funding sought for the first year (2017-2018) is approximately \$36,000. This includes set up cost.
- 8.3 For the second and third years of the Small-scale Management Plan (2018-2020) the funding sought is approximately \$37,000 per year (\$74,000 for the two years).
- 8.4 The total funding sought over the three year life of the Small-scale Management Plan is \$110,000. Our contribution will leverage funds from other parties.
- 8.5 There is currently no funds for a spend of this amount. As this programme is an emergency response to an unwanted pest incursion, Council could be requested to fund this from the General Disaster Fund, subject to amending the criteria to allow for this purpose. The fund currently only applies to engineering assets affected by natural disaster. In the alternative, Year One will have to be funded from savings and the subsequent years would have to be budgeted for in the respective annual plan.

9 Significance and Engagement

- 9.1 The decision to declare of Small-scale Management Plan has not been done before in Tasman so does have a level of significance in terms of breaking new ground. However in relation to the Council's Significance and Engagement Policy, the level of significance is low-medium in terms of scale and audience.
- 9.2 This decision is one that is made under the Biosecurity Act and responds to a biosecurity risk that will have economic impacts on the marine farming industry. Consultation with affected parties is not required should the Council decide to exercise this legal prerogative.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	Most people are unaware of this pest species. The marine farming industry and the Ministry for Primary Industries have been party to the preparation of this Small-scale Management Plan proposal.
Is there a significant impact arising from duration of the effects from the decision?	Medium	The Small-scale Management Plan would leave a life of three years to achieve its objectives or be withdrawn. The decision to proceed would aim to avoid or reduce any impact. Not making the decision to proceed may result in an impact from the colonisation of Sabella

Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Medium	The decision relates to the whole of the coastal marine area. However the only currently known Sabella infestation is within the Council asset of Port Tarohe. The decision aims to protect that asset.
Does the decision create a substantial change in the level of service provided by Council?	Low	It continues existing biosecurity service delivery but adds an additional pest species
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	No
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	Low	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?	Low	No
Does the proposal or decision involve Council exiting from or entering into a group of activities?	Low	No

10 Conclusion

10.1 Small number of Mediterranean fanworm (Sabella) have been discovered in Port Tarohe. Sabella is classified as both an unwanted organism and as a notifiable organism by the

Ministry for Primary Industries. Sabella has the potential to impact on the districts economic values (principally marine farming) and on natural values. Small numbers of Sabella have also been found in Waikawa Bay (MDC) and Nelson Haven (NCC).

- 10.2 Staff of the three Top of the South councils consider that the most appropriate response to these finds is for each council to declare a Small-scale Management Plan for Sabella under Section 100V of the Biosecurity Act 1993. This declaration would then allow powers under the Biosecurity Act to be used to exclude or control Sabella across the Top of the South.
- 10.3 Staff recommend that the Small-scale Management Plan has a three year life after which any residual activity can be managed through the councils Regional Pest Management Plan.
- 10.4 Staff recommend that a combined operational plan covering all three councils' areas be developed which gives effect to the Small-scale Management Plan. The indicative cost to Tasman District Council of delivering that operational plan over the three year life of the Small-scale Management Plan is \$110,000.

11 Next Steps / Timeline

- 11.1 Place a public notice declaring a Small-scale Management Plan for Sabella within Tasman District commencing 1 July 2017
- 11.2 Appoint authorised persons (staff and/or contractors) for the purpose of the Small-scale Management Plan with powers including those of entry, inspection, direction and enforcement.
- 11.3 Arrange contracts for any external delivery of operational activity including such items as dive surveys, advocacy, and liaison with key stakeholders.

12 Attachments

1. Attachment 1: Small-Scale Management Programme for Mediterranean Fanworm 39

Small-scale Management Programme for Mediterranean Fanworm (*Sabella spallanzanii*)



**Prepared for
Tasman District Council**

March 2017

Cover photo: Mature *Sabella* with 'the fan' extended – photo courtesy of MPI files.

Disclaimer:

This Small-scale Management Programme for *Sabella* has been prepared and written by Peter Russell, Director of Better Biosecurity Solutions Ltd for the three Top of the South Councils. The document is intended to provide accurate and adequate information pertaining to the subject matters, within the limitations of the project scope. While every effort has been made to ensure that the information in this document is accurate, Better Biosecurity Solutions Ltd accepts no responsibility or liability for error or fact omission, interpretation or opinion which may be present, nor for the consequences of any decisions based on this information.

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1 Introduction

1.1 Background

Declaration

Tasman District Council (**The Council**) has declared by public notice, dated **XX/XX/2017** (refer to Appendix 1) a small-scale management programme (**SSMP**) under Section 100V of the Biosecurity Act 1993 (**the Act**)¹. This SSMP relates to the unwanted organism and marine pest Mediterranean fanworm (*Sabella spallanzanii*), known as **Sabella**.

Overview of the current situation

Sabella is an introduced, tube-dwelling fanworm that attaches itself to natural and artificial surfaces (eg, rocks, vessels and structures) in subtidal marine environments. Since 2008 it has become well established in many parts of the country (Whangarei, Waitemata, Lyttelton and Tauranga Harbours and on the Coromandel Peninsula). Surveillance in the *Top of the South* (TOS)² area from 2013 onwards has found *Sabella* on commercial and recreational vessels and marine structures. It is poised to spread to marine farms and into natural ecosystems.



Co-ordinated and timely responses are required to slow and contain the spread.

Photo: Northland Regional Council

Sabella has been found at locations in Picton/Waikawa (Marlborough), Tarakohe (Tasman) and Nelson Haven (Nelson City Council) and may already occur undetected at other locations. Infestations have been suppressed to date, by physical removal of fanworms where found, and some vessels have been treated. Responses have been led by the TOS councils, the Top of the South Marine Biosecurity Partnership (TOSMBP) and the Ministry for Primary Industries (MPI).

The implementation of this SSMP is as an interim measure that will ultimately lead to the inclusion of *Sabella* as a declared pest in the Regional Pest Management Plan for Tasman, and possibly the creation of a regional (or inter-regional) pathway management plan³.

¹ Refer to Appendix 2 for all definitions and interpretations for this SSMP, that are covered under the Biosecurity Act.

² The 'Top of the South' area refers to a marine biosecurity partnership - Top of the South Marine Biosecurity Partnership (TOSMBP) involving stakeholders with an interest in the marine environments covering the Tasman and Marlborough Districts and Nelson City Council areas. Stakeholders include: the three councils, DOC, MPI, the aquaculture industry, iwi and port companies. The goal of the partnership is to protect the Top of the South from marine invaders. More information can be found at <http://www.marinebiosecurity.co.nz/>. Refer also 3.2.

³ Both a regional pest management plan and a regional pathway management plan are developed under Part 5 provisions of the Biosecurity Act. A pest management plan is about managing an individual species (eg, *Sabella*), whereas a pathway plan deals with the ways in which a pest like *Sabella* is moved or vectored from place to place. Refer also 4.2.

1.2 Purpose

The purpose of this small-scale management programme is to set out the measures that Tasman will use to manage the impacts of *Sabella* in the district in the next 3 years. Measures include: surveillance, monitoring and information collecting, direct control of any *Sabella* found, district-wide advocacy initiatives, spread risk mitigation practices through the aquaculture industry and regulation where appropriate under the Biosecurity Act. The Council requires access to powers under the Act to effectively manage *Sabella*, in the absence of it being a named pest in the Regional Pest Management Plan. This SSMP should be read in conjunction with the SSMP Operational Plan (refer to Section 5.2).

1.3 Commencement and duration

The small-scale management programme came into effect on XX XX, 2017. The programme is intended to run for a period of 3 years (until XX XX, 2020). However, under Section 100V(6) Act the SSMP ceases to have effect on the occurrence of the earliest of the following:

- the Council declares by public notice that the programme is failing to control *Sabella*;
- the Council declares by public notice that *Sabella* has been eradicated or controlled;
- five years have passed after the declaration of the programme.

1.4 Document structure

Section 1 has provided some context around *Sabella* and outlined the purpose and timings of the programme. **Section 2** provides more detail of the impacts of *Sabella* in relation to its effects on: economic production, the environment (including enjoyment of the natural world) and the values of importance to Māori.

An overview of the presence of *Sabella* in the district is provided in **Section 3**, including TOSMBP work that has occurred prior to the SSMP's development and will continue, supporting the SSMP. **Section 4** addresses legislative requirements around developing SSMPs, noting the pre-requisites in the Act that Council is satisfied have been met. Options for future *Sabella* management are summarised.

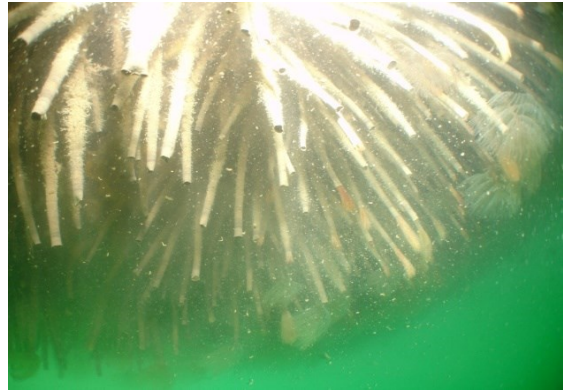
Implementation of the SSMP is fully outlined in **Section 5**, including stating the programme objectives, detail of the seven key management measures to be used and 13 Biosecurity Act powers that are to be conferred and how they might be applied during the SSMP. Other matters of relevance, such as the SSMP Operational Plan between the TOSMBP parties, are also covered.

2 Background

2.1 Overview of *Sabella*

Sabella is a segmented, tube-dwelling worm which fixes itself to natural and artificial surfaces in the subtidal marine environment, living in depths between 1 - 30 metres. The leathery tube, which is often muddy looking in appearance, has a single and very prominent spiral fan (feeding tentacles) which extend out from the 'free end' of the tube, with the orange/brown/white coloured fan up to 15 cm wide when fully spread.

Sabella is the largest fanworm found in New Zealand (growing anywhere from 40 to 80 cm long) and can be differentiated from native fanworms, which are smaller and have two spiral fans. *Sabella* is a significant marine pest as it forms dense beds which will out-compete other desirable species and threaten the integrity of natural ecosystems. The photo at right (source: MPI files) shows an infestation of *Sabella* (with fans mostly retracted) creating ecosystem dominance.



A 2014 report commissioned by Marlborough District Council⁴ found that effective *Sabella* management poses many questions and concerns, due to the following factors:

- rapid rates of growth and ability to regenerate damaged body structures;
- wide environmental tolerances and a lack of predators;
- can live on most artificial and natural habitats, including shell debris in soft sediments;
- high reproductive rates and long spawning season (May to September); and
- has high potential for natural dispersal as well as human-induced spread (through hull biofouling, ballast water and movement of aquaculture equipment).

The report concluded that because of its biological and ecological characteristics, *Sabella* has a high potential risk of spreading further in Marlborough and the Top of the South (TOS) as existing populations undergo further spread. The most likely vectors of spread in the TOS area are through the marine farming sector and via recreational boating. The TOSBMP estimates that there are 3000 'resident' vessels in the TOS area and a further 2000 vessels enter each year.

Technologies and methods are available to slow the spread of *Sabella* but not to eradicate it. Unmanaged, it is possible that it could be widespread in the TOS area within a decade. The costs associated with widespread *Sabella* are unknown, but are potentially high, particularly for marine farmers and for areas of high biodiversity value (if it was possible to put a monetary value on natural ecosystems).

The following sections describe the TOS values that are at risk if *Sabella* is left unmanaged and allowed to spread with no regional intervention. Information is shown in summary form only. Readers are referred to the references cited for greater context and more complete information.

2.2 Effects on economic values

The biggest threat to the economic values in the TOS are potential impacts on the marine farming/aquaculture industry⁵. *Sabella* can quickly become established in a wide range of habitats and can attach directly to shellfish. It will readily settle on mussel grow-out lines and may reduce mussel growth by altering water flow around the lines and competing with mussels for suspended

⁴ Fletcher, L.M. for Marlborough District Council 2014. *Background information on the Mediterranean fanworm Sabella spallanzanii to support regional response decisions*. Cawthron Report No. 2479A.

⁵ The TOS Marine Biosecurity Strategic Plan notes that the top of the South Island collective area has the largest concentration of marine farms in New Zealand.

food (CSIRO 2001)⁶. The mussel industry is worth approximately \$193M per annum⁷ and is a significant contributor to the TOS economy. Mussel farmers anecdotally consider there would be a direct correlation between increasing *Sabella* density and distribution and lower mussel production (and corresponding increased costs of mussel farming through having to control *Sabella*). Fletcher (2014) noted that established colonies of *Sabella* on marine structures would be very costly to remove.

Fletcher (2014) further noted that *Sabella* has the potential to incur costs to the commercial fishing⁸ and shipping industries as more frequent hull cleaning may be necessary when vessels are docked in an infested area (eg, Port Nelson). If uncontrolled, it could become the dominant fouling species in a marina, weighing down structures and spreading to moored vessels, thereby incurring costs for owners.

2.3 Effects on environmental values

The level of *Sabella* invasiveness (distribution and density) and associated impacts are noted by Fletcher (2014) to vary considerably between locations (due to the underlying substrate) and at different times of the year. At high densities, the fanworms efficiently filter food from the water column, which could affect natural shellfish beds and could modify natural ecosystems through the exclusion of native species. Mediterranean fanworm can out-compete native suspension feeders. Some ecosystems do offer natural resilience as marine pest species often colonise bare space and newly cleared areas. If this space is not available, they may struggle to become established (Fletcher 2014).

Other studies from around New Zealand and overseas (as summarised in Fletcher, 2014) have documented ecosystem changes, ranging from alteration of benthic habitats due to the physical presence of the fanworm, growth over seagrass beds, effects on organic nitrogen recycling, effects on the interactions of microbial communities in natural situations and effects on water flow (by providing barriers to water movement and a reduction in water exchange among benthic communities).

2.4 Effects on enjoyment of the natural environment (recreation)

Sabella may impact on recreational fishing resources by altering the local ecology in infested areas and has the potential to have significant impacts on recreational boating activities due to the need for increased hull hygiene. Awareness of the risks of hull-fouling among this sector however is low. Changing behaviours of this diffuse group remains one of the biggest challenges for the TOSMB partnership. Even though *Sabella* is a marine species, and therefore more difficult to see and notice in everyday situations, people would be impacted aesthetically by the visual presence of *Sabella*, especially divers and snorkelers recreating in high value marine ecosystems. The costs of these impacts are not currently estimated.

⁶ Commonwealth Scientific and Industrial Research Organisation (CSIRO), 2001. Marine Pest Information Sheet: giant fanworm (*Sabella spallanzanii*). Summary: Overview of the establishment and impacts of *Sabella* in Australia.

⁷ Information supplied by Rebecca Clarkson, Aquaculture New Zealand - extracted from New Zealand Institute of Economic Research publication titled: The economic contribution of marine farming in the Marlborough region – A Computable General Equilibrium (CGE) analysis. NZIER report to Marine Farming Association, September 2015.

⁸ Nelson is New Zealand's busiest fishing port – source TOS Marine Biosecurity Strategic Plan, 2009.

2.5 Effects on Māori values (the relationship between Māori, their culture, and their traditions and their ancestral lands, waters, sites, wāhi tapu, and taonga)

Māori in the top of the South Island are highly connected with the marine environment⁹. This includes a culture of use and protection of marine resources embodied in kaitiakitanga. The presence of an introduced species such as *Sabella* can:

- diminish populations and diversity of valued species, such as paua, karengo and kina;
- affect the mauri and wairua of places and ecosystems;
- damage valued places;
- change the character of wāhi tapu (eg, marine burial sites).

The TOS Marine Biosecurity Strategic Plan (the strategic plan)¹⁰ outlines the role of iwi in marine biosecurity in the three districts, including listing nine iwi with interests in the TOSMBP. They are:

- Ngati Tama;
- Ngati Koata;
- Te Atiawa;
- Ngati Kuia;
- Ngati Apa;
- Ngati Rarua;
- Rangitane;
- Ngai Tahu; and
- Ngati Toa Rangatira.

Iwi have two separate and distinct roles under the strategic plan. The first relates to their desire to exercise customary rights over the TOS area by fulfilling their kaitiakitanga responsibilities. This role brings with it knowledge and experience about the sustainable use of marine resources within the area. The second role is around interests in marine farming, aquaculture, fishing and other marine industries in the TOS area.

Together, these roles give iwi a unique perspective on marine resources in the TOS area as well as a practical working knowledge of the local marine environments. The overall iwi position, through the strategic plan, is that the presence of marine pests is a direct result of commercial activities. The iwi customary role needs to be kept entirely separate but noting nevertheless that iwi have an interest in any measures or programmes aimed at marine pests that impact on customary fisheries as well as commercial fisheries. Iwi see their TOS role as being advisory, including membership of any working groups established to oversee the planning and implementation of marine biosecurity programmes, including this SSMP. Iwi are also supportive of legislation to bring certainty to how biosecurity issues will be addressed and seek involvement in the formulation of relevant policy/policies that might lead to the drafting of appropriate regulations/legislation.

⁹ Draft Top of the South Marine Biosecurity Recreational Vessels Pathway Management Plan, December 2014. (Prepared as a case example for the Top of the South Marine Biosecurity Partnership Management Committee for the purposes of scoping production of a Plan).

¹⁰ See <http://www.biosecurity.govt.nz/files/pests/surv-mgmt/marine-biosecurity-strategy.pdf>.

3 Presence in the Top of the South

3.1 Current situation – as at January 2017

Tasman District Council

The first *Sabella* detection was made at Port Taroakohe in September 2016. In all, 12 adult fanworms were removed from the port structures and around the marina, funded by Tasman District Council (cost \$6,000). As at January 2017, planning was underway to determine the levels of future surveillance needed for this area (covered in SSMP Operational Plan).

Nelson City Council

Several *Sabella* detections were made between 2012 and 2016 within Port Nelson (the commercial port and marina), costing to date \$64,000 (as summarised below):

- 2012 – first detection in marina (TOS recorded incident).
- MPI port survey in 2013, multiple incidents were reported, mostly vessel-related and one detection on a marina pontoon.
- Summer 2014 – two surveys carried out of marina area and channel markers. Survey area gradually increased.
- 2015 – vessel in port found to be infested, had not been in either Auckland or Lyttelton (focused on supplying oil drilling operations).
- Current programme (2016) saw surveys increased to twice annually. Although visibility in port area is not great, fanworm incidences/removals have decreased (from approximately 20+ per dive to approximately 4).

Sabella is thought to be suppressed in Port Nelson, with only a handful of large individuals found to date.

Marlborough District Council

Several *Sabella* detections were made between 2014 and 2016 in the Picton/Waikawa Bay areas, costing to date \$69,000 (as summarised below):

- February 2014 – first recorded incursion in the district, on a vessel with 12 fanworms found. Owners voluntarily cleaned the vessel and no further *Sabella* has been found in relation to vessel in two subsequent surveys.
- During a marine survey (November 2014) two fanworms detected in Picton marina. A delimiting survey found one further animal.
- Intensive surveys focusing on *Sabella* primarily were carried out in 2015 at Picton and Waikawa marinas – May 2015 (one fanworm), November and December 2015 (one juvenile fanworm found on a vessel in the Picton outer marina).
- In March 2016, the first detection was made at Waikawa Bay, with one juvenile fanworm removed from a vessel (poorly antifouled, having been moored in Tennyson Inlet for 5 months).

- Two months later (May 2016) another single fanworm was detected at Picton marina. Both the above vessels had tracebacks made to Westhaven marina in Waitemata Harbour.
- September 2016 survey resulted in a further single fanworm on an outer pontoon in Picton marina.

The surveys revealed little other marine pests/growth, with good visibility in inner harbour/bay areas, worsening in outer areas. Surveys were extended to substrate areas and included port surveys, marine farms and monitoring of vessels. Other than the infested vessel at Waikawa Bay, no *Sabella* were found, although the marina was not under active surveillance at the time. One of the detections was a direct result of local educational/awareness efforts. As at January 2017, *Sabella* is suppressed and thought to be potentially eradicable.

3.2 Control and management programmes – other related work

Current work carried out by the Council outside of this SSMP is primarily undertaken through representation of the TOSMBP. The TOS Marine Strategic Plan sets out the following brief for involvement:

- undertake co-ordinated marine biosecurity education and advocacy activities;
- provide integration of regional with national marine biosecurity systems;
- provide partners with access to regional intelligence, resources and organisational structures;
- provide operational resources for nationally-led activities (eg, personnel and boats);
- co-ordinate local surveillance programmes including stakeholder involvement.

The Council will continue these programmes and initiatives to support and complement the SSMP.

4 Legal Requirements

4.1 Biosecurity Act considerations

Overview

Small-scale management programmes are the primary response tools available to regional councils for managing incursions of unwanted organisms that are not declared pests in a regional pest management plan for the region (and are not managed wholly by the Ministry for Primary Industries). Sections 100V and 100W of the Act outline the process to be followed, including prerequisites to meet around the subject organism causing serious and unintended effects (Section 100V) and the exercise of Biosecurity Act powers that are proposed to be used under an SSMP (Section 100W).

Recent changes to biosecurity policy

In September 2015, a National Policy Direction (NPD) for Pest Management became operative, guiding the development of biosecurity policy and plans in New Zealand. In relation to small-scale management programmes, the NPD provides clear directions. These are summarised as follows:

- the objectives in the SSMP must state the adverse effects that are being addressed, from those listed in Section 54(a) of the Biosecurity Act¹¹;
- the SSMP must state the outcomes that are sought – being one of more of the following: exclusion, eradication, progressive containment or sustained control¹²; and
- in relation to each outcome above, note the geographic area covered, the extent to which the outcome will be achieved and the period in which the outcome is expected to be achieved.

SSMP pre-requisite assessments

A council may declare a SSMP if it is satisfied that the requirements of Section 100V(2) have been met, which include links with the NPD. Tasman District Council considers that the following six clauses are met, as follows:

- (a) *An unwanted organism present in the region could cause serious adverse and unintended effects unless early action is taken to control it.*

As described in Section 3, *Sabella* has been detected in the district at relatively low densities. Early action to control it is required (based on studies from around the country and overseas) due to the fanworm's ability to rapidly reproduce and spread (see section 2). Further, the impact it can have on iwi, native ecosystems, aquaculture and aesthetics means that *Sabella* could cause serious adverse and unintended effects on the marine environment, which is highly valued for its economic values, cultural values, biodiversity, tourism, recreation, harvesting of seafood, aquaculture, natural character and overall amenity value.

- (b) *The organism can be eradicated or controlled effectively by small-scale measures within 3 years of the measures starting, because:*

- (i) *its distribution is limited; and*
 (ii) *technical means to control it are available.*

There have been a small number of *Sabella* infestations detected in the past 2-3 years (limited distribution) and actions, such as hull cleaning and then applying anti-fouling paint, are available to control it (technical means). Therefore, the Council considers that small-scale measures are appropriate to eradicate or control effectively *Sabella* within 3 years, including exclusion of *Sabella* from areas not currently known to be infested.

- (c) *The programme is not inconsistent with the national policy direction.*

¹¹ To provide for the eradication or effective management of harmful organisms that are present in New Zealand, by providing for the development of effective and efficient instruments and measures that prevent, reduce, or eliminate the adverse effects of harmful organisms on economic well-being, the environment, human health, enjoyment of the natural environment, and the relationship between Māori, their culture, and their traditions and their ancestral lands, waters, sites, wāhi tapu, and taonga.

¹² Refer to Appendix 2 for definitions of these outcomes.

The Council has prepared this SSMP in accordance with the directions set out in the September 2015 National Policy Direction for Pest Management. Council considers that the SSMP is not inconsistent with that direction, as outlined in (d) below.

- (d) *The process requirements in the national policy direction for declaring the programme, if there were any, were complied with.*

In relation to the three key NPD requirements (summarised in 4.1 above) the adverse effects of the subject in the SSMP objectives are covered in 5.1. Further information on the adverse effects being addressed is detailed in Sections 2.1 to 2.5. The intermediate outcomes being sought are also addressed in 5.1. Section 5.1 further states that the SSMP covers the whole district and that there are many unknown variables which will impact on the outcomes being sought and that it is not applicable to state whether they will be achieved. The duration set is 3 years, by which time it is anticipated that *Sabella* will be covered in other Biosecurity Act plans.

- (e) *The taking of the measures and, if necessary, payment of compensation is likely to cost less than an amount prescribed for the purposes of this section by the Governor-General by Order in Council.*

The Biosecurity (Small Scale Organism Management) Order 1993 prescribes the maximum amount for the purposes of Section 100V(2)(e) of the Act as \$500,000. The Council has undertaken a cost analysis and considers that the taking of the measures will cost approximately \$xyz. There is no provision for compensation in the SSMP.

- (f) *The taking of the measures is unlikely to result in significant monetary loss to any person, other than a person who has contributed to the presence or spread of the organism by failing to comply with biosecurity law.*

There is likely to be some cost to persons who own a building, craft or structure that is 'harbouring' *Sabella*, for example, where a vessel owner is directed to clean the vessel's hull. The cost of regular hull cleaning should, however, be an accepted cost of boat ownership. It is estimated that these costs are between \$500 and \$3,000 per vessel¹³, depending on the vessel size. The Council does not consider this creates a significant monetary loss to those owners, particularly given the risk that these craft pose.

4.2 Other management options

Overview

This small-scale management programme is a short-term measure to address the relatively recent incursions of *Sabella* into the district and the need to be able to access Biosecurity Act powers to undertake urgent control, or other management actions, as deemed necessary. It is likely that *Sabella* management will transition to a more medium to long-term programme, also under the Biosecurity Act. There are two options - (i) declaration of *Sabella* as a pest in the Tasman-Nelson Regional Pest Management Plan, or (ii) development of a regional pathway management plan to better manage the ways in which *Sabella* is spread. The following points highlight the key features of both options.

Regional pest management plans

¹³ Figures based on known costs from Northland Regional Council *Sabella* hull de-fouling work.

Regional pest management plans provide for consultation with communities on the control of specific organisms that are of concern to them. A Proposed Plan sets out the strategic and statutory framework for the management of these 'pests'. In the preparation of plans (as required under Sections 68-78 of the Act), councils must undertake an extensive screening process for each organism nominated to determine what (if any) regional intervention would be appropriate.

Identifying effective and practicable means of achieving control (including developing rules that occupiers are required to adhere to), satisfying cost benefit analyses, identifying exacerbators of pest problems and beneficiaries of control (and subsequently who should pay for management programmes) are among the most important criteria to consider. Plans cannot be inconsistent with other legislation, principally the National Policy Direction for Pest Management 2015 and plans prepared under the Resource Management Act 1991, and the outcomes may be challenged through Environment Court processes. Development of the Proposed Regional Pest Management Plan for Tasman is currently underway and may take up to 2 years to be finalised.

Regional pathway management plans

The ability to develop regional pathway management plans arose from an amendment to the Biosecurity Act in 2012. A pathway plan is designed to prevent marine pests from reaching new areas, rather than responding to a pest once it has arrived and had time to establish. Pest 'pathways' are generally created via human activities that transport a (marine) pest from one place to another; for example, hull biofouling, ballast water and movement of aquaculture equipment. Councils must follow a similar process in the preparation of pathway plans as for pest management plans (as required under Sections 89-98 of the Act). Regional pathway management plans may apply to areas other than entire regions, including inter-regionally.

There is currently one marine pathway plan developed under the Biosecurity Act – the *Proposed Fiordland Marine Pathway Plan*. This plan aims to greatly reduce the risk of marine pests being carried into Fiordland on local and visiting vessels. It establishes clean vessel standards that all vessels entering Fiordland must meet, regardless of their size and proposes a *Fiordland Clean Vessel Pass* to ensure vessel owners/operators understand and adhere to the standards.

The top of the South Island is highly connected to other regions of New Zealand through the movement of both commercial and recreational vessels and it is likely that new species will continue to be introduced unless effective management systems are put in place. The use of pest pathway plans instead of individual plans to control organisms may become more prevalent in the future, to help prevent the movement of pests to new areas.

5 Small-scale Management Programme Details

5.1 Programme objective

The objective of the SSMP is to provide for the control of *Sabella* in the Tasman District over the next 3 years to:

- reduce the adverse effects on economic well-being; the environment; enjoyment of the natural environment and the relationship between Māori, their culture, and their traditions and their ancestral lands, waters, sites, wāhi tapu, and taonga; and
- reduce spread within the region and to other areas.

EXPLANATION

As at January 2017, *Sabella* is known to be present in the district. The outcomes that are being sought through the SSMP relate to:

- **Exclusion** of *Sabella* from areas in the district where it is not known or established (eg, areas that are free of *Sabella* continue to be kept free);
- **Eradication** of *Sabella* from the district where technically feasible and realistic within the time bounds of this programme; and
- **Progressive containment** and/or **sustained control** (eg, where eradication is not achievable, that steps are taken to either contain and reduce the distribution of *Sabella* or taking steps to reduce its impacts and spread to other places.

The actual or potential adverse effects of *Sabella* being addressed through this SSMP include:

- declining mussel production through direct competition for growing space (aquaculture industry values);
- degradation of endemic marine biodiversity and benthic ecosystems (natural environment values);
- the aesthetics of, and perceptions around, vessels and structures that are fouled (and visibly infested) with exotic organisms; and
- the effects on the treasured natural resources of the area (Nga taonga tuku iho) and the sustainable use of marine resources by iwi, including customary fisheries and commercial fishing interests (Māori values and fulfilling kaitiakitanga responsibilities).

Determining a successful or unsuccessful SSMP

The extent to which the outcomes stated above will be achieved is difficult to state, as no guarantees or judgements around success or otherwise of the SSMP can be stated prior to its implementation. As with many aspects of marine biosecurity management, there are many variables (natural and human-induced) which can occur or be introduced at any time. Notwithstanding these issues, the overall success of this SSMP might be evaluated by:

- no new infestations discovered over the 3 year period; or

- that current infestations have not expanded past their known 2016 densities.

Conversely, an unsuccessful SSMP would:

- fail to control *Sabella* (if multiple new sites were discovered); or
- high density, uncontrolled populations eventuated.

Small-scale implementation measures

Introduction

A wide range of activities will be carried out to implement the SSMP. The SSMP Operational Plan (refer to Section 5.4) outlines the nature of works, which is primarily undertaken by the Top of the South councils. It also includes involvement of, and part funding by, MPI (eg, specified surveillance, advocacy and key messaging around targeting the marine recreational boating sector).

The measures that will be used to implement the SSMP are summarised below. Some actions, such as first response dealings, surveillance and direct control may trigger the potential use of Biosecurity Act (part 6) entry, inspection and enforcement powers (as outlined in Section 5.3). Each measure below is aligned with exclusion, control or management outcomes.

Measures	Description
Intelligence and information gathering (exclusion)	Joint agency collection of relevant material will focus on detecting infested vessels and tracing vessel movements (eg, through trip reports). Essentially, this activity is a ‘heads-up’ process to pre-empt problems from arising or to notice and act on issues before they can escalate. This activity involves extending and formalising the current level of dialogue with people from a wide range of marine-related interest areas, such as harbourmasters, marine operators, marine radio, ship brokers and slip owners.
Responses to <i>Sabella</i> on vessels and structures or in the natural environment (exclusion and control)	Notifications and enquiries are received chiefly in relation to potential ‘at risk’ vessels (either new to an area or ‘resident’ vessels) but also other potential incursion situations. The speed and nature of the first response is critical to ensure that the appropriate response action is carried out, including undertaking emergency management measures.
Surveillance, active and passive (exclusion and control)	Surveillance for <i>Sabella</i> is about increasing the chances of detecting individuals and infestations sufficiently early to enable effective eradication or control. Surveillance activities will target likely <i>Sabella</i> pathways (eg, likely points of vessel entry and mooring) and looking in places where it has not been previously detected. Surveillance around the regions’ marine area will involve a combination of active and passive surveillance. Active surveillance is where predetermined, targeted survey work using professionals is carried out to detect <i>Sabella</i> (refer to the SSMP Operational Plan).

Passive surveillance relies on ‘non-experts’ (eg, members of the public who are ‘out and about’ in the coastal/marine areas) to notice and report potential sightings of *Sabella* and risk vessels that are new to an area. Enhanced passive surveillance activities will also be carried out in a way that builds awareness and support for the SSMP (eg, providing training and tools for those involved).

Direct control

(control)

Physical control measures relate to direct population management and control of infestations. Activities carried out may include: hauling out vessels, mooring ropes and buoys and cleaning them, also moving vessels to new locations, wrapping boats in situ and treatment using chemicals. Refer also to Section 5.3. The focus of this work will be on more intensive control at known sites with *Sabella*.

Advocacy

(exclusion)

One of the key outcomes of the implementation of the SSMP will be behaviour change among regional marine users, brought about through targeted campaigns and initiatives. Alerting commercial and recreational groups and the public to the issues, threats and solutions around *Sabella* is likely to result in more effective management overall. *Sabella* is both an unwanted organism and a notifiable organism (refer to definitions in Appendix 2).

The Council will undertake awareness campaigns and instigate initiatives, as appropriate, in conjunction with TOSMBP partners. The focus will be on targeting specific user groups using social media and marketing methods (eg, Facebook and Twitter) in conjunction with traditional print/radio advertising. These campaigns will include: generic key messages and advice on what people (eg, boaties) should do to reduce the risk of spreading *Sabella*.

Spread risk mitigation

(exclusion)

Sabella is a significant issue and concern for the marine aquaculture industry and the owners of ports and marinas. Leaders in these commercial operations are well placed to drive industry changes to operational practices which could otherwise provide pathways of spread for *Sabella*. Spread risk mitigation methods are linked with advocacy and awareness activities but are very industry specific. For example, in the mussel industry it is critical to source ‘*Sabella*-free’ mussel seed and to insist on the use of new mussel lines (ropes) to grow spat and not to reuse old lines.

Administration of SSMP

(control / management)

Accountability around proposed and actual activities carried out and funding (through the SSMP Operational Plan) forms part of the SSMP package. Post-operational reporting and communication is required for individual councils as well as collectively for the TOSMBP. It is

important to have centrally documented the collective SSMP implementation efforts of the various parties involved¹⁴.

SSMP administration processes also include a separate process for the identification and training of suitable Council staff / contractors / others for exercising Biosecurity Act powers. Authorised persons are to be appointed under Section 103(3) of the Biosecurity Act to carry out the functions, powers and duties, as outlined in Section 5.3 below.

5.3 Implementation measures using Biosecurity Act powers

Background

To manage and control *Sabella* successfully the Council needs to be able to access Biosecurity Act powers (without relying on MPI for powers) to carry out the following activities, for example:

- inspect and clean vessels and places (with or without prior notification to owners);
- direct vessel/place owners or occupiers to follow Council instructions;
- restrict or control access to vessels and places (or place conditions on access);
- request information about vessel movements;
- ability to remove a vessel from the water, or move it to a location of choice; and
- ability to recover costs from owners/occupiers in certain circumstances.

In most situations, it is anticipated that the vessel and structure owners (and other parties with an interest) will co-operate with Council and the parties will work together to determine appropriate actions and outcomes. Where owner(s) support is not forthcoming, the owner(s) cannot be located, or a vessel is abandoned it is necessary for Tasman District Council to have full access to Biosecurity Act powers¹⁵.

In accordance with Section 100W(2) of the Biosecurity Act, authorised persons (APs) will be appointed by the Principal Officer (Council CEO) for the purposes of this SSMP. The following table lists the sections and powers under the Act that will be utilised by the Council as the management agency and by APs. A short explanation of the power is provided and an example (where appropriate) of how it would be applied in the case of *Sabella* management under this SSMP. Other Acts which have relevance to exercising these powers include the: Search and Surveillance Act 2012 and the New Zealand Bill of Rights Act 1990.

¹⁴ The TOSMBP provides this reporting platform already, therefore no additional costs are expected. The TOS reporting framework will require altering to enable reporting back against the objectives of this SSMP and the actions contained in the SSMP Operational Plan.

¹⁵ Regardless of the level of owner/occupier support for management action for *Sabella* under this SSMP, the Council will follow all prescribed Biosecurity Act functions, powers and duties, and guidance and advice, as contained in *Biosecurity Act Enforcement Standard Operating Procedures and Guidelines Manual*, Biosecurity Working Group, 146p.

Section/Power	Explanation and SSMP Application
Section 43 – Duty to provide information	Requires any person who owns, manages or controls (for example, a business, vessel or place that is at the centre of interest) to provide information to an AP when asked, concerning the presence or distribution of <i>Sabella</i> . Includes the collection, acquisition and recording of any relevant information.
Section 106 – Power to require assistance	APs can employ or require anyone to assist them to carry out the provisions of the Act. Provides the ability for technical experts (such as commercial divers or harbourmasters) to be used for <i>Sabella</i> surveillance and control. Anyone assisting an AP also assumes the same powers, while they are under their direct management.
Section 109 – Power of inspection	An essential power for <i>Sabella</i> surveillance and control activities, in that APs can enter any place at any reasonable time to confirm the presence, former presence, or absence, of <i>Sabella</i> and to eradicate or manage <i>Sabella</i> . The definition of ‘place’ of relevance for this SSMP includes any conveyance, craft, structure and the bed and waters of any sea.
Section 112 – Duties on exercising powers of entry	Outlines requirements of APs when exercising powers of entry or inspection (Section 109). Where the owner/occupier of the place is not present the AP must leave written advice on the nature of entry and any actions carried out. An important duty where, for example, a ‘suspicious’ vessel is reported or found with no one in charge of it and <i>Sabella</i> inspection or control work is urgently required.
Section 113 – Power to record information	Authorised persons, when using powers of entry (Section 109) can take copies of or remove any information that is reasonable for the purposes of the inspection. Could be used in <i>Sabella</i> management for many activities, such as verifying boat movements and undertaking tracebacks of vessels’ prior locations.
Section 114 – General powers	Along with Section 109 powers, allows APs to do anything thought necessary to eradicate or manage an organism. A fundamental power to prevent the spread of or control <i>Sabella</i> .
Section 115 – Use of dogs and devices	Along with Section 109 powers, provides the ability to use devices to assist with Section 113 and Section 114 powers described above. Could include, for example, using underwater surveillance cameras to assess <i>Sabella</i> infestations and using tools to manually lever <i>Sabella</i> off vessels’ hulls.
Section 119 – Power to seize abandoned goods	APs may seize, treat or dispose of any abandoned goods, craft, conveyance or organism, after making reasonable attempts to find the owner. An important power to potentially seize an abandoned vessel that is harbouring <i>Sabella</i> .

Section 121 – Power to examine organisms	APs can carry out any action thought necessary to determine the presence or absence of an organism and assess management measures. Powers include: examining, inspecting, taking samples, autopsies, destroying and taking specimens, including directing people to do certain things with the organisms. Covers the ability to sample and destroy <i>Sabella</i> .
Section 121A – Power to apply article or substance to place	An AP may bring onto or leave for a reasonable time at any place, any article or substance (no greater than 1 cubic metre in volume) consequential to Section 121 actions above. May be required in the treatment of vessels with <i>Sabella</i> . It is an offence for any person to move or interfere with any article or substance left at a place.
Section 122 – Power to give directions	APs can direct (when considered necessary and by notice in writing) the occupier of a place, or owner/person in charge in relation to pests and unwanted organisms, to treat any goods, water, place, equipment, fitting or other thing that may be contaminated; destroy pests/unwanted organisms and take steps to prevent the spread of any pest/unwanted organism. An important power in the management of <i>Sabella</i> . For example, vessel and structure owners can be directed to destroy <i>Sabella</i> to certain standards at the owner's cost, remove a vessel from the water, move a vessel to a new location or to not move a vessel anywhere.
Section 128 – Power to act on default	Allows a management agency (the Council) to control a pest/unwanted organism when a Section 122 <i>Notice of Direction</i> has not been complied with and recover costs and expenses reasonably incurred. Provides for decontamination of vessels/structures that have <i>Sabella</i> , if required. Other sections of the Act apply in relation to cost recovery (Sections 135 and 136).
Section 130 – Declaration of restricted place	APs have the ability, by written notice, to restrict movement (removal of pests/unwanted organisms) or the introduction of any good of any kind to any place). Provides the ability to restrict activities, such as vessel owners who may inadequately clean hulls or who dispose of <i>Sabella</i> in places that will cause it to spread.

5.4 Other matters

SSMP Operational Plan (2017 – 2020)

This SSMP has outlined the objectives and implementation measures and tools that will be used to manage *Sabella* within the 3 year term. Operational detail is covered within a single, joint SSMP Operational Plan managed through the TOSMBP and should be read as part of the overall *Sabella* management approach. Although each Council has initiated a SSMP individually, a joint operational plan is necessary to align the activities of each council and ensure all parties operate within the guiding principles of the Top of the South Marine Biosecurity Strategic Plan.

The SSMP Operational Plan outlines what work programme components are to be delivered (based on the measures outlined in Section 5.2), by whom, the timings involved and who will bear the costs, to ensure the objectives are met. The Operational Plan covers tasks/activities such as:

- initial appointment and training of authorised persons to implement Biosecurity Act powers;

- active surveillance plan for mapped areas where previous responses have been initiated (eg, Picton, Port Nelson and Tarakohe);
- active surveillance plan (mapped areas) for high risk places where *Sabella* is not currently known (eg, Havelock marina, Waikawa Bay moorings, Port Underwood, Abel Tasman moored vessels);
- building skills to increase passive surveillance capability among recreational boaties; and
- direct control of *Sabella* where it is found on substrates and structures – including provision for adequate resourcing to ensure an effective programme is implemented.

Compensation

There are no provisions made or inferred through this SSMP, for compensation for any losses caused by the implementation of this SSMP.

Other parties may take steps to control *Sabella*

Regarding Section 100V(3) of the Biosecurity Act, the Council may make provision for other persons to undertake control of *Sabella*. This SSMP confirms that Tasman District Council is the management agency for Nelson City Council in the exercising of Biosecurity Act powers should regulatory action be required.

Appendix 1: Public notice regarding small-scale management programme

Tasman District Council has declared by public notice, dated xx xx 2017, a small-scale management programme (SSMP) under Section 100V of the Biosecurity Act 1993 (the Act). The unwanted organism the SSMP relates to is the marine pest Mediterranean fanworm (*Sabella spallanzanii*), referred to as *Sabella*. The SSMP applies to the whole marine area of Tasman District.

Small-scale management programme details

The objective of the programme is to provide for the control of *Sabella* in the Tasman District over the next 3 years to:

- reduce the adverse effects on economic well-being; the environment; enjoyment of the natural environment and the relationship between Māori, their culture, and their traditions and their ancestral lands, waters, sites, wāhi tapu, and taonga; and
- reduce spread within the region and to other areas.

The outcomes sought are:

- *Exclusion* (preventing establishment) in areas of the district currently free of *Sabella*;
- *Eradication of Sabella* from the district where it is technically feasible and realistic;
- *Progressive containment and/or sustained control* (where eradication is not achievable) - that steps are taken to either contain and reduce the distribution of *Sabella* or reduce its impacts and spread to other places.

Powers to be exercised under Part 6 of the Act to implement the programme are as follows:

- Section 43 Duty to provide information.
- Section 106 Power to require assistance.
- Section 109 Power of inspection.
- Section 112 Duties on exercising powers of entry.
- Section 113 Power to record information.
- Section 114 General powers.
- Section 115 Use of dogs and devices.
- Section 119 Power to seize abandoned goods.
- Section 121 Power to examine organisms.
- Section 121A Power to apply article or substance to place.
- Section 122 Power to give directions.
- Section 128 Power to act on default.
- Section 130 Declaration of restricted place.

This small-scale management programme can be viewed at [\[insert council website link\]](#) or contact the Council on 0800 xyz xyz.

Lindsay McKenzie
Chief Executive



Appendix 2: Definitions/Interpretation

For this small-scale management programme, unless otherwise stated:

Act – means the Biosecurity Act 1993. All definitions in the Act apply to this SSMP.

Craft –

- (a) means an aircraft, ship, boat, or other machine or vessel used or able to be used for the transport of people or goods, or both, by air or sea; and
- (b) includes –
 - (i) an oil rig; and
 - (ii) a structure or installation that is imported by being towed through the sea.

Eradication – means to reduce the infestation level of the subject to zero levels in an area in the short to medium term.

Exclusion – means to prevent the establishment of the subject that is present in New Zealand but not yet established in an area.

Notifiable organisms – pests and diseases that must be reported to Ministry for Primary Industries. Refer to link below for the current list.
<http://www.legislation.govt.nz/regulation/public/2016/0073/latest/DLM6792201.html>
<http://www.legislation.govt.nz/regulation/public/2016/0073/latest/DLM6792201.html>

Progressive containment – means to contain and reduce the geographic distribution of the subject to an area over time.

Sustained control – means to provide for the ongoing control of the subject to reduce its impacts on values and its spread to other properties.

Unwanted organism – means any organism that a chief technical officer of government departments with biosecurity interests determines to be unwanted, which is believed to be capable of causing actual or potential unwanted harm to any natural and physical resource or human health. Unwanted organisms are listed in Schedule 2 of the Hazardous Substances and New Organisms Act 1996. (Refer Sections 45 and 46 of the Biosecurity Act.)
[http://www.legislation.govt.nz/act/public/1996/0030/latest/DLM386556.html?search=sw_096be8ed8140e269 schedule+two 25 se&p=1](http://www.legislation.govt.nz/act/public/1996/0030/latest/DLM386556.html?search=sw_096be8ed8140e269%20schedule+two%2025%20se&p=1)

8.6 PAKAWAU EROSION ISSUES**Decision Required**

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN17-05-05

1 Summary

- 1.1 In June last year, I reported on an approach by the Pakawau Community Residents Association (PCRA) and their legal adviser (Warwick Heal) for Council to support them to build a rock sea wall at Pakawau. They want to protect their properties from erosion by the sea using rock rather than 'sand push ups'. The proposed wall is to be located partially on the esplanade reserve and partially on private land. The rock wall is to run between about numbers 1122 and 1154 Collingwood Puhonga Road.
- 1.2 Council agreed to staff assisting the PCRA to develop a community led proposal provided the direct beneficiaries funded it. Any proposal was to be approved by Council.
- 1.3 The PCRA led by Laurie Jarrett has made good progress. A resource consent is nearly ready to be lodged. A design has been completed and an estimate of the construction cost has been obtained. In addition to a resource consent, approval to occupy part of the esplanade resource may be needed.
- 1.4 I have agreed with Laurie that I would report to the 11 May 2017 Council meeting and seek the support they need.
- 1.5 As a first step, the PCRA asks that the Council meet the internal costs of processing the resource consent. Once consented they would like the Council to manage the construction of the wall for them. They would like the Council to fund the wall and recover the capital and operating costs via a targeted rate on the direct beneficiaries. The wall would become a council asset.
- 1.6 I suggest that the support sought be considered in stages. The first is the request to meet the internal resource consent processing cost. The PCRA has advised that they are unlikely to pursue a consent if there is an appeal to the Environment Court. While Council may indicate an 'in-principle' position on contract management and targeted rating, it is premature to spend too much time and resources on the other matters until a resource consent is obtained.

2 Draft Resolution

That the Full Council

- 1. receives the Pakawau Erosion Issues report RCN17-05-06; and**
- 2. agrees to assist the Pakawau Coastal Residents Association to build a rock wall partially on the esplanade reserve at Pakawau between about numbers 1122 and 1154 Collingwood Puponga Road by meeting the internal costs of processing a resource consent for the rock wall, up to the point any appeal to the Environment Court is lodged; and**
- 3. agrees to meet the internal cost of obtaining any necessary approval for the proposed rock wall to occupy part of the esplanade reserve; and**
- 4. agrees to fund those internal costs as an unbudgeted item from general rates revenues; and**
- 5. agrees in principle, to manage the construction contract and establish a targeted rate over the direct beneficiaries, subject to the beneficiaries agreeing and to the Council meeting its statutory obligations relating to decision making and rate making.**

3 Purpose of the Report

- 3.1 The purpose of this report is to get direction from Council about your willingness to support the Pakawau beachfront residents to build a hard defence (rock wall) against the sea at Pakawau.

4 Background and Discussion

The background

- 4.1 The background to the issue follows - in part drawn from the June 2016 report to Council,
- 4.2 The esplanade reserve and two privately owned properties with a beach boundary at Pakawau north of the campground suffered erosion in Cyclone Ita. Subsequent storms have worsened the situation. Sand push-ups that the Council funded (in December 2014 this was at a cost of \$4,100 excluding GST; and in December 2015 at a cost of \$5,498 excluding GST) have alleviated the problem temporarily and for the most part are holding well. However, the “end effect” area immediately north of the existing rock wall has eroded, is vulnerable and will require periodic sand pushup to maintain the shoreline and beach profile.
- 4.3 The 17 residents are anxious to find a more permanent solution – a rock revetment. The NZ Coastal Policy Statement and Council’s policy and advice is against the use of rock revetments in these environments unless and until other options have been exhausted. Council has obtained independent advice that recommends shoreline management by undertaking sand push-up and dune planting. Such works were planned to be undertaken as often as necessary (say twice a year) until a trigger line of last defence (trigger point for the construction of a rock revetment) was reached. At that point it would become necessary to look at alternate options such as building retreat or revetment construction.
- 4.4 This was not accepted by the community. They set up the Pakawau Coastal Residents Association (PCRA) with a view to obtaining consents to occupy the reserve, to build the wall and to fund its construction and maintenance. The Council entered into an MOU with the PCRA and undertook to assist them in their task (see attached).
- 4.5 Despite the bests efforts of a few, the PCRA initially failed to get a quorum at a meeting where their leaders’ and the Council’s proposals were to be considered and the initiative came to a halt.
- 4.6 Staff and I have since been corresponding with Laurie Jarrett (for the PCRA) and Warwick Heal. The outcome was an agreement to look at the issue in a slightly different way. The PCRA would still have a lead in making the applications for consents but the Council would be asked to assume ownership of the asset. This would avoid the need for the PCRA or a ‘sea wall Trust’ to own it and have to get some form of approval to occupy the reserve. It was also anticipated that the Council’s rating powers would be used to fund construction and maintenance and any shortfall in the capital needed.
- 4.7 A similar funding arrangement has been used in the past at Broadsea Avenue, Ruby Bay except in that case the maintenance rate is spread across about 1000 direct and indirect beneficiaries.
- 4.8 It had been envisaged that the work at Pakawau would be paid for by adjacent landowners. The capital would either come directly from the 17 beneficiaries or they would agree to be rated for it (and for maintenance).

- 4.9 While it is a matter for later, if there is to be a targeted rate it would be best managed on an all in basis. It would be an administrative nightmare if some residents contribute all of the capital, some part or it and others none of it.
- 4.10 Cost is a problem to some in this community. I have been told that if the consent is appealed and costs are uncapped, the community is likely to walk away.
- 4.11 The direct construction cost has been estimated by Sollys, to be \$240,000 based on a design obtained by the residents from OCEL Consultants. When the cost of preparing the consent application is taken into account along with processing, construction supervision and a reasonable contingency, this is likely to be a circa \$350,000 project.
- 4.12 Assuming that the project sum was borrowed over 20 years and a modest maintenance rate is included and the cost shared equally (any rate is more likely to be levied on the capital value of the property protected) the cost per ratepayers could be around \$1500 - \$2000 per year.

The Concept

- 4.13 The attached letter from Warwick Heal sets out the PCRA proposal. You will note that the letter was written in August last year. Since then the PCRA has been working on the resource consent application and the inputs into that including the design, construction cost estimates, heritage assessment, specialist planning advice and so on. Around \$22,000 has been spent and funded by the residents.
- 4.14 Prior to preparing this report, I met Laurie Jarrett to get an update on his work and to discuss the detail of the request to Council. He advised me that –
- 4.14.1 the PCRA continues to rely on the MOU with the Council as the basis for its approach;
 - 4.14.2 there is majority support among residents for what is proposed;
 - 4.14.3 OCEL has reviewed the options (soft or hard protection) and conclude that in this environment soft measure like sand push ups will not hold the line in the long run;
 - 4.14.4 OCEL has prepared a design that should satisfy the resource consent application requirements and has completed an assessment of environmental effects;
 - 4.14.5 final design will be completed once the resource consent conditions are known;
 - 4.14.6 an archaeologist has carried out an assessment and advised that no archaeological authority is needed for the work however lwi monitoring will be needed during construction;
 - 4.14.7 the construction estimate for 17 section is \$240,000 – up about \$80,000;
 - 4.14.8 the 17 sections would comprise Stage 1 to be built asap with a second stage (to the north beyond #1154) consented but not constructed;
 - 4.14.9 the PCRA would like Council to be the banker;
 - 4.14.10 he accepts that logic of an ‘all-in or all-out’ approach to the liability for the targeted rate;
 - 4.14.11 on completion the consent and structure would be vested in the Council to be held and maintained for the benefit of the community so long as they desire (and are prepared to pay for it) or mother nature allows.

Staff Response

- 4.15 The PCRA position has been that before they start down this track they need to be sure that they can complete the journey. In particular, they need to know that the Council (at the governance level) will agree to do the things that are necessary in order to help them consent, build and fund a rock wall and that we can administer the arrangements cost effectively.
- 4.16 Until an application is received, a decision on public notification or non-notification cannot be confirmed, PCRA cannot be assured that a consent application will be successful, or if granted, what the conditions of consent may contain. Any appeal on a consent granted would present the PCRA with an insurmountable cost hurdle. They have made it clear that if there is an appeal that cannot be resolved without recourse to an Environment Court hearing, then they will pull out.
- 4.17 The PCRA has been advised that their priority should be to get an assurance that the beneficiaries will meet the cost. An assurance that the risks and contingencies as well as the total project cost are understood and fundable is also need. Laurie Jarrett advises those things are understood and that there is majority support.

5 Cost Estimates for Resource Consents

- 5.1 We have provided the PCRA with a low and high cost estimate for processing a notified and non-notified application to Council decision stage (not appeal).
- 5.2 The low estimate for the notified application includes costs of RMA section 42A report preparation, some time for resolution of minor issues prior to the hearing, hearing co-ordination and decision costs and a 1 day hearing scenario (3 Commissioners) and the high is for a 2 day hearing scenario NB They are not directly proportional.
- 5.3 There are a number of reasons why costs could be lower or higher than these estimates, including the quality of the application and provision and assessment of further information (if requested) and number of submissions received and submitters want to be heard.
- This does not include the cost of reports (if any) that Council may require the applicant to commission as part of any further information assessment.
- 5.4 The cost of processing an application for a licence to occupy, should one be needed, has not been estimated. The RMA process makes a good starting point for estimating the costs of a similar public process.

	Low Estimate	High Estimate
Notified Application	\$41,350	\$60,950
Non-notified Application	\$10,350	\$15,700

6 Options

- 6.1 The Council has the option of agreeing to the request to meet the internal processing costs or not or to meeting them conditionally.
- 6.2 An example of conditional agreement could be that you decide to carry the risk associated with resource consent processing costs. If the resource consent application is unsuccessful or appealed to the Environment Court then the internal processing cost carried by the Council would be sunk. If on the other hand the resource consent was granted Council could say that the cost that is was carrying will be capitalised and recovered from the beneficiaries as part of the proposed targeted rate.
- 6.3 I haven't explored this option with the PCRA. They probably won't want to be drawn on it. But I imagine that having much of the risk of not obtaining a resource consent managed for them would be better than no support at all.
- 6.4 If this option is Council's choice then the following words should be added to part 4 of the draft resolution, which would then read as follows:

“4. agrees to fund those internal costs as an unbudgeted item from general rates revenues, to be capitalised and recovered by the proposed targeted rate...”

7 Policy / Legal Requirements / Plan

- 7.1 This proposal will face some consenting challenges and risks as a result of national and local policies. They are not necessarily issues for today but some insight into them may assist the Council. Most of what follows is from the 30 June 2016 report.

Reserves Management

Reserves General Policy Document states the following:

5.3 Coastal hazards

Council has an obligation to manage the coast in accordance with the New Zealand Coastal Policy Statement 2010, which guides local authorities with respect to the management of the coastal environment. Management of coastal reserves needs to pay particular regard to Policy 26 Natural defences against coastal hazards. The Ministry for the Environment's Coastal Hazards and Climate Change Guidance Manual for Local Government, dated July 2008, outlines the preferred methods to give effect to this policy.

Identifying and understanding coastal hazards, vulnerabilities and potential consequences provides a foundation for land-use and emergency planning policies, and strategies for managing the associated risks. These basic principles must also be underpinned by effective communication to build community awareness and public and political support for coastal hazard risk planning activities, and to support the processes of community consultation and participation for achieving effective community planning outcomes. There must also be a community acceptance of the upper threshold of risk treatment before emergency

management arrangements come into play (especially for episodic events such as tsunami or storm-tide inundation).

The Council is not planning to provide any increased levels of protection to properties adjoining coastal reserves. Rather, it will manage its coastal reserves, with the co-operation of the coastal communities living alongside them, so as to increase their natural resilience. Areas that will be managed in this way include beaches, estuaries, wetlands, intertidal areas, dunes and barrier islands.

The main management method will be the implementation of a comprehensive Coast Care management programme to protect, restore and manage healthy indigenous coastal vegetation around the coastal margin. This will also implement the policies in Section 5.1 Protection and Enhancement of Indigenous Biodiversity.

5.3.1 Expectations

5.3.1.1 Coastal reserves held by Council will be managed to provide, where appropriate, for the protection, restoration or enhancement of natural defences that protect coastal land uses from coastal hazards, such as beaches, estuaries, wetlands, intertidal areas, dunes and barrier islands.

5.3.2 Policies

5.3.2.1 Council will seek sustainable natural solutions to the management of coastal hazards and vulnerabilities on coastal reserves and with consideration of climate change.

5.3.3 Methods

5.3.3.1 A coastal hazard monitoring programme to record coastal change and to enable prediction of trends.

5.3.3.2 A management programme that will guide actions to manage predicted coastal hazards.

5.3.3.3 The Coast Care programme, a community partnership drawing on local knowledge and enthusiasm, to protect and restore the form and function of the natural coastal environment, and other volunteer programmes.

5.3.3.4 Reserve management plans.

5.3.3.5 NZCPS and TRMP.

Pakawau Reserve Management Plan

7.1 The Reserves Management Plan for the Pakawau Esplanade Reserve states that the important management issues are the removal and control of aggressive weeds, protection of the reserve from coastal erosion, prevention of encroachment by adjoining property owners, the protection of wader-bird habitat, and the maintenance of public access to and along the reserve.

National Policy and statutory obligations

7.2 Regional and territorial authorities have responsibilities and duties relating to avoiding or managing coastal hazard risk. Primarily, the planning framework of the Local Government Act 2002 and the Resource Management Act 1991 (RMA) require this. The New Zealand Coastal Policy Statement (NZCPS) is a guiding policy under the RMA for managing the coastal environment. The NZCPS guides local authorities in their day-to-day management of the

coastal environment. Councils must 'give effect to' the NZCPS in planning documents such as district or regional plans, as well as 'give regard to' its relevant provisions when considering consent applications.

7.3 The following policies are most relevant to this situation:

Policy 26: Natural defences against coastal hazards

Provide where appropriate for the protection, restoration or enhancement of natural defences that protect coastal land uses, or sites of significant biodiversity, cultural or historic heritage or geological value, from coastal hazards.

Recognise that such natural defences include beaches, estuaries, wetlands, intertidal areas, coastal vegetation, dunes and barrier islands.

Policy 27 Strategies for protecting significant existing development from coastal hazard risk

(1) In areas of significant existing development likely to be affected by coastal hazards, the range of options for reducing coastal hazard risk that should be assessed includes:

- (a) promoting and identifying long-term sustainable risk reduction approaches including the relocation or removal of existing development or structures at risk;*
- (b) identifying the consequences of potential strategic options relative to the option of 'do-nothing';*
- (c) recognising that hard protection structures may be the only practical means to protect existing infrastructure of national or regional importance, to sustain the potential of built physical resources to meet the reasonably foreseeable needs of future generations;*
- (d) recognising and considering the environmental and social costs of permitting hard protection structures to protect private property; and*
- (e) identifying and planning for transition mechanisms and timeframes for moving to more sustainable approaches.*

(2) In evaluating options under (1):

- (a) focus on approaches to risk management that reduce the need for hard protection structures and similar engineering interventions;*
- (b) take into account the nature of the coastal hazard risk and how it might change over at least a 100-year timeframe, including the expected effects of climate change; and*
- (c) evaluate the likely costs and benefits of any proposed coastal hazard risk reduction options.*

(3) Where hard protection structures are considered to be necessary, ensure that the form and location of any structures are designed to minimise adverse effects on the coastal environment.

(4) Hard protection structures, where considered necessary to protect private assets, should not be located on public land if there is no significant public or environmental benefit in doing so.

Consent Requirements

7.4 Depending on what is proposed the following consents may be required:

- land use consent (to undertake an activity that is not a permitted activity in an Open Space zone);
- land disturbance consent (to undertake land disturbance activities that exceed 2,000m² in any 12-month period within 200 metres of MHWS); and
- a coastal permit (if any part of the structure will lie below MHWS).

7.5 Pakawau is located in a Cultural Heritage Precinct. The Tasman Resource Management Plan requires that if there is a cultural heritage precinct on any part of the land and the activity will modify, damage or destroy it (which we have to assume the proposed activity will) – then EITHER an authority from Heritage New Zealand Pouhere Taonga is obtained to modify, damage or destroy a cultural heritage site; OR written evidence from Heritage New Zealand Pouhere Taonga is obtained to show that such an authority is not considered necessary. The PCRA has advised that the latter is the case.

Tasman Resource Management Plan (TRMP)

7.6 The TRMP includes the following objective and policies for the management of natural hazards:

Objective - Subdivision, use or development of coastal land that avoids the need for protection works against hazards from natural coastal processes.

Policy 23.1.3.2 - To avoid developments or other activities that are likely to interfere with natural coastal processes, including erosion, accretion, and inundation, except as provided for in Policy 23.1.3.6.

Policy 23.1.3.3 - To prevent natural hazards being aggravated by subdivision, use or development, including off-site effects of any coastal protection works.

Policy 23.1.3.6 - To allow the establishment of coastal protection works only where:

- (a) the works are justified by a community need;
- (b) alternative responses to the hazard (including abandonment or relocation of structures) are impractical, impose a high community cost, or have greater adverse effects on the environment;
- (c) it is an inefficient use of resources to allow natural processes to take their course;
- (d) for works protecting individual properties, the works will not cause or exacerbate adverse effects on other properties in the vicinity;
- (e) any effects of the work, including effects on water currents, wave action, sediment transport and deposition processes, do not adversely affect the natural character, natural processes or amenity values of the coastal marine area beyond the site of the work;
- (f) any effects of the work, including effects on water currents, wave action, sediment transport and deposition processes do not adversely affect the natural character or amenity values of the coastal marine area;
- (g) public access to and along the foreshore is maintained or enhanced; and

(h) other adverse effects of the work are avoided, remedied, or mitigated.

Policy 23.1.3.7 - To promote the maintenance and enhancement of coastal vegetation in areas at risk from coastal erosion.

The Coastal Structures Activity Management Plan

- 7.7 Section B.9 of the AMP refers to Coastal Protection and notes that there are significant lengths of coastal protection works in Tasman. Some of these are private works constructed with or without the appropriate consents, usually with the intent to protect built environments such as housing. Others are protecting the adjoining road asset that provides necessary access along the coast and therefore included in the transportation activity. It is noted that a substantial portion of these works are above Mean High Water Spring (MHWS) and not in the Tasman Coastal Marine Area.
- 7.8 Section B.9.5. relates to current and future demand and states that coastal protection may be required during the development of subdivisions to protect the new built environment. Council will manage the standard of protection provided via the TRMP. It is expected the maintenance of these assets will be the responsibility of the private parties involved.
- 7.9 Section B.9.6. identifies the key issues and strategic management and states that Council has set out its objective and policies which provides guidance to manage the conflicts of the need to protect and enhance the natural coastal environment while allowing and protecting existing and possibly some future built development adjacent to the coast. It states that the natural coastal processes are complex and not well understood. Protection works to mitigate erosion need to be carefully designed and located to mitigate adverse effects from the structures themselves. Council is continuing to research and monitor the dynamics of its coast line.

Funding and Rating Practice

- 7.10 Council needs to consider how the proposal for a targeted rate fits within Council's Revenue & Financing Policy ("RFP") principles. Council's current RFP states that where it is uneconomic to separately fund a targeted rate, the costs will be covered by the general rate.
- 7.11 Council has recently gone through a process to review and remove targeted rates that were uneconomic to collect. The rates removed were typically paid by a small number of ratepayers and collecting very small annual sums relative to Council's total rating income.
- 7.12 In this case Council would need to consider whether it is economic to separately fund the Pakawau activity based on a small capital base. If the answer is yes, Council should also consider whether it is equitable that the costs of administering the rate would be borne by the general ratepayer.
- 7.13 Council would also need to weigh up and consider the risks that arise in setting a new rate. Rates are a tax, and a very technical area. Every rate that is introduced adds complexity to overall rate setting and collection process. The risk of a challenge can be diminished if there is broad (and preferably universal) support for the rate and the work that it funds.
- 7.14 The impact of a new rate on the financial strategy will also need to be considered. Every "voluntary" type of rate that Council accepts, adds pressure on the total rates threshold limit. While this rate would not materially alter the movement to the 3% limit, but you may like to consider the precedent effect. If the Council is intending to enable community organisations to request and have voluntary type rates approved, it may need ultimately need to reassess the rates limits in its financial strategy. If the volume of these types of rates were to increase,

it may also need to consider increasing resources in the finance team who will be carrying the burden associated with any new rates.

- 7.15 There is also a challenge in that the work and the rate to fund it has to contribute to an outcome or purpose of the Council. I understand the Council's policy position, it does not support hard structural solutions to manage the erosion of soft shorelines unless the value or strategic importance of the community infrastructure to be protected justifies it.

Project Management

- 7.16 The PCRA prefers that the Council initially fund and manage the project. That matter can be resolved as part of any agreement.

8 Consideration of Financial or Budgetary Implications

- 8.1 Unless and until the consent has been granted we won't be able to advise fully on the financial implications for Council and the residents. The implications for the residents are likely to be significant - increasing their rates by 50% or more. The implications for Council are covered in Section 7.
- 8.2 If Council owns the asset it will be required to fund depreciation on the proposed capital works in addition to the ongoing maintenance costs.

9 Significance and Engagement

- 9.1 A decision to establish a rate and to finance the work (albeit via the beneficiaries) would be highly significant and require formal consultation and a review of the revenue and financing policy to provide for the rate. The Asset Management Strategy may need to be amended. These are issues for the future. The decision requested in this report is whether or not to meet the internal processing cost of a resource consents. That is not a decision of low significance.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Yes - High	The direct beneficiaries have a high level of interest in the decision. The wider community may have an interest based on their assessment of any precedent set
Is there a significant impact arising from duration of the effects from the decision?	No	
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
Does the decision create a substantial change in the level of service provided by Council?	No	But consequential decisions may do
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	But consequential decisions may do
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

10 Conclusion

10.1 The Pakawau beachfront community that is anxious about the foreshore erosion seaward of their properties. They seek a hard engineering solution to give them more secure protection than they have in the dunes or sand push ups. The annual cost is likely to be several times the cost of the alternative (sand push ups) but we are told that they are prepared to pay for it.

11 Next Steps / Timeline

11.1 The PCRA will be advised of your decision and, if it the recommendation is adopted, invited to submit its application.

12 Attachments

- | | | |
|----|----------------------------------|----|
| 1. | PCRU Memorandum of Understanding | 93 |
| 2. | Letter from Warwick Heal | 97 |

*Pakawau Beach Protection***MEMORANDUM OF UNDERSTANDING (MOU)****Parties**

Between: *Pakawau Community Resident's Association* having its registered address for service at 1178 Collingwood-Puoponga Main Road ("the Association").

And: *Tasman District Council* having its registered offices at 189 Queen Street, Richmond, ("the Council")

1. Purpose and Scope

This MOU seeks to outline the relationship between the Association and the Council in relation to the proposal by the Association to undertake beach protection works along the Pakawau coastline.

2. Background

Since 1959, periodic storm events have resulted in erosion that has caused increasing anxiety to Pakawau residents. Following storm events in 2014, the Council arranged for a sand push-up to restore the beach profile and storm buffer provided by the esplanade reserve. This exercise was repeated again late 2015. The Association and many of the foreshore residents in particular wish for a more permanent solution to manage esplanade reserve retreat before erosion threatens their properties and homes, several of which are very near the esplanade boundary. This may involve the construction of a rock revetment on esplanade reserve administered by the Council and will certainly require a resource consent for any works which affect the coastal marine area.

3. Operating Principles

The parties agree and acknowledge:

- a) The Association will be responsible for applying for all statutory approvals required for any works proposed.
- b) The Council will not unreasonably withhold approval to undertake work on Council land provided (a) is complied with.
- c) It is understood that properties owners from and including 1074 south to and including 1060 may seek to exercise the right to construct an engineered revetment on their own property once the remaining esplanade reserve has completely eroded. The property owners will be responsible for securing any statutory approvals required.
- d) The Council will, in the meantime, continue to undertake sand push-ups, preferably with community support and financial input, as and when it considers this is necessary and affordable.



- e) Subject to the conditions of any consents, once the trigger is met any rock revetment will be applied along the entire length of the beachfront from the existing wall at Sustainable Ventures north as far as practically required but no further north than property 1194.

4. Financial Arrangements

- 4.1 In undertaking any effort under this MOU, costs will lie where they fall unless otherwise agreed or as stated in this MOU. For the avoidance of doubt, it is understood that the Council will not contribute to any of the costs associated with the construction and maintenance of any revetment except where that structure crosses legal road.
- 4.2 The Association will also meet any ongoing costs associated with giving effect to any statutory approval.

5. Responsibilities of each party

- 5.1 The Association will use best endeavours to develop a 'fit-for-purpose' proposal, taking into account relevant statutory documents such as the New Zealand Coastal Policy Statement, including a project timeline and development sequence and will make this available to the Council for consideration prior to commencing any statutory proceeding. Any proposal should also take into account existing reports and advice obtained by the Council and the Association to manage shoreline erosion in this location.
- 5.2 Relevant Council staff will be made available to respond and provide advice to the Association or its technical advisors on matters relevant to Council's interests prior to commencing any statutory proceeding. The reasonable cost of providing this staff advice will be borne by Council.
- 5.3 The Council may elect to engage external providers to assess and determine any resource consent application and will meet the difference in the cost of engaging such external assistance compared to the application being processed by internal staff. Where necessary, the Council will delegate the power to determine any resource consent application to an Independent Commissioner.

6. Communications

- 6.1. Communication on all matters relating to this MOU shall be by either the Chief Executive of the Council or his delegate, or the Chairman of the Association or his delegate.
- 6.2. No party gives any representation or warranty with respect to any information other than that it has the right to disclose such information.

7. Liability

- 7.1. Neither party shall be liable to the other for any costs, liability, damages, loss, claims or proceedings of whatever nature arising out of this MOU and neither party shall be liable to the other for any loss of profit, loss of business or consequential loss of that party, howsoever caused.

MOU – V3

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Initials

7.2. The parties also agree that it is not the intention for any of the Terms and Conditions of this MOU to be legally binding on either or both parties.

8. Disputes

8.1. If a dispute arising out of this MOU occurs between the parties, then the parties will in good faith try to resolve that dispute. This process may also include mediation.

9. General

9.1. This MOU is governed by New Zealand law and the parties submit to the non-exclusive jurisdiction of the courts of New Zealand.

9.2. This MOU may be signed in counterparts, including by facsimile or email, all of which when read together shall constitute one and the same document.

9.3. The date of this MOU becoming effective shall be the date that the last person signed.

9.4. This MOU shall terminate on either the completion of the envisaged protection works or on 31 December 2020, whichever comes earlier, unless otherwise mutually agreed by the parties.

Signed on behalf of Tasman District Council

Signed on behalf of the Pakawau Community Resident's Association


Signature


Signature

LINDSAY MCKENZIE
Name of authorised signatory

Laurie Jarrett
Name of authorised signatory

CHIEF EXECUTIVE
Position

President
Position

29 - 1 - 16
Date

29 / 1 / 16 .
Date

**WARWICK HEAL LL.B
BARRISTER**

1246 Main Road, Pakawau, Golden Bay
• P.O. Box 20 COLLINGWOOD
Tel 03 524 8696
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EMAIL warwick@wjhealbarrister.co.nz

21st August 2016.

The Chief Executive,
Tasman District Council,
Private Bag 4,
RICHMOND

Dear Mr McKenzie,

Re Pakawau Residents Association (inc).

As you are aware I represent the above association.

The Association believes that it will very shortly be in a position to make an application for a resource consent to enable it to construct a sea protection structure at Pakawau. The purpose of the structure will be to protect the 17 or more residential properties at Pakawau beach presently threatened by sea erosion and also to protect the wider environment by preserving and protecting the beach itself and also the environmental values that it presently exhibits. These environmental values include the present absence from the beach of contaminants including human waste which is likely to pollute the beach very soon unless steps are taken.

The structure will also protect and enhance continued public access along and behind the beach.

The purpose of this letter is to request the Council to waive all internal costs and processing fees relating to the proposed application. The Association has been obliged to give close consideration to the actual costs of constructing the proposed new structure, and had revisited the design for the same with its contractor and engineer on several occasions in order to get the cost to a manageable level.

Several property owners have informed the Association that while they are able to meet the construction cost of the proposed new structure, they do not have the resources to meet the cost of an expensive resource consent application to the Council as well. From what the Association has been told,

by far the greatest potential cost to it of making the resource consent application will be the Council's internal processing costs.

The Association is aware that several property owners will obtain a direct benefit from the proposed new structure, but the Association believes that the proposed new structure will also result in a very substantial public benefit as well.

Pakawau beach is a very popular attraction in Golden Bay, particularly over the summer months when it is common to see hundreds of people on the beach at any time.

In addition the local economy benefits significantly from the motor camp that adjoins the beach which has several thousand visitors each year.

Pakawau Beach also comprises part of a significant ecological home to numerous species, non the least of which is the humble cockle which sustains a business of critical importance to the area's economy. I am advised that even a single presence of human waste on the beach will result in the immediate temporary closure of the Pakawau cockle factory meaning the potential loss of nearly 20 jobs and literally millions of dollars to the district.

Unless the proposed structure is built I am advised that the sea will soon invade several septic tanks and their outfalls which will result in serious and significant pollution of the beach.

I submit to you that in view of these circumstances it is very much in the public interest and in the interests of your council's ratepayers generally, that the cost of obtaining any necessary consent is limited as much as possible to the Association and its members and the Council can best assist by waiving all of its costs in connection with the application. Many of the council's 'costs' are in reality only paper costs in any event such as staff time.

I understand that as soon as the Association is in a position to make an application for the resource consent it will be in a position to address the associated issues of ownership and ongoing maintenance of the proposed new structure with the Council.

I look forward to your prompt response.

Yours sincerely,

WARWICK HEAL

8.7 MAYOR'S REPORT TO FULL COUNCIL**Decision Required**

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Richard Kempthorne, Mayor
Report Number:	RCN17-05-07

1. Summary

- 1.1. The attached report is a commentary of the Mayor's activities for the month of April 2017 for Councillors' information.

2. Draft Resolution

That the Tasman District Council receives the Mayor's Report to Full Council RCN17-05-07.

1 Activities

1.1 Since my last Mayors' report, my activities have included the following:

- I gave a talk on leadership to the young people participating in the Whenuaiti Outdoors programme in our district.
- I had a quarterly meeting with representatives of the Greypower groups in Tasman and Nelson to discuss some of the key issues affecting retirees in our communities.
- Jane and I attended a Gold Star Awards Function for Blair Hall for his outstanding contribution and service to the NZ Fire Service.
- I chaired a meeting of the Local Government New Zealand (LGNZ) Policy Advisory Group in Wellington, the aim of which is to identify and give guidance to LGNZ's National Council on key policy items for Local Government in New Zealand.
- Chief Executive, Lindsay McKenzie and I attended the Central Government, Local Government Forum on 6 April.
- Environment and Planning Manager, Dennis Bush-King met with Minister Nick Smith to discuss the possibility of a Special Housing Accord, as I have previously discussed with you.
- Jane and I attended the opening ceremony for Pharmedlink in Main Road Appleby. This is a company established on the site of the orchard we previously had owned.
- I attended a Cawthron Panel discussion on freshwater management. This was an interesting evening, with speakers identifying with various sectors of our community.
- I handed out medals to those completing the City2Saxton fun run on 9 April.
- On 9 April, I also attended Motueka Kai Fest in Decks Reserve and a production of Fiddler on the Roof performed in the Motueka Memorial Hall. Both events were a great attraction for people to Motueka on a reserve and hall that have had a lot of attention from Council in recent years and are real assets for their community.
- On 12 April I attended Iconz4Girls, a girls brigade in Richmond and explained Council Citizenship Ceremonies. On 3 May, many of the girls from this Brigade attended a Citizenship Ceremony in Richmond and were very taken with how these run and what people go through to become New Zealanders.
- On 13 April, I met with Bruce Smith, Mayor of Westland District Council and we discussed sharing our review of our Freedom Camping Bylaw with the West Coast Councils for their benefit.
- On 15 April, I was privileged to attend the unveiling of the new WW1 memorial statue at the cemetery in Marsden Valley. This was a very well attended public event.
- On 19 April, I met with new District Commander, Mike Johnson and Area Commander Mat Arnold-Kelly. We discussed increased Police numbers in our Police district that had been previously announced by the Government. It is clear that there are ongoing issues of Police resourcing in our district.
- I attended the opening of the AON branch in Nelson on 20 April.

- On 24 April Matua Andy Joseph and I joined the Takaka FLAG, Cr Brown, Golden Bay Community Board members and council staff at a meeting with local iwi at Manawhenua ki Mohua. The hui at onetahua marae was regarding the management of freshwater in the Takaka river and associated tributaries. We discussed the process for satisfying the iwi engagement on this critically important issue for them and many others in our community. The Takaka FLAG will be presenting their report to Council later this year, which will start a formal planning process for this water body.
- Jane and I attended the Golden Bay RSA Anzac Day memorial service at Takaka Memorial Park. This was one of many very well attended Anzac Day services throughout the district and I pass on my appreciation to the Councillors who joined me in attending these services.
- On 27 April I travelled to the Dutch Ambassador's residence in Wellington to join representatives from many other countries and the Government of New Zealand to celebrate the Dutch King's 50th Birthday. The Ambassador and I also briefly discussed the expected visit of a delegation from Grootegaast at the end of this year to celebrate the 375th anniversary of Abel Tasman's visit to New Zealand.
- On 2 May the Mayors of Marlborough District, Nelson City and I attended a Te Waka a Maui Chairs Forum to discuss establishing an enduring and effective relationship between iwi and Councils.
- I also met with Lieutenant Colonel Martin Dransfield and members of the NZ Armed Forces to discuss Exercise Southern Katipo 2017.
- Nineteen people became Citizens of New Zealand at the Tasman District ceremony held on 3 May. I'm sure you will join me in welcoming them all to our communities.

2 Other

Zone 5 & 6 Meeting

- 2.1 Lindsay, Hannah and I attended a Zone 5 & 6 meeting in Christchurch on 30 March, of which I am Chair for Zone 5. In attendance were Mayors, Chief Executives and Chairs from Councils across the South Island. Topics discussed at the meeting included:
- a presentation by The Packaging Forum on their Recycling and Soft Plastics Scheme
 - an update from LGNZ on their Business Plan 2017-2019 and the LGNZ Excellence Programme
 - National Council member commentary
 - South Island Infrastructure and Tourism
 - a presentation from Healthy Families New Zealand on the Healthy Families Initiative
- 2.2 I am happy to provide further commentary on the topics discussed at the Zone 5 & 6 meeting to Councillors should they wish.
- 2.3 If any Councillors would like to attend a Zone meeting, could you let me know. There are two Zone meetings per year. To date one has been in Christchurch and one in Dunedin. It

may be that we spread outside the two main centres, but historically Christchurch and Dunedin have been most affordable for attendance.

Civil Defence Emergency Management

2.3 Ministry of Civil Defence and Emergency Management (MCDEM) Director, Sarah Stuart-Black attended part of the Zone 5 & 6 meeting in Christchurch. Ms Stuart-Black provided members with a brief account of Civil Defence activities over the past 12 months, which covered:

- seven emergency events in the last year
- New Zealand's largest Civil Defence exercise, Exercise Tangaroa
- a new national CDEM Plan, which came in to effect in 2016
- a refreshed public media campaign
- roll out of public education around tsunamis
- changes to the CDEM Act
- move of MCDEM from Department of Internal Affairs to Department of the Prime Minister and Cabinet

2.4 Minister of Civil Defence, the Hon Gerry Brownlee is reviewing the way civil defence is currently being delivered and the challenges that are being faced in some areas. In his opinion at times there is a diffuse nature of lines of authority when dealing with disasters and current legislation doesn't always give Mayors or community leaders sufficient authority. In some regions, the structure of civil defence appears not to work optimally and this review will examine that. The Minister would like to see whether there are any steps or measures that should be taken to improve our current civil defence resilience in New Zealand and ensure that each region has a functional civil defence group that delivers very well for our communities.

2.5 The Nelson Tasman CDEM group operates very effectively and in a recent survey came out as one of the best in the country. Partly this is because Tasman and Nelson are two unitary authorities and our proximity and nature of events lends itself to the joint management that we currently employ.

2.6 Having said that, when emergency events occur they are often localised and in extreme situations, communities can be completely cut off. During these events, the plans that have been developed may simply not work for a variety of reasons. For this reason, our communities need to be prepared to be cut off. Some suggest we should have emergency packs for 3 days, some suggest they should be for 7 days. We should all be prepared with our own emergency plans and packs and when events occur we should look out for our neighbours and local community to render assistance where we can.

Remit to Local Government New Zealand (LGNZ) Conference 2017

2.7 I received an email from Gisborne District Council Mayor Meng Foon seeking support for a remit to the LGNZ Conference. The remit is to propose that a portion of Goods and Service Tax (GST) be returned to Councils for re investment in visitor infrastructure. I have said that I support the remit being considered by the LGNZ Remit Committee. If this comes forward as a remit to conference, I will table this for discussion and Council's feedback before we go to conference.

Councillor Attendance at LGNZ Conference 2017

2.8 The LGNZ Conference is occurring from 23 – 25 July 2017. If there are any Councillors who have not attended this conference before and would like to attend, can you please let me know. We will have capacity for a Councillor to come in addition to the Chief Executive, Deputy Mayor and myself.

Remuneration Authority

2.9 I will give a verbal update to Councillors about the process the Remuneration Authority is currently undergoing reviewing remuneration of local authorities.

Issues Councillors would like to raise

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

Appendices

Nil

8.8 CHIEF EXECUTIVE'S ACTIVITY REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN17-05-08

1 Summary

- 1.1 Here is an update on my activities since the Council's 23 March meeting. **The period has been a busy one** for all staff. We continue to feel the pressure that comes from the increase in transactions that growth drives. Staff changes have compounded the problem. Policy people are not immune from the pressure. The Government's policy and regulatory programme roll out is a challenging. The focus for others has swung from the community engagement on the Annual Plan 2017/2018, to drafting that Plan and now onto the Long Term Plan.
- 1.2 We are forecasting an **accounting surplus** of \$9.5m at the end of June 2017. This is a favourable variance of \$5.4m on the budgeted position of \$4.1m. The controllable operational position is likely \$6.5m be better than the forecast. Given the year-to-date surplus, the year-end position is likely to be about \$1.6m more than the \$6.5m.
- 1.3 I have provided an update on correspondence with the **Golden Bay Grandstand** Community Trust. As that the Environment Court has not released its decision, it is not appropriate to put the correspondence on a public agenda nor to discuss the specifics of it. I will send the correspondence to Councillors separately. I can confirm however that an offer to settle was received from the Trust just prior to the hearing. The offer was rejected because it sought more than the Court proceedings could deliver. More recently, I approached the A&P Association about a permanent car parking arrangement and wrote to the Trust solicitor about a proposal and meeting.
- 1.4 This report includes the quarterly **health and safety monitoring and indicators** report. Given its contents and the fact that there is little to report that is material you as 'officers', I recommend that the report come to you 6 monthly in future.

2 Draft Resolution

That the Full Council

- 1. receives the Chief Executive's Activity Report report RCN17-05-13; and requests that the health and safety monitoring report that is provided in part to enable councillors as 'officers' to meet their due diligence obligation be presented 6 monthly.**

3 Attachments

Nil

8.9 WAIMEA COMMUNITY DAM - PROJECT REPORT

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN17-05-09

1 Summary

- 1.1 This is the thirteenth regular status report on the Waimea Community Dam Project. The last report was to your 23 March 2017 meeting. Since the last report, the Project Board has met (21 April) and the JV Working Group has met, teleconferenced and progressed its work by e-mail.
- 1.2 A massive amount of work has been undertaken by staff, advisors and your Councillors in support of the major work streams. This report covers what to expect and when, especially on the report back of the project financials and the commercial terms negotiations. The **Freshwater Improvement Fund** application has been made.
- 1.3 On **land and access**, there was a further meeting with the Chair and Chief Executive of Ngati Koata. An amended draft agreement for accessing Ngati Koata land is being prepared. Notices on Intention relating to easements and rights of way were served and registered. The Notices of Intention to acquire land for the dam footprint and reservoir will be signed before Council's meeting on 11 May 2017.
- 1.4 The process for selecting a contractor to build the dam and to agree a price is underway. The request for a '**Statement of Interest and Ability**' (SIA) closed on 27 April 2017. We received a strong response with seven companies responding to the SIA. We intend to short list three constructors to take part in the next procurement stage, which is to submit a full proposal.
- 1.5 Given the pace at which work is ramping up, its complexity and especially the demands on a few key people, the Project Board has agreed to recruit a person as an **Interim Project Director** to set up the project office, and to arrange its funding and resourcing.
- 1.6 Russell McVeagh has provided advice about the **conflict of interest** issue relating to Cr Maling. The advice covers his circumstances and provides general advice about how the Council should manage interests generally. The advice is being finalised and will be shared with you prior to the meeting.

2 Draft Resolution

That the Full Council receives the Waimea Community Dam - Project Report RCN17-05-09.

3 Purpose of the Report

- 3.1 The purpose of this report is to provide an update on project work streams.
- 3.2 The work has focused on:
 - 3.2.1 negotiating the commercial terms for the proposed joint venture structure;
 - 3.2.2 reviewing the project financials and budgets entirely;
 - 3.2.3 understanding the implications of progress on the future consultation timelines;
 - 3.2.4 procuring a contractor to build the dam and completing the design;
 - 3.2.5 undertaking the next stage in the procurement process for the private land;
 - 3.2.6 transitioning to a separate Project Director and Project Office.

4 Finance and Funding

- 4.1 While capital contributions have been the focus in the past, the JV Working Group is paying close attention to operating costs. The issues relate to their quantum and allocation. The affordability of the scheme for irrigators is at the heart of the issue. It is likely that the council members of the JV Working Group will bring this matter back to Council for a discussion ahead of seeking a mandate to conclude the more detailed agreements relating to security and the like. A workshop is planned for the 31st of May.
- 4.2 As part of this work Mike Drummond, his team and PWC are undertaking a comprehensive project finances review. They will look at past costs, how they have been allocated, the \$25m and its allocation and estimated costs to project completion. All of the partners costs will be counted. This work will be reported up to Council. It will allow everyone to understand, past current and future costs on an “all costs in” basis. CIIL and WIL costs to date and estimated to financial close will be included. Without all of these we are not in a position to engage in a number of conversations that will ultimately and hopefully lead to resolution and an agreed budget/funding model.
- 4.3 Resolving the financials is critical to determining if this project can proceed.
- 4.4 The application to the Ministry for the Environment Freshwater Improvement Fund went in a day ahead of time. The application is for \$7m over 3 years. You will recall that this fund is part of the Government’s clean water package of measures. The application provides an excellent summary of the rationale for undertaking the project. A central government investment is critical to helping deliver the wide suite of co-benefits that are unique to this augmentation solution.

5 The Council Controlled Organisation and Commercial Terms

- 5.1 The JV Working Group is currently focusing on capital and operating costs and their allocation. Resolving this issue is the key to the financial sustainability of the project. Work on some of the JV documentation has been deferred while the 'financials' work stream is advanced. A day (or two) workshop has been scheduled for 17 May by the JV Working Group for this purpose.
- 5.2 Mike Drummond and Councillors King and Wensley will then report progress to Council and seek guidance /a mandate for further negotiations. The same applies to all the stakeholder groups.

6 Contractor Procurement

- 6.1 I reported in March that the Heads of Agreement on joint procurement of a contractor had been signed.
- 6.2 The request to provide a 'Statement of Interest and Ability' was released soon after and proposals closed on 27 April. We received a strong response with seven companies responding to the SIA.
- 6.3 From the responses, we intend to short list three constructors to take part in the next procurement stage, which is to submit a full proposal. The procurement evaluation team for the short listing comprises two members each from Waimea Irrigators Ltd and Council.
- 6.4 Russell McGuigan is managing this work stream. He advises me that he will manage the timing of this work (and hence cost) to avoid it getting out of phase with the JV Working Group's report back.

7 Land and Access

- 7.1 We have landowner agreements for temporary access (12 months) for land survey, consent condition monitoring and general investigations. Notices of Intention have been issue for easements and rights of way. Notices of Intention for the other land to be acquired were due to be signed about the time this report was published.
- 7.2 Ngati Koata will be sent a revised proposal for the use of and access to their land following on from a recent meeting. We are also meeting with Tasman Pine Forests as the Crown Forest Licensee to brief senior officials on the project and to align our needs and interests at an operational level.
- 7.3 The Department of Conservation is currently engaged with LINZ on the process for transferring crown land to the Council and drafting the report to the Minister. It is likely that Minister's decision will be delayed until after the Supreme Court releases its Ruataniwha decision. Whilst the Ruataniwha case involves a different statutory scheme, that case has raised issues common to both dam projects.
- 7.4 While the delay is an issue I understand the need to be cautious given the scrutiny that the Ministers' decisions will be subject to. The advice needs to be right in law in order to reduce the chances of a successful legal challenge.

8 Project Management and Direction

- 8.1 The Project Board that is overseeing the delivery of the various work streams considers that the project is sufficiently far advanced that it needs a step up in the level of direction and coordination of the various work streams – the projects within the project. Typically, this is the role of a Project Director supported by a dedicated Project Office. At present, no one 'owns' this task.
- 8.2 As a first step we are proposing to appoint an Interim Project Director to set the office up and to lead the process of funding it and staffing it, including by recruiting a Project Director.
- 8.3 The project needs this overall direction because of the –
- 8.3.1 interrelationships between the work streams and their complexity
 - 8.3.2 demands on people
 - 8.3.3 interests of the project as a whole
 - 8.3.4 need for independence
 - 8.3.5 maturing of the project and relationships
 - 8.3.6 more equitable funding arrangements now in place for some workstreams
 - 8.3.7 need to get best value from specialist advisers.
- 8.4 It is critically important to set this role and office up right from the start. A job description is not enough. The right person is critical. The process for getting the right person needs to be robust. They need to be supported by a funding and relationship agreement between the funding partners.
- 8.5 The Interim Project Director's tasks would be to –
- 8.5.1 act as Project Director in the interim;
 - 8.5.2 propose an agreement to the parties for funding (resourcing) the role in the interim and longer term and get the respective funding partners' agreement at governance level;
 - 8.5.3 develop a plan to set up the office (and all the goes along with that – relationships, work stream accountabilities, budgets, accommodation, staffing, reporting, management support /governance overview arrangements);
 - 8.5.4 set the office up on an interim basis;
 - 8.5.5 set up (and possibly oversee) the process of recruiting a Project Director to be appointed once the project outcome is more certain;
 - 8.5.6 support the transition from these interim arrangements to a Project Office that can support the project ongoing.
- 8.6 The key accountabilities of the role include matters such as -
- 8.6.1 defining the PMO strategy and lead the design and implementation of a common project management methodology, standards and tools to drive and facilitate the successful delivery of projects;
 - 8.6.2 setting up/leading the execution of a PMO governance, reporting and review framework to provide an integrated view of all project activity;

- 8.6.3 establishing/managing the physical PMO including its resourcing;
- 8.6.4 confirming project objectives and setting and managing timelines;
- 8.6.5 recommending policy and procedure improvements including in relation to audit, risk and assurance;
- 8.6.6 managing the interdependencies and coordination across projects and project managers to ensure that information relating to project deliverables, risks and issues are effectively communicated between stakeholders and that key performance indicators are monitored and evaluated;
- 8.6.7 identifying and defining the major strategic issues for the project and the integrate diverse stakeholder interests with the Funding/JV Partners' common interest to inform the development and prioritisation of project initiatives and to proactively understand and mitigate risks;
- 8.6.8 defining business strategies and organisational policies to enable the strategic coordination of the multiple project work streams to improve efficiency and effectiveness especially relating to professional advice;
- 8.6.9 fostering collaborative and mutually supportive relationships with project managers and senior stakeholder representatives, assess cross-functional project team capability, provide coaching, training and support to enhance the project/program management capability, and improve collaborative development and project results.

9 Strategic Relationships

- 9.1 I have previously advised that Nelson City Council was planning to adopt a statement of proposal on its funding contribution on 23 March 2017. We know now that date wasn't achieved.
- 9.2 It is more likely that Nelson City Council will not consider a statement of proposal (SOP) on funding until 22 June 2017. If they do adopt a SOP on that date, a final decision on their funding is unlikely before 21 September 2017.
- 9.3 A likely consequence for Tasman is that we will have to consider and adopt our SOP before we know the outcome of Nelson's consultation. While not ideal it's not an insurmountable challenge. But it may mean that we have to have an alternative SOP (or options) that doesn't include Nelson funding or provides for a lesser contribution than has been contemplated.

10 Attachments

Nil

8.10 COMMERCIAL PROPERTY PORTFOLIO RETURNS

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Gene Cooper, Commercial Manager
Report Number:	RCN17-05-10

1 Summary

- 1.1 Council requested a report outlining current returns on its commercial property portfolio.
- 1.2 The commercial property portfolio consists of physical assets of land, land and buildings and investment property assets totalling \$7.4m. These have a current debt of \$3.3m. Equity at \$4.1m equates to 55%.
- 1.3 Returns from the commercial property portfolio amount to \$403k p.a. which gives Council an average weighted return of 5.3% across its commercial property portfolio.
- 1.4 Council's debt servicing on the commercial property assets currently amounts to interest of \$141k p.a. and principal repayments of \$187k p.a. - a total of \$328k p.a. Council's rental streams provide interest cover of 2.8 times and funding cost cover of 1.2 times.
- 1.5 The majority of these assets are principally held for strategic or legacy reasons and were not purchased for investment or commercial purposes. When balanced against their contribution to Council's community outcomes, this level of return is sound and provides support to Council in providing benefits to the community without a burden against the ratepayers.

2 Draft Resolution**That the Full Council**

- 1. receives the Commercial Property Portfolio Returns report RCN17-05-10.**

3 Purpose of the Report

- 3.1 To provide a summary of Council commercial property investments and asset returns, as requested by Council earlier this year.

4 Background and Discussion

- 4.1 Council holds various commercial property assets for strategic, legacy and public good reasons. They are leveraged via rental income streams to offset the holding and acquisition costs.
- 4.2 Council commercial properties with a total value of \$7.4m were held as at the end of March 2017. These can be split into three categories:
- **Investment properties** are valued at \$5.1m – includes Mapua valued at \$3.3m, 183 Queen Street, Richmond valued at \$1.3m and 11 Fittal Street, Richmond valued at \$0.5m).
 - **Land and Buildings** - includes management of 13 Fittal Street valued at \$0.2m and Mapua remediated land valued at \$2.7m, however these assets are recorded elsewhere in Council's balance sheet.
 - **Motueka harbour land** with a value of \$2.3m.
- 4.3 Council debt on its commercial property was \$3.3m as at the end of March 2017, made up from:
- Mapua - \$1.975m
 - 183 Queen Street, Richmond- \$0.875m
 - Fittal Street, Richmond - \$0.4m
- 4.4 The Fittal Street properties at 11 and 13 Fittal Street, Richmond have contracts for sale at \$0.525m and \$0.240m respectively. The proceeds are ear-marked for debt reduction within the property portfolio.
- 4.5 Council's gross rentals for each site and their respective returns are listed below:
- Mapua wharf - \$0.267m, a yield return of 7.8% p.a.
 - 183 Queen Street - \$90k, a yield return of 6.8% p.a.
 - Motueka - \$46k, a yield return of 2% p.a.
 - Fittal Street - \$Nil, properties under offer and subject to subdivision and some conditions.
- 4.6 The rental streams of \$403k provide Council with the following debt servicing cover:
- Interest cost \$141k p.a. – 2.8 times cover
 - Interest and principle cost \$328k per annum – 1.2 times cover.
- Both provide sound coverage based on industry norms and meet Council funding expectations for this activity, without the need to request ratepayer funding.

Interest and principle costs will reduce and funding covers improve, following the sale of the Fittal Street properties.

- 4.7 Past reactive property maintenance programmes have created maintenance shortfalls and resulted in property failures on key sites (e.g. Jellyfish and Armadillo's properties). Remedial works and reinvestment are now required to maximise the lifespan of these assets, protect the value of Council's existing investment, and follow prudent asset management principles.
- 4.8 The unbudgeted work protects Council against potential legal challenges and reputational damage. These stem from tenant rights and ratepayer expectations on Council to prudently manage these assets.
- 4.9 The recent landscaping work at Mapua has had a large element of public good (versus commercial investment) which has put pressure on the returns from the commercial property assets. We are proposing the public good capital cost, estimated at \$300k to be met from a transfer of surpluses in the forestry closed account activity balance. This will allow for Jellyfish alterations to be partly loaned from the commercial property activity and the balance from cash surpluses generated within the commercial asset portfolio. The Jellyfish proposal is simultaneously on this Council meeting agenda for consideration.

5 Conclusion

- 5.1 Council's current property portfolio principally came to Council from legacy assets or from strategic purchases. We have managed these assets using commercial disciplines.
- 5.2 In the past three years, the commercial returns obtained have been aligned to best market practice but remain below full market prices to support Council's wider community objectives (community leases).
- 5.3 There is little scope to further leverage income from most sites, however a return to previous low market rents would not meet the financial and commercial objectives Council had previously determined.
- 5.4 Tenants who have experienced a long period of below market rates have personally benefited at the expense of the district ratepayers. There are no commercial reasons to soften Council's current market approach to managing these assets or softening lease rents.
- 5.5 Council's approach should continue to leverage these assets in line with normal market practice. This will ensure coverage of the holding costs on many of these assets and avoid placing additional financial burden on the future ratepayers of the district.

6 Next Steps / Timeline

- 6.1 Nil

7 Attachments

Nil

9 CONFIDENTIAL SESSION

9.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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

9.2 Port Tarakohe - Capital Work

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

9.3 Jellyfish Mapua (Shed One) Capital Repairs Update

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

MINUTES
of the
FULL COUNCIL MEETING
held
1.30 pm, Thursday, 13 April 2017
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 and T A Tuffnell

In Attendance: Chief Executive (L McKenzie), Engineering Services Manager (R J Kirby), Asset Engineer – Waste Management and Minimisation (D Stephenson), Activity Planning Manager (D L Fletcher), Transportation Manager (J McPherson) and Executive Assistant (R L Scherer)

1 OPENING, WELCOME

Mayor Kempthorne welcomed everyone to the meeting.

2 APOLOGIES AND LEAVE OF ABSENCE

There were no apologies.

3 PUBLIC FORUM

Murray Dawson spoke about the Waimea Community Dam and the presence of nitrates in water supplies. Mr Dawson urged the Councillors to listen to the public when the Waimea Dam proposal goes out for public consultation.

Maxwell Clark spoke about the Waimea Community Dam and about nitrates in water supplies. He asked the Council to share the funding model for the Dam with the community.

4 DECLARATIONS OF INTEREST

Nil

5 LATE ITEMS

**Moved Cr Bryant/Cr Ogilvie
CN17-04-1**

That the late item, A.1, Schedule of Fees and Charges 2017/2018 – Solid Waste be considered at today's meeting.

CARRIED

6 CONFIRMATION OF MINUTES

**Moved Cr Tuffnell/Cr Maling
CN17-04-2**

That the minutes of the Full Council meeting held on Thursday, 23 March 2017, be confirmed as a true and correct record of the meeting.

CARRIED

7 PRESENTATIONS

Nil

8 REPORTS

8.1 Amended Deed of Agreement for Regional Landfill Business Unit and Terms of Reference for Joint Committee

David Stephenson spoke to the report and explained the changes to the resolution that were originally circulated with the agenda. Mr Stephenson noted some minor changes to the Deed of Agreement which referred to terminology and dates. Mr Stephenson outlined the changes in the Terms of Reference document which included meeting frequency, reporting lines, voting rules and the delegations.

Mr Stephenson noted that the Nelson City Council had passed similar resolutions at their Council meeting this morning.

Mr Kirby noted that both capital and maintenance costs of the regional landfills will be shared by the two councils.

**Moved Cr Wensley/Cr Greening
CN17-04-3**

That the Full Council

- 1. receives the report RCN17-04-01; and**
- 2. approves, subject to an equivalent resolution of Nelson City Council and final authorisation by the New Zealand Commerce Commission, the Deed of Agreement for the Nelson-Tasman Regional Landfill Business Unit including the Terms of Reference attached to the Deed of Agreement for the Nelson-Tasman Joint Landfill Committee dated 13 April 2017.**

3. **confirms that, subject to an equivalent resolution of Nelson City Council, the Terms of Reference constitute an agreement as required under Schedule 7, clause 30A, of the Local Government Act 2002; and**
4. **updates the Tasman District Council Delegations Register to include the Nelson Tasman Joint Landfill Business Unit delegations.**

CARRIED

8.2 Establishment of Joint Committee for Regional Landfill Business Unit

David Stephenson and Richard Kirby spoke to the report contained in the agenda. Mr Stephenson noted, as with the previous item, the need to change the resolution to make it conditional on the final authorisation of the New Zealand Commerce Commission for the establishment of the joint committee.

Cr Tuffnell proposed that Councillors Bryant and Maling be appointed as the Tasman District Council members of the Nelson Tasman Joint Landfill Committee when it is formed.

Moved Cr Tuffnell/Cr Brown

CN17-04-4

That the Full Council

1. **receives the Establishment of Joint Committee for Regional Landfill Business Unit report, RCN17-04-02; and**
2. **establishes, subject to an equivalent resolution of the Nelson City Council and authorisation from the New Zealand Commerce Commission, the Nelson-Tasman Joint Landfill Committee as a Joint Committee of Nelson City and Tasman District Councils to provide governance for the Nelson Tasman Regional Landfill Business Unit; and**
3. **appoints Councillor Bryant and Maling as the Tasman District Council members of the Nelson Tasman Joint Landfill Committee when it is formed.**

CARRIED

A.1 Schedule of Charges 2017/2018 - Solid Waste

David Stephenson spoke to the report contained in the agenda which was taken as read.

Mr Stephenson explained the reasons for the truncated consultation period which would allow the schedule of fees and charges to be included in the Annual Plan process.

Mr Stephenson spoke about the arrangements for the supply of the Council rubbish bags and Smart Environmental's role as the supplier of rubbish bags.

Moved Cr Tuffnell/Cr Hawkes

CN17-04-5

That the Full Council

1. **receives the Schedule of Charges 2017/2018 - Solid Waste report; and**

2. **approves the Schedule of Charges (Attachment 1) as the basis of public consultation for proposed charges for disposal of refuse subject to the determination from the New Zealand Commerce Commission; and**
3. **agrees that the proposed Schedule of Charges will be made available through Council offices and libraries, and on the Council's website; and**
4. **instructs staff to notify all commercial waste customers of the proposed Schedule of Charges; and**
5. **agrees that the consultation period for the proposed Schedule of Charges will open on 13 April and close at 4.00 pm on Monday 1 May 2017; and**
6. **notes that submitters will be given an opportunity to present their views contained in their submission at a Council hearing on 5 May 2017; and**
7. **nominates Councillor Bryant and Councillor Maling to hear submissions on the Solid Waste Schedule of Charges 2017/2018 if required.**

CARRIED

8.3 Funding - Headingly Lane Sewer and Lower Queen Street Water

Chris Blythe spoke to the report contained in the agenda which was taken as read. He noted that the additional funding was required to complete two infrastructure projects in Lower Queen Street.

In response to a question, Mr Kirby advised that development contributions will cover the costs of this work over the next three to four years. He added that both projects have been bought forward to meet the needs of growth in the District.

**Moved Cr Ogilvie/Cr Maling
CN17-04-6**

That the Full Council

1. **receives the Funding - Headingly Lane Sewer and Lower Queen Street Water report, RCN17-04-03; and**
2. **approves additional expenditure up to \$204,000 be funded from the wastewater account for the construction of the Headingly Lane Gravity Sewer and Lower Queen Street low pressure sewer; and**
3. **approves additional expenditure up to \$306,000 for the Lower Queen Street Water Main project.**

CARRIED

8.4 Traffic Control Bylaw - Change to Time-Limited Parking - Papps Carpark

Jamie McPherson spoke to the report contained in the agenda which was taken as read. He noted that in addition to the short-term parking changes in Papps carpark, the Council is implementing additional enforcement of time-limited parking in the Richmond town centre. He noted that Richmond Unlimited had arranged free all day parking for business staff and visitors to Richmond at the A&P Showgrounds.

In response to a question, Mr McPherson advised the Councillors that staff are currently preparing a car parking strategy for both Richmond and Motueka town centres.

**Moved Cr Hawkes/Mayor Kempthorne
CN17-04-7**

That the Full Council

1. receives the Traffic Control Bylaw - Change to Time-Limited Parking - Papps Carpark report, RCN17-04-04; and
2. approves a change to the Traffic Control Devices register under the Traffic Control Bylaw 2016 to include 10 "P60" and 16 "P120" time-limited car parks in Papps Carpark, Richmond with effect from 14 April 2017.

CARRIED

8.5 Variation to the Regional Land Transport Programme

The report was taken as read.

**Moved Cr King/Cr Bryant
CN17-04-8**

That the Full Council

1. receives the report Variation to the Regional Land Transport Programme, RCN17-04-05; and
2. notes the report, appended as Attachment 1, to the Regional Transport Committee provided as background to the request to vary the Tasman Regional Land Transport Programme;
3. accepts a variation to the Tasman Regional Land Transport Programme to add the following project to the Transport Agency programme:

Activity Class	Project Name	16/17 Cost
State Highway Improvements	Kaikoura Nov 2016 EQ: Lewis Pass Alternative Upgrade Route – Tasman	\$15,000,000

4. notes that the variation in resolution 3 to amend the New Zealand Transport Agency land transport programme is of "strategic importance"; and
5. accepts that the variation in resolution 3 does not require further consultation given the urgent need to ensure safety and economic outcomes of national importance.

CARRIED

Cr Greening proposed discussion regarding the Golden Bay Grandstand matter. The Chief Executive advised the meeting about the process for dealing with matters not on the agenda. The meeting concluded that a report could wait until the May Council meeting.

9 CONFIDENTIAL SESSION

The meeting concluded at 2.20 pm

Date Confirmed:

Chair:

Unconfirmed

0.0 CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

Information Only - No Decision Required

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Lindsay McKenzie, Chief Executive
Report Number:	RCN17-05-13

1 Summary

- 1.1 Here is an update on my activities since the Council's 23 March meeting. **The period has been a busy one** for all staff. We continue to feel the pressure that comes from the growth-driven increase in transactions. Staff changes have compounded the problem. Policy people are not immune from the pressure. The Government's policy and regulatory programme roll out is challenging. The focus for others has swung from the community engagement on the Annual Plan 2017/2018, to drafting that Plan and now onto the Long Term Plan.
- 1.2 We are forecasting an **accounting surplus** of \$9.5m at the end of June 2017. This is a favourable variance of \$5.4m on the budgeted position of \$4.1m. The controllable operational position is likely \$6.5m better than the forecast. Given the year-to-date surplus, the year-end position is likely to be at least \$1.6m more than the \$6.5m.
- 1.3 I have provided an update on correspondence with the **Golden Bay Grandstand** Community Trust. As the Environment Court has not released its decision, it is not appropriate to put the correspondence on a public agenda nor to discuss the specifics of it. I will send the correspondence to councillors separately. I can confirm however that an offer to settle was received from the Trust just prior to the hearing. The offer was rejected because it sought more than the Court could deliver. More recently, I approached the A&P Association about a permanent car parking arrangement and wrote to the Trust solicitor about a proposal and meeting.
- 1.4 This report includes the quarterly **health and safety monitoring and indicators** report. Given its contents and the fact that there is little to report that is material you as 'officers', I recommend that the report come to you 6 monthly in future.

2 Draft Resolution

That the Full Council

1. **receives the Chief Executive's Activity Report - Supplementary Information report RCN17-05-13; and**
2. **requests that the health and safety monitoring report that is provided in part to enable councillors as 'officers' to meet their due diligence obligation be presented 6 monthly.**

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION**3 Purpose of the Report**

- 3.1 The purpose of this report is to inform Council about some current issues and my operational activities for the period since Council's 23 March 2017 meeting. We have also decided to include the action sheet as part of this report.

4 Strategy and Planning

- 4.1 We appreciated councillors' input at the workshop we held recently with Wendy McGuiness. Sharon Flood and her team will be following up with a workshop for you on 24 May 2017. The purpose will be to confirm the key issues for the Long Term Plan (LTP). I have also picked up the feedback on the language in the organizational development plan and have proposed changes to the staff team. I will let you know the outcome.
- 4.2 You will have noted that the process of workshopping the activity management plans ahead of the LTP 'adds but rarely takes away'. Within the next 2-3 months, the senior management team will see the first cut of the budgets. Following our review, we will report up to Council. The emphasis in the report back will be on prioritising and making some tough choices. That is because, as we understand the politics, the changes in financial and infrastructure strategies that were made in 2015 were always seen to be a two LTP (6 years) proposition.

5 Advice and Reporting

- 5.1 The Environment Court has not released its decision on the matters referred to it by the Golden Bay Grand Stand Community Trust. The main proceeding was an application for an Enforcement Order under the Resource Management Act to prevent the grandstand being demolished.
- 5.2 Councillors have previously asked about approaches to or negotiations with the Trust to either settle the case or to determine the future of the grandstand. As the Environment Court has not released its decision, it is not appropriate to put the correspondence on a public agenda nor to discuss the specifics of it. I will send the correspondence to councillors separately. I can confirm however that an offer to settle was received from the Trust just prior to the hearing. The offer was rejected because it sought more than the Court could deliver. You have seen that correspondence.
- 5.3 Prior to going on leave at Easter, I wrote to the Trust looking to re-engage them. The Trust's solicitor was asked to approach the Trust about developing up a proposal for the council to consider ahead of a meeting. Prior to that, I asked our contractor to approach the A&P Association about a permanent car parking arrangement. I don't have a proposal to advise you about at this stage
- 5.4 We are entering some uncharted waters with our **iwi relationships** at present. Prior to the Treaty of Waitangi settlements, the capability and capacity of the individual iwi to have a relationship with us and to provide input into RMA processes especially, was limited. That

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

naturally led to strong relationships with Wakatu Inc, Manawhenua Ki Mohua, Tiakina Te Taiao and Ngati Rarua Atiawa Iwi Trust (NRAIT). Rightly or wrongly, we have sensed the desire of the better resourced, post Treaty of Waitangi iwi trusts, for a more direct relationship with us. Notwithstanding that sense, NRAIT and Tiakina Te Taiao seek ongoing relations including via formal MOUs.

- 5.5 At the recent Te Tauihu o Te Waka a Maui Iwi Chairs meeting, a proposal was presented on behalf of the three councils to agree on an approach to forming a 'strategy partnership framework'. Other relationships would fall within that. Work on that framework is to progress during the year.
- 5.6 In the meantime, and in light of all of this, the Nelson and Tasman council CEOs have raised concerns about their relationship with Tiakina Te Taiao as the mandated RMA service provider for four iwi – Ngati Rarua, Ngati Koata, Te Atiawa and Ngati Tama. A contract for service expired nearly a year ago. We need to take a close look at the arrangement, as Tasman's payments to Tiakina Te Taiao have been around \$100k per year in the recent past.
- 5.7 I do not know what the path forward will be but will keep Council informed.
- 5.8 On 2 May 2017 I attended a meeting of **Regional Sector CEOs** and a meeting with Central Government Natural Resources Sector CEOs the next day. The matters discussed included:

CDEM Review

- 5.9 The Minister of Civil Defence and Emergency Management (Brownlee at the time) has announced that a technical advisory group is being formed to review some aspects of the CDEM function – response. The Mayor and I attended an earlier briefing on 5 April.
- 5.10 Nathan Guy is the new Minister. He may bring fresh approach but is expected to follow on the path Minister Brownlee set. Malcolm Alexander (LGNZs CEO) is on the group. The rest of the membership is drawn from the Ministry, the 'services' and first response agencies..
- 5.11 The review arises out of concerns about recent event handling, including the Hawkes Bay and Christchurch fires and the Kaikoura earthquake. No terms of reference has been developed yet. The group meets later this month and is to report by August. That is not likely to be achievable so expect this work to drag into next year.

Water Update

- 5.12 The closing date for submissions on the Government's clean water package has been extended by 3 weeks. Around 5400 submissions have been received - about 4000 from Forest and Bird and the Green Party.
- 5.13 Stock exclusion rules are being moved at pace ahead of other work streams and are due to go to cabinet in August. There is genuine concern that the science does not support the notion the stock exclusion alone will achieve the outcomes sought with respect to E Coli; the swimability targets. There is also real concern about the scale of the impact of the Minister's decisions on costs and the relative lack of process accountability for that.
- 5.14 The swimability targets is for 90% of large rivers and lakes to be swimmable by 2040. A task force has been formed to advise the Minister on what needs to be done to achieve the regional and national targets. I have a sense that the targets and timelines will change over time.
- 5.15 We discussed the:

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

- 5.15.1 role of water storage in meeting water quality and allocation challenges - officials agreed to pick it up with their Ministers;
- 5.15.2 idea that the 80% national target be achieved by collaboration across regions (investment in one region to help with lack of performance in another!);
- 5.15.3 fact that we would have a swimability problem if the 2003 guidelines were used rather than the all year round test.
- 5.16 The sector needs to cooperate on the one hand but also consider an alternate strategy in case this aspect of the plan of action unravels. Unfortunately regional councils and central government have lost the hearts and minds battle in this debate.

Biodiversity

- 5.17 A paper on the role of regional councils in helping to achieve the nation's biodiversity goals was discussed. It proposes five 'shifts' in biodiversity management to make regional councils contribution more effective - stronger leadership and clearer accountability; building on what the councils do best; better information management, planning and delivering; joined up action; modern fit for purpose frameworks - e.g. legal. Council will be asked to formally receive and adopt the report in the near future.

Productivity Commission - Better Urban Planning Inquiry Report

- 5.18 This report has implications for regional councils (but not unitary councils) in their strategic planning role. The report recommends a new resource management and planning system. It identifies the issues with the current arrangements as – a lack of clarity and focus; too little central government direction; prioritisation too difficult, unresponsiveness and inconsistent protection of Maori interests. The key recommendations are to –
- replace the RMA with a statute that has a clear purpose and distinct objectives for built and natural environments (a change from the first cut),
 - provide for regional council led spatial planning
 - appoint local independent hearing panels
 - establish 'protective' environmental limits
 - take an adaptive approach to commutative effects
 - create a stronger role for Maori
 - build new models to support land release and infrastructure that is 'enabling'.

- 5.19 Some regional councils are concerned that the Government's proposal on forming urban development authorities (UDA) will affect their roles in long term region wide planning, ie. the ability of territorial authorities to form UDAs will override the regional policy statement. This would also undermine initiatives such as Smart Growth.

River Management (Flood Control) and its value in NZ

- 5.20 A recent study undertaken on behalf of the sector has revealed that the benefit cost ratio of past investment in river works/flood control schemes averages 60:1. The study also provided a useful summary of asset management quality, maintenance spend relative to the capital invested and so on. Concerns arise from the study. The B/C ratio indicates that the value of the assets being protected has grown to the point that we are probably not investing enough or that the cost (and hence risk) of a failure or super design event is greater than was contemplated when the schemes were built.

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION
Gaps in NZ Approach to Climate Change Adaptation

- 5.21 The key issues affecting adaptation approaches in local government were discussed. There is a need for nationally accepted scenarios to plan for (i.e. sea level rise) rather than have to litigate in the Courts on a case by case basis. The issue is that the rate of climate change including sea level rise, will be affected by geopolitical events the we can't precinct and certainly can't control.

6	Management of Council Resources
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- 6.1 We are still forecasting an accounting surplus of \$9.5m at the end of June 2017. This is a favourable variance of \$5.4m on the budgeted position of \$4.1m. The accounting surplus compared to the controllable operational position is set out in the next table. This table strips out non-cash items and items that can only be used to fund capital expenditure. It provides a clearer view of the operating position ie. a better than budget forecast position by \$6.5m. As we are running, a year to date surplus of a further \$4.8m, the year-end surplus is likely to be higher than the forecast.

Tasman District Council						
Accounting Surplus v Operating Surplus						
	Act YTD Mar 2016	YTD Fc'st Mar 2017 \$000	Variance YTD \$000	Forecast 2016/17 \$000	Budget 2016/17 \$000	Var \$000
Accounting Surplus/(Deficit)	21,170	17,141	4,029	9,500	4,080	5,420
Less Non Controllable						
Revaluation of S vaps (non cash)	6,922	7,165	(243)	0	653	(653)
Vested Assets (non cash)	4,447	3,007	1,440	3,007	3,007	0
Capital Subsidies	133	2,100	(1,967)	3,357	3,747	(390)
Total	11,502	12,272	(770)	6,364	7,407	(1,043)
Controllable Operational Surplus/(Deficit)	9,668	4,869	4,799	3,136	(3,327)	6,463
Explained by						
Income	80,248	78,938	1,310	108,420	104,326	4,094
Expenditure	70,580	74,069	(3,489)	105,284	107,653	(2,369)
Total	9,668	4,869	4,799	3,136	(3,327)	6,463

- 6.2 The key difference in operating expenditure relates to employee expenses which are under budget after nine months by \$905,000. While the forecast is that these costs will be on track by year end that seems unlikely given the level of vacancies we have been carrying.
- 6.3 Interest costs are under budget. These savings are expected as the closing budgeted debt position for 2015/16 was significantly higher than the actual audited debt position. This was a result of the underspend in the capital works programme and the strong operating financial performance in 2015/16. This underspend coupled with a lower interest rate than budgeted has resulted in a lower interest costs.
- 6.4 The depreciation expense is also under budget as the asset revaluation was less than expected and there was a lower capital expenditure in 2015/16.

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

- 6.5 The NRSBU is under budget because of a credit received for \$120,000 that related to the 2015/16 financial year, and the monthly amounts are less than forecast.
- 6.6 Savings are occurring in the electricity accounts across the organisation as the full benefit of the new contract takes effect.
- 6.7 A timing issue with regard to the payment of funds to the Nelson Provincial Museum also contributes to underspend.
- 6.8 Parks and Reserves maintenance is also well down on budget expectations by \$356,000.
- 6.9 The key influences on operating income include capital subsidies, which are under budget due to work on NZTA subsidised projects commencing later than expected. All work will be completed and all income obtained from NZTA. The NRSBU distributed a surplus of \$900,000 which explains the increased revenue in the Engineering Services area.
- 6.10 Additional income in the Environment and Planning Department is from the Resource and Building Consents. This is in line with expectations given the fees and charges were increased.
- 6.11 External Net Debt is \$119.1m compared to a budget of \$166.4m. Council Net Debt has fallen from the audited figure of \$129.2m as at 30 June 2016. The balance sheet is in a strong position. This lower debt position is a reflection of the capital spend not occurring to the levels expected or as quickly as planned and the strong 2015/16 and 2016/17 operating results.
- 6.12 The Council's cost of funds, including interest rate swaps, bank margins and line fees being taken into account is 5.368%, compared to a budget of 5.90%.
- 6.13 The Annual Plan 2016/17 capital expenditure budget was \$59.3m. The second reforecast exercise adjusted this down to \$42.8m with the majority of the expenditure reduced in the Engineering Services Department. In order to achieve this forecast a further \$22.6m will need to be spent over the next 3 months. After nine months the total spend, was \$20.2m being 47% of the forecast spend.
- 6.14 The same concerns remain - that a large capital sum will be carried over to 2017/18 in the September report to Council, and create a similar problem next year. Richard Kirby is focused on getting on top of forecasting and delivery.

	YTD Actual Mar 2017 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000	% Spent to Forecast	Remaining Spend 2016/17 \$000
Environment & Planning	105	540	596	57	20%	434
Engineering	13,810	30,605	47,146	16,541	45%	16,795
Community Development	4,612	8,415	6,794	-1,621	55%	3,802
Council Enterprises	315	1,180	2,475	1,295	27%	865
Governance	4	4	2	-2	96%	0
Departmental Overheads	1,311	2,030	2,266	236	65%	719
Total Capital Expenditure	20,158	42,774	59,279	16,506	47%	22,615
				Average per Month to achieve Reforecast		7,538
				Historic Average per Month		2,207

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION**7 Managing People**

- 7.1 The quarterly health and safety indicators and monitoring report is included in the report to this Council meeting. The data in this report is for the January to March 2017 quarter. Now that the reporting framework is in place and we have a process for reporting investigations and escalating notifiable incidents, I recommend that the reporting on these lag and lead indicators be extended out to six monthly.
- 7.2 I need to escalate one matter. Committee chairs especially should be pressing the managers who are reporting to each committee to ensure that the committee receives a report on the critical risks each Department has on its register. The reports should cover situation with regard to mitigation measures and residual risk.
- 7.3 Councillors have been invited to attend Officer Due Diligence training on 7 June. As 'officers' of the PCBU, it is essential that you make time to attend this training workshop as it will assist you to understand and deliver on your due diligence obligations and responsibilities. Although they are not officers, the Senior Management Team will also be attending. Members of the Health and Safety Committee have also been invited to attend as part of their induction into their roles.
- 7.4 On 6 April, the key people with responsibility for activity management at Moturoa/Rabbit Island attended a health and safety workshop. Mike Cosman of Cosman Parkes facilitated it. The purpose was to get the PCBUs operating on Moturoa around the table to work out how they will work together to meet their separate and overlapping duties under the Health and Safety at Work Act. PCBU's with overlapping duties that arise from having different roles in a contracting chain, are obliged to consult, cooperate and coordinate with each other.
- 7.5 We made good progress but there is a way to go. A H&S Governance Group is being set up which I will convene. Barbara McDonald and I are working on its terms of reference. An operational group has also been formed to deal with the day-to-day issues and challenges of operating at Moturoa/Rabbit Island.
- 7.6 There have been eight staff related health and safety incidents since my last report. Three incidents were near misses, one involved an abusive / threatening customer and four resulted in minor injuries; cut to a foot that was caught by a door, multiple flea bites from a farm dog, mild electric shock from a zip boiler and a back strain.
- 7.7 There has been one WorkSafe notifiable event involving a contractor. This occurred at the Village Green car park in Brightwater and was reported to the 13 April Engineering Services Committee.
- 7.8 Dates for this year's Collective Employment Agreement negotiation meetings are scheduled and the first meeting is in early June.
- 7.9 Joanna Cranness and I attended an Employment Relations Service Mediation to try and resolved a staff member's personal grievance.
- 7.10 As mentioned in my previous report to Council, I have written a proposal document scoping out a future workforce planning review. It is likely that the State Services Commission (SSC) will undertake the work on contract. The SSC has excellent systems for benchmarking (Better Administrative and Support Services) and for developing organisations in the public sector (Performance Improvement Framework).

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

The catalysts for this work include the –

- discussion at Council when the most recent staffing bids were made
- concerns about the workload pressure of our people
- senior management team's desire to develop an organisation that has the capability and capacity as well as the systems and processes to meet the needs of the elected Council and community well into the future.

7.11 Department managers are currently discussing the proposal with their teams. I would like brief Councillors on what is proposed and get your input. I will arrange that as part of an existing workshop as soon as possible.

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

- Property Services Manager (replacement)
- Asset Systems Co-ordinator (replacement)
- Co-ordinator – Subdivision Consents (replacement)
- Information Management Officer – EDRMS (new position)
- Project Manager (new position)
- Senior Policy Advisor – Data Analyst (new position)

Since my last report thirteen appointments have been made.

- Executive Assistant – Environment & Planning (replacement)
- Library Assistant – Motueka, part time (replacement)
- Project Manager x 2 (replacement and new position)
- Business Systems Analyst (replacement)
- Information Services Developer (replacement)
- GIS Analyst (replacement)
- Customer Services Officer – Golden Bay, part time (replacement)
- Consent Planner – Water (new position)
- Administration Officer – Building Assurance x 2 (replacement and fixed term new position)
- Executive Support Officer, fixed term (new position for 8 weeks)
- Property Services Officer, fixed term (replacement position for 3 months)

8 Relationship Management

8.1 Over the past few weeks I have dealt with the following matters; progressed but not necessarily resolved them –

- McGaveston resource consent issues – Motueka catchment;
- Grey Power meeting on current issues;
- Van Dyke family following the civil claim being settled;
- Nelson Airport director process;
- Richmond West Development/Nelson Pine Industries talks on a proposed special housing area;
- Tasman's Great Taste Trail works progress and funding;
- Whanganui/Motueka ferry proposal;

CHIEF EXECUTIVE'S ACTIVITY REPORT - SUPPLEMENTARY INFORMATION

- Motueka aerodrome safety management.

9 Attachments

1. 2017 Jan to March Health and Safety Indicators and Monitoring Three Month Report
2. Council Action Sheet for 11 May

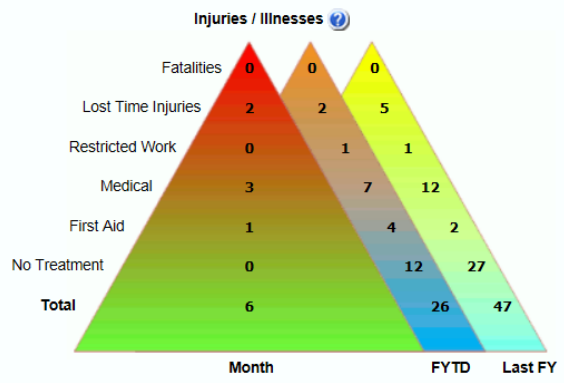
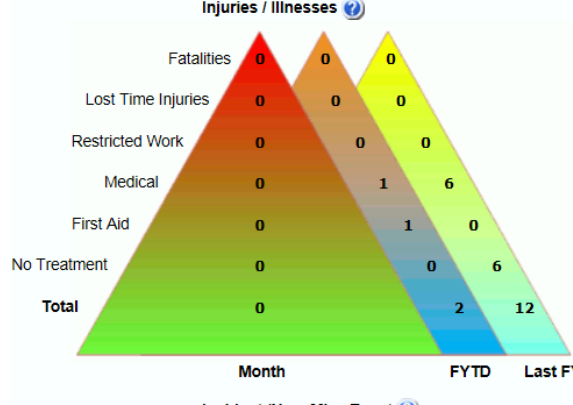
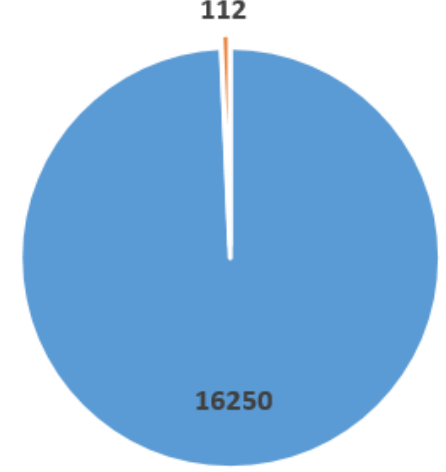
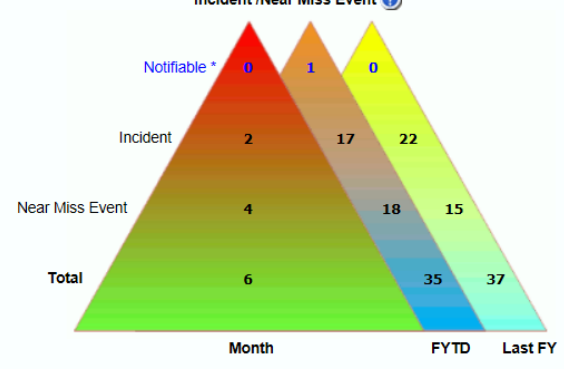
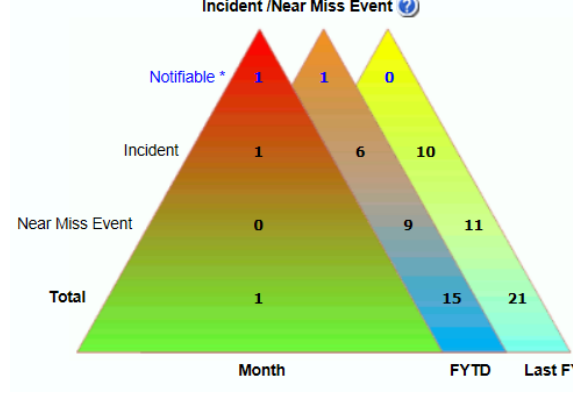
Action Sheet – Full Council as at 11 May 2017

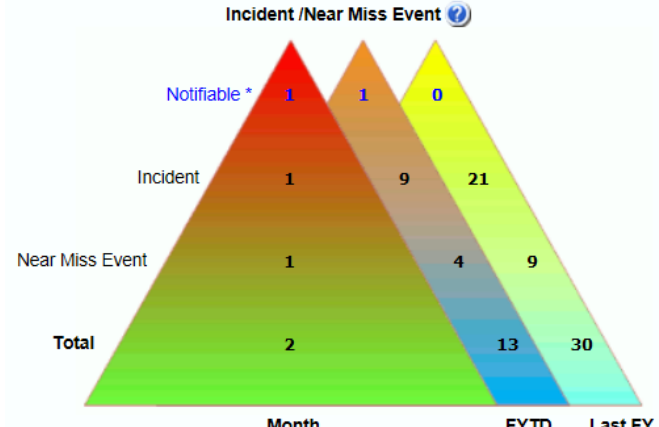
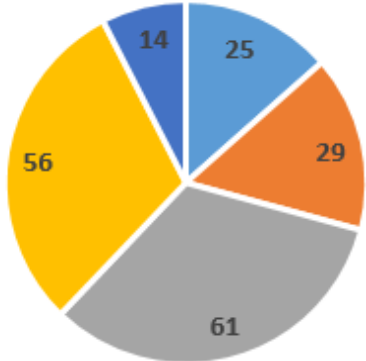
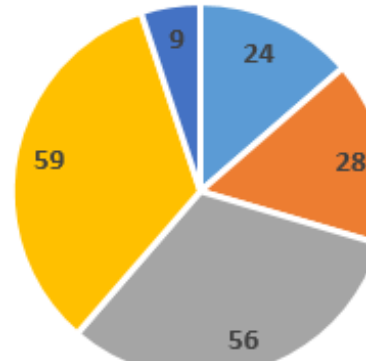
Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 1 December 2016			
Policy on Rates Remissions	Report back on likely impact of the Policy on Council's ability to achieve objectives of NPS on Urban Development Capacity in time for this to be consulted on ahead of LTP 2018-2028.	D Bush-King/M Drummond Now assigned to Russell Holden	Report back will occur within the context of the Long Term Plan process once the Activity Management Plans are completed and financials are reviewed. This will occur in August/September 2017
Capital Repairs to Commercial Property	Include a report back on return on investment for Commercial Property in reports from Commercial Committee to Full Council.	G Cooper / M Drummond	Will be reported to Council on 11 May 2017.
Port Tarakohe Capital Work	Conclude Agreement for Fuel Storage and Supply.	G Cooper	Will be reported to Council on 11 May 2017.
Meeting Date 2 March 2017			
Schedule of Charges 2017/2018	<p>Notify and consult on landfill charges (to be included on the Schedule of Charges) when the outcome of the Commerce Commission's decision is known.</p> <p>Report back on inter-loan and children's overdue book library charges and how revenue would be affected by the removal of these charges</p>	<p>S Hartley/D Stephenson</p> <p>Community Development Manager</p>	<p>Approval received on 24 April 2017. Consultation period extended until 8 May 2017.</p> <p>The Community Development and Libraries Managers met with Cr Wensley on 14 March to discuss the matter of the inter-loan and children's overdue book library charges and will report back on this matter to the Council when the final Schedule of Charges is considered following public consultation.</p>

Item	Action Required	Responsibility	Completion Date/Status
Appointment of Directors to Nelson Airport Ltd and Port Nelson Ltd Boards	Commence process to appoint Council direct to Nelson Airport Limited Board	Chief Executive	Underway.
Meeting Date 23 March 2017			
Appointment of Advisors to the Tasman Regional Transport Committee	<p>Advise non-voting advisory members that they have been appointed.</p> <p>Consider additional/alternative advisory members when DHB representative is nominated</p>	<p>EA to Engineering Services</p> <p>Engineering Services Manager</p>	<p>Completed.</p> <p>A request for a DHB nominee has been communicated. No response to date.</p>
Revised Governance Statement 2017	Publish Governance Statement on website and intranet	EA to CEO	Completed.
Chief Executive's Activity Report – March 2017	Sign Notices of Intention to Take - York Place	CEO	Completed
District Museum Funding	Include grants in budgets and set up payment arrangements	Mike Tasman-Jones, Community Partnership Co-ordinator	Museums contacted – invoices from Motueka and Golden Bay Museums have been received and processed. Awaiting invoices from Murchison.

Item	Action Required	Responsibility	Completion Date/Status
Offer Back of Land – Port Motueka	Advise Wakatu of Council's decision and report back to the Council meeting on 11 May.	CEO	Advised Wakatu. On agenda for 11 May 2017
Remuneration of Independent Member to Nelson Regional Sewerage Business Unit (NRSBU)	Advise NRSBU of remuneration arrangements Draft Policy and procedure for appointing and remunerating independent members of Council committees and business units	EA to the Mayor Corporate Services Manager	Completed. New Policy to be presented to Council September 2017.
Council Update on Waimea Community Dam Joint Venture Working Party Negotiations	Submit FIF application by 13 April 2017. Seek legal advice on members' interests in WWAP and report back to the Council meeting on 11 May	CEO CEO	Completed. Receipt of application acknowledged by FIF administrator. Completed. Advice summarised in CEO's Project Status Report.

Health and Safety Indicators and Monitoring Report – for Three Month Period January to March 2017

Health and Safety Commitment – We are amongst the best when it comes to health and safety performance and care for people				
Leadership	Visible Commitment and Decision Making	Currently no specific H&S leadership indicators have been identified because the demonstration of safety leadership is fundamental to the Council (PCBU) effectively managing its H&S responsibilities and is interwoven through everything we do. This includes performance KRAs, induction processes, and safety leadership training.		
People	Accident / Incident Events	Notifiable Events 0 ₍₀₎	1. No events to describe for this reporting period	Outstanding audit corrective actions 0 ₍₀₎
		H&S Event Statistics to 31 March 2017 Employees 	H&S Event Statistics to 31 March 2017 Public and Volunteers 	Sick days taken to total work days available 
		Incident / Near Miss Event 	Incident / Near Miss Event 	
	Worker Participation	Health and safety training completed 18 ₍₄₄₎ staff	1. Height training / confined space – 1 staff 2. First aid revalidation – 4 staff 3. Workstation assessments – 13 staff	Registered Volunteer Workers 145 ₍₁₀₄₎
		Health & Safety Representatives 8 ₍₇₎ (2 to be appointed)	Health & Safety Committee meetings 2 ₍₂₎	Health and Safety Liaison Person 22 (22) (9 to be appointed)

Systems	Health and Safety Management Systems (HSMS)	The Council has a Health and Safety Management Systems Manual (HSMS) and this forms the primary framework for managing H&S. It complies with the requirements of the Health and Safety at Work Act and the ACC WSMP programme.		
		The Council's corporate H&S policies and processes are up to date and are next due for review in November 2017. There are now 26 corporate H&S processes documented in Promapp and these are updated as required.		
		The Council holds Tertiary accreditation level for the ACC Workplace Safety Management (WSMP) Programme and accreditation was re-newed in February 2017. The programme has been withdrawn by ACC and is expected to be replaced by WorkSafe's Safety Star Rating (SSR) programme.		
	Internal H&S Audits / Internal Practice Reviews	External H&S audits	Outstanding audit corrective actions	
	4 ₍₀₎	1 ₍₀₎	0 ₍₀₎	
Risk	Contractor Health and Safety Monitoring	Contractors H&S pre-qualified	Contractors H&S pre-qualification expired	Contractor H&S Event Statistics to 31 March 2017 
		198 ₍₁₉₃₎	16 ₍₂₄₎	
		Contractor safety observations	Contractor HSMS audits	
	3 ₍₅₎	0 ₍₀₎		
	Contractor Notifiable Events	1. Bitumen tanker explosion at the Village Green carpark in Brightwater.		
	1 ₍₀₎			
Risk Management	Risks identified (recorded in Vault)	Critical Risks (risk rating of ≥15)	Critical Risk corrective actions raised	
	185 ₍₁₇₆₎	0 ₍₀₎	0 ₍₀₎	
Total # of Risks Identified by Department January to March		Total # of Risks Identified by Department October to December		
 <ul style="list-style-type: none"> Community Development Corporate Services Engineering Services Environment & Planning Executive & Governance 		 <ul style="list-style-type: none"> Community Development Corporate Services Engineering Services Environment & Planning Executive & Governance 		
Communication	Sharing Information	Currently no specific H&S communication indicators have been identified because communication and sharing information on H&S is fundamental to the Council (PCBU) effectively managing its H&S responsibilities and is interwoven through everything we do. This includes formal contract documentation, site meetings and recorded safety observations.		

0.0 MAYOR'S REPORT SUPPLEMENTARY INFORMATION**Information Only - No Decision Required**

Report To:	Full Council
Meeting Date:	11 May 2017
Report Author:	Richard Kempthorne, Mayor
Report Number:	RCN17-05-14

1. Summary

- 1.1. The attached information is supplementary to item 2.9 of my Mayor's Report to Full Council FCN17-05-07, the verbal update on the Remuneration Authority, and is for Councillors information.

2. Draft Resolution

That the Tasman District Council receives the Mayor's Report Supplementary Information RCN17-05-14.

Appendices

1. Email from Fran Wild, Remuneration Authority
2. Remuneration Authority Local Government Review - Consultation Document

Kate Redgrove

From: Richard Kempthorne
Sent: Thursday, 4 May 2017 11:43 a.m.
To: Hannah Simpson
Subject: FW: Review of Local Government Elected Members Remuneration - Consultation Document [UNCLASSIFIED]
Attachments: Local Government Review - Consultation Document.pdf

Richard Kempthorne | Office of the Mayor
Mayor
Extension 802 | Mobile 027 223 4000 | DDI (03) 543 8400

From: Fran WILDE [mailto:Fran.Wilde@remauthority.govt.nz]
Sent: Wednesday, 3 May 2017 4:56 p.m.
Subject: Review of Local Government Elected Members Remuneration - Consultation Document [UNCLASSIFIED]

Dear Mayors, Chairs and CE's

The Remuneration Authority (the Authority) is required to issue a new determination covering local government elected members remuneration and allowance which takes effect from 1st July 2017. In considering how we should approach this, we have concluded that there is an opportunity for both short term improvements to the system for immediate implementation as well as some deeper changes which we propose to introduce in 2019.

Attached for your council's feedback is a consultation document which discusses our proposals. It is divided into two main sections:

- **Part Two – Proposed Immediate Changes (2017 Determination):** we would appreciate receiving feedback, on this part, to info@remauthority.govt.nz by 5pm **Monday 19th June 2017** or earlier if you can.
- **Part Three – Longer Term Proposals:** we would appreciate feedback, on part three, to info@remauthority.govt.nz by **Friday October 20th 2017**.

Regards,

Fran Wilde
CHAIR



fran.wilde@remauthority.govt.nz | Telephone: +64 (0)4 499 3068 | Mobile: +64 (0) 21 888 075
PO Box 10084, Level 11, Resimac House, 45 Johnston St, Wellington 6011, New Zealand

CONSULTATION DOCUMENT

LOCAL GOVERNMENT REVIEW

Part One - General Introduction

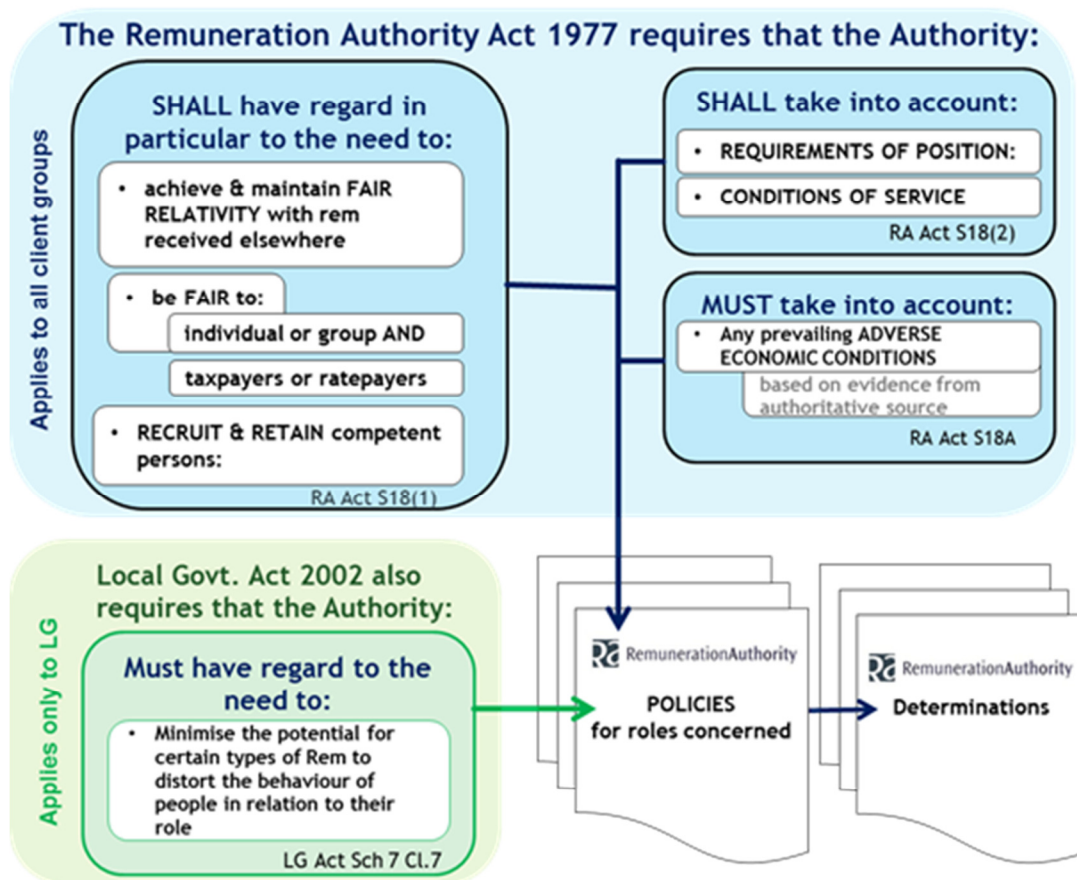
Introduction

1. The Remuneration Authority (the Authority) is required to issue a new determination, taking effect from 1st July 2017, covering local government elected members. In considering how we should approach this in future, we have concluded that there is an opportunity for both short term improvements to the system, including some clarification of current policies, as well as some deeper changes which we propose introducing in 2019.
2. Hence this paper has two substantive sections – Part Two covering proposals for this year and Part Three covering the longer term. We are seeking views of councils on both. The timetable for responses on the shorter-term proposals is unfortunately short. This is because as we got deeper into our review we saw the need for more fundamental change which, had we waited till we had all detail finalised, would have delayed our release of this paper. However, we feel that the issues in Part Two are sufficiently familiar for councils that they will be able to provide reasonably rapid responses. In contrast, Part Three contains more fundamental change proposals and we believe that the local government sector needs time to contemplate these. We have provided a window of several months and during that time we would anticipate attending either zone or sector meetings to discuss the proposals with you.
3. Recently the issue of the potential provision of child care subsidies or services has been raised. We have not addressed it in this paper but will be consulting the sector shortly about this issue.
4. The Authority would like to thank a number of people who have assisted us with the review so far. We commissioned ErnstYoung to provide facilitation, research and analysis. The following people also provided assistance and we very much appreciated their insights and information:
 - Local Government Leadership Group:
 - David Ayers, Mayor, Waimakariri District
 - Jan Barnes, Mayor, Matamata-Piako District
 - Brendan Duffy, Independent Consultant and former Vice-President LGNZ
 - Justin Lester, Mayor, Wellington City
 - Jane Nees, Deputy Chair, Bay of Plenty Regional Council
 - Rachel Reese, Mayor, Nelson City
 - Local Government New Zealand:

- Lawrence Yule, President
- Mike Reid, Principal Policy Advisor
- Local Government Commission:
 - Suzanne Doig, Chief Executive Officer
 - Donald Riezebos, Principal Advisor
- Local Government Officials:
 - Dennis Bush-King, Tasman District Council
 - Miranda Cross, Greater Wellington Regional Council
 - John O’Shaughnessy, Hastings District Council
- Central Government Officials
 - Deborah Brunning, Statistics New Zealand
 - Sarah Lineham, Office of the Auditor-General
 - James Stratford, Department of Internal Affairs
- Alistair Gray, Statistics Research Associates Limited

Legal requirements for the Authority when setting remuneration

5. The work of the Authority is governed by the Remuneration Authority Act 1977, which has had several amendments since it was first enacted. This act and the Local Government Act 2002 contain the statutory requirements which the Authority must follow when making determinations for local government elected members. They are summarised below:



Role of local government

6. In undertaking this review the Authority has looked at past thinking on local government remuneration. One particular document¹, issued by Local Government NZ in 1997, contained a thoughtful summary of the role of local government.

7. The document said:

“The strength of representative democracy ultimately depends on two factors. One is the level of citizen participation and trust in democratic institutions. The other is the ability and commitment of elected representatives and their role in encouraging participation and promoting levels of trust.

Local government constitutes one of the underpinning structures of democratic society, providing ‘voice and choice’ to citizens and communities, and the mechanism for making decisions about local needs and preferences. It also provides a forum to debate issues of mutual interest and concern.

Good local government depends upon the goodwill and understanding of its citizens, and the quality of its staff. Most of all, however, it depends on the ability of those elected to govern. Attracting people with the capacity to lead and govern at local level involves a number of factors. These include:

- The opportunity to contribute effectively, be professionally valued and receive a sense of satisfaction at achieving a job well done*
- The existence of structures and processes to support and professionally advise elected members and enable them to contribute constructively on matters of community importance*
- The presence of consultative and participative arrangements that strengthen relationships between and with their communities*
- The existence of a remuneration system that enables people from all sectors of the community to commit time and effort necessary to fulfil their responsibilities as elected members without being unduly disadvantaged.”*

8. In our view, this characterisation of local government has not changed since it was written twenty years ago.

¹ Options for Setting Elected Members’ Remuneration – A Discussion Document for Local Government and Stakeholders, prepared by the Local Government New Zealand Elected Members’ Remuneration Working Party (1997)

Part Two – Proposed Immediate Changes (2017 Determination)

Introduction

9. The Authority is seeking the views of local government (i.e. territorial authorities, unitary councils and regional councils) on the proposals set out below in this section of the paper. These changes will affect elected mayors, chairs and councillors from each council including Auckland. Part of it will also affect community board members.
10. Please note that we are seeking the views of councils, not of individual elected members or staff.
11. We would appreciate any feedback that councils wish to give to be emailed to us by **5pm Monday 19th June 2017** or earlier if you can. Please email to info@remauthority.govt.nz

RMA Plan hearing fees

12. Current practice is that those elected representatives who are undertaking resource consent hearings can receive an hourly fee which is determined three-yearly by the Authority and which is not included in the council's pool of money to cover payment for additional positions of responsibility. This has not applied to other hearings conducted under the Resource Management Act (RMA). Nor does it apply to hearings for a plethora of other plans or policies developed by councils under different pieces of legislation.
13. The Authority has received many enquiries and suggestions from councils on this issue. In particular, there is growing concern about the treatment of often-protracted hearings of District Plans, Regional Policy Statements and other land, air, coastal and water plans under the RMA.
14. We have looked at the range of council plans that involve hearings and believe that many of them could be considered part of "business as usual" for councillors.
15. However, of particular concern is that councillors who sit on RMA plan hearings are required to be accredited commissioners. This means that they must have undertaken *the Making Good Decisions* course and they must renew their credentials every three years. The requirements for councillors are in this respect the same as for non-councillor commissioners and there is a cost in both time and money to gain and maintain the accreditation.
16. Because of the technical and legal nature of plan hearings, they tend to take months and, in some cases, can span an election period. This is especially the case if the hearing covers a review of the whole plan.

17. The Authority is aware of the increasing trend for councils to engage external commissioners as members of the panel for these plan hearings. This use of external contractors is being driven by several considerations, including time requirements, unavailability of sufficient numbers of councillors who are qualified commissioners, or a view that because councillors have developed the plans as part of their core business, the hearings should be conducted by a different set of independent commissioners. External commissioners are paid an hourly rate for the work. In some cases, a council will use a mixed panel of external commissioners and councillors, which clearly creates a disparity between panel members.
18. Because of these factors, we agree that any such hearings should be treated in the same way as resource consent hearings under the RMA insofar as councillor remuneration is concerned.
19. The Authority is proposing that an hourly rate should be paid to councillors who are members of such hearing panels.
20. The rate would be set every three years by the Authority, as with payments for consent hearings. It will apply to site visits, reading (not to exceed the hearing time) and, in the case of an elected person chairing such a committee, the hourly rate would also cover the time spent in writing the decisions. For clarity, we also propose that this last provision be included for elected members who are chairing resource consent hearings.

- **Do you agree that elected members who are sitting on plan hearings under the RMA should be remunerated in the same way as elected members who are sitting on resource consent hearings?**
- **Do you agree that elected members who chair such hearings should be remunerated for time spent writing up decisions?**

Leave of absence for elected members and acting mayor/chair payments

21. From time to time a councillor or mayor/chair needs extended leave of absence from council work. This could be for personal reasons such as family/ parental leave, extended holiday, illness or, in some cases, when standing for another public office. On these occasions the Authority is asked whether or not a council can grant such leave and, if it involves a mayor or chair, whether an additional payment can be made to the person (generally the deputy) who is acting in place of the mayor/chair.

22. We have looked at the rules for governance boards in the state sector and adapted those rules for local government elected members. Rather than an ad hoc approach, we propose the following:

Councillors:

- Leave of absence can be granted for a period of up to six months (maximum) by formal resolution of the council.
- The leave must involve total absence. The councillor cannot be present for any duties either formal or informal – this includes council meetings, meetings with external parties and constituent work. Nor can the councillor speak publicly on behalf of the council or represent it on any issues.
- The councillor’s remuneration and allowances ceases during the period for which leave of absence is granted.

Mayors/Chairs:

- Leave of absence can be granted for a period of up to six months (maximum) by formal resolution of the council.
- Notwithstanding the above, the period must be longer than a single cycle of council meetings, whether that be monthly or six weekly or whatever. This is because we consider that one of the key roles of a deputy mayor/chair is to cover for short absences by the mayor/chair, but that a longer absence would necessarily put an unexpected extended work burden on the deputy.
- The leave must involve total absence. The mayor/chair cannot be present for any duties either formal or informal – this includes council meetings, meetings with external parties and constituent work. Nor can the mayor/chair speak publicly on behalf of the council or represent it on any issues.
- The remuneration to mayor/chair ceases during the whole of the period for which leave of absence is granted.
- Allowances including a mayor/chair vehicle will also be unavailable during that period.
- The council may also resolve to appoint a councillor as acting mayor/chair for the whole of the period concerned, and may pay that appointee a sum up to the normal remuneration of the mayor/chair in place of the normal remuneration received by that person.

23. Councils may make decisions within these rules but must inform the Authority as soon as possible.

24. We have reflected on the proposed six-month period and consider that it would require exceptional circumstances for an absence of that period to be granted, especially to someone in a leadership position on a council. It would mean that the constituents who elected that person would be unrepresented or, under a multiple-member ward, less

represented, than would normally be the case. This would be an electoral risk that the person concerned would need to consider carefully.

25. A further issue is the extension of an acting role beyond the anticipated length of time – for example, if the incumbent were elected to another role and there needed to be a by-election. Under those circumstances, the acting role may need to be extended for a further period, perhaps up to three months. In that case, we advise that councils make a new, separate decision.

- **Do you agree that there should be provision for elected members to be granted up to six months leave of absence by councils? If not, what should be the maximum length of time?**
- **Do you agree that additional remuneration can be made to an acting mayor or chair under the circumstances outlined?**
- **If you disagree with any of the conditions, please state why.**
- **Are there any other conditions that should apply?**

Approach to expense policies

26. The current approach is for each council to send in their policy to the Authority every three years for approval. In between we often receive requests for assistance in interpreting the provisions in the determination. We are aware of the need for policies to be more transparent and for greater clarity in the explanatory notes, both in determination and on our website.
27. We have looked at many council expense policies and it is clear that some are struggling to develop them, possibly because small staff size does not provide any depth of expertise in this area. On the other hand, some policies are highly developed and contain clear guidance as to what is permitted and under what circumstances.
28. We are thus proposing that instead of each council needing to develop a policy from scratch and then gain approval from us, we work with local government to develop a prototype policy that could be adopted by all councils.
29. The metrics in such a prototype would obviously be the top (maximum) of the allowed range, so any council wanting to pay/reimburse less (or even nothing at all) would be free to do so.

30. With respect to the current role of the Authority in authorising or checking such policies, this is enabled by the legislation and has been required in our previous determinations. However, the Authority proposes that such compliance audits should be part of the role of local government auditors who should check council expenses policies to ensure conformity to the Determination. Auditors should also be assessing whether councils are actually following their own agreed policies in this area.

- **Do you agree that the Remuneration Authority should supply a prototype expenses policy that will cover all councils and that councils should be able to adopt any or all of it to the upper limit of the metrics within the policy?**
- **Do you agree that each council's auditor should review their policy and also the application of the policy?**

Provision of and allowances for information and communication technology and services

31. A communications allowance has been included in the determination since 2008, and was introduced to bring some equity across the country in the reimbursement of costs and the provision of such support to elected members.
32. The continuing development of information and communication technology (ICT) has led the Authority to reconsider the allowance. Our view is that elected members should not carry the costs of communicating with councils or with residents.
33. Mobile technology is now ubiquitous and so much business is now conducted digitally that mobile phones and tablets are considered tools of trade in many businesses, in both the private and public sectors. It is no longer considered to be a personal benefit for a person to have her/his basic technology integrated with that of the business.
34. The Authority's preferred approach in the past was that councils provided the necessary equipment, consumables and servicing, as well as reimbursement (on proof of expenditure) of other costs that might occur. However, there was also provision for hardware costs incurred by elected members to be partly reimbursed.
35. Given recent changes in both the business environment and in technology, we are now of the view that all councils should provide an appropriate council-owned technology suite for their elected members. The two exceptions to this are payment for the use of broadband, which can vary greatly depending on the nature of the household of the elected member, and payment for phone usage.

36. The complexities of ensuring that security is kept up to date mean that elected members are likely to find it increasingly difficult to manage the technical demands of being part of a larger organisation, which may have more stringent standards than they would have for their own personal technology. For the councils, there should be a major benefit in having all elected members using identical technology and systems, managed efficiently and effectively by the council's ICT officials. Councils often have complex software driving different parts of their systems (e.g. water plants) and possess large databases of residents and ratepayers. Managing these systems in a robust way and decreasing the possibility of cyber-attack is a challenge and will be assisted if there are fewer different entry points into the main system. This is also a protection for both the council and for residents/ratepayers who may have privacy concerns.

ICT hardware

37. It is the responsibility of each council to decide the communications equipment needed to carry out its business effectively and efficiently. Decisions about equipment for individual councillors should flow from that. We note that councils should be able to get good purchasing leverage on equipment and on usage plans to keep costs down.

38. We propose that councils provide all elected members with the following equipment:

- a mobile phone
- a tablet or laptop
- a monitor and keyboard if required, plus the hardware to connect the various pieces of equipment
- a printer
- a connection to the internet.

39. Consumables such as paper and ink should also be supplied by the council as required by the elected member.

40. In the past, there has been a desire by some elected members to utilise their own communication equipment to undertake council business, possibly because of unwillingness to segregate personal and council usage on the same device. Now it is commonplace for people to have more than one account on one computer, so the issue of carrying round an additional tablet should no longer apply.

41. Equipment would remain the property of the council and be replaced or updated as part of the council's asset renewal programme – presumably triennially. This would allow councils to obtain the advantages of bulk purchase and ensure maximum efficiency by providing equipment that is consistent across the organisation, fit for purpose and adequately protected to provide security and privacy for ratepayers, elected members and staff.

42. Where there is a strong reason for the council not to supply the technology, the Authority would need to make a decision allowing that council to put in place a reimbursement

system. We note that there is a cost in time and money to all parties in managing such a system and it would have the inherent technology security weaknesses described above. In such cases, exceptional circumstances would need to exist before the Authority was prepared to move to a reimbursement system. In addition, in the interests of efficiency, the reimbursement system would need to apply to the whole council, not just to a few councillors.

43. Where council decided to provide an allowance for the use of personal ICT hardware, it should cover all ICT equipment used by members and the Authority would prescribe an upper limit for expenditure. This would represent three years' depreciation on the hardware (mobile phone, tablet/laptop, printer, monitor, keyboard, installation of an internet connection) plus an assumption that half the usage would be on council business. The allowance can be paid monthly or at the beginning of a triennium.

Internet usage and phone plans

44. Previously the Authority considered the extent to which the costs of data and phone use were apportioned between council and elected member. This can be complex and will reflect differing household usage as well as council usage. For example, in a household which already has personal usage close to their broadband cap, the increased traffic required to move to electronic board papers may require an increase in monthly band usage, even though the data transmitted is modest compared to other internet and electronic traffic.
45. With regard to home broadband, we propose that elected members should be responsible for their own plan. The Authority previously determined that no more than 25% of the usage charges could be regarded as bona fide additional costs incurred by an elected member in carrying out council business. We accept that this is still the case but note that there is now a huge variety and combination of plans available for home broadband, so arriving at an "average" is simply not possible. We therefore propose that councils continue to reimburse up to 25% of a maximum dollar amount to each elected member to cover internet usage costs, on production of receipts. The Authority would review the percentage and the maximum amount every three years.
46. The use of mobile phones as a primary form of communication is increasing exponentially. Alongside this is a proliferation of different types of plans for mobile phones, paralleling what is happening in home broadband connections. The difference between home internet use and phone use is that for the home broadband, anyone else in the household can access the internet connection, whereas a phone is a personal device. We therefore consider that, except for mayors and chairs, elected members should receive reimbursement of up to half the cost of their personal mobile phone usage up to a maximum dollar amount, on production of receipts. If the council owns the plan, the same rule would apply as for home broadband use - the council would pay for half the annual usage cost with a capped dollar amount and the elected member would need to reimburse

the council for the rest. Elected members would be charged for all private international calls.

47. For mayors and chairs the council should cover the total cost of the plan, except that the user will be charged for private international calls.

Unusual circumstances

48. Over the years the Authority has occasionally been approached to cover the one-off costs of providing connection access or non-standard equipment where regular landline or mobile coverage is not available. We propose to continue the current policy, which is that where such circumstances exist, the council may put a costed recommendation to the Authority for approval to make a one-off payment for installation and either a reimbursement or allowance for on-going maintenance and support reflecting the costs involved. It is anticipated this allowance will normally reflect no more than 75% of the costs involved.

- **Do you agree that it should be common policy for councils to provide the ICT hardware proposed above for all elected members?**
- **Do you agree that exemptions to this policy would be limited to exceptional circumstances?**
- **Do you agree that a proportion of the ongoing cost of the use of home internet and personal mobile phones should be reimbursed as outlined above?**
- **If you disagree with either of these proposals, please give reasons and outline your alternatives.**
- **Do you agree with the “unusual circumstance” provision in para 49 above?**

Travel time allowance

49. We do not propose to make any changes to the approach on travel time allowances. This provides for all elected members who are not full time to be eligible for an hourly allowance when travelling on business for the council or community board in respect of any travel exceeding an hour and assuming the fastest form of transport. The rate is set by the Authority and is reviewed each three years.

- **Do you agree that the current policy on travel time allowance should be continued?**
- **If not, please state reasons for change.**

Mileage claims

50. About two thirds of all mayors/chairs take up their entitlement to have a dedicated vehicle provided for them by the council. Others choose to use their own vehicle for a variety of reasons but often, we understand, because of a belief that their constituents will not approve of them having the “perk” of a council vehicle. Our view is that for mayors/chairs, who normally travel great distances each year, the car is a “tool of trade” and an entitlement rather than a “perk”. In any other occupation, people who travelled the distances clocked up by most mayors/chairs would be provided with a company car rather than having to use their own.
51. We have checked the distances travelled annually by mayors/chairs. The average and the median are both around 22,000 to 23,000km a year. Unsurprisingly the distances vary greatly – from 35,000km down to a few thousand – though we wonder if the lower level reflects the fact that some who use their own vehicles claim very little. In fact at least three make no claims whatsoever.
52. Currently we utilise NZ Automobile Association metrics regarding the cost of running a vehicle and we use IRD formula for mileage rate reimbursement. We propose to continue to use these benchmarks, which will be updated as appropriate. The one exception is that in recognition of the fact that mayors/chairs using their private vehicles are likely to be in the medium/high group of users of their own cars for work purposes, we propose to alter the formula around the application of the higher and lower IRD rates.
53. At present the higher rate (currently 74 cents per km) applies to the first 5000km travelled on council business and the remaining distance on council business is reimbursed at a rate of 37 cents per km. We propose that above that first 5000km, which would act as a base, mayors/chairs using their own vehicles should be reimbursed at the higher rate for the first 25% of the remaining distance they travel on council business.
54. We have no data about councillor use of personal vehicles on council business and we assume that distances travelled would normally be less than that of a mayor - but not always, especially in the case of a “distant” ward. Regardless, we propose that the formula outlined above also applies to councillor travel reimbursement.

- **Do you agree with the proposed change to the current 5000km rule?**
- **If not, what should it be and why?**

55. The other issue which we are frequently asked to clarify is the “30km rule”. We propose to keep this approach. Basically it recognises that virtually all New Zealanders have to pay the cost of their own transport to and from their work place. However, elected members also have other work in other places. The 30 km rule is based on an assessment that most people would live within 15 km of their work place. That means that a “round trip” to and from the “work place” – i.e. the normal council meeting place – can be claimed only if it is above 30km. If the trip to and from the council’s normal meeting place is above 30km, the first 30km are always deducted. This means that if an elected member lives closer than 15km, then no claim can be made for attending a meeting at the council office. If a member must come to the office twice in one day, if she/he is not simply taking the opportunity to go home for lunch, then the whole of the distance for the second trip may be claimed. This assumes that most workers travel to and from work only once per day, but recognises that elected members may have a formal meeting, say in the morning, then another meeting much later in the afternoon. We expect common sense to prevail in councils when authorising such claims.

56. With regard to work of elected members outside of the normal council meeting place, the full mileage can be claimed. That means that the elected member may claim from her or his home to the address of the meeting or event and back again by the shortest route.

57. If an elected member has an additional place of residence (e.g. a holiday home) the primary place of residence, normally identified by being her/his address on the electoral role, will be considered the official residence.

58. If a council is holding one of its normal meetings in a different venue - for example in an outlying town - then the full mileage can be claimed. However, we expect common sense to prevail. If the exceptional meeting place is just down the road from the normal venue then the 30km rule would apply.

- **Do you agree with the proposal to retain the 30km rule in its current form?**
- **If not, what should this rule be?**

Mayor/chair car valuations

59. We do not propose to make any changes to the valuation of the mayor/chair motor vehicle at this stage. The formula is consistent with the methodologies applied to valuing motor vehicles for full private use in public sector roles. The Authority's formula goes one step further in that it recognises that a greater proportion of vehicle usage by a mayor/chair is spent on council business rather than on personal use.
60. The formula and associated variables used to value mayor/chair motor vehicles will be reviewed with the main determination triennially. Any changes will be applied in election year.

Annual changes in remuneration

61. The main local government determination will usually be applied in election year, then in the intervening two years we propose to change remuneration to reflect changes in the Labour Market Statistics (LMS) – (see Part Three for more details on the timetable).

Changes following an election

62. The Authority is aware that there has been some confusion in the past regarding the exact days on which payment ceases for outgoing elected representatives and commences for those who are newly elected, and around remuneration continuing for those who are re-elected.
63. The following outlines the legal situation:
- All newly elected and re-elected local government members come into office the day after the results are publicly notified under S.86 of the Local Electoral Act 2001.
 - All sitting members vacate office on the same day.
 - In the case of an uncontested election the declaration must be made as soon as possible after the day the nominations close.

Part Three – Longer Term Proposals

Introduction

64. The Authority is seeking the views of local government (i.e. territorial authorities, unitary councils and regional councils) on the proposals set out below in this section of the paper. These changes will affect elected mayors, chairs and councillors, as well as community board members, from every council except Auckland. Later this year we will be issuing an additional consultation paper on the Auckland Council, following the completion of its governance review. However, we are proposing that the general principles outlined in this paper around council sizing should apply to Auckland.
65. Please note that we are seeking the views of councils, not of individual elected members or staff.
66. We would appreciate feedback to info@remauthority.govt.nz by Friday October 20th 2017. Please email to info@remauthority.govt.nz

Recent history of local government remuneration setting by the Authority

67. In late 2011 the Authority issued a discussion document - *Review of Local Authority Remuneration Setting*. This was followed in November 2012 by a further document - *Remuneration Setting Proposals for Local Authorities* - which outlined the system that the Authority was proposing to institute from the 2013 election. A copy of that document is attached as *Appendix 1*. It transpired that for a variety of reasons in the years 2014 to 2016 the Authority did not completely implement the proposed process. However, significant elements are in place. Importantly, the work which the Authority commissioned from the Hay Group in 2015 remains current in our view and has provided useful data to assist with our current considerations.
68. To assist with context, the main elements of the 2013 proposal are summarised below. They were:
- a) Moving away from the traditional salary/meeting fee mix for local government remuneration.
 - b) Creating a size index for councils derived from population and council expenditure.
 - c) Basing the remuneration for councillors/mayors/chairs on:
 - the relative place of the council in the size index;
 - the job size of the positions as assessed for sample councils;
 - the proportion of full time work as demonstrated by survey results;
 - the Authority's pay scale.
 - d) Providing a pool for each council equivalent to one councillor's remuneration to be allocated for additional positions of responsibility.

- e) Reviewing local government remuneration approximately two years after each election and setting the base remuneration for councillor and mayor/chair roles at the beginning of each election year, together with provision for changes in positions of responsibility within each council.
- f) Recalculating annually each council's place on the size index and, in the following July determination, automatically applying any increase warranted, with the proviso that any reductions in the base remuneration would not be implemented during the term of that council.
- g) Providing a loading of 12.5% for unitary council remuneration to recognise their additional regional responsibilities.
- h) Retaining arrangements for resource consent hearings whereby elected members can be paid an hourly fee in addition to their base remuneration.
- i) Requiring councils to confirm their expenses policies only in election year rather than annually.
- j) Retaining valuation methodology for mayor/chair vehicles with adjustments made each year on July 1 to coincide with the determination.
- k) Various changes to community board remuneration setting.

69. The new system was in place for the 2013 Determination in which the Authority made the following comment: *"Aware of its responsibility of fairness to both elected members and ratepayers, the Authority moderated both increases and decreases to smooth the transition to the new system"*.

70. In the 2014 Determination, the same comment was made with the additional comment that *"this approach was continued, with moderation to reflect wage growth, this year"*.

71. In 2015 the same comment was again made. However, in issuing that Determination the Authority said the following: *"The relationships between council size and remuneration, as well as any necessity for moderation of large increases or decreases, will be reassessed during the 2015/16 year ready for implementation at the time of the 2016 local body elections"*.

72. During 2015 the Authority reviewed the framework again, including job-sizing the positions of a representative group of councils and assessing workloads. In issuing its 2016 Determination the Authority made the following comment: *"The Authority found clear evidence regarding the size of positions but has less confidence in the evidence relating to workload. Given that uncertainty, the Authority has not proceeded to fully or partially implement increases that would in many cases have been well in excess of 10%. It has instead applied increases to the base remuneration payable to councillors ranging from 1.5% to 3% depending on the size of the council. This reflects at the higher level the movements in the public sector remuneration more generally."* The following comment was also made: *"The Authority is also concerned that the expectations placed on local representatives continue to increase and remuneration does not in all circumstances reflect the skill and effort required from members. It will therefore begin further work this year to*

establish an ongoing basis for remuneration that treats both the ratepayer and the elected member fairly”.

Rationale behind current proposal

73. While the legal requirements are set out above in paragraph 2 of Part One (above), the Authority members have also decided that these legal requirements (including attraction and retention of competent people) should be aimed at attracting a wide variety of competent people and balanced by the need to have a local government remuneration system that is accepted in the wider community. To enable this, we require a robust process that is as transparent as possible, intuitively plausible and sustainable for the foreseeable future.
74. We recognise that whether or not the level of financial reward matches the personal contribution of any elected member is not necessarily a significant determinant of the willingness of many people to stand for election. However, remuneration may be an issue for some, depending on personal circumstances, and it may also become an issue for an incumbent deciding whether or not to continue.
75. In considering this proposal, the Authority has decided to maintain a number of existing approaches. The principal ones are:
- a) Maintaining a “total remuneration” approach rather than meeting fees.
 - b) Using a size index to determine relativity between various councils.
 - c) Adopting a “pay scale” for local government that is fair and seen to be fair.
 - d) Reviewing the components of the council size index every three years and applying appropriate factors to territorial authorities and regional authorities.
 - e) Recognising that unitary councils have dual responsibilities and sizing them accordingly.

Council Sizing

76. Overview

We define council size as the accumulated demands on any council resulting from its accountability for its unique mix of functions, obligations, assets and citizenry. The size of councils varies considerably. The most obvious difference is in the size of population with the biggest council (Auckland) having 1,614,300 citizens and the smallest (the Chatham Islands) just 610 at the last census. Even outside of these two, there still a wide population range from Christchurch (375,000) to Kaikoura (3,740).

77. However, despite their differences, there are also many similarities between different councils and the roles of elected representatives.

78. All local government representatives have a basic workload that includes decision-making around local plans, policies and regulations; civic representation; assisting constituents; and

working with other organisations (public and private sector). Importantly, councils are also tasked with employing a chief executive and monitoring performance and delivery.

79. With regard to differences, as noted above, the starkest is in population, but even then there is not an exact connection between population and work load. We have taken account of several characteristics in addition to population to compare the size of each council. We are limited by the ready availability of information. However, with the information that is available, we have been able to use statistical methods to identify several factors that are significant influences on the workload of Councils.
80. We can identify councils that are most likely to be comparable in size, despite differences in what brings this about. Such comparisons can never be exact, because amongst all the councils there are influences on their size that are either unique or unable to be quantified using existing evidence. The analytical approach taken this year by the Authority will be further developed whenever the information base is able to reflect such situations.
81. We considered a variety of factors that could be used for sizing councils and, after consultation and further analysis, we are proposing several factors, with some differences between territorial authorities and regional/unitary councils. The indicators for each factor came from official statistics and departmental reports, and they were analysed by standard statistical methods which enabled the variety of demands on councils from different sources to be compared and accumulated. The initial list of factors and the modelling was identified with a representative group of elected local authority leaders, and then developed further by the Authority.
82. The strong direct effects on size from population, assets and operational expenditure were modified by differences in guest night stays, social deprivation levels and physical size.

Factors proposed to be used in sizing

83. Territorial authorities:

- a) **Population.** This factor not only determines the scale of services that a council will provide, but also the rating base by which activities are funded. Population is most likely to be the indicator that most New Zealanders would use when asked to distinguish between various councils. The statistics we are using are the most recent population estimates by Statistics New Zealand.
- b) **Operational expenditure.** In many cases, operational expenditure correlates with population, but there are also some differences - in particular when a council may be in the midst of a specific expansion programme in a particular area of activity. Our data is taken from the annual accounts of councils.
- c) **Asset size.** This represents the capital base of the council that the council is required to manage, providing essential service such as water, wastewater, roads and flood protection, and also social infrastructure. One of the challenges in asset management is to ensure that assets do not lose value. In recent years there has been greater focus on asset management in the sector, requiring (if it is undertaken rigorously) a higher degree

of attention to detail on the part of elected members, not just the asset managers in the organisation. The data on asset size is also extracted from the consolidated annual accounts of councils and includes the value of their council controlled organisations (CCOs).

We acknowledge that there are different degrees of assets held by local government. Some have highly commercial assets with commercial boards comprising directors selected for their relevant competencies and business experience. Others have land holdings that are long-term and more “passive” investments. Others again are assets such as ports which although highly commercial and competitive are often also strategic assets for their local government owners.

There are also different degrees of oversight. Some councils are extremely “hands on” with their assets and others are more arms-length in their relationships, particularly with CCOs. We recognise that whatever measure of asset size is used, its relevance will differ somewhat among councils to a greater extent than is likely with other factors.

- d) **Social deprivation.** This measures the differences between councils in their need to take account of economic disadvantage among citizens. We recognise that in many council districts the high level of social deprivation in some areas is counterbalanced by a higher economic status in others. However, we believe there are some councils that do not have this balance and that, given the reliance of many councils on rates income, for those councils a high level of social deprivation will have a significant impact. Data is drawn from the third quartile of the NZDEP index prepared from the last population census.
- e) **Number of guest nights.** This represents the demands on councils (e.g. infrastructure development and service provision) resulting from visitors. We recognise that this is a current issue which may in future years be resolved and that it is but one sector in New Zealand’s economy which is of concern to local government. However, it has been raised with us on many occasions and we believe it is relevant to allow for such demands being faced by council at present. It may be that it is replaced by another factor in future years. For this factor we use the Monthly Accommodation Survey of Statistics New Zealand. We were unable to find any data on visitors who may pass through a district and use facilities but not stay overnight, or on the current vexed issue of freedom campers.

84. Regional councils:

Although all councils (territorial, regional and unitary) have a power of general competence, the legal responsibilities of regional councils and unitary councils differ from those of territorial authorities. The breadth of their mandate in national legal instruments (such as the Resource Management Act) requires regional and unitary councils to operate at a different scale from that of territorial authorities, especially in their focus on regulating and managing land and water. For example, regional and unitary councils must develop and administer Regional Plans and Unitary Plans, and territorial authorities must give effect to these plans, which drives behaviour around issues such as water quality (i.e. storm water

and waste water). In contrast, regional councils do not have the significant focus on social issues that is required from either unitary or territorial councils. Hence **land size** is inherently important to the work of a regional or unitary council. In measuring size, we are proposing to eliminate the deprivation index factor for regional councils and add a land area factor.

85. Unitary councils:

For some years, the Authority has added a loading of 12.5% to account for the additional regional council responsibilities of the four smaller unitary councils – Gisborne, Marlborough, Nelson and Tasman. This did not include Auckland, even though it is also a unitary council, because the remuneration for Auckland was considered separately when it was set up.

We are uncertain as to the basis for the 12.5%, and are thus proposing that this loading now be removed and that instead the size of these four unitary councils be measured by both the regional and the territorial authority factors. Thus the factors by which we measure the size of unitary councils would include both land area and social deprivation.

The Authority believes that with the additional regional council factor of land area included, this is a fairer way of sizing unitary councils.

With regard to the proposed factors to be used for sizing councils

- **Are there significant influences on council size that are not recognised by the factors identified?**
- **Are there any factors that we have identified that you believe should not be used and why?**
- **When measuring council assets, do you support the inclusion of all council assets, including those commercial companies that are operated by boards?**
- **If not, how should the Authority distinguish between different classes of assets?**

Weighting

86. The weight given to each factor was assessed intuitively by the Local Government Advisory Group, drawing on their knowledge and experience. These weights were then further refined by formal statistical analysis. The Authority has not yet completed this part of the exercise and, before we do, we would like to hear views on the proposed factors. Nevertheless, in our work to date, the following “order of magnitude” listing indicates what

we consider to be the relative importance of the various factors in determining size. They are listed here in terms of our current view of the highest to lowest influence on size.

87. Territorial authorities:

- Population; operational expenditure
- Assets
- Deprivation index; visitor nights

88. Regional councils:

- Operational expenditure; geographic size
- Assets; population
- Visitor nights

89. Unitary authorities:

- Population; operational expenditure; geographic size
- Assets
- Deprivation index; visitor nights

90. When the weighting exercise is completed, the size of each council estimated in this way will become the size index.

- **Are you aware of evidence that would support or challenge the relativity of the factors for each type of council?**
- **If you believe other factors should be taken into account, where would they sit relative to others?**

Mayor/chair remuneration

91. The work that the Authority commissioned from the HayGroup in 2015 included a review and evaluation of the roles of mayor, regional council chair, committee chair and councillor across 20 councils.

92. The evidence reported by Hay was that mayor and regional council chair roles generally require a full-time commitment, though this is not true in absolutely all cases. Even in smaller authorities where the mayor's role may not be full time, the nature of the job means that it is usually difficult to get another job to supplement what might not be a fulltime income. From the knowledge of members of the Authority and advice from a range of participants in local government, including the Advisory Panel, the Authority accepts that mayors/chairs are full time and we propose that mayor/chair remuneration be determined on this basis.

93. We are also proposing that there should be a “base pay” for all mayors/chairs. Additional remuneration would then be on top of this, depending on the size of the council.

- **Should mayor/chair roles should be treated as full time?**
- **If not, how should they be treated?**
- **Should there be a “base” remuneration level for all mayors/chairs, with additional remuneration added according to the size of the council?**
- **If so, what should determine this “base remuneration”?**

Councillor remuneration

94. The relativity between mayor/chair and councillors is somewhat more difficult to determine and we note that in 2015 the Authority suggested that although there was evidence about the size of positions, there was less evidence about workload.

95. We are aware that there are clear differences in both the job size and the workload of councillors on different councils for a several reasons. There can also be significant differences in workloads of councillors within a single council. The influences on a councillor workload obviously include measurable factors such as population and the other indicators we have outlined above in paragraph 5, as well as the number of councillors, which varies from council to council.

96. However, other influences include current issues within a council area and individual councillor interest in or affiliation to different interest groups. The latter also applies to workload differences amongst councillors on a single council, as does the appetite for work amongst different councillors. The Authority is not able to take account of such differences in our determinations. Nor are we able to provide for “performance pay”. This means that on any single council the remuneration of the hardest working councillor will be the same as that of the lowest contributor.

97. Having looked carefully at the sizing factors, and discussed mayor/chair and councillor relativity with a variety of people, we have formed a view that we are unable to accommodate the differences between councillors on different councils with sufficient granularity to have a single national approach. The large metropolitan councils, for example, seem to have a higher councillor workload than of smaller rural and provincial councils, though this is not a universal rule. Additionally, there are differences between

similar sized councils which are addressed at council level by the allocation of committee and portfolio responsibilities.

98. We are also conscious of the discrepancies amongst councils in the current relationships between councillor remuneration and that of the mayor/chair. The range is from 54% down to 21%, and in some cases the proportion appears to be arbitrary. Discrepancies are also evident where councils of similar size (population) show variances of up to 10% in the ratio between councillors and mayors/chairs remuneration. Some of this may be historical - the legacy of previous approaches - or the result of councils having decreased or increased the number of councillors over time.
99. The Authority is looking at a new approach that, while providing a fiscal framework, would put the decisions round the details of councillor remuneration into the hands of the local council, which we believe is better able to understand and reflect community needs than we are on a national basis.
100. We are looking at setting a total “governance/representation pool” that each council would distribute. The pool would be linked to the size of the council and thus be irrespective of the number of elected members. Because we are now proposing formally that all mayor/chair roles be considered full time, the Authority would be in a position to set the salary for that position. Thus the mayor/chair remuneration would be separately allocated by the Authority, but included in the governance/representation pool allocated to each council. However, all other positions – councillors, deputy mayor/chair, chairs of committees, portfolio holders etc and community board members – would be allocated from its own pool by each council.
101. The pool proposal was included as one alternative in the 1997 LGNZ consultation paper, albeit the remuneration framework then was very different from how it has evolved today.
102. The advantages of this approach are that it focusses on the total governance and representation cost for each council (minus the mayor/chair) and that it allows each council to decide its own councillor and community board remuneration levels, including for positions of responsibility, reflecting its priorities for the current triennium. The total pool would be relative to the size of the council rather than to the number of elected members. Consequentially, if a council wished to increase its numbers via a representation review, and thus spread the workload, the allocated pool would need to be spread amongst more people. The reverse would also apply. It should be noted that if the workload for the whole council increased because of a change in the metrics of any factor(s) by which the council is sized, then the council would move to a higher ranking on the scale which would provide overall higher total remuneration pool.
103. The disadvantage is that no council is necessarily the master of its own destiny in terms of numbers of councillors. It must convince the Local Government Commission of the need to increase or decrease numbers. However, we do note that where representation changes reflect changes in what we call the “size” of the council (as described above in para 77-91),

any changes should also be reflected in the remuneration pool available to the council so there would then be a direct connection.

104. The pool approach provides councils with the flexibility to provide differences in positions of responsibility in a nuanced way. Because each council varies in terms of its committee/portfolio structure, this is an area where councils need discretion to decide. Current practice is for the Authority to set the councillor remuneration for each council, then to provide each council a “pool” equivalent to twice the base remuneration of one of its councillors to allocate to those undertaking specific positions of responsibility. These may include deputy mayor, committee chair, portfolio holder or other specifically designated roles. We have had no significant advice that the size of this extra pool is inadequate. However, we are aware that the provisions are applied in slightly different ways by different councils and that there are some councils that find the current provisions restrictive.
105. For example, there has been some confusion in the past as to whether every single councillor on a council can receive part of this additional pool by being allocated a position of responsibility. Generally, the Authority has not agreed to this when the council has proposed sharing the additional pool equally because this has simply amounted to a pay-rise for all councillors to move them above the level applied in the Determination. However, we have had enquiries about this and also observed current practice.
106. We propose that under the new regime (i.e. a total governance/representation pool for each council) the following rules should apply:
- a) All roles and remuneration levels will need to be agreed by formal resolution of the council, with a 75% majority.
 - b) A remuneration rate must be set for the base councillor role
 - c) The council needs to have a formal written role description for each additional position of responsibility above that of the base councillor role.
 - d) The Authority will expect that any such roles within a council will have different levels of additional remuneration, depending on the nature and workload involved. In particular this needs to apply where every single councillor is allocated an additional position (as distinct from a more usual practice of having a deputy mayor/chair and a handful of committee chairs).

- **Should councillor remuneration be decided by each council within the parameters of a governance/representation pool allocated to each council by the Remuneration Authority?**
- **If so, should each additional position of responsibility, above a base councillor role, require a formal role description?**

- **Should each council be required to gain a 75% majority vote to determine the allocation of remuneration across all its positions?**

107. We also note that elected members are increasingly being appointed to represent their council on various outside committees and bodies. We propose that if any council wishes to do so, such appointments can also be captured under the process outlined above.

- **Should external representation roles be able to be remunerated in a similar way to council positions of responsibility?**

108. The issue of director's fees for elected members who are appointed to CCOs is a difficult one. On the one hand it could be said that a councillor sitting on a CCO is doing work that is similar to that of another councillor who may have a specified position of responsibility – or even less if the second councillor is, for example, a committee chair. However, the legal liabilities of CCO directors have become more onerous in recent years and may be more than those of elected members.

109. Those appointed as directors of CCOs need to be aware of the specific legislative duties and regulatory obligations that are imposed on them, in their capacity as directors, by the various acts, including the Local Government Act 2002, the Companies Act 1993, the Health and Safety at Work Act 2015, the Charities Act 2005 and the Public Audit Act 2001.

110. It is not for the Authority to determine whether or not elected members should be directors of a CCO, but we do recognise the additional responsibility that is taken on in those cases and that it may require developing capabilities to meet obligations that are different from those required of other elected members. We also observe the increasing trend towards the appointment of external professional directors to such roles.

- **Do the additional demands placed on CCO board members make it fair for elected members appointed to such boards to receive the same director fees as are paid to other CCO board members?**

Community Board remuneration

111. We note that 40 councils (more than half the territorial authorities) have community boards. We also note that there is a huge variety in the nature of the work undertaken by community boards and in the powers delegated to them. Some undertake substantial and substantive governance work on behalf of the council, whereas others are more in the nature of community representatives and advocates.
112. We are also aware that in some places community board members are doing work that elsewhere might be undertaken by council officers. However, assuming that community boards are part of the governance/representation structure of a council, then this means that, all else being equal, the current cost of governance and representation for these councils could be relatively higher than that of councils which do not have them. Some councils fund the boards out of a targeted rate applied to the area that the board represents, whereas others use a general rate – i.e. the same as for funding the remuneration of councillors.
113. We suggest that if a council wishes to not cover remuneration for its community board members from the proposed governance/representation pool, then a targeted rate should apply to the area represented by the particular community board. However, councillors appointed to represent the council on the community board would be paid from the governance/representation pool.
114. We also consider that it is important that the functions undertaken by any community board are clearly and transparently defined by the council concerned and consider that all community board delegations should be by way of a formal council resolution.

- **Should community board remuneration always come out of the council governance/representation pool?**
- **If not, should it be funded by way of targeted rate on the community concerned?**
- **If not, what other transparent and fair mechanisms are there for funding the remuneration of community board members?**

A local government pay scale

115. Local government has no exact equivalent. The nearest that we have in New Zealand is central government, yet even that is not an exact match.

116. Section 2 of this paper sets out the legal requirements that the Authority is required to consider in making determinations. The first of those requires that the Authority “shall have regard in particular to the need to achieve and maintain fair relativity with remuneration received elsewhere”. This is particularly difficult in determining the remuneration for local government elected members because there is no obviously relevant comparator group. The Authority considered and rejected as inappropriate the following:

a) Local government senior managers’ salaries.

Information on local government management remuneration is readily available in market salary surveys and through councils’ annual reports. However employees of councils are selected for the knowledge, skills and experience they hold relative to the needs of the employment role. Elected members do not fit that profile at all. They are democratically chosen by the electors to represent the interests of the people of a particular area and provide governance over the council’s operations. There is no logical alignment that would connect the remuneration of the two groups.

b) Central government sector senior managers’ remuneration.

Information on public sector management remuneration is readily available in market salary surveys and the State Services Commission’s annual reports but this option suffers from exactly the same difficulties as option (a) above.

c) Remuneration of directors on boards, including public sector boards, commercial boards and large not-for-profit boards.

A significant part of the work of elected members consists of representational activities of one sort or another. Most boards of directors do not have this role. Those that do are often in the not-for-profit or NGO sector and, even there, the nature and time requirements of the representational work, including managing constituency issues, is different. Further, most boards are governing an enterprise that is essentially focused on a single group of goods or services within one industry, whereas councils have a significant array of services that are not necessarily similar in any manner – for example, providing building consents compared to social services.

117. Other aspects of local government elected roles which differ from the above are:

- The sheer “visibility” of the people involved, resulting in a lack of privacy. In some cases where the elected person is very high profile or important in a community, or when the community is very small, this is extreme and often their close family members are also impacted by this.
- This visibility is associated with the need for publicly elected representatives to “front” on difficult issues. This is less common amongst other boards members and

managers. When something goes wrong on a council the councillors and mayor/chair are held to account by the public, whereas on a board it would normally (though we recognise not always) be the CEO.

- The meeting requirements on local government are more onerous than they are in other sectors. The Local Government Official Information and Meetings Act 1987 and public expectation is that meetings will be held in public and that information behind decisions and actions will be readily available.
- Finally, and perhaps related to all the above, local government entities hold far more frequent meetings/workshops than do other governance boards and the distinction between governance and management is less clear than it is in most other models.

118. In the light of this, the Authority looked at a possible alignment with parliamentary remuneration for comparative purposes. Even though (as we note above) local government is not an exact match to central government, parliamentarians are also democratically elected to represent sections of the populace, and those who are members of the Government of the day also exercise governance over the public service. Within the parliamentary group there are different levels of remuneration between backbenchers, ministers and some other identifiable roles.

119. Given the obvious difference between central and local government elected members, any remuneration alignment could not be a direct one-on-one relationship. However, the nature of the roles is such that there are also similarities and this is the closest the Authority can find to “fair relativity with remuneration received elsewhere”. As in other areas of our work, this decision involved a degree of judgement – there is no exact science here and we would observe that the utility and value of any elected person is in the eye of the beholder.

120. We therefore propose that mayor/chair remuneration be related to that of MPs, but capped so that the highest remuneration for any individual mayor or chair cannot be more than that of a cabinet minister. All other mayor/chair roles would be provided with a relative alignment below that upper limit.

- **Is it appropriate for local government remuneration to be related to parliamentary remuneration, but taking account of differences in job sizes?**
- **If so, should that the relativity be capped so the incumbent in the biggest role in local government cannot receive more than a cabinet minister?**
- **If not, how should a local government pay scale be determined?**

Timetable

121. The current practice of the Authority – major three-yearly reviews with annual updating in non-review years – has been a sensible approach. We propose to continue it in the interests of efficiency and also to reflect the fact that the data we are using for sizing is not necessarily available annually.
122. In the intervening years, we propose that any change in local government remuneration reflect the change in the salary and wage rates for the public sector as shown in Statistics NZ's Labour Market Statistics (LMS) which are produced quarterly. In 2014 the LMS replaced the Quarterly Employment Survey (QES), which was the mechanism chosen as the reference index when Parliament passed the Remuneration Authority (Members of Parliament Remuneration) Amendment Act 2015. Therefore, changes in MP remuneration are also tied to the change in salary and wage rates as published in the LMS. In addition to salary and wage rates, the LMS contain information on New Zealand's official employment and unemployment statistics, number of filled jobs by industry group, total hours worked, levels of income, total gross earnings and paid hours, and average hourly rates by sector.
123. The cycle adopted by the Authority for setting local government remuneration will be as follows:
- The first year of the cycle will be the local government election year. In that year the Authority will undertake a full review of council sizes, utilising the indicators described above. Prior to applying the result of the review, the Authority will apply the LMS changes to all local government remuneration, and the council sizing results will then be applied.
 - This determination will be issued on or about July 1 for implementation from the date the council formally takes office following the local government election later that year. At that time the Mayor/chair remuneration will be applied but the remuneration for all other positions to be decided out of the "governance/representation pool" will be applied on the day following the day on which the council formally resolves its remuneration policy for that triennium. Until then, from the day of assuming office, all councillors will be paid the base councillor remuneration that applied in the preceding triennium. The new determination will apply till the council ceases to formally hold office at the next local government election.
 - Meeting fees for RMA plan or consent hearings, as well as the parameters for expense reimbursement, will also be assessed at that time and any changes will apply to all councils at the same time as the remuneration changes.
 - In the subsequent two years, the determination will again be issued on or about July 1 but on these occasions for immediate implementation. For all councils, it will contain adjustments reflecting the change in the LMS. There will be no changes in plan or consent hearing fees or expenses policies at this time.

This consultation process from now on

124. This proposal is being circulated to all councils to obtain feedback on the approach. The Authority would need to receive any written feedback that councils wish to make by **30 October 2017**. We look forward to hearing from you.

125. For this year (2017) the Authority proposes to change remuneration according to the LMS change and we also propose to introduce the new provisions outlined in Section Two of this paper. All other changes would be introduced for the year 2019. This timetable allows time for councils to fully discuss the proposals and give us their responses. It allows us to then refine and test our final model for the “governance/representation pool” prior to implementation.

126. **We are conscious that 2019 is three years after the local government sector would have been expecting changes. However, with our proposal to change the model for sizing councils and to radically change the way councillor remuneration is decided, we believe that such a time period is justified.**