



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

**Date:** Thursday 21 February 2013  
**Time:** 10.15 am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

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## Full Council AGENDA

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### MEMBERSHIP

<b>Mayor</b>	Mayor R G Kempthorne	
<b>Deputy Mayor</b>	Cr T B King	
<b>Councillors</b>	Cr M L Bouillir	Cr J L Inglis
	Cr S G Bryant	Cr C M Maling
	Cr B F Dowler	Cr Z S Mirfin
	Cr J L Edgar	Cr T E Norriss
	Cr B W Ensor	Cr P F Sangster
	Cr G A Glover	Cr E J Wilkins

(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 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 29 November 2012, be confirmed as a true and correct record of the meeting.

### 6 PRESENTATIONS

Nil

### 7 REPORTS

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## 7 REPORTS

### 7.1 MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Robert Cant, Senior Property Officer
<b>Report Number:</b>	RCN13-02-01
<b>File Reference:</b>	

#### 1 Summary

- 1.1 Council has been consulting with the community over the future of the former RSA Hall in Murchison for a number of years. A public meeting was held in early 2011 where agreement was reached to dispose of the property. Following a consultation process it had been intended to market the property over spring/summer 2012/13.
- 1.2 The Murchison Centre put forward a business case for consideration at the 7 February 2013 Community Services Committee meeting which requested the use of the former RSA Hall to establish a gymnasium.
- 1.3 The business case has been analysed. The advice I provided to the Committee was that the proposal is not sufficiently convincing to justify the reversal of Council's intention to sell the former RSA Hall. The business case is vague with respect to the establishment costs and does not provide support for the assumptions on projected income.
- 1.4 At its meeting of 7 February 2013, the Community Services Committee considered report number RCS13-02-08 and resolved to:
1. *Receive the Murchison RSA Hall – Proposal for Retention by Murchison Centre Committee Report; and*
  2. *Decline the Murchison Centre Committee's proposal to use the former RSA Hall for a gymnasium; and*
  3. *Recommend to Council to sell the Murchison RSA Hall; and*
  4. *Instruct Property Services staff to proceed with the sale of the Hall once Council approval in 3 above has been received; and*
  5. *Uses the sale proceeds to contribute toward the repayment of the loan on the Murchison Sport, Recreation and Cultural Centre.*
- 1.5 A letter has been received from the Murchison Sport, Recreation & Cultural Centre dated 12 February 2012 (attached as Appendix 2) advising they wish to withdraw their proposal for the RSA Hall.

**2 Draft Resolution**

**THAT the Full Council:**

- 1 Receives the Murchison RSA Hall – Proposal for Retention by Murchison Centre Committee Report RCN13-02-01; and**
- 2 Agrees to sell the Murchison RSA Hall; and**
- 3 Instructs Property Services staff to proceed with the sale of the Hall.**

**3 Appendices**

- |                                       |    |
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#### 8.4 MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE

**Decision Required**

**Report To:** Community Services Committee  
**Meeting Date:** 7 February 2013  
**Report Author:** Robert Cant, Senior Property Officer  
**Report Number:** RCS13-02-08  
**File Reference:** 21909PR

##### 1 Summary

- 1.1 Council has been consulting with the Community over the future of the former RSA Hall in Murchison for a number of years. A public meeting was held in early 2011 where agreement was reached to dispose of the property. Following a consultation process it had been intended to market the property over spring/summer 2012/13.
- 1.2 The Murchison Centre has put forward the attached business case which requests the use of the former RSA Hall to establish a gymnasium.
- 1.3 The business case has been analysed. I consider that the proposal is not sufficiently convincing to justify the reversal of the decision to sell the former RSA Hall. The business case is vague with respect to the establishment costs and does not provide support for the assumptions on projected income. I recommend that the Community Services Committee declines the proposal from the Murchison Centre to use the RSA Hall for a gymnasium and confirms its intention to sell the former hall.

##### 2 Draft Resolution

**THAT the Community Services Committee:**

- 1 receives the Murchison RSA Hall - Proposal for Retention by Murchison Centre Committee RCS13-02-08; and
- 2 declines the Murchison Centre Committee's proposal to use the former RSA Hall for a gymnasium; and
- 3 recommends to Full Council sell the Murchison RSA Hall; and
- 4 instructs Property Services staff to proceed with the sale of the Hall once Council approval in 3 above has been received.

**MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE****3 Purpose of the Report**

- 3.1 The purposes of the report are to make the Committee aware of the business case put forward by the Murchison Sport, Recreation and Cultural Centre (Murchison Centre) for the retention of the former RSA Hall at Murchison and to enable the Committee to decide whether to proceed with the sale of the RSA Hall.

**4 Background and Discussion**

- 4.1 Following extensive community consultation, the Murchison RSA Hall was intended to be marketed for sale.
- 4.2 However, since the consultation was undertaken the Murchison Centre Committee had developed a proposal to utilise the former RSA Hall for a gymnasium. The Centre Committee believes there is sufficient support in the community to establish a gymnasium in the former hall. It has supplied letters of support for its proposal from the Murchison Golden Oldies, the Murchison Rugby Football Club and Murchison Netball Club.
- 4.3 The attached business case details what work is involved in establishing a gymnasium and how it could work in the long term on a financial basis.
- 4.4 There has obviously been a lot of work put into preparing the business case.
- 4.5 Murchison has the new community centre built at substantial cost, partially using loan funds. When the new centre was being costed, the sale proceeds from the RSA Hall were intended to offset the costs and to repay loan money. If the disposal proceeds of the hall were to be, say, \$100,000 then the interest saving on the loan would be \$5,000 - \$7,000 per annum. The business case does not make comment on this lost opportunity if the former hall is retained. Council is under pressure from some ratepayers in the District to reduce debt and the amount of ratepayers' money that goes towards servicing debt.
- 4.6 The use of sale proceeds from former hall to contribute to the cost of a new facility is a well established principle in the District (ie the Moutere Hills Community Centre). If this existing facility is retained even after new facilities are provided, it has the potential to create a precedent for similar future projects.
- 4.7 The proposal also runs the risk that both the new community centre and the former RSA hall will be underutilised as community assets, which is not a desirable outcome for use of community funding.
- 4.8 There are a number of concerns regarding the proposal and most of these relate to the establishment costs. The business case essentially explains how the gym will operate once it is established. There is only vague information on how the Murchison Centre would establish the gymnasium to a standard which would entice people to pay \$10 a week. The



**MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE**

population of Murchison is approximately 500 people and it is questionable as to whether that population could sustain a financially viable gym.

- 4.9 Establishing the gym seems to be reliant on voluntary labour and donated goods and gym equipment. It is questionable whether those same volunteers will then be happy to turn around and pay \$520 a year to use second-hand equipment.
- 4.10 The operation of a gymnasium is almost certainly going to require a resource consent and there is no indication of how this would be funded. Even if all neighbours were to agree and the consent could be processed as a non-notified consent, it is still \$900. A notified consent (should any of the neighbours not be happy with what is a commercial activity in a residential zoning) requires a \$5,000 deposit.
- 4.11 The business case talks about fundraising activity and voluntary work. If this was successful, it must surely distract the community from similar activity which could enhance the new facility.
- 4.12 The business case gives a budget which provides a small surplus, and comments about the fact that a small increase in membership, or fees, could lead to a significant surplus. The project is very tight, however, and if the income was less than the budget, there is little room to cut costs.
- 4.13 Gymnasiums have not been successful in Murchison in the past and there is a strong argument that if this is commercially viable, it should be undertaken by the private sector. This is particularly relevant in an era when the Government is encouraging local government to focus on core activities and control costs. While this proposal does not seek funding from Council, it does involve a lost opportunity to reduce debt. The biggest challenge of granting a lease is if the project fails. There is potential for the establishment of the gym to stall when the project is incomplete, which would leave Council with a half finished conversion project, and possibly second hand gym equipment to deal with.
- 4.14 The challenge in rejecting the gymnasium proposal is that the Murchison Centre volunteers will be disappointed and that this impacts on their enthusiasm to operate the existing facility. If support for the gym is strong in the community and the proposal is rejected, this has connotations for the community's perception of the Council.
- 4.15 In favour of the gymnasium proposal is the fact the request has not sought any Council funding. There does seem to be some community support for the concept, and if it could be established and made to work, it would be a boost for the Murchison community.
- 4.16 Another argument in favour of the gymnasium proposal is the fact the former hall may well prove difficult to sell and this proposal by the Murchison Centre is an opportunity to continue utilisation of the asset.
- 4.17 The property has been marketed by a local agent on a basic level. In essence, a sign has been erected but there has been no advertising. The agent has advised that she has

**MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE**

received a number of enquiries, but nothing which could be considered a serious enquiry from a likely buyer.

**5 Options**

- 5.1 Option 1 - to instruct the Property Services Division to proceed with the marketing of the former RSA Hall. This would also require a decision to reject the business case and proposal put forward by the Murchison Centre.
- 5.2 Option 2 - to rescind the decision to sell the RSA Hall at Murchison and instruct the Property Services Division to negotiate a lease with the Murchison Centre.
- 5.3 The advantages and disadvantages of each of the options have been covered in the analysis and discussion of the proposal contained in section 4 of this report.
- 5.4 Staff recommend that the Community Services Committee declines the proposal from the Murchison Centre to lease the former hall for a gymnasium, that it confirms Council's intention to proceed with the proposal to sell the hall, and that it instructs staff to action the sale.

**6 Strategic Challenges / Risks**

- 6.1 The major risks in declining the gymnasium proposal and proceeding with the proposal to sell the former RSA hall are that the hall will not sell and that there will be some members of the community that will be unhappy with Council's decision. Other ratepayers, however, may be unhappy if Council does not proceed with the sale of the former hall in order to reduce debt.

**7 Policy / Legal Requirements / Plan**

- 7.1 There are no policy documents to aid in this decision, however, there is precedent for Council to sell older facilities when replacement facilities are constructed and to put the sale proceeds towards repayment of debt.
- 7.2 Staff are not aware of any legal impediments to the sale of the former hall.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 The retention of the hall means that the partial repayment of the loan will be further delayed. Assuming disposal proceeds of \$100,000 (very conservative given the RV is \$165,000) this means that interest of \$5,000-\$7,000 per annum will continue to be paid on the existing loan. If the gymnasium proposal was to proceed and then fail there is potential for Council to face costs in disestablishing the facility.

**MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE**

- 8.2 The proposal to lease the building does contain provision for the tenant to pay rates and insurance. Both are currently met by Council. This provides some savings compared to the present, but if the property is sold, those savings occur as well. There is no provision in the proposal for a rental return to Council.

**9 Significance**

- 9.1 The decision to proceed with the sale of the former hall is considered a matter of low significance in terms of Council's Policy on Significance. The disposal of the hall has been signalled for some time now.

**10 Consultation**

- 10.1 It is considered that the community was fully consulted with prior to the original decision to sell the RSA Hall.

**11 Conclusion**

- 11.1 The gymnasium proposal appears to have some significant flaws in that it is relatively vague about the timetable for establishing the gym to a standard which would entice customers to pay money to join. It would seem likely that the cost to establish the gym to that standard would be substantial. If it could be fundraised, that would seem to be likely to distract from fundraising which could enhance the new community facility or other facilities in Murchison.
- 11.2 The attached business case does not provide a compelling argument for the retention of the facility. If the former hall is retained it would mean that Council could not retire debt on the new community facility as quickly and that it would incur higher interest costs. Staff recommend that the Committee declines the proposal to lease the building for a gymnasium, confirms Council's intention to sell the property, and instructs staff to proceed with the sale.

**12 Next Steps / Timeline**

- 12.1 If the Committee's decision is to retain the building and grant a lease to the Murchison Centre, a lease will be negotiated.
- 12.2 The property is currently on the market. If the decision is to instruct the Property Services Division to sell the building, a tender process will be undertaken with a view to the closure of tenders.

**13 Appendices**

1. Proposal by Murchison Centre for Retention of RSA Hall



Community Services Committee - 7 February 2013

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**MURCHISON RSA HALL - PROPOSAL FOR RETENTION BY MURCHISON CENTRE COMMITTEE**

Item 7.1

Attachment 1



**Murchison Sport, Recreation & Cultural Centre**  
**PO Box 30, Murchison 7049**  
**Phone/Fax: 03 523-9360**  
**E-mail: [murchison.centre@clear.net.nz](mailto:murchison.centre@clear.net.nz)**

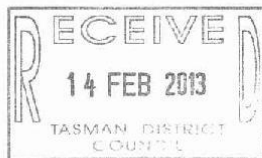
12 February 2013

Senior Property Officer  
Tasman District Council  
Private Bag 4  
RICHMOND 7050

Attention: Robert Cant

Dear Robert,

**Re: RSA Hall**




*- emailed -*

Further to our letter and business plan dated 14 January and our subsequent Executive Committee meeting held on 11 February last, we wish to advise the Council that after considerable discussion we, as a Committee, have decided to withdraw our proposal for the RSA Hall.

We wish to thank you for your consideration to our proposal and the time you spent in replying and advising us fully of the Council's stance on this matter.

We look forward to working with the Council on future matters with respect to our community.

Yours faithfully,

  
Andrea Martin  
Centre Manager



**7.2 DEVELOPMENT CONTRIBUTION POLICY****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Dennis Bush-King, Environment and Planning Manager
<b>Report Number:</b>	RCN13-02-02
<b>File Reference:</b>	

Item 7.2

**1 Summary**

1.1 The Environment and Planning Committee, at its meeting of 7 February agreed that amendments to the Development Contribution Policy should be adopted following a Special Consultative Procedure, including the hearing of submissions.

1.2 The Local Government Act 2002 was amended on 5 December 2012 affecting the relationship of the Development Contribution Policy to the Long Term Plan. Prior to this change any policy included in a Long Term Plan had to be approved by Council. Given the review process of the Development Contributions Policy commenced prior to this date and for the avoidance of doubt, it is recommended that the Council endorse the decisions taken by the Environment and Planning Committee and approves the Development Contribution Policy covered by resolution REP13-02-02.

1.3 The Environment and Planning Committee (unconfirmed) resolution is produced here:

**Moved Cr Edgar/Cr Norriss**

**REP13-02-02**

**That the Environment and Planning Committee:**

**1) Adopts the revised Development Contributions Policy following a Special Consultative Procedure attached as Annex 1 to Report REP13-02-05 and subject to (2) below (note that Schedule III attached to the previous Policy remains unchanged and is carried through to this version); and**

**2) Agrees to further amend Section 1.3 of the Development Contributions Policy by replacing the following wording:-**

**‘1.3 Adoption of Policy**

**This Policy was adopted in conjunction with the Long Term Plan 2012-2022. This Policy was reviewed following a separate special consultation process initiated in 2012 and came into force on 11 February 2013.’**

**3) Agrees that the revised Policy will come into effect from 11 February 2013**

1.4 The Policy in its entirety is not attached to this report, as it has been viewed by all Council members, in their role as Environment and Planning Committee members, on 7 February 2012.

**2 Draft Resolution**

**That the Full Council**

- 1) receives the Development Contribution Policy Report RCN13-02-02; and**
- 2) adopts the amended Development Contribution Policy, considered and approved by the Environment and Planning Committee at its meeting of 7 February 2013, and as contained in Resolution EP13-02-02, with an amendment to the date of the Policy coming into effect to be 25 February 2013.**

**3 Appendices**

Nil



## 7.3 RATES ON RESIDENTIAL PROPERTY SUBJECT TO ZONE CHANGES - OPTIONS

Decision Required

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Lindsay McKenzie, Chief Executive  
**Report Number:** RCN 13-02-03  
**File Reference:**

Item 7.3

### 1 Summary

- 1.1 Throughout the latter part of 2012 Council considered proposals to deal with concerns about the effect of Council initiated Plan changes on land values and rating. Staff reported to the 29 November 2012 meeting of Council on the use of rates postponement policies, rates remission policies and some other options to deal with these concerns, mostly raised by Richmond West/Headingly Lane ratepayers. A further report was sought.
- 1.2 Councillors expressed concerns about possible requests in the future for adhoc policies to be made to deal with similar issues in other parts of the district if a Richmond West-only solution was found. To overcome that concern a fresh approach has been taken. Separate rates remission and rates postponement policies are proposed for adoption through the special consultative procedure. The policies apply to land used for residential purposes which has been rezoned but are otherwise generic. The proposed criteria leave the Council with discretion in how it applies the policy.
- 1.3 Given the time that it has taken to get to a decision, this report includes a Statement of Proposal and Summary of Information for both policies so that you can begin the process of formally making them. Council can consult on both policies at the same time as the Annual Plan and if finally agreed and adopt one or a combined policy. This way the option of applying the approach best suited to future situations is preserved.

### 2 Draft Resolution

#### That the Full Council

- 1) receives the Rates On Residential Property Subject to Zone Changes - Options Report RCN 13-02-03; and
- 2) approves the Statement of Proposal and Summary of Information attached as Appendix 1 and 2 or Appendix 3 and 4 *{delete one if agreed}* of the report and agrees that the Proposal be notified using the Special Consultative Procedure as set out in section 83 of the Local Government Act 2002; and
- 3) agrees that the Special Consultative Procedure be combined with the consultation process for the Draft Annual Plan 2013/2014 i.e. to make the Statement of Proposal available and to distribute the Summary of Information in the same manner and on the dates resolved for that Plan.

**3 Purpose of the Report**

- 3.1 The purpose of this report is to enable Council to review its previous deliberations on a rates remission and/or postponement policy and the other measures that may address the concerns of the Richmond West ratepayers and other ratepayers into the future. The content of this report is substantially the same as the report to the 29 November 2013 meeting. Council asked for a report on the 7 February 2013 Corporate Services agenda but that was not achieved. By including a recommendation in this report that the Special Consultative Procedure (SCP) be commenced lost time has been made up.

**4 Background and Discussion**

- 4.1 Submissions to the Tasman District Council Draft Long Term Plan 2012-2022 expressed concerns about the effects of Council initiated rezoning of land on rateable values and the incidence of rates. Some property owners affected by the Richmond West rezoning sought relief from the increased rates that resulted from an increase in their property values. This increase followed the lifting of the deferred zoning in that area.
- 4.2 Council responded to those concerns by considering proposals to introduce a rates postponement policy at its 24 May and 21 June 2012 meetings. The staff advice to those meetings was influenced by a previous workshop on the options and advice from the Corporate Services Manager about the matters polices could consider.
- 4.3 Council decided at the 24 May 2012 meeting to try and address the issue using the provisions of the Resource Management Act (RMA) by reintroducing the deferment. The Environment and Planning Manager has reported on the options (RCN12-06-04) and concluded that an RMA solution is impractical and inappropriate. The recommendation in a separate report to the 21 June 2012 meeting (RCN12-06-05), that a rates postponement policy be made to deal with the effects of zoning changes, was not adopted.
- 4.4 There was a further meeting with residents and ratepayers of the Headingly Lane area of Richmond West on 11 October 2011. A report was presented to the 18 October 2012 Council meeting together with an addendum that was prepared following the 11 October 2012 residents' meeting. Those reports gave Council the option of reconsidering a rates remission or postponement policy to provide the relief from increased rates that those people sought. Finally, on 29 November 2012 Council made the decisions that led to the proposals before you.
- 4.5 Early in the deliberations a rate remission policy was not supported by Council. A proposed rates postponement policy received some support when it was presented to Council in June. The advice to Council has been to propose policies that applied to the Richmond West situation alone. That advice was based on feedback from an early workshop. As the debate continued and concerns grew that other areas of the district would call for similar policies, the approach has changed. We now recommend a general policy with criteria that Council can apply or not to any situation that may arise in future. The focus is still on residential use.

<b>5 Options</b>
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- 5.1 The earlier policy options and their pros and cons were covered in Report RCN12-05-10. Postponing “residential” property rates is the more common approach among Councils. This option has been considered in the past. The option of remitting rates including on a ‘phase in’ basis has also been considered.
- 5.2 Council also has the option of not proposing a policy that allows rates to be postponed or remitted on residential and lifestyle properties within areas affected by zone changes. I am confident that the proposed policy approach, should Council wish to take it, is workable. It does require Council to apply the policy criteria in a consistent and fair manner and to establish any precedent as it goes. The policy limits concerns about possible legacy effects by not being retrospective.
- 5.3 The costs and benefits of any particular policy approach the Council chooses can only be assessed when the detail of the policy is decided. In general terms, rates remissions and postponement policies delay payment and shift the incidence of rates. Examples relating to the Richmond West development were included in previous reports. Council can control the effect of its policies through conditions and criteria. Here is a summary of the options with a commentary on the issues that will need to be managed.

**No Intervention**

- 5.4 This is the status quo or do nothing option. The valuations (subject to rights of appeal and review) and the rates that are calculated based on them stand. The issues to think about include –
- complaints to the Ombudsman
  - legal action such as judicial review of decision making
  - fairness and equity in rating impacts and revenue and financing policies
  - fairness in the land valuation process
  - the rights to have land valuations reviewed
  - ongoing discontent in the community
  - genuine hardship in cases
  - Council's reputation

**Resource Management Act Intervention**

- 5.5 There are two obvious possibilities for dealing with the Richmond West issues – put the deferment back on or reverse the rezoning over at least part of the land affected. The first possibility was reported on in June whereas the rezoning option was raised later last year.
- 5.6 At the residents’ meeting on 11 October 2012, Mr Don Knight a Registered Valuer with QV (Council’s valuation provider) said that reimposing the deferment, even if that was possible, would not materially affect the view he took on property values at the last valuation because:
- the intention of Council in lifting the deferment was clear
  - the land is consentable for its intended use
  - as a consequence any discounting of value should be minimal.

This advice, together with Dennis Busk-King's earlier report suggests that the option of putting the deferment back on is not worth considering any further.

- Item 7.3**
- 5.7 The option of reversing the rezoning of the lowest lying parts has been raised. This would include the 35 ha mixed business zone east of Queen Street back to the Rural zones there prior to Change 10. The rationale is understood to be that some or all of the land is too low lying to be able to be used for the zoned purpose at an economic cost. This move would be counter to the objective of Change 10, which is to enable ongoing provision for business land in the most appropriate regional location, to serve the major urban area of Richmond/Nelson for decades. A filling requirement exists over other rezoned areas at present and Lower Queen Street is no different. The cost of developing this land should have been covered in the valuation process but that is not guaranteed. Land owners have been encouraged to seek a review under S16 of the Rating Valuations Act 1988 to satisfy themselves whether or not the level of their land limits its use and hence assessed value.
- 5.9 Any reversal of the current Mixed Business Zone to the previous rural zones would require a fresh Plan change, including a resource management rationale rather than a property financial one, and a public process. Staff advise that there are no grounds to support such a Plan change. Any contest through appeals would be unlikely to result in the zoning reversal. In the future Council should look to staff for advice on the likely land valuation and rating issues when it considers lifting rezoning deferrals.

The issues to consider, in relation to Richmond West at least, include –

- the impact of such an option on the objective of Plan Change 10
- the cost of the planning work
- uncertainty of the outcome
- Council's other environment and planning work priorities
- the possibility that market forces will produce the same outcome
- the rights to have land valuations reviewed
- ongoing discontent in the community
- Council's reputation

#### **Local Government Act Rating Policy Intervention**

- 5.10 The options for introducing a rates remissions or postponement policy for land affected by the Council initiated rezoning have been fully explored. Other forms of rates remission or postponement policy could be considered such as applying the policy to over 65 year olds or some other class of person. Changes to the revenue and financing policy are also possible. Phasing a remission or postponement policy or making the policy so specific that it applies only to properties in the Richmond West mixed business use zone has been considered. A narrow policy approach has been rejected in favour of a policy that can be applied across the district.
- 5.11 The main concern with the remission and postponement policies is that they shift the liability for and incidence of rates and may have unintended consequences into the future. These consequences could arise from past planning decisions that result in properties getting an advantage from the policy when none was expected or intended or from future planning decisions for the same reasons. These risks can be managed.

- 5.12 We have been asked to assess what the costs to Council of the policy options might be, as well as assess the shift in cost to other classes of ratepayer. It is not possible to do that without knowing what the detail of the policy is to be because that detail will and should manage those unintended consequences. We recommend that Council manages the cost and rating incidence transfer issues when it applies the policies to the applications that it receives. The suggested criteria provide that opportunity.
- 5.13 A postponement policy approach is generally fairer to all ratepayers as it defers the rates liability whereas a remission writes the liability off. In the former case the ratepayer gets relief from increased rates while their use of their land remains unchanged or over a transition period. The rates become payable after the transition period or when the increased value in the property is realised. Other ratepayers don't carry the cost unless the Council decides not to charge interest or administration costs on the postponed rates.
- 5.14 We haven't specifically addressed the effect on other ratepayers in the Policy objective. It follows that, if you opt for a remissions approach you are accepting that other ratepayers will meet the shortfall. By adopting the postponement approach you are accepting that, other than for the cost of funds and some administration costs possibly, the ratepayer whose rates are postponed ultimately pays.
- 5.15 If the Council adopts a combine policy – allowing applications for either remissions or postponements to be considered – it is hard to see why anyone would apply for a postponement. Council could leave itself the discretion whether or not to postpone or remit, notwithstanding what was applied for, but there will always be pressure on you to remit.
- 5.16 The policies of other Councils have been cited as examples to follow. The original staff report proposed a postponement policy structured on the same lines as Nelson City's. The Gisborne District Council's policy has been quoted but that is the sort of policy that doesn't limit future liabilities. There is so little growth there that it doesn't need to do so. The Far North District Council has a combined remission and postponement policy but that applies only to Maori freehold land – a Local Government Act requirement. Our legal advice is that a combined policy can be adopted for general title land.

The issues to consider about include –

- the different effects of remissions v postponement policies on ratepayers who benefit and those who ultimately pay
- legacy and future effects
- Council's legal obligations in relation to reasonableness and other common law principles
- certainty of the outcome
- the lack of an ability to apply policies retrospectively
- fairness and equity in rating impacts and revenue and financing policies
- fairness in the land valuation process that the policy relies on
- the need for land valuations to be reviewed rather than provide a policy 'patch up'
- discontent in the community
- genuine hardship in cases
- Council's reputation

- 5.17 Given the reliance of the proposed policies on rating valuations, Council should establish that the residents and ratepayers affected are satisfied with their valuations before they apply for relief under one of the proposed policies. Council is assisting 6 ratepayers to have their valuations reviewed under Section 16 of the Rating Valuations Act 1988

## 6 Consultation and Significance

- 6.1 A decision to propose a policy is of high significance. Rates remission or postponement policies need to be adopted using the Special Consultative Procedure in the Local Government Act. As a result of personal contacts, representations to Council and items in the news media and on television, Councillors will have a clear understanding of the views and preferences of those people affected as well as the wider community and can take that into account in decision making. A preference to 'do nothing' needs to be similarly justified.

## 7 Conclusion

- 7.1 Council is requested to resolve to begin the special consultative procedure to make the proposed rates remission and/or rates postponement policies. The policies are appended as part of the Statement of Proposal and Summary of Information.

## 8 Next Steps / Timeline

- 8.1 It is proposal to conduct the special consultative procedure at the same time as the consultation on the Annual Plan.

## 9 Appendices

- |    |   |    |
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| 1. | Appendix 1 Draft Rates Remission Policy for Land used for Residential Purposes<br>Subject to Zone Changes                       | 23 |
| 2. | Appendix 2 Summary of Information - Rates Remission Policy for Land used for<br>Residential Purposes Subject to Zone Changes    | 27 |
| 3. | Appendix 3 Draft Rates Postponement Policy for Land used for Residential Purposes<br>Subject to Zone Changes                    | 29 |
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## Draft Policy on Rates Remission for Land used for Residential Purposes Subject to Zone Changes

### Objective

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

### Conditions and Criteria

1. The Council may, on the application of a ratepayer, remit all or part of the rates on a rating unit, if the rating unit is used for residential purposes, the rating unit has been rezoned as a result of a Council initiated zone change made under Part 1 Schedule 1 of the Resource Management Act 1991, the effect of that zone change is that the land value of the rating unit increases, and consequently the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
2. The amount of remitted rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as result of the zone change.
3. To be considered for a rates remission under this Policy:
  - (a) the rating unit must be situated within the area of land that has been rezoned;
  - (b) the rating unit must be used for residential purposes, and must have been used for residential purposes prior to the zone change being initiated by the Council;
  - (c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
  - (d) the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.
4. The remission of all or any part of the rates on a rating unit may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the rates payable in respect of the rating unit, provided that no rates shall be remitted that were due in a financial year (1 July to 30 June) prior to the one in which this Policy was adopted.

5. The decision to remit all or any part of the rates on a rating unit shall be at the sole discretion of the Council.
6. The Council may refuse to remit rates even where the conditions set out in this Policy are met by a ratepayer.
7. Subject to clause 8 of this Policy the remission of rates on a rating unit will cease upon the happening of any of the following events:
  - (a) the death of the ratepayer; or
  - (b) the ratepayer ceases to be the owner of the rating unit; or
  - (c) the ratepayer ceases to use the rating unit as his/her principal place of residence; or
  - (d) a date determined by the Council in any particular case; or
  - (e) any earlier date determined by the ratepayer in any particular case.
8. The Council may at any time at its discretion grant the ratepayer an extension of the rates remission period previously agreed to by the Council.
9. The Council may consider and be guided by the following criteria in its decisions on applications for a rates remission under this Policy –
  - (a) those relevant matters set out in s101 of the Local Government Act relating to the determination of appropriate funding sources;
  - (b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
  - (c) whether the applicant ratepayer has realised a financial benefit from the zone change;
  - (d) the influence of market movements on land values;
  - (e) the personal circumstances including the financial circumstances of the applicant ratepayer;
  - (f) equity and fairness among ratepayers;
  - (g) the precedent effect.
10. In this Policy **residential purposes** means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the ratepayer as their principal place of residence.
11. In this Policy **ratepayer** means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.
12. In this Policy **rates** means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.



### **Application**

Applications for rates remission must be made to the Council on or before 31 October of a rating year if the applicant wishes the remission to apply to rates payable in that year. In the first year that this Policy is in effect applications may be made within such further time as Council in its sole discretion might allow. Otherwise, an application for rates remission received by the Council after 31 October in a rating year and approved by the Council will be applicable from the commencement of the following rating year. Applications will not be backdated to prior years.

Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council or where appropriate, a Committee of the Council, or Council officer or officers, acting under delegated authority.

As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any remission will be based on valuations supplied by Council's valuation service provider.

Council may recover costs from applicant ratepayers in accordance with the Fees and Charges Policy.





**SUMMARY OF INFORMATION ABOUT A PROPOSAL FOR A RATES REMISSION POLICY FOR LAND USED FOR RESIDENTIAL PURPOSES SUBJECT TO ZONE CHANGES**

**1. Background**

The Tasman District Council is considering a Rates Remission Policy that allows Council to provide rating relief for land used for residential purposes, where the land value of those properties has significantly increased following a Council-initiated zone change. Where that significant increase in land value occurs there may be a resulting increase in rates payable on that property which is inappropriate.

**2. Summary of Policy Proposal**

- 2.1 It is proposed that the Council may, on application by the ratepayer, remit all or a part of any rate made and levied in respect of land, if the land has been rezoned as the result of a Council initiated zone change made under the provisions of the Resource Management Act.

The effect of that zone change must be to increase the land values and consequently increase the rates to an extent the Council considers to be inappropriate. The increase in rates due to the change in the land value only will be considered. Increases in rates due to movements in property values generally or due to Council's funding needs and Revenue and Financing Policy changing, fall outside the scope of this Policy.

- 2.2 To qualify for a rates remission under the Policy:

- the rating unit must be situated within the area of land that has been rezoned.
- the rating unit must be land used for residential purposes
- the property owner must have owned the rating unit prior to the zone change being initiated
- the property owner must reside permanently in the rating unit

*For the purposes of this policy 'residential purposes' means any land used for residential as well as residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence.*

- 2.3 The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value and increased the rates levied on that land provided that no rates shall be remitted for years prior to the financial year in which this Policy was adopted.

- 2.4 Any remitted rates will be remitted until:

- the death of ratepayer(s); or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit; or
- the ratepayer(s) ceases to use the property as his/her residence; or
- a date determined by the Council in any particular case.
- any earlier date determined by the ratepayer in any particular case.

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

**3. Application**

Applications for rates remission must be made to the Council prior to 31 October of the rating year to which the remission is to apply. In the first year that the Policy is in effect applications may be made within such further time as Council in its sole discretion might allow. Applications will not be backdated to prior years.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. The extent of any remission will be based on valuations supplied by Council's valuation service provider.

Council may recover costs from applicant ratepayers in accordance with the Fees and Charges Policy.

**4. Consultation on Statement of Proposal and Period for Submissions**

Consultation on the Statement of Proposal to which this Summary of Information relates will be undertaken combined and concurrent with the Draft Annual Plan 2013/2014. The Statement of Proposal may be inspected and copies of it obtained in the same manner as set out in the manner agreed by the Council in relation to the Draft Annual Plan. The period for the receipt of submissions will be the same as agreed by Council for that Plan.

**Contact Tasman District Council**

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[www.tasman.govt.nz](http://www.tasman.govt.nz)



## Draft Policy on Rates Postponement for Land Used for Residential Purposes Subject to Zone Changes

### Objective

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

### Conditions and Criteria

1. The Council may, on the application of a ratepayer, postpone the requirement to pay all or part of the rates on a rating unit, if the rating unit has been rezoned as a result of a Council initiated zone change made under Part 1 Schedule 1 of the Resource Management 1991, the effect of that zone change is that the land value of the rating unit increases, and consequently the rates payable in respect of the rating unit increase to an extent the Council considers to be inappropriate.
2. The amount of postponed rates on a rating unit will not exceed the amount by which the rates on the rating unit have increased as a result of the zoning change.
3. To be considered for a rates postponement under this Policy:
  - (a) the rating unit must be situated within the area of land that has been rezoned;
  - (b) the rating unit must be used for residential purposes and must have been used for residential purposes prior to the zone change being initiated by the Council;
  - (c) the applicant ratepayer must have owned the rating unit prior to the zone change being initiated by the Council; and
  - (d) the rating unit must be the applicant ratepayer's principal place of residence, and must have been the principal place of residence of the applicant ratepayer prior to the zone change being initiated by the Council.
4. The postponement of the requirement to pay all or part of the rates on a rating unit may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value of the rating unit and increased the rates payable in respect of that rating unit provided that no rates shall be postponed that were due in a financial year (1 July to 30 June) prior to the one in which this Policy was adopted.

Draft Rates Postponement Policy for Land used for Residential Purposes Subject to Zone Changes Feb 2013.docx

5. The decision to postpone the requirement to pay all or any part of the rates on a rating unit shall be at the sole discretion of the Council.
6. The Council may refuse to grant a postponement even where the conditions set out in this Policy are met by a ratepayer.
7. Subject to clause 8 of this Policy any postponed rates will become payable on:
  - (a) the death of the ratepayer; or
  - (b) the ratepayer ceasing to be the owner of the rating unit; or
  - (c) the ratepayer ceasing to use the rating unit as his/her principal place of residence; or
  - (d) a date determined by the Council in any particular case; or
  - (e) any earlier date determined by the ratepayer in any particular case.
8. The Council may at any time at its discretion grant the ratepayer an extension of the rates postponement period previously agreed to by the Council.
9. Ratepayers who have been granted a postponement may postpone a lesser sum than granted under this Policy by paying part or all of the postponed rates at any time.
10. The postponed rates will be registered as a Statutory Land Charge on the rating unit's title.
11. Financial and administrative costs may be added to the postponed rates for the period between the due date and the date that they are paid. The financial costs will include interest on the amount of postponed rates which will be calculated each year by applying the rate of interest described as the Council's average rate of borrowing in the Council's Annual Plan for that year.
12. The Council may consider and be guided by the following criteria in its decisions on applications for a rates postponement under this Policy –
  - (a) those relevant matters set out in s101 of the Local Government Act relating to the determination of appropriate funding sources;
  - (b) whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting;
  - (c) whether the applicant ratepayer has realised a financial benefit from the zone change;
  - (d) the influence of market movements on land values;
  - (e) the personal including the financial circumstances of the applicant ratepayer;
  - (f) equity and fairness among ratepayers;
  - (g) the precedent effect.
13. In this Policy **residential purposes** means any land used for residential or residential/lifestyle purposes, including land not zoned for those purposes on which a

dwelling is located and is occupied by the ratepayer as their principal place of residence.

14. In this Policy **ratepayer** means the registered proprietors of a rating unit at the time the Council decides to remit all or part of the rates on that rating unit in accordance with this Policy.

15. In this Policy **rates** means the general rate and other rates set by the Council that are calculated by utilising the rateable value of the rating unit.

### **Application**

Applications for rates postponement must be made to the Council on or before 31 October of a rating year if the applicant wishes the postponement to apply to rates payable in that year. In the first year that this Policy is in effect applications may be made within such further time as Council in its sole discretion might allow. Otherwise, an application for rates postponement received by the Council after 31 October in a rating year and approved by the Council will be applicable from the commencement of the following rating year. Applications will not be backdated to prior rating years.

Each application for a rates postponement will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any postponement shall be determined by the Council or where appropriate, a Committee of the Council, or Council officer or officers acting under delegated authority.

As part of the application process the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. Ratepayers should note that the valuation service provider's decision is final as there are no statutory rights of objection or appeal, for valuations of this type. The extent of any postponement will be based on valuations supplied by Council's valuation service provider.

Council may recover costs from applicant ratepayers in accordance with the Fees and Charges Policy.







**SUMMARY OF INFORMATION ABOUT A PROPOSAL FOR A RATES POSTPONEMENT POLICY FOR LAND USED FOR RESIDENTIAL PURPOSES SUBJECT TO ZONE CHANGES**

**1. Background**

The Tasman District Council is considering a Rates Postponement Policy that allows Council to provide rating relief for land used for residential purposes, where the land value of those properties has significantly increased following a Council-initiated zone change. Where that significant increase in land value occurs there may be a resulting increase in rates payable on that property which is inappropriate.

**2. Summary of Policy Proposal**

- 2.1 It is proposed that the Council may, on application by the ratepayer, postpone all or a part of any rate made and levied in respect of land, if the land has been rezoned as the result of a Council initiated zone change made under the provisions of the Resource Management Act.

The effect of that zone change must be to increase the land values and consequently increase the rates to an extent the Council considers to be inappropriate. The increase in rates due to the change in the land value only will be considered. Increases in rates due to movements in property values generally or due to Council's funding needs and revenue and financing policy changing, fall outside the scope of this Policy.

- 2.2 To qualify for a rates postponement under the Policy:

- the rating unit must be situated within the area of land that has been rezoned.
- the rating unit must be land used for residential purposes
- the property owner must have owned the rating unit prior to the zone change being initiated
- the property owner must reside permanently in the rating unit

*For the purposes of this policy 'residential purposes' means any land used for residential as well as residential/lifestyle purposes, including land not zoned for those purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence.*

- 2.3 The postponement may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the land rezoning affected the land value and increased the rates levied on that land provided that no rates shall be remitted for years prior to the financial year in which this Policy was adopted.

- 2.4 Any postponed rates will be postponed until:

- the death of ratepayer(s); or
- the ratepayer(s) ceases to be the owner or occupier of the rating unit; or the ratepayer(s) ceases to use the property as his/her residence; or
- a date determined by the Council in any particular case.
- any earlier date determined by the ratepayer in any particular case.

- 2.5 Financial and administrative charges may be added to the postponed rates. The financial costs will be the interest Council incurs on its borrowing as set out in the Annual Plan for each year.
- 2.6 The Council will consider and be guided by the following criteria in its decisions on applications for a rates postponement under the Policy –
- a. those relevant matters set out in s101 of the Local Government Act relating to the determination of appropriate funding sources
  - b. whether the applicant ratepayer actively sought rezoning or any deferred zone uplifting
  - c. whether the applicant ratepayer has realised a financial benefit from the zone change
  - d. the influence of market movements on land values
  - e. the personal circumstances including the financial circumstances of the applicant ratepayer
  - f. equity and fairness among ratepayers
  - g. the precedent effect

**3. Application**

Applications for rates postponement must be made to the Council prior to 31 October of the rating year to which the postponement is to apply. In the first year that the Policy is in effect applications may be made within such further time as Council in its sole discretion might allow. Applications will not be backdated to prior years.

If an application is approved the Council will direct its valuation service provider to inspect the rating unit and prepare a valuation. The extent of any postponement will be based on valuations supplied by Council's valuation service provider.

Council may recover costs from applicant ratepayers in accordance with the Fees and Charges Policy.

**4. Consultation on Statement of Proposal and Period for Submissions**

Consultation on the Statement of Proposal to which this Summary of Information relates will be undertaken combined and concurrent with the Draft Annual Plan 2013/2014. The Statement of Proposal may be inspected and copies of it obtained in the same manner as set out in the manner agreed by the Council in relation to the Draft Annual Plan. The period for the receipt of submissions will be the same as agreed by Council for that Plan.

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**7.4 RATE REMISSION POLICY FOR LAND OCCUPIED BY A DWELLING AFFECTED BY NATURAL DISASTER**

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Murray Staite, Corporate Services Manager
<b>Report Number:</b>	RCN13-02-04
<b>File Reference:</b>	R106

Item 7.4

**1 Summary**

- 1.1 Some properties were damaged as a result of a storm event in December 2011. In October 2012 Council enacted a policy that would allow a rate remission for this, and other events.
- 1.2 Eighteen applications for rate remission were received.
- 1.3 To determine eligibility for the December 2011 event staff have prepared a decision tree (Appendix 2) that reflects the policy enacted at the October 2012 meeting. All applicants have been considered in relation to that decision tree.
- 1.4 From 1 July 2012 property values have been reduced by Quotable Value (QV) Council's valuation provider to reflect the damage caused by the December 2011 event. The effect of the reduced property values is that the rates payable for the 2012/2013 year are lower than what they would have been prior to the December 2011 event.
- 1.5 A total of eighteen individual applications for rates relief have been received with nine (Form 1) clearly meeting the Council criteria and nine (Form 2) not meeting that criteria.

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

- 1) **receives the Rate Remission Policy for Land Occupied by a Dwelling Affected by Natural Disaster RCN13-02-04; and**
- 2) **agrees to provide a remission under the policy to those ratepayers noted on Form 1; and**
- 3) **agrees that rates will be remitted as if the rating unit was treated as bare land including a remission for water and wastewater; and**
- 4) **agrees that this remission will apply from 1 July 2012 until the property is inhabitable or the Tasman District Council lifts the Section 124 notice; and**
- 5) **agrees that the remission be increased by an appropriate factor to reflect the level of rate remission that would have applied to each rateable unit had the policy been in effect when the December 2011 event occurred.**

**3 Purpose of the Report**

3.1 To consider rate remissions under Council's policy on rate relief for natural disasters.

**4 Background and Discussion**

- 4.1 As a consequence of the December 2011 storm event Council, in October 2012, passed a resolution enacting a new policy that gives the option of providing a rate remission in the event of a natural disaster.
- 4.2 The policy (Appendix 1) requires all applications to be forwarded to Council within six months of an event but given that a policy was required to be developed as a result of the December 2011 storm event the six month criteria was waived in this case.
- 4.3 Following the December 2011 event Council issued several Section 124 notices on properties. The placement of a Section 124 by Council on a property prohibits a ratepayer from living in that property.
- 4.4 At the time of writing several Section 124 notices still remain on properties while some were removed several months earlier.
- 4.5 Staff have advised affected ratepayers that a policy on remission for natural disasters existed and invited them to make an application.
- 4.6 While most ratepayers responded to the letter and made an application not all ratepayers have availed themselves of the opportunity.
- 4.7 Ratepayer applications have been circulated separately from this report and not included on the public agenda so as to preserve as much as possible the privacy of applicants.

**Eligibility**

- 4.8 To determine eligibility for the December 2011 event staff have prepared a decision tree (Appendix 2) that reflects the policy enacted at the October 2012 meeting. All applicants have been considered in relation to that decision tree.
- 4.9 A total of eighteen individual applications for rates relief have been received with eight (Form 1) clearly meeting the Council criteria and ten (Form 2) not meeting that criteria.

Form 1 Criteria Met for rates relief	Address	Section 124 still in place	Annual Rates \$
M & R Green	Richmond	N	3,244
H & J M Jurke	Ligar Bay	N	3,149
C & L Udell	Pohara	N	2,070
B Thorneycroft	Pohara	N/A	3,472
P & J Childs	Ligar Bay	Y	3,262
I and A Watts	Clifton	Y	3,342
G Williams-Lovelock & G Alho	Takaka	Y	2,396

<b>B &amp; AM Gilligan</b>	Pohara	Y	3,232
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- 4.10 The ten applicants that did not meet the criteria either did not sustain damage to their primary residence or their primary residence was still inhabitable. A case in point is the application from two Graham Valley residents where road access was interrupted but the dwellings did not suffer damage.

<b>Form 2</b>	<b>Address</b>	<b>Reason</b>
<b>Criteria not met for rates relief</b>		
<b>K Schroder &amp; E Lindbuechl</b>	Graham Valley	No road access however house is inhabitable
<b>J Charlett &amp; G Riley (X3)</b>	Graham Valley	No road access however house is inhabitable
<b>Withheld for Privacy</b>	Withheld for Privacy	Not the primary residence
<b>A Robertson</b>	Pohara	Not the primary residence
<b>B T &amp; S Q Miller Family Trust</b>	Tata Beach	Not the primary residence
<b>B Thorneycroft (X2)</b>	Ligar Bay	Not the primary residence. Loss of grazing lease only
<b>Trustee of JBET (JA Beard)</b>	Wainui	Not the primary residence. Loss of grazing lease only

### Rates relief

- 4.11 The policy is silent on the amount of rates relief to provide thereby providing the opportunity to consider the most appropriate way of providing some rate relief.
- 4.12 From 1 July 2012 property values have been reduced by Quotable Value (QV) Council's valuation provider to reflect the damage caused by the December 2011 event. The effect of the reduced property values is that the rates payable for the 2012/2013 year are lower than what they would have been prior to the December 2011 event.
- 4.13 Despite the review of values by QV service provision rates like wastewater, water and recycling are still being charged even though the property owner no longer has access to those services.

## 5 Options

- 5.1 This report does not seek to consider the myriad of possible options available but instead focuses on the key elements of the policy being the unavailability of the primary residence and the degree that Council services are able to be used.

**Option 1: Decline to provide any rates relief.**

- 5.2 While this is a legitimate option staff are of the view that this would not meet the intent of the policy enacted in October 2012.

**Option 2: Remit all rates**

- 5.3 This option would be attractive to affected ratepayers but could be considered unfair to other ratepayers.
- 5.4 While it is accepted that the property may not be inhabitable the ratepayer still has access to a wide range of Council services and to remit all rates would mean one group of ratepayers was being subsidised by another group.
- 5.5 If this option was considered further it is estimated that the cost from 28 December until 30 June 2012 would be \$12,085 with ongoing costs through this rating year until the Section 124 notice was lifted or the property became inhabitable.

**Option 3: Provide a remission to reflect bare land status.**

- 5.6 A key criteria in the remission policy is that the dwellings or buildings are uninhabitable and essential services are unable to be provided.
- 5.7 With the properties improvements being damaged by the December 2011 event this option provides a remission as if the property was bare land. Bare land rating is calculated by applying the rate in the dollar to land value only plus all targeted rates except water and wastewater.
- 5.8 The option considers that while the property is unliveable the property owner still has access to and benefits from Council services like roads, community facilities and libraries and takes into account that there is no access to direct services like wastewater or water.
- 5.9 The remission of rates on improvements, wastewater and water would apply until the Section 124 was lifted by the Council or the property became inhabitable.
- 5.10 Council, under its policy, cannot provide a remission for previous years rates when a remission policy was not in force but can decide to increase the current year's rate remission to reflect that the properties were uninhabitable prior to 1 July 2012.
- 5.11 This could be achieved by increasing the current year's rate remission on a property by property basis to reflect the level of rate remission that would have applied if the policy was in effect when the December 2011 event occurred.
- 5.12 This cost of this option from 28 December 2011 until 31 January 2013 or from when the Section 124 was lifted is approximately \$10,410

**6 Policy / Legal Requirements / Plan**

- 6.1 The three options above are consistent with Council's Revenue and Financing policy contained in the 2012/2022 Long Term Plan.

**7 Consideration of Financial or Budgetary Implications**

- 7.1 The total cost of Option 3 to 31 January 2013 is \$10,410, although as not all properties have had the Section 124 lifted it can be expected that there will be ongoing costs.
- 7.2 There is no budget provided for this rate remission.

**8 Significance**

- 8.1 This matter is of relatively low significance in terms of Council's Policy on Significance, as it does not involve major financial expenditure and is not likely to have major public interest.

**9 Conclusion**

- 9.1 The staff recommendation is option 3 which provides a degree of rating remission that is in line with the loss of access to Council services.

**10 Appendices**

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| 2. | Rates Remission Flow Chart | 43 |





## RATES REMISSION POLICY FOR LAND OCCUPIED BY A DWELLING THAT IS AFFECTED BY NATURAL DISASTER

### Objective

This Policy is to allow the Council, at its discretion, to remit rates charged on any rating unit used for residential purposes if the land has been detrimentally affected by natural disaster (erosion, falling debris, subsidence, slippage, inundation, or earthquake) rendering dwellings or buildings uninhabitable and requiring activities carried out on the land to cease. The aim of the Policy is to allow the Council to consider remitting rates for those ratepayers most adversely affected.

### Conditions and Criteria

1. The Council may remit all or a part of any rate or user charge made and levied in respect of land, if the land is detrimentally affected by natural disaster (such as erosion, falling debris, subsidence, slippage, inundation, or earthquake) and:
  - a. as a result dwellings or buildings previously habitable were made uninhabitable; and
  - b. the activity for which the land and/or buildings were used prior to the disaster is unable to be undertaken or continued.

*\*For the purposes of this policy –*

*'uninhabitable' shall mean –*

- *a dwelling or building that cannot be used for the purpose it was intended due to a 's124 notice' being issued under the Building Act 2004 and the residents have been required to move out by the Council or*
- *a dwelling or building that is a total loss or*
- *as determined by Council after taking into account the matters specified in Clause 4 of this Policy*

*'land used for residential purposes' shall mean –*

- *any land including land not zoned for residential purposes on which a dwelling is located and is occupied by the Ratepayer as a principal place of residence but not including holiday homes*

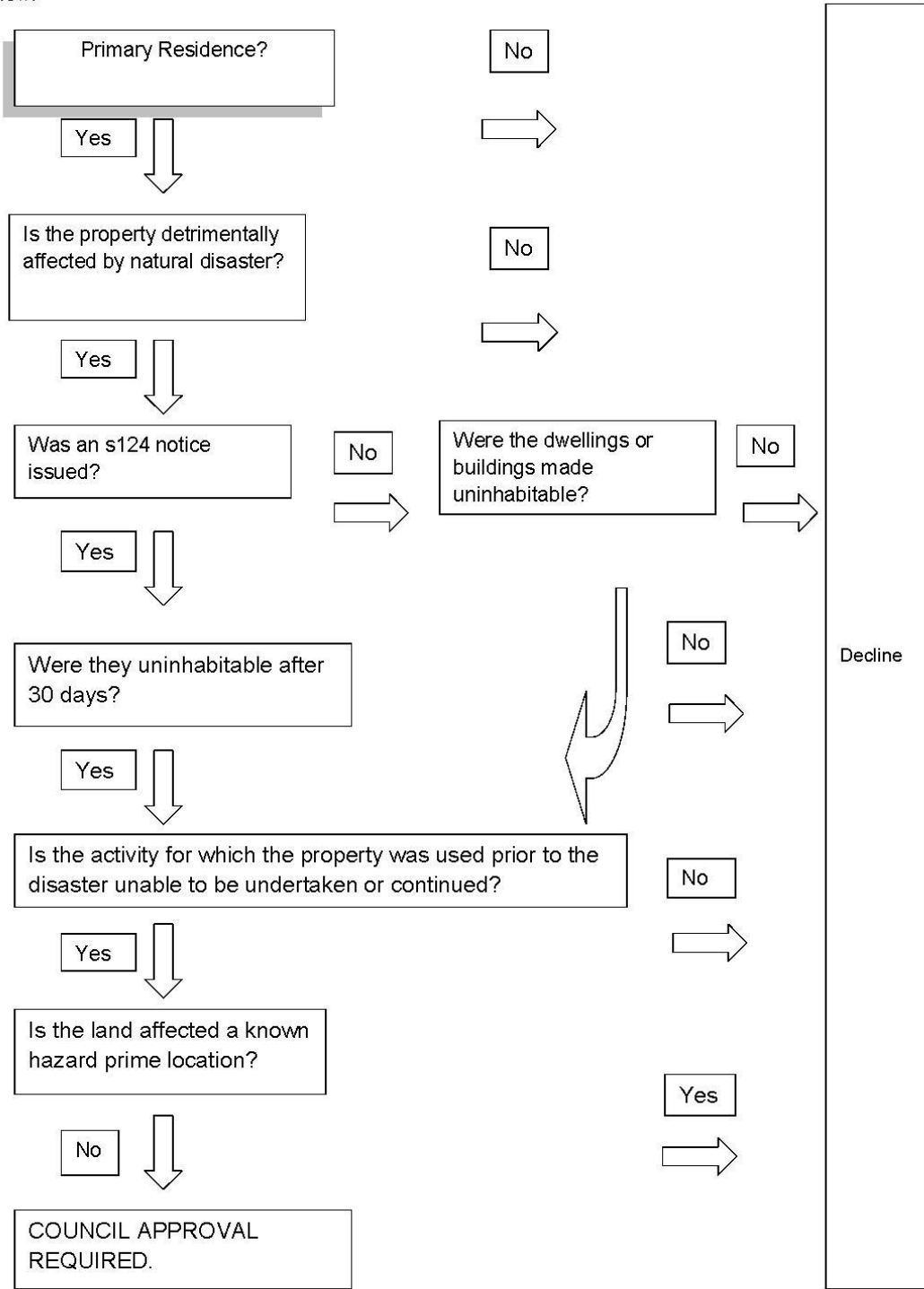
2. The remission may be for such period of time as the Council considers reasonable, commencing from the date upon which the Council determines that the dwelling, buildings, or land were made uninhabitable and unable to be used for the activity for which they were used prior to the disaster, which shall be no less than 30 days after the event affecting the land in terms of this policy up to and limited to the time that the land and / or buildings are deemed by Council to be able to become habitable and able to be used for the activity carried out prior to the disaster.
3. The decision to remit all or any part of a rate or user charge shall be at the sole discretion of the Council. The Council may refuse to grant a remission even where the conditions set out in clause 1 are met by a ratepayer. The

Council is unlikely to grant a remission where the land affected is in a known hazard prime location.

4. In determining whether or not a property is uninhabitable and the period of time for which the rates remission is to apply Council may take into account:
  - a. the extent to which essential services such as water, or sewerage to any dwelling or building were interrupted and could not be supplied;
  - b. whether essential services such as water or sewerage to any dwelling or building are able to be provided; and
  - c. whether any part of the building or land remains habitable or available for use.
5. Rates remissions will only be considered following the receipt of an application by the ratepayer and the application must be received within 6 months of the event, or within such further time as Council in its sole discretion might allow.
6. Each application for a rates remission will be considered on a case by case basis following receipt of an application by the ratepayer. The extent and duration of any remission shall be determined by the Council, or where appropriate, a Council officer or officers acting under delegated authority.

### Rates Remission for Land Occupied by a Dwelling Affected by Natural Disaster

To be applied for within 6 months of the event, or within such further time as Council in its sole discretion might allow.





**7.5 MOTUEKA LIBRARY REDEVELOPMENT****Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Jim Frater, Manager Property Services  
**Report Number:** RCN13-02-05  
**File Reference:**

**Item 7.5****1 Summary**

- 1.1 The Long Term Plan 2012-2022 includes provision for a proposal to redevelop the Motueka Library to achieve 100% of the Library and Information Association of New Zealand Aotearoa (LIANZA) standards. The funding of \$1,043,000 is insufficient to allow an onsite redevelopment due to the seismic ratings on the existing library building and the Senior Citizens building which the extension is proposed to incorporate. The funding did not allow for the provision of onsite carparking and the availability of additional carparking in this area is constrained.
- 1.2 The report recommends that the Motueka Library project be deferred for one year while further investigations are carried out to include the existing library site, alternative premises, carparking, the option of combining with the Motueka Office and other partners. The future of the existing library building, if it is not the preferred option, would be reviewed as would the funding allocation.
- 1.3 The report also recommends the establishment of a working party to include representation from staff, Community Services Committee Chair, Motueka Ward Councillors and Motueka Community Board members along with the ability to second on the group other specific expertise or advisors from time to time.
- 1.4 The existing concept plans for the redevelopment of the existing library will provide the group with an indication of the size and facility required within a redeveloped or relocated library facility.

**2 Draft Resolution****THAT the Full Council:**

- 1 Receives the Motueka Library Redevelopment Report RCN13-02-05; and**
- 2 Notes the preferences of the Motueka Community Board; and**
- 3 Defers the proposed redevelopment of the Motueka Library from 2013/2014 to 2014/2015 and advises the public of this proposed change in the Draft Annual Plan 2013/2014; and**
- 4 Agrees that funding for further investigations of \$25,000 be included in the Draft Annual Plan for 2013/2014 to be funded from Motueka Reserve Financial Contributions; and**

**Item 7.5**

- 5 Agrees that a working party be established to include representation from staff, Community Services Committee Chair, Motueka Ward Councillors and Motueka Community Board members with the ability to second onto the working party other specific expertise or advisors from time to time (eg Vision Motueka); and**
- 6 Agrees that the working party brief is to include a review of the existing library proposal, other options, other sites or premises, carparking provision, option of combining with the Motueka Office and/or other partners, the future of the existing future library building (if it is not the preferred option) and a review of the funding allocated in the Long Term Plan for this project.**

**3 Purpose of the Report**

- 3.1 To report on the proposals to redevelop the Motueka Library to achieve 100% of the LIANZA standards as identified in the Long Term Plan and to consider amending the scope and options of the project plus extending the investigation phase for a further 12 months and deferring the capital expenditure to the 2014/2015 financial year.

**4 Background and Discussion**

- 4.1 The Motueka Library redevelopment project was signalled in the current Long Term Plan 2012-2022. This allowed \$25,000 for investigation and the production of concept plans during 2012/2013 and \$1,043,000 has been included for construction in 2013/2014.
- 4.2 The appointment of a project manager and subsequent appointment of architects has previously been reported to the Community Services Committee. The amount of funding made available restricted the options available to achieve 100% of LIANZA standards and it was subsequently agreed to focus on the existing site as described in the Long Term Plan. The intention was to incorporate the Senior Citizens building into a library by extending the library building and providing smaller but better equipped premises for the Senior Citizen's group to function from. The proposals included a shared meeting room.
- 4.3 A subsequent inspection by a structural engineer identified that strengthening work would be required to the Motueka Library building which could be incorporated into the extensions. It is also identified that the seismic rating of the Senior Citizens building was poor and that rather than being incorporated into a library extension, it will be cheaper to demolish the building rather than renovate and improve its seismic rating.
- 4.4 Concept plans were produced in July 2012. An engagement meeting was held with the Motueka Community Board in September 2012 where the proposals were discussed. The Board was concerned that the proposals were solely focused on the existing site.
- 4.5 Vision Motueka (a group of community individuals) became involved with the Motueka Library proposals during 2012 and suggested that a hub could be established which included the library and other potential agencies. Several discussions have been held with staff, the Mayor, Councillors and Community Board members. There was a suggestion that the Council should be looking at alternative options rather than expansion on the existing site.
- 4.6 In October 2012 the quantity surveyors estimate was received which identified a total project cost of \$1,789,000. This estimate did not include the provision of carparking or payment of cash in lieu thereof.
- 4.7 Because of the additional costs that would have to be incurred as the result of demolishing and rebuilding the Senior Citizens building and the strengthening of the existing library building, redeveloping the existing site may no longer be the best option. The Councillors have identified that off street parking in this vicinity needs to be addressed if there is to be a redevelopment on site. The work done by Vision Motueka with the proposal to establish a hub occurred during the time that staff were developing proposals to redevelop the existing site and has resulted in some uncertainty on whether the project should continue as described in the Long Term Plan.

- 4.8 The option of reducing the size of the building extension to fit the budget has been considered but would not meet 100% of LIANZA standards. It is seen as a short term solution and would result in further extensions being required in a few years time.
- 4.9 The outcome of the workshop held with Councillors on 7 February 2013 to discuss the redevelopment of the Motueka Library, was a request to prepare a report for Council including a proposal to defer capital funding for a further year, provide funding for 2013/2014 for investigation works in the Draft Annual Plan and the formation of a working party to consider options including those promoted by Vision Motueka.
- 4.10 At their meeting of 12 February the Motueka Community Board received a presentation and report from Vision Motueka that proposed that Deck's Reserve be utilised as a Hub. Following discussion on the report the Motueka Community Board noted the recommendations of Vision Mouteka but recommended that Council retain the budget for the Motueka Library in the Draft Annual Plan 2013/2014 and increased project budget to \$2 million. If this is not possible, then the Board's second preference would be for the funding to be deferred until the 2014/2015 year and investigations into the proposal on the Deck's Reserve site to be undertaken during the 2013/2014 year. The Board was concerned about the project, which is of importance to the Motueka community, being delayed.
- 4.11 The existing concepts prepared for the redevelopment of the existing library building provide an indication of the size of the premises that will be required to accommodate the Library needs for the Motueka Library. If the project is to be deferred for one year, consideration of other sites and the options of incorporating other partners such as the Tasman District Council Motueka Office, the I-Site etc could be considered. However, if the library were to move from its existing site, consideration would have to be given as to the future use of that building.
- 4.12 Previously the proposal to redevelop on site was quite properly managed as a staff project but if off site alternatives are to be considered or consideration as to how parking could be provided, then the involvement of Councillors, Community Board members and other parties is appropriate.

<b>5 Options</b>
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- 5.1 Option 1 – seek further funding for the onsite redevelopment. The extra funding would need to cover the quantity surveyor's estimate of \$1,789,000 but that would have to be increased to provide onsite parking or cash in lieu thereof.
- 5.2 Option 2 – reduce the design to fit the budget. This would result in a smaller extension which would not satisfy LIANZA standards but would provide a better facility than we have at present. This option is seen as a short term fix and the available funds would be unlikely to meet the carparking requirements.
- 5.3 Option 3 – consider alternative options including the existing library proposal, alternative sites or premises including carparking, the possibility of combining the Motueka Office functions and/or other partners, including the future of the existing library building if it is not the preferred option. This would also require the review of the funding allocation. This option does require that the project is deferred for at least 12 months and will require some funding to investigate the various options. If this option was approved, a working party should be established including representation from staff, Community Services Committee



Chair, Ward Councillors and Community Board members with the ability to second onto the group other specific expertise or advisors from time to time (eg Vision Motueka).

- 5.4 Option 4 – defer the project indefinitely. Under this option the library would remain in its present format. Seismic strengthening would be required to bring the building up to a minimum of 67% of new building standards.
- 5.5 It is the staff recommendation that Council defer the project for a further 12 months and provide an allocation of funding to pursue alternative options as set out in paragraph 5.3.

## **6 Strategic Challenges / Risks**

- 6.1 The risk in deferring the project as is currently included in the Long Term Plan is that the funding to undertake a library development, or provide new library premises, may not be allocated thus resulting in the status quo situation with a building that will require further strengthening. This is a risk that applies to all capital projects that are identified in the Long Term Plan and have yet to commence but is considered to be a manageable risk should the Council proceed with the preferred option. The strategic challenges will be in the needs assessment and consideration of the partners or organisations that might comprise any future library premises.

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

- 7.1 If the preferred option is approved, the 2013/2014 budget will need to reflect the project deferment and funding will be required to continue the investigation work for 2013/2014. This is estimated at \$25,000. There are no specific legal requirements or policy issues to be addressed.

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

- 8.1 The deferral of the project for one year will reduce the impact of interest and loan repayment for 2013/2014 of the loan that was to be taken out for this work. An amount of \$25,000 to continue the investigation work is recommended to be funded from Motueka Reserve Financial Contributions.
- 8.2 If other partners outside the Council are considered as part of any new proposal, funding issues will have to be addressed as part of a business case. It is not expected that any other partner would be exempt from paying their share of building or occupancy costs.

## **9 Significance**

- 9.1 The deferral of this project for one year has a moderate level of significance. If the recommendation in this report proceeds, appropriate communication with the Motueka community will need to occur to ensure that the reasons that the project is being deferred are understood.

**10 Consultation**

- 10.1 The Hub proposal requested by Vision Motueka, and recommendation from the Motueka Community Board to either increase the budget or consider the development of a Hub on Deck's Reserve are outlined in section 4. The recommended amendments to the project would be consulted on as part of the Annual Plan process. If a preferred option is identified which involves relocating the library elsewhere, this may require further detailed public consultation.

**11 Conclusion**

- 11.1 The funding provided in the 2013/2014 year of the Long Term Plan of \$1,043,000 is insufficient to redevelop the Motueka Library and achieve 100% of LIANZA standards. It is therefore appropriate to consider deferring the project for 12 months while further investigation work is undertaken which would include looking at alternative sites and alternative partners that may occupy those premises. The provision of adequate carparking adjacent to any library facility is important and further work needs to be undertaken to determine whether or not this can be achieved on the existing site. The formation of a working party with defined terms of reference to investigate the various options and report back to Council is considered an appropriate method of ensuring that the project continues.

**12 Next Steps / Timeline**

- 12.1 If the Council proceeds with the recommendation the next step will be to confirm the appointments to the working party, to prepare a briefing document and convene that group. The funding allocated for 2012/2013 has been expended and therefore no further expenditure could be incurred until the adoption of the Annual Plan for 2013/2014.

**13 Appendices**

Nil

**7.6 COMMUNITY BOARD TARGETED RATES****Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Murray Staite, Corporate Services Manager  
**Report Number:** RCN13-02-06  
**File Reference:** C771

**Summary**

- 1.1 The Council is required to consider the Community Board targeted rates for both Golden Bay and for Motueka as part of its 2013/2014 Annual Plan preparation process.
- 1.2 Following consultation with both Community Boards, staff recommend that the Golden Bay Community Board targeted rate remains unchanged from the 2012/2013 year at \$13.10 per ratepayer plus GST; and that the Motueka Community Board targeted rate be increased by inflation to \$10.98 per ratepayer plus GST.

**Draft Resolution****That the Full Council:**

1. **receives the Community Board Targeted Rates Report ; and**
2. **agrees to include in the Draft Annual Plan 2013/2014:**
  - a. **a Golden Bay Community Board Targeted Rate of \$13.10 per rateable property plus GST; and**
  - b. **a Motueka Community Board Targeted Rate of \$10.98 per rateable property plus GST.**

## Purpose of the Report

- 3.1 To consider the level of community board targeted rates to be included in the Draft Annual Plan 2013/2014.

## Background

- 4.1 In July 2008 Council introduced a targeted rate to fund both the Golden Bay and Motueka Community Boards. Staff have consulted with both Community Boards, and ask that they recommend any changes in the targeted rate from what was originally included in year 2 of Council's Long Term Plan 2012-2022 (LTP).
- 4.2 Both community board targeted rates operate as closed accounts. Unspent funds from any one year are available to be carried forward to the next year, or alternatively can be used to reduce the following year's rates.

## Discussion

### 5.1 Golden Bay Community Board

- 5.1.1 The rate proposed in Year 2 of the LTP was \$15.10 plus GST per rateable property against a current years rate of \$13.10 plus GST. The credit balance in the targeted rate account as at the end of September 2012 was \$16,861.
- 5.1.2 Given the targeted rate account is likely to be in credit to a similar value at the end of the financial year, the Board has proposed that a credit of \$6,800 from the closed account be used to reduce next year's rate from \$15.10 plus GST to \$13.10 plus GST. A balance of \$10,000 would be available to be transferred forward for future years.
- 5.1.3 A rate of \$13.10 plus GST is the same as the current year

### 5.2 Motueka Community Board

- 5.2.1 The rate proposed in year 2 of the LTP was \$13.93 plus GST per rateable property against a current year rate of \$10.66 plus GST.
- 5.2.2 The credit balance in the targeted rate account at the end of October 2012 was \$48,707 and while this balance is expected to be lower by the end of June 2013 there is likely to be a sufficient balance available to reduce next year's rate and still retain a healthy surplus for future years.
- 5.2.3 At the Community Board meeting of 11 December 2012 the Community Board recommended to the Council that the 2013/2014 targeted rate be \$10.98 plus GST
- 5.2.4 A rate of \$10.98 plus GST is this year's rate increased by the rate of inflation.

**Options****6.1 Option 1**

Accept the recommendation of the respective Boards and include in the draft 2013/2014 plan the level of targeted rate as suggested. This option allows the community to decide as part of the annual plan process.

**6.2 Option 2**

Decline to accept the views of the respective boards and refer the matter back to the Community Boards for further discussion.

**Significance**

- 7.1 This matter is of relatively low significance in terms of Council's Policy on Significance, as it does not involve major financial expenditure and is not likely to have major public interest.

**Conclusion**

- 8.1 The staff recommendation is the Motueka and Golden Bay Community Board targeted rates be set at the level recommended by the respective boards

**Appendices**

Nil



**7.7 UNIFORM ANNUAL GENERAL CHARGE FOR 2013/2014****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Russell Holden, Finance Manager
<b>Report Number:</b>	RCN13-02-07
<b>File Reference:</b>	R109

Item 7.7

**1 Summary**

- 1.1 The Uniform Annual General Charge, (UAGC), is a rating tool Council can deploy to alter the incidence of charging the General Rate. The points noted in this report are similar to those that have previously been presented to Council. The UAGC recognises that the capital value of a ratepayer's property does not always accurately capture the level of Council services for which the General Rate is charged, and that there is an element of the rate which would be more accurately reflected by a per property charge. The UAGC is also recognition that property valuations are not necessarily a fair reflection of ability to pay rates. Additionally, UAGCs are used to moderate the high and low peaks in rates bills.
- 1.2 The maximum proportion of rates to be collected by way of UAGC and other Uniform Targeted Rates (UTRs) is regulated by statute, and combined cannot be more than 30% of the total rates revenue. The UAGC for the 2012/2013 year is \$288.78 (GST incl), and the current percentage of total uniform charges, as proposed in the 2013/2014 Draft Annual Plan is 22.2%. On the basis that other UTRs remain unchanged, Council currently has the scope to increase the UAGC up to a maximum of \$540.00 (GST incl).
- 1.3 This report seeks direction from Council as to what level to set the UAGC for the 2013/2014 Draft Annual Plan, with four options presented; 1) No change, 2) \$290.00, 3) \$300.00, and 4) \$310.00.

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

- 1) receives the Uniform Annual General Charge for 2013/2014 Report RCN13-02-07; and**
- 2) agrees to include in the Draft Annual Plan 2013/2014 a Uniform Annual General Charge of \$290.00 (GST incl) per rateable property.**

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

- 3.1 To consider the level of the Uniform Annual General Charge (UAGC) for inclusion in the 2013-2014 Draft Annual Plan.

### **4 Background and Discussion**

- 4.1 Council has been charging a UAGC for many years and during the 2012/2013 Annual Plan round Council left the UAGC unchanged at \$288.78 (incl GST).
- 4.2 The points noted in this report are similar to proposals that have previously been presented to Council. Uniform Annual General Charges are not related to valuation, and are fixed charges for every property to which they apply. They are recognition of the fact that not all local authority services are related to a property and that property valuations are not necessarily a fair reflection of ability to pay. UAGCs are also used to moderate the high and low peaks in rates bills.
- 4.3 A summary of four possible options for the level of the UAGC are given in section 5 below, and section 6 provides some detail of total rate movements for each option. The tables provide examples of the likely effect of the rate charge on a selection of representative properties from throughout the District. These tables are illustrative only and are not the final rate charges; however the data does provide a clear representation of different values of the UAGC across the representative properties. The tables provide a total rate change from the 2012/2013 year in both raw dollars, and percentage movement.

### **5 Options**

#### **5.1 Option 1 – Maintain the Status Quo**

- 5.1.1 Maintain the status quo and leave the UAGC at \$288.78 (incl GST) per property.
- 5.1.2 The impact on individual properties of this option is illustrated below, for Council's selection of representative properties. The change in total rates will depend upon the different targeted rates applicable to each property. Within those properties selected the range of total rates movement is between 1.82% and 2.8%.

#### **5.2 Option 2 – Adjust the UAGC to \$290.00 (incl GST)**

- 5.2.1 The rationale for this option is to re-adjust for the movement in this rate that occurred on 1 October 2011 when GST increased from 12.5% to 15%. Prior to this point the UAGC had been calculated in complete dollars.
- 5.2.2 The level of proposed rates for the 2013/2014 Draft Annual Plan is currently resulting in total rate increases to the representative properties less than 3%. This relatively low increase is affecting the dollar rates movement on higher value properties less than previous years, thereby reducing the need to alter the UAGC to offset higher rate charges.
- 5.2.3 With this small change, the incidence of rates charged alters slightly to between 1.86% and 2.78%.



**5.3 Option 3 – Increase the UAGC to \$300.00 (incl GST)**

- 5.3.1 This is an increase of \$11.22 per property. The incidence of total rates alters to between 1.86% and 2.60%.
- 5.3.2 The summary table in section five of this report clearly demonstrates that as the level of UAGC increases, the incidence of rates falls more to the lower valued properties, and lifts from the higher valued properties.

**5.4 Option 4 – Increase the UAGC to \$310.00 (incl GST)**

- 5.4.1 This is an increase of \$21.22 per property. The practice of previous years has been to generally increase the UAGC by \$20.00 (plus GST). The effect of this option is noted in the table below, with an annual increase of 3.01% on the lower valued property in Murchison and a 1.22% increase on the dairy farm in Golden Bay.
- 5.4.2 This option is an extension of the previous practice of steady increases without inducing large rating shocks on property owners, and provides some degree of rate moderation.

**6 Effect of Change to the Uniform Annual General Charge on representative properties**

- 6.1 The following tables provide totals of rate changes from the 2012/2013 year to proposals for the 2013/2014 year in both raw dollars, and percentage movements. These tables are based on the various rates proposed at a point in time, and are for comparative purposes only. Whilst rate calculations are still being finalised, any adjustments are not expected to have any significant impact on the incidence of total rates as represented here.

## Item 7.7

Sample Property	CV (000)	2013/2014 UAGC \$288.78 \$ Change	2013/2014 UAGC \$290 \$ Change	2013/2014 UAGC \$300 \$ Change	2013/2014 UAGC \$310 \$ Change
Murchison Residential	160	\$36.42	\$37.32	\$44.44	\$51.40
Waimea Village Residential	185	\$35.02	\$35.87	\$42.54	\$49.02
Takaka Residential	270	\$44.60	\$45.28	\$50.42	\$55.29
Motueka Residential	350	\$52.86	\$53.38	\$57.08	\$60.43
Brightwater Residential	360	\$54.80	\$55.30	\$58.82	\$61.98
Richmond Residential	485	\$69.27	\$69.52	\$70.79	\$71.57
East Takaka Lifestyle Block	495	\$43.49	\$43.72	\$44.81	\$45.41
Richmond Industrial	630	\$85.85	\$85.81	\$84.47	\$82.50
Ngatimoti Horticultural	640	\$58.08	\$58.02	\$56.50	\$54.34
Kaiteriteri Residential	660	\$93.85	\$93.75	\$91.87	\$89.33
Coastal Highway Lifestyle Block	1,100	\$127.12	\$126.14	\$116.34	\$105.44
Richmond Commercial	1,200	\$187.20	\$186.02	\$174.42	\$161.62
Hope Horticultural	1,210	\$90.47	\$89.27	\$77.49	\$64.50
Motueka Commercial	1,300	\$189.18	\$187.80	\$174.40	\$159.70
Tutaki Pastoral Farm	2,825	\$211.30	\$206.87	\$166.02	\$122.35
Wairoa Forestry	5,100	\$374.15	\$365.17	\$283.37	\$196.47
Golden Bay Farm	6,415	\$465.16	\$452.94	\$342.47	\$225.58
* All figures are including GST					

Sample Property	CV (000)	2013/2014 UAGC \$288.78 % Change	2013/2014 UAGC \$290 % Change	2013/2014 UAGC \$300 % Change	2013/2014 UAGC \$310 % Change
Murchison Residential	160	2.13%	2.19%	2.60%	3.01%
Waimea Village Residential	185	1.82%	1.86%	2.21%	2.54%
Takaka Residential	270	1.89%	1.92%	2.14%	2.35%
Motueka Residential	350	2.12%	2.14%	2.29%	2.42%
Brightwater Residential	360	2.07%	2.09%	2.22%	2.34%
Richmond Residential	485	2.42%	2.43%	2.47%	2.50%
East Takaka Lifestyle Block	495	2.33%	2.35%	2.41%	2.44%
Richmond Industrial	630	2.60%	2.60%	2.56%	2.50%
Ngatimoti Horticultural	640	2.53%	2.52%	2.46%	2.36%
Kaiteriteri Residential	660	2.61%	2.61%	2.56%	2.49%
Coastal Highway Lifestyle Block	1,100	2.80%	2.78%	2.56%	2.32%
Richmond Commercial	1,200	2.39%	2.37%	2.23%	2.06%
Hope Horticultural	1,210	2.25%	2.22%	1.93%	1.60%
Motueka Commercial	1,300	2.74%	2.72%	2.52%	2.31%
Tutaki Pastoral Farm	2,825	2.46%	2.41%	1.93%	1.42%
Wairoa Forestry	5,100	2.52%	2.46%	1.91%	1.33%
Golden Bay Farm	6,415	2.52%	2.46%	1.86%	1.22%

\* All figures are including GST

## 7 Consideration of Financial or Budgetary Implications

7.1 Increasing the UAGC does not increase Council revenue; it is a mechanism for altering the apportionment of the General Rate component.

## 8 Conclusion

- 8.1 The staff recommendation is that the UAGC be increased to \$290.00 (GST incl).
- 8.2 This small increase re-aligns the rate to whole dollars as was the position before the increase of GST from 12.5% to 15%.
- 8.3 The proposed rates for the 2013/2014 Draft Annual Plan are currently resulting in total rate increases to the representative properties at less than 3%. This relatively low increase is affecting the dollar rates movement on higher value properties less than in the past. By holding the increase of the UAGC to a minimum Council retains leverage with the UAGC tool to mitigate in future years when rate increases are higher than is currently being proposed.

Item 7.7

<b>9 Appendices</b>
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Nil

**7.8 2013/14 DRAFT ANNUAL PLAN - CHANGES TO UTILITIES BUDGETS****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Jeff Cuthbertson, Utilities Asset Manager; David Stephenson, Utilities Asset Engineer
<b>Report Number:</b>	RCN13-02-08
<b>File Reference:</b>	

**Item 7.8****1 Summary**

- 1.1 This report presents proposed changes to capital and operational budgets for the Draft Annual Plan 2013/14 for water supply, wastewater, stormwater and solid waste activities.

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

- 2.1 receives the 2013/14 Draft Annual Plan - Changes to Utilities Budgets; and**  
**2.2 agrees to include the following budget changes in the Draft Annual Plan 2013/2014:**

<b>Water Supply Projects</b>	
Brightwater – Teapot Valley Pumping Station	-\$1,639
Murchison – Upgrade Treatment Plan to meet DWSNZ	-\$566,149
Best Island Bulk Water Meter – Richmond	-\$7,648
Growth	-\$107,641
Flow Meter Replacement – Lansdowne Road, Richmond	-\$7,648
Richmond East High Level Reservoir – Land Purchase	-\$61,356
Telemetry	-\$181,214
Tapawera – Upgrade Treatment Plant to meet DWSNZ	-\$112,457
Wakefield/Eighty Eight Valley Rezoning	-\$108,898
Motueka – Upgrade Treatment Plant to meet DWSNZ	-\$53,169
Operations and Maintenance	-\$21,053
<b>Total</b>	<b>\$1,228,872</b>

<b>Wastewater Projects</b>	
Bryant Road Pumping Station, Brightwater	-\$3,509
Thorp Street Pumping Station, Motueka	-\$16,158
Murchison Wastewater Treatment Plant renewals	-\$38,239
Growth allowance for pipelines	-\$107,641
Harwood Place Pumping Station, Upper Takaka	-\$13,184
Pipeline Renewals, Motueka	-\$357,000
Pipeline Renewals, Richmond	-\$290,631
Pumping main from Motueka Bridge to WWTP	-\$63,336
<b>Total</b>	<b>-\$889,698</b>

<b>Stormwater Projects</b>	
Motueka Stormwater Discharge Consent	-\$21,258
Richmond Stormwater Quality Plan	-\$54,628
Seaton Valley Stream, Mapua	-\$56,225
Poutama Drain, Richmond	-\$152,301
Queen Street Stormwater Reticulation Improvement	-\$158,774
Ranzau Road	-\$41,739
Commercial Street, Takaka – Stormwater Improvements	-\$75,366
VPCL Land purchase	+\$900,000
<b>Total</b>	<b>+\$339,709</b>

<b>Solid Waste Project</b>	
Eves Valley Resource Consent	<b>-\$300,000</b>

<b>Operations and Maintenance</b>	
Stormwater, Tapawera	-\$63,758
Stormwater – Bridge Policy	-\$21,053
<b>Total</b>	<b>-\$84,811</b>

**Total Savings****\$2,163,672**

**3 Purpose of the Report**

- 3.1 The purpose of this report is to provide information to the Council on proposed changes to budgets for inclusion in the Draft Annual Plan 2013/2014 including:
- capital budgets for water, wastewater, stormwater and solid waste; and
  - operational budgets for stormwater

**4 Background and Discussion**

- 4.1 The Council requested that staff review all budgets to identify savings for the 2013/2014 financial year. The following proposed changes have been identified in the Utilities capital and operational budgets.

**5 Water supply projects**

The following capital projects have been reviewed and funding or timing of the projects have been changed.

**5.1 Brightwater – Teapot Valley Pumping Station**

In accordance with Council's asset management database the pumps at Teapot Valley are due for replacement. These pumps have been reviewed and it is proposed to move the replacement of the pumps from Year 2 (2013/14) to Year 3 (2014/15). The value of the pump replacement is \$1,639.

The effect is -\$1,639 in Year 2

**5.2 Murchison – Upgrade Treatment Plan to meet DWSNZ**

A budget of \$566,149 has been allocated to upgrade the existing Murchison Water Treatment plant to comply with the New Zealand Drinking Water Standards (DWSNZ). Due to recent information from the Ministry of Health it is proposed to move this project from the Year 2 to Year 3 (2014/15).

The effect is to reduce the Year 2 budget by -\$566,149

**5.3 Best Island Bulk Water Meter – Richmond**

At times the Council needs to replace bulk water meters throughout the District. The Best Island bulk water meter is programmed to be replaced in Year 2 (2013/14) at cost of \$7,648. It is proposed to review this replacement to Year 4 (2015/16) so as to align with other works being undertaken relating to the construction of the Richmond Water Treatment Plant.

The effect of this change is to reduce the Year 2 budget by -\$7,648

## 5.4 Growth

This project is an ongoing occurrence each four years. A budget of \$107,641 has been allocated to allow the Council to upsize developer installed reticulation. The budget occurs in Year 2. It is proposed to move the Year 2 funding of \$107,641 into Year 3 (2014/15).

The effect is -\$107,641 in Year 2

## 5.5 Flow Meter Replacement – Lansdowne Road, Richmond

The Lansdowne Road bulk water meter is programmed to be replaced in Year 2 (2013/14) at a value of \$7,648. It is proposed to review this replacement to Year 4 (2015/16) so as to align with the works being undertaken relating to the construction of the Richmond Water Treatment Plant.

The effect of this change is to reduce the Year 2 budget by -\$7,648

## 5.6 Richmond East High Level Reservoir – Land Purchase

The Council has budgeted to purchase land for the construction of the very high, high level reservoir to serve Richmond East. A budget of \$61,356 has been allocated in Year 2 (2013/14) to achieve this land purchase. It is proposed to move this land purchase budget into Year 4 (2015/16).

The effect is -\$61,356 in Year 2

## 5.7 Telemetry

The Council has proposed to upgrade and install Telemetry in all of its major facilities. A budget of \$181,214 has been proposed for Year 2 (2013/14). The proposal is not to undertake any telemetry works in Year 2 (2013/14). This budget will not be forwarded to any future years as funding in future years is estimated to be enough.

The effect is to reduce the Year 2 budget by -\$181,214

## 5.8 Tapawera – Upgrade Treatment Plant to meet DWSNZ

A budget of \$112,457 has been allocated to upgrade the existing Tapawera Water Treatment Plant to comply with the latest Drinking Water Standards of New Zealand (DWSNZ). Due to recent information from the Ministry of Health it is proposed to move this project from the Year 2 budget and include in Year 3 (2014/15).

The effect is to reduce the Year 2 budget by -\$112,457

## 5.9 Wakefield/Eighty Eight Valley Rezoning

It has been proposed to undertake some work to assess if it is feasible or practical to provide water from the Wakefield Water Supply to serve some consumers presently on the Eighty Eight Valley Rural Water Supply. A working party is proposed from both communities to seek their views. The budget of \$108,898 has been allowed for in Year 2 (2013/14) to undertake hydraulic modelling and design of any reticulation needs. It is proposed to move this project from Year 2 (2013/14) to Year 3 (2014/15).



The effect is -\$108,898 in Year 2.

#### 5.10 Motueka – Upgrade Treatment Plant to meet DWSNZ

The proposal to upgrade the Motueka Water Treatment Plan was spread over a two year period, Year 2 (2013/14) and Year 3 (2014/15). The Motueka water supply is sourced from two different bore fields, Recreation Centre and Fearon's Bush camping ground. A new bore has recently been needed to be installed at the Recreation Centre as contamination of the Fearon Street bore field has occurred. The proposal is to reduce the Year 2 (2013/14) budget of \$98,169 as follows:

Retain in Year 2 a sum of \$45,000

Move to Year 3 (2014/15) a sum of \$53,169

The effect is to reduce the Year 2 budget by -\$53,169

#### 5.11 Operations and Maintenance

The Council has budgeted to obtain easements for rural water scheme pipeworks. It is proposed to move this budget of \$21,053 from Year 2 to Year 3.

The effect is -\$21,053 in the Year 2 budget.

## 6 Wastewater projects

#### 6.1 Bryant Road Pumping Station – Brightwater

The Council's asset management database indicates that the pumping station pumps and electrics are due for replacement. A review of the pumping station has been undertaken and it is proposed to move the funding of \$3,509 from Year 2 (2013/14) to Year 3 (2014/15).

The effect is -\$3,509 in Year 2

#### 6.2 Thorp Street (south end) Pumping Station – Motueka

The Council's asset database indicates that the pumping station pumps and electrics are due for replacement. A review of the pumping station has been undertaken and it is proposed to move the funding of \$16,158 from Year 2 (2013/14) to Year 3 (2014/15).

The effect is -\$16,158 in Year 2

#### 6.3 Murchison Wastewater Treatment Plant Renewals

The Council's asset management database indicates that the aeration, biofilter and electrics of the Wastewater Treatment Plant are due for replacement. A review of the plant has been undertaken and it is proposed to move the funding of \$38,239 from Year 2 (2013/14) to Year 3 (2014/15).

The effect is -\$38,239 in Year 2

#### 6.4 Growth Allowance for Pipelines

The Council has allowed each five years a sum of funding (\$107,641) to allow development of pipework (pipework installed by developers) to be enlarged so as to accommodate further growth within the area. It is proposed to move the funding out one year from Year 2 to Year 3.

The effect is -\$107,641 in Year 2

#### 6.5 Harwood Place Pumping Station – Upper Takaka

It is proposed to replace the pumps and flow meter at this pumping station. Due to infiltration issues in the community not yet being fully resolved and a review of the existing pumps it is proposed to move the replacement out one year. The funding of \$13,184 in Year 2 (2013/14) is proposed to move to Year 3 (2014/15).

The effect is -\$13,184 in Year 2

#### 6.6 Pipeline Renewals – Motueka

Council has a budget of \$657,500 allocated for sewer replacement in Motueka. It is proposed to retain \$300,000 of this budget and to remove from the budget \$357,500. The effect will be a budget of \$300,000 and a reduction of \$357,500.

The effect is -\$357,000 in Year 2

#### 6.7 Pipeline Renewals – Richmond

The Council has a budget for sewer renewals in Year 2 (2013/14) of \$290,631, and a budget in Year 3 (2014/15) of \$30,000. The proposal is to move the Year 2 budget to Year 3.

This will effectively reduce the Year 2 (2013/14) budget by -\$290,631

#### 6.8 Pumping Main from Motueka Bridge to WWTP – Motueka

The proposal to replace the pumping main from the Motueka Bridge to the Wastewater Treatment Plant. This is a multi year project commencing in Year 2 and finishing in Year 3. The Year 2 budget is \$63,336. It is proposed that this work would be better constructed as part of the future Wastewater Treatment Plant upgrade. It is therefore proposed that this work will commence in Year 3 and ongoing into Year 4.

The effect is -\$63,336 in Year 2

### **7 Stormwater projects**

The following capital projects have been reviewed and funding or timing of the project has been changed:

#### 7.1 Motueka Stormwater Discharge Consent

This work will be reliant on the Council completing the Motueka Stormwater Catchment Management Plan. As this project will need to be carried out after the completion of the Plan it is proposed to move the \$21,258 funding from Year 2 to Year 3 (2014/015)

The effect is -\$21,258 in Year 2

#### 7.2 Richmond Stormwater Quality Plan

The Council is undertaking the Richmond Stormwater Catchment Management Plan. Following the completion of the Plan we will be applying for a stormwater discharge consent. The discharge resource consent will be a number of identified quality improvements that need to be undertaken. As the Resource Consent has yet to be applied for, the quality improvement work that has been identified will not need to be carried out until the next year. The proposal is to move the \$54,628 funding allocated in Year 2 to Year 3 (2014/15).

The effect is -\$54,628 in Year 2

#### 7.3 Seaton Valley Stream (Mapua)

The development of Seaton Valley Stream is a multi-year project, commencing in Year 1 (2012/13) through to Year 4 (2015/16). It is proposed to move the funding of the Year 2 budget of \$56,225 and add this funding to the major construction works proposed to be undertaken in Year 3(2014/15). In effect this will increase the Year 3 budget by \$56,225.

The effect is -\$56,225 in Year 2

#### 7.4 Poutama Drain (Richmond)

The development of the Poutama Drain is aligned to the works being undertaken in Richmond West, the water treatment plant, and the stormwater improvement works proposed for Middlebank Drive. This is a multi-year project commencing in Year 1 (2012/13) through to Year 4 (2015/16). It is proposed to move the funding of the Year 2 budget of \$152,301 and add this funding to the major construction works proposed to be undertaken in Year 3 (2014/15). In effect this will increase the Year 3 budget by \$152,301.

The effect is -\$152,301 in Year 2

#### 7.5 Queen Street Stormwater Reticulation Improvement (Richmond)

Council is proposing to replace the stormwater reticulation in Queen Street, Richmond. This project has been aligned to the Richmond CBD development project. The project is proposed to be spread over a six year period commencing in Year 1 (2012/13) through to Year 6 (2017/18). The major construction work is proposed to take place in Years 4 and 5 (2015/2017). The work proposed to be undertaken in Year 2 (2013/14) is investigation work including "potholing" of the existing reticulation network. It is proposed to now combine this investigation work with the final design work being undertaken in Year 3 (2014/15). The effect of this movement of budget will increase the Year 3 (2014/15) budget by \$158,774.

The effect is -\$158,774 in Year 2

#### 7.6 Ranzau Road

Flooding of roading and private properties in Ranzau Road occurs during major storm events. The proposal was to undertaken stormwater improvements spread over a five year period commencing in Year 1. Year 2 (2013/14) investigation work of \$41,739 is proposed to be included in the Year 3 (2014/15) investigation and design phase. Construction of the

flood improvements was proposed to be undertaken in Year 4 (2015/16). The effect of this budget movement is to increase the Year 3 funding by \$41,739.

The effect is -\$41,739 in Year 2

#### 7.7 Takaka – Commercial Street Stormwater Improvements

The proposal in Takaka was to install new stormwater reticulation to remedy the flooding that occurs in the main street. Some work has already been undertaken in previous years to improve some areas of Commercial Street. It is proposed to move this multi-year project out by one year. The Year 2 (2013/14) budget of \$75,366 will be moved to Year 3 (2014/15). Work proposed in the following two years will all need to be moved by a year. This will mean that the project originally proposed to be completed in Year 4 (2015/16) will now be completed in Year 5 (2016/17).

The effect is -\$75,366 in Year 2

#### 7.8 Stormwater – VPCL/Field land purchases for Borck Creek, Richmond West Designations

The purchase of land designated for stormwater purposes from the Fields has occurred in the current financial year and has required new loans for approximately \$1.5 million. Legal processes are still proceeding for the purchase of designated land from VPCL Ltd and are expected to be resolved in 2013/2014.

Staff recommend that a new additional capital budget of \$900,000 be allowed for the completion of VPCL land purchase in the Draft Annual Plan 2013/2014.

<b>8 Solid waste projects</b>
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8.1 Resource consents for the operation of the Eves Valley landfill expire in October 2015. As outlined in earlier reports to the Engineering Services committee, staff have recently been reviewing the development plan for the Eves Valley landfill and the optimum consenting strategy. In parallel with this work, staff have been working jointly with Nelson City Council to identify optimum regional landfill options.

8.2 The Long Term Plan identified a capital budget of \$702,127 for consenting of the next stage of landfill operations ("Stage 3"), with \$549,740 allocated this year and \$152,387 in 2013/14. Advice recently received by staff is that the current Stage 2 may be able to be extended for a further ten years, delaying the need for Stage 3 development (and consent).

8.3 With the current resource consent expiring in October 2015, the latest date that work can commence on a consent application for an extension of Stage 2 is now September 2013. Consenting costs for this work are expected to be significantly less than for consent for Stage 3, with savings in the order of \$300,000. It is unlikely that 2012/13 capital budgets will be fully spent and this has been factored into borrowing and interest estimates for 2013/14.

8.4 Staff propose to leave the 2013/14 budget of \$152,387 for this consent and to carry forward any necessary additional funds from 2012/13 at year end. On this basis no changes to

capital budgets are proposed for the Draft Annual Plan.

- 8.5 On 30 August 2012, the Engineering Services Committee approved reallocation of solid waste capital budgets for the 2011/12 year. Staff advised the Council that additional borrowing of just under \$700,000 for the Richmond Resource Recovery Centre had been factored into the Long Term Plan estimates. This advice was in error and additional interest costs of this loan have been added into budget estimates for the 2013/14 Annual Plan.

## **9 Operation & Maintenance Budget - Stormwater**

### 9.1 Tapawera UDA

The Council has an obligation to maintain the stormwater diversion system above Tapawera township. Each five year period gravel/rock is required to be removed from the diversion. An estimate budget of \$63,758 has been allowed for this work plus an allowance of \$6,000 for repairs and spraying. It is proposed to move the \$63,758 from year 2 into Year 3 (2014/15).

### 9.2 Bridge Policy

As part of Council's Health and Safety obligations a budget of \$21,053 has been allocated to create a policy on private bridges that cross the Council's stormwater open drains. It is proposed to move this funding from Year 2 into Year 3.

The effect of the Operations and Maintenance charges is a reduction in Year 2 of -\$84,811.

## **10 Strategic Challenges / Risks**

- 10.1 Some of the proposed projects relate to mechanical plant. The movement of these budget items has been undertaken on a best estimate basis. During the year some mechanical plant may still fail and unbudgeted expenditure will be needed to continue operations.

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

- 11.1 Some of the proposed budget changes have resulted in the entire removal of expenditure. There is no budget implication to these changes.
- 11.2 A majority of the changes are works which will mean that work deferred for the 2013/2014 financial year will need to be carried out in the following years.
- 11.3 Where this is a one-off expenditure (eg a pump replacement) the effect will be a movement in the year of actual expenditure.
- 11.4 Where it is a multi-year project two scenarios exist. The expenditure from the 2013/2014 year will be in addition to the budget as set for 2014/2015 or the multi-year project has moved in its entirety by one year (eg, a multi-year project being completed in 2015/2016 will

now be completed in 2016/2017).

Item 7.8

**12 Significance**

- 12.1 The proposal is to change the funding on a number of projects that have been publicly available via the Long Term Plan (2012/2022).
- 12.2 Delay of these projects is not considered to be highly significant. Ratepayers have an opportunity to make a submission to the Draft Annual Plan during March/April 2013.

**13 Consultation**

- 13.1 These changes are to be included in the Draft Annual Plan which will be open for consultation from 18 March 2013.

**14 Conclusion**

- 14.1 These changes do provide a saving in the 2013/2014 financial year as requested by the Council.
- 14.2 Some of the project funding has been deleted but the majority is only a deferral and the work will need to be undertaken in the future.

**15 Appendices**

Nil





**7.9 LEE VALLEY COMMUNITY DAM****Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Lindsay McKenzie, Chief Executive  
**Report Number:** RCN13-02-09  
**File Reference:** W345

**Item 7.9****1. Summary**

- 1.1 The Council considered a report (RCN12-11-12) on the proposed Lee Valley Dam project at its 19 November 2012 meeting. That report set out a request from the Waimea Water Augmentation Committee (WWAC) for additional resources to take the project to the point that Council and the community would be able to make a decision whether or not to proceed to tender and construction. The request was made because the size and complexity of the project now requires dedicated project management. It was resolved to provide that support and to ask the Chief Executive to prepare a budget and advice on likely funding sources for Council to consider early in 2013.
- 1.2 Based on a review of current funding and likely future commitments we estimate that in the years 2013/14 and 2014/15 a total of \$380,000 of additional funding will be needed to get the project to the point where Council, in consultation with the community, will be able to decide whether or not to go to tender. That sum includes \$200,000 for project management and the advice that the Council and DamCo will need to fulfil their respective obligations relating to the plan change proposal, resource consent, land access and negotiations prior to purchase, funding as well as Companies Act and Local Government Act matters.
- 1.3 It is recommended that the \$380,000 be funded by a mixture of general rate and charges on consumptive water users. The community's interest in this funding needs to be secured by an agreement with DamCo.

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

- 1) receives the Lee Valley Community Dam report RCN13-02-09; and**
- 2) agrees to transfer \$150,000 from the credit balance in the Urban Water Account expected as at 1 July 2013 to the Waimea Water Augmentation project to compensate for the non-payment in the 2012-2013 financial year.**
- 3) agrees to include in the Draft Annual Plan 2013/2014:**
  - a. funding for the Waimea Water Augmentation project of \$190,000 to be funded as follows:**

<b>General Rate</b>	<b>\$57,000</b>
<b>Urban Water Account</b>	<b>\$29,000</b>
<b>Waimea Water Augmentation (Lee Valley) Rate</b>	<b>\$23,000</b>

**Waimea Water Augmentation Levy \$81,000**

- b. an increase in the urban water daily charge by 0.30 cents (incl GST) to \$0.6942 and the per cubic meter charge by 1.0 cent (incl GST) to \$1.77
- c. an increase in the Waimea Water Augmentation (Lee Valley) Rate by \$1.28 (incl GST) to \$26.83.
- d. an amendment to the Waimea Water Augmentation Levy on permit holders as follows:

<u>Water Permit Users</u>	Current Charge (Incl GST)	Increased Charge (Incl GST)
Less than 250 m <sup>3</sup> /day	\$192.50	\$202.10
250 – 499 m <sup>3</sup> /day	\$223.50	\$234.65
500 – 999 m <sup>3</sup> /day	\$327.50	\$343.90
1,000 – 2,499 m <sup>3</sup> /day	\$515.00	\$540.75
2,500 – 4,999 m <sup>3</sup> /day	\$940.00	\$987.00
5,000 – 14,999 m <sup>3</sup> /day	\$1,575.00	\$1,653.75
15,000 – 49,999 m <sup>3</sup> /day	\$3,457.00	\$3,629.85
50,000 m <sup>3</sup> /day or more	\$9,969.00	\$10,467.45

- 4) agrees to consider funding of another \$190,000 in the Draft Annual Plan 2014/2015 for the Waimea Water Augmentation project to be funded as follows:

<b>General Rate</b>	<b>\$57,000</b>
<b>Urban Water Account</b>	<b>\$29,000</b>
<b>Waimea Water Augmentation (Lee Valley) Rate</b>	<b>\$23,000</b>
<b>Waimea Water Augmentation Levy</b>	<b>\$81,000</b>

- 5) authorises the Chief Executive to enter into any agreement with DamCo necessary to give effect to arrangements required to allow the Waimea Water Augmentation Project get to the point where a decision can be made by the Council to proceed to public tender following further public consultation, subject to reporting any agreement to the first available meeting of the Council.

**3. Purpose of the Report**

- 3.1 This report seeks Council direction on and support for the further funding requirements of the Lee Valley Community Dam Project.

**4. Background and Discussion**

- 4.1 The 2012-2022 Long Term Plan includes the Lee Valley Community Dam Project although that support is subject to a number of qualifications. Report RCN12-01-09 refers. There has been some delay in the 2012/2013 work programme and design drawings have not yet been completed and peer reviewed. This means that final costings have not been worked out and assessing funding options has not commenced. This work will carry over into the 2013/2014 financial year.
- 4.2 A discussion paper on a draft Plan change to amend the Waimea Water Management Zone provisions in the Tasman Resource Management Plan (TRMP) is currently underway with public notification planned for April/May 2013. The process will carry over into the 2013/2014 financial year and the cost will be met through the Resource Policy budget.
- 4.3 This project is the largest capital work that the Council has been involved in. Work to date, with the assistance of the Waimea Water Augmentation Committee (WWAC), has developed a feasible solution to the issues of over allocation of available water in the Waimea basin and the growth in demand for a more secure water supply for irrigation and community supply purposes.
- 4.4 The project however is now reaching a level of complexity and scope that requires dedicated project management beyond what we are currently able to provide. WWAC will conclude the work involved in the detailed design drawings but then there will be the need to prepare consent applications, enter into conditional land purchase agreements, review the funding model, and other pre-tendering work. It is likely that DamCo (see Report RCN12-11-12) will need to be activated to be the resource consent applicant, among other things, if the notion of a community project and dam is to be delivered.
- 4.5 The 2013/2014 Annual Plan needs to ensure funds are available to cover these commitments so the project can at least get to the point where a decision can be made as to whether or not to proceed to construction.

**5. Funding Issues**

- 5.1 The project currently operates as closed account and has a credit balance which will cover some of the future expenditure. Water users, excepting the Council, pay a rate which generates income that goes towards the investigations. Up until the 2012/2013 year the Council, through the Urban Water Account, also contributed over the three years \$750,000 which has been capitalised.
- 5.2 Table 1 shows the proposed budget.

	2013/14 (\$000's)	2014/15 (\$000's)
Estimated Opening Balance 1 July 2013 (WWAC funds)	390	5
Labour costs	(35)	(35)
Estimated Consenting cost as per feasibility costing	(250)	(250)
Estimated Project Mgmt cost (external)	(100)	(100)
Closing Balance	<u>5</u>	<u>(380)</u>

### 5.3 Points to note are

- 5.3.1 Consenting costs have been split evenly over two financial years. Total consent costs are broadly estimated at \$500k as per the feasibility costing but may vary in quantum and proportion.
- 5.3.2 External project management and advice costs have been split evenly over two years but may also vary in quantum and proportion.
- 5.3.3 The Chief Executive intends to engage a Project Manager to commence work as outlined in 4.4. Given that there is an estimated opening balance at 1 July 2013 of \$390,000 funding this position should not be an issue, however any contractual commitment will recognise the possibility of funding not continuing for the project.

## 6. Options

- 6.1 The options considered within the context of this report should be limited to whether or not to fund the cost of getting the project to the point when a substantive decision on the future of the project i.e. to proceed to tender and construction, can be made. A decision to provide the funding sought is not a decision to proceed with the project although it is a step on a path which could lead to that. A decision not to provide the funding runs the risk that the project does not proceed to the point that such a decision could be made objectively knowing all the facts.
- 6.2 Without the additional funding and resources WWAC could decide to limit its future work to the plan change and resource consents. WWAC and DamCo may need to look to other funders or investors. The option of a dam to support the Council's own future growth needs for water would likely be forgone and alternatives would be needed in the long term.

## 7. Strategic Challenges / Risks

- 7.1 Given the stage at which investigations are at into the Lee Valley Community Dam, the Council and the community need to see a return on the investment of time, money and effort. This means we should get to the point where dam design is completed, TRMP

changes made covering both the dam and no-dam options, consents obtained, conditional sale and purchase agreements resolved, and funding models finalised. This would then allow a final decision to be made as to whether to proceed to tender and construction.

- 7.2 This work requires further budget allocation and there is a risk of opposition from those who have to pay through the annual plan consultation process. However it is important that this conversation be had. Doing nothing is not an option. If water augmentation does not proceed, the Council will have to review allocation limits and it will have to look at future community water supply options.
- 7.3 Investigations have explored governance options for managing the dam. A shell company, DamCo, has been set up as the appropriate legal vehicle. Council will need to establish a clear working relationship with DamCo if it is to be the applicant for any resource consent. This is important if Council is to fund the completion of tasks prior to making any decision to tender and construct.

## **8. Policy / Legal Requirements / Plan**

- 8.1 Council has received legal advice in the past that it is possible to use rate revenues to fund projects in partnership, including where there are private benefits to others. The proposal for the 'rating layer' approach to fund part of the capital for the Lee Valley Dam project flowed from that advice.

The particular issues that arise with the request for additional funding include -

- WWAC having the overall lead on the project, representing the community interest but with no legal status/contractual capacity.
- Council having a technical and administrative support role, being a significant funder and having most of the contractual obligations to meet.
- DamCo being a private company with two directors – Murray King and Julian Raine – but no funds.

- 8.2 It is most likely that the project manager will be working for the benefit of both DamCo and the Council. There will need to be an agreement about roles and responsibilities – a service level agreement. DamCo when activated is likely to look to Council to provide a guarantee that the company's obligations and especially its financial liabilities can be met. Without such an agreement the directors will not be able to meet their obligations and the company will not function unless it gets other funding.
- 8.3 It is necessary for Council to ensure that the funding and guarantees that the company receives from the Council are secured against that company's assets. The primary asset in the short term will be the resource consent. If Council approves the additional funds sought, an agreement on these terms will be proposed for Council's and DamCo's approval. The independent advice that DamCo will need about that agreement will of course be one use of the funding we seek from Council.
- 8.4 In similar situations in other places best risk management practice suggests that the agreement should provide for governance level input and overview (perhaps a director on the DamCo board) and regular monitoring and reporting by your management team to Council.

**9. Consideration of Financial or Budgetary Implications**

9.1 The funding proposal is based on the allocation of benefits and cost for the proposed dam. The funding split among users is based on the existing allocation model from previous Lee Valley Dam projects, but has been modified to recognise the public good component of the proposed dam (i.e. the environmental flows). The proposed split is as follows:

	%
Environmental Flows - to be funded by general rate	30%
Water users	70%
	100%

Water Users funding split

TDC – Urban water users	25%
<u>External Funding</u>	75%
Split between	
Targeted Rate	20%
Water Permit Users	80%

Note: External funding split is based on historical funding split for other Lee Valley Dam projects.

9.2 Overall, the funding split is as follows:

General Rate - Environmental Flows	30%
TDC Urban Water Users	18%
Waimea Water Augmentation (Lee Valley)	
Targeted Rate	11%
Water User Permits	42%
	100%

9.3 Based upon the above funding split we propose that the project costs be funded as follows: (These figures are rounded to the nearest \$000. Also the external water user charges have been moderated to show a 5% increase for both the targeted rate and the water permit users. This moderation was undertaken as the external water users fund did not exactly match a 20% targeted rate/80% water permit users split. This moderation is allowed under the Local Government Act, as under Section 101 (3) (b) we need to consider the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.)

<u>Summary</u>	(\$000's)	(\$000's)	<u>Annual Rate Effect</u>
	<u>Total</u>	<u>Annual amount</u>	
<b>Total</b>	<b>\$380</b>	<b>\$190</b>	
<u>TDC</u>			
General Rate	114	57	0.26% increase
Urban Water account	58	29	Daily charge increase 0.3 cents incl GST, m3 charge increase 1 cent incl GST.
	<b>172</b>	<b>86</b>	
<u>External Water Users</u>			
Targeted Rate	46	23	5% increase /\$1.28 incl GST increase
Water Permit Users	162	81	5% increase /see below
	<b>208</b>	<b>104</b>	
<b>Total</b>	<b>\$380</b>	<b>\$190</b>	

- 9.4 The \$81,000 required from permit holders in the Delta, Waimea West, Golden Hills, Lower Confined, Reservoir, Hope and Upper Confined Water Management Zones will require changes to the current levy as follows

<u>Water Permit Users</u>	Current Charge (Incl GST)	Increased Charge (Incl GST)
Less than 250 m <sup>3</sup> /day	\$192.50	\$202.10
250 – 499 m <sup>3</sup> /day	\$223.50	\$234.65
500 – 999 m <sup>3</sup> /day	\$327.50	\$343.90
1,000 – 2,499 m <sup>3</sup> /day	\$515.00	\$540.75
2,500 – 4,999 m <sup>3</sup> /day	\$940.00	\$987.00
5,000 – 14,999 m <sup>3</sup> /day	\$1,575.00	\$1,653.75
15,000 – 49,999 m <sup>3</sup> /day	\$3,457.00	\$3,629.85
50,000 m <sup>3</sup> /day or more	\$9,969.00	\$10,467.45

- 9.5 This levy has not been changed in the last three years so permit holders may be concerned about the proposed increase but it fairly reflects the benefit cost apportionment. The general rate payer may feel equally aggrieved in that the feasibility stage has not for the last three years had a direct general rate input (largely because of central government funding which is no longer available) but again there is wider public benefit is completing the project to the point where a decision can be made about construction.

**10. Significance**

- 10.1 While the request for additional funding to cover the completion of the investigations phase is, in itself, not materially significant, the Lee Valley Dam is a significant project for Council. The opportunity to harvest water by way of a dam involves a significant financial commitment from the community. While the current intention is for a stand-alone company to manage the dam, with Council as a shareholder, use of the Council's rating powers to fund the dam is a contentious issue. Using these powers effectively means the Council will be guarantor for the cost of the dam. This too is a significant decision according to the Council's Significance Policy because of the financial, economic, and environmental issues surrounding the water augmentation proposal. As such the proposed Lee Valley Community Dam, and Council's involvement in it, will trigger the use of the Special Consultative Procedure.
- 10.2 Not having a dam means the Council will have to review the minimum flow standards for the Waimea River in the TRMP which in turn will see a reduction in permitted allocations to consent holders, including the Council itself. This course of action will also be contentious.

**11. Consultation**

- 11.1 There is currently a work programme to consult on water management options covering both a dam and no-dam scenario as part of the TRMP work programme. There is an expectation, and Council commitment to consult further on funding options. The request for project management funding will facilitate this.
- 11.2 The funding proposals will be included in the draft 2013/2014 Annual Plan for consultation.

**12. Conclusion**

- 12.1 There is widespread acceptance of the need to improve security of supply and redress the issues of over-allocation of the water resource in the Waimea Plains. How this should be done continues to be a matter for debate. It is important that the investment into investigating solutions continues to the point where the Council, and the community, can make informed decisions on the best way forward. Further funding is required to achieve this in the 2013-2014 Annual Plan.

**13. Next Steps / Timeline**

- 13.1 The funding bid has implications on the general rate, an increase in the Waimea Water Augmentation (Lee Valley Dam) rate and the water permit levy. If Council agrees these increases will be included in the 2013-2014 Annual Plan for public consultation.



**8.2 Appendices**

Nil



**7.10 SCHEDULE OF CHARGES****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Sandra Hartley, Executive Officer - Strategic Development
<b>Report Number:</b>	RCN13-02-10
<b>File Reference:</b>	A507

**1 Summary**

- 1.1 Under the Local Government Act 2002 the Schedule of Charges is a method by which Council sets fees for the recovery of some of the costs associated with its services. This Schedule is reviewed annually and once approved by Council it is included in the Draft Annual Plan for consultation. Council considers all submissions to the Draft Annual Plan, makes changes if necessary, and adopts the final Annual Plan in June and changes to fees and charges generally come into effect on 1 July each year.

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

- receives the Schedule of Charges Report RCN13-02-10; and**
- agrees to include in the Draft Annual Plan 2013/2014 the Schedule of Charges attached in Appendix 1.**

<b>3 Purpose of the Report</b>
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|---|
| 3.1 To seek Council approval for changes to the Schedule of Charges for inclusion in the Draft Annual Plan 2013/2014. |
|---|

<b>4 Background and Discussion</b>
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- |   |
|---|
| 4.1 Under the Revenue and Financing Policy, Council can set a Schedule of Charges to recover some costs associated with Council services. Some of these charges are set by statute (e.g. Sale of Liquor Act 1989), others are set by Council. Council staff review these charges annually and recommend any changes, additions/deletions to Council. After Council consideration, the Schedule of Charges is adopted and included in the Draft Annual Plan for public consultation.   |
| 4.2 Most fees and charges have been inflation adjusted in the attached schedule. This includes the hourly charge-out rate for recovering staff costs, which is proposed to increase from \$138.00 to \$140.00 per hour.   |
| 4.3 Fees that have not been increased are because staff consider that the existing fee is reasonable for the service provided, or that budgets can be met from current fees, or in some instances Council costs have reduced.   |
| 4.4 Most of the Community Services charges have been inflation adjusted, with the exception of Library charges, which have remained the same as 2012/2013. There is one addition to the Library charges, being the "Hot Picks Collection" charges. A further addition has been the inclusion of hire charges for Council owned halls.   |
| 4.5 Most of the Engineering charges have been inflation adjusted, with the exception of Solid Waste charges. It is proposed that the rate for disposal of commercial waste at the Richmond Resource Recovery Centre be increased by \$2.60 (inc GST) per tonne. In addition staff are currently considering charges for electronic waste and if available will be included in the schedule of charges for the 14 March 2013 Council meeting.  |
| 4.6 There have been some additions to the Wharfage Charges, with the "Berthage of a vessel at Council owned wharf or floating jetty (Port Mapua) and Council owned wharf at Riwaka". The "Road Opening Permit Fees" has been deleted as this is now covered by the "Corridor Access Request (CAR)" fee; and the "Aerodrome Movement Definition" has been deleted because it implies that an aircraft that is in the operational airspace or below 150 feet at the aerodrome should be charged a landing fee. It is proposed to only charge those aircraft that land at the aerodrome. |
| 4.7 Council has an objective of Port Tarakohe operating at a break-even level and discussions will occur with users of the Port on any further amendments required to the proposed Schedule of Charges for this facility.   |
| 4.8 Most of the Environment & Planning charges have been inflation adjusted, with the exception of Sale of Liquor charges which are controlled by statute, and dog control charges, as this account has generated more income from increased registration numbers and infringement fees. Some other charges have been held the same as last year where staff considered the existing fee to be reasonable for the service provided. One addition is   |

the Registration of an existing swimming pool under the Fencing of Swimming Pools Act. A deletion has been the Certification of Free Sale under the Sale of Liquor charges.

- 4.9 Corporate charges have remained the same as last year.

## **5 Options**

- 5.1 Approval of the Schedule of Charges

That Council approves the proposed Schedule of Charges for consultation as part of the Draft Annual Plan 2013/2014. This is the recommended option.

- 5.2 Amend the Schedule of Charges

Council could chose to amend the proposed charges on a fee by fee basis and then approve the amended Schedule of Charges for inclusion in the Draft Annual Plan 2013/2014.

## **6 Strategic Challenges / Risks**

- 6.1 The main risk is that if the charges are not implemented, Council will have a shortfall in income.

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

- 7.1 The Schedule of Charges is included in the Draft Annual Plan, and therefore the public have the opportunity to submit on the charges as part of the Special Consultative Procedure for this Plan.

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

- 8.1 Increasing fees reduces the amount required to fund activities from General Rates or Targeted Rates. The proposed changes are reflected in the draft department budgets.

## **9 Significance**

- 9.1 Fees and charges have a moderate level of significance to most members of the public, and a high level of significance to some customers. Therefore the Schedule of Charges is consulted on through the Draft Annual Plan process.

## **10 Consultation**

- 10.1 Consultation will be undertaken when the Draft Annual Plan is released, using the Special Consultative Procedure, during the period specified below.

**11 Next Steps / Timeline**

11.1 Following Council approval of the Schedule of Charges, the Schedule will be incorporated in the Draft Annual Plan 2013/2014, which will then go through the Special Consultative Procedure as outlined in the Local Government Act 2002. Submissions to the Draft Annual Plan 2013/2014 will be called for from mid-March 2013, closing mid-April 2013. Submission hearings will be between 8 and 17 May 2013.

**12 Appendices**

1. Schedule of Charges

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# Part 3 – Schedule of Charges

## Schedule of Charges

(Disclaimer: Note that the fees and charges contained in this Schedule may change during the year.)

The Tasman District Council, acting under the Local Government Act 2002, hereby prescribes the following charges. The charges shall come into force on 1 July 2013. The charges shall remain in force until amended by Council resolution, which may occur during the year, except for Solid Waste charges which can be amended by the Chief Executive under delegated authority.

Unless otherwise specified, the charges set out become due and payable on the 20<sup>th</sup> day of the month after the issue of an invoice.

### Summary of Changes:

At the time of preparing the Draft Annual Plan Council proposed adjusting most fees by inflation (with some rounding), except Library charges, some Corporate charges, dog registration, solid waste and sale of liquor charges, which remain the same as in 2012/2013. The main changes proposed in this Draft Annual Plan are:

- Increasing the hourly rate from \$138.00 to \$140.00
- Increasing “Alterations to Designations” from \$500 to \$900 under Resource Management Miscellaneous
- Adding “Hot Picks Collection” to Library charges
- Adding Hall Hire Charges for Council owned halls
- Adding “Berthage of a vessel at Council owned wharf or floating jetty (Port Mapua)” and “Council owned wharf at Riwaka” from Wharfage and Berthage charges”
- Reduction in solid waste charges per tonne rate in Mariri, Takaka, Murchison, and Special Waste to Eves Valley
- Deleting “Certificate of Free Sale” from sale of liquor charges
- Deleting “Road Opening Permit Fees” from Engineering charges
- Deleting “Aerodrome Movement Definition” from aerodrome charges.

Resource Management	Charges from 1 July 2013 including GST
<p><b>Resource Consent Applications</b></p> <p>The Council has resolved to generally fix charges in accordance with Section 36(1) of the Resource Management Act 1991 for processing resource consent applications and carrying out reviews based on a formula of hourly rates multiplied by the actual and reasonable time required to carry out the activity, plus the costs of disbursements and specialised advice.</p> <p>For the activities to which this formula applies, the Council requires payment of minimum lodgement fees (deposits) as listed below but reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment &amp; Planning Manager if processing activity is protracted over time or will incur substantial costs over and above the listed lodgement fees.</p> <p>For some specific functions a standard charge applies as listed below.</p> <p>Where the formula or standard fee is inadequate to enable the Council to recover the actual and reasonable costs that are or will be incurred to carry out an activity, or where the Council considers that additional charges are warranted, they may be imposed under section 36(3) and are subject to rights of objection.</p>	
<p><b>Non-notified Applications</b></p> <ul style="list-style-type: none"> <li>• Right-of-Way Application (S.348 Local Government Act)</li> <li>• The following Land Use Consents:               <ul style="list-style-type: none"> <li>– Signs</li> </ul> </li> </ul>	\$500.00 Deposit

Resource Management	Charges from 1 July 2013 including GST
<ul style="list-style-type: none"> <li>– Trimming/Pruning of protected tree(s)</li> <li>– Minor Repair or Addition to heritage building or structure</li> <li>– Bore permit</li> <li>– Minor building set-back or coverage breaches with affected parties approvals supplied</li> <li>– Three or more dogs in residential zones with affected parties approvals supplied</li> <li>• Replacement Water Permit (to dam, divert, take or use water)</li> <li>• Replacement Discharge Permit (to land, water or air)</li> <li>• Replacement Coastal Permit</li> <li>• Certificate of Compliance (S.139 Resource Management Act)</li> <li>• Existing Use Certificate (S.139A Resource Management Act)</li> <li>• Change or Cancellation of Consent Condition(s) (S.127 Resource Management Act)</li> <li>• Change or Cancellation of Consent Notice (S.221(3)(b) Resource Management Act)</li> <li>• Extension of lapsing period (S.125 Resource Management Act)</li> <li>• Part transfers of a permit (S.136 and S.137 Resource Management Act)</li> <li>• Transfer of Water Permit to new site (S.136(2)(b) Resource Management Act)</li> <li>• Transfer of Discharge Permit to a new site (S.137(3)(b) Resource Management Act)</li> <li>• Alteration of Existing Designation (Notice of Requirement S.181 Resource Management Act)</li> </ul>	
<p><b>Non-notified Applications</b></p> <ul style="list-style-type: none"> <li>• Any Land Use Consent not listed in the box above including, but not limited to, the following: <ul style="list-style-type: none"> <li>– Dwelling or building (including setback and coverage breaches)</li> <li>– Land Use Activities not permitted in zone</li> <li>– Removal of protected tree(s)</li> <li>– Earthworks/Land Disturbance/Vegetation Clearance</li> <li>– Hazardous Facilities</li> <li>– Dam structure</li> </ul> </li> <li>• New Discharge Permit (to land, water or air) excluding dust suppression discharge permits (refer under Miscellaneous on next page)</li> <li>• New Water Permit (to dam, divert, take or use water)</li> <li>• New Coastal Permit</li> <li>• New Notice of Requirement</li> <li>• New Heritage Order</li> </ul>	\$900.00 Deposit
<p><b>Non-notified Applications</b></p> <ul style="list-style-type: none"> <li>• Subdivision</li> </ul>	\$1,200.00 Deposit
<p><b>Notified and Limited notification</b></p> <p>All applications under the Resource Management Act requiring notification, including applications requesting change or cancellation of consent conditions or notified S.128 reviews. (Additional deposits may be required)</p>	\$5,000.00 Deposit
<p><b>Non-notified Application Hearing</b></p> <p>All non-notified applications under the Resource Management Act requiring a hearing, including applications requesting change or cancellation of consent conditions or notified S.128 reviews. (Additional deposits may be required)</p>	\$5,000.00 Deposit
<p><b>Administration, Monitoring and Supervision</b></p> <p>A standard monitoring fee of \$140.00 will be applied to all land use, coastal and discharge consents where monitoring is required, except where a specific charge otherwise applies. Monitoring outside of the first review will be subject to the “Re-inspection Fee” outlined under Miscellaneous on next page</p>	



Resource Management	Charges from 1 July 2013 including GST
<b>Additional Subdivision Costs</b>	
Use of Council Seal (e.g. Covenants holding land together S.221(2)(a), Easements in Gross in favour of Council). In the case of Easements in Gross, these are usually established after S.224(c) approval but the \$185.00 will be charged (if applicable) in advance when the total costs of S.223, S.224 and Engineering Plan Approvals are calculated.	\$185.00
Approval of Survey Plan under S.223 Resource Management Act, Approval of Engineering Plans, and Completion Certificate under S.224 Resource Management Act. No deposit is required for any of these activities. Actual Council staff time and actual costs of consultants, including disbursements, will also be charged.	\$140.00/hr

Miscellaneous	Charges from 1 July 2013 including GST
Pre-application advice after the first hour of staff time (Deposits may be required or interim charges made prior to application lodgement)	\$140.00/hr
Dust suppression discharge permit – existing permit holders	\$70.00
Dust suppression discharge permit – new permit applications	\$140.00
Alterations to Designations	\$900.00 Deposit
Outline plan consideration (S.176A Resource Management Act)	\$300.00 Deposit
Bond Administration Fee	\$140.00
Certificate under Overseas Investment Act 2005	\$500.00 Deposit
Certificate of Compliance for Sale of Liquor Act	\$140.00
Document Execution: Documents requiring Council resolution, Certification or Council Seal e.g. S221, 226, 241, 243, RMA S321, 327A, LGA, Covenants and Caveats Plus actual cost (over 30 minutes)	\$185.00 \$140.00/hr
Lodgement fee for objections under S.357, 357A and 357B Resource Management Act 1991. Additional costs of processing objections including hearings may be charged in accordance with the general rules set out in this Schedule depending on the merits of the objection. Additional deposits may be required.	\$200.00 Deposit
Review of Consent Conditions Request for review from consent holder All reviews carried out under Section 128 Resource Management Act 1991	\$500 deposit \$140.00/hr
Monitoring due to repeat non-compliance	\$140.00/hr
Water meter reading fee (following failed water meter returns)	\$215.00
Request for a Preparation of Plan Change	\$6,000.00 Deposit
Requirements for Designations or Heritage Orders	\$5,000.00 Deposit
Transfer of Consents to new owner (S.135(1)(a), S.136(1), S.136(2)(a), or S.137(2)(a) Resource Management Act)	\$70.00
Return of property seized under S.232 and 328	\$95.00 per item

Item 7.10

Miscellaneous	Charges from 1 July 2013 including GST
	\$10.00 per week storage
Applications for Road Stopping (S.342 LGA) Additional deposits may be required.	\$1,000.00 Deposit

Attachment 1

Building Control	Charges from 1 July 2013 including GST
<b>Building Consents</b>	
Includes issue of consent, inspections and code compliance certificate. All applications for building consent shall be accompanied by a deposit of \$500.00 or the actual charge whichever is the lesser amount. The balance of any charge will be invoiced along with government and other levies when the consent is ready for issue.	
Residential Dwellings	
New Dwellings:	
Single Storey up to 120m <sup>2</sup> Total Floor Area	\$2,273.00
Single Storey 121m <sup>2</sup> – 250m <sup>2</sup> Total Floor Area	\$2,919.00
Single Storey 251m <sup>2</sup> + Total Floor Area *deposit	\$3,430.00
New Multi storey	\$3,657.00
Attached Dwellings, including Multi Storey	\$4,490.00
Relocated Dwelling	\$1,384.00
Multi-proof Consent	Based on applicable fee for works, less 10%
Proprietary kitset buildings involving no more than two inspections (i.e. carports, kitset garages and outbuildings)	\$957.00
Minor Consents involving one inspection (e.g. log burners, solar heating panels, wetback connections and building work under the value of \$2,500)	\$241.00
Additional fees (per inspection) will be charged if additional inspections are required	\$140.00
All Other Building work. (Excluding commercial).	
Value:	
\$2,001 to \$5,000	\$615.00
\$5,001 to \$10,000	\$950.00
\$10,001 to \$19,999	\$1,215.00
\$20,000 to \$49,999	\$1,547.00
\$50,000 to \$99,999	\$2,053.00
\$100,000 to \$249,999	\$2,620.00
\$250,000 to \$499,999	\$3,408.00

Building Control	Charges from 1 July 2013 including GST
Commercial Building Work (buildings requiring assessment in terms of accessibility, fire safety and those buildings accessible to the public) Value:	
\$2,001 to \$19,999	\$1,080.00
\$20,000 to \$49,999	\$1,859.00
\$50,000 to \$99,999	\$2,304.00
\$100,000 to \$199,999	\$2,872.00
\$200,000 to 299,999	\$3,461.00
\$300,000 to \$499,999	\$4,488.00
Commercial and all other building work Value:	
\$500,000 to \$999,999	\$5,485.00
\$1,000,000 to \$3,999,999.	\$6,000.00 Deposit
\$4,000,000 and not elsewhere covered.	\$7,600.00 Deposit
Building consent for the demolition of buildings > 60m <sup>2</sup>	\$233.00
Amended Plans after Consent granted and before Code Compliance Certificate.	\$240.00 Deposit
Plan Rechecking Fee A surcharge will be added when plans are returned for a third time, and any subsequent occasion, for rechecking	\$140.00
* Note: It is Council policy to apply a standard charge as above, however, it reserves the right to assess individual cases as required. Additional charges may be requested by virtue of Section 219(2) of the Building Act 2004 if costs incurred exceed the standard charge. Applications that require consultation with New Zealand Fire Service or Historic Places Trust will have costs recovered. Review of engineer design buildings by consultant will be charged at cost.	
On site wastewater installation only building consent	\$950.00
<b>Associated Building Costs (GST inclusive)</b>	
BRANZ Levy < \$20,000 assessed value > \$20,000 assessed value	Nil \$1/\$1,000 value of project
DBH Levy < \$20,000 assessed value > \$20,000 assessed value	Nil \$2.01/\$1,000 value of project
Building Consent Authority Accreditation Fee (per consent)	\$10.00
Building Certificates required under other legislation (e.g. Sale of Liquor Act 1989) Plus inspection charge (if required)	\$190.00 \$140.00
Building Warrant of Fitness Inspections Deposit if required	\$145.00 \$140.00

Building Control	Charges from 1 July 2013 including GST
Compliance Schedule Issued under Section 100/106 of the Building Act 2004 for new applications and/or New Schedule *deposit	\$320.00
Amendments	\$240.00
Alterations to schedule linked to Building Consent	\$64.00
Swimming Pool Building Consent Fee No Registration Fee required	\$300.00
Registration of an existing swimming pool under the Fencing of Swimming Pools Act (requires inspection)	\$295.00
Swimming Pool Fencing Exemption Fee Deposit (plus any additional costs associated with staff time, hearings and inspections)	\$240.00
Notice to fix Where consent held	\$112.00
Where no consent is held	\$224.00
Building Code Waivers Including Section 72, Section 75 decision, plus legal disbursements	\$240.00 Deposit
Application for Certificate of Acceptance (Section 97 of the Building Act 2004) has a \$745.00 deposit fee. Applicants will be charged a \$240.00 application fee, plus fees, charges or levies that would have been payable had building consent been applied for before carrying out the work. Any structural checks or other engineering checks, where appropriate will be charged out at cost. The deposit will be a down- payment towards these costs.	\$745.00 Deposit
Re-inspection for any purpose including Code Compliance Certificate (per inspection).	\$140.00
Lodgement of building report on file including Schedule 1 reports	\$80.00
Work completion extension request	\$140.00
Work start extension request	\$140.00
Documents requiring Council resolution, certification or Council seal Plus actual cost (over 30 minutes) and any legal disbursements	\$192.00 \$140.00/hr
Certificate of Public Use – Section 363A Building Act 2004	\$337.00
Dam classification application plus consultant costs	\$171.00
Monthly Building Consent list	\$187.00 pa
Project Information Memoranda (PIM) - voluntary document. New construction, additions/alterations	\$275.00
Territorial Authority Checking Fee (where PIM not applied for)	\$275.00
PIM/TAN Re-check Fee	\$165.00
Lodgement fee for reviews of non-residential Development Contribution assessments included in the Development Contribution Policy	\$210.00
Development Contribution Administration Surcharge	\$37.00
Consultancy Specific design peer reviews	At cost

Miscellaneous Building Control	Charges from 1 July 2013 including GST
Land Information Memorandum requested under the Local Government Official Information and Meetings Act 1987	
Residential	\$256.00
Commercial/Industrial	\$390.00
Large properties involving more than one certificate of title will be quoted accordingly.	
Note: Should a special request be made that results in a field inspection and/or substantial research, Council reserves the right to charge any additional fees that are appropriate, based on the amount of time required to provide the requested information.	
Property Enquiries – Access to Council Records	
File Access	\$10.00
Files transferred to CD	\$15.00 per file
Property/Rates Printout	\$4.00 each
Note: Frequent user discount is available as follows:	
<b>Option 1</b>	
A lump sum of \$1,229.00 payable annually in advance for a company gives access to an unlimited number of files.	
<b>Option 2</b>	
A coupon-based system. Each coupon will enable access to five site files. For residential files the cost per coupon is \$49.00 and for commercial and industrial files, the cost per coupon is \$128.00	
Environmental Health	Charges from 1 July 2013 including GST
<b>Food Premises</b>	
New premises application fee	\$139.00
Premises selling pre-packaged food only	\$171.00
Where gross floor area of premises is less than 50m <sup>2</sup> *	\$364.00
Where gross floor area of premises is between 50m <sup>2</sup> and 100m <sup>2</sup> *	\$423.00
Where gross floor area of premises is between 100m <sup>2</sup> and 200m <sup>2</sup> *	\$460.00
Where gross floor area of premises exceeds 200m <sup>2</sup> *	\$588.00
<i>* Holders of these food registration certificates are permitted to sell from stalls at remote locations after applying to Council and in compliance with any conditions which may be imposed.</i>	
Food premises operating an Accredited Food Control Plan	\$81.00 admin fee Plus Audit fee \$140.00/hr
Re-inspection for non-compliance	\$140.00
Secondary Registration	\$86.00
<b>Food Stalls</b>	
(a) Charity/Fundraising	No fee
(b) No Food Preparation (e.g. low risk and on selling pre-packaged food) - Annual Registration	\$54.00
(c) Food prepared in a registered kitchen (Pre-made food, muffins, preserves, includes sale of eggs) - Annual Registration	\$86.00
(d) Food Preparation/Cooking on Site (BBQs, sandwiches, hot food, coffee, ice cream etc)	

Environmental Health	Charges from 1 July 2013 including GST
- Annual Registration - One-off or maximum of three occasions	\$165.00 \$86.00
<b>Fruit and Vege @ Occasional Markets</b> Registration issued to market organiser only	\$82.00
Camping Ground Registration Fee – Basic Fee Plus 50c for every camp site	\$256.00
Funeral Directors Registration Fee	\$256.00
Hairdressers Registration Fee	\$165.00
Offensive Trade	\$236.00
Transfer of Registration Fee	\$86.00
Late Payment Fee	Additional 20%
<b>Trading in Public Places Bylaw 2010</b> Mobile Traders	\$86.00
Hawker's Licence	\$49.00
Commercial Services	\$49.00
Soliciting Donations, selling street raffle tickets, and buskers	No fee
Registered Premises Exemption Fee Deposit (plus any costs associated with staff time, hearings, and inspections)	\$241.00

Sale of Liquor	Charges from 1 July 2013 including GST
Applications involving Agency Hearing	\$289.00
BYO On Licence	\$135.00
Caterer's Off Licence	\$135.00
Club Liquor Licence	\$793.00
Liquor Off Licence	\$793.00
Liquor On Licence	\$793.00
Manager's Certificate	\$135.00
Redefinition Application	\$76.00

Sale of Liquor	Charges from 1 July 2013 including GST
Re-inspection following non-compliance	\$102.00
Special Licence	\$64.00
Temporary Authority Order	\$135.00
Gambling Venue Consent – Deposit fee only	\$331.00

Dog Control	Charges from 1 July 2013 including GST
Registration Fees: Urban Dogs	\$50.00
Rural	\$30.00
Disability Assist Dogs	No charge
Search and Rescue Dogs	No charge
Late payment fee	Additional 50%
Impounding Fees: 1st impounding	\$70.00
Neutered dogs	\$35.00
2nd impounding	\$90.00
Neutered dogs	\$50.00
3rd impounding or further impounding	\$110.00
Neutered dogs	\$65.00
Sustenance	\$13.50/day
Drop Off Fee (where dogs are not impounded)	\$30.00
Micro-chipping impounded dogs if required	\$25.00
Owners whose dog is de-sexed during the registration year following its impounding will receive a \$30 refund	
Kennel Licence:	
Initial Application	\$100.00
Annual Renewal	\$40.00
(plus any additional costs associated with staff time, hearings and inspections)	
Replacement registration tag or disk	\$5.00

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2013 including GST
<b>Gravel/Shingle Extraction Fees</b>	
Waimea/Wairoa Rivers	\$5.60/m <sup>3</sup>
Wai-iti	\$5.60/m <sup>3</sup>
Upper Motueka (including all tributaries above Baton Bridge)	\$5.60/m <sup>3</sup>
Lower Motueka (including all tributaries below Baton Bridge)	\$5.60/m <sup>3</sup>
Moutere	\$5.60/m <sup>3</sup>
Riwaka/Marahau/Sandy Bay	\$5.60/m <sup>3</sup>
Takaka and Tributaries	\$5.60/m <sup>3</sup>
Aorere and Tributaries and other Golden Bay Rivers	\$4.00/m <sup>3</sup>
Buller	\$2.90/m <sup>3</sup>
Other Rivers, Streams and Coastal Marine Area	\$4.00/m <sup>3</sup>
Gravel extraction outside of the above-listed areas on freehold land within the river berm area inundated by an annual flood	\$2.20/m <sup>3</sup>
Gravel extraction on freehold land outside of the river berm area inundated by an annual flood	Actual and reasonable monitoring charges at \$140.00/hr
Sand in Lower Motueka River (including all tributaries below Baton Bridge)	\$2.20/m <sup>3</sup>
<b>Coastal Structures – Annual Charges</b>	
Coastal Structures per consent: Aquaculture Activity	
0 – 10 lines	\$450.00
Each additional line	\$25.00
Other structures (excluding structures that extend landward of MHWS)	\$100.00
<b>Water Permit Annual Charges</b>	
For stock water, private domestic use, fire fighting, cooling, private community water supplies, recreational uses, institutions, seawater takes and permits to take water to or from an irrigation dam, reservoir, pond, seepage hole or embayment irrespective of the quantity authorised.	\$130.00
For all other permits to take water, the fee is based on the daily quantity of water authorised as set out below.	
Less than 250 m <sup>3</sup> /day	\$185.00
250 – 499 m <sup>3</sup> /day	\$260.00
500 – 999 m <sup>3</sup> /day	\$365.00
1,000 – 2,499 m <sup>3</sup> /day	\$495.00
2,500 – 4,999 m <sup>3</sup> /day	\$800.00
5,000 – 14,999 m <sup>3</sup> /day	\$1,375.00



Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2013 including GST
15,000 – 49,999 m <sup>3</sup> /day	\$3,000.00
50,000 – 299,999 m <sup>3</sup> /day	\$9,000.00
300,000 m <sup>3</sup> /day or more	\$24,500.00
A discount of 33% shall apply to permits in the Upper Buller and Aorere West Coast Water Management Zones for the above water permit annual charges.	
Waimea Water Augmentation Feasibility Study – An additional monitoring surcharge for permit holders in the Delta, Waimea West, Golden Hills, Lower Confined, Reservoir, Hope and Upper Confined Water Management Zones will be as follows:	
Less than 250 m <sup>3</sup> /day	\$192.50
250 – 499 m <sup>3</sup> /day	\$223.50
500 – 999 m <sup>3</sup> /day	\$327.50
1,000 – 2,499 m <sup>3</sup> /day	\$515.00
2,500 – 4,999 m <sup>3</sup> /day	\$940.00
5,000 – 14,999 m <sup>3</sup> /day	\$1,575.00
15,000 – 49,999 m <sup>3</sup> /day	\$3,457.00
50,000 m <sup>3</sup> /day or more	\$9,969.00
Water Meter Levy on consented takes where meter is required to be installed	\$100.00/meter
For Permits to Dam Water	
- Damming for non-water take purposes or a take from storage consent is held.	\$50.00
- Consented damming for water take purposes	\$130.00
<b>Discharge Permits (Water or Contaminant) Annual Charges</b>	
Permits to discharge scour water from dams and pipelines, for water resource augmentation, spillway and compensation flows, minor cooling water discharges, minor spraying operations and flood/drainage discharges and stormwater related to commercial and industrial activities	\$100.00
Dairy shed and piggery discharges (including laboratory costs)	\$370.00
Fish Farming	
Less than 1,000 m <sup>3</sup> /day authorised discharge	\$100.00
1,000 – 4,999 m <sup>3</sup> /day	\$250.00
5,000 – 14,999 m <sup>3</sup> /day	\$685.00
15,000 – 49,999 m <sup>3</sup> /day	\$1,400.00
50,000 – 99,999 m <sup>3</sup> /day	\$3,500.00
100,000 m <sup>3</sup> /day or more	\$4,600.00

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2013 including GST
Food Processing Industries (including by way of example, abattoirs, fish processing, vegetable processing, dairy factories, wineries)	
Food processing waste water to land	\$250.00
Semi-treated/screened waste to water Authorised at less than 200 m <sup>3</sup> /day	\$330.00
200 – 999 m <sup>3</sup> /day	\$1,000.00
1,000 m <sup>3</sup> /day or more	\$2,000.00
Fully treated/unpolluted waste to water Authorised at less than 200 m <sup>3</sup> /day	\$100.00
200 – 999 m <sup>3</sup> /day	\$200.00
1,000 m <sup>3</sup> /day or more	\$400.00
Gravel Wash and Mining Discharges Less than 1,000 m <sup>3</sup> /day authorised	\$250.00
1,000 – 2,999 m <sup>3</sup> /day	\$400.00
3,000 m <sup>3</sup> /day or more	\$685.00
Sawmills, Timber Processing Discharges to land	\$250.00
Power Generation Discharges Less than 1,000 m <sup>3</sup> /day authorised	\$100.00
1,000 – 4,999 m <sup>3</sup> /day	\$250.00
5,000 – 24,999 m <sup>3</sup> /day	\$500.00
25,000 – 299,999 m <sup>3</sup> /day	\$725.00
300,000 m <sup>3</sup> /day or more	\$4,700.00
Sewage Effluents: Residential dwellings with septic tank systems on single title are exempt.	
Primary treated Less than 50 m <sup>3</sup> /day authorised	\$370.00
50 – 99 m <sup>3</sup> /day	\$695.00
100 – 999 m <sup>3</sup> /day	\$1,400.00
1,000 – 9,999 m <sup>3</sup> /day	\$3,300.00
10,000 m <sup>3</sup> /day or more	\$5,750.00

Resource Management: Administration, Monitoring and Supervision Charges of Resource Consents	Charges from 1 July 2013 including GST
<b>Secondary treated</b>	
Less than 50 m <sup>3</sup> /day authorised	\$350.00
50 – 99 m <sup>3</sup> /day	\$550.00
100 – 999 m <sup>3</sup> /day	\$995.00
1,000 – 9,999 m <sup>3</sup> /day	\$1,400.00
10,000 m <sup>3</sup> /day or more	\$2,350.00
<b>Tertiary treated</b>	
Less than 50 m <sup>3</sup> /day authorised	\$300.00
50 – 99 m <sup>3</sup> /day	\$450.00
100 – 999 m <sup>3</sup> /day	\$525.00
1,000 – 9,999 m <sup>3</sup> /day	\$700.00
10,000 m <sup>3</sup> /day or more	\$1,100.00
Discharges to land under Section 15(1)(d)	\$100.00
<b>Discharge Permits (Air) Annual Charges</b>	
Major air discharges (former Pt A [Clean Air Act] activities)	\$1,800.00
Minor air discharges (former Pt B [Clean Air Act] activities)	\$350.00
Minor Air Discharges (former Pt C [Clean Air Act] activities)	\$100.00

Commercial Operator's Licence	Charges from 1 July 2013 including GST
<b>Application Fee</b> Payable on initial application and in addition to the annual fee: (plus reimbursement for any reasonable and necessary additional costs incurred by Council in assessing an application, e.g. evaluation of seaworthiness, qualifications and experience).	\$214.00
<b>Annual Fee</b> For each multiple of either one power-driven vessel or up to a total of 15 kayaks, rafts, waka or similar vessels that are not power-driven with greater than 10hpw.	\$278.00
<b>Late Payment Fee</b>	Additional 20%

General Rules Applying in Respect of Charges

Charges will include all reasonable staff time associated with processing and assessing applications, excluding staff travel time to and from the site of the application and/or consent holder. Staff time will be charged at \$140.00 per hour inclusive of overhead component and GST from 1 July 2013. Costs associated with consent processing and assessment such as use of consultants and laboratory costs, where these skills cannot be provided by in-house staff, will be recovered at actual costs. This policy also applies to the monitoring of consent conditions where an annual charge is not made or where costs exceed the payable annual charge and Council elects to recover the difference.

Annual charges shall be due on 1 December or 30 days from the date of invoicing, whichever is the later, unless otherwise agreed in writing by Council. A standard administration fee of \$100.00 will be applied when a consent is deemed by the Council as not currently given effect to and the ability to give effect is not currently present.

Council reserves the right to require further deposits, interim payments or advance payments of amounts to be determined by the Resource Consents Manager or the Environment & Planning Manager if processing activity is protracted over time or will incur costs over and above the listed deposit or standard fees.

Where all or part of any deposit or charge is not paid, Council reserves the right not to process that application, or not to continue processing that application, in accordance with relevant statutory powers.

Reductions and waivers are generally not available. Reductions might be justified where the person liable to pay any charge reduces the costs to Council of carrying out its functions, including through self-regulation checks approved by Council.

There will be no charge on parties who choose to surrender a resource consent and provide written confirmation.

Where multiple resource consents are sought or required for related activities, the standard application lodgement fees (deposits) shall apply for each consent, except that the notification lodgement fee shall comprise one full deposit (\$5,000) plus 20 percent for each additional consent required provided that the Manager Consents or the Environment and Planning Manager have discretion to determine a lesser total lodgement fee when there are large numbers of separate consents required.

A 50% rebate applies to the annual charges for consents with consent-specific monitoring programmes where monitoring costs are being recovered separately. Specific arrangements will be made in relation to approved self-regulation inspections.

Where a consent is being renewed and the activity is continuing, the applicant shall continue to be liable to pay any annual and/or monitoring charge.

Hydroelectric power generation, suction dredging, and land based fish farming annual charges will be based on the discharge and not the take as long as the take and discharge are of equal volume. If there is a consumptive off-take then that portion of the take will attract the annual charge as for other consumptive takes. Consents to take will still attract the minimum standard water permit annual charge.

Annual charges levied on holders of resource consents will be recovered whether permits are exercised or not.

The cost of Councillor hearing panels are set by the Remuneration Authority and will be charged accordingly. Commissioner costs shall be charged at actual costs incurred. Where submitters request that a matter proceed to a hearing before independent Commissioners they shall meet the costs additional to those incurred had the matter have been heard by a panel of Councillors on the same time basis.

Solid Waste Charges	Charges from 1 July 2013 including GST
<b>RUBBISH BAGS (Tasman District Council sale price):</b> Small bags (45 litres) Big bags (60 litres)	\$1.70 each \$2.00 each
<b>MIXED REFUSE:</b> Account customers and vehicles over 3,500kg gross, where a Council provided weighbridge is available (includes \$10 central government levy) Richmond Resource Recovery Centre Mariri Resource Recovery Centre Takaka, Murchison, and Collingwood Resource Recovery Centres Other vehicles (Richmond, Mariri, Takaka, Collingwood, Murchison)	\$119.60 per tonne \$124.20 per tonne \$133.40 per tonne \$55.00 per m <sup>3</sup>
Greenwaste	\$18.80 per m <sup>3</sup>
<b>HARDFILL (WHERE ACCEPTED):</b> Where a Council provided weighbridge is available At other sites	\$20.00 per tonne \$40.00 per m <sup>3</sup>
<b>SCRAP METALS (WHERE ACCEPTED):</b> Scrap steel (sheet) Car bodies and other vehicles Whiteware	No charge No charge \$6.00 each
<b>RECYCLABLES (WHERE ACCEPTED):</b> Domestic customers and quantities less than 1.0m <sup>3</sup> Glass (bottles) – clean, colour sorted, Richmond Glass (bottles) – clean, colour sorted, Mariri Glass (bottles, whole) – clean, colour sorted, other locations Glass – mixed colour or contaminated Paper and cardboard (Richmond and Takaka only) Other materials	No charge No charge \$25.30 per tonne \$8.05 per m <sup>3</sup> At mixed refuse charge No charge By arrangement
<b>TYRES:</b> Car Car tyres on rims Truck Loader/Tractor or similar	\$8.00 each \$17.50 each \$25.00 each \$55.00 each
<b>HAZARDOUS WASTE:</b> Oils and Solvents Gas cylinders Batteries Other materials	No charge No charge No charge At disposal cost
<b>EVES VALLEY LANDFILL CHARGES:</b> Approved special wastes Special burial and documentation Light wastes (polystyrene and similar) Marine Waste (shells)	\$202.40 per tonne At cost \$70.50 per m <sup>3</sup> \$70.50 per m <sup>3</sup>

Note: Solid Waste Charges may be amended at any stage during the year by the Chief Executive. Council will advise the public of any price

increases by public notification at least one month prior to the new charges taking effect.

Engineering Charges	Charges from 1 July 2013 including GST
<b>PERMIT FEES</b>	
Vehicle Access Crossing (urban)	\$133.00
Vehicle Access Crossing (rural)	\$133.00
Corridor Access Request (CAR) – in accordance with the Utilities Access Act 2010 and as part of a Code for the Management of a Road Corridor. Additional fees (per site visit) will be charged if additional site visits are required.	\$238.00 \$140.00/hr
Water Tanker Permit (To comply with Council's Water Supply Bylaw 2009)	\$1,160.00 pa plus the current water rate per cubic metre for water consumed
Fencing on road reserve (also gates, other structures)	\$326 plus inspection costs
Licence to Occupy Road Reserve Application Fee plus actual Tasman District Council legal costs	\$253.00
Parking permit	\$36.00/day
Application for Tourist Facility Sign (\$100 refunded if consent refused)	\$191.00 plus actual costs
Fencing between private and Tasman District Council reserves land (subject to a case by case basis)	Half actual cost per linear metre or \$48.00 per metre whichever is the lower
Road Closure (events, parades)	\$338.00 (or actual costs for inspections and public notifications) plus \$2,000.00 bond plus insurance and public liability cover.
Officer's Inspection Fees	\$140.00/hr
Engineering Standards	\$104.00

## Water Connection Charges

### All rural extensions off urban supplies

Payable by a property that connects to the low pressure supply in one of the Group Account Rural Extension areas.

Connection Charge	Charges from 1 July 2013 including GST
Connection per property	\$4,289.00 plus outwork plus admin

### All Urban Supplies

Payable by all urban areas that form the Group Water Account.

Connection Charge	Charges from 1 July 2013 including GST
All urban areas	\$1,553.00 plus outworks plus admin
Special water reading fee	\$59.00 per reading

## Rural Water Supply Connection Charges

This is the fee payable to connect to the scheme, for:

Connection Charge	Charges from 1 July 2013 including GST
Dovedale Redwood Valley Eighty-Eight Valley	Only if capacity is available
First Unit Additional Units	\$4,289.00 plus outwork plus admin \$749.00 plus outwork plus admin
To alter the restrictor element, i.e. increase/decrease water allocation	\$207.00
To remove and/or relocate the restrictor	Outwork plus admin

## Water Supply Charges

To Be Included in the Draft Annual Plan 2013/2014

### Wastewater Connection Charges

District wide connection fees for new connections outside existing Wastewater UDAs	\$3,113.00 at building consent plus outwork plus admin
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### Wastewater Connection Fees for new connections within UDAs

Richmond, Wakefield, Brightwater, Hope , St Arnaud, Mapua, Ruby Bay, Kaiteriteri, Riwaka, Murchison, Motueka, Takaka, Collingwood and Tapawera	\$1,545.00 at building consent plus outwork plus admin
Pohara	Rated for Capital Costs plus outwork plus admin

### Wastewater trade waste charges

Conveying based on rate of discharge	\$9.00 per annum per litre per second
Treatment based on BODs	\$992.00 per annum per kilogram BOD per day
Wastewater pan charge	Equates to wastewater – operation and maintenance charge as set out in the table below
Method B – Definition 'C'. Cost to convey and treatment of sewerage	Equates to water supply – metered connections as set out in the table below

Administration charge items and terms

Trade Waste Discharges	Terms	
Temporary discharge charge	A charge payable prior to receipt of temporary discharge	\$382.00
Trade waste application charge	A charge payable on an application for a trade waste discharge	\$382.00
Annual trade waste consent charge	Annual management charge for holders of trade waste consents to cover Council's costs associated with: 1 Administration 2 Compliance monitoring 3 Inspection of consents	\$382.00

Motueka Aerodrome	Charges from 1 July 2013 including GST	Charges from 1 July 2013 including GST
AIRCRAFT TYPE	General Aviation User Charges (through honesty box)	Aerodrome Operators Charges (invoiced monthly)
Single Engine	\$6.00	\$59.00/month/aircraft
Twin Engine	\$8.00	\$82.00/month/aircraft
Helicopter	\$2.00	\$26.00/month/aircraft
Microlight / Homebuilt	\$6.00	\$43.00/month/aircraft
Glider	\$6.00	\$43.00/month/aircraft

NB: General Aviation User charges not paid through honesty box will incur a \$25.00 administration fee.  
Aerodrome operators that pay their landing charges at the time they submit their record of landings for the previous month will not incur the administration fee.

Aircraft Parking Charges for Visiting Aircraft using tie downs.

AIRCRAFT TYPE		
Small Engine		\$6.00 per day or \$500.00 pa
Twin Engine		\$8.00 per day or \$760.00 pa
Helicopter		\$6.00 per day or \$500.00 pa
Microlight/Homebuilt		\$5.00 per day or \$400.00 pa
Glider		\$5.00 per day or \$400.00 pa

NB: parking charges not paid through honesty box will incur a \$25.00 Administration fee

SPECIAL CHARGES

Special charges will be levied on activities such as driver training, drag racing and other activities not related to aircraft movements. These will be at the discretion of the Chief Executive Officer and will be evaluated on their own merit.

Notes:

- Interest charge of 12% per annum will be applied on a daily basis on any charges that remain unpaid at the end of the month of invoicing.
- Council is currently reviewing the charging regime for the Motueka Aerodrome and will undertake local consultation should this review recommend any changes.

Takaka Aerodrome	Charges	Charges
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Motueka Aerodrome	Charges from 1 July 2013 including GST	Charges from 1 July 2013 including GST
	from 1 July 2013 including GST	from 1 July 2013 including GST
<b>AIRCRAFT TYPE</b>	<b>General Aviation User Charges (through honesty box)</b>	<b>Aerodrome Operators Charges (invoiced monthly)</b>
Single Engine/Helicopter/Glider/Microlight		\$6.00
Twin Engine		\$8.00
NB * Charges that have to be invoiced by the Aerodrome Management Committee will incur a \$25.00 administration fee.		

Item 7.10

Wharfage and Berthage (all rates are GST inclusive, unless stated otherwise)\*

Berthage of a vessel at a Council-owned Wharf (Port Golden Bay - Tarakohe Harbour):	Charges from 1 July 2013 including GST
<b>All vessels</b>	
Passengers over the wharf (where no vessel berthed)	\$5.50 per person, over 5 years of age
Casual (daily)	\$3.70 per metre or 31 cents per gross registered tonnage, whichever is the greater, plus port charges (security, line party etc.)

Note: the charges may be varied by the Chief Executive where special circumstances exist.

Attachment 1

Berthage of a vessel at a Council-owned facility other than a wharf (Port Golden Bay -Tarakohe Harbour):		Charges from 1 July 2013 including GST
Type of berth and vessel	Minimum length charged	
Marina: recreational	8 metres	\$262.00 per metre
Piled walkway, commercial	8 metres	\$237.00 per metre
Floating up to 15 metres, commercial	10 metres	\$288.00 per metre
Floating over 15 metres, commercial	16 metres	\$335.00 per metre
Restricted access	8 metres	\$201.00 per metre
Recreational visitor on mooring or marina berth, vessel 15 metres or less		\$18.50 per day
Recreational visitor on mooring or marina berth, vessel more than 15 metres		\$24.00 per day
Fore and aft mooring: outer arm		\$1,165.00
Live aboard		\$70.00 per month plus outgoings
Tarakohe Boat Ramp Barrier Arm		\$7.00 per use
Pohara Boat Club Members boat ramp access		\$75.00 per annum Fees collected & paid by Pohara Boat Club prior to Issue of card (plus \$10 for each access card)
Non-Pohara Boat Club members boat ramp access		\$155.00 per annum (plus \$10.00 for each access card)

\* These charges may be reviewed at any stage during the year by Council resolution

Berthage of a vessel at Council-owned wharf or floating jetty (Port Mapua):	Charges from 1 July 2013 including GST
<b>Commercial vessels</b> (including fishing vessels, marine farming vessels, commercial passenger and/or non-passenger vessels)	
Casual berthage (per day or part-day, applies after six hours occupation, berthage in excess of seven days only by written approval of Council's duty Harbourmaster)	\$2.00 per metre overall length
Passengers over the wharf or jetty (where no vessel berthed)	\$0.50 per person, over 5 years of age
<b>Recreational vessels</b>	
Casual berthage (per day or part day, applies after six hours occupation, berthage in excess of seven days only by written approval of Council's duty Harbourmaster)	\$10.00 - up to ten metres overall length \$15.00 - over ten metres overall length
<b>All vessels</b>	
Berthage at inspection grid (per day or part day, occupation permitted only in emergency, or for <i>bona-fide</i> inspections or maintenance by prior arrangement with Council or authorised wharfinger)	\$5.00
Live-aboard surcharge (per day or part-day, applies after two nights, maximum duration seven nights unless by prior approval of Tasman District Council Harbourmaster)	\$40.00 - plus any outgoings

Note: the above charges may be varied by the Chief Executive where special circumstances exist.

Conditions: No unattended berthing for longer than 30 minutes on the shore side of the jetty. The floating jetty is intended for pick-ups, drop-offs and short-stay occupations while parking or retrieving trailer, obtaining fuel and provisions or visiting the wharf precinct. Maximum vessel length at the floating jetty is ten metres overall. Any overnight berthing at the floating jetty requires prior approval of Council's duty Harbourmaster. Vessels may only be berthed in an un-seaworthy condition by prior written approval of Council's duty Harbourmaster.

Council-owned wharf at Riwaka	Charges from 1 July 2013 including GST
No berthage or wharfage charges (except for fuel transfers) apply at the Council-owned wharf at Riwaka. No demurrage/storage permitted. Maximum duration of berthage seven days. No staying aboard overnight without prior permission of Council's duty Harbourmaster.	\$nil

Wharfage for Port Golden Bay (Tarakohe Harbour) or Port Mapua		Charges from 1 July 2013 including GST
<b>Type of cargo</b>		
Fish and shellfish	Includes all marine animals	\$10.00 per tonne
Mussels and spat	Alternative backbone levy	Subject to negotiation with aquaculture farmers but not less than \$1.10/m for mussels and 32c/m for spat
Ring Road	Alternate to wharfage	
Other, including general cargo	Rates for large bulk by negotiation	\$3.90 per tonne
Fuel and oil (other than use of fixed facility)	Fuel transfer only - no storage	1.5 cent per litre

Note: Backbone line and ring road levies are an alternative annual levy to payment of wharfage and will be subject to annual negotiation to ensure levies are comparable to relevant wharfage charges. If these levies are not agreed, berthage and wharfage charges will apply. These charges may be amended at any stage during the year by Council resolution.

Note: Commercial cargo may only cross the wharf at Port Mapua with the prior approval of Council staff. Demurrage/storage is not permitted at Port Mapua except in relation to Council work and with the written approval of the duty Harbourmaster.

Fuel Facilities	Charges from 1 July 2013 including GST
Pump sited on Council wharf, or property at Tarakohe. The lump sum charge is in lieu of wharfage.	\$3,800.00 per year
Elsewhere, and excluding wharfage.	\$52.00 per year

Note: A fixed marine fuelling site, or any mobile fuelling where oils are transferred by way of a hose or similar between shore and ship, or ship to ship, is required to have a Tier-1 Fuel Transfer Site Oil Spill Contingency Plan approved in advance by the Council's Regional On-Scene Commander. This does not apply to the transfer of self-contained fuel containers (tote tanks, sealed drums or similar) from shore to ship or ship to ship.

Demurrage/storage* at Port Golden Bay (Tarakohe Harbour)		Charges from 1 July 2013 including GST
Type of storage	Period for application of charges	
Boat Storage Compound	Per week or part thereof	\$22.00
Boat Storage Compound	Per month	\$75.00
Boat Storage Compound	Per year	\$640.00
Open storage	Daily	\$1.25/m <sup>2</sup> or per tonne whichever is the greater
Fenced storage	Daily	\$1.55/m <sup>2</sup>
Standard rubbish skip	Annual	\$525.00
	Monthly	\$26.00
20' TEU container	Annual	\$2,100.00
	Monthly	\$210.00
40' FEU container	Annual	\$4,210.00
	Monthly	\$420.00

Notes: no storage is permitted on wharf structures unless specifically authorised. Demurrage/storage rates apply after 36 hrs of cargo/material arriving (allowance to be made for extenuating circumstances such as bad weather). Storage to be in assigned areas only. Bulk cargo in transit may have extended demurrage at Port Golden Bay with approval of the Tarakohe Harbour Manager.

Trans-shipping of cargo at sea	Charges from 1 July 2013 including GST
Cargo, Goods, Merchandise or other Material	\$0.25 per tonne

Tasman District Council Cemetery Charges	Charges from 1 July 2013 including GST
TYPE	
Plot – Purchase Right of Burial	
RSA	No fee
New Plot – 12 years and over	\$981.00
Natural Burial - Standard Plot Size	\$981.00
Natural Burial - Large Plot Size	\$1,963.00
Children's Areas where set apart	
Child 5-12 years	\$517.00
Child 0-5 years	\$108.00
Stillborn	No fee
Out of District Fee on any Burial Plot – extra to above	\$981.00
Ashes – Purchase Right of Burial	
RSA	No fee
Rose Garden – all ages	\$429.00
Tree Shrub Garden – all ages	\$429.00
Ash Berm – all ages	\$429.00
Stillborn	No fee
Out of District Fee on any Ash Plot – extra to above	\$429.00
Richmond Memorial Wall Plaque Space	\$163.20
Richmond Memorial Wall Plaque Space - Out of District Fee	\$272.00
Burial Interment Fees	
RSA	\$671.00
Interments – 12 years and over	\$671.00
Child – 5-12 years	\$413.00
Child – 0-5 years	\$131.00
Stillborn	No fee
Disinterment	Actual cost
Sunday & Public Holiday extra charge – all ages	\$310.00
Ash Interment Fees	
All ash plots in all cemeteries – all ages	\$131.00
Disinterment – ashes	Actual cost
Sunday and Public Holidays extra charge – all ages (if contractor	\$93.00

Tasman District Council Cemetery Charges	Charges from 1 July 2013 including GST
attendance is required)	
Miscellaneous	
Concrete cutting when required	Actual cost

Tasman District Council Hall Hire Charges	Charges from 1 July 2013 including GST
<b>Richmond Town Hall</b>	
- Full Day	\$115.00
- Half Day	\$57.50
- Full Day & Night (Events/parties/weddings, dances etc.)*	\$287.50
- Evening	\$69.00
- Hourly Rate	\$17.25
<b>Motueka Memorial Hall</b>	
- Full Day	\$150.00
- Half Day	\$60.00
- Full Day & Night (Events/parties/weddings, dances etc)*	\$350.00
- Hourly Rate	\$20.00
<b>Pohara Hall</b>	
- Full Day	\$80.00
- Half Day	\$40.00
- Full Day & Night (Events/parties/weddings, dances etc)*	\$150.00
- Evening	\$80.00
<b>Brightwater Hall</b>	
- Full Day (Events/parties/weddings, dances etc)*	\$150.00
- Half Day	\$45.00

\* Bonds may be required.

Note: Other charges may apply to these halls - please contact Council for further information.

Corporate Charges	Charges from 1 July 2013 including GST
GIS Map Prices (per copy)	
A4 black and white	\$5.00
A4 colour	\$10.00
A3 black and white	\$10.00
A3 colour	\$15.00
A2 black and white	\$15.00
A2 colour	\$20.00
A1 black and white	\$20.00
A1 colour	\$30.00
A0 black and white	\$25.00
A0 colour	\$40.00
A4 black and white – Subsequent copies	\$2.00
A4 colour – Subsequent copies	\$5.00
A3 black and white – Subsequent copies	\$5.00
A3 colour – Subsequent copies	\$7.00
A2 black and white – Subsequent copies	\$5.00
A2 colour – Subsequent copies	\$9.00
A1 black and white – Subsequent copies	\$7.00
A1 colour – Subsequent copies	\$12.00
A0 black and white – Subsequent copies	\$9.00
A0 colour – Subsequent copies	\$15.00
Electronic files (e.g. Maps and GIS data in electronic format)	\$140.00 per hour
CD/DVD Media	\$5.00 1st, \$1.00 thereafter
Official Information Requests Staff time will be charged out at a rate of \$140.00 per hour after the first half hour in responding to a request. Copying will be charged out at the normal rate applicable.	\$140.00 per hour

Photocopying	Charges from 1 July 2013 including GST
First 20 pages for requests under the Official Information Act	Free
Additional copies:	
A4 black and white	
Single sided	20c
Double sided	40c
A3 black and white	
Single sided	40c
Double sided	70c
Colour copies A3 and A4	\$2.00
Laminating	
A4 Pouches	50c
A3 Pouches	70c
Binding	
Spiral Binding:	40c/document
Clear plastic cover	20c

## Item 7.10

Photocopying	Charges from 1 July 2013 including GST
Card back	20c
Plastic spiral	10c

## Attachment 1

Library Charges	Charges from 1 July 2013 including GST
<b>Loans</b>	
New adult books – three week loan	\$1.00
All magazines in adult section – three week loan	20c
Music CDs – three week loan	\$1.00
DVDs – two week loan	\$4.00
Hot Picks Collection - two week loan	\$4.00
<b>Reserves and Requests</b>	
Reservation within Tasman District Libraries	\$2.00
Requests (interloan) outside Tasman District – minimum charge, see leaflet for details	\$5.00
<b>Overdue items</b>	
<b>Adult Member</b>	
After due date	\$1.00
Two weeks late	\$3.00
Four weeks late	\$5.00
Hot Picks Collection	\$1.00/day
<b>Junior Member</b>	
After due date	50c
Two weeks late	\$1.50
Four weeks late	\$2.50
Replacement Membership Card	\$3.00
Damaged Administration Fee (if charged)	\$5.00 per item
Lost Book Administration Fee (non-refundable)	\$8.00 per item







## 7.11 OVERVIEW REPORT COVERING DECISIONS REQUIRED FOR INCLUSION IN THE DRAFT ANNUAL PLAN 2013/2014

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	21 February 2013
<b>Report Author:</b>	Mark Tregurtha, Strategic Policy Adviser
<b>Report Number:</b>	RCN13-02-11
<b>File Reference:</b>	

Item 7.11

### 1 Summary

- 1.1 This report discusses a range of matters raised in the workshops on the Draft Annual Plan 2013/2014. It seeks Council decisions on wording and funding changes, not covered in other reports on this agenda or previous Council agendas, for inclusion in the Draft Annual Plan 2013/2014.
- 1.2 The information contained in this report is organised into two sections:
- 1.2.1 Budget changes – proposed changes that are adjustments to administrative income or expenditure but have no impact on levels of service, for example interest rate changes.
- 1.2.2 Programme changes – proposed changes that adjust the services delivered by Council.
- 1.3 This report should be read in conjunction with the following supporting Draft Annual Plan reports and their recommendations:
- Community Board Targeted Rates RCN13-02-06
  - Uniform Annual General Charges for 2013/2014 RCN13-02-07
  - 2013/2014 Draft Annual Plan – Changes to Utilities Capital Budgets RCN13-02-08
  - Schedule of Charges RCN13-02-10
  - Lee Valley Community Dam RCN13-02-09
  - Motueka Library Redevelopment RCN13-02-05

### 2 Draft Resolution

**THAT the Full Council:**

1. receives the Overview Report Covering Decisions Required for Inclusion in the Draft Annual Plan 2013/2014 RCN13-02-11; and

#### **BUDGET CHANGES**

##### **Interest Rates**

2. agrees that an average interest rate of 5.8% for borrowing be included in the Draft Annual Plan 2013/2014;

**Budget changes across all departments**

3. notes that to make savings in direct costs and overheads, expenditure has been reduced for items such as training, salaries, travel and accommodation across all Council budgets, and for some consultant and legal fees budgets, and that these reductions have already been included in the budgets for the Draft Annual Plan 2013/2014;
4. agrees to an increase from the Long Term Plan 2012-2022 of \$185,000 operational expenditure for vehicle purchases to be included in the Draft Annual Plan 2013/2014 to enable the overall age of the Council vehicle fleet to be reduced;

**Emissions Trading Scheme**

5. approves the budgeted cost of New Zealand Units (NZU) under the Emissions Trading Scheme for the Draft Annual Plan 2013/2014 be set at \$5 per NZU; and
6. authorises the Chief Executive and Corporate Services Manager to enter into forward contracts to purchase New Zealand Units on the basis that the New Zealand Unit purchase price is lower than \$5 per NZU; and
7. agrees that any purchases be reported back to a subsequent Corporate Services Committee; and
8. agrees that an Emissions Trading Scheme Policy be developed before 30 June 2013 to manage New Zealand Units under the Emissions Trading Scheme;

**Property**

9. agrees that the budgeted rent received for 183 Queen Street in the Draft Annual Plan 2013/2014 is not inflation adjusted from year one of the Long Term Plan 2012-2022 and that the resulting shortfall of \$5,360 be funded from general rates; and
10. agrees that the Minor Property Purchase budget of \$26,910 be removed from the Draft Annual Plan 2013/2014;

**Port Tarkohe**

11. agrees that the Port Tarkohe income and expenditure budgets in the Draft Annual Plan for 2013/2014 be set to achieve a break-even point;

**Takaka Aerodrome**

12. notes that the work on establishing Takaka Aerodrome as a self-sufficient sub-activity is continuing.

**Forestry**

13. agrees that the net revenue from Forestry be reduced in the Draft Annual Plan 2013/2014 by \$107,200 reflecting the variance of wood prices; and
14. agrees that the costs for Forestry be increased in the Draft Annual Plan 2013/2014 by \$189,434 to reflect higher tending costs and costs associated with wind throw at the Borlase Forest; and
15. notes that these changes will be funded through drawdown of Forestry Reserves and therefore the contribution to rates included in the Draft Annual Plan 2013/2014 will remain at the level budgeted for Year 2 of the Long Term Plan;

**Community Services Adjustments**

16. agrees to moderating the proposed increases for the District Facilities and Shared Facilities Rates through lower interest rates; and
17. agrees to the use of reserves in the District Facilities account to repay the loans previously taken out to fund the feasibility studies for the proposed Motorsports Park and the Richmond Community Facility; and
18. notes that the Parks and Reserves Maintenance contract is currently in the process of being tendered and that revised budget figures will be made to the final Annual Plan;

**Solid Waste**

19. agrees to the following adjustments to the Solid Waste budgets for inclusion in the Draft Annual Plan 2013/2014:

Account Name:	Type of change	Expenditure change increase or (decrease)
Emission trading scheme payments	reduced expenditure	(\$322,141)
RRC and special waste income	Reduced income	\$248,671
Kerbside operations	Reduced expenditure	(\$38,938)
Kaiteriteri collections	Reduced expenditure	(\$197)
RRC operations	Reduced expenditure	(\$20,864)
Lease income	Reduced income	(\$22,013)

**Jackett Island**

20. notes that further reports on options for Jackett Island will come to Council in the following months; and
21. agrees to retain the Year 2 budgets that were included in the Long Term Plan 2012-2022 within the Draft Annual Plan 2013/2014 for ongoing work at Jackett Island;

**Strategic Development**

22. agrees to the reducing the Strategic Development, Communications and Environmental Education budgets in the Draft Annual Plan 2013/2014 by \$57,500; and

- 23. Agrees to increasing the postage and freight charges budget for the 2013 elections by \$10,473;

**Corporate Services**

- 24. agrees to a net decrease to Corporate Services budgets of \$26,000 in the Draft Annual Plan 2013/2014; and
- 25. agrees that the income budgeted for Rates Penalties be reduced by \$23,692 for inclusion in the Draft Annual Plan 2013/2014;

**PROGRAMME CHANGES**

**Property**

- 26. agrees that a \$320,000 loan funded Capital Project be included in the Draft Annual Plan 2013/2014 for the seismic strengthening of Council facilities; and
- 27. agrees that the Draft Annual Plan 2013/2014 includes wording noting that Council is currently undertaking detailed assessments of some of its buildings and that it will review funding for the seismic strengthening of its buildings prior to the final Annual Plan being adopted;

**Reserve Financial Contributions**

- 28. agrees that the proposed list of Reserve Financial Contributions projects, as outlined for Year 2 in the Long Term Plan 2012-2022, be included in the Draft Annual Plan 2013/2014 for consultation with the addition of \$25,000 expenditure in the Motueka account for further investigation and concept design for the Motueka Library and notes that the final decision on which projects will be funded will be decided during the 2013/2014 financial year;

**Community Services changes**

- 29. agrees to the reducing Community Services budgets in the areas of: consultancy, library, holiday programmes, publications and other minor changes totalling \$78,932; and
- 30. agrees to reducing Community Recreation salary budgets by up to \$25,000;

**Transport, Roads and Footpaths**

- 31. agrees to the following changes to the Transport, Roads and Footpaths budget for inclusion in the Draft Annual Plan 2013/2014;

Transport Renewals Projects	Budget Reduced By
TDC office car park (Motueka)	\$38,781
Will Watch car park	\$21,958
Salvation Army car park	\$17,761
Town Hall car park	\$14,694

<b>Transport Improvement Projects</b>	<b>Budget Reduced By</b>
<b>Moutere Highway/Waimea West intersection</b>	<b>\$33,392</b>
<b>Richmond streetscaping</b>	<b>\$170,630</b>
<b>Road studies</b>	<b>\$31,580</b>
<b>Footbridge removal</b>	<b>\$47,926</b>
<b>Landsdowne intersection</b>	<b>\$70,935</b> <b>(deferred until 2014/2015)</b>

32. agrees that the proposed Motueka High Street undergrounding of powerlines be retained in the budget and that a decision on this project be made following consideration of submissions to the Draft Annual Plan 2013/2014;

#### **Flood Protection and River Control Works**

33. agrees to the following changes to the Flood Protection and River Control Works budget for inclusion in the Draft Annual Plan 2013/2014;

<b>Project</b>	<b>Budget Reduced By:</b>
<b>Lower Motueka flood control</b>	<b>\$753,487</b>
<b>Borlase Stream work</b>	<b>\$335,514</b>
<b>Database work</b>	<b>\$107,641</b>

#### **Strategic Development – Environmental Education**

34. agrees to reducing Environmental Education salary budgets by up to \$25,000; and

#### **Environment and Planning**

35. agrees to the budgets for Environment and Planning, for inclusion in the Draft Annual Plan 2013/2014 be reduced by \$154,473; and;
36. agrees that staff will align the work programme for Biodiversity sub-activity to match available funding from Council and any Central Government funding; and
37. notes that staff will report back prior to the Draft Long Term Plan 2015-2025 with recommendations on level of funding from Council to the Tb Vector Control Programme;

### 3 Purpose of the Report

- 3.1 To seek Council decisions on funding changes (not covered in the other reports on this agenda or earlier Council agendas) for inclusion in the Draft Annual Plan 2013/2014.

### 4 Budget Changes

#### Interest rates

- 4.1 The Long Term Plan 2012-2022 assumed an interest rate of 6.1 % for year two of the Plan. The use of interest rate hedges has ensured that Council's interest rate volatility has been reduced and accordingly an interest rate of 5.8% is considered appropriate given that funders (excluding the New Zealand Local Government Funding Agency) are able to increase margins should bank trading conditions tighten.
- 4.2 If Council's cost of funds decline further over the next few months a further reduction in interest rates could be considered when the Annual Plan is finalised.
- 4.3 Staff recommend that the interest rate assumed for the Draft Annual Plan 2013/2014 be 5.8%.

#### Budget changes across all departments

- 4.4 As part of the review of budgets staff have also sought to make savings in direct costs and overheads by reducing expenditure for items such as training, travel and accommodation by 10% across all Council budgets, reducing the budget for salary increases along with some reductions in consultant and legal fees. These reductions have been included in the draft budgets.
- 4.5 Staff recommend that Council notes that these changes have been made.
- 4.6 Council had a regular vehicle replacement programme in place until 2007/2008. Fewer cars have been replaced since this date, meaning that the vehicle fleet has become much older, has higher servicing costs, and has greater safety risks than a more modern fleet.
- 4.7 Staff recommend that the over-time the average age of the fleet is reduced. In order to do achieve this additional funding needs to be allocated.
- 4.8 Staff recommend an additional \$185,000 operational expenditure be added into the Draft Annual Plan 2013/2014 financial year for vehicle replacements.

#### Emissions Trading Scheme

- 4.9 The Emissions Trading Scheme (ETS) directly affects the forestry and solid waste (landfill) activities of the Council. Forestry activities entered the ETS on 1 January 2008 and landfill activities from 1 January 2013.
- 4.10 Central Government recently made changes to the ETS through the Climate Change Response (Emissions Trading and Other Matters) Amendment Act 2012 and this has an impact on both activities.



- 4.11 The ETS is expected to increase the costs of providing the Solid Waste activities over time.
- 4.12 The Long Term Plan 2012-2022 included an assumption that cost of New Zealand Units (NZU's) would be \$15 per NZU. The LTP budgeted costs for paying for emissions were \$185,646 in 2012/2013 and \$414,181 in 2013/2014.
- 4.13 Since the Long Term Plan 2012-2022 was approved the price of NZU's has fallen significantly (on 16 January the spot price was \$2.95) and accordingly staff recommend a budget of \$5 per NZU for the Draft Annual Plan.
- 4.14 Recent changes in the financial markets have meant that Council is now able to buy NZU's to cover future obligations at a price determined today. This involves Council entering into a forward contract (this is similar to how Council manages interest rate risk).
- 4.15 Pricing obtained in January 2013 to meet obligations in 2014 and 2015 was \$2.95 and \$3.10 respectively. These indicative prices indicate good value for money and provide Council with the opportunity to reduce its risk should the price of NZU's increase.
- 4.16 A policy will need to be developed that will manage the forward contracts in a way that is similar to current interest rate risk management and purchases should be reported back to the Corporate Services Committee.
- 4.17 In summary, staff recommend that the budgeted cost of New Zealand Units under the Emissions Trading Scheme for the Draft Annual Plan 2013/2014 be set at \$5 and that the Chief Executive and Corporate Services Manager be authorised to enter into forward contracts to purchase New Zealand Units on the proviso that the New Zealand Unit purchase price is lower than the budgeted New Zealand Unit for the year. Any purchases to be reported back to the next meeting of the Corporate Services Committee.

### **Property Sales**

- 4.18 Year 2 of the LTP provided for property sales from land at 149 Salisbury Road and from the sale of sections in Mapua. The first \$750,000 from the sale of land at Mapua Budget would be paid to Ministry for the Environment. Sales in later years would be used to repay the debt for the Mapua rehabilitation.
- 4.19 Staff are working on the sale of the land at Salisbury Road.
- 4.20 Staff recommend that a report on the progress of the sale of 149 Salisbury Road be made to Council by the end of May 2013.

### **Property budget**

- 4.21 Minor changes only have occurred with the property budgets which have resulted in an increase of the general rate requirement of \$5,360. This is due to an oversight where the rent for 183 Queen Street was shown as being inflation adjusted rather than subject to review on a three yearly basis.
- 4.22 Staff recommend that the inflation adjustment of \$5,360 for 2013/2014 for 183 Queen Street be removed from the Draft Annual Plan 2013/2014.

- 4.23 There is provision in the property budget through the Asset Management Plan for minor property purchase of \$26,910. This expenditure is not associated with a specific output and therefore is proposed to be removed.
- 4.24 Staff recommend that the Minor Property Purchase budget of \$26,910 be removed from the Draft Annual Plan 2013/2014.

### **Port Tarakohe**

- 4.25 The financial review of the income and expenditure streams at Port Tarakohe has been completed. The recommendations from the review identifies that additional income is needed to avoid the requirement for general rate input to Port Tarakohe. Discussions will be held with users of the Port on any proposals for changing fees and charges to meet the financial objectives.
- 4.26 Staff recommend that the Port Tarakohe budgets be set at a breakeven point.

### **Takaka Aerodrome**

- 4.27 Council is working towards the Takaka Aerodrome to operate without any subsidy from General Rates. The Aerodrome's financial position is slowly improving and negotiations on a passenger departure levy commenced at the beginning of 2013. However, because of the limited income streams coming into the aerodrome and the ongoing expenditure identified in the Activity Management Plan the ability to be self sufficient is will continue to be difficult.
- 4.28 Staff recommend that Council note that the work on establishing Takaka Aerodrome as self-sufficient sub-activity is continuing.

### **Forestry**

- 4.29 The forestry budgets have been reviewed in conjunction with the Forest Managers. Net revenue from harvesting has been reduced by \$107,200 which is mainly reflected in the variances of logged prices. Additional tending has been identified mainly at Rabbit Island as the result of the significant additional growth occurring with the biosolids application at Rabbit Island which is creating large branch growth and if not attended to, will result in reduced tree value and higher tending costs. Others costs include land preparation as the result of early clearance of wind throw at Borlase Forest. The increase in costs totals \$189,434. The contribution to rates for the next three years is not affected by these budgetary changes.
- 4.30 Staff recommend that Council note the additional expenditure and that the forestry dividend be maintained at the level included for Year 2 of the Long Term Plan with additional expenditure funded from the Forestry Reserves Account.

### **Community Facilities Rates**

- 4.31 Staff have reviewed the Facilities Operating Rate, District Facilities Rate and the Shared Facilities Rate.

- 4.32 Facilities Operating Rate – there was no planned increase from 2012/2013 to 2013/2014 in the Long Term Plan 2012-2022 and there have been no significant changes to the budgets between the adoption of the Long Term Plan and preparation of the Draft Annual Plan 2013/2014 draft budgets.
- 4.33 Staff therefore recommend no changes to this rate.
- 4.34 District Facilities and Shared Facilities Rates – there were increases of \$6.90 and \$9.38 (GST inclusive) respectively proposed in the Long Term Plan 2012-2022 for the 2013/2014 year. Staff have however modelled the effect of lower interest rates on these accounts and also consider that reserves could be used to reduce the proposed increases. The impact of the lower interest rate changes are proposed to be included in the Draft Annual Plan 2013/2014 when it is brought to Council for approval on 14 March 2013.
- 4.35 Staff recommend that the proposed Year 2 Long Term Plan rate increases for District Facilities and Shared Facilities rates be moderated through providing for lower interest rates.
- 4.36 Staff also recommend use of reserves in the District Facilities account to repay the loans taken out to fund the feasibility studies for the proposed Motorsports Park and the Richmond Community Facility. As funding for constructing these projects is not included in the Long Term Plan 2012-2022 it is more appropriate that the feasibility studies are funded from operating reserves than from loans. There is sufficient funding within the account to repay the loans.

#### **Parks and Reserves Maintenance Contract**

- 4.37 The Parks and Reserves Maintenance contract is currently being tendered. The final figures for ongoing parks and reserves operations and maintenance are therefore not available at this time. The figures will be available around May 2013 and staff recommend that any adjustments to the parks and reserves budgets should be made in the final Annual Plan 2013/2014.

#### **Solid Waste operating costs and income projections**

- 4.38 Data to the end of 2012 indicates that waste flows are on track with Long Term Plan budget estimates and no change is proposed for the 2013/2014 budgets.
- 4.39 Since the Long Term Plan was adopted, the kerbside and Resource Recovery Centre operations contractor has offered cost savings to Council for the contract extension period (to September 2014). Staff recommend that 50% percent of these savings be applied across the account, leaving a contingency for unforeseen contract expenses in the 2013/2014 year. This recommendation is reflected in the proposed budget figures. Central Government has also changed the Climate Change Response Act 2002. Changes directly affecting the Solid Waste account are a continuation of the 50% emissions liability indefinitely (as opposed to a liability increasing to 100% over three years) and an increase in the emission factor for methane from landfills. This, combined with significant devaluing of international units (and thus NZU's), has significantly reduced the projected cost of landfill emissions in the short term.

- 4.40 As discussed earlier in this paper, a budget value of \$5 per NZU is proposed for the Draft Annual Plan 2013/2014 and this will reduce costs for the Eves Valley landfill by \$322,000 in 2013/2014.
- 4.41 The Solid Waste account is funded by a mix of general and targeted rates and by fees and charges (largely through commercial disposal fees at Resource Recovery Centres and the Eves Valley landfill).
- 4.42 Budgets for the Solid Waste Account propose that charges generally remain at the current rates, with the exception of the an increase to the rate for disposal of commercial waste at the Richmond Resource Recovery Centre, where it is proposed to increase the charge by \$2.60 (inc GST) per tonne. This recommendation is included in the Schedule of Charges Report.
- 4.43 Other minor amendments to operational accounts include a reduction of rental income projections from the reuse shop in Richmond (\$22,000), reallocation of budgets for greenwaste processing investigations (as requested by Nelson City Council, no net effect) and other internal adjustments (no net effect).
- 4.44 Staff recommend that the following adjustments be included in the Draft Annual Plan 2013/2014:

<b>Account Name:</b>	<b>Type of change</b>	<b>Expenditure change increase or (decrease)</b>	<b>New budget:</b>
Emission trading scheme payments	reduced expenditure	(\$322,141)	\$92,040
RRC and special waste income	Reduced income	\$248,671	(\$3,112,301)
Kerbside operations	Reduced expenditure	(\$38,938)	\$1,379,035
Kaiteriteri collections	Reduced expenditure	(\$197)	\$12,515
RRC operations	Reduced expenditure	(\$20,864)	\$760,092
Lease income	Reduced income	(\$22,013)	\$10,000

### **Jackett Island Erosion Control**

- 4.45 Erosion protection options reports will be presented to Council over the next few months. This will help determine future works and any possible resolution of the Environment Court Orders and decisions that the Council is currently working under.
- 4.46 Staff recommend that the place holder Year 2 and Year 3 Long Term Plan indicative budgets of \$2.84 million loan funded capital budget to implement any preferred option (provided for the 2013-2015 financial period) remain in the Draft Annual Plan 2013/2014.

### **Strategic Development and Communications Changes**

- 4.47. Workshop discussions requested a number of reductions in the Strategic Development and Communications budgets, mainly for publications, communications and consultancy budgets. These reductions totalled \$57,500. Proposed increases of \$10,473 to cover increased elections postage and freight charges were also discussed.
- 4.48. Staff recommend that the Council agrees to the Strategic Development, Communications and elections changes listed above.

### **Corporate Services Changes**

- 4.49. A review of budgets for Corporate Services identified a number of areas where expenses could be reduced and some areas that need slight increases. The net change is a decrease of \$26,000.
- 4.50. Staff recommend that the proposed Draft Annual Plan budgets for Corporate Services 2013/2014 be reduced by \$26,000.
- 4.51. A review has also been undertaken on current rate penalties being received and these are lower than expected.
- 4.52. Staff recommend that the amount expected to be received from payment of penalties in 2013/2014 be reduced by \$23,692.

## **5 Programme Changes**

### **Seismic assessments**

- 5.1 Council is required to undertake seismic assessment of its buildings under its Earthquake Prone Buildings Policy prepared under the Building Act 2004. These assessments are in two parts, firstly Initial Assessments (IEPs) are made and if the results show that the building may be earthquake prone then a further Detailed Assessment (DEA) is made. Currently public buildings are required to be improved over time to meet 67% of new building standards. IEPs have been undertaken on 13 Council buildings and DEAs completed on the Golden Bay Service Centre, Pohara Hall and the Parklands Museum. There are no existing budgets to provide for the IEPs or the production of DEAs. The cost of the IEP is \$800 per building plus incidentals. These costs have been charged to each activity responsible for each building.
- 5.2 Staff are proceeding to obtain DEAs in order of priority on a number of buildings but have not made any provision for works that may be required to bring those buildings up to 67% of new building standards. As the detailed assessments arrive they will be considered and reported to Council for a decision on any further action. The buildings fall within a number of budgetary outputs which means that it would not be appropriate to set aside a lump sum for improvement works until such time as any works required have been identified and a decision made on whether or not the work should be undertaken, the building closed or some other action taken.
- 5.3 A sum of \$320,000 loan funded capital to increase the seismic strength of the Golden Bay Service Centre to 67% of building standards has been allowed for in the draft budgets. At

the Council workshop held in December 2012 there was discussion as to whether this work should proceed or whether alternatives should be considered using that funding.

- 5.4 There is a possibility that further requests for funding might be required to be made prior to the adoption of the final Annual Plan.
- 5.5 Funding applications to sources outside of Council have been made to undertake the work required to complete the strengthening of the Parklands Museum. At this stage it is not anticipated that further Council funding is required for the museum strengthening.
- 5.6 Staff recommend that the sum of \$320,000 be included in the Draft Annual Plan 2013/2014 for seismic strengthening of Council buildings, along with wording noting that Council is currently undertaking detailed assessments of some of its buildings and that it will review funding for the seismic strengthening of its buildings prior to the final Annual Plan.

#### **Reserve Financial Contributions(RFCs)**

- 5.7 Reserve Financial Contributions (RFCs) are forecast to be \$1.3 million for the 2013/2014 year. Estimates on the amount of money available for distribution through RFCs is not normally available until October each year and at that stage staff work with Ward Councillors on prioritising the spending of available funds. For the 2012/2013 year \$966,500.00 has been received up to mid January 2013, 66% of the forecast budget of \$1.5 million. The amount received, except for the Motueka Ward, is a slightly ahead of budget, however it is too early to be certain that the full budgeted income for 2012/2013 will be received. If income is lower than budgeted then some 2012/2013 projects may need to be carried forward to the new financial year.
- 5.8 Staff recommend that the Draft Annual Plan 2013/2014 include the proposed list of projects set out for Year 2 in the Long Term Plan 2012-2022 with the addition of \$25,000 expenditure in the Motueka account for further investigation and concept design for the Motueka Library, together with a note that final decisions on which projects will be funded will be decided during the financial year. This will provide Council with the required flexibility to ensure that budgets are not exceeded.

#### **Community Services – changes to levels of service for Community Recreation**

- 5.9 At the workshops the level of funding for community recreation activities was discussed and Councillors proposed that a lower level of service be delivered. There are currently two staff delivering the community recreation activity. Their work includes:
- Support of community development through advice, grants and partnership arrangements.
  - Allocation and management of contestable grants.
  - Support of regional recreation programmes.
  - Provision of community events and activities.
  - Preparation of recreation publications, for example Mudcakes and Roses, Boredom Busters, JAM website, Bike/Walk Tasman, Hummin in Tasman.
  - Promotion of community events and activities through website, recreation publications (listed above), Newslines, Found Directory and other media.

- Facilitate the Youth Council.
- Facilitate the Positive Ageing Forum.

5.10 It is proposed to reduce salary funding for these activities by approximately 20 percent generating a saving of \$20,000 - \$25,000 per year. This reduction will mean that some activities currently being delivered by staff will no longer be able to be undertaken or will be undertaken to a lower level. The main areas of work which are planned to be reduced are:

- Community liaison and advice, including advice and support to individuals and community groups, and attending community meetings.
- Partnership programmes - examples of some of the collaborative projects Council staff will need to withdraw from include WHO safer Communities project "Safe at the Top", settlement support programmes like "Settling In" and "Speak Out" Nelson Tasman, local and central government information sharing meetings, OSCAR network, Community Response Forum and Nelson Tasman Youth Workers Collective.
- Running some community and recreation events.
- Undertaking planning and policy work – for example reviewing the Tasman Physical Activity Plan and Positive Aging Policy and developing a Youth Policy and Tasman Arts Strategy.

5.11 Staff recommend that the Council agrees to the Community Recreation changes listed above.

#### **Other Community Services changes**

5.12 Workshop discussions requested a number of other changes in the Community Services budgets to achieve a reduction in rates increases, the majority of these reductions were in the areas of: consultancy, library, holiday programmes, publications and other changes totalling \$75,832.

5.13 Staff recommend that the Council agrees to the additional reduction of Community Services budgets of \$75,832.

#### **Transportation, Roads and Footpaths**

5.14 Workshop discussions requested a number of changes to the Transport Renewals and improvement budget and Transport Improvement budget. These are set out in the table below.

<b>Transport Renewals project</b>	<b>Budget Reduced By:</b>	<b>Comment</b>
TDC office carpark (Motueka)	\$38,781	
Will Watch car park	\$21,958	Reduction in Level of Service
Salvation Army car park	\$17,761	
Town hall car park	\$14,694	

<b>Transport project</b>	<b>Budget Reduced By:</b>	
Moutere Hwy/Waimea West Intersection	\$33,392	
Richmond streetscaping	\$170,630	Insufficient resources to

		undertake the project
Road studies	\$31,580	Deferred
Footbridge removal	\$47,926	Deferred
Landsdowne intersection	\$70,935 (deferred until 2014/2015)	

- 5.15 At the workshops Council also discussed retaining the proposed Motueka High Street undergrounding of powerlines be retained in the budget at this stage but requested that alternatives to this work be discussed with Network Tasman.
- 5.16 Staff recommend that these budget amendments outlined in the table above be included in the Draft Annual Plan 2013/2014.

### Flood Protection and River Control Works

- 5.17 Council discussed the following amendments being made to the Flood Protection and River Control Works capital budgets.

Project	Budget Reduced By:	Comment
Lower Motueka flood control	\$753,487	Workshop to be held with Councillors
Borlase Stream work	\$335,514	
Database work e.g. plantings and gravel information,	\$107,641	Work to be carried forward to subsequent year.

- 5.17 Staff recommend that the proposed changes be included the Draft Annual Plan 2013/2014.

### Reduced levels of service for Environmental Education

- 5.18 At Council workshops it was proposed to reduce the level of funding for environmental education staff salaries by 20 percent. This reduced funding will result in a lower level of service being delivered. There are currently two full time equivalent staff positions delivering the environmental education work which covers:
- Work with schools and early childhood centres, including facilitating the EnviroSchools programme – this work includes providing information, resources and learning support for environmental action.
  - Water quality education and activities, including monitoring, weeding, rehabilitation and restoration of waterways.
  - Air quality education to encourage a reduction in harmful emissions, including the “Good Wood” programme run jointly with Nelson City Council.
  - Organising and running “Ecofest” jointly with Nelson City Council – an annual expo of eco-friendly products, services and initiatives.
  - Organising and running the “Environment Awards” jointly with Nelson City Council – a biennial event recognising and celebrating the achievements of people and organisations in the community who have demonstrated good environmental practices.
  - Contributing to a range of other events like Big Beach Clean Up, Conservation Week, World Wetlands Day, Matariki, which promote good environmental practices and raise awareness of environmental issues.



- Community gardening support with assistance from the District Health Board, including running composting workshop to reduce waste and providing advice on soil and water conservation, running gardening programmes and workshops.
- 5.19 Council has discussed reducing by approximately 20 percent the level of funding for staff, which will generate a saving of \$20,000 - \$25,000 per year. This reduction will mean that some activities currently being delivered will no longer be able to be undertaken or will be undertaken to a lower level. The main changes that are planned are:
- Less work with schools and early childhood centres, including the Enviroschools programme except for actions around waterways, waste minimisation and biodiversity.
  - Less involvement in Ecofest activities outside of the main Expo event.
  - Less involvement in the Environmental Awards due to a more streamlined and simplified approach being planned for the Awards.
  - Less of a role contributing to a range of other events like Big Beach Clean Up, Conservation Week, World Wetlands Day, Matariki. Council may not be in a position to contribute to these events every year.
  - Community gardening support will largely be restricted to waste minimisation activities.
  - Ecobuzz newsletter will be produced as an electronic newsletter only.
- 5.20 The Environmental Education work will focus on supporting other Council related activities, for example water quality, air quality, waste minimisation and biodiversity.
- 5.21 We are also proposing to put in a budget for Enviroschools new project funding expenditure and income of \$16,000, as funding is available from the Ministry for the Environment for this new project work.
- 5.22 Staff recommend that the Council agrees to the Environmental Education changes listed above.

### **Biodiversity Programme**

- 5.23 The Council received a report on Council's biodiversity work programme at the 1 November 2012 Environment and Planning Committee meeting (REP12-10-03 refers). It was noted that 2012 was the last year of guaranteed access to the Government's Biodiversity Condition Fund. With a local share of around \$25,000 we have attracted a further \$52,000 from the Fund for the last three years. Continuing with this level of total spend would allow Council, in conjunction with private landowners, to complete the Native Habitats Tasman work programme in about 14 years. This involves surveying land outside of the conservation estate and securing appropriate forms of ecosystem protection and enhancement.
- 5.24 The Council has the opportunity to
- 1) continue the same level of effort as programmed with the injection of an extra \$52,000 of general rate to offset the loss of Government funding, or
  - 2) to reduce the level of effort to correspond with the current level of local share, or
  - 3) to discontinue the work altogether.

- 5.25 The Native Habitats Tasman programme has commanded a high level of public support and was developed as an alternative to relying on regulation to achieve biodiversity outcomes. In light of the Council's desire to reduce the general rating burden Option 1 above is unlikely to be favoured. Option 3 would put at risk the gains made in past years if the work was discontinued.
- 5.26 Accordingly staff recommend that the scope of work be reduced to fit within the current level of local share. If in the 2013 Budget the Government does allocate further funding Council will at least have some funds to use as leverage.

#### **Animal Health Board**

- 5.27 Council currently contributes around \$225,000 to support the Tb Vector Control Programme undertaken by the Animal Health Board (AHB). This is funded from the general rate. This work complements the work the Department of Conservation does in controlling mammalian pests within the conservation estate.
- 5.28 Council has indicated that it wishes to maintain its current level of funding but has indicated it wishes to review the on-going commitment before the next Long Term Plan.
- 5.29 Staff recommend that Council notes that this programme will be reviewed as part of the development of the Long Term Plan 2015-2025.

#### **Environment and Planning Changes**

- 5.30 As well as the programme reviews for Biodiversity and Animal Health Board there were a number of savings identified across the Environment and Planning Department. These come from multiple accounts with the two largest single items where a saving has been suggested are in the Tasman Resource Management Plan printing costs (\$10,000) which is a reflection of the user community moving to electronic copies of the Plan and a reduction in the cost of managing abandoned vehicles, which is most likely reflecting the improved scrap value of vehicles at the recyclers yard.
- 5.31 In addition to the budgeted savings, the Environment and Planning Department has initiated a third Shared Service Agreement with Nelson City Council to cover aspects of the City's resource science needs particularly in Air Quality and Contaminated Site Management. This will bring in an additional saving. Reduction in budgets as a result of these changes total \$154,473.
- 5.32 Staff recommend that the Council agrees to the decreasing the Environment and Planning budgets by \$154,473.

**6 Policy / Legal Requirements / Plan**

- 6.1 The adoption of the Draft Annual Plan 2013/2014 for public consultation is scheduled for mid March 2013.

**7 Consideration of Financial or Budgetary Implications**

- 7.1 Details of the financial and budgetary considerations of the matters raised in this report are covered in sections 4-6.

**8 Significance**

- 8.1 The decisions on the content of the Draft Annual Plan 2013/2014 can have a high degree of significance to residents and businesses of Tasman because of the financial and service level consequences. The Local Government Act 2002 accordingly requires councils to use the Special Consultative Procedure during the preparation of their Draft Annual Plans.

**9 Consultation**

- 9.1 The Special Consultative Procedure commences mid March and continues through the adoption of the final Annual Plan in June and on to end of July when letters advising submitters of Council decisions are sent.

**10 Conclusion**

- 10.1 The proposed changes provide an overall saving in the 2013/2014 financial year and a basis for consulting with the public on the projects and services to be provided during 2013/2014.

**11 Next Steps / Timeline**

- 11.1 Following Council decisions on the matters raised in this report, they will be incorporated in to the Draft Annual Plan, which is scheduled to come to Council for adoption 14 March 2013. The Draft Plan will then go out for public consultation.

**12 Appendices**

Nil



**7.12 FOREST STEWARDSHIP COUNCIL CERTIFICATION****Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Jim Frater, Manager Property Services  
**Report Number:** RCN13-02-13  
**File Reference:**

**Item 7.12****1 Summary**

- 1.1 Increasingly, Forest Stewardship Council (FSC) certificated timber is being demanded by customers around the world. Most of the larger timber mills in the Nelson Marlborough area are FSC certified and with the majority of the Nelson forest estate being owned by FSC certified companies, it is becoming more difficult for Council to market its logs locally. This means that in times when there is a surplus of logs available, mills will source FSC logs and those who are not FSC certified will be directed to lower value markets.
- 1.2 The requirements for FSC certification include adherence to criteria which have been adapted to the New Zealand environment. This includes the mapping of sections of indigenous forests within our estates, consultation with the community and access for recreation. There are cost implications with the additional setup and ongoing monitoring and management of FSC certification but these are offset by the loss of income that will occur from being unable to send logs to local mills, and having to be exported.
- 1.3 The report recommends that the Council commence the process of becoming FSC certified.

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

- 1 Receives the Forest Stewardship Council Certification Report RCN13-02-13; and**
- 2 Approves an application being made for Forest Stewardship Council certification for the Tasman District Council forest estate; and**
- 3 Requests that staff provide an amended forestry budget for the next three years to show that the general rate subsidy remains unaffected.**

### 3 Purpose of the Report

- 3.1 To consider Forest Stewardship Council (FSC) certification for the Council's forest estate.

### 4 Background and Discussion

- 4.1 Membership of the FSC has been discussed on previous occasions with Council but due to the costs involved, and with the knowledge that local mills were not insisting on FSC certification, it was not proceeded with.
- 4.2 The FSC works to improve forest management worldwide and through certification creates an incentive for forest owners and managers to follow best social and environmental practices.
- 4.3 Increasingly, FSC certified timber is being demanded by customers around the world. As economic conditions tighten, the ability of Nelson based timber producers to obtain market access for their products, particularly into Asia, is increasingly dependent on having FSC certification for their product.
- 4.4 For a timber producer to be certified, they must buy the majority of 80% of their logs from FSC forests without the need to batch production. Most of the largest sawmills in the Nelson Marlborough area are FSC certified with chain of custody certification. This is a standard for individual companies that manufacturer and trade FSC certificated forest products.
- 4.5 Local forest companies that are FSC certified include:
- Nelson Forests Ltd.
  - Carter Holt Harvey.
  - Hancock Forest Management.
  - Timberlands West Coast.
- 4.6 Approximately 52% of the total plantation area of New Zealand is under FSC.
- 4.7 Pricewise, there is no material advantage or premium for having FSC either as a forest owner or producer. However, FSC sawmills usually favour supply from FSC forests and when there is a surplus of logs available, this becomes an issue. Without access to such mills the next best alternative is to supply logs to non FSC mills or to export the logs. Both of these scenarios mean a lower log price for the forest owner.
- 4.8 Hancocks and Nelson Forests Ltd account for approximately 60% of the total current annual harvest in the Nelson Marlborough area.
- 4.9 The FSC principles and criteria for forest stewardship provide an internationally recognised standard for responsible forest management.
- 4.10 The principles for compliance are as follows:
- (a) Forest management shall respect all applicable laws of the country in which they occur and international treaties and agreements to which the country is a signatory, and comply with all FSC principles and criteria.

- (b) Long term tenure and use rights to the land and forest resources shall be clearly defined, documented and legally established.
  - (c) The legal and customary rights of indigenous peoples to own, use and manage their lands, territories and resources shall be recognised and respected.
  - (d) Forest management operations shall maintain or enhance the long term social and economic wellbeing of forest workers and local communities.
  - (e) Forest management operations shall encourage the efficient use of the forests multiple products and services to ensure economic viability and a wide range of environmental and social benefits.
  - (f) Forest management shall conserve biological diversity and its associated values, water resources, soils and unique and fragile ecosystems and landscapes, and, by if so doing, maintain the ecological functions and integrity of the forest.
  - (g) A management plan – appropriate to the scale and intensity of the operations – shall be written, implemented and kept up to date. The long term objectives of the management, and the means of achieving them, shall be clearly stated.
  - (h) Monitoring shall be conducted – appropriate to the scale and intensity of forest management – to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.
  - (i) Management activities and high conservation value forests shall maintain or enhance the attributes which define such forests. Decisions regarding high conservation value forests shall always be considered in a context of a precautionary approach.
  - (j) Plantations shall be planned and managed in accordance with principles and criteria (a) – (i) above. While plantations can provide an array of social and economic benefits, and can contribute to satisfying the world's needs for forest products, they should complement the management of, reduce pressures on, and promote the restoration and conservation of natural forests.
- 4.11 The New Zealand Forest Owner's Association has established the Standards Development Group (SDG) to provide appropriate criteria for application for FSC certification in New Zealand. A national standard has been adopted and certain organisations within New Zealand, including PF Olsen Ltd, manage group schemes on behalf of clients. The PF Olsen Ltd scheme is externally audited on an annual basis. The advantage of running a forest management group scheme is that it reduces the cost to individual clients. As the TDC is a client of PF Olsen, the TDC would have 'Resource Member' status and qualify for discounted FSC administration costs.
- 4.12 Council's forests have a diversified range of uses apart from the production of trees. These include extensive recreational activity, substantial areas of native bush and the application of bio-solids.
- 4.13 The forests already have a high standard of management, mapping and stand records. There are few, if any, contentious issues.
- 4.14 The following steps are needed to obtain FSC for the Council's forest estate.
- 4.15 *Management Plan*

Much of the existing management plan can be used for FSC purposes with minor changes. Some areas that would need additional information are:

#### 4.16 *Maps*

All indigenous areas need to be given stand numbers and information about each stand recorded. This will require an ecological survey. However given that most of the areas are fairly uniform and are typical of other indigenous forests in the region, this should not be a big exercise.

#### 4.17 *Recreation*

This would involve summarising key elements of any relevant Council policies and management plans and then cross referencing. The pertinent issues would be how operations and public use interactions are managed and what public input is received into recreational management. The recreational use of statistics, if available, would be helpful.

#### 4.18 *Public notification*

This would require a consultation process, the establishment of a stakeholder list which would include neighbours and national stakeholders such as Forest and Bird. Some advertising will be required and submissions should be heard. Meetings with the key stakeholders are also appropriate.

#### 4.19 *Costs*

PF Olsen Ltd estimate the following costs associated with the establishment and maintenance of FSC certification:

Mapping and establishment of a database for indigenous areas (one off cost)	\$2,500
Initial set up and audit (one off)	5,000
Annual costs for managing / auditing	4,200
Harvesting fee	\$0.20 per tonne

4.20 These are preliminary estimates only and they anticipate that the annual costs could be reduced over time as systems are imbedded and incorporated into day to day management. If PF Olsen Ltd was the preferred provider of the FSC services, then the rates would be negotiated as part of their overall management of Council's forests. The current forest management contract expires on 30 June 2015. Any new contract would include FSC responsibilities regardless of who the forest manager is.

4.21 PF Olsen Ltd advise that the harvesting fee is to cover costs associated with additional reporting and additional stakeholder consultation that will be associated with harvesting and reestablishment.

4.22 The following table forecasts log supply and associated revenues for the next 10 years. These figures have been provided by PF Olsen Ltd.



1-Jul	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	
<b>Log Grade</b>												
PR35+	3884	5019	6302	7365	8707	7599	9808	8544	8546	6000	7081	
LVL	2524	3262	3724	4365	5159	5371	5833	5225	5199	6000	5544	
RoB	5243	6775	7734	9065	10714	11123	12115	10844	10798	12001	11285	
Ex A 4.0	2719	3513	3437	4050	4785	5622	5448	5130	5051	5600	5385	
Expt K3.7	1359	1757	2005	2350	2778	2811	3141	2796	2800	2800	2771	
Chip etc	3690	4768	5443	6379	7540	7629	8525	7590	7599	7600	7522	
Total	19419	25094	28645	33574	39682	40155	44869	40129	39993	40002	39589	
<b>Net Revenues from &lt;10yr-2012&gt;</b>												
FSC-current	-966095	-1248427	-1425089	-1526142	-1952873	-1300651	-2094073	-1994930	-1898760	-1180059	-1344704	
non-FSC	-859291	-1110410	-1267541	-1355727	-1735189	-1091118	-1847293	-1755177	-1661266	-980049	-1142834	
<b>PF Olsen</b>												
setup	7500											
mapping	2400											
annual	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	4200	
harvest fee @\$0.20/t	3883.8	5018.8	5729	6714.8	7936.48	8030.92	8973.8	8025.868	7998.62	8000.4	7917.7	
<b>Other:</b>												
eco-survey	5000											
public-consult	3000											
extra ops-costs	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	3000	
<b>Total Annl Costs</b>	28984	12219	12929	13915	15136	15231	16174	15226	15199	15200	15118	
Diff	-77,821	-125,798	-144,619	-156,500	-202,548	-194,303	-230,606	-224,527	-222,295	-184,810	-186,752	
												disc rate: 7%
												<b>NPV</b>
												<b>-\$1,271,811</b>

4.23 The assumption is that log prices for pruned and higher quality unpruned structural saw logs are \$10 per cubic metre higher with FSC certification. This is a reasonable assumption given that the current margin between domestic quality logs and equivalent export grade is around \$10-\$20 per cubic metre. In the event logs cannot be sold to local mills due to not having FSC, the only other option is to export, sell the logs outside the region and incur much higher freight costs or to sell to non FSC mills at invariably lower prices.

4.24 For the purposes of this report, no difference in the price between FSC and non FSC for export and low grade domestic logs has been assumed.

4.25 Using a 10 year scenario, PF Olsen Ltd have estimated a net benefit in NPV terms of \$1.2 million using a 7% discount rate.

4.26 A sensitivity analysis of the net cost benefit between FSC and non FSC applying a range of discount rates of log price differentials is shown on the table below (negative values represent a cost, positive values a benefit).

Quality log price difference \$/m <sup>3</sup>	(\$ Million) Discount Rate		
	6.0	7.0	8.0
0	-0.127	-0.121	-0.116
5	+0.609	+0.574	+0.543
10	+ 1.346	+ 1.271	+ 1.202
15	+2.083	+1.968	+1.832

4.27 This shows that the cost benefits of FSC certification are relatively sensitive to log price assumptions but at the current price, differential of \$10 per cubic metre for quality logs the opportunity costs from having to sell quality logs into lower price export grades is significant.

#### 4.28 Advantages

The following advantages have been identified through FSC certification:

- Better access to mills.

- Better price than export/non FSC purchases.
- Adds value to forest estate in any potential sale.
- Positive acceptance by community.
- Relatively straightforward to achieve and manage.

#### 4.29 *Disadvantages*

- More management time is required.
- More accountability.
- Additional costs for establishment.
- Annual auditing and maintenance.
- More open access to forests is expected.

### **5 Options**

- 5.1 Council has a choice of FSC certification or of the status quo. The analysis undertaken in the previous section suggests that there are clear advantages to proceeding with FSC certification. South Pine Ltd is the Council's largest single customer for logs and they have indicated that after 2013 they are unlikely to accept logs from non FSC sources.

### **6 Strategic Challenges / Risks**

- 6.1 Should the Council agree to proceed with FSC certification, consultation with key stakeholders, neighbours to our forest estate and the community will be required. This process will be managed internally. It is not considered that there is any risk to the reputation of Council as a good forester by declining to proceed with FSC certification but being FSC certified would show the Council as being not only a responsible forester, but also aware of the issues that relate to FSC certification.

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

- 7.1 Council has a draft plan for recreational access to its forests which needs some minor amendments to identify recent works with the cycle trail. It would form part of the certification process. There are no Tasman Resource Management Plan requirements and no specific legal issues.

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

- 8.1 FSC certification has not been budgeted. Revised budgets would have to be prepared and submitted to Council showing the additional expenditure and the effect on the income. However, as FSC certification is expected to provide a positive result for returns from the sale of logs and as forestry is operating as a closed account with the dividends for the next three years already committed, it should not have an effect on rates.

**9 Significance and Consultation**

- 9.1 This decision has a moderate level of significance in that it is of public interest and requires consultation with various stakeholder groups and sections of the community including recreational interests and iwi. By agreeing to proceed with FSC certification, a requirement for consultation will occur as part of that process. The Council has an option of considering a separate consultation process on whether or not to take part in FSC certification but it is difficult to establish any logic to support this.

**10 Conclusion**

- 10.1 There is increasing market demand for FSC timber in export markets. It is imperative that Council maintains its connection with local mills and other FSC mills as markets for high quality logs, including pruned logs, are fairly limited in this region and subject to fluctuating demand. There are costs associated with FSC but the opportunity costs of being excluded from key log markets could be substantial. Council's forests are already managed to high environmental standards and management systems are advanced. The public already have significant use of our forests. The process of FSC certification should be relatively straightforward and the economic benefits appear substantial.

**11 Next Steps / Timeline**

- 11.1 If the Council approves the recommendation, negotiations would be held with PF Olsen Ltd regarding the fee structure and the ongoing costs implications for FSC certification. PF Olsen Ltd is not the only company in New Zealand providing this service although there are potential cost savings in incorporating FSC requirements into the forestry management contract. Once an agreement is in place, the processes to meet the principles outlined in Section 4.10 will commence. The Committee responsible for Council's forests will be kept informed of the process as required.

**12 Appendices**

Nil



**7.13 NOTICE OF CHIEF EXECUTIVE'S ACTIVITY REPORT - UNDER SEPERATE COVER**

Information Only - No Decision Required

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Lindsay McKenzie, Chief Executive  
**Report Number:** RCN12-11-08  
**File Reference:**

Item 7.13

**1 Summary**

- 1.1 The Chief Executive's Activity Report will be circulated under separate cover, at a time closer to the meeting date.

**2 Appendices**

Nil



**7.14 MAYOR'S REPORT FOR JANUARY/FEBRUARY 2013**

**Information Only - No Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Richard Kempthorne, Mayor  
**Report Number:** RCN13-02-14  
**File Reference:**

**SUMMARY**

The attached report is a commentary of the Mayor's activities for the months of January and February for Councillors' information.

**DRAFT RESOLUTION**

**THAT the Full Council receives the Mayor's Report for January/February 2013 RCN13-02-14.**

**Item 7.14**



**3 ACTIVITIES****22 January**

I met with Brigid Ryan, the Settlement Support Coordinator for this region. There have been significant proposed government funding cuts to the settlement support service nationwide and this would impact on support for new migrants in Tasman District. I intend asking the Minister of Social Development to maintain funding so that support can be given to new migrants in Tasman which is of particular relevance for people in our rural areas e.g. those working on dairy farms.

**24 January**

We held a Council workshop on the Richmond Town Centre Framework discussing many aspects of development in the Richmond Town Centre, which will assist Council when considering infrastructure and planning matters.

**30 January**

I attended a breakfast meeting with Council representatives and the Waimea Water Augmentation Technical Group. There is a report coming to this meeting on the Lee Valley Dam.

I attended Nick Smith's address to Rotary at the Nelson Yacht Club.

**1 February**

Pamela and I flew to Wellington to attend a meeting of the Chairs and Secretaries of the LGNZ Zones from both the North and South Island. This was a valuable meeting to share experiences of organising and coordinating successful Zone meetings, to talk about how the Zones fit into the LGNZ structure, and to meet with the various policy planners at LGNZ.

**2 February**

Jane and I attended the opening of the new wing of the Jack Inglis Friendship Hospital – well done Jack! There was also an opportunity to meet with Hon Jo Goodhew, Associate Minister of Health to discuss the implementation of government's Drinking Water Standards, which has been an issue in terms of the interpretation of 'affordability' and 'practicality' for many South Island Councils. Documentation that has been sent between the Minister and ourselves and LGNZ and will be tabled for your information. The discussion with the Minister was very insightful. Our Council will need to consider the method of communicating with our community so that our assessment of "affordability" is robust.

Jane and I then took to the grandchildren to the Vintage Machinery show at Pigeon Valley – it was nice to get an invitation to this event and we met some very welcoming members of the club.

**3 February**

Attended, with Jane, and spoke at the welcome reception for the Trans Tasman Croquet Test Series at Nelson Hinemoa Croquet Club. This week-long event showcases the best in New Zealand and Australian players and was a 'coup' for the Nelson club to host.

**6 February**

Jane and I attended Waitangi Day celebrations at Te Awhina marae. We were joined by Cr Ensor and Lyn, Cr Maling and Kaumatua Andy Joseph. We were asked to join in a ball game and many thanks to Cr Ensor, Lyn and Cr Maling for being available to play.

**7 February**

New Zealand Agrichemical Education Trust meeting in Wellington.

**8 February**

I attended and spoke at the Nelson Police Pay Parade. This is an occasion when various police receive commendations for the outstanding work they do, among them Glen Lloyd Jones from Richmond.

We had another meeting of the governance group for the Top of the South Island Road Maintenance Efficiencies group (Nelson, Marlborough and Tasman Councils working together on joint roading initiatives). Lindsay has covered this in more detail in his Chief Executive's activity report.

**9 February**

Attended, with Jane, the closing ceremony dinner for the Trans Tasman Croquet Test Series.

**11 February**

I attended with Lindsay McKenzie, Cr Stuart Bryant and Selwyn Steedman, the Murchison Community Council meeting. There were two key issues for the community to discuss with Council – Ned's Creek and the Matakītaki river and gravels/flooding issues. We also covered the changes being explored for the delivery of information services in Murchison.

I spoke to the Richmond Rotary Group on a number of key topics including the Lee Valley Dam, Tasman's Great Taste Trail and shared services between the three top of the south councils.

**12 February**

I attended by the Golden Bay and Motueka Community Board meetings.

**13 February**

Lindsay and I met with Phil Taylor (Chair) and Lynda Keene (CEO) of Tourism Nelson Tasman (TNT). We discussed the proposal to close the Murchison and Golden Bay i-Sites, and the impacts of Council's funding of TNT on these potential closures. We also discussed the upcoming review of ratepayer funding for TNT.

I met with Salisbury School key staff and board members about their next steps following the court recommendations on the closure of Salisbury School. I will be advocating with Government in order to keep Salisbury School open in order for the Ministry of Education to meet the needs of this vulnerable group of girls.

**4 OTHER****4.1 Annual Plan Process**

We will at this meeting be signing off the Annual plan for consultation. I would note we have again trimmed budgets in order to reduce rates increases. Some feedback I have received notes that Councils is trimming some services, however balancing service delivery and affordability is the challenge we face and it will be helpful for us to have feedback through the Annual Plan consultation process.

**4.2 Remuneration Authority review of Elected Members remuneration**

I completed, on behalf of Council, a feedback form to the Authority in mid-December. I have attached the completed form for your information.

**Appendices**

1. Remuneration Authority - Elected Members Remuneration - Returned Survey 149





## Remuneration Setting Proposals for Local Authorities 2013 and Beyond

### Local Authority Feedback Form

*One form per Council please!*

*Please strike through Yes's and No's as appropriate and type in comments where noted (the document will expend to permit comments)*

*Please return completed form to [info@remauthority.govt.nz](mailto:info@remauthority.govt.nz) by 14 December 2012*

#### Council Name:

#### Setting of Base Councillor Salaries

Do you think the setting of base councillor salaries by reference to Size Indices, job sizes of sample authorities, the Remuneration Authority pay scales, and survey results from Proportion Full-time Questionnaire is reasonable?  Yes /  No

If No, why not? (*comment*):

The relationship between size index and salary will be determined every three years with adjustments due to changes in size indices and general wage growth made each intervening year. Base salaries will not go down in intervening years.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

#### Meeting Fees

General meeting fees will no longer be allowed.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

Provisions for Resource Consent Hearings are unchanged.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

What views do you have on allowing hearing fees for non-council initiated District Plan Changes? If you think they should be allowed then at what rate should the hearing fees be paid and should there be a maximum amount pre councillor per Plan change?

(comment): Agree in principle, at the same rate as consents hearings with some consideration for the same number of elected representatives as consent hearings – our Plan Change hearings are currently Whole of Council.

#### Unitary Council Loading

Is reasonable to have a loading?  Yes /  No

If No, why not? (comment):

Is the 12.5% reasonable?  Yes /  No

If No, why not? (comment): Not high enough.

Further comment – suggest similar sizing exercise for unitary vs. TLA role as has been done for Councillors base salaries

#### Elected Officials 'Expenses and Reimbursement policies

Is it reasonable to do this every three years (reviewing only when new issues arise)  Yes /  No

Should the policies be on websites?  Yes /  No

(comment):

#### Positions of Additional Responsibilities for Councillors

Is the proposed approach (submissions with position descriptions) reasonable?  Yes /  No

If No, why not? (comment):

Is the maximum total additional amount equal to the council's base councillor salary reasonable?  Yes /  No

If No, why not? (comment): Provides insufficient funding to pay a reasonable difference between a Committee Chair and ordinary member.

Are the suggested additional percentages reasonable?  Yes /  No

If No, why not? (comment):

Further comments below.

#### Setting of Base Community Board Salaries

These will be set every three years based on population and adjusted in intervening years due to changes in population and general wage growth. Base salaries will not go down in intervening years.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

We are considering using bands so that community boards with similar populations will get the same salaries.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

Councils may make submissions each three years for higher base community board salaries based on levels of responsibility.

Do you think this is reasonable?  Yes /  No

If No, why not? (*comment*):

Are the suggested percentage additions for Chairs and Deputy Chairs (if any) reasonable?

Yes /  No

(*comment*): The 5-15% margin is too small – it doesn't reflect the difference in Chairs etc. The 15-40% for Deputy Mayors is ok. We don't think one salary is enough for distribution – two x salaries would be more equitable/appropriate.

#### Size Index

Is the use of a size index reasonable?  Yes /  No

If No, why not? (*comment*):

Is using population and expenses for the size index fair?  Yes /  No

If No, why not? (*comment*):

#### Transition to new system

Is the proposal to start the new system immediately after the 2013 elections reasonable?

Yes /  No

(*comment*): Remuneration levels should be notified sufficiently far ahead of nominations.

#### Other

Are there any other pertinent comments that you wish to add?

(*comment*):

We would like the Remuneration Authority to re-look at mileage as the "30km" formula is inequitable. We would prefer no threshold as the Councillors' "normal place of work" is home. If there has to be a threshold, a 10km threshold is reasonable, or some figure that balances the administration cost with the benefit to the member.

**Item 7.14**

**Attachment 1**



**7.15 MACHINERY RESOLUTIONS REPORT****Decision Required**

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Pamela White, Executive Assistant to CEO/Mayor  
**Report Number:** RCN13-02-15  
**File Reference:**

**SUMMARY**

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

**RECOMMENDATION**

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

**DRAFT RESOLUTION**

**That the Full Council receives the Machinery Resolutions report and that the execution of the following documents under the Seal of Council be confirmed:**

**Bylaw, Tasman District Council, Adoption of Tasman's Great Taste Trail Bylaw**

**Bylaw, Tasman District Council, B956, Tasman's Control of Liquor in Public Places Bylaw**

**Deed of Assignment, Eureka Solutions, 41785L2, Motueka Recreation Centre - Wharf Road - Picture Theatre - State Cinema has been assigned to Eureka Solutions**

**Easement, M & J Hewetson, RM110722, Easement to create an esplanade strip for public access and protection of conservation values**

**Lease, Grant and NAC, 41111L2, Renewal and variation of lease - Abel Tasman Helicopters assigning their hangar at Motueka Aerodrome to Nelson Aviation College. Renewed term five years from 1 September 2011**

**Lease, Telecom, Twenty year lease - Telecom Mobile to install telecommunication equipment at Tapawera**

**Lease, Sollys Freight, 13306L1, Five year lease to Sollys Freight to occupy site at Roses Road Takaka, for processing and stockpiling gravel**

**Licence, Murchison Pony Club, Formalises Murchison Pony Club's occupancy of the Recreation Reserve, and makes provision for casual use by non-members under supervision of the Murchison Management Committee**

**Regional Pest Management Strategy, Tasman - Nelson 2012-2017 Regional Pest Management Strategy**



## 7.16 FULL COUNCIL ACTION SHEET

Information Only - No Decision Required

**Report To:** Full Council  
**Meeting Date:** 21 February 2013  
**Report Author:** Pamela White, Executive Assistant to CEO/Mayor  
**Report Number:** RCN13-02-16  
**File Reference:**

### 1 Summary

1.1 The Full Council Action Sheet, as it currently stands, is attached for Councillors' information.

### 2 Appendices

1. Full Council Action Sheet 157



## Action Items - Full Council Meetings

Report Number	Item	Minute / Action	Accountable Officer	Status
<b>Meeting Date: 26 July 2012</b>				
RCN12-07-11	Referral from Community Services Committee - Dominion Flats	Dispose of Part Lot 2 DP20482	J Frater	Subsequent report approved retention of this land
	Commercial Subcommittee	Advertise for non-elected independent members of Commercial Subcommittee	M Staite	It is anticipated that a recommendation will come to Council on 14-03-13
<b>Meeting Date: 6 September 2012</b>				
RCN12-09-01con	Pukekoiko Road Realignment	Commence work programme on Riwaka Kaiteiteri Road	G Clark	Negotiation with land owner still ongoing
		Acquire land on which archaeological site is located	G Clark	Negotiation with land owner still ongoing
<b>Meeting Date: 18 October 2012</b>				
RCN12-10-10	Wakefield Hall Easement	Complete documents	J Frater	completed
<b>Meeting Date: 29 November 2012</b>				
RCN12-10-01	Exchange of Reserve Land - Best Island	Undertake the land swap	J Frater	completed
		Advise Minister of Conservation that exchange of land is complete	J Frater	completed
RCN12-11-02	Rates on Residential Property Subject to Council Initiated Zone Changes	Report back to February Council meeting on postponement and remission policy options from a district-wide approach	L McKenzie	On agenda for meeting 21-02-13
RCN12-11-03	Development Contributions Policy Review	Publicly notify Statement of Proposal and Summary of Information and call for submissions	A Humphries	Submissions heard at Environment and Planning meeting 24-01-12.
		Schedule Council meeting to hear submissions on 24 January	D Bush-King	07-02-13. Council meeting of 21-02-13 requested to endorse that decision.
RCN12-11-04	Review of Professional Services, Restructuring of Engineering Services	Negotiate extension to contract 461 and 682 with MWH until June 2014	L McKenzie/ P Thomson	negotiation complete - signed by parties 31-01-13
		Continue to implement Engineering Services restructure and report back to Council on ???	P Thomson	Status report to Engineering Services Committee meeting 14-02-13
RCN12-11-05	Murchison Sport, Recreation and Cultural Centre / Contract	Develop a contract with MSRCC to provide community recreation programmes and events from 1 January 2013 to 30 June 2014, then annually reviewed	M Tasman-Jones	Contract is with MSRCC for signing.
RCN12-11-06	Motueka Aerodrome Management and Development Plans	Advise Motueka Aerodrome Management Committee, tenants and other stakeholders of final Management and Development Plans, after making amendments agreed at the meeting.	J Frater	Submitters and tenants advised, Posting plans on website February 2013
		advise E & P Committee of appropriate Plan change to more efficiently enable development of the Aerodrome	J Frater	not yet underway
RCN12-11-12	Proposed Lee Valley Dam - an update	Scope out project management role	L McKenzie/ M Staite	Underway.
		commence land acquisition process	L McKenzie	Land owners have been written to requesting initial meeting.
		progress draft Plan change as a priority	D Bush-King	Discussion paper will go to Environment and Planning meeting 28-02-13. Draft Plan change expected to go to Environment and Planning Committee in April.
		prepare budget and likely funding source report for upcoming LVD work and report back to Council early 2013	L McKenzie	An update report on the Lee Valley is on the agenda for the Council meeting 21-02-13
RCN12-11-17	Tasman's Great Taste Trail	Prepare final Great Taste Trail Bylaw documentation for Council seal	D Ley	Seal placed and final document signed 3 December 2012
		Advise submitters of outcome of submissions	D Ley	Submitters notified December 2012
		Advertise the Bylaw to the public, and the date that it will come into effect	D Ley	Advertised 5 December 2012
RCN12-11-14	Control of Alcohol in Public Places Bylaw	Prepare final Bylaw documentation for Council seal	G Caradus	Seal placed and final document signed 4 December 2012
		Advise submitters of outcome of submissions	G Caradus	
		Advertise the Bylaw to the public, and the date that it will come into effect	G Caradus	
RCN12-11-08	Chief Executive's Report	Prepare Council submission on Local Electoral Amendment Bill	S Hartley	Completed.
		Facilitate liaison between Mayor and NTCT to nominate a person to serve on the New Zealand Cycle Trail Establishment Advisory Board	L McKenzie	Nomination complete.
RCN12-11-09	Mayor's report	Collate Councillor's feedback on Remuneration Survey and submit completed survey to the Authority by 14 December 2012	R Kempthorne	Completed and submitted. Completed form attached to Mayor's report for meeting of 21-02-13.
RCN12-11-11	2013 Proposed Meeting dates	Add all other meeting dates as requested into the calendar and circulate to Councillors	P White	All others added to Outlook meeting calendar
RCN12-11-16	Confidential: Building Purchase Mapua Wharf Precinct	Negotiate building purchase as per resolution specifications	J Frater	Under action
		Negotiate and complete lease agreements with current occupiers	J Frater	Under action
RCN12-11-07(b)	143 Salisbury/Motueka Cinema/Queen Street property	Report back on the income received (and outstanding loan) on the cinema lease - next Corporate Services Committee meeting	J Frater	Not yet actioned

Y:\Attachments\2647\9420\Action List from Full Council Meetings - for meeting of 13-02-21.xlsx