

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

**Date:** Thursday 22 June 2017  
**Time:** 9.30 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 Kempthorne	
<b>Deputy Mayor</b>	Cr King	
<b>Councillors</b>	Cr Brown	Cr McNamara
	Cr Bryant	Cr Ogilvie
	Cr Canton	Cr Sangster
	Cr Greening	Cr Tuffnell
	Cr P Hawkes	Cr Turley
	Cr Maling	Cr Wensley

(Quorum 7 members)

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# AGENDA

## 1 OPENING, WELCOME

## 2 APOLOGIES AND LEAVE OF ABSENCE

### Recommendation

That apologies be accepted.

## 3 PUBLIC FORUM

## 4 DECLARATIONS OF INTEREST

## 5 LATE ITEMS

## 6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Wednesday, 14 June 2017, be confirmed as a true and correct record of the meeting.

## 7 PRESENTATIONS

Nil

## 8 REPORTS

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## 8 REPORTS

### 8.1 RICHMOND WEST GROWTH INFRASTRUCTURE: JOINT FUNDING PROPOSAL

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Dwayne Fletcher, Activity Planning Manager
<b>Report Number:</b>	RCN17-06-04

#### 1 Summary

- 1.1 This report seeks additional funding of \$600,000 for 2017/2018 to enable the Council to partner with developers to advance infrastructure works in Richmond West.
- 1.2 Development in Richmond has been progressing at a much faster pace than anticipated by the growth demand and supply model used to inform the Long Term Plan 2015-2025. As a result, development has severely eroded Richmond's supply of serviced land and a shortage in available sections is becoming apparent.
- 1.3 Releasing significantly more land in Richmond West and Richmond South is dependent on construction of the Richmond South trunk main and reservoir and the continued development of Borck Creek. These works will be completed in 10 years under the current Long Term Plan. Staff propose to bring the main and reservoir work forward in the 2018-2028 Long Term Plan, so that most of the work is completed by 2021.
- 1.4 In the interim, the works proposed in this report will enable the early development of up to 400 dwellings ahead of the Council's current work programme. The infrastructure would also provide valuable, enduring capacity and resilience benefits to the wider Richmond water network, and community.
- 1.5 The proposal outlined in this report provides an excellent opportunity for the Council to leverage private investment for works that will provide significant benefits to our community. Staff recommend that the Council approves the additional funding.

#### 2 Draft Resolution

##### That the Full Council

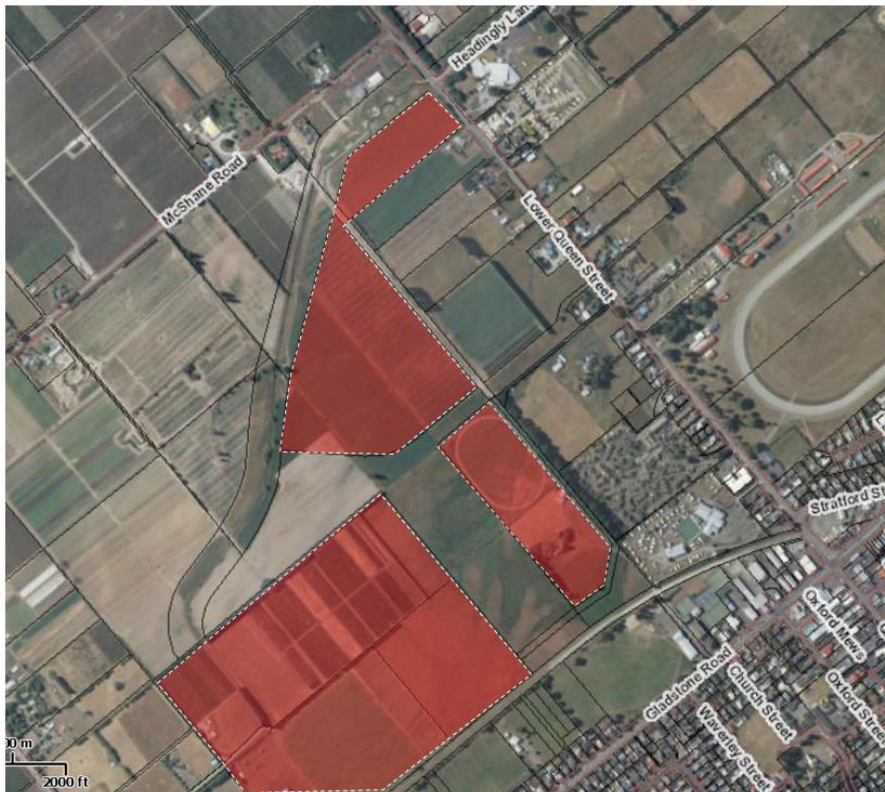
1. receives the Richmond West Growth Infrastructure: Joint Funding Proposal report RCN17-06-04; and
2. approves additional funding of \$600,000 in 2017/2018 to co-fund water infrastructure needed to enable the early development of land in Richmond West; and
3. agrees that the funding above does not require public consultation.

### 3 Purpose of the Report

- 3.1 This report seeks additional funding of \$600,000 for 2017/2018 to enable the Council to partner with developers to advance infrastructure works in Richmond West that:
- enables the development of up to 400 dwellings ahead of the Council's programme; and
  - provides enduring capacity and resilience benefits to the Richmond water network.

### 4 Background and Discussion

- 4.1 Development in Richmond has been progressing at a much faster pace than anticipated by the growth demand and supply model used to inform the Long Term Plan 2015-2025. As a result, development has severely eroded Richmond's supply of serviced land and a shortage in available sections is becoming apparent.
- 4.2 Releasing significantly more land in Richmond West and Richmond South is dependent on construction of the Richmond South trunk main and reservoir, and the continued development of Borck Creek. Staff propose to bring this work forward in the 2018-2028 Long Term Plan, so that most of the work is completed by 2021.
- 4.3 Four developers wishing to progress development in Richmond West have recently approached the Council. The land they wish to develop is outlined (approximately) in figure 1 below.



Land to be serviced by proposed infrastructure

- 4.4 The developers have offered to co-fund infrastructure that would enable the early development of up to 400 dwellings (and potentially a small amount of commercial

development). The infrastructure would also provide valuable, enduring capacity and resilience benefits to the wider Richmond water network, and community.

- 4.5 The work required involves the provision of additional storage at the Richmond Water Treatment Plant equivalent to the existing balance tank, installing a back-up generator for the treatment plant, and associated pipe, electronic and telemetry works. These works will:
- Provide the security of supply and capacity needed for the new developments;
  - Double the capacity of the plant to service Richmond customers in the event of a pipe failure;
  - Enable the plant to operate in the event of a mains power failure; and
  - Lay some of the foundations needed at the plant to operationalise the Richmond South trunk main.
- 4.6 An early estimate of the cost of these works is \$1.2 million (with contingency). The proposed cost share is 50/50 i.e. the Council paying half of the cost. Staff propose to limit the Council's total funding commitment to \$600,000. Any cost overruns will need to be borne by the developers. The developers will also manage procurement and construction for much of the works under an agreement with the Council. They intend to have the works completed in early 2018.
- 4.7 Because of the benefits outlined above and the attractive funding arrangement proposed, staff strongly support the proposal. No funding is available in the 2017/2018 Annual Plan for these works. In order to enable staff to pursue this proposal, the Council will need to provide a budget. Accordingly, staff seek funding approval for \$600,000 in 2017/2018.

### Special Housing Areas

- 4.8 Two of the developers seeking the arrangement above are also seeking Special Housing Area status for the land they intend to develop. Their Special Housing Area applications are being considered in another report to this meeting of Full Council. The assessment of infrastructure serviceability of this land in that report assumes the Council will approve the above funding request. Should the Council not approve the additional funding, the land could still be serviced, but only if the developers agreed to meet all of the costs.
- 4.9 Discussions to date indicate this is unlikely, at least for the works proposed in this report. Staff significantly altered the works concept originally proposed by developers to ensure it had an enduring wider benefit to the network and wasn't 'wasted money' longer term. This raised the cost, which is why a co-funding approach is proposed.

## 5 Options

- 5.1 The Council can either:
- a) Approve the requested additional funding of \$600,000; or
  - b) Approve a different budget or offset the funding against another project; or
  - c) Decline the requested funding.
- 5.2 Staff recommend option a). The co-investment approach proposed helps delivers a significant number of sections ahead of time and effectively subsidises Infrastructure that

provides valuable, enduring capacity and resilience benefits to the Richmond water network. The reasons for not offsetting the funding against other projects are discussed below.

## **6 Strategy and Risks**

- 6.1 The importance of meeting growth is a feature of our current Infrastructure Strategy and Long Term Plan. The need to advance growth infrastructure development in Tasman as a result of higher growth has been canvassed with the Council during the development of the 2018-2028 Long Term Plan. To date, the Council has indicated it accepts the need to bring growth-related works forward.
- 6.2 The Council has also signed a Housing Accord with the Government committing the Council to growth targets of around 250-300 serviced sections per annum over the next two years. The proposed roll out of the sections for the land, subject to the proposal in this report, will see around 200 sections developed within the remaining term of the accord.

## **7 Consideration of Legal Implications**

- 7.1 The proposed funding and construction arrangement requires a formal agreement between the Council and the developers. A draft agreement is already in progress and is pending the outcome of this report.

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

- 8.1 The funding of \$600,000 sought in this report is not provided for in the 2017/2018 Annual Plan. Should the Council approve the funding request, it can either raise additional debt in 2017/2018 or not undertake other projects that would offset the cost.
- 8.2 Normally staff would recommend that the Council not undertake other projects and suggest possible projects for re-prioritisation. However, in this case, staff recommend raising additional debt. The reasons are:
- Much of the cost of this work can be attributed to growth and therefore recovered through future development contributions, meaning it will have a minor impact on the urban water club account.
  - We will be using the developers' capacity to procure and manage the work, meaning the additional work will not materially impact the programme delivery's teams to manage delivery of other capital works.
  - The Engineering Services Manager will be incorporating this in to a works programme and reporting to the Council on delivering within the next three months.

## **9 Significance and Engagement**

- 9.1 Staff do not consider there is any need to publicly consult on this proposal. The cost impact is not material in the context of the overall programme for 2017/2018. The full significance assessment is below.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	L	Unlikely to be controversial. There may be a modest amount of public interest as it shows the Council is pro-actively trying to address housing shortages in Tasman.
Is there a significant impact arising from duration of the effects from the decision?	M	The proposed infrastructure will provide enduring capacity and resilience benefits to the Richmond water network.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	L	The water network as a whole is considered a strategic asset. This proposal will extend that network.
Does the decision create a substantial change in the level of service provided by Council?	L	It provides enduring capacity and resilience benefits to the Richmond water network. However, it does not change the fundamental levels of service we provide in our water networks.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	L	The additional project costs are less than 1.5% of the proposed capital spend for 2017/2018.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	N/A	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	L	The proposal involves partnering with developers (under agreement) to undertake a substantial proportion of the works. The Council has entered into several such arrangements in recent years.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	N/A	

## 10 Conclusion

10.1 The proposal outlined in the report provides an excellent opportunity for the Council to leverage private investment to address a significant section shortage in Richmond; while at the same time providing enduring capacity and resilience benefits to the wider Richmond water network.

## 11 Next Steps / Timeline

11.1 Assuming the Council approve the funding, staff will conclude the agreement with developers for funding and construction of the works. The works themselves should be completed in March/April 2018, with the first titled sections being available shortly after.

## 12 Attachments

1. Water - Capital Works Programme 2017-2018

11



**Attachment One: 2017/2018 water capital works programme**

<b>Project</b>	<b>Budget</b>
Kaiteriteri Treatment Upgrade	739,500
Richmond Queen Street Watermain replacement	748,986
Wakefield New WTP	467,160
District Meter Renewals	742,971
New Motueka WTP (Parker St)	357,000
New Motueka WTP (Parker St)	346,667
New Motueka WTP (Parker St)	116,602
Richmond Lower Queen Street main upsize	433,500
Richmond Sth main Lower Queen St to Low Level Reservoir	867,000
District Bulk Meter Renewal Programme	63,192
Richmond Re-zoning McGlashen Ave	326,062
Growth allowance for pipes	102,557
Richmond Replace Waverly Street Main	28,056
Richmond South facilitation works	260,865
Mapua Growth Facilitation works	15,949
Waimea WTP Upgrade	23,073
District Fire Hydrant Renewals	51,000
District Valve Renewals	58,441
District Water Renewals Contingency	159,493
District Telemetry Upgrade	79,746
	<b>5,989,658</b>





**8.2 SPECIAL HOUSING AREAS****Decision Required**

**Report To:** Full Council

**Meeting Date:** 22 June 2017

**Report Author:** Michael Croxford, Consent Planner

**Report Number:** RCN17-06-05

**1 Summary**

- 1.1 On 19 May 2017, the Mayor and the Minister for Building and Construction (the Minister) signed the Tasman Housing Accord (the Accord) in accordance with the Housing Accord and Special Housing Areas Act 2013 (HASHAA) as amended by the Housing Legislation Amendment Act 2016. At the Environment and Planning Committee meeting on 1 June, 2017, the Committee approved the adoption of the Lead Policy for consideration of Special Housing Areas (SHAs) under the Accord.
- 1.2 This report provides an analysis for consideration by the Council of the first tranche of applications to establish SHAs in the Tasman District. Each applicant has been invited to make a short presentation to Council on their proposed SHA.
- 1.3 This report seeks approval for SHAs at:

Code	Applicant	Address	Minimum Number of Lots
T01-01	Hill Street Property Holding Limited	323 Hill Street, Richmond	14
T01-04	Abel Tasman Estates Limited	265 Sandy Bay-Marahau Road, Marahau	45
T01-07	Ahimia Limited	Angelus Avenue, Richmond	30
T01-08	Future Investments 3000 Limited	2 Arbor-Lea Avenue, Richmond	6
T01-09	St Leger Group Limited	Highland Drive, Richmond	32
T01-10	G. Eden	Whitby Road, Wakefield	40

- 1.4 This report provides options for consideration for SHAs at:

Code	Applicant	Address	Minimum Number of Lots
T01-03	Appleby 54 Limited, Appleby Field Limited & J.E. Malcolm	54 Appleby Highway, Richmond	250

- 1.5 This report advises that the Council not recommend to the Minister the establishment of SHAs in their current form at:

Code	Applicant	Address	Minimum Number of Lots
T01-02	Richmond West Development Company Limited	37 McShane Road, Richmond	800
T01-05	Richmond Pohara Holdings Limited	82 Richmond Road, Pohara	70
T01-06	M.E. & K.M. Sutton	45 Main Road, Hope	40

- 1.6 A SHA request was received from Ruby Coast Estates Limited for 40 additional lots within the consented 'Harakeke' Rural 3 development. This expression of interest was received after the deadline and the applicants have been advised that it will be considered as part of the second tranche of applications to be assessed during the next two to three months.
- 1.7 The report provides an analysis of advantages, disadvantages and risks of all proposed SHAs to be considered, along with identification of the permitted baseline (ie. what could currently be allowed through the Tasman Resource Management Plan) for each site. This information is provided to aid the Council's consideration of the SHAs. Developers will present concepts available for the proposed SHAs during this session. Each application has been allocated 10 minutes to present their project to the Council.

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

1. receives the Special Housing Areas report RCN17-06-05; and
2. approves to recommend to the Minister that 323 Hill Street, Richmond (T01-01), be established as a special housing area; and
3. approves to recommend to the Minister that 265 Sandy Bay-Marahau Road, Marahau (T01-04), be established as a special housing area; and
4. approves to recommend to the Minister that the Angelus Avenue SHA (T01-07), be established as a special housing area; and
5. approves to recommend to the Minister that the 2 Arbor-Lea Avenue SHA (T01-08), be established as a special housing area; and
6. approves to recommend to the Minister that the Highland Drive SHA (T01-09), be established as a special housing area; and
7. approves to recommend to the Minister that the Whitby Road SHA (T01-10), be established as a special housing area; and

**EITHER**

8. approves to recommend to the Minister that the ApplebyField SHA (T01-06), be established as a special housing area for a minimum number of dwellings of 150 within the full area applied for, subject to the developer(s) entering into a Funding Agreement with Council's Engineering Department for the additional infrastructure required to support the development of the SHA;

**OR**

9. That Council approves to recommend to the Minister that the ApplebyField SHA (T01-06), be established as a special housing area for a minimum number of dwellings of 288 within an amended area of 39.2 hectares, subject to the developer(s) entering into a Funding Agreement with Council's Engineering Department for the additional infrastructure required to support the development of the SHA; and
10. declines to recommend to the Minister of Building and Construction that the Richmond West Development Company Limited SHA – 37 McShane Road (T01-02) is established; and
11. declines to recommend to the Minister of Building and Construction that the Richmond Pohara Holdings Limited SHA - 82 Richmond Road, Pohara (T01-05) is established; and
12. declines to recommend to the Minister of Building and Construction that the ME & KE Sutton SHA - 45 Main Road, Hope (T01-06) is established.

### 3 Purpose of the Report

- 3.1 To consider proposed new Special Housing Areas in the Tasman District.
- 3.2 To agree that the Mayor recommend to the Minister of Building and Construction, Special Housing Areas approved as suitable by the Council for consideration under the Housing Accord and Special Housing Areas Act 2013 as amended by the Housing Legislation Amendment Act 2016.

### 4 Background and Discussion

- 4.1 The Council entered into an Accord with the Minister of Building and Construction on 19 May 2017 under HASHAA.
- 4.2 In the Accord, the Council and Government agreed on the importance of targets to give effect to the purpose of the Accord. The Accord sets aspirational targets for both yield of serviced residential sites from residential zoned land and total dwellings consented. Table 1 of the Accord sets out the agreed targets. The Accord acknowledges that the aspirational targets are conditional on the Council being able to supply appropriate infrastructure in a timely manner to enable growth and that there are constraints on the Council to achieve this.

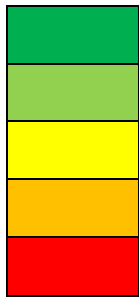
Table 1: Agreed targets for the years 2017-2019.

Housing Supply	Aspirational Targets (financial years)		
	Year 1 (2016/2017)	Year 2 (2017/2018)	Year 3 (2018/2019)
Yield of serviced residential sites from residential zoned land	240-260	250-270	280-300
Total dwellings consented	340-360	360-380	370-400

- 4.3 The Council can consider recommending SHAs to the Minister of Building and Construction as a tool under HASHAA in order to meet its obligations under the Accord. It should be noted that Year 1 of the Accord is due to end on 30 June 2017.
- 4.4 The Council previously entered into an Accord with Government during which no applications for SHAs were received. Therefore, this is the first tranche of applications considered by Council under an Accord. The Council has adopted a Lead Policy to provide a framework alongside the assessment criteria under HASHAA for the consideration of applications for SHAs under the Accord. The purpose of this report is to consider each SHA request against the criteria listed in the HASHAA and the Lead Policy and then provide a recommendation or options with regard to each application.
- 4.5 Staff have received formal requests for establishment of eleven SHAs. An assessment report for each of the SHAs is provided as attachments to this report. Each assessment report outlines the following matters:
- Recommendation;
  - Land Parcel Information;
  - Development Proposal;
  - SHA Establishment Criteria as per HASHAA and the Lead Policy;
  - Ownership Information per Parcel;

- TRMP Provisions;
- Other Comments;
- Decision Implications; and
- An Aerial Site Photo and District Plan Map.

4.6 Within the section of the assessment titled '*SHA Establishment Criteria as per Lead Policy*', Staff have provided an evaluation of infrastructure availability, including available capacity for each of the primary services provided by Council, namely: stormwater, wastewater, potable water, transport and reserves. In order to illustrate readiness for each service a traffic light system has been adopted and the following assessment criteria used.



- Adequate infrastructure capacity exists to support the full proposal
- Adequate infrastructure capacity exists to support the minimum number of dwellings
- The Developer or Council will provide the works so that adequate infrastructure capacity is likely to exist to support the minimum number of dwellings
- There is insufficient information to determine that adequate infrastructure capacity is likely to exist to support the minimum number of dwellings
- Adequate infrastructure capacity does not and is unlikely to exist to support the minimum number of dwellings

4.7 As detailed in paragraph 1.3 of this report, six requests for SHAs have been received that Staff consider meet the purpose of the Accord and the criteria within the HASHAA and the Lead Policy. One further application has been received that cannot be supported in its current form, but if amended can be supported. Each request has been assessed against the criteria within the HASHAA and the Lead Policy and further details of the proposed SHAs are provided in Attachments to this report. If approved by Council and given effect to by the developers, the seven SHAs could provide a minimum of 307 residential sections across the district.

4.8 As detailed in paragraphs 1.4 and 1.5 of this report, three further requests for SHAs have been received. Staff have assessed the applications against the policies in the Accord and the criteria within the HASHAA and the Lead Policy and consider that they are not in accordance. Further details of the proposed SHAs are provided in Attachments to this report. The principal reasons that Council staff are not recommending approval are provided below for each of the three SHAs.

### **37 McShane Road, Richmond**

4.9 The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information. Specifically:

- there is insufficient units of water available to support the minimum number of dwellings applied for the SHA and reassurance that services can be made available beyond 250 units is dependent on other developments;
- there is insufficient information for Council to consider "*an economic cost benefit analysis of the subject land being 'lost' to the district's long-term business land provision given it's a strategic (business) location and the lost economic opportunity*"

*as a result of less business clustering (potentially)*” (Tim Heath letter dated 6 June 2017 provided with application);

- the application is considered to be inconsistent with the Tasman Housing Accord’s aim to focus on areas that are zoned Residential or deferred Residential for development in the TRMP;
- the area is zoned Rural 1 deferred Mixed Business and Rural 1 deferred Light Industrial. The use of the land for Residential development is not aligned to the Tasman Resource Management Plan. This area has been identified and developed within the TRMP for regional industrial and commercial land supply for Nelson and Tasman; and
- there is potential reverse sensitivity issues with nearby large industrial activities that have not yet been resolved.

4.10 It should be noted that the area to east of Borck Creek within The Meadows SHA is a strategic link for Council services to support development in the wider Richmond context and to resolve level of service issues for stormwater in existing parts of central Richmond. The widening of Poutama Drain is to enable the redirection of stormwater from central Richmond to improve the level of service for existing properties and to release the latent brownfields potential of higher density developments. The land to the east of Borck Creek greenway also is a key linkage for the Richmond West pressurised wastewater line from the Appleby Field subdivisions and is a key route for the water pipeline to the Richmond South Water Reservoir. Richmond West Development Limited is also a partner in the Richmond West Supplementary Water Scheme contributing funding for 250 lots of the 400 lots that this system can support.

4.11 If Council is of a mind to approve this location for SHA status then consideration should be given to approving only the area to the east of Borck Creek which is considered by staff to meet the infrastructure enabled criteria under the Lead Policy and HASHAA.

### **82 Richmond Road, Pohara**

4.12 The application is considered to be inconsistent with the Tasman Housing Accord’s aim to focus on areas that are zoned Residential or deferred Residential for development in the TRMP. The site is zoned Rural 2 but is within an area covered by the Eastern Golden Bay Settlement Policies that support residential growth without being specific to a zone. The site is in an area considered to be infrastructure enabled.

### **45 Main Road, Hope**

4.13 The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information. The proposed water infrastructure services to enable development of this block are not programmed until Year 8-10 of the current Long Term Plan. While there are discussions to bring forward this spending it will be subject to the public consultation process of the 2018 Long Term Plan.

**5 Options**

- 5.1 Council has the option of approving these SHAs for recommendation to the Minister, or declining to recommend them to the Minister. If Council approves the SHAs recommended by staff in this report then an additional minimum of 307 residential sections could be created across the district. If Council decides to approve all SHA requests, then an additional minimum of 1,327 residential sections could be created across the district. It should be noted that this is the first tranche of applications to be considered by Council under HASHAA and that many of the applicants have expressed concerns regarding certainty beyond 23 September 2017 general election.
- 5.2 Staff have provided two options for consideration by Council for ApplebyField SHA lodged by the consortium of Appleby 54 Limited, Appleby Field Limited and J.E. Malcolm.
- 5.3 The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area does not exist and is unlikely to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information. Specifically, there is insufficient units of water available to support the minimum number of dwellings applied for the SHA.
- 5.4 Staff propose that Council approve the area covered by the application as a SHA but only for the number of dwellings that can be supported by the proposed supplementary water supply scheme, if approved earlier in the meeting. If this is the case, then the application is considered to be consistent with the Tasman Housing Accord.
- 5.5 Alternatively, staff recommend that Council, in addition, approves the SHA with an additional area already consented for residential development, but only for the number of dwellings that can be supported by the proposed supplementary water supply scheme (150) and that already consented (138). This will enable the applicant to apply for a coherent intensified residential development across their entire landholdings in Richmond West. If this is the case, then the application is also considered to be consistent with the Tasman Housing Accord.
- 5.6 It should be noted that the proposed supplementary water supply scheme has been proposed as a partnership between the Applebyfield Consortium, Richmond West Development Company, Wensley Road Developments Limited and GP Investments Limited. If Council agrees with staff recommendation not to recommend the Meadows SHA to the Minister, the ability of the partnership to supply supplementary water to Richmond West may be compromised.

**6 Strategy and Risks**

- 6.1 Staff recommend not consulting on the Special Housing Area applications. The resource consent process allows for specific consultation process for adjoining property owners. However, there is a risk that the Council will be criticised for not consulting the community on specific applications where there are perceived wider adverse effects.
- 6.2 Staff used the Lead Policy adopted by Council at the 1 June 2017 Environment and Planning Committee as a framework for forming recommendations on SHA requests and a full copy of the assessment form for each SHA is attached to this report.

- 6.3 As noted in Paragraph 4.10 above, The Meadows SHA is in a strategic location regarding the ability of Council to provide services for the wider community as well as for development. Not approving the SHA application may result in a breakdown of the goodwill between the developer and Council in providing for the additional capacity required.

## 7 Consideration of Tasman Resource Management Plan and Long Term Plan Requirements

- 7.1 If approved, the following SHA applications may require Plan Changes to correct zone boundaries to reflect the change to residential activity or land parcel configuration:

Code	Applicant	Action
T01-01	Hill Street Property Holding Limited	Movement in zone boundaries to reflect lot boundaries and additional lots.
T01-02	Richmond West Development Company Limited	Deferment uplifted and change in zone from Mixed Business and Light Industrial to Residential
T01-05	Richmond Pohara Holdings Limited	Change in zone from Rural 2 to Residential

- 7.2 If approved, the following SHA applications would require deferment uplifts to occur:

Code	Applicant	Action
T01-03	Appleby 54 Limited, Appleby Field Limited & J.E. Malcolm	Uplifted from Rural to Residential
T01-04	Abel Tasman Estates Limited	Uplifted from Rural to Residential
T01-06	M.E. & K.M. Sutton	Uplifted from Rural to Residential

- 7.3 If approved as applied for, the following SHA applications would have funding implications on Council during the next Long Term Plan process:

Code	Applicant	Action
T01-02	Richmond West Development Company Limited	Funding for the Richmond South Water Reservoir
T01-03	Appleby 54 Limited, Appleby Field Limited & J.E. Malcolm	Funding for the Richmond South Water Reservoir
T01-06	M.E. & K.M. Sutton	Funding for the Richmond South Water Reservoir

## 8 Consideration of Financial or Budgetary Implications

- 8.1 The first tranche of applications include three proposals that in order meet the criteria under HASHAA of the infrastructure being likely, requires Council to bring forward significant infrastructure spending on the Richmond South Water Reservoir. Staff consider that the ApplebyField SHA application can be approved, if amended, to remove this obligation on Council.
- 8.2 The approval of the ApplebyField SHA is dependent on approval of the Richmond West Supplementary Water Scheme as proposed in the Richmond West Growth Infrastructure: Joint Funding Proposal presented early in this meeting. There is a risk to this project occurring if Council decides not to recommend The Meadows SHA to the Minister.



## 9 Significance and Engagement

9.1 The Lead Policy provides a mechanism for Council to consult with the community on SHA requests if it decides there is reason to do so. The Lead Policy itself increases the scope of matters that the council can take into account when considering SHA requests, some of which may have a high level of significance. Staff have highlighted the principle issues below:

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Yes	Individual SHA applications may be perceived as avoiding the RMA process. Existing resource consent processes are live for both the 2 Arbor-Lea Avenue SHA and the Pohara SHA.
Is there a significant impact arising from duration of the effects from the decision?	No	
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
Does the decision create a substantial change in the level of service provided by Council?	No	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Yes	Approval of SHAs dependent on the establishment of the Richmond South Water Reservoir may require Council to provide this infrastructure sooner.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	Yes	Refer to report on Richmond West Growth Infrastructure: Joint Funding Proposal Declining The Meadows SHA may result in a significant delay the delivery of key Council infrastructure projects.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

## 10 Conclusion

- 10.1 Staff recommend that six SHAs are recommended to the Minister as applied for and that one SHA can be recommended provided it is amended to minimum number of dwellings that are infrastructure enabled.

## 11 Next Steps / Timeline

- 11.1 If the Council approves any of the SHAs, staff will formally write to the Minister advising them of the Council's recommendations. The Minister then assesses the Council's recommendation under Section 16(3) of HASHAA, namely:
- (a) *adequate infrastructure to service qualifying developments in the proposed special housing area either exists or is likely to exist, having regard to relevant local planning documents, strategies, and policies, and any other relevant information; and*
  - (b) *there is evidence of demand to create qualifying developments in specific areas of the scheduled region or district; and*
  - (c) *there will be demand for residential housing in the proposed special housing area.*
- 11.2 If approved by the Minister then they will make a recommendation to the Governor-General to make an Order in Council declaring an area to be a special housing area for the purposes of HASHAA.
- 11.3 Once an area is gazetted as a SHA then a person may apply for resource consents for a qualifying development within the SHA. A qualifying development is a development that:
- (a) *that will be predominantly residential; and*
  - (b) *in which the dwellings and other buildings will not be higher than—*
    - (i) *6 storeys (or any lesser number prescribed); and*
    - (ii) *a maximum calculated height of 27 metres (or any lower maximum calculated height prescribed); and*
  - (c) *that will contain not fewer than the prescribed minimum number of dwellings to be built; and*
  - (d) *that will contain not less than the prescribed percentage (if any) of affordable dwellings.*
- 11.4 Some of the benefits of the resource consent process under HASHAA include:
- streamlined consenting and plan change timeframes
    - 20 working days for non-notified applications
    - 70 working days for limited notified applications
    - 130 working days for plan changes
  - the ability to process resource consents and plan changes concurrently
  - limited notification provisions only, no public notification, and
  - limited appeal rights.

**12 Attachments**

1.	T01-01 323 Hill Street	25
2.	T01-02 37 McShane Road	33
3.	T01-03 54 Appleby Highway	43
4.	T01-04 265 Sandy Bay - Marahau Rd	55
5.	T01-05 82 Richmond Rd Pohara	63
6.	T01-06 45 Main Rd Hope	71
7.	T01-07 Angelus Avenue	79
8.	T01-08 2 Arbor-Lea Avenue	87
9.	T01-09 Highland Drive	95
10.	T01-10 Whitby Rd Wakefield	103


















**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01**

Recommendation	
	That Council approves to recommend to the Minister that 323 Hill Street, Richmond (T01-01), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-01
SHA Name	323 Hill Street SHA
Property Address	323 Hill Street, Richmond
Area (ha)	10.3187 Ha
SHA Requester	Hill Street Property Holding Limited

Development Proposal	
Developer	Hill Street Property Holding Limited
Brownfield/Greenfield	Greenfields
Expected yield	16 to 23
Expected delivery programme	Unspecified
Affordability provisions	None
Qualifying development criteria	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	16

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord												
2.1 Alignment with Tasman Resource Management Plan	<p>The proposed pattern of development and the average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. Intensification in the Rural Residential zone is anticipated if service enabled.</p> <p>The area is zoned Rural Residential Unserviced, Residential and Rural 2. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development in the Rural Residential and the Rural 2 is more intensive than anticipated by the Tasman Resource Management Plan. This will be dependent on an assessment of the wastewater capacity in the existing system serving this site. The proposal also is for two Rural Residential sized lots on a ridge in the Rural 2 zone that is deemed to be geotechnically stable.</p>												
Infrastructure availability / readiness, including available capacity  <table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>Existing stormwater connections available in Hill Street</li> <li>Development would be required for Pre- and Post-development flows to be the same. Consideration would need to be given whether this would need to be for the peak flow or total flow.</li> <li>Sufficient space available for the construction of a detention pond.</li> </ul> <p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>Sufficient capacity for land zoned Residential</li> <li>On-site disposal for land zoned Rural Res and Rural 2</li> <li>Intensification of Rural Res would require access to reticulated system. This would require an investigation to determine capacity in the system.</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>Water available for land zoned Residential to 90m contour</li> <li>On-site storage of rainwater for Rural Res and Rural 2 land</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T01-01 323 Hill Street SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Transport</b></p> <ul style="list-style-type: none"> <li>Proposed rights-of-way have frontage to Hill Street</li> </ul>
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>Have indicated that an alternative connection from Dellside to Hill Street to Jimmy Lee Creek for mountain bikes would be desirable. Currently, Jimmy Lee Creek Reserve is used by mountain bikers and is not the most desirable option for integrated use given the constraints of the reserve.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>Connections to existing infrastructure with sufficient capacity exists for the minimum number of dwellings applied for. This will require the applicant to install on-site stormwater mitigation measures and on-site wastewater within the rural residential zone unless sufficient capacity for the servicing of this area can be determined through consultation with the Engineering Department.</li> <li>It should be noted that the pre-application advice given on 22 February 2017 was given as part of a due diligence process and did not confirm capacity in the existing wastewater system for the Rural Residential area. Subsequent correspondence to Landmark Life Limited on 29 May 2017 advised that there are downstream issues with wastewater overflows and stormwater infiltration. Hence the need to determine sufficient capacity with on-going discussions.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed development does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the proposed development</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>Sufficient space available for the construction of a detention pond to avoid additional stormwater to the existing system</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>Concept Engineering Plans have been provided for a 23 lot subdivision. The proposed layout is dependent on connection to the Council reticulated wastewater system. The site and adjoining infrastructure can support the minimum number of dwellings applied for the SHA being 16.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>A Geotechnical Feasibility Assessment has been submitted with the SHA application supporting the establishment of the 23 lots.</li> </ul>
2.3 Demand for a QD	The applicant states that the site is in close proximity to central Richmond and are in keeping with the adjoining pattern of development.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a range of allotment sizes and compliments the existing zoning pattern.
2.5 Predominantly Residential	No non-residential activities are proposed as part of this application. The Rural 2 zoned land will be retained as a rural block, although some parts of the Rural 2 zoned land is proposed to be incorporated into adjoining Residential and Rural Residentially zoned site where that land is deemed to be geotechnically stable. This would require rezoning the underlying zone once completed.
2.6 Commercial Viability	The applicant has advised that the SHA status will change the financial viability of the project by focusing discussions to servicing of the lots.
2.7 Building Height	The proposed building height is consistent with the adjoining zones.

**T01-01 323 Hill Street SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
2.8 Consultation	The applicant has consulted with Council prior to acquisition of the property and as part of a pre-application process. No evidence of consultation with adjoining landowners has been provided.

Ownership information per parcel	
Street Address	323 Hill Street, Richmond
Owner	Hill Street Property Holding Limited
Valuation Number	1961093100
CT Number	12A/1149
Legal Description	PT LOT 1 DP 19245
Area (ha)	10.3187

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Residential (~ 1.03ha)</li> <li>Rural Residential – Hill Street South (~2.2ha)</li> <li>Rural 2 – (~7.8ha)</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 450 square metres (Rule 16.3.3.1(a))</li> <li>Rural Residential – 5,000 square metres (Rule 16.3.8.1(a))</li> <li>Rural 2 – 50 hecatres (Rule 16.3.6.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> <li>Rural Residential – 7.5 metres (Rule 17.8.3.1(e))</li> <li>Rural 2 – 7.5 metres (Rule 17.6.3.1(h))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Fault Rupture Risk Area</li> <li>Special Domestic Wastewater Disposal Area (Rural Residential Area only)</li> <li>Slope Instability Risk Area</li> <li>Land Disturbance Area 1</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status enhances the commercial viability of the project.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM930156 – Boundary Adjustment</li> </ul> <p>No historical planning permits have been found for this property.</p>

Decision Implications	
Comments	None

Reviewed by	
Site Visit	12 May 2017
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T01-01 323 Hill Street SHA**

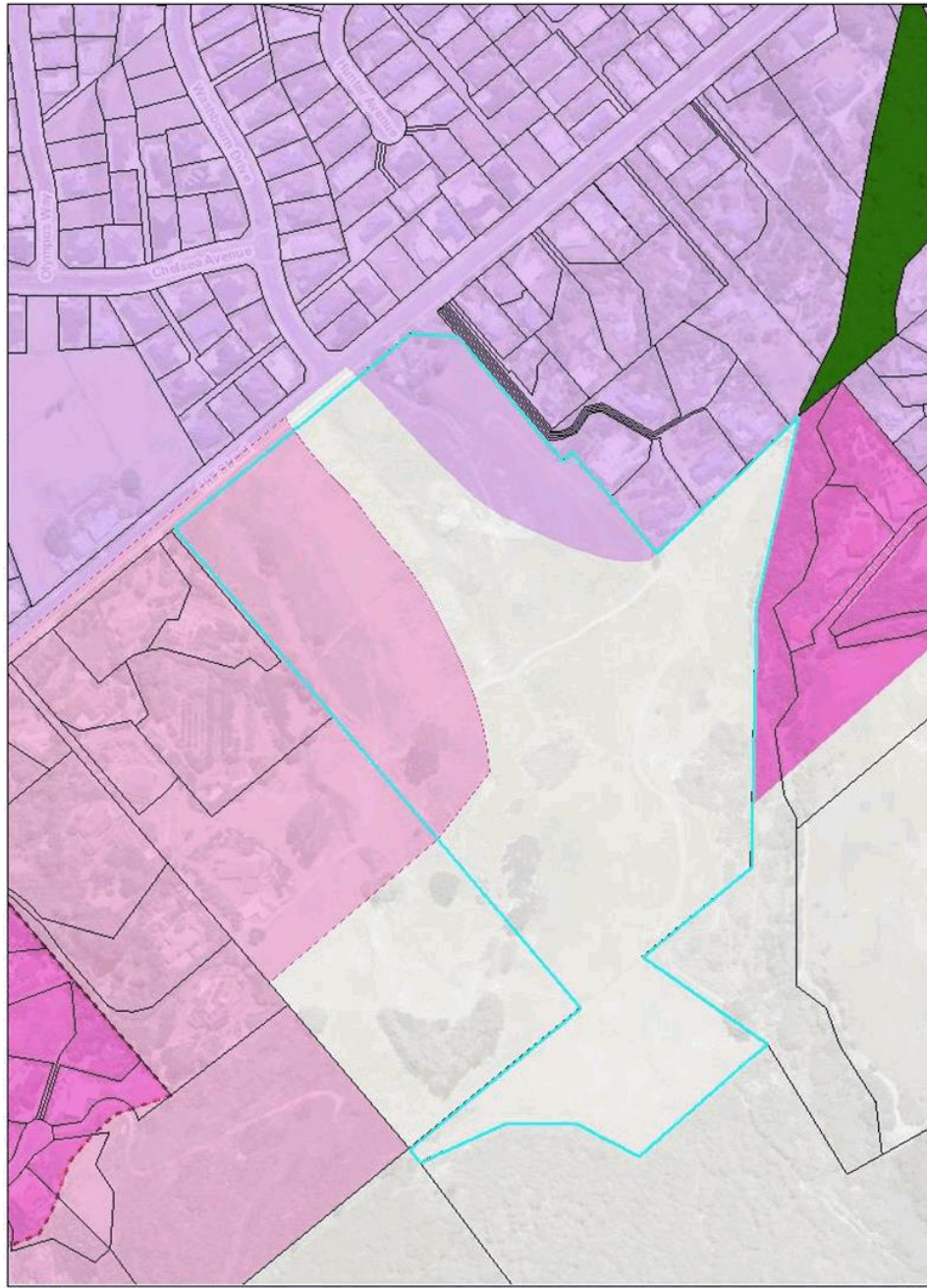






TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01

Tasman Resource Management Plan – Zone Map

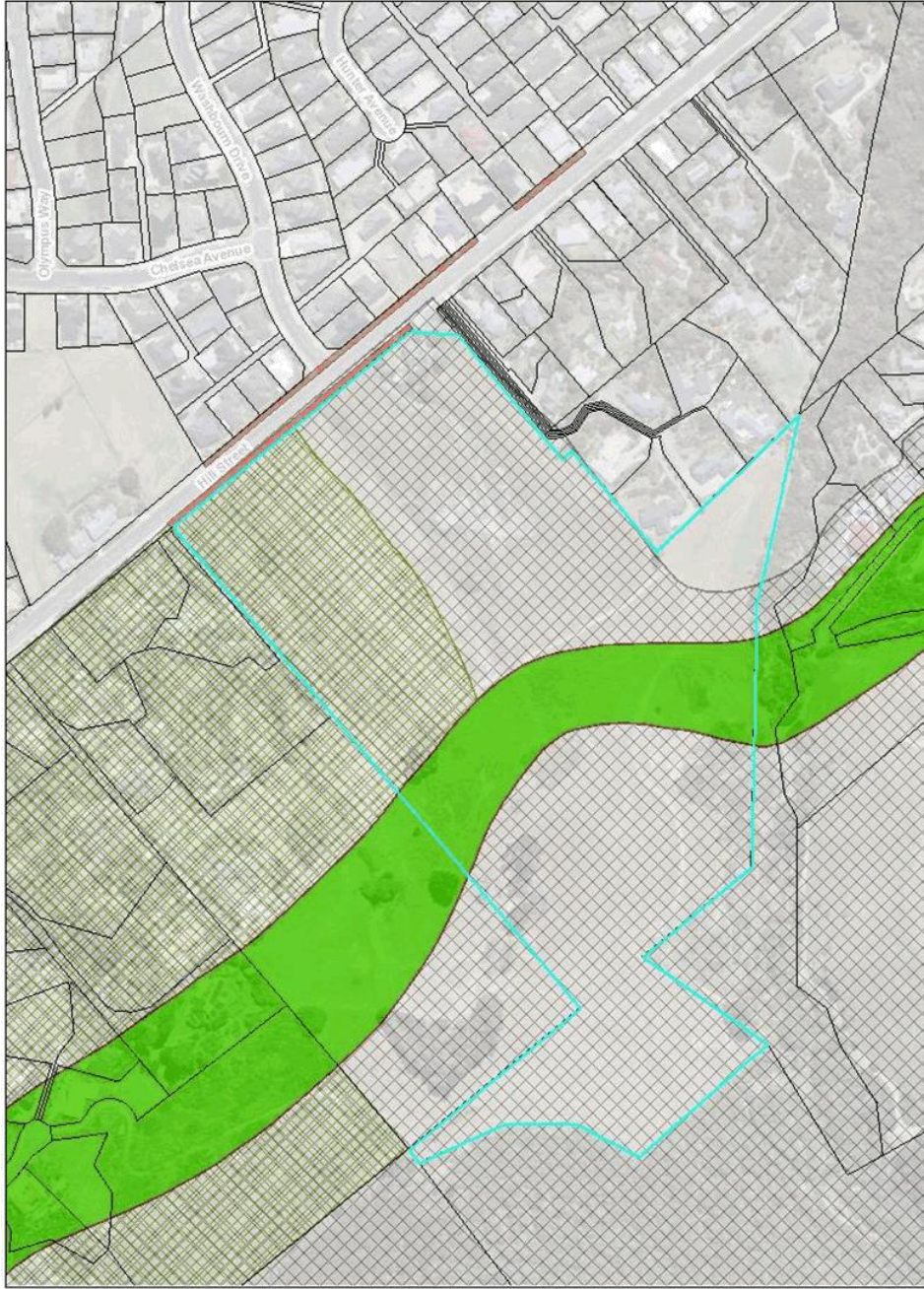


T01-01 323 Hill Street SHA



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01

Tasman Resource Management Plan – Overlays Map



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**T01-01 323 Hill Street SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-01**

Concept Plan provided by Developer



**T01-01 323 Hill Street SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

Recommendation	
	That Council <u>does not recommend</u> to the Minister that The Meadows SHA (T01-02), be established as a special housing area for a minimum number of dwellings of 800.
















Land Parcel Information	
Tranche	1
Application Number	T01-02
SHA Name	The Meadows SHA
Property Address	37 McShane Road, Richmond
Area (ha)	Approximately 50.2 Ha
SHA Requester	Richmond West Development Company Limited

Development Proposal	
Developer	Richmond West Development Company Limited
Brownfield/Greenfield	Greenfields
Expected yield	800
Expected delivery programme	The first stage of 250 residential units is expected to commence within a year. The balance being when infrastructure enabled.
Affordability provisions	None
Qualifying development criteria	
• Maximum number of storeys that building may have:	2
• Maximum calculated height that building must not exceed:	7.5 metres
• Minimum dwelling or residential site capacity:	800

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
Consistent with Tasman Housing Accord	<p>The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information. Specifically:</p> <ul style="list-style-type: none"> <li>there is insufficient units of water available to support the minimum number of dwellings applied for the SHA;</li> <li>there is insufficient information for Council to consider "an economic cost benefit analysis of the subject land being 'lost' to the district's long-term business land provision given it's a strategic (business) location and the lost economic opportunity as a result of less business clustering (potentially)" (Tim Heath letter dated 6 June 2017);</li> <li>the application is considered to be inconsistent with the Tasman Housing Accord's aim to focus on areas that are zoned Residential or deferred Residential for development in the TRMP; and</li> <li>there is potential reverse sensitivity issues with nearby large industrial activities.</li> </ul>
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Rural 1 deferred Mixed Business and Rural 1 deferred Light Industrial. The use of the land for Residential development is not aligned to the Tasman Resource Management Plan. This area has been identified and developed within the TRMP for regional industrial and commercial land supply for Nelson and Tasman.
Infrastructure availability / readiness, including available capacity	<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>Council has an on-going programme of land purchase and development of the Borck Creek corridor over the period of the application.</li> </ul>

**T01-02 The Meadows SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
<table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<ul style="list-style-type: none"> <li>The applicant has engaged in discussions to enable a widening of Poutama Drain as part of the wider Richmond stormwater projects. The applicant is in the process of obtaining a boundary adjustment to vest 7,760 square metres for this purpose. This project will greatly enhance the performance of the Council stormwater network to improve the level of service given to central Richmond.</li> </ul> <p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>Wastewater will need to be pressurised with individual systems to the new system that is being installed as part of the adjoining consented subdivision. This is anticipated to be connected to the new Headingly Lane gravity mains extension by April 2018.</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>There is currently only 200 units of water allocated to the Richmond West Development Area and they have been fully allocated to Lower Queen Street Limited (62) and the ApplebyField Consortium (138).</li> <li>A Water Supply Agreement between four parties in the Richmond West Development Area for the supplementary supply to the existing system of an additional 400 lots is being discussed with Council.</li> <li>The proposed services to enable development of this block are not programmed until Year 8-10 of the Long Term Plan. While there are discussions to bring forward this spending it will be subject to the public consultation process of the 2018 Long Term Plan. Also, Council have only begun the investigation process for securing a site for the proposed Water Reservoir to service this site. The developer has not indicated a wish to fund this infrastructure.</li> <li>Council Officers recommend that if the SHA is approved then the minimum number of dwellings should be what the supplementary scheme can support and has been agreed to allocate to this party, being 200.</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>While Officers support the establishment of a walkway/cycleway adjoining Borck Creek any relocation of the Indicative Road will require this area to have passive surveillance from the adjoining Residential lots and a high-level of amenity between the public-private space.</li> <li>The roading network does not conform to the overall pattern anticipated in the TRMP. The applicant proposes that the roading connection across Poutama Drain is not open to the public meaning that more traffic will possibly use the Lower Queen Street Limited's entrance to the development.</li> <li>The application is silent on the establishment of the indicative road crossing of Borck Creek.</li> <li>The road corridors will need to have secondary functions such as acting as secondary flowpaths for stormwater and as public amenity spaces due to adjoining intensification. As a consequence of increasing density there may be more pressure on the roading network for parking and this will need to be considered carefully at the time of application for resource consents.</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T01-02 The Meadows SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>The applicant proposes 6 metre wide cycleway/walkway beside the eastern side of the Borck Creek corridor as a replacement for the Indicative Road.</li> <li>Reserves have not had the opportunity to assess the wider development. However, they would like consideration to be given an additional reserve adjoining the eastern side of Borck Creek.</li> <li>Reserves have expressed a need for connectivity and a preference for linkages to the Borck Creek corridor.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>The existing wastewater, stormwater and roading networks does not have current capacity but will have sufficient capacity enabled by projects anticipated by Council during the first three of the Long Term Plan.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed development does not involve any infrastructure in the LTP enabled by the developer.</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>The applicant is party to the proposed Richmond West Water Supply Agreement for an additional 400 lots.</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>Sufficient space available for the construction of a stormwater mitigation features, if required.</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>No concept Engineering Plans have been provided. Pre-application discussions regarding this site have been on-going.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that 8 hectares of the infrastructure enabled portion of the SHA has been sold to the Arvida Group for development into a residential retirement village.
2.4 Demand for Residential Housing	The applicant states the provision of a large area for residential supply will provide security of supply that this will take the heat out of the market.  They also consider that there is clear demand for a range of housing types that will be on offer as part of the proposal.
2.5 Predominantly Residential	A maximum of 10% of the total area is anticipated to be given over to unspecified non-residential development.
2.6 Commercial Viability	The developer cites current market experience of the members of the developers. They have also provided a statement from Mr Andrew Smith of Crowe Howarth regarding positive economic effects of the development.
2.7 Building Height	The proposed building height is consistent with the underlying Rural 1 zone.
2.8 Consultation	No evidence of consultation with adjoining landowners, NZTA or with adjoining large industries despite the applicant having been in discussions with Council for the past 6 months. Council Officers are aware that there have been direct discussions between the applicant and Nelson Pine Industries Limited. The applicant has chosen not to include any details of that consultation within their application apart from their opinion regarding Nelson Pine Industries Limited's concerns.

**T01-02 The Meadows SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	Council Officers also advised the applicant to consult with Nelson City Council regarding the regional provision of Commercial and Industrial land. No evidence of this consultation has been provided.

Ownership information per parcel	
Street Address	37 McShane Road, Richmond
Owner	Richmond West Development Company Limited
Valuation Number	1957015508
CT Number	636070
Legal Description	SEC 8-9 SO 455144, LOT 5 DP 470387
Area (ha)	19.6826

Ownership information per parcel	
Street Address	91 McShane Road, Richmond
Owner	Richmond West Development Company Limited
Valuation Number	1957016011
CT Number	636067 and 636068
Legal Description	LOT 2 DP467493 SECS 12-13 & 16 SO 455144
Area (ha)	30.5162

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Rural 1 deferred Mixed Business (approximately 33 hectares) refer Schedule 17.14A, Part Area D – Reasons for deferral is for Stormwater, Water and Wastewater.</li> <li>Rural 1 deferred Light Industrial (approximately 17 hectares) refer Schedule 17.14A, Part Area H – Reasons for deferral is for Stormwater, Water and Wastewater.</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Rural 1 – 12 hectare minimum (16.3.5.1)</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Rural 1 – 7.5 metres (Rule 17.5.3.1(f))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Indicative Reserves</li> <li>Indicative Roads</li> <li>Designations D241, D242 and D249</li> <li>Land Disturbance Area 1</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> <li>Land Disturbance Consent</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status will enable them to provide a unique opportunity to develop a residential environment with high amenity and immediately adjacent to the current urban boundary.
Planning History	No relevant Resource Consent records are on record for this property. No historical planning permits have been found for this property.

**T01-02 The Meadows SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

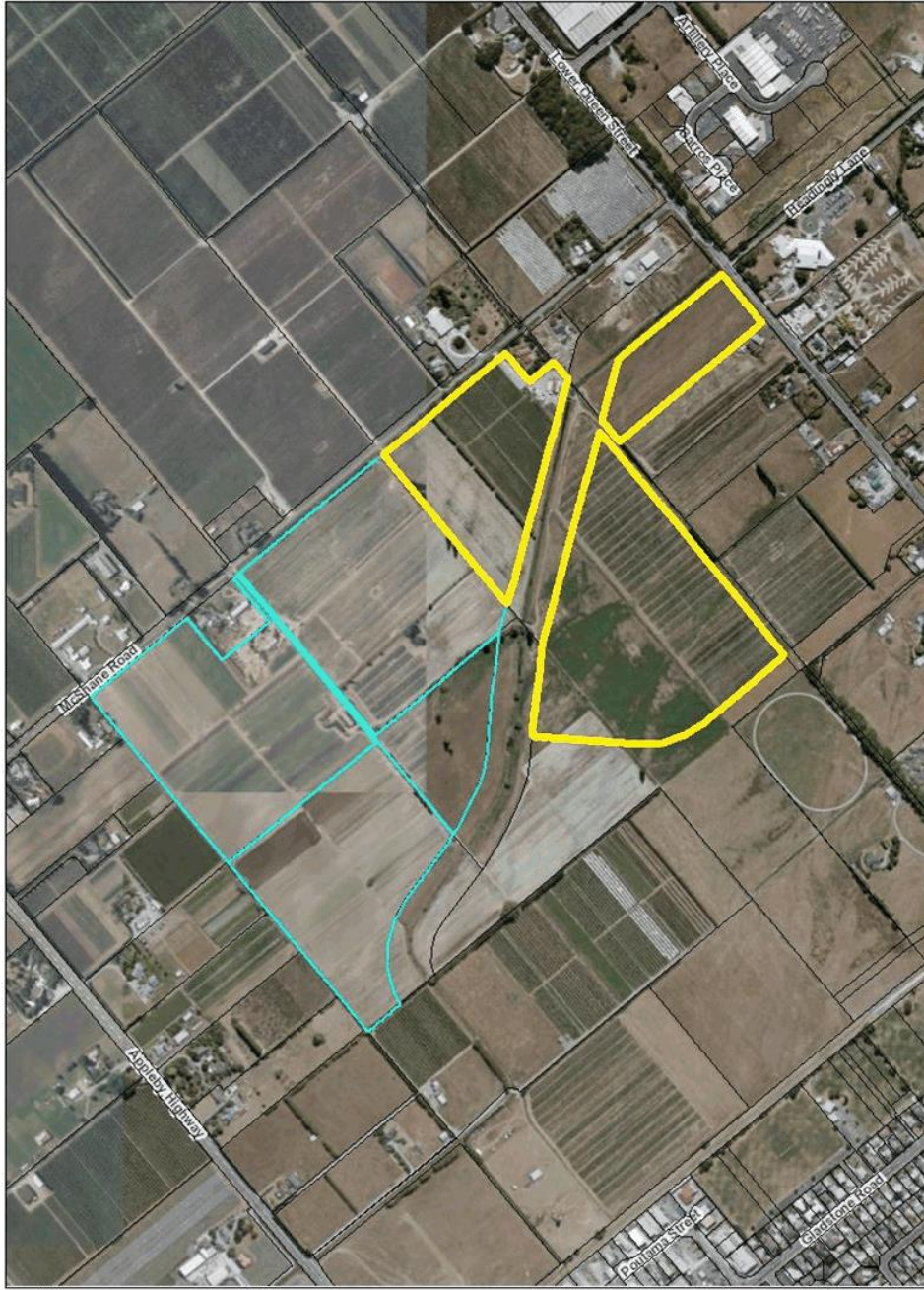
<b>Decision Implications</b>	
<b>Comments</b>	<p>Clear reasons need to be given if this SHA application is approved to demonstrate that the site is suitable for residential development despite the underlying zone in order to discourage applications for conversion of infrastructure enabled land zoned for other purposes in the district.</p> <p>If the SHA is gazetted and Resource Consents approved then the zoning will need to be changed by Council. Furthermore, Council will need to determine, in liaison with Nelson City Council, regarding where alternative commercial and industrial land for the district should be focussed given that the application has the potential to compromise this area having been set aside as an integrated hub for those land uses.</p> <p>Council Officers have also been advised by Nelson Airport that they are reviewing the existing flight paths for aircraft using the airport. This may lead to planes flying lower over this area. Our understanding is that they are at the initial consultation phase.</p>

<b>Reviewed by</b>	
<b>Site Visit</b>	Not completed by Recommending Officer prior to report being completed.
<b>Engineering</b>	13 June 2017
<b>Environmental Policy</b>	13 June 2017
<b>Reserves and Facilities</b>	13 June 2017

**T01-02 The Meadows SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02

Aerial site photo of The Meadows SHA



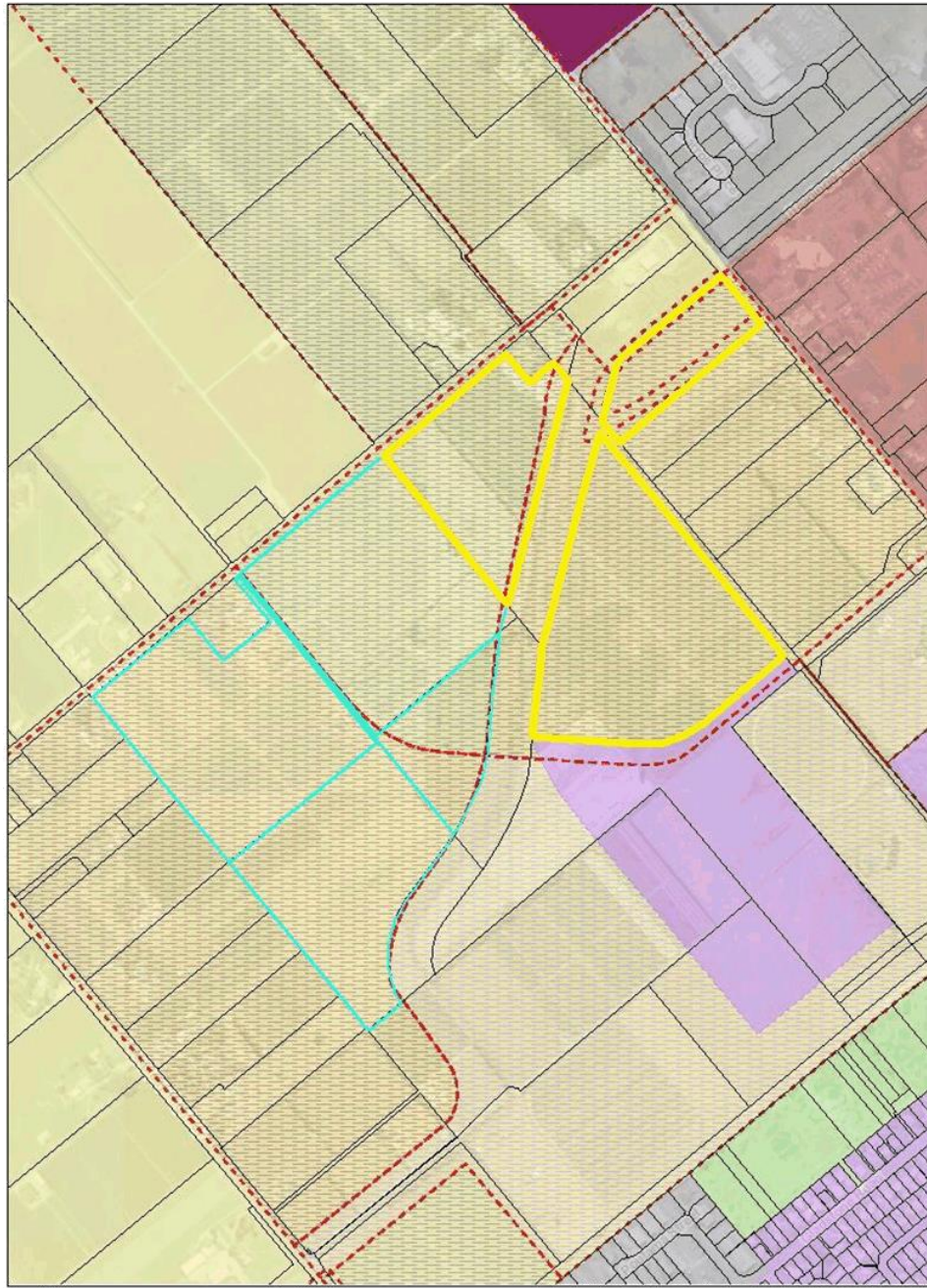
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T01-02 The Meadows SHA



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

Tasman Resource Management Plan – Zone Map



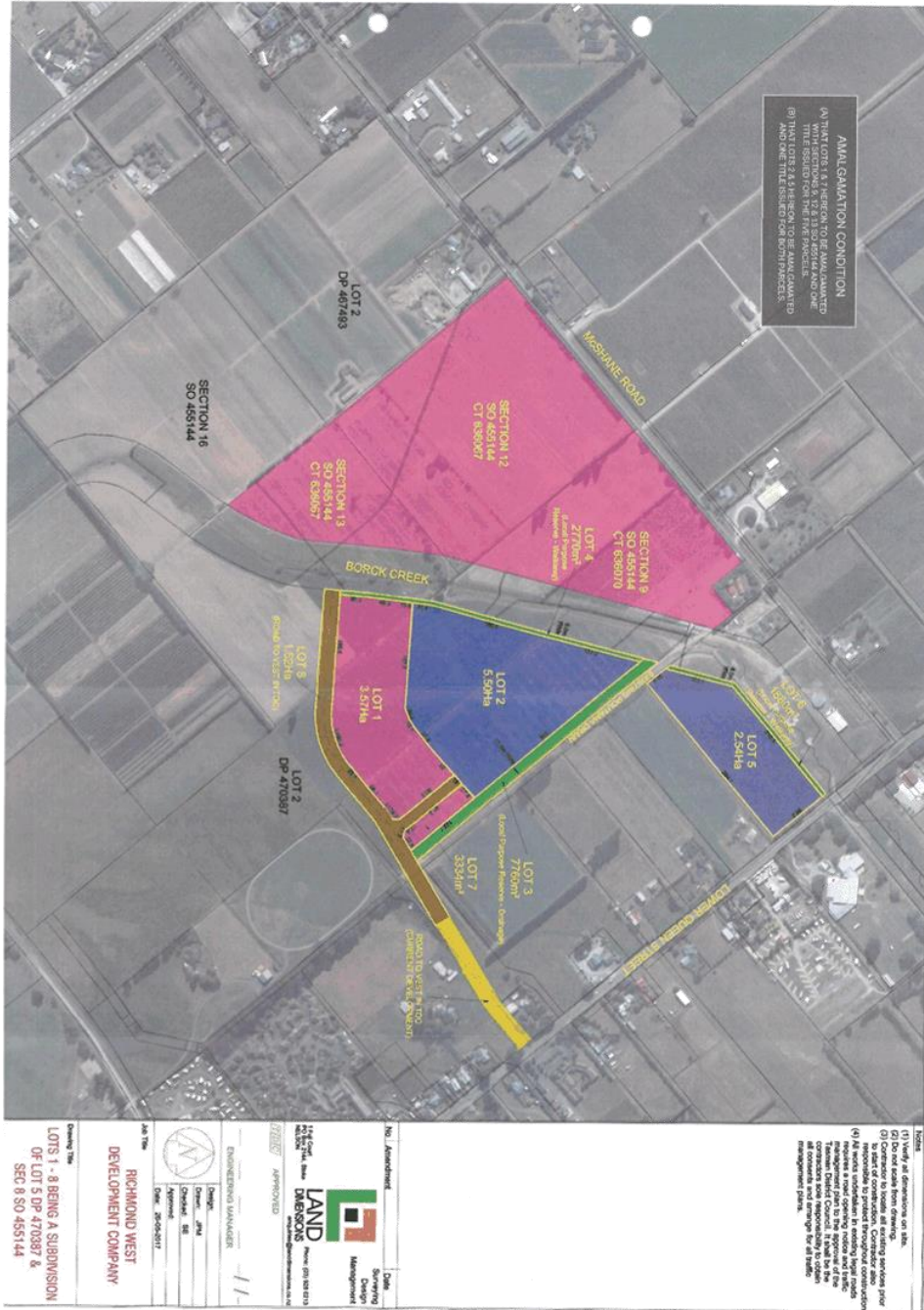
**T01-02 The Meadows SHA**





**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02**

Concept Plans provided by Developer



**T01-02 The Meadows SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-02



T01-02 The Meadows SHA

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

Recommendation	
	<p>That Council <u>does not recommend</u> to the Minister that the ApplebyField SHA (T01-06), be established as a special housing area for a minimum number of dwellings of 250</p> <p><b>AND:</b></p> <p>That Council approves to recommend to the Minister that the ApplebyField SHA (T01-06), be established as a special housing area for a minimum number of dwellings of 150 within the full area applied for, subject to the developer(s) entering into a Funding Agreement with Council's Engineering Department for the additional infrastructure required to support the development of the SHA.</p> <p><b>OR</b></p> <p>That Council approves to recommend to the Minister that the ApplebyField SHA (T01-06), be established as a special housing area for a minimum number of dwellings of 288 within an amended area of 39.2 hectares, subject to the developer(s) entering into a Funding Agreement with Council's Engineering Department for the additional infrastructure required to support the development of the SHA.</p>

Land Parcel Information	
Tranche	1
Application Number	T01-03
SHA Name	ApplebyField SHA
Property Address	54 Appleby Highway, Appleby
Area (ha)	~27.6 Ha (refer attached plan – area indicative only)
SHA Requester	ApplebyField Consortium being ApplebyField Limited, Appleby 54 Limited and John Malcolm

Development Proposal	
Developer	ApplebyField Consortium being ApplebyField Limited, Appleby 54 Limited and John Malcolm
Brownfield/Greenfield	Greenfields
Expected yield	250
Expected delivery programme	This proposed development is linked to two further developments occurring in Richmond West. A 62 lot subdivision by Lower Queen Street Limited will be completed in August 2017 with the first stage of a consented development for 138 lots starting in October 2017. The developers intend to then develop three further stages each of approximately 100 lots.
Affordability provisions	None
<b>Qualifying development criteria</b>	
• Maximum number of storeys that building may have:	2
• Maximum calculated height that building must not exceed:	7.5 metres
• Minimum dwelling or residential site capacity:	250

**T01-03 ApplebyField SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	<p>The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information. Specifically, there is insufficient units of water available to support the minimum number of dwellings applied for the SHA.</p> <p>However, Officers propose that Council approve the area covered by the application as a SHA but only for the number of dwellings that can be supported by the proposed supplementary water supply scheme, if approved earlier in the meeting. If this is the case, then the application is considered to be consistent with the Tasman Housing Accord.</p> <p>Alternatively, Officers recommend that Council, in addition, approves the area covered by the application as a SHA and the area already consented for residential development, but only for the number of dwellings that can be supported by the proposed supplementary water supply scheme (150) and that already consented (138). This will enable the applicant to apply for a coherent intensified residential development across their entire landholdings in Richmond West. If this is the case, then the application is also considered to be consistent with the Tasman Housing Accord.</p>												
2.1 Alignment with Tasman Resource Management Plan	<p>The area is zoned Rural 1 deferred Residential. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development is more intensive than anticipated by the Tasman Resource Management Plan. This is due to the desire of the developer to offer a range of lot sizes.</p>												
<p>Infrastructure availability / readiness, including available capacity</p> <table border="1" style="margin-top: 10px;"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td style="background-color: #008000;"></td> </tr> <tr> <td>Good</td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td>OK</td> <td style="background-color: #FFFF00;"></td> </tr> <tr> <td>Poor</td> <td style="background-color: #FFA500;"></td> </tr> <tr> <td>Very Poor</td> <td style="background-color: #FF0000;"></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>Council has an on-going programme of land purchase and development of the Borck Creek corridor over the period of the application.</li> </ul> <p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>Wastewater will need to be pressurised with individual systems to the new system that is being installed as part of the consented 138 lot subdivision. This is anticipated to be connected to the new Headingly Lane gravity mains extension by April 2018.</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>There is currently only 200 units of water allocated to the Richmond West Development Area and they have been fully allocated to Lower Queen Street Limited (62) and the AppleyField Consortium (138).</li> <li>A Water Supply Agreement between four parties in the Richmond West Development Area for the supplementary supply to the existing system of an additional 400 lots is being discussed with Council.</li> <li>The proposed services to enable development of this block are not programmed until Year 8-10 of the Long Term Plan. While there are discussions to bring forward this spending it will be subject to the public consultation process of the 2018 Long Term Plan. Also, Council have only begun the investigation process for securing a site for the proposed Water Reservoir to service this site. The developer has not indicated a wish to fund this infrastructure.</li> <li>Council Officers recommend that the SHA is only approved for the number of dwellings that the Consortium has access to via their current allocation of 138 and the supplementary scheme, being 150.</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>While Officers support the establishment of a walkway/cycleway adjoining Borck Creek any relocation of the Indicative Road will require this area to have passive surveillance from the adjoining Residential lots and a high-level of amenity between the public-private space.</li> <li>The roading network generally conforms to the anticipated pattern of development.</li> <li>The road corridors will need to have secondary functions such as acting as secondary flowpaths for stormwater and as public amenity spaces due</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T01-03 AppleyField SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p>to adjoining intensification. As a consequence of increasing density there may be more pressure on the roading network for parking and this will need to be considered carefully at the time of application for resource consents.</p> <p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>The applicant proposes three reserves as shown on the staging plan below. The applicant has also proposed a continuation of the proposed cycleway/walkway beside the eastern side of the Borck Creek corridor as a replacement for the Indicative Road.</li> <li>Reserves have expressed a preference for a larger Neighbourhood park within the overall development as well as two pocket parks (see Possible Reserves Plan attached). The need for reserves will be dependent on proposed density and open space amenity including within road corridors and accessways.</li> <li>Reserves have also expressed a need for connectivity and a preference for linkages to the Railway Reserve walkway/cycleway and at regular intervals to the Borck Creek corridor.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>The existing wastewater, stormwater and roading networks does not have current capacity but will have sufficient capacity enabled by projects anticipated by Council during the first three of the Long Term Plan.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed development does not involve any infrastructure in the LTP enabled by the developer.</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>The applicant is party to the proposed Richmond West Water Supply Agreement for an additional 400 lots.</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>Sufficient space available for the construction of a stormwater mitigation features, if required.</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>No concept Engineering Plans have been provided. Pre-application discussions regarding this site have been on-going.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that there is significant demand for smaller lots within the Nelson/Tasman market that is currently not being satisfied. Based on the current market for residential lots the applicant considers that the area will be fully developed and sold within 5 years.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a range of allotment sizes from around 170 square metres to 400 square metres. The applicant intends to create up to 300 residential lots within the proposed area and is in discussions with Council regarding intensification within the existing consented 138 lot subdivision.
2.5 Predominantly Residential	No non-residential activities are proposed as part of this application.
2.6 Commercial Viability	The development consortium has been involved in the 62 lot Lower Queen Street Limited subdivision and currently has consent for a 138 lot subdivision over the balance of their titles not included as part of their SHA application

**T01-03 ApplebyField SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
2.7 Building Height	The proposed building height is consistent with the underlying zone.
2.8 Consultation	The applicant states that no consultation is necessary for the consideration of the SHA. The applicant has been in direct consultation with Council regarding the development of this area for about three years. The applicant has also made attempts to consult with NZTA regarding the adjoining designation with no feedback.

Ownership information per parcel	
Street Address	Lower Queen Street, Richmond
Owner	Appleby Field Limited
Valuation Number	1957015507
CT Number	636066
Legal Description	Lot 2 and 3 DP 470387
Area (ha)	~5.9 (refer attached plan – area indicative only)

Ownership information per parcel	
Street Address	54 Appleby Highway, Appleby
Owner	Appleby 54 Limited
Valuation Number	1957017602
CT Number	561932
Legal Description	LOT 2 DP 446230
Area (ha)	~7.6 (refer attached plan – area indicative only)

Ownership information per parcel	
Street Address	Appleby Highway, Appleby
Owner	John Malcolm
Valuation Number	1957017603
CT Number	561931
Legal Description	LOT 1 DP446230, PT LOT 3 DP15764
Area (ha)	~14.1 (refer attached plan – area indicative only)

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Rural 1 deferred Residential – refer Schedule 17.14A, Part Area B – Reasons for deferral is for Stormwater, Water and Wastewater.</li> <li>Residential</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – (Rule 16.3.3.1(n)(i)(a)-(d)) Minimum area of at least 350 square metres with a net area for all allotments of 550 square metres and all lots capable of containing a 16 metre diameter circle with no fewer than 95 per cent of all allotments have frontage to a road or public reserve.</li> <li>Residential (adjoining Light Industrial Zone) – 800 square metres (Rule 16.3.3.1(a)(iii))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Overhead Lines 33kV</li> <li>Indicative Reserves</li> <li>Indicative Roads</li> <li>Designations D120 and D247</li> <li>Land Disturbance Area 1</li> <li>Richmond West Development Area</li> <li>Contaminated Site 1023 – Sheep Dip</li> </ul>

**T01-03 ApplebyField SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

<b>Resource Consents Required</b>	<ul style="list-style-type: none"> <li>• Subdivision Consent</li> <li>• Land Use Consent</li> <li>• Discharge Permit – Stormwater</li> <li>• Water Permit – Divert Water</li> <li>• Land Disturbance Consent</li> </ul>
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<b>Other Comments</b>	
<b>Reasons for using SHA Process</b>	The applicant considers that SHA status would result in additional allotments in a more efficient and timely manner, while achieving a high standard of amenity.
<b>Planning History</b>	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>• RM160673 – to subdivide to create 138 residential lots</li> </ul> <p>No historical planning permits have been found for this property.</p>

<b>Decision Implications</b>	
<b>Comments</b>	<p>Council Officers have recommended that the boundaries of the ApplebyField Special Housing Area be amended to incorporate the currently consented 138 lot subdivision to enable the consideration of the intensification of this area and to simplify the geographic boundaries of the SHA.</p> <p>Council Officers have also recommended that the minimum number of residential units approved for the SHA is only those that are infrastructure enabled within the supplementary Richmond West water scheme and that already allocated (138 lots).</p> <p>Council Officers consider that the minimum number of dwellings approved for this SHA should be only those that meet the criteria of <i>“adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information”</i>. If the funding for the proposed Richmond South Water Reservoir is brought forward in the Long Term Plan then this will be confirmed by 1 July 2018 and Qualifying Developments within the SHA can still be considered. If the SHA is gazetted and Resource Consents approved then the zoning will need to be changed by Council.</p>

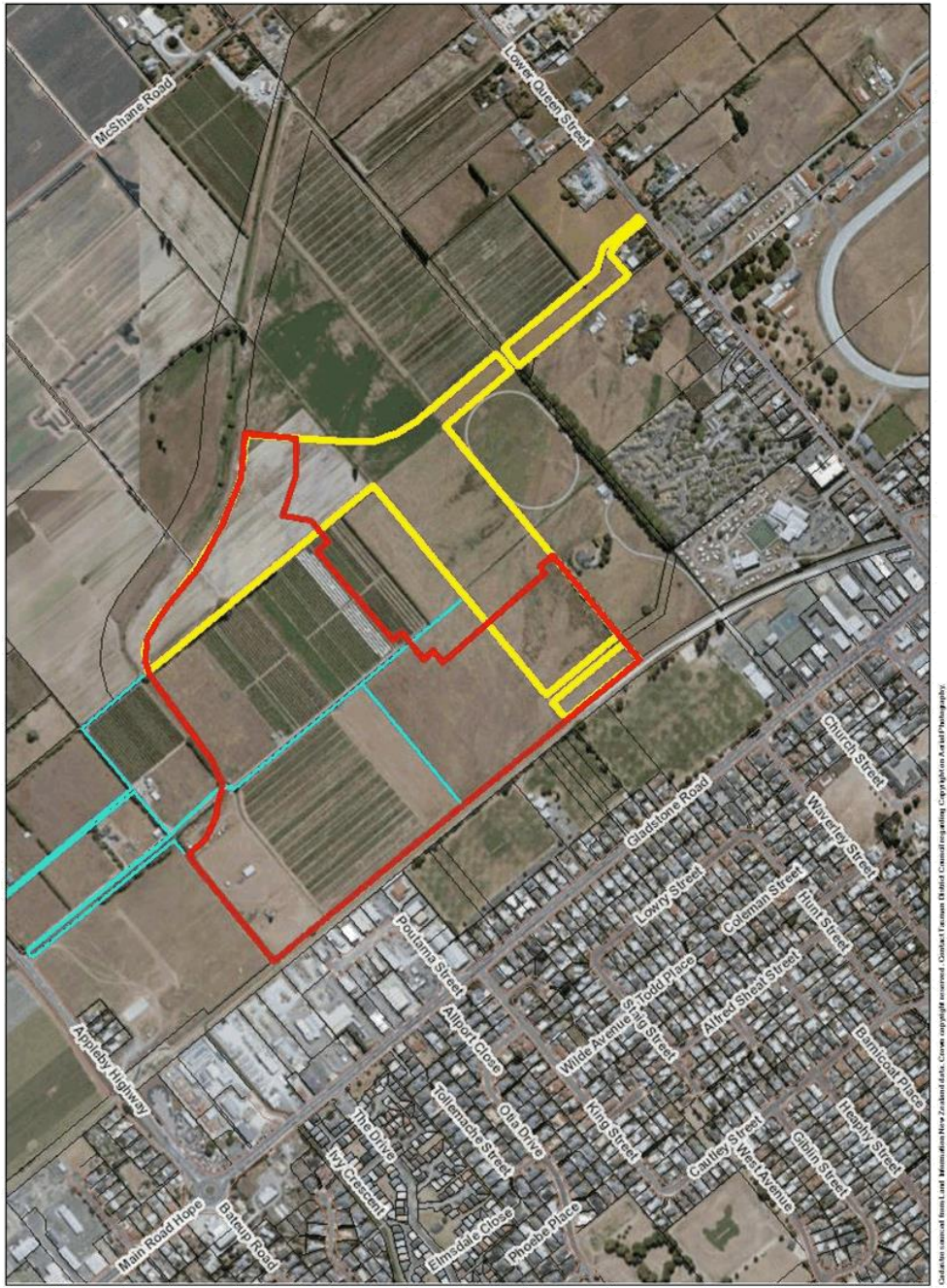
<b>Reviewed by</b>	
<b>Site Visit</b>	Not completed by Recommending Officer prior to report being completed.
<b>Engineering</b>	13 June 2017
<b>Environmental Policy</b>	13 June 2017
<b>Reserves and Facilities</b>	13 June 2017

**T01-03 ApplebyField SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03

Aerial site photo of the ApplebyField SHA (Indicative Area Outlined in Red)

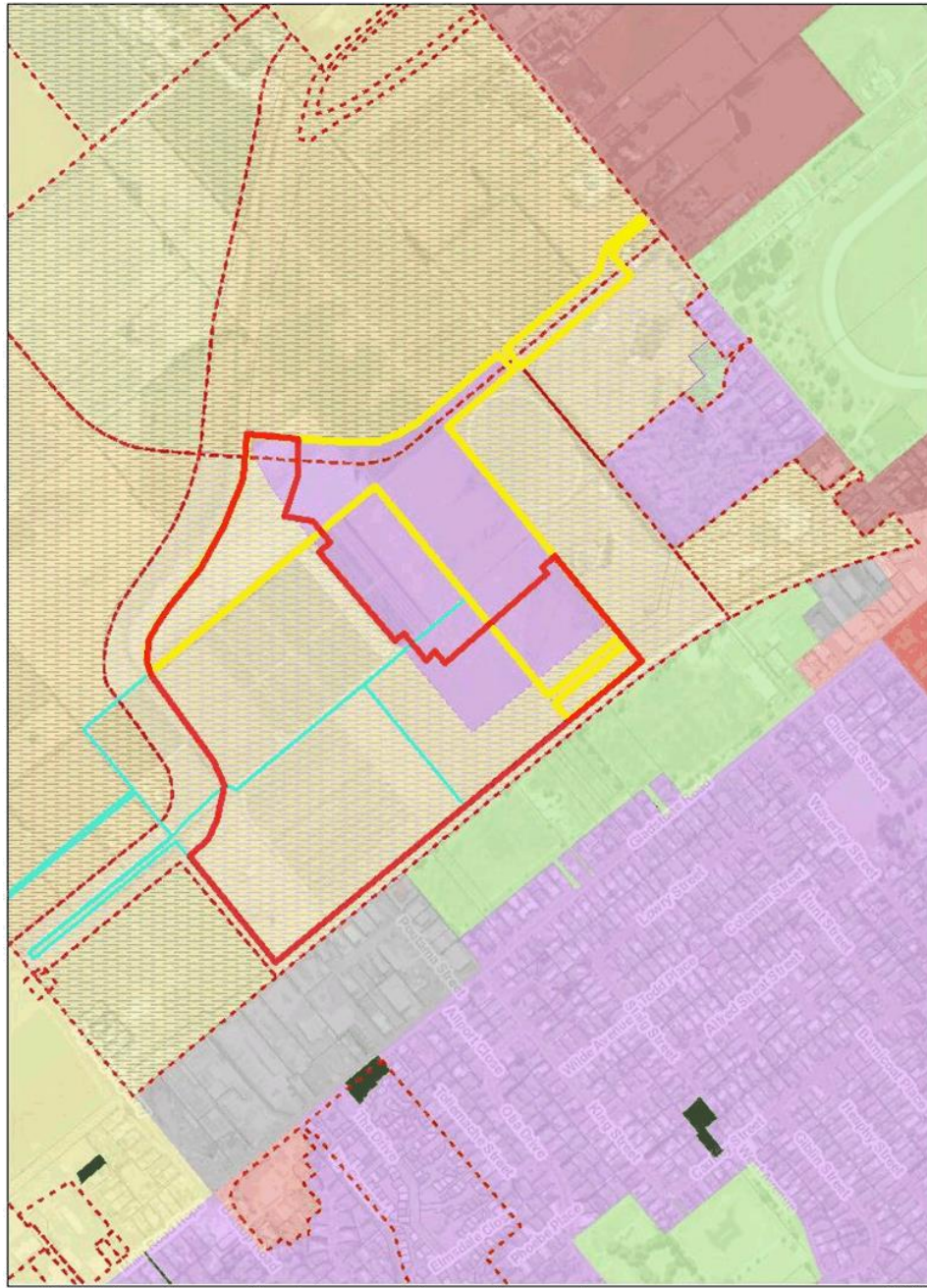


T01-03 ApplebyField SHA



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03

Tasman Resource Management Plan – Zone Map

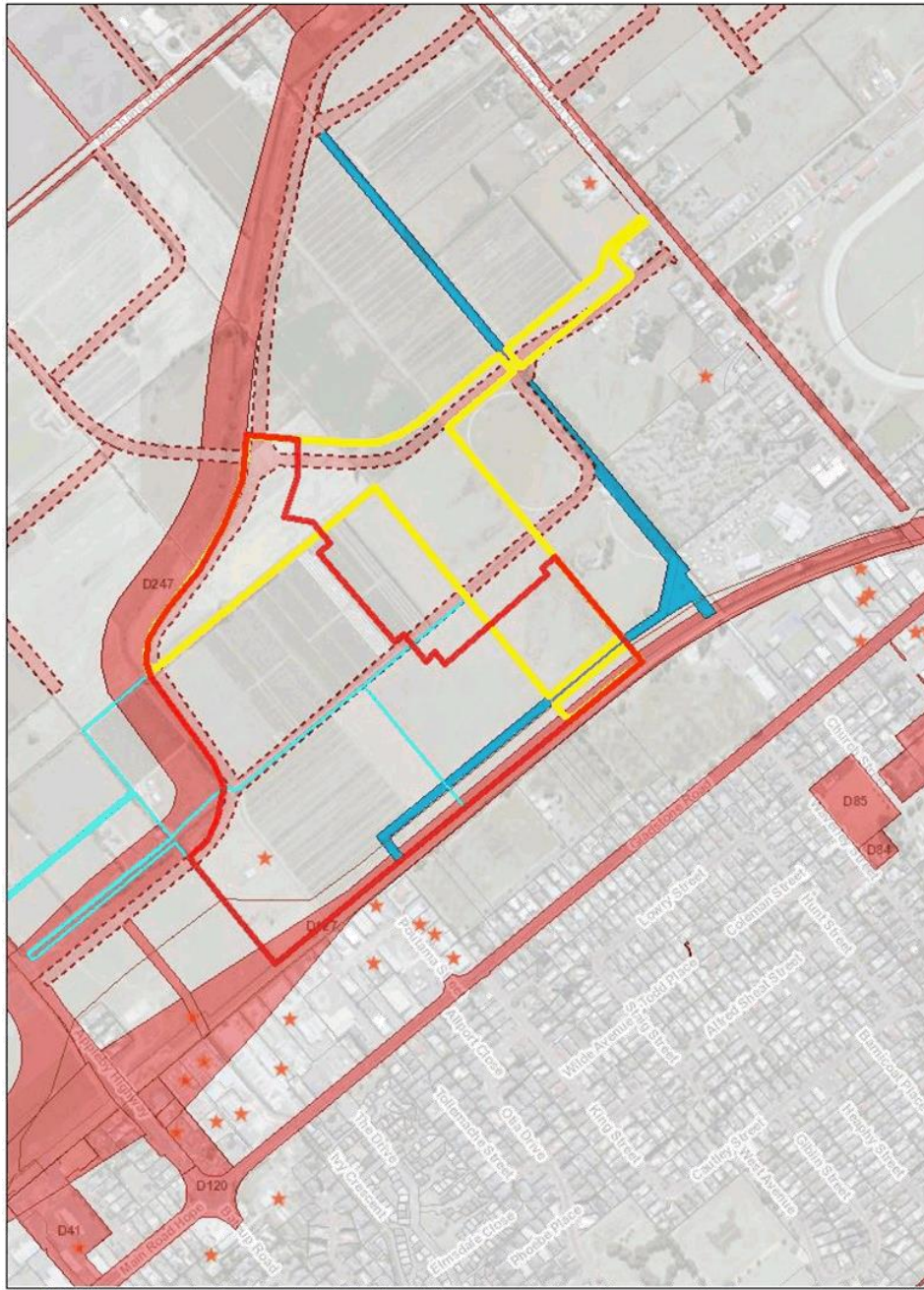


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**T01-03 ApplebyField SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03

Tasman Resource Management Plan – Overlays Map



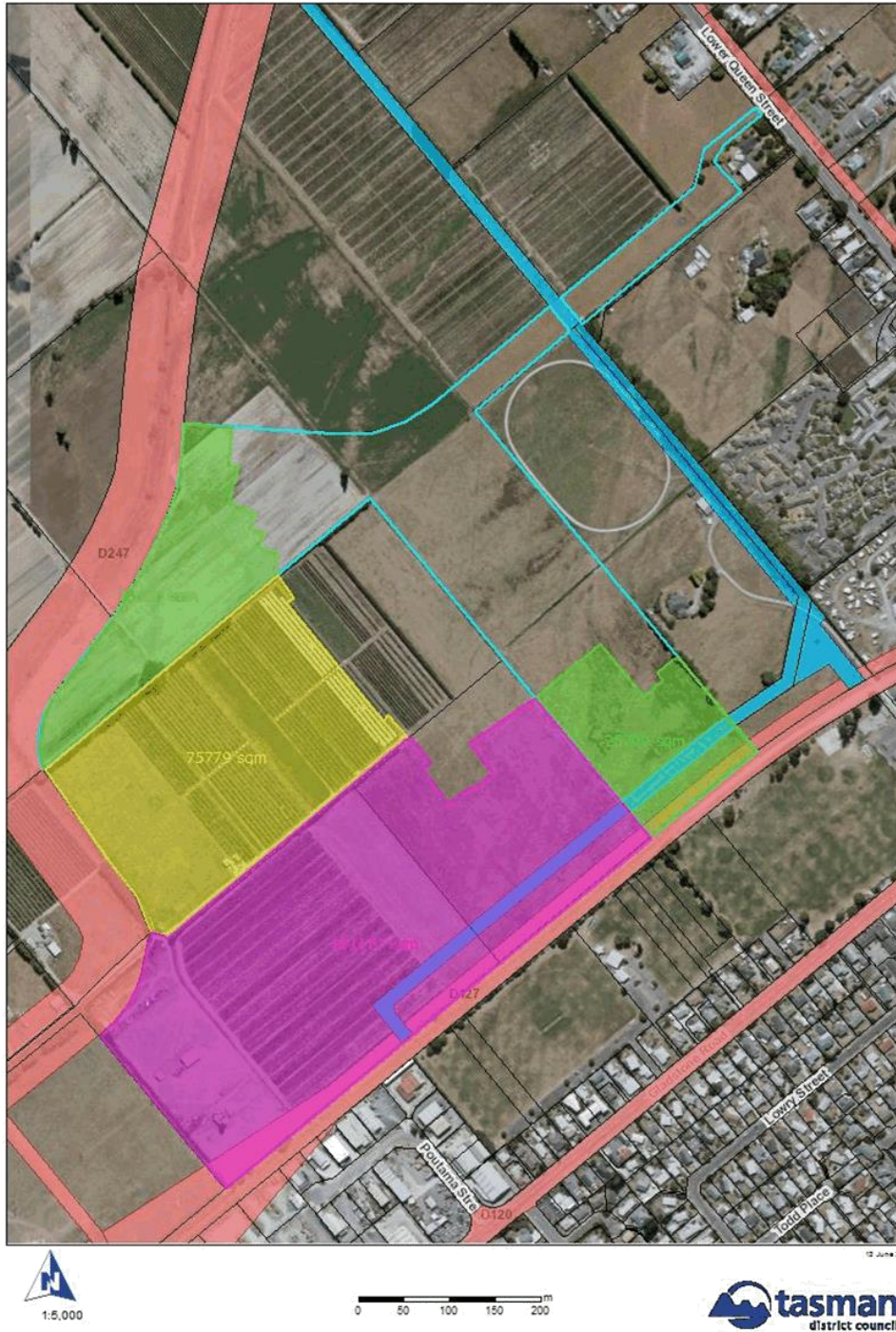
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T01-03 ApplebyField SHA



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

**Indicative Special Housing Area Applied for by Ownership**

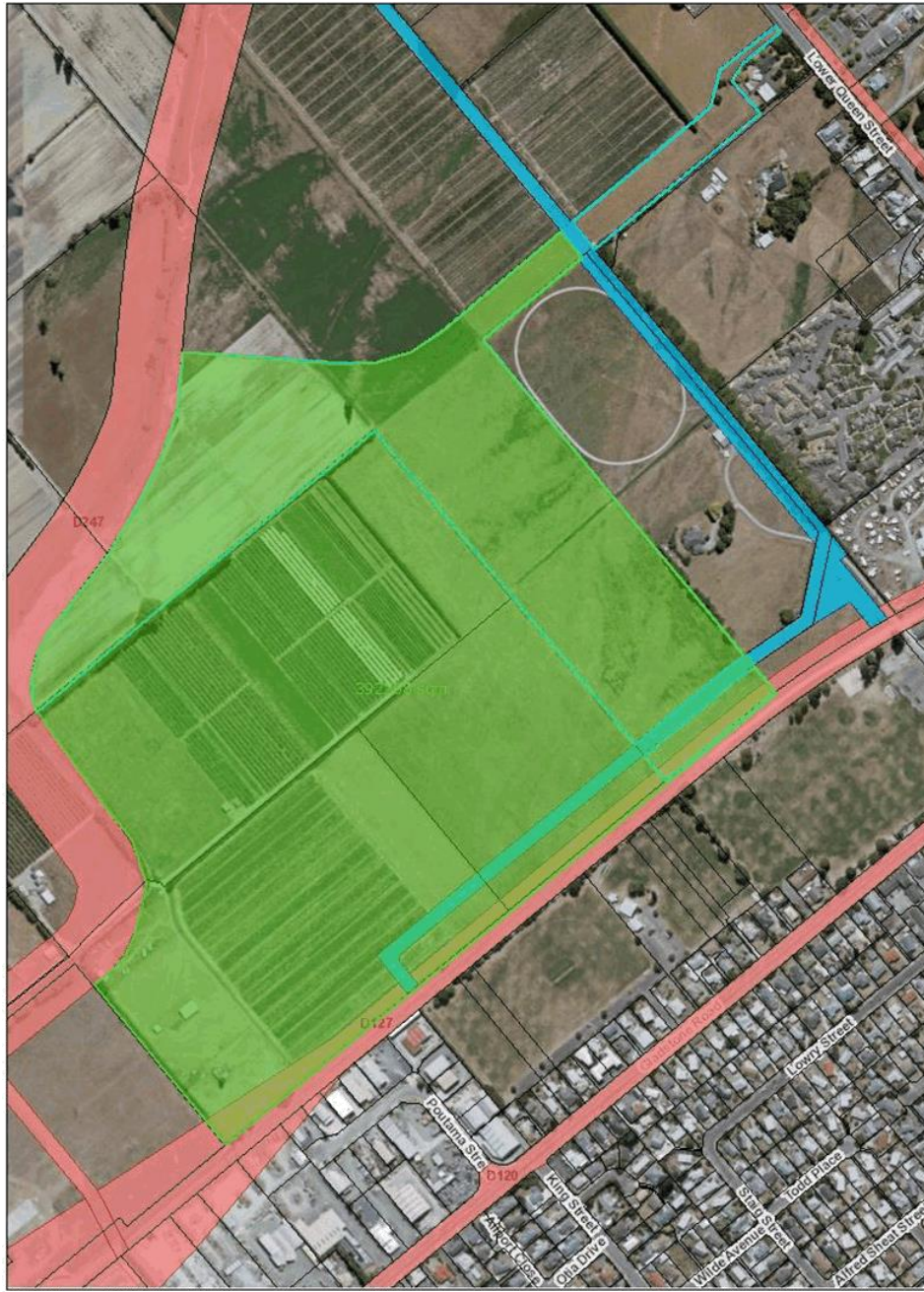


**T01-03 ApplebyField SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03

Special Housing Area Recommended by Officers



12 June 2017  
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T01-03 ApplebyField SHA



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03**

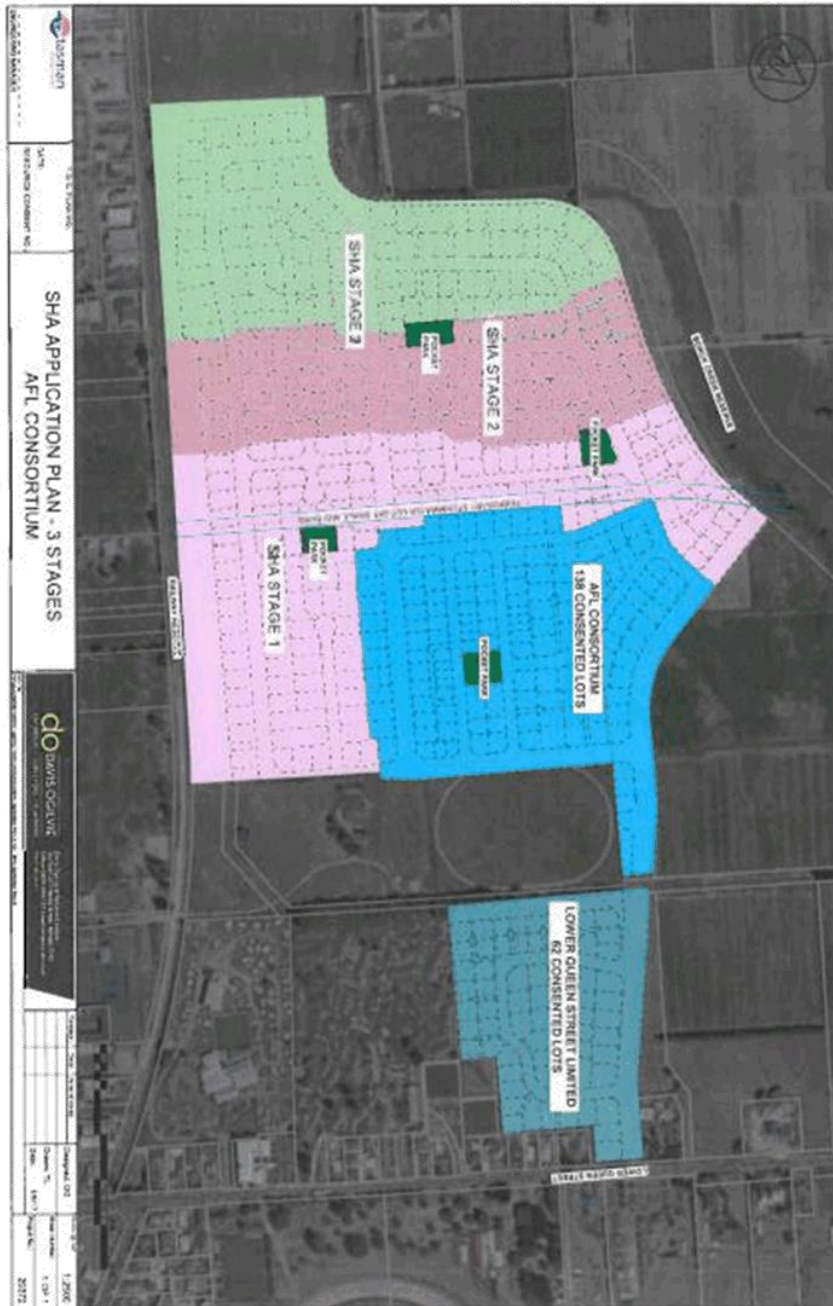
Concept Plan showing Possible Locations of Reserves preferred by Council



**T01-03 ApplebyField SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-03

Concept Plan provided by Developer


















T01-03 ApplebyField SHA

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04**

Recommendation	
	That Council approves to recommend to the Minister that 265 Sandy Bay-Marahau Road, Marahau (T01-04), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-04
SHA Name	265 Sandy Bay-Marahau Road SHA
Property Address	265 Sandy Bay-Marahau Road, Marahau
Area (ha)	6.9914 Ha
SHA Requester	Abel Tasman Estates Limited

Development Proposal	
Developer	Abel Tasman Estates Limited
Brownfield/Greenfield	Greenfields
Expected yield	45-66
Expected delivery programme	Staged with all lots available between 3 to 5 years
Affordability provisions	None
<b>Qualifying development criteria</b>	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	45

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord												
2.1 Alignment with Tasman Resource Management Plan	The area is zoned deferred Residential. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development is more intensive than anticipated by the Tasman Resource Management Plan. A concept plan has been provided for the layout in accordance with the minimum number of dwellings but not for the intensive development which will be dependent on on-site wastewater capacity assessments for each site.												
Infrastructure availability / readiness, including available capacity  <table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<b>Stormwater</b> <ul style="list-style-type: none"> <li>There is an existing stormwater reticulation system within Newhaven Crescent starting approximately 175m from the intersection with Sandy Bay-Marahau Road terminating at an ocean outfall in the Coast Marine Area.</li> <li>A road side swale exists between the footpath and the carriageway on the northern side of the road. Two rights-of-way have sumps installed to convey stormwater from the southern side of the road to the grassed swales.</li> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system. Consideration would need to be given whether this would need to be for the peak flow or total flow, especially given that the outfall to the Coastal Marine Area is tidally influenced.</li> <li>Sufficient space available for detention pond, if required.</li> <li>Consideration will need to be given during the resource consent process to secondary flowpaths from the hillside to the south to the road.</li> </ul> <b>Wastewater</b> <ul style="list-style-type: none"> <li>On-site disposal is required given that there is no reticulated wastewater system.</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T01-04 265 Sandy Bay-Marahau Road SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Water</b></p> <ul style="list-style-type: none"> <li>On-site storage of rainwater will be required or the provision of a private community water supply system. Two bores have been sunk and a water take permit has been applied for this.</li> </ul>
	<p><b>Transport</b></p> <ul style="list-style-type: none"> <li>There is an existing frontage to Newhaven Crescent and the concept plan for the site shows a linkage to the northwest in keeping with the indicative road on the TRMP Planning Maps.</li> </ul>
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>A reserve has been vested in the adjoining Newhaven Subdivision immediately to the South East of the site so no new reserves are likely to be sought.</li> <li>Have indicated that an interim walkway connection to Sandy Bay-Marahau Road would be desirable as part of the application given the possible delay in formation of the connection along the indicative road through the adjoining site..</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>The proposal will require the applicant to install, as a minimum, on-site stormwater mitigation measures and roading. The on-site wastewater systems would be installed during the building construction and whether each lot has sufficient space for an appropriate system will need to be determined during the subdivision process. Whether the lots are serviced by a private community water supply system or through on-site rainwater harvesting can be determined through the resource consent process.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed development does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the proposed development</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>Sufficient space available for the construction of a detention pond, if required, to avoid additional stormwater to the existing system</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>No concept Engineering Plans have been provided due to on-site systems proposed.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that the site is the last remaining area zoned residential in Marahau.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a range of allotment sizes and that there is an existing demand for residential lots given that this is one of only two within the Kaiteriteri-Marahau area.
2.5 Predominantly Residential	No non-residential activities are proposed as part of this application.
2.6 Commercial Viability	The developer previously developed the first stage of Newhaven Crescent and is familiar with the commercial viability of a subdivision in this area.
2.7 Building Height	The proposed building height is consistent with the underlying zone.

**T01-04 265 Sandy Bay-Marahau Road SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
2.8 Consultation	The applicant has had limited consultation with Council prior to lodging the application given that there are limited servicing requirements for the block. No evidence of consultation with adjoining landowners has been provided.

Ownership information per parcel	
Street Address	265 Sandy Bay-Marahau Road, Marahau
Owner	Abel Tasman Estates Limited
Valuation Number	1931008700
CT Number	10C/676
Legal Description	LOT 1 DP 13449 and PT LOT 1 DP 12789
Area (ha)	6.9914

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Rural 1 deferred Residential</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 1,000 square metres (Rule 16.3.3.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Indicative Roads</li> <li>Special Domestic Wastewater Disposal Area</li> <li>Land Disturbance Area 1</li> <li>Land Disturbance Area 2</li> <li>Cultural Heritage Precinct – Marahau</li> <li>Cultural Heritage Site – N26-039 – Midden/Oven</li> <li>Cultural Heritage Site – N26-043 – Maori Horticulture</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Water Permit</li> <li>Discharge Permit – Stormwater</li> <li>Land Disturbance Consent</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status will enable the applicant to get the developer to market sooner.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM160211 – construct an investigation bore</li> <li>RM160861 – to construct a bore for a potential private community water supply</li> <li>RM161146 – to construct a bore for a potential private community water supply</li> <li>RM170579 – to take and use groundwater for private community water supply</li> </ul> <p>No historical planning permits have been found for this property.</p>

Decision Implications	
Comments	<p>If the SHA is gazetted and Resource Consents approved then the deferred zoning will need to be uplifted by Council.</p> <p>Land Use Consent for a land use activity as a Controlled Activity would require an authority from Heritage New Zealand Pouhere Taonga to be obtained under the Heritage New Zealand Pouhere Taonga Act 2014 to modify, damage or destroy a cultural heritage site.</p> <p>Council staff as part of the processing of a consent may require a Cultural Heritage Site Assessment in accordance with 19.2.1.14 to be completed by the applicant as a matter of restricted discretion under Rule 16.13.6.3, if no authority is provided.</p> <p>Approval by Council does not remove any obligations that the applicant may have under the Heritage New Zealand Pouhere Taonga Act 2014.</p>

**T01-04 265 Sandy Bay-Marahau Road SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04**

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

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**T01-04 265 Sandy Bay-Marahau Road SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04

Aerial site photo of 265 Sandy Bay-Marahau Road, Marahau



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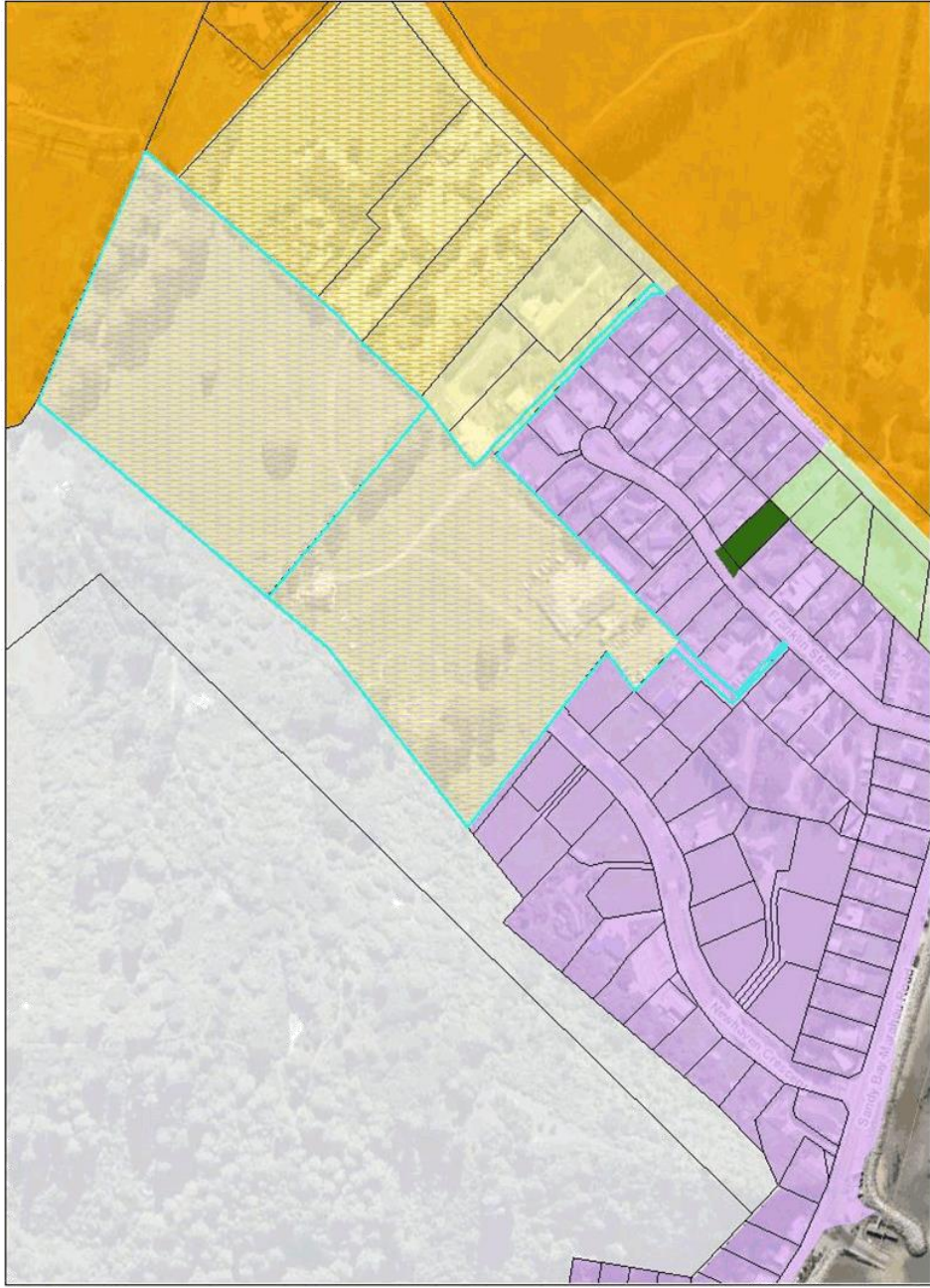


**T01-04 265 Sandy Bay-Marahau Road SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04

Tasman Resource Management Plan – Zone Map

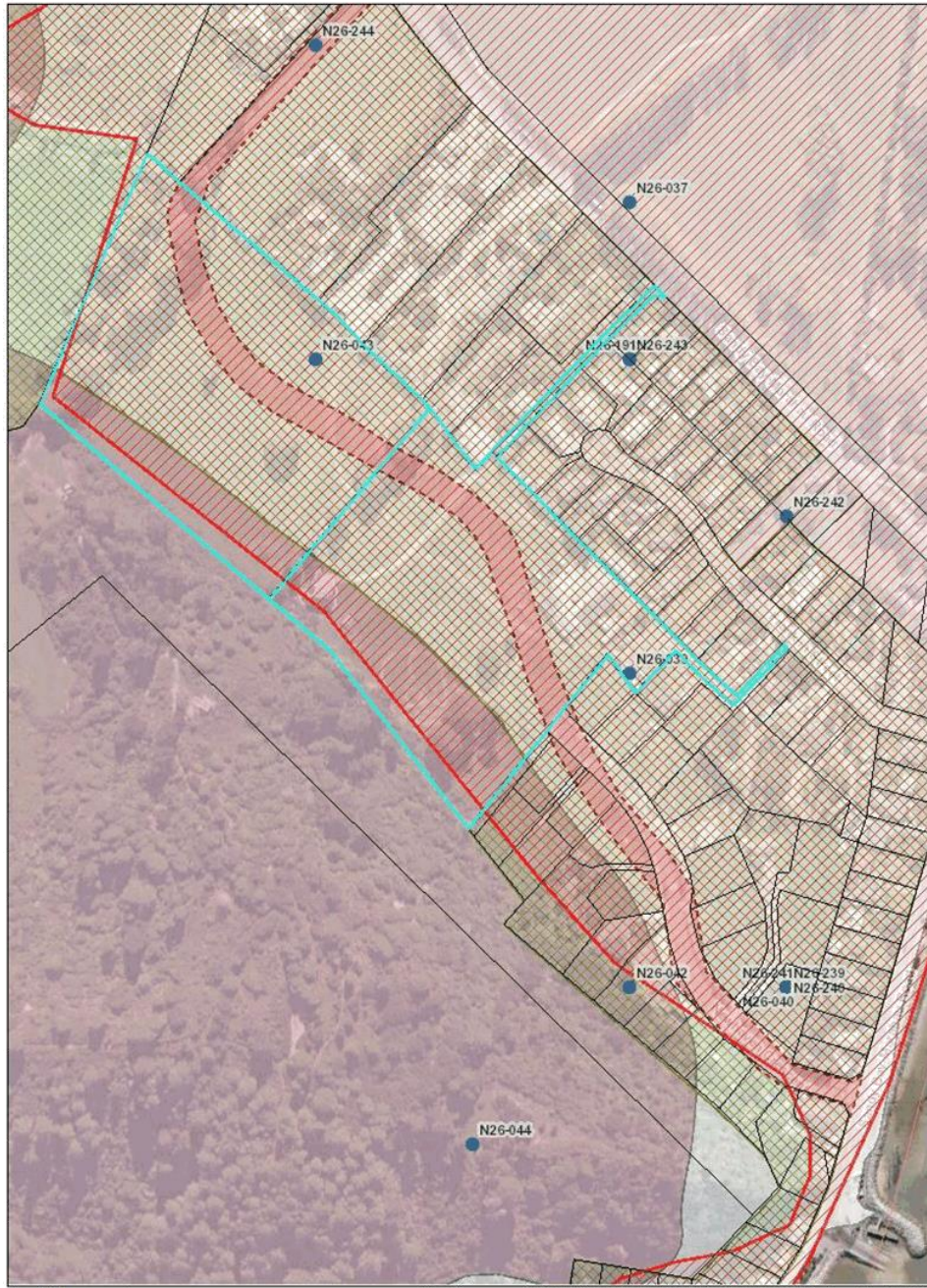


T01-04 265 Sandy Bay-Marahau Road SHA



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04

Tasman Resource Management Plan – Overlays Map



**T01-04 265 Sandy Bay-Marahau Road SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-04

Concept Plan provided by Developer

Attachment 4



T01-04 265 Sandy Bay-Marahau Road SHA


















**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05**

Recommendation	
	That Council <b>does not recommend</b> to the Minister that the Pohara SHA (T01-05), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-05
SHA Name	Pohara SHA
Property Address	82 Richmond Road, Pohara
Area (ha)	14.2 Ha
SHA Requester	Richmond Pohara Holdings Limited

Development Proposal	
Developer	Richmond Pohara Holdings Limited
Brownfield/Greenfield	Greenfields
Expected yield	70
Expected delivery programme	Not specified
Affordability provisions	None
Qualifying development criteria	
• Maximum number of storeys that building may have:	2
• Maximum calculated height that building must not exceed:	7.5 metres
• Minimum dwelling or residential site capacity:	70

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be inconsistent with the Tasman Housing Accord's aim to focus on areas that are zoned Residential or deferred Residential for development in the TRMP. However, the site is in an area considered to be infrastructure enabled.												
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Rural 2. The average lot density is in general keeping with Residential development under the TRMP for the minimum number of dwellings applied for the SHA. The site is within an area covered by the Eastern Golden Bay Settlement Policies that support residential growth without being specific to a zone. However, the site is inconsistent with the TRMP with regards to the conversion of rural land.												
Infrastructure availability / readiness, including available capacity	<table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor	
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													
	<b>Stormwater</b> <ul style="list-style-type: none"> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system. Council may have to consider management of the gully and stormwater features.</li> </ul>												
	<b>Wastewater</b> <ul style="list-style-type: none"> <li>Sufficient capacity available in system.</li> </ul>												
	<b>Water</b> <ul style="list-style-type: none"> <li>On-site rainwater harvesting will need to be required as Council has no water available for this site.</li> </ul>												
	<b>Transport</b> <ul style="list-style-type: none"> <li>No issues from this development.</li> </ul>												
	<b>Reserves and Facilities</b> <ul style="list-style-type: none"> <li>A reserve has been proposed for the development. Consideration should be given to linkages from the development to Abel Tasman Drive and Kohikiko Place.</li> </ul>												

**T01-05 Pohara SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
2.2 Infrastructure	A. Infrastructure Exists with Capacity <ul style="list-style-type: none"> <li>• The applicant will need to install a stormwater detention system to ensure that the total storm flows post-development match the pre-development flows given that the lower catchment draining to the Motupipi Estuary is tidally influenced.</li> </ul>
	B. Infrastructure in LTP Enabled by Developer <ul style="list-style-type: none"> <li>• The proposed development does not require an upgrade to existing infrastructure</li> </ul>
	C. Unplanned Infrastructure Enabled by Developer <ul style="list-style-type: none"> <li>• No unplanned infrastructure is required for the proposed development</li> </ul>
	D. Stormwater Mitigation provided to Meet Appropriate Standards <ul style="list-style-type: none"> <li>• The proposal will require the construction of a second stormwater detention dam and for the modification of the existing dam.</li> <li>• The effects of the development and the Bartlett Creek catchment have been extensively modelled by Council and have commenced a project to construct a stopbank and associated works along the watercourse to provide adjoining properties with a certain level of service. This project while not dependent on the development above is dependent on access to the developers land.</li> </ul>
	E. Infrastructure to be Designed to Meet Appropriate Standards <ul style="list-style-type: none"> <li>• The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul>
	F. Concept Engineering Plans Provided <ul style="list-style-type: none"> <li>• No concept Engineering Plans have been provided for the balance of the 70 lots above the 34 already applied for.</li> </ul>
	G. Land is Geotechnically Stable <ul style="list-style-type: none"> <li>• No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that there is an absence of available sections in Golden Bay and that the site is located in an area not susceptible to climate change or coastal hazards.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a range of allotment sizes from around 400 to 800 square metres.
2.5 Predominantly Residential	No non-residential activities are proposed as part of this application. The balance of the section will be retained as a rural lot.
2.6 Commercial Viability	The developer cites current demand in growth and the lack of available affordable sections in Golden Bay.
2.7 Building Height	The proposed building height is consistent with the underlying zone.
2.8 Consultation	The applicant states that the area was considered as part of the Eastern Golden Bay Settlements Growth Project which changed the TRMP Policies in relation to this area but did not rezone any specific locations. While no specific consultation has occurred for the SHA application with adjoining landowners, a 34 lot subdivision application has been through a publicly notified submission process in which 33 submissions were received. Most of the submitters have raised concerns regarding stormwater and downstream flooding, including the impacts of the proposed development and existing development.

**T01-05 Pohara SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05**

Ownership information per parcel	
Street Address	82 Richmond Road, Pohara
Owner	Richmond Pohara Holdings Limited
Valuation Number	1871008206
CT Number	724177
Legal Description	LOT 1 DP 494605
Area (ha)	14.2

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Rural 2</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Rural 2 – 50 hectare (Rule 16.3.6.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Rural 2 – 7.5 metres 7.5 metres (Rule 17.6.3.1(h))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Slope Instability Risk Area</li> <li>Land Disturbance Area 1</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent – for development in Rural zoned land</li> <li>Land Use Consent – Works in a watercourse</li> <li>Discharge Permit – Stormwater</li> <li>Water Permit – associated with the proposed detention dam</li> <li>Land Disturbance Consent</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status will enable the applicant to benefit from the recent change in zoning.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM141105 – to create a 34 lot subdivision</li> </ul> <p>The above application along with associated consents were publicly notified 18 April 2015 with 33 submissions received by the close of submissions. The application has since been on hold with agreement with the applicant as a co-funded stormwater model was completed for the Pohara area. No further processing of the consent has occurred at the time of completion of this report.</p> <p>Resource consents for the existing stormwater detention dam were processed in July 2015.</p> <p>No historical planning permits have been found for this property.</p> <p>The site is within an area identified as covered by the Eastern Golden Bay Settlement Policies in the TRMP. While these areas do not appear on the planning maps, geographic areas were highlighted as part of the plan change. The implication is that the policies and objectives of the TRMP support residential growth in these areas.</p>

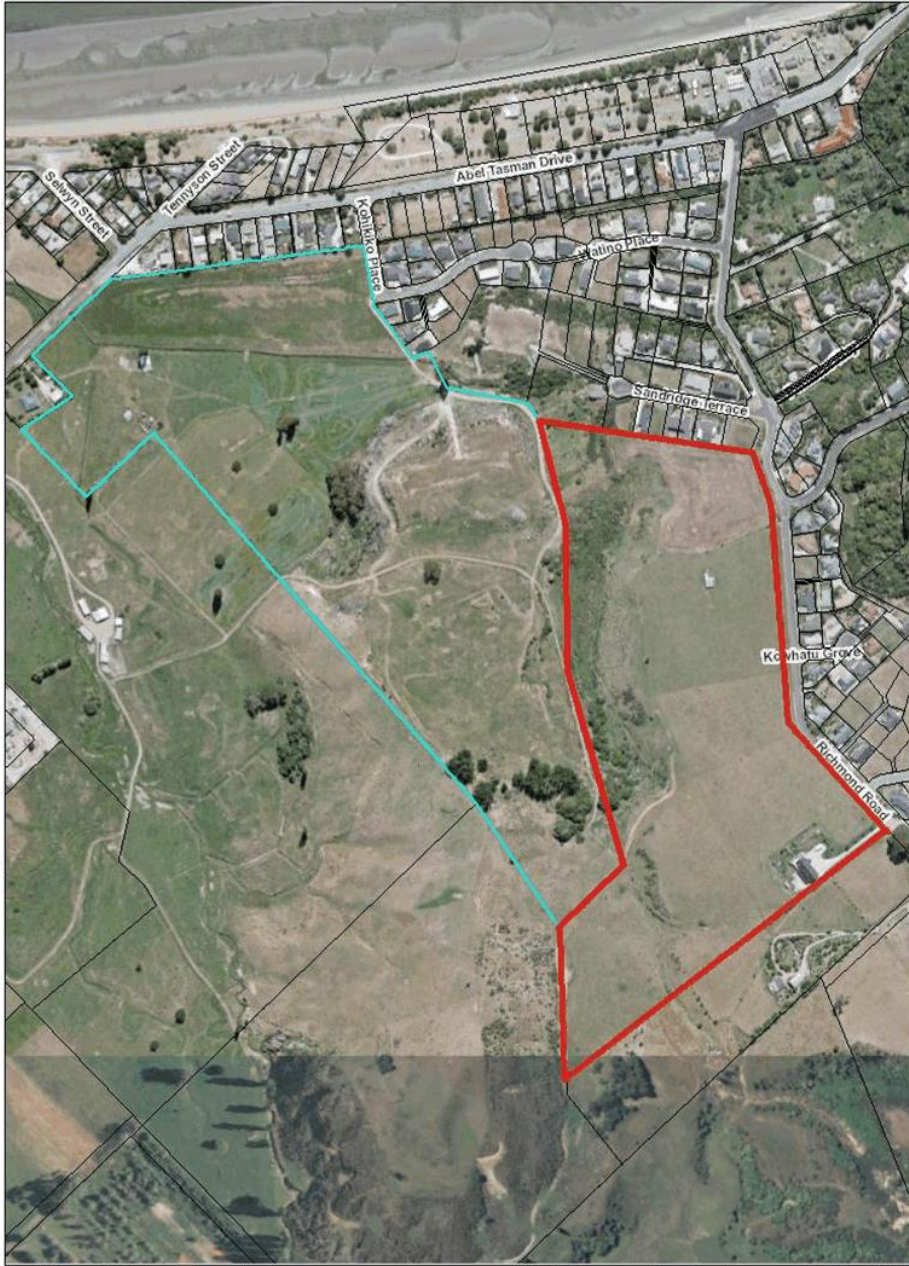
Decision Implications	
Comments	<p>Clear reasons need to be given if this SHA application is approved to demonstrate that the site is suitable for residential development despite the underlying zone in order to discourage applications for conversion of rural land in locations that are difficult for Council to support.</p> <p>If the SHA is gazetted and Resource Consents approved then the zoning will need to be changed by Council.</p>

Reviewed by	
Site Visit	Completed January 2015
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

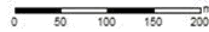
**T01-05 Pohara SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05

Aerial site photo of the Pohara SHA



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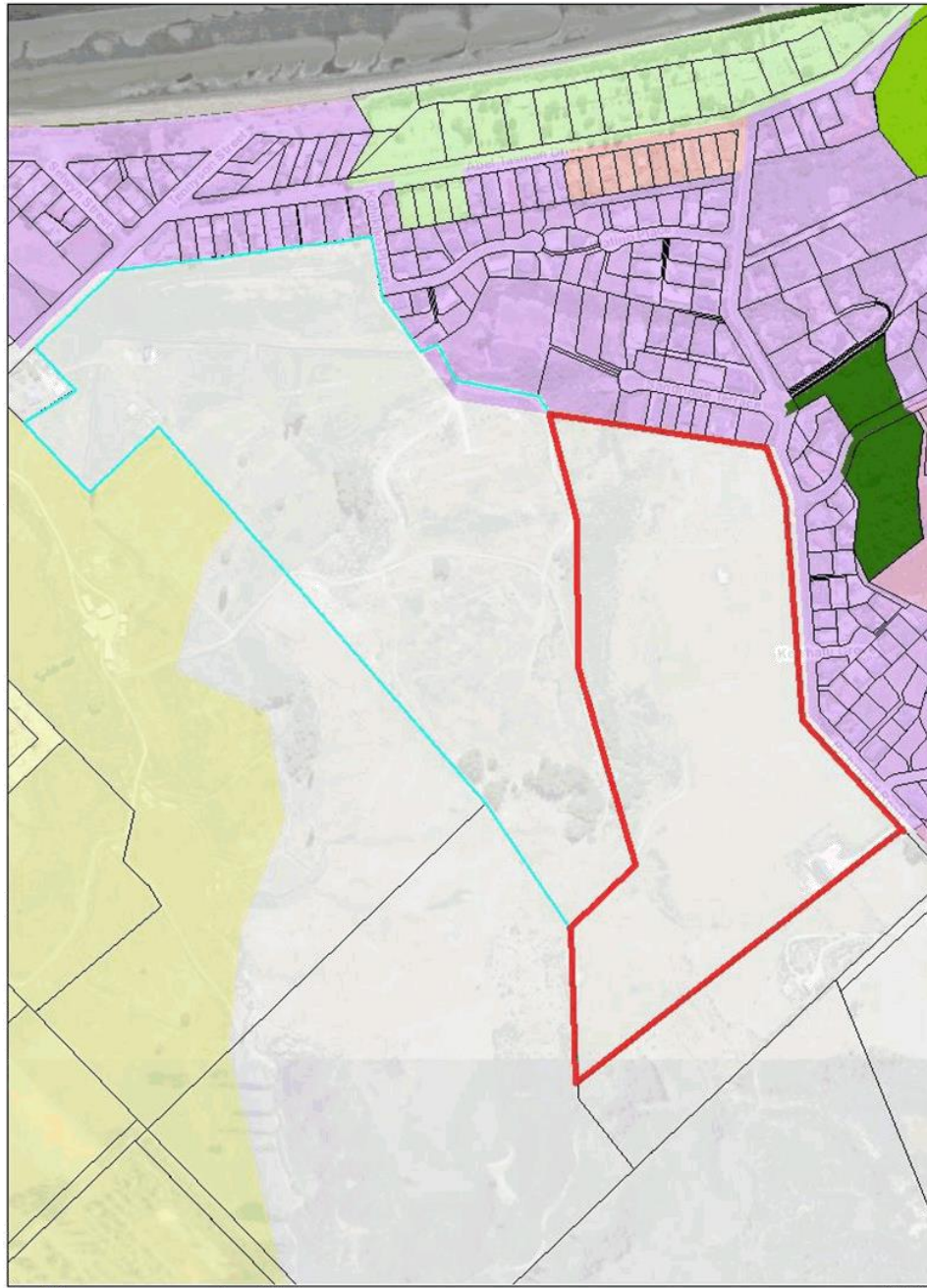


**T01-05 Pohara SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05

Tasman Resource Management Plan – Zone Map



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**T01-05 Pohara SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05

Tasman Resource Management Plan – Overlays Map



0 50 100 150 200 m



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**T01-05 Pohara SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05

East Golden Bay Settlement Policies – TRMP Growth Projects Map

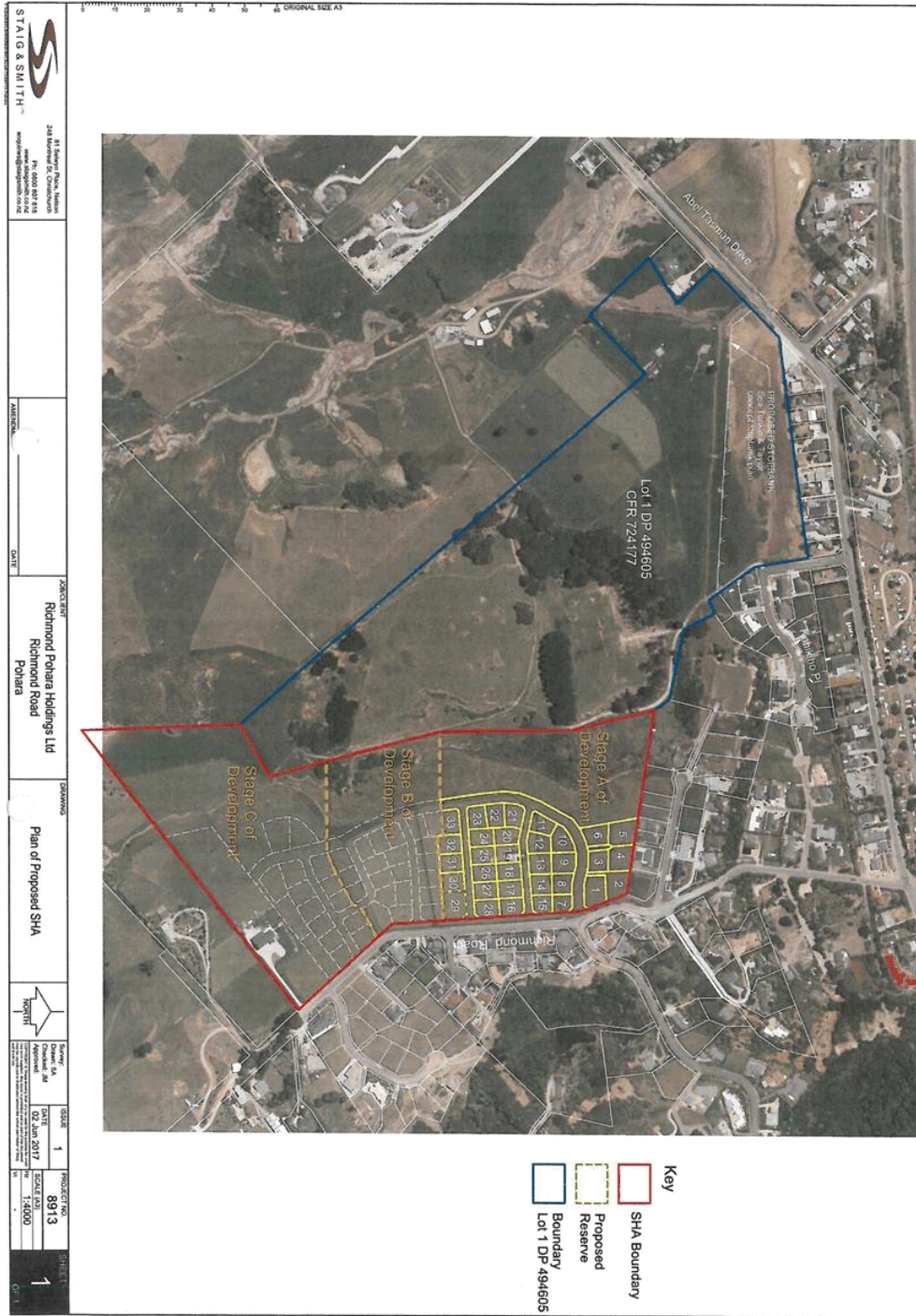


**T01-05 Pohara SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-05

Concept Plan provided by Developer


















T01-05 Pohara SHA

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06**

Recommendation	
	<b>That Council does not recommend to the Minister that the 45 Main Road Hope SHA (T01-06), be established as a special housing area</b>

Land Parcel Information	
Tranche	1
Application Number	T01-06
SHA Name	45 Main Road Hope SHA
Property Address	45 Main Road Hope, Hope
Area (ha)	2.6993 Ha
SHA Requester	Mark and Kim Sutton

Development Proposal	
Developer	Mark and Kim Sutton
Brownfield/Greenfield	Greenfields
Expected yield	40-47
Expected delivery programme	Unspecified
Affordability provisions	None
Qualifying development criteria	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	40

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be inconsistent with the Tasman Housing Accord as adequate infrastructure to service qualifying developments in the proposed special housing area does not exist and is likely not to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information.												
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Rural 1 deferred Residential. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development is more intensive than anticipated by the Tasman Resource Management Plan. This is due to the village style development proposed by the developers. Also, the road connection to State Highway 6 is not anticipated.												
Infrastructure availability / readiness, including available capacity  <table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system.</li> <li>Sufficient space available for detention pond, if required.</li> <li>The greenway through this and the upstream properties needs to be formed in order to be able to divert flood flows from the Whites Road catchment from entering the development.</li> <li>An upgrade to the culvert under State Highway 6 and the channel through the Network Tasman site may be required in order to allow for downstream flows.</li> </ul> <p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>There is an existing 150mm pipe on the north-western side of State Highway 6 and the entrance to Farmlands. A connection across SH6 will need to be formed and consultation will need to occur with NZTA regarding this.</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T1-06 45 Main Road Hope SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<b>Water</b> <ul style="list-style-type: none"> <li>There is no reticulated water available for this site until completion of the Richmond South Reservoir. This project is not due for commencement in the current Long Term Plan until years 8 to 10.</li> </ul>
	<b>Transport</b> <ul style="list-style-type: none"> <li>No connection to State Highway 6 is anticipated as part of the TRMP. A connection will need to be established through the adjoining property that has the same development constraints.</li> </ul>
	<b>Reserves and Facilities</b> <ul style="list-style-type: none"> <li>The proposed greenway along the designation provides for recreation.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>There is insufficient capacity within the existing water, wastewater and stormwater systems to service this block.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed services to enable development of this block are not programmed until Year 8-10 of the Long Term Plan. While there are discussions to bring forward this spending it will be subject to the public consultation process of the 2018 Long Term Plan. Also, Council have only begun the investigation process for securing a site for the proposed Water Reservoir to service this site. The developer has not indicated a wish to fund this infrastructure.</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the proposed development</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The adjoining designation will preferably be formed in conjunction with the corridor on the adjoining Johnstone land.</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>No concept Engineering Plans have been provided. A pre-application has commenced for the site.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that the purpose of the SHA is to deliver new residential development in a timely manner.
2.4 Demand for Residential Housing	The applicant cites the Housing Accord as evidence for demand.
2.5 Predominantly Residential	The applicant proposes to establish an ancillary non-residential activity on the site. While the nature of the activity is not specified, the application states that the proposal is for the activity to be complementary to the residential activity.
2.6 Commercial Viability	The developer cites that the SHA process will enable additional allotments to be constructed.
2.7 Building Height	The proposed building height is consistent with the underlying zone.
2.8 Consultation	No evidence of consultation with adjoining landowners has been provided. No consultation with NZTA regarding formation of access from Whitby Road (State Highway 6), although the applicant acknowledges that this will be required along with consultation with an adjoining landowner.

**T1-06 45 Main Road Hope SHA**



**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06**

Ownership information per parcel	
Street Address	45 Main Road Hope, Hope
Owner	Mark and Kim Sutton
Valuation Number	1943026000
CT Number	2A/119
Legal Description	LOT 1 DP 6754
Area (ha)	2.6993 Ha

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Rural 1 Deferred Residential</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 450 square metres (Rule 16.3.3.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Indicative Walkways</li> <li>Indicative Reserves</li> <li>Indicative Roads</li> <li>Designation D247</li> <li>Land Disturbance Area 1</li> <li>Richmond South Development Area</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> <li>Land Use Consent for Works within a Watercourse</li> <li>Water Permits</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant advises that they propose a range of development concepts on the property involving a number of stand alone and co-joined dwellings, along with a small non-residential facility.
Planning History	No relevant resource consents have been found for this property. No historical planning permits have been found for this property.

Decision Implications	
Comments	Council Officers have recommended that the applicant works with the four other parcels in the Rural 1 deferred Residential zone in the Richmond South Development Area between Patons Road and Main Road Hope, to provide for a mutually beneficial integrated infrastructure development programme given the common issues for all five parcels.

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T1-06 45 Main Road Hope SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06

Aerial site photo of the 45 Main Road Hope SHA, Hope



T1-06 45 Main Road Hope SHA



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06

Tasman Resource Management Plan – Zone Map



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**T1-06 45 Main Road Hope SHA**





**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-06**

Concept Plan provided by Developer



**T1-06 45 Main Road Hope SHA**
































**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07**

Recommendation	
	That Council approves to recommend to the Minister that the Angelus Avenue SHA (T01-07), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-07
SHA Name	Angelus Avenue SHA
Property Address	Selbourne Avenue, Richmond
Area (ha)	7.2631 Ha
SHA Requester	Ahimia Limited

Development Proposal	
Developer	Ahimia Limited
Brownfield/Greenfield	Greenfields
Expected yield	30-42
Expected delivery programme	Unspecified
Affordability provisions	None
Qualifying development criteria	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	30

SHA Establishment Criteria as per Lead Policy																					
Criteria	Notes																				
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord																				
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Rural Residential Serviced and Residential. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development is more intensive than anticipated by the Tasman Resource Management Plan. This is due to the proposal to have apartment-style units set in clusters on smaller lots in a larger park like setting.																				
Infrastructure availability / readiness, including available capacity  <table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<table border="1"> <tbody> <tr> <td> <b>Stormwater</b> <ul style="list-style-type: none"> <li>Existing stormwater connections available in Angelus Avenue</li> <li>Development would be required for Pre- and Post-development flows to be the same. Consideration would need to be given whether this would need to be for the peak flow or total flow.</li> </ul> </td> <td></td> </tr> <tr> <td> <b>Wastewater</b> <ul style="list-style-type: none"> <li>Sufficient capacity for minimum number of dwellings applied for.</li> <li>Intensification of Rural Res would require further investigation to determine capacity in the system.</li> </ul> </td> <td></td> </tr> <tr> <td> <b>Water</b> <ul style="list-style-type: none"> <li>Water available for land zoned Rural Residential Serviced to 90m contour for minimum number of dwellings applied for.</li> </ul> </td> <td></td> </tr> <tr> <td> <b>Transport</b> <ul style="list-style-type: none"> <li>The lot has frontage to Angelus Avenue.</li> </ul> </td> <td></td> </tr> </tbody> </table>	<b>Stormwater</b> <ul style="list-style-type: none"> <li>Existing stormwater connections available in Angelus Avenue</li> <li>Development would be required for Pre- and Post-development flows to be the same. Consideration would need to be given whether this would need to be for the peak flow or total flow.</li> </ul>		<b>Wastewater</b> <ul style="list-style-type: none"> <li>Sufficient capacity for minimum number of dwellings applied for.</li> <li>Intensification of Rural Res would require further investigation to determine capacity in the system.</li> </ul>		<b>Water</b> <ul style="list-style-type: none"> <li>Water available for land zoned Rural Residential Serviced to 90m contour for minimum number of dwellings applied for.</li> </ul>		<b>Transport</b> <ul style="list-style-type: none"> <li>The lot has frontage to Angelus Avenue.</li> </ul>	
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<b>Transport</b> <ul style="list-style-type: none"> <li>The lot has frontage to Angelus Avenue.</li> </ul>																					

**T01-07 Angelus Avenue SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>There is an indicative walkway on the planning maps from Shelbourne Avenue to the eastern boundary and another to Angelus Avenue. These would need to be provided for and formed as part of any RC application.</li> <li>Council may want to consider a connection to the Heslop land above the development. We have existing reserves in close proximity so unlikely to need additional reserve land.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>Connections to existing infrastructure with sufficient capacity exists for the minimum number of dwellings applied for. The proposed intensification will require discussion with Council's Engineering Department to determine whether sufficient capacity for the servicing of this area is available.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The minimum number of dwellings applied for does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the minimum number of dwellings applied for</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The stormwater network within Angelus Avenue has sufficient capacity for the minimum number of dwellings applied for</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>The site and adjoining infrastructure can support the minimum number of dwellings applied for the SHA being 30.</li> <li>Concept Engineering Plans have been provided for a 42 lot master-planned village concept. The proposed layout is dependent on determination of sufficient capacity within the Council reticulated system for the three waters.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>A Geotechnical Feasibility Assessment has been submitted with the SHA application which indicates that the proposed residential sites are within an area deemed suitable.</li> </ul>
2.3 Demand for a QD	The applicant states that the site is in close proximity to central Richmond.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a different range of residential development than is available locally.
2.5 Predominantly Residential	The proposed development is predominantly residential in nature. The applicant states that there will be the opportunity to provide a non-residential facility as the centre of the urban village concept.
2.6 Commercial Viability	The applicant has advised that the SHA status will significantly enhance the financial viability of the project by focusing discussions to servicing potential intensification of the site.
2.7 Building Height	The proposed building height is consistent with the adjoining zones.
2.8 Consultation	No consultation with adjoining landowners has been provided.

**T01-07 Angelus Avenue SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07**

Ownership information per parcel	
Street Address	Selbourne Avenue, Richmond
Owner	Ahimia Limited
Valuation Number	1961037530
CT Number	625716
Legal Description	LOT 1 DP 467349
Area (ha)	7.2631

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>• Residential (~ 0.2ha)</li> <li>• Rural Residential Serviced (Champion Road/Hill Street North) (~7.1ha)</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>• Residential – 600 square metres (Rule 16.3.3.1(a)(ix))</li> <li>• Rural Residential –2,000 square metres (Rule 16.3.8.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>• Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> <li>• Rural Residential – 7.5 metres (Rule 17.8.3.1(e))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>• Indicative Walkways</li> <li>• Fault Rupture Risk Area</li> <li>• Slope Instability Risk Area</li> <li>• Land Disturbance Area 1</li> <li>• Richmond East Development Area</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>• Subdivision Consent</li> <li>• Land Use Consent</li> <li>• Discharge Permit – Stormwater</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status would result in additional allotments in a more efficient and timely manner, while achieving a high standard of amenity.
Planning History	No Resource Consent records are on record for this property. No historical planning permits have been found for this property.

Decision Implications	
Comments	None

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T01-07 Angelus Avenue SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07

Aerial site photo of Angelus Avenue SHA



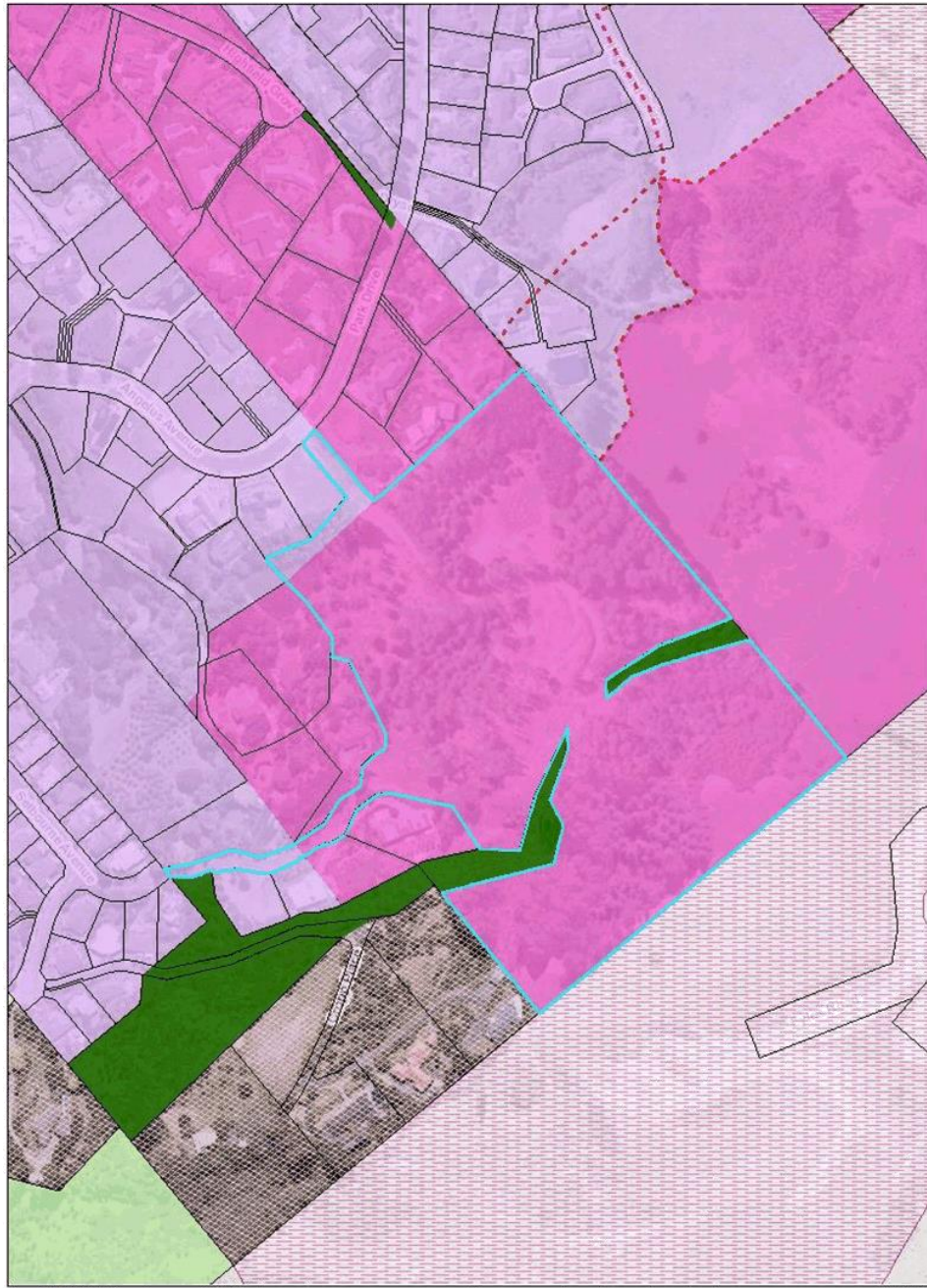
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**T01-07 Angelus Avenue SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07

Tasman Resource Management Plan – Zone Map



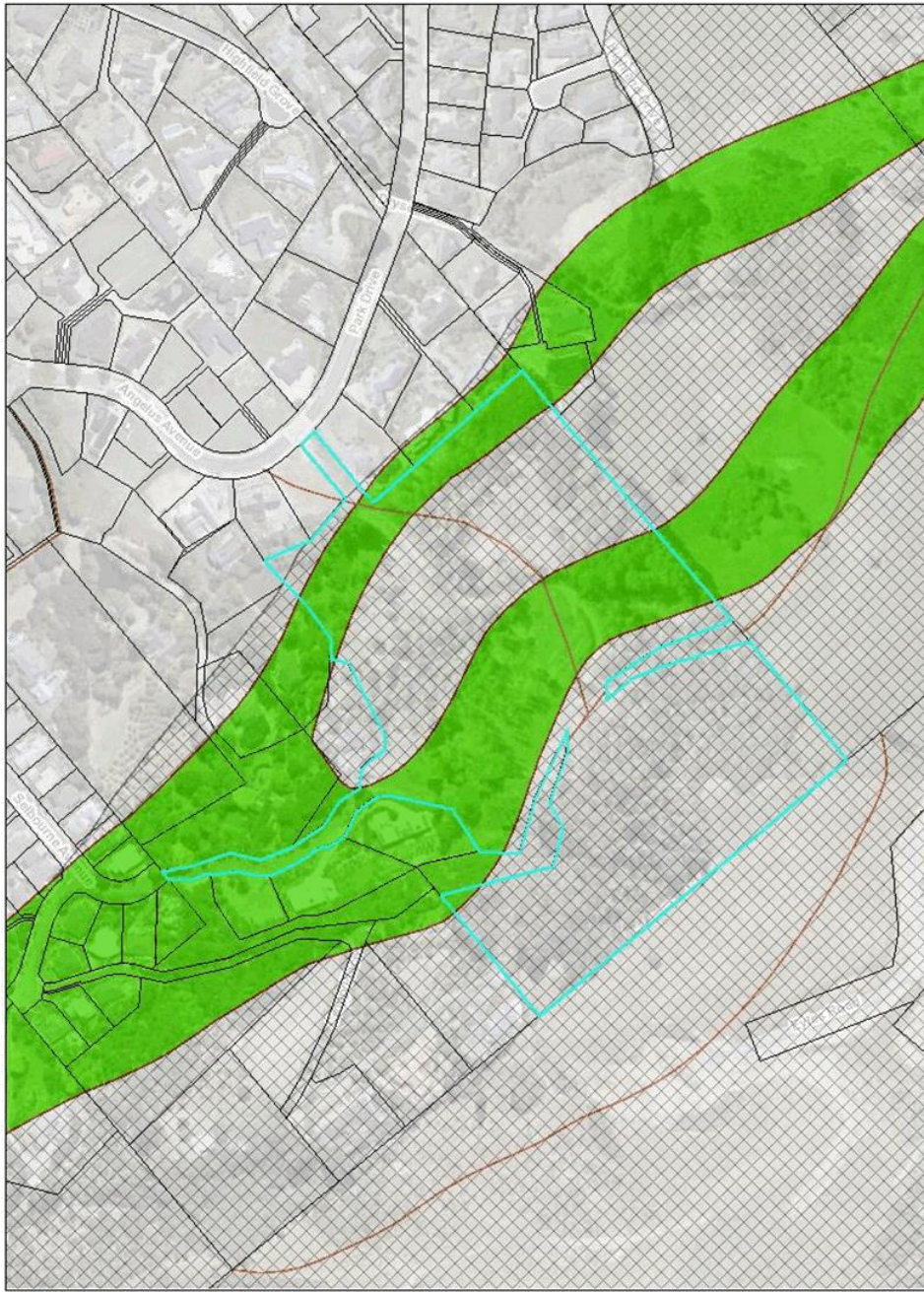
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**T01-07 Angelus Avenue SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07

Tasman Resource Management Plan – Overlays Map



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**T01-07 Angelus Avenue SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-07**

Concept Plan provided by Developer



**T01-07 Angelus Avenue SHA**




















**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08**

Recommendation	
	That Council approves to recommend to the Minister that the 2 Arbor-Lea Avenue SHA (T01-08), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-08
SHA Name	2 Arbor-Lea Avenue
Property Address	2 Arbor-Lea Avenue, Richmond
Area (ha)	0.1342 Ha (1,342 square metres)
SHA Requester	Future Investments 3000 Limited

Development Proposal	
Developer	Future Investments 3000 Limited
Brownfield/Greenfield	Brownfields
Expected yield	6
Expected delivery programme	2017/2018 Financial Year
Affordability provisions	None
<b>Qualifying development criteria</b>	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	6

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord												
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Residential. The minimum number of dwellings applied for this SHA has been assessed by an Officer as part of an existing resource consent process and did not require Public Notification.  The proposed pattern of development and the average lot density is more intensive than anticipated by the Tasman Resource Management Plan.												
Infrastructure availability / readiness, including available capacity	<table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor	
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													
	<b>Stormwater</b> <ul style="list-style-type: none"> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system.</li> </ul>												
	<b>Wastewater</b> <ul style="list-style-type: none"> <li>There is sufficient wastewater capacity available for this site.</li> </ul>												
	<b>Water</b> <ul style="list-style-type: none"> <li>There is sufficient water available for this site.</li> </ul>												
	<b>Transport</b> <ul style="list-style-type: none"> <li>There is sufficient capacity for the proposed development. If there is intensification to eight from the current six applied for then whether there is sufficient complying parking available on-site will be an important consideration given the limited on-street parking available in Arbor-Lea Avenue and Astelia Place.</li> </ul>												
	<b>Reserves and Facilities</b> <ul style="list-style-type: none"> <li>No implications</li> </ul>												

**T01-08 Arbor-Lea Avenue SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
<b>2.2</b> Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>• The existing infrastructure has sufficient capacity for the proposed development provided that on-site detention of stormwater is installed.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>• The proposed development does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>• No unplanned infrastructure is required for the proposed development</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>• On-site stormwater detention tanks have been proposed due to the downstream constraint on the existing system.</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>• The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>• Concept Engineering Plans have been provided as part of the resource consent application.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>• No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
<b>2.3</b> Demand for a QD	The applicant states that infill development will increase density where services already exist.
<b>2.4</b> Demand for Residential Housing	The applicant states that the higher density apartment-style living will contribute to the variety of dwelling types on the market.
<b>2.5</b> Predominantly Residential	No non-residential activities are proposed as part of this application.
<b>2.6</b> Commercial Viability	The application states that while the current proposal is commercially viable as is evident by the willingness to go through a standard consent process, SHA status will give them the opportunity to investigate providing up to eight units on the site at a lower price per unit.
<b>2.7</b> Building Height	The proposed building height is consistent with the underlying zone.
<b>2.8</b> Consultation	While the application states that no consultation with adjoining landowners has been undertaken, the proposal has been through a limited notified submission process in which 13 out of 19 identified affected parties submitted.

**T01-08 Arbor-Lea Avenue SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08**

Ownership information per parcel	
Street Address	2 Arbor-Lea Avenue, Richmond
Owner	Llewellyn and Sally Powell
Valuation Number	1958001501
CT Number	44859
Legal Description	LOT 1 DP 311365
Area (ha)	0.1342

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Residential</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 450 square metres</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Land Disturbance Area 1</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant advises that recent detailed costings for the development have raised questions regarding viability through the current process. SHA status will enable the applicant to progress the current proposal with perceived surety and to consider alternatives.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM160601 – to subdivide to create six new titles which are less than 350 square metres in area.</li> <li>RM161149 – to construct a comprehensive residential development including six new units</li> <li>RM170099 –to discharge stormwater and to divert secondary flows.</li> </ul> <p>The above applications were limited notified to 19 affected parties on 5 May 2017 with submissions received from 13 parties by the close of submissions on 2 June 2017. No further processing of the consent has occurred at the time of completion of this report.</p> <p>All 13 submissions received are in opposition to the proposal with six expressing their wish to be heard. 10 of the submissions received are from residents in Astelia Place with the remainder being from the three properties directly opposite the proposed development on Arbor-Lea Avenue.</p> <p>The proposed six-lot development was considered by the Urban Design Panel before consents were lodged.</p> <p>No historical planning permits have been found for this property.</p>

Decision Implications	
Comments	None

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T01-08 Arbor-Lea Avenue SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08

Aerial site photo of the 2 Arbor-Lea Avenue SHA, Richmond



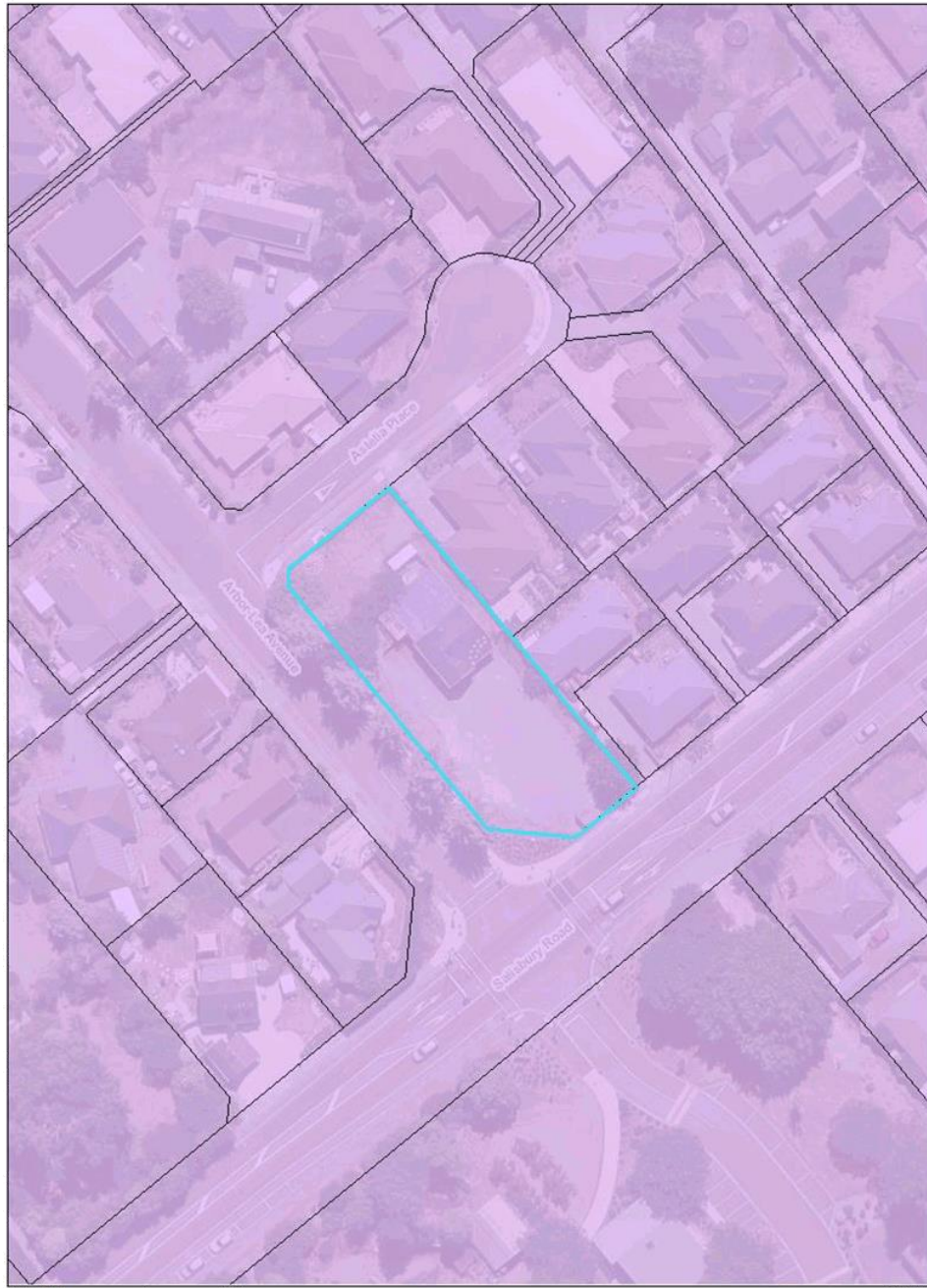
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T01-08 Arbor-Lea Avenue SHA

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08

Tasman Resource Management Plan – Zone Map



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**T01-08 Arbor-Lea Avenue SHA**





**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-08**

Concept Plan provided by Developer



Aerial View from North West



Arbor-Lea Ave Street View



Lot 1 DP311365  
CT44859  
Area 1342m<sup>2</sup>



**T01-08 Arbor-Lea Avenue SHA**




















**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09**

Recommendation	
	That Council approves to recommend to the Minister that the Highland Drive SHA (T01-09), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-09
SHA Name	Highland Drive SHA
Property Address	Highland Drive, Richmond
Area (ha)	11.5578 Ha
SHA Requester	St Leger Group Limited

Development Proposal	
Developer	St Leger Group Limited
Brownfield/Greenfield	Greenfields
Expected yield	32
Expected delivery programme	Unspecified
Affordability provisions	None
Qualifying development criteria	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	32

SHA Establishment Criteria as per Lead Policy													
Criteria	Notes												
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord												
2.1 Alignment with Tasman Resource Management Plan	The area is zoned Rural Residential Serviced and Residential. The average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA. However, the proposed pattern of development is more intensive than anticipated by the Tasman Resource Management Plan. This is due to the proposal to have smaller sections at the stable sites at the top of the ridge.												
Infrastructure availability / readiness, including available capacity  <table border="1"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td></td> </tr> <tr> <td>Good</td> <td></td> </tr> <tr> <td>OK</td> <td></td> </tr> <tr> <td>Poor</td> <td></td> </tr> <tr> <td>Very Poor</td> <td></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<p><b>Stormwater</b></p> <ul style="list-style-type: none"> <li>Existing stormwater connections available in Highland Drive. There is a project to provide an upgrade for the connection between Riding Grove and Hill Street that is now in Year 2019-2020 of the Long Term Plan.</li> <li>Development would be required for Pre- and Post-development flows to be the same. Consideration would need to be given whether this would need to be for the peak flow or total flow.</li> </ul> <p><b>Wastewater</b></p> <ul style="list-style-type: none"> <li>Sufficient capacity for minimum number of dwellings applied for</li> <li>Intensification of Rural Res would require further investigation to determine capacity in the system.</li> </ul> <p><b>Water</b></p> <ul style="list-style-type: none"> <li>Water available for land zoned Rural Residential Serviced in accordance with underlying resource consent</li> </ul> <p><b>Transport</b></p> <ul style="list-style-type: none"> <li>The lot has frontage to Highland Drive and an indicative roading connection to the Heslop land above.</li> </ul>
Readiness													
Very Good													
Good													
OK													
Poor													
Very Poor													

**T01-09 Highland Drive SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>There is an indicative walkway on the planning maps from Ahimia Limited – Angelus Avenue SHA to the eastern boundary and with the link created by the recent subdivision through 134 Champion Road. These would need to be provided for and formed as part of any RC application.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>Connections to existing infrastructure with sufficient capacity exists for the minimum number of dwellings applied for. The proposed intensification will require discussion with Council's Engineering Department to determine whether sufficient capacity for the servicing of this area is available.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The minimum number of dwellings applied for does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the minimum number of dwellings applied for</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The stormwater network within Highland Drive has sufficient capacity for the minimum number of dwellings applied for</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>Concept Engineering Plans have been approved for the underlying 32 lot subdivision. The proposed intensification is dependent on determination of sufficient capacity within the Council reticulated system for the three waters. The site and adjoining infrastructure can support the minimum number of dwellings applied for the SHA being 32.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>A Geotechnical Feasibility Assessment was submitted with the underlying resource consent application which indicates that the proposed residential sites are within an area deemed suitable.</li> </ul>
2.3 Demand for a QD	The applicant states that there is a significant level of demand in the market
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a different range of residential development than is available locally..
2.5 Predominantly Residential	The proposed development is solely residential in nature.
2.6 Commercial Viability	The applicant has advised that the SHA status will significantly enhance the financial viability of the project and offer a mixture of sections to the public.
2.7 Building Height	The proposed building height is consistent with the adjoining zones.
2.8 Consultation	No consultation with adjoining landowners has been provided.

**T01-09 Highland Drive SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09**

Ownership information per parcel	
Street Address	Highland Drive, Richmond
Owner	St Leger Group Limited
Valuation Number	1961035471
CT Number	620401
Legal Description	LOT 6 DP 465562
Area (ha)	11.5578

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Residential (~ 2.45ha)</li> <li>Rural Residential Serviced (~9.1ha)</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 900 square metres (Rule 16.3.3.1(a)(x))</li> <li>Rural Residential – 2,000 square metres (Rule 16.3.8.1(a))</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> <li>Rural Residential – 7.5 metres (Rule 17.8.3.1(e))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Protected Tree T886</li> <li>Indicative Walkways</li> <li>Indicative Road</li> <li>Fault Rupture Risk Area</li> <li>Slope Instability Risk Area</li> <li>Land Disturbance Area 1</li> <li>Richmond East Development Area</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status would result in a significant opportunity to subdivide the site in a more efficient and timely manner. Specifically increasing the density on the stable land at the top of the subdivision.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM090755V1 – to subdivide to create 32 Rural Residential Lots and 1 Rural Lot</li> <li>RM090781 – to discharge stormwater from subdivision RM090755V1</li> <li>RM090796 – earthworks in Slope Instability Risk Area</li> </ul> <p>No historical planning permits have been found for this property.</p>

Decision Implications	
Comments	None

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T01-09 Highland Drive SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09

Aerial site photo of Highland Drive SHA



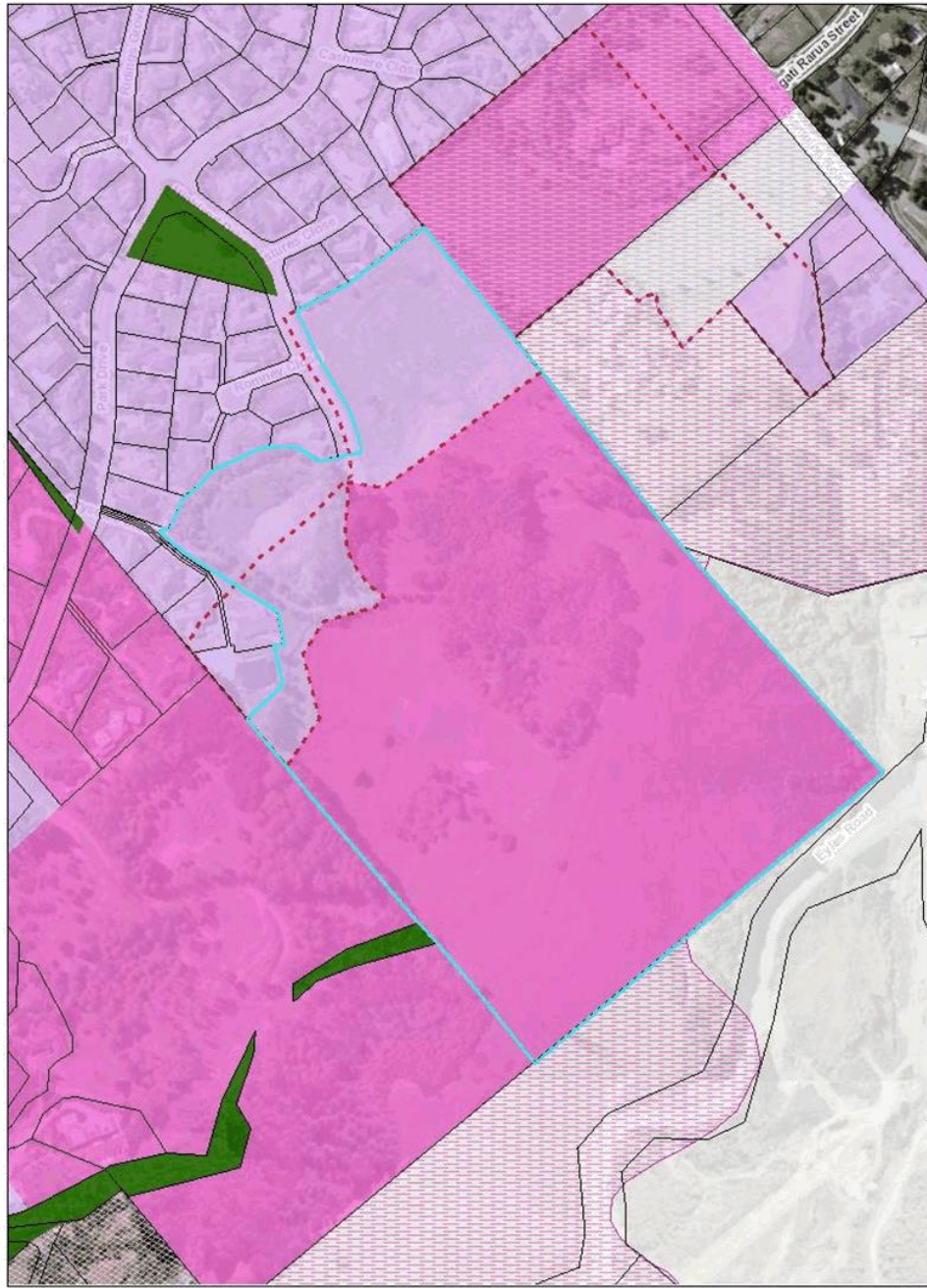
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**T01-09 Highland Drive SHA**

TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09

Tasman Resource Management Plan – Zone Map



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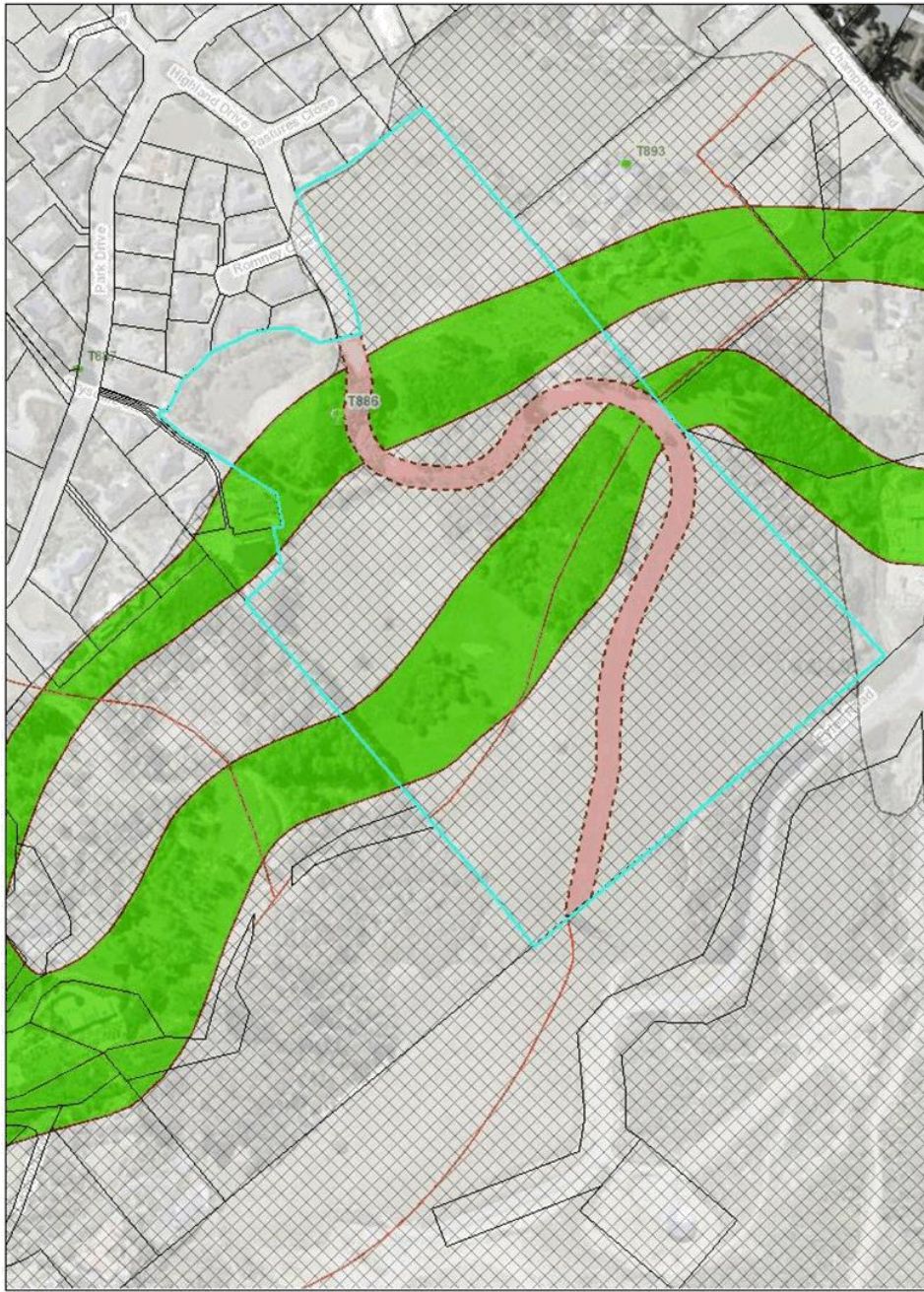


T01-09 Highland Drive SHA



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09

Tasman Resource Management Plan – Overlays Map



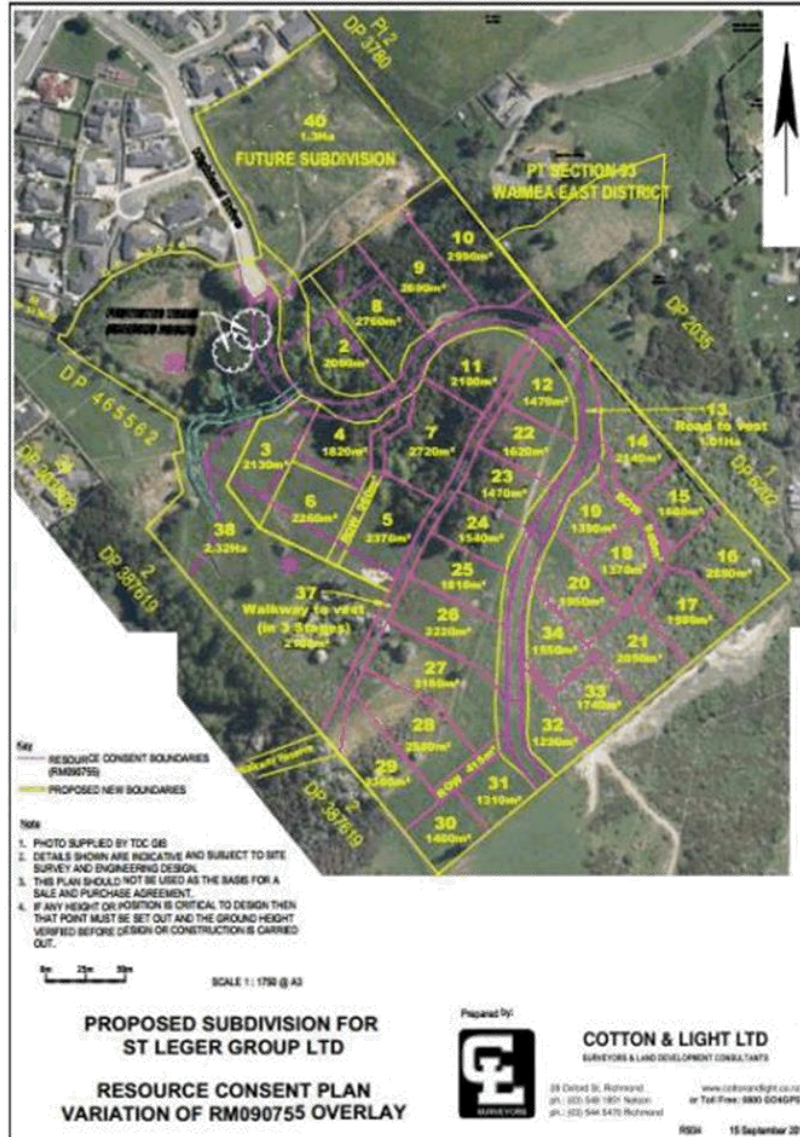
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T01-09 Highland Drive SHA

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-09**

Concept Plan provided by Developer

Attachment 1: Site Locality Plan (Approved Subdivision)



T01-09 Highland Drive SHA





**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10**

Recommendation	
	That Council approves to recommend to the Minister that the Whitby Road SHA (T01-10), be established as a special housing area

Land Parcel Information	
Tranche	1
Application Number	T01-10
SHA Name	Whitby Road SHA
Property Address	Whitby Road, Wakefield
Area (ha)	14.7123 Ha
SHA Requester	Gaye Eden

Development Proposal	
Developer	Dr Gaye Eden and Neil Brown
Brownfield/Greenfield	Greenfields
Expected yield	40
Expected delivery programme	Four stages with each being 4-5 years
Affordability provisions	None
<b>Qualifying development criteria</b>	
<ul style="list-style-type: none"> <li>Maximum number of storeys that building may have:</li> </ul>	2
<ul style="list-style-type: none"> <li>Maximum calculated height that building must not exceed:</li> </ul>	7.5 metres
<ul style="list-style-type: none"> <li>Minimum dwelling or residential site capacity:</li> </ul>	40

SHA Establishment Criteria as per Lead Policy																					
Criteria	Notes																				
Consistent with Tasman Housing Accord	The application is considered to be consistent with the Tasman Housing Accord. However, the staging timeframes is inconsistent with the Accord and the legislation.																				
2.1 Alignment with Tasman Resource Management Plan	The development area is zoned Residential. The proposed pattern of development and the average lot density is in general keeping with the TRMP for the minimum number of dwellings applied for the SHA.																				
Infrastructure availability / readiness, including available capacity  <table border="1" style="display: inline-table; vertical-align: middle;"> <thead> <tr> <th colspan="2">Readiness</th> </tr> </thead> <tbody> <tr> <td>Very Good</td> <td style="background-color: #008000;"></td> </tr> <tr> <td>Good</td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td>OK</td> <td style="background-color: #FFFF00;"></td> </tr> <tr> <td>Poor</td> <td style="background-color: #FFA500;"></td> </tr> <tr> <td>Very Poor</td> <td style="background-color: #FF0000;"></td> </tr> </tbody> </table>	Readiness		Very Good		Good		OK		Poor		Very Poor		<table border="1"> <tbody> <tr> <td> <b>Stormwater</b> <ul style="list-style-type: none"> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system.</li> <li>Sufficient space available for detention pond, if required.</li> <li>Consideration will need to be given during the resource consent process to secure a secondary flowpath from Residential zoned land to the Wai-iti River.</li> </ul> </td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td> <b>Wastewater</b> <ul style="list-style-type: none"> <li>Wastewater will need to be pressurised with individual systems back to the gravity main in Lord Auckland Road.</li> <li>Council preferred option is for gravity mains through to a new pump station at the end of Bird Lane. Discussions are being held between adjoining parties.</li> </ul> </td> <td style="background-color: #FFFF00;"></td> </tr> <tr> <td> <b>Water</b> <ul style="list-style-type: none"> <li>There is sufficient water available for this site.</li> </ul> </td> <td style="background-color: #90EE90;"></td> </tr> <tr> <td> <b>Transport</b> <ul style="list-style-type: none"> <li>There will be a link to Lord Auckland Road and an indicative road linkage is provided through to Whitby Road on the TRMP Planning Maps.</li> </ul> </td> <td style="background-color: #90EE90;"></td> </tr> </tbody> </table>	<b>Stormwater</b> <ul style="list-style-type: none"> <li>Development would be required for Pre- and Post-development flows to be the same to the existing system.</li> <li>Sufficient space available for detention pond, if required.</li> <li>Consideration will need to be given during the resource consent process to secure a secondary flowpath from Residential zoned land to the Wai-iti River.</li> </ul>		<b>Wastewater</b> <ul style="list-style-type: none"> <li>Wastewater will need to be pressurised with individual systems back to the gravity main in Lord Auckland Road.</li> <li>Council preferred option is for gravity mains through to a new pump station at the end of Bird Lane. Discussions are being held between adjoining parties.</li> </ul>		<b>Water</b> <ul style="list-style-type: none"> <li>There is sufficient water available for this site.</li> </ul>		<b>Transport</b> <ul style="list-style-type: none"> <li>There will be a link to Lord Auckland Road and an indicative road linkage is provided through to Whitby Road on the TRMP Planning Maps.</li> </ul>	
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**T01-10 Whitby Road, Wakefield SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10**

SHA Establishment Criteria as per Lead Policy	
Criteria	Notes
	<p><b>Reserves and Facilities</b></p> <ul style="list-style-type: none"> <li>Have indicated that a walkway connection from the adjoining subdivision at 2A Lord Auckland Road to the Wai-iti River will be provided. Esplanade Reserves or Strips will be required adjoining the Wai-iti River. There are existing Esplanade Access Strips on properties adjoining the site.</li> </ul>
2.2 Infrastructure	<p>A. Infrastructure Exists with Capacity</p> <ul style="list-style-type: none"> <li>The adjoining development at 2A Lord Auckland Road will provide the water, wastewater and roading connection to the site to enable development to begin at the northern end of the site and move towards the State Highway.</li> </ul> <p>B. Infrastructure in LTP Enabled by Developer</p> <ul style="list-style-type: none"> <li>The proposed development does not require an upgrade to existing infrastructure</li> </ul> <p>C. Unplanned Infrastructure Enabled by Developer</p> <ul style="list-style-type: none"> <li>No unplanned infrastructure is required for the proposed development</li> </ul> <p>D. Stormwater Mitigation provided to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>Sufficient space available for the construction of a detention pond, if required, to avoid additional stormwater</li> </ul> <p>E. Infrastructure to be Designed to Meet Appropriate Standards</p> <ul style="list-style-type: none"> <li>The application does not include any proposed infrastructure that is not in keeping with the Tasman District Council Engineering Standards and Policies 2013 or NZS4404.</li> </ul> <p>F. Concept Engineering Plans Provided</p> <ul style="list-style-type: none"> <li>No concept Engineering Plans have been provided. A pre-application has commenced for the site.</li> </ul> <p>G. Land is Geotechnically Stable</p> <ul style="list-style-type: none"> <li>No Geotechnical Feasibility Assessment has been submitted with the SHA application.</li> </ul>
2.3 Demand for a QD	The applicant states that the site adjoins a recent residential subdivision that has pre-sold from the plans and is still subject to resource consent.
2.4 Demand for Residential Housing	The applicant states that the proposal will provide a range of allotment sizes based on four clusters of residential allotment sizes with density moving from around 700 square metres near the State Highway through to around 2,000 square metres near the Rural and Light Industrial zones.
2.5 Predominantly Residential	No non-residential activities are proposed as part of this application. The balance of the section will be retained as a rural lot.
2.6 Commercial Viability	The developer cites current demand growth in Wakefield.
2.7 Building Height	The proposed building height is consistent with the underlying zone.
2.8 Consultation	No evidence of consultation with adjoining landowners has been provided. No consultation with NZTA regarding formation of access from Whitby Road (State Highway 6), although the applicant acknowledges that this will be required.

**T01-10 Whitby Road, Wakefield SHA**

**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10**

Ownership information per parcel	
Street Address	Whitby Road, Wakefield
Owner	Alan and Valeria Eden
Valuation Number	1937010000
CT Number	1D/1076
Legal Description	PT SEC 81 BLK XII WAI-ITI SD
Area (ha)	14.7123

TRMP Provisions	
Zone	<ul style="list-style-type: none"> <li>Residential (~5.9 ha)</li> <li>Rural 1 (~8.8 ha)</li> </ul>
Density (Controlled Activity)	<ul style="list-style-type: none"> <li>Residential – 450 square metres except:</li> <li>Residential (adjoining Light Industrial Zone in bird Lane) – 1,000 square metres (Rule 16.3.3.1(a)(iia))</li> <li>Rural 1 – 12 hectare minimum (16.3.5.1)</li> </ul>
Height Limit (Permitted Activity)	<ul style="list-style-type: none"> <li>Residential – 7.5 metres (Rule 17.1.3.1(p)(ii))</li> <li>Rural 1 – 7.5 metres (Rule 17.5.3.1(f))</li> </ul>
Area Overlays	<ul style="list-style-type: none"> <li>Indicative Roads</li> <li>Designations D120 and D137</li> <li>Surface Water Protection Yield Area</li> <li>Land Disturbance Area 1</li> </ul>
Resource Consents Required	<ul style="list-style-type: none"> <li>Subdivision Consent</li> <li>Land Use Consent</li> <li>Discharge Permit – Stormwater</li> <li>Land Disturbance Consent</li> </ul>

Other Comments	
Reasons for using SHA Process	The applicant considers that SHA status will enable the applicant to benefit from the recent change in zoning.
Planning History	<p>The following Resource Consents are noted against the property:</p> <ul style="list-style-type: none"> <li>RM150832 – to take groundwater for irrigation</li> </ul> <p>No historical planning permits have been found for this property.</p>

Decision Implications	
Comments	None

Reviewed by	
Site Visit	Not completed by Recommending Officer prior to report being completed.
Engineering	12 June 2017
Environmental Policy	12 June 2017
Reserves and Facilities	12 June 2017

**T01-10 Whitby Road, Wakefield SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10

Aerial site photo of the Whitby Road SHA, Wakefield



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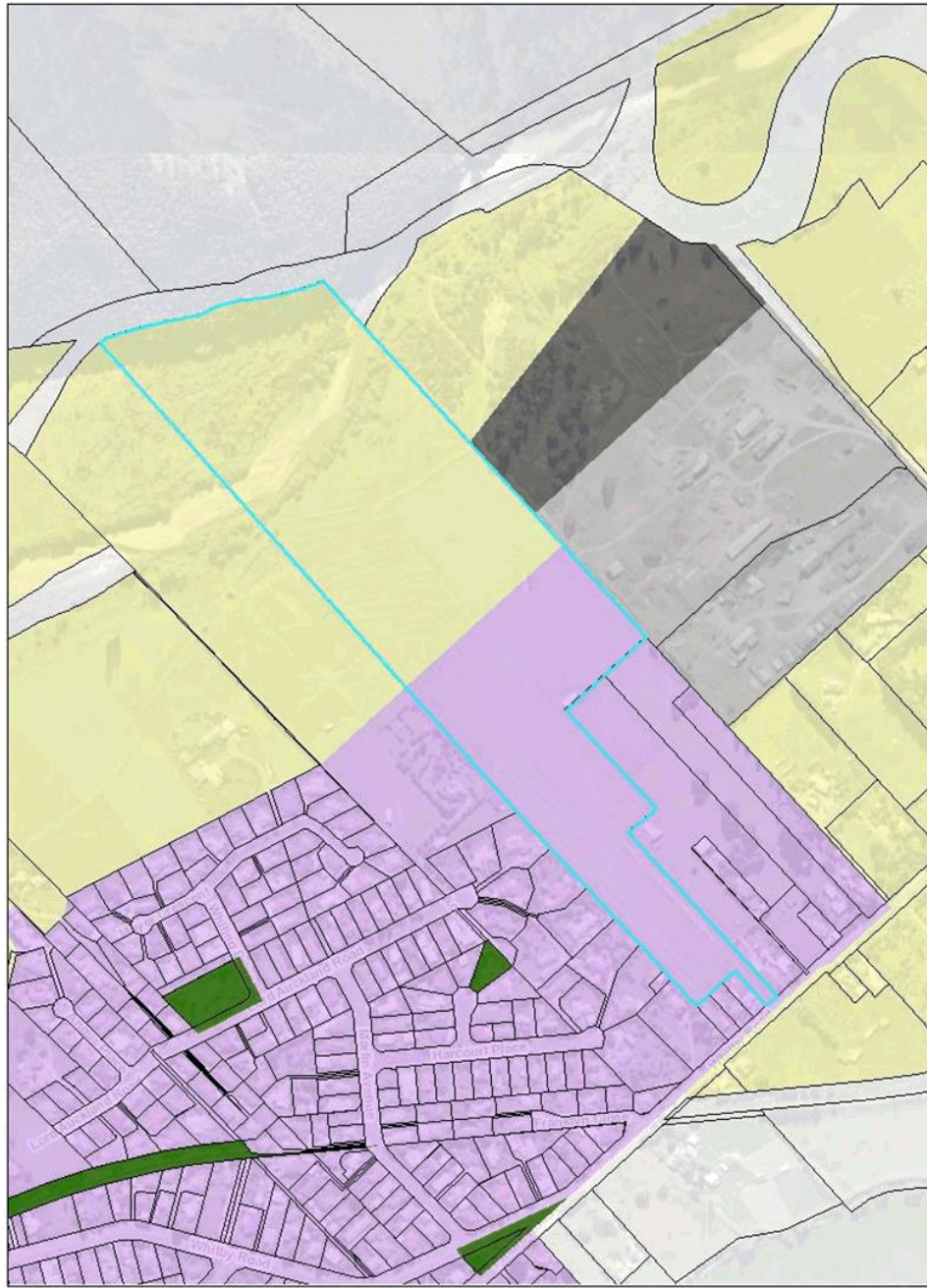


**T01-10 Whitby Road, Wakefield SHA**



TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10

Tasman Resource Management Plan – Zone Map



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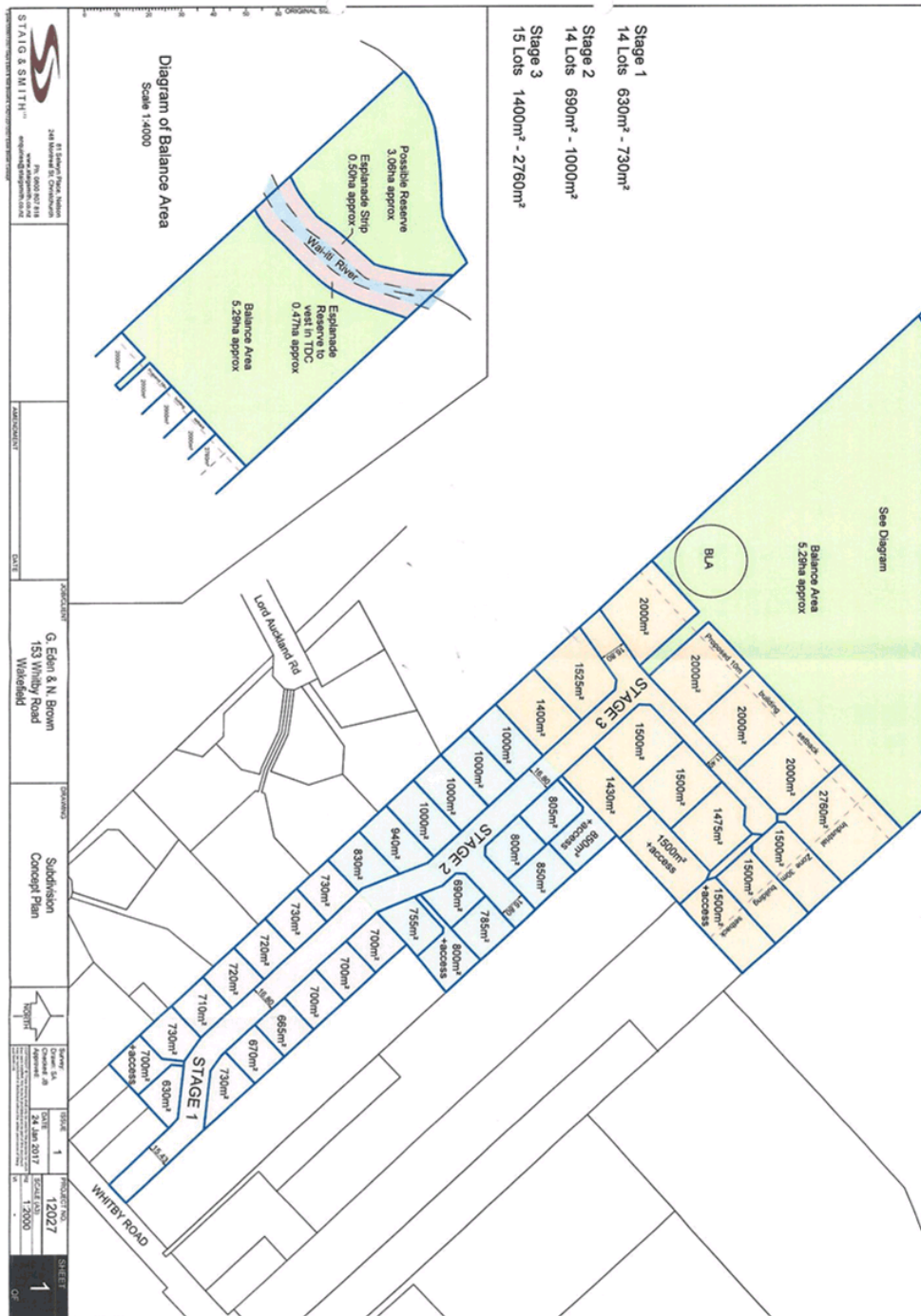
**T01-10 Whitby Road, Wakefield SHA**





**TASMAN HOUSING ACCORD – SPECIAL HOUSING AREA  
LOCATION SUMMARY T01-10**

Concept Plan provided by Developer



**T01-10 Whitby Road, Wakefield SHA**





**8.3 DELEGATIONS FOR WAIMEA DAM - LAND ACQUISITION**

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Lindsay McKenzie, Chief Executive
<b>Report Number:</b>	RCN17-06-06

**1 Summary**

- 1.1 At the Council meeting on 2 March 2017, the Full Council resolved (amongst other things) to receive the Waimea Community Dam – Notices of Intention to Take Land Report and authorised the Chief Executive to execute and approve the service of Notices of Intention under section 23 of the Public Works Act (PWA), to acquire the Land Interests listed in Schedule 1 for the Waimea Community Dam Project noting that, should objections be received, the matter will need to proceed to an Environment Court Hearing.
- 1.2 Objections have been lodged, (or are expected to be lodged by 15 June) by three of the five Landowners. The time for objection by the two other owners has expired.
- 1.3 The resolution passed at the meeting on 2 March 2017 inferred, but was not explicit, that the Chief Executive was also delegated the power to take all of the necessary subsequent steps to obtain the land. The final compensation arrangement would be referred to the Council for information. To avoid any doubt about the previous delegation it is recommended that the Council pass a specific resolution authorising the next steps to acquire the land.

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

1. receives the Delegations for Waimea Dam - Land Acquisition report RCN17-06-06; and
2. authorises the Chief Executive, on behalf of the Council, to take all such steps as are reasonably necessary to proceed with the acquisition of land interests set out in Schedule 1 of the 2 March, 2017 Notice of Intention Report RCN17-03-08. This includes (but is not limited to) signing relevant applications and declarations in relation to Proclamations, making representations at the Environment Court in relation to objections, and negotiating [and paying] compensation for the land interests.

**3 Compulsory Acquisition Process**

- 3.1 The Council proposes compulsory acquisition of land interests for the Waimea Community Dam project under the Public Works Act if agreement cannot be reached before compromising Council's timeline for progressing the project.
- 3.2 The process requires the issue of Notices of Desire which trigger an obligation to negotiate in good faith for a period of at least three months before proceeding to serve a Notice of Intention. A Notice of Intention provides for a 20 working day right of objection to the Environment Court as to whether the acquisition is fair sound and reasonably necessary to meet the Council's objectives. Notices of Desire lapse after 12 months if the land has not been acquired or further steps taken to compulsorily acquire the land have not been commenced within that time.
- 3.3 Negotiations commenced in November 2015 and Notices of Requirement were served on all the Parties in schedule 1 as follows:
  - 3.3.1 notices were served on M Stuart, Lee Forests Limited and D Irvine & P Sutherland in May 2016
  - 3.3.2 notices were served on JWW Holdings Limited and SM Irvine in September following confirmation of alternative access requirements to a level necessary to enable meaningful negotiations
- 3.4 Notices of Intention were served on all the Parties in Schedule 1 as follows:
  - 3.4.1 notices were served on, Lee Forests Limited and D Irvine & P Sutherland in April 2016
  - 3.4.2 notices were served on JWW Holdings Limited, M Stuart and SM Irvine in May 2017  
These remain in effect for 12 months from date of service and can be extended for one year.
- 3.5 The objection period for Irvine and Sutherland and Lee Forests Limited has expired without an objection being lodged.
- 3.6 Objections have been lodged on behalf of M Stuart and SM Irvine.
- 3.7 JWW Holdings Limited have requested an extension of time until 15 June 2017 as the principals were out of the country and only became aware that notices had been served around 1 July 2017. An objection is expected.
- 3.8 The grounds for the objections lodged are that:
  - 3.7.1 the taking is for a private purpose and for a purpose the Council does not have control over;
  - 3.7.2 the Council did not give adequate consideration of other methods of achieving its goals;
  - 3.7.3 the taking is not fair sound and reasonably necessary; and
  - 3.7.4 the terms of the temporary lease for construction purposes are inadequate.
- 3.9 Council has taken legal advice that confirms that there are sufficient grounds to support the compulsory acquisition. The primary issue in negotiations remains compensation levels and service of the Notices of Intention has resulted in the release of valuations from SM Irvine and M Stuart and a further response on terms of the proposed agreement for M Stuart.

- 3.10 The process for actioning the Proclamation is as follows:
- 3.10.1 There is a 20 working day right of objection following service of the Notices of Intention.
  - 3.10.2 Where objections are lodged, they must be determined by the Environment Court or withdrawn before a proclamation can issue.
  - 3.10.3 If no objection is filed, the Council is required to action the following documents:
    - a. an **application** by Council to the Governor-General to take each of the interests set out in schedule 1 by Proclamation. Such applications are required to be signed on behalf of the Council
    - b. a **declaration** that the Council has statutory authority to carry out the public work for which the land is required and that all required steps under the PWA including service of Notices of intention have been complied with and that no objection has been made.
  - 3.10.4 The application and declaration are then lodged with LINZ together with a proclamation for signature by the Governor-General and a report from the Property Group as the Council's accredited supplier to LINZ setting out full details of the application. LINZ then submits the proclamation, application and declaration to the Minister who submits them to the Governor-General for signature. Following signing they are published in the NZ Gazette and ownership passes to the Council 14 days following publication.
  - 3.10.5 Compensation is then negotiated by agreement, or failing that, referred to the Land Valuation Tribunal for determination. The estimates of compensation for the land required for the project is unlikely to exceed \$2.5 million on current valuation advice.
  - 3.11 Applications and declarations in relation to Lee Forests and Irvine and Sutherland have been prepared and are ready for signature on behalf of the Council.
  - 3.12 The only issue between Council and these owners is the amount of compensation payable. There have also been considerable delays in entry for investigation purposes requiring service of notices requiring entry which have resulted in entry agreements being signed
  - 3.13 Proceeding to compulsory take will simplify entry because entry rights over the majority of the forestry road to the dam site will be included in the rights acquired in the proclamation and will enable compensation to be referred to the Land Valuation tribunal for determination. This will create certainty as to values, which will create a precedent for the other negotiations with the owners who have filed objections.

<b>4 Attachments</b>
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Nil





## 8.4 CHIEF EXECUTIVE'S ACTIVITY REPORT

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Lindsay McKenzie, Chief Executive
<b>Report Number:</b>	RCN17-06-07

### 1 Summary

- 1.1 The report covers some of my activities since Council's 11 May 2017 meeting.
- 1.2 The period has been especially busy for Councillors and staff alike with a challenging Long Term Plan workshop programme, the Waimea Water Augmentation Project placing heavy demands on many of us and getting the Annual Plan 2017/18 signed off. With the end of the financial year upon us, our attention is turning to the Annual Report.
- 1.3 An addition to the **Schedule of Charges** is needed due to an error in the schedule when it was adopted recently. Several fees were omitted in error. The Council is able to remedy that by ordinary resolution as recommended.
- 1.4 I have provided a summary of the **Council's financial position** at the end of May 2017. You will recall that the March quarterly reforecast exercise reported a better than budget operating position of \$8.9m. Currently, on a year-to-date basis, a further \$1.9m surplus above forecast has already occurred. That position assumes a budget of \$1.6m for an Emergency Event will be spent. That is now a most unlikely prospect so a further \$1.6m would be added to the overall position, meaning **the operating surplus will be over \$12m better than budget.**
- 1.5 External **net debt is \$115m** compared to a budget of \$166.4m. Council net debt has fallen from the audited figure of \$129.2m as at 30 June 2016. This lower debt position is a reflection of the capital spend not occurring to the levels expected or as quickly as planned and the strong 2015/16 and 2016/17 operating results.
- 1.6 Sarah Taylor, Council's Principal Legal Adviser and her Nelson City colleague have been working on a **proposal to jointly procure a panel of law firms** to act for the Councils. The senior management teams at Tasman District Council and Nelson City Council have approved the joint procurement process. The purpose of establishing a panel is to improve efficiency, transparency, fairness and cost effectiveness in the procurement of external legal services. As part of that process, a Local Government Act S17A review needs to be approved.
- 1.7 I've also provide an update on several **national issues** including the Havelock North Water Inquiry, the Regional Sector Group meeting in Wellington and the Civil Defence Review.

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

- 1. receives the Chief Executive's Activity Report RCN17-06-07; and**
- 2. adds the following charges to the 2017/2018 Schedule of Charges under their respective sections:**

**(i) Water Supply Network Charges – On demand (metered) water supply network:**

<b>Special Water Reading Fee</b>	<b>\$66.00 per</b>
<b>reading</b>	

**(ii) Right of Way Charges**

<b>Application right-of-way (S.348 Local Government Act)</b>	<b>\$900.00 deposit</b>
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**(iii) Property Information and Development Contributions**

<b>Development Contribution Administration Surcharge</b>	<b>\$37.00</b>
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**(iv) Environmental Health – Gambling Venues**

<b>Gambling Venue Consent – Deposit fee only</b>	<b>\$331.00</b>
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- 3. and approves the s.17A Local Government Act 2002 assessment for the review of external legal services for Tasman District Council.**

### 3 Purpose of the Report

- 3.1 The purpose of this report is to inform the Council about some current issues and my operational activities for the period since Council's 11 May 2017 meeting. The action sheet is part of this report.

### 4 Strategy and Planning

- 4.1 The organisation has a **corporate projects work plan**. This work plan is in addition to the work programmes and projects that the Council undertakes that deliver services to the community. The corporate projects are necessary to support service delivery and to improve the performance of the organisation.
- 4.2 One of my performance objectives is to identify and complete a corporate projects work plan, to have it confirmed by the senior management team and reported to Council at the first ordinary meeting after 1 June 2017.
- 4.3 The programme is to cover such matters as the digital strategy, web site rebuild, risk management policy and framework, procurement policy and practice and electronic records management.
- 4.4 I have attached a schedule of projects as requested including a brief description of them. The projects are broken into a 'Business as Usual' category and an 'Organisational and Systems Development' category. The schedule is for information. It should give you an insight into the work that is going on to keep the business running and to improve its performance.
- 4.5 The Government is **reviewing certain aspects of Civil Defence and Emergency Management** arrangements. As you may know, the Government has appointed a Technical Advisory Group (TAG) to advise on the matter of "Better responses to natural disasters and other emergencies in New Zealand".
- 4.6 The TAG is chaired by Hon Roger Sowry. The members are:
- 4.6.1 Malcolm Alexander LGNZ's Chief Executive
  - 4.6.2 Assistant Commissioner Mike Rusbatch, New Zealand Police;
  - 4.6.3 Deputy National Commander Kerry Gregory, New Zealand Fire Service;
  - 4.6.4 Major General Tim Gall, New Zealand Defence Force;
  - 4.6.5 Sarah Stuart-Black, Director, Ministry of Civil Defence and Emergency Management;  
and
  - 4.6.6 Benesia Smith, former Deputy Chief Executive of the Canterbury Earthquake Recovery Authority.
- 4.7 The Government is working with a cross-party group in Parliament. The Government and the cross-party group were expected to have finalised the terms of reference about now. I haven't seen them.
- 4.8 Provisional recommendations are likely to be made to the Government by the end of August. Final recommendations will likely go to the incoming government towards the end of the year. Mayor Kempthorne has offered to host the TAG to look at the Nelson Tasman combined operations as the Chair is very keen to engage with the sector on the



review. The LGNZ Chief Executives Forum (I am a member) will also assist with local government input.

4.9 The overall focus of the review is likely to be on:

4.9.1 decision rights – that is how should the chain of command work;

4.9.2 the nature of information flows to the public and media given available technology and the nature of the resources available locally and centrally to assist; and

4.9.3 capability and capacity across the system including ways and means to better deploy resources depending on priorities.

4.10 Council adopted the **Schedule of Charges** for next year at its 25 May meeting (resolution CN 17-05-19). The following fees/words outlined in bold were omitted:

Under Water Supply Connection Charges – On demand (metered) water supply network:

**Special water reading fee** **\$66.00 per reading**

Under Right of Way Charges:

Application right-of-way (S.348 Local Government Act) **\$900.00 deposit**

Under Property Information & Development Contributions

Development Contribution Administration Surcharge **\$37.00**

Under Environmental Health – Gambling Venues

**Gambling Venue Consent – Deposit fee only** **\$331.00**

4.11 The “special water reading fee” was in the 2016/2017 Schedule and was omitted in the 2017/2018 Schedule. This fee is the same as in the 2016/2017 Schedule.

4.12 The Application right-of-way (S.348) Local Government Act) was in the 2017/2018 Schedule, but the word “deposit” was omitted. This fee is the same as in the 2016/2017 Schedule.

4.13 The Development Contribution Administration Surcharge was in the 2017/2018 Schedule, but the fee was omitted. This fee is the same as in the 2016/2017 Schedule.

4.14 The Gambling Venue Consent fee was omitted. The fee remains the same as in the 2016/2017 Schedule.

4.15 Staff request that the Council agrees to add the fees and wording outlined in paragraph 4.10 above into the 2017/2018 Schedule of Charges.

## 5 Advice and Reporting

### Enquiry into Havelock North Campylobacter Outbreak

5.1 Stage 1 of the Havelock North Enquiry into the August 2016 campylobacter outbreak was published on 10 May 2017. As soon as information about the outbreak became known, your staff have worked towards reducing or removing any similar risks identified locally.

5.2 The key failures identified in the report are:

- poor communications between the district and regional councils;
- poor implementation of guidelines to protect the aquifer;

- failure to carry out proper investigations into the safety of the bores and thoroughly investigate previous problems, and;
- failure to have contingency plans in place.

5.3 Improvements undertaken by us over the past five months include:

- a programme to complete all outstanding Water Safety Plans (a risk management tool for drinking water supplies) by the end of 2017;
- centralising contingency plan data to enable easy access in an emergency;
- establishing a cross-Council 'working party' to work on protecting our water supplies;
- initiating a process to look at what permitted activities in the District may need to be reviewed, in particular the installation and decommissioning of private bores;
- reassessing the treatment needs of the Council's water supply treatment plants and scheduling further upgrades where necessary.

5.4 A report providing further details on the findings, including a set of recommendations for future work will be presented to Full Council on 27 July 2017.

5.5 You will recall a presentation by advocates for a **Whanganui to Motueka ferry service** at your 11 May 2017 meeting. As a follow up, a formal request for financial assistance has been received. The funding is to assist the full investigation stage (Detailed Business Case). That in turn is a precursor to going to market to privately fund the project.

Midwest Ferries is seeking \$75,000 'initially' followed by another \$100,000 in the earlier part of the 2017/2018 year from both the Whanganui and Tasman District Councils. This financial support would form part of the total of \$1.5m identified as required to reach the "Go/No Go" decision to commence the project.

I've since been advised that following the funding discussion with Whanganui District Council and their commercial arm Whanganui Holdings, the request for funding is being delayed. The consultants are likely to be re-engage with us over the next 4-6 weeks. Assuming that occurs there will be a report to the July Council meeting.

While Council should wait and see how Midwest Ferries responds to the challenges the Whanganui District Council has apparently laid down, my preliminary view is that the Council should not agree to any funding, in part because of concerns about the:

- build it and they will come approach;
- business model and market response;
- environmental challenges and consentability;
- engineering challenges associated with port construction and operation in this soft, mobile coastal environment;
- vessel serviceably/resilience;
- navigation safety and weather;
- investment being a prudent one for Council.

- 5.6 I attended the **Regional Sector Group meeting** held in Wellington on 12 May 2017 with Mayor Kempthorne. The highlight was a talk by Dr William Rolleston (Federated Farmers Chair) in which he shared some perspectives on the challenges we (local government) are having maintaining the trust and confidence of people and communities in an angry world.
- 5.7 The challenges is not uniquely ours. Discrediting the regulator, 'big business' and others is a strategy to win hearts and minds, to achieve many desirable outcomes but also to gain political power and influence. We need to be alert and make sure that our decisions and policy responses have a sound basis in fact, and rely on solid science and quality, reliable information.
- 5.8 Aspects of the government's freshwater package provide an example. Some parts of the package have not been well received. A conversation is needed with central government on costs and benefits. The science does not support the government's policy intervention. The public communications challenge was acknowledged. The need for a national strategy on communications was discussed and eventually agreed.
- 5.9 In his LGNZ report, President Lawrence Yule confirmed the positive local government/central government relationship including with Minister Tolley. He also discussed the Havelock North report including the recommendations on stage two.
- 5.10 Submissions on the NPS Freshwater Management amendments have been extended to 25 May 2017. About 6000 submissions have been received some of them hard-hitting about the legality of what the Minister proposes. The task force is continuing its work in support of the Minister but is doubtful about achieving the target dates.
- 5.11 Senior management teams at Tasman District Council and Nelson City Council have approved **the joint procurement of a panel of law firms**, made up of a mix of national law firms and local providers. The purpose of establishing a panel is to improve efficiency, transparency, fairness and cost effectiveness in the procurement of external legal services by:
- undertaking an up-front procurement exercise, thereby avoiding the need to tender for lawyers undertaking an up-front procurement exercise, thereby avoiding the need to tender for lawyers and renegotiate terms every time a legal matter is to be outsourced;
  - opening up the market - giving firms that are not usually used an opportunity to bid for our work;
  - having a clear set of consistent contractual terms; and
  - getting good rates, obtaining value for money, getting value-add services.
- 5.12 The benefits of undertaking the procurement jointly with Nelson City Council include:
- economies of scale (potential for better rates);
  - contract may be more appealing to some firms (opportunity for more work from two parties, rather than just one);
  - combined resources and expertise across both councils will enable this work to be done more efficiently and in a timely manner;
  - developing closer working relationships between the two councils and solving legal problems in common.

- 5.13 It is proposed that the panel will be made up of a mix of national (“all service”) law firms and local law firms (i.e. a firm within Nelson city and/or Tasman District). The final number of providers on the panel will be determined by both councils once responses have been received and evaluated.
- 5.14 The councils do not propose to commit to provide any provider on the panel with a certain quantity of work although we will invite, and may accept, innovative pricing proposals from providers. Both councils will select which provider on the panel to use for a particular matter based on the expertise required to deliver the work, cost, and previous relevant experience/track record. They may use providers not on the panel, with the approval of a relevant senior manager or in-house lawyer, when appropriate or necessary to do so (e.g. for specialist/expertise advice or where insurers require use of a particular firm).
- 5.15 A request for proposal (RFP) is due to be released at the end of June/early July, with the aim of having the panel in place by September/October 2017.
- 5.16 A section 17A review has been undertaken in relation to the provision of external legal services. This has been approved by the Corporate Services Manager and is attached (refer attachment 2).

## 6 Management of Council Resources

- 6.1 We are forecasting an **accounting surplus of \$12.3m at the end of June 2017**. This is a favourable variance of \$8.2m on the budgeted position of \$4.1m. As advised before, the budget 2016/17 column incorporates all resolutions approving budget transfers such as the annual carryover report. The column is therefore not the same as the adopted Annual Plan 2016/17.
- 6.2 The accounting position is compared to the concept of the controllable operational position in the following table. Non-cash items and items that can only be used to fund capital expenditure, or are non-cash in nature i.e. swap revaluations and vested assets are removed to give a clearer view of the operating position.
- 6.3 The March quarterly reforecast exercise reported a better than budget forecast operating position of \$8.9m. Currently, on a Year-To-Date basis, a further \$1.9m surplus above forecast has already occurred. This position also includes a budget of \$1.6m for an Emergency Event. Should such an event not occur, which is now the most likely prospect, a further \$1.6m would be added to the overall position, bringing it to over \$12m.



Tasman District Council						
Accounting Surplus v Operating Surplus						
	Act YTD May 2017	YTD Fc'st May 2017 \$000	Variance YTD \$000	Forecast 2016/17 \$000	Budget 2016/17 \$000	Var \$000
Accounting Surplus/(Deficit)	22,220	22,180	40	12,263	4,080	8,183
<b>Less Non Controllable</b>						
Revaluation of Swaps (non cash)	5,243	6,922	(1,679)	(1,472)	653	(2,125)
Vested Assets (non cash)	4,893	4,404	489	4,404	3,007	1,397
Capital Subsidies	1,820	2,499	(679)	3,775	3,747	28
<b>Total</b>	<b>11,956</b>	<b>13,825</b>	<b>(1,869)</b>	<b>6,707</b>	<b>7,407</b>	<b>(700)</b>
<b>Controllable Operational Surplus/(Deficit)</b>	<b>10,264</b>	<b>8,355</b>	<b>1,909</b>	<b>5,556</b>	<b>(3,327)</b>	<b>8,883</b>
<b>Explained by</b>						
Income	97,993	99,500	(1,507)	109,734	104,326	5,408
Expenditure	87,729	91,145	(3,416)	104,178	107,653	(3,475)
<b>Total</b>	<b>10,264</b>	<b>8,355</b>	<b>1,909</b>	<b>5,556</b>	<b>(3,327)</b>	<b>8,883</b>

- 6.4 The controllable operating surplus is different from the closed account or activity account movement. A key difference between the two is depreciation and how much is being funded.
- 6.5 We assume an emergency event will occur and those budgets will be called on. The odds of an event occurring now are small so from a budget perspective, we will have a surplus of approximately \$1.6m more than the \$8.9m stated.
- 6.6 **Operating Expenditure variations** include employee related expenses, which are under budget after eleven months by \$322,000 but are forecasting to be on track at year end. This would seem unlikely given the level of vacancies.
- 6.7 Interest costs are under budget. These savings are expected to be realised as the closing budgeted debt position for 2015/16 was significantly higher than the actual audited debt position. The forecast underspend on interest costs is \$2.1m.
- 6.8 The depreciation expense is also under budget as the asset revaluation was less than expected and there was a lower capital expenditure in 2015/16. The forecast underspend on depreciation is \$2.4m.
- 6.9 Savings are expected in the electricity accounts across the organisation as the full benefit of the new contract takes effect. Again these were reflected in the recent reforecast exercise and are now part of the forecast \$8.9m underspend.
- 6.10 Finance staff are concerned about the outcome of the March Reforecast Financials. As I noted in last month's activity report, and which the May figures look to confirm, the 2016/2017 surplus is highly likely to be more than the \$8.9m.
- 6.11 Among the **Operating Income items**, capital subsidies are under budget. It is expected that all work will be completed and all income obtained from NZTA. The NRSBU surplus of \$900,000 as previously reported, explains the increased revenue in the Engineering Services area.
- 6.12 Additional income in the Environment and Planning area is from resource and building consents. This is in line with expectations given the fees and charges were increased.

- 6.13 Additional forest harvesting has occurred which results in both increased revenue and additional costs. Additional expenses around Rabbit Island means the activity is likely to only meet budget.
- 6.14 External **net debt is \$115m** compared to a budget of \$166.4m. Council net debt has fallen from the audited figure of \$129.2m as at 30 June 2016. This lower debt position is a reflection of the capital spend not occurring to the levels expected or as quickly as planned and the strong 2015/16 and 2016/17 operating results. The balance sheet is in a strong position.
- 6.15 The Council's cost of funds, including interest rate swaps, bank margins and line fees being taken into account is 5.368%, compared to a budget of 5.90%. From 1 April 2017, interest has been charged at 5.4%, and paid on credit balances at 2.0%. These lower costs are flowing through to the cost centres through lower interest charges. A balance is still being maintained in the cost centre as a prudent buffer.
- 6.16 Long term interest rates remain anchored at low levels. Council staff and their advisors are currently considering options around prefunding the \$16m of LGFA debt maturing in December 2017.
- 6.17 The Annual Plan 2016/17 capital budget is \$59.3m. The third reforecast exercise has adjusted the expected spend down to \$36.7m, a drop of \$6.1m since the last reforecast. The majority of forecast savings occurred in the Engineering Services department. In order to achieve this forecast spend a further \$11.2m will need to be spent in June. After eleven months the total spend was \$25.657m being 70% of the forecast spend.

**Capital Expenditure**

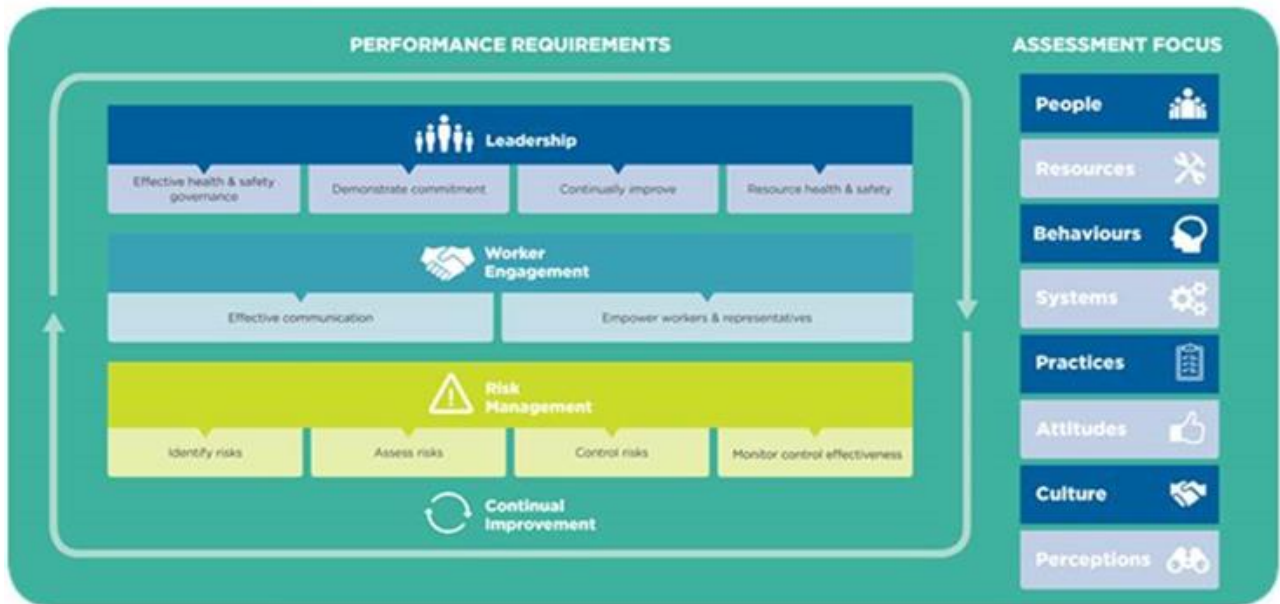
	YTD Actual May 2017 \$000	Annual Forecast 2016/17 \$000	Revised Budget 2016/17 \$000	Var Bud/F'cst \$000	% Spent to Forecast	Remaining Spend 2016/17 \$000
Environment & Planning	146	461	596	135	32%	315
Engineering	18,460	25,427	47,146	21,720	73%	7,071
Community Development	5,069	7,824	6,794	-1,030	65%	2,755
Council Enterprises	317	1,210	2,475	1,265	26%	892
Governance	8	4	2	-2	202%	-4
Departmental Overheads	1,566	1,733	2,266	532	90%	168
<b>Total Capital Expenditure</b>	<b>25,567</b>	<b>36,659</b>	<b>59,279</b>	<b>22,620</b>	<b>70%</b>	<b>11,196</b>

Average per Month to achieve Reforecast 11,196  
 Historic Average per Month 2,207

<b>7 Managing People</b>
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- 7.1 As part of our **Health and Safety at Work Act obligations**, Councillors and the Senior Management Team attended Officer Due Diligence training on 7 June 2017.
- 7.2 WorkSafe recently announced the redesign and launch of their Safety Star Rating (SSR) initiative. Some Councillors will recall that in February 2016 the Council was chosen to participate in the SSR pilot scheme.
- 7.3 SSR is an online health and safety toolkit available to all organisations to provide an authoritative definition of what good health and safety performance looks like, as well as guidance on what organisations can do to improve their health and safety performance.

- 7.4 SSR replaces ACC's Workplace Safety Management Practices (WSMP) programme and is expected to be available from October 2017. There are no financial discounts or savings with SSR and the Council will be responsible for all external SSR audit costs. Participation in SSR will help us to make ongoing health and safety improvements and it will also provide Officers with assurance and verification that the Council's health and safety management systems, processes and practices are appropriate and effective.
- 7.5 The new SSR toolkit has ten performance requirements that have been identified as central to good health and safety performance, and each performance requirement is assessed using eight focus areas.



- 7.6 There have been **five staff related health and safety events and two sensitive events** since my last report. One event has resulted in our first lost time injury (LTI) in over ten years, two incidents were near misses, and two were minor injury events; bruising to a foot after tripping on a kerb and an allergic reaction to fly spray used to eradicate an ant infestation.
- 7.7 There has been one WorkSafe notifiable event involving a contractor. This occurred on the Queen Street Upgrade site when a contractor's worker who was working around an excavation (approximately 1.2 deep and 1.5 – 2.0 wide) slid sideways into the hole. The worker was hospitalised with a compression fracture to their lumbar spine. The event happened after the use of a vax machine and hose around the excavation caused a small amount of ground alongside the hole to give way. The Contractor is completing their investigation and their findings will be reported to the next Engineering Services Committee meeting.
- 7.8 The terms of reference for the **Health and Safety Steering Group (Moturoa-Rabbit Island)** have been completed and are being circulated among members of the group for comment. The particular issue at Moturoa relates to implementing the Reserves Management Plan in a safe way and coordinating the efforts of the PCBUs that operate there. The Terms of Reference will be referred to Council when they are finalised. The next meeting of the Steering Group will be in October.

7.9 We will be participating in this year's **Australasian Local Government Performance Excellence Programme**. Thirty New Zealand councils participated in 2016 and the number is likely to be higher this year. The outcome is a 'Participating Council's Report', reporting on themes and access to aggregated comparisons from other similar sized councils. The data collection aspect of the programme starts from early July and focus areas of the programme include:

- Workforce profile
- Gender diversity
- Talent strategy focus
- Gen Y retention rate
- Succession planning
- Finance employees education levels
- Budget cycle
- Formal IT strategy
- Online customer self-service
- Outsourcing or sharing corporate services
- Risk management
- Council meetings
- Staff and community engagement levels
- Asset management

7.10 As noted in my 11 May 2017 report to Full Council the State Services Commission (SSC) have been engaged to carry out a **future workforce planning review**. The purpose of the review is to identify how well placed we are to succeed in the future. It will also reveal where we need to focus our efforts and resources in order to develop the organisation to be successful.

7.11 The Australasian Local Government Performance Excellence Programme will dovetail nicely into this review by providing qualitative and quantitative benchmarking information.

7.12 While the SSC has been contracted to run the programme they will use external reviewers as they do with the central government Performance Improvement Framework assessments. Our plan is to prepare the brief over the next four weeks for the work to be done during September to November. As you may have guessed, that is a quiet time for the SCC at least in relation to these assessments.

7.13 The buy-in within the organisation has been very positive. I think that many staff are looking to the review to resolve many of the pressures they feel. As promised Council will have an input into the brief and the assessment.

7.14 The first **Collective Employment Agreement negotiation** meeting took place on 15 June 2017 and it is anticipated that bargaining will be completed by mid-July 2017.



7.15 We are currently at various stages of recruiting for:

- Property Services Manager (replacement)
- Asset Systems Co-ordinator (replacement)
- Information Management Officer – EDRMS (new position)
- Project Manager (new position)
- Customer Services Officer – Richmond (replacement)
- Finance Officer – Revenue (replacement)

7.16 Since my last report, five appointments have been made.

- Co-ordinator – Subdivision Consents (replacement)
- Consent Planner – Subdivision (replacement)
- Revenue Officer (new position)
- Senior Policy Advisor – Data Analyst (new position)
- Customer Services Officer – Golden Bay, part time (replacement)

## 8 Relationship Management

8.1 My other contacts and meetings over the past six weeks have included –

8.1.1 Wakatu Chief Executive and staff to discuss the issue of titles for perpetual lease land; the Public Works Act offer back on the two Motueka harbour endowment properties; Motueka reserves review; the library development and planning for growth in Motueka generally;

8.1.2 Risk Management Policy and Framework development consultancy with Cr Ogilvie and Graeme Naylor;

8.1.3 Reg Cooper and his advisers to put a proposal from 2013 (regarding his Rangihaeata property) back on the table;

8.1.4 Laura Ingram Kindergarten representatives to discuss options at the library site in Motueka;

8.1.5 Motueka Aerodrome Management Plan discussion with Stuart Bean;

8.1.6 Pakawau rock wall pre-application meeting;

8.1.7 NRSBU stakeholder meeting;

## 9 Attachments

1.	Council Action Sheet	129
2.	Section 17A review - External Legal Services	133
3.	Corporate Projects Descriptions	141
4.	Organisation Wide Project List	143





## Action Sheet – Full Council as at 22 June 2017

Item	Action Required	Responsibility	Completion Date/Status
<b>Meeting Date 1 December 2016</b>			
Policy on Rates Remissions	Report back on likely impact of the Policy on Council's ability to achieve objectives of NPS on Urban Development Capacity in time for this to be consulted on ahead of LTP 2018-2028.	Russell Holden / Community Development	Report back will occur within the context of the Long Term Plan. The matter has been workshopped and will be reported to a future Council meeting.
Capital Repairs to Commercial Property	Include a report back on return on investment for Commercial Property in reports from Commercial Committee to Full Council.	G Cooper / M Drummond	<b>Completed</b>
Port Tarakohe Capital Work	Conclude Agreement for Fuel Storage and Supply.	G Cooper	<b>Completed</b>
<b>Meeting Date 2 March 2017</b>			
Schedule of Charges 2017/2018	Notify and consult on landfill charges (to be included on the Schedule of Charges) when the outcome of the Commerce Commission's decision is known.	S Hartley/D Stephenson	<b>Completed</b>
	Report back on inter-loan and children's overdue book library charges and how revenue would be affected by the removal of these charges	Community Development Manager	<b>Completed</b>
Appointment of Directors to Nelson Airport Ltd and Port Nelson Ltd Boards	Commence process to appoint Council director to Nelson Airport Limited Board	Chief Executive	Deferred until the Mayor returns from leave.
<b>Meeting Date 23 March 2017</b>			
Appointment of Advisors to the Tasman Regional Transport Committee	Consider additional/alternative advisory members when DHB representative is nominated	Engineering Services Manager	A request for a DHB nominee has been communicated. On agenda for 22 June 2017.



Item	Action Required	Responsibility	Completion Date/Status
District Museum Funding	Include grants in budgets and set up payment arrangements	Mike Tasman-Jones, Community Partnership Co-ordinator	<b>Completed</b>
Offer Back of Land – Port Motueka	Advise Wakatu of Council's decision and report back to the Council meeting on 11 May.	CEO	Advised Wakatu. Discussed at meeting on 12 June 2017. Response expected for 27 July 2017 meeting.
Remuneration of Independent Member to Nelson Regional Sewerage Business Unit (NRSBU)	Draft Policy and procedure for appointing and remunerating independent members of Council committees and business units	Corporate Services Manager	New Policy to be presented to Council September 2017.
Meeting Date 13 April 2017			
Amended Deed of Agreement for Regional Landfill Business Unit and Terms of Reference for Joint Committee	Update the Tasman District Council Delegations Register to include the Nelson Tasman Joint Landfill Business Unit delegations and Joint Committee membership.	EA to CEO	<b>Completed</b>
Schedule of Charges 2017/18 Solid Waste	Set up hearing for submissions.	Project Engineer – Solid Waste	<b>Completed</b>
Meeting Date 11 May 2017			
General Disaster Fund	Review scope of the General Disaster Fund.	Finance Manager	Underway
Remediating Residential Dwellings	Staff report to the Council about options for remediating residential dwellings offering accommodation through Airbnb.	Environment & Planning Manager	Report will go to Environment & Planning Committee on 3 August 2017.

Item	Action Required	Responsibility	Completion Date/Status
Public Forum	Log Mr Hellyer's service request.	CEO	<b>Completed</b>
Notice of Motion (minor matter arising)	Report to 29 June 2017 Engineering Services Committee on Poole Street drainage.	Engineering Services Manager	Report going to Engineering Services Committee 29 June 2017.
School Speed Limits	1) Amend bylaw and publish. 2) Erect signs.	Transportation Manager	<b>Completed</b>
Regional Transport Committee Membership	Advise Dr Thompson of his appointment.	EA to Engineering Services Manager	<b>Completed</b>
Rates Remission	Advise applicant of outcome.	Revenue Accountant / Utilities Manager	<b>Completed</b> - a letter was sent from the Corporate Services Manager on 16 May 2017 advising the Chairman of Health Properties Ltd (Health Post) of the outcome.
Pakawau Erosion	Advise PCRA of Council's decision.	CEO	<b>Completed</b>
Tarakohe Capital Work	1) Award tender. 2) Adjust budgets.	Commercial Manager	Going before tender panel 15 June 2017. <b>Completed</b>
Jellyfish Mapua	1) Award tender. 2) Complete compensation agreement.	Commercial Manager.	<b>Completed</b> Verbally agreed, currently being documented by lawyers.



## Tasman District Council

### TEMPLATE FOR S17A LGA REVIEW OF SERVICES

The following template is to be used for considering a review of services under s17A of the Local Government Act. It includes:

***Part I: Present arrangements***

***Part II: Decision to review – is a review required?***

***Part III: Review - Analysis of options***

**NB: Parts I and II are an assessment of whether a s.17A review is required, Part III is only required if the analysis in Part II concludes a review is required.**

Link to the Silent One folder on s.17As is:

<http://tsrvso:8080/silentone/root.o?setView=fldr&uri=/EDMS/StrategicPlanning/s17AReviews>

Link to further advice on completing the template:

<http://tsrvso:8080/silentone/root.o?setView=fldr&uri=/EDMS/StrategicPlanning/s17AReviews/Guidance>

#### Approval/Reporting

Once templates have been completed and approved by a second tier level manager and SMT, they must be reported to the relevant operational Council committee where appropriate. Others falling outside operational committees will be reported to Council.

Please keep Strategic Policy team informed of completed assessment and reviews and let them know when reviews are reported to Council committees. This assists us to track progress and process.

#### Storing reviews

Please store in Silent One:

<http://tsrvso:8080/silentone/root.o?setView=fldr&uri=/EDMS/StrategicPlanning/s17AReviews/TDCReviews>

Please use naming convention:

Completed Review/Assessment<sup>1</sup> – name what reviewed (e.g. CDEM) – DDMMYYYY

#### Contact

Strategic Policy Manager, Sharon Flood: sharon.flood@tasman.govt.nz

<sup>1</sup> "Assessment" when Part I and II of template conclude no review required, review when Parts I, II and III.



<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	External legal services
Rationale for service provision	To provide the Council with legal advice and support in undertaking its duties, functions, powers and decision-making and help identify and manage legal risks
Present arrangements	<p>The Council currently has one (0.6 FTE) in-house lawyer who provides some legal support. All other legal matters are outsourced to a variety of different law firms and barristers.</p> <p>Present arrangements are not satisfactory because some firms have been engaged without a competitive process, terms of engagement are not always transparent, and legal fees have not always been negotiated. The Council is not always obtaining best value for money from its external legal service providers.</p>
Last review	No previous review has been undertaken
Performance NB: SOLGM guidance is that cost effectiveness <u>is not the same</u> as least cost, it is "least cost consistent with the achievement of the council's objectives for delivering the service"	The Council knows about/is able to assess the cost effectiveness of current arrangements through the experience of Sarah Taylor, the Principal Legal Advisor who has worked in several other public sector organisations and is familiar with what should be expected, in terms of cost effectiveness, from law firms.
Cost	<p>There is a component of the annual external legal spend that is likely to be relatively constant, for example routine property transaction advice. However the total annual legal spend varies significantly depending on Council's priorities, any major projects (e.g. Waimea Dam), any significant litigation (e.g. defending judicial review or plan change proceedings), or other events or factors that require significant legal input.</p> <p>The total cost of external legal spend over the last three years was approximately \$2.5m.</p> <p>It is unknown what the cost will be over the next 10 years as it is dependent on various unknown/unforeseeable factors (see above), however it may be an average of approx. \$600k-\$900k p/a (approx \$6-9m over 10 years)</p>

<b>PART II: DECISION TO REVIEW</b>	
Is a review required? (S17A(2))	<p>Yes</p> <p>It has been proposed that a panel of law firms be procured, i.e. a contract is about to be tendered for external legal services. The Senior Management Team have requested a review prior to the contract being tendered.</p> <p>Section 17A(2)(c) provides that a review must be undertaken "at such other times as the local authority considers desirable..."</p>
Does the cost of undertaking the review outweigh the benefits (s17A (3)(b)) – Council is not required to undertake a review if it is satisfied that the potential benefits do not justify the costs of undertaking the review.	No
Is delivery of the service, regulatory function or infrastructure governed by legislation, contract or other binding agreement that cannot be reasonably altered within the following two years? If yes, provide details as a review is not required by	No

legislation s17A(3)(a)	
Recommendation whether or not to review this service	<p>Recommendation to undertake a s17A review</p> <p>Recommendations (including to not review) must be agreed to by your 2<sup>nd</sup> tier manager and SMT before being reported to the relevant operational Council committee where appropriate.</p> <p>Please store completed s.17A reports in:</p> <p><a href="http://tsrvso:8080/silentone/root.o?setView=fldr&amp;uri=/EDMS/StrategicPlanning/s17AReviews/TDCReviews">http://tsrvso:8080/silentone/root.o?setView=fldr&amp;uri=/EDMS/StrategicPlanning/s17AReviews/TDCReviews</a></p> <p>Use naming convention "Completed Review – name what reviewed (e.g. CDEM) – DDMMYYYY (e.g.191216)</p>
Place in review programme if decide to review (completion of Part, I, II and III of template)	Urgent review required because of intention to procure legal panel in July 2017 (subject to outcome of review)

**Decision not to review:**

**Part I and II completed (assessment):**

\_\_\_\_\_  
 (Name) (Position) (Date)

**Decision not to review approved (second tier manager and SMT)**

\_\_\_\_\_  
 (Name) (Position) (Date)

**Complete Part III of template if undertaking a s.17A Review**

<b>PART III: REVIEW - ANALYSIS OF OPTIONS S17A(4)</b>	
Guidance at SilentOne Explorer/Strategic Planning/s.17A/Supporting Information. NB: The Act requires that you consider and record answers to <u>all</u> these options	
1. Governance, funding and delivery by Tasman District Council	Partial delivery of legal services by an in-house lawyer is cost effective and enables the intelligent purchasing of, and management of, external legal services. It would not be cost effective (or possible/practical/sensible) to have all legal services delivered in-house by TDC
2. Governance and funding by Tasman District Council with delivery by a CCO wholly owned by Tasman District Council	No – not possible or cost effective
3. Governance and funding by Tasman District Council with delivery by a CCO partly owned by Tasman District Council and partly owned by other local authorities	No – not possible or cost effective
4. Governance and funding by Tasman District Council with delivery by another local authority	No – not possible because of issues with legal privilege/conflict/regulatory restrictions
5. Governance and funding by Tasman District Council with delivery by a person or agency not listed above.	It is recommended that legal services are partially delivered in-house with most legal services being outsourced and delivered externally (i.e. governance and funding of legal services by TDC with delivery by a panel of law firms managed by TDC). This is considered to be the most cost effective option.
6. Governance and funding by joint committee or other shared governance with delivery by Tasman District Council.	No – not possible or cost effective
7. Governance and funding by joint committee or other shared governance with delivery by a CCO wholly owned by Tasman District Council.	No – not possible or cost effective



8. Governance and funding by joint committee or other shared governance with delivery by a CCO partly owned by Tasman District Council and partly owned by other parties.	No – not possible or cost effective
9. Governance and funding by joint committee or other shared governance with delivery by another local authority.	No – not possible or cost effective
10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above.	No – not possible or cost effective
11. Other reasonably practicable options (identify in detail).	Another option is for <i>all</i> legal services to be outsourced (provided externally), but this is not cost effective and a decision has previously been made to have an in-house lawyer and have some services provided in-house and enable the “intelligent purchasing” of external legal services.
<b>Conclusion: Which of the above options is most cost effective?</b>	The most cost effective option is to undertake a procurement exercise to establish a panel of law firms, jointly with Nelson City Council, and for such law firms to be managed by TDC’s in-house lawyer and for some legal services to be provided by the in-house legal team.
Recommendations from the service delivery reviews	<p>Recommendation: procure a panel of external legal providers jointly with Nelson City Council</p> <p>The purpose of establishing a panel is to improve efficiency, transparency, fairness and cost effectiveness in the procurement of external legal services by:</p> <ul style="list-style-type: none"> <li>• undertaking an up-front procurement exercise, thereby avoiding the need to tender for lawyers and renegotiate terms every time a legal matter is to be outsourced</li> <li>• opening up the market - giving firms that are not usually used an opportunity to bid for our work</li> <li>• having a clear set of consistent contractual terms</li> </ul>





## Corporate Projects Descriptions

<b>Business as Usual Category</b>	
<b>Project</b>	<b>Description</b>
LTP 2018 -2028	Development of the LTP 2018-2028.
Growth Strategy and NPS-UDC	Identification of future areas for future growth across the District's 17 settlements as an input to the LTP 2018-2028 and giving effect to the National Policy Statement on Urban Development Capacity.
Section 17a Reviews	Giving effect to the statutory requirement to carry out cost effectiveness of delivery arrangements reviews under section 17a of the LGA.
Risk Management Framework	Developing a framework by which the Risk Policy can be given effect at cross-organisational, individual department and project levels.
Business Continuity Plan	Developing the organisation's business continuity plans so that it can continue operating following a major natural hazard or other event.
Electronic Document Records Management System Phase 2	Implement the SilentOne EDRMS for document management inputs into core Council processes as well other departmental and organisational document sets.
Implement Planview PPM System	Online project management system currently used in project delivery to be made available to all parts of the organisation.
Engineering SCADA servers upgrade	Upgraded end-of-life Engineering SCADA servers to latest versions of application software and Windows OS.
LAWA Update	Contribute to the next revision of the national Land, Air, Water Aotearoa (LAWA). Providing data, aligning data collection protocols etc. to be consistent with other Councils participating in LAWA.
Review backup facility flood warning system	Testing the relocation of equipment and processes for flood warning functions at short notice, in the event of the primary Richmond office facility being damaged.

<b>Organisational and Systems Development Category</b>	
<b>Project</b>	<b>Description</b>
Leadership Development Programme	Ongoing programme to develop leadership competency and capability within the organisation.
Digital Strategy	Strategy to improve customer service using digital technology.
Australasian LG Performance Excellence Program	Benchmarking of Council's performance against 135 councils across Australia and NZ using a series of metrics.
Future Workforce Planning Review	External review to identify and align the future needs and priorities of the organisation with the capacity and capabilities of its workforce to ensure it can meet its legislative, regulatory, service requirements and organisational objectives.
Organisational Development and Culture Action Plan	A programme of projects and initiatives to develop the organisation and its culture so that it positively underpins the organisation's performance and makes it a fantastic place to work.
Te Ao Maori	Focus on how a bi-cultural approach can be better embedded in the organisational culture.



Website Upgrade	Improving the ease of use, look and feel of the Council website including making it more suitable for use on mobile devices.
Call Care MagiQ Service Requests Access	Improve Call Care access to Service Requests including integration with Confirm Engineering requests.
Digital Building Consents Processing System	Digitising building consent application, process and issuing.
Development Contributions Restructure	Restructuring the process by which Development Contributions are assessed, charged and collected.
Procurement Review	Reviewing how we purchase goods and services to ensure it is carried out in the most prudent way that produces maximum returns to Council.
Accounts Receivable Improvements	Reviewing and standardising terms and conditions for all accounts across the organisation with a view to ensuring that money receivable is successfully collected.
Departmental Revenue Analysis & Review	Reviewing all revenue streams to better understand them with a view to increasing the rigour and controls around them.
Electronic Purchase Order Changes	The next phase of moving to a fully electronic purchase order and payments process focusing on electronic management of invoices and improving the ease of use for end users.
Asset Management Systems Review	Assessment of the adequacy of the existing asset management system and processes and improvements to meet organisational needs including consideration of whether the computer system being used is fit for purpose.

Status	Project	Initially Assessed	Initially Assessed Business Size	Priority	Business Owner	Project Manager	Inaction Risk score	Better Engagement & Storytelling Quality	Partnerships & High Quality Customer Services	Decisions That Enable	Valuing Our People	Benefit Score	Risk/Benefit score	
							Score Lookups							
							1	1	1	1	1			
							2	2	2	2				
							3	3	3	3				
<b>Corporate Projects - May 2017</b>														
<b>Business As Usual Category</b>														
In Progress	Update LTP 2018-2028	L	H	CEO	Sharon Flood		3	3	2	2	3	0	10	13
In Progress	Growth Strategy and NPS-UDC	M	M	CEO	TBC		3	2	3	1	2	1	9	12
In Progress	Section 17a Reviews	L	H	CEO	TBC		3	0	2	3	3	0	8	11
In Progress	Risk Management Framework	M	M	CEO	Sharon Flood		3	1	1	1	3	1	7	10
Not Started	Business Continuity Plan	L	M	Mike Drummond	TBC		3	1	1	2	3	0	7	10
Not Started	Electronic Document Records Management System Phase 2	L	H	CEO	Peter Darlington		3	2	0	2	2	0	6	9
In Progress	Implement Planview Project Programme Mgt System	M	H	Russell McGuigan	Karin Hoffman		1	2	1	2	3	0	8	9
Not Started	Engineering SCADA servers upgrade	L	H	David Burn	Adrian Fletcher		3	1	1	2	2	0	6	9
Not Started	Land Air Water Aotearoa (LAWA) Next National Revision	S	H	Kay Anderson	TBC		1	2	2	2	1	0	7	8
Not Started	Review options for backup Hydrology flood warning system	S	H	Martin Doyle	TBC		2	0	1	1	2	1	5	7
<b>Organisational and Systems Development Category</b>														
In Progress	Leadership Development Programme	M	H	CEO	Joanna Cranness		2	1	1	2	2	3	9	11
Not Started	Digital Strategy	L	H	CEO	Peter Darlington		1	2	2	3	2	1	10	11
In Progress	Australasian LG Performance Excellence Program	M/L	H	CEO	Mike Drummond/Joanna Cranness		3	3	0	2	3	0	8	11
In Progress	Future Workforce Planning Review	L	H	CEO	State Services Commission		3	0	0	2	3	3	8	11
In Progress	Organisational Development and Culture Action Plan	M	H	CEO	Joanna Cranness		2	1	1	1	2	3	8	10
In Progress	Te Ao Maori	S	M	CEO	TBC		1	2	2	2	1	2	9	10
Not Started	Website Upgrade	M	H	Richard Liddicoat	Liz Hegarty		1	3	1	3	1	1	9	10
Not Started	Call Care MagiQ Service Requests Access	M	H	Suzanne Westley	Luke Chignell		2	2	1	3	1	0	7	9
Not Started	Digital Building Consents Processing System	L	H	Sharon Threadwell	Sarah Abrey		2	2	2	2	1	0	7	9
Not started?	Development Contributions Restructure	M	H	Dwayne Fletcher	?		2	0	3	2	1	0	6	8
Not Started	Asset Management Systems Review	L	?	Dwayne Fletcher	TBC		1	1	1	2	1	2	7	8
Not Started	Procurement Review	M	M	Mike Drummond	TBC		2	0	1	1	3	0	5	7
Not Started	Accounts Receivable Improvements	S	M	Mike Drummond	TBC		1	1	1	1	2	0	5	6
Not Started	Departmental Revenue Analysis & Review	S	M	Mike Drummond	TBC		1	1	1	1	2	0	5	6
Not Started	Electronic Purchase Order Changes	S	L	Mike Drummond	TBC		0	0	1	0	1	2	4	4



**8.5 PROPOSED SPEED LIMIT CHANGE - QUEEN STREET, RICHMOND AND SUNDIAL SQUARE****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Krista Hobday, Technical Officer - Transportation
<b>Report Number:</b>	RCN17-06-08

**1 Summary**

- 1.1 At its meeting on 2 March 2017, the Engineering Services Committee agreed to publicly consult on the proposed speed limit change from 50km/hr to 30km/hr on Queen Street, Richmond from Gladstone Road to Salisbury Road and including Sundial Square .
- 1.2 A total of thirty seven submissions were received. Of these submissions, twenty four supported the proposed speed reduction, six opposed the proposed reduction and seven did not state whether or not they supported the proposal.
- 1.3 Two submitters spoke to their submissions at the Hearing Panel meeting on 8 June 2017.
- 1.4 The Hearing Panel then deliberated the proposed speed limit reduction for Queen Street and Sundial Square.
- 1.5 The pedestrian-focused environment and narrow carriageway being created by the Queen Street upgrade and the environment already in place at Sundial Square, provides a compelling case to lower the speed limit in these areas to 30km/hr.
- 1.6 The Hearing Panel agreed to recommend to the Full Council that it approve a 30km/hr speed limit for Queen Street (from Gladstone Road to Salisbury Road) and for Sundial Square (for its entire length).



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

1. receives the Proposed Speed Limit Change - Queen Street, Richmond and Sundial Square report RCN17-06-08; and
2. approves the following amendments to the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1 and applying from 1 August 2017.

Street Name	Restriction	Description (Location)
Queen Street, Richmond	30km/hr	From its intersection with Gladstone Road to its intersection with Salisbury Road
Sundial Square	30km/hr	For its entire length

**3 Purpose of the Report**

- 3.1 The purpose of this report is to request approval from the Council to make changes to the Tasman District Council Speed Limits Bylaw 2016.
- 3.2 The changes are for a reduction in the speed limit on Queen Street, Richmond and Sundial Square to 30 km/hr.

**4 Background and Discussion**

- 4.1 On 2 March 2017 the Engineering Services Committee agreed to publicly consult on a proposed speed limit reduction for Queen Street, Richmond (from Gladstone Road to Salisbury Road). At the meeting Sundial Square (for its entire length) was also added to the proposed speed limit reduction. The proposed change was to reduce the posted speed limit on both roads to 30km/hr.
- 4.2 Public consultation was carried out as per the guidelines in the Tasman District Council Speed Limit Bylaw Review 2016.
- 4.3 Thirty seven submissions were received and considered by the Hearing Panel.
- 4.4 Twenty four submitters supported the proposed speed limit reduction, six opposed the reduction and seven did not clearly state whether or not they supported the proposal.
- 4.5 Some submitters who supported the proposed speed limit reduction commented on the increased safety for pedestrians; a reduction of accident rates; a more pedestrian friendly area; and that pedestrians would be encouraged to linger longer in the shopping precinct.
- 4.6 Some submitters who opposed the proposed speed limit reduction commented that reducing the speed limit could increase traffic congestion; take away the responsibility of pedestrians when they cross the road; and that the road design only allows 30km/hr anyway so it was pointless to reduce the speed limit.
- 4.7 The Hearing Panel met on 8 June 2017. Two submitters spoke to their submissions (submissions 13102 and 13043).
- 4.8 The Hearing Panel (Crs Bryant, Maling and Tuffnell) deliberated on the proposed speed limit reduction for Queen Street and Sundial Square and agreed to recommend to the Full Council that it approves a 30km/hr speed limit for Queen Street (from Gladstone Road to Salisbury Road) and for Sundial Square (for its entire length).
- 4.9 Construction works are underway at the Gladstone Road end of Queen Street and this section of road is closed to traffic. Construction works will gradually progress along Queen Street towards Wensley Road throughout 2017.
- 4.10 The earliest that the 30km/h speed limit could effectively be established is after the current stage of construction is completed up to and including the McIndoe Place/Queen Street roundabout. This is likely to be during July 2017, therefore it is proposed that the 30km/h speed limit be enforceable from 1 August 2017. This would enable all required speed limit signage to be installed in its correct and permanent position.

**5 Options**

- 5.1 Option 1 – do nothing – keep the posted speed limit for Queen Street, Richmond from Gladstone Road to Salisbury Road and for Sundial Square at 50km/hr.
- 5.2 Option 2 – agree to the speed limit reduction to 30km/hr for Queen Street, Richmond from Gladstone Road to Salisbury Road and for Sundial Square as recommended by the Hearing Panel. This speed limit change will take effect from 1 August 2017.
- 5.3 Staff recommend Option 2.**

**6 Strategy and Risks**

- 6.1 Consultation has been carried out with Tasman District Council residents and ratepayers and also directly with affected landowners and shop owners in Richmond.

**7 Policy / Legal Requirements / Plan**

- 7.1 The speed limit changes will need to be included in Schedule 1 of the Speed Limits Bylaw 2016.

**8 Consideration of Financial or Budgetary Implications**

- 8.1 There will be minimal cost in the installation of new speed limit signage. New signs have been included in the budget for the Queen Street upgrade project.
- 8.2 Minimal staff time will be required to update the Tasman District Council Speed Limits Bylaw 2016 – Schedule 1 and the Council's website.

**9 Significance and Engagement**

- 9.1 There is likely to be a low level of interest in this change to the posted speed limit on Queen Street and Sundial Square.
- 9.2 A full public consultation process was carried out and thirty seven submissions were received.

**10 Conclusion**

- 10.1 The pedestrian-focused environment and narrow carriageway being created by the Queen Street upgrade and the environment already in place at Sundial Square, provides a compelling case to lower the speed limit in these areas to 30km/hr.
- 10.2 Most of the submitters supported the change. None of the submitters opposed to the change provided a compelling reason to deviate from the proposed 30km/hr speed limit.
- 10.3 Consequently, staff recommend the Council approves the speed limit changes.

**11 Next Steps / Timeline**

- 11.1 Once the Council has approved the proposed speed limit reduction for Queen Street and Sundial Square, Schedule 1 of the Speed Limits Bylaw will be updated and included on the Council's website.
- 11.2 The change will come into effect from 1 August 2017.
- 11.3 The change will be advertised in Newline.

**12 Attachments**

Nil





**8.6 SPECIAL GRANTS FUND PROJECT REPORT****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Mike Tasman-Jones, Community Partnership Coordinator
<b>Report Number:</b>	RCN17-06-09

**1 Summary**

- 1.1 Council agreed that, in the years where Council achieves a General Rate surplus from extra growth experienced in the District than anticipated, a contestable Special Grants Fund of up to \$50,000 per annum will be made available. Council achieved surpluses in 2014/15 and 2015/16. As the surplus is not known until the year after it was generated, the funding skips a year before it can be allocated i.e. the 2014/15 year surplus is spent in the 2016/17 year.
- 1.2 The purpose of the Tasman District Council Special Grants Fund is to encourage and support new significant events or projects within the Tasman District that provide both residents and visitors far-reaching and ongoing benefits.
- 1.3 Council allocated \$15,000 in December 2016 to the Project De-Vine Trust and \$20,000 to the Abel Tasman Cycle Challenge in May 2017. There is \$15,000 remaining available for allocation in the 2016/17 financial year and \$50,000 in the 2017/18 year.
- 1.4 Council promoted the funds being available and invited applications from the community. Applications can be submitted at any time during the year, for consideration.
- 1.5 Council has received an application from Vison Motueka Development Trust on behalf of Motueka Kai Festival 2018 requesting \$20,000 for event costs (Attachment 1). The timing of receiving this application before the end of the financial year means the Community Grants Subcommittee is not able to consider the application before the end of the financial year. Therefore, the report is being presented to Full Council for consideration.
- 1.6 I recommend that Council allocate \$20,000 funding to the Motueka Kai Festival 2018 event. The application is in the attachments to this report.

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

1. receives the Special Grants Fund Project Report RCN17-06-09; and
2. approves the allocation of \$20,000 to the Kai Fest Trust for the 2018 event, with \$15,000 coming from the remaining 2016/17 budget and \$5,000 coming from the 2017/18 budget.

**3 Purpose of the Report**

- 3.1 This report provides Council with a summary of the Special Grants Fund's purpose and presents the application from Vision Motueka for consideration.

**4 Background and Discussion**

- 4.1 The Special Grants Fund was adopted on 2 June 2016.
- 4.2 The purpose of the fund is to encourage and support new significant events or projects within the Tasman District that provide both residents and visitors far-reaching and ongoing benefits.
- 4.3 Priority will be given to projects that:
- (a) align with Council's Community Outcomes;
  - (b) raise the national/international profile of Tasman District;
  - (c) deliver an economic return to the Tasman District;
  - (d) professionally develop the local event/project management sector;
  - (e) utilise facilities that Council has invested in, and/or build on the unique natural environment of Tasman District;
  - (f) address an identified community need;
  - (g) deliver an improved environmental outcome for the District; and
  - (h) seek support to become established or significantly grow their organisation or project, with the aim of continuing without ongoing financial support from Council.
- 4.4 All funding applications for the Special Grants Fund will be assessed against the priorities above and the following criteria:
- (a) applications must be for a clearly detailed specific event or project (including location and date);
  - (b) applications will only be accepted for fund amounts of \$10,000 or over;
  - (c) Council will not fully fund any event or project, and applicants must identify their other sources of funding;
  - (d) applications must include current financial accounts, and also state contingency financial plans in the event Council, and/or other funders, cannot fund to the level requested;
  - (e) the project or event must not have received any other funding support from Council in the current financial year;
  - (f) applications must identify specific and measureable outcomes for the Tasman District;
  - (g) applications must demonstrate the contribution the event or project will make to Council's Community Outcomes;
  - (h) only initiatives within Tasman District and/or directly benefitting the Tasman District will be funded. Services delivered regionally will have funding eligibility relative to the direct benefit derived by Tasman District residents; and

- (i) any activities that are primarily the responsibility of central government, such as education and health, will not be considered.
- 4.5 The funds are allocated from the years that Council achieves a General Rate surplus from extra growth experienced in the District than anticipated.
- 4.6 Council achieved surpluses in 2014/15 and 2015/16. As the surplus is not known until the year after it was generated, the funding skips a year before it can be allocated i.e. the 2014/15 year surplus is spent in the 2016/17 year.
- 4.7 Council allocated \$15,000 in December 2016 to the Project De-Vine Trust.
- 4.8 Council allocated \$20,000 in May 2017 to the Abel Tasman Cycle Challenge
- 4.9 There is \$15,000 remaining available for allocation in the 2016/17 financial year.
- 4.10 There is \$50,000 available for allocation in the 2017/18 financial year (from the surplus generated in the 2015/16 year).
- 4.11 Council promoted the funds being available and invited applications from the community.
- 4.12 Applications generally go to the Community Grants Subcommittee for consideration.

## **5 Motueka Kai Festival Application to the Special Grants Fund**

- 5.1 The Vision Motueka Development Trust, submitted the application on behalf of the Kai Fest Trust for funds to run the Motueka Kai Fest in April 2018. The Kai Fest Trust is in process of becoming a registered as a Charitable Trust.
- 5.2 The application is for the event costs including coordination, promotion, equipment and performers.
- 5.3 The 2017 event received \$2,000 from Council's Community Grants in 2016.
- 5.4 The 2017 event had over 4000 participants and attendees. It received very positive reviews in the media and from the community.
- 5.5 The benefits of the project:
  - 5.5.1 Partnership with community groups and food industries to celebrate foods, which are grown and produced in the Motueka area.
  - 5.5.2 Economic return for the two valuable contributors to the Motueka economy; tourism and the food industry.
  - 5.5.3 Encourage people, both local residents and visitors to the region, to be more aware of the food industry.
  - 5.5.4 Opportunity for local residents, including significant involvement of schools, to gain event management and participation experience.
  - 5.5.5 Use of Council's Decks Reserve for a significant regional event.
  - 5.5.6 Showcasing the diverse Motueka communities culture and ethnicities.
- 5.6 The event meets priorities (a-h) see 4.3 of the Special Grants Fund.
- 5.7 The event meets the criteria of the Special Grants Fund; see 4.4.
- 5.8 The 2018 event is expected to attract more than 5000 participants.

- 5.9 The event is a showcase of the food industry in the Tasman District with a particular focus on the Motueka area.
- 5.10 I recommend that Council approves \$20,000 towards the event.

## **6 Options**

- 6.1 Council can decide to decline or approve the application for funding. Council's decision needs to be based on the application meeting the criteria and priorities of the fund. If the Council approves the applications, it can allocate all or part of the amount requested noting that the Special Grants Fund allocations are for \$10,000 or more, and that there is \$15,000 remaining in the Fund for this financial year. If the Council allocates the recommended amount this will be allocated as \$15,000 from 2016/17 and \$5,000 from the 2017/18 financial years.
- 6.2 Staff recommend that \$20,000 is allocated to the Motueka Kai Festival event.

## **7 Strategy and Risks**

- 7.1 The main potential risk to Council from allocating the funding is that some groups or individuals may question the appropriateness of the investment. Council can mitigate the risks through clearly explaining the reasons for the decisions to the applicants and through careful consideration of the applications to ensure they meet the Fund's criteria.
- 7.2 An additional risk is that the event organisers will apply in future years for special grant funding. This risk will be mitigated staff advising the group that if they are successful with this application, it will be a one-off grant.

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

- 8.1 The administration and allocation of the Special Grant Fund is guided by the Tasman District Council's Special Grants Fund Policy. The Council needs to consider the priorities and criteria in the Policy when making its decisions on these applications.

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

- 9.1 There are no budget implications from these decisions provided the funding allocated is within the budget available.

## **10 Significance and Engagement**

- 10.1 This matter is of relatively low significance as the Special Grants Fund is to offer funding support for projects that benefit local residents directly. The funding decisions are based on the criteria and policies outlined in the Special Grants Policy. Therefore, I consider that consultation is not required prior to Council making the decisions sought in this report.



Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low to Moderate	The Special Grants Fund is to offer funding support for projects that benefit local residents directly. The funding decisions are based on the criteria and policies outlined in the Special Grants Policy.
Is there a significant impact arising from duration of the effects from the decision?	No	
Does the decision relate to a strategic asset?	No	
Does the decision create a substantial change in the level of service provided by Council?	No	
Does the proposal or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	The Special Grants Fund is only available from years that the Council achieves a General Rate surplus due to additional growth over what is expected.
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	Low	The Special Grants Fund is a donation to assist community groups with carrying out specific projects. The recipient groups will be allocated funds for a specific purpose and required to report on the outcomes achieved and account for the use of the funds. This proposal does not relate to a “group of Council activities”.
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

## 11 Conclusion

- 11.1 Council agreed that in the years where Council achieves a General Rate surplus, due to additional growth over what is expected, a contestable Special Grants Fund of \$50,000 per annum will be made available.
- 11.2 Council achieved surplus's in both the 2014/15 and 2015/16 financial years
- 11.3 The Motueka Kai Festival event meets the priorities and criteria of the Special Grants Fund. Staff recommend that the Committee approves the allocation of \$20,000.

**12 Next Steps / Timeline**

12.1 We will advise the applicant of the Council's decision on the application.

**13 Attachments**

- |    |   |     |
|----|---|-----|
| 1. | Special Grants Fund Application: Vison Motueka Development Trust on behalf of Motueka Kai Festival 2018 | 157 |
|----|---|-----|

## Application to Tasman District Council Special Grants Fund

### 1. Summary

Kai Fest Trust, with the initial support of Vision Motueka Development Trust, intends to organise the second running of the Motueka Kai Fest in April 2018. Kai Fest Trust is seeking funding support of \$20,000 from Tasman District Council's Special Grants Fund to successfully follow up on the running of the inaugural event and improve on it with enhancements on several aspects. The event ticks all the boxes in contributing to Council's Community Outcomes.

### 2. Details of the organisation

The inaugural Kai Fest was managed under the umbrella of Vision Motueka Development Trust, which is a registered charity (CC49713). Vision Motueka received seeding funds from Rata Foundation and other grants from Tasman District Council and Lion Foundation in particular.

Vision Motueka is extremely proud of the way in which, with its leadership and the invaluable contribution of other members of the Motueka community, the event was such a success. However, the Trust Deed of Vision Motueka states that the Trust is a project development organisation and not an event operations organisation. Vision Motueka has thus requested that a group of people who were involved with the 2017 Kai Fest event and are dedicated to the purposes of the event to take over the running of future Kai Fests and form a Charitable Trust dedicated to do this.

Six people have agreed to the formation of the Kai Fest Trust, and at the time of this application are in the process of becoming registered with the Companies Office as a Charitable Trust. When that is completed, an application will be made for it to become a Registered Charity. Until that process is completed, Vision Motueka is committed to supporting the initial work of the new event organising group. This application, therefore, is a joint application of the proposed new Kai Fest Trust and the established Registered Charity, Vision Motueka.

It is the intention of Vision Motueka that when the registration of Kai Fest Trust is complete, it will hand over all operations including all funding and donations received, including the small surplus from the 2017 event, to Kai Fest Trust. This application to Tasman District Council is therefore, at the time of writing, made by Vision Motueka on behalf of the Kai Fest Trust.

The founding Trustees of the Kai Fest Trust are Petra Stephenson, David Armstrong, Tania Corbett, Kahu Geor, Ropata Taylor and Ron Sharp. The Trustees will gather around them an organising committee numbering approximately 10, based on those who were active in the 2017 event.

Contact details for the officers of the Kai Fest Trust are:

\*Chair: Petra Stephenson, (03) 526 6105; email [petra@bellstephenson.co.nz](mailto:petra@bellstephenson.co.nz)

\* Secretary: David Armstrong, (03) 528 4046; email [david@visionmotueka.org.nz](mailto:david@visionmotueka.org.nz)

### 3. Project name and details

The first Motueka Kai Fest event took place on April 9, 2017 at Decks Reserve, Motueka. Following overwhelming positive feedback from the community, the team which organised that event have decided

to repeat it in years to come, with the next one being on 8<sup>th</sup> April, 2018. The location will again be Decks Reserve.

The purpose of the event (and of the Kai Fest Trust) is:

- Celebrate that the Motueka area grows great food, thanks to outstanding water, soil, climate, and people.
- Bring together the Motueka community of many cultures to learn more about and honour one thing which we all have in common - kai.
- Work with other community groups and food industries to showcase in a celebratory fashion the foods which are grown in the Motueka area and the people and businesses that grow, harvest and process them.
- Encourage people, both local residents and visitors to the region, to think more about the importance of local food resilience and sustainability.

The detailed description of the event will be the subject of work of the Trust over the next six months, but it is expected to largely follow the key elements of the first event, which include:

- As large a number as possible of stalls offering products and services with a focus on things to do with the food, including food or samples to eat or drink, information about food -related services, specialist/boutique foods, demonstrations of local food production, competitions based on cooking, food decoration etc; all with an emphasis on local food.
- A colourful and vibrant parade and pageantry showcasing and honouring the elements that enable good food to be grown and harvested, and celebrating the local produce in particular.
- The involvement of local iwi to acknowledge the full depth of the cultural history of Motueka mana whenua and the role food played and continues to play in their culture.
- An entertainment program involving musical and other entertainers from the Motueka area.
- A programme of seminars and workshops covering a variety of food-related topics for people of all ages and abilities.

In addition, the Trust is likely to work toward the following:

- The involvement of large food producers in the area - orchardists, vineyard operators, seafood and other major and minor food producers.
- Encourage Motueka businesses, especially eateries, to supplement these festivities with activities of their own to attract more visitors to the town for the weekend.

#### **4. Benefits**

This event provides a list of benefits across a wide range of the Motueka community, including business and tourism, cultural understanding and Treaty partnership, community cooperation and celebration, and food resilience. An event of this size also brings credit and attention to the whole of the Tasman District.

- **Business.** The two most valuable contributors to Motueka's economy are food production and tourism. Highlighting the quality, quantity and variety of foods produced in the area contributes to the promotion of those foods in markets outside of the region and overseas. Marketing of the event as a local tourist attraction (beneficially, in the shoulder season) for visitors from around the country and around the world adds one other attraction to the portfolio which Motueka offers. In addition, the large number of visitors expected at such a signature event brings more business to Motueka's retail sector.
- **Cultural understanding.** Possibly more than anything else, Kai is of equal importance to every culture and ethnicity present in our region, and particularly for the two Treaty partners. Food production was key to early Maori occupation of the area, and was also a dominant factor in the settlement of Europeans. The Motueka Kai Fest aims to educate the public in this, but also showcase the various ways of enjoying food of the many local cultures.
- **Community cooperation and celebration.** The playing out of the 2017 Kai Fest was a clear demonstration of the success of this event aim. Most of the feedback received praised the way in which the whole community got together and enjoyed the focus on food and its celebration. There was also much praise for the creative elements in the pageantry and the creativity within the schools and the community to bring that about. In addition, the success of the event relied almost entirely on a wide variety of community organisations and individuals, including many businesses, who contributed. In the end, the role of the holding organisation (Vision Motueka) was important mainly in the management of the finances; much of the rest was done by people not connected with Vision Motueka.
- **Food resilience.** There is a growing awareness in the Motueka community of the need for our community to remain resilient in the production of our necessities, especially food, in the face of increasing uncertainties in global markets and other long-term threats. Although mainly implicit, much of the messaging around the Kai Fest event and the associated workshops is to further encourage that awareness.

## 5. Funding request

With the benefit of hindsight, having seen what was required to prepare and run the inaugural event this year and seeing what important aspects needed more attention, we are now in a better position to estimate the budget required to successfully not only repeat the event but also to add in some key features which we did not have time and/or resources to include the first time. That required total is \$32,000.

Thanks to the generosity of seeding funders for the first year, and the donation of materials and a huge amount of unpaid time by committee members, we were able to run the first event for just over \$21,570. Our initial budget was \$19,000 but some extra donations and fundraising enabled us to meet the final cost. Crucially, several providers (such as rubbish collectors, the stage truck and the sound system) donated goods and services as a start-up gesture, which we cannot expect them to continue for subsequent events. We therefore need to factor these into a workable budget.



Although this enabled us to achieve most of the facets of the event which we had aimed for, there were some large gaps and it became clear that we need more money to be paid to the contracted event coordinator(s) to carry out some important but time-consuming tasks of engaging with several sectors of the community which were largely left out first time - mainly the major local food producers and Motueka retailers in the food business. Our paid coordinator simply ran out of time to follow up most of these. The event would also benefit by the use of a large marquee which could be used for managed, pay-to-enter activities such as a cook-off and alcohol tastings, as well as give some wet-weather security.

Our request is based on the budget set out in Appendix B. Of course, the new Trust will find ways of making some unexpected savings, and other items and contingencies not thought of will need some further budget. Experience shows that savings and unexpected extras tend to even each other up. We believe that \$32,000 is a sound budget target.

The dollar value of the funding support we are requesting from Tasman District Council is therefore \$20,000.

The major funding for the 2017 event was \$12,000 from Rata Foundation. We were told at the time that this amount was mainly a seeding contribution, with only small contributions possible in subsequent years once the event was established. We intend to ask Rata Foundation for such a smaller sum, which will be dependent on how much we receive from this present application to Tasman District Council. The feeling we receive from Rata is that perhaps \$5000 may be the most we could expect from them next year. We also intend to ask Lion Foundation for a repeat of the amount they donated for this year's event - \$3000. After that, the Kai Fest Trust would need to rely on local fundraising and donations from local benefactors, but at this stage there is no indication of where that may come from.

Our funding budget, based on requests we intend to make, is therefore as follows:

From Tasman District Council	\$20,000
From Rata Foundation	\$ 5,000
From Lion Foundation	\$ 3,000
Other local sources	\$ 4,000

The remaining \$4,000 we intend to seek from fundraising such as quiz nights, local retailers and major food industry sources such as orchardists in the way of minor sponsorship, plus some of the stallholder fees (while retaining enough to provide a small surplus to begin planning the 2019 event).

The long-term goal for the Kai Fest Trust is a sustainable event, *but* it is also a key purpose and goal of the event (as expressed in the Trust Deed) that it be a *community* celebration rather than a *commercial* event. If Decks Reserve is kept as the best venue, its layout determines that there cannot feasibly be an entrance fee charged, so the major income from the event can only be fees for stallholders, plus some minor income from pay-to-enter activities in a large marquee. Once the event is well established, extra income can be obtained by raising the stallholder fees. To go beyond this will probably require food producers such as orchardists to make donations, and although the Trust will pursue this avenue softly, it does not want to rely on commercial sponsorship as the main funding path because of the risk of making it a commercial event with name sponsors, et cetera.

With the emphasis of the event being a community celebration with so many benefits to the community and the general development and well-being of the Tasman District, it will be hoped that at least for several years into the future national funding agencies such as Rata and Lion and even Lotteries or Internal Affairs will be happy to contribute, as will (we hope) Tasman District Council, to ensure the event can continue as a community event rather than "just another commercial food festival".

#### **6. Proposed budget details**

With most of the 2017 event invoices now paid, it is likely that the Kai Fest Trust will enter the 2018 planning work with approximately \$800, being mainly about one-half of the proceeds from stallholder fees this year.

The broad breakdown of costs and income for the 2017 event is shown in Appendix A.

The proposed budget for the 2018 event is based on these figures, but with additions made where it became obvious there was a budget shortfall if we were to complete the event as it was initially designed, and not rely on donated but necessary goods and services. Much of this relates to the need for more time to be taken by a contracted event coordinator to line up the various community and industry partners.

The budget for the 2018 event, as best can be ascertained at this early stage of the cycle, is shown in Appendix B.

If there is a funding shortfall, the plan is simply to continue to achieve as much as possible of the event design, aiming to at least repeat and hopefully refine those aspects of the event which were carried out in 2017.

#### **7. Risk Assessment / Health and Safety Plan**

The 2017 event included a comprehensive risk assessment and Health & Safety plan, approved by Council, and this will be used as the basis for the plan for the follow-up event.

#### **8. Contribution to community outcomes**

The Motueka Kai Fest contributes strongly and clearly in many key ways to Council's Community Outcomes. Most relevant include:

- Outcome 5: our communities have opportunities to celebrate and explore their heritage, identity and creativity
- Outcome 6: our communities have access to a range of social, educational and recreational facilities and activities
- Outcome 7: our Council provides leadership and fosters partnerships, a regional perspective, and community engagement
- Outcome 8: our region is supported by an innovative and sustainable economy.

It also:

- raises the national/international profile of Tasman District

- delivers an economic return to the Tasman District
- professionally develops the local event/project management sector
- utilises facilities that Council has invested in, and/or build on the unique natural environment of Tasman District.
- addresses an identified community need
- delivers an improved environmental outcome for the District
- is seeking support to become established, with the aim of continuing without large ongoing financial support from Council.

#### Appendix A: Income and expenditure for the 2017 Motueka Kai Fest

##### Income:

Start-up funds available from Vision Motueka	\$ 1,000.00
Community Board grant for information packs	\$ 322.00
Rata Foundation grant	\$12,000.00
TDC Grant from Rates	\$ 2,000.00
Lion Foundation grant	\$ 3,000.00
Motueka Community Store donation	\$ 500.00
Vision Motueka donation from general funds	\$ 985.28
Two quiz nights (Sprig & Fern)	\$ 856.00
Income from stall fees	\$ 1,370.00
Income from NZMCA parking	<u>\$ 20.00</u>
<b>TOTAL</b>	<b>\$22,063.28</b>

##### Expenditure:

Salary for event coordinators	\$9,537.50
Print & radio advertising	\$4,884.81
Posters, banners & social media advertising	\$2,668.98
Administration costs	\$ 237.47
Pageant/parade materials	\$ 170.00
Other event materials	\$ 250.49
Overheads (insurance, power, bus, toilets, waste)	\$ 1,411.25
Printed event information	\$ 414.45
Website	\$ 420.13
Entertainment	<u>\$1,575.00</u>
<b>TOTAL</b>	<b>\$21,570.08</b>

NOTE: The plan was and remains to use the Stall fees and surplus to begin work on the 2018 event, and the first payment from that was \$300.00 to the videographer for a video taken at the 2017 event for use in promoting the 2018 event. Some of the rest went to make up the small over-run in costs.

**Appendix B: Expenditure Budget for the 2018 Motueka Kai Fest**

Salary for event coordinators	\$14,500
Print & radio advertising	\$ 5,000
Posters & social media advertising	\$ 1,000
Project administration costs	\$ 300
Pageant/parade materials	\$ 700
Overheads (insurance, power, bus, H&S, toilets, rubbish)	\$1,600
Printed information	\$ 500
Volunteer visibility uniforms	\$ 400
Website (hosting + further development)	\$ 1,000
Hire of large marquee (Flexitent)	\$ 4,500
Entertainment	<u>\$ 2,500</u>
	\$32,000

## NOTES:

As already mentioned, several aspects of the 2017 event did not work as well as hoped, and will need further money to improve them. These include support for the contracted coordinator(s), a better list of entertainers, an interactive website and more financial support to schools to create pageant/parade costumes and materials.

The single-page website used for the 2017 event was very simple in function and will need to be developed further to allow necessary features, such as online registration forms for stallholders etc.

Having a large marquee will enable some security for wet weather conditions, and allow for managed, pay-to-enter activities such as a cook-off, celebrity talks/demonstrations and alcohol tastings.

Kai Fest will be aiming to go zero waste next year, but because it will be held again at the same time as Motueka Sunday market, some rubbish overflow from the carpark will be unavoidable. Dealing with recyclables and compostables also still has a cost attached to it.



**8.7 MANAGEMENT OF 2016/17 FORECAST OPERATIONAL SURPLUSES AND DEFICITS****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Matthew McGlinchey, Senior Management Accountant
<b>Report Number:</b>	RCN17-06-10

**1 Summary**

- 1.1 The March 2017 quarterly financial update indicated an operational surplus of \$8.9 million. This report outlines the material activity balances forecast as at the end of the 2016/17 financial year. It also makes recommendations about the use of these forecast balances with a medium to long term view.
- 1.2 The balances are based off forecasts from the April year end re-forecast exercise. As such the final year end position will vary from what is shown. Due to the strong financial performance in the 2016/17 year, Council has the opportunity to consider how best to use these larger balances prior to the end of the financial year for reporting in the Annual Report.
- 1.3 Activity balances will be reviewed again after the financial year closes. As such this report only considers material balances (over \$500k) with all balances being reported again in September.
- 1.4 The balances of the closed accounts have been accumulated over time and therefore do not only relate to the 2016/17 financial year. Since the 2013/14 year, all activities have been managed on a closed account basis.
- 1.5 The driving principles around how these balances are managed are detailed by the Financial Strategy (Long Term Plan (2015-2025)). As such the retirement of debt is the most common recommendation in this report. The reported external debt has already been reduced by the net surplus across all activities. Using the activity balance surpluses other than for internal transfers or reduction of internal loans will effectively increase external debt.
- 1.6 This report proposes that the surpluses be used to repay internal debt and offset other deficits within the business.
- 1.7 When adopting the Annual Plan 2017/18 a number of items were noted as requiring funding from the 2016/17 surplus. Reports will come back to Council to access funds in relation to the Nelson Development Regional Agency and the Nelson Tasman Business Trust.
- 1.8 At the 25 May 2017 Full Council meeting, Council considered a report on the adoption of the Annual Plan (RCN17-05-01). During the discussion on the report, Councillors raised the matter of additional funding in 2017/18 for a feasibility study on the Motueka Library. Councillors resolved to commit funding from the 2016/2017 financial year forecast surplus to carry out this study. This report notes that the surplus in the Community Development overhead area will be used to fund this expenditure.

- 1.9 On 23 March 2017 Council resolved to fund the additional museum grant request from the rates growth account. However this surplus had already been fully allocated to the Special Grants Fund. As such the additional museum funding will now need to come from the Community Development overhead area.

**2 Draft Resolution**

**That the Full Council:**

- 1. receives the Management of 2016/17 forecast operational surpluses and deficits report (RCN17-06-10); and**
- 2. approves the use of the overhead activity surpluses to pay off the Building activity deficit; and**
- 3. approves the transfer of \$1.0 million to the Roding Emergency Fund from the Subsidised Roding activity; and**
- 4. approves that a balance of \$600k is left in the Subsidised Roding activity with the balance being used to retire internal loans from the activity; and**
- 5. approves the transfer of \$109k to the Classified Rivers Emergency Fund, from the Rivers activity, to bring the balance to the agreed \$1.0 million plus inflation at the end of June 2017; and**
- 6. approves that a balance of \$600k is left in the Stormwater activity with the balance being used to retire internal loans from the activity; and**
- 7. approves the transfer of \$106k to the Stormwater Emergency Fund from the Stormwater activity; and**
- 8. approves that a balance of \$600k is left in the Wastewater activity with the balance being used to retire internal loans from the activity; and**
- 9. approves the transfer of \$75k to the Wastewater Emergency Fund from the Wastewater activity; and**
- 10. approves that a balance of \$600k is left in the Urban Water Supply activity with the balance being used to retire internal loans from the activity; and**
- 11. notes that sufficient funds are being left in surplus balances in the overheads area to fund the \$100k towards the Nelson Regional Development Agency (NRDA). The release of these funds will be the subject of a full report to Council; and**
- 12. notes that sufficient funds are being left in surplus balances in the overheads area to fund a \$15k contribution to the Nelson Tasman Business Trust. The release of these funds will be the subject of a full report to Council; and**
- 13. notes that the \$50k for the feasibility study for the Motueka Library development to be spent in the 2017/2018 year will come from the forecast surplus in the Community Development overhead account for the 2016/2017 financial year; and**
- 14. approves that \$50k of the forecast 2016/2017 Community Development overhead area surplus be used to fund the museum additional budget requirements approved on 23 March 2017.**

**3 Purpose of the Report**

- 3.1 This report provides recommendations on how to manage the material forecasted surpluses and deficits in Council activities that have arisen in the 2016/17 financial year.

**4 Background and Discussion****4.1 General Discussion**

- 4.1.1 In September 2013 Council agreed that all areas of the Council be managed financially by way of closed accounts or activity balances. Following that decision all activities now have a surplus/deficit forecast year end balance against them as at 30 June 2017. The balances reflected have been accumulated over a number of years.
- 4.1.2 Activity for a further year has now flowed through and this report will discuss material balances in turn with recommendations provided around the best use of the activities surplus or deficit.
- 4.1.3 The driving principle of how these funds are to be managed is governed by the Financial Strategy (adopted as part of the LTP (2015-2025)). As such, the retirement of debt and transfers to the Emergency Fund is the most common recommendation.
- 4.1.4 In most other instances it is recommended that the forecast balance is left in the activity to meet one-off extraordinary events. They could also be used for Council-wide initiatives that arise from the Council Strategic Review or for projects that reduce risk or make operational savings. A report will come back to Council to access these funds.
- 4.1.5 As part of the adoption of the Annual Plan 2017/18, Council indicated they wanted staff reports around the funding requests associated with the Nelson Development Regional Agency and the Nelson Tasman Business Trust before making a final decision. Funding for these requests if approved would be sourced from the 2016/17 forecast operational surplus.
- 4.1.6 As part of the report adopting the 2017/18 Annual Plan, Council indicated that it wished to bring forward the feasibility work on the Motueka Library project. The cost was to be met from the 2016/17 operational surplus. Staff have identified the most appropriate funding source as being the forecast overhead surplus in the Community Development activity.
- 4.1.7 On 23 March 2017, Council resolved to fund the extra museum funding request from the rates growth account. However this surplus had already been fully allocated to the Special Grants Fund. As such the additional museum funding will now come from the Community Development overhead area.

**4.2 Environment and Planning****4.2.1 Building Control**

The activity (predominantly funded from fees) has a forecast deficit of \$888k.

This comprises:

- 1) \$680k additional consultancy fees/staff required to ensure building consents were processed within statutory timeframes, due to a lack of internal capability.

While this was partially offset in additional income due to the January fee increase it still resulted in a deficit in the account. It is recommended that the surpluses from the Corporate Services Overheads account be used to fund the \$680k.

- 2) \$208k relates to unbudgeted costs in relation to Weather Tight Home claims, both Council's legal fees and some settlement payments made during 2016/17. It is recommended that the surpluses from the Corporate Services Overheads account is used to fund the \$208k.

These transfers will bring the activity balance back to near zero with any balance being managed by the Activity as part of the upcoming LTP. In the report to Council on 22 September 2016 it was acknowledged that the circumstances creating the deficit in 2015/16 year would still exist in 2016/17 and would need to be actively managed throughout the 2016/17 financial year. Going forward amendments have been made to this activity for the Annual Plan (2017/18) to mitigate the likelihood of future losses.

## 4.3 Engineering

### 4.3.1 Subsidised Roothing

This activity has a forecast surplus of \$1.9 million. The surplus has arisen because of savings in interest costs and because no large emergency events occurred.

It is recommended that \$1.0 million of the above surplus be transferred to a Roothing General Disaster Fund as it represents the surplus associated for rating for emergency work less actual emergency events expenditure net of the NZTA income.

It is proposed that the remaining surplus of \$600k stay in the activity. This will be used to fund operating carry overs in 2017/18 and other initiatives agreed to by Council.

It is recommended that the remaining balance is used to retire activity debt.

### 4.3.2 Rivers & Flood Protection

The activity (predominantly funded from targeted rates) has a forecast surplus of \$1.77 million. The surplus has arisen because fewer adverse weather events have occurred resulting in less rock work being undertaken. River capital work is funded directly from rates as opposed to raising loans. The funding approach can result in overrating with the current ratepayer paying for work that benefits future generations.

A further \$109k should be transferred to the River Emergency Fund to bring the balance to the agreed \$1.0 million plus CPI as agreed by Council as part of the Long Term Plan (2012) (LTP) process.

The remaining surplus of \$1.661 million will stay in the activity. However it is acknowledged that the level of expenditure in the River Activity will be reviewed in the upcoming LTP. The level of expenditure has already been reduced in the upcoming Annual Plan (2017/18) by almost \$350k.

### 4.3.3 Stormwater

This activity (funded from a targeted rate) has a forecast surplus of \$900k. The surplus has arisen for a number of reasons, including lower interest rates, no emergency



events occurring and project work not completed within 2016/17 year. The project work will be carried forward.

As part of the LTP (2015) a budget for emergency events of \$106k was allocated. If no events occur by 30 June 2017 it is recommended that this be transferred to a new Stormwater Emergency Fund.

It is proposed that the remaining surplus of \$600k stays in the activity. This will be used to fund operating carry overs in 2017/18 and other initiatives agreed to by Council.

It is recommended that the remaining balance is used to retire activity debt.

#### 4.3.4 Wastewater

This activity (funded from a targeted rate) has a forecast surplus of \$2.2 million. An increase of \$1.3 million from the 2015/16 balance.

The surplus has arisen because of savings made in interest costs (\$474k) which are the result of a slowdown in the capital works programme. A number of one-off projects did not start and there were savings of approximately \$620k on the Nelson Regional Sewerage Business Unit (NRSBU) contract.

As part of the LTP (2015) a budget for emergency events of \$75k was allocated. If no events occur by 30 June 2017 it is recommended that the \$75k be transferred to a new Wastewater Emergency Fund.

It is proposed that the remaining surplus of \$600k stay in the activity. This will be used to fund operating carry overs in 2017/18 and other initiatives agreed to by Council.

It is recommended that the remaining balance is used to retire activity debt.

#### 4.3.5 Urban Water Supply

This activity (funded from a targeted rate) has a forecast surplus balance of \$1.218 million.

The surplus has arisen for a number of reasons, including lower interest rates as the capital works programme has been delayed and less maintenance work being required.

It is proposed that the remaining surplus of \$600k stay in the activity. This will be used to fund operating carry overs in 2017/18 and other initiatives agreed to by Council.

It is recommended that the remaining balance is used to retire activity debt.

### 4.4 Overhead Areas

4.4.1 Overall there is a forecast surplus of \$1.5 million across all overhead areas of Council.

A number of items make up this overall surplus. They are:

- IT capital programme was underspent and is predominantly funded from rates
- Charge out of Engineering staff time to Capital Projects
- Savings on professional fees associated with assets sales
- Savings in staff budgets due to staff churn

- 4.4.2 It is recommended that a portion of this surplus is transferred to offset deficits in the Building area.
- 4.4.3 It is recommended that the overhead surpluses fund the additional \$100k requested from the NRDA as part of the Annual Plan (2017/18). The request for this funding was received after Council had closed off the Annual Plan (2017/18).

## 5 Options

### 5.1 Option 1 – Not approve the recommendations.

If Council did not endorse the recommendations staff would require direction about what to do with the management of activity balances. More work would be undertaken with staff coming back to Council in September for further direction.

### 5.2 Option 2 – Approve the recommendations.

### 5.3 Option 3 – Some recommendations are approved and others are declined. The specific impact will need to be discussed at the meeting. Staff would action the approved recommendations.

## 6 Strategy and Risks

- 6.1 There is a reputational risk should Council not been seen to balance the opportunities the overall surplus creates and the need for financial prudence, in particular the strong emphasis in the Financial Strategy for reducing debt.

## 7 Policy / Legal Requirements / Plan

- 7.1 There are no policy or legal matters that require further consideration.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 The impact of the operational surplus is already reflected in the reported external debt. Using the activity balances surpluses other than for internal transfers or reduction of internal loans will increase external debt.
- 8.2 Reductions in internal loans and deficit balances will reduce funding requirements for the activity going forward.
- 8.3 Holding reasonable surpluses and creating specific reserves reduces the impact on rates on unexpected events and provides financial resilience within activities.

## 9 Significance and Engagement

- 9.1 This is a matter of low significance in terms of the Council's policy on significance.
- 9.2 The management of surpluses is of low to moderate public interest as the recommendations all use the balances for the benefit of the ratepayer, and are guided by the Financial Strategy which was consulted on as part of the LTP (2015-2025).

**10 Conclusion**

- 10.1 Activity balances have been reviewed with a recommendation made on the prudent management of the surplus/deficit position in activities. The recommendations balance debt reduction, financial resilience and additional operational spending. They will also assist in rates requirements in the medium term.

**11 Next Steps / Timeline**

- 11.1 A final end of year activity report will come back to Council in September to address any other surplus or deficit balances at year end.

**12 Attachments**

Nil

**8.8 CORPORATE SERVICES - QUARTERLY REPORT**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN17-06-11

**1 Summary**

- 1.1 This is the third quarterly report to Council on the Department's activities.
- 1.2 **Financials** – The department is in a strong financial position with a year to date surplus and a forecast year end surplus. Part of this surplus will be carried forward and part used to cover deficits in other activities.
- 1.3 **Human Resources** – The re-organisation of the Commercial and Property activities is on track. Staff across the department are under pressure due to resourcing levels and current work demands. This is being actively managed.
- 1.4 **Information Services** – Council's major core system, MagiQ, has been successfully updated to the latest version. Audio visual services have been completed for the service centres at Motueka and Takaka. Network security has been enhanced and the security camera project is nearing completion.
- 1.5 **Property Services** – The focus remains on essential day to day business as the reorganisation occurs.
- 1.6 **Commercial activities** – These continue to operate well. The ongoing financial results are subject to resolving legacy issues and resourcing, but overall we are on track to deliver improved results ahead of budget for the year.
- 1.7 **Finance Section** – Workloads remain high due to a number of drivers. Good progress has been made addressing legacy issues in particular the high level of outstanding debtors. With the adoption of the Annual Plan the focus is now on the Annual Report and the Long Term Plan (LTP).
- 1.8 **Legal** – The Principal Legal Advisor role continues to develop and is adding considerable value to the organisation. Relationship building is progressing well as is engagement with Nelson City Council on the joint procurement of legal services.
- 1.9 **Risk Management** - Staff are finalising the insurance arrangements for the 2017-18 year. This will include a decision on Council's continued involvement in the Local Authority Protection Programme Disaster Fund (LAPP).
- 1.10 **Council Controlled Organisations** - The Quarterly Shareholders Report from the Local Government Funding Agency (LGFA) has been received. The LGFA continues to function efficiently and effectively. The interim dividend of \$750k has been received from Port Nelson Ltd.

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

- 1. receives the Corporate Services - Quarterly Report RCN17-06-11; and**
- 2. notes the documents that have been signed under delegation as set out in section 7.8.**



### 3 Purpose of the Report

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

### 4 Financials

Corporate Services Department								
Overhead Expenditure Statement								
For the year to May 2017								
\$000's Actual 2016	Overall Corporate	\$000's YTD Actual May 2017	\$000's YTD Forecast May 2017	\$000's YTD Variance	\$000's Total Forecast 2016/17	\$000's Total Budget 2016/17	\$000's Total Forecast Variance	YTD % Total Forecast
<b>Operating Income</b>								
1,594	General Rates	1,583	1,583	0	1,727	1,727	0	92%
142	Fees & Recoveries	236	212	24	214	116	98	110%
0	Sundry Income	25	25	0	27	27	(0)	92%
<b>1,735</b>	<b>TOTAL Operating Income</b>	<b>1,844</b>	<b>1,820</b>	<b>24</b>	<b>1,969</b>	<b>1,870</b>	<b>98</b>	<b>94%</b>
<b>Operating Expenses</b>								
2,923	Wage Related Expenses	2,754	2,900	146	3,203	3,121	(82)	86%
834	Maintenance	865	837	(28)	870	937	67	99%
847	General Operating Costs	806	853	47	927	1,057	129	87%
377	Professional Fees	435	449	14	495	620	125	88%
150	Employee Benefits	126	141	15	158	150	(8)	80%
48	Employment Related Expenses	33	59	26	82	104	21	40%
304	Overheads	428	444	16	476	501	24	90%
243	Loan Interest	177	182	5	201	255	54	88%
(4)	Financial Expenses	0	0	0	0	0	0	100%
937	Depreciation	938	1,102	164	1,271	1,140	(131)	74%
(5,809)	Overhead Recoveries	(5,461)	(5,460)	0	(5,974)	(5,974)	0	91%
<b>850</b>	<b>TOTAL Operating Expenses</b>	<b>1,100</b>	<b>1,506</b>	<b>406</b>	<b>1,710</b>	<b>1,909</b>	<b>199</b>	<b>64%</b>
<b>886</b>	<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>744</b>	<b>314</b>	<b>430</b>	<b>259</b>	<b>(39)</b>	<b>298</b>	<b>287%</b>

- 4.1 The financial performance of Commercial activities is reported directly to the Commercial Committee. The financial report included here is for departmental overheads.
- 4.2 As at the end of May 2017 the Corporate Services Department is operating with a surplus of \$744k, which is \$430k ahead of the year to date forecast position. This is the result of a number of factors, including:
- Underspend in staffing costs, mainly through the Christmas annual leave accrual timing, along with staff vacancies. This is partly offset by the use of contractors to backfill existing positions in the Property area.
  - Underspend in maintenance costs, through the IT function and Property
  - There are less costs in IT site support than expected
  - There is an underspend of Professional Fees
  - Capital works budgeted to be funded from operational budgets in IT
  - Depreciation is also well down on budget.
- 4.3 It is proposed that part of the forecast year-end surplus of \$298k is used to offset deficits in other activities. This proposal is set out in a separate report to this meeting.

**5 Human Resources**

- 5.1 The reorganisation of the Property and Commercial teams is continuing with strong candidates for the expanded Property Services Manager role identified. Interviewing for this role will begin shortly.
- 5.2 The Property Services team continues to be under resourced in the short term. Day to day oversight is being provided by the Information Services Manager. Some technical support is also being provided by The Property Group.
- 5.3 Annual performance reviews are underway and are expected to be completed on time.
- 5.4 Additional part time, fixed term administration resourcing to support the additional work created by the Waimea Dam project is now in place.
- 5.5 Staff within the department as a whole are under pressure due to the Waimea Dam project, Long Term Plan work streams and the time necessary to resource and build the Property/ Commercial team.

**6 Information Services**

- 6.1 The MagiQ (NCS) system that governs many of Council's core business functions has been subject to a significant upgrade to the latest version. The new version provides a variety of functional and look-and-feel improvements. The upgrade went well, primarily due to robust planning and testing combined with a Council-wide buy in and team effort.
- 6.2 Audio visual facilities at the Motueka and Takaka Service Centres are now in place in the meeting rooms. This will allow for presentations, web meetings, audio and video conferencing to take place at these venues.
- 6.3 A major change has been made to improve network security across the Council computer network. While this work was transparent to staff and other network users, it lowers the risk of network access attacks and other kinds of network intrusion risks. This improvement was a key action point arising from our audit and risk review.
- 6.4 The security camera upgrade project is nearing completion with the Motueka Service Centre and library installations to be completed by the end of June. This will leave Takaka Memorial Library and Murchison Service Centre/Library as minor jobs to fully complete the project. These offices are scheduled for upgrade over July and August 2017.

**7 Property Services**

- 7.1 Property Services are being managed within the resourcing currently available. This means there is a focus on the essential business as usual work stream only. Where practical, work is being contracted out in the short term. The previous Property Services Manager is being utilised on a part-time basis to deal with urgent work in relation to the aerodromes activity. In particular the Motueka Aerodrome and LTP work streams.
- 7.2 The new EROAD GPS vehicle tracking system is now fully installed in Council's vehicle fleet. The system promotes health and safety, encouraging the safe use of Council vehicles.

- 7.3 The fleet vehicle replacement programme continues as planned. All replacement vehicles for the current year have been purchased, with the remaining three older vehicles now up for disposal.
- 7.4 Work continues on the maintenance of Council owned buildings. Recent work includes fixing leaks in the Richmond Library, Senior Citizen's Rooms, and damaged spouting at the Richmond Aquatic Centre. The Motueka Recreation Centre fire detection system has had recent false alarms necessitating the installation of a replacement system.
- 7.5 Work continues on the preparation of an Asbestos Register, to identify all sources of asbestos within Council-owned buildings constructed prior to 2000. The current work builds on work that has already been completed within some Council departments. We will also be completing an Asbestos Management Plan for affected buildings.
- 7.6 A comprehensive review of Council's accommodation requirements in the Richmond Office has commenced. The purpose of the review is to address current accommodation issues as well as identify requirements for the next three to five years. Short term changes to accommodate additional staff are being minimised to ensure the most cost effective medium-to-long term solution is implemented.
- 7.7 As previously advised, there is little progress on the backlog of non-commercial leases and licences. This work is awaiting the appointment of the approved additional staff to the property team.
- 7.8 The following documents have been signed under delegation for the period 1 March 2018 to 6 June 2018:
- O'Connor to Council A & I (Authority and Instruction) to effect transfer to Council – signed 28 March 2017.
  - Kansai Properties Ltd – discharge of compensation certificate under Public Works Act 1981 subsequent to purchase by Council for footpath widening. Signed 6 June 2017.
  - Sam Leith - Agreement to vest land as road. Signed 28 February 2017.
  - Consent to adjoining owner to uplift title limitations on property. Signed 6 June 2017.
  - Kansai Properties Limited – Execution of compensation certificate under Public Works Act 1981 to protect Council's interest in purchasing land for footpath widening. Signed 15 March 2017.
  - Chorus – Execution of compensation certificate under Public Works Act 1981 to protect Council's interest in purchasing land for footpath widening. Signed 15 March 2017.
  - Kerei Street, Motueka Development Agreement with Network Tasman Limited. Signed 10 April 2017.
  - Salvador, Lower Queen Street – Agreement for Sale and Purchase for road widening. Signed 7 March 2017.

## **8 Commercial Activities**

- 8.1 Commercial activities are reported in full through the Commercial Committee. The latest reports went to the Committee meeting on 12 May 2017. These confidential reports are

available to Councillors on request. Below is a summary of commercial activities for the year to date (11 months to May 2017).

- 8.2 **Campgrounds** - campground income is on track to be 15% ahead of last year and the first eleven months shows a trading surplus of \$10k after funding depreciation of \$321k.
- 8.3 **Commercial property holdings** - income is on budget and expenses are down, with an overall result \$24k ahead of budget and a cash result of \$8k after funding all depreciation and debt servicing. The significant work on the Jellyfish building at Mapua is underway and is expected to take eight weeks to complete.
- 8.4 **Forestry** – Harvesting remains slightly behind forecast due to managing health and safety concerns and wind throw events at Rabbit Island during the year. Borlase is starting to come on stream this year as per forecasts. Income is \$1.0m ahead of last year and a surplus of \$1.8m has been achieved year to date.
- 8.5 **Port Tarakohe** - financial results are tracking close to budget. The Port is evidencing growth with the rock contracts starting and the Dolomite recovery as the dairy industry has recovered. With early teething problems on the rock contracts resolved, we are now achieving four to five rock shipments a month and earning in excess of \$25k each month. The larger 3000 tonne barge is now expected by end of June, increasing throughput and income. The proposed removal of the pile berths, replacement with a new floating concrete commercial marina and fuel facilities are in train, with completion of works expected by September 2017.

## 9 Finance section

- 9.1 The finance team continues to manage a high workload, as a result of it being a Long Term Plan (LTP) year. With the 2017-2018 Annual Plan adoption, and the March Quarterly Financial Report being received by Council on 25 May, the team were pleased to close off two major pieces of work for the year. That being said, work is already well underway for the 2017 Annual Report, along with a host of sub-projects within the LTP. The beginning of June sees the financial model ready for budget managers to begin their input for the 2018-2028 LTP financial information, which starts a large undertaking in terms of workload.
- 9.2 Councillors will be aware of the results from the expanded revenue team in reducing the amount of outstanding debt, improved debt management and the timely collection of rates and water rates. This work continues and is being embedded into business as usual.
- 9.3 Having made significant inroads into a number of legacy issues, staff are looking forward to cementing these gains and moving to the next stages of system enhancements. This will be an iterative process as projects compete for valuable time and resource.
- 9.4 Council had received a final liquidators report dated 4 February 2017 for Village Stewards Limited (Trustee of Atamai Land Trust) (in liquidation). There will be no distribution to unsecured creditors. As a result the outstanding debt to Council of \$163,340.10 has been written off. There were two other accounts that were also written off during the quarter. This was due to the entity who applied for the consent being removed from the Companies Register or inactive or insolvent. The two accounts were: Adcock and Donaldson Properties Ltd \$15,521.10 and Golden Bay Cycle and Walkway Society \$5,366.30.

**10 Legal**

- 10.1 In November 2016, Sarah Taylor was employed in the newly created Principal Legal Advisor role. Over the last six months this role has added considerable value and support to Council.
- 10.2 Work to date has included establishing the role, undertaking a legal stock take and developing ongoing relationships both internal and external. Sarah is currently working with Nelson City Council to commence the procurement of a panel of external law firms jointly. This will allow us to maintain flexibility but also to leverage the combined council buying power with Nelson City Council.
- 10.3 The development of professional links to other in-house lawyers in local government is also proceeding well. This work will pay dividends in the future as we will be able to co-ordinate legal advice that has a common thread for multiple councils.

**11 Risk Management**

- 11.1 Staff are finalising the insurance arrangements for the 2017-18 year. This will include a decision on Council's continued involvement in the Local Authority Protection Programme Disaster Fund (LAPP).

**12 CCO's and Other**

- 12.1 The Quarter 1, 2017 Local Government Debt Report on the New Zealand local government debt market, has been received. This report, produced by PricewaterhouseCoopers includes analysis comparing the credit margins of the LGFA bonds in the secondary market (provided by NZ trading banks) against local government bonds, bank bonds, and selected overseas agencies issuing Kauri bonds of similar maturities. The report is attached (refer Attachment 1).
- 12.2 The LGFA Quarterly Report to shareholders for the March 2017 quarter has also been received and is attached (refer Attachment 2). The LGFA continues to meet the financial targets under the SOI, and has improved on the prior period's financial performance.
- 12.3 We have received a Shareholders Dividend Statement for the 2017 interim dividend from Port Nelson (refer Attachment 3). The interim net dividend on Councils 12,707,702 ordinary shares is \$750,000.
- 12.4 The Corporate Services Manager was invited to present at the recent Bancorp Treasury Local Authority Workshop in Auckland, on the topic "The Finance and Treasury Role in Addressing Debt and Rates Affordability". The presentation covered the last four years during which time Council has been able to transition from high levels of debt and warnings from the OAG over its financial strategy, to delivering dramatically lower debt and rates than forecast.



**13 Attachments**

- |    |  |     |
|----|--|-----|
| 1. | Q1 2017 Local Government Debt Report (PwC)                 | 181 |
| 2. | LGFA Quarterly Report to Shareholders - March 2017 quarter | 205 |
| 3. | Port Nelson 2017 Interim Dividend Statement                | 219 |

pwc.co.nz

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***Local  
government  
debt report***  
Quarterly report  
on the New  
Zealand local  
government debt  
market: Q1 2017



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## ***Background***

We produce this report on a quarterly basis for the benefit of our local government advisory clients, other local government borrowers and investors, our investor clients, NZ fixed interest fund managers, banks, brokers and investment advisors.

The report summarises the primary-issuance credit margins (including dealer fees), issue amounts, maturity, and arranger in the wholesale / private placement and retail local government bond market by quarter and a year-to-date basis where data has been available. Co-led deals are allocated based on KangaNews league table methodology. In regards to retail issues; brokerage, lead manager fees, legal and listing costs are estimated, annualised and added to the credit margin.

We compile the report from information received from the arranging banks, brokers, Reuters, Bloomberg and the LGFA. While all efforts are given to provide complete transparency in the market, at times some information may be incomplete due to influences outside of our control and may be subject to revision.

This report only focuses on New Zealand debt capital market issuance and does not include Auckland Council offshore debt issues.

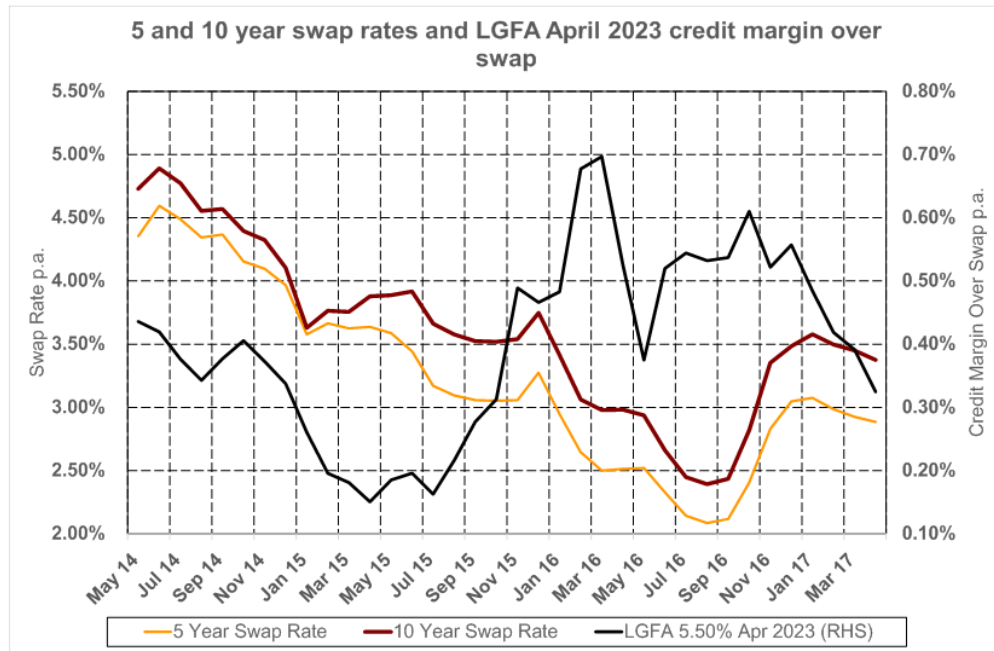
## ***Methodology for secondary market credit margin analysis***

Within the report we include analysis comparing the credit margins of the LGFA bonds in the secondary market (provided by New Zealand trading banks) against local government bonds, bank bonds, and selected overseas agencies issuing Kauri bonds of similar maturities. The exercise explores the relativity of the LGFA bonds to similarly dated bonds. If new local government bonds are issued of a comparable maturity, and traded in the secondary market, they will be added into the data series. When the LGFA issues alternative maturities we will also track them against appropriate benchmark bonds. We discontinue bonds that fall within a time period where they have less than 12 months to maturity.

## Market commentary

The first quarter (Q1) of 2017 saw 16 local government issuers raise \$305m in 23 separate transactions. Despite there being only one tender in the quarter almost all of these transactions (96%) were conducted through LGFA which lent 92% (\$280m) of total funds raised. Of the total \$305m raised, 81% of this was for 7 years or longer suggesting that local government issuers continue to see value in longer dated tenors to meet long term debt funding requirements.

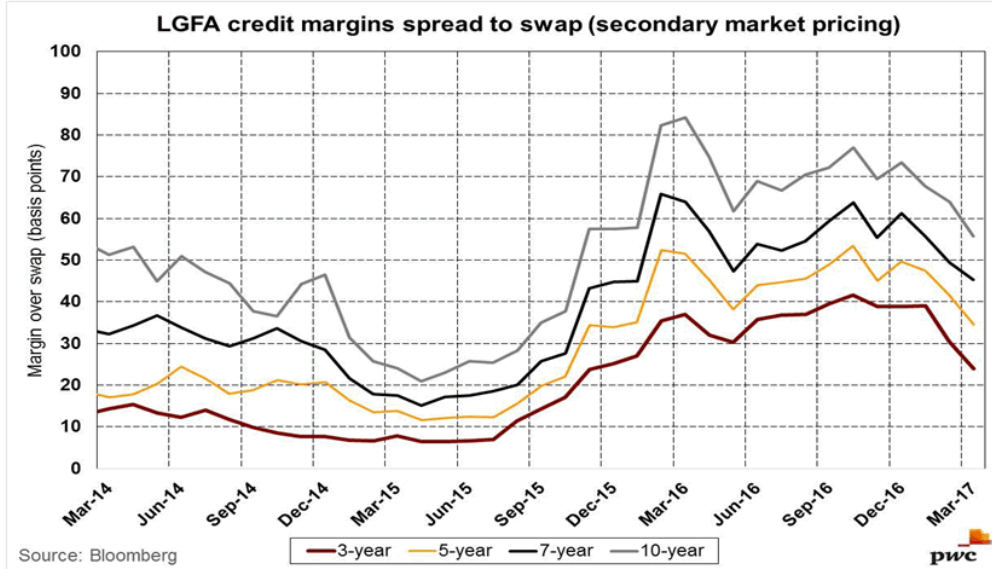
The quarter also saw many local government issuers become proactive in pre-funding ahead of the maturity of the LGFA's Dec-17 bond. Given that only a single tender was held during the quarter, PwC consider it likely that such borrower interest in pre-funding contributed to the strong volume observed.



The recent increase in swap rates have caused credit margins in the bond markets to decrease as the all up yield offered by such instruments has increased. This has meant that lower credit margins have been required to meet issuer pricing targets, whilst achieving investor yield expectations. In addition, lower default probabilities associated with improved economic conditions are also playing a part. By contrast, credit margins on bank debt have been significantly impacted by the increases to the banks own funding costs. Regulations requiring banks to seek more stable funding from sources such as term deposits (TDs) have pushed bank credit margins up as banks have had to increase TD rates in order to attract deposits.

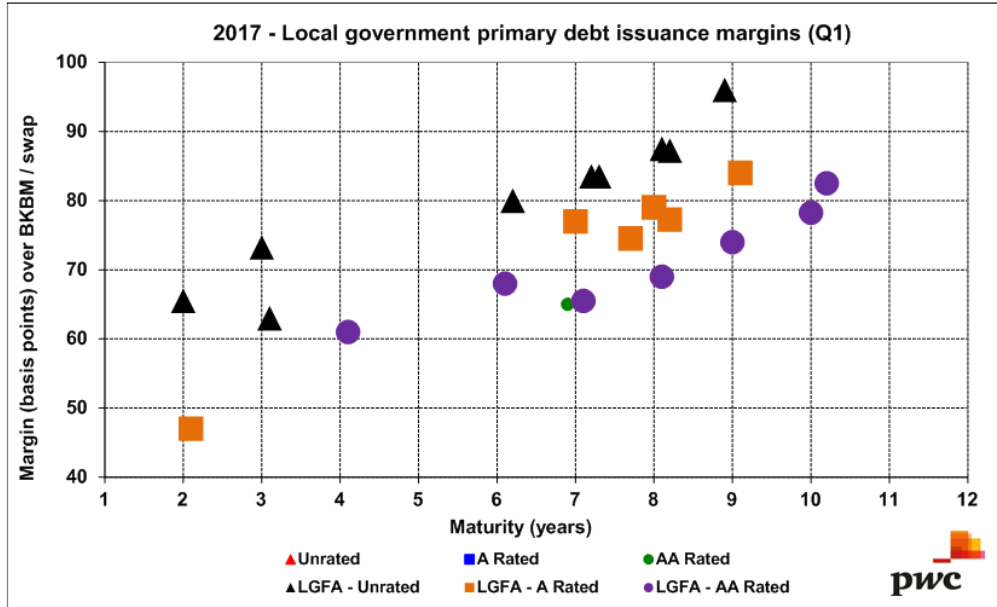


LGFA credit margins tightened over the past quarter, continuing a trend that first begun in October last year. Such tightening has been comparable across all tenors with credit margins on the 3 year constant maturity tenor falling by 15bps during the quarter and by 18bps on the 10 year constant maturity tenor. These tenor agnostic movements suggest economy wide factors are responsible as opposed to investor preferences for certain maturities. Specifically, two key drivers related to investable alternatives in the market have been identified as the primary reason for such movements. Firstly, a reduction in Kauri bond issuances has meant investors have purchased LGFA bonds instead, given their liquidity and high credit quality. Secondly, domestic fund managers have been purchasing more of the bonds. An absence of recent bank bond issuance has driven this behaviour as they seek high quality bonds to add to Kiwisaver portfolios.



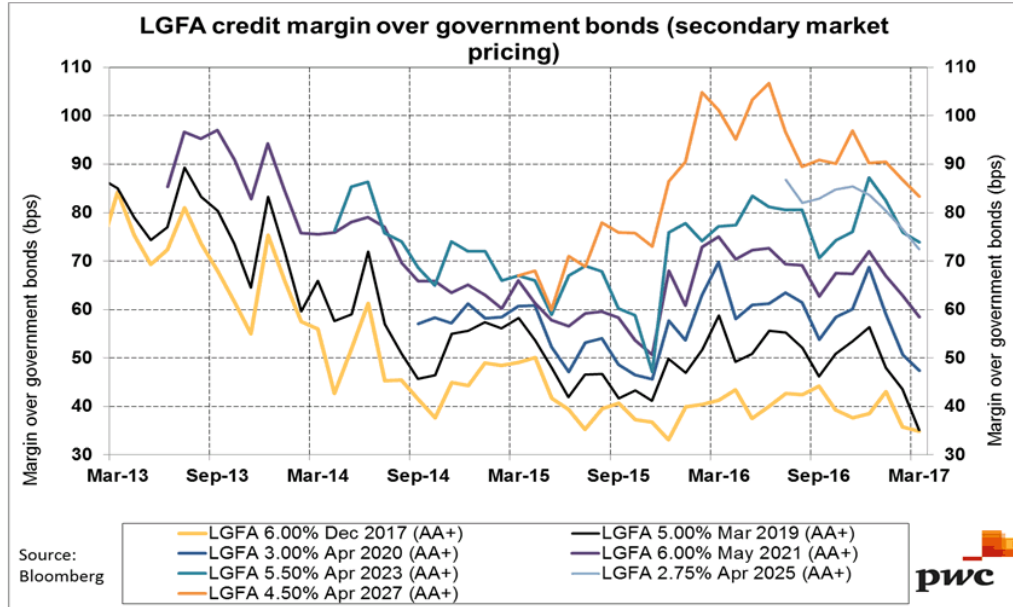
## Primary debt issuance margins (LGFA sourced and direct)

The following chart shows the primary issuance margin of local government debt (inclusive of on-lending margins from LGFA) during Q1 2017:

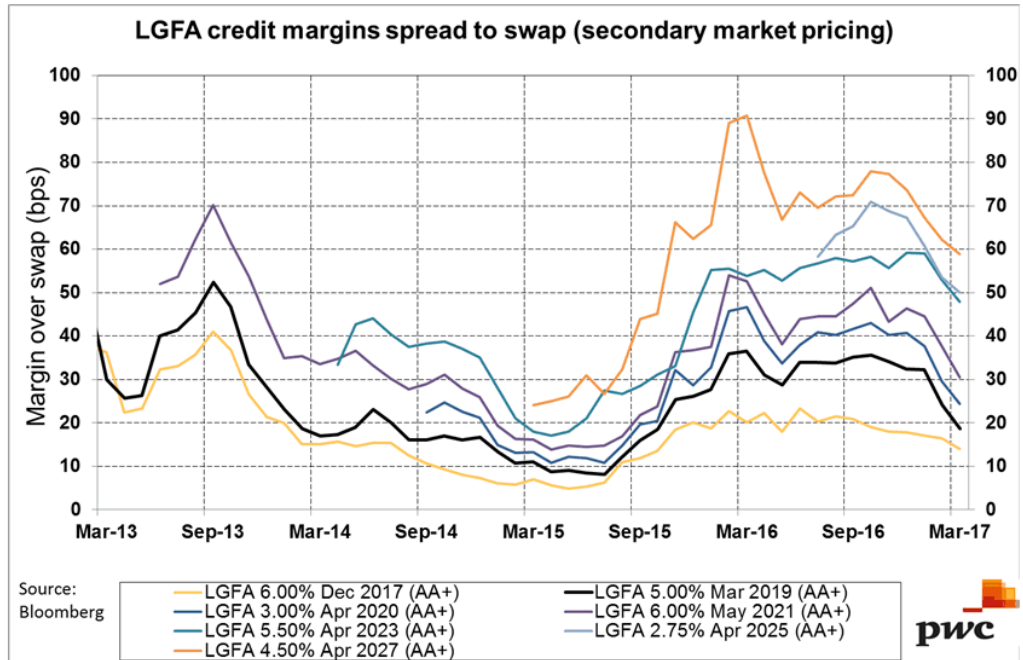


# LGFA credit margins

## Margin over government bonds

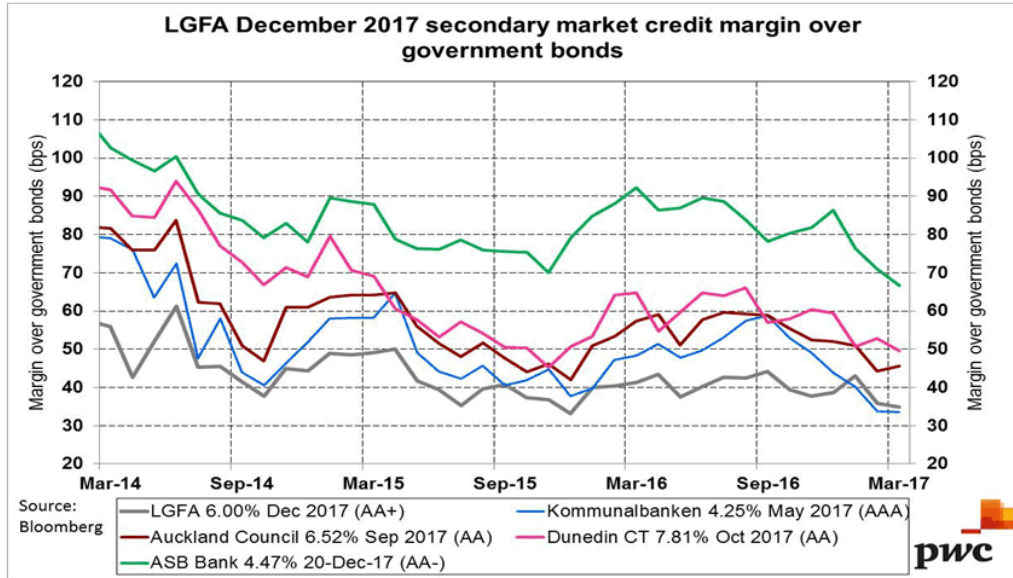


## Margin over swap

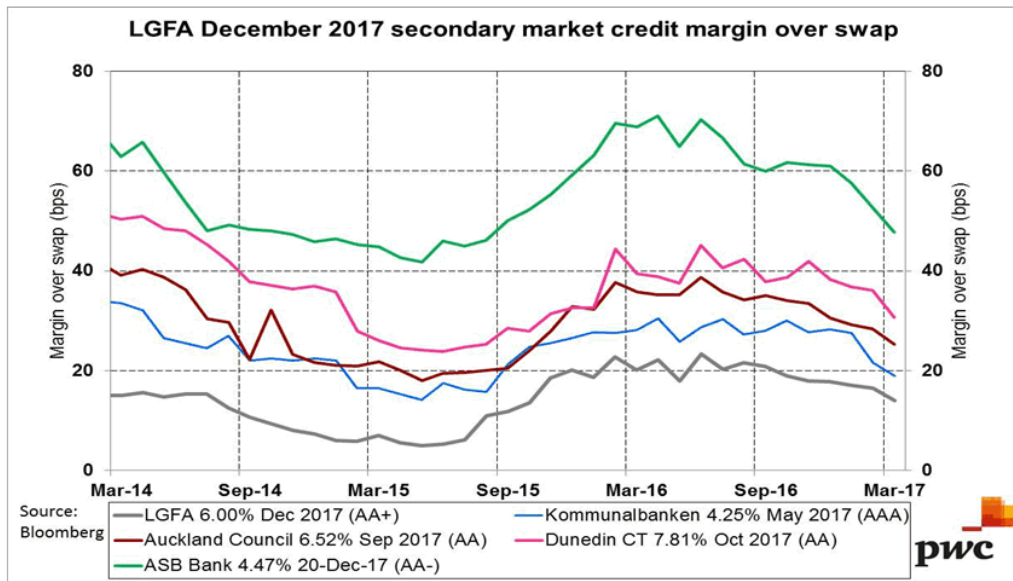


# LGFA credit margins versus other rated issuers

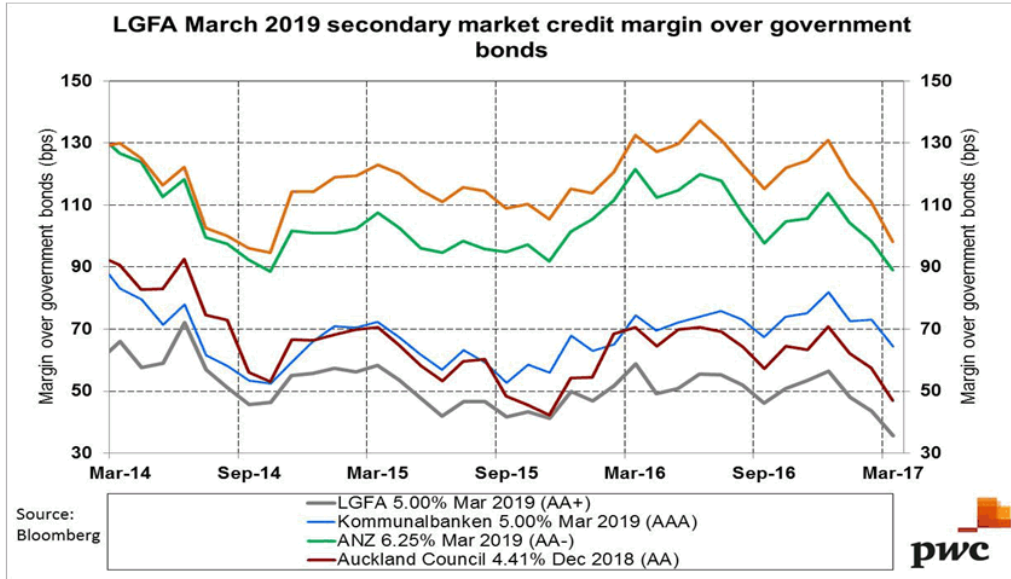
## LGFA December 2017 margin over government bonds



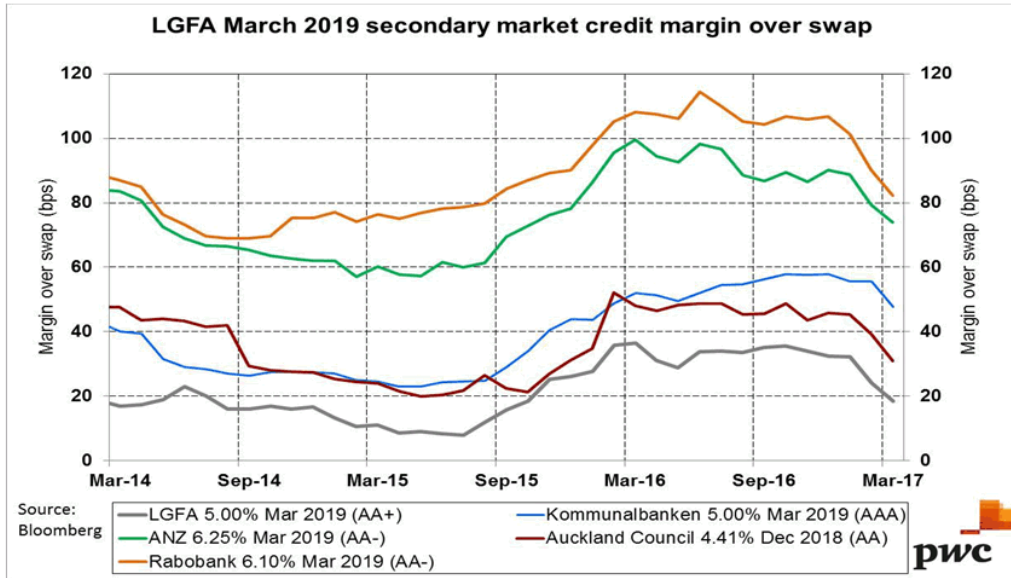
## LGFA December 2017 margin over swap



**LGFA March 2019 margin over government bonds**

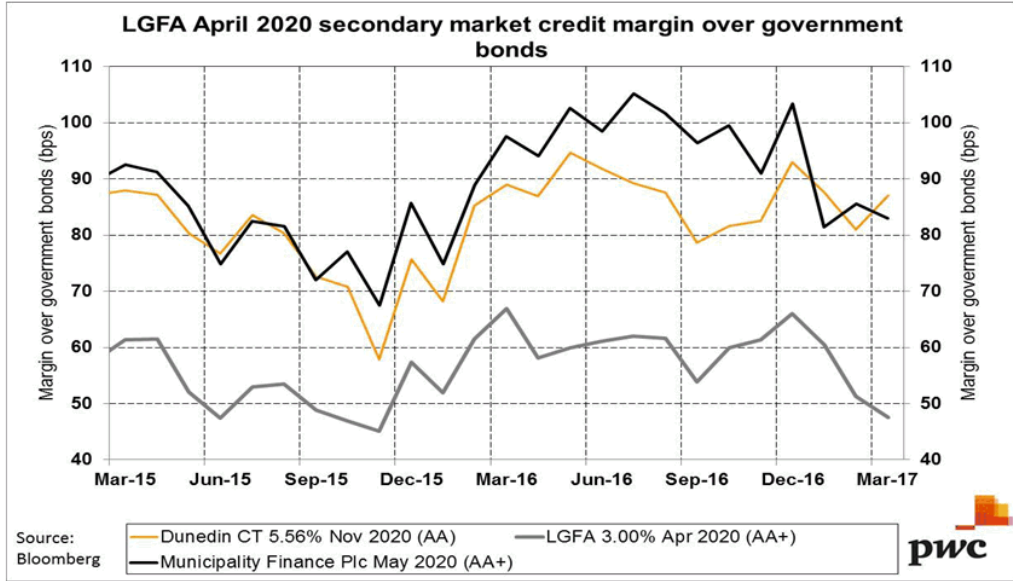


**LGFA March 2019 margin over swap**

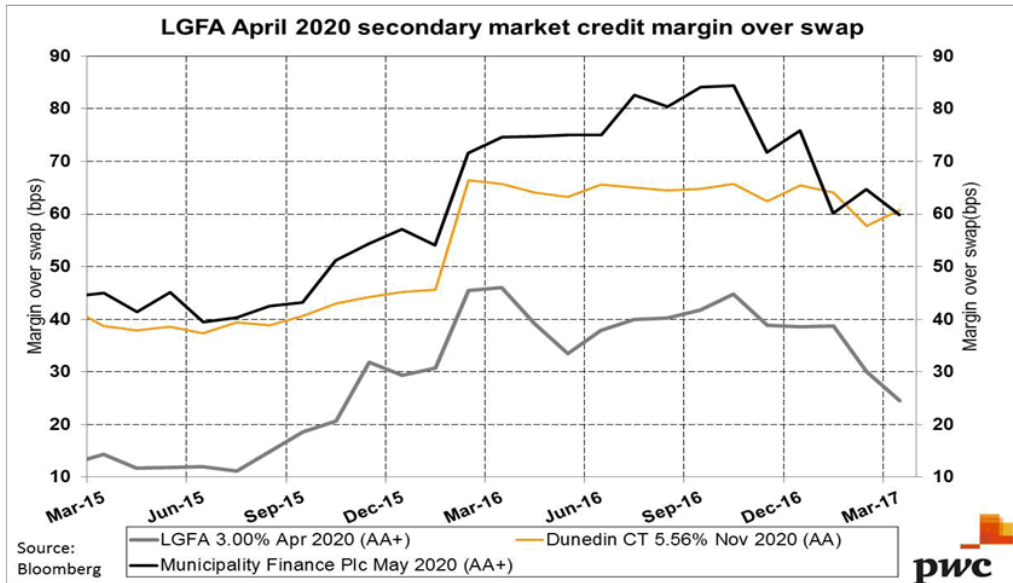




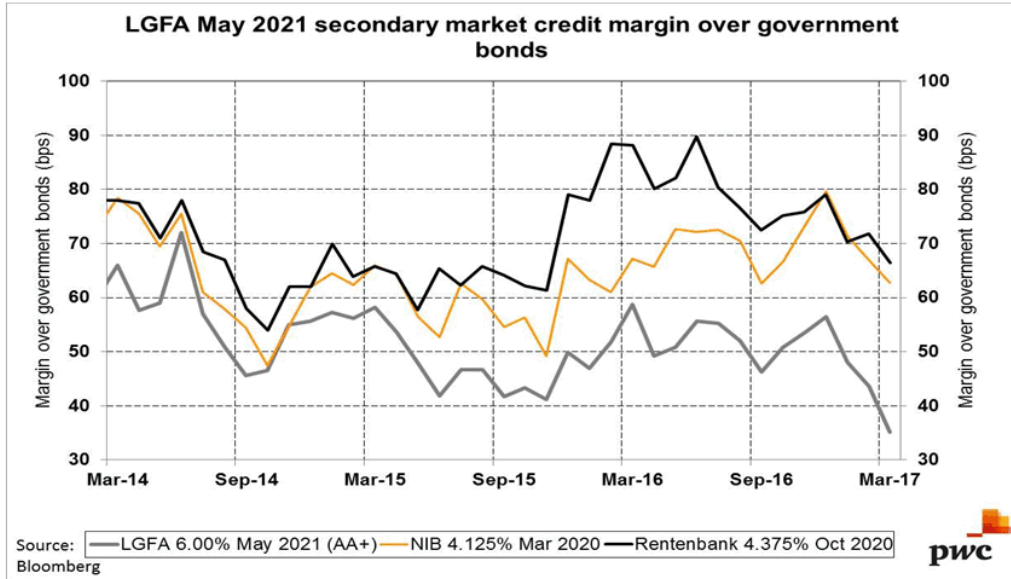
**LGFA April 2020 margin over government bonds**



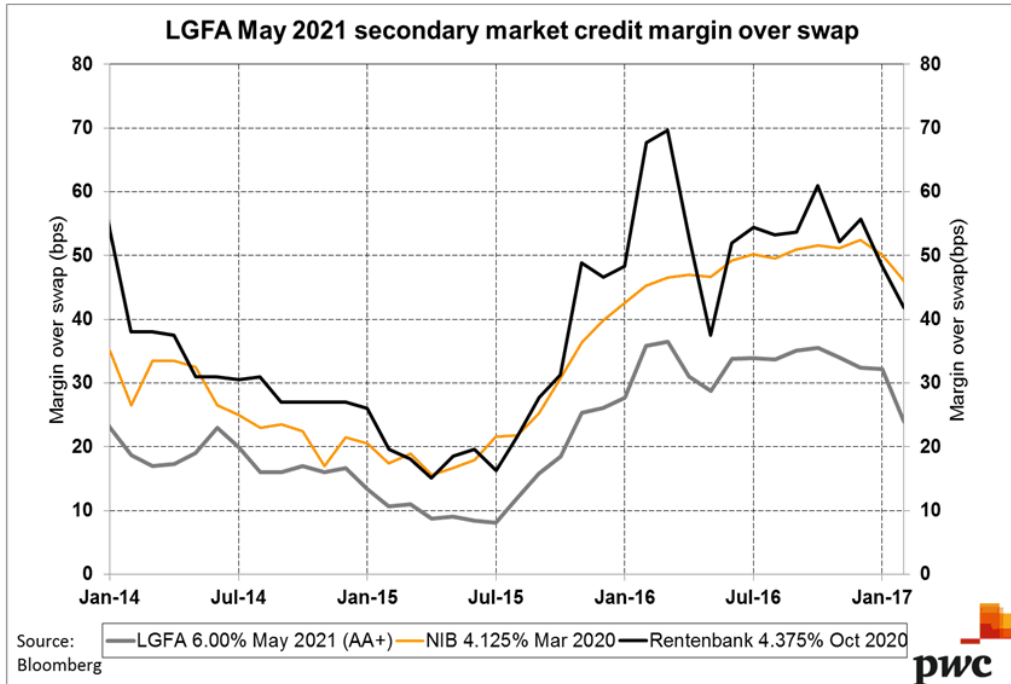
**LGFA April 2020 margin over swap**



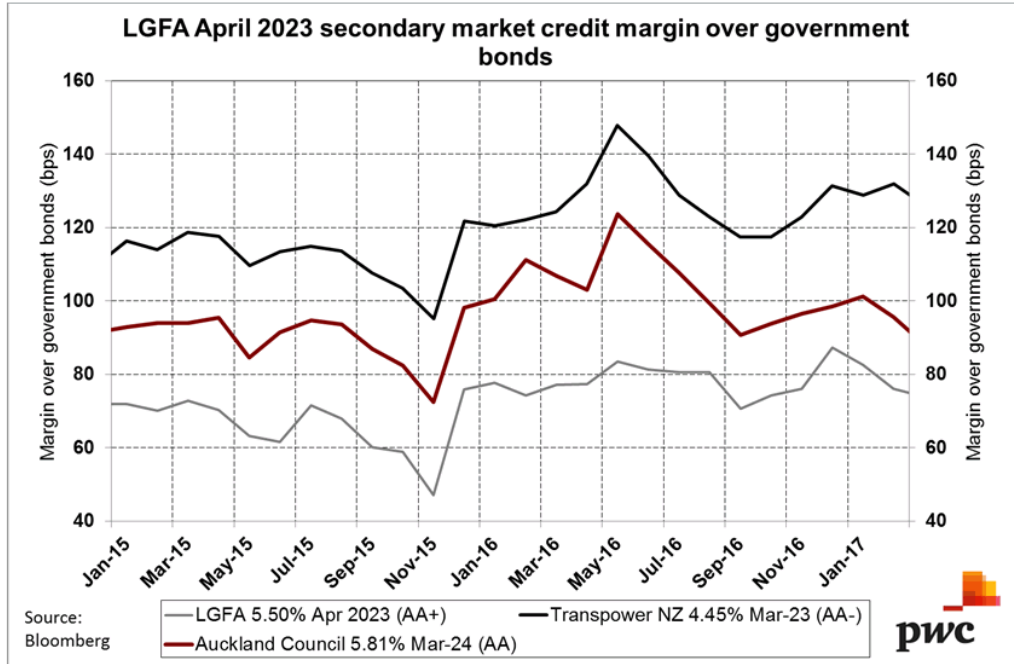
**LGFA May 2021 margin over government bonds**



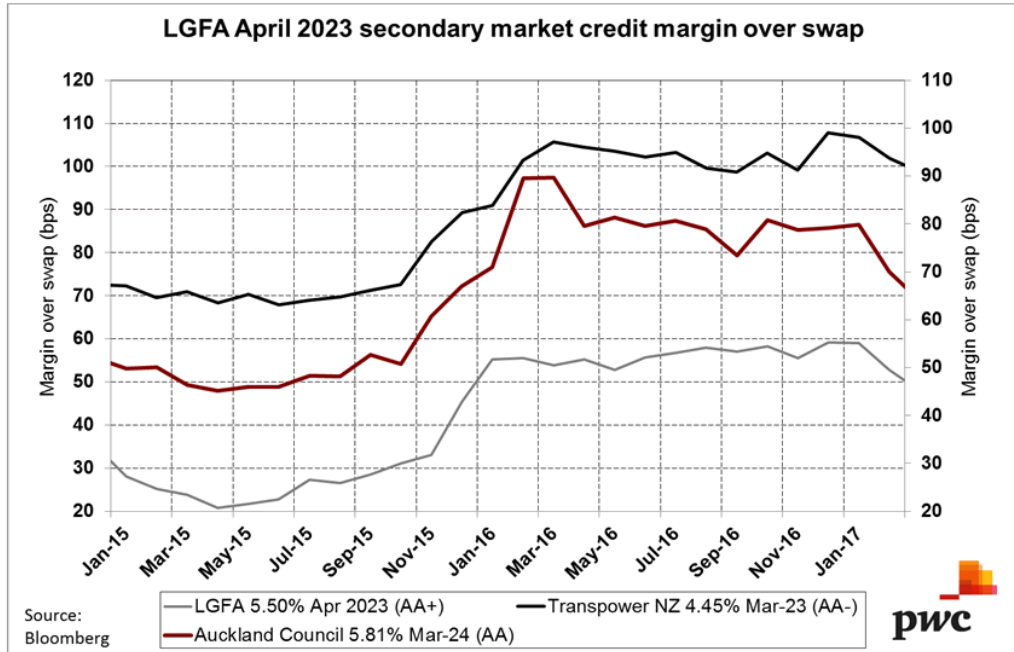
**LGFA May 2021 margin over swap**



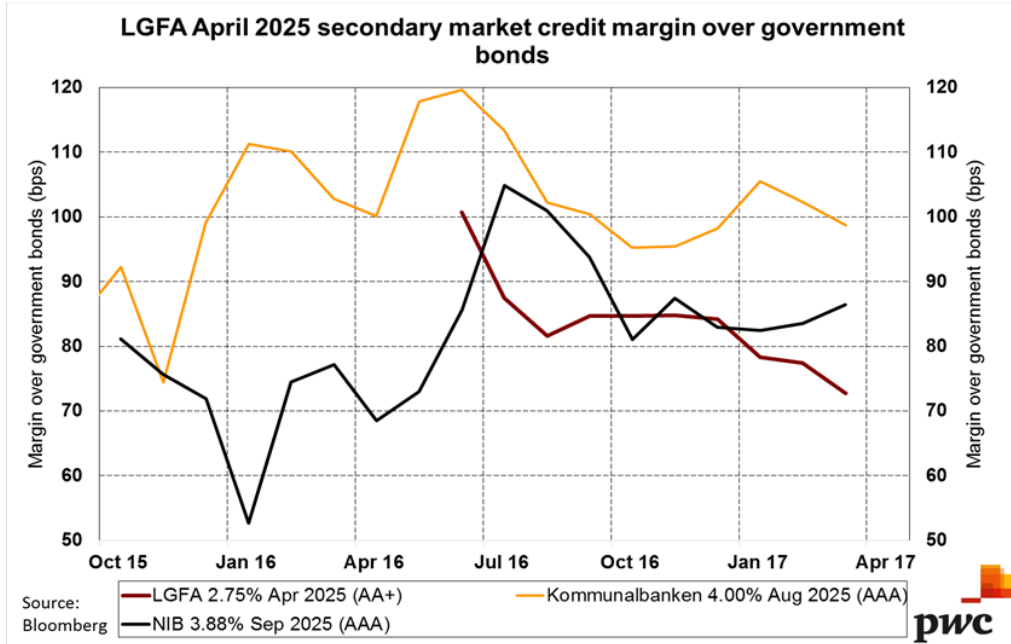
**LGFA April 2023 margin over government bonds**



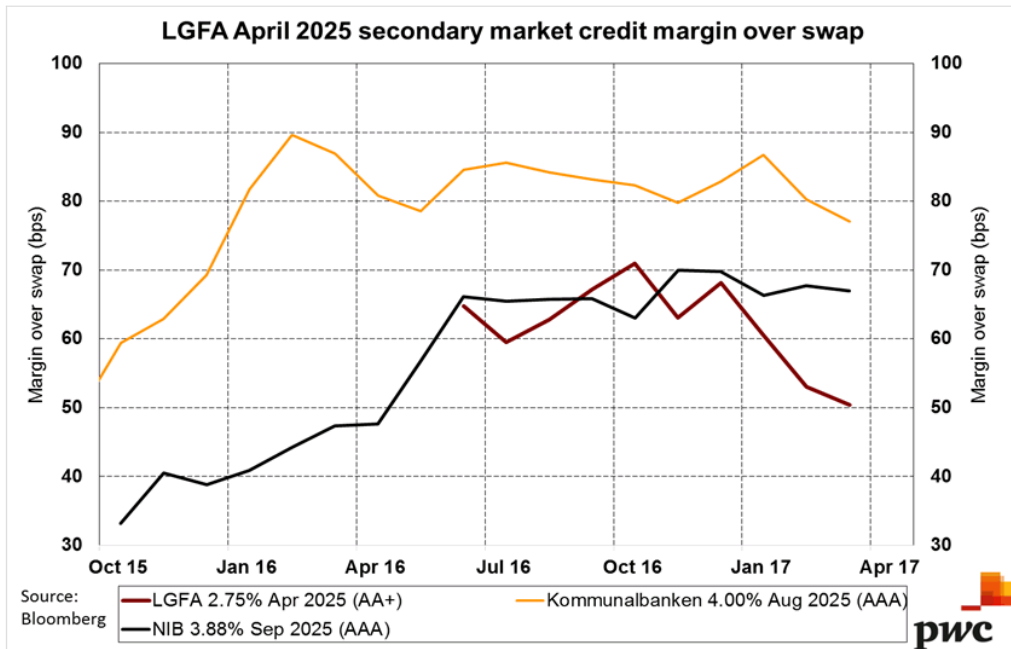
**LGFA April 2023 margin over swap**



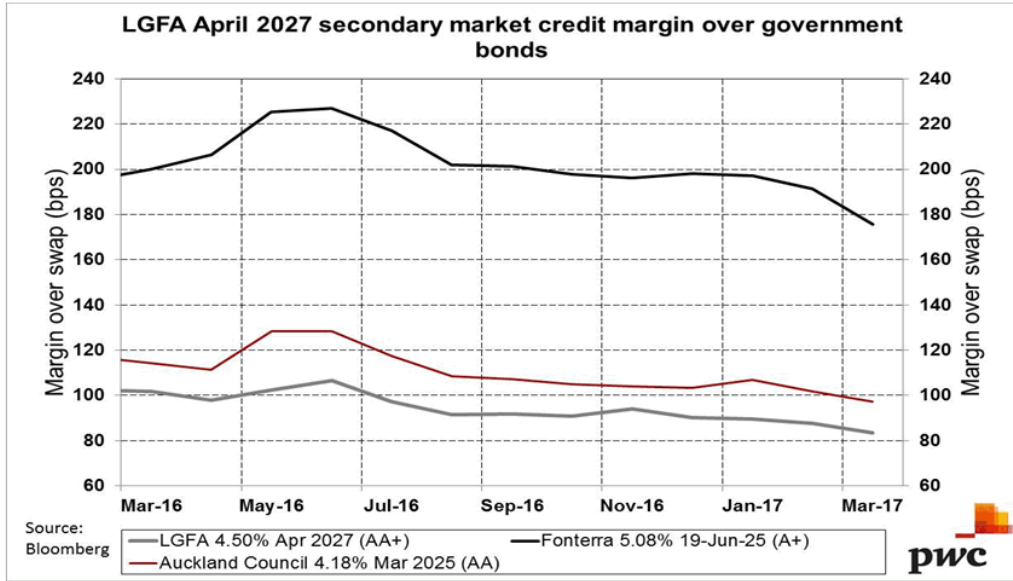
**LGFA April 2025 margin over government bonds**



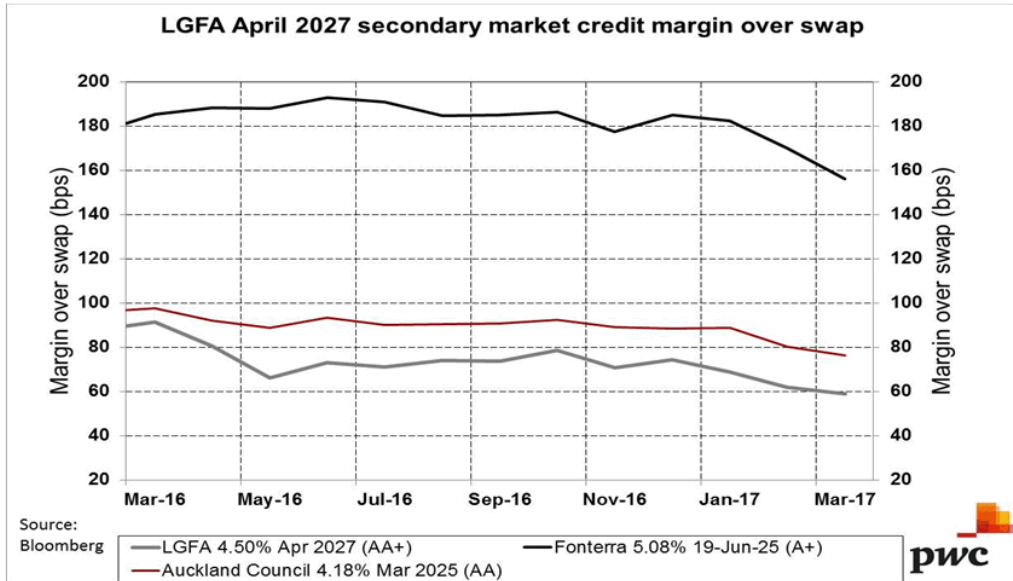
**LGFA April 2025 margin over swap**



**LGFA April 2027 margin over government bonds**



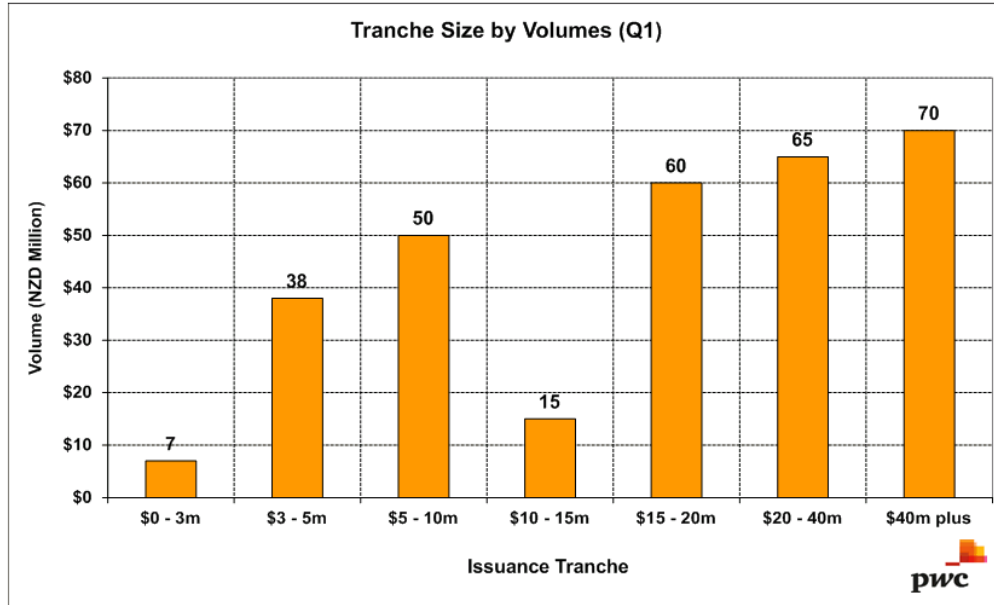
**LGFA April 2027 margin over swap**



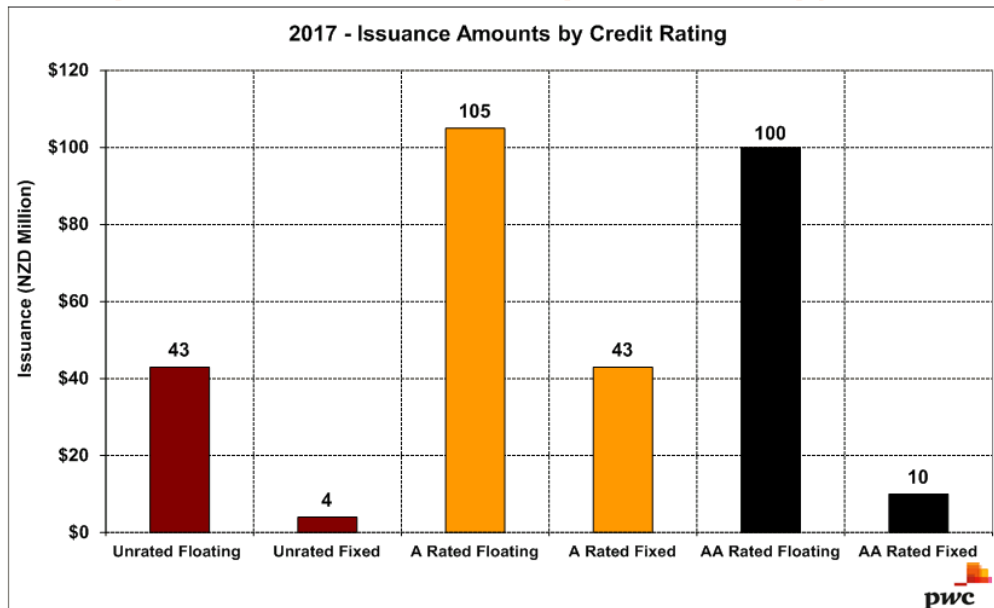


## Issuance amounts

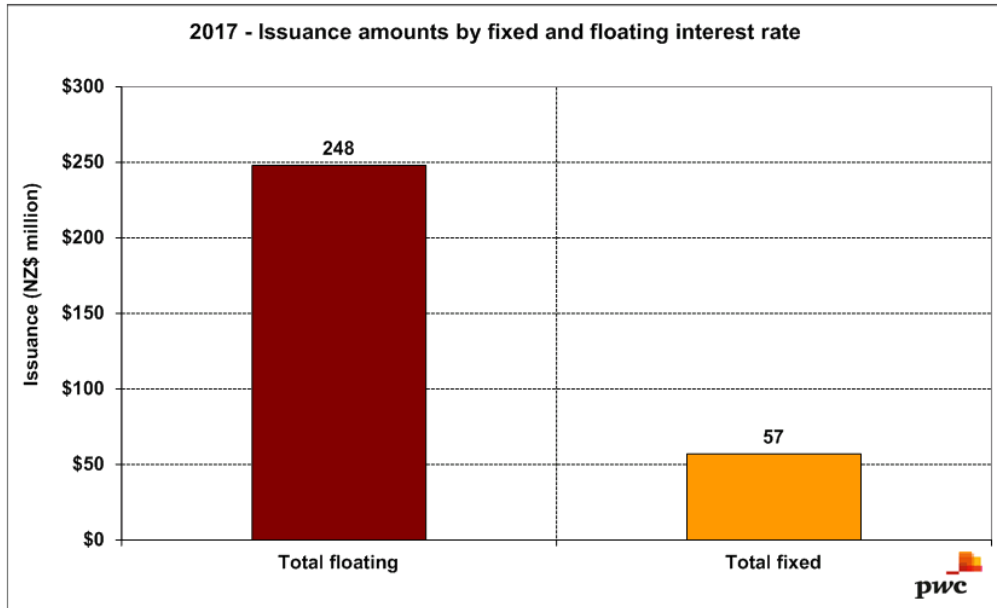
**Total issuance amount per designated tranche size during Q1 2017:**



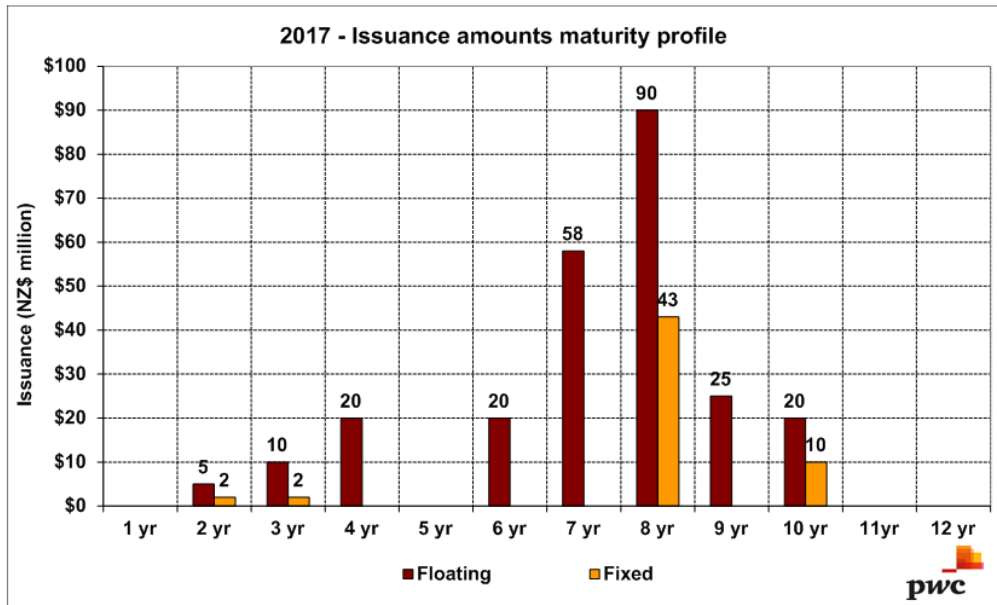
**Local government debt issued by credit rating for 2017:**



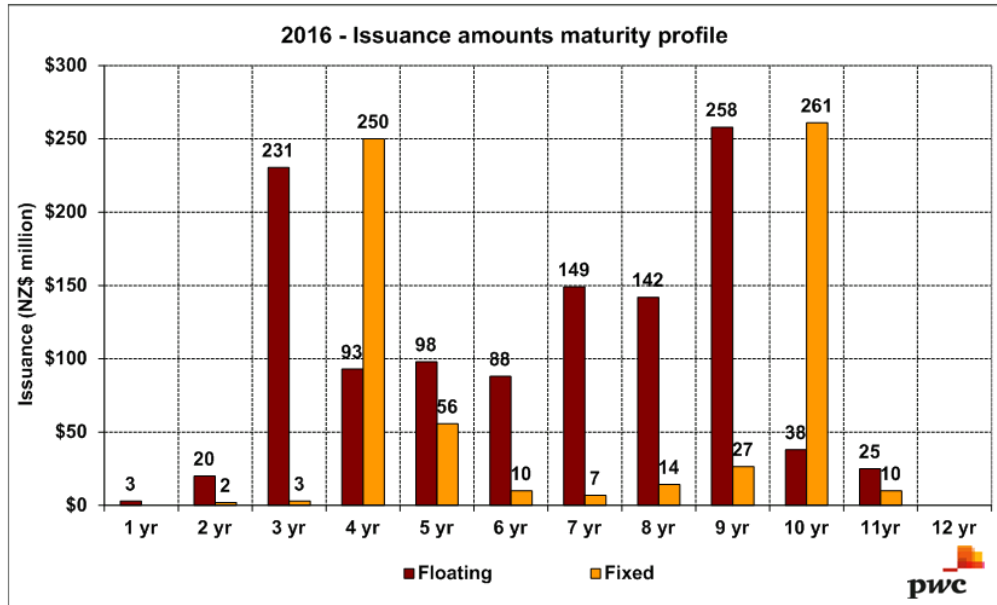
**Local government debt issuance by fixed and floating interest rate for Q1 2017:**



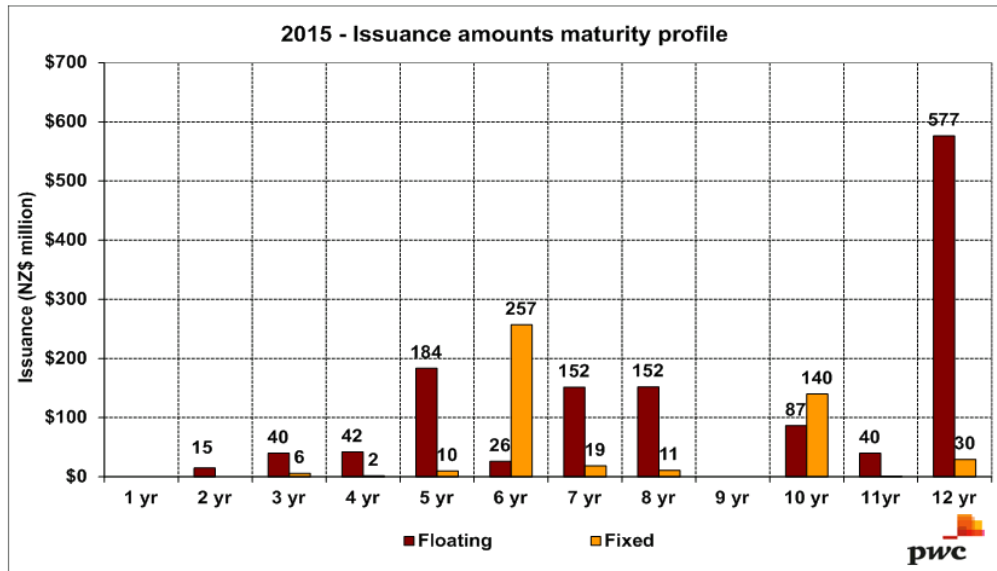
**Maturity profile and issuance amount of new local government debt issued in 2017:**



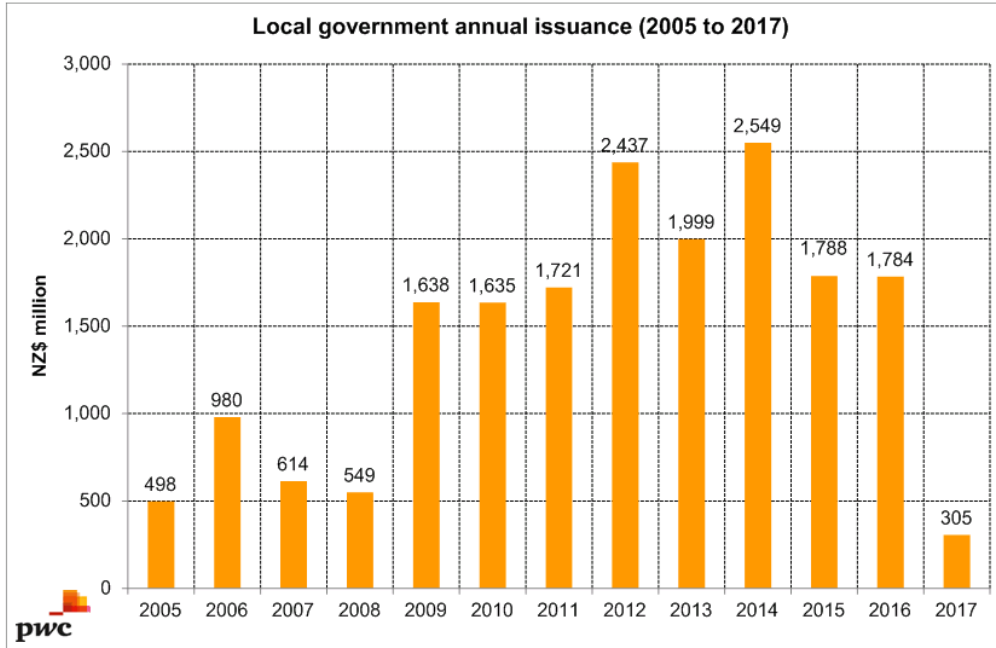
**Maturity profile and issuance amount of new local government debt issued in 2016:**



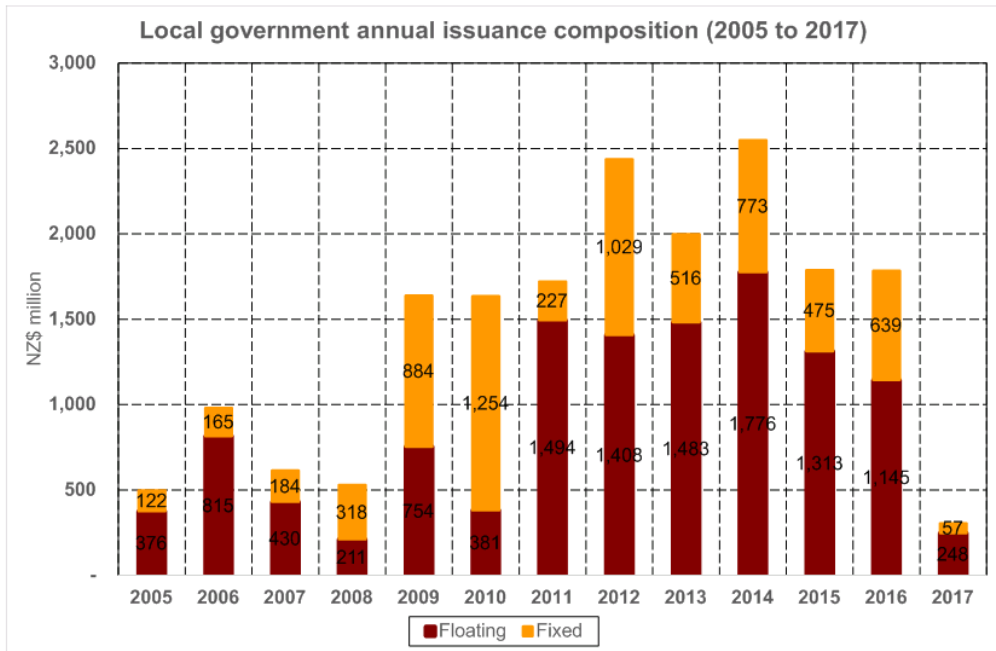
**Maturity profile and issuance amount of new local government debt issued 2015:**



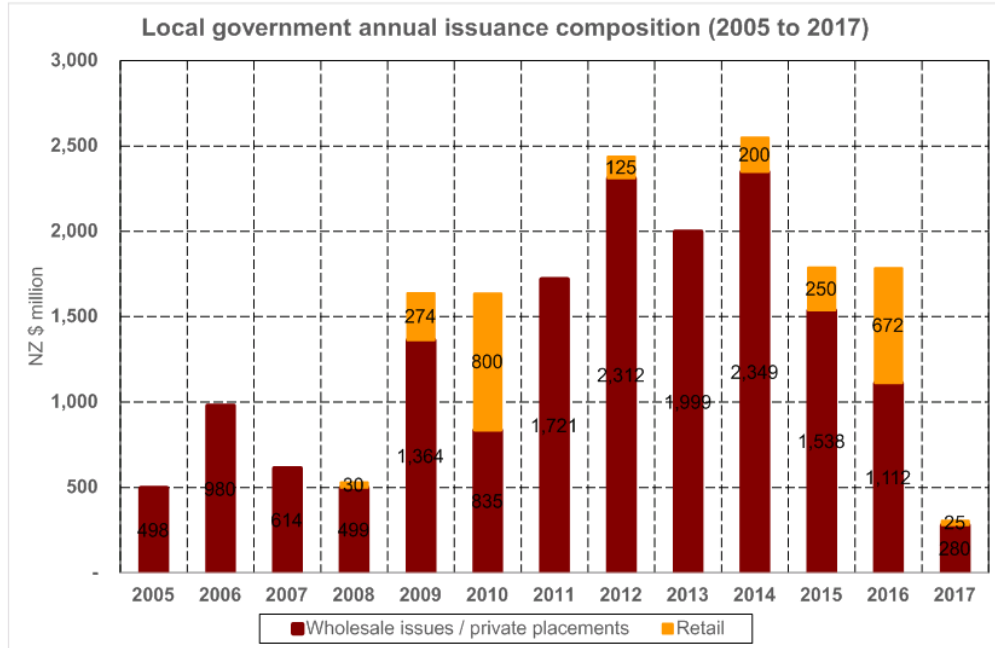
**Local government annual debt issuance since 2005:**



**Local government annual debt issuance composition since 2005:**



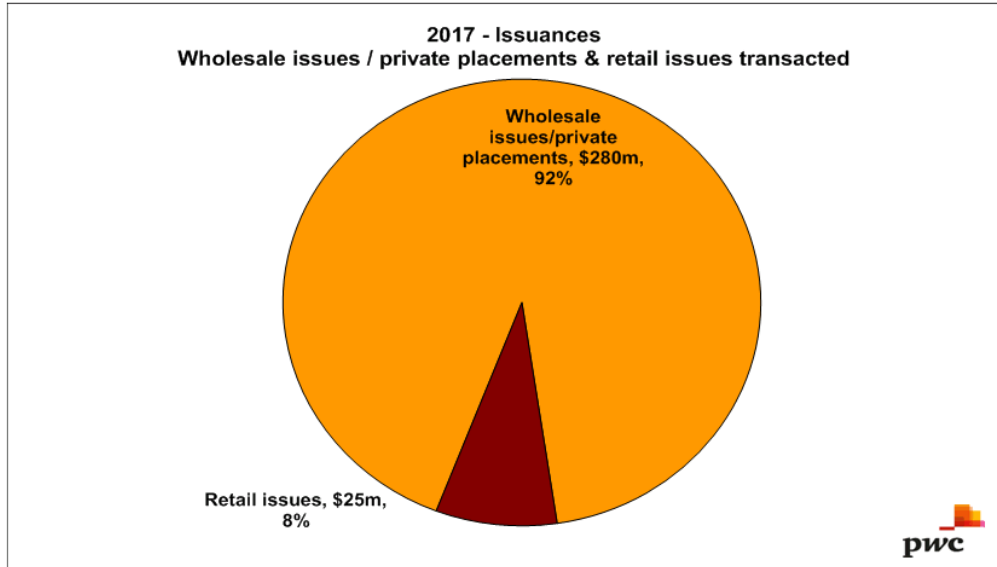
**Local government annual debt issuance composition since 2005:**



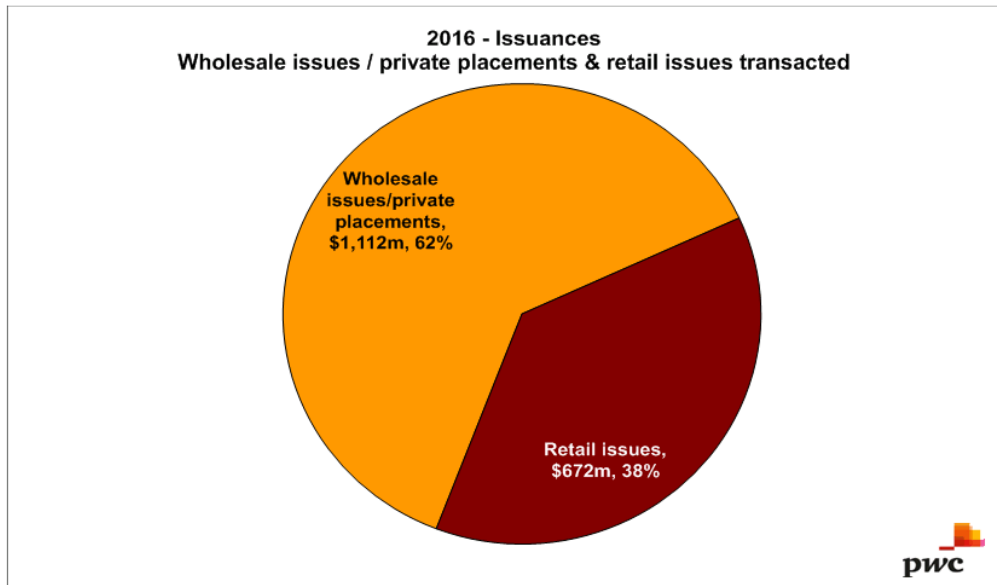


## Wholesale versus retail

### Funding market of local government debt issuance in 2017:

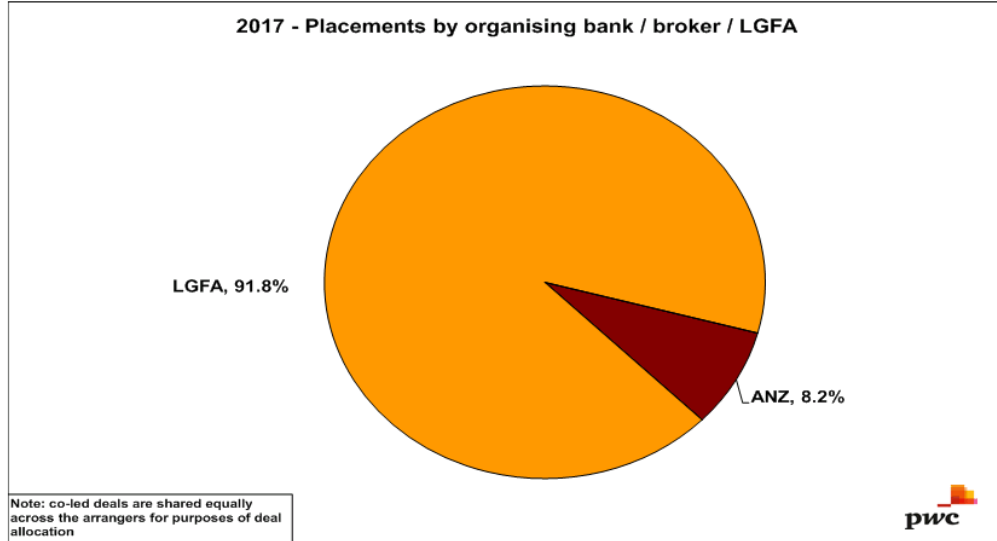


### Funding market of local government debt issuance in 2016:

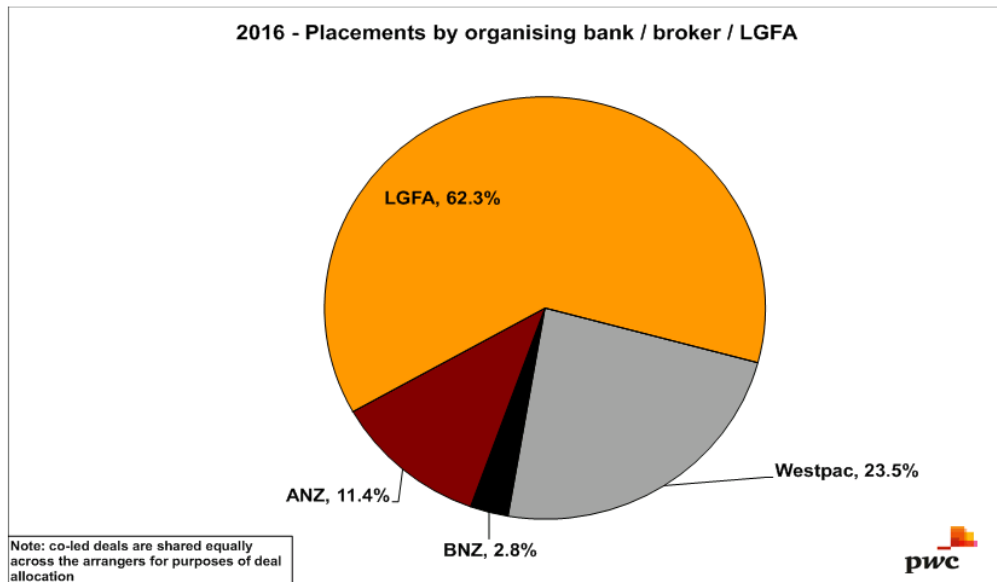


## Arranging bank/broker/LGFA market share

### Breakdown of organising bank/broker of local government debt issuance in 2017:

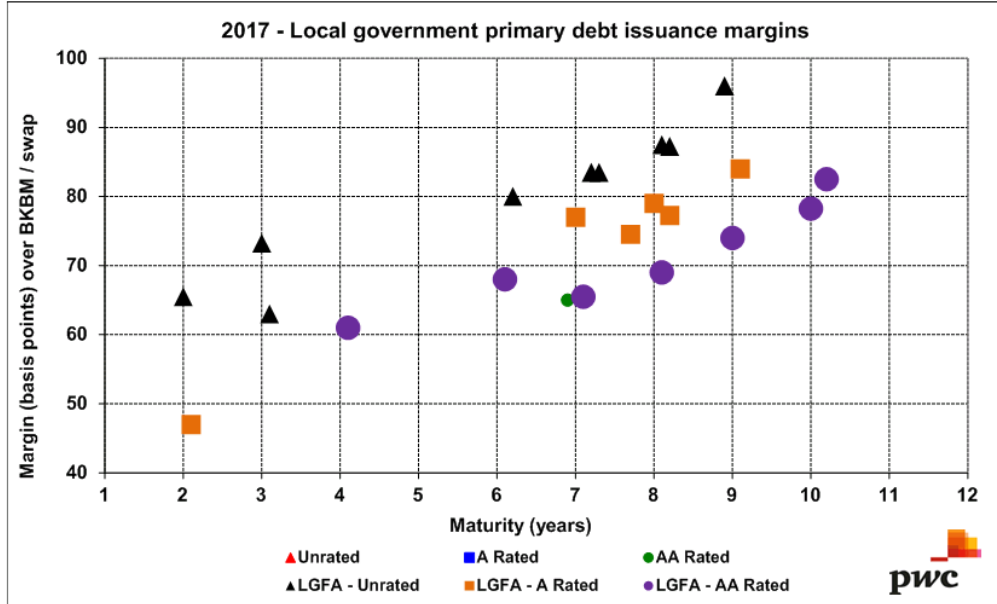


### Breakdown of organising bank/broker of local government debt issuance in 2016:



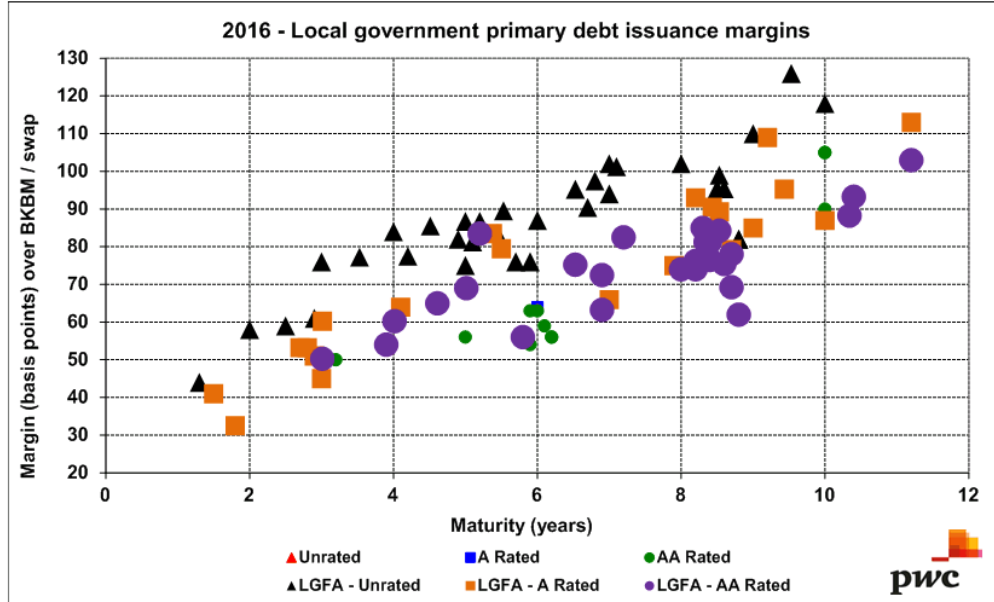
## Appendix 1: 2017 issuance margins

*Primary issuance margin of local government debt during 2017:*



## Appendix 2: 2016 issuance margins

Primary issuance margin of local government debt during 2016:



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The purpose of the report is to document our observations on the local government funding environment. The statements and opinions contained in this report are based on data obtained from the financial markets and are so contained in good faith and in the belief that such statements, opinions and data are not false or misleading. In preparing this report, we have relied upon information which we believe to be reliable and accurate.

We reserve the right (but will be under no obligation) to review our assessment and if we consider it necessary, to revise our opinion in the light of any information existing at the date of this report which becomes known to us after that date. This report must be read in its entirety. Individual sections of this report could be misleading if considered in isolation from each other.



## Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



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## Quarterly Report

Quarter 3: 2016 - 2017  
Period ended: 31 March 2017



### A. Quarter issuance and highlights summary

Quarter	Total	Bespoke	2017	2019	2020	2021	2023	2025	2027
Bonds issued \$m	160	N/A	-	-	20	-	-	100	40
Loans to councils \$m	280	153	-	7	2	-	5	83	30
Loans to councils – No.	23	12	-	2	2	-	1	4	2

Year to date	Total	Bespoke	2017	2019	2020	2021	2023	2025	2027
Bonds issued \$m	755	N/A	-	20	90	30	45	425	145
Loans to councils \$m	834	333	3	9	5	15	58	333	68
Loans to councils – No.	58	26	1	3	3	2	3	16	4

In addition to the above issuance, LGFA has issued \$300 million of treasury stock to itself, comprising \$50 million of each LGFA bond maturity (except the 2017s). The treasury stock holdings are used to facilitate stock lending to banks to assist with improving secondary market liquidity in LGFA bonds.

#### Key points and highlights for the March quarter:

- Bond yields reversed the previous quarters rise by declining over the quarter while the yield curve continued to steepen. The 2019 bond yield fell 33 bps (0.33%) while the 2027 bond yield fell 18 bps (0.18%). While bond yields reversed some of the previous quarters significant rise, the front end recovered more than the back end of the yield curve.
- LGFA issued \$160 million of bonds during the quarter in only one tender held in February. The average term of issuance of 8.04 years was slightly longer than the 7.38 years for the previous quarter, reflecting the greater proportion of 2025s and 2027s being issued. Outstandings across the seven LGFA maturities now total \$7.275 billion (including \$300 million of treasury stock).
- LGFA margins to NZGB and swap continued the previous quarters improvement with spreads to NZGB narrowing up to 23 bps and spreads to swap narrowing by 15 bps over the quarter.
- On-lending to council borrowers was \$280 million including \$153 million of bespoke issuance (55% of total lending) during the quarter. Much of this borrowing activity related to council refinancing of the December 2017 loans. The average term of on-lending to councils during the quarter was 7.45 years which was slightly longer than the prior December quarter (7.21 years) but shorter than the average term of 8.08 years for the 2015-16 year.
- The short-term council borrowing product launched in November 2015 remains well supported by councils with loans outstanding of \$255 million as at 31 March 2017. This was an increase of \$14 million over the quarter.
- LGFA Net Operating Gain (unaudited) for the nine months to March 2017 was \$8.654 million or \$0.825 million above budget.
  - Net Interest Income of \$13.092 million was \$0.762 million above budget due to council refinancing of their December 2017 loans through additional borrowing from LGFA rather than the repayment of their existing loans. This provides a short term boost to net interest income due to higher lending than forecast.
  - Expenses of \$4.438 million were \$63k below budget due to a lower than forecast usage of the DMO facility offset by higher NZX fees than forecast.

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## Quarterly Report

Quarter 3: 2016 - 2017  
Period ended: 31 March 2017



### B. LGFA bond tenders during quarter

Tender 44: 15 February 2017

\$160 million

<b>Tender 44</b>	<b>Apr-20</b>	<b>Apr-25</b>	<b>Apr-27</b>	
Tender date: 15 February 2017				
Total amount offered \$m	20	100	40	<p>Weighted average yields were 2 bps lower on the 2020s and the 2025s and 3 bps lower on the 2027s compared to the previous December 2016 tender.</p> <p>Demand was very strong for all three maturities. There were 1 successful bid for the 2020s, 9 successful bids for the 2025s (understandable given the larger volume offered) and 4 successful bids for the 2027s. There were 95 bids in total compared to 70 bids in the previous tender.</p> <p>Margins over NZGBs were 9.5 bps tighter on the 2020s, 6.5 bps tighter on the 2025s and 4.5 bps tighter on the 2027s compared to the previous tender.</p> <p>Margins over swap (after DMO charges) were 9.5 bps tighter on the 2020s, 9 bps tighter on the 2025s and 10.75 bps tighter on the 2027s compared to the previous tender. Issuance spreads were 3 bps tighter than the prevailing secondary market levels at the time of the tender.</p> <p>The average maturity of the LGFA bonds issued in the tender was 96.5 months (i.e. 8.04 years) and was a similar result to the December tender.</p> <p>Coverage ratio of 4.4 times was the equal best coverage ratio since November 2013.</p> <p>While we issued \$160 million of LGFA bonds we on-lent \$175 million to ten councils. \$49 million of the lending was on a bespoke basis.</p> <p>Total LGFA outstandings across the seven maturities (including Treasury Stock) following the tender was \$7.275 billion.</p>
Total amount allocated \$m	20	100	40	
Total number bids received	18	55	22	
Total amount of bids received \$m	165	390	146	
Total number of successful bids	1	9	4	
Highest accepted yield %	2.980	4.000	4.195	
Lowest yield accepted %	2.980	3.980	4.190	
Highest yield rejected %	3.085	4.095	4.265	
Lowest yield rejected %	2.985	4.000	4.195	
Weighted average accepted yield %	2.980	3.995	4.190	
Weighted average rejected yield %	3.01	4.028	4.209	
Coverage ratio	8.25	3.90	3.65	
<b>NZGB spread at issue bps</b>	<b>52.5</b>	<b>79.5</b>	<b>89.5</b>	
<b>Swap spread at issue bps</b>	<b>32.0</b>	<b>59.9</b>	<b>64.3</b>	
<b>Swap spread: AA council bps</b>	<b>42.5</b>	<b>67.3</b>	<b>77.5</b>	
<b>Swap spread: AA- council bps</b>	<b>47.5</b>	<b>72.3</b>	<b>82.5</b>	
<b>Swap spread: A+ council bps</b>	<b>52.5</b>	<b>77.3</b>	<b>87.5</b>	
<b>Swap spread: unrated council bps</b>	<b>57.5</b>	<b>82.3</b>	<b>92.5</b>	

## Quarterly Report

Quarter 3: 2016 - 2017  
Period ended: 31 March 2017



### C. Key performance indicators

Measure		Prior full year to June 2016	Q1	Q2	Q3	Q4
			30 Sep 16	31 Dec 16	31 Mar 17	30 Jun 17
Average cost of funds relative to NZ Government Stock and NZ Treasury Bills for issuance in the 12-month period to 30 June 2017	Target %		0.50%	0.50%	0.50%	0.50%
	Actual %	0.74%	0.646% (0.874% for bonds and 0.32% for bills)	0.743% (0.83% for bonds and 0.30% for bills)	0.553% (0.81% for bonds and 0.30% for bills)	-
Average base margin over cost of funds for short term and long term lending	Target %		0.10%	0.10%	0.10%	0.10%
	Average actual %	0.106%	0.10% (0.109% for long term and 0.082% for short term lending)	0.10% (0.1075% for long term and 0.082% for short term lending)	0.102% (0.109% for long term and 0.081% for short term lending)	-
Estimated interest cost savings %	Target %		Improvement on prior year	Improvement on prior year	Improvement on prior year	Improvement on prior year
	2019 actual %	17 bps	15 bps	15 bps	19 bps	-
	2021 actual %	27 bps	22 bps	21 bps	27 bps	-
	2025 actual %	33 bps	24 bps	20 bps	25bps	-
Issuance and operating expenses (excluding AIL) YTD	Target (\$ m)		\$1.10 m	\$2.40 m	\$3.60 m	\$4.80 m
	Actual (\$ m)	\$5.98 m	\$1.11 m	\$2.33 m	\$3.39 m	-
Lending (short and long term) to participating councils YTD	Target (\$ b)		\$6.516 b	\$6.791 b	\$7.066 b	\$7.341 b
	Actual (\$ b)	\$6.241 b	\$6.605 b	\$7.016 b	\$7.291b	-

## Quarterly Report

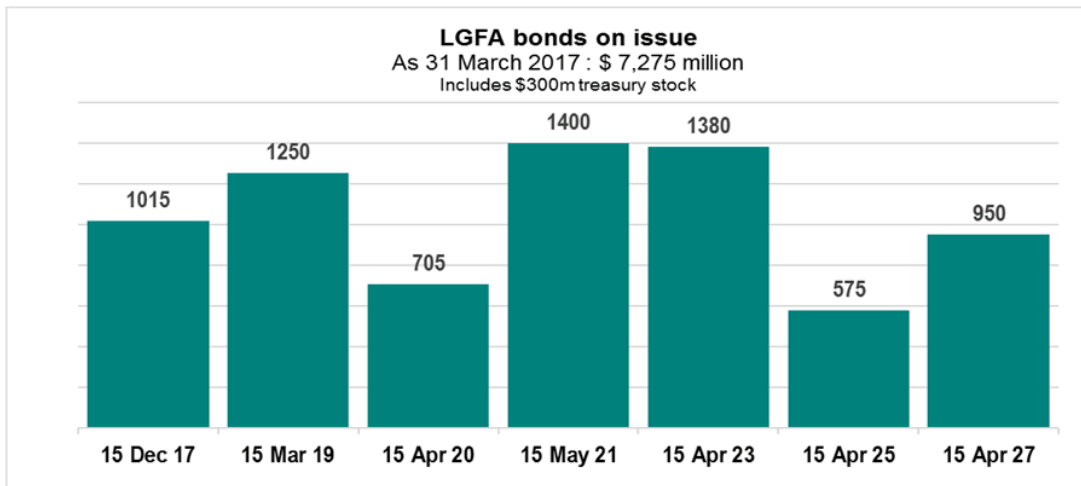
Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



### D. Summary financial information (provisional and unaudited)

Financial Year (\$m)	YTD as at Q1	YTD as at Q2	YTD as at Q3	YTD as at Q4
Comprehensive income	30-Sep-16	31-Dec-16	31-Mar-17	30-Jun-17
Interest income	76.54	155.71	236.43	-
Interest expense	72.35	147.20	223.34	-
<b>Net interest revenue</b>	<b>4.19</b>	<b>8.51</b>	<b>13.09</b>	-
Issuance and On-lending costs	0.45	0.90	1.33	-
Approved issuer levy	0.18	0.87	1.05	-
Operating expenses	0.66	1.43	2.06	-
<b>Issuance and operating expenses</b>	<b>1.29</b>	<b>3.20</b>	<b>4.44</b>	-
<b>Net Profit</b>	<b>2.89</b>	<b>5.31</b>	<b>8.65</b>	-

Financial position (\$m)	30-Sep-16	31-Dec-16	31-Mar-17	30-Jun-17
Retained earnings + comprehensive income	19.22	23.143	26.486	-
Total assets (nominal)	6,835.90	7,228.55	7,528.69	-
Total LG loans (nominal)	6,605.23	7,014.90	7,293.97	-
Total LGFA bills (nominal)	225.00	225.00	350.00	-
Total LGFA bonds (nominal)	6,435.00	7,115.00	7,275.00	-
Total borrower notes (nominal)	102.80	108.40	112.76	-
Total equity	47.12	48.14	51.49	-



## Quarterly Report

Quarter 3: 2016 - 2017  
Period ended: 31 March 2017



### E. Quarterly compliance summary

Policy	Limit	Policy page ref	Continuous Compliance
One-month Liquidity Monitor	>120%	S1-1.1	Yes
Three Month Liquidity Monitor	>110%	S1-1.2	Yes
Twelve Month Liquidity Monitor	>110%	S1-1.3	Yes
Council Exposure (any 12-month period)	<10% of Balance Sheet	S1-1.5	Yes
Liquidity Buffer	>110%	S1-1.4	Yes
Partial Differential Hedge (PDH Interest Rate Gap Report)	\$40,000	S3-4.1	Yes
Value at Risk (VaR)	\$250,000	S3-4.2	Yes
Council Maturity (any 12-month period)	\$100m or 33% of LGFA borrowing	S1-1.6	Yes
Funding Largest Council Exposure	>100%	S1-1.7	Yes
Foreign Exchange Exposure	Nil	S7-3.1	Yes
NZDMO Facility Utilisation	Report monthly	S8-8.5	Yes
Counterparty Credit Limits	80% of Portfolio \$75m Counterparty (category 3)	S4	Yes
Auckland Council Exposure (proportion of total Council exposure)	<40%	S1-1.8	Yes
Balance Sheet Maturity Mismatch	<15% of Balance Sheet	S2-2.1	Yes
Financial Covenants	Various (as set out on p13)	S9	Yes
Authorising Treasury transactions	Two approvers, one signature	S8-8.4	Yes

#### Details for compliance breaches over quarter.

There were no breaches over the quarter.



## Quarterly Report

Quarter 3: 2016 - 2017  
Period ended: 31 March 2017



### F. Performance against SOI objectives and performance targets

#### Primary objectives

##### 1. Providing savings in annual interest costs for all Participating Local Authorities

Our base on-lending margins have been held at a constant level since August 2015 of 9 bps (2017s and 2019s), 10 bps (2020s and 2021s) and 11 bps (2023s and 2027s). Our average base lending margin offered to council borrowers across all LGFA maturities is now 10 bps. The base margin charge covers our operating costs and provides for capital to grow in line with the balance sheet to maintain a capital buffer.

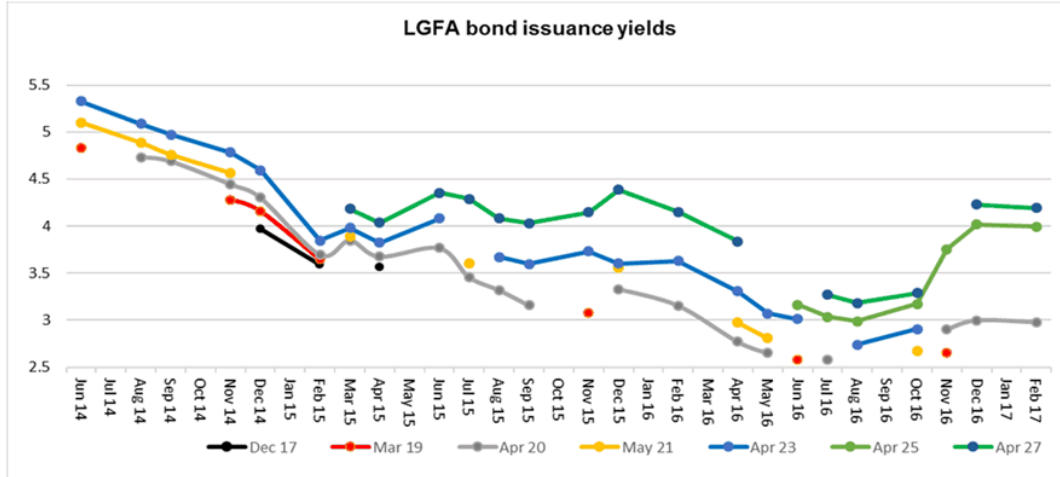
Our estimated annual savings to councils based upon the secondary market levels at 31 March 2017 of LGFA bonds compared to bonds issued by Auckland and Dunedin councils is between 19 bps and 27 bps depending upon the term of borrowing. There has been a small favourable change to these estimated savings over the past quarter.

31-Mar-17	Savings to AA rated councils (bps)				
	Auckland 2019	Dunedin 2020	Dunedin 2021	Auckland 2022	Auckland 2025
AA rated councils margin to swap	37	47	57	60	78
Less LGFA margin to swap	-19	-25	-30	-34	-52
LGFA Gross Funding Advantage	18	22	27	26	26
Less LGFA Base Margin	-9	-10	-10	-10.5	-11
LGFA Net Funding Advantage	9	12	17	15.5	15
Add 'LGFA Effect'	10	10	10	10	10
<b>Total Saving</b>	<b>19</b>	<b>22</b>	<b>27</b>	<b>25.5</b>	<b>25</b>

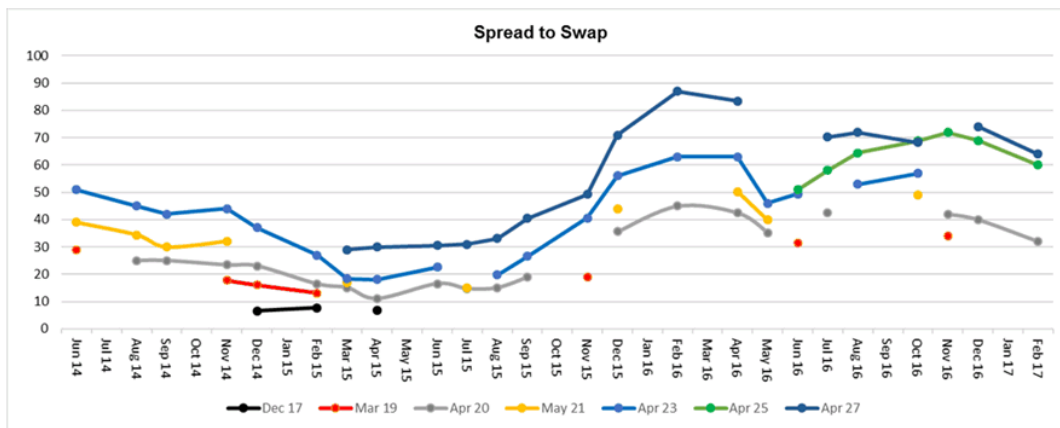
LGFA remains close to delivering on the 30 bps savings target for councils as outlined in the original business case for LGFA and continues to provide councils with access to long dated tenors (out to ten years). The popularity of the short term borrowing product also suggests councils are receiving reduced borrowing costs for short dated tenors.

# Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



We only held one tender during the quarter with total issuance of \$160 million. Credit market conditions were strong over the quarter with little issuance by high grade borrowers and good demand for credit from investors. Secondary market spreads to swap for LGFA bonds narrowed by between 4 bps (2017s) and 15 bps (2021s) over the quarter with the average across all LGFA bonds improving 13 bps to an eighteen-month low of 34 bps.



## 2. Making longer-term borrowings available to Participating Local Authorities

The average borrowing term (excluding short dated borrowing) for the March 2017 quarter by council members was 7.45 years and this was slightly longer than the previous quarter of 7.2 years but shorter

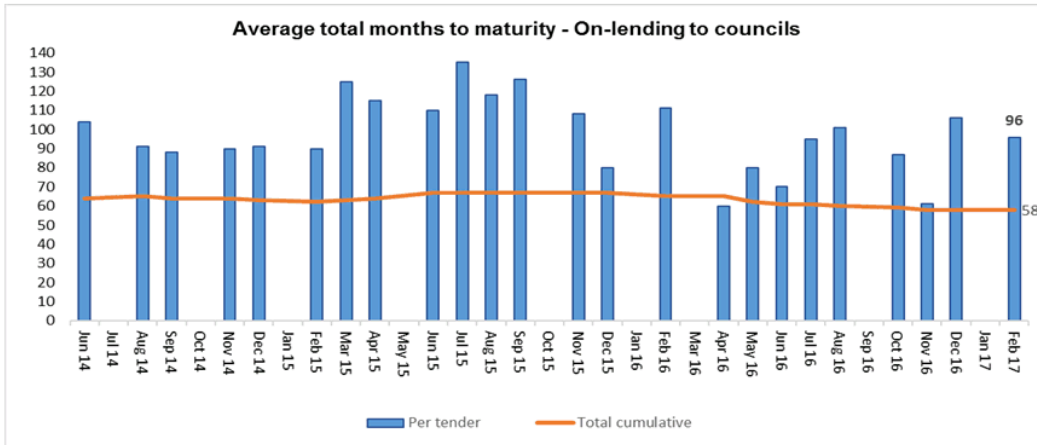
# Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



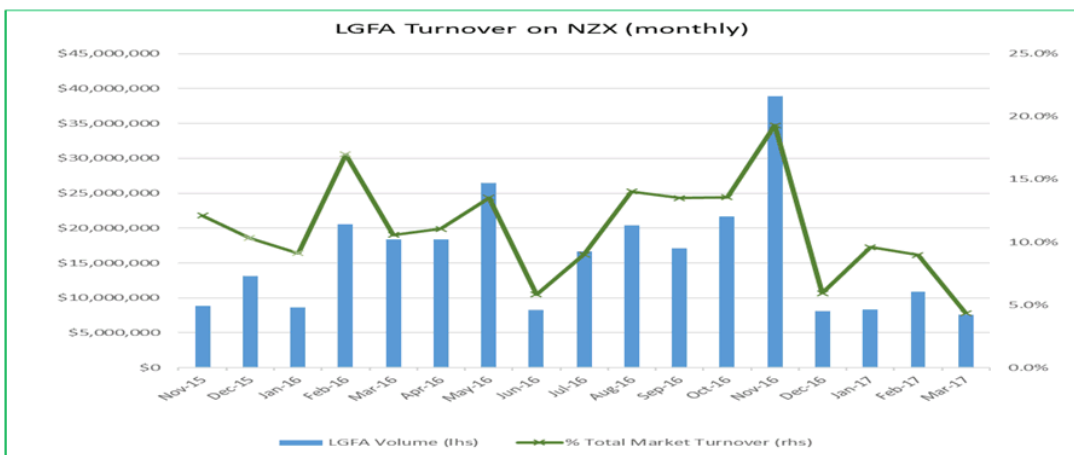
than the 8.08 years for the 2015-16 year. The average issuance term of LGFA bonds during the quarter was 8.04 years compared to 7.5 years for the prior quarter and 8.10 years for the 2015-16 year.

LGFA last issued a new 2025 bond in June 2016 and will issue a 2033 maturity in the coming quarter.



### 3. Enhancing the certainty of access to debt markets for Participating Local Authorities, subject always to operating in accordance with sound business practice

The listing of LGFA bonds on the NZX Debt Market in November 2015 has led to greater investor awareness of LGFA bonds. Average turnover on the NZX Debt market since listing has been \$16 million per month or 11% of the total turnover of the NZX Debt Market. Turnover has reduced in recent months as retail investors are more attracted to high term deposit rates.



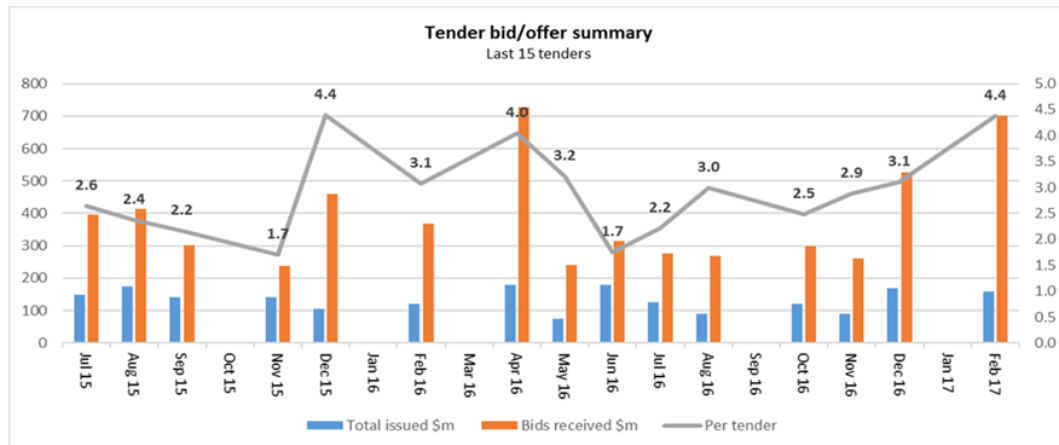
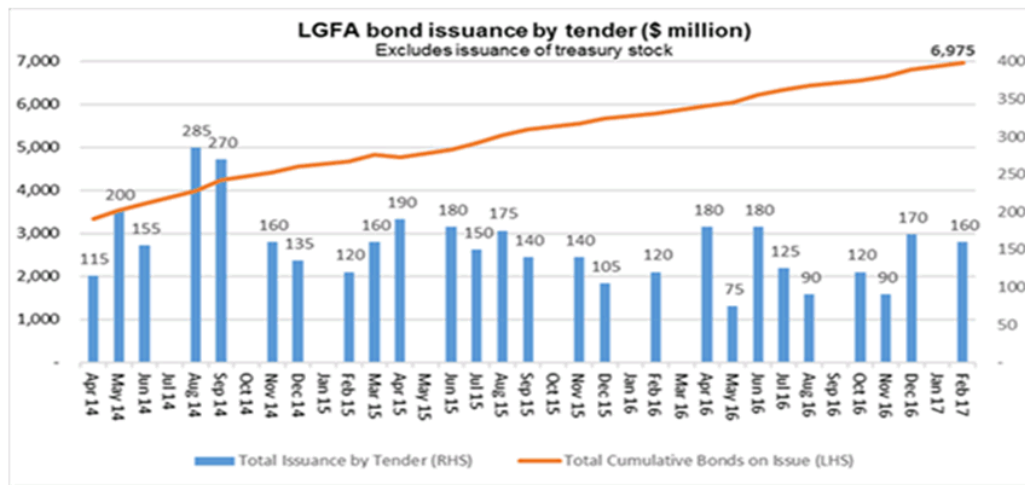
# Quarterly Report

Quarter 3: 2016 - 2017  
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LGFA began issuing 3-month and 6-month LGFA Bills and commenced short dated (less than 1 year) lending to councils in late 2015. LGFA has short term loans to seventeen councils of \$255 million outstanding as at 31 March 2017. We continue to receive enquiry from councils as to this product and would expect the number of participating councils and volume to grow over the next six months.

LGFA bond tenders continued to be supported by the market with the February tender attracting a 3.2 times coverage ratio. This is in line with the long-term average over the forty-four tenders held to date. Price tension remains strong as we issue between 1 bps and 3 bps tighter than secondary market levels at the time of each tender. We continue to offer three or four LGFA maturities at each tender and try to maintain the volume offered within the \$100 million to \$150 million range to ensure ongoing price tension.



## Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



### 4. Offering more flexible lending terms to Participating Local Authorities

Bespoke lending continues to be a popular borrowing option for council members. Since we introduced the ability for councils to choose their preferred maturity and date of drawdown in February 2015 we have lent \$829 million in bespoke transactions. During the March 2017 quarter, we lent \$153 million on a bespoke basis to eight councils. This comprised 55% of total term lending by LGFA to its members.

Short term borrowing by councils has been well received with loan terms to date of between 3 months and 12 months on \$258 million of loans.

### Additional objectives

#### 5. Operate with a view to making a profit sufficient to pay a dividend in accordance with its stated Dividend Policy

LGFA's Net Operating Gain on an unaudited basis was \$8.654 million for the nine-month period compared to the management forecast of \$7.829 million. The LGFA board declared a dividend for the 2015-16 year of 5.57% on 20 September 2016. Our 2016-17 year to date cost of funds is 3.51% which would imply a modestly lower projected dividend rate of 5.51% for the coming year.

#### 6. Provide at least 50% of aggregate long-term debt funding for Participating Local Authorities

LGFA estimates market share from the PwC Local Government Quarterly Debt Report and the most recent report is for the December 2016 quarter. LGFA market share of total sector borrowing for the December 2016 quarter was 88.1% and for the year to December 2016 was 60.7%. Adjusting both estimates for Auckland Council borrowing in its own name (as Auckland Council is restricted in the amount that it can borrow through LGFA) then LGFA market share for the December quarter was 83.1% and for the year to December 2016 was 72.4%. Our market share remains strong compared to our global peers but will be influenced by the amount of borrowing undertaken by Auckland Council in its own name.

#### 7. Ensure its products and services are delivered at a cost that does not exceed the forecast for issuance and operating expenses

Expenses on a year to date unaudited basis are \$4.438 million which is \$63k below budget. This variance is the consequence of:

- Issuance and on-lending costs (excluding AIL) at \$1,328k were \$23k below budget due to lower fees relating to the NZDMO facility and credit rating agencies offset by higher NZX costs from the additional bond issuance associated with the introduction of the bond lending facility.
- Operating costs at \$2.063 million were \$33k below budget and reflected lower overheads and travel costs than forecast offset by higher personnel and systems costs.

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## Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



### 8. Take appropriate steps to ensure compliance with the Health and Safety at Work Act 2015

LGFA has a Health and Safety staff committee and reporting on Health and Safety issues are made to the LGFA board on a regular basis by the Risk and Compliance Manager. There were no Health and Safety incidents during the quarter.

The Kaikoura earthquake in November impacted on Wellington CBD buildings. As result, staff are currently working from the Local Government New Zealand offices until it is safe to return to the LGFA offices.

### 9. Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency

LGFA met with both S&P and Fitch rating agencies in September 2016 as part of their annual review process. S&P subsequently affirmed the long-term rating of LGFA at AA+ (stable outlook) on 20 October 2016 and Fitch affirmed the AA+ (stable outlook) on 15 November 2016.

### 10. Achieve the financial forecasts

As at the end of third quarter, Net Interest Income was \$762k above budget while expenses are \$63k below budget. Net Operating Gain of \$8.654 million was \$825k above budget and is 13.1% above the Net Operating Gain for the comparable prior year period.

We expect to achieve the SOI financial forecasts on a full year basis. There are three bond tenders scheduled for the June 2017 quarter and councils are refinancing their December 2017 loans in line with expectations.



## Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



### G. Investor relations / outlook

Managing relations with our investor base is very important as we have yet to reach peak debt. Our projections for funding for each of the next three years is approximately \$1.1 billion p.a. so we require both existing investors to increase their holdings and to also find new investors. Our focus is on growing the offshore investor and domestic retail investor base as these groups have the most potential given that we already received strong support from the domestic banks and institutional investors.

Over the past twelve months we have met with nearly all our forty largest holders across Japan, Hong Kong, Middle East, North America, Australia, UK, Europe and New Zealand.

Offshore investors, banks and domestic investors all increased their holdings of LGFA bonds during the quarter by a similar amount

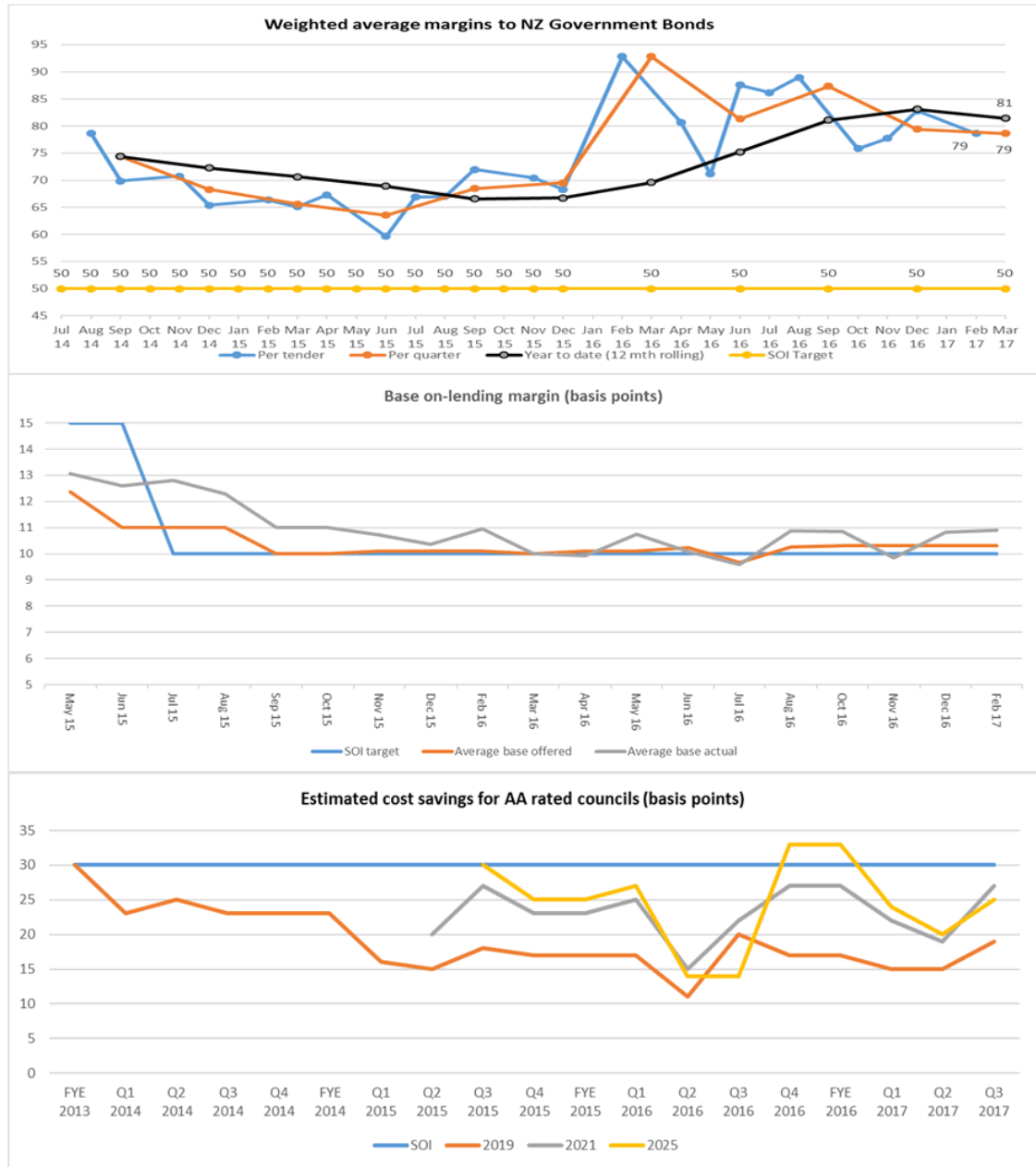
- Domestic banks reduced their holdings by \$268 million over the March quarter and were estimated to hold \$2.128 billion (30.5% of outstandings) compared to \$1.894 billion (34.2% of outstandings) as at 31 March 2016. Secondary market trading books reduced their inventory during the quarter as both domestic and offshore investors purchased LGFA bonds in the secondary market.
- Domestic institutional and retail investors increased their holdings by \$102 million over the March quarter and were estimated to hold \$2.859 billion (41.0% of outstandings) compared to \$2.300 billion (39.8% of outstandings) as at 31 March 2016. LGFA bonds are being purchased for inclusion in Kiwisaver funds by institutional investment managers.
- Offshore investors increased their holdings by \$267.6 million over the March quarter and were estimated to hold \$1.988 billion (28.5% of outstandings) compared to \$1.591 billion (27.0% of outstandings) as at 31 March 2016. The 28.5% of outstandings is a record high.

# Quarterly Report

Quarter 3: 2016 - 2017  
 Period ended: 31 March 2017



## H. Key trends



**PORT NELSON**

*The Region's Gateway to the World*

April 4, 2017

Mr. L McKenzie  
Chief Executive  
Tasman District Council  
Private Bag  
Richmond

Dear Lindsay

Attached is a Shareholders Dividend Statement for the 2017 interim dividend of \$750,000 declared on March 28<sup>th</sup>, 2017.

Yours faithfully  
**PORT NELSON LIMITED**

  
Daryl Wenner  
Chief Financial Officer

Port Nelson Ltd 10 Low Street Port Nelson PO Box 844 Nelson 7040 New Zealand  
Telephone +64 3 548 2099 Facsimile: +64 3 546 9015  
info@portnelson.co.nz www.portnelson.co.nz

<b>PORT NELSON LIMITED</b>	
<b>SHAREHOLDER DIVIDEND STATEMENT</b>	
Detail for Income Tax Purposes	
<b>SHAREHOLDER</b>	Tasman District Council
<b>PAYMENT DATE</b>	4-Apr-17
<b>GROSS DIVIDEND</b>	\$1,041,667
<b>IMPUTATION CREDITS</b>	\$291,667
<b>NET DIVIDEND</b>	<b>\$750,000</b>
<small>ON 12,707,702 ORDINARY SHARES</small>	
<b>RESIDENT WITHHOLDING TAX DEDUCTED</b>	\$0
<b>ELECTRONIC PAYMENT</b>	\$750,000

Exec/PNL/Admin/Finance Reports/Coy Dividend Statements

**8.9 COUNCIL BENCHMARKING INITIATIVES****Information Only - No Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN17-06-12

**1 Summary**

- 1.1 Benchmarking is becoming increasingly common in New Zealand as a way for local authorities to understand their own performance relative to other councils, as well as establish baselines from which to set improvement goals across a range of council services and functions. Benchmarking demonstrates a commitment by the Council to a continuous improvement and value for money philosophy.
- 1.2 Since 2012, Tasman District Council has had the option to participate with other councils in Treasury's Benchmarking Administration and Support Services (BASS) programme. Due to other priorities along with the staff time and resourcing required, we chose not to participate.
- 1.3 There are now two better alternatives to the BASS scheme. The LGNZ offering called CouncilMARK and the Society of Local Government Managers (SOLGM) offering which is the Australasian LG Performance Excellence Programme (ALGPEP). These two schemes have a distinctly different focus and resourcing requirements.
- 1.4 CouncilMARK is focused on providing quality assurance to the general public and communities around governance, leadership, strategy, financial management, transparency, service delivery, asset management and community engagement. It has a strategic and external focus. However the SOLGM ALGPEP focuses more on operational and internal functions, with measurement of the performance of certain back office and service delivery activities. The SOLGM scheme will also provide key support the Council Future Workforce Planning review being under taken by the State Services Commission.
- 1.5 After due consideration, including the financial and resourcing requirements for both programmes, Council management has signed up for the SOLGM ALGPEP. That decision does not preclude the Council participating in the future in the LGNZ CouncilMARK programme in (say) two to three years. Participation in the LGNZ scheme cannot occur until we have the systems and processes in place to support the SOLGM offering, along with increased resourcing to participate in the LGNZ scheme.

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

- 1. receives the Council Benchmarking Initiatives report 17-06-12; and**
- 2. notes the staff decision to commit resources and participate in the Society of Local Government Managers (SOLGM) Australasian Local Government Performance Excellence Programme; and**
- 3. notes that this is a precursor to a future decision to participate in the LGNZ CouncilMARK offering in two to three years' time.**

**3 Purpose of the Report**

- 3.1 The purpose of this report is to brief the Council on the decision to participate in the SOLGM local government benchmarking scheme.

**4 Background and Discussion**

- 4.1 Benchmarking is becoming increasingly common in New Zealand as a way for local authorities to understand their own performance relative to other councils, as well as establish baselines from which to set improvement goals across a range of council services and functions.
- 4.2 There is no obligation for the Council to be a member of any scheme, however the ability to compare performance against other councils, as well as baseline current performance, and set improvement goals, shows a commitment by the Council to a continuous improvement and value for money philosophy.
- 4.3 Councillors have previously raised the matter of benchmarking this Council's performance against its peers. This is to allow them to better understand Council's performance and where improvement initiatives could be focused.
- 4.4 The Council has had the opportunity to participate, along with the other members of the SOLGM Regional Council Finance and Corporate Services Special Interest Group, in a combined Regional Council Treasury Benchmarking Administration and Support Services (BASS) programme, since 2012. For a variety of reasons (including the level of resourcing required), Council did not take up that opportunity. The BASS programme is a framework offered by Treasury for central government departments, and in the absence of a local government offering, some local authorities joined BASS, however it remains ostensibly a central government programme.
- 4.5 There are now local authority frameworks available that would achieve similar objectives to BASS whilst at the same time offering more comparisons to similar local authority organisations. With the two new local government alternatives that now exist, it was timely for management to consider if one or both would meet the needs of the Council going forward.



- 4.6 The alternatives to the original BASS programme differ in both focus and benefits.
- 4.6.1 The CouncilMARK offering from LGNZ is focused on providing quality assurance to the general public and communities around governance, leadership, strategy, financial management, transparency, service delivery, asset management and community engagement. It has a strategic and external focus.
- 4.6.2 The ALGPEP offered by SOLGM is closer to the information offered by BASS, as it focuses more on operational and internal functions, with measurement of the performance of certain back office and service delivery activities.
- 4.7 Council management could have chosen to adopt BASS, CouncilMARK or ALGPEP. It could also have chosen to remain outside of any formal scheme and continue to develop its own internal assurance activities. The Senior Management Team (SMT) has considered these options and signed up Council for the SOLGM ALGPEP scheme. This scheme has an offering similar to the original BASS reporting but with more local government comparators.
- 4.8 In addition to this, in the future Council could determine that we join the LGNZ scheme, which focuses more on community value. Whatever schemes Council chooses to engage with, there are benefits in terms of the information these schemes provide, as well as costs in terms of staff time commitment and membership fees. These are discussed below.

### Comparison of schemes

- 4.9 The following categories were used when comparing the three schemes:
- (i) Focus - the key areas of Council business that are measured and reported against
  - (ii) Involvement - extent and complexity of involvement and associated costs
  - (iii) Fees - the financial cost of membership of the scheme
  - (iv) Outputs - the specific deliverables and services the Council will receive
  - (v) Comparators - number of members and similar organisations, age of scheme
  - (vi) Timing - registration timing and timing of assessments
- 4.10 The first point to note is the fundamental difference in focus between the LGNZ and SOLGM schemes. The LGNZ scheme has a strategic, external focus on four key priorities identified as essential for local government delivering community value; whereas the SOLGM scheme is akin to the BASS system, focusing on internal operational efficiency and effectiveness of support services like finance, HR, IT and property management. Both are useful but have different objectives and measure different things.
- 4.11 The LGNZ framework is far more involved than the SOLGM system. Whilst CouncilMARK assessments are triennial, results are made public and membership obliges local authorities to prepare, publish, monitor and report on improvement plans under the four priorities. In contrast, whilst the SOLGM system involves an annual survey and the collation and provision of data, there is no obligation to respond to survey results, which are not made public.
- 4.12 Accordingly, whilst the financial cost of membership for the LGNZ scheme is only \$5,000 to \$9,000 per annum (\$15,000 to \$27,500 for each triennial assessment) the additional considerable costs in terms of Councillor and staff time preparing for and participating in assessments, as well as ongoing improvement planning, make the total cost of participation quite significant and probably in excess of \$75,000 per annum. By comparison, the membership cost of the SOLGM scheme is a little over \$15,500 per annum, with an

additional 100 - 200 hours of staff time required to collate and provide data, equating to a total cost of around \$30,000 - \$35,000 per annum.

- 4.13 This financial comparison is not a criticism of the LGNZ offering but it serves to prove that participating in the LGNZ scheme is a far different and more public proposition than the SOLGM one. Signing up to the LGNZ scheme requires careful consideration of the extra costs, obligations and expectations it places on the Council.
- 4.14 In terms of outputs, the SOLGM scheme provides a confidential report of Council performance in the measurement areas in the context of all the other participants, who are assessed at the same time each year. Councils are also given access to an online comparator tool so that they can compare themselves more closely with similar type and sized councils. Any subsequent improvement plans are down to each council and there is no support or obligation to act on any of the results.
- 4.15 Council is also undertaking a future workforce planning review using the State Services Commission. The benchmarking provided by the SOLGM ALGPEP scheme aligns closely with and will support this review of organizational capacity and capability.
- 4.16 The LGNZ scheme outputs are more comprehensive which is consistent with the more encompassing focus of the scheme towards measurement and improvement. Tools, services, best practice, shared experience and independent on-site assessments feature in the offering. Participants receive an overall CouncilMARK rating on a scale from AAA to C and assessment of each of the four priority areas on a scale of 'exemplary' to 'struggling'. These ratings are made public by LGNZ and are intended to drive improvement plans which will present the Council with additional costs over time.
- 4.17 The LGNZ scheme has only been available since mid-2016 and currently has 21 New Zealand Council members, two of which are Regional Councils (Greater Wellington and Waikato). By contrast, the SOLGM scheme has 135 members across New Zealand, Western Australia and New South Wales. There are 30 New Zealand Council members, two of which are New Zealand Regional Councils (Northland and Otago). Nelson, Auckland, Dunedin, Ashburton, Hurunui, Waimakariri and Waitaki are other notable members.
- 4.18 The wide ranging membership of the SOLGM scheme and the relative infancy of the LGNZ scheme support the decision to sign up to the SOLGM programme this year. The Council can observe for now, the progress of the LGNZ scheme as its membership base grows and performance assessment systems are fine-tuned.
- 4.19 A decision to delay entering the LGNZ scheme for two to three years will allow the systems to be developed to support the SOLGM benchmarking. We expect to be able to complete the work to participate in the SOLGM programme within the current system and staff resources. This will still be a stretch as we are also dealing with high work loads from the cyclical Long Term Plan (LTP) preparation and the Waimea Dam project.
- 4.20 A decision to also participate in the LGNZ scheme at this time could not be accommodated with existing resources. That includes the level of Councillor involvement necessary on top of their high work load in an LTP preparation period.

## **5 Strategy and Risks**

- 5.1 The LGNZ CouncilMARK scheme is a public facing grading system that is intended to raise awareness of a council's performance in four priority areas. The scheme began in 2016, with

the first tranche of grades to be released shortly. There are financial and reputational risks associated with the early adoption of the scheme by the council whilst the grading system is bedded in and assessment processes are fine tuned. It would be prudent for Council to observe the progress of the scheme over the next year or two and then perhaps reconsider membership for the 2019 intake.

- 5.2 The SOLGM scheme has been established in New Zealand since 2015, and since 2013 in Australia. The systems and processes are well established and present less risk than the LGNZ option.
- 5.3 Nelson City Council participates in the SOLGM scheme and this will allow comparisons to be made between us and Nelson City Council. These comparisons would support the continued dialog between our councils on opportunities to collaborate and leverage our close relationship.
- 5.4 From a financial perspective, the decision to engage with SOLGM is of low significance. The Council could also choose at a future date to be involved in the LGNZ CouncilMARK scheme. That scheme explicitly looks to promote public awareness of Council performance in four priority areas and may increase the level of engagement with communities and businesses.

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

- 6.1 There are no legal compliance issues. Benchmarking is a voluntary activity and not governed or directed by legislation.

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

- 7.1 The SOLGM scheme has an annual fee of \$15,474 p.a. for a three-year membership if applications are submitted before the end of May 2017. It is estimated that around 100 - 200 hours of time is required to participate, summing to a total annual cost of around \$30,000 - \$35,000 p.a. Any improvement initiatives would be additional to this but entirely at the Council's discretion and could be integrated with business-as-usual business improvement initiatives.
- 7.2 The LGNZ CouncilMARK scheme has an annualised membership fee of \$5,000 to \$9,000 (\$15,000 to \$27,500 every three years depending upon the length and complexity of each triennial assessment). In addition to this is Councillor and staff time prior to and during assessments and further time and costs developing, implementing, monitoring and reporting on improvement plans. Total annualised costs could reach \$75,000 p.a., or more, depending upon the scale of any improvement plan obligations.

## **8 Significance and Engagement**

- 8.1 The level of significance is considered low as although there is likely to be interest in the outcome of any benchmarking activity, the decision to engage in a benchmarking exercise is in itself of low interest.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	There is likely to be interest in the outcome of any benchmarking activity but the decision to engage in a benchmarking exercise is in itself of low interest
Is there a significant impact arising from duration of the effects from the decision?	No	
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	
Does the decision create a substantial change in the level of service provided by Council?	No	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	Participation cost will be met by re-prioritising existing budgets
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

## 9 Conclusion

- 9.1 In summary, the SOLGM ALGPEP programme is a targeted, internal, operational benchmarking programme, with any improvements left to the discretion of the Council. This made it the best option for the Council at this time.
- 9.2 The decision to participate in this scheme, while requiring an investment of time and financial resources, will provide valuable targeted benchmarking information. This will allow management to assess and implement any opportunities for improvements identified through the benchmarking programme.

**10 Next Steps / Timeline**

- 10.1 The Council has signed up to the SOLGM ALGPEP scheme.
- 10.2 There are a series of training webinars that will be undertaken by key staff.
- 10.3 Being the first year of participation additional staff and IT resources will be utilised to develop the information gathering systems.

**11 Attachments**

Nil





## 8.10 MAYOR'S REPORT TO FULL COUNCIL

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Richard Kempthorne, Mayor
<b>Report Number:</b>	RCN17-06-13

### 1. Summary

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

### 2. Draft Resolution

**That the Tasman District Council receives the Mayor's Report to Full Council RCN17-06-13.**

**1 Activities**

1.1 Since my last Mayor's Report, my activities have included the following:

- I attended the Project 64 Mini homecoming event at the WOW Museum on 8 May.
- Keep Richmond Beautiful invited me to attend their Annual General Meeting on 10 May. Regrettably, I was unable to stay for the whole meeting but I was pleased to be able to welcome all those who did attend to the meeting and thank them for their tremendous contributions throughout the year.
- I was invited to attend the Motueka High School Careers Expo on 16 May. It was pleasing to see some local businesses present to discuss career opportunities with students in addition to the normal tertiary institutions from outside the district.
- Some of you joined me on the Accessibility for All walkaround on 17 May. This was an excellent opportunity for us as Councillors to experience the accessibility issues of people with mobility, vision or hearing disabilities in our communities.
- I attended the Brightwater site visit with many of you in preparation for the TRMP Hearing 74 on Plan Change 57.
- You will see that in Lindsay's Activity Report he has commented on the Regional Sector Meeting that we both attended on 12 May. Lindsay and I are happy to discuss any matters that arise.
- I attended a Land and Water Forum meeting on 23 May, where a wide representation of national organisations continue to discuss improvements that can be made to New Zealand's water management.
- I attended the LGNZ National Council Meeting on 26 May. Topics that were covered included:
  - o Havlock North drinking water enquiry (stage 2) and its implications for other councils. We have previously discussed this and it is likely to have significant implications.
  - o The Local Government Excellence Programme, which we will engage with as soon as staff resource allows.
  - o The Civil Defence review being undertaken by Government.
- On 27 May, I attended the launch of the Waimea Adult and Youth Trust Community Centre. This project has been underway for some time and I congratulate the Trust on the successful completion and opening of their community centre.
- I met with Kevin Hague, the new Chief Executive of Forest and Bird, in Wellington. I knew Kevin previously as Green MP who had an interest in the West Coast and Top of the South and discussed with him the initiatives that Tasman District Council are employing to comply with the National Policy Statement on Freshwater Management (NPSFM).
- On 31 May, I met with representatives from the Laura Ingram Kindergarten in Motueka and discussed opportunities for the redevelopment of the library, which may assist them.

- Jane and I attended the opening of the 51<sup>st</sup> National Square and Round Dance Convention, which was hosted in Richmond by the Nelson Square and Round Dance Association. We had the pleasure of welcoming attendees to the 47<sup>th</sup> convention in 2013 and so we were very pleased to be able to welcome members back to the region this year.
- I welcomed participants in the South Island Indoor Bowls Championship at Club Waimea in Richmond.
- I chair the LGNZ Policy Advisory Group. This group met on 8 June and has two key focus areas. We will be looking to identify improvements that can be made to address water management and the provision of water infrastructure, particularly in urban areas. We will also endeavour to develop a local government framework to address climate change both in the areas of mitigation where possible and adaptation.
- Staff and I met with representatives of Spark and Vodaphone, who explained to us how they would like to be involved in the RBI2 initiative funded by Government. This will address rural connectivity issues, which are very real in our district.
- Meeting with Ian Collier and Cath O'Brien from Air New Zealand and Green Party MP David Clendon. David was interested in discussing and understanding tourism opportunities in Tasman District.

<b>2 Other</b>
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### **Special Housing Accord**

- 2.1 Environmental Policy Manager, Barry Johnson and I met with Minister Nick Smith, where we finalised and signed the Tasman Housing Accord. We also discussed the various applicants that were expressing interest in processing Special Housing Areas.

### **Attracting Young People in our Region into Rural Industries**

- 2.2 On 24 May, I facilitated a meeting between representatives from primary industries in our region and some of our High School Principals. The purpose of this meeting was to seek their engagement to explore how they might improve the connection between young people at school and the industries that drive our economy. This is an initiative I have felt strongly about for quite some time. It seems to me that there are many good career options for our practically orientated young people within our district and often these career opportunities are unknown to them. I explored whether there was interest from both industry and schools in improving this connection and I am pleased to say it had widespread support from everyone who attended. I spent considerable time making these connections and organising the meeting, but I was very pleased with the great turnout and the commitment from everyone who attended. Industry and school representatives will continue this discussion and I will be happy to report back on progress in due course.

### **LGNZ Freshwater Symposium 2017**

- 2.3 Local Government New Zealand (LGNZ) hosted the 2017 Freshwater Symposium on 29 and 30 May. I was involved in organising the event and presented at the event on the work being done by the Land and Water Forum. The symposium covered a number of key topics to do with managing water quality in New Zealand. If Councillors would like more information on what was discussed, you are welcome to speak to either myself or Councillors King and

Brown or Barry Johnson and Dennis Bush-King who also attended the symposium. There was a lot of interest from those attending.

#### **Audit New Zealand Update**

2.4 On 6 June, I attended an update from Audit New Zealand in Christchurch. Councillor David Ogilvie, Strategic Policy Manager, Sharon Flood and Finance Manager, Russell Holden also attended. I have listed some of the topics covered during the update below and those of us that attended would be happy to discuss these in further detail with you.

- Economic outlook and 2017 budget update from Treasury
- Strategic Financial Management from Treasury
- Conflicts of interest in the Public Sector
- Fraud and what to look for
- Cyber security

#### **Nelson Airport Appointment of Director**

2.5 I am going to continue with the Nelson Airport Director appointment process on my return.

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

2.6 A reminder that when this report comes up for discussion on 22 June, this is also a time for Councillors to raise any issues that they would like the Council to consider.

#### **Appendices**

Nil

**8.11 MACHINERY RESOLUTIONS REPORT**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	22 June 2017
<b>Report Author:</b>	Gabrielle Drummond, Administration Assisstant - Governance Services
<b>Report Number:</b>	RCN17-06-14

**Executive Summary**

The execution of the following documents under Council Seal require 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 Tasman District Council**

- 1. receives the Machinery Resolutions report RCN17-06-14 and that the execution of the following documents under the Seal of Council be confirmed:**
  - a) Easement in Gross – Bayview Estate – to convey and drain stormwater.**
  - b) Easement in Gross – CBH Limited – to convey and drain water.**





## 9 CONFIDENTIAL SESSION

### 9.1 Procedural motion to exclude the public

The following motion is submitted for consideration:

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

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

### 9.2 Kaiteriteri Water Treatment Plant

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