

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

**Date:** Thursday 9 August 2018  
**Time:** 9.30 am  
**Meeting Room:** Tasman Council Chamber  
**Venue:** 189 Queen Street  
Richmond

---

## Full Council

### AGENDA

---

#### MEMBERSHIP

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

(Quorum 7 members)

Contact Telephone: 03 543 8400  
Email: [hannah.simpson@tasman.govt.nz](mailto:hannah.simpson@tasman.govt.nz)  
Website: [www.tasman.govt.nz](http://www.tasman.govt.nz)



## AGENDA

### 1 OPENING, WELCOME

### 2 APOLOGIES AND LEAVE OF ABSENCE

#### Recommendation

That apologies be accepted.

### 3 PUBLIC FORUM

### 4 DECLARATIONS OF INTEREST

### 5 LATE ITEMS

### 6 CONFIRMATION OF MINUTES

That the minutes of the Full Council meeting held on Thursday, 28 June 2018, be confirmed as a true and correct record of the meeting.

That the minutes of the Full Council meeting held on Wednesday, 1 August 2018, be confirmed as a true and correct record of the meeting.

### 7 PRESENTATIONS

- 7.1 Motueka Marae Development - Barney Thomas, Keith Palmer and Anne Martin
- 7.2 Rural Connectivity Group RBI2 and MBS Programmes – Caitlin Metz
- 7.3 Special Housing Area Application for Angelus Avenue – Mark Lile

### 8 REPORTS

- 8.1 Special Housing Areas..... 5
- 8.2 Future Development Strategy ..... 31
- 8.3 Nelson Tasman Land Development Manual ..... 37
- 8.4 Richmond and Motueka Town Centre Parking Strategy..... 47
- 8.5 Proposed Harbourmaster Facility at Port Motueka..... 69
- 8.6 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units..... 87
- 8.7 Corporate Services Quarterly Report to end of June 2018..... 97
- 8.8 Waimea Dam Project Report ..... 127
- 8.9 Ratepayer Communication Regarding the Waimea Community Dam ..... 147
- 8.10 Mayor's Activity Report ..... 153
- 8.11 Chief Executive's Activity Report..... 183
- 8.12 Annual Report from the Chair of the Audit and Risk Committee ..... 229
- 8.13 Machinery Resolutions Report ..... 235

**9 CONFIDENTIAL SESSION**

9.1 Procedural motion to exclude the public ..... 237

9.2 Proposed Land Acquisition - 520 Hill Street South..... 237

## 8 REPORTS

### 8.1 SPECIAL HOUSING AREAS

**Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Jacqui Deans, Policy Planner; Barry Johnson, Environmental Policy Manager
<b>Report Number:</b>	RCN18-08-02

#### 1 Summary

- 1.1 Council has received a request to amend one of the qualifying criteria within the Richmond (Angelus Avenue) Housing Accords and Special Housing Areas (Tasman) Order 2017. The applicant has recently identified that the definition of building height under the Housing Accords and Special Housing Areas Act (HASHAA) is different to the definition used in the Tasman Resource Management Plan (TRMP). The applicant appears to have relied on the TRMP method when the SHA was originally applied for and gazetted.
- 1.2 Construction of the buildings in the SHA would be a permitted activity under the TRMP for the proposed height of 7.5m. However, due to the different method for calculating height under HASHAA, the proposed buildings would not meet the 7.5m maximum height criteria for the SHA so the development cannot proceed.
- 1.3 The applicant seeks to amend the 'maximum calculated height' qualifying criteria within the SHA gazette notice to allow the construction of buildings. This amendment comprises a increase in the building height from 7.5m to 12m. The buildings themselves have not physically changed in height from the original proposal, only the method by which the height is calculated.
- 1.4 If Council agrees then the Mayor will write to the Associate Minister for Housing and Urban Development recommending an amendment to Part 2 of Schedule 3 Richmond (Angelus Avenue) SHA of the Housing Accords and Special Housing Areas (Tasman) Order 2017.
- 1.5 The applicants have been invited to make a short presentation to Council on the proposal. The application document was pre-circulated to Councillors during the week beginning 30 July 2018.
- 1.6 Staff consider the application can be supported for the reasons contained in this report.

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

**That the Full Council**

- 1. receives the Special Housing Areas RCN18-08-02 report; and**
- 2. agrees to recommend to the Associate Minister for Housing and Urban Development an amendment to the criteria for qualifying developments in Schedule 3 Richmond (Angelus Avenue) SHA to increase the maximum building height from 7.5m to 12m.**

### 3 Purpose of the Report

- 3.1 To consider the proposed amendment to Schedule 3 of the Housing Accords and Special Housing Areas (Tasman) Order 2017 for the Angelus Avenue SHA.
- 3.2 To agree that the Mayor recommend to the Associate Minister for Housing and Urban Development, the proposed amendment concerning increased building height to Schedule 3 Richmond (Angelus Avenue) SHA of the Housing Accords and Special Housing Areas (Tasman) Order 2017 as agreed by the Committee.

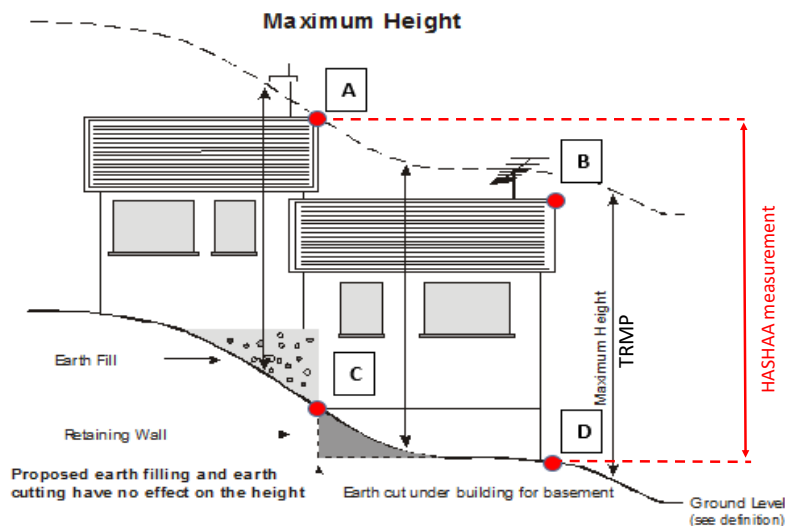
### 4 Background and Discussion

- 4.1 The Council entered into a second Housing Accord with the Minister of Building and Construction on 19 May 2017 under the Housing Accord and Special Housing Areas Act 2013 (HASHAA).
- 4.2 Under the Accord, the Council can consider requests for Special Housing Areas (SHAs) and if satisfied, recommend to the appropriate Minister that a SHA be established. The first tranche of SHA requests was considered by Council on 22 June 2017. Council resolved that eight of the ten requests be recommended as SHAs to the Minister. The eight were subsequently gazetted by Order in Council on 14 August 2017 as the Housing Accords and Special Housing Areas (Tasman) Order 2017 (Attachment 1). The SHAs created by the Order enable a minimum of 1,281 dwellings to be created, subject to resource consents being obtained.
- 4.3 Under the Order, “Schedule 3 Richmond (Angelus Avenue) SHA”, the qualifying criteria are:
 

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	30
- 4.4 The applicant has recently identified that the definition of building height under HASHAA is different to the definition used in the TRMP (which is consistent with the definition in the draft national planning standards, recently published by Government). Construction of buildings that meet the current qualifying criteria - building height of 7.5m - would be permitted under the Tasman Resource Management Plan (TRMP) for the underlying zone. However due to the different method for calculating height under HASHAA, it would not be possible to meet this height restriction.
- 4.5 It appears the applicant relied on the TRMP definition of height when the original SHA request was made. This is essentially a technical fix that is being requested. The applicant is not seeking any increase in the maximum number of storeys allowed. This will remain at two.
- 4.6 As a result, Council has received a request in relation to the Angelus Avenue SHA to increase the maximum building height qualifying criteria from 7.5m to 12m (Attachment 2).

### Calculation of building height

- 4.7 The HASHAA states that **maximum calculated height**, in relation to a building, means the vertical distance between the highest point of its roof (excluding a number of appendages) and the lowest point where the ground line passes to the exterior face of the building. The definition means that there is a potential horizontal offset between the highest and lowest point of a building when it is constructed on a slope, such as the Angelus Avenue SHA.
- 4.8 The TRMP defines **height**, in relation to a building, as the vertical distance between ground level at any point and the highest part of the building immediately above that point (see Figure 1). For the purpose of calculating height, account is taken of parapets, but not of:
- radio and television aerials, provided that the maximum height normally permitted by the rules for the zone is not exceeded by more than 2.5 metres;
  - chimneys (not exceeding 1.1 metres in any direction); or finials, provided that the maximum height normally permitted by the rules for the zone is not exceeded by more than 1.5 metres.



**Figure 1:** Method to determine building height according to Chapter 2 page 15 of the TRMP. HASHAA method shown in red.

- 4.9 The difference between the two methodologies is:
- building height under HASHAA is calculated as the difference between Points A and D in Figure 1;
  - building height under the TRMP uses the difference in height between Points A and C and between Points B and D.
- 4.10 The Richmond (Angelus Avenue) SHA was gazetted with a minimum number of dwellings to be built of 30. The developer has engaged in pre-application discussions with Council regarding servicing and urban design for the site. This includes presenting their proposal to the Council's Urban Design Panel in June. Note that while the building height is



permitted, resource consent for other matters including subdivision and earth works will be required.

- 4.11 An updated assessment report has not been provided by staff as the proposed amendment will not affect the servicing requirements for the SHA.
- 4.12 Council staff have assessed the amendment to the application in accordance with the Lead Policy, as a framework for forming their recommendation to approve the SHA amendment request.

## **5 Options**

- 5.1 Council has the options of:
- approving and recommending the change to the Minister;
  - declining to recommend the change to the Minister; or
  - requiring that the application is open to public consultation under the Local Government Act before reconsidering the amendments at a later Council meeting.
- 5.2 The application is considered to be consistent with the Tasman Housing Accord. Adequate infrastructure to service qualifying developments, for the minimum dwelling density, in the proposed special housing area exists or is likely to exist having regard to relevant local planning documents, strategies, and policies, and other relevant information.

## **6 Strategy and Risks**

- 6.1 Staff recommend not consulting on the application to amend the Special Housing Area. The amendment is a technical one and the buildings physically are not changing from the original proposal. The resource consent process allows for adjoining property owners to be specifically consulted.

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

- 7.1 There are no financial or budgetary implications for Council if this application are approved.

## **8 Significance and Engagement**

- 8.1 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 to those people involved. Under the HASHA Act consultation is limited to infrastructure providers and adjoining property owners. There is no scope for public consultation on any resource consents required (except adjoining land owners). Overall the decision is considered to be of low significance.

**9 Conclusion**

- 9.1 Staff recommend that the proposed amendment to the qualifying criteria for the Angelus Avenue SHA is recommended to the Associate Minister of Housing and Urban Development.

**10 Next Steps / Timeline**

- 10.1 If Council agrees then the Mayor will write to the Minister for Housing and Urban Development recommending an amendment to Part 2 of Schedule 3 Richmond (Angelus Avenue) SHA of the Housing Accords and Special Housing Areas (Tasman) Order 2017.

**11 Attachments**

- |    |   |    |
|----|---|----|
| 1. | Housing Accords and Special Housing Areas (Tasman) Order 2017 | 11 |
| 2. | Request for amendment   | 23 |

2017/238



## Housing Accords and Special Housing Areas (Tasman) Order 2017

Patsy Reddy, Governor-General

### Order in Council

At Wellington this 14th day of August 2017

Present:

Her Excellency the Governor-General in Council

This order is made under sections 15 to 17 of the Housing Accords and Special Housing Areas Act 2013—

- (a) on the advice and with the consent of the Executive Council; and
- (b) on the recommendation of the Minister for Building and Construction made in accordance with sections 15(2) and (7) and 16(2), (3), and (4)(a)(i) of that Act.

#### Contents

		Page
1	Title	2
2	Commencement	2
3	Revocation of this order	2
4	Interpretation	2
5	Outline	2
6	Declaration of special housing areas	3
7	Criteria for qualifying developments in special housing areas	3
	<b>Schedule 1</b>	4
	<b>Marahau (Sandy Bay-Marahau Road) special housing area</b>	
	<b>Schedule 2</b>	5
	<b>Pohara (Richmond Road) special housing area</b>	

1

cl 1	Housing Accords and Special Housing Areas (Tasman) Order 2017	2017/238
	<b>Schedule 3</b>	6
	<b>Richmond (Angelus Avenue) special housing area</b>	
	<b>Schedule 4</b>	7
	<b>Richmond (Highland Drive) special housing area</b>	
	<b>Schedule 5</b>	8
	<b>Richmond (Hill Street) special housing area</b>	
	<b>Schedule 6</b>	9
	<b>Richmond West (ApplebyField) special housing area</b>	
	<b>Schedule 7</b>	10
	<b>Richmond West (The Meadows) special housing area</b>	
	<b>Schedule 8</b>	11
	<b>Wakefield (Whitby Road) special housing area</b>	

### Order

- 1 Title**  
This order is the Housing Accords and Special Housing Areas (Tasman) Order 2017.
- 2 Commencement**  
This order comes into force on the day after the date of its notification in the *Gazette*.
- 3 Revocation of this order**  
This order is revoked on 16 September 2019.
- 4 Interpretation**  
In this order, unless the context otherwise requires, **Act** means the Housing Accords and Special Housing Areas Act 2013.
- 5 Outline**
  - (1) This order—
    - (a) declares 8 areas in the district of Tasman District Council to be special housing areas for the purposes of the Act; and
    - (b) sets out criteria that apply for qualifying developments in those special housing areas.
  - (2) This clause is only a guide to the general scheme and effect of this order.
  - (3) *See also* <https://www.mbie.govt.nz/info-services/housing-property/housing-affordability/tasman-housing-accord> for associated special housing area maps and drawings.

2017/238 **Housing Accords and Special Housing Areas (Tasman)** cl 7  
**Order 2017**

**6 Declaration of special housing areas**

- (1) The area comprising all the land identified in Part 1 of each schedule of this order is severally declared to be a special housing area for the purposes of the Act.
- (2) If, in Part 1 of a schedule of this order, the land comprised in a special housing area is defined by reference to a named and dated drawing, subclause (3) applies.
- (3) If there is any inconsistency between the land as defined by the drawing and the more general description of the land in Part 1 of the schedule, the drawing prevails.

**7 Criteria for qualifying developments in special housing areas**

The criteria set out in Part 2 of each schedule of this order are criteria that apply for qualifying developments in the special housing area to which the schedule relates.

Schedule 1 **Housing Accords and Special Housing Areas (Tasman)** Order 2017 2017/238

**Schedule 1**  
**Marahau (Sandy Bay-Marahau Road) special housing area**

cls 6, 7

**Part 1**  
**Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Lot 1 DP 13449 and Part Lot 1 DP 12789	NL10C/676	6.9914

**Part 2**  
**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	45

2017/238	<b>Housing Accords and Special Housing Areas (Tasman) Order 2017</b>	Schedule 2
----------	--	------------

### Schedule 2

### Pohara (Richmond Road) special housing area

cls 6, 7

#### Part 1

#### Description of area

All the land shown shaded on the drawing named Pohara SHA and dated 29 June 2017 (as available on <https://www.mbie.govt.nz/info-services/housing-property/housing-affordability/tasman-housing-accord> on the date of commencement of this order) (more generally being an area of approximately 14.7 hectares comprising part of Lot 1 DP 494605 (part computer register 724177) together with a portion of Richmond Road to its centreline).

#### Part 2

#### Criteria for qualifying developments

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	70

5

Schedule 3 **Housing Accords and Special Housing Areas (Tasman)** 2017/238  
**Order 2017**

**Schedule 3**  
**Richmond (Angelus Avenue) special housing area**

cls 6, 7

**Part 1**  
**Description of area**

Land identification	Computer register	Area (ha)
Lot 1 DP 467349	625716	7.2631

**Part 2**  
**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	30



2017/238	<b>Housing Accords and Special Housing Areas (Tasman) Order 2017</b>	Schedule 4
----------	--	------------

**Schedule 4  
Richmond (Highland Drive) special housing area**

cls 6, 7

**Part 1****Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Lot 6 DP 465562	620401	11.5578

Together with all the land shown shaded on the drawing named SHA–Dimensioned boundaries Part Section 93 Waimea East District and dated June 2017 (as available on <https://www.mbie.govt.nz/info-services/housing-property/housing-affordability/tasman-housing-accord> on the date of commencement of this order) (more generally being an area of approximately 0.59 hectares of Part Section 93 Waimea East District (part computer register NL124/54)).

**Part 2****Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	32

7

Schedule 5	<b>Housing Accords and Special Housing Areas (Tasman) Order 2017</b>	2017/238
------------	--	----------

---

**Schedule 5  
Richmond (Hill Street) special housing area**

cls 6, 7

**Part 1  
Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Part Lot 1 DP 19245	NL12A/1149	10.3187

**Part 2  
Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	14

**Schedule 6**  
**Richmond West (ApplebyField) special housing area**

cls 6, 7

**Part 1**

**Description of area**

All the land shown shaded on the drawing named SHA–Richmond West–Appleby Field dimensioned boundaries and dated 28 June 2017 (as available on <https://www.mbie.govt.nz/info-services/housing-property/housing-affordability/tasman-housing-accord> on the date of commencement of this order) (more generally being land situated between the Richmond Railway Reserve to the south-east and Borck Creek Reserve to the north-west comprising Part Lot 3 DP 15764 and part of Lot 1 DP 446230 (part computer register 561931), part of Lot 2 DP 446230 (part computer register 561932), Lot 3 DP 470387 and parts of Lot 2 DP 470387 (part computer register 786169), and Section 6 SO 455144 (computer register 627997)).

**Part 2**

**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	250

Schedule 7	<b>Housing Accords and Special Housing Areas (Tasman) Order 2017</b>	2017/238
------------	--	----------

**Schedule 7**  
**Richmond West (The Meadows) special housing area**

cls 6, 7

**Part 1**  
**Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Lot 5 DP 470387 and Sections 8 and 9 SO 455144	636070	19.6826
Sections 12 and 13 SO 455144	636067	12.9747
Lot 2 DP 467493 and Section 16 SO 455144	636068	17.5415

**Part 2**  
**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	4
Maximum calculated height that buildings must not exceed:	12 metres
Minimum number of dwellings to be built:	800

2017/238 **Housing Accords and Special Housing Areas (Tasman)** Explanatory note  
Order 2017

**Schedule 8**  
**Wakefield (Whitby Road) special housing area**

cls 6, 7

**Part 1**  
**Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Part Section 81 District of Waimea South	NL1D/1076	14.7123

**Part 2**  
**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	40

Michael Webster,  
Clerk of the Executive Council.

**Explanatory note**

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

This order, which comes into force on the day after the date of its notification in the *Gazette*, declares 8 areas in the district of Tasman District Council to be special housing areas for the purposes of the Housing Accords and Special Housing Areas Act 2013 (the **Act**).

The land comprising each special housing area is severally described in *Part 1* of each schedule of the order.

Maps or drawings of special housing areas are available on the Ministry of Business, Innovation, and Employment's website (*see clause 5(3)*). For some special housing areas, the land is defined by reference to a named and dated drawing. The Act requires the chief executive of the Ministry to make copies of incorporated material available, free of charge, on the Ministry's website, unless doing so would infringe copyright, and to make incorporated material available for inspection during working hours, free of charge, at the Ministry's head office (*see section 52 of the Legislation Act 2012 as applied by section 16(4B) of the Housing Accords and Special Housing Areas Act 2013*).

This order also specifies, for each special housing area, the criteria that a development in the special housing area must meet in order to be a qualifying development

11

Explanatory note	Housing Accords and Special Housing Areas (Tasman) Order 2017	2017/238
------------------	--	----------

for the purposes of the Act. Those criteria, which are additional to the requirement under the Act that the development will be predominantly residential, relate to—

- the maximum number of storeys that buildings in the development may have and the maximum height that they may be:
- the minimum number of dwellings to be built.

This order does not prescribe affordability criteria for any of the special housing areas.

The overall effect of the order is that if a proposed development in a special housing area will be predominantly residential and meets the criteria specified for qualifying developments in that special housing area, applications for resource consents relating to the development can (but do not have to) be made under the Act instead of the Resource Management Act 1991. Also, because Tasman District Council is a party to a housing accord under the Act, an applicant for a resource consent can request a change to or variation of the relevant plan or proposed plan in certain circumstances where that is associated with the resource consent application.

This order is the first to create special housing areas in the district of Tasman District Council.

*See also* the Tasman District Council's website for more information on special housing areas in the district.

Issued under the authority of the Legislation Act 2012.

Date of notification in *Gazette*: 17 August 2017.

This order is administered by the Ministry of Business, Innovation, and Employment.

---

Wellington, New Zealand:

Published under the authority of the New Zealand Government—2017



6 July 2018

Tasman District Council  
Attn: Barry Johnson  
[barry.johnson@tasman.govt.nz](mailto:barry.johnson@tasman.govt.nz)

Lucas House, 51 Halifax Street, Nelson  
PO Box 343, Nelson 7040  
Phone: 03 539 0330  
Mobile: 027 244 3388  
Email: [mark@landmarklile.co.nz](mailto:mark@landmarklile.co.nz)  
[www.landmarklile.co.nz](http://www.landmarklile.co.nz)

Dear Barry,

**Richmond (Angelus Avenue) special housing area**  
*Request for Amendment to Qualifying Development Criteria*

As discussed with Michael Croxford and yourself over recent weeks, Ahimia Limited has progressed its design concept for the Angelus SHA. Upon doing so, and as a matter of best practice, it has also been through a review process with the Urban Design Panel (UDP).

As a part of the detailed design and review process it has become apparent that a change is required to the 7.5m "maximum building height" as gazetted. This is explained further in the attached Request. A maximum building height of 12m is now sought to enable the building typologies proposed, and to take account of the manner in which height is calculated under HASHAA.

We understand that this matter will be reported to the Full Council meeting of 9 August 2018. We plan to present his change to the Council on that day and would have our design professionals available to answer any questions.

Please contact me if you have any queries.

Yours faithfully

A handwritten signature in black ink, appearing to read "Mark Lile", written in a cursive style.

Mark Lile  
**Landmark Lile Limited**  
*Resource Management Consultancy*

## INTRODUCTION

---

Schedule 3 of the Housing Accords and Special Housing Areas (Tasman) Order 2017 sets out the Richmond (Angelus Avenue) special housing area.

**Schedule 3**  
**Richmond (Angelus Avenue) special housing area**

[cls 6, 7](#)

**Part 1**  
**Description of area**

<b>Land identification</b>	<b>Computer register</b>	<b>Area (ha)</b>
Lot 1 DP 467349	625716	7.2631

**Part 2**  
**Criteria for qualifying developments**

Maximum number of storeys that buildings may have:	2
Maximum calculated height that buildings must not exceed:	7.5 metres
Minimum number of dwellings to be built:	30

The maximum calculated height is defined in HASHAA as follows:

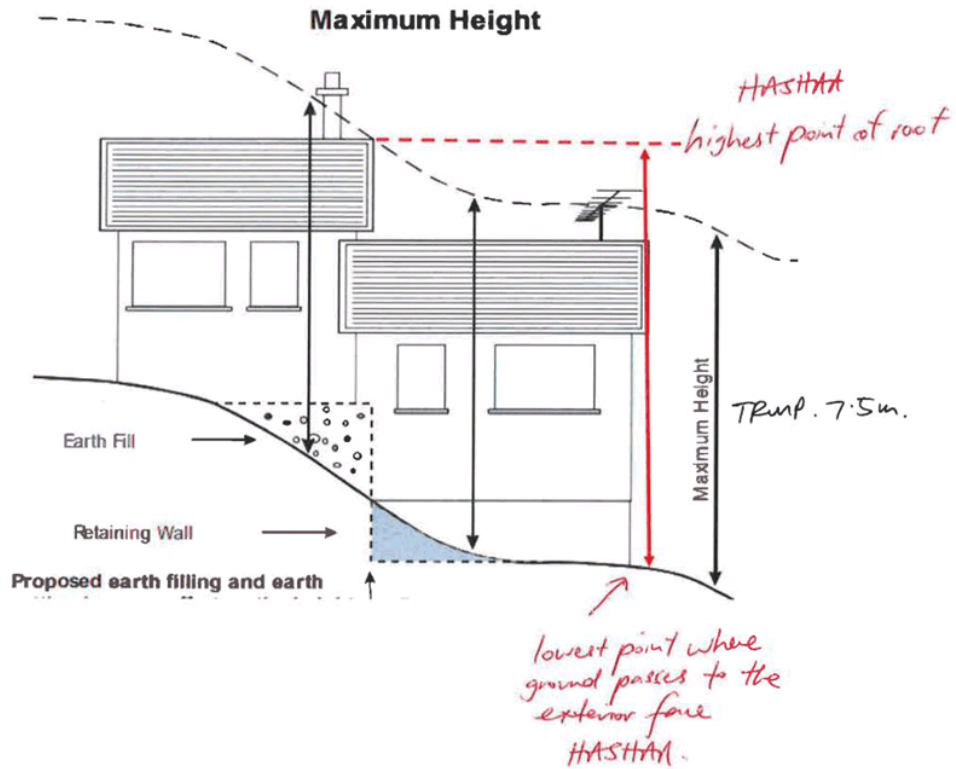
**maximum calculated height**, in relation to a building, means the vertical distance between the highest point of its roof (excluding spaces located within or on the roof that enclose stairways, lift shafts, or structures such as aerials, chimneys, flagpoles, and vents) and the lowest point where the ground line passes to the exterior face of the building. (Housing Accords and Special Housing Areas Act 2013, Section 6, Interpretation)

Significantly, this calculation of building height is very different to that under the Tasman Resource Management Plan. The primary difference is that, under the TRMP, height is measured above natural ground level at any point. See **Attachment 1**. The permitted height is therefore a rolling calculation, which takes account of natural changes in topography.

Under HASHAA however, height is measured from the highest part of a roof to the lowest part of the ground, without consideration of changes in topography. The result of this method of calculation is that measured height is exaggerated. For example, while a building may comply with the 7.5m height measurement under the TRMP it would not comply with the 7.5m height if measured under HASHAA. i.e. a building that measures 7.5m in height under the TRMP, could be +10m in height under HASHAA.

Provided on the following page is the TRMP definition which has been annotated to show how the HASHAA method of calculation would be applied:





**REQUESTED HEIGHT**

The masterplanned residential development within the Ahimia SHA has been designed with a number of different building typologies, most of which are two storied. The development includes a range of studio units, 1, 2 and 3-bedroom dwellings, and potentially a central communal building. These typologies have been designed in response to the site analysis undertaken by Canopy Landscape architects.

Provided within **Attachment 2** is a selection of the architectural drawings presented to the UDP on 11 June 2018.

Provided within **Attachment 3** is diagram showing what these typologies mean in terms of the building height definition under HASHAA versus that under the TRMP. This Request seeks a change to the Council approved 7.5m maximum building height to 12m to enable these typologies.

## CONCLUSION

---

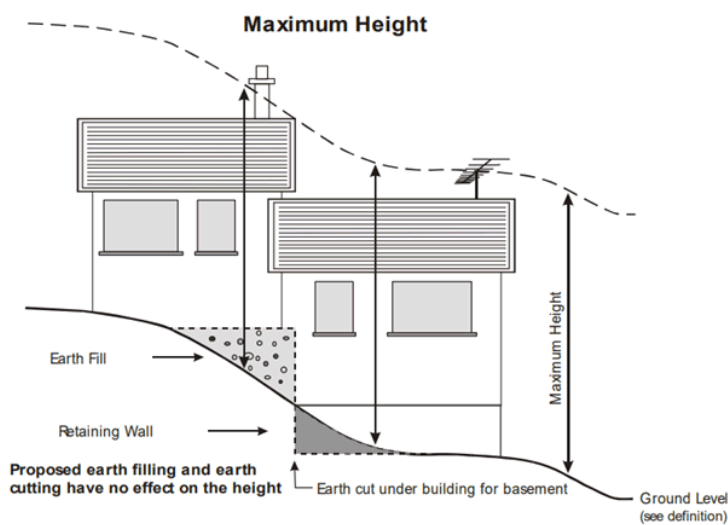
As outlined above, the Angelus SHA:

- a) The applicant has been working through the design of the Ahimia village concept;
- b) The applicant has presented to the UDP and is awaiting its feedback;
- c) The requested building height will enable the building typologies specifically designed for this site.

**Attachment 1: TRMP definition of Height and Ground Level**

**Height** – in relation to a building, means the vertical distance between ground level at any point and the highest part of the building immediately above that point. For the purpose of calculating height, account is taken of parapets, but not of:

- (a) radio and television aerials, provided that the maximum height normally permitted by the rules for the zone is not exceeded by more than 2.5 metres;
- (b) chimneys (not exceeding 1.1 metres in any direction); or finials, provided that the maximum height normally permitted by the rules for the zone is not exceeded by more than 1.5 metres.

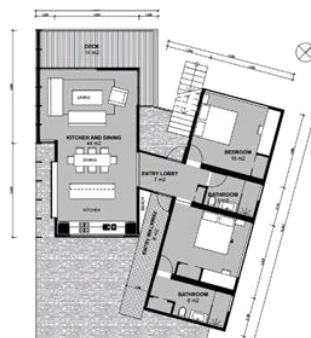
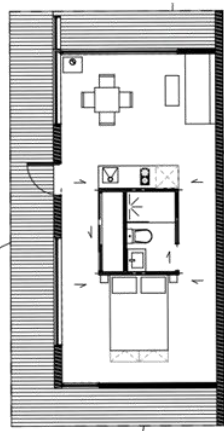


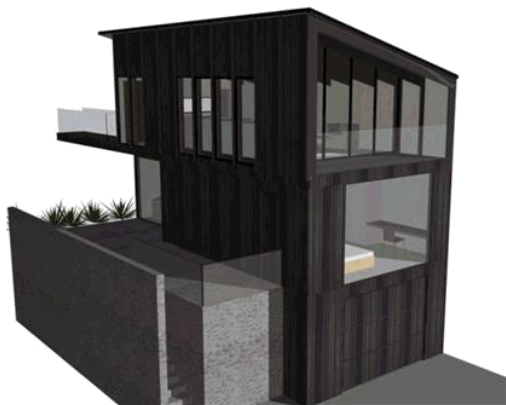
(Tasman Resource Management Plan, Chapter 2, Meaning of Words)

**Ground level** – means the natural ground level, or where that has been altered by subdivision, means the actual finished ground level when all works associated with the subdivision of the land are completed, and excludes any excavation or filling associated with the building activity.

(Tasman Resource Management Plan, Chapter 2, Meaning of Words)

**Attachment 2: Building Typologies (presented to the Urban Design Panel)**





Volume



Clean Lines



Exposed timber structure



Interior/exterior  
Curved roof



Shading and framing the view

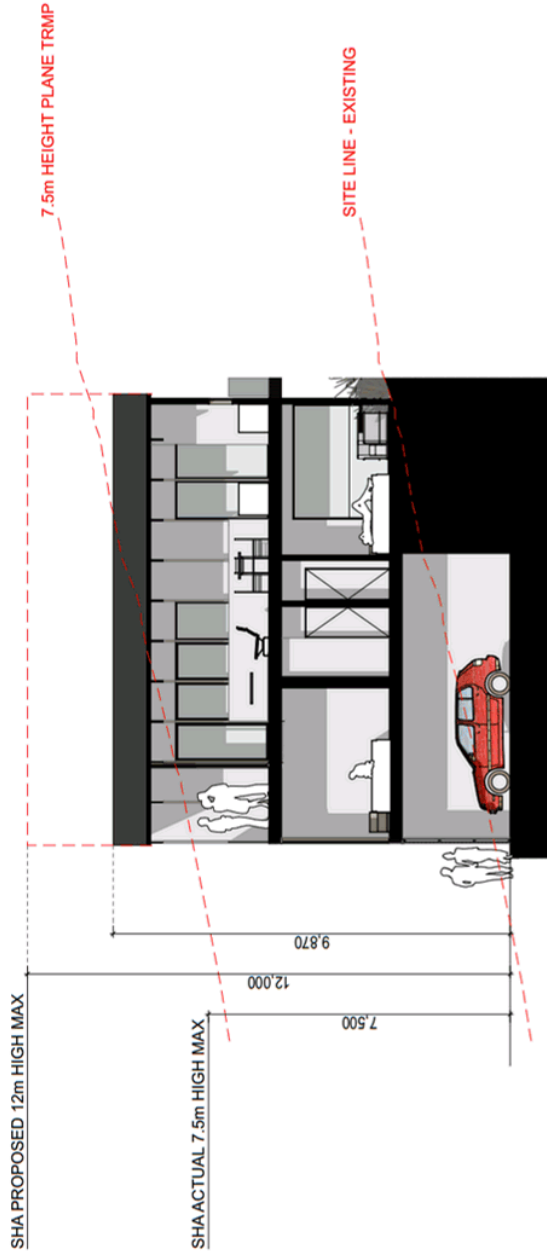


Exterior Cladding



Fence and Screening

**Attachment 3: Diagram of building height requested**



## 8.2 FUTURE DEVELOPMENT STRATEGY

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Barry Johnson, Environmental Policy Manager; Jacqui Deans, Policy Planner
<b>Report Number:</b>	RCN18-08-03

### 1. Summary

- 1.1. The Nelson 'Main Urban Area' is experiencing sustained urban growth and is on the cusp of being classified a high growth urban area under the National Policy Statement for Urban Development Capacity (NPS-UDC). The 'Main Urban Area' comprises most of Nelson City Council and Richmond and Hope in Tasman District and is currently classified medium growth.
- 1.2. The NPS-UDC *requires* councils with high growth areas to prepare a future development strategy (FDS) and it *encourages* councils with medium growth areas to do the same. A FDS presents an opportunity for Tasman District Council and Nelson City Council to work together to create a clear vision for managing growth in the region and a chance to sequence growth, including infrastructure investment, servicing and release of land across both councils to better manage debt and returns on investment.
- 1.3. At a recent joint council workshop, there was broad support for the preparation of a FDS for the Nelson/Tasman region. Councillors agreed the FDS would be:
- Non-statutory document signed off by both Councils;
  - Produced using existing data and resources where possible;
  - Based on work already planned and underway;
  - Finalised prior to July 2019 to inform local elections 2019 and LTP 2021;
  - Available to the community to inform their feedback on LTP 2021;
  - Used as a platform to support infrastructure funding applications and other economic development bids; and
  - Used to inform and guide the production of RMA planning documents
- 1.4. Proposed timeframes and staff resourcing constraints mean that delivery of the FDS is best achieved through TDC and NCC staff jointly leading the project supported by some external resourcing to cover: project management including co-ordination of officers and information requirements at the two councils; consultation of both stakeholders and the community throughout both districts; and presentations and attendance at council workshops and/or meetings if required.

- 1.5. The joint project will require funding of up to \$150,000 which will be split equally between Tasman District Council and Nelson City Council.
- 1.6. Approval for spending of up to \$75,000 from the 2018/19 Rates Growth account to fund the TDC half of the project is therefore sought.

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

**That the Full Council**

- 1. agrees to the development of a Future Development Strategy RCN18-08-03 for the Nelson/Tasman region in partnership with Nelson City Council; and**
- 2. agrees to additional spending of up to \$75,000 to fund the production of a Future Development Strategy to be funded from the Rates Growth account.**



### 3. Purpose of the Report

- 3.1 To seek approval for the development of a Future Development Strategy RCN18-08-03 for the Nelson/Tasman region in partnership with Nelson City Council and for additional funds of up to \$75,000 from the Rates Growth account to support its production.

### 4. Background and Discussion

- 4.1 The Nelson/Tasman region and the Nelson/Richmond urban area in particular is continuing to experience high levels of growth and housing demand.
- 4.2 A recent Statistics New Zealand update of population projections concluded that the 10-year population growth forecast for the Nelson/Tasman 'Main Urban Area' 2013-2023 has risen to 9.95%, up from 8.5% in 2016. House prices and rents continue to increase and the Massey University Aggregate Home Affordability Index shows that the Nelson-Tasman-Marlborough regional cluster is the third least affordable region in the country behind Central Otago Lakes, Auckland (third equal with Waikato/Bay of Plenty).
- 4.3 At a national level, the Government introduced The National Policy Statement on Urban Development Capacity (NPS-UDC) in 2016 with the aim of ensuring Councils plan for, and enable the supply of sufficient housing and business land needed to meet demand. The NPS-UDC applies to all local authorities, but particularly those that have part, or all, of either a medium or high growth urban area within their district or region. The Nelson/Tasman 'Main Urban Area' that covers both Nelson City and Richmond/Hope is classified as a medium growth urban area, falling just below the ten percent threshold (9.95%) that defines a high growth urban area.
- 4.4 The NPS-UDC includes requirements for Councils to produce a Future Development Strategy. A FDS is compulsory for high growth councils and encouraged for local authorities that have part or all of a medium growth urban area within their district or region. The purpose of a FDS is to demonstrate there will be sufficient, feasible development capacity (residential and business land) in the medium and long terms and that minimum targets will be met. It is anticipated that the FDS will be a significant input to the review of the Tasman Regional Policy Statement and Tasman Resource Management Plan that is likely to commence in late 2018.

#### Preparation of a Future Development Strategy

- 4.5 The preparation of a joint FDS presents an opportunity for both councils to take a strategic look at where and how growth can be managed over the next 30 to 50 years. It can provide a vehicle for both Councils to work together to create a clear vision for growth into the future and a chance to sequence growth, including infrastructure investment, servicing and release of land across both councils to better manage debt and returns on investment.
- 4.6 Both the 'Main Urban Area' and the wider Tasman and Nelson regions are subject to various constraints to development including flooding and coastal inundation, faults, water supply and the potential for further residential and business development on productive land. The FDS can help to facilitate a discussion with communities on where growth might go in the

future. This could include expansion of existing settlements or even the creation of new settlements.

4.7 At a recent joint council workshop, Councillors indicated broad support for the preparation of a FDS for the Nelson/Tasman region. It was acknowledged that both Councils need to work collaboratively to manage growth so that the region is an even better place to live, work and visit. A FDS would need to be informed by the growth planning of other organisations (iwi, NZTA, Port, Airport, DHB, DoC, MoE as a minimum) and also have a link with the regional development program and economic development strategy of the NRDA.

4.8 Councillors concluded that the preparation of a FDS must involve consultation with stakeholders and the wider community. It should also be informed by work already undertaken by both Councils and other relevant parties. A FDS would:

- Apply to both the Nelson and Tasman regions (district wide);
- Identify the location, timing and sequencing of future development capacity for the long-term, including both future greenfield areas and intensification opportunities in existing urban environments;
- Balance certainty about future urban development with being responsive to demand;
- Include recommendations for changes to regional policy statements and combined regional and district plans;
- Inform Councils' asset management and long term plans 2021-2031; and
- Provide a clear vision and a decision making framework that would enable both Councils to make consistent and aligned decisions.

4.9 It is anticipated that a FDS will:

- Be a non-statutory document outside the RMA (but guide RMA planning);
- Be developed as an easy to read summary for the community, and delivered via an interactive map and statement (e.g. an interactive story map) rather than a large document ;
- Include a spatial map; and/or
- Include an online portal

#### **Governance**

4.10 Councillors indicated there should be some flexibility for involvement at the governance level. The general conclusion from the previous workshop is that a working party approach was preferable with working party membership comprised of Mayors, the chairs of the respective Environment and Engineering committees and any other Councillors that wish to be involved or contribute. Key decisions would be brought back to the wider forum for discussion and ultimately decisions by the respective Councils.

#### **Resourcing**

4.11 The proposed timeframes and staff resourcing constraints mean that delivery of the FDS is best achieved through Council staff jointly leading the project supported by some external resourcing. The FDS must be finalised by July 2019, to inform the local elections in October 2019 and the Councils' long term plans (LTPs) 2021-2031.

- 4.12 The external resourcing will cover project management and consultation of both stakeholders and the community throughout both Districts. The communications plan would be agreed with both councils.
- 4.13 The external resource would also be available for presentations and attendance at council workshops and/or meetings if required.
- 4.14 The external resource would also project manage the FDS, including co-ordination of officers and information requirements at the two councils to produce a compliant strategy.

## 5. Options

- 5.1. Councillors have a choice whether to progress the development of a FDS and if so, whether to proceed jointly with Nelson City. The recent revision of growth rates by Statistics NZ puts the urban area just below the 10% threshold that would make the development of an FDS compulsory. It is anticipated that the next revision will see the Nelson 'Main Urban Area' reach the high growth threshold, or alternatively the definitions of medium growth and high growth in the NPS-UDC can be revised.
- 5.2. There is also a choice regarding funding the development of the strategy. If Councillors choose not to fund the FDS then it is unlikely the strategy will be completed by July 2019. The scale of the strategy could be reduced to focus on the Nelson 'Main Urban Area' only and ignore the rest of the Tasman district. However, this would not provide a strategic overview of how all Tasman's settlements could respond to growth. Alternatively staff could be taken off other projects to work on the FDS and existing projects paused or stopped completely.

## 6. Strategy and Risks

- 6.1. This paper is seeking agreement to the funding and development of a joint future development strategy with Nelson City. A joint strategy is intended to reduce some of the financial risk associated with the infrastructure costs Council incurs when providing for growth. This would be achieved by considering how both councils could work together to manage growth and schedule infrastructure development so councils are not competing against each other by rolling out infrastructure and serviced land at the same time. This could also help councils to manage their individual debt levels more effectively.
- 6.2. The anticipated consultation would reduce risk by ensuring the Council gives consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter as required under the Local Government Act 2002.

## 7. Policy / Legal Requirements / Plan

- 7.1. The intention is for the FDS to be a non-statutory document that would inform LTP, infrastructure and RMA planning processes. The development of the FDS would be in the context of the requirements set out in the NPS-UDC and also associated guidance produced by the Ministry for the Environment.

- 7.2. There are no specific consultation requirements in the NPS-UDC for consultation during the development of a FDS. However any consultation that is undertaken would be done in accordance with LGA requirements.

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

- 8.1. The joint project will require funding of up to \$150,000 which will be split equally between TDC and NCC.
- 8.2. As this is new expenditure that has not been budgeted, it is proposed that this work is funded through the rates growth account, which has adequate funds available. Given the future development strategy is primarily to provide a strategic framework for how growth is planned and managed in the region it is appropriate that it is funded through growth derived income.

### **9. Significance and Engagement**

- 9.1. The proposals outlined in the paper are of low significance. The proposed outputs will be strategic and non-statutory in nature. Some of the issues that may arise during development of the strategy may be of significance. Councillors have indicated a desire to consult the community on a draft strategy. This will provide an opportunity for community feedback on the subject matter and the intended direction of the strategy before it is finalised.

### **10. Conclusion**

- 10.1. Councillors have indicated support for a joint future development strategy with Nelson City. The strategy would address how both councils can work together to manage growth over the medium term. This paper makes the case for the strategy and concludes there is benefit in doing so and seeks Council endorsement of the project.

### **11. Next Steps / Timeline**

- 11.1. Nelson City Council is considering the same proposal at its full Council meeting which is also on 9 August.
- 11.2. Project planning is currently underway. Subject to Council endorsement, procurement of additional resourcing to aid with project coordination and collation of information will start.
- 11.3. A stakeholder engagement plan will be developed to identify all relevant stakeholders.
- 11.4. A Councillor workshop is scheduled for September to inform Councillors on progress and to confirm direction of travel and content.

### **12. Attachments**

Nil

**8.3 NELSON TASMAN LAND DEVELOPMENT MANUAL****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Dwayne Fletcher, Activity Planning Manager; Maxine Day, Team Leader - Urban and Rural Development Policy
<b>Report Number:</b>	RCN18-08-04

**1 Summary**

- 1.1 Nelson City Council and Tasman District Council have been working with a Steering Group to develop a joint set of standards for land development in the two regions. This has resulted in the production of a draft Nelson Tasman Land Development Manual (LDM).
- 1.2 The LDM provides consistency and alignment for the construction and vesting of works that will become Council assets. The LDM contains both mandatory standards that developers are required to follow, and good practice advice that a developer can consider during the design process. The LDM is also accompanied by practice notes for Bio-retention (rain gardens), Wetlands and Coastal and Freshwater Inundation.
- 1.3 It is proposed that the LDM become an externally referenced document in the Tasman Resource Management Plan (TRMP). This means that mandatory standards within the LDM will have legal effect - as if they are part of the TRMP. A draft plan change has been prepared to change and update references in the TRMP to give effect to this.
- 1.4 This report seeks the Council's approval to undertake two consultation processes associated with the LDM from 13 August to 28 September 2018:
  - Consultation on the draft LDM and associated practice notes under the Local Government Act 2002 (LGA); and
  - Consultation on the proposal to include the LDM as a referenced document under clause 34 of the First Schedule of the Resource Management Act 1991 (RMA). Feedback will also be sought on the broader changes proposed within the draft plan change relating to engineering matters.
- 1.5 It is proposed that a joint hearings panel made up of Councillors from both Nelson and Tasman be established to hear submissions on the LDM and feedback on Tasman's draft plan change. The committee can make recommendations back to the councils on:
  - The LDM for amendment and adoption; and
  - Tasman's draft plan change for consideration by the Council (before formally commencing public notification of the plan change).

- 1.6 A similar report with the same recommendations is being presented to Nelson City Council on 9 August 2018. Alignment in decision making is required to support the consultation, consideration and adoption process across both councils.

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

**That the Full Council**

- 1. receives the report Nelson Tasman Land Development Manual report, RFC18-08-04; and**
- 2. approves for public consultation from 13 August to 28 September 2018:**
  - a) the draft Nelson Tasman Land Development Manual (Attachment 1) and draft practice notes (Attachments 2, 3 and 4) under the Local Government Act 2002; and**
  - b) a draft plan change to the Tasman Resource Management Plan (Attachment 5) under clause 34 of the First Schedule of the Resource Management Act 1991; and**
- 3. delegates the hearing of feedback and comments to a joint hearing panel comprising Councillors King and Bryant as members of the Steering Group plus Councillor \_\_\_\_\_ together with three Nelson City Council Councillors (Councillors Lawrey and McGurk plus one other); and**
- 4. delegates to the hearing panel the power to make recommendations to the Tasman District and Nelson City councils to adopt or amend the Nelson Tasman Land Development Manual and associated practice notes.**

### 3 Purpose of the Report

- 3.1 To seek consultation approval for:
- The draft Nelson Tasman Land Development Manual (LDM) and associated draft practice notes under the LGA; and
  - A related draft plan change to the TRMP under clause 34 of the First Schedule of the RMA.
- 3.2 This report also seeks delegation for a joint council hearing panel to hear feedback on the LDM and draft plan change, and to make recommendations to the councils.

### 4 Background

- 4.1 The LDM provides minimum standards and guidance for work undertaken on Council assets, or subdivision and development that results in the vesting of assets in the Council. Currently, the Tasman District Council Engineering Standards set these standards and other requirements. The Engineering Standards were last reviewed in 2013, and prior to that in 2008.
- 4.2 The Engineering Standards are adopted under the LGA. However, parts of it are also incorporated by reference into the Tasman Resource Management Plan, or partly repeated with the TRMP. Some engineering standards are only contained within the TRMP and are not within the engineering standards.
- 4.3 As part of the public consultation and stakeholder engagement process for the Nelson LDM in 2009, stakeholders suggested to the Council that an aligned LDM between the two councils should be pursued. In 2015, the councils agreed to develop a joint set of standards. Over the last three years staff from both Nelson and Tasman councils have been working on a joint set of standards known as the Nelson Tasman Land Development Manual (LDM).
- 4.4 Specifically, the Engineering Services Committee agreed on 9 April 2015, in response to report RESC15-04-03, to progress the Nelson Tasman Land Development Manual with Nelson City Council, making the following resolutions:
- That the Engineering Services Committee:*
- 1. receives the Nelson Tasman Land Development Manual report, RESC15-02-05; and*
  - 2. agrees in principle to pursue a joint engineering standards/land development manual with Nelson City Council; and*
  - 3. agrees in principle to removing unnecessary engineering specifications from the Tasman Resource Management Plan, instead relying on references within the plan to the engineering standards to apply as rules.*
- 4.5 A Steering Group was established comprising two elected members from each council and two industry representatives, with associated terms of reference. The Steering Group has been providing direction to staff on issues raised in the review as well as alignment matters.

**5 Discussion****Draft LDM**

- 5.1 The draft LDM is based on adaptations to the current Nelson Land Development Manual. Generally, the majority of the changes to achieve alignment have been made by Tasman District Council. Consequently, it is more of a significant change for Tasman than it is for Nelson.
- 5.2 There are a few areas where alignment between the two councils was unable to be achieved due to differences in asset management levels of service. In these cases, the draft LDM spells out to two sets of requirements. For instance, the minimum requirements for stormwater system design capacity of primary systems in Nelson is a Q15 event, whereas Tasman requires design to a Q10 event (both allow for climate change).
- 5.3 The draft LDM has been structured to separate mandatory requirements from good practice. Mandatory requirements are the minimum standards that are required to be achieved for different development activities. For Tasman, some of the mandatory matters are also referenced as rules in the TRMP. The referencing occurs where the standards are necessary to meet TRMP environmental outcomes.
- 5.4 The sections on 'good practice' contain design advice and considerations that the applicant can consider during the development design process. Much of the good practice advice is needed to provide flexibility and assist with achieving the design outcomes contained in the LDM, and to assist the applicant in selecting mandatory standards relevant to the situation, site, speed environment or freshwater environment.

**TRMP Draft Plan Change**

- 5.5 The adoption of the new LDM requires changes to the TRMP to update and replace references to the old Engineering Standards. It also requires other changes to the TRMP to align the two documents. These form the basis for the draft plan change (attachment 5). In simple terms, the two key areas of change proposed in the plan change are:
  - 5.5.1 Relationship Changes – these concern new provisions and amendments to existing ones that recognise and define the relationship between the LDM and the TRMP. The changes include new policies and objectives, as well as references to the LDM within rules.
  - 5.5.2 Content Changes – changes to achieve consistency with the LDM in its design approach, or replacement of TRMP content with references to LDM content. They are to avoid duplication and conflict. The key area of change is to transportation provisions affecting road design and access.

**Practice Notes**

- 5.6 The LDM provides minimum engineering standards that developers are required to meet. In some areas, especially within the stormwater chapter, further technical guidance is required to advise developers on how these minimum standards can be best met. The LDM refers to a number of external guidance documents from other council's in New Zealand that developers may use, such as the recently published Auckland Council Stormwater Management Guideline or Hamilton City Stormwater Practice Notes. In addition to these existing guidance documents from other Councils, three practice notes have been developed by Nelson City Council and Tasman District Council that specifically apply to this region.



- 5.7 Applicants are not required to use the practice notes; they are there to provide guidance and a level of certainty around solutions that are considered appropriate by the Council. The practice notes will also provide transparency on how the Council evaluates applications. Staff can consider any other evaluation or methods proposed by an applicant just as with the current process.

#### **Draft Bioretention and Wetlands Practice notes**

- 5.8 The draft Bioretention and Wetland Practices notes provide technical guidance on the design of bioretention devices (i.e. raingardens, tree pits, planted swales) and wetlands.
- 5.9 Stormwater devices like bioretention and wetlands use green infrastructure to meet specific stormwater requirements that are set by the LDM. These devices may provide additional values such as amenity, ecology or habitat and ensure that our stormwater discharges have a minimum effect on the environment. This approach is also referred to as “water sensitive design” and is one of the design criteria that are set out by the LDM.
- 5.10 Provided that bioretention and wetlands are designed in accordance with acceptable guidance such as the practice notes, they are capable of meeting the specific requirements set out in the stormwater chapter of the LDM. Depending on location and thresholds, the requirements may include stormwater quality treatment, infiltration of stormwater, protection of streams and stormwater detention. A combination of multiple requirements can often be achieved in a single device if designed carefully.

#### **Draft Inundation Practice Note**

- 5.11 The Inundation Practice note codifies national guidance and local modelling to provide a consistent and transparent methodology of setting ground and floor levels for buildings and subdivision. The practice note is intended to guide surveyors, architects and engineers in preparing building and resource/subdivision consent applications in areas potentially subject to coastal, tidal and freshwater inundation and flooding across the Nelson Tasman regions.
- 5.12 As a consequence of the updated MfE guidance and multiple statutory requirements under the RMA and Building Act, the Council has clarified how minimum ground and floor levels should be calculated. Until now there has been no guidance (other than broad MfE national guidance) for building and resource consent applicants to assess what an appropriate ground and/or floor level might be for any development proposed.
- 5.13 The practice note does not identify where development can and cannot occur, nor does it provide solutions in terms of how to respond to hazards. It simply provides information to enable the calculation of a minimum ground and floor level for a range of scenarios to meet statutory requirements and guidance. In every situation there are a number of local area factors that mean a one-size-for-all approach cannot be applied. Applicants will still be encouraged to discuss their application with Council early in the process and may need to engage an expert to assist in determining a suitable hazard response in some circumstances.

<b>6 Options</b>
------------------

6.1 The Council has the following options:

- Option 1. Seek public feedback and comment on the draft LDM, draft plan change and draft practice notes. Delegate to a joint committee the responsibility of hearing submissions and making recommendations back to Council. Following this process, the Council can adopt the LDM, and subsequently enter into a formal plan change process under the RMA.
- Option 2. Immediately adopt the LDM and proceed to formal plan change notification.
- Option 3. Do nothing – abandon the draft LDM process.

6.2 An analysis of the options is below.

6.3 Staff recommend Option 1. These are the steps in the process that staff recommend for adopting the LDM as the Council's engineering standards, and making them an externally referenced document in the TRMP.

**Option 1: Seek public feedback and comment on draft LDM, plan change and practice notes and signal intention to adopt the LDM as Council policy and as an externally referenced document. Delegate the hearing of feedback and direction to staff for amendments to a hearing panel comprised of Nelson and Tasman Councillors.**

Advantages	<p>Provides the public with the opportunity to read and understand the package of LDM, draft plan change and practice notes together in an integrated manner.</p> <p>Generally considered good practice, while not a special consultative procedure the Council has obligations under section 78 of the Local Government Act to seek and consider feedback on policies and standards to be adopted.</p> <p>Provides an opportunity for the community to present their feedback to the Council's delegated hearings panel.</p> <p>Provides the public with an informal opportunity to provide feedback on the plan change and have it considered by the Council outside the RMA process.</p> <p>Provides opportunity for staff to respond to feedback and make amendments under the direction of delegated Councillors.</p> <p>Providing a draft for feedback, considering that feedback and making appropriate amendments reduces risks that the community does not support the proposed LDM.</p>
------------	---

Risks and Disadvantages	Adds time to the adoption process.
<b>Option 2: Notify Plan Change and adopt LDM</b>	
Advantages	May reduce the time it takes to adopt the LDM
Risks and Disadvantages	Does not meet the requirements of section 78 of the Local Government Act creating a risk of legal challenge.  The community may not support all or part of the LDM and their feedback is unable to be responded to in an administratively efficient manner once the plan change is notified and the LDM adopted.
<b>Option 3: Do nothing – abandon the draft LDM process</b>	
Advantages	Frees up staff resource
Risks and Disadvantages	The Engineering Standards are due for review; not updating minimum standards and best practice means that the land development industry is restricted in its ability to be innovative and respond to environmental requirements.  The process of reviewing and aligning the LDM with Nelson City Council has strong support from stakeholders. Abandoning the review is unlikely to be supported by stakeholders and undermines confidence in the two councils ability to work together to address development issues.  Could add costs and time constraints to development and housing supply, if standards become outdated and applicants seek case-by-case assessment for alternate design and technology.  A review and update of standards would be required in the near future.

## 7 Strategy and Risks

- 7.1 The recommendations seek to release a draft LDM, associated practice notes, and a draft plan change for public feedback. This process reduces risk by ensuring the Council gives consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter as required under the LGA.

## 8 Policy / Legal Requirements / Plan

- 8.1 The policy, plan, and legal requirements for the decisions sought in the report are outlined above.

## 9 Consideration of Financial or Budgetary Implications

- 9.1 Most of the costs involved with option one are associated with staff time. There is no other significant financial impact as a result of releasing a draft LDM and plan change for public feedback. All costs are covered within existing budgets.

## 10 Significance and Engagement

- 10.1 This matter is of medium significance because the LDM does not significantly change levels of service but it does result in alignment of standards across the region and the implementation of best practice standards for land development. Staff consider that releasing a draft LDM and associated plan change and practice notes for public feedback is commensurate with the nature and scale and likely interest level of updating the standards. In addition, the LDM is an externally referenced document to the TRMP and as such will be subject to the formal public notification processes required in the RMA.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Medium	Of interest to the development community
Is there a significant impact arising from duration of the effects from the decision?	Medium	Effect of changes are enduring until next review of the LDM. Effects will fall on landowners, developers and the Council in regard to meeting new standards.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No – N/A	
Does the decision create a substantial change in the level of service provided by Council?	No	
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	

**11 Conclusion**

- 11.1 The draft LDM is proposed to be released for public feedback from 13 August to 28 September 2018 under the Local Government Act 2002. It is accompanied by three draft practice notes to assist in the implementation of the standards and good practice.
- 11.2 As the LDM will become an externally referenced document to the TRMP, a draft Plan Change has been prepared to support this. The intention to change the Engineering Standards reference in the TRMP needs to be consulted on under clause 34 of the First Schedule of the RMA. This allows the public to provide comments on the intention to externally reference the new mandatory standards in the LDM (which will have legal effect as if they are part of the TRMP).
- 11.3 Delegations are also sought for a Nelson City Council and Tasman District Council hearing panel to hear submissions on the LDM and have the power to make recommendations back to the Council to amend and/or approve the LDM. Feedback on the draft plan changes will also be heard and considered. This allows the Council to consider feedback on the plan changes ahead of formal notification, anticipated in early 2019.

**12 Next Steps / Timeline**

- 12.1 Assuming the Council approves staff recommendations, the draft LDM, associated practice notes and draft plan change will be advertised and made available to the public on 13 August 2018.

**13 Attachments**

1. Draft Nelson Tasman Land Development Manual (*Under Separate Cover*)
2. Bioretention Practice Note (*Under Separate Cover*)
3. Wetland Practice Note (*Under Separate Cover*)
4. Inundation Practice Note (*Under Separate Cover*)
5. TRMP Draft Plan Change (*Under Separate Cover*)



**8.4 RICHMOND AND MOTUEKA TOWN CENTRE PARKING STRATEGY****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Drew Bryant, Activity Planning Advisor - Engineering Services
<b>Report Number:</b>	RCN18-08-05

**1 Summary**

- 1.1 Demand for parking in Motueka and Richmond town centres is growing, putting pressure on parking resources. A strategy is needed to help guide how the Council intends to respond to these and expected future challenges.
- 1.2 The Richmond and Motueka town centre parking strategy (the strategy) sets out the Council's proposed approach to managing town centre car parking in Motueka and Richmond. It summarises the main issues and interventions to respond to these issues.
- 1.3 A draft Richmond and Motueka town centre parking strategy has been publically consulted on. The strategy has been deliberated by a hearings panel of Councillors Bryant, Wensley and Ogilvie.
- 1.4 The revised strategy is substantially similar to the draft strategy that was approved for consultation, although the deliberations panel recommended changes be made to reflect and response to the public submissions. The revised strategy is detailed in Section 5 of this report.
- 1.5 In general, the revised strategy intends to manage growth by firstly allowing all day parking to spread into residential areas and encouraging alternative forms of transport other than private passenger vehicles. This is achieved by investing in alternative transport infrastructure and introducing paid parking for long stay parking in some areas. Alternative transport improvements that contribute to managing parking demand can be funded by the account set aside for parking improvements.
- 1.6 The consequence of adopting this strategy is that those people who use a car to drive to work in the town centres may need to park further from their intended destination than they are currently. The strategy puts a limit on this so no one will walk more than 10 minutes from the town centre.
- 1.7 The strategy will largely be funded from existing budgets, however, there will be some additional funding requested in subsequent LTP's. For example, to implement paid parking (and to recognise the income).
- 1.8 The strategy aligns with policies in the Tasman Resource Management Plan (TRMP) that address parking in Motueka. The strategy addresses the major key issues of transportation identified in the recent LTP.

- 1.9 This report recommends that the attached Richmond and Motueka town centre parking strategy (**Attachment 1**) be approved and adopted by the Council.

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

**That the Full Council**

- 1. receives the Richmond and Motueka Town Centre Parking Strategy report RCN18-08-05; and**
- 2. approves and adopts the Richmond and Motueka Town Centre Parking Strategy included as Attachment 1 to this report.**



**3 Purpose of the Report**

- 3.1 This report seeks the Council's final approval and adoption of the Richmond and Motueka Town Centre Parking Strategy.

**4 Background**

- 4.1 Demand for parking in Motueka and Richmond town centres is growing, putting pressure on parking resources. A strategy is needed to help guide how the Council intends to respond to these and expected future challenges.
- 4.2 The strategy is based on a more detailed issues and options assessment, which was workshopped with the Council in early 2017. A key report informing both documents is the "Tasman District Council, Richmond and Motueka – Town Centre Parking Survey" (Traffic Design Group, 2015) and subsequent parking surveys undertaken in the summers of 2016 and 2017.
- 4.3 The Council approved the draft Richmond and Motueka Town Centre Parking Strategy for public consultation at its meeting on 14 December 2017.
- 4.4 Submissions opened on 19 January 2018 and closed 23 February 2018.
- 4.5 Of the 40 submissions received, 110 suggestions were provided to improve car parking in Richmond and Motueka. Of these, the most popular requests included:
- No paid parking in either Richmond or Motueka;
  - Provision of a Richmond loop bus service;
  - Requests for additional parking to be made available in Richmond and Motueka;
  - A free shuttle for a park and ride service in Richmond;
  - Single-side parking on some residential streets, notably Dorset Street in Richmond;
  - Incentives for walking and cycling;
  - Better use of Whitwell's car park in Motueka (Note, this car park is not a Council asset and is privately owned).
- 4.6 In addition to the specific public consultation on town centre parking, the Council consulted on general transport issues for the Regional Land Transport Plan (RLTP) and the Long Term Plan (LTP). Whilst these submissions were not included in the deliberations, they provide context to public opinion of parking.
- 4.7 The hearings panel heard verbal submissions on 19 March 2018 and undertook deliberation on 23 May 2018. Councillor Hawkes was unable to attend the first submissions meeting so Councillor Ogilvie stood in for Councillor Hawkes for the entire process. This substitution was undertaken with the approval of the Chair (Councillor Bryant).
- 4.8 Following the hearing, the panel agreed on a number of changes to the parking strategy. The changes largely focused around supporting alternative transport to reduce demand on parking resources.

**5 Discussion**

- 5.1 The strategy puts forward a plan for addressing issues that can ensure town centre car parking is efficient and effective over the short, medium, and long-term. The strategy outlines four objectives that guide the overall direction of the strategy, these being:
- Managing demand - Parking options meet the reasonable demand of residents, customers, visitors and workers in the Motueka and Richmond town centres.
  - Best Value – Make the most efficient and effective use of parking resources, getting the best value from land for parking over time.
  - Holistic – Maximise the efficiency of the whole transport system.
  - Prudent - Low risk, least regret approach to investment that is agile enough to respond to opportunities and challenges that might arise.
- 5.2 In general, the strategy intends to manage growth by allowing all day parking to spread into residential areas and encouraging alternative forms of transport other than private passenger vehicles. This is achieved by investing in alternative transport infrastructure utilising funds set aside for car parking. The Council will limit investment in additional off-street parking, but will replace parking lost in creating a new alternative transport infrastructure. Those that use Richmond and Motueka as a service centre will continue to be catered for by provision of short term parking. The strategy outlines what staff consider is needed to achieve this including:
- Stepping up enforcement to ensure time-restricted (short term) parking operates as intended;
  - Re-prioritising some long stay parks nearest the town centres to time-restricted parking over time as demand requires;
  - Making investments in alternative transport infrastructure using parking funds;
  - Making small investments to maintain the existing level of car parks;
  - Relying on existing parks further out from the town centres to provide all day parking, including in the surrounding residential streets;
  - Maintaining flexibility and agility in how we manage peak parking demand, including through seasonal changes in parking controls, and in the future by charging for all-day parking in high demand priority locations;
  - Using levels of service to determine when intervention is needed.

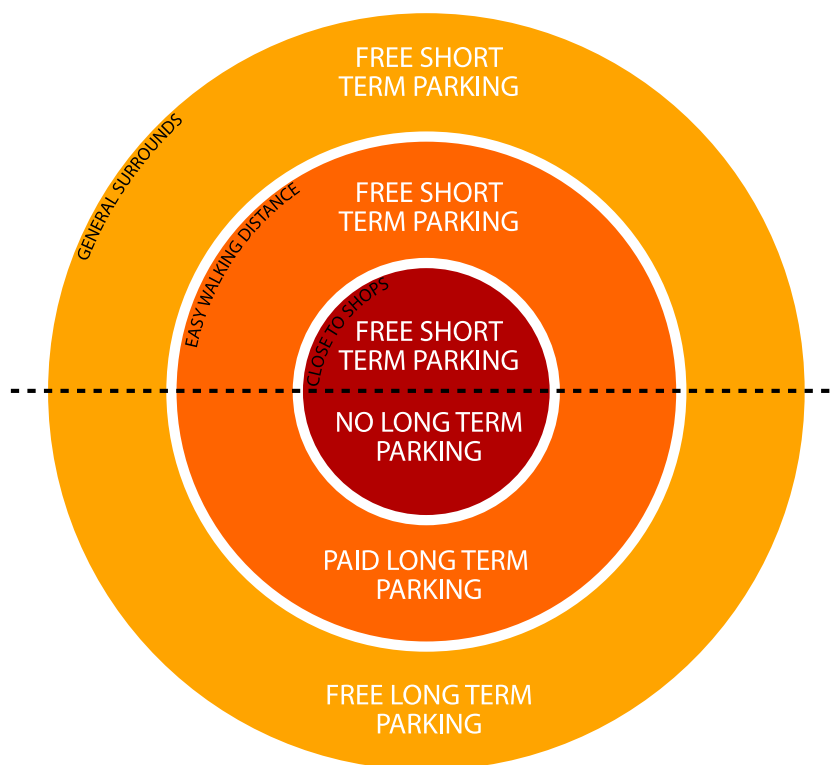


Figure1: Parking Zones

- 5.3 The strategy maintains free short term parking in and around the town centres. Long term parking will progressively change to provide a higher priority to short term parking close to the town centres. This means that existing free long term parking will change to short term parking or paid long term parking to maintain target levels of service as shown in Figure 1 above.
- 5.4 User paid, long term parking will be introduced when the town centre has an alternative transport system such as the Richmond bus loop. These parks will be easy walking distance that are currently free long term parking. As there is no alternative transport system planned for Motueka, the parking plan does not contemplate paid parking in Motueka.
- 5.5 A new parking facility that was included in the draft strategy has been removed from this revised strategy. The level of service for all day parking is unlikely to require a major parking facility within the 20 year timeframe of this strategy. The strategy does not prohibit private investment in a major car parking facility.
- 5.6 The actions proposed in the strategy reflect the stages of transition that Motueka and Richmond are in – from rural service towns to regional centres. Motueka and Richmond are large enough and growing fast enough to alter the level of service/convenience residents, workers, visitors and customers can expect when coming into town to work or shop.
- 5.7 The consequence of adopting this strategy is that those people who use a car to drive to work in the town centres may need to park further from their intended destination than was the case in the past. For some workers, that may require a walk of five minutes or more.
- 5.8 The proposed strategy introduces some levels of service around the point that the Council should make changes to parking:
- The average proportion of parking rules compliance will be no less than 90%.

- Time restricted parking shall have an occupancy of no more than 90% on the first week of December;
  - All day parking will be within 10 minutes' walk from the CBD on the first week of December.
- 5.9 These levels of service provide a trigger point to which the Council can take some intervention. If the compliance level of service is not being met, a higher level of enforcement will be undertaken. If the time limited parking level of service is exceeded, a greater number of time restricted spaces will be provided. If people are walking more than 10 minutes to find a free all day carpark, the Council will invest in increased parking supply.
- 5.10 The all-day parking level of service allows all other parking to spill into the residential areas. 10 minutes' walk equates to a maximum distance of 840m and an average distance to 420m. When compared to the acceptable distance to walk to a bus route (400m) and the maximum distance to walk from a dwelling to an open space (500m), this distance feels appropriate.
- 5.11 By default, this is already happening. The strategy tries to manage this transition to minimise the negative effects of this change and to maximise the benefit to the centres of existing high demand parking.
- 5.12 Once adopted, some actions will be implemented through the operation and management of the Council's parking resource, while others will inform decisions within the Council's Long Term and Resource Management planning processes.

## 6 Options

- 6.1 The Council has three options:
- Option 1 - approve the Richmond and Motueka Town Centre Parking Strategy as recommended from the hearings panel (**Attachment 1**);
  - Option 2 - approve, with amendments the Richmond and Motueka Town Centre Parking Strategy as recommended from the hearings panel;
  - Option 3 - Decline to approve the Richmond and Motueka Town Centre Parking Strategy.
- 6.2 Staff recommend Option 1 as it has good strategic fit with other national and local planning documentation as well as general public support. However, minor changes (Option 2) could be accommodated to refine the strategy. The three options, along with consequences are described in the table below:

Option	Pros	Cons
1. Approval and adoption of the strategy	<ul style="list-style-type: none"> <li>• Provides certainty to the public in the forthcoming active transport strategy and public transport study</li> <li>• Matches the objectives of the transport government policy statement</li> </ul>	<ul style="list-style-type: none"> <li>• Will require some members of the public to walk further as parking demands increase</li> <li>• Parking pressure on residential streets as all day parking spreads beyond central areas</li> </ul>

Option	Pros	Cons
	<ul style="list-style-type: none"> <li>• Addresses key issues in the Transportation Activity Management Plan and the Regional Land Transport Plan</li> <li>• Provides balance to transport modes</li> <li>• Utilise car parking account to fund relevant alternative transport projects</li> <li>• Limits the potential investment in increasing car park capacity</li> <li>• Paid parking revenue</li> </ul>	<ul style="list-style-type: none"> <li>• Increase in parking operational costs for additional enforcement</li> <li>• Public reaction to paid parking in Richmond</li> </ul>
2. Approval of the strategy with amendments	<ul style="list-style-type: none"> <li>• Allows the Council to make minor changes to the strategy prior to release</li> <li>• All the pros of option 1 above, if they are not amended</li> </ul>	<ul style="list-style-type: none"> <li>• This will create a small delay in finalising the strategy and other transportation work</li> <li>• All the cons of option 1 above if they are not amended</li> </ul>
3. Decline approval	<ul style="list-style-type: none"> <li>• Allows the Council to make significant changes to the strategy</li> </ul>	<ul style="list-style-type: none"> <li>• This will significantly delay other transportation planning work</li> </ul>

## 7 Strategy and Risks

- 7.1 The proposed parking strategy aligns with the population growth and aging population key issues and responses in the Transportation activity management plan.
- 7.2 If the commercial growth in the town centre areas of Richmond and Motueka is faster than the growth model, levels of service triggers will occur sooner than predicted in the plan.

## 8 Policy / Legal Requirements / Plan

- 8.1 Section 22AB (1) of the Land Transport Act 1998 allows a road controlling authority to make any bylaw to control parking issues. The Act gives the Council the ability to prohibit or restrict any type of vehicle on any road.
- 8.2 Section 7 of the Traffic Control Bylaw 2016 provides the Council the ability to enable parking restrictions allowed in the Land Transport Act 1998.
- 8.3 Section 6.9.3.6 of the TRMP details the desire to avoid 'ribbon' development along High Street in Motueka by allowing town centre expansion in Tudor, Wallace and Greenwood Streets. This would mean that parking growth should be biased to the East of High Street to be more central to the Town Centre development. More recent hazard mapping and residential growth to South-West of the town centre means that this policy is no longer relevant. The strategy does not cater for this policy, as it foresees development of off-street parking to the West of High Street through working with owners of private under-utilised parking.

- 8.4 Section 6.9.3.7 of the TRMP details the desire to create a high amenity pedestrian main street in Motueka by having off street parking behind the main shops. The strategy has good alignment with this policy. Off street parking is well catered for with parking at Decks Reserve and Hickmott Place. The strategy envisages working with owners of under-utilised parking behind shops to the West to provide public access to those areas.
- 8.5 Section 6.9.20.3 of the TRMP identifies acquisition of land for service lanes and car parking as being one of the works to services for implementing the policies in Motueka.
- 8.6 There are no policies in the TRMP that directly relate to parking in Richmond.
- 8.7 The Transportation activity management plan (AMP) identifies two key issues that are relevant to parking:
- Population growth has increased traffic demand resulting in increasing delays on arterial routes in Richmond and Motueka.
  - An aging population is creating demand for diversification of transport types.
- 8.8 One of the responses to both these key issues is to make improvements into alternative transport modes to reduce the use of single occupancy vehicles. This strategy compliments this direction well.

<b>9 Consideration of Financial or Budgetary Implications</b>
---

- 9.1 Many of the larger projects included in the parking plan have been included in the LTP with associated budget and scope.
- 9.2 The strategy focuses on minimising significant investment in large parking infrastructure through smaller low cost interventions and increased enforcement operational costs.
- 9.3 Increases in immediate enforcement costs have already been budgeted for in the recent LTP and have been in effect over the previous year. This additional enforcement has increased from 35 hours per week to 70 hours per week for four months over summer and 51 hours for the remainder of the year.
- 9.4 This additional enforcement has been ongoing for a year and has resulted in an increase in the infringement value recovered from an average of \$68,000 pa to \$109,000 pa. The additional revenue will partially offset the additional enforcement.
- 9.5 It is recommended that the additional enforcement in three years' time and the user paid parking be accompanied with a switch to a digital system that integrates into the Council NCS system. We do not have a detailed quote for this, but it is expected that the capital cost would be between \$30,000 and \$60,000 with an additional annual ongoing cost of \$10,000 pa. This additional cost has not been included in the LTP.
- 9.6 An introduction of paid parking is planned in four years' time. However, this is based on an alternative transport system being in place. The strategy envisages that any surplus from the paid parking be added to the parking closed account. No revenue from paid parking has been factored into the LTP.
- 9.7 The parking account is a fund that developers pay into if they are unable to provide the number of on-site car parks required in the TRMP but also includes funds from rental properties on land earmarked for parking. The account has a current balance of around \$50,000.

- 9.8 The LTP included budget for parking improvements of \$945,000 over the 20 year period of the strategy. This is mainly split into some smaller interventions (~\$135,000) over the next three years and some larger interventions (~\$400,000) for each 10 year period.
- 9.9 Between specific projects, general parking improvements budget and the parking fund, additional funding to implement the strategy is likely to be minor. Additional funding will be needed to implement paid parking, although this should be offset by revenue longer term. There is some uncertainty over the timing of specific projects due to their implementation being based on level of service rather than a fixed date. This may mean that a project may need to be advanced earlier than expected. Staff will address these as they are encountered.

## **10 Significance and Engagement**

- 10.1 Public consultation has been included in the development of this strategy. This is due to the high public interest in parking. Specific public meetings were undertaken with Richmond Unlimited and the Motueka Community Board.
- 10.2 Many of the public submissions focused on providing alternatives to single occupancy passenger vehicles. Many of these submissions are outside of the scope of this strategy and will be addressed in subsequent active transport and public transport plans.
- 10.3 The strategy will have the greatest effect on the residents that are close to the town centres. These streets will be progressively used for all-day parkers as commercial development in the town centres grows. This will be particularly acute in Richmond, where a number of residents made submissions on the safety concerns of additional parking in their streets.
- 10.4 The other group that will be affected by this strategy are those that work in the town centres and have to drive due to the distance involved. As commercial activity grows around the town centres, demand for all day parking will grow. The strategy sees all day parking spaces utilise the residential street space. This will increase the distance that people will have to walk, or pay for a park within easy walking distance.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Medium	There was moderate level of public interest during submissions. The greatest interest was from residents that already have town centre overspill on their street. Parking can be a highly emotive subject.
Is there a significant impact arising from duration of the effects from the decision?	High	The strategy is for 20 years. Changes in transportation technology and trends is currently in flux. The strategy has tried to be flexible to accommodate uncertainty.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Low	Whilst the 'transport system as a whole' is regarded as significant, parking assets are not strategic.
Does the decision create a substantial change in the level of service provided by Council?	Low	The strategy largely follows the current practice of low parking capital investment.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	Low	Much of the interventions of the strategy has non-specific funding budgeted in in the LTP. There may be some additional operational funding required but there will also be an increase in infringement notice revenue.

## 11 Conclusion

- 11.1 The adoption of the proposed Richmond and Motueka town centre parking strategy will provide the Council with a consistent approach to managing the parking activities within the District.
- 11.2 The strategy will help ensure that the Council's investment in management of the parking activity is consistent, appropriate, least risk and optimised for the level of parking that we are experiencing now and into the future.

## 12 Next Steps / Timeline

- 12.1 Upon adoption of this strategy, staff will publish the parking strategy to the Council website with a reference copy at each of the service centres and libraries.
- 12.2 The strategy will be incorporated into the revision of the Transportation activity management plan and LTP in 2021.
- 12.3 Council staff will undertake projects identified within the next three years in the parking plan.

## 13 Attachments

1. Richmond and Motueka town centre parking strategy 57





# Proposed Richmond and Motueka town centre parking strategy

2018 - 2038





## WHAT IS THIS STRATEGY ABOUT?

This document sets out Council's proposed approach to managing town centre parking for cars and other vehicles in Motueka and Richmond. It focuses on Motueka and Richmond because these are our largest urban areas and parking in these towns is under the greatest strain. Richmond's parking pressures are particularly acute.

This document summarises the interventions for customer, visitor, staff, and resident parking, as well as outlining what Council is trying to achieve. It puts forward a long term plan for addressing known and anticipated car parking issues. The purpose of doing this is to ensure that Council's approach to town centre parking is efficient and effective. The Strategy will inform decisions within Council's Long Term Planning and Resource Management Planning processes that will provide for the creation and management of parking facilities for various forms of transport.

Motueka and Richmond are growing from small rural centres into towns in their own right that residents live, work, play and trade within. This strategy must find a balance for these towns as they transition into thriving urban areas. Parking has traditionally catered for cars. Changing demographics, technological advances and growth in our urban environments means our response should not only be about creating parking spaces but encouraging forms of transport that do not require the same level of land resources.

You can see a summary of our proposals on page 11.

## WHAT ARE WE TRYING TO ACHIEVE?

The Council has identified four objectives that will help guide this strategy and future parking decisions.



**MANAGING DEMANDS**  
 Parking options meet the reasonable demands of residents, customers, visitors and workers in the Motueka and Richmond town centres.

People should have good access to businesses and services located in the town centres. The role parking services play in achieving this objective needs to be reasonable. That means finding a level of provision and convenience that balances the needs of different users against the competing demands of that land and the costs associated with providing and maintaining car-parks.



**BEST VALUE**  
 Make the most efficient and effective use of parking resources, getting the best value from land available for parking over time

We need to get the most value we can from existing and future parking and land resources. This means recognising the importance of efficiency and value for money, as well as taking a cautious approach to significant investment. We can do this through initiatives that maximise the use of existing parking areas by prioritising the use of existing parking spaces, and by ensuring the parking space potential of existing parking areas is maximised, including on-road parking. Investing in new parking should first focus on maximizing the efficiency and effectiveness of existing parking areas before growing car park capacity.



**HOLISTIC**  
 Maximise efficiency of the whole transport system

The need for carparking and how it is managed is fundamentally linked to how people travel and what options are available to them. Removing obstacles to other forms of mobility such as walking and cycling or public transport helps relieve carparking pressure as well as providing other benefits to our community and transport systems. Carparking itself can help shape travel patterns and behaviours and how we manage this resource needs to support our other objectives for the transport system.

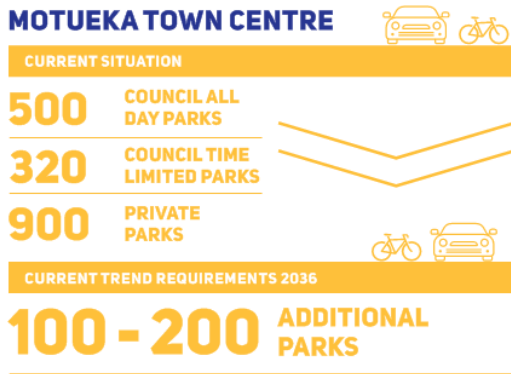


**PRUDENT**  
 Low risk, least regret approach to investment that is agile enough to respond to opportunities and challenges that might arise

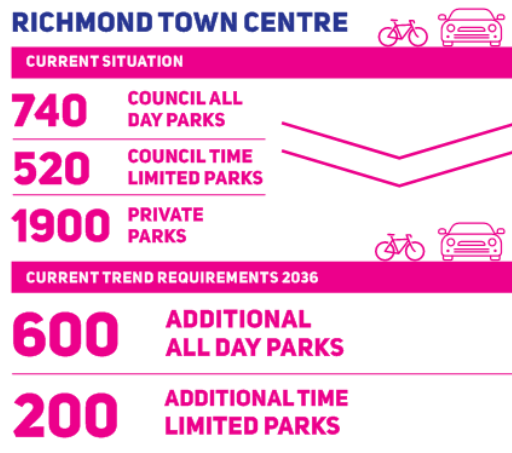
Tasman has an aging population and high growth. Disruptive transport technologies are potentially just around the corner. How exactly these will affect transport and parking needs over time is uncertain. Because of these uncertainties, we need to take a conservative, risk-averse approach to significant investment into parking solutions based on future demand based on current transport patterns. But it also means we need to be able to respond to opportunities as and when they arise.

## WHAT ARE THE ISSUES?

Parking demand has grown in Motueka and Richmond. Parking in Motueka is adequate for most of the year, issues arise during the peak Christmas-summer period due to high seasonal employment and tourism. Richmond has a large retail area and growing commercial employment which is stable but does experience peaks around the holiday season. These parking demands will worsen if current trends continue.



- Time restricted parking is at capacity during Christmas and summer, and demand is forecast to grow
- Conflict between high traffic flow and the use of access to time-restricted parking along High Street
- Underutilised off-street parking, even during times of high demand
- High levels of non-compliance with time restricted parking



- Time-restricted parking is at capacity approaching and during Christmas, and demand is forecast to grow
- All-day parking within the town centre is at capacity and demand is forecast to grow
- High levels of non-compliance with time restricted parking
- Many small scale, privately owned, scattered private parks that have low use and interact poorly with surrounding environment, aggravated by arbitrary and restrictive rules for on-site parking
- All day parking is spreading further into adjoining residential streets

Whether those trends continue depends on a range of factors, including population growth, tourism growth, development of the Richmond West and Motueka West mixed business and retail zones, and potential supermarkets at the Richmond periphery. These future activities may change demand for Motueka and Richmond town-centre parking. Unknowns that may also impact demand for private car parking include the effect of an aging population, use of public transport, technological changes in personal transport, and global and national economics.

In addition to these considerations, Council's Housing Choice plan change which provides for medium density housing close to town and Town Centre Re-development projects are relevant to this Strategy. In particular, the former may result in increased population density and pressure on street-side parking around the periphery of the Richmond town centre. As well as projects such as the Queen Street upgrade, these are also indicators of towns that are changing as they grow, shifting from being a rural service town to an urban centre. How we perceive and manage our parking needs to adapt.



## WHAT ARE OUR INTERVENTIONS?

In simple terms, Council may address parking issues in Motueka and Richmond by first managing existing parking areas better and then creating additional capacity. The range of interventions that the Council has for achieving its car-parking objectives are below.

### BETTER USE OF EXISTING RESOURCES

#### ALTERNATIVE TRANSPORT

Use of alternative modes of transport over more traditional single occupancy vehicles can reduce the demand of parking resources.



Alternative modes of transport will have a high priority to assist council in meeting needs of an aging population, meet emissions reduction and minimise the need for motor vehicle use.

Public transport, walking, cycling and car-pooling will be encouraged through prioritised infrastructure in prominent locations and investment of our network to provide safe and convenient routes to the town centres.

Cycling networks will include cycle park spaces in prominent and convenient areas that provide attractive facilities to secure cycles and charge electric cycles. Walking networks include seated areas to rest and trees along routes to provide shade and amenity.

People using carpooling will have convenient and priority parking over single occupancy vehicles.





**PUBLIC CARPARK AREAS**

Larger carparks tend to be an efficient form of parking, and can be more convenient for customers by reducing search times and improving car parking occupancy rates.

Additional car spaces will be added to public carpark areas, especially where existing car parking elsewhere has been reduced to improve alternative transport modes. This can be achieved through a combination of new layouts and acquiring adjacent under-utilised private carparks or land, resulting in more spaces being created within existing locations.



**PRIVATE CARPARK AREAS**

The current TRMP rules requires commercial development to provide parking spaces, these rules will be reviewed to enable better parking efficiency.

Funds that are contributed to Council in lieu of creating park spaces for commercial property can be utilised to advance alternative transport projects to limit demand on parking as well as creating additional car spaces.

Council can work with landowners of underutilised private parking areas to allow use by the general public.



**TIME-RESTRICTED PARKING**

Shifting some all-day parking within easy walking distance to time-restricted parking will meet the growing demand from shoppers and visitors to the centres\*.

Time restricted parking will grow in stages from existing time restricted parking close to shops on both on street and off street parking spaces. Growth will occur where existing time restricted parking occupancy exceeds 90%.



**TARGET:**  
**LESS THAN 90%**  
**OCCUPANCY OF TIME**  
**RESTRICTED PARKING**

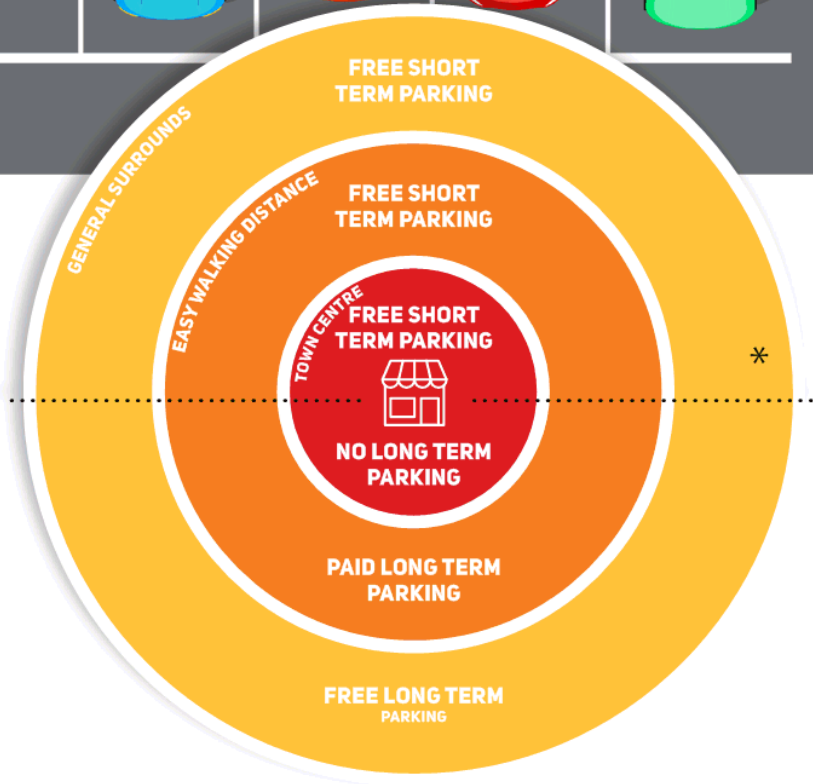


**PAID PARKING**

User pays systems can help to redistribute demand from prime locations into underutilised ones. Paid parking also encourages the use of alternative transportation, such as public transport.

Paid parking will progressively replace some free long term day parking within easy walking distance parking areas\*. Paid parking will be introduced after alternative transport networks are in place.

Any surplus created from paid parking will be re-invested in meeting the parking strategy goals.



**SIGNAGE AND INFORMATION**

Appropriate visible signage in high demand areas can be used to redirect cars to car parking areas, especially for out of town visitors and other people less familiar with Motueka or Richmond. This is a very cost effective way of making better use of existing carparks.

All off street parking will have adequate signage to improve identification of available parking spaces. Additional signage and information services will be created to assist areas that have a high level of users that are unfamiliar with the area. This will include speciality parking for larger vehicles, bikes or for the disabled.





**ENFORCEMENT AND COMPLIANCE**



The high level of non-compliance in both Motueka and Richmond are affecting the efficient use of parking spaces. People are parking too long in prime locations and consequently the rate that these parks "turnover" is too low.

Parking enforcement will be moderated to achieve an average non-compliance rate of no more than 10%.

**TARGET:**  
**90% COMPLIANCE WITH PARKING CONTROLS**



**SEASONAL PARKING**



The period around Christmas and the summer holiday period, leads to a higher demand for parking resources than is usual throughout the year. Catering to this short period of time would lead to an oversupply of parking for the remainder of the year.

Addressing this will depend on the scope of the issue and the severity in each town centre. The response could involve one or more of the following interventions for the duration of the summer season only:

1. Increase the time an enforcement officer monitors the area
2. Introduce a greater number of time restricted parking spaces
3. Provide overflow parking locations

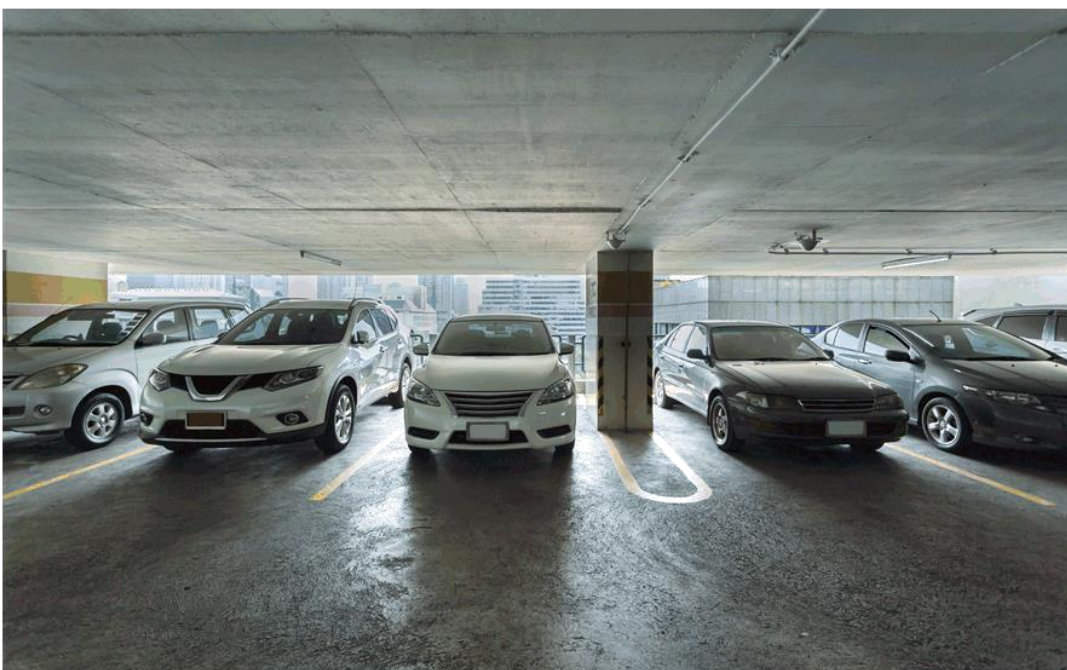


**CREATING NEW PARKING RESOURCES**

**BETTER USE OF EXISTING PARKING AREAS**



There are opportunities to increase the parking supply and efficiency in public parking spaces. This can be achieved through a combination of new layouts and acquiring adjacent under-utilised private carparks or land, resulting in more spaces being created within existing locations. Council will prioritise alternative transport over increases in additional car park spaces. New car spaces may be created in existing parking areas to offset car park spaces lost to encourage alternative transport modes.



**NEW PUBLIC CAR PARKING AREAS/FACILITIES**

Creating new parking areas and parking buildings can alleviate parking demands, but it also encourages vehicle use. Major new Council car parking areas or facilities would only be considered when the free all day parking target is exceeded. This target is not expected to be exceeded within the timeframe of this strategy. Any proposal to construct a private parking building on council land is inconsistent with this strategy, but will be considered on its merits.





**MANAGING PARKING ISSUES**

**DISABLED AND VULNERABLE USERS**

As our population get older, there will be a greater proportion of people that have limited mobility. We need to ensure that our transportation systems facilitate all users.

Parking time limits will be increased to double the posted limit up to a maximum of two hours for vehicles displaying disabled parking permit. Additional parking spaces for speciality disabled and vulnerable user's vehicles will be created in prominent off-street parking areas to address changes in vehicles to meet needs. On-street loading zones will be developed to cater for, taxis, ride sharing and courtesy coach need to drop off and pick up passengers.



**PARKING IN RESIDENTIAL STREETS**

As our town centres grow, demand of parking resources will spill out of the commercial areas and into surrounding areas.

Council will undertake low intervention treatment on each residential street that has high parking demand. The interventions will focus on improving safety and accessibility for all users of the street. Council will create walking corridors to improve the safety and accessibility from areas of high residential parking demand into the main CBD.



**TARGET:**  
**ALL DAY PARKING WILL BE WITHIN 10 MINUTES' WALK TO THE TOWN CENTRE**

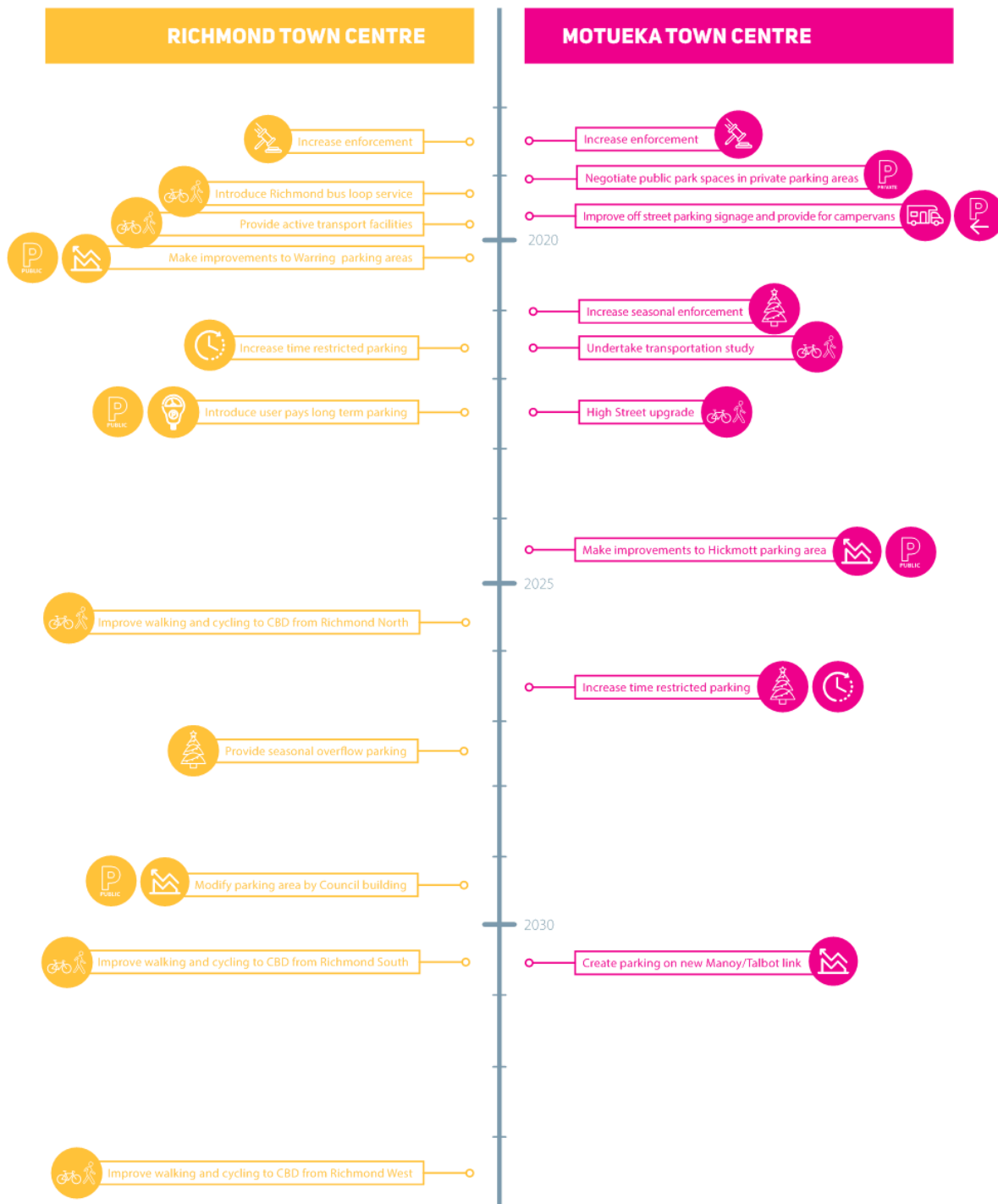
**CAMPERVAN AND OVERSIZED VEHICLES**

Larger vehicles are using parking facilities more regularly. The use of campervans by independent tourists and the number of retirement villages are projected to rise increasing the frequency of these types of vehicles. The additional size of these vehicles can create hazards when using car park spaces.

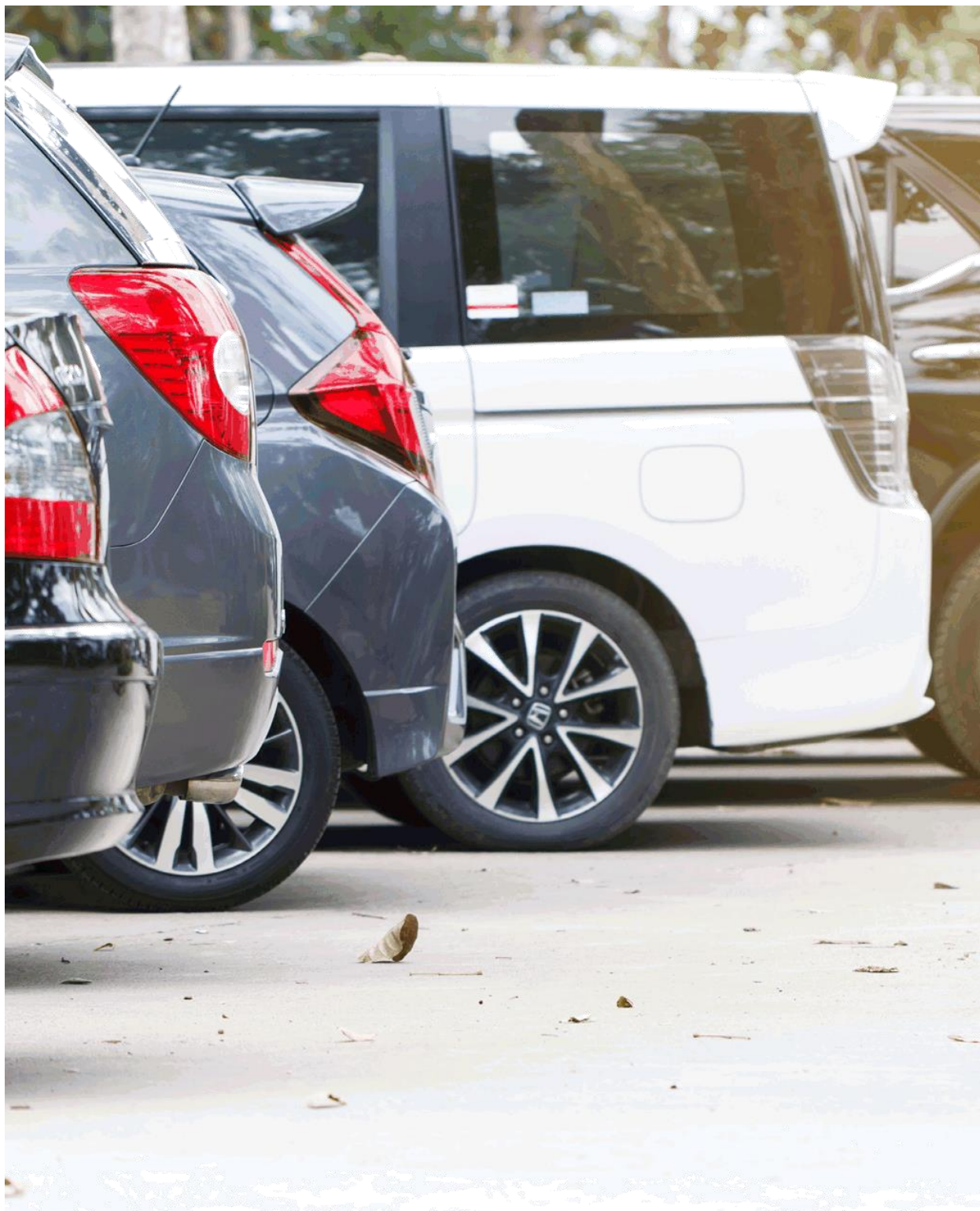
Council will create specific priority parking spaces for larger mini-buses that are used by rest homes and other community groups. Campervans will be encouraged to use off-street or side street parking areas that cater for their larger size instead of main street parking spaces.



## OUR PROPOSED PARKING PLAN



Issues resulting from parking will be continually monitored by Council and will be responded to using low cost interventions identified in this strategy.



*Feel free to contact us:*



Tasman District Council  
 Email [info@tasman.govt.nz](mailto:info@tasman.govt.nz)  
 Website [www.tasman.govt.nz](http://www.tasman.govt.nz)  
 24 hour assistance

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

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

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

Takaka  
 78 Commercial Street  
 PO Box 74  
 Takaka 7142  
 New Zealand  
 Phone 03 525 0020  
 Fax 03 525 9972

**8.5 PROPOSED HARBOURMASTER FACILITY AT PORT MOTUEKA****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Mark Johannsen, Property Services Manager
<b>Report Number:</b>	RCN18-08-06

**1 Summary**

- 1.1 This report proposes the construction of a new purpose-built Harbourmaster facility on Council-owned land at Port Motueka.
- 1.2 The reasons for this proposal are outlined in detail later in this report, but include the following key factors:
  - 1.2.1 There is currently no suitable storage facility available in Motueka for both of the Harbourmaster boats (*Sentinel* is the main Harbourmaster vessel and *Hydro* is a small one-man inshore boat).
  - 1.2.2 There are cost and time inefficiencies at present as vessels are trailered to Motueka each day from Ngatimoti.
  - 1.2.3 Motueka is considered the most appropriate launching point for Harbourmaster vessels. A presence at the District's central operational port is also deemed appropriate.
  - 1.2.4 Currently, associated equipment required by the Harbourmaster team (such as buoys, chains, signage, hoists etc.) is stored in a variety of places. This is inefficient, incurring additional costs and time to collect and distribute. In addition, the Richmond office area currently available to the team is insufficient to store bulk quantities of leaflets and other printed material.
  - 1.2.5 A review has determined that the current arrangements are inadequate for the operational needs of the Harbourmaster team.
- 1.3 It is proposed that the facility is funded through the Motueka Harbour and Coastal Works Reserve Fund as per the Motueka Harbour and Coastal Works Reserve Fund Policy (see Attachment 1). It is considered that this project meets the necessary criteria to utilise the fund.
- 1.4 The cost of the proposed facility is \$600,000 plus GST. A contingency figure of \$50,000 has been allowed for on top of this price.

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

**That the Full Council**

- 1. receives the Proposed Harbourmaster Facility at Port Motueka RCN18-08-06 report; and**
- 2. approves the use of up to \$650,000 plus GST from the Motueka Harbour and Coastal Works Reserve Fund for the purpose of the construction of the proposed Harbourmaster Facility at Port Motueka; and**
- 3. notes that the proposed facility will be internally 'leased' by the Regulatory Services activity for \$26,000 per annum with this income going back into the Motueka Harbour and Coastal Works Reserve Fund.**

### 3 Purpose of the Report

- 3.1 Approval is sought from Council to progress the construction of a new purpose-built facility at Port Motueka for the Harbourmaster, to be funded through the Motueka Harbour and Coastal Works Reserve Fund.

### 4 Background and Discussion

- 4.1 This report proposes the construction of a new purpose-built Harbourmaster facility on Council-owned land at Port Motueka.
- 4.2 There are a number of issues with the current arrangements. In developing this proposal, the following factors have been considered:

#### 4.2.1 Launching site

Port Motueka is considered the most appropriate launching point. *Legato*, the previous Harbourmaster vessel, was launched from Nelson, incurring significant additional fuel expense, as well as time wasted reaching the Tasman patrol area. A presence at the District's central operational port is also deemed more appropriate.

#### 4.2.2 Vessel storage and accessibility

No suitable storage facility is available in Motueka, so both boats (*Sentinel* is the main Harbourmaster vessel and *Hydro* is a small one-man inshore boat) are currently kept on private property (Motueka West Bank, Ngatimoti) each evening to ensure they are safe and available when needed. Trailering to and from Motueka each day from Ngatimoti incurs fuel and maintenance costs. As an alternative, *Sentinel* is sometimes left afloat in the Motueka Marina, however electrolysis is affecting the hull, so this is not a long term option.

If the vessels were located at Port Motueka, this would reduce the fuel and maintenance costs currently being incurred, and allow easy access at all times to the Harbourmaster and Deputy Harbourmaster. The importance of easy access to these vessels was highlighted with the recent cyclone events. During one of the weather events, the Motueka West Bank Road was cut off resulting in no vessel being available for a number of days.

#### 4.2.3 Equipment storage

The Harbourmaster team also have a significant amount of equipment associated with their work, such as buoys, chains, signage, hoists etc. This equipment is currently stored either in a container at George Quay or at Rabbit Island, requiring the Harbourmaster team to waste time moving between the various locations. For example, collection and distribution of the buoys is done from Motueka. This results in additional costs being incurred when they are collected from Rabbit Island before summer and returned after summer. Maintenance of the buoys (e.g. replacement of chains and shackles etc.) is currently done in an unsightly, unheated, badly lit container, which is not ideal.

The proposal for the new facility includes a small office work area. This would replace the current inadequate area in the Richmond office and allow suitable storage of bulk printed materials such as leaflets etc.

#### 4.2.4 Operational Requirements

In order to operate effectively and efficiently, the team have a number of operational needs to be considered, including:

- A temporary storage site (storage yard) for when the Harbourmaster staff need to tow debris and derelict boats out of the sea and store them.
- Facility to undertake boat and equipment repairs, and store the tools necessary to carry these repairs out in a place where they are easily and readily accessed.
- Storage facilities for personal protection gear and spare clothing, and kitchen and shower facilities for when staff are on call during weather and disaster events. This would assist when staff are required to stay a few days at a time somewhere near the marina.
- Weather events require operating from a convenient site and being in radio contact with the regional Emergency Management Services team.
- Staff need to be able to easily and quickly get the vessels out on the water in the event of an emergency call.
- Staff need to interact with and oversee local coastal and boating activities and ideally maintain good relations with local boating groups – hence they need to operate from a local/central site with an office.
- Appropriate securing of equipment i.e. a proper fenced and monitored site.

Therefore it is proposed that the new facility would comprise:

- Ablution facilities.
- Office area.
- Wet storage.
- Large and small boat storage.
- A washdown area.
- Security fencing.

- 4.3 An appropriate funding source for these works has been identified, which would provide for the development of this facility. This is covered in detail in Section 8 of this report.

<b>5 Options</b>
------------------

- 5.1 There are three options, as follows:

5.1.1 Option One – Search for a possible industrial building available to lease.

A watching brief has been kept for industrial opportunities in the Motueka area and to date nothing has been available. It is also recognised that we are unlikely to find a suitable building close to the Port, which is the preferred location.

5.1.2 Option Two (preferred option) – Construct a purpose-built facility to meet current requirements.

This would provide a bespoke facility in the preferred location allowing for improved security of our valuable boats and equipment, in a central storage facility.



This will also leverage an existing vacant unused site and part of a leased site (this lease terminating in August 2018).

#### 5.1.3 Option Three – Maintain status quo.

This presents the most problematic scenario with boat storage, as the continued use of private property is not sustainable, with travelling and launching times compromised.

## 6 Strategy and Risks

- 6.1 The proposed strategy is to develop the final design with our preferred contractor, with final cost being certified by an independent quantity surveyor.
- 6.2 No major risks have been identified as this is a straightforward design and build project on Council-owned land, providing a safety benefit for the community.
- 6.3 There is a risk to the community of the reduced efficiency of the operation in its current form.
- 6.4 The proposed strategy is consistent with our need to provide a high level of service and provide staff with appropriate facilities.

## 7 Policy / Legal Requirements / Plan

- 7.1 The funding proposal meets the criteria of the Motueka Harbour and Coastal Works Reserve Fund Policy.

## 8 Consideration of Financial or Budgetary Implications

- 8.1 The Motueka Harbour and Coastal Works Reserve Fund Policy (1 December 2016) sets out the principles and guidelines for the management of investments, assets and loans that make up the Motueka Harbour and Coastal Works Reserve (MH&CWR).
- 8.2 The policy states that the first call on funds generated from the MH&CWR will be utilised for:
  - (a) The maintenance and improvements of any of the assets held as part of the MH&CWR;
  - (b) Any maintenance and development of the Motueka Harbour;
  - (c) Council approved works in the Motueka Harbour and Coastal Works Reserve area;
  - (d) Approved Council use, should the capital assets in the account increase to such extent that the Commercial Committee considers that the funds being generated are surplus to the current requirements in a), b) or c) above.
- 8.3 It is considered that a) and c) apply in this situation.
- 8.4 The Policy further states that the capital assets will be managed with the intention of increasing the value of the assets held in the reserve fund and providing improved returns. Subject to complying with the policies set out herein, assets may be bought, sold, leased, licensed or otherwise disposed of. Any related borrowings are to be a charge to the reserve fund.
- 8.5 The fund currently has a cash balance of circa \$850,000 as at May 2018.

- 8.6 It is proposed that the fund disburses up to \$650,000 plus GST for the costs of completing the new building and fitout, and that payments of 4% of this sum per annum (\$26,000) be paid to the fund by the Regulatory Services activity.
- 8.7 Normal outgoings consistent with a lease will be paid for by the Regulatory Services activity.
- 8.8 The suggested return of 4% to the fund is to reflect the direct benefits of the facility to the Motueka area.

## 9 Significance and Engagement

- 9.1 This proposal is considered of low significance and no formal public consultation is required.
- 9.2 The Commercial Committee and Motueka Community Board have been consulted on this proposal and both were supportive of it, although concerns were raised at the Community Board regarding the estimated likely cost of the building.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	No	This is a decision regarding Council operations.
Is there a significant impact arising from duration of the effects from the decision?	No	The proposal is complementary to this industrial location.
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	However the change will be an improvement on current arrangements for the Harbourmaster.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	Based on the identified funding available.
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	No	

Issue	Level of Significance	Explanation of Assessment
entering into a group of activities?		

## 10 Conclusion

10.1 This proposal presents a long term solution for the Harbourmaster services of Council, and provides benefits for the general boating community. It also protects Council's valuable boat and equipment assets, whilst ensuring these are readily accessible for operational use.

## 11 Next Steps / Timeline

11.1 Pending approval of this proposal, the design and costings will be finalised and relevant consents sought.

11.2 If the proposal is approved, it is envisaged that construction would commence in February 2019.

## 12 Attachments

- |    |   |    |
|----|---|----|
| 1. | Motueka Harbour & Coastal Works Reserve Fund Policy     | 77 |
| 2. | Proposed Site of Harbourmaster Facility at Port Motueka | 81 |
| 3. | Concept drawings - Harbourmaster Facility               | 83 |





# Motueka Harbour and Coastal Works Reserve Fund Policy

## ORGANISATIONAL POLICY

### POLICY REFERENCES

• Sponsor:	<b>Corporate Services Manager</b>
• Effective date:	1 December 2016
• Internal review due:	1 December 2018
• Legal compliance:	LGA2002
• Associated Documents/References	
• Policy Number	CS08
• Approved by Chief Executive	N/A
	2015 Policy approved by Corporate Services Committee 12 February 2015 report RFN15-02-02
• Approved by Council (If Applicable)	Updated 2016 Policy approved by Full Council 1 December 2016 report RCN16-12-08 resolution CN16-12-10

### Purpose

The purpose of this policy is to:

- Set out clearly the principles and decision guidelines for the management of investments, assets and loans that make up the Motueka Harbour and Coastal Works (MH&CWR) Reserve.
- Set out clearly the principles and decision guidelines for use of the Income generated from the Motueka Harbour and Coastal Works reserve (MH&CWR).
- Set out clearly responsibility for the management and reporting on the Reserve fund.

### Definitions

**MH&CWR** – Motueka Harbour and Coastal Works Reserve fund

**Motueka Harbour and Coastal Works Reserve area** - the defined boundaries will be the coastal area from the Riwaka River mouth, to the northern end of the Kina Peninsular, including all of the Moutere Inlet, plus any assets, land or otherwise, held within the Motueka Harbour and Coastal Works as shown on the attached map.



### Application

This policy applies to staff, elected members and contractors involved in the management of the Motueka Harbour and Coastal Works Reserve fund and its assets.

### Background

As a result of the decision of the High Court on 2 November 2009, the Motueka Harbour Endowment Account which was created by statute in 1905, ceased to exist as a closed account. While the Council recognised that the funds were legally available for use across the district it determined that they should generally be used for activities within the area set out in the 1905 vesting Act.

The passing of resolution FN12-08-13 in 2012 established a closed account for Motueka Harbour and Coastal Works (MH&CWR) over the area described as *"the boundary commencing at the western shore of Tasman Bay at a point which used to be the southern boundary of Section 91 of Block 1 of the Moutere Survey District and is now known as the southern boundary of Pt Lot 1 DP 8511 in Computer Freehold Register NL8B/1027. It continues north along the coast, crossing streams and rivers until it reaches a point on the coast due east of Trig Station A. Jakkett Island is also included but roads and rivers are excluded."*

The resolution directed that the assets, balances, commitments etc from the Motueka Harbour Endowment Account be placed into the new account. This included any commitments and approved expenditure as at the passing of the resolution.

The Motueka Harbour and Coastal Works Reserve is not a *restricted reserve* and is not disclosed separately in Council's Annual report. A restricted reserve is one that is subject to external restrictions:

- The reserve is subject to legal requirements that govern the use of the funds; or
- The reserve includes funds that have not been utilised for the purpose for which they were received, and an obligation or requirement to return funds to its contributor exists.

### Policy

Overall control of the reserve is delegated to the Commercial Committee under its terms of reference. The Commercial Committee will focus on the investment assets, fixed or otherwise, as well as funds generated from earnings, investments and sales.

The Commercial Manager has responsibility for the maintenance, management and budgeting related to those assets that make up the reserve fund. The Commercial Manager will work with the Engineering staff to ensure budget provision is made in the Motueka Harbour and Coastal Works Reserve, for MH&CWR related assets or activities included in the Engineering Activity Management plans.

Use of the funds in the reserve

- other than for the costs of administration or maintaining the assets held in as part of the reserve or
- Council approved works in the Motueka Harbour and Coastal Works Reserve area

are subject to approval based on a separate full business case. The business case will outline the advantages to the MH&CWR or the Council of the proposed investment and is to be presented through the Commercial Committee.



The Commercial Committee may approve such expenditure up to a limit of \$50,000, provided it is in an approved budget. Any proposed expenditure above \$50,000 will require approval of Council.

The first call on funds generated from the MH&CWR will be utilised for:

- a) The maintenance and improvements of any of the assets held as part of the MH&CWR;
- b) Any maintenance and development of the Motueka harbour;
- c) Council approved works in the Motueka Harbour and Coastal Works Reserve area;
- d) Approved Council use, should the capital assets in the account increase to such extent that the Commercial Committee considers that the funds being generated are surplus to the current requirements in a), b) or c) above.

In the event that the Commercial Committee recommends the use of funds other than for items a), b) or c), consultation with the Motueka Community Board will be required prior to consideration of such a proposal being given by the Corporate Services Committee or Council.

The capital assets will be managed with the intention of increasing the value of the assets held in the reserve fund and providing improved returns. Subject to complying with the policies set out herein, assets may be bought, sold, leased, licensed or otherwise disposed of. Any related borrowings are to be a charge to the reserve fund.

Reporting to the Commercial Committee is to occur not less than every three months and will include statements of the financial performance.

This policy shall be reviewed by Council triennially.

A handwritten signature in black ink, appearing to read "Andrew McKinnon".

---

**Authorised by the Chief Executive and Full Council – Meeting 1 December 2016 Council resolution CN16-12-10**

---

**Date of approval: 1 December 2016**



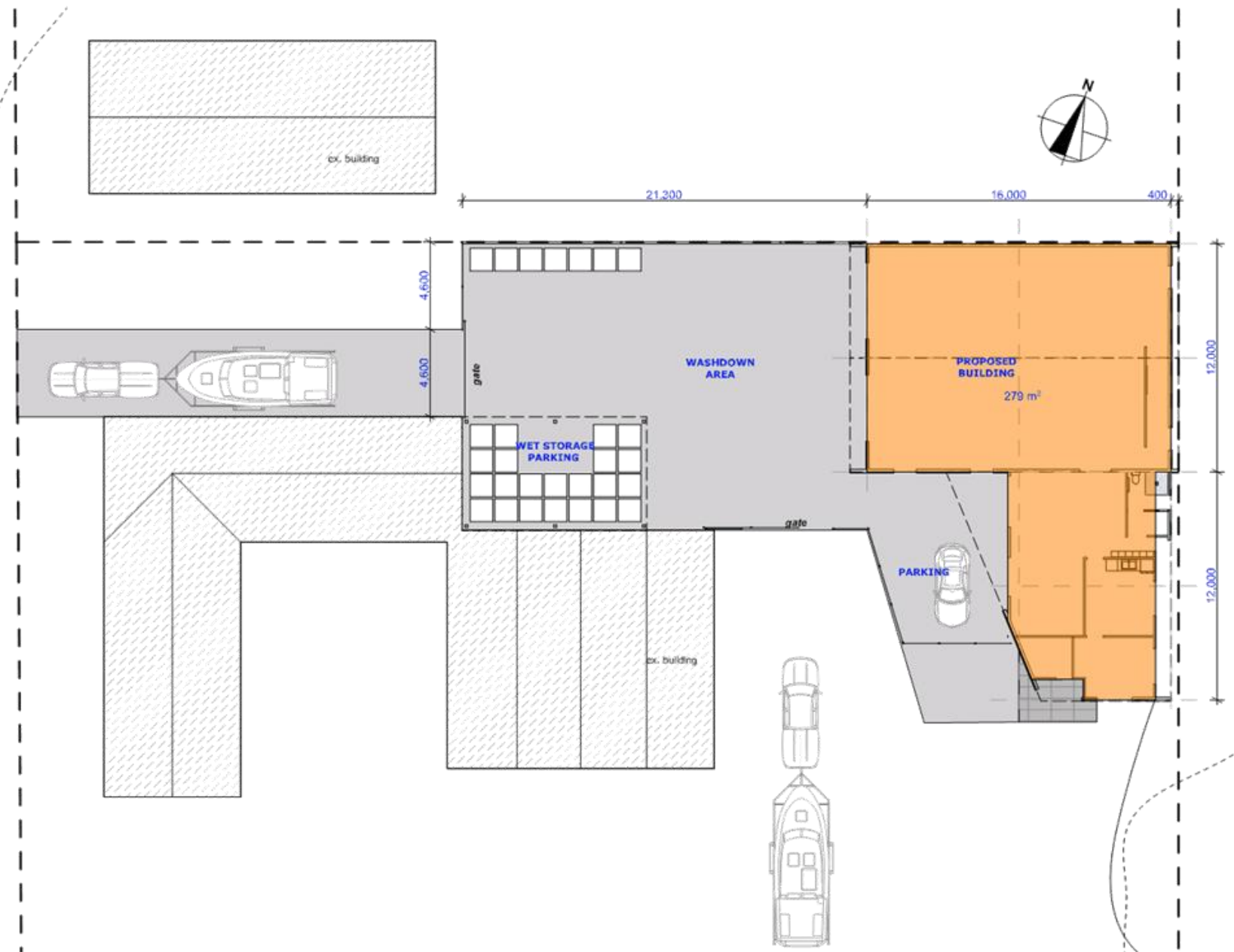




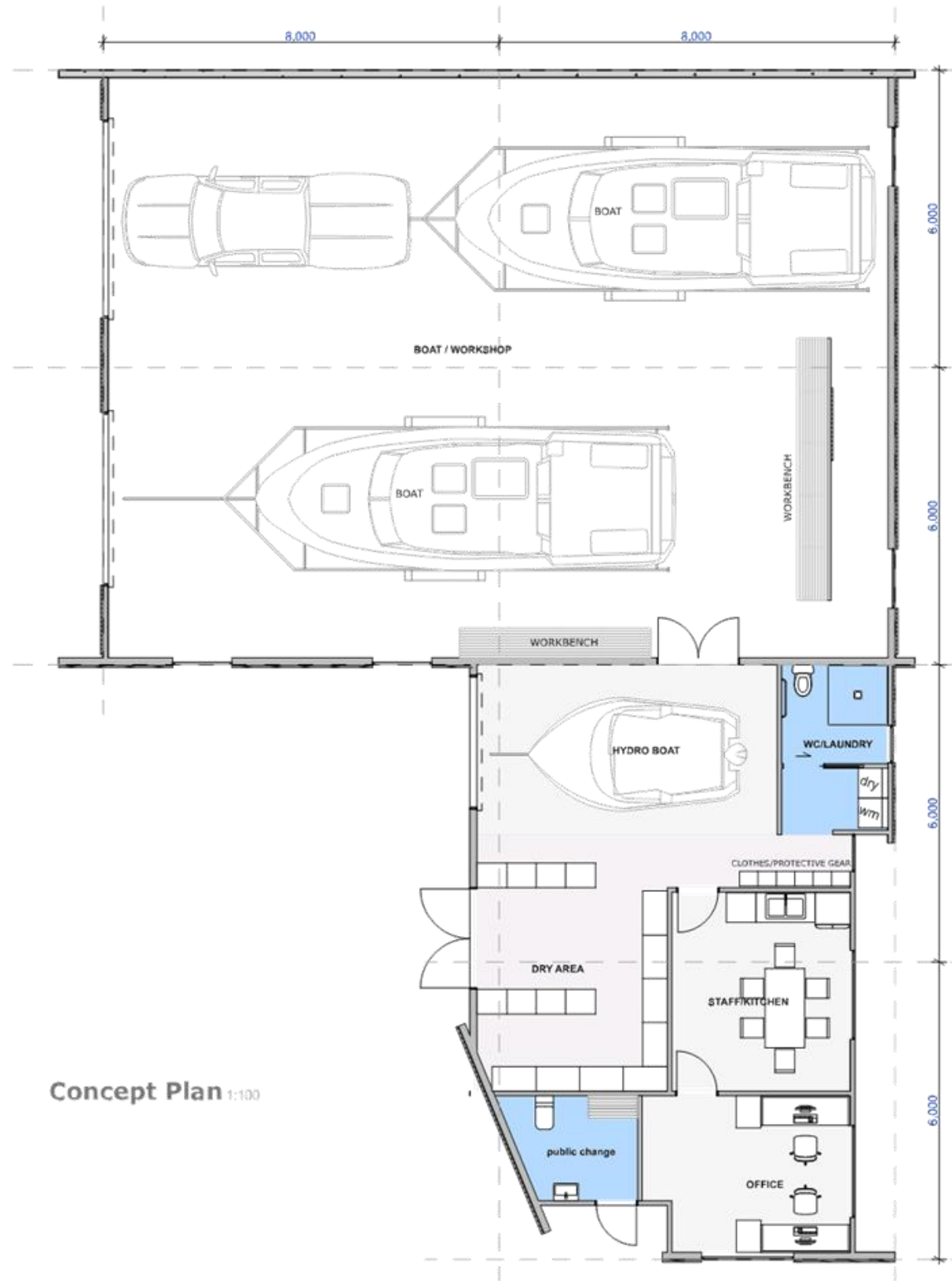




LOCATION PLAN 1:1000

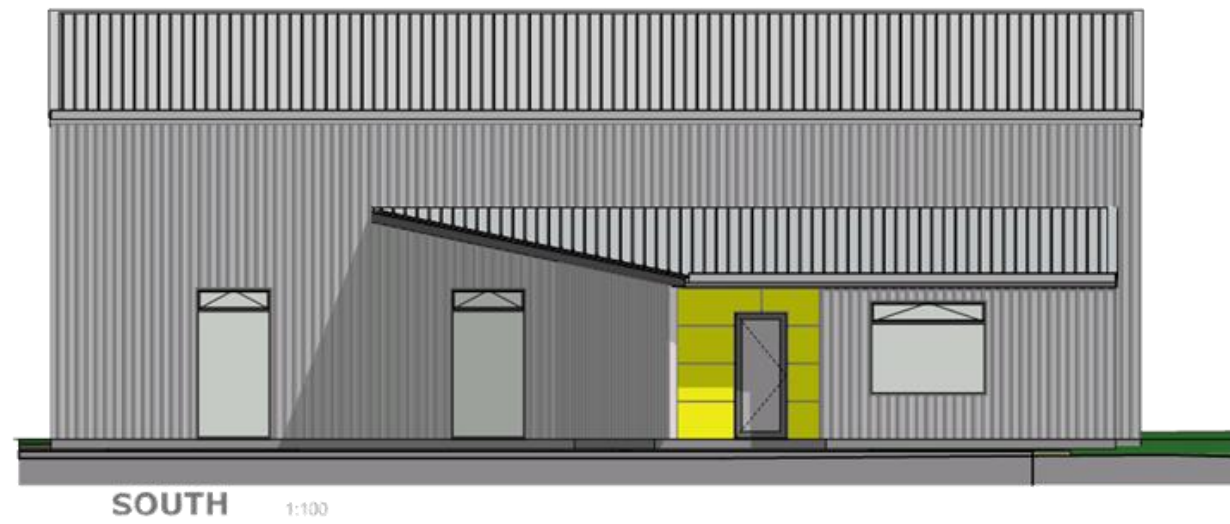


Site Plan 1:250



Concept Plan 1:100







## 8.6 POLICY ON THE APPOINTMENT AND REMUNERATION OF INDEPENDENT MEMBERS ON COUNCIL COMMITTEES AND BUSINESS UNITS

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Russell Holden, Finance Manager
<b>Report Number:</b>	RCN18-08-07

### 1 Summary

- 1.1 At the Full Council meeting on 23 March 2017 in the Mayor's report on the Remuneration of an Independent Member to the Nelson Regional Sewerage Business Unit (RCN17-03-27), a resolution (CN17-03-10) was passed to instruct staff to draft a policy and procedure for the appointment of independent members to Council committees and business units.
- 1.2 At the same meeting it was noted that a formal policy and procedure for determining the remuneration of independent members did not exist, and a request was made for staff to develop this, and report back to Council.
- 1.3 At the 24 May 2018 Full Council meeting, a report (RCN18-05-12) was presented that addressed remuneration, outlining current practice and providing a recommended methodology for Council to incorporate into policy. A resolution was passed at the meeting approving the methodology and requesting that a policy combining the process for appointment of independent members to Council committees and business units, with the approved methodology for remuneration, be developed and presented to a future meeting.
- 1.4 As requested, this policy has been drafted and a copy is attached for approval.

### 2 Draft Resolution

#### That the Full Council

1. receives the Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units RCN18-08-07 report; and
2. approves the Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units as attached (Attachment 1)

### 3 Purpose of the Report

- 3.1 To present to Council the draft 'Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units' for approval.

### 4 Background and Discussion

- 4.1 At the Full Council meeting on 23 March 2017, a resolution was passed to instruct staff to draft a policy and procedure for the appointment of independent members to Council committees and business units.
- 4.2 At the same meeting it was noted that a formal policy and procedure for determining the remuneration of independent members did not exist, and a request was made to develop this, and report back to Council.
- 4.3 At the 24 May 2018 Full Council meeting, a report (RCN18-05-12) was presented that addressed remuneration, outlining current practice and providing a recommended methodology for Council to incorporate into policy. The following resolution was passed at the meeting:

**CN18-05-18**

***That the Full Council***

- 1. receives the Remuneration of Independent Members Appointed to Council Committees and Business Units RCN18-05-12 report; and***
- 2. approves the recommended methodology for determining remuneration as set out in this report; and***
- 3. requests this recommendation be incorporated into a policy on the Appointment and Remuneration of Independent Members to Council Committees and Business Units, to be presented to a future Council meeting.***

**CARRIED**

- 4.4 As requested, a policy has been developed that combines the process for appointment of independent members, with the approved methodology for remuneration. A copy of this draft policy is attached for approval.
- 4.5 There are no further decisions that Council need to make regarding this policy. The process for appointment and recruitment is as per Council's Delegations Register and the Council Policy on the Appointment of Directors and Trustees to Council Organisations. This was outlined in detail in a report from the Corporate Services Manager on this subject to Full Council on 2 February 2017 (RCN17-02-07). The remuneration methodology was approved at the 24 May 2018 Full Council meeting. Therefore, the policy attached simply combines both agreed respective mechanisms into one document for future reference.

### 5 Strategy and Risks

- 5.1 The approval of this policy will address the risk that Council could be challenged over the appropriate approval for an appointment and the related remuneration. It also provides a clear indication of the approach Council is taking on this matter.



**6 Policy / Legal Requirements / Plan**

- 6.1 There is no provision in the Local Government Act that requires Council to adopt a policy. However, it is good practice to ensure consistency and a principled approach to set remuneration and provide a robust appointment process.

**7 Consideration of Financial or Budgetary Implications**

- 7.1 The methodology for remuneration will not result in a significant increase in current payment levels.
- 7.2 The payment of remuneration to appointed members is provided for in existing budgets.

**8 Significance and Engagement**

- 8.1 This matter is considered of low significance and no formal public consultation is required.

**9 Conclusion**

- 9.1 The request for a policy to be developed that incorporated both the appointment and remuneration of independent members to Council committees and business units, has now been actioned.
- 9.2 There is now a robust policy on this subject, which will provide the consistency and transparency that Council is seeking for future appointments.

**10 Next Steps / Timeline**

- 10.1 Following Council's receipt and approval of the attached policy, it will be uploaded to the Council Policy Register and referenced in the next update to the Delegations Register.
- 10.2 Staff involved with the administration of the Committees and Business Units referred to in the policy, will be notified that the policy is in place for future reference, when appointments of independent members are made.

**11 Attachments**

- |   |    |
|---|----|
| 1. Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units | 91 |
|---|----|



## 2018 Policy on the Appointment and Remuneration of Independent Members on Council Committees and Business Units

### ORGANISATIONAL POLICY

#### POLICY REFERENCES

- |  |   |
|--|---|
| <ul style="list-style-type: none"> <li>• Sponsor:</li> <li>• Effective date:</li> <li>• Internal review due:</li> <li>• Legal compliance:</li> <li>• Associated Documents/References</li> <li>• Policy Number</li> <li>• Approved by Chief Executive</li> <li>• Approved by Council (If Applicable)</li> </ul> | <p><b>Mike Drummond – Corporate Services Manager</b></p> <p>25 May 2018</p> <p>May 2021</p> <ul style="list-style-type: none"> <li>• TDC/NCC Policy on the Joint Appointment of Directors and Trustees</li> <li>• Council’s ‘Procedure for Joint Appointment of Directors/Trustees of Council Controlled Organisations and Council Controlled Trading Organisations’</li> <li>• Council’s policy on the ‘Procedure for Appointment of Directors and Trustees’</li> <li>• Joint NCC/TDC Procedure on ‘Jointly Setting Remuneration for Directors of Council Controlled Trading Organisations’</li> <li>• Strategic Pay New Zealand Directors fees reports</li> <li>• Delegations Register</li> <li>• Terms of Reference for each Committee or Business Unit</li> </ul> <p>CS16</p> |
|--|---|

#### 1. Purpose

The purpose of this policy is to set down an objective and transparent process for the selection, appointment and review of independent members appointed to Council Business Units and Committees. It also outlines the recommended methodology to be used to determine the appropriate remuneration for the independent member/s.

#### 2. Definitions

**Independent Member** – This describes an individual appointed to a Council Committee or Business Unit who is ‘independent’ of Council. Their appointment provides balance around

the table, by bringing external business knowledge, acumen, viewpoints and expertise to the Committee or Business Unit.

### 3. Application

3.1 This policy applies specifically to:

Independent members appointed to the following:

- Audit and Risk Committee (1 x Independent Member)
- Commercial Committee (3 x Independent Members)

Tasman District Council independent members (if any) appointed to the following Business Units:

- Nelson Regional Sewerage Business Unit
- Nelson Tasman Regional Landfill Business Unit

3.2 This policy does not apply to:

- Council Controlled Organisations or Council Controlled Trading Organisations. These are covered under a joint Nelson City and Tasman District Council Policy.
- Joint appointments to the Nelson Regional Sewerage Business Unit and the Nelson Tasman Regional Landfill Business Unit.
- Other joint Nelson City Council and Tasman District Council Committees, such as the Saxton Field Committee. A separate joint council policy will be developed for these.

### 4. Policy Contents:

[5. Policy on Appointment](#)

[6. Policy on Remuneration](#)

### 5. Policy on Appointment

5.1 Appointment of independent members to Council Committees and Business Units will be consistent with the Council's Policy on the Appointment of Directors and Trustees to Council Organisations. This is confirmed in the Delegations Register.

#### 5.2 Criteria for Selection of Independent Members

5.2.1 All appointees must have in the opinion of Council, the skills, knowledge or experience to:

- guide the Committee or Business Unit, given the nature and scope of its activities, and
- contribute to the achievement of the objectives of the Committee or Business Unit.

5.2.2 For all appointments, the following qualities of candidates for appointment as Independent Members must be considered:

- Demonstrated ability to think commercially and financially about strategies, projects and the intelligent deployment of resources;
- Articulate, and able to communicate in a concise and clear manner;
- Demonstrated leadership skills, and prepared to be counted on important matters;

- Commitment to, and understanding of, the responsibilities of Directorships;
- Relevant business experience and/or the ability to gain an in-depth understanding of the company/trust and its activities;
- Objectivity in decision making;
- Respect for colleagues and staff;
- High ethical standards;
- Proven commercial experience;
- Positive attitude to public ownership and the principles of good corporate citizenship;
- Financial acumen;
- Commitment to regional needs and priorities;
- Any other special considerations/requirements in respect of the specific Committee or Business Unit.

### **5.3 Process for Appointment of Independent Members**

- 5.3.1 The Chief Executive, and/or delegate of the Chief Executive and the Mayor will:
- notify elected members of the vacancy in a timely manner; and
  - meet with the Chairperson of the Committee or Business Unit to discuss specific requirements (including whether the appointment is necessary) and to consider whether there is any need for any variation of procedure, under Section 5.6 of this policy; and
  - retain a recruitment consultant to advertise the vacancy and develop a list of candidates; and
  - decide on the composition of the interview panel, to include the relevant Committee or Business Unit Chairperson or representative.
- 5.3.2 The Chief Executive or the Mayor will include any persons recommended by Council on the list of candidates.
- 5.3.3 The Recruitment Consultant shall, in consultation with the interview panel, prepare a short list of candidates, assist with any interview process and carry out reference checks of persons on the list of candidates, having regard to the criteria listed in Section 5.3 above.
- 5.3.4 The interview panel will conduct interviews on the short list of candidates and recommend a preferred candidate (or in the case of multiple vacancies, candidates) to the Council through the Chief Executive.
- 5.3.5 Council will make the final decision to appoint Independent Members, on the recommendation of the interview panel.

### **5.4 Reappointment of Independent Members**

- 5.4.1 No Independent Member may be reappointed for a fourth successive term unless there are special circumstances, including:
- Succession planning
  - Provision of continuity for redevelopment projects

- Provision of specific areas of expertise

5.4.2 Subject to the Terms of Reference of the Committee or Business Unit concerned, where an Independent Member's term of appointment has expired and they are offering themselves for reappointment, the Chief Executive and the Mayor:

- May make confidential enquiries from the Chairperson and other members of the Committee or Business Unit as necessary, including:
  - whether the skills of the incumbent add value to the work of the Committee or Business Unit;
  - whether there are other skills which the Committee or Business Unit needs;
  - whether a change to the existing Independent Members would compromise the Committee or Business Unit's ability to pursue a desired vision and long term strategy, or whether there is a need for new skills and ideas on the Committee or Business Unit; and
  - whether an appointment is necessary.
- Must consider any information obtained and form a view on the appropriateness of reappointment or making a replacement appointment; and
- Must recommend to Council whether reappointment is appropriate.

5.4.3 If reappointment is not appropriate, the appointment process outlined in Section 5.2 will be followed.

## 5.5 Term of Appointment

5.5.1 The term of the appointment will be as per the Terms of Reference for the Committee or Business Unit, and/or the Delegations Register.

## 5.6 Variation of Procedure

5.6.1 Council may decide, by resolution, to vary the procedures outlined in this policy as necessary, provided that such variation meets the requirements of the Local Government Act 2002 and provides an objective and transparent process for the appointment of the Independent Member.

## 6. Policy on Remuneration

### 6.1 Methodology

6.1.1 The methodology to be used to calculate remuneration of Independent Members was approved at the Full Council meeting 24 May 2018 (Report RCN18-05-12). This applies to any new appointments post this date, and does not apply to anyone incumbent in the role.

### 6.2 Business Units and Commercial Committee

- 6.2.1 The process for CCTOs, based on the Strategic Pay New Zealand Directors' fees data, is applied to calculating remuneration for Independent Members of Business Units and the Commercial Committee, *with adjustments made for the varying workloads, risk and responsibilities associated with the role.*
- 6.2.2 The formula is as outlined in the joint Nelson City and Tasman District Council procedure 'Jointly Setting Remuneration for Directors of Council Controlled Trading Organisations', which is focused on recruiting professional directors, and as follows:
- 6.2.2.1 Remuneration is based on the previous two years' data from the Strategic Pay New Zealand Directors' fees report for the appropriate organisation type.
- 6.2.2.2 Other relevant factors from the surveys, such as annual turnover, assets, number of respondents and number of employees are also taken into consideration.
- 6.2.2.3 An average for the two years' results is taken, with recommended remuneration per annum set between the lower and median quartile results.
- 6.2.2.4 Remuneration is normally set for a three year period aligning with the Long Term Plan cycle.
- 6.2.2.5 In the intervening two years the remuneration pool may be adjusted by the annual consumer price index (CPI) movement at the previous December.
- 6.2.3 Based on this, the remuneration range for Independent Members of Business Units and the Commercial Committee would be between \$6,692 and \$10,420 per annum, as a starting range, as at the time of this policy being written. A review of this indicative range will be made when the Policy is next reviewed.
- 6.2.4 Consideration of additional factors, such as the skills required to carry out the role and the ability to attract necessary expertise, allow for some flexibility around the actual fees paid.

**6.3 Audit and Risk Committee**

- 6.3.1 Remuneration of the Independent Member of the Audit and Risk Committee will be negotiated as part of the recruitment process and based on an hourly rate under a professional services agreement. This reflects the technical nature of the appointment, and market rates.

**6.4 Other Joint Committees**

- 6.4.1 Independent members appointed to joint committees such as the Saxton Field Committee will continue to be remunerated as currently, pending the development of a Joint Policy by Nelson City Council and Tasman District Council.

---

Authorised by the Chief Executive following approval at Full Council (date of meeting)

---

Date of approval:



**8.7 CORPORATE SERVICES QUARTERLY REPORT TO END OF JUNE 2018****Information Only - No Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Mike Drummond, Corporate Services Manager
<b>Report Number:</b>	RCN18-08-08

**1 Summary**

- 1.1 This report covers activity in the Corporate Services Department for the period 1 March 2018 to end of June 2018.
- 1.2 **Financials** – The department has ended the year with a small surplus. This is an improved result over the expected budgeted deficit for the year.
- 1.3 **Human Resources** – A new Principal Legal Advisor has been appointed, and the position of Financial Accountant has been filled. Russell Holden, Finance Manager has resigned to move to Australia and recruitment for his role is currently underway.
- 1.4 **Risk Management** – All risks on Council's Vault health and safety register for the Corporate Services department, have been reviewed.
- 1.5 **Information Services (IS)** – A new Service Requests system has been released. We are also replacing our aging PABX telephone system with the latest generation technology, and updating our printer/copier fleet with a new five year All-of-Government contract.
- 1.6 **Property Services** – With a full complement of staff the Property Services team has made good progress to address the backlog of work in the commercial area, and process the backlog of leases, licences and encumbrances.
- 1.7 **Commercial Activities** – Commercial activities are tracking favourably, with forestry producing a surplus at June year end.
- 1.8 **Finance Section** – The Finance team continues to be busy with the Annual Report and preparation for the rates strike for the new rates year.
- 1.9 **Legal Section** – We have appointed a new Principal Legal Advisor, Lucy Clark, who starts in this role on 6 August. We are also reviewing the most effective way to provide support to this key role.
- 1.10 **Council Controlled Organisations and other** – We have received the Nelson Airport Ltd Final Statement of Intent. This will be presented to the 21 August Joint Shareholders Committee. We have also received the final Local Government Funding Agency Ltd Statement of Intent 2018-19. A copy is available to Councillors on request.

**2 Draft Resolution**

**That the Full Council**

- 1. receives the Corporate Services Quarterly Report to end of June 2018 RCN18-08-08 report; and**
- 2. notes the documents that have been signed under delegation as set out in section 8.2; and**
- 3. approves the s17A service delivery reviews as attached to this report (Attachment 1).**

### 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 Background and Discussion

#### 4.1 Department Overheads

##### Corporate Services Department Overhead Expenditure Statement

For the year to June 2018

\$000's Actual 2017	Overall Corporate	\$000's YTD Actual June 2018	\$000's Total Budget 2017/18	\$000's Full Year Variance
<b>Operating Income</b>				
1,727	General Rates	1,197	1,197	0
317	Fees & Recoveries	366	(27)	393
27	Sundry Income	28	28	0
<b>2,071</b>	<b>TOTAL Operating Income</b>	<b>1,591</b>	<b>1,198</b>	<b>393</b>
<b>Operating Expenses</b>				
3,082	Wage Related Expenses	3,293	3,455	162
954	Maintenance	1,049	929	(120)
915	General Operating Costs	1,327	1,379	52
523	Professional Fees	823	620	(204)
141	Employee Benefits	153	166	13
57	Employment Related Expenses	68	129	61
447	Overheads	188	189	1
191	Loan Interest	154	168	14
0	Financial Expenses	(2)	0	2
1,023	Depreciation	1,060	1,328	268
(6,016)	Overhead Recoveries	(6,585)	(6,894)	(309)
<b>1,315</b>	<b>TOTAL Operating Expenses</b>	<b>1,528</b>	<b>1,470</b>	<b>(58)</b>
<b>756</b>	<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	<b>63</b>	<b>(272)</b>	<b>335</b>
<b>CAPITAL Expenditure</b>				
1,268	Capex Additions	925	1,452	526
375	Loan Principal Repaid	324	415	91
<b>1,643</b>	<b>Total Capital Expenditure</b>	<b>1,249</b>	<b>1,866</b>	<b>618</b>
<b>CAPITAL FUNDING</b>				
498	Loans Raised	(0)	725	(726)
1,023	Depreciation	1,060	1,328	(268)
<b>1,521</b>	<b>Total Sources of Capital Funding</b>	<b>1,059</b>	<b>2,053</b>	<b>994</b>
<b>(122)</b>	<b>SURPLUS (DEFICIT) FROM CAPITAL FUNDING</b>	<b>(189)</b>	<b>187</b>	<b>376</b>
<b>CLOSED ACCOUNT BALANCE</b>				
547	Opening Balance	497	497	0
756	Surplus (Deficit) from operations	63	(272)	(335)
(122)	Surplus (Deficit) from Capital expenditure	(189)	187	376
<b>1,181</b>	<b>Closing Surplus</b>	<b>370</b>	<b>412</b>	<b>41</b>

- 4.2 The financial position of the department is an operational surplus of \$63k for the full year. This is a significant improvement on the budgeted deficit of \$272k.
- 4.2.1 The additional unbudgeted income came from unbudgeted infringements, fines, some recoveries, sale of rating information, small grants (off set in expenditure).
- 4.2.2 The under-recovery in overheads reflects the level of staff time charged out. This is partly offset by lower than expected staff costs.
- 4.2.3 Professional fees reflect the expenditure on professional advice to Council for the Waimea Community Dam, which is not recoverable as part of the Joint Venture core project costs.
- 4.2.4 Staff costs are below budget due to the level of vacancies, reduced hours as staff transition to retirement, and delays in recruiting new positions.
- 4.2.5 Depreciation costs are below budget through a reduced capital programme in the previous year as well as in the current year. We are transitioning the way we fund and manage IT costs. This will see less cost being capitalised and more operationalised. This is reflected in the adverse variance in maintenance costs.

## 5 Human Resources

### Legal

- 5.1 Lucy Clark has been appointed to the role of Principal Legal Advisor, and will be joining Council on 6 August. It is an opportune time to also look at the most effective way to provide support to this key role, and this work is underway.

### Finance

- 5.2 A new Financial Accountant, Charlotte Thomas, has been recruited for the Finance team, replacing Bryce Grammar who resigned in early May. Charlotte starts in the role on 30 July. During the interim period, the position has been partly covered by external resources.
- 5.3 Russell Holden, Finance Manager has resigned to move to Darwin Australia, and leaves Council mid-August. Recruitment is underway for a replacement for this Tier 3 role.
- 5.4 Once again we are participating in the CAANZ Achiever Programme. This programme places finance students into the workforce over the summer break. It creates a key opportunity for both Council and the student. The student learns about the great career options available in local government, and we get to engage with potential future finance staff. Preference is given to local students or those whose family reside in the district.

### Property/Commercial

- 5.5 The role of Property Services Administrator was recently vacated by Sandy Pomeroy. Through the recruitment process we were able to make an internal placement, with Julie James who was already part of the team in a fixed term role, filling this permanent position.

### Information Services

- 5.6 Information Management Officer Nicky Kolk resigned at the end of June. A replacement for her role is currently being sought.
- 5.7 The Information Services Manager, Peter Darlington, has been appointed Acting Corporate Services Manager for eight weeks beginning 30 July. This is to allow me to spend more

time working on the Waimea Community Dam project. It also ensures that the day to day management of the department is not impacted by current management workloads.

## **6 Risk Management**

### **6.1 Health and Safety – Corporate Services Risk Register**

6.1.1 All risks on the health and safety Risk Register (risk/hazard database contained in Vault) were reviewed by the Department's managers in June. As at 30 June 2018 there were 11 risks of either low or moderate rating across the Finance, Information Services and Property Services sections. There were no high or critical risks. Risks in the low category are accepted (regarded as insignificant) unless reasonable measures to eliminate them are available. Risks in the moderate range are typical of risks from activities that people are prepared to tolerate but require further reduction or elimination if it is reasonably practical to do. Following a review of all risks by the Department's managers, the next review dates were updated. Remaining risks are low and regarded as insignificant.

### **6.2 Records and Archives**

6.2.1 Concerns have been raised over the resourcing and effectiveness of the records and archives function across Council. I have commenced a review and have engaged Archives NZ to complete an initial audit. This audit is fairly narrow and will focus on determining if Council is meeting its statutory obligations. The outcome of the audit will be reported up through the Audit and Risk Committee in due course.

### **6.3 Property Services – Backlog of Leases and Licences**

6.3.1 We have previously reported the risks we face due to the backlog of leases and licences work in the Property Services area. I am pleased to report that the better resourced Property Services team is making good progress with this work.

## **7 Information Services Update**

### **7.1 Service Requests System Upgrade**

7.1.1 We are about to release a new Service Requests system. This will allow our Call Care afterhours service to enter service requests directly into the system, where they previously had to email afterhours requests through to the Customer Services team. The new system automates a highly manual process giving more accurate information such as service request response times. System testing is meant to be completed by the end of June ready for Go-Live.

### **7.2 PABX Telephone System and Printer/Copier Tenders**

7.2.1 We are replacing our aging NEC PABX telephone system with the latest generation technology from NEC. This will allow our move away from traditional telephone line calling to digital calls while maximizing our existing investment in NEC telephone infrastructure. The tender closed on 20 June 2018 with a decision on a successful supplier expected late in July or early August.

7.2.2 We have also updated our printer/copier fleet with a new five-year All-of-Government contract. The successful supplier is CSG (formerly Konica Minolta). The new

contract will allow us to save costs with a lower per-page print cost and better print management technologies such as the ability to release prints via passcodes and access cards rather than having all jobs print automatically.

## 8 Property Services Update

### 8.1 Property Services Team

- 8.1.1 There has been good progress to actively address the backlog of work in the commercial area, and process the backlog of leases, licences and encumbrances. Progress is being made with the registration of easements on the Great Taste Trail being actioned, and a start has been made on getting our community leases up to date. The team are now handling an increased workload of land acquisitions for infrastructural assets.
- 8.1.2 The Commercial Portfolio Manager is working with members of the Commercial Committee to progress the business plans and strategies for Motueka Aerodrome, Port Tarakohe and Collingwood Holiday Park and will be ready shortly to present issues papers for each of these to the Commercial Committee
- 8.1.3 The overall focus of the team is continuing towards elimination of the backlog of unresolved issues, while continuing to support the ongoing Council-wide property needs.
- 8.1.4 Overall, commercial activities are tracking very favourably with forestry producing a surplus of \$3.07m at the June year end. More detail on the commercial portfolio is covered in section 9 of this report.

### 8.2 Documents Signed Under Delegation

The following documents have been signed under delegation for the period 1 April 2018 to 30 June 2018:

- Great Taste Cycle Trail – agreement for trail to cross private land. Signed 9 April 2018.
- Great Taste Cycle Trail – agreement to vary location of cycle trail following Cyclone Gita. Signed 9 April 2018.
- Great Taste Cycle Trail – agreement with LINZ for cycle trail Ranzau Road (renewal). Signed 9 April 2018.
- Licence for Takaka Market (renewal). Signed 11 April 2018.
- Licence for minor building encroachment Wood Loop Road. Signed 11 April 2018.
- Easement for power supply to nearby shed near Hart Road. Signed 13 April 2018.
- Licence for grazing Takaka riverbed (renewal). Signed 5 April 2018.
- Road stopping agreement Stagecoach Road (surplus portion of road land). Signed 12 April 2018.
- Agreement to acquire land for sewer pump station Pohara. Signed 17 April 2018.
- Four different consents as adjoining owner to confirm boundaries on 'limited as to parcels' title. (Very old surveys).
- Transfer of title from Waimea County Council to Tasman District Council, to allow Hart Road easement (above). Signed 23 April 2018.
- Discharge of compensation certificates for two land owners as part of completion of purchase of land for stormwater, Seaton Valley Road. Signed 25 April 2018.

- Compensation certificate to protect Council's interest in agreement for sewer pump station Pohara. Signed 17 April 2018.
- Grazing licence Murchison cemetery. Signed 30 April 2018.
- NZ Motor Caravan Association lease in Motueka. Signed 27 April 2018.
- Encumbrance to allow use of private bore on legal road, near Motueka River. Signed 12 April 2018.
- Licence to occupy for bach on Owen Valley East Road (renewal). Signed 8 May 2018.
- Sepclean lease Fittal Street – lease term extension. Signed 2 May 2018.
- Discharge of compensation certificate for pump station work Pohara. Signed 21 May 2018.
- Great Taste Cycle Trail – ten different registrations of easements.
- Notice of desire to acquire land (first step in compulsory acquisition). Bateup stormwater drain. Signed 22 May 2018.
- Encumbrance for building encroachment for shed partially on unformed road. Signed 11 May 2018.
- Two different licences to occupy for access along Railway Reserve near Jubilee Park. Signed 24 May 2018.
- Poutama Drain – grant easements for bridge. Signed 25 May 2018.
- Licence to occupy private bore on unformed legal road. Signed 23 May 2018.
- Licence to occupy Coffee Cart Motueka. Signed 24 May 2018.
- Licence to occupy Gelato Cart Sundial Square. Signed 7 June 2018.
- Two different licences to occupy for outdoor dining Sundial Square. Signed 12 April 2018.
- Easement for power supply to new water treatment plant Wakefield. Signed 7 June 2018.
- Licence to occupy private water supply pipes under road Marahau. Signed 7 June 2018.
- Discharge of compensation certificate Eighty Eight Valley Road following acquisition of road. Signed 14 June 2018.
- Amendment to agreement to acquire land for road Tapawera. Signed 15 June 2018.
- Licence to occupy for carparks. Goldpine's use of part of the main Council carpark. Signed 28 May 2018.
- Licence to occupy for outdoor dining facility Ambrosia Café, Queen Street. Signed 22 June 2018.
- Renewal of lease Jubilee Park Richmond Toy Library. Signed 29 June 2018.

## 9 Commercial Activities

- 9.1 The financial results for Commercial activities are reported in full through the Commercial Committee. The last reports went to the Committee on 25 May 2018, and these confidential reports are available to Councillors on request. To follow is a high level summary of commercial activities for the June 2018 year end. These will be considered by the Commercial Committee on Friday 31 August 2018.

**9.2 Holiday Parks and Campgrounds**

- 9.2.1 The net deficit from operations for the June 2018 year end was \$47k, which is on budget.
- 9.2.2 Negotiations are continuing regarding the proposed buyback of the Pohara Holiday Park. This is now to be funded in the 2018-2019 financial year.

**9.3 Commercial property holdings**

- 9.3.1 Net surplus for the 2018 year end was \$399k with a positive variance of \$175k (+78%) compared to budget, due to a combination of improved income from fees and recoveries and lower operating expenses.

**9.4 Forestry**

- 9.4.1 The net surplus for the June 2018 year end was \$3.07m with a positive variance of \$1.89m (+161%) compared to budget, due to the higher income from additional harvesting. Forestry surpluses in the LTP are committed to funding part of the Waimea Community dam project.

**9.5 Port Taranaki**

- 9.5.1 The net deficit for the year to date was \$96k with a negative variance of \$143k compared to budget, due primarily to the higher wage, overheads and loan interest than budgeted.
- 9.5.2 Income was badly affected by the two major storm events which restricted mussel harvesting operations. This resulted in a revenue reduction of \$41k below budget.

**9.6 Aerodromes**

- 9.6.1 The net deficit for the June 2018 year end is \$18k with a negative variance of \$4k (29%) compared to budget, due to slightly lower than expected expenses coupled with lower revenue.
- 9.6.2 Staff met with the Takaka Aerodrome local management committee on 26 June 2018. The final actions regarding moving the management of the aerodrome over to a similar governance structure as is currently in place with Motueka Aerodrome were agreed. The formation of a Takaka Aerodrome User Group occurred and the transfer of the responsibility for aerodrome maintenance, collection of fees and rentals, and financial management moves to the Council effective from 01 July 2018.
- 9.6.3 Meetings with the Motueka Aerodrome Operations and Safety Committee and Motueka Aerodrome Advisory Group occurred on 20 June 2018.
- 9.6.4 The review of the Motueka Aerodrome Management Plan was completed and a new Takaka Aerodrome Management Plan was completed. Both of these plans are available on the Councils website.

**10 Finance Section Update**

- 10.1 With the adoption of the Long Term Plan (LTP), the high work load that the Finance team has been under has not abated. The team has immediately switched to the task of completing the Annual Report and also preparation for the rates strike for the new rates year.



- 10.2 With the resignation of the Financial Accountant, Bryce Grammar a lot of experience and know-how also left. However we have a good overall team, and have successfully recruited a quality replacement into the Financial Accountant position. The team is coming together with the new Accountant to ensure we can meet our upcoming deadlines.
- 10.3 There are a number of new types of rates this year, requiring clear communication through various avenues. We anticipate that interest in the new Waimea Community Dam rates will be high. As usual for August, being the first instalment of the new rates year, we are expecting to be very busy. This will be heightened further this year by the need to answer ratepayer's queries about new rates and the movement in rates driven by the 2017 three-yearly property revaluation.
- 10.4 The management report on the audit of the LTP was very positive, with favourable comments on the entire LTP process and the procedures and processes supporting it. This was very well received and a strong endorsement of the work carried out by the team, which is often not seen.

## 11 Legal Update

- 11.1 We are managing through the gap created by the previous Principal Legal Advisor leaving and the new Advisor starting. We have provided support for urgent legal advice that does not go out automatically as business as usual, through the creation of a virtual legal adviser using external resources. Access is managed to ensure costs are minimised.

## 12 CCO's and Other

### 12.1 Nelson Airport Limited (NAL)

- 12.1.1 We have received the final Statement of Intent 2018-19 for Nelson Airport Limited. This will be presented to the 21 August Joint Shareholders Committee meeting.
- 12.1.2 We have also prepared a report to the Joint Shareholders Committee on a director reappointment due to one director retiring by rotation this year.
- 12.1.3 The NAL Board have approved a number of proposed changes to the company Constitution. We are presenting a report on these to the 21 August Joint Shareholders Committee also. The officer's recommendation is that both councils vote their respective shareholding in support of the amended Constitution at the Company's 2018 Annual Shareholder Meeting.
- 12.1.4 At the NAL Board meeting on 25 July 2018, the Board resolved to pay an ordinary dividend of \$750k (total) to shareholders for the 2017/18 year. The amount of \$375,000 per shareholder will be paid on 30 July 2018. Income from the Airport is budgeted and used to offset Council rates requirements across all activities.

### 12.2 Port Nelson Ltd

- 12.2.1 We have received the Port Nelson Ltd draft Statement of Corporate Intent, in the timeframe required, which is one month following the start of the Port's financial year. This will be considered at the 21 August Joint Shareholders Committee.

### 12.3 Civic Financial Services Ltd – Annual General Meeting

- 12.3.1 Civic Financial Services Limited held their Annual General Meeting on Thursday 14 June 2018.

12.3.2 The Mayor voted Council's (1%) share in Civic Financial Services Ltd by way of proxy at the AGM in favour of the appointment of two directors; the appointment of the Auditor General as auditor until the next AGM; and to authorise the directors to determine the remuneration for the auditor for the year.

#### 12.4 Civic Liability Pool

12.4.1 An annual members' meeting of Riskpool was held in June. Riskpool's accounts for 2017 are available on line and the accounts for 2018 are expected to be available in October. Council no longer utilises Riskpool for cover. There will however be a residual risk of a call if funds are required, as each prior year pool is closed off.

#### 12.5 Local Government Funding Agency Ltd (LGFA) – Final Statement of Intent 2018-19

12.5.1 We have received the final Statement of Intent 2018-19 (SOI) from the LGFA. The LGFA continues to remain focused on delivering strong results for council borrowers and shareholders.

12.5.2 Points regarding the SOI worth noting are:

- The SOI performance targets are similar to the previous year's targets.
- There remains some uncertainty with the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding, as this depends on the timing of council borrowing. The LGFA are uncertain what impact the other infrastructure initiatives announced by Central Government will have on those eligible council's borrowing requirements over the forecast period and so have adopted a conservative approach to forecasting council borrowing demand.
- The timing and amount of refinancing of council loans maturing in March 2019 and the associated repayment of the LGFA March 2019 bonds might also have an impact on the SOI forecasts.
- The LGFA have standardised the base on-lending margin to 10bps (0.10%) regardless of the term of borrowing. The previous on-lending margin was between 9 bps and 11bps depending upon the loan term.
- The LGFA will be undertaking a review of its debt covenant methodology and assessment of council financial position at group vs parent. LGFA will present these findings to councils at the LGFA Shareholder Borrower Day.

12.5.3 The Corporate Services Manager will be attending the LGFA Shareholder Borrower Day on 24 July 2018, on behalf of Council.

### 13 LGA s17A Reviews

- 13.1 Under section 17A of the Local Government Act (LGA) 2002, Council is required to carry out service delivery reviews at least every six years.
- 13.2 The legislation requires that a service delivery review should periodically assess "the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good quality local infrastructure, local public services, and performance of regulatory functions".

- 13.3 A local authority should have completed its first reviews in relation to governance, funding and delivery of its activities by 8 August 2017. We have not met this timeframe and these are our first reviews of these activities.
- 13.4 As a matter of good practice and management, Council regularly reviews how it delivers its services. However, the legislation makes formal reviews a requirement, sets legal triggers for carrying out reviews, provides exceptions, and prescribes delivery options that must be considered.
- 13.5 The Corporate Services Department has completed service delivery reviews for:
- 13.5.1 Commercial Forestry Activity
  - 13.5.2 Aerodromes Activity
  - 13.5.3 Holiday Parks Activity
  - 13.5.4 Port Nelson Ltd
  - 13.5.5 Nelson Airport Ltd
- Copies of these reviews are attached (refer Attachment 1).
- 13.6 We now seek Council's approval of these assessments.

## 14 Attachments

- |                        |     |
|------------------------|-----|
| 1. Signed s17A Reviews | 109 |
|------------------------|-----|



**Review under s.17A Local Government Act – Commercial Forestry**

<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	Commercial Forestry Activity
Rationale for service provision	<p>The Council's objectives are to:</p> <ul style="list-style-type: none"> <li>• To provide an ongoing revenue stream from forestry operations to offset general rates requirements.</li> <li>• To provide outdoor recreational facilities.</li> <li>• To be an exemplar for green land use.</li> <li>• To provide an efficient land management option, especially of parcels of land that Council has historically acquired but currently has no other use for.</li> </ul> <p>The Community Outcomes that this activity contributes to are:</p> <ul style="list-style-type: none"> <li>• Our unique natural environment is healthy and protected</li> <li>• Our urban and rural environments are people-friendly, well-planned and sustainably managed</li> <li>• Our infrastructure is efficient, cost effective and meets current and future needs</li> <li>• Our communities are healthy, safe, inclusive and resilient</li> <li>• Our communities have access to a range of social, cultural, educational and recreational facilities and activities</li> <li>• Our Council provides leadership and fosters partnerships, a regional perspective, and community engagement</li> <li>• Our region is supported by an innovative and sustainable economy</li> </ul>
Present arrangements	<p>The forestry estate, comprising forest assets in 7 locations, is a strategic asset under the Significance and Engagement Strategy.</p> <p>The forests are managed by a private company on behalf of Council. Under the contract the Forests management contractor is responsible for operations and maintenance and regular reporting. The Commercial Portfolio Manager is responsible for administering the asset for Council including oversight of this contract.</p> <p>There is no cost to the ratepayer and these assets return a significant dividend to Council.</p>
Last review	No previous s.17A review has been undertaken.
Performance	<p>The Forestry Activity Management Plan is part of the draft Council Enterprises Activity Management Plan 2018-2028 (AMP).</p> <p>Council holds its forestry for both long term revenue generation and to achieve a consistent annual income (through an even flow of timber) to support Council business and community</p>
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"	<p>recreational activities. Forestry also supports recreational and community use where appropriate.</p> <p>The renewal programme is reviewed every 3 years.</p> <p>There is a performance target of 9% net rate of return on investment for the duration of the Long Term Plan 2018-28</p>		
Cost	Year	Opex	Capex
	2015/16	2,577,653	0
	2016/17	3,332,944	0
	2017/18	3,734,070*	0
	2018/19	5,235,826	0
	2019/20	6,967,499	0
	2020/21	7,136,360	0
	2021/22	6,355,215	0
	2022/23	8,100,113	0
	2023/24	7,220,089	0
	2024/25	8,353,508	0
	2025/26	7,271,766	0
	2026/27	5,704,805	0
	2027/28	2,826,362	0
<p>* Budget 2017/18 – actuals at February 2018 \$ 2,341,445 NB: LTP figures inflated (2018-28)</p>			

<b>PART II: DECISION TO REVIEW</b>	
Is a review required? (S17A(2))	A review needs to be undertaken as no service delivery review under s17A has been undertaken.
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	The Council currently has a Forest Management Agreement with PF Olsen Ltd expiring in 2023, but if rights of renewal

altered within the following two years? If yes, provide details as a review is not required by legislation s17A(3)(a)	are exercised by Council the final termination is 30 June 2027.
Recommendation whether or not to review this service	Recommendation <u>not</u> to review.
Place in review programme if decide to review (completion of Part, I, II and III of template)	Non-urgent.

<b>PART III: REVIEW - ANALYSIS OF OPTIONS S17A(4)</b>	
1. Governance, funding and delivery by Tasman District Council	This would require Council staff or contractors managing the forest. Commercial management with Council oversight has been preferred to date.  It would not be cost effective to have forestry expertise in house.
2. Governance and funding by Tasman District Council with delivery by a CCO wholly owned by Tasman District Council	This is not an option as there is no appropriate CCO.
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	This is not an option as there is no appropriate CCO.
4. Governance and funding by Tasman District Council with delivery by another local authority	This is not considered an option as there would be no reason another council would wish to take up this contract.
5. Governance and funding by Tasman District Council with delivery by a person or agency not listed above.	This is the current regime with management of the estate by a forestry management operation. This allows Council ultimate oversight of the asset whilst allowing day to day management to be carried out by a private company.
6. Governance and funding by joint committee or other shared governance with delivery by Tasman District Council.	This is not an option as there is no shared governance model that could achieve this and Council would need to take on additional staff to manage the asset.
7. Governance and funding by joint committee or other shared governance with	This is not an option as there is no shared governance model that could achieve this nor is there an appropriate CCO that Council owns.

15/05/2018 12:10 p.m.

Page 3 of 4

delivery by a CCO wholly owned by Tasman District Council.	
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.	This is not an option as there is no shared governance model that could achieve this (see 3. above) nor is there an appropriate CCO that Council partly owns.
9. Governance and funding by joint committee or other shared governance with delivery by another local authority.	This is not an option as there is no shared governance model that could achieve this (see 3.above) nor is there an appropriate CCO that another local authority owns.
10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above.	This is not an option as there is no shared governance model that could achieve this (see above).
11. Other reasonably practicable options.	Sale of the asset. However, the forestry estate has been classified as a strategic asset by Council and therefore a sale would require extensive public consultation.
<b>Conclusion: Which of the above options is most cost effective?</b>	In conclusion, the most cost effective option is the status quo option, with increased focus on improving financial performance as set out in the Financial Strategy by undertaking the measures detailed in the AMP.
Recommendations from the service delivery reviews	The recommendation is to continue with the status quo.

**Review completed:**


Mark Johannsen

Property Services Manager

15 May 2018

**Review Approved (second tier manager and above):**


Mike Drummond

Corporate Services Manager

23/5/18.

May 2018



**Review under s.17A Local Government Act – Motueka & Takaka Aerodromes**

<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	Provision of aerodromes at Motueka and Takaka.
Rationale for service provision	<p>The provision and maintenance of the aerodromes is of community value as it contributes to tourism, recreation, education and business. Their economic development and strategic importance is critical to all ratepayers and facility users.</p> <p>This was demonstrated recently following Cyclone Gita with reduced vehicular access over the Takaka Hill causing negative consequences for businesses and residents in Golden Bay and beyond.</p> <p>These assets provide benefits to the wider community:</p> <ul style="list-style-type: none"> <li>• To shape, deliver and sustain a strong regional economy</li> <li>• To generate income whilst maintaining public access to recreational facilities</li> </ul>
Present arrangements	<p>Detailed information is held in the Council Enterprises Activity Management Plan (AMP).</p> <p>Both aerodromes are designated for aerodrome purposes under the Tasman Resource Management Plan.</p> <p>Motueka Aerodrome is managed by the Council with input from the Aerodrome Advisory Group.</p> <p>Takaka Aerodrome is currently managed by a Management Committee (comprising a councillor, a member of the Golden Bay Community Board and 3 or 4 members of the community elected at the public annual meeting,) but will move to the same model as Motueka in July 2018.</p> <p>Fence, drainage and repairs and inspections are managed through the Commercial Portfolio Manager for Motueka and by the Management Committee at Takaka. Significant repairs or upgrades to the sealed/unsealed runways are managed through the Commercial Portfolio Manager.</p> <p>For Motueka, the grass runways, taxiways, and vegetation control of the sealed runways and grass environments are managed through a competitively tendered maintenance contract. This contract is currently held by Nelmac. All other reported minor maintenance is undertaken as required by selected Council approved contractors.</p>

	<p>Currently Council funds the aerodromes from user fees and charges, and licence and lease fees plus rates. There are no on-site management staff at either facility.</p> <p>A Draft Development Plan and a Draft Management Plan were completed for the Motueka Aerodrome in 2017. The Development Plan sets out the areas available for development and the types of development proposed to be allowed. Submissions closed in February 2018.</p> <p>Council will only expect to undertake building development at Motueka Aerodrome where a sound business case has been sanctioned by Council; all proposals will be evaluated on a fully commercial basis. Improved servicing will be fully recoverable from current and future tenants.</p> <p>At Takaka a list of appropriate and discretionary uses has been set out in the Draft Council Enterprise Activity Management Plan.</p> <p>The Council's Draft Financial Strategy 2018 – 28 includes the following:</p> <p><i>Strategic Direction:</i></p> <p><i>Council proposes to continue to maintain, operate and develop the Aerodromes as strategic assets for facility users, ratepayers and the wider community.</i></p> <p>It also contains the following key performance areas for Commercial activities:</p> <ul style="list-style-type: none"> <li>• <i>management of the commercial and semi-commercial assets as a group;</i></li> <li>• <i>maximise financial performance and thus returns;</i></li> <li>• <i>retention of surpluses that will self-fund future growth and investment needs on commercial activities as a whole;</i></li> <li>• <i>balanced internal dividend policy that reflects market practices, whilst ensuring future planned growth is achievable.</i></li> </ul> <p>Historically surpluses (if any) were not reinvested back into these assets but the current financial strategy will alter that and lead to improving asset condition.</p>
Last review	No previous s.17A review has been undertaken.
Performance NB: SOLGM guidance is that cost effectiveness is <u>not the same</u> as least cost, it is "least cost consistent with the achievement	The Council's management of the aerodromes activity follows industry best practice, commercial imperatives and competitive tendering, with the aim of providing economic efficiency (i.e. best value for money) for ratepayers.

<p>of the council’s objectives for delivering the service”</p>	<p>However, the Motueka and Takaka aerodromes are relatively small operations and, therefore, do not benefit from economies of scale. It is difficult to manage the income and costs so that these activities do not require significant rating support.</p> <p>Council has considered options for reducing the general rate requirement for the Motueka and Takaka aerodromes. It has reviewed the work programme and levels of service for the aerodromes. The objective is for these facilities to be operated without support from general rates over the medium term. Changes include:</p> <ul style="list-style-type: none"> <li>• increasing income from the aerodromes;</li> <li>• consideration, if necessary, of lower levels of service.</li> </ul> <p>Council will improve its knowledge of the asset condition focused on the key assets of both aerodromes and condition assessments will be undertaken every three years.</p> <p>A financial review of the operations will be undertaken at aerodromes in the first three years of the AMP. Increasing funding cover for debt servicing or depreciation is signaled in the Levels of Service – currently 2.1, rising to 3.0 in year 10.</p> <p>At Takaka, an Aerodrome Management Plan will be developed. A financial, governance and management reviews will also be programmed.</p>																																									
<p>Cost</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Opex</th> <th>Capex</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>137,936</td> <td>20,533</td> </tr> <tr> <td>2016/17</td> <td>164,336</td> <td>0</td> </tr> <tr> <td>2017/18</td> <td>176,941*</td> <td>121,629**</td> </tr> <tr> <td>2018/19</td> <td>197,027</td> <td>5,100</td> </tr> <tr> <td>2019/20</td> <td>197,714</td> <td>0</td> </tr> <tr> <td>2020/21</td> <td>203,437</td> <td>79,903</td> </tr> <tr> <td>2021/22</td> <td>202,682</td> <td>0</td> </tr> <tr> <td>2022/23</td> <td>187,428</td> <td>178,217</td> </tr> <tr> <td>2023/24</td> <td>180,014</td> <td>0</td> </tr> <tr> <td>2024/25</td> <td>177,654</td> <td>0</td> </tr> <tr> <td>2025/26</td> <td>162,731</td> <td>0</td> </tr> <tr> <td>2026/27</td> <td>164,074</td> <td>0</td> </tr> </tbody> </table>			Year	Opex	Capex	2015/16	137,936	20,533	2016/17	164,336	0	2017/18	176,941*	121,629**	2018/19	197,027	5,100	2019/20	197,714	0	2020/21	203,437	79,903	2021/22	202,682	0	2022/23	187,428	178,217	2023/24	180,014	0	2024/25	177,654	0	2025/26	162,731	0	2026/27	164,074	0
Year	Opex	Capex																																								
2015/16	137,936	20,533																																								
2016/17	164,336	0																																								
2017/18	176,941*	121,629**																																								
2018/19	197,027	5,100																																								
2019/20	197,714	0																																								
2020/21	203,437	79,903																																								
2021/22	202,682	0																																								
2022/23	187,428	178,217																																								
2023/24	180,014	0																																								
2024/25	177,654	0																																								
2025/26	162,731	0																																								
2026/27	164,074	0																																								

	2027/28	162,322	0
*Budget 2017/18 – actuals at February 2018 \$124,895			
**Budget 2017/18 - actuals at February 2018 \$4,356			

<b>PART II: DECISION TO REVIEW</b>	
Is a review required? (S17A(2))	A review needs to be undertaken as no service delivery review under s17A has been undertaken.
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, the cost is relatively low.
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 legislation s17A(3)(a)	No.
Recommendation whether or not to review this service	Recommendation to review since no contractual impairment or cost prohibitive reason not to.
Place in review programme if decide to review (completion of Part, I, II and III of template)	Non-urgent as changes to management signalled already in the Draft AMP.

<b>PART III: REVIEW - ANALYSIS OF OPTIONS S17A(4)</b>	
1. Governance, funding and delivery by Tasman District Council	This will be the status quo for both Motueka and Takaka in 2018 i.e. managed by Council with input for each airport from an advisory group.
2. Governance and funding by Tasman District Council with delivery by a CCO wholly owned by Tasman District Council	This is not an option as there is no appropriate CCO.
3. Governance and funding by Tasman District	This is not an option as there is no appropriate CCO.

Council with delivery by a CCO partly owned by Tasman District Council and partly owned by other local authorities	Nelson Airport Ltd, a joint CCTO with Nelson City Council, is responsible for the Nelson Airport. The shareholding that Council holds is a strategic asset in the Draft Significance & Engagement Policy. However, since the aerodromes are not regionally significant and are not self-financing, placing them in the control of Nelson Airport is not considered a viable option and would require the consent of NCC.
4. Governance and funding by Tasman District Council with delivery by another local authority	This is not considered an option as there would be no reason why another local authority would wish to take on the aerodrome service delivery.
5. Governance and funding by Tasman District Council with delivery by a person or agency not listed above.	Contracting out the management of the entire aerodrome provision is not generally considered a financially optimal option as it would be likely to cost more to have another agency delivering this service.  Nelson Airport Ltd have been previously approached to manage the Motueka aerodrome but have indicated that they do not see a strong business imperative for such an investment.
6. Governance and funding by joint committee or other shared governance with delivery by Tasman District Council.	This is not an option as there is no shared governance model that could achieve this (see above).  The aerodromes are not seen as a residual asset or strategic investment by NCC.
7. Governance and funding by joint committee or other shared governance with delivery by a CCO wholly owned by Tasman District Council.	This is not an option as there is no shared governance model that could achieve this (see above) nor is there an appropriate CCO that Council owns.
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.	This is not an option as there is no shared governance model that could achieve this (see 3. above) nor is there an appropriate CCO that Council partly owns.
9. Governance and funding by joint committee or other shared governance with delivery by another local authority.	This is not an option as there is no shared governance model that could achieve this (see 3.above) nor is there an appropriate CCO that another local authority owns.


10. Governance and funding by joint committee or other shared governance with delivery by a person or agency not listed above.	This is not an option as there is no shared governance model that could achieve this (see above) nor is the delivery by another agency likely to be more cost-effective.
11. Other reasonably practicable options.	N/A
<b>Conclusion: Which of the above options is most cost effective?</b>	In conclusion, the most cost effective option is the status quo option with increased focus on improving financial performance as set out in the Financial Strategy by undertaking the measures detailed in the AMP.
Recommendations from the service delivery reviews	The recommendation is to continue with the status quo.

**Review completed:**


Mark Johannsen

Property Services Manager

15 May 2018

**Review Approved (second tier manager and above):**


Mike Drummond

Corporate Services Manager

23 May 2018

**Review under s.17A Local Government Act – Holiday Parks**

<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	The provision, management and maintenance of four holiday parks (Collingwood, Motueka, Pohara and Murchison).
Rationale for service provision	<p>The Council's investment in holiday parks is for a combination of commercial and recreational purposes. The Council's ownership and management ensures the assets are retained for community benefits.</p> <p>The ownership of the parks</p> <ul style="list-style-type: none"> <li>• provides a revenue stream to supplement rates</li> <li>• attracts and services the needs of tourists and communities whilst supporting local business with a variety of facilities to choose from at an affordable price level</li> <li>• encourages safe and appropriate vehicle parking, camping, waste and sewerage disposal</li> </ul> <p>The community outcomes that this activity contributes to are:</p> <ul style="list-style-type: none"> <li>• Our communities have opportunities to celebrate and explore their heritage, identity and creativity</li> <li>• Our communities have access to a range of social, cultural, educational and recreational facilities and activities</li> <li>• Our region is supported by an innovative and sustainable economy</li> </ul>
Present arrangements	<p><u>Ownership/Operation/Improvements:</u></p> <p>Collingwood - Council owned and operated under a management agreement. Improvements owned by Council.</p> <p>Pohara, Motueka and Murchison - Council owned and leased to commercial operators for lease terms of between 10 and 33 years. Lessee owns some improvements at Pohara, Council owns all improvements at Murchison and Motueka.</p> <p>The Commercial Portfolio Manager is responsible for this activity. The parks are managed by Council staff.</p> <p><u>Asset condition:</u></p> <p>Motueka and Pohara are in good order and proactively managed by the lessees.</p> <p>The Collingwood and Murchison assets are in fair condition but have not had any substantive investment for some time as historically returns have funded other Council activities.</p>
Last review	No previous s.17A review has been undertaken.


<p>Performance</p> <p>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"</p>	<p>The objective for all commercial facilities is that they be operated without support from rates and that they provide a sustainable financial return. A business case is required for each asset before additional capital investment.</p> <p>The funding cover target is 1:2 in Year 1 of the Long Term Plan 2018-28 rising to 1:8 at Year 10.</p> <p>Council's Holiday Park Financial Strategy 2014 contains an objective to achieve optimal returns from the holiday parks. This is to be achieved by returning to a single ownership model (land and improvements) and for all holiday parks to be leased. Business plans will be developed for each holiday park to improve returns.</p> <p>The goal in the draft Council Enterprises Activity Management Plan 2018-2028 (AMP), which includes the Holiday Park AMP, is to provide commercial activities that meet user needs, provide a safe and compliant working environment and that contribute to the financial sustainability of Council.</p> <p>The draft AMP includes a reinvestment strategy based on community use to both maintain facilities and gradually improve levels of service.</p> <p>A key objective of the AMP is to clarify and define levels of service (LOS), then identify and cost future operations, maintenance, renewal and development works. This requires converting users' needs, expectations and preferences into meaningful LOS.</p> <p>NB: the holiday parks are operated on leases.</p>																																						
<p>Cost</p>	<table border="1"> <thead> <tr> <th>Year</th> <th>Opex</th> <th>Capex</th> </tr> </thead> <tbody> <tr> <td>2015/16</td> <td>962,687</td> <td>1,761,810</td> </tr> <tr> <td>2016/17</td> <td>968,598</td> <td>187,514</td> </tr> <tr> <td>2017/18</td> <td>1,144,718*</td> <td>172,306**</td> </tr> <tr> <td>2018/19</td> <td>1,165,222</td> <td>1,397,400</td> </tr> <tr> <td>2019/20</td> <td>1,203,241</td> <td>437,825</td> </tr> <tr> <td>2020/21</td> <td>1,234,895</td> <td>276,997</td> </tr> <tr> <td>2021/22</td> <td>1,272,920</td> <td>304,867</td> </tr> <tr> <td>2022/23</td> <td>1,295,372</td> <td>289,602</td> </tr> <tr> <td>2023/24</td> <td>1,319,575</td> <td>296,553</td> </tr> <tr> <td>2024/25</td> <td>1,354,682</td> <td>327,029</td> </tr> <tr> <td>2025/26</td> <td>1,355,726</td> <td>311,262</td> </tr> </tbody> </table>	Year	Opex	Capex	2015/16	962,687	1,761,810	2016/17	968,598	187,514	2017/18	1,144,718*	172,306**	2018/19	1,165,222	1,397,400	2019/20	1,203,241	437,825	2020/21	1,234,895	276,997	2021/22	1,272,920	304,867	2022/23	1,295,372	289,602	2023/24	1,319,575	296,553	2024/25	1,354,682	327,029	2025/26	1,355,726	311,262		
Year	Opex	Capex																																					
2015/16	962,687	1,761,810																																					
2016/17	968,598	187,514																																					
2017/18	1,144,718*	172,306**																																					
2018/19	1,165,222	1,397,400																																					
2019/20	1,203,241	437,825																																					
2020/21	1,234,895	276,997																																					
2021/22	1,272,920	304,867																																					
2022/23	1,295,372	289,602																																					
2023/24	1,319,575	296,553																																					
2024/25	1,354,682	327,029																																					
2025/26	1,355,726	311,262																																					



	2026/27	1,374,994	319,354
	2027/28	1,376,730	353,206
*Budget 2017/18 – actuals at February 2018 \$713,874			
**Actuals at February 2018 Budget 2017/18			

PART II: DECISION TO REVIEW	
Is a review required? (S17A(2))	A review needs to be undertaken as no service delivery review under s17A has been undertaken.
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 legislation s17A(3)(a)	Yes, at Pohara, Motueka and Murchison. Currently Collingwood is operated under a management contract for 2 years expiring in 2019. It is intended that the Collingwood Holiday Park will be leased in the future so that there is consistency across the holiday park portfolio.
Recommendation whether or not to review this service	Recommendation <u>not</u> to review as the AMP details actions to improve the financial position of the portfolio.
Place in review programme if decide to review (completion of Part, I, II and III of template)	Non-urgent.

**Decision not to review:**

  
 \_\_\_\_\_  
 Mark Johannsen

\_\_\_\_\_  
 Property Services Manager

15 May 2018

**Review Approved (second tier manager and above):**

  
 \_\_\_\_\_  
 Mike Drummond

\_\_\_\_\_  
 Corporate Services Manager

23 May 2018

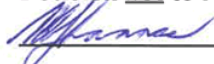


**Review under s.17A Local Government Act – Port Nelson Ltd**

<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	Provision of regional port facility through a shareholding in Port Nelson Ltd.
Rationale for service provision	<p>Port Nelson is a regional commercial trading port. It is the largest fishing port in Australasia, and a key component of regional economic activity and success.</p> <p>The community outcomes that the service contributes to are:</p> <ul style="list-style-type: none"> <li>• Our infrastructure is efficient, cost-effective and meets current and future needs</li> <li>• Our communities are healthy, safe, inclusive and resilient</li> <li>• Our region is supported by an innovative and sustainable economy</li> </ul>
Present arrangements	<p>The Port Companies Act 1988, rather than the Local Government Act 2002, details requirements for the ownership, responsibilities and accountability of port companies in New Zealand. Effectively the obligations under the Act are very similar to those set out in the LGA for Council Controlled Trading Organisations (CCTOs).</p> <p>Port Nelson Ltd is jointly owned by Tasman District Council and Nelson City Council.</p> <p>Our shareholding in the Port Nelson is a strategic asset in the Draft Significance and Engagement policy 2018-28.</p> <p>In the Draft Long Term Plan 2018-2028 Council's stated objective is to maintain its 50% investment in Port Nelson Ltd, to retain effective local control of this strategic asset and to receive a commercial return to reduce Council's reliance on rates income (of at least 50% of net profit after tax, approximately \$5.5 million in 2016/17).</p> <p>The 2016/17 book value of the investment is \$87.559 million and the net assets of the company are \$175.118 million. The company is currently undertaking an extensive capital investment programme.</p>
Last review	No previous s.17A review has been undertaken.
Performance	<p>The Councils set key performance measures and targets annually through an annual Statement of Expectation. The CCTO responds with a Statement of Intent that is approved by the joint shareholder committee. Performance is reported publicly in the Annual Report.</p> <p>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"</p>

Cost	There is no cost to Council as Port Nelson provides a dividend to the shareholders. The 2016/17 dividend to Council is approximately \$3.25 million per annum.
------	--

PART II: DECISION TO REVIEW	
Is a review required? (S17A(2))	A review needs to be undertaken as no service delivery review under s17A has been undertaken.
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.	Yes, although the cost is relatively low, Council has signalled in the Draft LTP 2018-28 and the Draft Significance and Engagement Policy 2018-28 that it intends to maintain its investment in Port Nelson Ltd. Any changes in delivery approach would require the agreement of NCC.
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 legislation s17A(3)(a)	Yes. The holding in Port Nelson Ltd is listed as a strategic asset in the Draft Significance and Engagement Policy 2018-28. Any changes to this would need to go through a consultation process with the community.  The Council's objective in the Draft Long Term Plan 2018-2028 is "to maintain its 50% investment in Port Nelson Ltd to retain effective local control of this strategic asset".  The asset provides a consistent dividend to Council and there is no cost to ratepayers.
Recommendation whether or not to review this service	Recommendation <u>not</u> to review.
Place in review programme if decide to review (completion of Part, I, II and III of template)	N/A

**Decision not to review:**


Mark Johannsen

 \_\_\_\_\_  
 Property Services Manager

 \_\_\_\_\_  
 15 May 2018
**Review Approved (second tier manager and above):**


Mike Drummond

 \_\_\_\_\_  
 Corporate Services Manager

 \_\_\_\_\_  
 23 May 2018

**Review under s.17A Local Government Act – Nelson Airport Ltd**

<b>PART I: PRESENT ARRANGEMENTS</b>	
Name of the service and scope	Provision of regional airport facility through a shareholding in Nelson Airport Ltd.
Rationale for service provision	<p>Provision of a regional airport is integral to the region's economy and security.</p> <p>The community outcomes that the service contributes to are:</p> <ul style="list-style-type: none"> <li>• Our infrastructure is efficient, cost-effective and meets current and future needs</li> <li>• Our communities are healthy, safe, inclusive and resilient</li> <li>• Our region is supported by an innovative and sustainable economy</li> </ul>
Present arrangements	<p>Nelson Airport is a regional facility. We jointly share ownership of the Nelson Airport Ltd with Nelson City Council (50:50).</p> <p>Nelson Airport Ltd is a Council Controlled Trading Organisation (CCTO) set up to return a profit to its shareholders. The airport provides a dividend and Council does not provide funding to it.</p> <p>The CCTO is managed by a professional board. Under the constitution of the company both councils may appoint or remove one director at any time by resolution or notice in writing, and jointly appoint the remaining directors. Appointments are made in accordance with the Local Government Act.</p> <p>Our shareholding in the Airport is a strategic asset in the Draft Significance &amp; Engagement policy 2018-28.</p> <p>In the Draft Long Term Plan 2018-2028 Council's stated objective is to maintain its 50% investment in Nelson Airport Ltd, to retain effective local control of this strategic asset and to receive a commercial return to reduce Council's reliance on rates income (2016/17 dividend was \$360,000).</p> <p>2016/17 book value of the investment is \$26.164 million and the net assets of the company are \$52.329 million.</p>
Last review	No previous s.17A review has been undertaken.
Performance	<p>The Councils set key performance measures and targets annually through an annual Statement of Expectation. The CCTO responds with a Statement of Intent which is approved by the joint shareholder committee.</p> <p>The CCTO reports to the Council on performance every 6 months.</p> <p>Performance is reported publicly in the Annual Report.</p>

Cost	There is no cost to Council as the Airport provides a dividend to the shareholders. The 2016/17 dividend to Council is \$360,000.
------	---


<b>PART II: DECISION TO REVIEW</b>	
Is a review required? (S17A(2))	A review needs to be undertaken as no service delivery review under s17A has been undertaken.
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.	Yes, although the cost is relatively low, Council has signalled in the Draft LTP 2018-28 and the Draft Significance & Engagement Policy 2018-28, that it intends to maintain its investment in Nelson Airport Ltd.
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 legislation s17A(3)(a)	Yes. The holding in Nelson Airport Ltd is listed as a strategic asset in the Draft Significance and Engagement Policy 2018-28. Any changes to this would need to go through a consultation process with the community.  The Council's objective in the Draft Long Term Plan 2018-2028 is "to maintain its 50% investment in Nelson Airport Ltd to retain effective local control of this strategic asset".  The asset provides a dividend to Council and there is no cost to ratepayers.
Recommendation whether or not to review this service	Recommendation not to review.
Place in review programme if decide to review (completion of Part, I, II and III of template)	N/A

**Decision not to review:**


Mark Johannsen




Property Services Manager 15 May 2018

**Review Approved (second tier manager and above):**


Mike Drummond




Corporate Services Manager 23 May 2018

**8.8 WAIMEA DAM PROJECT REPORT****Information Only - No Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Janine Dowding, Chief Executive Officer
<b>Report Number:</b>	RCN18-08-09

**1 Summary**

- 1.1 This is the 23rd status report on the **Waimea Water Augmentation Project**. The report covers the key issues that the Project Office and Project Governance Board are dealing with. The Project Governance Board last met on Wednesday 25 July 2018.
- 1.2 The project timeline is being reviewed in light of the need to address the funding gap and still meet the 15 December 2018 deadline for Central Government Crown Irrigation Investments Limited (CIIL) funding to irrigators and Council.
- 1.3 The land and access work stream is proceeding. The Local Bill option for access to the Department of Conservation (DOC) land is progressing with timeframes out of Council's hands. Negotiations are progressing with Ngati Koata who remain supportive of the project.
- 1.4 Council loan funded costs to 30 June 2018 are \$6,145k. The unexpected and disappointing increase in costs (\$26m) will pose one of the greatest challenges to the project yet. The Joint Venture (JV) partners are working on bridging the funding gap that will require compromises by all parties. It would be premature to abandon the project without fully investigating all options to bring it to a successful conclusion.
- 1.5 In detail construction and other project workstream costs are provided along with a risk overview.
- 1.6 The work on the various document work streams to give effect to the project term sheets continues. Initial drafts have been produced for some documents and are being circulated for initial feedback. Other work streams are also proceeding with the financial close date of 15 December 2018 rapidly approaching.

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

1. receives the Waimea Dam Project Report RCN18-05-04; and
2. notes a funding application to the Provincial Growth Fund requesting a grant of \$18m to support the project was lodged on 30 July 2018.

### 3 Purpose of the Report

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

### 4 Overall Project Timeline

- 4.1 As was noted in the last report, the overall project timeline has been reviewed and extended. While access to DOC land is critical, dealing with closing the funding gap and reaching financial close by 15 December 2018 is the most pressing need if the project is to proceed.

### 5 Risks

- 5.1 As noted, obtaining access to the **Mount Richmond Forest Park land** for the Waimea River flow augmentation and ground water recharge scheme is critical to the Water Augmentation Project proceeding. We are progressing this through the introduction of a Local Bill (which we have been contemplating for some time). The Bill also addresses the matter of the dam footprint on the river bed. Council has no control over the time the Bill will take to progress through the legislative process. We have, however, been given assurances by CIL that their funding will not be withdrawn provided all other matters are completed by 15 December 2018.
- 5.2 Nelson City Council's (NCC) decision on its proposed \$5m contribution has been included in their 2018-28 Long Term Plan. A grant is to be made in year three of their Long Term Plan, linked to an agreement to take water at some future time. There is still a risk relating to the proposed terms of agreement. Staff will shortly commence discussions with NCC over those terms.
- 5.3 With the need to find a solution to closing the \$26m funding gap, significant pressure is now on the time line to financial close. Financial close must be achieved by 15 December 2018 (excluding the Local Bill) if the Government funding is to remain available. Government funding is a critical piece of the funding of the project that makes it more affordable for the community.
- 5.4 Whether or not we need, or can get, the DOC land becomes moot if we cannot close the **funding gap** arising from completion of the contractor procurement work stream (the ECI process) and the review of the other work streams. We will need to focus resourcing across all work streams to meet the 15 December 2018 deadline.
- 5.5 Completion of the ECI process, and nearing completion of the detailed design work reduces the risk of construction cost overruns.
- 5.6 Given we are at a critical junction for the project we need to ensure that we do not take a premature decision to abandon the project until we have exhausted all options, and Councillors are provided with the reports and information to ensure that their decision-making obligations under the Local Government are met. Such a premature decision would open Council to legal challenge.



## 6 Finance and Funding

- 6.1 The current (preliminary) position on total project investment to 30 June 2018 is \$13m (including \$6.6m of pre-2015 sunk costs). Of the post 2014/15 costs \$6,145k have been loan funded by Council. As part of our year end processing we are separating out the Council internal loan into costs that will be reimbursed by the CCO should the project proceed, and those that will be met in full by Council. We have also (as provided for in the LTP) started rating for Council's share of the dam costs. These rates will be applied to the repayment of sunk costs to date.

<b>Waimea Project - Summary Financials</b>						
	Pre June					
	14	14/15	15/16	16/17	17/18	Total
Expenditure (excludes WIL WCDL Costs)	Actual	Actual	Actual	Actual	Actual	Actual
Stage 1 - Pre Feasibility	412	0	0	0	0	412
Stage 2 - Feasibility	1,564	0	0	0	0	1,564
Stage 3	222	0	0	0	0	222
Design	1,929	0	0	0	0	1,929
Governance	214	0	0	0	0	214
Project Management	59	335	69	308	487	1,259
Consenting	205	815	8	8	36	1,073
Water Supply Solution (Tonkin Taylor/Beca)	0	557	86	125	1,886	2,654
Land and Access	0	102	288	273	1,406	2,069
Professional Support CCO Structure/Borrowing Agreement	0	4	26	234	295	559
Communications	0	17	0	18	1	36
Statutory Process	0	16	0	2	3	21
Hydro	0	0	0	0	68	68
Project Office	0	0	0	29	510	539
Interest on Loan Funding	0	0	74	71	165	310
<b>Total</b>	<b>4,606</b>	<b>1,846</b>	<b>552</b>	<b>1,067</b>	<b>4,858</b>	<b>12,928</b>
<b>The above is funded by;</b>						
WIL 50%	0	0	0	65	1,246	1,311
TDC WCD BAU Loan	0	322	110	507	863	1,802
TDC WCD JV Loan	0	658	442	495	2,749	4,343
Historic Funding Sources	4,606	866	0	-0	0	5,472
<b>Total</b>	<b>4,606</b>	<b>1,846</b>	<b>552</b>	<b>1,067</b>	<b>4,858</b>	<b>12,928</b>

- 6.2 Part of the increase in total project costs (\$26m) represents a different approach to the classification and treatment of operational costs between the JV and Council. Council does not include operational costs in its capital budgets but expenses them when they occur. The JV proposes that all costs through to completion of the dam be treated as capital.
- 6.3 Councillors should note that the original estimates date from circa 2010 and have been updated since then. As has been noted in the past, the P<sub>95</sub> confidence level was on the construction cost component only.

- 6.4 The immediate focus of all parties is on finding ways to close the current funding gap. If that is to be achieved it will require some compromises all round.
- 6.5 One of the options available was to apply to the Government's Provincial Growth Fund. This has been undertaken with an application for a funding grant of \$18m lodged on 30 July 2018.
- 6.6 A Council decision to put an immediate stop on Council spending on the project, while being premature, would also not be possible to give immediate effect to as Council has entered into binding agreements and contracts covering many of the work streams. A decision to stop spending would result in destabilisation of the project and it would not meet critical timeframes.

## **7 The Council Controlled Organisation and Commercial Terms**

- 7.1 Work on the various documents to establish the CCO and give effect to the JV agreed terms continues. Initial drafts of key documents have been produced and are being reviewed by all parties. This work has been delayed by the need to focus on the ECI process. The term sheets remain commercially confidential. They have, however, been made available to Councillors on request, on a fully confidential basis.
- 7.2 By way of a reminder the project documents comprise -
  - 7.2.1. Direct Deed
  - 7.2.2. Project Agreement
  - 7.2.3. Shareholders Agreement and CCO Constitution
  - 7.2.4. Wholesale Water Augmentation Agreement and 'downstream' agreements
  - 7.2.5. Documents relating to the CIIL/WIL facility
  - 7.2.6. Documents relating to the CIIL/Council environmental loan facility
  - 7.2.7. Credit Support Agreement.
- 7.3 A number of these documents are likely to be impacted by the commercial arrangements surrounding closing the \$26m funding gap. Notwithstanding that, we will continue with our JV partners to work to complete key provisions in the documents. This is to ensure that a 15 December 2018 financial close can be met.

## 8 Construction - Early Contractor Involvement Process and Outcomes

- 8.1 The Early Contractor Involvement process was established to:
- 8.1.1 Provide contractor input to aid the designer in detailed design;
  - 8.1.2 Determine the construction methodology and programming;
  - 8.1.3 undertake value engineering;
  - 8.1.4 determine the construction risks and mitigation measures; and
  - 8.1.5 provide a robust construction price.
- 8.2 As the detailed design reached a conclusion the methodology and design criteria were incorporated into a schedule to be priced. The Contractor (Fulton Hogan Taylor Joint Venture - FHTJV) and the Independent Estimator (BondCM) independently priced the schedule utilising the design methodology that had been developed.
- 8.3 The price exchange took place on 29 June 2018 under probity conditions. The two parties then proceeded to review each of the items within the schedule to determine where there were differences and try and align those differences to reach an indicative construction price.
- 8.4 The direct cost items within the schedule were agreed between the ECI contractor and the Independent Estimator on 6 July 2018. Since that time the non-direct cost matters, that can only be addressed after the direct cost pricing is agreed, have been given further consideration and assessment.
- 8.5 Currently the FHTJV boards are confirming their company's willingness to enter into the Construction Contract. They have yet to confirm that the agreed prices for the direct cost items and the proposed sharing of liabilities for items, such as risk allowances and inflation, are formally accepted.
- 8.6 The Price Exchange values for construction, along with costs identified for wider aspects indicate that the total project cost will be significantly above the funding budgets used by TDC and WIL.
- 8.7 The following table outlines the construction price derived from the ECI process.

**Table 8.7 - Outlining the Construction Price**

Item	Revised April 2015 - Estimate	ECI Agreed Dam Construction Price	Variance	Commentary
Environmental	595,000	1,254,048	(659,048)	The Resource Consent had been granted when revised estimates were derived in April 2015 but was subject to appeal to the Environment Court, all appeals being resolved in July 2015. Additional conditions were imposed as a result of this agreement that were not included in the April 2015 estimate. The conditions require extensive monitoring and environmental controls. The equipment and site infrastructure provisions are significant. Costs have increased since 2015.
Diversion Works - Construction	6,686,395	8,959,095	(2,272,700)	The diversion works were in the 2015 estimate were preliminary design only. The detailed design and actual works have proved to be more expensive.

Contractor Design and Build				
Earthworks	8,438,906	10,977,987	(2,539,081)	Additional earthworks associated with the increased volumes of cut and rock processing as defined by T+T's revised specification during the Stage 4 design. Some 90,000 tonnes more aggregate to process and place compared to the 2015 estimate.
Slope Protection	294,814	2,688,758	(2,393,944)	Additional permanent slope stabilisation works are required compared to what was allowed for in the 2015 Estimate (900m <sup>2</sup> in 2015 Estimate and 2800m <sup>2</sup> in detailed design).  In addition the 2015 estimate made no allowance for temporary slope protection while works are being carried out on the downside of the right-hand slope (Health and Safety requirements).
Concrete Works	15,040,201	16,747,075	(1,706,874)	The 2015 estimate did not allow sufficient for concrete delivery. There are also slightly increased volumes of concrete. The lower rate and higher volumes result in the increased cost.
Mechanical and Electrical	2,637,069	5,600,000	(2,962,931)	The 2015 estimate did not specifically include electrical, communications or instrumentation. The design for the Mechanical and Electrical (M&E) was not required at the time and it was assessed that the requirements would be fairly simple and low cost. There were increased requirements for monitoring (requiring increased equipment such as sensors), increased instrumentation and logic, increased communications and system resilience.  The main penstock and pipe work only had an outline design, and this was not improved upon until late in the detailed design process. The pipe work and pipe fixing design is heavier and more complex than anticipated in 2015.
Testing & Commissioning	38,700	233,257	(194,557)	The 2015 estimate did not include sufficient for this item. The M&E design is now more sophisticated and requires much more attention during the testing and commissioning phase. It is also likely the original estimate did not allow for the time delays that are likely to occur while the dam fills. The M+E equipment cannot be commissioned until all the different dam level scenarios have occurred naturally.
Preliminary & General (P&G) & Contractor's Margin	13,882,569	20,103,969	(6,221,400)	Contractors P&G pricing has increased sharply over the last few years due to changes in the risk profile within the construction market. This reflects the greater risk in the market (reflecting the demise of Fletcher Construction and Hawkins Construction), The increased liabilities carried by the contractor, increased Health and Safety requirements, increased cost of on-site supervision. This remote work site results in some inefficiencies compared to other sites.  A portion of the increase is the contractor's margin which was confirmed as a percentage with their tender.
FHTJV allowance for Scope Creep during Construction	0	50,000	(50,000)	This is a FHTJV contingency in addition to its own risk allowance.

Contractor's Risk Allowance	0	1,500,000	(1,500,000)	The risk carried by the contractor.
Estimated Items Priced, now within other Items of ECI	2,186,346		2,186,346	Some items originally estimated have been included in other items in the ECI pricing
<b>Totals</b>	<b>49,800,000</b>	<b>68,114,189</b>	<b>(18,314,189)</b>	

## 9 Construction Price vs Previous Estimates

9.1 The project estimates have been developed and updated since they were first developed in 2012. The following table summarises that development.

**Table 9.1 Outlining the Chronology of Construction cost summary**

Year	Design Phase	Party responsible for cost estimate	Construction cost	Comment
2012	Stage 3 Design Phase (12 September 2012)	Tonkin and Taylor with Fletcher Construction as a sub-consultant	Base Const - \$53.565m P50 - \$58.1m P95 - \$72.7m	There were a large number of exclusions that T+T recommended WWAC make allowance for. These included: <ul style="list-style-type: none"> <li>• Dam power supply</li> <li>• Reservoir clearance</li> <li>• Inflation</li> <li>• Road access</li> <li>• Landowner access and land purchase</li> <li>• Project management costs</li> <li>• Consent compliance costs</li> <li>• Principals' costs</li> </ul>
2014	Resource Consent Phase	NA	NA	No costings or design was undertaken at this
2015	Beca Cost Review Phase (12 May 2015)	Beca and BondCM	Base Const - \$49.8m Other - \$19.2m Total - \$69.0m  P50 - \$74.3m P70 - \$77.0m P95 - \$82.5m	The other estimate included; <ul style="list-style-type: none"> <li>• Vegetation clearance (\$1.2m)</li> <li>• Forestry Roads and power (\$0.8m)</li> <li>• Sunk Costs (\$6.6m)</li> <li>• Inflation (BERL 2014) (\$3.2m)</li> <li>• Land purchase &amp; Agreements (\$2.0m)</li> <li>• Project management costs and Consulting Fees (\$5.4m)</li> </ul>

### Reasons for the price being higher than expected

9.2 The primary reasons are (some of which are inferred in the table above);

9.2.1 The current construction market has hardened partly due to inflationary pressures and partly in response to the risk and liability climate within the construction market.

- 9.2.2 The detailed design increased the scope of work that was the basis of the preliminary design undertaken in 2011.
- 9.2.3 The cumulative effect of the additional work content and the increase in the design standards for dams.
- 9.2.4 Meeting additional consent conditions (post April 2015 estimates);
- 9.2.5 The increased health and safety requirements on projects. For this project it impacted when assessing the need to work beneath high exposed rock faces.

### **Inflation Allowance**

- 9.3 The inflation allowance in the 2015 estimate was \$3.2 million. This was to cover the inflation over the duration of construction with construction starting in 2016 and dam commissioned in 2019. Inflation allowance was applied to the construction components and no specific inflation allowance was made for other items.
- 9.4 The 2015 estimate of \$3.2 million will have already been reflected in the current ECI pricing.
- 9.5 With the project now not likely to commence construction until 2019, it is necessary to make another allocation for inflation that occurs from now until commissioning. The project cash flow will need to be used to predict this more accurately. FHTJV are still finalising the project cash flow. In the meantime we have assessed an allowance of \$3.266 million for inflation. The allowance assumes minimum delay in construction start and that construction pricing stabilises rather than continuing to trend as it has in the last 3 years.
- 9.6 A fundamental decision remains as to who carries the risk of inflation, Waimea Water or FHTJV? The FHTJV may be prepared to provide a fixed price, in effect pricing for the inflation and carrying the risk/opportunity of it going over/under their estimate. This would add to the construction cost of the project and negate any potential upside. Should Waimea Water carry the risk then payment would be made quarterly during the construction phase and be based on actual CCI figures published by Statistics New Zealand. This still has to be confirmed as the cash flow for the project is still to be assessed.
- 9.7 It should be noted that the inflationary effect on project delays is in the order of \$80,000 per month.

### **Developments that have Increased Construction costs**

- 9.8 There are other factors that have impacted on the construction costs.

### **NZSOLD Guidelines**

- 9.9 The New Zealand Society of Large Dams (NZSOLD) publishes guidelines for the operation and construction of Dams in New Zealand. The guidelines were substantially updated in May 2015. This was after the Beca/BondCM price estimate was prepared. The revised guidelines were fairly apparently influenced by the Christchurch earthquakes. Other standards were also revised, and design of structures and construction methodology has become more stringent. It has been estimated by, BondCM, that the effect if the more stringent design alone added circa \$2 million directly to the construction cost.

### **Health and Safety Regulation and Practices**

- 9.10 The sharply increased Health and Safety standards applying to construction result in increased direct expenses for contractors. In addition, on this particular dam design there are some areas that have been upgraded to allow for the current interpretation of what is required. Examples are:

9.10.1 The diversion culvert that carries the pipes under the dam was, in the 2015 the Beca/BondCM price estimate, assumed to be ventilated by temporary fans. This assumed that, on the infrequent occasions staff are required to enter it after the dam begins operation, will have temporary fans placed. Currently, it has been priced with fixed fans built in during construction.

9.10.2 The right-hand embankment at lower levels becomes covered by the dam as construction rises. However, the contractor identified a potential risk of rock fall and has priced in substantial bank stabilisation works that are only of benefit during construction.

### Unit Rates and Scheduled Quantities

9.11 In several instances the 2015 the Beca/BondCM estimate had unit rates and quantities that were lower than the detailed design outcomes. The cumulative effect of unit rate increases and quantity increases has elevated the final price. This can be seen in the table outlining the construction price above.

## 10 Other Project Work Stream Outcomes

10.1 The construction price is the main component of the project costs, however there are other work streams that are part of the whole project. The risk allocation portion is also subject to further negotiation with FHTJV.

10.2 There has been significant rigor put into finalising the estimates for the other work streams. Some are directly affected by the ECI process as they components are included in the construction contract. The remaining uncertainties are not very material and the information below provides a reasonable assessment of the final position.

**Table 10.2 Outlining the Price Variance Compared to the April 2015 Estimate**

	April 2015 Estimate	Estimated Final Project Cost	Variance	Commentary
Procurement, ECI Phase, Design, Project Office	5,400,000	6,091,542	(691,542)	Design costs significantly over budget (\$1.3m budgeted, currently sits at \$2.6m). Significant savings have been achieved in all other areas but not enough to offset the design overspend.
Land Access and Purchase	2,000,000	3,216,202	(1,216,202)	Additional costs due to additional roading provisions agreed with landowners during access and purchase negotiations
Governance & Company		1,602,875	(1,602,875)	No allowance was made in the 2015 Estimate. Likely to have been assumed to be treated as OPEX. 1. WW Directors fees and expenses during construction - budgeted \$471,000 2. CCO formation costs - budgeted at

				<p>\$100,000</p> <p>3. Costs associated with debt funding - budgeted at \$200,000 (Note the comment in the Potential Price Reduction section below, it is likely that the budgeted expenses in 2. and 3. are very conservative). CCO formation costs - budgeted at \$100,000</p> <p>4. Construction Insurance Premium of \$650,000.</p>
Dam Construction	49,800,000	68,114,189	(18,314,189)	Detailed in table above.
Escalation/Inflation	3,200,000		3,200,000	The 2015 estimate assumed construction completion 2018/19. Construction industry inflation has run well above CPI and the \$3.2m inflation allowance in 2015 estimate will, at a minimum, have been reflected in present pricing.
Escalation/Inflation (Approximate as at July 2018)		3,266,000	(3,266,000)	A further allocation for inflation construction completion has been made at \$3.266m.
Total Contingency Allowance in the 2015 Estimate	13,500,000	(See the 2 Items Below)		This was included as a single figure to make an allowance for pricing uncertainty and items that had not at that stage been identified.
Risk Allowance (Approximate as at 16 July 2018)		6,546,000		Includes value of risks being carried by Waimea Water. comprising; 1. Flood Risk \$1.67m 2. Shared Risks \$0.438m 3. Measurable Items \$0.456m 4. Waimea Water Risks \$3.982m
Contingency Allowance (Approximate as at 25 July 2018)		2,000,000		Allowance for costs that cannot be reasonably foreseen.
Site Access, Clearing, Roding	2,000,000	4,183,728	(2,183,728)	Site Access Road design and upgrade completed following geotechnical surveys. Identified that significant slope stabilisation measures are required. Site Access Road upgrade required to facilitate two-way traffic in order to avoid conflicts with foresters. Vegetation Clearance Costs increased following a survey and an acceptable site clearance methodology.



Construction Related Professional Services		4,708,780	(4,708,708)	No allowance was shown explicitly in the 2015 estimate: 1. T+T Onsite QA 2. Engineer to the Contract  This item was likely to have been considered as an overhead and/or to have, at least for some line items, considered as overheads and/or OPEX.
Meeting Consent Conditions and Compliance		1,122,472	(1,122,472)	This was over and above allowance made in 2015 estimate for the direct expenses incurred in meeting Resource Consent conditions and monitoring environmental matters. (Note this is the WW responsibility area - FHTJV have priced their obligations in Dam Construction)
Sunk Costs - To recognise expenses incurred by TDC prior to formation of WW		1,320,109	(1,320,109)	This sum represents some costs incurred by TDC between 2015 and the formation of Waimea Water Joint Venture in 2017.
<b>Totals</b>	<b>75,900,000</b>	<b>102,171,897</b>	<b>(26,271,897)</b>	

*NOTE: The assessments that appear to be down to the nearest dollar should not be taken literally. This is the result of the Work In Progress on these figures being continually reconciled as a quality check.*

### Potential Price Reductions

- 10.3 Since the Price Exchange occurred, work has been done to identify potential price reductions. Extensive and interactive work has been undertaken from early stages of the detailed design work to identify cost effective design solutions. More recently, the thorough ECI process has identified further efficiencies and cost savings. Any further potential price reductions are therefore not likely to be significant and will require further detailed work with key parties to lock them in.
- 10.4 In total the potential price savings identified amount to some \$4.8 million. In practice not all of these will be achieved. If we achieve, say 66% of these savings, then we will have savings of around \$3.2 million.

### Opportunities

- 10.5 It should be noted that there are some opportunities for the final project cost to come in less than the \$102.2 million identified. These opportunities include:
- 10.5.1 The potential to sell trees from the clearance works.
- 10.5.2 The possibility that inflation is less than forecast. This is provided that Waimea Water accepts the quarterly formula payment method, rather than fixing it in the contract price (not decided as yet).

10.5.3 The possibility that uncertainties allowed for do not eventuate, i.e. the risk allowance of \$6.546 million proves to be conservative - higher than is actually required at project completion).

10.5.4 The possibility that the Contingency allowance of \$2.0 million proves to be conservative - higher than is actually required at project completion.

10.5.5 Without the final inputs awaited from the FHTJV for the above aspects, it is difficult to provide an estimate based on logic, however these aspects when combined would be very unlikely to exceed, say, \$4.0 million.

10.6 Combining the Price Savings and Opportunities assessment above indicate that a maximum of \$7m can be identified. While significant, this sum does not materially change the position.

#### **Construction Contract Price - FHTJV**

10.7 The indicative price for the construction of the dam is outlined above and totals \$68.114m. The ECI process identified some physical works in the other project work streams that would be more cost-effectively undertaken by the FHTJV. These are outlined as follows;

- Dam Construction \$68.114m
- Access Roads for Landowners \$1.213m
- Site Access, clearing, roading \$4.183m

**Contract Price \$73.510m (excl GST)**

10.8 This indicative price of \$73.150m is subject to further discussions and confirmation of risk allocation and inflation.

<b>11 Risk Identification, Assessment and Treatment</b>
---

11.1 A Risk Register was developed early in the ECI process. Currently there are 155 risks remaining on the overall Risk Register. This number varied during the ECI process as new risks were identified and others were mitigated and closed. Most of the risks identified were treated during the development of the construction methodology.

11.2 Often it is possible to engineer out the risks that are identified. In other cases, it is a matter of assessing the best technical solutions that minimise the residual risk and establishing most likely volume/cost, along with a minimum and probable maximum volume/cost. When these figures are then applied across the project, a robust total outturn price can be established.

11.3 Each risk was allocated to the party that could manage it most appropriately. There is a selection of the Waimea Water company risks and the Fulton Hogan Taylor Joint Venture construction level risks.

11.4 The Risk Register has been developed as follows;

11.4.1 Each risk title is identified and listed with a description;

11.4.2 For each risk title a raw risk (consequence and likelihood) is quantified and shown as "Pre-mitigation Risk Score."

11.4.3 As the treatment of the risk is developed the spreadsheets are updated, indicated as "Residual Risk."

- 11.4.4 Then during the detailed commercial and engineering phases of the ECI process, there is a constant discipline and routine of working through and revising the Risk Register. This provides the most benefit to the project. This discipline and routine maintains a very necessary focus on dealing with all the risks that are identified as the technical work proceeds.
- 11.5 The Risk Register used by FHTJV during the ECI phase is also being used by Waimea Water. Using a single method allows the same statistical treatment of across the whole project. As the Risk Register matures, it provides the inputs for statistical analysis. FHTJV is using a well proven tool for this work.
- 11.6 Aside from the Waimea Water company risks there are other risk categories applying to the Construction Activities. These are:
- 11.6.1 Risks Assigned to the Construction Contractor
- Generally, the risk resides with the party that is best able to manage it. In this class of project this is often the contractor when focusing on the construction methodology.
- 11.6.2 Risks that remain with Waimea Water
- There are some aspects of the dam construction that are not able to be determined until the work is under way. The experienced designers (Tonkin and Taylor) have undertaken considerable work, including bore hole sampling, to determine the most likely situation. It is therefore more cost effective for Waimea Water to make financial provisions for covering the variable work content.
- 11.6.3 Shared Risks
- Some of the variables identified can have cost savings as well as potential over-runs. The most equitable way to handle these is to share in both the potential savings and the potential cost increases. This has the benefit of placing a mild incentive on the contractor to find innovative solutions for problems as they are identified.
- 11.7 In all the categories, creating a robust Risk Register followed by sound analysis provides a high level of certainty at the project level that the risks have been treated and due financial provision is made to handle them within the project outturn pricing.

## **12 Current Work Streams**

- 12.1 The Early Contractor Involvement Process has largely been completed. The work streams that are still progressing and committing cost to the project are;
- 12.1.1 Project Office (circa \$40,000 per month);
- 12.1.2 Dam Designers that are completing the following tasks as part of the project (\$400,000 over next 2 months);
- Detailed Design Report (almost completed);
  - Mechanical & Electrical Design and Design Report;
  - Detailed Design drawings and specifications
  - Peer review and Peer Review Report
  - Building Consent Application

- Finalised Safety in Design Register
- Failure Mode Effect Analysis
- Test & Commissioning Plan
- Updated Emergency Action Plan
- Updated Operational & Maintenance Manual

12.2 There are other work streams that are currently not incurring additional cost. If and when the funding gap is resolved then these work streams will be need to be activated so that the project can be progressed to financial close. These work streams comprise development of contract documentation for the construction, setting up the Council Controlled organisation and other specialists required to facilitate progress to financial close.

### **13 Land and Access**

13.1 This work stream is progressing. The Local Bill covering the DOC land has been covered earlier in this report, and the process was detailed in the project report to the 24 May 2018 Council meeting. Negotiations with Ngati Koata are continuing with good progress. Following meetings and discussions with Ngati Koata, a draft agreement has been prepared for their consideration.

### **14 Hydroelectric Power Generation**

14.1 At its meeting 28 June 2018 Council noted that progressing with detailed design and marketing scenario assessments for the hydro generation option would be delayed until the dam project was approaching financial close.

14.2 No further progress has been made on this work stream. Inclusion of hydro generation in the project will form part of the final negotiations with our JV partners.

### **15 Options for the Project**

15.1 Options will be examined as fully as possible and presented at the Full Council meeting scheduled for 28 August 2018.

15.2 There are essentially two options for the Waimea Community Dam project;

1. progressing with the project;
2. not progressing with the project.

Both options have consequences.

#### **15.3 Option 1 - Progressing with Waimea Community Dam Project**

15.3.1 Funding the financial gap – Staff are currently working with the JV Partners in an endeavor to find a solution to the funding gap. This is likely to require some compromise by all parties, however staff will report back on any options developed.

15.3.2 Progress project to financial close by 15th December 2018. There are several work streams that need to be progressed to a conclusion for financial close.

- 15.3.3 In considering its options Council will need to take cognisance of the alternative options. The following two tables outline the option affordability and compliance analysis that was part of a presentation to Council in July 2017.
- 15.3.4 The estimates developed for these options were preliminary only. Although many of the alternatives had been included in various consultant reports previously, they had varying degrees of scope and costings. Direct comparisons in regard to cost without examining what is being costed cannot be done with confidence.
- 15.3.5 The following table 14.2.5 outlines each of the alternative options reviewed in July 2017, showing the storage (m3), Capital Cost (\$), Operational Cost (\$ p.a.), Daily flow (m3/day) and the capital cost per m3/day delivered to the urban supply.

**Table 15.3.5 – Outlining the Capital Cost per (\$'000/m3) of Daily Supply**

**Option affordability analysis**

Water Augmentation Options	Storage (m3)	Capital Cost (\$'000)	Opex (\$'000 p.a.)	Daily Flow (m3)	Capital Cost/Daily Flow (\$'000/m3 per day)
Waimea Community Dam	13,000,000	\$25,000	\$714	31,000	0.81
Riverside Storage	500,000	\$24,600	\$788	4,000	6.15
	800,000	\$54,000	\$2,297	13,000	4.15
	1,400,000	\$84,000	\$3,498	20,000	4.20
	2,300,000	\$108,000	\$5,024	31,000	3.48
Motueka Aquifer	Aquifer	\$35 – \$40,000	\$750	5,900	6.36
	Aquifer	\$100 – \$120,000	\$1,600	13,000	8.46
	Aquifer	\$160 – \$200,000	\$2,800	31,000	5.81
Roding River Storage	4,000,000	\$120,000	\$3,600	30,000	4.00
Teapot Valley Dam	500,000	\$46,150	\$1,111	4,000	11.54

**Note:** The Waimea Community Dam capital cost of \$25m addresses both urban and river flow requirements, the other augmentation options only addresses urban requirements

*Note – this is taken from a presentation to Council 27<sup>th</sup> July 2017*

- 15.3.6 It is important that the value proposition of the Waimea Community Dam Project is given context compared to the other alternatives. The following table 14.2.6 demonstrates the compliance of each of the alternatives against specific parameters of risks, benefits, disbenefits and strategic fit.

Table 15.3.6 – Outlining the Capital Cost per (\$'000/m3) of Daily Supply

**Option compliance analysis**

Green – Low risk/compliant Orange – medium risk/marginally compliant Red – high risk/not compliant

Option	Daily Flow (m3/day)	Risks				Benefits					Disbenefits		Strategic Fit			
		Consentability	Constructability	Operability	Land/Access	Regional	Urban	River Flows	Irrigators	Wider District	Harvesting Impact on others	Economic Opportunity Cost	Meets Growth Demands	NPS-FWM Obligations	LTP 2015-2025 Objectives	Council Vision
Waimea Community Dam	37,000	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green	Green
River Storage	4,000	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red
	13,000	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red
	20,000	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red
	31,000	Yellow	Yellow	Yellow	Yellow	Red	Green	Red	Red	Red	Red	Green	Red	Red	Red	Yellow
Motueka Aquifer	5,900	Yellow	Green	Green	Yellow	Red	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red
	13,000	Yellow	Green	Green	Yellow	Red	Green	Red	Red	Red	Red	Red	Red	Red	Red	Red
	31,000	Yellow	Green	Green	Yellow	Red	Green	Red	Red	Red	Red	Green	Red	Red	Red	Yellow
Roding River Dam	30,000	Yellow	Green	Green	Yellow	Red	Green	Green	Red	Red	Green	Red	Green	Red	Red	Yellow
Teapot Valley Dam	4,000	Yellow	Yellow	Yellow	Yellow	Red	Yellow	Red	Red	Red	Red	Red	Red	Red	Red	Red

Note – this is taken from a presentation to Council 27<sup>th</sup> July 2017

15.3.7 It is recommended that before any decision is made regarding the dam project that one or two of these key alternatives be further assessed to confirm the scope and estimates in the context of the required deliverables. It is recommended that the two Riverside Pond options comprising the 500,000m3 storage and the 800,000m3 storage be assessed further.

15.3.8 In addition it is recommended that other considerations also be given further detail and explanation in the report for 28 August 2018. These comprise;

- Unaccounted for water
- Domestic water conservation measures - tanks
- Nelson City Council position servicing Nelson South and industrial area

**Not progressing with Waimea Community Dam Project**

Funding

15.4 The project will lose \$59.12 million funding (loan, grant or equity) from agencies other than Council ratepayers;

- CIIL loan funding - \$22.12 million to WIL,
- CIIL loan funding - \$10.0 million to Council
- Waimea Irrigators Ltd equity funding - \$15.0 million
- Ministry for the Environment grant funding - \$7.0 million
- Nelson City Council equity funding - \$5.0 million

Determine Alternative Water Augmentation Option

15.5 An alternative water augmentation options will need to be determined and initiated. The steps are likely to be;

- Review alternatives for urban water (may need to consider river flow and irrigator solutions as well);
- Undertake more detailed assessments;
- Risk profile of alternatives;
- Timing of alternatives
- Assessment need for land purchase (PWA)
- Acquiring consent(s)
- Detailed design
- Procurement
- Timing (potentially five years to commissioning)

15.6 Given the lead times to undertake all these steps it is likely to take at least 5 years to commission any alternative.

15.7 In the meantime to the community will be subject to the 'no dam' TRMP requirements.

**Council's role as the regulatory authority**

15.8 There are the following implications of not progressing with water augmentation;

- a) Council would be expected to withdraw the current plan change 67 which seeks to delay the implementation of the 'no dam' provisions of the TRMP by one year (1 November 2018 to 1 November 2019).
- b) Council would have to release the decisions on the 329 water permits on the Waimea Plains on the basis of the 'no dam' TRMP provisions and following the results of the bona fide reviews. This will result in reductions in pre-plan change allocations as shown in the following table.

Percentage of permits affected (number of permits affected)	Percentage of reduction in current allocation
4% (14)	100%
13% (43)	50%-99%
34% (112)	20%-49%
27% (88)	1%-19%
22% (72)	No change

However, overall the bona fide review only managed to reduce over-allocation by 27.2% and the reduction target from the 2013 allocations required in the TRMP is 42%. If Council were to manage the water system to achieve the 800 l/sec minimum flow, permits would have to be cut back by this amount.

- c) To give effect to the National Policy Statement for Freshwater Management, the Council would be expected to move to resolve any inconsistency around minimum flow by way of a plan change. Given the 800 l/sec standard is only 63% of the Mean Annual Low Flow

(MALF), the Council may come under pressure to change the TRMP to ensure compliance with the NPS-FW. There may be other drivers for a plan change also which will come with significant litigation risk either way.

- d) Implementation of the new permit allocations, together with the new rationing restrictions which will come in earlier than in the past, will severely impact on water users in the event of a dry summer. Based on past trends, water users will be subject to 50% cuts for between 5 and 104 days each year (av. 28 days/year). This would impact the smaller more vulnerable extractors
- e) The Council will likely have to allocate more resources to monitoring and enforcement as water abstractors seek to optimise use of scarce water over summer. There is an existing history of over-takes during restrictions, and this will only increase. Council will have to take enforcement action to ensure compliance.

### **Council's role as Community Water Supplier**

15.9 The challenges of not having the dam as a water augmentation solution is summarised as follows. These would apply until at least a water augmentation solution is commissioned;

- f) The Council, as community water supply authority, during restriction will have to achieve a 25% cut based on the previous 8 years usage rates, at the same time other permit holders are under 50% restrictions (which will occur every 9 years out of 10). The Council will have to impose restrictions on consumers in order for it to comply (Water Bylaw currently undergoing consultation). Because actual growth in water demand, actual reductions will need to be higher for customers in order to achieve the 25% reduction at Stage 3. In the worst case scenario, when there are cease take directions, the residential areas of Richmond, Brightwater and Mapua would potentially face its own "Cape Town" situation and the most likely outcome is that people will collect water from tankers.
- g) Urban development would be confined to the 2013 residential zoning envelope in Richmond, Brightwater, and Mapua. Until Council commissions a water augmentation solution it will not be able to plan for future growth. Land that has a deferred zoning for water services (including the recently advertised land Brightwater) will not be able to be developed in the absence of sufficient water.
- h) Council will not be able to connect any new industry that uses more than 15m<sup>3</sup> of water per day.
- i) The Council will likely have to allocate more resources to monitoring and enforcement of water use during periods of rationing. There is an existing history of over-takes during restrictions, and this will only increase. Council will have to take enforcement action to ensure compliance.
- j) Council will have to find an alternative supply option to cope with the risk of restrictions as well as catering for increased urban demand.
- k) Council will have to reconsider the supply of water to Nelson City (Nelson South and the Industrial Area) as provided for in the current Supply Agreement if it meant a denial of water to Tasman residents.



**16 Legal Advice on the Decision Making Obligations of Council**

16. It is possible that Council may be invoked to make a decision to end the project at the next Full Council meeting on 9 August 2018. Given the duration, cost and significance of the project, we have legal advice on the implications of making a decision without having full information and considering advice on the issues. The advice from Simpson Grierson is outlined below.
- i. Consideration should be framed around first principles. These are set out in the principles in section 14 of the Local Government Act (LGA), the decision-making requirements of sections 76 to 82, and the prudential financial management requirements of section 101.*
  - ii. The first principle in section 14(1)(a) is to conduct the Council's business in an open, transparent and democratically accountable way and give effect to identified priorities and desired outcomes in an efficient and effective manner. Through successive consultations, the Council has set a course towards a water augmentation scheme to achieve certain objectives. Those objectives remain and the Council's response to the pricing development should be guided by efficient and effective delivery. In a similar vein, section 101(1) requires the Council to manage its general financial dealings prudently and in a manner that promotes the current and future interests of the community.*
  - iii. The fundamental decision-making obligations in section 76 are to identify and assess the reasonably practicable options for achieving the objective of a decision and to consider the views and preferences of interested and affected persons (in proportion to the significance). In the present case, the objective of the decision properly before the Council now is to determine how to respond to changed pricing information. In the context of the history of this matter, this has at least medium significance, suggesting a material level of compliance is appropriate. It certainly does not lend itself to an opportunist, reactive decision that could be irreversible and costly to the overall attainment of the desired outcomes.*
  - iv. The Council must make decisions about its response to the pricing information based on officer reports outlining options, implications and views of affected parties (to the extent they can be obtained). That could reasonably be achieved by 28 August 2018, but not by 9 August.*
  - v. If the Council were to make a decision to terminate the project on 9 August 2018 (without full information and considered advice on the issues), that decision would be open to judicial review as a breach of the Council's statutory decision-making obligations. A precipitate decision, against the background of years of engagement and decision-making, would also appear irrational which would be both a breach of statutory and common law obligations.*

**17 Attachments**

Nil



**8.9 RATEPAYER COMMUNICATION REGARDING THE WAIMEA COMMUNITY DAM****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Chris Choat, Community Relations Manager
<b>Report Number:</b>	RCN18-08-10

**1 Summary**

- 1.1 This report seeks support from the Council to produce an issue of Newsline dedicated to frequently asked questions from ratepayers, residents and other interested parties on the Waimea Community Dam.
- 1.2 It also seeks to provide a regular section within subsequent Newsline issues dedicated to frequently asked questions regarding water security in Tasman.
- 1.3 The dedicated issue and subsequent sections will support the Council's responsibility to ensure ratepayers receive accurate and balanced information regarding the efforts underway now and in the future.
- 1.4 Council staff are understandably fielding questions and other enquiries from interested ratepayers on an ongoing basis. The regular column will provide an opportunity to respond publically in a consistent manner improving public awareness and reducing the current multiple responses.
- 1.5 If the Waimea Community Dam does not proceed, the Council will need to review the alternative solutions to water shortages. Engaging ratepayers and keeping them updated as the program evolves is appropriate.
- 1.6 There is no more important time for clarity of information and the ramifications of decisions within this project than now, with new information received about the costs and the choices the Council has to make as a result.
- 1.7 The Waimea Community Dam focused Newsline and subsequent columns in future issues will be building on current related communications managed through the media, online and in partnership with the Project Office.
- 1.8 The cost of the proposed communication will be met within existing budgets.

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

- 1. receives the Ratepayer Communication Regarding the Waimea Community Dam report RCN18-08-10; and**
- 2. agrees to the use of a dedicated issue of Newsline to clearly outline the current position of the Council and respond to frequently asked questions with regard to the Waimea Water Augmentation project the proposed Waimea Community Dam; and**
- 3. agrees to the use of a regular column within subsequent issues of Newsline to enhance engagement on the Waimea Water Augmentation project as it develops and answer questions as they arise.**

### 3 Purpose of the Report

- 3.1 I am seeking agreement from Council of the need for further communication with ratepayers, residents and other interested parties regarding recent decisions, information and announcements affecting the Council's role in the Waimea Water Augmentation project.

### 4 Background and Discussion

- 4.1 The Waimea Water Augmentation project is a complex project involving all ratepayers, including irrigators as a separate party, and the Government. While the proposed dam is the currently preferred solution, there are a number of other actions that form the package aimed at delivering enhanced water security, including review of allocations, the water supply bylaw and planning changes.
- 4.2 It is the responsibility of the Council, who is legally responsible for providing a safe and secure source of water within the Waimea basin, to communicate clearly throughout the decision-making process.
- 4.3 Through the recent commentary and direct contact from residents and ratepayers to the Council, it is apparent there is a lack of knowledge and understanding about the proposed dam, its basic rationale, relationships, costs and the science and logic behind the Council decisions to support the initiative.
- 4.4 It is proposed to meet this gap in the form of a Newsline special and a dedicated section within subsequent issues.
- 4.5 The recent announcements regarding the costs following the ECI process has reinforced the need to communicate the Council's position, its choices and possible decisions and the ramifications of those choices and decisions.
- 4.6 Recently received questions have highlighted the need in some cases for a return to first principles, and this would inform the initial dedicated issue. Examples of recently asked questions that the first edition would cover include:
- Is the Council scaremongering?
  - We have plenty of water why do we need to do anything?
  - Why are we spending so much money on a solution that provides more water than we need?
  - What confidence can we have if the Dam goes ahead there will not be another cost blow-out?
  - Who are the experts giving advice and why do we believe them?
  - Have you considered the evidence submitted by others including opponents of the Dam?
  - Why don't we just try to reduce water usage and decide later whether we need other measures?
  - Would smart irrigation solve the problem?
  - Why don't we just fix leaks in the system?

- What if we put much greater expectations on individuals inviting use of tanks, greywater recycling, restrictions penalties etc?
- 4.7 The use of Newsline is preferred as the channel provides the most cost effective vehicle and the production and delivery has been proven to be the most cost effective and efficient distribution. Recent Communitrack results have also shown Newsline to be the most recognised vehicle for information from the Council.
- 4.8 Content will be developed internally with production and distribution managed through current contractual relationships.
- 4.9 The proposed 'special' Newsline and subsequent sections will build on the past and current communications delivered through the print, television and radio media, online and in partnership with the Project Office represented by 'Waimea Water'.
- 4.10 The communication within Newsline will be complemented by greater detail on the Council website.

## 5 Options

- 5.1 There are two options:
1. communicate with all residents and ratepayers material informed by the questions that have been sent to the Council directly or indirectly through presentations and the media; or
  2. not communicate directly and rely on local media to transmit all the material to inform ratepayers and residents.
- 5.2 The first option ensures that the number of questions and queries the Council has received directly and indirectly are answered in a fashion that ensures as many people are as informed as possible. This channel provides a greater chance of reaching a wide catchment of Tasman people.
- 5.3 The second option provides limited access to people relying in a smaller distribution channel without the space necessary to provide the information sought and its wider, but no less essential, context.

## 6 Strategy and Risks

- 6.1 It is essential Tasman residents and ratepayers are aware and informed about the decisions that have to be made by Council on their behalf regarding water augmentation and the proposed Dam. Central to the decisions being made is understanding the costs and other implications of those decisions, regardless of whether the Dam proceeds or not.

## 7 Policy / Legal Requirements / Plan

- 7.1 The Council has a responsibility to ensure residents and ratepayers are informed about decisions made, or that are being considered on their behalf. The proposed communications program would fulfil that expectation regarding the previous and current Council decision-making around the proposed Dam.

## 8 Consideration of Financial or Budgetary Implications

8.1 The cost of the proposed communication will be met within existing budgets.

## 9 Significance and Engagement

9.1 In acknowledging the need to communicate with Tasman residents and ratepayers regarding the Council's decision-making, and the information it is relying on to make those decisions, the communication will support the significance and engagement based decisions made already.

Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	High	There is a high expectation the Council will provide the relevant information to ratepayers and residents regarding water augmentation in the District and the proposed Dam.
Is there a significant impact arising from duration of the effects from the decision?	Yes	It is important to communicate with residents in a timely fashion regarding the decisions the Council has to make over the next few months.
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	Yes	The decision will allow non-partisan information to be shared with residents and ratepayers to broaden the understanding about the Council's support of the Dam.
Does the decision create a substantial change in the level of service provided by Council?	Low	The expectation to be informed is a current level of service.
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	The proposed communication will be managed within 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	No	

Issue	Level of Significance	Explanation of Assessment
entering into a group of activities?		

## 10 Conclusion

10.1 The use of Newslines as a trusted communications channel has been proven for many years. In acknowledging the need for continuing communication, the Council is also acknowledging the need to provide some clarity as to the current situation and the factors that need to be taken into consideration for its future decision-making.

## 11 Next Steps / Timeline

11.1 It is proposed that the production of the special edition of Newslines commences as soon as possible with the regular columns to begin in the subsequent issue.

## 12 Attachments

Nil



## 8.10 MAYOR'S ACTIVITY REPORT

Information Only - No Decision Required

**Report To:** Full Council  
**Meeting Date:** 9 August 2018  
**Report Author:** Richard Kempthorne, Mayor  
**Report Number:** RCN18-08-11

### 1. Summary

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

### 2. Draft Resolution

**That the Tasman District Council receives the Mayor's Activity Report RCN18-08-11.**

**1 Activities**

- 1.1 The owner of Abbey Road Burgers met with me on 18 June to discuss the cost of getting an independent verifier to audit premises and practices of food industry
- 1.2 I attended the Grey Power Quarterly Meeting on 18 June
- 1.3 I had a meeting at The Suter Gallery on 18 June to discuss an exhibit
- 1.4 I attended the Powhiri at Te Awhina Marae for Janine Dowding on 19 June
- 1.5 On 20 June Janine Dowding and I were joined by Martin Bryne of Port Nelson for a Port tour and meeting
- 1.6 I attended the meeting at Nelson City Council to discuss the NRSBU Business Plan on 20 June
- 1.7 On 21 June I attended the Engineering Services Committee
- 1.8 On 22 June I attended the Equip Board Meeting in Wellington
- 1.9 On Monday 25 June I attended by teleconference the Mayors Professional Development Advisory Group with LGNZ
- 1.10 On Tuesday 26 June I attended the Audit, Risk and Finance Committee meeting with Sport Tasman and with other staff, met with Motueka Power Boat and Motueka Yacht & Cruising Club to discuss consents after which I attended the Cawthron Foundation meeting
- 1.11 On Wednesday 27 June I joined a staff member to present the Local Government (Community Well-being) Amendment Bill to Parliament in Wellington and then attended NZ Airports mid winter strategic briefing session in Wellington and attended a function with Hon Phil Twyford
- 1.12 On Thursday 28 June I chaired the Full Council meeting
- 1.13 I had a meeting with Craig Pattison of Sport Tasman after which I met with Ross Langbein of SafetyBooms before attending the official launch of Ecoland in Nelson
- 1.14 On Saturday 30 June I attended a surprise presentation of Community Award to Mr and Mrs Stanbridge for their time spent on Otuwhere Wetlands following the cyclones
- 1.15 Monday 2 July began with the official re-opening of Queen Street
- 1.16 Tuesday 3 July I met with Leeson Baldey of Warmer Healthier Homes before meeting with Liam Sloan of NMIT and attended at FNZC in Nelson
- 1.17 Wednesday 4 July I attended the joint workshop with Nelson City Council to discuss the NRSBU Business Plan
- 1.18 On Thursday 5 July attended the Community Development Committee meeting and joined other councillors on a visit to the Brook Waimarama Sanctuary before meeting with Nelson City Council to peruse the long listing of applicants for the Port Nelson Director position
- 1.19 On Friday 6 July I attended the LGNZ – DIA Three Waters Review Reference Group meeting in Wellington and in the evening I attended the 2018 Nelson Young Fruit Grower Competition in Richmond
- 1.20 On Saturday 7 July I attended the KU2D at Nick Smith's rooms.

- 1.21 On Monday 9 July I had a teleconference call to discuss the pre-conference briefing for the LGNZ Three Waters Review
- 1.22 On Tuesday 10 July I attended the Top of the South (RST) Operations Meeting
- 1.23 On Wednesday 11 July met with Andrew Spittal and staff for a tour of the Richmond West Development SHA
- 1.24 From Thursday 12 July to Saturday 14 July I was involved with the LGNZ Regional Sector Tour in the Christchurch region
- 1.25 From Sunday 15 July to Tuesday 17 July I attended the LGNZ Conference in Christchurch
- 1.26 On Wednesday 18 July I attended the Council Workshop on TRMP Rationing Rules – Community Water Supplies and Workshop on Government’s Three Waters Reforms
- 1.27 On 19 July attended the Council workshop on the Waimea Inlet Action Plan and Reserves followed by a presentation on Supreme Court case re Nelson Tenth’s Reserves by CEO of Wakatu Inc and met with Intepeople to commence the recruitment for an Independent Director on the Commercial Committee
- 1.28 On Sunday 22 July I was involved in the opening of the Queen Street Matariki event
- 1.29 On Monday 23 July I attended the Golden Bay Grandstand workshop in Takaka and met with Te Awhina Marae board to discuss the trip to Kiyosata, Japan
- 1.30 On Tuesday 24 July I attended the presentation on New Science and Technology to support Marine Biosecurity Effectiveness in New Zealand, in Nelson
- 1.31 On Wednesday 25 July I officiated the Citizenship Ceremony for 49 people from 13 different nationalities and met with Mayor Reese to short list applicants for the Port Nelson Director position
- 1.32 On Thursday 26 July I attended the Environment and Planning Committee followed by the Climate Change Workshop in Council Chambers
- 1.33 I had a meeting with Barry Dowler of regarding possibility of drag racing at Motueka Airport and then travelled to Blenheim to attend the Sport Tasman Board of Trustee meeting
- 1.34 On Monday 30 July myself, Councillor King, and I met with the Transition Committee for Appleby Hills to discuss their concerns
- 1.35 On Tuesday 31 July I attended the Audit, Risk and Finance Committee for Sport Tasman before travelling to Blenheim with the CEO to meet with iwi to discuss the Waimea Community Dam and returned to Richmond for a site visit of potential land to be purchased, with Councillors King and Bryant and staff

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

- 2.1 Advise that following the expiry of Phil Grover’s term on the Commercial Committee, the process of recruiting a new independent member to the Commercial Committee has commenced.
- 2.2 Refer to a brochure received titled “Public Art” who would like to create a local legend statute for Tasman district.

**Appendices**

1. Artists - local legend statue

157



---

# CHAPTERS

---

- 01 *About Gillie and Marc*
- 02 *Why Public Art?*
- 03 *Travel Everywhere with Love*
- 04 *Love The Last*
- 05 *Schools and Universities*
- 06 *Shopping Centres*
- 07 *Sport Figures*
- 08 *Historical Figures*
- 09 *Sculpture Painting*
- 10 *Equestrian Art*



---

# 01

---

## About Gillie and Marc

Referred to by the media as “**the world’s most loving artists**”, Gillie and Marc Schattner are extraordinary public artists who have worked side-by-side for over 25-years.

Their award-winning work is on permanent display in over 40 cities, including New York, London, Singapore, Shanghai, Sydney and Beijing. The artists’ monumental bronze sculptures spread the message of equality and conservation worldwide.

Gillie and Marc’s art is also collected by the world’s most prominent galleries and art foundations with accolades including Sculptures by the Sea 2016 Allens Peoples Choice Award, Biennale di Chianciano 2009 winners and Archibald Portrait Prize Finalists.

Gillie and Marc in their studio  
with their dog Indie



# 02

## Why Public Art?

As avid travelers, Gillie and Marc believe public art is what transforms a location into a destination. The famous cities and towns of the world are renowned for their innovative structures and creative landmarks that make the public space iconic and unite the community.

By existing outside a gallery, public art brings artistic expression to people from all walks of life, prompting discussion and bringing people together.

Public art has the power to transform the ordinary into the extraordinary. It makes a statement, encourages interaction, increases visitors and lasts forever.

The Paparazzi Dogs exhibited at Federation Square, Melbourne





# 03

## Travel Everywhere with Love

Gillie and Marc's animal-hybrid alter-egos Rabbitwoman and Dogman tell the artists' autobiographical love story; two opposites coming together to become best friends and soulmates.

Without any recognisable race, religion or nationality, Rabbitwoman and Dogman relate to all people with their globe-trotting love story, serving as an expression of love and acceptance in a world of adversity. The more places the duo are able to call home, the more peaceful our world can be.

By embodying the positive elements of loveable animals, Rabbitwoman and Dogman have developed a following amongst people from all walks of life, bringing to light that what separates us, should be what unites us.

Appearing as public art in cities such as Sydney, New York, London, Shanghai and more, Dogman and Rabbitwoman remind locals and travelers alike, we can always call a place home if we keep an open mind.

Below

*The Worse Riders*  
250.0 x 290.0 x 170.0 CM (H\*L\*W)  
Bronze



Clocking from top left

*Paparazzi Dogs*

- 1. 205.0 x 83.0 x 86.0 CM (H\*L\*W)
  - 2. 182.0 x 70.0 x 84.0 CM (H\*L\*W)
  - 3. 152.0 x 116.0 x 60.0 CM (H\*L\*W)
- Bronze

*We Go Together*

- 185.0 x 192.0 x 120.0 CM (H\*L\*W)
- Bronze

*Tandem Riders*

- 200.0 CM (H)
- Bronze

*Run For Your Lives*

- 1: 238 x 343 x 110 CM (H\*L\*W\*)
  - 2: 130 x 295 x 84 CM (H\*L\*W\*)
  - 3: 130 x 285 x W:81 CM (H\*L\*W\*)
- Bronze



**Clocking from top left**

*Table of Love*  
168.0 x 200.0 x 90.0 CM (H\*L\*W)  
Bronze

*It Takes Two*  
147.0 x 55.0 x 143.0 CM (H\*L\*W)  
Bronze

*Paparazzi Dogman & Paparazzi Rabbitwoman*  
Rabbitgirl: 180 x 120 x 155 CM (H\*L\*W\*)  
Dogman: 180 x 120 x 155 CM (H\*L\*W\*)  
Bronze

*Fetch Boy*  
290.0 x 150.0 x 210.0 CM (H\*L\*W)  
Bronze



Clocking from top left

*Happy Birthday Mr President x2*

Marilyn Rabbtgirl: 207.0 x 115.0 x 115.0 CM (H\*L\*W)

Paparazzi Dogman: 125.0 x 76.0 x 63.0 CM (H\*L\*W)

Bronze

*Paparazzi Boy*

700.0 CM (H)

Bronze

*The Kiss*

200.0 CM (H)

Bronze

*Coffee Friends*

Catwoman: 112.0 x 95.0 x 102.0 CM ( H\*L\*W )

Deerman: 110.0 x 95.0 x 102.0 CM ( H\*L\*W )

Rhinoman: 120 x 90 x 76 CM (H\*L\*W)

Dogman: 110.0 x 95.0 x 102.0 CM ( H\*L\*W )

Rabbtgirl: 1120.0 x 95.0 x 102.0 CM ( H\*L\*W )

Bronze



## 04

## Love the Last

As proud animal activists and eco-warriors, Gillie and Marc never turn down an opportunity to promote conservation of some of the world's most precious and endangered species. Titled *Love the Last* this collection of public sculptures brings the struggle of these animals into the public space, as the message is too urgent to simply sit in a gallery.

Notable examples of *Love the Last* include Shandu, the Buried Rhino which was seen by millions of visitors at Sculptures by the Sea Bondi, winning both the Allen's People's Choice Award and Kids' Choice Award 2016.

In 2017, New York City fell in love with *The Last Three*, which features the three remaining Northern White Rhinos in a playful formation. Balancing on each other for support and survival, the 17-foot bronze statue shared the real life struggle of this functionally extinct species.

The artists have studied these animals closely and seek to recreate these magnificent creatures in a way that promotes interaction and discussion. By telling this story in an unsuspecting and playful manner, Gillie and Marc hope to create awareness for eco-conservation and provide hope for endangered species everywhere.

Below

*The Last Three*  
500.0 CM ( H )  
Bronze



Clocking from top left

*The Last Three*  
500.0 CM (H)  
Bronze

*Sbandu*  
400.0 x 700.0 x 500.0 CM (H\*L\*W)  
Fibreglass with Bronze Paint

*Flying Fish*  
500.0 x 100.0 x 320.0 CM (H\*L\*W)  
Fibreglass with Bronze Paint

*Budgie Lovers*  
500.0 CM (H)  
Bronze with Chromium Paint



**Clocking from top left**

*He was about to do the impossible*  
 500.0 CM ( H )  
 Bronze with Green Patina

*They had a ball of love together*  
 500.0 CM ( H )  
 Bronze with Green and Blue Patina

*Cuddles*  
 200.0 CM ( H )  
 Bronze

*Black Rhinos*  
 Rhino 1: 238 x 343 x 110 CM (H\*P\*W\*)  
 Rhino 2: 130 x 295 x 84 CM (H\*P\*W\*)  
 Bronze



Clocking from top left

*Cheeky Chimps*  
150.0 CM (H)  
Bronze

*Coming Home*  
150.0 CM (H)  
Bronze

*Lioness and Cubs*  
50.0 CM (H)  
Bronze

*Run For Your Life*  
50.0 CM (H)  
Bronze





05

## Schools and Universities

As no two schools are exactly alike each place of learning seeks to achieve different artistic goals. As centers of learning, paying tribute to historical figures and celebrating their past events is a point of paramount significance.

With experience collaborating with dozens of schools and universities worldwide, Gillie and Marc have helped educational institutions transform their environments in a positive and extraordinary way by creating artworks that can be touched, hugged and climbed upon.

Children learn through interaction, principles of science and psychology state primary school children struggle to apply concepts to anything that cannot be seen or physically touched.

Therefore, physical artwork becomes an effective resource to help students comprehend challenging concepts and understand historical events.

Below

*Paul Keating*  
65.0 CM (H)  
Bronze



Clocking from top left

*Barker College Boys*  
180.0 CM (H)  
Bronze

*School Children*  
180.0 CM (H)  
Bronze

*Nun and Two Children*  
180.0 CM (H)  
Bronze

*School Boys – Mosman Prep School*  
160.0 (H)  
Bronze



Clocking from top left

*The Agreement*  
168 CM (H)  
Bronze



*Paying Respects*  
160 CM (H)  
Bronze



*St Lucy's Dog*  
60.0 CM (H)  
Bronze



*Eagle*  
160.0 CM (H)  
Bronze



---

# 06

---

## Shopping Centres

As online marketplaces continue to grow in popularity, the traditional shopping experience has to try harder to compete, offering a their physical experience as a point of difference. As such, many businesses, including shopping centres, have sought to transform their space into a destination using public art.

If a shopping centre is truly for the people then the space should be alive with art that blends the backgrounds, ethnicities and culture of the visiting public. Public art also has the ability to relay the brand message of the shopping centre to the people inside, letting them know the values and thinking the centre promotes.

Gillie and Marc have worked with some incredible development companies to produce site-specific artworks that meet creative needs, enrich the visitor experience and turn a humble shopping centre into an amazing space with a strong identity.

Below

*He was the very last*  
40 x 80 x 50 CM (H\*L\*W)  
Bronze



Clocking from top left

*Big Boy*  
7000.0 CM (H)  
Bronze

*Family of Ducks*  
60 CM (H)  
Bronze

*Dorothy Catgirl*  
180 CM (H)  
Bronze

*Michael Dog Jackson*  
180 CM (H)  
Bronze



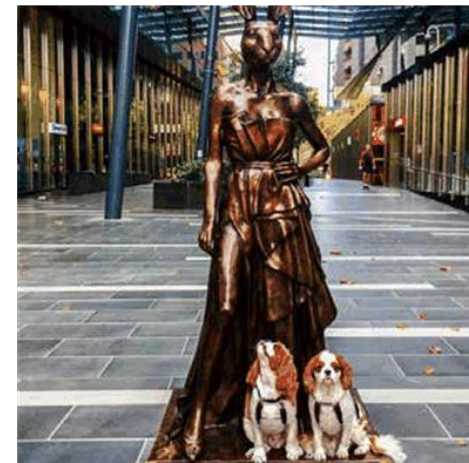
Clocking from top left

*Jessica Rabbit Rabbit*  
180 CM (H)  
Bronze

*Pamela Poodle Anderson*  
180 CM (H)  
Bronze

*Angelina Rabbitgirl*  
180 CM (H)  
Bronze

*Dr. Bear Evil*  
180 CM (H)  
Bronze



---

# 07

---

## Sport Figures

Gillie and Marc are fascinated by the role sport plays in cultures all around the world. It provides inspiration, entertainment and hope for people from all walks of life. Before millions of spectators, heroes are born, legends are forged and icons are formed in what is today's most accessible form of live theatre.

This eventful spirit of achievement, camaraderie and glory is why dozens of councils, governments and stadiums have worked with Gillie and Marc to immortalize these legendary figures as a permanent promoter of future greatness.

Working with these sporting centres, Gillie and Marc have created sculptures of sporting icons including St Kilda Football legend Darrell Baldock, former Australian cricket captain Ricky Ponting and Australian NRL star Matt Bowen, paying tribute to their fabled accomplishments and inspiring the rising stars of tomorrow.

Below

*Matthew Bowen*  
180 CM (H)  
Bronze



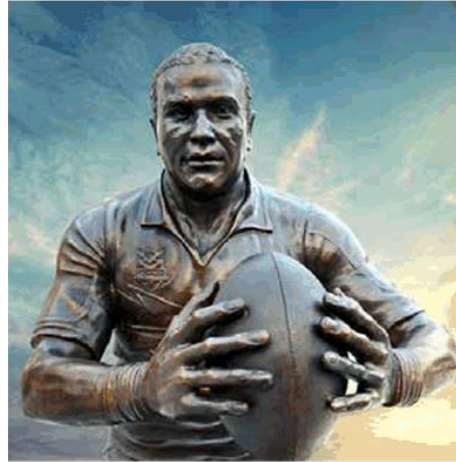
Clocking from top left

*Matthew Bowen*  
180 CM (H)  
Bronze

*Ricky Ponting*  
180 CM (H)  
Bronze

*Kenny Russell*  
180 CM (H)  
Bronze

*Darrel Baldock*  
180 CM (H)  
Bronze





---

# 08

---

## Historical Figures

The cultural identity of a destination is born not only of its past events but of the stories that continue to be shared. While the sands of time shift forward, communities look for ways to immortalise the drivers of change, the icons who did things their own way and the individuals to which they will always be grateful.

Public sculptures of historical figures bring the physical form of the influential being into the modern day. By creating bronze sculptures that are meant to be interacted with, not only does it educate visitors of the town's history but reminds them that a person, not unlike themselves, was able to do tremendous things.

Dozens of governments and councils have collaborated with Gillie and Marc to pay tribute to historical figures such as soldiers, writers and spiritual figures. These sculptures have had a transformative effect on public spaces such as hospitals, parks, schools and offices, enforcing their cultural identity and role as a destination.

Below

*David Sim*  
180 CM (H)  
Bronze



Clocking from top left

*Standing Watch*  
180 CM (H)  
Bronze

*William Nelson*  
180 CM (H)  
Bronze

*Henry Lawson*  
180 CM (H)  
Bronze

*Darrel Baldock*  
180 CM (H)  
Bronze

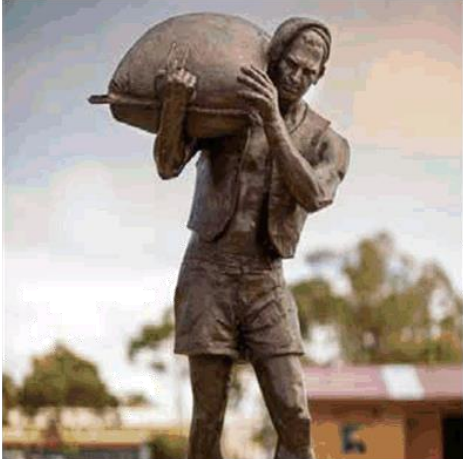


Clocking from top left

*WW1 Soldier and Girl*  
180 CM (H)  
Bronze



*Wheat Lumper*  
180 CM (H)  
Bronze



*Lady Mrs Fitzroy*  
180 CM (H)  
Bronze



*William Barak*  
180 CM (H)  
Bronze



---

# 09

---

## Equestrian Art

A crossroad of love for animals and passion for sports, horses play a vital role in the lives of their doting families. For some families, their horse is their centre of affection and occasional source of income. Yet even as part of a business, a horse very easily becomes part of the family and when they're gone it can seem like they're gone forever.

Gillie and Marc believe this should not be the case and that as human sport persons are recognized for their achievements, so should our equine friends and family members be immortalized.

Working with passionate horse lovers and workers throughout the equine industry, Gillie and Marc seek to create loving tributes to these majestic animals and their generous contribution to the lives of their families. Even once the horse passes into the next life, their sculpture will be part of the destination's history, identity and future.

**Below**

*Buffering*  
200.0 (H)  
Bronze



Clocking from top left

*Buffering*  
200.0 (H)  
Bronze

*Buffering Close-up*  
200.0 (H)  
Bronze

*Archbishop Polding and his horse*  
200.0 (H)  
Bronze

*Pit Pony*  
200.0 (H)  
Bronze



---

# 05

---

## Get In Touch

### EMAIL US

*General Enquiries*  
gallery@gillicandmarc.com

*Orders and Deliveries*  
gallery@gillicandmarc.com

*Painting Commission Enquiries*  
gallery@gillicandmarc.com

### WANT TO STOCK OUR ART?

*Gallery Enquiries*  
madeline@gillicandmarc.com

*Retail Enquiries*  
catherine@gillicandmarc.com

*Online Art/Store Enquiries*  
catherine@gillicandmarc.com

### PUBLIC ART AND PROJECTS

*Commission Enquiries*  
jessie@gillicandmarc.com

*Project Enquiries*  
chloe@gillicandmarc.com

*Painting Commission Enquiries*  
gallery@gillicandmarc.com

### PRAND MEDIA

*PR, Media and Marketing*  
chloe@gillicandmarc.com

*Social and Content*  
benedict@gillicandmarc.com

Please call Gillie and Marc if you have any questions about their work or are interested in commissioning them for a painting or sculpture. They'd love to hear from you.

**A**  
Unit 16, 77 Bourke Road,  
Alexandria, NSW 2015,  
Sydney, Australia

**W**  
www.gillicandmarc.com

**T**  
02 9700 7103

**8.11 CHIEF EXECUTIVE'S ACTIVITY REPORT****Decision Required**

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Janine Dowding, Chief Executive Officer
<b>Report Number:</b>	RCN-08-18-12

**1 Summary**

- 1.1 This report updates Council on some key issues and on my activities since the last Full Council meeting on 28 June 2018. Since the last meeting, a large portion of my and the Senior Management team's time has been taken up with work surrounding options for Waimea water augmentation and the Golden Bay Grandstand. There has been a high volume of correspondence received and activity around both of these matters, including an increase in the number of OIA requests received.
- 1.2 Strategic Policy staff have been working on submissions to a number of Bills of Parliament for consideration by Council, including the 'Our Climate. Your Say' discussion document for Government's Zero Carbon Bill and the Local Government Regulatory Systems Amendment Bill.
- 1.3 My report to Council also includes the six monthly health and safety indicators and monitoring report, as well the annual human resource statistics for the year ending June 2018.
- 1.4 The updated Council Action Sheet is attached for Councillors' information.

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

- 1. receives the Chief Executive's Activity Report RCN-08-18-12 report; and**
- 2. accepts the submission attached to this report (attachment 1) previously forwarded to the Ministry for the Environment on the discussion document 'Our Climate. Your Say'; and**
- 3. agrees to make a submission in support of the points made in the draft SOLGM submission on the Local Government Regulatory Systems Amendment Bill, with the addition that the Select Committee also considers amending the Local Electoral Act to enable local authorities to hold a poll on electoral systems at any time, with the implementation dates remaining as per the existing Act.**

**3 Purpose of the Report**

- 3.1 The purpose of this report is to advise Council about some key issues and about my activities since the Full Council meeting of 28 June 2018.

**4 Advice and Reporting****Zero Carbon Bill**

- 4.1 The Ministry for the Environment issued a discussion document 'Our climate. Your say' detailing the Government's proposals and alternatives for inclusion in the Zero Carbon Bill. The proposals for the Bill include establishing an emissions target for 2050 and five yearly emission budgets to help focus the transition to a carbon zero economy. The establishment of a climate change commission to advise the Government, and preparing a national climate change adaptation plan are also discussed as likely parts of the Zero Carbon Bill. The discussion document can be found at <https://www.mfe.govt.nz/have-your-say-zero-carbon>.
- 4.2 Submissions on the discussion document closed on 19 July 2018. A message was circulated to Councillors on 13 July 2018 indicating the intention to support the Local Government New Zealand submission, with a request for a response if any Councillors had any concerns with that proposed course of action. No such responses were received and consequently a Council submission (attachment 1) in support of the LGNZ submission (attachment 2) was forwarded to the Ministry for the Environment. The submission should be retrospectively approved at this meeting.

**Local Government Regulatory Systems Amendment Bill**

- 4.3 The Local Government Regulatory Systems Amendment Bill is open for submissions until 17 August 2018. The Bill is an omnibus bill to tidy up a range of non-controversial, technical/procedural matters in a number of existing pieces of legislation, which are within the ambit of the Minister for Local Government.
- 4.4 The proposed Bill can be viewed at <http://www.legislation.govt.nz/bill/government/2018/0066/latest/LMS49025.html>.
- 4.5 Staff have reviewed the draft submission to be made by the Society for Local Government Managers (SOLGM), which is attached to this report (attachment 3). SOLGM asks that it be noted that this submission has been released for comment and that its content is not, and may never be, official SOLGM policy. The views expressed in the draft SOLGM submission are very similar to those staff were intending to recommend to Council to include in a submission. In addition, the draft SOLGM submission suggests using the Bill to resolve some further technical/procedural issues that staff support.
- 4.6 There is one additional issue that Council may wish to include in a submission on this Bill that is not covered by the draft SOLGM submission. The additional issue is to amend Section 31 of the Local Electoral Act 2001 to enable local authorities to hold a poll on electoral systems at any time, with the implementation dates remaining as per the existing Act. Councillors may remember that the wording of the Local Electoral Act frustrated Council's desire to hold a poll on the voting system in conjunction with the 2019 triennial election (and thereby do so much more economically than a standalone poll). This issue was included in Council's submission to the Local Electoral Matters Bill and staff recommend including this issue in the submission to the Local Government Regulatory Systems



Amendment Bill as well. Staff have suggested to SOLGM that it may wish to consider adding this issue to its submission.

- 4.7 Staff recommend that Council consider making a submission in support of the SOLGM submission with the addition of the poll issue in the Local Electoral Act (if this issue is not subsequently included in the SOLGM submission).

### **Delegations Register**

- 4.8 At the Council meeting on 28 June 2018, I took an action to come back to Council with advice on the process for review of the delegations register.
- 4.9 There is a formal and robust process for reviewing new delegations to staff. This process is outlined below.
- New delegations to staff that are significant and require a full explanation are referred to Council or one of their Standing Committees for approval by resolution, via a staff report.
  - Straightforward delegations to staff are included in the Chief Executive's Activity Report for noting and approval.
  - Minor edits and job title changes where the role remains substantially the same are now delegated to Governance Services staff to update (in line with the resolution of Council at its meeting on 28 June 2018).
- 4.10 Following approval, the new delegations are captured and incorporated into an updated Delegations Register, with a schedule attached that sets out the source and date of the addition.
- 4.11 More recently, an electronic Resolutions Database has been developed that collates all resolutions from Council and Standing Committees. This should assist with efficient capture of new delegations.
- 4.12 Financial delegations to staff are pre-existing and an important part of the everyday operation of the organisation. Financial delegations that were considered significant (\$20,000 and above) were included in the redrafted Register in February 2017 (Schedule Two) to:
- recognise financial delegations form an important aspect of delegations to staff;
  - keep a record of significant financial delegations with other delegations made to staff together in one document; and
  - provide clarity and transparency.
- 4.13 All financial delegations, including those of less than \$20,000, are captured in Council's electronic purchase order system and all expenditure is within budgets that have been pre-approved by Council.

## **5 Golden Bay Grandstand**

- 5.1 Following the resolution by Council at its meeting on 28 June 2018, some Councillors, Golden Bay Community Board members and staff held an initial meeting with members of the Golden Bay Agricultural and Pastoral Association, the Golden Bay Grand Stand Community Trust and the Golden Bay Grandstand Restoration Society on 10 July. The

purpose of this meeting was to prepare for the main workshop and agree on the items to be discussed. A report was prepared for the workshop on 23 July, which was well attended by all parties including several Councillors.

- 5.2 Immediately following the initial meeting, staff put an advertisement in the Golden Bay Weekly inviting parties to register their interest in obtaining a lease under the Reserves Act 1977 for the restoration and use of the Grandstand. The period for registering interest closed on 27 July. Two proposals were received. One from the Golden Bay Grandstand Restoration Society and one from the Golden Bay Grand Stand Community Trust.
- 5.3 Staff are responding to both groups and will offer to work with the two groups on what Council would like included in a formal lease proposal. They will also ask whether the groups would like to consider working together as one entity on a joint proposal for restoration of the Grandstand, in which case staff will offer to work with the joint group. If the groups would like to submit their proposals separately, once these have been received, Council will need to decide whether to publically consult on either, or both proposals. This decision will come back to Council at a future meeting.
- 5.4 On the legal action taken against Council by the Golden Bay Grand Stand Community Trust and the Golden Bay Agricultural and Pastoral Association, the Judge adjourned the High Court fixture from 16 August while the workshops occurred. The Judge has directed the parties to provide her with an update to indicate the need for, and timing of, a substantive fixture by 14 September 2018.

## **6 Waimea Community Dam**

- 6.1 Following the workshop on 1 August 2018, staff are working to prepare a report for the Full Council Meeting on 28 August 2018.
- 6.2 An update on the other project work streams is provided to Councillors in the Project Status Report to this meeting.

## **7 Managing People**

- 7.1 There have been six health and safety events since my last report. Two were minor sprain injuries, one was a minor laceration and three were relating to abusive behaviour towards staff, both written and verbal, from a rate payer. This behavior has been reported to the Police.
- 7.2 The office environment humidity and CO2 testing mentioned in my previous report has been completed. The results showed high levels of CO2 in the afternoon in two office areas tested and this is known to cause allergy like reactions. Given the type of air conditioning units the building has, the air testing consultant has recommended that a solution is for staff to open windows to allow fresh air into the office environment.
- 7.3 The six monthly health and safety indicators and monitoring report is shown in attachment 4. The data in this report is for the January to June 2018 period.
- 7.4 Councillors may also be interested to know that from September onwards, I will be going into the field with staff to help me understand their roles and how they stay safe while carrying out their jobs.

- 7.5 The annual human resource statistics for the year ending June 2018 are show in attachment 5. The current headcount is 305 (Full Time Equivalent of 278.5) and this has increased from last year's count of 290 (Full Time Equivalent of 263.5). The new positions are listed in attachment 5. Our annual turnover was 7.7% and is considerably lower than last year's turnover. The national average turnover (sourced from Lawson Williams NZ Turnover Survey released in June 2017) for 2017 was 18.8% and the Local Government turnover sourced from the same survey was 12.8%. The average length of staff service is currently 7.8 years and the average staff age is 48.5 years.
- 7.6 This year's collective employment agreement (CEA) bargaining with the Public Services Association (PSA) has concluded. A terms of settlement has been agreed to and ratified by the members. The term of the new CEA is for two years and includes a mid-term review of salary grades.
- 7.7 As mentioned in my previous report, annual performance reviews have now been completed and the staff involved were formally notified of the outcome of their review in late July.
- 7.8 We are currently at various stages of recruiting for a:
- Finance Manager (replacement)
  - Online Communications Officer (new position)
  - Compliance & Investigation Officer (new position)
  - Consent Planner – Land Use, PIMs (replacement)
  - Administration Officer – Commercial (replacement)
  - Environmental Monitoring Officer (replacement)
  - Information Management Officer – EDRMS (replacement)
  - Summer student intake for 2018/2019
- 7.9 Since my last report, 12 appointments have been made:
- Principal Legal Advisor (replacement)
  - Consent Planner – Land Use 12 Months fixed term (replacement)
  - Senior Transportation Engineer (replacement)
  - Quality Assurance Officer (replacement)
  - Project Manager (replacement)
  - Customer Services Officer – fixed term (replacement)
  - Financial Accountant (replacement)
  - Partnerships & Education Officer (replacement)
  - Port Assistant – Port Taroakohe (replacement)
  - Technical Officer – Transportation (replacement)
  - Senior Building Technical Officer (replacement)
  - Building Technical Officer (replacement)

**8 Council Action Sheet**

8.1 A copy of the Council Action Sheet is attached for Councillors' information.

**9 Attachments**

1.	Our Climate, Your Say Submission by Tasman District Council	189
2.	LGNZ Submission on Zero Carbon Bill	191
3.	SOLGM Submission on the Local Government Regulatory Systems Amendment Bill	205
4.	2018 January to June Health & Safety Indicators and Monitoring Report	219
5.	Annual Human Resource Statistics	223
6.	Council Action Sheet as at 9 August 2018	227



janine.dowding@tasman.govt.nz  
Phone 03 543 7205

19 July 2018

Ministry for the Environment  
PO Box 10362  
Wellington  
6143

Dear Sir/Madam

### Submission on Our Climate Your Say

Tasman District Council (Council) thanks the Ministry for the Environment for the opportunity to make this submission on 'Our Climate Your Say' (the discussion document). This submission is made on behalf of Council and the community of Tasman District that it represents, comprising over 51,000 residents.

Council generally supports the intent of the proposed Zero Carbon Bill as detailed in the document and the Government's intention to lead the transition to a zero carbon economy through early and planned action, rather than delaying and having to take abrupt action later.

Council considers that the Zero Carbon Bill (as described in the discussion document) provides a good framework to progress climate change mitigation and adaptation.

Central Government leadership is important in the transition to a zero carbon economy. This centralised leadership should provide encouragement, guidance and structure for local communities to determine how best to take action to reduce our carbon footprint. Council sees local government as having an important role in connecting the Government's leadership to local community action.

Council generally supports the submission of Local Government New Zealand (LGNZ).

In particular Council supports the following views expressed in the LGNZ submission:

- The Climate Change Commission must not be a substitute for the Government showing strong leadership on climate change. Mechanisms must be put in place to ensure that the Government and successive governments are required to demonstrate leadership and take durable action on climate change.
- The Climate Change Commission should have advisory and monitoring functions but mechanisms should be put in place to require the Government to publicly respond when it disagrees with the findings, advice or recommendations of the Commission.

Tasman District Council  
Email [info@tasman.govt.nz](mailto:info@tasman.govt.nz)  
Website [www.tasman.govt.nz](http://www.tasman.govt.nz)  
24 hour assistance

<b>Richmond</b> 189 Queen Street Private Bag 4 Richmond 7050 New Zealand Phone 03 544 8400 Fax 03 543 5024	<b>Murchison</b> 92 Fairfax Street Murchison 7007 New Zealand Phone 03 523 1015 Fax 03 523 1012	<b>Motueka</b> 7 Hickmott Place PO Box 123 Motueka 7143 New Zealand Phone 03 528 2922 Fax 03 528 9751	<b>Talaka</b> 78 Commercial Street PO Box 74 Talaka 7142 New Zealand Phone 03 525 0020 Fax 03 525 9972
--	--	---	--

- It is essential that some of the Commissioners (on the Climate Change Commission) have knowledge and experience of adaptation and local government.
- The Zero Carbon Bill must cover adapting to climate change.
- The proposed functions of a national risk assessment and national adaptation plan will provide New Zealand with clearer direction on adaptation and clearer allocation of roles and responsibilities for adaptive action. Local government must be closely involved in the development of both of these tools.
- The Government's proposed adaptation reporting power should not result in any unnecessary duplication of reporting, presuming that a certain level of reporting by key organisations will be required to complete a national risk assessment.

Council looks forward to having the opportunity to consider submitting on the Zero Carbon Bill as part of its select committee consideration.

Yours sincerely



Janine Dowding  
Chief Executive Officer

SUBMISSION

**We are.  
LGNZ.**  
Te Kāhui Kaunihera o Aotearoa.



## The Zero Carbon Bill

A submission by Local Government New Zealand to the Ministry for the Environment

19 July 2018

**SUBMISSION**

**Contents**

Contents	2
Weare.LGNZ	3
Introduction	3
Summary	3
2050 target	5
Emissions budgets	6
Government response	8
Climate Change Commission	9
Adapting to the impacts of climate change	11



## SUBMISSION



## We are. LGNZ.

Local Government New Zealand (LGNZ) is the national organisation of local authorities in New Zealand and all 78 councils are members. We represent the national interests of councils and lead best practice in the local government sector. LGNZ provides advocacy and policy services, business support, advice and training to our members to assist them to build successful communities throughout New Zealand. Our purpose is to deliver our sector's Vision: "Local democracy powering community and national success."

This final submission was endorsed by Dave Cull, President, Local Government New Zealand.

## Introduction

LGNZ welcomes the opportunity to make a submission in response to the Government's Discussion Document on its proposed Zero Carbon Bill.

Adapting to and mitigating the impacts of climate change is a priority focus for councils across New Zealand. Local government's view is that climate change adaptation and mitigation go hand in hand. The emissions trajectory that we get locked into will determine the scale of our adaptation challenge, while equally we cannot invest significant amounts of money into preparing for climate change without doing anything to reduce the problem.

Local government is committed to "doing its bit" to contribute to emissions reductions. A number of councils across the country are already taking steps to reduce emissions, both within their organisations and the community. However, LGNZ's view has long been that there is a need for a clearly defined pathway to a low-emissions economy that sets a clear target and plan for meeting it, including by allocating roles and responsibilities.

LGNZ considers that the Government's proposed Zero Carbon Bill framework will provide that pathway, and will ensure that New Zealand takes a long-term approach to climate change action.

The Zero Carbon Bill framework also presents an opportunity for New Zealand to give focus to and make significant progress on climate change adaptation and LGNZ is pleased to see that the Government intends that adaptation be included in that framework. However, local government's position is that inclusion of adaptation in the Bill's framework alone will not be sufficient to make real progress in this area. Real progress on effective adaptation will only be achieved if central and local government work together. Local authorities are at the frontline of adaptation in New Zealand, and the impacts of adaptation are by definition local. As such, local government is well-placed to play a key role in developing and implementing the policy settings, frameworks and tools that are needed to enable New Zealand communities to adapt.

LGNZ's chosen responses from the Government's list of options to each of the questions set out in the Discussion Document is noted in bold in this submission. The submission also provides LGNZ's additional comments on each particular issue set out in the Discussion Document.

## Summary

LGNZ submission – The Zero Carbon Bill 3

**SUBMISSION**

In summary, LGNZ considers that:

- An emissions reduction target must be set in law now to provide New Zealanders with certainty and to kick start concerted mitigation action.
- While local government's ultimate ambition is that New Zealand will transition to a net zero emissions economy by 2050, the local government sector's view is that the Government should in the first instance adopt a target of net zero long-lived gases and stabilised short-lived gases until such time that New Zealand has a better understanding of the impact and capacity of technology to contribute to emissions reductions, particularly in agriculture.
- New Zealand should give priority to its domestic mitigation effort, while leaving some flexibility to rely on international carbon units if necessary to meet its emissions reduction target.
- Revisions to the 2050 emissions reduction target should be to make that target more ambitious. The circumstances in which the target could be loosened must be exceptional.
- Emissions budgets will provide communities with clarity and certainty. Any changes to the emissions budgets should be to strengthen them.
- The Climate Change Commission must not be a substitute for the Government showing strong leadership on climate change. Mechanisms must be put in place to ensure that the Government and successive governments are required to demonstrate leadership and take durable action on climate change.
- The Climate Change Commission should have advisory and monitoring functions but mechanisms should be put in place to require the Government to publicly respond when it disagrees with the findings, advice or recommendations of the Commission.
- LGNZ commends the Government for recognising it as essential that some of the Commissioners have knowledge and experience of adaptation and local government.
- The Zero Carbon Bill must cover adapting to climate change.
- The proposed functions of a national risk assessment and national adaptation plan will provide New Zealand with clearer direction on adaptation and clearer allocation of roles and responsibilities for adaptive action. Local government must be closely involved in the development of both of these tools.
- A national risk assessment should be undertaken by LGNZ's proposed Local Government Risk Agency, or a similar national agency and not by the Climate Change Commission.
- The Government's proposed adaptation reporting power should not result in any unnecessary duplication of reporting, presuming that a certain level of reporting by key organisations will be required to complete a national risk assessment.

**SUBMISSION****2050 target**

LGNZ has previously endorsed the need for a clear emissions reduction target to be set in law, notwithstanding that New Zealand already has an obligation to meet an emissions reduction target under the Paris Agreement. A much more concerted effort is urgently needed to reduce New Zealand's domestic emissions.

The local government sector's ambition is that New Zealand will ultimately make the transition to a net-zero emissions economy. However, LGNZ and its members recognise that this ambition will have significant, and potentially disparate, impacts on New Zealand's communities, particularly rural and vulnerable communities. In its submission to the Productivity Commission on its draft report on how New Zealand can transition to a low-emissions economy, LGNZ urged the Productivity Commission to more strongly consider and address the potential for disparate impacts on the well-being of vulnerable and rural communities and how these could be mitigated. LGNZ urges the Government to keep this in mind when it sets an emissions reduction target.

LGNZ's responses to the specific questions set out in the Discussion Document are provided below.

**What process should the Government use to set a new emissions reduction target in legislation?**

**Answer: The Government should set a 2050 emissions reduction target in legislation now.**

Setting the target in law now will provide clarity, certainty and help to achieve consistency across sectors, businesses and communities. LGNZ urges the Government to get on with putting in place the target that New Zealand needs to meet, as opposed to delaying things any further. LGNZ is concerned that if the Government sets an emissions reduction target in law later, the timeframe remains undefined and subject to change. That will not provide New Zealanders with the certainty that they need. Nor will it encourage New Zealanders to get on with making the progress and changes that are required now. Setting the target now provides a strong impetus and platform for action.

In any event, LGNZ's view is that New Zealand's communities are expecting an emissions reduction target to be set in law as a result of this process, and that to delay things further would be inconsistent with that public expectation.

**If the Government sets a 2050 target now, which is the best target for New Zealand?**

**Answer: Net zero long-lived gases and stabilised short-lived gases.**

The local government sector's ultimate ambition is that New Zealand transitions to net zero emissions across all greenhouse gases by 2050. As the sector that will bear the most significant costs of infrastructure adaptation and with a mandate to ensure community well-being, local government supports a strong target and commitment to taking substantial action to reduce the impacts of climate change.

However, LGNZ recognises the significant impacts of the transition on rural communities and the concerns that those communities have. LGNZ acknowledges that rural communities do have ambitions to reduce their emissions, but that currently there are some significant unknowns. We do not yet have a clear understanding of what large-scale land use will entail and when it will happen (though LGNZ does recognise the need for such land use change if significant reductions in emissions are to be achieved) and there is still significant further work to do around developing relevant science and technology to support rural communities to do more to reduce and account for agricultural emissions.

**SUBMISSION**

Until such a time that the means and mechanisms for reducing and accounting for agricultural emissions are better understood, LGNZ supports the Government adopting the proposed target of net zero long-lived gases and stabilised short-lived gases. Further, it is long-lived gases such as carbon dioxide and nitrous oxide that are the greatest threat to global climate change. The Government can and should then revise the target to be more ambitious once technologies have developed and once we have a clearer, science-based understanding of how agricultural emissions can be accounted for. This approach will support rural communities through the transition, and ensure that the impacts of the transition on those communities are not hard-hitting and immediate ones that the sector could not recover from.

LGNZ does, however, consider that further work needs to be done by the Government to define what is meant by “stabilisation” of short-lived gases. This is something that the Interim Climate Change Committee or Climate Change Commission could advise on, and any final decision as to what the target means and requires should be consulted on with affected sectors, particularly the agriculture sector.

Notwithstanding LGNZ’s preference for this phased approach for New Zealand’s emissions reduction target, LGNZ considers that it is critical that research and development focused on reducing agricultural emissions is prioritised. Setting the different targets for different gases is ultimately not about lowering ambition or slowing down progress but about being realistic as to, and allowing, the time that will be needed to allow quality research and development to take place to inform the progress that must ultimately be made in this area.

#### How should New Zealand meet its targets?

**Answer: Domestic emissions reductions and using some emissions reductions from overseas that have strong environmental safeguards.**

LGNZ’s view is that priority should be given to a domestic effort to reduce emissions in order to reap the maximum economic benefit and other co-benefits that a domestic effort would provide. However, New Zealand does still need flexibility and the ability to access a broad range of options to meet its emissions reduction target. As such, LGNZ considers that New Zealand should be able to meet its targets by using some emissions reductions from overseas (international carbon units) where a top up is needed. The international carbon units should only be drawn upon when domestic mitigation efforts are genuinely not sufficient to enable New Zealand to meet its target.

LGNZ agrees that if international carbon units are utilised it is critical that they have strong environmental safeguards. There is further work that likely needs to be done to define what constitutes such a strong and robust safeguard. Once defined, the Climate Change Commission could be utilised to provide advice on whether international carbon units have sufficiently strong environmental safeguards.

#### Should the Zero Carbon Bill allow the 2050 target to be revised if circumstances change?

**Answer: Yes.**

Although the future is uncertain, LGNZ does anticipate that technologies and science will develop to aid efforts to meet our emissions reduction target, and to speed progress up. As such, LGNZ considers that there must be some flexibility for the Government to revise the 2050 emissions reduction target if circumstances change. Changes to the emissions reduction target would likely be suitable in circumstances where there are advancements in science and technology and changes to international policy.

**SUBMISSION**

The scope to change the emissions reduction target must ultimately be to make that target more aggressive and to speed up progress.

The circumstances in which the emissions reduction target could be weakened must be exceptional and limited. The Bill's provisions must ensure that the target cannot be changed at the whim of politics. The Bill should require that stringent criteria are met before the target can be loosened. LGNZ's view is that it may in fact be more appropriate to utilise emissions budgets as the mechanism for accounting for exceptional circumstances. The budgets could be utilised to even out the impacts of an exceptional external event or circumstance over time, without necessarily requiring a change to the ultimate long-term emissions reduction target.

Any changes to the target, whether to strengthen or weaken it, should be consulted on and should be underpinned by scientific analysis.

## Emissions budgets

LGNZ is supportive of the Government's proposal to establish an emissions budgeting mechanism under the Zero Carbon Bill.

LGNZ's responses to the specific questions set out in the Discussion Document are provided below.

**Do you agree with the Government's proposal for three emissions budgets of five years each to be in place at any given time?**

**Answer: Yes.**

LGNZ agrees with the Government's proposal that three emissions budgets of five years each should be in place at any given time. The emissions budgets will provide communities, sectors and businesses with certainty and consistency.

**Should the Government be able to alter the last emissions budget?**

**Should the Government have the ability to review and adjust the second emissions budget within a specific range under exceptional circumstances?**

**Answer: Yes, to both questions.**

LGNZ's position is that it might be appropriate to adjust the second and third emissions budgets in circumstances where there are significant changes to science, technology and/or international policy. The scope to change the budgets must ultimately be to strengthen them and speed up progress.

The Bill should set out a stringent set of criteria which must be met before the budgets could be weakened. Care must be taken to ensure that the Bill's framework does not allow emissions budgets to be weakened at the whim of politics. There must be genuine reasons for weakening a budget.

As noted above for changes to the emissions reduction target, changes to the budgets should be required to be consulted on and underpinned by scientific analysis.

**SUBMISSION**

Do you agree with the considerations we propose that the Government and the Climate Change Commission take into account when advising on and setting budgets?

**Answer: Yes.**

LGNZ agrees with the proposed list of considerations that the Climate Change Commission and Government should take into account when advising on and setting budgets. LGNZ considers that it is important that social and economic factors are taken into account, and is pleased to see that such factors have been included in the proposed list of considerations.

Ultimately, the key consideration that must be taken into account when setting budgets is whether they will help to achieve the long-term vision of reduced emissions.

### Government response

LGNZ's view is that it is critical that the Government and subsequent governments demonstrate strong leadership on climate change action. Requiring action by governments in law sends a strong signal, and will ensure that commitment to addressing climate change receives the long-term focus that is needed if real progress is to be made.

If these provisions are to be sustainable it is critical that there is cross-party support for both the Zero Carbon Bill framework, and the need for governments to take action to address climate change.

LGNZ's responses to the specific questions set out in the Discussion Document are provided below.

Should the Zero Carbon Bill require Governments to set out plans within a certain timeframe to achieve the emissions budgets?

**Answer: Yes.**

LGNZ agrees that the Government should be required to set out plans within a reasonable timeframe to achieve the emissions budgets. This approach will ensure that the Government is still required to take a strong and tangible leadership role on climate change mitigation.

While LGNZ acknowledges that careful and considered planning by the Government will be important, particularly so as to avoid unintended impacts of any plans on communities and businesses, LGNZ considers that it is equally important that progress and action by the Government is not unnecessarily delayed. The Zero Carbon Bill framework should therefore require the Government to develop its plans within a reasonable timeframe.

The Climate Change Commission should have the ability to advise if it believes that progress by the Government is too slow.

**SUBMISSION**

### What are the most important issues for the Government to consider in setting plans to meet budgets? For example, who do we need to work with, what else needs to be considered?

When setting plans to meet budgets, the Government should engage with the communities that will be most impacted by those plans, particularly if the plans will place significant obligations or responsibilities on, or result in significant change for, those communities. Local government is well-placed to be an important collaborative partner for the Government in such instances.

When setting plans to meet budgets, LGNZ also considers that there will be a critical need for the Government to access quality research and development about how New Zealand can meet its emissions reduction target. Processes for accessing research and development need to be short-circuited so that the research and development can be accessed and dispensed without unnecessary delay.

The Government should also keep in mind Treasury's Living Standards Framework and the four capitals when setting its plans. By focusing on the four capitals, as opposed to just GDP, the Government will be better able to ensure that the plans it develops will support community well-being and enable co-benefits from its plans to be maximised.

## Climate Change Commission

LGNZ has previously endorsed calls made by the former Parliamentary Commissioner for the Environment Dr Jan Wright and current Commissioner Simon Upton for the establishment of an independent Climate Change Commission. LGNZ supports the establishment of such a body to the extent that it would drive momentum and change.

However, related to the comments made earlier in the "Government response" section of this submission, LGNZ's position is that it is critical that the Climate Change Commission is not a substitute for the Government and successive governments taking an integrated approach to climate change and showing strong leadership on the issue. A Climate Change Commission is only part of the solution – there is still a need for the Government to be a leader.

LGNZ agrees with the Government that the Climate Change Commission must be independent and that its membership must be based on skill and expertise, not sector representation. LGNZ's view is that the appointment of Commissioners should be a cross-party exercise, so as to ensure the Commission is durable and has the broad support of Parliament. This is particularly important given the influence that the Commission should have on Parliament's decision-making.

LGNZ recognises that finding the right people to fill the role of Commissioner will be a challenge, particularly given the breadth and depth of knowledge and expertise that will be required if the Commission is to be effective and able to address both adaptation and mitigation. That makes it even more critical that a cross-party approach is taken to finding the right people to fill those roles.

LGNZ's specific responses to the questions set out in the Discussion Document are provided below.

**SUBMISSION**

The Government has proposed that the Climate Change Commission advises on and monitors New Zealand’s progress towards its goals. Do you agree with these functions?

**Answer: Yes.**

LGNZ agrees that the Climate Change Commission’s functions should be advisory and monitoring ones.

LGNZ considers that vesting the Climate Change Commission with full decision-making powers would create two key risks: a risk that the Climate Change Commission would become a substitute for the Government and successive governments showing strong leadership on climate change, and a risk that subsequent governments may disestablish the Climate Change Commission out of political motivations. That would seriously undermine progress on climate change.

However, LGNZ recognises that if the Climate Change Commission’s functions are advisory and monitoring ones only, there is a risk that the Commission will lack the “teeth” that it needs in order to have significant impact and hold the Government and successive governments to account. LGNZ’s position is therefore that the Zero Carbon Bill must establish a mechanism whereby the Government must publicly respond if it disagrees with the advice that the Commission provides. This will ensure that there is a level of accountability in circumstances where the Government deviates from the Commission’s recommendations.

What role do you think the Climate Change Commission should have in relation to the New Zealand Emissions Trading Scheme?

**Answer: Advising the Government on policy settings in the New Zealand Emissions Trading Scheme.**

LGNZ’s view is that decision-making around the Emissions Trading Scheme (ETS) must remain with the Government. Decisions about the ETS should not be the responsibility of a body that is not democratically elected. The Climate Change Commission can and should, however, provide the Government with advice on policy settings in the New Zealand ETS.

Such an approach would be consistent with the Government’s proposal that the Climate Change Commission has advisory and monitoring functions only, and not decision-making functions. Further, given the close relationship between emissions budgets and the ETS it would be inappropriate for decision-making in respect of budgets to rest with the Government and ETS decision-making to rest with another body. That would likely result in inconsistent approaches and decision-making anomalies.

The Government has proposed that Climate Change Commissioners need to have a range of essential and desirable expertise. Do you agree with the proposed expertise?

**Answer: Yes.**

LGNZ is pleased to see that the Discussion Document identifies: “experience with addressing adaptation challenges like...local government” as essential expertise for the Climate Change Commissioners and supports the inclusion of that area of expertise. This expertise is essential, particularly if the Commission is mandated to deal with adaptation, which LGNZ considers it should be.



**SUBMISSION**

LGNZ makes the following additional comments:

- Progress on adaptation will only be effective and substantive if local government is closely involved in the Government's climate change adaptation work programmes. A Commissioner with knowledge of adaptation and local government should not be a substitute for a close working relationship between central and local government on adaptation. There must be continual engagement by central government with local government which the Zero Carbon Bill could specifically require.
- LGNZ is well-placed to advise the Government on appropriate people to provide the experience with addressing adaptation challenges and local government that the Commission needs.
- LGNZ recognises that different skillsets will be required in order for the Commissioners to advise on adaptation and mitigation, and that it will be difficult to find people who have skills in both areas. That will have implications for the size and structure of the Commission. For this reason, LGNZ recommends in further detail below that the proposed national risk assessment should be undertaken by a separate agency. LGNZ considers that it may be appropriate for Commissioners to be allocated particular portfolios.
- LGNZ is not supportive of the adaptation subcommittee model which has been adopted in the United Kingdom. LGNZ's concern is that a subcommittee arrangement would create a hierarchical structure that gives lower priority to adaptation. That would potentially result in adaptation not getting the level of focus and resourcing that it requires.
- It is critical that the Commissioners have access to all necessary research and that access to that research is not unreasonably delayed.

## Adapting to the impacts of climate change

Adapting to the impacts of climate change is a priority focus for councils across New Zealand. LGNZ has long advocated for the need for greater action by the Government on adaptation. However, LGNZ's position is that it is critical that local government is closely involved in any work that the Government does on adaptation, given that local government is at the frontline of adaptation action and the impacts of adaptation are by definition local.

LGNZ's responses to the specific questions on adaptation set out in the Discussion Document are provided below.

### Do you think the Zero Carbon Bill should cover adapting to climate change?

**Answer: Yes.**

The Zero Carbon Bill must cover adapting to climate change. New Zealand needs joined up action on both climate change mitigation and adaptation, and the Zero Carbon Bill provides an opportunity to deliver that. It would be inappropriate for New Zealand's key piece of climate change legislation to focus on mitigation only, particularly given that current global temperatures mean that a certain level of adaptation is inevitable.

The Paris Agreement makes provision for and requires action on both climate change adaptation and mitigation. It is entirely appropriate that New Zealand's Zero Carbon Bill adopts a similar approach.

**SUBMISSION**

LGNZ's concern is that if the Zero Carbon Bill does not extend to adaptation as well as mitigation, adaptation will not get the level of focus and attention it requires. It is also concerned that successive governments could more easily relegate adaptation in terms of priority if there is not a legal requirement to take adaptive action (notwithstanding that successive governments could of course repeal certain sections of the Zero Carbon Act). A joined up approach to adaptation and mitigation will also ensure that New Zealand does not miss opportunities to maximise co-benefits by compartmentalising issues.

**The Government has proposed a number of new functions to help us adapt to climate change. Do you agree with the proposed functions?**

**Answer: Yes.**

LGNZ is strongly in support of the Government's proposals to undertake a national risk assessment and to develop a national adaptation plan. LGNZ has long advocated for these two things. However, LGNZ makes the following additional comments:

- The Government's proposed national risk assessment should be undertaken by LGNZ's proposed Local Government Risk Agency (LGRA), or a similar risk agency model with national application, and not the Climate Change Commission as is currently proposed. Although LGNZ's view is (as noted above) that the Climate Change Commission should have knowledge and expertise around climate change adaptation, the expertise required to undertake a risk assessment will be specific and technical, and not necessarily expertise that is needed on the Commission for other purposes. LGNZ believes that this is the most practicable way of ensuring that the Commission's membership is comprised of the most appropriate knowledge and expertise.
- While LGNZ agrees that the Government should be responsible for developing and monitoring progress on a national adaptation plan, LGNZ's view is that the Zero Carbon Bill should explicitly require that local government is involved in both the development and the ongoing monitoring, review and updating of that plan. Local government is best placed to understand the implications of a national adaptation plan for councils and their communities.
- LGNZ believes that certain aspects of the national adaptation plan could be worked on now and that there is not a need to wait until a national risk assessment has been undertaken to commence that work. The Government could and should start work now, with local government and other relevant parties, on defining a common set of priorities, goals and outcomes for adaptation. The priorities and goals could be set out in the Zero Carbon Bill framework to give them high standing.
- LGNZ's view is that an area requiring urgent and significant progress by the Government is decision-making around the allocation of and roles and responsibilities for funding the costs of adaptation. This is something that the Climate Change Commission should be mandated to provide the Government with advice on if it sees fit, or considers that Government progress in this area is too slow.

**SUBMISSION**

Should we explore setting up a targeted adaptation reporting power that could see some organisations share information on their exposure to climate change risks?

**Answer: Only if the reporting power would require reporting of information of value that will not be included in the national risk assessment.**

LGNZ's view is that the Government needs to give careful consideration to how the proposed reporting tool relates to its proposed national risk assessment. Presuming that a certain level of local input will be required for the completion of a national risk assessment, LGNZ considers that further work needs to be done to identify what additional information the reporting tool would encompass that would not be incorporated within a national risk assessment. Any additional information gathered via the reporting tool must be of value. The Government must ensure that the reporting tool does not result in unnecessary duplication of reporting.

It may be that instead of developing a reporting tool it would be sufficient for the Bill to require that key organisations cooperate with the completion of the national risk assessment by providing certain information that is required from them within a certain timeframe. This would be consistent with the level of input from key organisations that will presumably be required in any event to enable the completion of the assessment.

In the event that the Government does proceed with this proposed reporting mechanism, LGNZ notes:

- A broad range of organisations with responsibility for infrastructure and services that impact on New Zealanders' lives must be required to complete reporting. That should include key central government agencies.
- The proposed reporting power is likely to result in increased cost and compliance for councils and other organisations that are subject to it.
- The Government should work on developing the reporting tools with the organisations that will be required to report so as to ensure that the tools are easy to understand and use. The Government will likely need to give consideration to what support, guidance and resourcing it needs to provide to the organisations that are subject to the reporting power, particularly those for which capacity and capability are issues.

## Conclusion

Action on climate change mitigation and adaptation is needed as a matter of urgency. The development of the Zero Carbon Bill is an important start and step in the right direction.

It is critical that the Zero Carbon Bill sets a clear target in law now to provide New Zealand communities with much needed certainty and clarity of direction. However, the Government needs to take care when setting the emissions reduction target to ensure that the transition is a just one, particularly for rural and vulnerable communities.

Local government is committed to continuing to its bit to mitigate and adapt to the impacts of a changing climate and urges the Government to continue to closely involve the sector in its work. While LGNZ supports the need for Climate Change Commissioners to have knowledge of adaptation and local government, this must not be a substitute for ongoing engagement between central and local government.



**Submission from the New Zealand Society of Local  
Government Managers (SOLGM) to the Local Government  
Regulatory Systems Amendment Bill**

## Introduction

### Who is SOLGM?

The New Zealand Society of Local Government Managers (SOLGM) thanks the Governance and Administration Select Committee (the Committee) for the opportunity to submit on the Local Government Regulatory Systems Bill (the Bill).

SOLGM is a professional society of around 700 local government Chief Executives, senior managers, and council staff.<sup>1</sup> We are an apolitical organisation. Our contribution lies in our wealth of knowledge of the local government sector and of the technical, practical and managerial implications of legislation.

Our vision is:

*professional local government management, leading staff and enabling communities to shape their future.*

While we propose some amendments and additions to the Bill we offer these recommendations to strengthen a Bill that we support.

The explanatory note that accompanies this Bill notes that:

*"The local government legislative framework is a complex arrangement of multiple Acts and regulation. Over time, amendments to local government legislation have introduced errors and inconsistencies into the regulatory system. In addition, the regulatory system should be flexible to keep pace with technological opportunities, process improvements, and community expectations."*

We couldn't agree more and signal that local government managers would like to see a more regular process for making technical, apolitical amendments such as those identified in the Bill and in our submission.

Our submission is structured in two parts. In the first part we engage with the matters that are raised in the Bill. We have identified several other matters that we consider to be non-partisan and technical. Many of these have come from a recent process of engaging with our members.

Quality policy and legislation processes require active, genuine and early engagement with those versed in the technical and practical issues involved in making legislation work. We acknowledge and thank the Department of Internal Affairs for seeking our comment on matters for consideration in the Bill both under the previous and current Governments.

---

<sup>1</sup> As at 30 July 2018.

**Part One: Matters in the Bill**

## **Dog Control Act 1996**

The Bill includes a change to the process for clarifying and changing which agencies are authorised to certify dogs as disability assist dogs. The Bill will enable the list of organisations that can certify dogs in this way to be changed by regulation rather than through legislation. This makes the amendment process quicker and more responsive to change and therefore has our support.

The second change is that local authorities must publish a copy of their section 10 reports on their website. As a general principle, we agree that accountability documents should be placed online (and most are). We agree with this amendment also.

### **Recommendation 1: Dog Control Act 1996**

**That the Select Committee agree that clauses 4 and 5 of the Bill be enacted without further amendment.**

## **Local Electoral Act 2001**

### ***Facilitating Participation***

SOLGM supports the concept Bill mandating the facilitation of participation in elections. However, we do not support mandating the electoral officer to carry out this power. The electoral officer runs the election but does not set the budget. Placing the duty on the electoral officer gives them the responsibility, but not the means to carry out facilitating election participation. It would be better to empower local authority as a body corporate, to facilitate election participation. Chief Executives would be able to properly resource the facilitation of participation in elections.

### **Recommendation 2: Participation in Local Elections**

**That the Select Committee amend clause 9 by replacing the words “electoral officer” with the words “local authority”.**

## ***Coming into Office***



This issue is one of the minor legislative 'glitches' that occur from time to time when dealing with complex legislation.

Amendments to the Local Electoral Act in 2013 successfully aligned the date at which candidates elected unopposed, and candidates elected through a triennial election, come into office as being the day after declaration of the final result. It overlooked doing the same for members elected through a by-election, though ironically the less common circumstance where vacancies are filled through appointment is covered.

**Recommendation 3: Coming into Office**

**That the Select Committee agree that clause 10 be enacted without further amendment.**

**Local Government Act 2002*****Public Notice***

The Bill would make a number of amendments to the Local Government Act and other legislation expanding the requirements when giving public notice to include publication on the local authority's internet site as well as in newspapers.

We support this modernising of the requirement. The public is increasingly relying less on newspapers for matters of an administrative nature and circulation of many newspapers is declining. In the long run we consider that the requirement to give public notice should be repealed. However we do not consider that time is now – one in five New Zealanders do not have internet access and some rural areas do not have internet access. Not all local authorities share this view.

**Recommendation 4: Public Notices**

**That the Select Committee agree that the clauses relating to public notice and defining internet site be enacted without further amendment.**

**Working Day**

SOLGM supports the amendment to the working day provision in the Bill. While social norms and employment practice is changing the concept of the summer holiday period is still very much a feature of New Zealand and western culture. The change in the Bill aligns working days across the key local governments statute.

In preparing this submission we learned that the proposed definition is not aligned with that in the Resource Management Act 1991 and the Building Act 2004. In both cases the 'holiday period' ends on 10 January. We submit that there is no obvious policy reason for this misalignment and that amendment would ensure the levels of service across different activity are consistent. We are aware neither Act is administered by the Minister of Local Government but suggest that should not exclude them from scope of this Bill.

**Recommendation 5: Working Days**

**That the Select Committee agree to amend clause 15 of the Bill by extending the amendment to the definition of "working day" in the Local Government Act 2002 to include the Resource Management Act 1991, and the Building Act 2004.**

**Financial Strategies**

The Bill would amend section 101A of the Local Government Act. This requires local authorities to develop a financial strategy as part of their long-term plan. This document identifies the financial implications of the policy and service delivery decisions taken elsewhere in the plan and requires the local authority to develop a desired end state financial position. SOLGM strongly supported this requirement when introduced and continues to do so.

Strategies must include self-set limits on the absolute level of rates, their rates increases and debt. The Bill repeals the first of these leaving a requirement to have a cap on rates increases and debt.

It is unclear what legislators expected from the latter limit as few local authorities have been able to develop any absolute limit on rates that acts as a meaningful control. For example, a common limit is that rates will form no more than a specified percentage of total revenue. In practice, the public, and most elected members, focus on the increase in rates — which is also reflected in the Department of Internal Affairs' own fiscal prudence measures.

**Recommendation 6: Financial Strategies**

**That the Select Committee agree that clauses 17 and 21 be enacted without further amendment.**

**Regulations**

Clause 25 would provide the Secretary of Local Government with a new power to make regulations that would prescribe the form of documents which local authorities are legally required to make publicly available.

We have concerns that the clause, as worded, is vague and that this vague nature potentially broadens the scope of this power. Other regulatory powers have, for example, been used to specify the colour of bars in certain bar charts that local authorities are required to produce.<sup>2</sup>

We thank officials for the discussions that we've had on this matter. Our understanding is that the intent of this provision is to ensure that documents that are made publicly available to be accessible. This is linked with other changes that will not require Councils to send documents to various government agencies so long as they are public available on their website. SO, to cite one example, a Council's report under s10A of the Dog Control Act would no longer be required to be sent to the Secretary but must be on the council website *in a form that is accessible*. So a MS Word document is accessible because people can extract text, and figures can be extracted from an excel spreadsheet, but some file versions (like some pdfs) effectively turn the document into a picture that can't be searched or the information extracted from it. Applications that will "read" a document to a vision impaired person do not work with those files either.

We would support this intent but consider that this clause needs refinement. We suggest that officials be empowered to discuss a more refined wording for this clause. It may be that something longer but more descriptive of the desired result is appropriate.

**Recommendation 7: Form of Documents**

**That the Select Committee agree to empower officials to further discuss the drafting of clause 25.**

<sup>2</sup> See the Local Government (Financial and Prudence Regulations 2014). One of the authors of this submission notes that he once received a request from a local authority for the pantone number of the colours because an appointed auditor had (incorrectly) told them the colour had to match exactly.

**Extraordinary Meetings**

We are unclear of the purpose of clause 26. The regulatory impact statement and cabinet paper are far from clear on the problem this provision is attempting to solve.

**Rates Rebates Act 1974**

SOLGM supports the proposed changes in the Bill. The Bill clarifies the treatment of payments under the Veterans Support Act 2014 and whether they qualify as income for the purposes of the Rates Rebate Act 1973. It appears most of the main categories of payment will count as income, the payments excluded are various impairment compensation payments. We understand that this amendment only codifies the existing practice and does not change the number of people who are eligible.

SOLGM supports the proposed changes in the Bill concerning the Rates Rebate (Retirement Village Residents) Amendment Act 2018. This Bill was rapidly moved through its latter stages. It has since been found that there were cases which had not been captured – so the Bill is to change the definition of ratepayer to include anyone who has a residential unit in a retirement village and who is not a ratepayer. SOLGM is supportive of this change.

We suggest that both this amendment and the matter it addresses are both the product of a time when tenure arrangements were generally far less varied and complex. This is one reason that SOLGM considers that the Rates Rebate Act is in need of a review to ensure it remains fit for purpose.

**Recommendations 8 and 9: Veterans Support Act 2014**

**That the Select Committee agree that:**

- 8. clause 34 clarifying the treatment of Veterans Support payments for rates rebates be enacted without further amendment and**
- 9. clause 35 be enacted without further amendment.**

**Part Two: Other Matters****Local Electoral Act 2001****Social Media and Local Elections**

Social media began to filter into the communications and campaigning strategies of candidates in 2013 and grew apace in 2016. Social media is also used by members of the

public to express their views on particular issues or candidates. Online campaigning is likely to continue to increase in future elections, both in terms of quantity and sophistication.

During 2016 SOLGM was asked to provide legal advice as to whether advertisements or communications that appear to promote the election of a particular candidate would fall within section 113 of the Local Electoral Act. SOLGM's legal advisors concluded that a communication that appears on the internet probably falls outside the scope of section 113 but that the legislative provisions could be a great deal clearer.

It is an offence for candidates (or persons acting on behalf of a candidate) to publish an advertisement without the proper authorisation. That being the case, there should be far greater certainty in the treatment of Internet based communications.

SOLGM has examined the equivalent provisions in the Electoral Act 1993. As SOLGM understands it, Parliament has expressly included Internet-based advertisements in relation to Parliamentary elections. Section 3A of the Local Electoral Act 2001 states that an electoral advertisement is an 'advertisement in any medium...', which would extend to the Internet or online media.

However, this is also safeguarded with a series of exemptions. These should be reviewed and, where consistent with the intent of the Local Electoral Act 2001, these exemptions should be incorporated into the Local Electoral Act 2001. In particular, section 3A(2)(e) expressly excludes "any publication on the Internet or other electronic medium, of personal political views by an individual who does not make or receive a payment in respect of the publication of those views" from being regarded as an advertisement. This would avoid doubt as to whether activity as trivial as a member of the public 'liking' a candidate's post requires a promoter statement.

#### **Recommendation 10: Social Media and Local Elections**

**That the Select Committee agree that Section 3A of the Local Electoral Act 2001 states that an electoral advertisement is an 'advertisement in any medium...', which would extend to the Internet or online media. This is also safeguarded with a series of exemptions. These should be reviewed and, where consistent with the intent of the Local Electoral Act 2001, these exemptions should be incorporated into the Local Electoral Act 2001.**

#### **Supplementary Roll/Deletions File**

The Electoral Commission maintains what are known as supplementary rolls. These are electors who have enrolled after the close of the roll. This data is not currently available to local authorities.

Requests for this data have been rejected due to an apparent lack of specific authority for the Commission to supply information.

In the absence of this information the electoral officer must send details of the requests to the Electoral Commission and wait for confirmation. Electoral officers have advised us that this process has delayed the declaration of final results by as much as three days in some local elections.

In a similar vein, the Electoral Commission are 'keepers' of the deletions file – a list of people who have been removed from the roll.

**Recommendation 11: Supplementary roll/deletions file**

**That the Select Committee agree that the supplementary roll/deletions file should be made available to local authorities to avoid the delay of declaring final results.**

**Citizenship of Candidates**

Section 25 of the Local Electoral Act 2001 made it very clear that a candidate must not only be a registered elector but must also be a New Zealand citizen. The nomination form requires the candidate to attest to their holding New Zealand citizenship. Section 21 makes it an offence to nominate a candidate while knowing that person is ineligible to hold office or for someone to accept a nomination while knowing they are ineligible to hold office. The offence is punishable by a maximum fine of \$2000.

The 2013 Census noted that around 1.1. million people who are resident in New Zealand were not born here. At that time this was equivalent to just over a quarter of the population. New Zealand is a country where a large proportion of the population are migrants, so this will be an ongoing issue.

The nomination form used by most local authorities indicates that candidates may be asked to furnish proof that they are New Zealand citizens. The form also makes it clear that acceptable proof includes a New Zealand Passport, New Zealand Birth Certificate or other New Zealand Citizenship documents, such as a Certificate of Citizenship or Determination of Citizenship.

It appears some electoral officers rely on the candidate certifying their eligibility in two places and signing the form, as well as relying on the legal sanction and on loss of office as the control.

The nomination form for the 2017 general election appears to require a similar certification. It also requires candidates born outside New Zealand to furnish proof of citizenship and helpfully directs candidates who are unsure about their status that they should contact the Department of Internal Affairs. On one level there is a practice issue which officials will resolve by asking candidates to furnish proof.

However, this requirement could be made a lot more certain, especially in circumstances where a candidate refuses to produce proof. We recommend an amendment to section 55 to require candidates to furnish proof that they are a New Zealand citizen.

#### **Recommendation 12: Citizenship of Candidates**

**That the Select Committee agree recommend an amendment to section 55 of the Local Electoral Act 2001 to require candidates to furnish proof that they are a New Zealand citizen.**

### **Local Government Act 2002**

#### ***Content of Pre-election Reports***

Local authorities must prepare a pre-election report during or before the July preceding local elections (i.e the next report is due in July 2019). Broadly speaking this is the local government equivalent of the Pre-election Economic and Fiscal Update (or at least the fiscal components).

The PER does have benefits as a single 'source of truth' which local authorities can use as source material for their own information campaigns (including responding to any factual inaccuracies that come up during the campaign). The pre-election report serves as a 'quick reference guide' to key financial and non-financial information that an elector who intends to cast an informed vote could use.

SOLGM does not consider the pre-election report to be a particularly onerous or costly requirement, but a slight streamlining of the requirement to allow all local authorities to use the annual plan financial forecasts for the year preceding the election year would

reduce the cost still further. These numbers are used as the basis for setting rates so should be reliable.

At the moment this option is available only to local authorities with populations of 20,000 or less (a recognition of scale and resource available). Others must produce an estimated financial outturn for the financial year just completed – which may be subject to change between that point and the final result

**Recommendation 13: Pre-election reports**

**That the Select Committee agree to amendments to section 99A and schedule 10 of the Local Government Act 2002 to allow local authorities to use the annual plan forecasts for the year in their pre-election reports.**

**Waste Management and Minimisation Plans**

Local authorities must include a statement explaining any variations between their current Waste Management and Minimisation Plan and the Long Term Plan. While the Waste Management and Minimisation Plan is an important document, it is no more important than other statutory planning instruments such as a District Plan. We see no reason why detail about the Waste Management and Minimisation Plan is of such importance that it deserves to be singled out in a Long Term Plan when many other documents are not.

**Recommendation 9: Waste Minimisation Plans**

**That the Select Committee agree to remove the statement of variations between Waste Management and Minimisation Plan and the Long Term Plan from schedule 10 of the Local Government Act 2002.**

**Infringement Offences**

The Local Government Act 2002 provides for the making of regulations to prescribe which breaches of bylaws are infringement offences, with associated infringement fees. Without these regulations a breach of a bylaw is not considered an offence and no infringement fees are payable. Consequently, this means that other breaches of bylaws under the Local Government Act must either be prosecuted through the courts or ignored altogether.

The former is a time-consuming and costly enforcement tool, which makes prosecution inappropriate for all but the most significant of breaches.



Regulations prescribing infringement offences have not proceeded in part due to difficulty with the wording of section 259 of the Act, which sets the scope of the regulation making power. As council bylaws differ to suit their local situation, the possible breaches of bylaws will differ between local authorities. The practical solution is for the infringement regulations to be based on categories of offences, rather than specifying every offence in every council bylaw.

We support a category approach and understand that Crown Law has confirmed that a category approach can be taken under section 259, but that this is not supported by other government advisers. Clarification on implementation of section 259 would assist.

An alternative would be to amend section 259 to specify any bylaw breach as an infringement offence (this is the approach in the Dog Control Act 1996) or to amend section 259 to enable local authorities to specify their own infringement offences (this is the approach in the Litter Act 1979).

#### **Recommendation 10: Infringement Offences**

**That the Select Committee agree that section 259 of the Local Government Act 2002 be amended to clarify that a category approach to infringement offences can be applied in the regulations.**

#### **Rates Rebate Act 1973**

Earlier in our submission we noted that the Rates Rebate Act is now somewhat out of step with modern-day New Zealand. One of the reasons we say this is that the Act is a product of a time when commercial and government functions were made in an entirely paper-based environment.

SOLGM acknowledges and supports the work that the Service Innovation Lab (DIA), Tauranga City Council and other stakeholders have done to successfully pilot an online pilot rates rebates application. The collaborative project was to make the process simpler for customers, reduce paperwork, remove duplicate handling, build verifiable audit capability, reduce administration costs and create greater public awareness of the rates rebate scheme.

We understand the pilot scheme for online applications in Tauranga has been a resounding success, and they intend to extend the pilot scheme to all 55,000 rating units in August and September 2018. Other Councils including Auckland Council are commencing pilot trials this year.

The Rates Rebate Scheme is an administration-heavy, not particularly customer friendly, scheme. The cost to Tauranga City Council to administer the Rates Rebate Act is around \$200,000 per annum, representing many millions of ratepayer dollars over all New Zealand local authorities. Central Government agencies such as the DIA and Inland Revenue also resource the process.

The true cost will include the time, and transportations needs that our citizens use to come into council offices in our town or city centres. The single biggest negative comment from citizens who applied for a rates rebate on line was that the **requirement to come into council to verify a signature was nonsensical**. This mirrors the comments from applicants, many of whom are elderly, who need to travel into Council offices to make a declaration witnessed by a Council officer.

If the Committee agree to allow the rates rebate process to be made completely by electronic means applying the Contract and Commercial Law Act 2017 (e.g. The Secretary providing the forms electronically, the applicant signing them electronically and if the Territorial authority consents (*see s227 of the Contract and Commercial Law Act*) the witnessing of the declaration electronically) and remove the requirement to have a declaration physically witnessed, this could be achieved through the amendments listed in the Appendix.

#### **Recommendation 11: Online Rates Rebates**

**That the Select Committee agree to support the online administration of rates rebates by making the amendments in the Rates Rebate Act as in the Appendix.**

# Health and Safety Indicators and Monitoring Report – for Six Month Period January to June 2018

**Health and Safety Commitment – We are amongst the best when it comes to health and safety performance and care for people**

<b>Leadership</b>	<b>Visible Commitment and Decision Making</b>	Currently no specific H&S leadership indicators have been identified because the demonstration of safety leadership is fundamental to the Council (PCBU) effectively managing its H&S responsibilities and is interwoven through everything we do. This includes performance KRAs, induction processes, and safety leadership training.
-------------------	---	---

<b>People</b>	<b>Accident / Incident Events</b>	Notifiable Events <b>0</b> <sub>(0)</sub>	1. No events to describe for this reporting period	Outstanding audit corrective actions <b>0</b> <sub>(0)</sub>
---------------	-----------------------------------	--	--	---

H&S Event Statistics to 30 June 2018  
Employees

Injuries / Illness	Month	FYTD	Last FY
Fatalities	0	0	0
Lost time injuries	0	0	3
Restricted work	0	0	1
Medical	0	10	9
First aid	0	3	10
No treatment	6	25	18
<b>Totals</b>	<b>6</b>	<b>38</b>	<b>41</b>

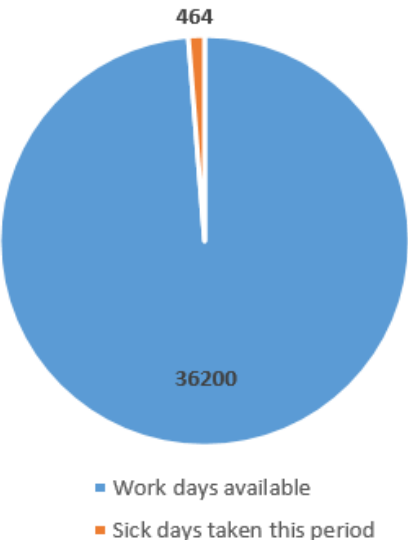
Incident /Near Miss	Month	FYTD	Last FY
Notifiable	0	0	2
Incident	2	27	26
Near miss event	1	12	25
<b>Totals</b>	<b>3</b>	<b>39</b>	<b>51</b>

H&S Event Statistics to 30 June 2018  
Public and Volunteers

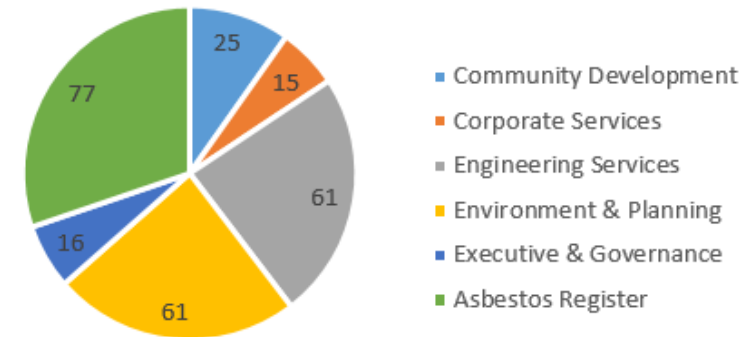
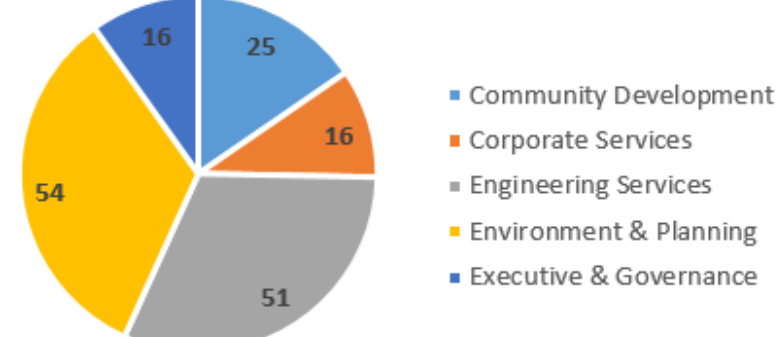
Injuries / Illness	Month	FYTD	Last FY
Fatalities	0	0	0
Lost time injuries	0	0	0
Restricted work	0	0	0
Medical	0	4	1
First aid	0	1	2
No treatment	0	2	1
<b>Totals</b>	<b>0</b>	<b>7</b>	<b>4</b>

Incident /Near Miss	Month	FYTD	Last FY
Notifiable	0	0	1
Incident	1	6	6
Near miss event	0	2	4
<b>Totals</b>	<b>1</b>	<b>8</b>	<b>10</b>

Sick days taken to total work days available



<b>Worker Participation</b>	Health and safety training completed <b>68</b> <sub>(71)</sub> staff	<ol style="list-style-type: none"> <li>ConstructSafe training – 1 staff</li> <li>Customer conflict/robbery training – 22 staff</li> <li>Developing a bully-free culture – 10 staff</li> <li>First aid training – 5 staff</li> <li>Advanced first aid training – 9 staff</li> <li>Asbestos Management workshop – 7 staff</li> <li>Fire warden training – 14 staff</li> </ol>	Registered Volunteer Workers <b>173</b> <sub>(169)</sub>
	Health & Safety Committee meetings <b>4</b> <sub>(4)</sub>		Health and Safety Liaison Person
	Health & Safety Representatives		

		8(8) (1 to be appointed)		22 (22) (8 to be appointed)																				
Systems	Health and Safety Management Systems (HSMS)	The Council has a Health and Safety Management Systems Manual (HSMS) and this forms the primary framework for managing H&S. It complies with the requirements of the Health and Safety at Work Act.																						
		The Council's corporate H&S policies and processes are up to date and are next due for review in November 2019. There are now 29 corporate H&S processes documented in Promapp and these are updated as required.																						
		The Council holds Tertiary accreditation level for the ACC Workplace Safety Management (WSMP) Programme and accreditation was re-newed in February 2017. The programme has been withdrawn by ACC and WorkSafe has replaced it with SafePlus, a new voluntary health and safety performance improvement toolkit.																						
	Internal H&S Audits / Internal Practice Reviews	External H&S audits	Outstanding audit corrective actions																					
		0(5)	0(0)	0(0)																				
Risk	Contractor Health and Safety Monitoring	Contractors H&S pre-qualified	Contractors H&S pre-qualification expired	Contractor H&S Event Statistics to 30 June 2018 <table border="1"> <thead> <tr> <th>Incident /Near Miss</th> <th>Month</th> <th>FYTD</th> <th>Last FY</th> </tr> </thead> <tbody> <tr> <td>Notifiable</td> <td>0</td> <td>1</td> <td>1</td> </tr> <tr> <td>Incident</td> <td>3</td> <td>19</td> <td>10</td> </tr> <tr> <td>Near miss event</td> <td>0</td> <td>13</td> <td>5</td> </tr> <tr> <td>Totals</td> <td>3</td> <td>32</td> <td>15</td> </tr> </tbody> </table>	Incident /Near Miss	Month	FYTD	Last FY	Notifiable	0	1	1	Incident	3	19	10	Near miss event	0	13	5	Totals	3	32	15
		Incident /Near Miss	Month		FYTD	Last FY																		
		Notifiable	0		1	1																		
	Incident	3	19		10																			
	Near miss event	0	13		5																			
Totals	3	32	15																					
190(205)	8(31)																							
Contractor safety observations	Contractor HSMS audits																							
26(18)	0(1)																							
Contractor Notifiable Events	None to report																							
0(0)																								
Risk Management	Risks identified (recorded in Vault)	Critical Residual Risks (risk rating of ≥15)	Critical Risk corrective actions raised																					
	255(173)	0(0)	0(0)																					
	Total # of Risks Identified by Department January to June 		Total # of Risks Identified by Department October to December 																					

<b>Communication</b>	<b>Sharing Information</b>	Currently no specific H&S communication indicators have been identified because communication and sharing information on H&S is fundamental to the Council (PCBU) effectively managing its H&S responsibilities and is interwoven through everything we do. This includes formal contract documentation, site meetings and recorded safety observations.
----------------------	----------------------------	--



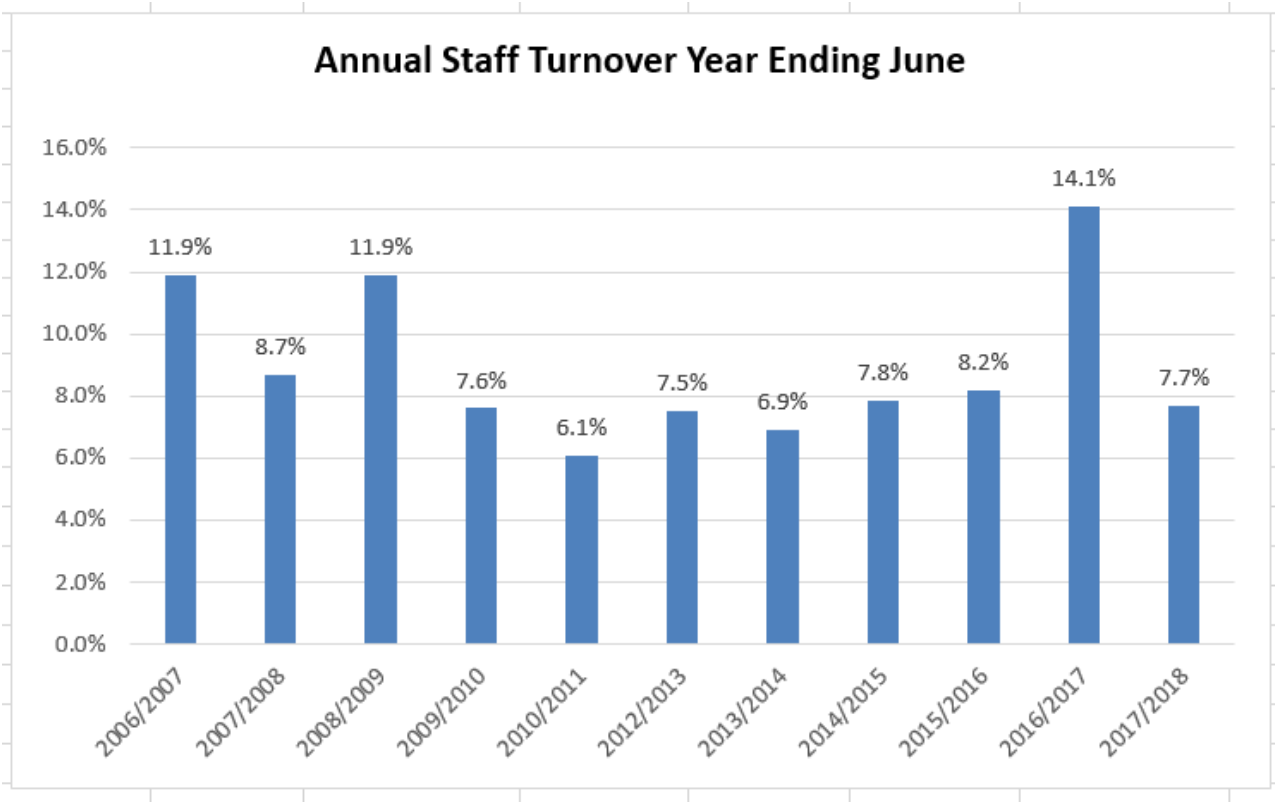
<b>1 Staff Numbers Statistics for June 2018</b>
---

	Full Time	Part time	Casual	Fixed Term
Community Development	55	28	2	1
Corporate Services	40	5		4
Engineering Services	45	2		
Environment & Planning	98	10		5
Office of the CEO	8	1		1
<b>Headcount = 305</b>	<b>246</b>	<b>46</b>	<b>2</b>	<b>11</b>
<b>FTE = 278.5</b>				

	June 2018	June 2017	June 2016	June 2015	June 2014
Community Development	86	84	86	80	83
Corporate Services	49	46	45	42	41
Engineering Services	47	46	43	43	40
Environment & Planning	113	106	102	97	92
Executive & Governance	10	8	7	7	6
<b>Headcount =</b>	<b>305</b>	<b>290</b>	<b>283</b>	<b>269</b>	<b>262</b>
Increase on headcount	5.2%	2.5%	4.9%	2.6%	2.7%
<b>FTE =</b>	<b>278.5</b>	<b>263.5</b>	<b>254</b>	<b>244.5</b>	<b>234.5</b>
% increase on FTE	5.7%	3.7%	3.7%	4.1%	2.7%

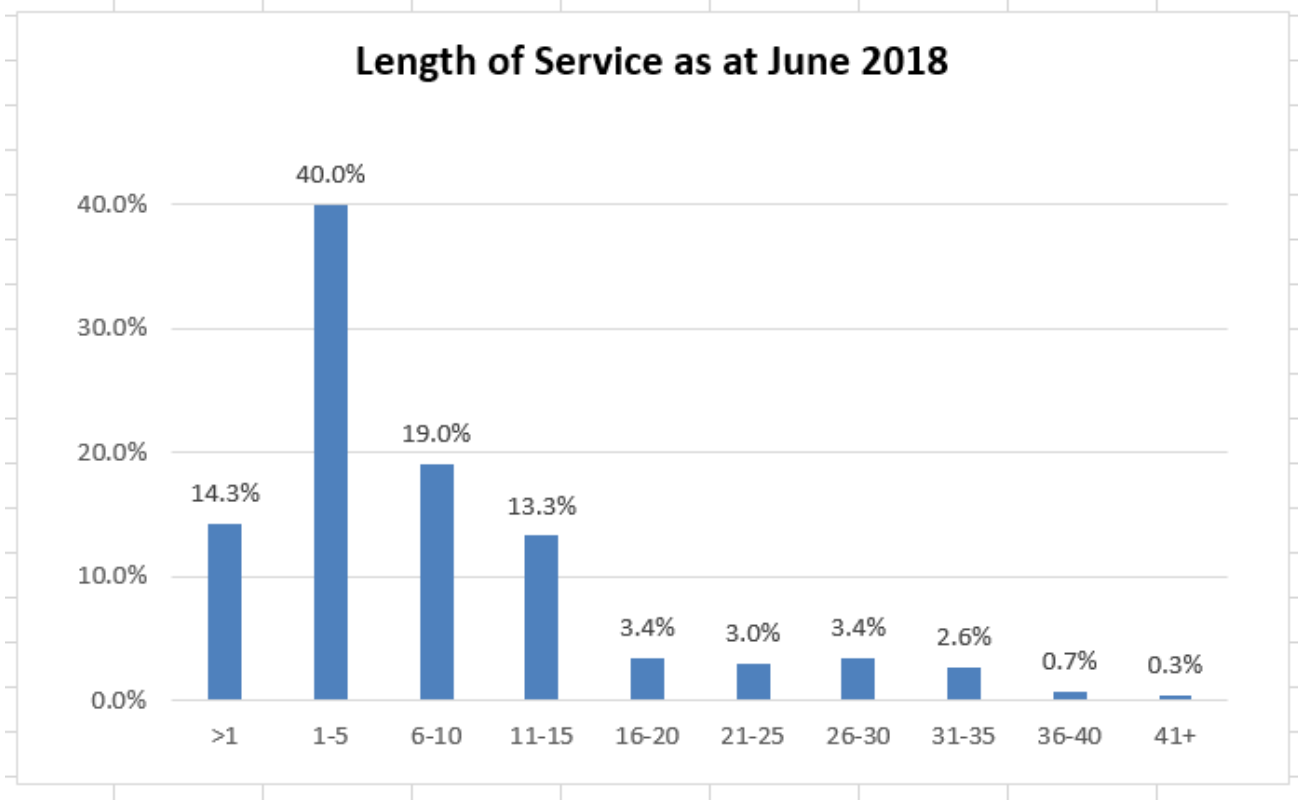
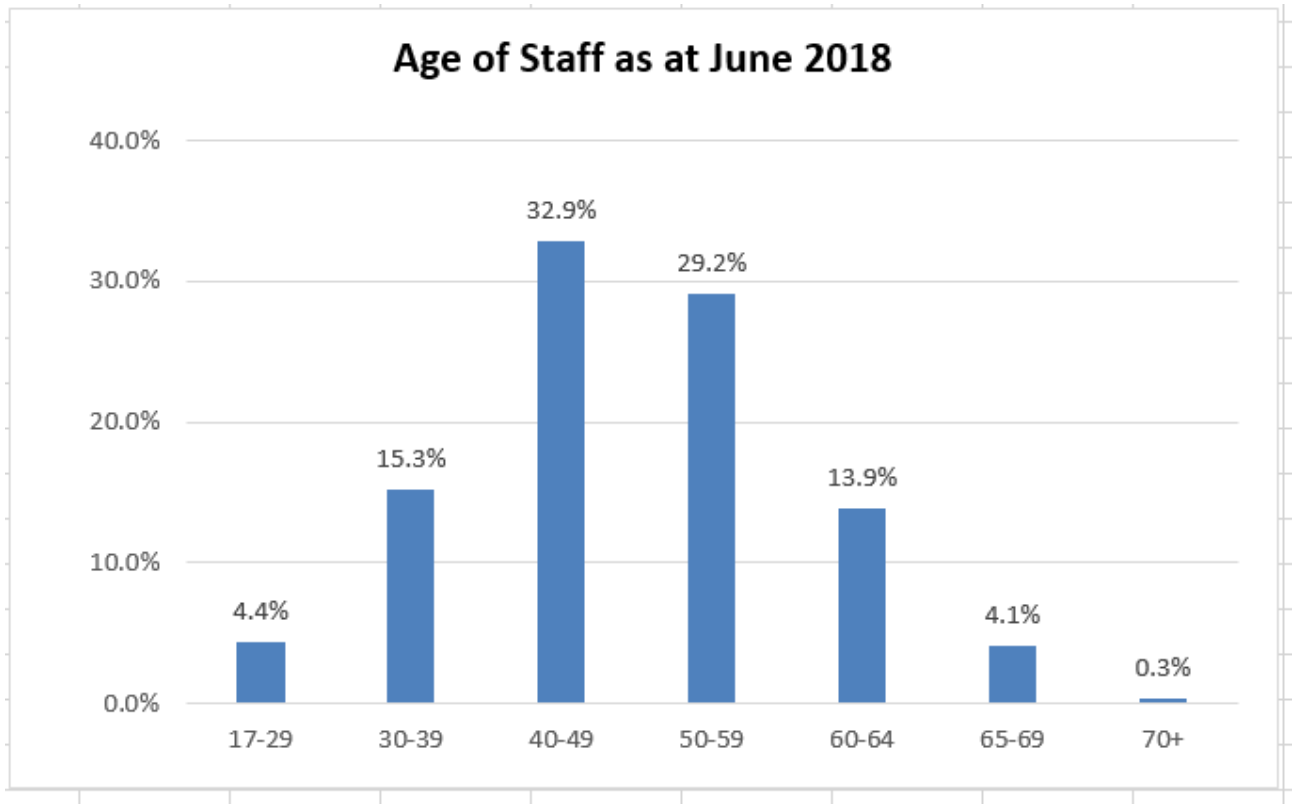
Activity Area	Position Title
Community Development (2 new roles)	<ul style="list-style-type: none"> <li>Senior Horticultural Officer</li> <li>Administration Officer – Reserves &amp; Facilities (fixed term)</li> </ul>
Corporate Services (3 new roles)	<ul style="list-style-type: none"> <li>Programme Leader – Property Transactions</li> <li>Property Services Officer (part time)</li> <li>Administration Officer – Property (fixed term)</li> </ul>
Engineering Services (1 new role)	<ul style="list-style-type: none"> <li>Transportation Engineer - Graduate</li> </ul>
Environment & Planning (7 new roles)	<ul style="list-style-type: none"> <li>Senior Building Technical Officer x 2</li> <li>Deputy Harbourmaster</li> <li>Development Contributions Administrator</li> <li>Consent Planner</li> <li>Policy Planner</li> <li>Growth Co-ordinator</li> </ul>
Executive & Governance (2 new roles)	<ul style="list-style-type: none"> <li>Executive Advisor (part time)</li> <li>Human Resources Advisor</li> </ul>

**2 Staff Turnover Statistics**





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





**Action Sheet – Full Council as at 9 August 2018**

Item	Action Required	Responsibility	Completion Date/Status
Meeting Date 23 March 2017			
Remuneration of Independent Member to Nelson Regional Sewerage Business Unit (NRSBU)	Draft Policy and procedure for appointing and remunerating independent members of Council committees and business units	Corporate Services Manager / Finance Manager	Report on agenda for 9 August 2018 Full Council Meeting.
Meeting Date 5 April 2018			
Recovery from Ex-Cyclones Fehi and Gita	Report back on the overall deficit in operating budgets affected by the weather event, including the impact on the General Disaster Reserve, Rivers Emergency and Parks and Reserves Emergency Funds.	Engineering Services Manager/Recovery Manager	Reported to 24 May 2018 Full Council meeting. Further information will be available at the end of the financial year.
Meeting Date 24 May 2018			
Chief Executive's Activity Report (RCN18-05-07)	Share further details of the Capability and Capacity Report with Councillors for their information.	Chief Executive	The Chief Executive provided an update to Councillors at the 28 June 2018 Full Council meeting.
Meeting Date 28 June 2018			
Confirmation of Joint Committee Minutes (Resolution CN18-06-03)	Notify Nelson City Council of the decision.	Committee Advisor	<b>COMPLETE.</b>
Notice of Motion – Golden Bay Grandstand	Arrange a workshop for Councillors, staff and key stakeholders ahead of the next Full Council meeting to discuss the options to leave the Grandstand in-situ.	Chief Executive	<b>COMPLETE</b> – a pre meeting occurred on 10 July, with the main workshop on 23 July. Commentary on the outcome is included in the Chief Executive's Activity Report.

Item	Action Required	Responsibility	Completion Date/Status
Waimea Community Dam Term Sheet Disclosure to Councillors (RCN18-06-04)	Arrange for all terms sheets to be made available for Councillors to view should they wish.	Corporate Services Manager	<b>COMPLETE</b> – those Councillors wishing to view the term sheets have collected their copies.
Waimea Community Dam - Hydroelectric Power Generation (RCN18-06-05)	Negotiate a separate agreement with the Joint Venture Partners for the provision of hydro generation in association with the proposed Waimea Community Dam	Engineering Services Manager	<b>ON HOLD</b> - notes that progressing with detailed design and marketing scenario assessments for the hydro generation option will be delayed until the dam project is approaching financial close.
Public Consultation - Proposed New Speed Limits (RCN18-06-07)	Make copies of the Statement of Proposal available for public viewing on the Council website, in its offices, and libraries from 15 July 2018.	Transportation Manager	<b>COMPLETE.</b>
Proposals to classify reserves in Motueka Ward (RCN18-06-09)	Give public notice of proposals to classify areas of reserve land in the Motueka ward, noting that a Hearing Panel will report back to Full Council for a decision at a future date with recommendations on whether or not to classify reserves in Motueka Ward.	Policy Advisor	<b>COMPLETE.</b>
Amendments to the Delegations Register (RCN18-06-10)	Include a report back in the next Chief Executive's Activity Report on the standard process for review of the Delegations Register.	Chief Executive	<b>COMPLETE</b> – included in the Chief Executive's Activity Report to the 9 August Full Council meeting.
Waimea Water Augmentation Scheme - Local Bill (RCN18-06-14)	Undertake all such actions as are appropriate and necessary to support the introduction and passage of the Bill.	Chief Executive	<b>In progress.</b>

**8.12 ANNUAL REPORT FROM THE CHAIR OF THE AUDIT AND RISK COMMITTEE**

Information Only - No Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	David Ogilvie, Councillor
<b>Report Number:</b>	RCN18-08-13

**1 Summary**

- 1.1 The purpose and areas of responsibility for the Audit and Risk Committee are outlined in Council's Delegations Register.
- 1.2 The Delegations Register also states on page 25 under 2.0 Responsibilities, that "The Audit and Risk Committee Chair is responsible for submitting an annual report to the Council covering the Committee's operations and activities during the preceding year."
- 1.3 To be consistent with other Council reporting, this report will be for the year ending 30 June.
- 1.4 Attached is the Chair's report on the Audit and Risk Committee's activities for the period 1 July 2017 to 30 June 2018.

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

1. **receives the Annual Report from the Chair of the Audit and Risk Committee RCN18-08-13 report;**

**3 Purpose of the Report**

- 3.1 To provide the full Council with a summary of the activities and operations of the Audit and Risk Committee for the period 1 July 2017 to 30 June 2018.

**4 Attachments**

- |    |  |     |
|----|--|-----|
| 1. | Chair's Annual Report on Activities of the Audit & Risk Committee for Period 1 July 2017 to 30 June 2018 | 231 |
|----|--|-----|



## Annual Report on the Activities of the Audit and Risk Management Committee 2017 – 2018

Chair: Councillor David Ogilvie

### 1. Purpose

The purpose of the Audit and Risk Management Committee is to assist the Council and the Chief Executive to discharge their responsibilities for audit and risk management. This includes the active oversight of all areas of Council's control and accountability in an integrated and systematic way.

### 2. Responsibilities

The Committee's responsibilities are to provide oversight of

- a) the robustness of the internal control framework and financial management practices
- b) the integrity and appropriateness of internal and external reporting and accountability arrangements
- c) the robustness of risk management systems, processes and practices
- d) the internal and external audit functions
- e) compliance with applicable laws, regulations, standards and best practice guidelines
- f) the establishment, maintenance and effectiveness of controls to safeguard the Council's financial and non-financial assets.

In carrying out its responsibilities, the Committee acknowledges the primary responsibility for management of Council activities rests with the Chief Executive. The Committee has no executive powers and is directly responsible to the Council.

### 3. Membership

The Audit and Risk Committee includes Mayor Richard Kempthorne, Councillors Sue Brown, Mark Greening, Tim King, David Ogilvie (Chair), and Paul Sangster. Graham Naylor is the independent member of the Committee.

It meets quarterly and is advised by Mike Drummond (Corporate Services Manager), Russell Holden (Finance Manager), the Financial Accountant, Sharon Flood (Strategic Policy Advisor) and Mark Johannsen (Property Services Manager). Secretarial services are provided by Petrina Francis.

### 4. External Audit

The Committee's responsibility in respect of the external audit is to engage with the external auditors, recommend terms of engagement, review the emphasis of the audit, receive management's response to any audit matters raised, and advise Council of any reasons why the annual accounts should not be adopted.

The Committee has maintained a good relationship with the Council's external auditors, Audit New Zealand. Audit NZ representatives have attended almost all Committee meetings, which include

an independent session with the audit partner. During 2017-18 there has been a change in Audit NZ's audit partner from Mr Bede Kearney to Mr Ian Lothian. This is in accord with Audit NZ's rotation policy and the Committee welcomed Mr Lothian at the 19 April 2018 meeting.

The Committee received an interim management report from Audit NZ in respect of the 2017-18 interim report. No substantial issues were raised, and it is unlikely any material matters will be raised by Audit NZ in respect of the final audit. It is expected an un-modified opinion will be issued.

Where non-substantial issues have been raised, the Committee is satisfied that these are being addressed by Council staff. The Committee, at each meeting, reviews the list of any "follow up" items outstanding from previous external audits.

#### **5. Long Term Plan Consultation Document 2018-28**

At the conclusion of each audit, Audit NZ issues a management report that is primarily focused on key findings and recommendations on significant matters arising from the audit, including procedural change suggestions.

The Audit Management Report for the LTP 2018-28 Consultation Document was finalised in April 2018 and received by the Committee at its 7 June meeting. The only matter which required Council comment related to the linkages between the Infrastructure Strategy and Council's Asset Management objectives within the Activity Management Plans. This is being addressed.

In summary, the comments made by Audit NZ are complimentary of the LTP Consultation Document, the issues, data and process.

#### **6. Risk Management**

The Committee's responsibility for risk management is to ensure a comprehensive framework for risk management is in place, review the process for developing risk mitigation strategies, and to monitor risk management activity by Council staff.

The Committee approved the Risk Management Policy in June 2017 and it was adopted by Council at its July 2017 meeting. An internal review is scheduled for July 2018.

Risk management is becoming increasingly significant for Council in its many activities. Risks can range from resource management to technology; they can include natural hazards (earthquake, flooding, coastal storms); litigation and legal risks; and treasury and financial risks (i.e. corporate risks).

Audit NZ in its Audit Plan/Tasman District Council for the year ending 30 June 2018, set out a list of the main audit risks and issues, received in April 2018. The list included:

- a) the Waimea Dam – progress of the project, Waimea Irrigators Ltd Prospectus, setting up of the CCO and appropriate accounting of all costs;



- b) compliance with key areas of the LGRA, especially the rates setting process and the Funding Impact Statement;
- c) the Nelson Tasman Joint Landfill Business Unit financials being appropriately consolidated within the Council's system;
- d) the February storm events and costs, impairment, insurances are reported appropriately;
- e) reviewing the Council's land and buildings, port valuations and confirming they have been prepared in accordance with legislative and valuation standards
- f) the risk of management over-ride of internal controls (fraud).

At the Committee's 7 June 2018 meeting, the Council's Legal Advisor, Sarah Taylor, reported on the areas of legal risk. These included

- a) managing legal proceedings
- b) Waimea Water Augmentation Project
- c) Coastal protection issues
- d) Conflict of Interest issues

At the June meeting, the Council's Property Services Manager, Mark Johannsen, updated the Committee on progress with the seismic strengthening of Council buildings. A further report on those buildings either strengthened or programmed, is to be made at the August meeting of the Committee. The Property Services Manager also updated the Committee on its progress in complying with the Asbestos Regulations.

## **7. Internal Audit**

The following compliance reviews have been undertaken:

- PAYE
- FBT
- Financial Delegations
- Sensitive Expenditure
- Tax compliance
- GST
- Policy reviews
- Cyber Security

## **8. Conclusion**

2017-18 has been a very busy and demanding year with its emphasis on the 2018-2028 Long Term Plan. Nevertheless, the Committee's work programme has been completed.

The Committee is pleased with the low level of items reported in the recent Audit Management Reports. These have highlighted strong systems, processes and controls operating in matters the external auditors have reviewed.

In achieving the targets set, it is important to thank Committee members and staff members for their contribution and participation in the work of the Committee.

David Ogilvie

Chair – Audit and Risk Committee, Tasman District Council

**8.13 MACHINERY RESOLUTIONS REPORT**

Decision Required

<b>Report To:</b>	Full Council
<b>Meeting Date:</b>	9 August 2018
<b>Report Author:</b>	Rhian Williams, Administration Assistant - Governance
<b>Report Number:</b>	RCN18-08-14

**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 RCN18-08-14 and that the execution of the following documents under the Seal of Council be confirmed:**
  - **Easement in Gross – Mahana Ridge Limited – RM170846 and RM160528 – Easement in Gross to allow public access to Trafalgar Road (Street?)**
  - **Agreement to Grant Easement – Barry Norman and Tracy Sara Green - Agreement to Grant Easement to allow construction of the Tasman Great Taste Trail.**
  - **Grant Easement, Partial Surrender and Authority and Instruction form – Mapua Coastal Village – RM140364 – Stage F partial surrender of easement for right to drain sewage, right to convey electricity, telecommunications and computer media in gross. New easement is the right to drain sewage in gross.**
  - **Easement in Gross, Easement for Irrigation and Authority and instruction form – Arizona Land Ltd – RM160629 – Easement in gross for sewage Arizona and easement over a reserve.**
  - **Easement Instrument – Kevin Williams Boutton and Roaslie Grace Boutton – RM170460 – The Easement is to ensure Tasman District Council has access to the water pipes in the ground on the new Lot 1 which are a part of the eighty eight Valley Stream supply network/. The applicant will split the supply so that Lot 1 and Lot 2 can use the supply – 236 Lord Rutherford Street.**
  - **Lease - Brooks Auto Painters and Can Plan Nelson Ltd – Lease of vacant land at 13 Fittal Street, Richmond.**

- **Easement – Tasman District Council and Heslops – RM180555 – To create right of way easement in Gross, Reason – to reach and maintain council stormwater detention and public access along walking track - 216 Champion Road, Richmond**

## 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 Proposed Land Acquisition - 520 Hill Street South

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.