



A G E N D A

Council

Council Chambers

**Thursday 1 August 2013
commencing at 9.00 am**

Her Worship the Mayor, M.H. Pugh (**Chairperson**)
Deputy Mayor Councillor B.O. Thomson
Councillors J.G. Birchfield, A.N. Bradley,
J.H. Butzbach, K.J. Eggeling,
A.M. Hurley, M.D. Montagu,
K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

NOTICE IS HEREBY GIVEN THAT AN EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 1 AUGUST 2013 COMMENCING AT 9.00 AM

Tanya Winter
Chief Executive

26 July 2013

Council Vision

"Westland will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service."

This will be achieved by:

- *Involving the community and stakeholders*
- *Having inspirational leadership*
- *Having expanded development opportunities*
- *Having top class infrastructure for all communities*
- *Living the '100% Pure NZ' brand*

"Westland, the last best place"

Purpose:

The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

1. MEMBERS PRESENT AND APOLOGIES

1.1 Apologies

1.2 Register of Conflicts of Interest

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Meeting – 27 June 2013. (Pages 6-14)

2.1.2 Extraordinary Council Meeting – 18 July 2013. (Pages 15-37)

2.2 Minutes and Reports to be received

2.2.1 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Thursday 27 June 2013.

(Refer Public Excluded Minutes).

2.2.2 Westland District Council Safer Community Council Meeting – 28 June 2013. (Pages 38-40)

3. PUBLIC FORUM

The public forum section of the meeting will commence at 9.00 am.

4. REPORTS

4.1 Mayor

Recommendation

That the Mayor's monthly report be received. (Page 41)

4.2 Chief Executive

Recommendation

That the Chief Executive's monthly report be received. (Pages 42-47)

5. GENERAL BUSINESS

5.1 Adoption of the 2013-2014 Annual Plan. (Pages 48-50)

5.2 Adoption of the Rates Resolution 2013-2014 (Pages 51-59)

5.3 2013/16 Statements Of Intent – Westland Holdings Limited and Subsidiaries

- i) Comments on Statements of Intent 2013-16 Westland Holdings Limited and Subsidiaries (Pages 60-75)
- ii) Westland Holdings Limited (Pages 76-94)
- iii) Westroads Ltd and Subsidiary (Pages 95-110)
- iv) Hokitika Airport Limited (Pages 111-118)
- v) Westland District Properties Ltd (Pages 119-131)

Morning Tea Break at 10.30 am.

5.4 Approval of New Multi Option Credit Line Facility (Pages 132-136)

5.5 Transfer of Reserve Fund Account – Guy Menzies Day (Pages 137-139)

5.6 Westland District Council Freedom Camping Control Bylaw 2012 – Revocation. (Pages 140-145)

Lunch break at 12.30 pm.

6. MATTERS TO BE CONSIDERED IN THE ‘PUBLIC EXCLUDED SECTION’

Resolutions to exclude the public: Section 48, Local Government Official Information and Meetings Act 1987.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

6.1 Public Excluded Minutes of Meetings of Council

6.2 Westland District Utilities Maintenance Management 2013-2018: Contract 13/14/01

6.3 Tourism West Coast Appointment

The general subject of the matters to be considered while the public are 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 are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of May Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Contract 13/14/01	Good reasons to withhold exists under Section 7	Section 48(1)(a)
3.	Report to Council	Tourism for West Coast Appointment	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

**NEXT MEETING: THURSDAY 25 JULY 2013
COMMENCING AT 9.00 AM**

Ordinary Council Minutes

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 27 JUNE 2013 COMMENCING AT 9.01 AM

The opening prayer was read by Councillor Frances Stapleton.

1. MEMBERS PRESENT

Her Worship the Mayor, M.H. Pugh (Chairperson)

Deputy Mayor, B.O. Thomson

Councillors J.G. Birchfield, A.N. Bradley, J.H. Butzbach, A.M. Hurley, M.D. Montagu, K.R. Scott, F.I.W. Stapleton, C.A. van Beek (from 9.04 am).

1.1 Apologies

Councillor K.J. Eggeling.

Councillor C.A. van Beek for lateness.

Staff in Attendance for all of the meeting:

T.L. Winter - Chief Executive; P.G. Anderson – Team Leader Operations; V. Goel – Group Manager Assets and Operations; S.H. Halliwell – Acting Group Manager – Corporate Services; D.M. Maitland – Executive Assistant; R.C. Simpson – Manager Planning and Regulatory.

Staff in Attendance for part of the meeting:

J. Bainbridge, Contracts Supervisor; R. Beaumont, District Planner; P. Cannell, Supervisor 3 Waters; T.B. O'Malley, Finance Manager; D. Oldman, Assistant Accountant; P.C.C. Oliver, Supervisor IT Services; D. Blight, Community Services Officer.

1.2 Register of Conflicts of Interest

The Conflicts of Interest Register was circulated and amendments were noted.

2. CONFIRMATION OF MINUTES

2.1 Confirmation of Minutes of Meetings of Council

2.1.1 Ordinary Council Meeting – 23 May 2013

Moved Deputy Mayor Thomson, seconded Councillor Stapleton and **Resolved** that the Minutes of the Ordinary Meeting of Council held on the 23 May 2013 be confirmed as a true and correct record of the meeting.

2.2 Minutes and Reports to be received

2.2.1 Minutes of the Public Excluded portion of the Westland District Council Meeting, held on Thursday 23 May 2013.

(Refer Public Excluded Minutes).

3. PUBLIC FORUM

No members of the public attended the Council Meeting.

4. REPORTS

4.1 Mayor

Moved Councillor van Beek, seconded Councillor Montagu and **Resolved** that the report from Her Worship the Mayor dated May/June 2013 be received.

4.2 Chief Executive

Tanya Winter, Chief Executive spoke to this report.

Moved Councillor Montagu, seconded Councillor Bradley and **Resolved** that the report of the Chief Executive titled "Chief Executive's Report" dated 27 June 2013, including the Management Reports for the 1-31 May 2013, be received

5. GENERAL BUSINESS

The following items were taken out of order to the Agenda Papers.

5.2 Exemption from Parking Bylaw

The Manager: Planning and Regulatory spoke to this report.

Moved Councillor Bradley, seconded Councillor Scott and **Resolved** that Council request staff to bring back to the July-August Council Meeting a Statement of Proposal to amend the Parking Bylaw.

5.1 Hokitika Beachfront Erosion

The Group Manager Assets and Operations spoke to this report.

Council were in receipt of a report from the Group Manager – Assets and Operations regarding the Beachfront Erosion – Establishment of a Hokitika Rating District.

Chris Ingle, Chief Executive, and Ross Scarlett, Chairman of West Coast Regional Council attended the meeting and spoke regarding the Opinion Survey on the Proposed Beach Protection and Proposed Rating District.

Moved Deputy Mayor Thomson, seconded Councillor Butzbach and **Resolved** that Council:

- a) Supports the proposal from the West Coast Regional Council to establish a new Hokitika Rating District for implementing coastal protection works.
- b) Instructs the staff to submit funding request application to New Zealand Transport Authority under the preventative maintenance works category.

Moved Councillor Montagu, seconded Councillor van Beek and **Resolved** that Deputy Mayor Thomson be appointed as Council's representative on a Working Group with Councillors of the West Coast Regional Council to progress the establishment of a new Hokitika Rating District for implementing coastal protection works for the Hokitika Foreshore.

Moved Councillor Hurley, seconded Councillor van Beek and **Resolved** that Councillor Scott be appointed as Council's representative on a Working Group with Councillors of the West Coast Regional Council to progress the establishment of a new Hokitika Rating District for implementing coastal protection works for the Hokitika Foreshore.

Moved Her Worship the Mayor, seconded Councillor Bradley and **Resolved** that Councillor van Beek be appointed as Council's representative on a Working Group with Councillors of the West Coast Regional Council to progress the establishment of a new Hokitika Rating District for implementing coastal protection works for the Hokitika Foreshore.

Her Worship the Mayor thanked Chairman Ross Scarlett and CEO Chris Ingle for attending the meeting and speaking to Council.

The meeting adjourned for morning tea at 10.54 am and reconvened at 11.24 am.

5.3 Westland District Council Freedom Camping Control Bylaw 2012

The Manager: Planning and Regulatory spoke to this report. The Chief Executive spoke to this report also regarding self-containment of vehicles and the different types of campervan inhabitants and the social media networks they have going.

Moved Her Worship the Mayor, seconded Councillor Bradley and **Resolved** that:

- a) Council use a Special Consultative Procedure to propose the revocation of the Westland District Council Freedom Camping Control Bylaw 2012.
- b) Options to undertake a comprehensive review of the bylaw, including resourcing requirements, be considered at another time.

5.4 Rates and Debtor Write Offs

Stephen Halliwell, Acting Group Manager Corporate Services spoke to this report.

Moved Councillor Butzbach, seconded Councillor Stapleton and **Resolved** that Council approve the write off of the amount of \$57,427.85 debtors and rates debtors.

5.5 2013 Triennial Elections

Moved Councillor Montagu, seconded Councillor Scott and **Resolved** that:

- a) The returned voting documents be processed during the voting period in accordance with Section 79 of the Local Electoral Act 2001, the Local Electoral Regulations 2001 and the Society of Local Government Managers Code of Best Practice.
- b) Council agreed that the names of candidates on the voting documents at the 2013 Triennial Elections be arranged alphabetically.

5.6 Application for a Grant from the Infrastructure and Community Support Fund from the Kumara School

Derek Blight, Community Services Officer spoke to this report.

Moved Councillor Montagu, seconded Councillor Bradley and **Resolved** that a grant to Kumara School of \$1,480.00 plus GST be funded from the Infrastructure Fund.

5.7 Vesting of Land as Legal Road

Peter Oliver, Supervisor IT spoke to this report.

Moved Councillor Montagu, seconded Councillor van Beek and **Resolved** that Council approve vesting of Section 2 SO 457223 as Legal Road under Section 114(1) of the Public Works Act 1981.

5.8 Report on New Zealand Cycle Trail Network Expansion Project

The Team Leader – Operations spoke to this report and advised that with the New Zealand Cycle Trail Network Expansion Project, there is no cost to Council.

Moved Councillor Montagu, seconded Councillor Butzbach and **Resolved** that Council support the addition of a cycle route from Ross to Haast Pass as part of the New Zealand Cycle Trail Network.

5.9 Insurance Renewals

The Group Manager – Assets and Operations spoke to this report.

Councillors went through the staff assessment of the current insured risks in Appendix 1 of the report.

The meeting adjourned for lunch at 12.44 pm and reconvened at 1.16 pm.

Moved Councillor Birchfield, seconded Deputy Mayor Thomson and **Resolved** that Council resolves and delegates to the Chief Executive to renew insurance cover for 2013-14 including the risks recommended for cover based on the current list of assets in Table 1.0 in Appendix 1 as amended.

Moved Deputy Mayor Thomson, seconded Councillor Stapleton and **Resolved** that Council confirms an excess of \$15,000 dependent on the annual premium not exceeding \$215,000.00 excluding GST.

5.10 **Delegations**

Moved Councillor van Beek, seconded Councillor Scott and **Resolved** that Council confirms that all delegations in the Delegations Register remain, however the following specific matters are delegated to officers for the period 1 July 2013 to 1 August 2013 to allow for the efficient operation of Council, in the absence of an Annual Plan and budgets:

- a) That officers may authorise expenditure equivalent to 1/12 of the draft annual plan budget.
- b) Where service levels are proposed to be reduced those operations will continue to operate at current 2012/13 services until Council resolves otherwise, although officers should have regard to the possibility of the proposals being approved in August and not commit Council to unnecessary costs.
- c) That all existing multi-year contracts continue to operate and payments authorised within existing delegations.
- d) That annual insurances be renewed.
- e) That all other annual payments be only approved by the Chief Executive, who will have regard to Council's overall direction in the Annual Plan, and issues from the consultation to date, to ensure the efficient operation of Council.
- f) No new projects in the draft Annual Plan are to be started prior to Council approving the plan, although in house resources can be applied to planning for projects in asset management plans, as is normal in any financial year.

- g) That dog registration invoices are issued in July at the rates specified in the Draft Annual Plan (same rate as last year).

5.11 Carry-Forwards

The Acting Group Manager – Corporate Services spoke to this report.

Moved Deputy Mayor Thomson, seconded Councillor Birchfield and **Resolved** that the Dents Road Mains Stormwater Upgrade at \$10,000.00 be funded from the 2013-2014 Annual Plan.

Moved Councillor van Beek, seconded Councillor Birchfield that the Franz Josef Cycle Trail at \$55,000.00 be moved into Table A.

The motion was put to the meeting and was lost.

Moved Councillor Montagu, seconded Councillor van Beek and **Resolved** that the Franz Josef Urban Revitalisation Plan Project at \$100,000.00 be funded from the RMA Reserve and goes forward to the Annual Plan Debate.

Moved Deputy Mayor Thomson, seconded Councillor Hurley and **Resolved** that the Franz Josef Cycle Trail at \$55,000.00 be funded from the RMA Reserve and goes forward to the Annual Plan Debate.

Moved Councillor Montagu, seconded Councillor Birchfield and **Resolved** that the Kumara District Plan Change and Implementation be moved to Table A, funded from the Township Development Fund and that the \$70,000.00 for the Kumara Township Development be funded from the Kumara Endowment Fund.

Moved Councillor Hurley, seconded Councillor Birchfield and **Resolved** that the Franz Josef Community Development Officer, Fox Glacier Community Development Officer and Glacier Promotions residual funds of the Glacier Country Promotions amounting to \$17,410.00 be included in Table A.

Moved Councillor Birchfield, seconded Councillor van Beek and **Resolved** that the following carry forward projects from 2012-2013 be approved for completion in 2013/2014 as follows:

Activity	Project name	2012/13 Total Budget	Amount spent from ledger as of now.	Estimated to spend not yet charged to this year.	Amount estimated to Carry forward	Funding Source if not rates	Officer Comment
		\$	\$	\$	\$		
Community Assistance	BBBS	22,709	14,320	3,609	4,780	Donations/grants	Third party monies.
Community Assistance	Community Patrol	3,380		240	2,000	Donations /grants	Third party monies.
Community Assistance	Graffiti Vandalism	967	6,185	0	632	Donations /grants	Third party monies.
Community Assistance	Taxi Chits	2,239	1,140		193	Donations /grants	Third party monies.
Museum	Whitebait Exhibition Install	10,000	3,640	2,180	4,180	Grants	Third Party funds granted for Whitebait exhibition to be displayed in 2013/14.
Museum	Lion Foundation				10,000	Grants	Third Party funds granted for Whitebait exhibition to be displayed in 2013/14.
Museum	Whitebaiters Association				1,000		Third Party funds granted for Whitebait exhibition to be displayed in 2013/14.
	Donation for Exhibition						
Cycle Trails	West Coast	0	2,549,515	3,318,000	3,318,000	Grants/ Donations	Third Party Funds. Funding and expenditure required to complete multi-year project.
	Wilderness Trail					Development West Coast Sale of Land	
Cemeteries	Veterans Affairs Grant	0	19,500	0	25,187	Grant	Council is part way through a \$44,687 100% grant funded project. The funding is provided retrospectively.

6. **MATTERS TO BE CONSIDERED IN THE 'PUBLIC EXCLUDED SECTION'**

Moved Councillor Bradley, seconded Deputy Mayor Thomson and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 3.11 pm.

Council is required to move that the public be excluded from the following parts of the proceedings of this meeting, namely:

6.1 **Public Excluded Minutes of Meetings of Council**

6.2 **Nomination for Community Service Award**

The general subject of the matters to be considered while the public are 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 are as follows:

Item No.	Minutes/ Report of	General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under Section 48(1) for the passing of this resolution
1.	Public Excluded Minutes of Meetings of Council	Confirmation of May Public Excluded Council Minutes.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report to Council	Nomination for Community Service Award.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

Moved Councillor Scott, seconded Councillor van Beek and **Resolved** that the business conducted in the "Public Excluded Section" be confirmed and the public be readmitted at 3.16 pm.

NEXT MEETING: THURSDAY 25 JULY 2013
COMMENCING AT 9.00 AM
MEETING CLOSED AT 4.58 PM

Confirmed by:

Maureen Pugh
Mayor

Date

Extraordinary Meeting Council Minutes

MINUTES OF THE EXTRAORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN THE COUNCIL CHAMBERS, 36 WELD STREET, HOKITIKA ON THURSDAY 18 JULY 2013 COMMENCING AT 9.00 AM

The opening prayer was read by Cr Murray Montagu.

1. MEMBERS PRESENT

Her Worship the Mayor, M.H. Pugh (Chairperson)
Deputy Mayor Councillor B.O. Thomson.
Councillors A.M. Hurley, J.G. Birchfield, J.H. Butzbach, K.J. Eggeling,
M.D. Montagu, K.R. Scott, F.I.W. Stapleton, C.A. van Beek.

APOLOGIES

Councillor A.N. Bradley.

ALSO IN ATTENDANCE

T.L. Winter, Chief Executive; Vivek Goel, Group Manager: District Assets, S.H. Halliwell, Acting Group Manager Corporate Services; T. O'Malley, Finance Manager; K.M. Manera, Word Processor.

2. CONFIRMATION OF MINUTES:

2.1.1 Special Council Meeting – 4 July 2013

Moved Councillor Birchfield, seconded Councillor Stapleton and **Resolved** that the Minutes of the Special Council Meeting held on the 4 July 2013 be confirmed as a true and correct record of the meeting, subject to the following amendments;

2.5 Submission from Kylie Beri and Mark Sangster

The submission was presented by Ms Kylie Beri and Mr Mark Sangster of the Westland Hokitika Taxis.

2.6 Submission from Murray Stewart

- Concern with the way the rates...be an understanding...

2.9 Submission from Federated Farmers presented by David Cooper

2.22 Submission from Don Neale

Solid Waste...Zero Waste Target.

2.1.2 Special Council Meeting – 5 July 2013

Moved Councillor Eggeling, seconded Councillor van Beek and **Resolved** that the Minutes of the Special Council Meeting held on the 5 July 2013 be confirmed as a true and correct record of the meeting.

Note: The following items were taken out of order.

Proforma resolutions will be made until the end of the debate when a wrap up resolution will be made.

3. ADOPTION OF THE 2013/2014 ANNUAL PLAN

3.2 Annual Plan Omnibus Recommendations (Appendix 2)

The Acting Corporate Services Manager handed out a replacement Attachment A page 57 and 58.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options		Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
1	Hokitika Water Depreciation Correction	Correction to Draft Annual Plan		Two	The funded depreciation was overestimated and relates to the depreciation on Kaniere. This correction ensures compliance with the Austerity Depreciation Funding Policy.	Water Supply	All	(101,624)	-1.3%	-11.1%	Moved Councillor Eggeing, seconded Councillor Butzbach and Resolved that the correction for funded depreciation resulting in a cost reduction of \$101,624 water supply be approved.
2	Transportation Correct Subsidy Error on Flooding	Correction to Draft Annual Plan			Councils decision to remove funding for flood damage in transportation has meant the subsidy portion received be reduced. This subsidy reduction was not corrected in the Draft Annual Plan.	Transportation	All	58,000	0.7%	1.7%	Moved Councillor Scott, seconded Deputy Mayor Thomson and Resolved that the correction resulting in a reduction in subsidy collected for flood damage and subsequent cost increase of \$58,000 in Transportation be approved.
3	Correct Omission of Farmside Phones	Correction to Draft Annual Plan			These were not included in the draft Annual Plan budgets in error. Increases the UAGC by \$1.23	Civil Defence	UAGC	5,844	0.1%	0.1%	Moved Councillor van Beek, seconded Councillor Scott and Resolved that the correction resulting in a subsequent cost increase in Civil Defence of \$5,844 for inclusion of the farmside phones be approved.

Annual Plan Omnibus Recommendations											
No	Subject	Options One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	Gen Rate %	Ratepayer %	Decision
4	Correct Museum Salaries	Update Operating Budget for Museum after results of a salary review			A review of the salaries for the Museum showed that the staff salaries were significantly under the market average so salaries were increased to come into line with this average. Increasing UAGC by \$5.42	Museum	UAGC	25,802	0.3%	0.3%	Moved Councillor Eggeing, seconded Councillor Butzbach and <u>Resolved</u> that the increase in museum salaries resulting in increased operating costs of \$25,802 for the museum be approved.
5	Increase WCRC Rates	Correction to operational budgets to reflect the proposal made by WCRC to minimise the beachfront erosion			The West Coast Regional Council are endeavouring to minimise the erosion of the Hokitika Beachfront and this will result in an increase in rates paid to the Regional Council. This cost was identified after the Draft Annual Plan. The costs will be attributed to Council Headquarters \$8,946 and the Museum \$1,200	Various	All	4,500	0.1%	0.1%	Moved Councillor Eggeing, seconded Councillor Butzbach and <u>Resolved</u> that the corrections resulting in increases to various budgets totalling \$4,500 associated with the rates increase for protection on the Hokitika beachfront be approved.
6	Change Debt Levels	Reduce Debt	Increase Debt	Debt unchanged	See Separate Attachment A.	Various	All	(139,593)	-1.8%	-1.8%	Moved Councillor Butzbach, seconded Councillor Birchfield and <u>Resolved</u> that new operating debt be reduced from \$2m to nil for 2013/14.
7	Change Debt Levels	Reduce Debt	Increase Debt	Debt unchanged	See Separate Attachment A.	Various	All	0	0.0%		Moved Councillor Butzbach, seconded Councillor Birchfield and <u>Resolved</u> that Asset Debt is reduced to \$1,365,000 for the removal of the Ross Pool project.
8	Change Interest Rate on Debt	Increase Floating interest rate	Decrease Floating Interest Rate		See Separate Attachment A.	Various	All	13,231	0.2%	0.2%	Moved Councillor Butzbach, seconded Councillor Birchfield and <u>Resolved</u> that floating interest rate for 2012/13 is budgeted at 4.00%.

Annual Plan Omnibus Recommendations

No	Subject	Options		Comment	Activity	Ratepayers Paying	\$ Rate Change	Gen Rate %	Ratepayer %	Decision
		One	Two							
9	Add Fees for LIM's, Res Consents and Building Omitted	Update Fees and Charges		This section was inadvertently left out of the draft Annual Plan.		n/a	0	0.0%		Moved Councilor Eggeing, seconded Councilor Stapleton and <u>Resolved</u> that the Fees and Charges schedule in the Annual Plan be amended to include LIMs, Resource and Building Consents.
10	Adjust opening reserve balance for Kumara Endowments	Adjust Reserve balance		Investigations have been undertaken to track actual property sales and cost of sales in Kumara. This has determined that the opening balance at 1 July 2013 is \$440,558		n/a	0	0.0%		Moved Councilor Montagu, seconded Councilor van Beek and <u>Resolved</u> that the reserves schedule be adjusted to reflect the correct opening balance for the Kumara Endowment Fund of \$440,558.
11	Adjust opening reserve balance for Ross Endowments	Adjust Reserve balance		Investigations have been undertaken to track actual property sales and cost of sales in Ross. This has determined that the opening balance at 1 July 2013 is \$236,651		n/a	0	0.0%		Moved Deputy Mayor Thomson, seconded Councilor Butzbach and <u>Resolved</u> that the reserves schedule be adjusted on reflect the correct opening balance for the Ross Endowment Fund of \$236,651.
12	Fund Kumara Private Plan Change .	Fund from Carried forward Township Funds	Fund From Rates	This was discussed at the carry forward meeting. It was previously to be funded from the Endowment Reserve but this is outside the purpose of the endowment. It is recommended that the Road reserve work \$70,000 be funded from the Endowment Fund and the Private Plan Change be swapped and funded by a \$50,000 carryover of the Township monies. The balance of \$20,000 township monies being lost.	Community Assistance	n/a	0	0.0%		Moved Councilor Birchfield, seconded Councilor Eggeing and <u>Resolved</u> that the Kumara Private Plan Change not be carried forward to 2013/14.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
13	Austerity Depreciation Funding Policy - Prudence	This is prudent	This is not prudent		See Attachment B.	Various	All	0	0.0%		Moved Councillor Hurley, seconded Councillor Birchfield and <u>Resolved</u> :
14	Austerity Depreciation Funding Policy - Policy	Change to 5 year policy	Stay at 4 year policy		See Attachment B.	Various	All	0	0.0%		<u>THAT</u> Council considers the Five Year Austerity Depreciation Funding Policy to be prudent. <u>THAT</u> Council adopt the Five Year Austerity Depreciation Funding Policy in Attachment B.
The meeting adjourned for morning tea at 10.10 am and reconvened at 10.30 am.											
15	Library - opening hours	Adopt proposal in Draft Annual Plan	Amend hours while still saving \$11,000	Hours remain Uncha nged	A number of submissions commented that the Library should retain the current opening hours. If this was not possible submitters commented that it was very important for the library to be open at the end of the day after work. The recommendation reflects this feedback by opening half an hour later in order to close half an hour later. Opening at the weekends was deemed important for families, rural people, youth and people who work. See Attachment C.	Library	All - UAGC	0	0.0%		Moved Deputy Mayor Thomson, seconded Councillor Montagu and <u>Resolved</u> that the Westland District Library opens the following hours Monday - Friday: 9.30am – 5.30pm Saturday 10.00am – 1.00pm Sunday: No opening. (attached) Councillor Scott recorded his vote against the motion.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options		Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
16	Museum - opening hours	Adopt proposal in draft Annual Plan	Same as draft Annual Plan proposal but Museum open until 5pm in the summer	Same as in draft Annual Plan proposal but summer hours extended to 7 months instead of 6.	A number of submissions commented that the Museum should retain the current opening hours. If this was not possible, it was suggested that summer hours be longer and the research centre retain the current hours. There was also concern expressed about the reduced curatorial hours with such a significant collection to manage, preserve and display. These options do not address this.	Museum	All - UAGC	5,000	0.1%	0.1%	Moved Councillor Montagu, seconded Councillor Egging and <u>Resolved</u> that the Hokitika Museum opens the following hours: Summer - 1 November to 30 April 10.00am-5.00pm; Winter 1 May to 31 October 10.00am-2.00pm. That the extra summer hours reduce the saving in service level changes at the Museum to \$20,000.
17	I-Site - opening hours	Adopt proposal in draft Annual Plan	Amend summer opening hours 1st December to 31 March 8.30am-6pm Mon-Fri, 9.00-6pm Sat/Sun & public holidays		A number of submissions commented that the I-site should be open longer hours in the summer reflecting the increased tourist traffic at that time. Option 2 proposes increased hours to accommodate that. Staff can work staggered start and finish times. No affect on budget.	Various	All - UAGC	0	0.0%		Moved Councillor Montagu, seconded Councillor Butzbach and <u>Resolved</u> that the I-site opens the following hours: Summer - 1 December to 31 March 8.30am-6.00pm Mon-Fri, 9.00am-6.00pm Saturday/Sunday & public holidays; Winter - 1 April to 30 November 8.30am-5.00pm Monday-Friday, 10.00am-5.00pm Saturday/Sunday and public holidays. That the extra summer hours be absorbed within the current I-Site budget. Councillor Hurley recorded his vote against the motion.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
18	Events	Wildfoods Festival only	Retain current service level		A mixture of submissions were received on whether to retain the Wildfoods event or not. Concern was expressed about Council no longer supporting community events. Returning to a full operation will result in budgeting for a loss in this activity.	Events	All - UAGC	0	0.0%		Moved Councillor Eggeing, seconded Councillor Stapleton and Resolved that Council adopts the proposal in the draft Annual Plan, to only support the Wildfoods Festival from 2013-14.
19	Community Development/ Services	Reduce service levels	Retain current service level		Most submitters on this topic wanted Council to retain the current service levels. This was largely based on the misconception that in a reduced model Council would no longer provide support to the voluntary sector. If the reduced service level was adopted support to community groups would still be provided but would be more focused. This activity would also manage contracts for service with the groups that Council funds, and provide a liaison role with townships.	Community Development	Various	0	0.0%		Moved Councillor Montagu, seconded Councillor Butzbach and Resolved that Council adopts the proposal in the draft Annual Plan, and reduces the service levels in the Community Development/Services activity from 2013-14. <i>Councillor Scott recorded his vote against the motion.</i>
20	Solid Waste - Otrira Trailer Bin	Continue service	Discontinue Service		Refer Attachment D.	Solid Waste	All - Waste Mngt Rate	0	0.0%		Moved Councillor Birchfield, seconded Councillor Butzbach and Resolved that Council resolves to continue as per the proposal in Draft Annual Plan 2013-14 and the trailer bin be removed from Otrira. Moved Councillor Birchfield, seconded Councillor Stapleton and Resolved that Council consults with the residents between Dillmanstown and Otrira

Annual Plan Omnibus Recommendations

Annual Plan Omnibus Recommendations												
No	Subject	One	Options		Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
												on a monthly refuse collection as outlined in Option B2 attached. <i>Councillor Montagu recorded his vote against the motion.</i>
21	Solid Waste - Bags	Stop at 31 Dec	Continue to receive at transfer station			Refer Attachment E	Solid Waste	User pays buying bag	0	0.0%		Moved Councillor Hurley, seconded Councillor Eggeing and <u>Resolved</u> that Council continues to provide bags at \$5.00 (incl GST) until the stock runs out and all official bags be continued to be accepted at transfer station free of cost.
22	Solid Waste - Bins	Continue with Proposal				Refer Attachment F	Solid Waste	User Pays Refuse Collection Rate	0	0.0%		Moved Councillor Butzbach, seconded Councillor van Beek and <u>Resolved</u> that the proposed replacement of bags with bins for kerbside collection in the draft Annual Plan be adopted.
23	Glacier Township Development Fund	Adopt proposal in draft Annual Plan	Reinstate Glacier Township Development Funds at current level of \$70,000	Reinstate Glacier Township Development Funds at a reduced level	Many submissions supported Council continuing to rate to provide this funding for the Glacier townships. Submitters were specific that the amount should be \$70,000 pa. This included 2 petitions with many signatures. If this is supported officers suggest this is bulk funded with a funding agreement in place. Another option could be to split the fund and create 2 reserves with \$35,000 pa in each.	Township Maintenance	Franz / Fox		70,000	0.9%	6.8%	Moved Councillor Birchfield, seconded Councillor van Beek and <u>Resolved</u> : <u>THAT</u> the Glacier Township Development Fund be reinstated at \$70,000 p.a. That this be a targeted rate on the Fox Glacier and Franz Josef Glacier townships. <u>THAT</u> a separate reserve fund be created for each of Fox and Franz Josef Township Development with the rate split evenly between

Annual Plan Omnibus Recommendations

Annual Plan Omnibus Recommendations																									
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	Gen Rate %	Ratepayer %	Decision														
24	Glacier Township Development Fund	Create Reserve	Leave funds in the general reserve		The community expectation is that the funds will be available to them even if the funds aren't spent. The best way to achieve this is through the development of Council created reserve accounts.	Township Maintenance	Franz / Fox	0	0.0%		the reserves.														
The meeting adjourned for morning tea at 12.25 pm and reconvened at 1.00 pm.																									
	Township Development Fund	Adopt proposal in draft Annual Plan	Reinstate Township Development Funds at current level of \$70,000	Reinstate Township Development Funds at a reduced level	A large number of submitters supported Council continuing to rate to provide this funding for the rural townships. Submitters were specific that the amount should be \$70,000 pa. If this is supported officers suggest this is bulk funded with a funding agreement in place. Another option could be to split the fund and create 5 reserves with \$14,000 pa in each. Officers attempted to reconcile historic movements in and out of these funds and were unable to determine balances for each township.	Township Maintenance	Kumara, Ross, Harihari, Whataroa, Haast	70,000	0.9%	4.5%	Moved Her Worship the Mayor, seconded Councillor Hurley and Resolved that Council approve the following amounts to fund historic Township Development Funds not uplifted by creating opening Reserve Balances of: <table><tr><td>Whataroa</td><td>\$35,000</td></tr><tr><td>Ross</td><td>\$26,500</td></tr><tr><td>Fox Glacier</td><td>\$15,500</td></tr><tr><td>Haast</td><td>\$3,000</td></tr><tr><td>Total</td><td>\$80,000</td></tr></table> That \$80,000 be funded from: <table><tr><td>-</td><td>Emergency Management Fund \$45,000</td></tr><tr><td>-</td><td>Three Mile Domain Fund \$35,000</td></tr></table> <i>Vote 4 and 4, The Motion was lost.</i> Moved Councillor van Beek, seconded Her Worship the Mayor and Resolved that Council approve the following amounts to fund historic Township Development Funds not uplifted	Whataroa	\$35,000	Ross	\$26,500	Fox Glacier	\$15,500	Haast	\$3,000	Total	\$80,000	-	Emergency Management Fund \$45,000	-	Three Mile Domain Fund \$35,000
Whataroa	\$35,000																								
Ross	\$26,500																								
Fox Glacier	\$15,500																								
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Annual Plan Omnibus Recommendations											
No	Subject	Options One	Options Two	Options Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
											by creating opening Reserve Balances of: Whataroa \$35,000 Ross \$26,500 Fox Glacier \$15,500 Haast \$3,000 Total \$80,000 That \$80,000 be funded from the Three Mile Domain Fund: - Three Mile Domain Fund \$80,000 Vote 5/3 and Carried. Moved Councillor Hurley, seconded Councillor van Beek and Resolved that the Township Development Fund be reinstated at \$70,000 p.a. using the existing funding policy. <i>Councillor Scott and Deputy Mayor Thomson recorded their votes against the motion.</i>
	Township Development Fund	Create Reserve	Leave funds in the general reserve		The community expectation is that the funds will be available to them even if the funds aren't spent. The best way to achieve this is through the development of Council created reserve accounts.	Township Maintenance	Kumara, Ross, Harihari, Whataroa, Haast	0	0.0%		Moved Councillor Hurley, seconded Councillor van Beek and Resolved that a reserve be created for each of Kumara, Ross, Harihari, Whataroa and Haast Township Development with the rate split evenly between the reserves. <i>Councillor Scott and Deputy Mayor Thomson recorded their votes against the motion.</i>

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
27	Glacier Country Grants	Adopt proposal in draft Annual Plan	Reinstate Glacier Country Grants at current level of \$65,000	Use \$77,000 Glacier Country Grants reserve to fund the 2013-14 year	A large number of submitters supported Council continuing to rate to provide this funding to employ Community Development Officers (CDOs) and a Glacier Promotions Co-ordinator. Submitters were specific that the amount should be \$65,000 pa. If this is funded, officers suggest this is bulk funded with a funding agreement in place. Employment will become the direct responsibility of the Glacier organisations, with Council providing payroll services.	Community Assistance	Glacier Country	65,000	0.8%	10.0%	Moved Councillor Eggeling, seconded Councillor Hurley and Resolved that the Glacier Country Grants be reinstated at \$65,000 p.a. using the existing funding policy.
28	Enterprise Hokitika	Do Not fund.	Fund at 2012/13 level of \$39,000	Fund at a lower level.	Submissions were received in support of continuing with this grant. With a budget of \$39,000 funded from 136 rate payers the rate will be \$329.78 a 0.8% increase from last 2012/13.	Community Assistance.	Hokitika Businesses	39,000	0.5%	7.4%	Councillor Scott declared a conflict of interest in this matter and did not participate in this discussion or vote on this matter. Moved Councillor Montagu, seconded Councillor Butzbach and Resolved that the Enterprise Hokitika Grant at \$39,000 be reinstated, using the existing funding policy.
29	Franz Josef Urban Revitalisation Plan	Fund from Reserve Development Fund	Fund from Targeted Rate	Don't Fund	Carried into the Annual Plan debate from the carry forwards report This \$100,000 project from previous year is unfunded.	Community Assistance	n/a	0	0.0%		Moved Councillor Eggeling, seconded Councillor Montagu and Resolved that the Franz Josef Urban Revitalisation Plan Project undertaken by Franz Inc be granted \$100,000 from the Reserve Development Fund. Councillor van Beek recorded his vote against the motion.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	Gen Rate %	Ratepayer %	Decision
30	Franz Josef Cycle Trail	Fund the project at \$55,000	Fund the project at a lesser amount	Don't fund the project	This project was in the Long Term Plan and is being managed by the Franz Josef Mountain Bike Club. An update was received on 2 July indicating this organisation is still keen to undertake this project and meet Council's original conditions for funding.	Community Assistance	n/a	0	0.0%		Moved Councillor van Beek, seconded Councillor Birchfield and <u>Resolved</u> that the Franz Josef Cycle Trail be granted \$55,000 from the Reserve Development Fund.
31	Regent Theatre	Fund from rates - 2013/14 only	Fund from rates - 2013/14 and 2014/15	Don't fund	Many submissions supported Council providing a \$25,000 grant to Regent Theatre. Officers suggest this be tagged to delivering community outcomes (as opposed to commercial) in the funding agreement. Due to the weight of submissions in support, officers suggest Council considers a 2 year commitment similar to Tourism West Coast.	Community Assistance	Hokitika 75% District 25%	25,000	0.3%	0.5%	Moved Councillor Eggeling, seconded Councillor Montagu and <u>Resolved</u> that Council supports the Regent Theatre with an operating grant of \$25,000 funded from rates for two years.
32	Whataroa Playground	Fund from Reserve Development Fund	Fund from Parks Budget	Don't Fund	This is Council's contribution to the project and it has been included in the application to the Lottery Grants Board as the community share.	Community Assistance	n/a	0	0.0%		Moved Councillor Butzbach, seconded Councillor Scott and <u>Resolved</u> that Council fund the Whataroa Community Playground \$12,000 from the Reserve Development Fund as the community share towards the total project cost.
33	Cycle Trail Marketing - Options for Who Pays	Fund by adding the \$30,000 to the Tourism Promotion Rate.	Fund in General Rate Targeting Commercial		Council is contributing \$30,000 to an \$85,000 project. An existing Rating tool must be used to fund Council's share, pending the development of the new funding policy. (See Attachment G)	Cycle trail	See Options	0	0.0%		Moved Councillor Butzbach, seconded Councillor Birchfield and <u>Resolved</u> that the Cycle trail marketing budget of \$30,000 be funded using the Tourism Promotions Rate.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
34	Coastal Erosion - Reserve	Remove from Annual Plan	Leave in		A joint working party has just been established, and officers believe it is too early to remove this reserve. The sea wall will need amenity work - stairs, seat, planting reinstatement etc.	Stormwater		0	0.0%		Moved Councillor Scott, seconded Councillor van Beek and Resolved that the Coastal Erosion Reserve be used for amenity purpose for the new seawall if required.
35	Coastal Erosion - Rate	Remove from Annual Plan	Leave in		Agreement with WCRC on maintenance on groynes yet to be agreed.	Stormwater	Townships	(20,000)	-0.3%	-0.5%	Moved Councillor van Beek, seconded Councillor Butzbach and Resolved that Council removes the Coastal erosion rate from 2013-14.
36	Kokatahi/ Kowhitirangi Community Rate	Leave Rate at \$0	Reinstate budget for rate at \$8,000		The Community have made it very clear in their submissions that a rate should be set at an amount agreed with the community. The funds will be held in a reserve for the community. The funds are collected partly in a UAC and partly on Land Value.	Community Assistance	Kokatahi and Kowhitirangi	8,000	0.1%	2.4%	Moved Councillor Montagu, seconded Councillor Butzbach and Resolved that the Kokatahi / Kowhitirangi Community Rate budget be set at \$8,000.
37	Kokatahi/ Kowhitirangi Community Rate Reserve	Create Reserve			As above.		n/a				Moved Councillor Montagu, seconded Councillor Butzbach and Resolved that a Kokatahi / Kowhitirangi Community Rate Reserve be created.
38	Ross Pool Liner	Fund from rates	Fund from loan	Fund from Reserves	The community is strongly supporting the funding of this from the endowment reserves. This is a permitted use of the reserve. The project scope has changed since the draft and is now quoted at just under \$115,000. This will reduce Ross rates by \$18.	Ross Pool	Ross 75% District 25%	(4,502)	-0.1%	-1.2%	Moved Councillor Eggeling, seconded Councillor Scott and Resolved that the Ross Pool Liner Project be included in the Annual Plan for \$115,000 funded from the Ross Endowment Reserve.

Annual Plan Omnibus Recommendations											
No	Subject	Options One	Options Two	Options Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
39	Ross Pool Solar Panels	Remove from Annual Plan			The Ross community have completed this project and the funds are not needed. This will reduce the Ross rates by \$40	Ross Pool	Ross 75% District 25%	(10,000)	-0.1%	-2.5%	Moved Deputy Mayor Thomson, seconded Councillor Scott and Resolved that the Solar Panel Project be deleted from the Annual Plan.
40	Haast Promotions – Entrance Sign	Fund from Rates	Fund from Reserves		The Haast Promotion Group has been working on a proposal with Council Staff for some time with the expectation that financial assistance would be provided. Staff have worked with the community to design a sign and assist with providing of cost estimates.	Township Development		0	0.0%		Moved Councillor Eggeling, seconded Councillor Stapleton and Resolved that any costs associated with the construction and installation of any destination or information signs be funded from the township development funds.
41	Rural Fire	Adopt proposal	Adopt proposal in part	Don't adopt proposal	The adoption of the proposal will save Kokatahi ratepayers \$6,605 and all ratepayers \$8,075. The submission process did encourage the retention of the two fire forces. The NZFSC has indicated that national arrangements are being reconsidered and that more strength may be able to be given to rural fire fighting forces in the future. Council may wish to signal its interest with regard to NZFS contribution.	Rural Fire	All	14,140	0.2%	0.2%	Moved Councillor Stapleton, seconded Councillor Scott and Resolved that the Kokatahi and Haast Rural Fire Forces continue to be funded to the extent of \$6,605 and \$8,075 respectively with funding from the general rate. Moved Councillor Stapleton, seconded Councillor Scott and Resolved that Council signals its interest with regard to the NZFS contribution to the rural fire forces.
42	Transportation Reduced Spend	Maintain the current budgets			A review has compared budgets with the engineers estimates of the new contract prices and has determined a potential saving. A review of Minor Safety improvements identified the budget is being used for one significant project, however it is not recommended to reduce this project. See Attachment H.	Transportation	All	(38,125)	-0.5%	-0.5%	Moved Deputy Mayor Thomson, seconded Councillor Butzbach and Resolved that the Transportation budget be reduced by \$38,125 as per the details in the attachment H. Councillor Montagu recorded his vote against the motion.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
43	Hokitika Entrance Signs	Operating Budget			Since its construction the steel entrance signs at the Weld/Fitzherbert streets intersection has proven to be difficult to see for motorists due to material selection and a lack of contrast behind the lettering.	Parks and Reserves	n/a	0	0.0%		Moved Councillor Stapleton, seconded Councillor Butzbach and <u>Resolved</u> that the Hokitika entrance signs be upgraded to highlight them and that the work estimated at \$1,000 be funded from the Hokitika Minor Works operational budget. <i>Councillor Montagu recorded his vote against the motion.</i>
44	Fox Glacier Sportsground	Fund \$40,000 From Rates	Fund \$40,000 from Reserve Development Fund	Don't Fund	Correspondence and documentation is unable to confirm the current status of this project. Staff are of the understanding is that this project is not required until after the Fox Glacier Community Centre Project is started.	Parks		0	0.0%		Moved Councillor Butzbach, seconded Her Worship the Mayor and <u>Resolved</u> that the Fox Glacier Sportsground project be removed from the Annual Plan.
45	Harihari/Kumar a footpaths	Maintain the current maintenance programs	Bring the renewals program forward for Harihari and Kumara		A detailed maintenance and renewals programs is available. Reduced budgets in the past have resulted in service level drops. Portions of Harihari footpaths were renewed as per the programs. Priority was along the State Highway. Other maintenance is planned for 2015/16. If Council wishes to bring the program forward then, the cost of renewals of footpath in Harihari is estimated at \$30/mtr. Kumara footpaths are programmed for 2016/17.				0.0%		Moved Councillor Hurley, seconded Councillor Eggeing and <u>Resolved</u> that Council stays within the agreed footpath maintenance programs.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
46	Rates Review	Fund a rates review	Don't fund a rates review		This project is not in the draft Annual Plan, however many submissions expressed dissatisfaction with the inequity and lack of transparency in Council's rating system. Council has resolved to undertake a rates review in 2013-14 but no budget has been assigned to this project. This is a significant piece of work, and is beyond the capacity of the Corporate Services Team.	Governance	All	50,000	0.6%	0.6%	Moved Councillor Butzbach, seconded Councillor Stapleton and <u>Resolved</u> that Council allocate \$50,000 to fund a rates review and that this be funded from General Rates.
47	Transfer of Strategic Assets	Remove from Annual Plan			This project was included in the draft Annual Plan. The budget for this project was \$45,000 with half of that proposed to be funded from Westland Holdings Ltd. WHL have advised they cannot fund half of this project, and it would not be prudent to undertake this project when a review of the CCO structure is yet to be undertaken.	Governance	All	(22,500)	-0.3%	-0.3%	Moved Councillor Eggeling, seconded Councillor Scott and <u>Resolved</u> that Council remove the \$45,000 to fund the Transfer of Strategic Assets project.
48	Review of CCO's	Fund Project	Don't Fund Project		WHL announced that a review of the CCO structure should occur in the 2013-14. It is 12 years since Council received the initial advice on setting up this structure. As a matter of good governance these should be reviewed periodically. Significant community interest in the structure supports the need for a review.	Governance	All	40,000	0.5%	0.5%	Moved Councillor van Beek, seconded Councillor Hurley and <u>Resolved</u> that Council include \$40,000 in the Annual Plan to fund a review of the CCO structure and this be funded from rates.

Annual Plan Omnibus Recommendations											
No	Subject	One	Options Two	Three	Comment	Activity	Ratepayers Paying	\$ Rate Change	7813000 Gen Rate %	Ratepayer %	Decision
49	UAGC	Change the allocation of cost to the UAGC	Do nothing	No recom mendat ion	See Attachment J. These proposals reallocate the rate to different rate payers.	All	All		0.0%		Moved Councilor van Beek, seconded Deputy Mayor Thomson that Council transfer \$100,000 of transportation costs from the general rate to the UAGC. Councilor Scott recorded his vote against the motion. The Motion was lost.
50	Waste Management	Change the allocation of cost to the UAC	Do nothing	No recom mendat ion	See Attachment J. These proposals reallocate the rate to different rate payers.	Solid Waste	All		0.0%		Moved Councilor Birchfield, seconded Councilor Hurley and Resolved that Council transfer \$100,000 of Waste Management cost to the waste management uniform Annual Charge. Councilor Scott recorded his vote against the motion.

3.1 **Adoption of the 2013/2014 Annual Plan (Appendix 1)**

Moved Councillor Eggeling, seconded Councillor Birchfield and **Resolved:**

- i. **THAT** the “proforma Annual Plan Omnibus recommendations” be confirmed.
- ii. **THAT** the Chief Executive be authorised to make necessary amendments and present the Annual Plan to the Council on 1 August 2013 for adoption.

Councillor Scott recorded his vote against the motion.

Meeting Concluded at 3.20 pm

Confirmed by:

Maureen Pugh
Mayor

Date



Option B2



Contractor A

Replace Bin with 240 Ltr Wheelie
Bin – Monthly Collection



SH Pick Ups

Direct Costs	Cartage	Disposal	Comments
\$10,000	-	\$5203 (Based on 30kg per bin)	Improved Levels of Service
Total Costs			\$15,203



Summary of Costs

Option	Direct Costs	Cartage Costs	Disposal Costs	Total Cost	Rates	Comments
B1	\$10,000	-	\$7021	\$17,021		Current Levels of Service
B2	\$10,000	-	\$5203 (Based on 30kg per bin)	\$15,203	\$290.22 rural collection rate	Improved Levels of Service
B3	\$12,000	-	\$5203 (Based on 30kg per bin)	\$17,203		Improved Levels of Service
B4	\$10,125	-	- (Greymouth) \$7201	\$17,326 min		Current Levels of Service. Additional Cartage may apply.
B5	\$23,400	-	\$7201	\$30,421		Improved levels of Service. However the costs of bins will be additional

ATTACHMENT H

Transportation

1. Flood damage funds have already been removed from the Transportation budget.
2. The current market trends indicate that there is a possibility to achieve some saving on the long term maintenance contract which may be factored in for budget reductions. Staff propose a 4% reduction in maintenance costs centres which are detailed below:

Activity	Current draft Budget	Proposed	Reduction
Sealed Pavement Maintenance	\$500,000	\$480,000	\$20,000
Unsealed Pavement Maintenance	\$360,000	\$345,000	\$15,000
Routine Drainage Maintenance	\$147,200	\$10,000	\$7,200
Structures Maintenance	\$76,000	\$73,000	\$3,000
Environmental Maintenance	\$275,000	\$265,000	\$10,000
Traffic Services	\$150,000	\$144,000	\$6,000
Level Crossing Warning Devices	\$10,000	\$6,000	\$4,000

3. Capital expenditure is budgeted for a total of \$1,922,765.

The budget is made up of renewals, reseals, and special purpose roads. Staff suggest the following:

Activity	Current draft Budget	Proposed	Reduction
Unsealed road metalling	259,700	\$249,700	\$10,000
Culver renewals and major drainage clearing	\$155,850	\$150,850	\$5,500
Traffic Services	\$129,875	\$120,000	\$9,875

Total reduction is now –

\$25,575 from renewals budgets

\$65,200 from maintenance budgets

Total: - \$90,775

Local Share is \$38,125

Recommendation:

THAT local share in transportation budget be reduced by \$38,125 as per the details in the attachment.

MINOR IMPROVEMENT BUDGET

The draft budget for Minor Improvements is \$168,578.

In 2013-14 this entire budget provides for the replacement of Cauldron Creek Bridge. The local share for this budget is \$55,630.

The bridge is a priority and has been programmed for replacement each of the last 3 years.

Council may choose not to proceed with this project which has the following implications/benefits:

1. Local Share savings on the rates – approx. \$55,000
2. Bridge not replaced will compromise the safety and access. The bridge will be weight restricted preventing the access for vehicles over class 1. This may have an effect on the local economy.

Recommendation:

THAT the Transportation minor improvement budget remains unchanged.

WESTLAND DISTRICT SAFER COMMUNITY COUNCIL

MINUTES OF MEETING OF THE WESTLAND DISTRICT SAFER COMMUNITY COUNCIL HELD IN THE WESTLAND DISTRICT COUNCIL MIDDLE FLOOR MEETING ROOM, 36 WELD STREET, HOKITIKA, ON FRIDAY 28 JUNE 2013 COMMENCING AT 8:30 A.M.

Councillor Stapleton opened the meeting with prayer.

1. **MEMBERS PRESENT:**

Councillor Kyle Scott (Chair), Councillor Frances Stapleton, Councillor Kees van Beek, Constable Jon Armstrong, Cathy Blincoe, Colleen Freitas, Corrina Gestro-Best, Bev Kaio, Charles Lucas, Ned Tauwhare, Lucy Waller, Jan Weaver, Jan Zuckerman, Derek Blight.

2. **MINUTES OF PREVIOUS MEETING HELD 26 APRIL 2013:**

Moved C. Lucas, seconded B. Kaio and **Resolved** that the Minutes of the previous meeting of the Westland District Safer Community Council be confirmed as a true and correct record of the meeting.

3. **MINUTES OF MEETING OF THE HOKITIKA COMMUNITY PATROL 19 JUNE:**

Moved Councillor Stapleton, seconded Councillor Scott and **Resolved** that the Minutes of the above meeting be received.

4. **INWARD/OUTWARD CORRESPONDENCE:**

Moved C. Freitas, seconded J. Zuckerman and **Resolved** that the Inward Correspondence be received and the Outward Correspondence be endorsed.

5. **FINANCIAL STATEMENTS:**

Moved Councillor Scott, seconded C. Gestro-Best and **Resolved** that the Financial Statements be received, with the exception that the budgeted figure of \$18,093 for Big Brothers Big Sisters Tea Coffee meals etc. be questioned with the Accountant.

6. GENERAL BUSINESS:

6.1 Police Report:

2013 Duck Shooting Season

This year's duck shooting season runs from 4 May to 28 July 2013. This is primarily looked after by Fish and Game with the more serious breaches of firearms offending being picked up by the Police. To date, no reported incidents involving safety issues with firearms have been advised to the Hokitika Police.

Ross Police Officer

Const John WOODWARD is the new sole charge Police Officer at ROSS. He and his family have moved here from GRANITY where he was also the sole charge officer for that town. He has hit the ground running since his arrival as he has been involved with the two unfortunate deaths involving young people in HARI HARI. In conjunction with other support services, Const WOODWARD has arranged a town meeting to provide other means of counselling options to those who may need them.

1080 Toxic Bait Programme

The 2013 programme for the aerial delivery of 1080 toxic bait began on 26 June with only two significant drop sites this year for the Westland area. They are all the bush on the southern side of a line from Turiwhate to Aickens and, all the bush on the eastern side of a line from the Styx river to the Hokitika Gorge. The operation is entirely weather dependant but should be finished by mid-July.

Westland High School Ball

Unlike previous years, the 2013 Ball is to be held on a Thursday (4 July 2013) and not the usual Friday night. This has been advanced to accommodate the departure of a senior sports team that leaves for Australia on the Friday and also lets them attend their own ball. If the event is organised as well as it was last year, the Police will be very happy.

Moved Councillor Scott, seconded J. Weaver and **Resolved** that the Police Report be received.

6.2 International Safe Community Process and setting up of Steering Committee:

This was put on hold until Council's annual plan 2013-2014 is approved. C. Blincoe informed the meeting that some funding will be available from ACC for this project.

6.3 Snow Chains Workshop:

The meeting agreed that Ivan Wilson be approached about facilitating a workshop in Hokitika for people who wanted help with learning how to use snow chains.

7. COORDINATOR'S REPORT: The Coordinator's Report was received.

8. OTHER BUSINESS:

8.1 The Coordinator updated the meeting about the new tender document process that the West Coast Restorative Justice Programme is entering into with the Ministry of Justice to ensure the continuance of the programme.

8.2 N. Tauwhare informed the meeting that the Te Rito Family Violence Network funding has been renewed for Westland/Grey and that an external person is to be employed to put a new strategic plan in place for 2013/2014.

8.3 Constable Armstrong asked that a letter be written to Council, thanking them for their support in the establishment of the Hokitika Community Patrol.

THE MEETING CLOSED AT 9.45 AM.

Confirmed as a true and correct record.

_____ (Chairperson) _____ (Date)

MAYOR'S ACTIVITIES JUNE/JULY 2013

- Hokitika Annual Plan public consultation meeting.
- Meeting with RSA.
- Visit by Keas.
- Civic Assurance rep meeting.
- Treasury workshop.
- Meeting with WRARG chair.
- Two days of submissions hearings.
- Junk2Funk.
- Judging of TrustPower Community Awards.
- Open day at Hokitika pool.
- Unveiling of Eva Crossman pensioner flat sign.
- Whataroa Community Association meeting.
- Council meeting to adopt resolutions for Annual Plan.
- Meeting with prospective investor.
- Local Government conference.

Deputy Mayor Bryce Thomson and CE Tanya Winter accompanied me to the 2013 Local Government Conference in Hamilton. Initial feedback suggests that this is one of the most successful conferences ever held. I have been involved, alongside some National Council colleagues, LGNZ staff, and Conference Innovators, in the planning and preparations for the conference. LGNZ launched our new brand, which is part of a new direction, business case, and organisational structure. The brand launch video was so impressive that members requested that it be replayed several times over the course of the conference. This launch signals a new era for members and an exciting time to be involved in Local Government. Individual councils will be visited to explore how they can combine the messaging and LGNZ brand with their local brands.

This year saw a near record number of nominations for Community Awards. The TrustPower awards are now well recognised by community groups and volunteers as an opportunity to acknowledge and thank individuals and groups for the value they bring to our communities. This year we had outstanding nominations covering a variety of projects. The presentations will be made at a function on 12 August.

The Open Day at Hokitika Pool was a huge success and was enjoyed by a range of age groups. Feedback on the new look and alterations was very positive. It has taken only minor improvements to achieve major success.

Junk2funk attracted some amazing creations from our very talented artists. The event was well attended and the message of recycling/reusing given great focus. We are so fortunate to have such passionate people promoting this event.

Report

DATE: 1 August 2013

TO: Mayor and Councillors

FROM: Chief Executive

CHIEF EXECUTIVE'S REPORT

1.0 SUMMARY

1.1 The purpose of this report is to present:

1.1.1 Updates on any matters of significance since the last report dated 27 June.

1.2 This report is on the agenda so that Council are kept fully apprised of Council business and are aware of how the organisation is tracking.

1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:

(a) To enable democratic local decision-making and action, by and on behalf of, communities; and

(b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

Vision's Objectives	Achieved By
The CE's report supports all objectives in Council's Vision Statement: <ul style="list-style-type: none">• Involving the community and stakeholders.• Having inspirational leadership.• Having expanded development opportunities.• Having top class infrastructure for all communities.• Living the "100% Pure NZ" brand.	Ensuring Council fulfils the commitments made to the community in the Long Term Plan.

1.4 This report concludes by recommending that Council receives the Chief Executive's report dated 1 August 2013.

2.0 COMMENT

- 2.1 July has been another very busy month with preparation of the Annual Plan consuming most of the CE's time. The final Annual Plan is on the Council agenda today for sign off and adoption.
- 2.2 Council will note that there is no Management Report on this agenda. This is because with limited time and resources, preparing the Annual Plan was assessed as a higher priority by the CE, and staff were required to focus on that. Managers were requested to include any urgent items needing to be brought to Council's attention in the CE's report.

2.3 Local Government NZ Conference

The Mayor, Deputy Mayor and Chief Executive attended the LGNZ Conference in Hamilton from 19-24 July 2013. A broad range of topics were covered. Here is a snapshot:

- 2.3.1 **New Branding for LGNZ** – the new brand for LGNZ was launched which signifies a change in focus for the organisation that represents local government interests at a national level. The main focus of the new branding is to sell the "value proposition" of local government to central government, key stakeholders and our communities. A new-look website was also launched and can be accessed at www.lgnz.co.nz.
- 2.3.2 **Organisational Culture** – Jonar Nader was a keynote speaker on day 1 and focused on the culture of organisations and how it impacts on customers. He states *"In this networked world, we are more disconnected than ever. Technology will not make us efficient, if we are now inefficient. It will not make us faster, if we are now slow. It will not enable us to deliver better customer service, if we currently deliver none."* This was a very challenging and thought-provoking session.
- 2.3.3 **Population Change and Council Challenges** – Natalie Jackson is Professor of Demography and Director of the Population Studies Centre at Waikato University. Natalie's staggering statistics showed that over the next two decades, all growth in 56 of New Zealand's Councils (84%) will be in the 65 years and over category. What does this mean for local government? We should be widening footpaths for mobility scooters, not installing playgrounds. We should be investing in elderly drop-in facilities not youth centres!

2.4 Pre-election Report

2.4.1 Under the Local Government Act 2002 the Chief Executive is required to prepare a pre-election report which will be issued and available on the Council website on 2 August 2013. The purpose of the pre-election report is to provide information to promote public discussion about the issues facing Westland District Council.

2.5 Council Representative on Tourism West Coast

2.5.1 Nominations have now closed for the Council representative on Tourism West Coast. Two nominations have been received and they will be considered in the Public Excluded section of the meeting.

2.6 RSA Building

2.6.1 A report on the future of this building was supposed to be on today's agenda. However, during the drafting of the report staff have discovered that further investigation regarding land ownership is required. This report will now come to the 29 August Council meeting.

2.7 West Coast Wilderness Trail Status Report

2.7.1 A copy of the West Coast Wilderness Trail Status Report to 30 June 2013 is attached as **Appendix 1**.

2.8 Building Statistics

2.8.1 Building statistics for the month of June 2013 are attached as **Appendix 2**.

3.0 RECOMMENDATION

A) **THAT** the report of the Chief Executive titled "Chief Executive's Report" dated 1 August 2013 be received.

Appendix 1: West Coast Wilderness Trail Status Report to 30 June 2013

Appendix 2: Building Statistics for June 2013

Tanya Winter
Chief Executive

West Coast Wilderness Trail - Status Report to 30th June 2013

	Section	Total section length km	On road km	New Trail km	status (km new trail complete)	Total Length completed	Project tasks	Start Construction	Complete Construction
1	Day One - Greymouth to Kumara	30.6				17.9			
1.1	Railway Station to Blaketown	4.2	3.2	1.0	1.0	4.2	Track completed. GDC designing official start structure.	June 2012	March 2013
1.2	Blaketown to Paroa	8.7	-	8.7	8.7	8.7	Track completed. Track officially opened.	Aug 2011	June 2012
1.3	Paroa to Taramakau Bridge	6.9	-	6.9	5.0	5.0	Construction completed from Paroa to New River utilising State Highway. New River Bridge clip-on let to Tru-Line. Tender for remaining track within two weeks.	Aug 2012	Oct 2013
1.4	Taramakau Bridge	0.3	0.3	-	-	-	Proposal to 2012-15 RLTP for a clip on by NZTA on the existing bridge. RLTP approved. Clip on project approved for design.	Sept 2012	March 2014
1.5	Taramakau Bridge to Kumara	10.5	2.9	7.6	-	-	Design and consent application prepared. Some initial construction started. Public tender in July.	Sept 2012	Nov 2013
2	Day Two - Kumara to Milltown	35.4				35.4			
2.1	Kumara to Kapitea Reservoir	6.3	1.0	5.3	5.3	6.3	Section completed.	Dec 2011	March 2013
2.2	Kapitea Reservoir to Loopline Road	3.5	1.0	2.5	2.5	3.5	Section completed.	Dec 2011	April 2013
2.3	Loopline Road to Old Christchurch Rd	7.0	6.3	0.7	0.7	7.0	Section completed.	Dec 2011	March 2013
2.4	Old Christchurch Rd to Kawhaka Res	4.6	4.6	-	-	4.6	Section completed.	Dec 2011	Feb 2013
2.5	Kawhaka Res to Milltown Forestry Rd	7.0	4.0	3.0	3.0	7.0	New track completed. Reservoir Creek Suspension Bridge let and under way	Dec 2011	Sept 2013
2.6	Milltown Forestry Rd to Cowboy Paradise	7.0	2.9	4.1	4.1	7.0	New track completed. Macpherson Creek Suspension bridge construction let and under way.	Dec 2011	Sept 2013
3	Milltown to Hokitika	36.0				21.2			
3.1	Cowboy Paradise to Arahura River	4.3	-	4.3	4.3	4.3	Section completed.	April 2012	Feb 2013
3.2	Arahura River to Lake Kaniere Rd	9.7	9.7	-	-	9.7	Although not ideal... intend utilising the existing road formation due to funding constraints. Changing speed restriction to 70km.	June 2012	Feb 2013
3.3	Lake Kaniere Rd to The Landing	1.2	1.2	-	-	1.2	Section completed. Road widened and separate lane constructed. Changing speed restriction to 70km.	June 2012	Feb 2013
3.4	Water Race Track : The Landing to Wards Road	2.7	-	2.7	0.2	0.2	Current contract extended to include this work. Construction under way.	July 2012	Sept 2013
3.5	Water Race Track : Wards Road to Kennedys Creek	6.0	-	6.0	-	-	Design and consent application under way. Route confirmed. Current contract extended to include this work.	July 2012	Nov 2013
3.6	Kennedys Creek to Kaniere Township	6.3	4.3	2.0	-	2.0	Construction under way on widening existing carriageway for separate cycle lane. Changing speed restriction to 70km.	June 2012	Aug 2013
3.7	Kaniere Township to Start Kaniere Tram	2.0	2.0	-	-	2.0	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013

3.8	Kaniere Tram : Pine Tree Road to Hokitika	2.0	0.8	1.2	-	-	Survey completed. Current contract extended to include this work. Resource consent applied for. Archaeologist report pending. Minor construction commenced.	June 2012	Oct 2013
3.9	Hokitika Stopbank	1.8	1.8	-	-	1.8	Utilising the existing formation.	-	Dec 2012
4	Hokitika to Ross	33.3				15.4			
4.1	Hokitika Bridge	1.0	1.0	-	-	1.0	Cycleway on bridge existing	Dec 2012	Dec 2012
4.2	Golf Links Rd to Golf Course	2.5	2.5	-	-	2.5	Using existing road formation. Changing speed restriction to 70km.	June 2012	Feb 2013
4.3	Golf Course to State Highway	1.5	1.3	0.2	-	1.3	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013
4.4	State Highway to Mahinapua Creek	0.1	0.1	-	-	-	Discussing with NZTA	Feb 2013	Sept 2013
4.5	Mahinapua Creek: SH6 to Mahinapua Track	2.5	-	2.5	-	-	Discussing with NZTA	Feb 2013	Sept 2013
4.6	Mahinapua Track : Bridge to Woodstock Rimu Rd	6.2	-	6.2	-	-	DoC retro-fitting existing track	April 2013	Dec 2013
4.7	Woodstock Rimu Rd to State Highway	4.0	4.0	-	-	4.0	Using existing road formation. Changing speed restriction to 50km.	June 2012	Feb 2013
4.8	State Highway : Woodstock Rimu Rd to Palere Rd	2.3	2.3	-	-	2.3	Using existing road formation.	June 2012	Sept 2012
4.9	Ross Rail Trail : Palere Rd to Totara River	10.2	1.0	9.2	-	1.5	Track formed. Upgrade underway. Structures contract required.	May 2013	Dec 2013
4.10	Totara River Bridge	0.2	-	0.2	-	-	Discussing with Kiwi-Rail. (Suspension Bridge)	April 2013	Dec 2013
4.11	Ross Beach Rd : Totara River	2.8	2.8	-	-	2.8	Using existing road formation. Changing speed restriction to 50km.	Sept 2013	Dec 2013
Total		135.3	61.0	74.3	34.8	89.9			

Appendix 2

BUILDING CONSENT AUTHORITY STATISTICS

1. Statistics for June 2013:

- Building Consent applications received for processing: 37.
- Building Consents granted: 31.
- Value of granted consents: \$1,848,520.
- Average consent value: \$92,246.
- Number of consents with values in excess of \$5,000.00: 20.
- Of note were consents granted for 4 new dwellings.
- The average number of days for building consent processing for the reporting period was 32 days (the statutory requirement is 20 days). The average number of days for processing for the year ended 30 June 2012 was 7 days (2009 was 9, 2010 was 7, 2011 was 6).

2. There is a statutory duty to deal with all building consent applications within a 20 working day time frame.

The LTP target:	Is to grant 100% of building consent applications within 20 working days.
For the month under review the extent of achievement is:	100%
Reasons for non-achievement.	
Actions from previous reports.	Previous actions considered and adopted in April 2013.
Actions to be taken.	No additional actions required at this time.

Report



DATE: 1 August 2013
TO: Mayor and Councillors
FROM: Chief Executive

ADOPTION OF 2013/2014 ANNUAL PLAN

1.0 SUMMARY

- 1.1 The purpose of this report is to assist the Council with the formal adoption of the 2013/2014 Annual Plan.
- 1.2 This issue arises from legal compliance.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
 - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities Living the '100% Pure NZ' brand	The Annual Plan contributes to all objectives.

- 1.5 This report concludes by recommending that Council adopts the 2013/14 Annual Plan.

2.0 BACKGROUND

- 2.1 Council established a timetable to adopt the Annual Plan but delayed the consultation process in order that a comprehensive review of all activities and budgets could be undertaken.

3.0 CURRENT SITUATION

- 3.1 After a series of workshops and debates Council adopted the 2013/14 Draft Annual Plan for public consultation.
- 3.2 The forecast rate increase was 9.2% (\$78,130 is 1%).
- 3.3 602 written submissions were received and they were individually considered along with over 30 verbal submissions on 4 and 5 July 2013.
- 3.4 Council identified, as a result of the consideration of the submissions, several areas where additional information was required to assist the Council through the process of consideration and adoption of the Annual Plan. These matters were considered by the Council on 18 July 2013.
- 3.5 A proposed Annual Plan has been prepared which addresses all the decisions of Council as a result of the submission process and the deliberations. A copy is attached as **Appendix 1**.

4.0 OPTIONS

- 4.1 Council's options with regard to the adoption of the Annual Plan are now limited by statute. The adoption process has gone beyond the statutory deadline and there is now a statutory imperative to adopt a Plan.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 While this decision is largely administrative, it has a high degree of significance in that the adoption of the Annual Plan means Council can set the rates for 2013/14 and implement the work programme for the year. This impacts on the whole district.
- 5.2 The Annual Plan process has gone through the Special Consultative Procedure in accordance with the Local Government Act 2002. Submissions have been received and they have been carefully considered.

6.0 ASSESSMENT OF OPTIONS

- 6.1 Council now needs to finalise an Annual Plan for adoption to ensure that the business of Council can continue.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is the adoption of the Annual Plan without further delay to ensure compliance with the Local Government Act 2002 and to ensure that the financial affairs of the Council are in order to allow the Council to continue its service to the District.

RECOMMENDATIONS

- A) **THAT** the 2013-2014 Annual Plan be adopted.

Tanya Winter
Chief Executive

Appendix 1: Annual Plan (attached separately)

Report



DATE: 1 August 2013
TO: Mayor and Councillors
FROM: Acting Corporate Services Group Manager

RATES RESOLUTION 2013/14

1.0 SUMMARY

- 1.1 The purpose of this report is for Council to set the rates in accordance with the Annual Plan 2013/14.
- 1.2 This issue arises from the Annual Plan which requires Council to fund some operations from rates.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
 - (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having inspirational leadership	Having enough funds to deliver services as proposed in the annual plan

- 1.5 This report concludes with a very detailed resolution attached as **Appendix 1** that includes all the rates to be charged in 2013/14.

2.0 BACKGROUND

- 2.1 62% of Council income comes from rates.
- 2.2 Rates are developed during the Annual Plan Process and **must** be set in accordance with the Funding Impact Statement (FIS) in the Annual Plan.

3.0 CURRENT SITUATION

- 3.1 Council has recently adopted the 2013/14 Annual Plan. This was adopted later than usual and as a result due dates and penalty dates for rates **Page 51**

had to be adjusted for the first installment, as listed at the end of the resolution.

- 3.2 The rates in this resolution will collect the income from rates as stated in the 2013/14 Annual Plan.

4.0 OPTIONS

- 4.1 Option 1: Set the rates as adopted in the Annual Plan
- 4.2 Option 2: Redo the Annual Plan process.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 Council has just completed a lengthy Annual Plan consultation. Issues of the amount and types of rates were raised as part of that consultation.
- 5.2 With Council having now concluded its consultation it is now necessary to put in place the tools to allow the Annual Plan to be activated.
- 5.3 The decision on setting the rates is administrative in that it actions the Annual Plan in accordance with the Funding Impact Statement.
- 5.4 It is therefore determined that this decision is of low significance.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1: Setting the rates as adopted in the Annual Plan.
- 6.1.1 This lawfully sets the rates and enables Council to fund its activities.
- 6.2 Option 2: Redo the Annual Plan
- 6.2.1 If Council is not prepared to set the rates as adopted in the Annual Plan, Council will need to amend the Annual Plan.
- 6.2.2 To amend the Annual Plan would require a further meeting of Council after officers have sought advice on the options and implications.

7.0 PREFERRED OPTION(S) AND REASONS

- 7.1 Option 1 is the preferred option as it allows Council to fund the Annual Plan service levels.

8.0 RECOMMENDATIONS

1. **THAT** Council adopts the full resolution as attached as **Appendix 1**.

Appendix 1: Rates Resolution

Stephen Halliwell
Acting Corporate Services Group Manager

RATES RESOLUTION

THAT COUNCIL:

Pursuant of Section 23 of the Local Government (Rating) Act 2002, Council sets the rates in accordance with the 2013/14 Annual Plan for the financial year commencing on 1 July 2013 and ending on 30 June 2014.

General Rate

The General Rate is a rate on the land value of each rateable property. This will be set as a differential rate dependent on the underlying zoning of each property as denoted in the District Plan or the location of the property.

1. Rural General – Properties 10 hectares or larger zoned Rural.
2. Small Holdings – Properties less than 10 hectares zoned Rural, except those in Hokitika Zone 1 or Glacier Towns Small Holdings.
3. Hokitika Zone 1 – Properties less than 10 hectares, within 5 kilometres of the boundary of Hokitika Township, zoned Rural.
4. Hokitika Zone 2 – Properties in Kaniere which are within the Small Settlement zone
5. Rural Townships – Properties in Kumara, Arahura, Ross, Harihari, Whataroa, and Haast which are within a Tourist, Small Settlement or Coastal Settlement zone.
6. Small Settlements - Properties at Lake Kaniere, Kokatahi, Okarito, Okuru, Neils Beach, Hannah's Clearing and Jackson Bay which are within a Tourist, Small Settlement or Coastal Settlement zone.
7. Glacier Towns - Properties in Franz Josef/Waiau, Franz Alpine Resort and Fox Glacier which are within a Tourist or Residential zone, not rated commercial.
8. Rural Commercial – Commercial Properties in a Rural zone except those in Glacier Towns Small Holdings Commercial.
9. Commercial in Rural Residential – Commercial Properties in a Tourist, Small settlement or Coastal Settlement zone except those in Glacier Towns Commercial.
10. Glacier Towns Commercial – Commercial Properties in Franz Josef/Waiau, Franz Alpine Resort and Fox Glacier which are within a Tourist or Residential zone.
11. Glacier Towns Small Holdings – Properties between the southern boundary of Lake Mapourika and the Fox River which are less than 10 hectares in size, except for those properties within the Glacier Towns.
12. Glacier Towns Small Holdings Commercial - Commercial properties between the southern boundary of Lake Mapourika and the Fox River, except for those properties within the Glacier Towns.
13. Hokitika 1-6 units – Residential properties in Hokitika, except those in Hokitika Beachfront.
14. Hokitika Beachfront – Residential properties that bound the sea on Revell Street and Beach Street in Hokitika.
15. Hokitika Commercial – Commercial Properties in Hokitika.

The appropriate rate will be charged on the rateable land value as assessed by Council's valuation provider, Quotable Value Limited, each year.

Uniform Annual General Charge (UAGC)

A UAGC to be charged as a fixed amount on each separately occupied portion of a rateable property.

Where more than one property is owned by the same Ratepayer, the properties are contiguous, and are utilised as a single property, then only one UAGC in total will be assessed. Similarly, where an adjoining leased area is utilised as part of the parent property, then only one UAGC in total will be assessed. This reassessment is reliant on property owners satisfying Council that they meet the relevant criteria.

Emergency Management Contingency Rate

The Emergency Management Contingency Rate is a targeted rate to fund the Emergency Contingency Fund. It is set as a rate on the capital value on each rateable property.

Tourism Promotions

A targeted rate to fund Tourism Promotions made up of:

1. Four differential Commercial Uniform Charges based on the capital value of the property.
2. A Uniform Charge for all other ratepayers.

Waste Management

Waste Management rates are targeted rates to fund the Waste Management activity.

1. A Waste Management Uniform Charge on each separately occupied portion of a rateable property.
2. A differential rate on the capital value for each rateable property as follows:
 - (a) Waste Management (Commercial). Properties whose General Rate is either Commercial, Commercial in Rural Residential, Hokitika Commercial, Glacier Town Commercial, or Glacier town Small Holding commercial
 - (b) Waste Management (Rural). Properties whose General Rate is Rural General.
 - (c) Waste Management (Small Holdings). Properties whose General Rate is Small Holdings, Hokitika Zone (1), or Glacier Towns Small Holdings.
 - (d) Waste Management (Urban). Properties whose General Rate is Rural Towns, Small Settlements, Residential within Hokitika or Hokitika Zone (2).

The appropriate rate will be charged on the rateable capital value as assessed by Council's valuation provider each year. A waste management rate will not be charged on utilities where a differential general rate is not charged.

Refuse Collection

A targeted uniform charge to fund refuse collection.

1. Hokitika Refuse Collection - A uniform charge per property in Hokitika.
2. Rural Refuse Collection - A uniform charge per property that has access to the refuse collection service.

The rate will be charged on each separately occupied portion of a property where rubbish collection is available in Hokitika and in the area from Kumara township in the north to Ross township in the south, including Kaniere to Lake Kaniere.

Water Charges

Targeted uniform charges and commercial metered water to fund the cost of water supplies.

1. Treated Water in Rural Townships – Ross, Harihari, Whataroa, Franz Josef/Waiau & Fox Glacier. A uniform charge or metered charge per cubic metre.
2. Untreated Water in Rural Townships – Kumara, Arahura, Harihari untreated, Whataroa Rural, Haast. A uniform charge.
3. Treated Water in Hokitika and Kaniere. A uniform charge or metered charge per cubic metre.

The uniform charge will be charged for each separately occupied portion of a property supplied with water, unless separately metered.

Commercial properties will be charged a differential rate if not separately metered. An unconnected rate of 50% of the connected charge will be charged on any property where a water supply is available but is not connected.

Kokatahi Community Rate

A targeted rate to fund projects in the Kokatahi community.

1. A Kokatahi Community Uniform Charge.
2. A Kokatahi Community Rate on the land value of each rateable property.

The uniform charge will be charged on each property in the Kokatahi/Kowhitirangi area which has a general rate uniform annual charge. The rate will be charged on the rateable land value of each property in the Kokatahi/Kowhitirangi area from Geologist Creek in the north to Hokitika Gorge in the south and the Kaniere/Kowhitirangi Road from Nesses Creek onward.

Sewerage Charges

A targeted uniform charge to fund the costs of sewage disposal in Hokitika, Kaniere, Franz Josef/Waiau, Fox Glacier and Haast.

1. A sewerage Charge per property for Residential Properties.
2. A sewerage Charge per pan or urinal for Commercial Properties.

The rate would be charged on each separately occupied portion of a property connected to the sewerage disposal system provided by Council. An unconnected rate of 50% of the connected charge will be charged on any property where Council sewerage disposal is available but is not connected.

Kaniere Sewerage Capital Contribution

A targeted rate to recover the capital cost of the Kaniere sewerage system. The rate has been assessed as a capital contribution of \$4,907 per property on a table mortgage basis over 25 years from 1 July 2000. The interest rate is re-assessed periodically and is currently 7%. The balance outstanding on a property may be paid in part or full at any time, and the repayment completion date re-calculated accordingly.

The rate will be charged on each property able to be connected to the Kaniere sewerage system which has not already completed payment of the capital contribution.

Glacier Country Promotions

Targeted rates to fund the Glacier Country Promotions grant made up of:

1. A Glacier Country Uniform Charge.
2. A Glacier Country Commercial Uniform Charge.
3. A Glacier Country Promotions Rate on the land value of commercial rated properties.

The uniform charge will be charged on each property in the Glacier region which has a general rate uniform annual charge, but has not been commercial rated. The commercial uniform charge will

be charged on each commercial rated property in the Glacier region. The promotion rate will be charged on the rateable land value of each commercial rated property in the Glacier region.

These rates will be levied on all rateable properties in the area from Lake Mapourika in the north to the Ohinetamatea River in the south.

Hokitika Area Promotions

A targeted uniform charge to be levied on each Hokitika Commercial ratepayer, to fund the grant to Enterprise Hokitika.

Ross Swimming Pool

A targeted rate to fund 75% of the cost of operating the Ross swimming pool. The rate will be charged on the land value of every rateable property in the town of Ross.

Hannah's Clearing Water Supply Capital Repayment

A targeted uniform charge to recover the capital cost of providing individual water supply systems to Hannah's Clearing properties. The amount to be recovered will be the actual cost per property plus 6% interest on a table mortgage basis, plus GST. The interest rate will be re-assessed periodically.

The rate will be charged on each property provided with a water supply system which has not already completed payment of the capital cost.

Rates Summary

The General and Targeted Rates to be collected by Council for the year and the revenue generated from each are as follows. These figures are GST inclusive. The land and capital value rates are set at "cents per \$100".

DESCRIPTION	LAND VALUE	2013/14 per \$100	RATE STRUCK
General Rates			
Rural General	782,849,000	0.13281	\$1,039,663
Small Holdings	143,276,100	0.19257	\$275,903
Hokitika Zone 1	50,728,000	0.24282	\$123,176
Hokitika Zone 2	23,003,400	0.52569	\$120,927
Rural Townships	37,053,500	0.40021	\$148,292
Small Settlements	52,244,000	0.26159	\$136,665
Glacier Towns	35,018,500	0.36740	\$128,658
Rural Commercial	7,093,000	0.21843	\$15,493
Commercial in Rur Res	4,999,000	0.47323	\$23,657
Glacier Towns Commercial	37,097,000	0.44042	\$163,382
Glacier Towns Small Holdings	20,111,500	0.28922	\$58,167
Glacier Towns SH Commercial	5,292,000	0.36224	\$19,170
Hokitika Res 1	100,038,500	1.01938	\$1,019,769
Hokitika Res 2	2,996,000	1.63100	\$48,865
Hokitika Res 3	246,000	1.93681	\$4,765
Hokitika Res 4	233,000	2.34457	\$5,463
Hokitika Res 6	306,000	2.34457	\$7,174
Hokitika Beachfront	13,142,000	0.81692	\$107,360
Hokitika Commercial	38,646,000	1.11910	\$432,486
	1,354,372,500		3,879,034
Uniform Annual General Charge	5,485	\$ 497.60	2,729,332
	Capital Value		
Emergency Management Contingency Fund	2,284,837,500	0.00000	0
Tourism Promotions			
All Commercial Properties with capital value:	Rating Unit		
Over \$10 million	3	\$ 2,626.60	\$7,880
\$3 - 10 million	11	\$ 1,313.30	\$14,446
\$1 - 3 million	71	\$ 525.32	\$37,298
\$0 - 1 million	203	\$ 262.66	\$53,320
All other ratepayers	5192	\$ 3.94	\$20,456
			\$133,400
Total General Rate (incl GST)			\$6,741,766
Total General Rates (excl GST)			\$5,862,405

DESCRIPTION	Capital Value /Rating Units	2013/14 per \$100	RATE STRUCK
Targeted Rates			
Waste Management			
Waste Management Uniform Charge	5,485	\$ 35.96	197,239
Waste Management (Commercial)	303,263,000	0.08562	259,664
Waste Management (Rural)	932,675,500	0.00339	31,594
Waste Management(Small Holdings)	413,635,400	0.02526	104,471
Waste Management (Urban)	635,263,600	0.01946	123,599
Hokitika Refuse Collection	1,579	\$ 283.14	447,081
Rural Refuse Collection	1,308	\$ 263.10	344,135
Total Waste Management Rates			\$1,507,783
Water Supply			
Rural Township Untreated Water			
Domestic		\$ 271.90	
(unmetered) Commercial		\$ 453.17	
Unconnected		\$ 135.95	
Rural Township Treated Water			
Domestic		\$ 362.52	
(unmetered) Commercial		\$ 623.54	
Unconnected		\$ 181.26	
Hokitika/Kaniere Water			
Domestic		\$ 362.52	
(unmetered) Commercial		\$ 623.54	
Unconnected		\$ 181.26	952,984
Hannah's Clearing Capital	13	\$ 575.00	7,475
Total Water Rates			\$960,459
Metered Water Charges			\$1,322,500
Sewerage Rate			
Connected		\$ 197.90	
Unconnected		\$ 98.95	\$746,336
Kaniere Sewerage Capital	70	\$ 417.00	29,190
Total Sewerage Rates			\$775,526
Kokatahi Community Rate			
Levy	216,788,000	0.00212	4,600
Uniform Charge	180	\$ 25.56	4,600
Total Kokatahi Community Rate			\$9,200
Glacier Country Promotions			
Levy	42,699,500	0.08753	37,375
Uniform Charge	392	\$ 48.41	18,978
Commercial Uniform Annual Charge	76	\$ 242.07	18,397
Total Glacier Country Promotions			\$74,750
Hokitika Area Promotions			
Uniform Charge	134	\$ 334.70	44,850
Total Hokitika Promotions			\$44,850
Ross Swimming Pool			
Levy	10778500	0.19728	\$21,264
Total Ross Swimming Pool Rates			\$21,264
Total Targeted Rates (incl GST)			\$4,716,332
Total Targeted Rates (excl GST)			4,101,159
General Rates (excl GST)			5,862,405
Total Rates (excl GST)			\$9,963,563

Rating by Instalments and Rates Penalties

The Council provides for 2013/2014 rates to be paid in four instalments with a 10% additional charge added to the current instalment rates remaining unpaid on the penalty dates.

	Final date for payment	Penalty date
Instalment 1	20 September 2013	23 September 2013
Instalment 2	30 November 2013	1 December 2013
Instalment 3	28 February 2014	1 March 2014
Instalment 4	31 May 2014	1 June 2014

A further 10% will be added to all rates and additional charges remaining unpaid on 1 July 2013 and a further 10% will be added to any rate to which the additional charges referred to above is added and remains unpaid at 1 January 2014.

Definition of a 'Separately Occupied' Portion of a Rateable Property'

A separately occupied portion of a rateable property is defined as:

Any part of a rating unit that can be separately let and /or permanently occupied: and used for separate purposes.

Early Payment of Rates

A discount of 2.5%, calculated on the Total Annual Rates, will apply when all due rates are paid in full, together with any outstanding rates and penalties from prior years, by the due date for payment of the first installment being 20 September 2013.

Report



DATE: 1 August 2013

TO: Mayor and Councillors

FROM: Acting Corporate Services Group Manager

2013/16 STATEMENTS OF INTENT – WESTLAND HOLDINGS LIMITED AND SUBSIDIARIES

1.0 SUMMARY

- 1.1 The purpose of this report is to receive the Statements of Intent of Westland Holdings Limited and subsidiaries.
- 1.2 This issue arises from as a matter of good business practice in managing Council's investments and as a requirement of the Local Government Act 2002.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002.

That purpose is:

- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders Having inspirational leadership Having expanded development opportunities Having top class infrastructure for all communities Living the '100% Pure NZ' brand	Each CCO contributes to Council's vision in different ways. Collectively they contribute to all of Council's vision objectives. Council by managing its investments effectively contributes to providing inspirational leadership.

- 1.5 This report concludes by recommending that Council receive the Statements of Intent from Westland Holdings Limited and subsidiaries.

2.0 BACKGROUND

- 2.1 Westland Holdings Limited (WHL) is required to provide its shareholder with a Statement of Intent (SOI) in accordance with s 64 and Schedule 8 of the Local Government Act 2002.
- 2.2 Schedule 8 prescribes in considerable detail the contents of a Statement of Intent:

9. Contents of statements of intent

(1) A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:

- (a) the objectives of the group; and*
- (b) a statement of the board's approach to governance of the group; and*
- (c) the nature and scope of the activities to be undertaken by the group; and*
- (d) the ratio of consolidated shareholders' funds to total assets, and the definitions of those terms; and*
- (e) the accounting policies of the group; and*
- (f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and*
- (g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and*
- (h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and*

(i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and

(j) any activities for which the board seeks compensation from any local authority (whether or not the local authority has agreed to provide the compensation); and

(k) the board's estimate of the commercial value of the shareholders' investment in the group and the manner in which, and the times at which, that value is to be reassessed; and

(l) any other matters that are agreed by the shareholders and the board.

(2) If a council-controlled organisation has undertaken to obtain or has obtained compensation from its shareholders in respect of any activity, this undertaking or the amount of compensation obtained must be recorded in—

(a) the annual report of the council-controlled organisation; and

(b) the annual report of the local authority.

(3) Any financial information, including (but not limited to) forecast financial information, must be prepared in accordance with generally accepted accounting practice.

- 2.3 The process by which Council gets to comment on the SOI is also outlined in Schedule 8:

2. Statements of intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3. Completion of statements of intent

The board must—

(a) consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and

(b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

- 2.4 The process then requires the Directors to consider Council's comments and deliver the completed SOIs to Council.

- 2.5 Should Council wish to change a SOI then the provisions of Schedule 8 apply:

5. Modifications of statements of intent by resolution of shareholders

(1) Despite any other provision of the Act or of the constitution of any council-controlled organisation, the shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 9(1)(a) to (i), and any board to whom notice of the resolution is given must comply with the resolution.

(2) Before giving notice of the resolution to the board, the shareholders must consult the board concerned as to the matters to be referred to in the notice.

3.0 CURRENT SITUATION

- 3.1 Council received the Draft SOIs late and had two workshops to consider its feedback.
- 3.2 On 23 May Council had a Public Excluded debate to determine the matters it wished to make comment on to the companies. The reason for the debate being public excluded was that Council was considering commercially sensitive matters.
- 3.3 Council adopted a formal response to the companies. Now that the companies have had opportunity to consider Council's comments the reasons for this response being public excluded have expired. As such **Appendix 1** includes Council's comments to the Companies.
- 3.4 Council in its response focussed on high level strategic matters, intended to further clarify Council's reasons for ownership, improve stronger and appropriate relationships and make clear the most important objectives for Council.
- 3.5 Council recognised this was a start to an on-going improvement process and that this process included stronger policy development by Council.
- 3.6 Having considered Council's comments the companies have provided their final 2013/16 Statements of Intent:
 - 3.6.1 **Appendix 2:** Westland Holdings Limited
 - 3.6.2 **Appendix 3:** Westroads Ltd and Subsidiary
 - 3.6.3 **Appendix 4:** Hokitika Airport Limited
 - 3.6.4 **Appendix 5:** Westland District Properties Ltd
- 3.7 A review of the SOIs identify that the companies have received Council's comments and modified the statements reflecting these.
- 3.8 Matters drawn to Council's attention are:
 - 3.8.1 **Dividend**
 - 3.8.1.1 Westland Holdings Limited have not been explicit as to their distributions for the next three years. Further to this Council has received correspondence from the Company expressing concern about the amount budgeted in

Council's 2013/14 Annual Plan. Westroads Ltd are budgeting \$300,000 and Hokitika Airport Ltd \$10,000. This makes a shortfall of \$187,000 from Council's budget.

3.8.1.2 At this point in time discussions with the company indicate that for 2013/14 the Company expects to exceed the SOI performance. They have made it clear however that Council is budgeting a stretched target that risks not being achievable.

3.8.2 Haast Hollyford Highway

3.8.2.1 Westland District Properties Limited has taken on board all Council's comments with regard to the Haast Hollyford Highway. They have however included an additional objective *"to facilitate the construction of the Haast Hollyford highway."* This objective extends Council's intention beyond the comment *"While Council supports the development of the opportunity to advance the construction of the highway it will not support the further investment of resources beyond this business case and the establishment of HHHL until it has resolved otherwise after receiving the Business Case."*

4.0 OPTIONS

- 4.1 Receive the Statements of Intent.
- 4.2 Take action under Clause 5 of Schedule 8 of the Local Government Act 2002.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The receiving of the company SOI's is administrative and procedural and therefore of low significance.
- 5.2 No consultation has been undertaken or is required to be undertaken.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 There are no financial implications in making this decision.

7.0 PREFERRED OPTION AND REASONS

7.1 It is recommended that Council receive the Statements of Intent.

8.0 RECOMMENDATION

A) **THAT** Council receive the 2013/16 Statements of Intent for Westland Holdings Limited and Subsidiaries.

Appendix 1: Comments on Statements of Intent 2013-16 Westland Holdings Limited and Subsidiaries

Appendix 2: Westland Holdings Limited

Appendix 3: Westroads Ltd and Subsidiary

Appendix 4: Hokitika Airport Limited

Appendix 5: Westland District Properties Ltd

Stephen Halliwell

Acting Corporate Services Group Manager

Appendix 1



**Comments on
Statements of Intent 2013-16
Westland Holdings Limited and
Subsidiaries**

1.0 INTRODUCTION

- 1.1 Council is pleased to be able to respond to the Company's request to make comments on the Statement of Intent (SOI) of Westland Holdings Ltd (WHL) and subsidiaries.
- 1.2 Council was pleased to receive copies of the SOI's for each company in April.
- 1.3 Council has chosen not to comment on the specifics of each SOI and has made comment to WHL on matters that should be addressed by WHL and each of its subsidiaries. The SOI's contain typo's and inconsistencies in the financials that Council expects will be picked up in your review. Council has focussed on its strategic role.
- 1.4 Council appreciates that it is outside the timelines for making comments but considers that taking the time to improve the SOI's is beneficial to all.
- 1.5 Council ownership of the Council Controlled Organisations (CCO's) has attracted considerable attention in recent times from the public and from Council's auditor.
- 1.6 Council has work-shopped its role in the ownership of CCO's and concludes that it needs to take a more active role in managing its investment. Council intends to work closely with its CCO's so that the Group is working together, pulling in the same direction to achieve Westland's Vision.
- 1.7 This response to the SOI's is a start to this change.

2.0 ROLE OF COUNCIL

- 2.1 The Local Government Act 2002 (LGA) contains a number of prescriptive requirements that apply to CCO's and Council's in addition to the usual requirements companies have.
- 2.2 Many of these requirements have been included in the SOI's such as requirements to be a good employer and conduct its affairs in a business-like manner.
- 2.3 Council is taking particular regard to s.59(1) which states:

2.3.1 s.59 Principal objective of council-controlled organisation

(a) achieve the objectives of its shareholders, both commercial and non-commercial, as specified in the statement of intent; and...

- 2.4 The role of Council as shareholder is to set expectations and monitor the performance of its CCOs. Performance is monitored against SOI measures and targets. The tension between Council and its CCOs is most likely to arise when Council attempts to go beyond this role in monitoring or decision-making or the CCO operates outside of Council's expectations.
- 2.5 However, Council has further obligations to ensure the wise use of public money and the protection of public assets managed and owned by CCOs. Council also has a role in ensuring that CCOs do not make decisions that could have significant implications for future council funding. These obligations can require a level of scrutiny beyond a relatively high-level statement of intent and retrospective performance monitoring.
- 2.6 In reviewing these requirements; Council is of the view that it has done little in recent years to be clear and specific in determining and communicating what Council's objectives are for investing in each CCO. As such the companies are unable to reflect Council's objectives of ownership in the SOI's.
- 2.7 Council is therefore seeking to more clearly articulate their views. Council does acknowledge that this is an iterative process and will need more work, than Council is able to reflect in its comments at this time.
- 2.8 Council has been advised by the Office of the Auditor General that they intend to focus on improving the quality of performance measurement in CCO SOI's. Council also intends to improve performance measurement by more closely linking Key Performance Indicators (KPI's) to Council's main objectives for ownership.
- 2.9 Managing Council's investments and reviewing and monitoring performance is good business. Officer roles will need to be clarified to support this function of Council. Monitoring performance in six monthly and annual reports and reporting on the outcome of that monitoring to Council will be an important part of these roles. You will be informed of these changes when they occur.

3.0 ROLE OF THE BOARD

- 3.1 The LGA makes it clear in s60 that the role of the Board is to make operational decisions in accordance with the SOI and the company constitution.
- 3.2 Council believes in being clearer in stating its expectations in the SOI it will allow the boards to operate more effectively.
- 3.3 Councillors have been receiving some communications which are operational in nature direct from the some of the companies. Council accepts this is inappropriate and inconsistent with the roles of the boards and Council. Council asks that this communication ceases immediately. Should such communications be required to Council and/or Councillors due to political sensitivity and “no surprises” policies, they should be made via the Chief Executive.

4.0 PRINCIPLES OF GOOD GOVERNANCE

- 4.1 Council has considered some principles of good governance as they apply to both Council and the companies. Council intends to apply these principles in its role and expects the companies to do likewise.
- 4.2 The following are required for a strong governance relationship between the Governing Body of Council and its CCOs:
 - Leadership
 - Empowerment
 - Accountability
 - Transparency
 - Public service ethos
 - Trust
- 4.3 **Leadership**
 - 4.3.1 Council is responsible for setting strategic direction and communicating this via the Statement of Intent, letter of expectations and other mechanisms.
 - 4.3.2 While CCOs should show leadership in their areas of expertise this must be consistent with shareholder expectations.

- 4.4 Empowerment**
 - 4.4.1 CCO directors must be empowered to fulfil their statutory, constitutional and SOI responsibilities.
 - 4.4.2 If they are unnecessarily constrained, they cannot fulfil their obligations and are unable to 'add value'.
- 4.5 Accountability**
 - 4.5.1 Accountability must accompany empowerment.
 - 4.5.2 In addition to audit and annual report requirements, every three years elected members are held to account by the public for their use of ratepayer money and for their stewardship of council owned assets.
 - 4.5.3 This accountability needs to be 'transferred' to the CCOs.
- 4.6 Transparency**
 - 4.6.1 Accountability for public funds also requires a high level of transparency.
 - 4.6.2 This is particularly important for CCOs undertaking a mix of commercial and publicly funded activities.
 - 4.6.3 Transparency requires visibility of funding to ensure that it has been used for intended public good outcomes rather than private benefit.
- 4.7 Public Service Ethos**
 - 4.7.1 CCO directors must ensure they behave in a manner that is consistent with a public service ethos, and require the same from their executives.
 - 4.7.2 This requires them to exercise judgment and caution in decision-making distinct from what may be required in a commercial environment.
- 4.8 Trust**
 - 4.8.1 Productive CCO relationships require a culture of cooperation and trust.
 - 4.8.2 The 'no surprises' policy is a critical part of this, and ensures that CCOs and Council keep each other informed before matters are in the public arena.
- 4.9 Council acknowledges that some work may be required to develop a common understanding of the application of these principles.

5.0 WESTLAND'S VISION

- 5.1 Council supports the inclusion of the Westland Vision in the SOI's.
- 5.2 Council has given some thought as to the extent to which each Company contributes to the Westland Vision Objectives. While Council acknowledges that all entities contribute to all of the objectives in some way, Councils was seeking to determine the area of most significant contribution.
- 5.3 The table below shows the objectives Council believes the Company should be contributing to most significantly.

Objective	Company
Involving the community and stakeholders	WDPL
Having inspirational leadership	WHL
Having expanded development opportunities	HAL WDPL
Having top class infrastructure for all communities	HAL WRL
Living the 100% Pure NZ Brand	

6.0 COUNCIL PRIORTIES FOR CCO's

- 6.1 Council has also given consideration to the most important objectives it has for each company in the group.
- 6.2 This list is far from exhaustive but gives a guide to priorities for the coming 12 months.
- 6.3 **Westland Holdings Limited**
- 6.4 Council expects the Company to:
- 6.4.1 Take control of the Group and actively manage its investments. An important part of this in 2013/14 is to support a review of the Group structure by Council.
- 6.4.2 Actively monitor the Group's performance against Council's expectations and to report on the financial and non-financial performance of the Group on a timely basis in six monthly and

annual reports. In order to achieve this, the Company will need to continually improve the SOI's. Council has budgeted for distributions of \$497,000 for each of the next three years. The Group should be aware of Council's difficult financial situation and Council acknowledges that its current budgeting challenges the Company.

- 6.4.3 To work to improve formal communication with Council and promotion of the Group's activities. This should be done in a timely manner, through Council's Chief Executive and on a no surprises basis.
- 6.4.4 The transfer of strategic assets will not proceed on 1 July 2013 and will be subject to the outcome of the review of the CCO structure outlined in 6.4.1.

6.5 Westroads Limited

6.6 Council expects the Company to:

- 6.7 Continue to be operated successfully so that it can return a distribution to shareholders that make a significant contribution to Council's budgeted distribution. The Company contributes significantly to the Group distributions to Council and at the level Council has budgeted for these distributions this creates some challenges for the Company to continue to be financially successful.
- 6.8 Continue to maintain a successful presence in Westland, including employing locals and having equipment available in the District. While this does not exclude developing the business outside of Westland, having the company located in the District is important to Council's investment in the Company.
- 6.9 Continue to be competitive in bidding for contestable contracts tendered by Council.

6.10 Hokitika Airport Limited

6.11 Council expects the Company to:

- 6.12 Continue to operate the Hokitika Airport and Franz Josef Heliport sustainably.
- 6.13 Continue to protect Hokitika Airport and Franz Josef Heliport for growth of operations.
- 6.14 **Westland District Properties Limited**
- 6.15 Council expects the Company to:
 - 6.16 Improve its communication with Council and stakeholders. The Company is relatively new and the community still needs to understand its contribution to Council's objectives. The Company is also operating a number of community service activities which requires a strong public service ethos. The community currently sees some of the Company's revenues and expenditure as ratepayers funds. The Company is undertaking some commercial activities on Council's behalf which are controversial. All these matters require strong, consistent, transparent messages that recognise the communities' interest in these activities.
 - 6.17 Continue to negotiate commercial returns on mining licenses on properties managed by the Company on Council's behalf.
 - 6.18 Continue to further develop the opportunities that currently exist to advance the possibility of accessing and developing the Haast to Hollyford road. Council recognises the Company is advancing this project quickly and that there are commercial reasons for doing this. Council supports this project but perceives considerable political and financial risks associated with the project. With this regard Council expects to have involvement at critical stages in the development of the project and that this is reflected in the Companies KPI's in the SOI.
 - 6.18.1 It has been brought to Council's attention that the Company requested through WHL that the process be started to form Haast Hollyford Highways Limited (HHHL). Council is required to complete a LGA special consultative procedure before this can happen. Council will undertake this process as soon as a statement of

proposal is developed by WHL that is complete to Council's satisfaction.

6.18.2 Further to this Council expects to approve all sales of shares in HHHL prior to the transaction occurring.

6.18.3 Council requires a full business case outlining the risks and opportunities the project has for the Company, Group, Council and the Community. Council expects this business case to make reference to reports already commissioned by Council and the Company, to outline financial implications to the Company, Group and Council and sensitivity analysis on these figures. The business case should also address the wider implications to the District including economic development as well as social and environmental implications both positive and negative. Council acknowledges the detailed environmental implications will be covered by RMA processes.

6.18.4 Council is likely to get the Business Case peer reviewed before considering it. The Company can determine the timing of this report but should recognise Council will need two to three months to consider the report.

6.18.5 While Council supports the development of the opportunity to advance the construction of the highway it will not support the further investment of resources beyond this business case and the establishment of HHHL until it has resolved otherwise after receiving the Business Case.

7.0 COUNCIL'S PRIORTIES FOR COUNCIL

7.1 As stated in the introduction Council intends to more actively manage its investments in the CCO's along with improved SOI's. Council has recognised that it needs to develop stronger policies.

7.2 Council plans to review or create the following policies:

7.2.1 Directors Appointment Policy

7.2.2 Directors Remuneration Policy

7.2.3 Board Performance Reviews Policy

7.2.4 Decision Making Guidelines

7.2.5 Communications Policies

- 7.3 Council will work with WHL in the development of these policies and is likely to communicate them through a formal Letter of Expectations. It is envisaged the Letter of Expectations would be reviewed every three years after each election of Council.
- 7.4 To work to improve formal communication with the Companies in a timely manner, through the Chair of WHL and on a no surprises basis.

8.0 CONCLUSION

- 8.1 Council considers these comments to be the start of a renewed and active interest in Council investments across the whole of Council. Policies and objectives will develop with this greater interest.
- 8.2 Council expects WHL to take on Board these comments and reflect them in the SOI's of its subsidiaries. It also expects the major matters for each subsidiary to be reflected in the SOI for WHL.
- 8.3 Council considers the current SOI's to be at a formative stage in their development and looks forward to the development of more meaningful SOI's over the coming years.
- 8.4 Council wants this viewed as a partnership and to that end will actively work with the Companies to achieve the objectives that ultimately benefit our community.
- 8.5 Finally the CCOs are largely operating very successfully and Council is supportive overall of the work that is being undertaken by the Companies, Directors, and employees of the CCO's.



Westland HOLDINGS

WESTLAND HOLDINGS LIMITED

**HOKITIKA AIRPORT LIMITED
WESTROADS LIMITED
WESTLAND DISTRICT PROPERTY LIMITED**

STATEMENT OF INTENT FOR THE THREE YEARS COMMENCING 1 JULY 2013

1. INTRODUCTION
2. COMPANY MISSION
3. THE OBJECTIVES OF THE COMPANY
4. NATURE AND SCOPE OF ACTIVITIES
5. GOVERNANCE
6. PERFORMANCE TARGETS
7. SHAREHOLDERS' FUNDS/ASSETS
8. DIVIDEND POLICY
9. CAPITAL EXPENDITURE
10. DEBT REDUCTION
11. ACQUISITION OR DISPOSAL OF OTHER INTERESTS
12. REPORTING TO SHAREHOLDERS
13. ACCOUNTING POLICIES

WESTLAND HOLDINGS LIMITED

1. INTRODUCTION

This Statement of Intent ("SI") is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

The SI specifies for Westland Holdings Limited ("WHL") and its subsidiaries the objectives, the nature and scope of the activities to be undertaken, and the performance targets and other measures by which the performance of the group may be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SI is a public and legally required expression of the accountability relationship between the company and its sole shareholder, the Westland District Council ("WDC"). The SI is reviewed annually with the WDC and covers a three year period commencing 1 July 2013.

2. COMPANY MISSION

Investing in, and promoting the establishment of, key infrastructure assets in a commercially viable manner to assist the development of Westland as a world-class destination as stated in Council's Vision. WHL delivers the objective of "Having inspirational leadership."

Westland Holdings Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

Westland Holdings Ltd. Contributes to Westland's vision by:

- Providing inspirational leadership

3 THE OBJECTIVES OF THE COMPANY

As required by section 59 of the Local Government Act 2002, the principal objectives of WHL are to:

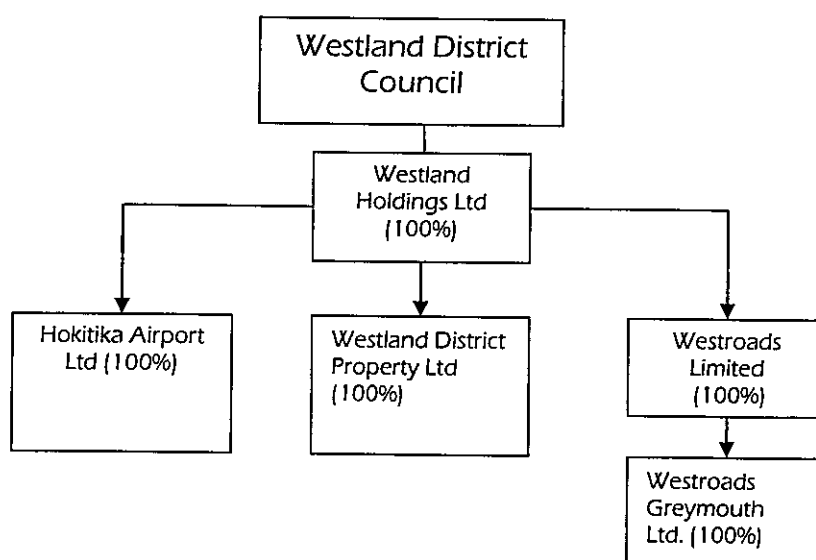
- achieve the objectives of its shareholders, both commercial and non-commercial, as specified in this statement of intent; and
- be a good employer in accordance with S:36(2) of schedule 7 of the Local Government Act 2002 and
- exhibit a sense of social responsibility by having regard to the interests of the community in which it operates.
- exhibit a sense of environmental responsibility by having regard to the interests of the community in which it operates.

WHL achieves the following Community Outcome in Westland District Council's Long Term Council Community Plan:

ECONOMY: *A thriving, resilient and innovative economy creating opportunities for growth and employment.*

4. NATURE AND SCOPE OF ACTIVITIES

WHL is a wholly-owned council-controlled organization ("CCO") of WDC, which was formed on 24 July 2002. The group structure is as follows:



Shareholding Role

WHL on behalf of WDC has:

- A shareholding investment in Hokitika Airport Limited ("HAL") of \$2,448,000 representing 100% of HAL's share capital.
- A shareholding investment in Westroads Limited ("WL") of \$3,350,000 representing 100% of WL's share capital.
- A shareholding investment in Westland District Property Limited ("WDPL") of \$2,504,000 representing 100% of WDPL's share capital.

Activities that are to be undertaken by WHL are:

- Negotiation of the individual annual SIs for the CCOs that it owns (the subsidiary companies).
- Negotiation of the annual SI between WDC as shareholder and WHL.
- Monitoring the performance of the subsidiary companies that WHL owns.
- Advice to WDC regarding potential CCO establishment opportunities.
- Maintaining a Register of Potential Directors including public advertising.
- Appointment and monitoring of the directors of the subsidiary companies.
- Hosting an annual shareholders' meeting.

The undertaking of any activity not provided for under this SI requires the prior approval of WDC, specifically:

- No subsidiary companies are to be formed by WHL without the prior approval of WDC.
- No shares are to be acquired by WHL or the subsidiaries without the prior approval of WDC.
- No shares held by WHL or the subsidiaries are to be sold or otherwise disposed of without the prior approval of WDC.

Over time, WDC may form other CCOs within the WHL structure. WHL is an obvious vehicle for holding the shares in these enterprises; however it remains WDC's intention that the directors' approach to the holding of other shares will be determined on a case-by-case basis. With the position that the directorate holds, within the overall WDC group, it is anticipated that WHL will assist WDC in the identification and assessment of future opportunities.

Specific objectives of WHL are:

- To monitor the performance of each subsidiary company.
- To ensure that each subsidiary company operates economically and efficiently, and in accordance with an agreed SI, and to optimize the returns from, and the value of, the subsidiary companies within the parameters set by WDC.
- To ensure, insofar as it is lawfully able and commercially practicable, that the SI of each of the subsidiary companies reflect the policies and objectives of WDC.
- To keep WDC informed of matters of substance affecting WHL and the subsidiary companies and, insofar as it is practical and reasonable in the opinion of the directors, provide the opportunity for comment on such matters prior to taking any action.
- To ensure that there is regular and informative reporting of the financial and non-financial performance and risk exposures of WHL and the subsidiary companies.
- To report to WDC on CCO establishment opportunities, and other investment opportunities that have the potential to enhance the economic well-being of the region, and provide an adequate return.
- To maintain and improve good governance by regularly and constructively appraising the performance of the subsidiary company directorates, maintaining an appropriate monitoring framework and informing WDC prior to appointment of the new director.
- To support Westland District Council in a review of the company structure during the 2013/14 year.
- To support Westland District Council to review or create policies relevant to the Company.

5. GOVERNANCE

WHL's directors are appointed by the shareholders to govern and direct WHL's activities. This responsibility includes such areas of stewardship as:

- Commercial performance
- Non-commercial performance
- Business plans and budgets
- Corporate policies
- Financial and distribution policies
- Management oversight and development
- Delegations or authority
- Identification and management of business risks
- Identification and management of business opportunities
- Internal control systems
- Integrity of management information systems
- Relationships with stakeholders and external parties
- Compliance with relevant law
- Reports to shareholders

The Directors are:

- Graeme King (Chair)
- Tony Williams
- Maureen Pugh

6. PERFORMANCE TARGETS OF WESTLAND HOLDINGS LIMITED FOR THE THREE YEARS COMMENCING 1 JULY 2013

The following performance targets have been set for the 2013/14 financial year, and the two years following:

RELATIONSHIP WITH WDC, AND OTHER GOVERNANCE ISSUES:

Objective	Performance Target
1 To ensure that the financial targets and strategic direction of WHL are in line with the requirements of WDC.	<p>A draft SI for WHL will be submitted for approval to WDC by 1 March each year.</p> <p>A completed SI will be submitted to WDC by 30 June each year.</p>
2 To ensure that WDC is kept informed of all significant matters relating to its subsidiaries on a "no surprises" basis.	<p>At least two progress reports be made to WDC in the financial year (in addition to reporting on specific issues), with at least one presentation made to Councillors. Reports will include financial and non-financial performance.</p> <p>Major matters of urgency are reported to the appropriate Council Committee or the CE of WDC within three days.</p>
3 To ensure that WHL directors add value to the company and that their conduct is according to generally accepted standards.	<p>The Chair will initiate an independent formal evaluation of the WHL directorate bi-annually, the first to be undertaken in the 2013/14 year.</p> <p>The Company will review the training needs of individual WHL directors, and ensure training is provided where required.</p>
4 WHL's process for the selection and appointment of directors to the boards of subsidiaries is rigorous and impartial.	<p>The process followed for each appointment to a subsidiary board is transparent, fully documented and reported to WDC.</p>

FINANCIAL

Objective	Performance Target
5 To ensure that WHL returns a dividend to WDC in accordance with WDC's budgets, and meets other financial targets.	WHL negotiates with WDC to pay an achievable distribution for the 2013/14 financial year prior to finalising WDC's budget.
6 To ensure that the subsidiary companies return a minimum acceptable dividend as per the SI of the subsidiary companies.	WHL meets its budgeted level of distribution income.

SPECIFIC SUBSIDIARY MANAGEMENT AND SUPERVISORY FUNCTIONS:

Objective	Performance Target
7 To ensure that WHL's procedure for appointment to subsidiary directorates are open and in accordance with written policy.	That the adopted Directors Policy be followed for any director appointments made.
8 To ensure that the draft subsidiary company SI's are received on a timely basis for review and comment.	Draft SI's are to be received by 14 February from the subsidiary companies.
9 To ensure that the final subsidiary company SI's are appropriate, measurable, attainable and timely.	Comment on the draft SI's within the statutory timeframe of 30 April each year.
10 To ensure that the final subsidiary company SI's are commercially focused documents, while also being compatible with the strategic aims of WDC to prudently manage these long term community investments.	<p>WHL will direct the subsidiary companies to produce commercially focused draft SI's that are cognizant of their responsibilities to the social and environmental needs of the communities of Westland.</p> <p>WHL will assess the alignment of the SI's with any specifically notified WDC strategic directive.</p>

- 11 To ensure that the subsidiary company reporting is relevant and timely.

Subsidiary company SI's to incorporate specific reporting requirements in accordance with legislation and accepted practice.

All activity reports and formal reporting will be done through the Chairman of WHL and the CE of WDC.

RISK MANAGEMENT PROCESSES:

Objective

- 12 To ensure that there are adequate processes for the identification, assessment and management of the risk exposures of the subsidiary companies.

To ensure that subsidiary companies do not make decisions that could have significant implications for future Council funding.

Performance Target

Subsidiary company SI's to incorporate specific statements regarding the processes for the management of risk exposures, including reputational risk.

Long term investment assessment is carried out for any new projects. These must be assessed and approved by Council prior to initiating significant projects.

7. SHAREHOLDERS FUNDS TO TOTAL ASSETS

a) Ratio of Shareholders' funds to total assets.

Shareholders' funds are defined as the sum of the amount of share capital on issue, retained earnings/accumulated losses, revenue and capital reserves. Total assets are defined as the sum of the net book value of current assets, investments, fixed assets, and intangible assets as disclosed in the company's Statement of Financial Position, prepared in accordance with the accounting policies adopted by the Directors.

The target ratio of shareholders' funds to total assets shall not be less than 50% for the period covered by this SI. The appropriateness of this target ratio will be reviewed annually by the Directors.

b) Estimate of the commercial value of the company

The value of WHL has been defined as the value of shareholders' funds as at 30 June 2012.

The value ascribed to shareholders' funds will be that stated in the annual Statement of Financial Position of the company as at the end of the financial year preceding each SI.

c) Transactions between related parties and compensation from WDC

Transactions between WDC, WHL and the subsidiary companies will be conducted on a wholly commercial basis. Compensation for any services provided between WHL and WDC will be conducted on a wholly commercial basis.

8. DISTRIBUTION POLICY

Profit retention and dividend policy will be determined from year to year by the Directors in accordance with operational results, financial prospects, and the circumstances prevailing, with the objectives of ensuring that:

- The amount of the distribution does not limit WHL's ability to fund future capital expenditure requirements to both maintain and expand current operations and address issues relating to the company's debt structure; and with the provisos that:
 - i. The Directors are satisfied that the requirements of section 4 of the Companies Act (the "solvency test") have been satisfied,
 - ii. The amount of the distribution does not exceed the amount of the profit after tax in the year to which the distribution relates, and
 - iii. Total liabilities do not exceed 50% of the total assets.

9. CAPITAL EXPENDITURE

The parent company does not foresee a need for capital expenditure at this time.

10. ACQUISITION OR DISPOSAL OF OTHER INTERESTS

In addition to the references made within this document, each such Director consenting to the act has been provided with a letter of direction from WDC that no sale, or other disposal, or pledge as security of all or any of the shareholding in WDPL, WL or HAL is entered into by WHL, except pursuant to express resolution of WDC authorising such transaction.

11. REPORTING TO SHAREHOLDERS

WHL will provide information that meets the requirements of the Companies Act 1993, the Local Government Act 2002, and the reporting requirements prescribed from time to time by the Institute of Chartered Accountants of New Zealand, in order to enable the shareholders to make an informed assessment of the Company's performance. The following information will be made available:

- a) An annual SI in accordance with Section 64, Section 66 and Schedule 8(3) of the Local Government Act 2002 and any other information that the Directors deem appropriate.
- b) A half-yearly report in accordance with Section 66, 67 and 71 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Companies Act 1993, the Institute of Chartered Accountants of New Zealand, and any other information that the Directors deem appropriate.
- c) An annual report in accordance with Section 67 and 71 of the Local Government Act 2002 and the reporting requirements prescribed from time to time by the Institute of Chartered Accountant of New Zealand, and any other information that the Directors deem appropriate.

12. ACCOUNTING POLICIES

The financial statements of WHL are prepared in accordance with generally accepted accounting practice in New Zealand (NZ GAAP). They comply with the New Zealand International Financial Reporting Standards (NZ IFRS) and other applicable Financial Reporting Standards as appropriate.

The group changed its accounting policies on 1 July 2006 to comply with NZ IFRS.

1. Reporting Entity

Westland Holdings Limited is registered under the Companies Act 1993 and is domiciled in New Zealand.

Westland Holdings Limited is owned by Westland District Council.

The Company is a Council Controlled Trading Organisation as defined in Section 6(1) of the Local Government Act 2002.

The financial statements of the Company have been prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

The Group consists of Westland Holdings Limited, Westland District Property Limited, Hokitika Airport Limited, Westroads Limited and its 100% owned subsidiary, Westroads Greymouth Limited. All group companies are incorporated in New Zealand.

2. Basis of Preparation

a. Statement of Compliance

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

b. Measurement Base

The financial statements have been prepared on a historical cost basis.

c. Functional and presentation currency

These financial statements are presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented has been rounded to the nearest thousand.

d. Use of estimates and judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following notes:

Note 9 – Inventory Valuation

Note 10 – Depreciation and estimated useful lives of property, plant and equipment

3. Significant Accounting Policies

Accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The following particular accounting policies which materially affect the measurement of financial results and financial position have been applied:

(a) Property, plant & equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) Subsequent costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as incurred.

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

- | | |
|--------------------------------|-------------|
| • buildings | 25-50 years |
| • plant and equipment | 2-15 years |
| • office furniture & equipment | 2-15 years |
| • runway infrastructure | 0-67 years |

(b) Intangible assets

Mining licences that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the statement of financial performance on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the

date that they are available for use. The estimated remaining useful lives for the mining licences is 5 years.

Goodwill is being amortised over 20 years.

(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory is determined on a weighted average cost basis. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(d) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(e) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the statement of financial performance.

(i) Impairment of receivables

The recoverable amount of the Group's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.

For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, being property, plant and equipment and mining licences, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the statement of financial performance. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) Financial instruments

The Group categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Amortised cost

Financial liabilities comprise: trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Trade and other receivables

Trade and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(g) Goods and Services Tax (GST)

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

(h) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.

Other leases are operating leases. The leased assets are not recognised on the Group's balance sheet.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(j) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of materials, transfer usually occurs when the product is dispatched to the customer.

(ii) Services

Revenue from services rendered is recognised in the statement of financial performance in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the statement of financial performance in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably,

contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(k) Lease payments

Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

(l) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the statement of financial performance except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend is recognised.

(m) Consolidation

The company has three 100% owned subsidiary companies that are consolidated in these financial statements.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.



Westroads

**WESTROADS LIMITED
& GROUP**

**FINAL STATEMENT OF INTENT
2013/14**

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1. INTRODUCTION

This Statement of Intent is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

Westroads Ltd is a council controlled organisation for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.

Westroads Ltd is a wholly owned subsidiary of Westland Holdings Ltd. It has one subsidiary company, Westroads Greymouth Ltd.

This Statement of Intent covers the 3 year period commencing 1 July 2013.

2. COMPANY MISSION STATEMENT

To deliver a competitively priced and superior service to our clients, while returning an above average rate of return to our shareholders by promoting a culture whereby quality and client requirements are paramount and input from staff is actively encouraged.

Westroads Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

Westroads Limited contributes to the Council's vision by assisting with having top class infrastructure for all communities.

3. THE OBJECTIVES OF THE COMPANY

The principal objective of Westroads Ltd is to operate as a successful business. This will be achieved by:

- a. Carrying out its business in an efficient, effective and profitable manner.
- b. Managing all assets and liabilities on a prudent basis.
- c. Meeting the market requirements in terms of quality, excellence in service and pricing on a commercially competitive basis.
- d. Ensuring the Health & Safety of its staff at all times.



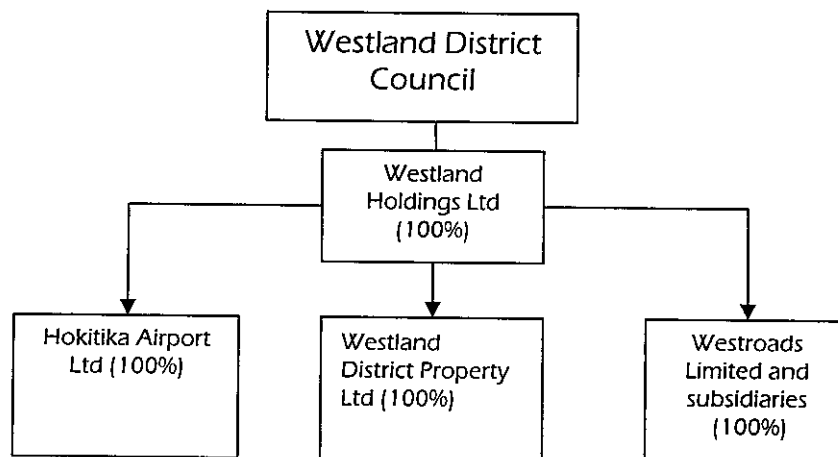
- e. Acting as an environmentally conscious Company.
- f. Acting in the best interests of the shareholder

Other primary objectives of Westroads Ltd are:

- a. Returning a distribution to shareholders that makes a significant contribution to Westland District Council's budgeted distributions from its CCTO's.
- b. Maintaining a significant presence in Westland including employing locals and having equipment available throughout the district.
- c. To be successful in bidding for contestable contracts tendered by Westland District Council.

4. NATURE AND SCOPE OF ACTIVITIES

The group structure is as follows:



The nature of Westroads Ltd activities will be that of a general contractor and a trading organisation offering goods and services for sale and plant and equipment for hire. Its activities will include:

- a. Drainage, sewerage and water services - operation, installation, maintenance and repairs.
- b. Roads and footpaths, bridges, driveways and car parks - their construction, maintenance, marking, signing, repair and cleaning.
- c. Property maintenance and repairs and construction including plumbing, carpentry, joinery, painting and drainlaying.
- d. Environmental services including refuse collection, litter collection, landfill operation, recycling, vegetation control, rural fire suppression, street cleaning and safety.



- e. Vehicle and equipment management services including maintenance workshops and assorted engineering services.
- f. The supply of goods, materials, services and equipment for sale or hire.
- g. Landscaping services including maintaining reserves, general horticultural, silviculture services and household rubbish maintenance and services.
- h. The manufacture and supply of crushed metal and aggregate.
- j. Any other relevant activity as determined by the Directors from time to time.

5. **GOVERNANCE**

The company is governed by a four member board of directors' chaired by Durham Havill. Additional directors are:

Peter Cuff
Maurice Fahey
Bryce Thomson

The director's role includes

- a. Strategic Governance
- b. Financial Management
- c. Management Performance Review
- d. Overseeing Tender Prices for Major Tenders

The board has a director rotation policy in place whereby 1 director retires each year in rotation. Directors are able to make themselves available for re-appointment.

Board evaluation will be conducted annually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

6. **PERFORMANCE TARGETS**

- The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds shall be at least 12% for the 3 years commencing 1 July 2013.
- A return of an annual dividend to the shareholder within a range of 50-75% of the company's net profit after tax.
- Compliance with statutory and regulatory requirements enabling Westroads Ltd, Westland Holdings Ltd and Westland District Council to comply with the Local Government Act.



7. RATIO OF CONSOLIDATED SHAREHOLDERS' FUNDS TO TOTAL ASSETS

The ratio of consolidated shareholder funds to total assets shall be greater than 55 per cent.

Shareholders' funds are defined as the paid up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either "Revenue Reserves" or "Capital Reserves".

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of Dividends to Westland Holdings Limited or subvention payment to Westland District Council in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited and, subject to the following criteria:

- Westroads Ltd. will utilise Group losses to the maximum extent available and pay for the use of the losses at the current tax rate by way of a subvention payment.
- The amount of any distribution shall take into account Westroad Ltd's ability to fund future capital expenditure requirements, to maintain and expand its operations, to meet its obligations under the Companies Act 1993 and to address matters related to the debt structure of the company.
- Total liabilities do not exceed 50% of the total assets without the approval of Westland Holdings Limited.

9. CAPITAL EXPENDITURE

The boards policy is to replace plant & equipment on a wear and tear basis, with major items being submitted to the board for approval. Additional capital expenditure is approved by the board following a submission by management.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$750,000 for any one project, including the funding mechanism for the purchase or development.

10. PROCEDURES FOR ACQUISITION OF OTHER INTERESTS

The company will not subscribe for, purchase, or otherwise acquire shares in any Company or other organisation without first being authorised to do so by special resolution of shareholders and Council.

11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The Directors estimate that the commercial value of the shareholders' investment in Westroads Ltd will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular changes in land and improvements as recorded on the tri-annual government valuations.

12. RISK MITIGATION

The company shall develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June.

13.1 Draft Statement of Intent

On or before 14th February each year, the Directors shall deliver to the shareholders a Draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before 15th June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

13.3 Half Yearly Report

On or before 28th February each year, the Directors shall deliver to the shareholders an unaudited report containing the following information as a minimum in respect of the half year under review:

- a. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports.
- b. A statement of financial position at the end of the half year.
- c. A statement of cash flows.

- d. A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the company's performance, including an estimate of the financial result for the year based on that outlook.
- e. A report on non financial performance measures.
- f. A copy of the Audit New Zealand management report for the previous year.

13.4 Annual Report

By 15 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceeding 30 June, containing the following information as a minimum:

- a. A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows
- e. A report on non financial performance measures
- f. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 Annual Budget

An annual budget shall be provided for the coming financial year the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council.

13.6 Quarterly Report

A quarterly report containing financial information as agreed between Westroads Ltd and Westland Holdings Ltd shall be supplied between the half year report and the annual report.



14. ACCOUNTING POLICIES

The financial statements of the subsidiary will be prepared in accordance with the requirements of the Companies Act 1993, the Financial Reporting Act 1993 and the Local Government Act 2002.

14.1 Basis of Preparation

a. Statement of Compliance

The financial statements will be prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They will comply with New Zealand equivalents to International Financial Reporting Standards ("NZIFRS") and other applicable Financial Reporting Standards, as appropriate for profit-oriented entities.

b. Measurement Base

The financial statements will be prepared on a historical cost basis.

c. Functional and presentation currency

The financial statements will be presented in New Zealand dollars (\$), which is the Group's functional currency. All financial information presented has been rounded to the nearest thousand.

d. Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are to be reviewed on an ongoing basis. Revisions to accounting estimates are to be recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are to be described in the notes.



14.2 **Significant Accounting Policies**

Accounting policies set out below are to be applied consistently to all periods presented in the financial statements.

The following particular accounting policies which materially affect the measurement of financial results and financial position are to be applied:

(a) **Property, plant & equipment**

(i) **Recognition and measurement**

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(ii) **Subsequent costs**

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The costs of the day-to-day servicing of property, plant and equipment are recognised in the profit or loss as incurred.

(iii) **Depreciation**

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated.

(b) **Intangible assets**

Mining licences that are acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised in the profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.



(c) Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the first-in first-out principle, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Metal inventory cost is calculated on a discounted sale value basis, as an approximation of weighted average cost. In the case of development land inventory, cost includes any development costs to date. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(d) Construction work in progress

Construction work in progress represents the gross unbilled amount expected to be collected from customers for contract work performed to date. It is measured at cost plus profit recognised to date less progress billings and recognised losses. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Group's contract activities based on normal operating capacity.

Construction work in progress is presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

(e) Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any objective evidence of impairment.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of assets and are recognised in the profit or loss.

(i) Impairment of receivables

The recoverable amount of the Group's investments in receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at the original effective interest rate (i.e., the effective interest rate computed at initial recognition of these financial assets). Receivables with a short duration are not discounted.

Impairment losses on an individual basis are determined by an evaluation of the exposures on an instrument by instrument basis. All individual instruments that are considered significant are subject to this approach.



For trade receivables which are not significant on an individual basis, collective impairment is assessed on a portfolio basis based on numbers of days overdue, and taking into account the historical loss experience in portfolios with a similar amount of days overdue.

(ii) Non-financial assets

The carrying amounts of the Group's non-financial assets, being property, plant and equipment and mining licences, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that are largely independent from other assets and groups. Impairment losses are recognised in the profit or loss. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

(f) Financial instruments

The Group categorises its financial assets as loans and receivables, and its financial liabilities as being at amortised cost.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. The company's loans and receivables comprise: cash and cash equivalents, and trade and other receivables.

Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less impairment.

Financial liabilities

Financial liabilities comprise: trade and other payables, borrowings, and advances. Borrowings are initially recognised at their fair value net of transaction costs, and subsequently measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are classified as other non-derivative financial instruments.

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

(g) Goods and Services Tax (GST)

All items in the financial statements are exclusive of goods and services tax (GST) with the exception of receivables and payables which are stated with GST included. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

(h) Employee benefits**(i) Defined contribution plans**

Obligations for contributions to defined contribution pension plans are recognised as an expense in profit or loss when they are due.

(ii) Other long-term employee benefits

The Group's net obligation in respect of long-term employee benefits other than pension plans is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted.

(iii) Termination benefits

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

(iv) Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A provision is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(i) Leased assets

Leases in terms of which the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Upon initial recognition the leased asset is measured at an amount equal to the lower of its fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset.



Other leases are operating leases. The leased assets are not recognised on the Group's balance sheet.

(j) Provisions

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(k) Revenue

(i) Goods sold

Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, and there is no continuing management involvement with the goods.

Transfers of risks and rewards vary depending on the individual terms of the contract of sale. For sales of materials, transfer usually occurs when the product is dispatched to the customer.

(ii) Services

Revenue from services rendered is recognised in the profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed.

(iii) Construction contracts

As soon as the outcome of a construction contract can be estimated reliably, contract revenue and expenses are recognised in the profit or loss in proportion to the stage of completion of the contract. Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments to the extent that it is probable that they will result in revenue and can be measured reliably.

The stage of completion is assessed by reference to surveys of work performed. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred that are likely to be recoverable. An expected loss on a contract is recognised immediately in profit or loss.

(l) Lease payments

Payments made under operating leases are recognised in the profit or loss on a straight-line basis over the term of the lease.

(m) Income tax expense

Income tax expense comprises current and deferred tax. Income tax expense is recognised in the profit or loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that they probably will not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(n) Consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

15. SALES OF GOODS/SERVICES TO LOCAL AUTHORITIES

The company will provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis.



16. **FINANCIAL FORECASTS (\$000s)**

CONSOLIDATED GROUP

	Budget 2013/14	Forecast 2014/15	Forecast 2015/16
Gross Revenue	12,100	12,250	12,400
Cost of Sales	9,300	9,350	9,400
Gross Profit	2,800	2,900	3,000
Other Income	30	30	30
Administrative expenses	1,900	1,950	2,000
Finance costs	130	130	130
Net Profit Before Tax	800	850	900
Tax Expense	224	238	252
Net Profit for the Year	576	612	648
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income for the year	576	612	648
Other Performance Targets			
Dividends	300	320	340
Earnings Retained	276	292	308
Closing Shareholder's Funds	5,800	6,092	6,400
Tax Paid Return on Ave Shareholder's Funds	10.2%	10.3%	10.4%

WESTROADS GREYMOUTH LTD (SUBSIDIARY)

	Budget 2013/14	Forecast 2014/15	Forecast 2015/16
Gross Revenue	5,000	5,150	5,250
Cost of Sales	3,765	3,840	3,915
Gross Profit	1,235	1,310	1,335
Other Income	40	40	40
Administrative expenses	965	1,000	1,025
Finance costs	120	110	110
Net Profit Before Tax	190	240	240
Tax Expense	53	67	67
Net Profit for the Year	137	173	173
Other comprehensive income	Nil	Nil	Nil
Total comprehensive income for the year	137	173	173
Other Performance Targets			
Dividends	0	0	0
Earnings Retained	137	173	173
Closing Shareholder's Funds	1,700	1,873	2,046
Tax Paid Return on Ave Shareholder's Funds	4.2%	9.7%	8.8%

Appendix 4



STATEMENT OF INTENT

**FOR THE THREE YEARS COMMENCING
1 JULY 2013**

1. INTRODUCTION
2. COMPANY MISSION STATEMENT
3. THE OBJECTIVES OF THE COMPANY
4. NATURE AND SCOPE OF ACTIVITIES
5. GOVERNANCE
6. PERFORMANCE TARGETS
7. SHAREHOLDERS' FUNDS TO TOTAL ASSETS
8. DISTRIBUTION POLICY
9. CAPITAL EXPENDITURE
10. ACQUISITION OF OTHER INTERESTS
11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT
12. RISK MANAGEMENT
13. REPORTING TO SHAREHOLDERS
14. ACCOUNTING POLICIES
15. SALE OF GOODS /SERVICES TO LOCAL AUTHORITY
16. FINANCIAL FORECASTS

1. INTRODUCTION

- 1.1 This Statement of Intent is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.
- 1.2 Hokitika Airport Ltd is a council controlled organization for the purposes of the Local Government Act 2002 and is registered under the Companies Act 1993.
- 1.3 This statement sets out the objectives and scope of activities proposed to be carried out by Hokitika Airport Limited in the 3 year period commencing 1st July 2013.

2. COMPANY MISSION STATEMENT

To maximise opportunities for the development of commercial and tourism based aviation in Westland and the promotion of Westland as a destination.

Hokitika Airport Limited supports the Westland District Council's "Vision of Westland" that it will, by 2030, be a world class tourist destination and have industries and businesses leading through innovation and service. This will be achieved by:

- Involving the community and stakeholders
- Having inspirational leadership
- Having expanded development opportunities
- Having top class infrastructure for all communities
- Living the '100% Pure New Zealand' brand

HAL contributes to Council's vision by -

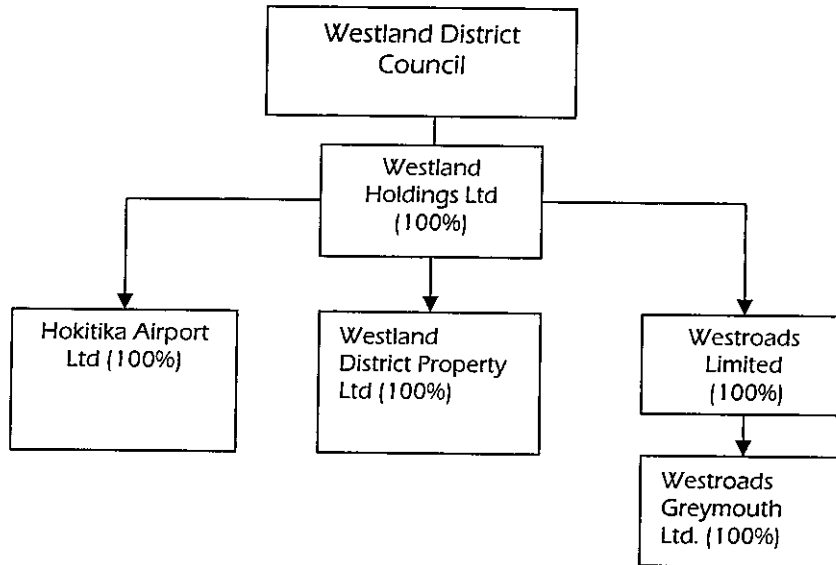
- ~ Having expanded development opportunities
- ~ Having top class infrastructure for communities

3. THE OBJECTIVES OF THE COMPANY

- 3.1 The Directors will maintain and improve airport services to a high standard and enhance airport facilities whilst continuing to operate the Company as a commercially successful business. To achieve this, the company intends to:-
 - (a) Maintain the value of the shareholders' investment.
 - (b) Provide quality, efficient and cost-effective services on a commercially competitive basis.
 - (c) Ensure that pricing strategies are market sensitive and on a commercial basis.
 - (d) Strive to minimise operating costs.
 - (e) Maintain a high level of safety and security in its operations.
 - (f) Manage its financial assets and liabilities on a prudent basis.
 - (g) Act with social responsibility.
 - (h) Be a good employer.
 - (i) Grow and diversify revenue streams from business development.
 - (j) Operate the Hokitika Airport and Franz Josef Heliport sustainably.
 - (k) Continue to protect Hokitika Airport and Franz Josef Heliport for growth of business.

4 NATURE AND SCOPE OF ACTIVITIES

The group structure is:



- 4.1 The primary nature and scope of activities for the Company is to operate, manage and develop facilities in Westland. These activities include:
- (a) The provision, maintenance, upgrading and extension of services and facilities for the landing and take-off of aircraft and the training of pilots, having regard to statutory and regulatory requirements of the Civil Aviation Authority of New Zealand.
 - (b) The provision and maintenance of facilities for the Airport Company and general businesses located at airports and helipads.
 - (c) The management of airport land holdings.
 - (d) The provision and leasing of secure storage facilities at Hokitika Airport
- 4.5 To continue the development of the Glacier Country Aerodrome Reserve to provide a safe helipad facility and explore opportunities for further enhancements to the area.
- 4.6 To offer services to other local airports, airfields and seaports.
- 4.7 The development and management of facilities that will support Westland District Council's vision for Westland, including the planning for an international airport along with the promotion of Westland as a destination.
- 4.8 To become involved in strategic projects which will benefit the District, as opportunities arise.

5. GOVERNANCE

The Company is governed by a board of up to four directors chaired by Bruce Smith. The director's role includes:

- Strategic Governance
- Financial Management
- Contractor Performance Review

Directors retire at the Annual General Meeting and can make themselves available for re-appointment, generally on a three year term.

The directors are:

Bruce Smith	2013
Les Singer	2013
Linda Robinson	2014
Marcel Fekkes	2014

Board evaluation will be conducted annually and facilitated by the Chair. Directors will consider training requirements annually to ensure that professional standards are adhered to.

6. PERFORMANCE TARGETS

The Company will report to shareholders on the following performance indicators:

- a) The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 0.5% to 5%.
- b) The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) within the range of 0.5% to 5%.
- c) Compliance with statutory and regulatory requirements enabling Hokitika Airport Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002.

7. SHAREHOLDERS FUNDS TO TOTAL ASSETS

The ratio of shareholder funds to total assets shall be greater than 70%.

Shareholder funds are defined as the paid up capital, plus any tax paid profits earned and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as either Revenue or Capital Reserves.

Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of Dividends to Westland Holdings Limited or subvention payment to Westland District Council in accordance with the annual Statement of Intent, as agreed with Westland Holdings Limited.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, and included in the annual Statement of Intent, subject to the following criteria:

A subvention payment is defined as a payment based on a dollar for a dollar of tax loss.

The amount of any distribution takes into account Hokitika Airport Limited's ability to fund agreed future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.

Total liabilities do not exceed 30% of the total assets without the approval of Westland Holdings Limited.

9. **CAPITAL EXPENDITURE**

Capital expenditure will maintain, enhance and develop facilities controlled by Hokitika Airport Limited in accordance with the objectives of the company.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$500,000 for any one project including the funding mechanism for the purchase or development. This figure to be calculated based on the complete cost of a particular project even if the expenditure is spread over more than one year and comprises multiple transactions.

10. **ACQUISITION OF OTHER INTERESTS**

The company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by special resolution of Westland Holdings Ltd and Westland District Council.

11. **COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT**

The Directors estimate that the commercial value of the shareholders' investment in Hokitika Airport Ltd will be represented by the opening balance of shareholders' funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount.

The value of the investment will be reassessed every three years by evaluating movement in asset values, in particular changes in land and improvements as recorded on the tri-annual government valuations.

12. **RISK MANAGEMENT**

The company shall develop a risk assessment methodology and document a risk management analysis together with strategies for mitigation of these risks.

The Company shall adopt a communications policy.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy.

13. **REPORTING TO SHAREHOLDERS**

The following information will be available to shareholders based on an annual balance date of 30 June.

13.1 **Draft Statement of Intent – By 14th February**

On or before 14th February each year, the Directors shall deliver to the shareholders a Draft Statement of Intent with tracked changes which fulfils the requirements of clause 9 of schedule 8 of the Local Government Act 2002. Westland Holdings Limited will report to Hokitika Airport Limited comments on the Draft Statement of Intent by 30th April each year.

13.2 **Completed Statement of Intent – By 15th June**

On or before 15th June each year, the Directors shall deliver to the shareholders a Final Statement of Intent.

13.3 Half Yearly Report - by 28th February

On or before 28th February each year, the Directors shall deliver to the shareholders an unaudited Half Yearly Report containing the following information as a minimum in respect of the half year under review:

- a. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent half yearly reports.
- b. A statement of financial position at 31st December.
- c. A statement of cash flows.
- d. A commentary on the results for the first six months together with a report on the outlook for the second six months with reference to any significant factors that are likely to have an effect on the Company's performance, including an estimate of the financial result for the year based on that outlook.
- e. The Westland Holdings Limited board will receive a copy of the Management Report from Audit NZ from the previous year.
- f. A non-financial performance report.

13.4 Annual Report - by 15th September

On or before 15th September each year, the Directors shall deliver to the shareholders an Annual Report and audited financial statements in respect of the financial year, containing the following information as a minimum:

- a. A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- b. A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- c. A statement of financial position at the end of the year.
- d. A statement of cash flows
- e. An auditor's report on the above statements and the measurement of performance in relation to objectives.

13.5 Annual Budget

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council. This budget shall accompany the half yearly financial report.

13.6 Quarterly Report

Between the annual report and half yearly report WDPL will

- (a) Deliver to WHL a quarterly copy of the management accounts.

14. ACCOUNTING POLICIES

The financial statements of Hokitika Airport Limited will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors.

15. SALE OF GOODS/SERVICES TO LOCAL AUTHORITY

The company may provide goods and services to the Westland District Council as part of its normal business activities. These goods and services shall be charged for on a commercial basis.

16. FINANCIAL FORECASTS (\$000s)

	Budget 2013/14	Forecast 2014/15	Forecast 2015/16
Gross Revenue	601	623	656
Cost of Sales	344	369	402
Gross Profit	257	254	254
Other Income	0	0	0
Finance Costs	21	17	13
Depreciation	110	110	110
Subvention Payment	0	0	0
Net Profit/Loss before Taxation	125	127	131
Taxation	38	38	39
Net Profit/Loss after Taxation	88	89	92
Other Comprehensive Income	0	0	0
Total Comprehensive Income	88	89	92
Dividends	10	10	10
Earnings Retained	61	150	242
Closing Shareholder's Funds	2779	2868	2960
Tax Paid Return on Ave Shareholder's Funds	3.2%	3.1%	3.1%



Westland
properties

**WESTLAND DISTRICT
PROPERTY LIMITED**

STATEMENT OF INTENT

**FOR THE THREE YEARS COMMENCING
1 JULY 2013**

1. INTRODUCTION
2. COMPANY MISSION STATEMENT
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- 11.COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT
- 12.RISK MANAGEMENT
- 13.REPORTING TO SHAREHOLDERS
- 14.ACCOUNTING POLICIES
- 15.COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT
- 16.SALE OF GOODS/SERVICE TO LOCAL AUTHORITY
- 17.FINANCIAL FORECASTS

1. INTRODUCTION

This Statement of Intent (SI) is prepared in accordance with Section 64 and Schedule 8 of the Local Government Act 2002.

The SI, for Westland District Property Limited (WPL), specifies the objectives, the nature and scope of the activities to be undertaken, the performance targets and other measures by which the performance of the Company will be judged in relation to its objectives, amongst other requirements.

The process of negotiation and determination of an acceptable SI is a public and legally required expression of the accountability relationship between Westland District Property Limited and its sole shareholder Westland Holdings Limited, which is owned 100% by Westland District Council. The SI is reviewed annually in association with the Holding Company and covers a three year period beginning 1 July 2013.

2. COMPANY MISSION STATEMENT

To manage the ownership and operation of property activities in a commercial and strategic manner. To maximize the return and to become involved in strategic projects which will benefit the Westland District, as opportunities arise.

The Board has adopted a philosophy of being Business friendly.

The Board supports the Westland District Council's Vision for Westland. Westland District Council's Vision for Westland that it will, by 2030, be a world class tourist destination and have industries and business leading through innovation and service. We will achieve this by:

- Involving the community and stakeholders.
- Having inspirational leadership.
- Having expanded development opportunities.
- Having top class infrastructure for all communities.
- Living the 100% Pure New Zealand Brand.

Westland District Property Ltd. contributes to Council's vision by -

- Involving the community and stakeholders
- Having expanded development opportunities

3. THE OBJECTIVES OF THE COMPANY

As required by Section 59 of the Local Government Act 2002, the principal objective of Westland District Property Limited is to:

- Achieve the objectives of its shareholders, both commercial and non-commercial as specified in the SI.
- Be a good employer in accordance with Section 36(2) of Schedule 7 of the Local Government Act 2002.
- Exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.
- Conduct its affairs in accordance with sound business practice.

Specific objectives of Westland District Property Limited are:

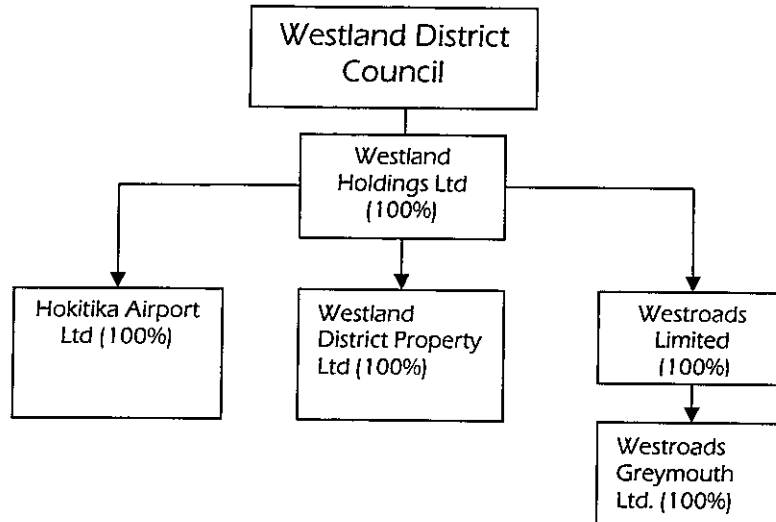
- Provide Westland District Council an opportunity to comment on key decision points related to the Haast Hollyford highway.
- To facilitate the construction of a retirement village and to expand Westland's commitment to housing for the elderly.
- To maintain a commercial focus in the management of the property portfolio particularly those assets that have commercial value or potential.
- To manage, with a commercial focus, the strategic assets: Jackson Bay Wharf, Pensioner Housing and the Hokitika swimming pool complex.
- To carry out management of baches and other activities where road reserve is involved, in line with adopted Council policy.
- To strategically manage the Company's existing property portfolio.
- To be involved in strategic investment throughout the District.
- To enhance the value of the shareholder investment.
- Strive to minimise operational costs and maximise the returns.
- Ensure that there is regular and informative reporting of the financial and non-financial performance.

Westland District Property Limited achieves the following Community Outcome in Westland District Council's Long Term Council Community Plan;

ECONOMY: A thriving, resilient and innovative economy creating opportunities for growth and employment.

4. NATURE AND SCOPE OF ACTIVITIES

The group structure is:



The primary nature and scope of activities for the Company are:

- To manage the property portfolio that is owned by the Company.
- To manage land and any further transfers of land for management purposes (NOTE: requires Council Approval for any Change In Use or ownership) in a commercial manner, to obtain the maximum commercial returns from the property assets.
- To facilitate the construction of the Haast Hollyford highway.
- To facilitate the construction of a retirement village and to expand the Company's commitment to housing for the elderly.
- To identify strategic developments and to pursue these opportunities where considered appropriate.
- Continue to negotiate commercial returns on mining licenses on properties managed by WDPL on Council's behalf.
- To manage, with a commercial focus, the strategic assets of Jackson Bay Wharf, Westland's Pensioner Housing and the Hokitika swimming pool complex.
- To carry out management of baches, and other activities where unformed legal road is involved, in line with adopted Council policy.

- To carry out the management of activities on unformed legal road, where a commercial return is possible. These include, but are not limited to: goldmining, forestry, water.
- To obtain the approval of Westland District Council and Westland Holdings Limited for any changes of use, status or ownership, including the development or disposal of any property or those assets identified as strategic assets.
- To develop a communications policy.
- To keep Council, through Westland Holdings Limited, informed of matters consistent with the communications policy.
- To meet any prior obligations made by Westland District Council to the community.
- To facilitate the bringing together of commercial and community groups to share and celebrate their expertise and success in growing Westland in line with Council's 2030 vision.

5. GOVERNANCE

The Directors of Westland District Property Limited are appointed to govern and direct the company's activities. The directors' role includes:

- a. Strategic Governance
- b. Financial Management
- c. Management Performance Review
- d. Relationships with stakeholders and external parties

The Company is governed by a three member board of directors chaired by Graeme Purches. Additional directors are:

- Les Singer
- Durham Havill

The Board has been appointed for a term of up to one year while Council and Westland Holdings Ltd undertake a strategic review of the group structure.

Board evaluation will be conducted annually and facilitated by the Chair.

Directors will consider training requirements annually to ensure that professional standards are adhered to.

6. PERFORMANCE TARGETS

The Company will report to shareholders on the following performance indicators annually:

- (a) The ratio of net profit before taxation and revaluations (before extraordinary items) to average shareholder funds within a range of 1% and 6% for 2013/2014.
- (b) The ratio of net profit before taxation and revaluations to average total assets (including any revaluation) within the range of .5% to 5% for 2013/2014.
- (c) A return on property transferred for management purposes greater than that obtained by Council for the 2009/2010 year.
- (d) Compliance with statutory and regulatory requirements enabling Westland District Property Limited, Westland Holdings Limited and Westland District Council to comply with the Local Government Act 2002.

7. SHAREHOLDERS FUNDS TO TOTAL ASSETS

- The ratio of shareholder funds to total assets shall be greater than 60 percent.
- Shareholder funds are defined as the paid up capital, plus any tax paid profits earned, and less any dividends distributed to shareholders. They include undistributed profits which have been accumulated in accounts known as Revenue or Capital Reserves.
- Total assets are defined as the sum of all current assets, fixed assets, intangible assets and investments of the Company.

8. DISTRIBUTION POLICY

Distributions will be paid, either by way of dividends to Westland Holdings Limited or subvention payment to Westland District Council, as agreed with Westland Holdings Limited.

The degree of profit retention/distribution will be agreed annually with Westland Holdings Limited, and included in the annual Statement of Intent, subject to the following criteria:

A subvention payment is defined as a payment based on a dollar for a dollar of tax loss.

- The amount of any distribution takes into account Westland District Property Limited's ability to fund future capital expenditure requirements, to maintain and expand its operations, or to address matters related to the debt structure of the Company.
- Total liabilities do not exceed 40% of the total assets without the approval of Westland Holdings Ltd.

9. CAPITAL EXPENDITURE

Capital expenditure will generally be related to the development of existing land and property but will also be considered from time to time in relation to strategic developments or acquisitions for the benefit of Westland District and the Company.

The approval of Westland Holdings Limited must be obtained for any significant purchases or developments in excess of \$500,000 including the funding mechanism for the purchase or development. This figure to be calculated based on the complete cost of a particular project even if the expenditure is spread over more than one year and comprises multiple transactions.

10. ACQUISITION OF OTHER INTERESTS

The Company will not subscribe for, purchase, or otherwise acquire shares in any company or other organisation without first being authorised to do so by a special resolution of shareholders.

11. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The Directors estimate that the commercial value of the shareholders investment in Westland District Property Limited will be represented by the opening balance of shareholders funds. The Directors will advise the shareholders on an annual basis if they believe the value to differ materially from this amount

The value of the investment will be reassessed every three years by evaluating movement in asset values. In particular changes to land and improvements as recorded on the tri-annual government valuations.

The Directors may elect to revalue land improvements and investments on an annual basis in line with current Audit New Zealand policy.

12. RISK MANAGEMENT.

The Company shall complete and document a risk management analysis together with strategies for mitigation of these risks.

The Company shall adopt a communications policy.

The Company shall work with WDC to improve communications with Council's elected representatives, relevant staff and stakeholders.

A formal Fraud Policy will be documented and all Directors and staff are to be aware of this policy.

13. REPORTING TO SHAREHOLDERS

The following information will be available to shareholders based on an annual balance date of 30 June:

13.1 Draft Statement of Intent

On or before the 14th February of each year, the Directors shall deliver to the shareholders a Draft Statement of Intent, with tracked changes, in accordance with the requirements of Clause 9 Schedule 8 of the Local Government Act 2002.

13.2 Completed Statement of Intent

On or before the 15th of June each year, the Directors shall deliver to the shareholders a Final Statement of Intent in accordance with Clause 9 Schedule 8 of the Local Government Act 2002.

13.3 Half Yearly Financial Report

Within two months after the end of the first half of each financial year, i.e. 28 February, the Directors shall deliver to the shareholders an unaudited report containing the following information:

- (a) A Revenue Statement disclosing actual and budgeted revenue and expenditure and comparative figures for the same period in the previous year.
- (b) A Statement of Financial Position at the end of the half year i.e. 31 December.
- (c) A Statement of cash flows.
- (d) A commentary on the results for the six months together with a report on the outlook for the second six months with reference to any significant factors that is likely to have an effect on the Company's performance. This commentary is to also include an estimate of the financial result for the year under review.

- (e) A copy of the Audit New Zealand management report for the previous year.
- (f) A non-financial performance report.

13.4 Quarterly Report

Between the annual report and half yearly report WDPL will

- (a) Deliver to WHL a quarterly financial report.

13.5 Annual Report

By 15 September each year, the Directors shall deliver to the shareholders an annual report and audited financial statements in respect of the financial year ending on the preceding 30 June, containing the following information as a minimum:

- (a) A Directors' report including a summary of the financial results, a review of operations, a comparison of performance in relation to objectives and any recommendation as to dividend.
- (b) A revenue statement disclosing actual and budgeted revenue and expenditure, and comparative figures in second and subsequent annual reports.
- (c) A statement of financial position at the end of the year.
- (d) A statement of cash flows.
- (e) An auditor's report on the above statements and the measurement of performance in relation to objectives.
- (f) A non-financial performance report.

13.6 Annual Budget

An annual budget shall be provided in particular terms for the coming financial year and in general terms for the following two years, at such a time to enable it to be included within the Draft Annual Plan for the Westland District Council. This budget shall accompany the half yearly financial report.

13.7 Direct Reporting

Weekly operational reports to Councillors are to cease immediately.

14. HAAST/HOLLYFORD ROAD PROJECT

- Continue to further develop the opportunities that currently exist to advance the possibility of accessing and developing the Haast to Hollyford road.
- To facilitate the construction of the Haast Hollyford highway.
- Council will be updated and involved at critical stages in the development of the project.
- WDPL will complete, to Council's satisfaction, a statement of proposal prior to Council undertaking a special consultative procedure for the formation of any new company.
- WDPL will prepare a full business case for the Haast to Hollyford project outlining the risks and opportunities the project has for the Company, Group, Council and Westland communities. This business case will:
 - Make reference to reports already commissioned by Council and WDPL.
 - Outline financial implications to the Company, Group, and Council, and sensitivity analyses on the figures.
 - Address the wider implications to the District including economic development as well as social, environmental and reputational implications, both positive and negative.
 - Allow up to three months for the business case to be peer reviewed.
 - The Company will not invest further resources beyond preparing the business case and establishing the HHL company, without Council first resolving to do so.

15. ACCOUNTING POLICIES

The financial statements of Westland District Property Limited will be prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting policies to the extent that is practicable without disclosing commercially sensitive information that, in the view of the Directors, would be of value to competitors.

16. COMMERCIAL VALUE OF SHAREHOLDERS INVESTMENT

The commercial value of the shareholders, being Westland Holdings Limited, investment in Westland District Property Limited is estimated at \$2,645,000 and this value will be verified by way of external valuation.

17.SALE OF GOODS/SERVICES TO LOCAL AUTHORITY

It is not considered likely that Westland District Property Limited will carry out any activities for which the Board will seek compensation from Westland District Council, Westland Holdings Limited or its subsidiaries, other than that related to the sale, rental or leasing of property owned or managed by the Company. Any compensation received and details of the undertaking will be reported in the annual report of Westland Holdings Limited as well as the annual report of Westland District Council.

Any commercial activities carried out for and or by Westland District Property Limited in relation to Westland District Council, Westland Holdings Limited or its subsidiaries will be at market rates and will be reported in the annual report of Westland Holdings Limited as well as the annual reports of Westland District Council and/or its subsidiaries.

18. FINANCIAL FORECASTS

ASSUMPTIONS:

- 1) That the transfer of ownership of strategic assets will not be completed on the 1st of July 2013 and result in an increase in capital.
- 2) Costs incurred on the Haast Hollyford road project will be expensed.
- 3) Costs incurred on the elderly housing project will be expensed.

	Forecast	Forecast	Forecast
	2013/2014	2014/2015	2015/2016
Gross Revenue	900,000	1,000,000	1,100,000
Cash Operating Expenditure	780,000	858,000	943,000
Depreciation	10,000	10,000	10,000
Trading Profit/(Loss) before Taxation	110,000	132,000	147,000
Subvention Payment	-	-	-
Net Profit/Loss before Taxation	110,000	132,000	147,000
Taxation	30,800	36,960	41,160
Dividend			
Earnings Retained	79,200	95,040	105,840
Shareholder Funds	2,627,000	2,706,200	2,880,440
Retained Earnings	79,200	174,240	280,080
Closing Shareholder Funds	2,706,200	2,880,440	3,160,520
Tax Paid Return on Shareholder Funds	3%	6.43%	9.72%

Report

DATE: 1 August 2013

TO: Mayor and Councillors

FROM: Acting Corporate Services Group Manager

APPROVAL OF NEW MULTI OPTION CREDIT LINE FACILITY

1.0 SUMMARY

- 1.1 The purpose of this report is for Council to decide on new debt financing arrangements that are within Council's Liability Management Policy requirements.
- 1.2 This issue arises from the current debt arrangement that is not meeting the Council's Liability Management Policy requirements.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Having inspirational leadership	Working smarter by meeting the requirements of Council policies, which in turn provide the platform for future decision making.

- 1.5 This report concludes by recommending that Council agree to the proposed new Multi Option Credit Line facility structure.

2.0 BACKGROUND

- 2.1 The current Council debt of \$15.5million is borrowed from the Westpac Bank. A Multi Option Credit Line (MOCL) agreement is in place of \$15.5m. This agreement expires in March 2014.
- 2.2 The funds are borrowed on 30, 60, 90 and 180 day advances from the money market. Council pays the wholesale interest rate for the funds borrowed and is charged a 1% margin by the bank.
- 2.3 The current facility incurs a \$46,500 credit line fee.
- 2.4 The advantages of a debt facility such as this are that there is no commitment to meet a regular repayment, and there is no penalty for repaying any amounts. The disadvantage is that it is relatively expensive.

3.0 CURRENT SITUATION

- 3.1 Council's Liability Management Policy Section 4 Liquidity and Credit Risk Management expressly states that "to avoid a concentration of debt maturity dates, the Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any 12 month period."
- 3.2 At present 100% of Council's \$15.5million debt expires on March 2014, which breaches the policy. This was first reported to Council in the Q3 report.
- 3.3 The forecast maximum debt requirement for the 2013/2014 financial year is \$17m, depending on timing. The Liability Management Policy requires that we have "committed funding lines of not less than 110% of projected core debt". This policy requires facilities of at least \$18.7m
- 3.4 As Council enters the new financial year, 100% of the current debt matures within 12 months. This creates an adverse working capital situation,

3.5 Council's forecast debt levels are as follows:

Description	Start Date	Investment Debt	Asset Debt	Total Debt
Westland Holdings		8,695,000	-	8,695,000
		-	-	-
		-	-	-
Waste Management	1/07/2013	-	3,069,700	3,069,700
	1/07/2013	-	-	-
Water Supply	1/07/2013	-	3,223,653	3,223,653
Hokitika Airport	16/11/2011	250,000	-	250,000
WDPL	9/07/2012	100,000	-	100,000
WBU Losses	30/06/2013	-	159,999	159,999
Projected Debt 30 June 2013		9,045,000	6,453,352	15,498,352
Forecast Debt 2013				
Operating Debt (O/D Facility)	1/07/2013	0	-	-
Asset Debt (project worksheet)	1/01/2014	-	1,365,000	1,365,000
Forecast Debt 30 June 2014				16,863,352
				At 110% \$ 18,549,687

4.0 OPTIONS

4.1 Option 1:

Option 1 proposes that a new agreement be drawn up, splitting the MOCL into two tranches of \$9.5 million with differing maturity dates:

- \$9.5 million maturing on the 1st July 2014
- \$9.5 million maturing on the 1st July 2015

For these terms the bank will charge a margin of just 1%. Exceeding this borrowing time will increase the bank margin to 1.15%.

Council is charged a credit line fee of 0.3%, regardless of what we use, of \$57,000, an increase of \$10,500. If Council does not make use of the full \$19m, or makes early repayments there are no penalties.

4.2 Option 2 is to roll the current facility and on maturity, sign a variation to contract, increasing the facility to \$19m, the required debt for 2013/14 financial year.

4.3 Option 3 is to continue with the current facility. The current MOCL limit is \$15.5m and Council has reached the maximum debt available. In order to fund the debt requirements for 2013/14 financial year Council could raise a long-term debt facility and make regular repayments.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 Council has just completed a lengthy Annual Plan consultation. Issues of debt levels were raised as part of that consultation.
- 5.2 With Council having now concluded its consultation it is now necessary to put in place the tools to allow the plan to be activated.
- 5.3 The decision on debt facilities is administrative in that it actions the Annual Plan in accordance with the Liability Management Policy.
- 5.4 It is therefore determined that this decision is of low significance.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Option 1:
 - 6.1.1 A new facility splitting the loan facility into 2 tranches, a short term and long term tranche, would meet the current finance policy of aiming to have not more than 50% of debt mature in any 12 month period. By raising the maximum amount available from the facility to \$19m Council will also meet its 110% funding line requirement.
 - 6.1.2 Maintaining a 12 month expiry keeps the banks margin lower. It also buys Council time to consider long-term debt funding options, such as borrowing from the Local Government Funding Agency.
 - 6.1.3 There would be no extra cost to Council and exposure to risk would be stepped. This is a recommendation from Council's treasury advisor.
 - 6.1.4 Security for these proposed agreements already exists with Westpac Bank. As is usual for Local Government, rates is the security.
- 6.2 Option 2:
 - 6.2.1 Rolling the current facility, with a variation to extend the debt would leave Council in a situation where the provisions of the Liability Management Policy weren't being met and in 2 years' time Council would be in the same situation where its total debt facility expires on the same day.
 - 6.2.2 The advantages will be a less complex debt set up at the 1% margin rate. However, the disadvantage of exposure to bank risk is significant. This option is not recommended as it breaches Council policies.

6.3 Option 3:

6.3.1 Council requires to borrow an additional \$1.4m above the current debt level of \$15.5m. As Council is reviewing its strategies for treasury management it is not practical to enter into long-term debt for such a small amount.

6.3.2 The long term strategy is to consider Local Government Funding Agency for long-term debt. To use this market requires a change in some Council policies and considerable documentation requirements that cannot be practically completed prior to Council needing the funds.

7.0 PREFERRED OPTION AND REASONS

7.1 Option 1 is the preferred option. Council should meet the current financial policies, especially the policy relating to credit risk management. Although in the current market, it is unlikely that the bank will decline an application for debt, the exposure is unwise, as things change.

8.0 RECOMMENDATIONS

- A) **THAT** Council authorise the Chief Executive to amend the current Westpac Bank Multi Option Credit Line facility, reducing the facility to \$9.5million to expire 1st July 2014.
- B) **THAT** Council authorise the Chief Executive to enter a new agreement with Westpac Bank to set up a Multi Option Credit Line facility for \$9.5million to expire 1st July 2015.

Stephen Halliwell
Acting Corporate Services Group Manager

Report



DATE: 01 August 2013

TO: Mayor and Councillors

FROM: Events Manager

TRANSFER OF RESERVE FUND ACCOUNT – GUY MENZIES DAY

1.0 SUMMARY

- 1.1 The purpose of this report is to ask Council to transfer the Guy Menzies Reserve Fund Account to the Harihari Community Association.
- 1.2 This issue arises from a request from Lindsay Molloy, Chair of the Harihari Community Association, for an account to be paid for work completed on the project.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002 Amendment Act 2012. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	Transferring the responsibility for funds to a community association

- 1.5 This report concludes by recommending that Council transfer the funds for the Guy Menzies Day to the Harihari Community Association.

2.0 BACKGROUND

- 2.1 Money left over from the 75th anniversary celebrations of the first solo flight across the Tasman Sea by Guy Menzies 7th January 2006 was left in a reserve account at Westland District Council.

3.0 CURRENT SITUATION

- 3.1 Currently an account for past work done has been received by Council and needs to be paid. To tidy up the fund, it is desirable to transfer the full amount of \$4,256.28 in the fund to the Harihari Community Association.

4.0 OPTIONS

- 4.1 Council pays the account.
- 4.2 The balance of the funds remaining in this account is transferred to the Harihari Community Association and the account is paid by the Harihari Community Association.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 This has low significance for Council but is important to the Harihari community.
- 5.2 The Chair of the Harihari Community Association has requested that the account be paid.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 Council could pay this account for work done. This would require someone to verify the account. Managing this account also incurs ongoing administrative costs.
- 6.2 It would be more convenient for the Harihari community to manage the account, pay for future work related to the project and/or decide themselves how they want the remainder of the funds spent.

7.0 PREFERRED OPTION AND REASONS

- 7.1 Transfer the funds in the account to the Harihari Community Association.

8.0 RECOMMENDATION

- A) THAT \$4,256.28 be transferred from the Guy Menzies Day Reserve to the Harihari Community Association.

Mike Keenan
Events Manager

Report



DATE: 1 August 2013
TO: Mayor and Councillors
FROM: Manager: Planning and Regulatory

WESTLAND DISTRICT COUNCIL FREEDOM CAMPING CONTROL BYLAW 2012 – REVOCATION

1.0 SUMMARY

- 1.1 The purpose of this report is to assist Council to progress the application for review of the Westland District Council Freedom Camping Control Bylaw (the Bylaw) made by the New Zealand Motor Caravan Association Incorporated (the Association), and to recommend to Council the adoption of a proposal to proceed through the special consultative procedure to revoke the Bylaw.
- 1.2 This issue arises from the application for judicial review of the decision of the Council to adopt the Bylaw and Council's June 2013 decision to revoke the Bylaw.
- 1.3 The Council is required to give effect to the purpose of local government as prescribed by section 10 of the Local Government Act 2002. That purpose is:
- (a) To enable democratic local decision-making and action, by and on behalf of, communities; and
 - (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.
- 1.4 Council seeks to meet this obligation and the achievement of the district vision set out in the Long Term Plan 2012-22. The matters raised in this report relate to those elements of the vision identified in the following table.

Vision's Objectives	Achieved By
Involving the community and stakeholders	That will be achieved by the use of the special consultative procedure.

- 1.5 This report concludes by recommending that Council commence the special consultative procedure to revoke the Bylaw.

2.0 BACKGROUND

- 2.1 Council adopted the Bylaw in 2012 and it became operative on 26 November 2012.
- 2.2 The adoption of the Bylaw occurred subsequent to the special consultative procedure.
- 2.3 The Association lodged an application for review in the High Court in January 2013.
- 2.4 Council at its meeting on 28 March 2013 resolved:
 - A) That Council reviews the Westland District Freedom Camping Control Bylaw 2012; and
 - B) That enforcement of the Westland District Freedom Camping Control Bylaw 2012 cease forthwith.
- 2.5 The High Court was advised that the review would need to be undertaken in accordance with the Local Government Act 2002 special consultative procedure and that it was hoped that as a consequence of this special consultative procedure the High Court review would not need to proceed.
- 2.6 At its June 2013 meeting Council resolved that:
 - A) Council use a special consultative procedure, as provided for by the Local Government Act 2002 to propose the revocation of the Westland District Council Control Bylaw 2012 and;
 - B) That options to undertake a comprehensive review of the Bylaw, including resourcing requirements, be considered at another time.
- 2.7 A memorandum was lodged with the High Court on 10 July 2013 advising the Court of the Council's 27 June 2013 resolution.

3.0 CURRENT SITUATION

- 3.1 Council now needs to revoke the Bylaw by adopting a Proposal and commencing the special consultative procedure.

4.0 OPTIONS

- 4.1 Council's options are limited by virtue of the June 2013 resolution and Council now needs to adopt a proposal to revoke the Bylaw and commence the special public consultative procedure.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 There is some wider public interest in the process and significance includes issues relating to the lawfulness of the current Bylaw, appropriateness and proportion in costs.
- 5.2 A bylaw revocation is subject to the special consultative procedure provided for in the Local Government Act 2002.

6.0 ASSESSMENT OF OPTIONS

- 6.1 Council now needs to adopt a proposal to ensure that the Council resolutions relating to the Bylaw are enacted. The special consultative procedure allows the public to participate in the process.
- 6.2 Council can either as a consequence of the special consultative procedure or separately thereto, establish any timeframes for comprehensive review or policy direction.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is the adoption of the proposal and the early commencement of the special consultative procedure in order to satisfy Council's commitment to the High Court.

8.0 RECOMMENDATIONS

- A) **THAT** the proposed Statement of Proposal attached as **Appendix 1** be adopted.
- B) **THAT** the special consultative process to revoke the Bylaw commence forthwith.

Richard Simpson
Manager: Planning and Regulatory

Appendix 1: Proposed Statement of Proposal.

WESTLAND DISTRICT COUNCIL FREEDOM CAMPING CONTROL BYLAW 2012 – REVOCATION

STATEMENT OF PROPOSAL, JULY 2013

Introduction:

The Westland District Council proposes to revoke the Westland District Council Freedom Camping Control Bylaw 2012 (the Bylaw). Revocation of a Bylaw is required to be undertaken in accordance with the special consultative procedure provided for in the Local Government Act 2002.

Reason for Proposal:

Council adopted the Bylaw in 2012 pursuant to the provisions of the Freedom Camping Act 2011. After the Bylaw was put in place the New Zealand Motor Caravan Association (the Association) applied to the High Court for a review of Council's procedures in respect of the Bylaw and made claims that the Bylaw was unlawful and unreasonable and not an appropriately proportionate way of addressing freedom camping in Westland.

Council has assessed the risk and has chosen to take a precautionary approach that does not incur costs for the ratepayer at any hearing in the High Court.

The Council ceased enforcing the Bylaw in April 2013 and has given an undertaking to the Association that a review will commence.

In the meantime the Council has yet to establish a timeframe and procedure for review and so revocation of the Bylaw is a desirable outcome to provide certainty to all parties in dealing with the adverse effects that can be associated with freedom camping.

Community Response:

The Council is concerned that some freedom camping practices could be detrimental in Westland and that the revocation of the Bylaw might not be in the best interest of households, businesses and the environment in Westland. Council is, however, heartened that the New Zealand Freedom Camping Forum will continue to exist and will champion the cause of clean freedom camping so that the people using both serviced and unserviced camper vans are aware of the need to ensure that environmental considerations are paramount in New Zealand and that dirty freedom camping practices do not occur.

Council acknowledges that the New Zealand Freedom Camping Forum will continue to have a role to play, that there is an increasing public awareness of the effects of dirty freedom camping practices, that a Bylaw may not necessarily be essential to control those practices and that the wider community will be better served through the improved education of vehicle users by way of policy rather than a regulatory function.

Options:

Council has considered several options:

1. Status quo. The status quo includes the continued enforcement of the current Bylaw. This is not an option as the matter is currently before the High Court on review.
2. Retain and immediately review the current Bylaw. Resources are not available at this time to undertake an immediate review that would adequately sustain scrutiny as to statutory process.
3. Revoke the Bylaw and do nothing. This option may be appropriate and is Council's proposal.
4. Revoke the Bylaw and commence an immediate review. Resources are not available at this time to undertake an immediate review that would adequately sustain scrutiny as to statutory process.
5. Revoke the Bylaw and undertake a review at some time in the future. This option does not involve a timetable for review but a review could be undertaken should circumstances require.

For the above reasons, Council has decided that the revocation of the Bylaw (option 3) is an appropriate proposal.

Consultation:

The Council has now reached the stage where the Special Consultative procedures provided for within the Local Government Act 2002 can be proceeded with.

The Council now proposes that the Westland District Council Freedom Camping Control Bylaw 2012 be revoked. Public notice of the proposal to revoke the Bylaw will be given on 7 August 2013 and the notice will invite participation and feedback on the Bylaw revocation proposal.

Any submission is required to be lodged at the Council building prior to **5.00pm on 5 September 2013**. Any submissions received will be considered with the final consideration of the revocation of the Bylaw to occur at the regular meeting of the Council on 26 September 2013.

Submissions must be sent to the Westland District Council, Private Bag 704, Hokitika 7842, and the officer for enquiries is Richard Simpson.

Dated at Hokitika this 1st day of August 2013.

Tanya Winter
Chief Executive