

A G E N D A

Council

**Ross Community Hall
Moorhouse Street, Ross
Thursday
18 December 2014
commencing at 10.00 am**

His Worship the Mayor, M.T. Havill (**Chairperson**)
Cr. J.H. Butzbach, Cr. P.M. Cox, Cr. M.S. Dawson, Cr. D.G. Hope,
Cr. L.J. Martin, Cr. M.D. Montagu, Cr. C.A. van Beek



COUNCIL MEETING

NOTICE IS HEREBY GIVEN THAT AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL WILL BE HELD IN THE ROSS COMMUNITY HALL, MOORHOUSE STREET, ROSS ON THURSDAY 18 DECEMBER 2014 COMMENCING AT 10.00 AM

Tanya Winter
Chief Executive

12 December 2014

COUNCIL VISION

Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- Involving the community and stakeholders.
- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.

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 November 2014** (Pages 5-15)

2.2 **Minutes and Reports to be Received**

2.2.1 **Minutes of the Public Excluded Portion of the Westland District Council Ordinary Meeting held on 27 November 2014.**

(Refer Public Excluded Minutes)

3. **PUBLIC FORUM**

The public forum section of the meeting will commence at the start of the meeting.

4. **BUSINESS**

4.1 **Mayor's Report**

4.2 **Update from Councillors**

4.3 **Consideration Of Rating Review Submissions And Decision Making**
(Pages 16-40)

4.4 **CCO Review Statement Of Proposal** (Pages 41-55)

4.5 **Financial Performance YTD November 2014** (Pages 56-63)

4.6 **Wildfoods Festival Funding Application** (Pages 64-66)

4.7 2015 Council Meeting Schedule (Pages 67-70)

4.8 Significance and Engagement Policy (Pages 71-91)

5. 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:

5.1 Minutes

5.2 Resealing Westland District – Contract 14/15/02

5.3 Hokitika Water Treatment Plant Upgrade Procurement

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
5.1	Minutes	Confidential Minutes	Good reasons to withhold exists under Section 7.	Section 48(1(a)
5.2	Resealing Westland District – Contract 14/15/02	Confidential Report	Good reasons to withhold exists under Section 7.	Section 48(1(a)
5.3	Hokitika Water Treatment Plant Upgrade Procurement	Confidential Report	Good reasons to withhold exists under Section 7.	Section 48(1(a)

Date of Next Ordinary Council Meeting
29 January 2015
Council Chambers

MINUTES OF AN ORDINARY MEETING OF THE WESTLAND DISTRICT COUNCIL, HELD IN WHATAROA COMMUNITY HALL, SCALLY ROAD, WHATAROA ON THURSDAY 27 NOVEMBER 2014 COMMENCING AT 10.10 AM

1. MEMBERS PRESENT AND APOLOGIES

His Worship the Mayor, M.T. Havill (**Chairperson**)

Deputy Mayor P.M. Cox

Cr. J.H. Butzbach, Cr. M.S. Dawson, Cr. D.G. Hope, Cr. A.R. Keenan, Cr. L.J. Martin, Cr M.D. Montagu, Cr. C.A. van Beek.

1.1 Apologies

Nil.

Staff in Attendance

T.L. Winter, Chief Executive; G. Borg, Group Manager: Corporate Services; V. Goel, Group Manager: District Assets; J. Ebenhoh, Group Manager: Planning, Community and Environment; D.M. Maitland, Executive Assistant; P.G. Anderson, Operations Manager.

1.2 Register of Conflicts of Interest

His Worship the Mayor advised that he is no longer a Director of Westland Milk Products Limited.

The Register of Conflicts of Interest 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 – 30 October 2014

Moved Cr Martin, seconded Cr Butzbach and **Resolved** that the Minutes of the Ordinary Council Meeting, held on the 30 October 2014, be confirmed as a true and correct record of the meeting, subject to the following amendment:

“Item 4.5 – MDI Expressions of Interest

Cr Keenan recorded her vote against the motion”.

2.2 Minutes and Reports to be Received

2.2.1 Executive Committee Meeting – 16 October 2014

Moved Deputy Mayor Cox, seconded Cr Hope and **Resolved** that the Minutes of the Executive Committee Meeting, held on the 16 October 2014 be received, subject to the following amendment:

Item 1. Also in Attendance:

Delete reference to Cr A.R. Keenan being “Also in Attendance”.

2.2.2 Executive Committee – Report from Chair

Moved Deputy Mayor Cox, seconded Cr Hope and **Resolved** that the report from Cr Dawson, Chair of the Executive Committee be received.

2.2.3 Minutes of the Public Excluded Portion of the Westland District Council Ordinary Meeting held on 30 October 2014.

(Refer Public Excluded Minutes)

3. PUBLIC FORUM

3.1 Hokitika-Westland RSA

Lyall Delore (President), Rose Matthews (Fundraiser), Colin Growcott, Rex Matthews and Ian Gilbertson of the Hokitika-Westland RSA, and Whataroa RSA supporters, were in attendance at the meeting and gave a presentation to Council on the rebuild of the War Memorial Building in Hokitika. Members asked Council if they would give consideration to transferring some of the funds from the Three Mile Reserve Fund to the project.

His Worship the Mayor thanked the members of the Hokitika-Westland RSA for their presentation to Council.

3.2 Malcolm MacRae

Malcolm MacRae spoke regarding the following items:

- Thanked Council for coming to Whataroa.
- Current work in Whataroa regarding the alpine fault.
- Wish list for South Westland.
- Haast-Hollyford Road.
- Extension of the cycle trail from Ross to the Glaciers.
- Congratulated the RSA on their presentation.

3.3 John Spencer

John Spencer spoke regarding the following items:

- Mint Creek Water Supply and enquired as to progress.
- Community Liaison Officer.
- Concerned regarding the narrowness of the Whataroa Flat Road.

3.4 Barbara O'Neill-Nolan

Barbara O'Neill-Nolan spoke regarding the following items:

- Whataroa Playground
- Covering of the school pool and fundraising to fence it.
- Whataroa Hall repairs.

- Thanked Council for their support towards the Whataroa Community.

His Worship the Mayor thanked the members of the public for attending the meeting and providing their updates and concerns to Council.

The meeting adjourned for a break at 10.45 am and reconvened at 11.18 am.

4. BUSINESS

4.1 Mayor's Report

His Worship the Mayor provided a verbal report as follows:

- Continuation of the Rates Review Meetings at Franz, Fox, Haast and Whataroa. The presentations were well received over the four public meetings and brings to an end the consultation phase.
- Asked Councillors to forward themes to amend the SOP.
- Westroads, Airport and WDPL AGM's.
- LTP Workshop.
- Attended the Residents and Ratepayers Meeting in Hokitika and gave a presentation on where Council is at for the CCO Review, Rates Review and Long Term Plan.
- Highlight was the Marae opening on the 19 November 2014 attended by the Mayor and Chief Executive.
- Kumara Gala Day.
- NZ Fire Service Gold Star Presentation to Gregory Flaws.
- Retired from Westland Milk Products after 15 years in the dairy industry.

4.2 Update from Councillors

The following updates were then provided by Councillors:

i) Deputy Mayor Cox

- Two days in South Westland, Fox, Franz, Haast, Whataroa attending Rates Review Meetings.
- Meeting with Des McEnaney regarding Haast St Johns Building.

- Public information meeting on the planned upgrade of the Blue Spur Water Supply.
- LTP Workshop.

ii) Cr Martin

- Attended Rates Review Meetings and congratulated His Worship the Mayor for the presentations.
- Rural Provincial Meeting:
 - Air New Zealand announcement.
 - Changes to the Health and Safety Act and engaging with volunteers.
 - Deputy Prime Minister Bill English.
 - Chinese President was in the country.
- Heritage Hokitika – want to be involved with statues and monuments.
- Replica weigh-station is nearing completion.
- Noted the new flags in Hokitika.
- Central Business Group Meeting.
- Noted the pending closure of Renton Hardware Company.
- Congratulations to Ngati Waewae on the Marae opening.
- Heritage Hokitika AGM.
- Diggers book launch.
- Civic Awards presentations.

iii) Cr Butzbach

- Ratepayers Meeting in Whataroa.
- Arahura Marae opening.
- Enterprise Hokitika meeting.
 - Welcome pack in place for their members.
 - Retailers shopping festival.
 - Shops encouraged to stay open later until Christmas.
 - Christmas Parade on the 13 December 2014.
 - Tourism West Coast presentation.
 - Website related to the walkers trail being developed.
 - Tourism West Coast.
- 20 December 2014 Masquerade Ball – encouraged all to buy tickets.

iv) **Cr Montagu**

- Kumara gala day.
- Kumara valuations – increased since last time.
- Endowment Fund – asked that the Chief Executive seek clarification regarding the percentage of polling for the use of those funds.
- Fourth Street, Kumara.
- John Dunbier goldpanning in Ross.
- Project Control Group - MDI Funding and associated recommendations.
- Attended the Arahura Marae opening.
- Westfleet opened their new complex in Greymouth.

v) **Cr Keenan**

- Heritage Hokitika Meeting.
- Totara Goldrush – congratulations to John Dunbier.
- Ross Cemetery land needs to be resolved. Needs good discussion with the community.
- RSA Build Team congratulations.
- Heritage West Coast AGM.
- The Diggers book launch.
- Heritage Hokitika weighbridge project is nearing completion. Encouraging that the monuments be cleaned and maintained, Richard Seddon Statue needs to be cleaned before the 150th celebrations occur.
- Attended the Environs School Group launch.
- Public information meeting on the planned upgrade of the Blue Spur Water Supply.
- Infrastructure Workshop.

vi) **Cr Hope**

- FAR Review. We have had a very good outcome which needs to be acknowledged. Special Purpose Roads will be considered next year.
- Visit to look at the Jackson Bay Road and the Cascade Road replacement – Peter Anderson and NZTA attending an on-site meeting.
- Rate Review Meeting.

- Haast Promotions Group underway – track to the beach.
- 50th Road Opening Celebration in 2015, in Haast.
- Westland District Property Limited - Licences to Occupy at Kwitchatown Village.

vii) Cr van Beek

- Ross Community Society AGM.
- Next Council Meeting in Ross – would like to look at the Ross Cemetery land issue. Requested historic data regarding the Ross land.
- Rates Review Meeting.
- Seawall Annual General Meeting.
- LTP Workshop.
- Old Christchurch Road.
- Kumara Gala Day.

ix) Cr Dawson

- General discussion regarding the Councillors verbal reports, and a suggestion that maybe there be a time limit imposed.

Moved Cr Dawson, seconded Cr van Beek and **Resolved** that the verbal reports from Mayor Havill and Councillors be received.

4.3 Presentation by Hokitika-Westland RSA Members

This item was already discussed.

4.4 Update on Local Alcohol Policy (LAP)

The Group Manager: Planning, Community and Environment and Cr Butzbach spoke to this report.

Moved Cr Dawson, seconded Cr Montagu and **Resolved** that

- A)** Council defers creating a Local Alcohol Policy until February 2015 at the earliest to assess the outcome of the current appeals to ARLA on other Councils' Local Alcohol Policies, and to receive guidance from LGNZ about drafting a LAP.

- B) Council approves the extension of the term of the Alcohol Working Party (Councillors Butzbach, Martin and Montagu) to 18 December 2015.

Cr Keenan abstained from voting.

4.5 Confirmation of Contribution to Fox Glacier Community Centre from Reserve Development Funds

Moved Cr Montagu, seconded Cr Dawson, and **Resolved** that Council agrees to provide the Fox Glacier Community Development Society with the \$200,000 of reserve development funds for the Fox Glacier Community Centre that was allocated in the 2013/14 Annual Plan.

4.6 School Road Safety – Westland District

The Operations Manager spoke to this report.

Moved Cr Martin, seconded Cr van Beek and **Resolved** that:

- A) Council consults in more detail with School Principals and Board of Trustees throughout Westland District with regard to road safety past their respective schools, kindergartens and pre-schools.
- B) Council requests that staff undertake a comprehensive evaluation of road environments in the vicinity of schools within the district
- C) That a report come back to the Council meeting in April 2015.

4.7 Upgrade of Water Treatment Plant at Blue Spur, Hokitika: Submissions and Approval of the Project

His Worship the Mayor declared an interest as a Westland Milk Products shareholder and accordingly left the meeting at 12.18 pm.

Deputy Mayor Cox chaired this section of the meeting.

The Group Manager: District Assets spoke to this report.

Two additional submissions had been circulated to the Mayor and Councillors from:

- a) Maurice Wright.
- b) Graham Saunders.

Moved Cr Montagu, seconded Cr Butzbach and **Resolved** that:

A) Council considered the submissions received from:

- 1. Steve Woulfe
- 2. Shaun Olson
- 3. Rob Danford
- 4. Susi Thompson
- 5. Gregory Maitland
- 6. Anje Kremer
- 7. Rex Keenan
- 8. Brent Robinson, Westland Milk Products
- 9. Keith Kelly
- 10. Maurice Wright
- 11. Graham Saunders.

B) Council approves the project as identified in the Proposal to “Borrow \$5.1m to Advance the Water Treatment Plant Upgrade at Hokitika”.

Cr Hope abstained from voting.

Cr Keenan recorded her vote against the motion.

C) Moved Cr Hope, seconded Cr van Beek and **Resolved** that the Chief Executive continue to explore insurance options to mitigate the financial risk of the Water Treatment Plant Upgrade Project to Council.

Cr Hope then asked to rescind his previous vote against the motion which was accepted by Council.

The meeting adjourned for lunch at 12.58 pm and reconvened at 1.39 pm with Mayor Havill in attendance.

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

Moved Cr Martin, seconded Cr Butzbach and **Resolved** that Council exclude the public in accordance with Section 48, Local Government Official Information and Meetings Act 1987 at 1.39 pm.

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

5.1 **Confidential Minutes.**

5.2 **Confidential Report.**

5.3 **Confidential Minutes.**

5.4 **Confidential Report.**

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.	Minutes	Confidential Minutes – 16 October 2014.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
2.	Report	Confidential Report	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
3.	Minutes	Confidential Minutes – 30 October 2014.	Good reasons to withhold exists under Section 7.	Section 48(1)(a)
4.	Report	Confidential Report	Good reasons to withhold exists under Section 7.	Section 48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or 7 of that Act which would be

prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

No.	Item	Section
5.1, 5.2, 5.3	Protection of privacy of natural persons/organisations.	Section 7(2)(a)
5.4	Protect information where the making available of the information would be likely unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information.	Section 7(2)(b)(ii)

Moved Cr Martin, seconded Deputy Mayor Cox and **Resolved** that the business conducted in the “Public Excluded Section” be confirmed and the public be readmitted at 2.14 pm.

MEETING CLOSED AT 2.14 PM

Confirmed by:

Mike Havill
Mayor

Date

Next Meeting:

18 December 2014 - Ordinary Council Meeting at Ross.

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

CONSIDERATION OF RATING REVIEW SUBMISSIONS AND DECISION MAKING

1.0 SUMMARY

- 1.1 The purpose of this report is to summarise the matters that arose during the Special Consultative Procedure on the Rating Review Proposal (SoP) and to recommend a change to capital value rating.
- 1.2 This issue is part of the rating review, which arose from elected member and community concern over the allocation of rates, a lack of transparency in rates setting, a lack of understanding of the current calculations and matters arising from the 2012/13 Annual Report audit.
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 (LGA) and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">• Involving the community and stakeholders.• Delivering core services that meet community expectations and demonstrate value and quality.	Rates contribute to all the vision's objectives by allocating the cost of all activities appropriately across the rating base.

- | | |
|---|--|
| <ul style="list-style-type: none"> • Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations. | |
|---|--|

- 1.4 This report notes that Council received 134 submissions and, having considered those, the report concludes by recommending that Council change the rating system to that proposed in the SoP, with some amendments. The major amendment being to address matters raised by rural residential submitters.

2.0 BACKGROUND

- 2.1 The Rating Review started with a series of workshops beginning in January 2014. At these five workshops Council considered:
- 2.1.1 The activity by activity funding sources, including the allocation between general and targeted rates.
 - 2.1.2 Options for the type of rates calculation methods they preferred.
 - 2.1.3 The appropriate allocation of costs to sectors.
 - 2.1.4 Models of options examined and analysis of the results against current rates; and rates charged at other comparable councils.
- 2.2 On 25 September 2014 Council adopted the Rating Review SoP which summarised the findings from the review and recommended a new rates calculation methodology. A month's consultation followed.

3.0 CURRENT SITUATION

- 3.1 The consultation period ran from 15 October to 14 November 2014 and hearings were held on 2 December 2014.
- 3.2 The consultation involved making the following information available to the community:
- 3.2.1 Summary of the SoP (posted to all ratepayers and on Council's website)
 - 3.2.2 Letter to all ratepayers, including impact of changes on their rates (posted)
 - 3.2.3 Rating Review SoP (Libraries and website)
 - 3.2.4 Report to Council from 25 September (public meeting and on-line)
 - 3.2.5 Rates Calculator (on-line)

- 3.3 Council conducted 8 official public meetings across the district. Staff and elected members attended these meetings. The Mayor also presented at a number of community group meetings.
- 3.4 Council placed advertisements in local newspapers.
- 3.5 Council promoted the review through press releases and Council's website.
- 3.6 Did the consultation process engage and inform the community, meeting the requirements of s.82 of the LGA?
 - 3.6.1 Compared to previous consultations, and given the high number of submissions received on this subject in both the 2013-14 'Getting Real' Annual Plan and the 2014-15 Annual Plan, 134 submissions was a lower than expected response. Staff gave consideration as to whether the process had failed to inform and engage the community.
 - 3.6.2 It was concluded that given the extensive amount of information that was distributed, the media coverage generated by other than Council itself (i.e. news articles, letters, blogs and other social media postings), the number of people who attended public meetings, and the high quality of submissions, that not only was the community engaged but they were also well informed.
- 3.7 It is the staff's opinion that the principles of consultation requirements of s.82 have been met if not exceeded.
- 3.8 Council read 134 submissions, and heard from 15 submitters. An analysis of the submissions is included as **Appendix 1**. It is noted that for such a major change to the rates system 134 submitters is very low and compares with 601 submitters from the previous review.

4.0 MAJOR MATTERS RAISED BY SUBMITTERS

- 4.1 Many matters were raised by submitters both for and against the proposal. While the majority of the submissions (76%) opposed the proposal, they largely represented those ratepayers with larger increases, in rural residential properties. Ratepayers who would receive decreases made few submissions. No submitters submitted that they should pay more rates. There are 6,613 ratepayers in the district and the overwhelming majority of ratepayers did not submit.

4.2 Staff have identified eight major themes that were raised by the submitters:

- 4.2.1 Rural-residential property owners felt unfairly penalised.
- 4.2.2 Undeveloped sections are facing increases in rates.
- 4.2.3 Concern with the accuracy of the RID and interpretation of definitions.
- 4.2.4 Suggested use of the 2012/13 figures for allocation per sector
- 4.2.5 Remissions requested for community groups.
- 4.2.6 Unfair rates on utility company network assets.
- 4.2.7 Rates should be charged on a user pays basis.
- 4.2.8 Proposed rating system is fairer and simpler.

4.3 Rural-residential property owners unfairly penalised

- 4.3.1 The largest portion of submissions came from small settlements in the Hokitika community rate zone such as Woodstock, Rimu, Ruatapu, Awatuna, Keogans/West Road, Kokatahi/Kowhitirangi, Blue Spur, Stafford, Arahura, Brickfield Rd. Some similar submissions came from other community zones.
- 4.3.2 These submissions were largely motivated by proposed large increases in rates.
- 4.3.3 Staff analysis shows that for many of these properties the value based portion of their rates reduced (i.e. a change to capital value is not the reason for the increase in rates). The majority of the rates increase came from the uniform rates.
- 4.3.4 Council has the option of continuing with the proposal or to modify the proposal to address these concerns. Options to modify the proposal include:
 - 4.3.4.1 Reducing the UAGC and thereby increasing the general rate.
 - 4.3.4.2 Reducing the community rate by either:
 - 4.3.4.2.1 Creating a new rural residential differential; or

4.3.4.2.2 Transferring the cost of some activities to the general rate.

4.3.5 At the workshop held after the hearing Council indicated a preference for modifying the proposal by introducing a rural residential rate. Staff have analysed this option and propose the following:

4.3.5.1 That the definitions for residential and rural residential be revised (see **Appendix 2**)

4.3.5.2 That the rural residential category is part of the residential sector for the setting of differentials.

4.3.5.3 That the rural residential general rate be set at 80% of the residential general rate. This percentage can be set by Council. (Currently the calculation for the rural differential is 75% of the residential category).

4.3.5.4 That the rural residential differential for each community rate is set the same as the rural differential (see **Appendix 4**).

4.3.6 The introduction of the new category results in a significant movement in the number of ratepayers between categories. There are now 1323 rural residential ratepayers made up of ratepayers previously categorised as rural (680) and residential (643). This changes the percentage allocations shown in the Figure 3 of the SoP [Rural 37%, Commercial 21%, Residential 42%].

4.3.7 Consequential to the introduction of the rural residential sector it is necessary to reassess how the general rate will be calculated. The revised model is based on the differentials calculated from the original pie. It now recommended that future rates are based on these differential factors until Council resolves otherwise.

4.3.8 The differential factors are:

Category	Differential
Commercial	1.88
Residential	1.00

Rural Residential	0.80
Rural	0.75

4.3.9 The effect of the modification is illustrated in **Appendix 5**.

4.3.10 Staff note that Council could continue with the proposal but recommend introducing the rural residential differential to mitigate some of the concerns of this large group of submitters.

4.4 Undeveloped sections are facing increases in rates

4.4.1 Some submitters correctly identified that rates on undeveloped sections increase. A change from land value to capital value rating results in rates on undeveloped sections decreasing. The proposal however introduces a proportion of fixed uniform charges to the rates. This in effect creates a minimum rate.

4.4.2 For example in the Hokitika Community area this minimum rate is about \$936. This being the UAGC, Community Rate and tourism rate.

4.4.3 In the Hokitika Community area there are 385 residential properties with no improvements. 247 have increases >\$200 and 129 >\$300, or increases from \$650 to \$1,000.

4.4.4 Council has the option of continuing with the proposal or to modify the proposal to address these concerns. Options to modify the proposal include:

4.4.4.1 Reducing the UAGC and thereby increasing the general rate

4.4.4.2 Reducing the community rate by transferring the cost of some activities to the general rate.

4.4.4.3 Developing a remission to remit rates on undeveloped land.

4.4.5 Council currently has a remission policy for developers to remit the uniform rates for the first two rating years after titles are issued. Note remissions policies will be reviewed as part of the LTP process.

4.4.6 Staff recommend that Council continue with the proposal unmodified.

4.5 Concern with the accuracy of the RID and interpretation of definitions

- 4.5.1 A surprising number of submitters were concerned about the underlying quality of Council's rating database. This was mainly driven by a concern that a number of businesses had not been identified as commercial ratepayers and as such were getting a competitive advantage by contributing less rates.
- 4.5.2 To address these submissions the following matters should be attended to:
 - 4.5.2.1 Developing a clear definition of what constitutes a commercial activity. (see Appendix 2)
 - 4.5.2.2 Identifying properties and correctly classifying them according to the definitions.
 - 4.5.2.3 Develop rules around when and how to create divisions of rating units for mixed use properties.
- 4.5.3 For the purpose of decision making on this report staff recommend that Council need only confirm the definitions in Appendix 2. The matter of correct classification will be undertaken between now and when the rates are assessed in July. Staff wish to undertake another workshop with Council to further develop the rules for determining divisions.

4.6 Using the 2012/13 figures for allocation per sector

- 4.6.1 Federated Farmers and other submitters proposed that the 2012/13 allocation of costs to each sector would be better than the proposed allocation based on the 2014/15 rates.
- 4.6.2 The purpose of choosing the 2014/15 base was to endeavour to minimise the impact of the rates increases and decreases resulting from the rates review by keeping those changes within each sector. This has been reasonably effective.
- 4.6.3 The court in *Woolworths v. Wellington City Council* adjudged that *"The Council was not required to adopt a clean slate approach. It was entitled to have regard to the starting position, to weigh the impact of changes on the types of properties and, looking to the interests of its ratepayers (its fiduciaries), to consider the acceptability*

to ratepayers of change and sudden change in response to quite extraordinary changes in capital values."

4.6.4 Staff recommend that the proposal not be modified.

4.7 Remissions requested for community groups.

4.7.1 Two community groups requested a remission of rates.

4.7.2 Staff note that Schedule 1 of the LGA lists a large number of organisations that are non-rateable or 50% non-rateable. These rules must be applied, they are not discretionary.

4.7.3 The two organisations that submitted are 50% non-rateable.

4.7.4 Council can extend this benefit by way of a remissions policy.

4.7.5 Staff note that the remissions policy will be considered separately in the New Year and that no further decisions are required on this matter at this time.

4.8 Unfair rates on utility company network assets.

4.8.1 Council received comprehensive submissions from two utility network companies. Under a capital value rating system they will start paying rates on their network assets.

4.8.2 The majority of councils employ a capital value rating method and in doing so charge network utility companies. Differentials or remissions for this sector are uncommon. If a council is using capital value then it must charge rates on these properties.

4.8.3 Westpower advised that they would likely introduce a special tariff based on the cost of the additional rates and that this tariff would be charged to commercial users because the utility rates were coming from the commercial sector allocation of the pie.

4.8.4 Staff note that this charge is made to the electricity retailers (Meridian, Trustpower etc.). Electricity retailers do not identify the network companies' component of the retail electricity bill, so it is difficult to know whether local network charges are directly oncharged or averaged across their client base. Trustpower state that fixed charges vary from district to district due to different network company pricing structures. The

Powerswitch website identifies 8 potential retailers for Westland.

4.8.5 Council must also charge rates on its own three utility assessments. These rates (mostly the general rate) will be budgeted against each activity and will increase water, sewerage and community rates (where there is stormwater). This treats Council owned utilities the same as electricity and other utilities in that the cost will fall on those users. As a result general ratepayers are not subsidising network users.

4.8.6 Matters raised by Westpower about the legality of the proposal will all be addressed in the technical implementation of the proposal.

4.8.7 Council has the following option:

4.8.7.1 Continue with the proposal.

4.8.7.2 Modify the proposal by introducing either:

4.8.7.2.1 A utility differential.

4.8.7.2.2 Developing a remission policy.

4.8.8 Staff recommend that Council continue with the proposal unmodified.

4.9 Rates should be charged on a user pays basis.

4.9.1 Council's SoP is based around the concept that rates is a tax and that we are all better off by each contributing an appropriate amount.

4.9.2 Benefit has been considered to some extent in the creation of targeted water, sewer, refuse collection rates and community rates. But even within these there is an element of working together. For example Haast water rates would be closer to \$900 if the Haast water users only paid for the cost of the Haast water reticulation system. By working together all water users pay the same rate and everyone is better off.

4.9.3 Most activities of Council don't lend themselves to user pays. Council's biggest activity, roading, has limited user pays mechanisms through road user charges and petrol tax however

the Council contribution is not able to be collected from users in any practical way. Likewise it is difficult to determine who benefits and by what proportion for stormwater systems.

4.9.4 Staff recommend that Council continue with the proposal unmodified.

4.10 Proposed rating system is fairer and simpler.

4.10.1 It is more common to receive submissions from those who are adversely affected by a proposal rather than those who benefit or support a proposal.

4.10.2 Council did receive 18 submissions that supported Council's proposal as being fairer and simpler. The feedback received by those that attended the public meetings supports that this view is widely held.

5.0 OPTIONS

5.1 Options for Council are as follows:

5.1.1 Option 1 - Adopt the proposal as documented in the SoP.

5.1.2 Option 2 - Adopt a modified proposal (recommended).

5.1.3 Option 3 - Reject the proposal.

6.0 SIGNIFICANCE AND CONSULTATION

6.1 Changing the rates calculation method to the degree Council is proposing is a matter of high significance. For this reason Council has undertaken a Special Consultative Procedure under s.83 of the LGA. Note this decision was made prior to the 2014 amendments to the Act.

6.2 A summary of the consultation is documented in section 3 of this report.

6.3 In accordance with s.80 of the LGA; Council should note that the proposal is not consistent with Council's current Revenue and Financing Policy or rates calculation methods and that should the final decision be to change the rates calculation method the Revenue and Financing Policy and any other relevant policy will be amended and consulted on as required by the Act.

7.0 ASSESSMENT OF OPTIONS

Adopt the Proposal

- 7.1 While Council received many well considered submissions, the major matters raised are matters Council had previously considered in its initial analysis. No matters arose through the consultation that prevents Council from adopting the proposal.
- 7.2 The proposal, as outlined on page 3 of the SoP is to:
 - 7.2.1 Change the choice of rating funding source for each activity to the rate type as listed in Figure 1 page 10 of the proposal.
 - 7.2.2 Change the general rate basis to differentiated capital value.
 - 7.2.3 Set the uniform annual general charge at the 30% maximum allowed by legislation.
 - 7.2.4 Introduce new community rates, as differentiated uniform targeted rates.
 - 7.2.5 Reduce the differentials to three (Commercial, Residential and Rural).
 - 7.2.6 Collect the same percentage of rates income from each category as is being collected in 2014/15.
 - 7.2.7 Not change the way rates are collected for water, sewerage, refuse collection, Hokitika area promotions, Kokatahi community rate, Kaniere sewerage capital contribution and Hannah's Clearing water supply capital repayment rate.
- 7.3 The advantages of adopting the proposal as documented is that ratepayers expectations of their rates movements that were set in the rates review letters will be met. The disadvantage of adopting the proposal as documented is that submitters concerns will appear to have been disregarded.
- 7.4 Should Council resolve to implement the proposal staff will need to undertake the technical work to lawfully implement the new rates in July 2015. This work requires redrafting the following:
 - 7.4.1 Funding Needs Analysis
 - 7.4.2 Revenue and Financing Policy
 - 7.4.3 Rates Remission Policy
 - 7.4.4 Rating Policies
 - 7.4.5 Funding Impact Statement, and
 - 7.4.6 Rates Resolution.
- 7.5 The LGA Amendment Act 2014 has changed the process leading to setting rates and good practice on how to do this is still being developed. Staff expect that:
 - 7.5.1 Many of the matters will need to be drafted as supporting information to the Long Term Plan Consultation Document and

may need formal Council support in order to meet audit requirements.

- 7.5.2 The Revenue and Financing Policy, at a minimum, will require s.82 consultation, which must be completed, with the adoption of a Revenue and Financing Policy, prior to the adoption of the Long Term Plan in June 2015.

Adopt a Modified Proposal (recommended)

- 7.6 Many matters were raised by submitters. Council could consider some of those matters merited the proposal being modified.
- 7.7 Council considered these matters at a workshop following the hearing and reading of submissions. A summary of that consideration and further advice from staff is recorded in section 4 above.
- 7.8 The advantage of modifying the proposal is that some submitters concerns are addressed. The disadvantage of modifying the proposal is that the calculations change and this may alter the result that some ratepayers are expecting. Officers assess that any changes are not substantial enough to warrant further engagement with ratepayers.
- 7.9 Of the matters addressed in section 4 the following changes are recommended:
- 7.9.1 A new rating category of rural residential is added to the differential categories.
- 7.9.2 Modified definitions of rural, rural residential, commercial and residential; see **Appendix 2**.
- 7.9.3 New differential factors are set for the general rate (see 4.3.8).
- 7.9.4 The Kumara community rate township zone is extended east to Taipo Bridge; see **Appendix 3**.
- 7.9.5 The Fox Glacier community rate township zone is extended south to Jamie Creek (south of Lake Paringa); see **Appendix 3**.
- 7.9.6 The Haast community rate township zone is extended north to Jamie Creek; see **Appendix 3**.
- 7.10 All matters in the proposal are adopted apart from the changes listed above.
- 7.11 **Appendix 5** illustrates the impact of these changes.
- 7.12 Council must have a clear direction so that the Long Term Plan Consultation Document can be prepared and audited in February/March 2015.

Reject the Proposal

- 7.13 Having completed the Rating Review and heard the community views Council could now resolve to reject the proposal.
- 7.14 If Council reject the proposal it can either:
- 7.14.1 Consider the alternate system proposed in the SoP which retains a land value rate, with all other matters unchanged; or
 - 7.14.2 Continue with the current system after significant work is undertaken to align the policies and definitions to current practice.
 - 7.14.3 Revisit the review and develop a modified proposal.
- 7.15 There are few advantages in rejecting the proposal. Council has already confirmed that the status quo is no viable option; Council has seen sufficient analysis to determine the capital value general rate is preferred and a revisit of the review will add significant pressure to achieving an LTP in time to set the rates for 2015/16. The disadvantages of rejecting the proposal are greater than any advantages.
- 7.16 Whichever option Council chooses the Consultation Document for the LTP must include Council's choices for the rating system.

8.0 PREFERRED OPTION AND REASONS

- 8.1 The modified proposal is the preferred option because:
- 8.1.1 The low number of submissions suggests that most of what is presented in the SoP is widely accepted as a necessary and appropriate option.
 - 8.1.2 It makes adjustments for the large number of rural residential ratepayers that submitted against the high rates increases that were notified to them.

9.0 RECOMMENDATIONS

- A) THAT** Council confirms it has heard and considered all submissions on the rating review.
- B) THAT** the following matters proposed in the Statement of Proposal be adopted:
- a. Change the rates funding source for each activity to those rates listed in Figure 1 page 10 of the proposal.
 - b. That Council changes to a capital value general rate.
 - c. That the uniform annual general rate be set at the 30% maximum allowed by legislation.

- d. That there are new community rates, set as differentiated uniform targeted rates.
 - e. That the community rates zones for Hokitika, Ross, Harihari, Whataroa and Franz Josef remain as described in the Statement of Proposal.
 - f. That there is no change in the way rates are collected for water, sewerage, refuse collection, Hokitika area promotions, Kokatahi community rate, Kaniere sewerage capital contribution and Hannah's Clearing water supply capital repayment rate.
- C) THAT the following matters that are different from the proposal are adopted as a consequence of the consultation:**
- a. That the rating categories will be Residential, Rural Residential, Commercial, and Rural.
 - b. That the definitions for the rating categories are as defined in **Appendix 2**.
 - c. That the general rate differentials be set at:

i. Commercial	1.88
ii. Residential	1.00
iii. Rural Residential	0.80
iv. Rural	0.75
 - d. That the general rate differential for the rural residential category be set at 80% of the residential rate.
 - e. That the community rates differentials be amended as shown in **Appendix 4**.
 - f. That the community rates zones for Kumara, Fox Glacier and Haast are amended to those shown in **Appendix 3**.
- D) THAT staff develop the necessary technical policies to enable implementation of the amended rating system to take effect on 1 July 2015.**

Gary Borg
Group Manager: Corporate Services

Appendix 1: Analysis of Submissions
Appendix 2: Definitions of Rating Categories
Appendix 3: Amended Community Township Zones
Appendix 4: Community Rates Differentials
Appendix 5: Sensitivity analysis

Appendix 1: Analysis of Submissions

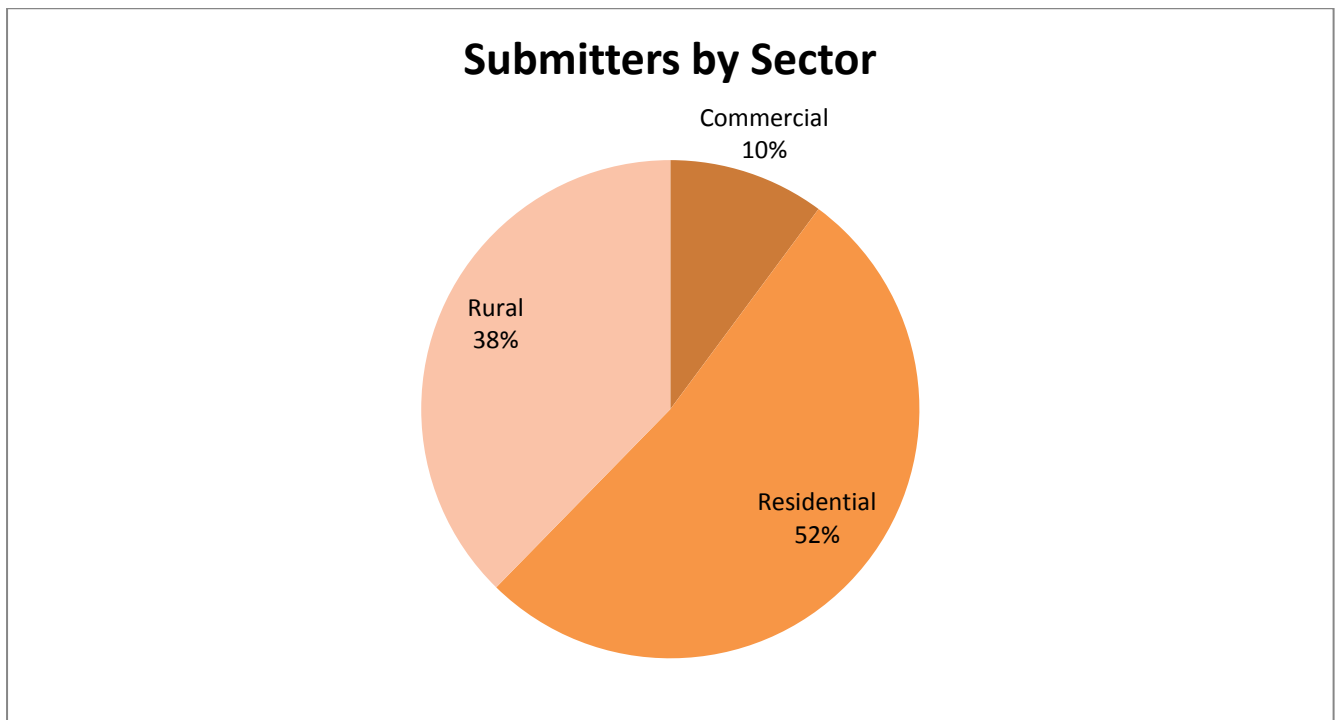
A total of 134* submissions were received.

Major Themes from Submissions

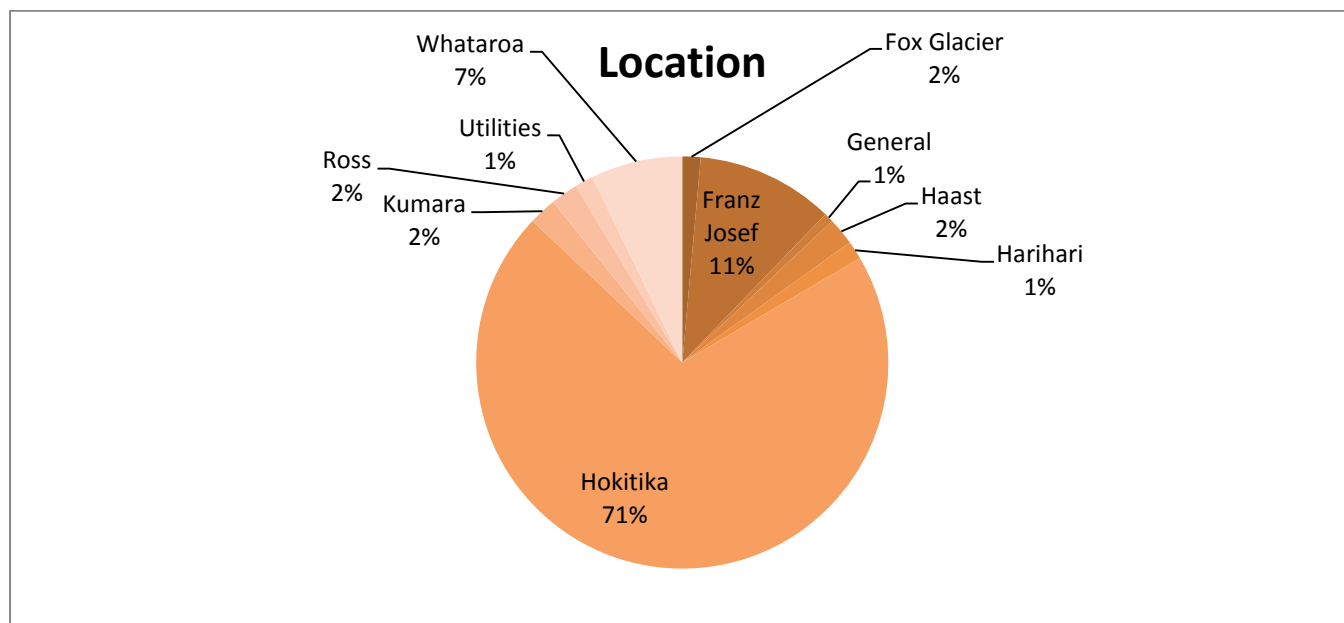
The table below captures the themes (Two ratepayers submitted twice with the same theme):

Neutral	9
Classification	3
Consistency of RID	5
Flat Community Rate	1
Oppose	102
Cap Value	20
Classification	15
Consistency of RID	8
Flat Community Rate	3
Increase %	23
None	1
Services	32
Support	21
Fair / Simple	18
Non rateable	1
None	2

Submitters by Sector



Submitters by location



Submitters as a percentage of local community

The following table shows the number of submitters as a percentage of the rating units in each community. Those not listed are less than 1%.

Community	Rating Units	Submitters	%
Utilities	4	2	50%
Franz Josef	331	15	5%
Whataroa	257	10	4%
Hokitika	3090	98	3%

Submitters by property size

The majority of submitters are from small property sizes.

103 (77%) submitters were on land less than 1 ha. 72 (54%) less than half an acre.

Common messages

- a. The sub-sector known as rural residential generally gets a rates increase. In the majority of cases this manifests as a reduction in general rate which is exceeded by the introduction of the flat community rate.
 - i. Most feel that proximity and access should be considered and that they should not be aligned with the town centres.
- b. Many submitters insist that allocation by capital value is not appropriate, that the emphasis should be on user pays and that there should be a closer link to benefit from services and rates burden.
- c. Both of the energy trusts submit that they are special cases and question the legality of the process.
- d. Federated Farmers reflected the farmers general support of the proposal which is also supported by a very low number of submissions from farming properties (8 over 10ha)

- e. In the commercial sector, many question the integrity of the RID, the effectiveness of the definitions and our ability to identify and correctly classify.
 - i. Non tourist businesses object to paying the tourism levy.
 - ii. B&B's and small seasonal businesses object to being classified alongside large scale enterprises.

Appendix 2: Definitions of Rating Categories

The following definitions have been developed for the three new rates categories.

Residential Rating Category means:

- a) Land not identified as commercial, rural or services and either:
 - located in Kumara, Hokitika, Kaniere, Ross, Harihari, Whataroa, Franz Josef Resort, Franz Josef, Fox Glacier or Haast and has a District Plan zone of residential, residential mixed, coastal settlement, small settlement, tourist; or
 - land containing a dwelling with a District Plan zone of rural and connected to a reticulated Council township water supply and less than 5ha; or
 - Land predominantly used as a dwelling with a District Plan zone of commercial core;
 - Land located at Seaview.
- b) A residential purpose is land that is primarily used for the purposes of residential accommodation in a dwelling, apartment or institutional home, not more than 5 extra people are boarding with the residents, and no persons are employed or contracted other than for the purposes of caring for residents or boarders.

Rural Residential Rating Category means:

- a) Land not identified as commercial, rural or services and either:
 - located in Sanctuary Place, Arahura, Lake Kaniere, Woodstock, Rimu, Kokatahi, Ruatapu, Okarito, Bruce Bay, Okuru, Hannah's Clearing, Neil's Beach and Jackson Bay and has a District Plan Zone of coastal settlement, small settlement, tourist; or
 - land containing a dwelling with a District Plan zone of rural and less than 10ha.
- b) The rural residential category is a subset of the residential sector.

Commercial Rating Category means:

- a) Any land used for a commercial purposes and any land in a commercial/tourism or industrial zone unless it is identified that its primary use is residential, services or rural.
- b) A commercial purpose exists where land is used for the purposes of the sale of food, services and other commodities (excluding those identified as rural) and merchandise or the provision of services or professional advice.

For example this includes taverns, restaurants, utility networks, electricity generation activities, agricultural contractors, mineral processing (not extraction), timber milling (not felling), tourism activities and accommodation for more than 5 extra people with no persons employed for the purpose of caring for the residents or boarders.

Council will identify commercial purposes where advertising of the commercial activity is undertaken. Advertising includes: signage on or near the property, on vehicles, in print, radio, TV or other media, on websites or other electronic media or by direct mail. Commercial does not include any part of rural zoned land that meets the definition of rural purpose.

Commercial purposes does not include small hobbies, sale of personal items or the occasional provision of services from a home where only one person is involved in the activity, no other persons are employed or contracted and turnover is assessed as minimal and incidental to the household income.

- c) Any residential or rural zoned land used for commercial purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.

Rural Rating Category means:

- a) Any land used for a rural purposes and any land in a rural zone unless it is identified that its primary use is residential, services or commercial.
- b) A rural purpose is land that is used for the purpose of agricultural, forestry and mining exploration and extraction activities. It includes mineral valuation assessments. An agricultural activity is land used for the primary purpose of producing livestock or vegetative matter and includes horticultural and pastoral farming. It does not include rural zoned land where 75% of the rating unit is covered and used for intensive farming or horticulture. These are considered commercial use for rating purposes.
- c) Residential, Commercial, Industrial and Tourism zoned land with an area of greater than 4ha used exclusively for rural purposes. Where a rating unit has more than one use, a division of the rating unit will be undertaken.

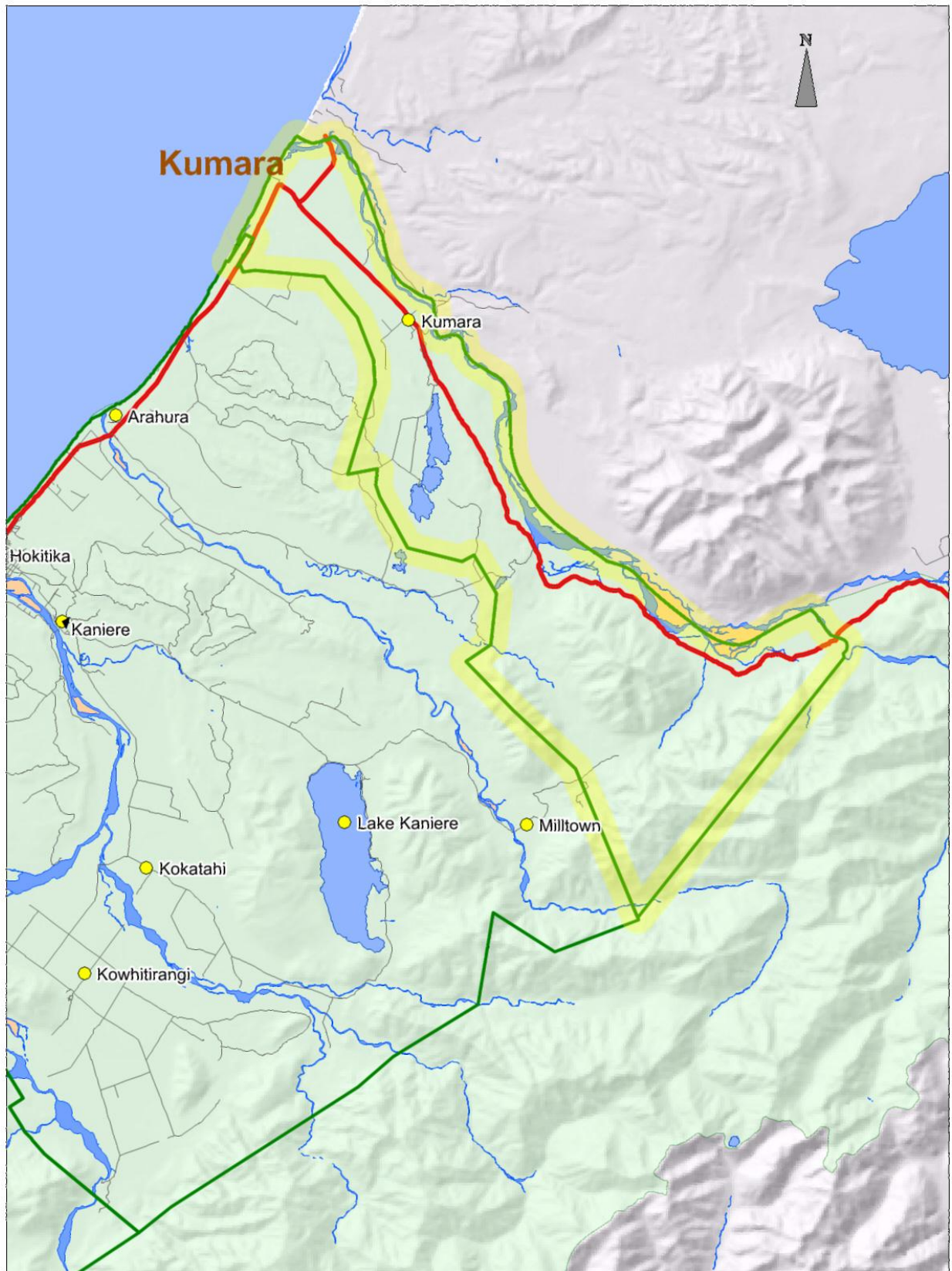
Services Rating Category means any rating unit assessed as meeting the following definition:

- a) All land subject to Schedule 1 of the Local Government Rating Act 2002 (LGRA).
- b) Any land receiving a remission under Council's remissions policy for service organisations.



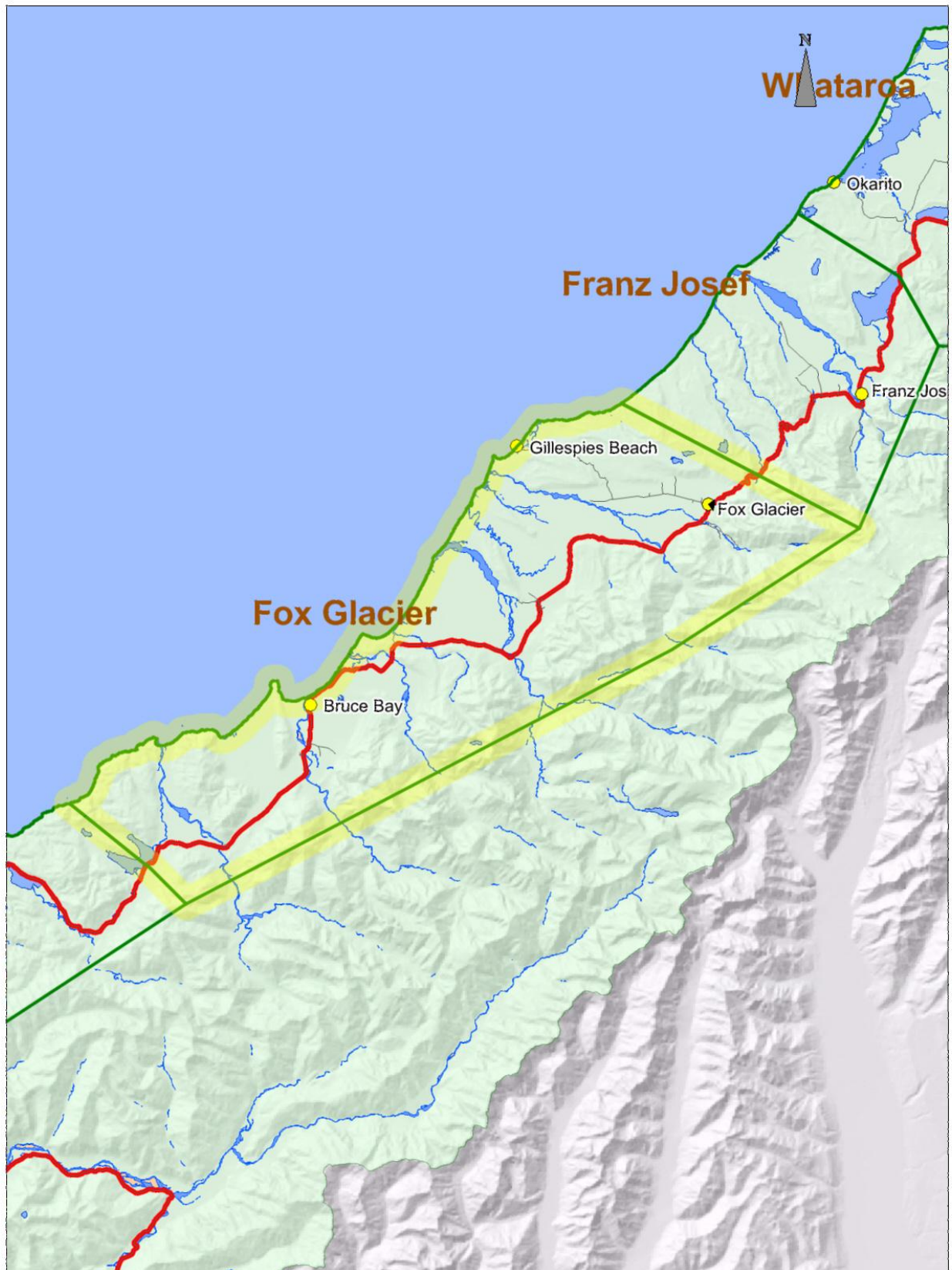
Overview Map
For Community Rating Purposes





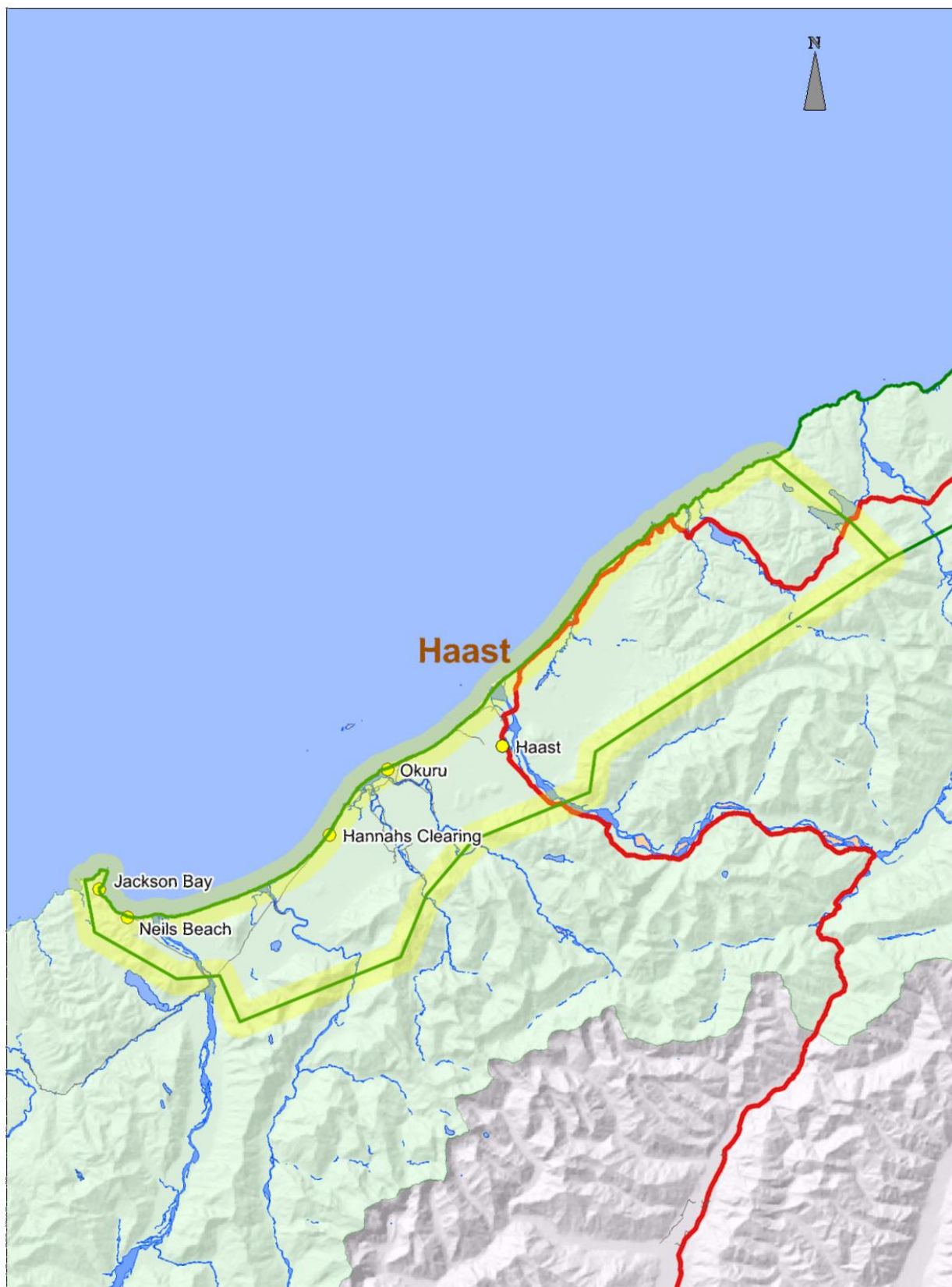
Kumara Zone
For Community Rating Purposes





Fox Glacier Zone *For Community Rating Purposes*





Haast Zone

For Community Rating Purposes



Appendix 4: Community Rates Differentials

Township Zone	Residential	Rural Residential	Rural	Commercial
Kumara				
Indicative Rate	\$108.30	\$105.00	\$105.00	\$114.80
Differential	1.00	0.97	0.97	1.06
Hokitika				
Indicative Rate	\$436.70	\$410.40	\$410.40	\$528.30
Differential	1.00	0.94	0.94	1.21
Ross				
Indicative Rate	\$281.50	\$275.80	\$275.80	\$309.60
Differential	1.00	0.98	0.98	1.10
Harihari				
Indicative Rate	\$90.60	\$87.00	\$87.00	\$102.50
Differential	1.00	0.96	0.96	1.13
Whataroa				
Indicative Rate	\$152.80	\$137.50	\$137.50	\$168.10
Differential	1.00	0.90	0.90	1.10
Franz Josef				
Indicative Rate	\$424.60	\$382.10	\$382.10	\$1,154.80
Differential	1.00	0.90	0.90	2.72
Fox Glacier				
Indicative Rate	\$401.50	\$361.40	\$361.40	\$831.20
Differential	1.00	0.90	0.90	2.07
Haast				
Indicative Rate	\$93.40	\$86.00	\$86.00	\$100.90
Differential	1.00	0.92	0.92	1.09

Note: the Fox Glacier community rate has reduced considerably for all categories due to a change in rating units from 147 to 248 as a result of the boundary movement south. Haast and Kumara are also affected but the dollar movement is not as significant due to the much smaller rate.

Appendix 5: Sensitivity analysis

The following samples are based on the recommended option and updated for the new valuations.

Sector	Rates proposed in SoP	New Proposed Rates	Change
Commercial			
Minimum rate	20	20	0
Maximum rate	127,652	135,759	8,107 ^a
Average rate	6,145	6,300	155 ^a
Residential			
Minimum rate	0	10	10
Maximum rate	25,693	25,627	-66
Average rate	1,981	1,962	-19
Rural Residential			
Minimum rate	10	10	0
Maximum rate	2,757	2,581	-176 ^b
Average rate	1,233	1,204	-29 ^b
Rural			
Minimum rate	0	10	10
Maximum rate	17,067	18,371	1,304 ^a
Average rate	1,078	1,103	25 ^c

- This movement is almost entirely due to a revaluation increase.
- This movement is due to the new rural residential differential.
- The rural average will have increased as low value smaller blocks have been transferred to rural residential.

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Chief Executive

CCO REVIEW STATEMENT OF PROPOSAL

1.0 SUMMARY

- 1.1 The purpose of this report is to adopt the Statement of Proposal to reorganise Westland Holdings Ltd and subsidiaries for public consultation.
- 1.2 This issue arises as a result of the review Council undertook in late 2013, which examined the structure of the Council Controlled Organisations (CCOs).
- 1.3 Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">• Involving the community and stakeholders.• Delivering core services that meet community expectations and demonstrate value and quality.• Proudly promoting, protecting and leveraging our historic, environmental	Council Controlled Organisations are a mechanism by which Council delivers services to the community. This report proposes changes to that mechanism and seeks to engage the community through a Special Consultative Procedure.

and natural resource base to enhance lifestyle and opportunity for future generations.	
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- 1.3 This report concludes by recommending that Council adopts the statement of proposal and consultation plan for the reorganisation of Westland Holdings Ltd and subsidiaries.

2.0 BACKGROUND

- 2.1 In 2002, Council formed Westland Holdings Limited to consolidate its CCOs under one governance and reporting entity. This structure has developed over time and the current structural arrangement is shown on page 5 of **Appendix 1**.
- 2.2 In late 2013 Council commenced an independent review of the structure, governance and effectiveness of its CCOs, which include Westland Holdings Limited and its subsidiaries, Westland District Property Limited, Hokitika Airport Limited and Westroads Limited and its subsidiary Westroads Greymouth Limited. The review was in part driven by community concern about Westland's CCO activities with a particular focus on Westland District Property Limited.
- 2.3 Findings of the independent review recommended changes to the way in which Council assets and services are managed and to the structure of Council's CCOs. The CCO structure being proposed is shown on page 6 of **Appendix 1**.

3.0 CURRENT SITUATION

- 3.1 Based on the review, officers have prepared a Statement of Proposal that proposes the following:
- Disestablish Westland District Property Limited
 - Disestablish Westland Holdings Limited
 - Transfer the management of community assets such as pensioner housing, Hokitika Swimming Pool and the Jackson Bay Wharf back in-house from Westland District Property Limited
 - Transfer property currently owned by Westland District Property Limited to Council
 - Retain Hokitika Airport Limited and Westroads Limited as its key operating CCOs, with the shares of each company held directly by Council

- Further investigate amalgamating Westroads Limited subsidiary Westroads Greymouth Limited into its parent Westroads Limited.
- 3.2 The process is now at a point where community views are sought in relation to the changes Council is proposing to make to the CCO structure.
- 3.3 Council must use a Special Consultative Procedure under the Local Government Act 2002 (LGA) and a Statement of Proposal has been prepared in accordance with the Act and is attached as **Appendix 1**.

4.0 OPTIONS

- 4.1 The options available to Council are:
- 4.1.1 Adopt the Statement of Proposal (SoP) attached as **Appendix 1**
 - 4.1.2 Do not adopt the SoP
 - 4.1.3 Amend the SoP and adopt a revised version

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 In accordance with Council's Policy on Significance the decision to commence a SCP is administrative, and therefore is assessed as having a low level of significance.
- 5.2 However, when set in the wider context of the overall review of the CCOs, the proposal has a high level of significance for three reasons:
- 5.2.1 Council's ownership in Westland Holdings Ltd is listed as a strategic asset on page 276 of the 2012-22 Long Term Plan (LTP). Strategic assets are defined in Section 5 of the LGA and any proposal to make changes to a strategic asset is deemed to be significant and requires a Special Consultative Procedure (SCP).
 - 5.2.2 Section 97 of the Act identifies those decisions which can only be made if provided for in Council's LTP. This proposal is not in Council's current LTP, however any decision made to either:
 - (a) alter significantly the intended level of service provision for any significant activity undertaken by or on behalf of the local authority, including a decision to commence or cease any such activity: OR
 - (b) transfer the ownership or control of a strategic asset to or from the local authority

Requires either an amendment to the current LTP, or to be included in a new LTP. Council is not proposing to amend the current LTP, so any change as a result of this process will be included in the 2015-25 LTP.

5.1.3 This matter has generated high levels of public interest and therefore it is prudent to undertake a SCP.

5.3 A SCP must be used to engage the community on the proposal. A proposed consultation plan is on page 3 of **Appendix 1**. Council is being asked to approve this consultation plan.

5.4 In order to meet the deadlines for the 2015-25 LTP, and to conclude the implementation of this proposal by 30 June 2015, it is proposed that the consultation process commences on 5 January 2015. Council may wish to consider whether these dates are appropriate, particularly as January is a time when many people take holidays.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

6.1 The SoP has been drafted in accordance with the outcomes and recommendations contained in the independent review. Council considered the review findings in a public excluded session at the Council meeting in January 2014. Since then a lot of work has been undertaken to ensure Council was in a position to consult with the community on the proposed changes. The advantage of proceeding with adopting the SoP is that is consistent with the views expressed by the community on Council's CCO structure in other consultation processes, such as the Annual Plan. The SoP also reflects the review outcomes and gives the community an opportunity to fully understand the rationale behind the proposed changes to the CCO structure, and an opportunity to have their say.

6.2 The disadvantages of this option is that there are costs associated with a structural review of the CCOs. While the actual cost of the consultation process is not high, and is provided for in Annual Plan budgets, there is considerable staff time involved in such a complex piece of work.

6.3 Not adopting the SoP could mean two things: Council is not comfortable with the content, or Council would like to halt the process. This would put the process at risk, and the status quo in terms of the

CCO structure would remain in place until Council decided the next steps.

- 6.4 Council may choose to amend the SoP and then adopt it. This is an acceptable course of action as long as the changes are not significant, can be made in a timely manner, and comply with legislation. Staff would require Council to be very clear on the changes that need to be made and the rationale for them.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is Option 1: adopt the Statement of Proposal, including the consultation plan, as attached as **Appendix 1**. This would enable the consultation process to commence, and provides the community with an opportunity to have their say.

8.0 RECOMMENDATIONS

- A) **THAT** the Statement of Proposal to Reorganise Westland Holdings Ltd and Subsidiaries attached as **Appendix 1** be adopted for consultation in accordance with the consultation plan.
- B) **THAT** the consultation plan, subject to confirmation of dates, be adopted.

Tanya Winter
Chief Executive

Appendix 1: Statement of Proposal to Reorganise Westland Holdings Ltd including consultation plan



Proposal to Reorganise Westland Holdings Limited and Subsidiaries December 2014

This document is the Statement of Proposal prepared for the Special Consultative Procedure on Council's proposed reorganisation of Westland Holdings Limited and its subsidiaries; Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited.

Summary

The proposal

Council is proposing to reorganise Westland Holdings Limited and its subsidiaries. Council is proposing to:

- Disestablish Westland District Property Limited.
- Disestablish Westland Holdings Limited.
- Transfer the management of community assets such as pensioner housing, Hokitika Swimming Pool and the Jackson Bay Wharf back in-house from Westland District Property Limited.
- Transfer property currently owned by Westland District Property Limited to Council.
- Retain Hokitika Airport Limited and Westroads Limited as its key operating CCOs, with the shares of each company held directly by Council.
- Further investigate amalgamating Westroads Limited subsidiary Westroads Greymouth Limited into its parent Westroads Limited.

Reason for the proposal

In late 2013 Westland District Council commenced an independent review of the structure, governance and effectiveness of its Council Controlled Organisations (CCOs)¹, which include Westland Holdings Limited and its subsidiaries, Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited. The review was in part driven by community concern about Westland's CCO activities with a particular focus on Westland District Property Limited.

Findings of the independent review recommended changes to the way in which Council assets and services are managed and to the structure of Council's CCOs.

The proposed reorganisation of Westland Holdings Limited will allow Council to simplify the structure and governance of its operating entities, to establish a closer relationship between Council and its CCOs, and to focus more directly on core business.

Council is seeking community views on the proposed reorganisation of Westland Holdings Limited and its subsidiaries.

More Information

Copies of the Proposal

Copies of this proposal are available online at www.westland.govt.nz and at Council Libraries or the main Council building at Weld Street, or you can call us on 0800 474 834 and we will send you a copy.

Next steps and decision-making

After receiving submissions and hearing community views, Council will make a decision about whether to proceed with the proposal to: transfer the management of community assets back in-house, disestablish Westland District Property Limited, and disestablish Westland Holdings Limited.

Council's decision will take into account many matters, including the views of expressed by the community.

Key dates

18 th December 2014	Council adopts Statement of Proposal for consultation with community
5 th January 2015	The proposal opens for community consultation
5-9 th January 2015	Information is published in a local newspaper to let the community know that the proposal is being consulted on
Mid-January 2015	A public information session will be held in the Council Offices in Hokitika

¹ The organisations considered in the review are technically classed as council controlled trading organisation (CCTOs), which are CCOs that trade to make a profit.

30 th January 2015	Public submissions on the proposal close at 4pm
Mid-February 2015	Hearings held by Council to hear those who wish to speak to their submissions
26 th February 2015	Council makes a decision whether to proceed with the proposal or not or to proceed in an amended form

Have Your Say

Making a submission

Council wants to hear whether you support the proposal to reorganise Westland Holdings Limited and its subsidiaries. Have your say and it will be considered by Council as part of the decision-making process. The proposal is open for submissions from 5th January 2015 to 30th January 2015. There are several ways you can make a submission.

Online

Fill in a submission form at www.westland.govt.nz

Post

Westland Holdings Reorganisation submission

Westland District Council

Private Bag 704

Hokitika 7842

Deliver

Bring your submission in to the Westland District Council Offices, 36 Weld Street, Hokitika.

If you would like a hard copy submission form, you can download one from www.westland.govt.nz or collect one from the Council offices or at Council libraries.

You can also phone us on 0800 474 834 and we will post one to you.

When making a submission please make sure you include:

- Your name and email or postal address
- Whether you wish to speak in support of your submission at the Council hearing.

Closing date:

Submissions must be received by Council no later than 4pm, 30th January 2015.

Once the submission period is closed, Council will notify submitters who wish to speak of the date and time at which the Council hearing will be held.

Please note: All submissions are public documents and will be uploaded onto the Council's website with the names and contact details of the submitters included.

Information Session

Elected members and Council staff will be available to answer questions at an information session to be held at Westland District Council Offices in Hokitika in mid-January 2015.

Statement of Proposal

Introduction

This proposal involves assets of Council which are listed as Strategic Assets in Council's current policy on significance. On this basis and because there has been substantial community interest in the activities undertaken by and the performance of Westland Holdings Limited and its subsidiaries, Council is undertaking a Special Consultative Procedure under the Local Government Act 2002. This Statement of Proposal is prepared in accordance with the requirements set out in sections 83 and 83AA of the Local Government Act 2002.

Council Vision

In September 2014 Council adopted a new strategic vision:

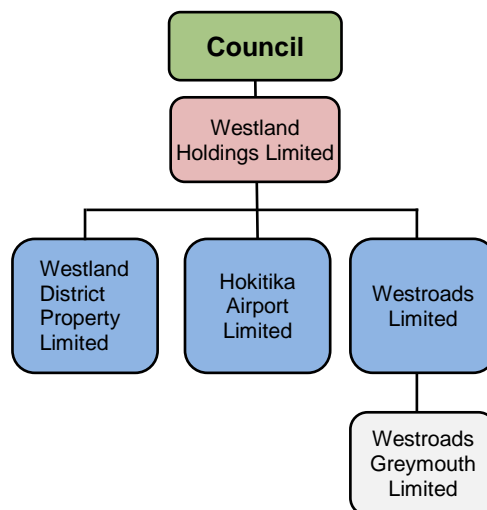
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation.

This will be achieved by:

- *Involving the community and stakeholders.*
- *Delivering core services that meet community expectations and demonstrate value and quality.*
- *Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance life style and opportunity for future generations.*

Background

In 2002, Westland District Council formed Westland Holdings Limited to consolidate its CCOs under one governance and reporting entity. This structure has developed over time and the current structural arrangement is shown in the diagram below.



In late 2013 Council commissioned an independent review of the structure, governance and effectiveness of its CCOs. The review included Westland Holdings Limited, Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited.

Review Approach

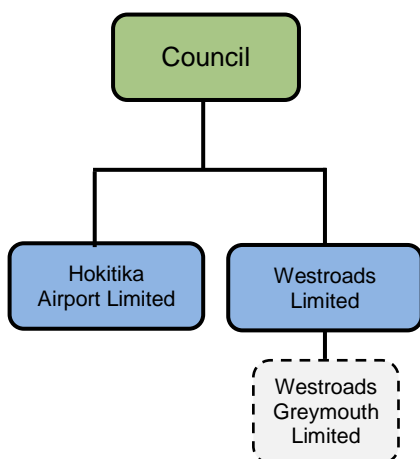
The review was informed by an analysis of key governance and reporting documents, such as the CCOs' constitutions and Statements of Intent, and the available Annual Reports of Council and the CCOs. The review was also informed by a survey of and targeted interviews with past and present elected members, senior staff and CCO Directors.

The review findings and potential options to improve the structure, governance and effectiveness of the CCOs, and the advantages and disadvantages of each option, were discussed with Councillors and senior council staff at a series of Council workshops. Following on from this, the findings of the review and recommended changes to the structure and governance of Council's CCOs were reported to Council at an ordinary Council meeting in January 2014.

The Proposal

Council is proposing to reorganise Westland Holdings Limited and its subsidiaries.

Proposed Structure



The Proposal

Council is proposing to:

- Disestablish Westland District Property Limited.
- Disestablish Westland Holdings Limited.
- Transfer the management of community assets such as pensioner housing, swimming pools and the Jackson Bay Wharf in-house, to be managed directly by Council.
- Transfer property currently owned by Westland District Property Limited to Council.
- Retain Hokitika Airport Limited and Westroads Limited as its key operating CCOs, with the shares of each company held directly by Council.
- Further investigate amalgamating Westroads Limited subsidiary Westroads Greymouth Limited into its parent Westroads Limited.

Reason for the proposal

An independent review of the structure, governance and effectiveness of Council's CCOs, including Westland Holdings Limited, Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited has been undertaken. The review was in part driven by community concern about Westland's CCO activities.

Findings of the independent review recommended changes to the way in which Council assets and services are managed and to the structure and governance of Council's CCOs.

The review found that the current structure of Council's CCOs is not optimal and is more complicated than it needs to be given the size and scope of what is being delivered. It also found that the current structure has inhibited a common understanding and appreciation of issues between Council as shareholder and the directors of Westland Holdings Limited's subsidiaries Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited. This has led to a lack of awareness of the activities of or the risks being entered into by subsidiaries, particularly Westland District Property Limited.

Westland District Property Limited's involvement in property and other developments has exposed Council to the commercial risks associated with the property development market. Council has indicated that it no longer wishes to be actively involved in the property development sector, and on this basis there is no reason to continue to have a property development company.

While the management of community assets (such as the Hokitika Swimming Pool, pensioner housing and the Jackson's Bay Wharf), mining license royalties, properties on road reserves, and disposal of surplus land may benefit slightly from a commercial focus, the scale of activity is too small to justify a commercial company. Provided these

activities are appropriately resourced, they can be effectively undertaken within Council and there is no material benefit from contracting this to Westland District Property Limited at commercial rates.

The performance of Hokitika Airport Limited has improved and the company is now making a small surplus. Given the strategic nature of the airport and its value to the Westland community, it is proposed that it should be retained as a commercial company and any profits reinvested in the future renewal and upgrading of airport assets.

Westroads Limited has proved to be a well performing maintenance and construction company engaged in roading, utilities and parks with significant third party revenue and is highly regarded in the community. However, the review found no compelling reason for Westroads Limited and Westroads Greymouth Limited to continue as separate entities. Given this, Council also intends to further investigate the advantages of amalgamating Westroads Greymouth Limited into its parent Westroads Limited.

When considering Council and Westland Holdings Limited balance sheets together, the restructure will have no material effect on the financial result. Westland District Council's balance sheet will show the current investment in shares in Holdings as now split into shares in Westroads Limited and Hokitika Airport Limited, with \$3m of assets and \$1m of associated debt transferred from Westland District Property Limited.

The cost of implementing the restructure is budgeted at \$100,000, and Council is aiming to complete the work within this budget. There may be additional costs associated with the transfer of assets and personnel into Council. These are unable to be quantified at this stage but are not expected to be material.

While the restructure is not driven by cost savings, Council does expect to make some ongoing savings in overheads, for example in directors' fees, audit costs, and reporting.

Alignment with Council's Vision

Council's new vision promotes a focus on the delivery of core services that meet community expectations and demonstrate value and quality. This proposal to reorganise Westland Holdings Limited and its subsidiaries allows Council to focus more directly on core business in alignment with Council's strategic direction.

Advantages of the proposed option

The advantages of the proposal are that:

- It simplifies the governance structure of Council's two key operating companies (Westroads Limited and Hokitika Airport Limited), provides for greater accountability between these operating companies and Council, and makes it easier for Council to fulfil its responsibilities as a Shareholder.
- It provides for a closer relationship and facilitates an understanding of important and strategic issues between Council as shareholder and its two key operating companies of Westroads Limited and Hokitika Airport Limited.
- It reduces Council's exposure to commercial risk of the property market and allows Council to focus more directly on the core business of infrastructure and community facilities provision.
- There is likely to be long term savings from the simplified structure in respect of directors' fees, audit costs and reporting.

Disadvantages of the proposed option

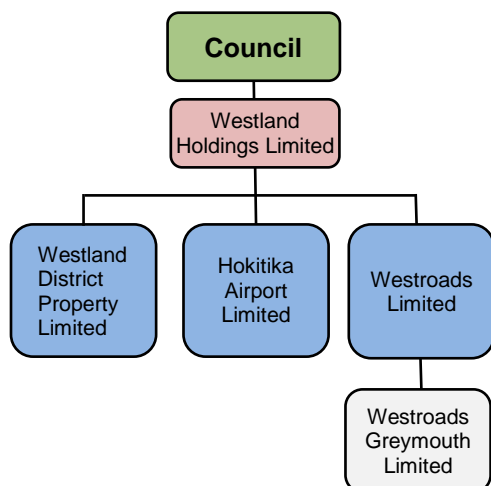
The disadvantages of the proposal are:

- There is a requirement to closely manage the process of the restructure.
- There will be some initial costs associated with the proposed restructure, as well as, in the longer-term, ongoing costs of employing staff to manage the property portfolio within Council.

Other options considered

Option A – Status Quo

Structure



Description

Under this option:

- Westland Holdings Limited would remain a wholly owned Council Controlled Trading Organisation of Westland District Council.
- Westland Holdings Limited continues to own Westland Property Limited, Hokitika Airport Limited and Westroads Limited.
- Westroads Limited continues to own Westroads Greymouth Limited.

The advantages are:

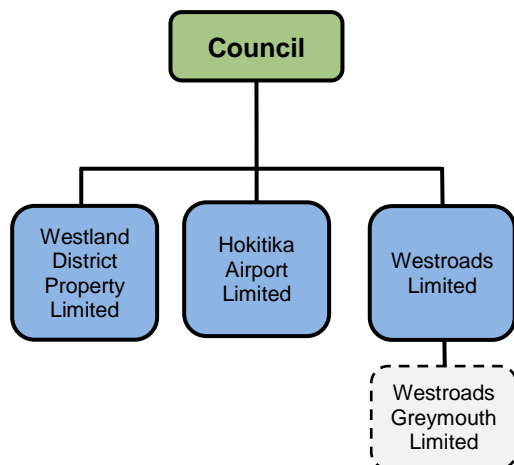
- There would be no need to change the structure.

The disadvantages are:

- This option would not address issues identified in the review, such as the structure being more complicated than it needs to be given the size and scope of what is being delivered.
- The governance relationship between Council and its operating companies, Westland District Property Limited, Hokitika Airport Limited, and Westroads Limited and its subsidiary Westroads Greymouth Limited, would continue to be inhibited.
- Council would continue to be exposed to commercial risk of the property market and there would be no change in focus on Council's core business of infrastructure and community facilities provision.

Option B – Removal of Westland Holdings Limited

Structure



Description

Under this option Council would:

- Disestablish Westland Holdings Limited.
- Assume ownership and governance of
- Westland District Property Limited,
- Hokitika Airport Limited
- Westroads Limited.
- Further investigate amalgamating Westroads Limited subsidiary Westroads Greymouth Limited into its parent Westroads Limited.

The advantages are:

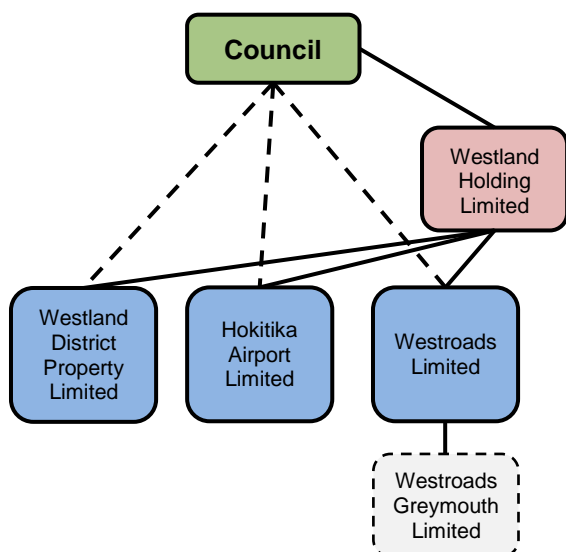
- It simplifies the governance structure of Council's operating entities, provides for greater clarity of accountability between the operating companies and Council, and makes it easier for Council to exercise its shareholder role.
- It provides for a closer relationship and understanding of important and strategic issues between Council as shareholder and its operating companies, Westroads Limited, Hokitika Airport Limited and Westland District Property Limited.
- There may be some slight savings resulting from the simplified structure in respect of directors' fees, audit costs and reporting.

The disadvantages are:

- Council would continue to be exposed to commercial risk of the property market, and there would be no change in focus on Council's core business of infrastructure and community facilities provision.
- There will be some costs associated with the proposed restructure.

Option C – Modified Status Quo

Structure



Description

This structure was considered to be a reasonable option only if it was necessary to retain Westland Holdings Limited for financial or other reasons. This has proved not to be the case. Under this option Council would:

- Retain Westland Holding Limited but amend its constitution to prescribe its primary role as ensuring the financial sustainability of its subsidiaries and that the strategic direction and statement of intent for all subsidiaries would be the responsibility of Council.
- Westland Holdings Limited would continue to own but Council would directly govern:
 - Westland District Property Limited
 - Hokitika Airport Limited
 - Westroads Limited.
- Further investigate amalgamating Westroads Limited subsidiary Westroads Greymouth Limited into its parent Westroads Limited.

The advantages are:

- This option would have been advantageous if there were compelling financial reasons for retaining Westland Holdings Limited. The review found no compelling financial reason for retaining Westland Holdings Limited.
- There would be some improvement in the governance relationship between Council and the operating subsidiary companies, but not to same extent as the proposed option.

The disadvantages are:

- The responsibilities and accountability of the directors of Westland Holdings Limited would be seriously compromised.
- Council would continue to be exposed to commercial risk of the property market, and there would be no change in focus on Council's core business of infrastructure and community facilities provision.

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Group Manager: Corporate Services

FINANCIAL PERFORMANCE: YTD NOVEMBER 2014

1.0 SUMMARY

- 1.1** The purpose of this report is to provide an indication of Council's financial performance for the five months to 30 November 2014.
- 1.2** This issue arises from a requirement for sound financial governance and stewardship with regards to the financial performance and sustainability of a local authority.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">Involving the community and stakeholders.	Providing timely, accurate and meaningful financial information. Examining the costs of providing core services, management of budgets, and progress on key projects.

- Delivering core services that meet community expectations and demonstrate value and quality.
- Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.

1.4 This report concludes by recommending that Council receives the financial performance review to 30 November 2014.

2.0 BACKGROUND

- 2.1** Historically Council's reporting has not been sufficiently timely or accurate to facilitate a reliable understanding of its financial performance or position.
- 2.2** This has led to financial challenges and risks that have been well documented in previous reports.
- 2.3** Consequently, Council identified monthly financial reporting as one of its key three deliverables.
- 2.4** Council received its maiden monthly financial report in August 2014, for the month of July 2014.
- 2.5** Instability in the finance function during a crucial period in the reporting calendar precluded the production and continued development of a reporting pack in that time.

3.0 CURRENT SITUATION

- 3.1** With the arrival of a new Finance Manager on 2 December 2014 the Finance team is adequately resourced to meet its primary objectives.
- 3.2** This includes the production and iterative enhancement of monthly performance reports.
- 3.3** The Financial Performance Report to 30 November 2014, attached as **Appendix 1** contains the following elements:
 - 3.3.1** Whole of Council Cost of Service Statement
 - 3.3.2** High level variance analysis
 - 3.3.3** Segmental graphs for operating revenue and expenditure
 - 3.3.4** Cost of Service Statement by Activity - NEW
 - 3.3.5** Capital expenditure statement - NEW
- 3.4** For the half year report, to be delivered in January 2015, the following enhancements are planned:

- 3.4.1 A review of budget phasing to facilitate:
 - 3.4.1.1 Improved variance analysis
 - 3.4.1.2 Reliable forecasting to year end
- 3.4.2 Projects and carry over tracking

4.0 OPTIONS

- 4.1 Receive the report

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 This report is for information only and, while feedback is invited from Council in order for staff to continuously improve the quality of information provided, no assessment of significance or consultation, and no options analysis is required.

6.0 RECOMMENDATION

- A) **THAT** Council receives the Financial Performance Report to November 2014

Gary Borg
Group Manager: Corporate Services

Appendix 1: Financial Performance YTD November 2014

Appendix 1

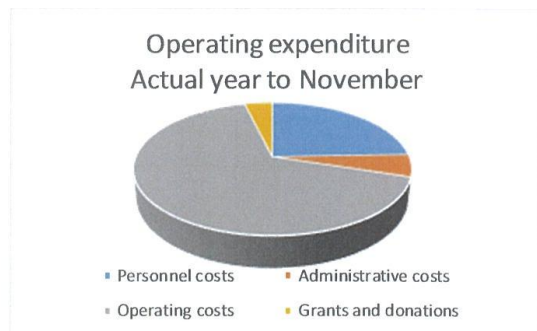
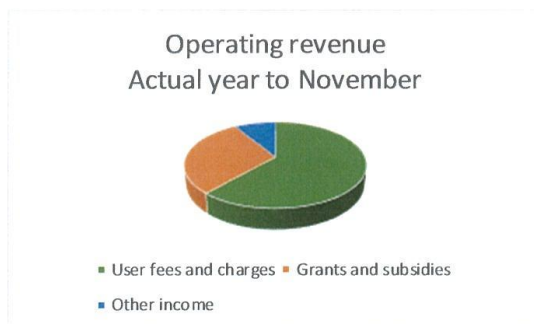
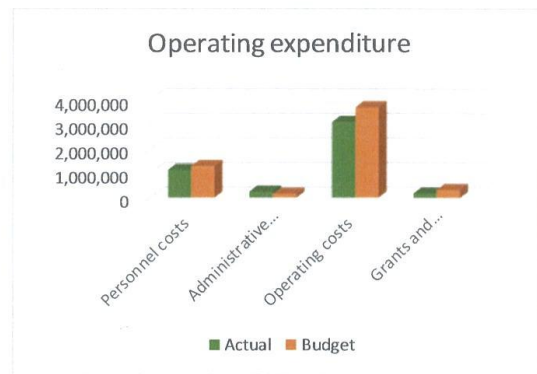
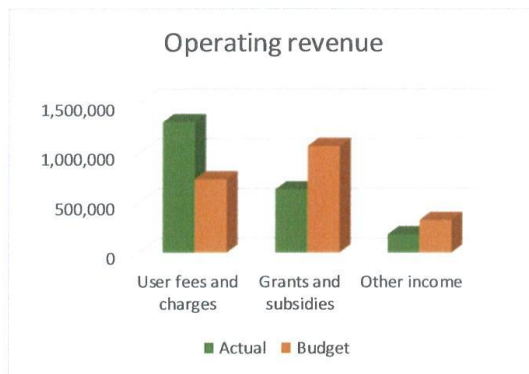


Financial Performance YTD November 2014

WESTLAND DISTRICT COUNCIL Cost of service statement					
	Year to November			Full year 2014-2015	
	Actual	Budget	Variance	Budget	Balance
Operating revenue					
User fees and charges	1,312,357	737,375	574,982	1,967,048	(654,691)
Grants and subsidies	635,831	1,071,396	(435,565)	3,059,974	(2,424,143)
Other income	184,949	328,516	(143,566)	894,687	(709,738)
Total revenue (A)	2,133,137	2,137,286	(4,150)	5,921,709	(3,788,572)
Operating expenditure					
Personnel costs	1,137,211	1,295,914	158,703	3,128,999	1,991,788
Administrative costs	253,535	156,584	(96,951)	541,419	287,885
Operating costs	3,087,815	3,678,262	590,447	8,797,924	5,710,109
Grants and donations	179,621	328,416	148,794	456,909	277,288
Total operating expenditure (B)	4,658,182	5,459,176	800,994	12,925,251	8,267,069
Net operating cost of services - surplus/(deficit) (A - B)	(2,525,045)	(3,321,890)	796,844	(7,003,542)	4,478,497
Other expenditure					
Interest and finance costs	344,469	340,460	(4,008)	900,711	556,243
Overheads	1,707,580	2,168,624	461,044	5,289,327	3,581,746
Depreciation	2,356,134	2,129,836	(226,298)	5,194,722	2,838,589
Total other expenditure (C)	4,408,183	4,638,921	230,738	11,384,761	6,976,578
Total expenditure (D = B + C)	9,066,365	10,098,097	1,031,732	24,310,012	15,243,647
Funded by					
Rates	5,292,447	5,678,671	(386,223)	11,386,142	(6,093,694)
Overhead recoveries	1,707,580	2,249,006	(541,426)	5,485,381	(3,777,801)
Total funded (E)	7,000,028	7,927,677	(927,650)	16,871,523	(9,871,495)
Net cost of services - surplus/(deficit) (A + E - D)	66,800	(33,133)	99,933	(1,516,780)	1,583,580

Variance analysis

Operating revenue	
User fees and charges	Actual Vs Budget timing differences, expected to merge by FY
Grants and subsidies	NZTA grant Sept budget \$431k not yet received
Other income	Dividends \$198k budget Sept not received, \$88k insurance claim received, \$16k timing difference for Museum donation
Operating expenditure	
Personnel costs	
Administrative costs	Actual Vs Budget timing differences of \$72k software licences and \$23k NZTA subscription
Operating costs	Actual Vs Budget timing differences, expected to merge by FY
Grants and donations	\$70k Township budget, \$39k Glacier donation, \$39k promotional grant not yet utilized



Cost of service statement by activities

WESTLAND DISTRICT COUNCIL Cost of service statement by activities					
	Year to November			Full year 2014-2015	
	Actual	Budget	Variance	Budget	Balance
Operating revenue					
Animal Control	95,342	92,255	3,087	95,500	(158)
CE Office Administration	0	0	0	0	0
Cemeteries	4,821	13,530	(8,709)	33,000	(28,179)
Community Assistance	18,276	17,298	978	24,548	(6,272)
Community Development	0	0	0	0	0
Community Halls and Buildings	25,835	5,240	20,595	12,780	13,055
Community Township Development	30,450	0	30,450	0	30,450
Corporate Planning	0	0	0	0	0
Corporate Services Group Admin	22,356	20,910	1,446	51,000	(28,644)
Council Headquarters	13,196	12,198	998	29,750	(16,554)
Democracy Services	1,270	1,500	(230)	1,500	(230)
District Assets Group Admin	4,167	0	4,167	0	4,167
Elderly Housing	0	0	0	0	0
Emergency Management	0	0	0	0	0
Events	1,591	11,000	(9,409)	412,500	(410,909)
Hokitika Airport Ltd	0	0	0	0	0
Information Services	624	820	(196)	2,000	(1,376)
In-House Professional Services	0	0	0	0	0
Inspection and Compliance	215,707	207,829	7,878	570,028	(354,321)
I-Site	70,981	66,289	4,692	150,289	(79,308)
Land & Buildings	1,667	0	1,667	0	1,667
Library	12,609	9,897	2,712	28,440	(15,831)
Museum	38,271	7,215	31,056	34,000	4,271
Parks & Reserves	21,156	5,199	15,958	7,350	13,806
Planning, Community and Environment Admin	0	0	0	0	0
Public Toilets	0	0	0	0	0
Resource Management	38,323	39,975	(1,652)	97,500	(59,177)
Solid Waste	290,327	272,726	17,601	703,350	(413,023)
Stormwater	0	0	0	0	0
Swimming Pools	0	0	0	0	0
Transportation	578,733	1,005,786	(427,053)	2,873,674	(2,294,941)
Vehicle operations	22,948	0	22,948	0	22,948
Wastewater	29,074	45,500	(16,426)	45,500	(16,426)
Water Supply	501,652	0	501,652	0	501,652
West Coast Wilderness Trail	4,940	0	4,940	0	4,940
Westland District Property Ltd	0	0	0	0	0
Total operating revenue	2,044,315	1,835,166	209,148	5,172,709	(3,128,394)

Operating expenditure					
Animal Control	27,115	24,702	(2,413)	60,810	33,695
CE Office Administration	159,357	165,929	6,572	410,093	250,737
Cemeteries	17,124	31,059	13,935	75,753	58,629
Community Assistance	121,293	167,044	45,751	270,160	148,867
Community Development	32,153	35,133	2,980	83,350	51,196
Community Halls and Buildings	64,873	65,191	318	112,690	47,817
Community Township Development	101,369	221,291	119,922	356,198	254,829
Corporate Planning	33,601	49,565	15,964	259,561	225,960
Corporate Services Group Admin	411,458	510,173	98,715	1,051,474	640,016
Council Headquarters	74,591	83,906	9,315	167,673	93,082
Democracy Services	171,989	244,482	72,493	531,945	359,956
District Assets Group Admin	98,989	116,063	17,074	317,915	218,926
Elderly Housing	24,165	0	(24,165)	0	(24,165)
Emergency Management	16,690	24,207	7,517	59,310	42,621
Events	2,405	120,010	117,604	335,212	332,807
Hokitika Airport Ltd	8,995	0	(8,995)	0	(8,995)
Information Services	161,521	66,953	(94,568)	251,043	89,521
In-House Professional Services	206,423	316,567	110,144	773,524	567,101
Inspection and Compliance	192,906	256,121	63,215	565,910	373,003
I-Site	91,396	103,205	11,810	259,213	167,817
Land & Buildings	33,100	30,737	(2,363)	48,355	15,255
Library	155,485	151,085	(4,399)	338,391	182,906
Museum	95,107	99,364	4,257	250,448	155,340
Parks & Reserves	66,879	108,254	41,375	259,284	192,405
Planning, Community and Environment Admin	0	0	0	0	0
Public Toilets	52,071	71,334	19,264	180,564	128,493
Resource Management	85,189	112,305	27,116	328,796	243,607
Solid Waste	478,408	636,393	157,985	1,754,545	1,276,136
Stormwater	37,992	24,518	(13,474)	69,346	31,354
Swimming Pools	98,714	99,506	792	241,918	143,204
Transportation	897,543	901,783	4,240	2,099,958	1,202,415
Vehicle operations	15,111	0	(15,111)	0	(15,111)
Wastewater	124,110	145,367	21,257	388,287	264,177
Water Supply	308,062	363,917	55,855	769,061	460,999
West Coast Wilderness Trail	73,821	0	(73,821)	0	(73,821)
Westland District Property Ltd	10,954	0	(10,954)	0	(10,954)
Total operating expenditure	4,550,962	5,346,165	795,203	12,670,786	8,119,824
Net operating cost of services - surplus/(deficit)	(2,506,647)	(3,510,999)	1,004,352	(7,498,077)	4,991,429

Capital expenditure statement

Account code	Description	Year to November			Full year 2014/15	
		Actual	Budget	Variance	Budget	Balance
350458106	Cemetery expansion	2,999	0	(2,999)	10,000	7,001
4205581	Emergency management	0	0	0	11,000	11,000
341858103	Repairs of statues	0	1,250	1,250	5,000	5,000
1600581	Website development	15,266	15,000	(266)	15,000	(266)
490058101	IT Improvements and Strategy	0	0	0	30,000	30,000
5100584	Audio/visual/e resources	1,827	1,230	(597)	3,000	1,173
5100585	Adult fiction	3,972	5,125	1,153	12,500	8,528
5100586	Adult non fiction	7,406	7,544	138	18,400	10,994
5100587	Junior resources	3,642	4,715	1,073	11,500	7,858
5100588	Large print	1,507	2,460	953	6,000	4,493
450458101	Capping Hokitika Landfill	0	0	0	20,000	20,000
3030581	Unsealed Road Metalling	102,047	109,880	7,833	268,000	165,953
3031581	Sealed Road Resurfacing	0	0	0	804,000	804,000
3032581	Maintenance - Drainage Renewals	34,238	65,928	31,690	160,800	126,562
3033581	Structures Component Replace	13,750	69,412	55,662	187,600	173,850
3034581	Traffic Services Renewals	13,545	54,940	41,395	134,000	120,455
3070581	Sealed Road Resurfacing	0	0	0	150,000	150,000
3071581	Drainage renewals	21,185	9,943	(11,242)	24,250	3,065
3072581	Structures Component Replace	0	20,295	20,295	49,500	49,500
3073581	Traffic Services Renewals	557	2,194	1,637	5,350	4,793
3080581	Minor Improvements-Local Rds	12,454	71,312	58,858	173,932	161,478
3081581	Minor Improvements-SP Roads	0	11,120	11,120	27,122	27,122
5674581	West Coast Cycle Trail	170,252	0	(170,252)	0	(170,252)
5200581	H & C - Capital Expenditure	0	0	0	5,000	5,000
460458111	Fitzherbert St Pump Station - Mains R	0	0	0	350,000	350,000
460458113	Fitzherbert St Pump Upgrade	32,044	0	(32,044)	100,000	67,956
461258103	Haast Treatment Improvements	12,457	0	(12,457)	150,000	137,543
4702581	Water Supply - Kumara	0	0	0	10,000	10,000
4707581	Water Supply - Hari Hari	0	0	0	50,000	50,000
4708581	Water Supply - Whataroa	0	0	0	50,000	50,000
471258104	Water Supply - Haast	2,928	0	(2,928)	400,000	397,072
Total capital expenditure		452,077	452,347	270	3,241,954	2,789,877

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Wildfoods Festival Co-ordinator

WILDFOODS FESTIVAL FUNDING APPLICATION

1.0 SUMMARY

- 1.1** The purpose of this report is to request that Council resolves to apply for external funding from Air Rescue Trust for the 2015 Wildfoods Festival.
- 1.2** This issue arises from the need to formalise the applications by means of a resolution from Council to request external funding from Air Rescue Trust.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">• Involving the community and stakeholders.• Delivering core services that meet community expectations and demonstrate value and quality.• Proudly promoting, protecting and	Exploring external funding opportunities to enable the delivery of one of Council's core services: the Wildfoods Festival.

leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.	
---	--

- 1.4** This report concludes by recommending that Council endorses the Wildfoods Festival Team to seek external funding of \$70,000 from Air Rescue Trust.

2.0 BACKGROUND

- 2.1** Wildfoods Festival has always relied on external funding to help fund the event.
- 2.2** In past years the following has been received from external funding organisations: \$30,000 from Air Rescue Trust.

3.0 CURRENT SITUATION

- 3.1** Council has budgeted \$36,000 of external funding to help fund the 2015 Wildfoods Festival.
- 3.2** The Wildfoods Festival Team has identified only one organisation where the Wildfoods Festival meets the criteria for funding: the Air Rescue Trust.
- 3.3** In order to apply for this funding a formal resolution of Council is required.

4.0 OPTIONS

- 4.1 Option 1.** Approval to apply for external funding for the 2015 Wildfoods Festival
- 4.2 Option 2.** No approval to apply.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1** In accordance with Council's Policy on Significance this decision is assessed as low significance. Applying for funding is administrative.
- 5.2** No consultation is required on this matter.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1** Applying for funding for the festival will mean the cost of marquees, toilets, sound, print, first aid, site set up and security will be covered if the applications are successful.
- 6.2** If Council does not apply or the application is not successful the event is dependent on ticket sales and other sales on the day to meet revenue targets.

7.0 PREFERRED OPTION AND REASONS

- 7.1** The preferred option is Option 1. Approval to apply for external funding for the 2015 Wildfoods Festival.

8.0 RECOMMENDATION

- A)** **THAT** Council supports the Wildfoods Festival Team in seeking external funding of \$70,000 from Air Rescue Trust for the Wildfoods Festival 2015.

Ashley Cassin
Wildfoods Festival Co-ordinator

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Chief Executive

2015 COUNCIL MEETING SCHEDULE

1.0 SUMMARY

- 1.1** The purpose of this report is to provide a listing of Council Meetings for 2015 for confirmation by Council.
- 1.2** This issue arises from the requirement to adopt a schedule of Council Meetings for 2015.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">• Involving the community and stakeholders.• Delivering core services that meet community expectations and demonstrate value and quality.• Proudly promoting, protecting and leveraging our historic, environmental and natural resource base to enhance lifestyle and opportunity for future generations.	A schedule of meetings gives the Council the opportunity to meet in some areas of the District with community members and also to understand issues and concerns that are important to the community. Members of the community are then able to plan to attend Council meetings.

- 1.4** This report concludes by recommending that Council adopt the meeting schedule attached as Appendix 1.

2.0 BACKGROUND

- 2.1** The Council has historically adopted meeting schedules for the following year, at their December Council meeting each year. This is so that elected members, staff and the community are provided with the dates in advance and can plan their diaries accordingly.

3.0 CURRENT SITUATION

- 3.1** Council meetings are currently held on the fourth Thursday of every month. Staff are not proposing to change this.
- 3.2** The January 2015 is proposed to be held on the fifth Thursday of the month (29 January 2015). This is to accommodate the holiday period in January.
- 3.3** The Executive Committee has adopted a work plan with scheduled regular Committee meetings.
- 3.4** A proposed timetable of meetings is attached as **Appendix 1**.

4.0 OPTIONS

- 4.1** **Option 1** - Adopt the meeting schedule.
- 4.2** Option 2 – Amend the meeting schedule and adopt it.
- 4.2** **Option 3** - Do not adopt the meeting schedule.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1** Council meetings are legislatively required and part of the decision-making process of local government provided for in the Local Government Act 2002. When assessed against Council's Policy on Significance however, this decision is administrative in nature and therefore of a low level of significance.
- 5.2** Council has previously indicated a preference to hold Council meetings throughout the Westland District area to encourage engagement with local communities. It is proposed to hold three Council Meetings outside of the Westland District Council Chambers at 36 Weld Street, Hokitika.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1** The advantages of holding meetings in the Council Chambers is that technology and staff are available and the cost to Council is negligible as there is no meeting room hire. There are still catering costs.
- 6.2** The disadvantages of holding meetings in the Council Chambers is that very few members of the public attend the public forum section of the meeting and people in remote communities are disadvantaged due to travelling distances.
- 6.3** The advantages of holding Council meetings throughout the district is that Council has the opportunity to meet with the local community members in their respective areas and is able to combine visits to district assets, hear community concerns, and see other community projects..
- 6.4** The disadvantages of holding meetings throughout the District are that technology is not readily available and venue hire needs to be paid for. Staff can however take a portable screen, laptop and data projector if required. There is also the cost of travel as staff and most Councillors live in or close to Hokitika.

7.0 PREFERRED OPTION AND REASONS

- 7.1** The preferred option is that Council adopt the meeting schedule attached as **Appendix 1**. This will mean that most meetings will be held in Hokitika, but it will also enable Council to have a presence in the three communities in Westland District.

8.0 RECOMMENDATION

- A)** **THAT** the schedule of Council Meetings for 2015 be adopted.

Tanya Winter
Chief Executive

Appendix 1: Council Meetings 2015.

APPENDIX 1

COUNCIL MEETINGS 2015

Month Meeting Date		
January	29	Chambers
February	26	Arahura
March	26	Chambers
April	23	Chambers
May	28	Chambers
June	25	Franz Josef
July	23	Chambers
August	27	Chambers
September	24	Chambers
October	22	Haast
November	26	Chambers
December	17	Chambers

Report



DATE: 18 December 2014

TO: Mayor and Councillors

FROM: Corporate Planner

SIGNIFICANCE AND ENGAGEMENT POLICY

1.0 SUMMARY

- 1.1** The purpose of this report is to consider submissions and adopt a Significance and Engagement Policy (SEP).
- 1.2** This issue arises as a result of changes to the Local Government Act in 2014 which requires all Councils to adopt an SEP by 1 December 2014.
- 1.3** Council seeks to meet its obligations under the Local Government Act 2002 and the achievement of the District Vision adopted by the Council in September 2014, which will be set out in the next Long Term Plan 2015-25. The matters raised in this report relate to those elements of the vision identified in the following table:

Vision's Objectives	Achieved By
Westland District Council will facilitate the development of communities within its district through delivery of sound infrastructure, policy and regulation. This will be achieved by: <ul style="list-style-type: none">Involving the community and stakeholders.	The Significance and Engagement Policy sets out how the Council will determine the scale of significance of a matter and thereafter align the amount and type of engagement with the community to that. The community and stakeholders will then be proportionately involved in any decision-making process.

- 1.4** This report concludes by recommending that Council considers the submission received, and adopts the Significance and Engagement Policy attached as Appendix 4.

2.0 BACKGROUND

2.1 A Council's Significance and Engagement Policy is to be a device for -

"Letting the public know what type of decisions or matters the Council and the community are likely to consider to be particularly important, how the Council will go about determining the importance of matters as they arise, and how and when the community can expect to be consulted" [SOLGM NZ "Guide to the Significance & Engagement Policy", 2014].

2.2 A relevant excerpt of the Local Government Act 2002 (LGA) legislation is attached (Appendix 2).

2.3 The LGA provides a degree of flexibility about how local authorities must consult on a range of decisions taken under the Act. Sometimes the Act specifies that consultation must be undertaken in accordance with the Special Consultative Procedure, which is quite prescriptive (yet still does not set engagement methods), and sometimes the Council is directed to consult "in a manner that gives effect to the requirements of section 82", which leaves it up to the Council to apply the principles of consultation.

2.4 The SOLGM guide explains that a Council's Significance and Engagement Policy should be "the partner" to the Act's flexibility, in that the policy should advise the public of the Councils "own house rules".

2.5 The drafting of the policy was initiated by staff seeking input from Councillors about their expectations. The opening feedback that was received from the Councillors was:

It is important that the Council balances the costs associated with engagement and consultation against the issues that require a decision.

The Council initiative for public meetings to be held in different locations across the district appears to be appreciated by the community.

Clarification is required about whether the SEP is a replacement or a revision of the Council's existing Significance Policy. [It replaces and extends Council's existing Significance Policy].

2.6 A SEP was then drafted using SOLGM guidance, the Councillor input, information that is known about community preferences, and consideration of the variables of the District.

2.7 A Council workshop was held and alterations were made to the draft policy as a result, primarily the inclusion of further LGA references.

- 2.8 The Council considered the draft SEP at its October Council meeting and approved a one month consultation period on the document. This consultation was undertaken between 5 November and 5 December 2014.
- 2.9 A public notice of the draft SEP and the opportunity to provide feedback was included in local newspapers on 5 November 2014 (Hokitika Guardian and the Messenger). Prior to this, a Councillor informally notified the public, by way of a letter in the local newspaper, about the upcoming opportunity to provide feedback on the policy.

3.0 CURRENT SITUATION

- 3.1 During the submission period:
 - 3.1.1 One written submission was received; this submitter does not wish to be heard. The submission is discussed in this report.
 - 3.1.2 A Westland resident lodged a letter about the draft policy with the Grey Star editor; this was included in the newspaper on 26 November 2014.
 - 3.1.3 An email from a Council advisor was received on 4 December 2014.
- 3.2 A summary of the submission and the informal comments is attached as Appendix 3, with the officer reason for accepting or declining any amendments sought.

4.0 OPTIONS

- 4.1 Option One: The Council can adopt the amended version of the Significance and Engagement Policy that is attached to this report as Appendix 4.
- 4.2 Option Two: The Council can make additional amendments to the Significance and Engagement Policy that is attached to this report and adopt it.
- 4.3 Option Three: The Council can direct that the policy be rejected.

5.0 SIGNIFICANCE AND CONSULTATION

- 5.1 The adoption of the policy itself is not a significant matter. The LGA allows a Council to adopt a Significance and Engagement policy without consultation if it considers it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved. The Council chose to consult and received only one written submission.

- 5.2 The details of the consultation process that has occurred about this policy is identified in the background section of this report.

6.0 ASSESSMENT OF OPTIONS (INCLUDING FINANCIAL IMPLICATIONS)

- 6.1 If the Council adopts the Significance and Engagement Policy that is attached to this report, it will be able to proceed to further develop the remainder of the Long Term Plan (LTP). This situation will not be altered if the Council chooses to make additional amendments to the Significance and Engagement Policy that is attached to this report and adopts it.
- 6.2 It is a mandatory requirement for the Council to have a Significance and Engagement Policy in place, so if the Council directs that the policy be rejected, staff will be required to revisit the drafting of the policy. This may impact on the sequential scheduled delivery of other LTP components and reduce the time staff have available to spend on other parts of the LTP. Should Council choose this option staff will need clear direction on which aspects of the policy need reviewing.

7.0 PREFERRED OPTION AND REASONS

- 7.1 The preferred option is that Council adopts the amended Significance and Engagement Policy that is attached to this report as Appendix 4. The Council is required to have a Significance and Engagement Policy in place prior to consultation on the Long Term Plan in 2015.

8.0 RECOMMENDATIONS

- A) **THAT** Council considers the submission on the draft Significance and Engagement Policy.
- B) **THAT** Council adopts the (amended) Significance and Engagement Policy attached as Appendix 4 to this report.

Karen Jury
Corporate Planner

- Appendix 1:** The written submission
- Appendix 2:** Relevant sections from the Local Government Act 2002
- Appendix 3:** Summary of the submission and other feedback received, with Officer comment and recommendations
- Appendix 4:** The Significance and Engagement Policy (as amended in response to submission and informal feedback).

Appendix 1:

CCL4

Submission on Draft Significance and Engagement Policy

The Westland District Council has produced a draft Significance and Engagement Policy and is seeking input from its community about whether the policy adequately expresses the relationship between the significance of a matter and the type of engagement with parties that should be undertaken.

Submissions must be made by 5.00pm on Friday the 5th of December 2014

Name * Hugh Cameron

Organisation (if applicable)

Postal Address * 86 Pine Tree Road
Kaniere
Hokitika

Email * hughcameron@slingshot.co.nz

Phone No. 755 8063

Submission * I oppose the proposal

Type Submission Here The draft policy fails to meet its stated intent – which is “to provide both Council and community with an effective decision-making framework.” The draft policy provides nothing more than words that offer no clear direction to the community or to Council on how the legal requirements of the Local Government Act Amendment Bill shall be implemented by this Council.

1. The draft policy is extremely poorly written and poorly constructed.
2. The policy fails to provide concrete guidance on appropriate procedures in any given circumstance.
3. The policy puts all of the onus on staff to decide appropriate levels of consultation, whereas at least some responsibility should rightly lie with elected representatives.
4. The policy fails to establish clear principles.
5. The policy fails to outline the legislative requirements underpinning appropriate decision-making.
6. The policy states Council's 2005 Consultation Policy is to remain unaltered as a separate policy. Since both the consultation policy and the engagement policy inevitably cover exactly the same ground, it is totally inappropriate to retain both policies as separate, stand-alone policies.
7. Council flagrantly disregards the new Amendment Act, for example in those most recent controversial cases of failure to engage – (a) the Pioneer Monument debacle, and (b) the secretive sell-off of part of the Ross cemetery, a strategic asset!
8. In summary, the draft policy is without substance and without merit.
9. Instead of endlessly reinventing the wheel, it is clearly time for Westland to admit we do not have the capability to write such policies to the standard expected. I recommend to Council the adoption of the Grey District Council policy, verbatim, as that policy at least provides a reasonable basis to inform the community and Council of relevant principles and procedures to be followed.

Submissions will be heard in December 2014

Do You Wish to be Heard in Support of your Submission * No

If yes, do you want to make a joint case with another party?: * No

Do you require a language interpreter in order to present at the hearing?: * No

CE	Mayor	GM PCE	GM DA	GM CS	EA	KS
		✓				✓

RECEIVED
02 DEC 2014

SCANNED

Appendix 2: Relevant sections from the Local Government Act

Section 76AA Significance and engagement policy

- (1) Every local authority must adopt a policy setting out —
- (a) that local authority's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters; and
 - (b) any criteria or procedures that are to be used by the local authority in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences; and
 - (c) how the local authority will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and
 - (d) how the local authority will engage with communities on other matters.
- (2) The purpose of the policy is —
- (a) to enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities; and
 - (b) to provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters; and
 - (c) to inform the local authority from the beginning of a decision-making process about —
- (i) the extent of any public engagement that is expected before a particular decision is made; and
 - (ii) the form or type of engagement required.
- (3) The policy adopted under subsection (1) must list the assets considered by the local authority to be strategic assets.
- (4) A policy adopted under subsection (1) may be amended from time to time.
- (5) When adopting or amending a policy under this section, the local authority must consult in accordance with section 82 unless it considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.
- (6) To avoid doubt, section 80 applies when a local authority deviates from this policy.

Section 82 Principles of consultation
--

- (1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:
- (a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:

- (b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority;
 - (c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented;
 - (d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons;
 - (e) that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration;
 - (f) that persons who present views to the local authority should have access to a clear record or description of relevant decisions made by the local authority and explanatory material relating to the decisions, which may include, for example, reports relating to the matter that were considered before the decisions were made.
- (2) A local authority must ensure that it has in place processes for consulting with Māori in accordance with subsection (1).
- (3) The principles set out in subsection (1) are, subject to subsections (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.
- (4) A local authority must, in exercising its discretion under subsection (3), have regard to—
- (a) the requirements of section 78; and
 - (b) the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and
 - (c) the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and
 - (d) the provisions of Part 1 of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and
 - (e) the costs and benefits of any consultation process or procedure.
- (5) Where a local authority is authorised or required by this Act or any other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in subsection (1) as are inconsistent with specific requirements of the procedure so prescribed are not to be observed by the local authority in respect of that consultation.

Section 83 Special consultative procedure

- (1) Where this Act or any other enactment requires a local authority to use or adopt the special consultative procedure, that local authority must —
- (a) prepare and adopt —
 - (i) a statement of proposal; and
 - (ii) if the local authority considers on reasonable grounds that it is necessary to enable public understanding of the proposal, a summary of the information contained in the statement of proposal (which summary must comply with section 83AA); and
 - (b) ensure that the following is publicly available:
 - (i) the statement of proposal; and
 - (ii) a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority in accordance with section 82(1)(d); and
 - (iii) a statement of the period within which views on the proposal may be provided to the local authority (the period being not less than 1 month from the date the statement is issued); and
 - (c) make the summary of the information contained in the statement of proposal prepared in accordance with paragraph (a)(ii) (or the statement of proposal, if a summary is not prepared) as widely available as is reasonably practicable as a basis for consultation; and
 - (d) provide an opportunity for persons to present their views to the local authority in a manner that enables spoken (or New Zealand sign language) interaction between the person and the local authority, or any representatives to whom an appropriate delegation has been made in accordance with Schedule 7; and
 - (e) ensure that any person who wishes to present his or her views to the local authority or its representatives as described in paragraph (d) —
 - (i) is given a reasonable opportunity to do so; and
 - (ii) is informed about how and when he or she may take up that opportunity.
- (2) For the purpose of, but without limiting, subsection (1)(d), a local authority may allow any person to present his or her views to the local authority by way of audio link or audiovisual link.
- (3) This section does not prevent a local authority from requesting or considering, before making a decision, comment or advice from an officer of the local authority or any other person in respect of the proposal or any views on the proposal, or both.

Appendix 3: Summary of the submission and other feedback received, with Officer comment and recommendations

The written submission:

<i>Summary of submission point:</i>	<i>Staff comment and recommendation:</i>
The draft policy is extremely poorly written and poorly constructed.... without substance or merit.	<p>The suggested headings from the SOLGM guide have been used. The draft policy addresses all aspects of LGA Section 76AA.</p> <p><i>Recommendation: Decline</i></p>
<p>The policy fails to provide concrete guidance on appropriate procedures in any given circumstance.</p> <p>And;</p> <p>Adopt an alternative (stated) Council policy instead.</p>	<p>Correct. The draft policy as publicly notified only provides minimal procedures and reference to specific engagement methods. That is because it is primarily a policy rather than a procedure.</p> <p>‘Policy’ and ‘Procedure’ are very often interchanged incorrectly even though they are two distinct types of documentation.</p> <p>The current draft policy provides guidance about how and when the community can expect to be consulted, with the core element being to balance the significance of a matter with the scale of engagement and consultation that is undertaken.</p> <p>The legislation already states the specific circumstances when local authorities must consult (and in the LGA it also states when they must follow either the SCP or the s82 principles of consultation). A SEP does not need to repeat the LGA, nor is it meant to be an instruction manual about types of engagement practices. A great deal of up to date community engagement procedure and process material is available for organisations such as Councils to refer to at any time. The SOLGM guide references the International Association for Public Participation (IAP2) website as an <i>example</i> of such material. The alternative policy (from Grey District Council) that the submitter has referenced includes the IAP2 information but states that it is only “an example of the differing levels of engagement that might be considered appropriate”. It does not state as the submitter suggests that this is that particular Council’s procedure.</p> <p>It is suggested by the writer of this report that an appropriate test for Council is:</p> <ol style="list-style-type: none"> 1. Will the policy be useful? 2. Does it clearly advise our own house rules? <p>On its own, the policy may not be useful as a one-stop technique for selecting an engagement technique, and is not intended to be. It will however be useful to determine significance (using the criteria in the policy) and then determine an appropriate form of engagement (Part</p>

	<p>III of the policy has a series of steps that must be undertaken to determine an appropriate form of engagement for that particular issue).</p> <p>The SEP does state our own house rule's i.e. it declares what we know about our communities' preferences for engagement and the techniques we know work in this District.</p> <p>The approach suggested by the submitter of predetermining a specific engagement technique for every circumstance is risky and highly unlikely to be effective. It would be easy for this Council to simply state "if it is a significant matter the Council will hold a public meeting". This is however a simplistic approach that is not innovative and which would not encourage the Council to determine an 'appropriate' form of engagement for the specific receiving/affected audience about individual significant matters.</p> <p>It is noted that the other policy the submitter refers to states its procedure (in points 7 & 8) as simply being to use the Special Consultative Procedure or the s82 Consultation Principles as is required by the LGA. And for all other issues requiring a decision, to determine the appropriate level of engagement on a case by case basis. This procedure on its own is not considered to add to the approach that is already being taken in the draft Westland District Council policy.</p> <p><i>Recommendation:</i></p> <p><i>As the submitter suggests that the policy as written is unclear, it perhaps could be unclear to other readers/users as well. It is therefore recommended that, although the LGA is referenced within the body of the policy, the current headings in the policy also be referenced against LGA section 76AA.</i></p> <p><i>It is also reiterated that it is desirable that the Council introduce a procedure manual for effectively carrying out engagement in the Westland District (this is already stated within Part IV of the policy itself).</i></p> <p><i>Accept this submission in part. (LGA references have been added to the attached policy in Appendix 4).</i></p>
All onus is on staff to decide appropriate levels of consultation, some responsibility should lie with elected representatives.	<p>This is an incorrect assumption. The policy does states that staff will do an initial evaluation and a recommendation (because that is generally the manner in which operational issues are elevated to being a Council consideration).</p> <p>Responsibility does however already sit with the elected representatives as the decision is made by them.</p> <p><i>Recommendation: Decline</i></p>
The policy fails to establish clear principles or the legislative requirements.	<p>The Local Government Act already sets out the consultation principles (these are referenced within the policy – sections 82 and 83 LGA). It is not the role of this policy to do this once again. As per the officer comment above, the purpose of the SEP is not to repeat legislation, it is</p>

	to add to it by establishing the Council's own house-rules. <i>Recommendation: Decline</i>
The existing Consultation policy should not be retained.	There is a difference between consultation and engagement, and the role of consultation is explained in the draft policy. Specifically, the SEP does not replace the Council's legal responsibility to consult. That being so, the existing Consultation policy remains of value to both the community and the Council. <i>Recommendation: Decline</i>
Council disregards LGA requirements, examples cited: Pioneer Statue and Ross cemetery.	This comment is not relevant to the adoption of this policy. N/A

The letter to the editor (Grey Star):

<i>Summary of submission point:</i>	<i>Staff comment and recommendation:</i>
Concern about the phrase in the draft policy: "Is there a likely impact on Maori cultural values and their relationship to land and water".	If taken on its own this phrase could appear to be exclusive to other cultures and/or peoples, however it forms part of a list within Part II of the draft policy. It is preceded by the statement "What is the degree of impact on the community, individuals or groups?" which is intentionally inclusive of all. The additional statement in the draft policy is deliberately seeking that the Council recognises the cultural values of Maori in its decision-making. The Council will also be reviewing its policy on Maori Contribution to Decision making. <i>Recommendation: Decline</i>

The email comments:

<i>Summary of point:</i>	<i>Staff comment and recommendation:</i>
The act is specific that certain decisions / processes must use an SCP. It is my view that s.82 consultation is still appropriate for a matter of high significance. All of the requirements of s.82 when considered properly may actually result in council meeting or exceeding the SCP requirements. A matter may be of high significance to a small group of people who can be engaged with very	These are correct statements about the LGA. The intended "General Approach" in the draft SEP is that the Council will use the SCP, as a minimum procedure, either because the LGA specifically states it must or whenever a matter is determined to be of high significance. This is a precautionary approach. Note: The SCP is a procedure only and various engagement and consultation methods can be employed. <i>Recommendation: Accept in part. To clarify the intended approach, this section of the SEP should be reworded as follows -</i> 2. GENERAL APPROACH [LGA s76AA (1)(a)] 2.1 Council's decision-making about the degree of significance of an issue, proposal or decision will be guided by Part II of this

<p>quickly and effectively without an SCP.</p>	<p>Policy.</p> <p>2.2 Council's engagement practices will be guided by Part III of this Policy.</p> <p>2.3 The Council will use the Special Consultative Procedure (SCP) whenever it is specifically required to by the LGA or other legislation.</p> <p>2.4 Whenever a matter is identified by the Council as being of high significance, it will use the SCP procedure as a minimum procedure for consultation. It will undertake what it considers to be a corresponding high level of engagement about the proposal.</p> <p>2.5 The Council will apply the principles of LGA section 82 in other instances of consultation.</p> <p>2.6 The Council may choose to undertake engagement and/or consultation on occasions other than when a matter has been determined to be of high significance. In this instance it will justify why it is choosing to do so.</p>
<p>Determining significance (Part II of the policy): This list is missing the degree to which a matter is consistent with an existing policy or plan. And the degree to which the community is already engaged in the matter and for which council is already aware of community views. (i.e. If council has pre-engaged and got a clear direction from the community the degree of significance of a decision may be lower.)</p>	<p>All of these matters are contained in the policy under the heading "Engagement expectations". They are reasons why the Council may not need to engage (further) but they are not measures of significance.</p> <p><i>Recommendation: Decline</i></p>
<p>Some strategic assets on this list are not yet in the ownership of Council (WHL and Hokitika Airport).</p> <p>Does the Council want the smaller reticulated water schemes to be</p>	<p>The Council currently owns shares in Westland Holdings Limited and the Hokitika Airport and considers these to be Strategic Assets in regard to section 5 of the LGA; i.e. it needs to retain these assets in order to promote the outcome in its own vision of delivering core services that meet community expectations and demonstrate value and quality.</p> <p>A rework of the description of the water, wastewater and stormwater assets descriptions is appropriate in order to match it with adjoining local authorities' descriptions. The items will still however be inclusive of all parts of each network. It is not an onerous responsibility for the Council to ensure that proper consultation process is followed for</p>

<p>included as a strategic asset?</p> <p>Does the Council want all stormwater assets to be considered as a strategic asset?</p> <p>Elderly Housing: Council doesn't own the units yet, also has implications on social policy if these are listed as strategic assets in the future.</p>	<p>Strategic Assets. Routine maintenance and planned for capital expenditure are always included within an LTP or Annual Plan and this ensures that the SCP has already been undertaken. Any significant changes in approach should, and will, be re-consulted on with the public.</p> <p><i>Recommendation: Accept in part. The wording in the Strategic Assets list for the three waters activities has been altered to reflect the wording used by adjoining Councils.</i></p> <p>The Council owns 46 elderly housing units in this District.</p>
<p>The draft procedures imply that there is a more detailed assessment elsewhere.</p> <p>If the matter needs a page or two to assess it properly in the report then append it.</p>	<p>It will be more transparent for the Council to have the full officer assessment appended to the report, rather than a summary.</p> <p><i>Recommendation: Accept. This section of the SEP has been reworded to require the full assessment of significance to be included with the report.</i></p>
<p>The officer makes an assessment. A recommendation would then need to be included in the report itself. Perhaps it should also state that unless changed by resolution this assessment will be the extent of engagement that will be undertaken.</p>	<p>This will provide more clarity.</p> <p><i>Recommendation: Accept. This section of the SEP has been reworded to require that the officer report include an assessment about the extent and type of community or stakeholder engagement and then also a recommendation to Council.</i></p>
<p>Part IV, Section 3 (c) & (d) does not fully cover all of the matters within the policy. Suggest delete.</p>	<p>Correct; this does repeat components of the policy so is unnecessary, and is also only in summary, so would be misleading.</p> <p><i>Recommendation: Accept. Part IV Points 3(c), (d) and 4 (a) & (b) have been deleted from this part of the policy.</i></p>

Section 4 is normal Council decision making so doesn't need to be stated within this policy.	
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Appendix 4: The Significance and Engagement Policy (as amended by submission)

Westland District Council

SIGNIFICANCE & ENGAGEMENT POLICY 18 December 2015

(Comment: The legislation references in the headings have been added as per the submission received).

Part I

1. PURPOSE [LGA s76AA (2)]

- 1.1 The purpose of the Westland District Council's Significance and Engagement Policy (SEP) is —

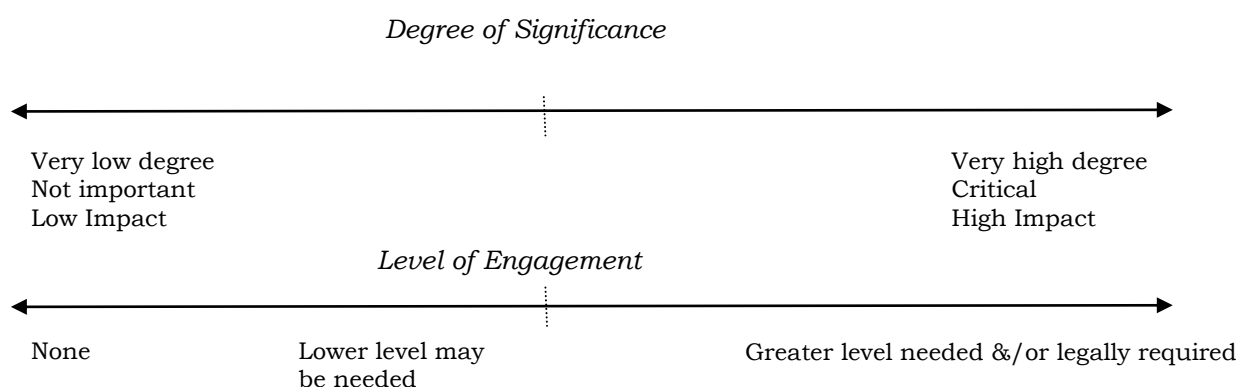
To enable the local authority and its communities to identify the degree of significance attached to particular issues, proposals, assets, decisions, and activities.

To provide clarity about how and when communities can expect to be engaged in decisions about different issues, assets, or other matters.

To articulate the relationship between the significance of a matter and the corresponding level of engagement of parties that is required.

- 1.2 The Council believes in the importance of having a (SEP) as it provides a useful and accountable decision making framework for both the Council and the community.

Figure 1.2 determining significance and engagement



- 1.3 **Significance**, in respect to this policy, is the degree of importance of an issue, proposal or decision as assessed by the local authority, in terms of its likely impact on and likely consequences for –

- The district or region.
- Any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter.

- The capacity of the local authority to perform its role, and the financial and other costs of doing so.

A matter will be determined “*Significant*” if it has a “*high degree of significance*”. This is in accordance with the Local Government Act 2002 (LGA), section 5.

- 1.4 **Engagement**, in respect to this policy, is a process that can be undertaken at the outset, throughout, or at points during a decision-making process in order to inform the Council and to allow potentially affected parties to identify options for addressing the matter.

The LGA definition and/or use of the terms “significant”, “significance” and “engagement” apply in regard to this policy. Unless otherwise stated, common dictionary definitions apply for other terms in this policy.

- 1.5 The Council has a Consultation Policy in place (adopted in 2005 and reviewed in 2012). Consultation is a process that generally occurs after a proposal has been formed i.e. the Council shares the formed proposal with parties and receives final feedback. A decision can then be made. Consultation is an additional requirement under legislation, including the Local Government Act, Resource Management Act, Reserves Act, Rating Act and Land Transport Management Act. This SEP does not replace the Council’s legal responsibility to consult.

2. GENERAL APPROACH [LGA s76AA (1)(a)]

- 2.1 Council’s decision-making about the degree of significance of an issue, proposal or decision will be guided by Part II of this Policy.
- 2.2 Council’s engagement practices will be guided by Part III of this Policy.
- 2.3 The Council will use the Special Consultative Procedure (SCP) whenever it is specifically required to by the LGA or other legislation.
- 2.4 Whenever a matter is identified by the Council as being of high significance, it will use the SCP procedure as a minimum procedure for consultation. It will undertake what it considers to be a corresponding high level of engagement about the proposal.
- 2.5 The Council will apply the principles of LGA section 82 in other instances of consultation.
- 2.6 The Council may choose to undertake engagement and/or consultation on occasions other than when a matter has been determined to be of high significance. In this instance it will justify why it is choosing to do so.

(Comment: The section above has been re-ordered as per the feedback provided - that it was unclear).

Part II

1. DETERMINING SIGNIFICANCE [LGA s76AA (1)(b)]

1.1 As per the LGA, section 5; a matter is “significant” if it has been determined to have a high degree of significance. The following list provides key questions that will help assess the overall degree of significance of a matter:

- a. Does it involve a Council strategic asset? The LGA states that it is a significant decision to transfer ownership or control, or to construct, replace or abandon a strategic asset.

[The Council’s *Strategic Assets* are listed below].

- b. What is the impact on Council’s levels of service, rates and/or Council debt?
- c. How will the action or decision promote the Council’s Vision or other priorities of Council, and to what degree?
- d. What is the degree of impact on the community, individuals or groups?
- e. Is there a likely impact on Maori cultural values and their relationship to land and water?
- f. Is there a high degree of public interest?
- g. Could the action or decision have significant consequences? The action itself may be minor but what will the outcome be.
- h. Is it a reversible decision? The more difficult an action or decision is to reverse, generally the higher the significance is.

2. COUNCIL’S STRATEGIC ASSETS [LGA s76AA (3)]

2.1 The LGA, section 76 AA (3) requires that the SEP must list the assets considered by the local authority to be Strategic Assets. These assets must be considered to be of high significance and as such corresponding engagement and consultation practices followed by the Council if transfer ownership or control of a strategic asset, or a decision to construct, replace or abandon a strategic asset is proposed.

2.2 The LGA, section 5, defines Strategic Assets as being the asset or group of assets held (owned) by the Council that it needs to retain if it is to maintain the capacity to achieve or promote an outcome that it determines to be important to the current or future well-being of the community.

- Westland Holdings Limited
- Hokitika Airport
- Urban roads, rural roads, bridges, footpaths
- Water, treatment, storage and reticulation network
- Wastewater reticulation and treatment facilities
- Stormwater reticulation
- Elderly person housing units
- Cass Square
- Community Reserves
- Community Halls
- Community Domains
- Hokitika Cemetery
- Kumara Cemetery
- Ross Cemetery
- Hokitika Museum/Carnegie Building
- Public Toilets
- Jackson Bay Wharf
- Westland District Library
- Council Headquarters
- Hokitika Swimming Pool
- Ross Swimming Pool

(Comment: These three are the same assets as per the draft policy but they have been reworded to align with the descriptions used by adjoining Councils)

Part III

1. ENGAGEMENT EXPECTATIONS [LGA s82 (3) & (4)]

- 1.1 The Council will engage with parties *unless* it is unnecessary, inappropriate or impossible to do so. That is; a case must be proven in order to decide to not engage and it may be because of one or more of the following factors:
- a. The Council can demonstrate that it already has a sound understanding of the views and preferences of the persons likely to be affected by or interested in the matter
 - b. There is a need for confidentiality or commercial sensitivity
 - c. The costs of engagement or consultation outweigh the benefits of it
 - d. The matter has clearly already been addressed by the Council's policies or plans, which have previously been consulted on
 - e. An immediate or urgent response or decision is needed so that it is not reasonably practicable to engage
 - f. Works are required unexpectedly, or following further investigations, on projects that have already been approved by the Council

- g. It is business as usual i.e. the works required are related to the operation and maintenance of a Council asset and responsible management requires the works to take place.

- 1.2 In instances where active engagement with parties is not going to occur, Council officers still must give consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter.

2. APPROPRIATE FORMS OF ENGAGEMENT [LGA s76AA (1)(c)]

- 2.1 The Westland District encompasses a large geographic area; townships can be several hours drive from one another and there are many dispersed rural communities. This impacts on how the Council can effectively hold conversations with its citizens.
- 2.2 Ngai Tahu Iwi is an important identity to engage with over many matters as are the two Runanga within the Council District boundaries; Te Runanga o Ngati Waewae and Te Runanga o Makaawhio. The Council's relationship with Westland Iwi and Runanga should remain fluid and evolve in accordance with these organisations' preferences. Although all of the SEP processes do include the engagement of Iwi and Runanga, a separate and more specific policy or agreement should also be developed with Iwi and Runanga about different kinds of Council decision-making.
- 2.3 The Council must also be mindful of tangata whenua in the District and whether an issue could be of importance to Maori people.
- 2.4 The Council believes it is important that it has a presence across the District and in particular that elected representatives and staff are active in all of its communities. Successful engagement exercises have been achieved when they were structured around having the conversations in the community that the issue affected, rather than expecting the community to come to Hokitika. If it is a District wide issue then careful consideration is required about how best to distribute messages and be positioned to receive feedback.
- 2.5 Some communities in the Westland district do not have broadband internet coverage so this limits electronic communications.

3. IN DETERMINING APPROPRIATE FORMS OF ENGAGEMENT, THE COUNCIL WILL: [LGA s76AA (1)(d)]

- 3.1 Recognise the relationship between determining the significance of an issue and the level and type of engagement that will be required.

- 3.2 Select engagement processes and methods that are appropriate to the stakeholders that will be involved (including the public's time commitment and travel requirements, location of information and/or meetings).
- 3.3 Ask potentially interested parties if they consider themselves to be stakeholders and/or how they would like to provide input into the development of the proposal.
- 3.4 Be responsive to new methods identified by stakeholders for better engagement.
- 3.5 Bear in mind Council and other agency engagement initiatives that are underway, planned or likely to occur soon in the District. Combined initiatives will be utilised where appropriate so as to achieve efficiencies and avoid the public experiencing engagement / consultation fatigue.
- 3.6 Determine whether the Council already holds relevant information from the public or key stakeholders about the matter (from previous engagement or consultation efforts) and can utilise it instead of initiating another round of conversations.
- 3.7 Recognise the possible role of stakeholders and contacts Council already has a relationship with, including the Iwi, Runanga, resident and community associations, business and industry representative groups.
- 3.8 Provide reasonable access to free information and reasonable methods for the public and key stakeholders to be able to respond (timeframes and suitable forms of submission).
- 3.9 Consider the best use of Council money and other resources to achieve the chosen engagement plan.

Part IV

1. PROCEDURE [LGA 76AA (2)(b) & (c)]

1.1 The procedure for determining the level of significance and the corresponding engagement required:

- 1.1.1 In the first instance Council Officers will be responsible for assessing a matter to determine its level of significance, in accordance with Part II of this Policy.

[To facilitate this operational process, the Council may choose to provide staff with a template, separate to but based upon Part II of this policy].

1.1.2 Council Officers will then consider the corresponding extent and type of engagement that should occur, in accordance with Part III of this Policy. In general, the more significant an issue, the greater the need for community or stakeholder engagement.

1.1.3 Any matter will be reported to the Council if it requires a Council decision to be made. The report will include –

- a. An assessment of significance.
- b. An assessment about the extent and type of community or stakeholder engagement that should occur.

(Comment: A section has been deleted from here as per feedback provided – i.e. it repeated part of the policy but only in summary so it was unnecessary and/or misleading).

2. THIS POLICY MAY BE AMENDED FROM TIME TO TIME [LGA s76AA, 4&5]

2.1 If the Council wants to amend this policy, it will consult in accordance with the Local Government Act, section 82, unless a decision is recorded that it “considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved.”

3. DEVIATION FROM THIS POLICY [LGA s76AA, 6]

3.1 If the Council wishes to deviate from this policy it will follow the requirements of the Local Government Act, section 80, clearly identifying the inconsistency and the reasons for not following this policy, and stating any intention to amend the policy to accommodate the decision.